Comprehensive Mideast Hotel Industry Update

The SHARE Center

Supporting Hotel And Real Estate Education

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PPT available as a resource, shood@str.com

STR by the numbers - optional

20+ offices
400+ employees

85,000 hotel customers globally (properties)

22 million rooms on the platform

Data from **200** countries (2400 submarkets)

- Recognized as the global leader in hotel data

- Nearly 250K hotels in our census database

- STR delivers data that is confidential, accurate and actionable

- Founded in 1985, over 39 years of experience

- Participation of almost all hotel chains, nearly 80% of chain hotels
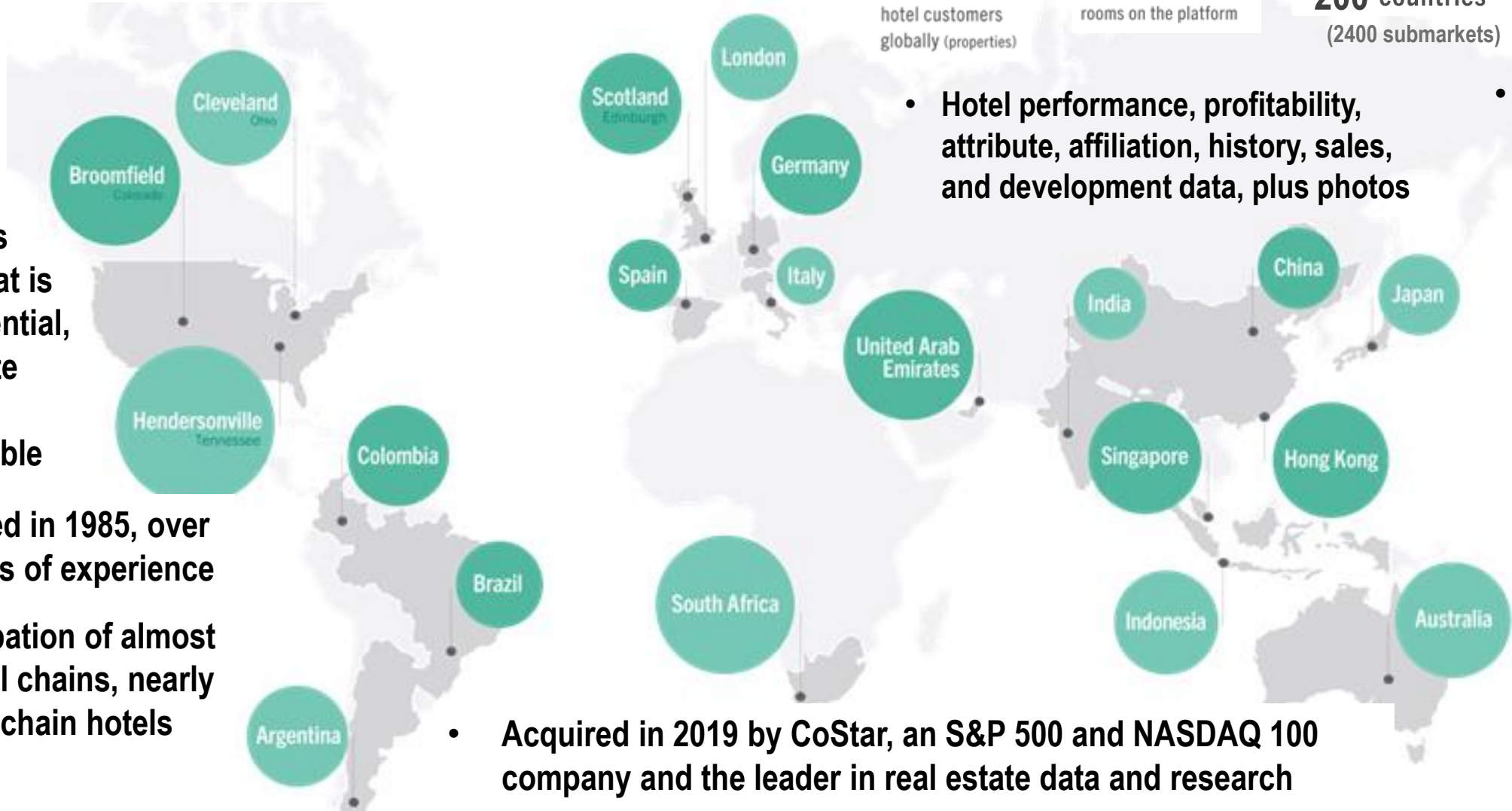
- Hotel performance, profitability, attribute, affiliation, history, sales, and development data, plus photos

- STR provides data benchmarking, analytics, and marketplace insights to hotels, hotel companies, tourism organizations, consulting firms and many other businesses

- Acquired in 2019 by CoStar, an S&P 500 and NASDAQ 100 company and the leader in real estate data and research

- Real Estate data available for US, UK, & Canada, also France, Germany, & Spain, now expanding through Europe

Map location labels: Cleveland Ohio, Broomfield Colorado, Hendersonville Tennessee, Colombia, Brazil, Argentina, Scotland Edinburgh, London, Germany, Spain, Italy, United Arab Emirates, South Africa, India, China, Japan, Singapore, Hong Kong, Indonesia, Australia

CoStar Group™

CoStar Group™
SHARE CENTER

CoStar™   **STR**

Mission

- Serving Real Estate, Hotel, and Tourism schools around the world
- Data for academic research, for use in the classroom, and for student projects
- Free access to CoStar, the largest online source of hotel and real estate data
- Four student certifications focused on industry analytics (CHIA, CAHTA, Revenue Management)
- Additional training programs, student competitions, train-the-trainer sessions, industry updates, and research roundtables
- Committed to bridging the gap between industry and academia

History

- Launched in 2011 by STR
- Expanded in 2021 to support Real Estate schools as CoStar SHARE Center Involved with 1,000 universities from 90 countries
- Assisted over 7,500 professors
- Conducted over 250 training workshops
- Certified nearly 50,000 students, professors, and industry professionals
- Data used in nearly 500 peer-reviewed academic research articles
- Partnered with nearly 100 industry organizations and academic associations

*Supporting Hotel And Real Estate Education*

Data for Research & Student Projects

1. Hotel <u>Performance</u> (Occupancy, ADR, RevPAR, raw) data

2. Commercial Real Estate (CRE) Performance data (office, industrial, retail, apartment; vacancy, rent, …)

3. Hotel and CRE <u>Profit & Loss</u> data (annual & monthly profitability)

4. Hotel and CRE <u>Property Attribute data</u> (including pipeline projects)

5. Hotel & CRE Industry Statistics (property and room/SF/unit counts)

6. User-defined Destination reports (local weekly/monthly performance)

7. Hotel & CRE Forecast data/reports

8. Hotel and CRE Property Sales Transaction data

9. CRE Leasing and Tenant data

10. Additional: Economic, Demographic, Loan & Lending, REIT, Fund, Forward Looking

Professors and students can access this data for industry segments or specific groups of properties anywhere in the world.

STR data has been utilized in 500 academic research journal articles

The new CoStar product

- **Dynamic, online access** to the world's largest source of hotel (and real estate) data in a contemporary, state of the art user interface

- **Immediate availability to data**: hotel performance data (instant Trend reports), property attributes/history, photos, pipeline, sales/transactions, economics, demographics

- <u>**Free subscriptions**</u> <u>available for professors and students.</u>

- **Perfect for use** in the classroom, student projects, for preliminary research, and more (mobile app).

- Work with the **same program that 250K STR customers** are using to analyze data and make decisions.
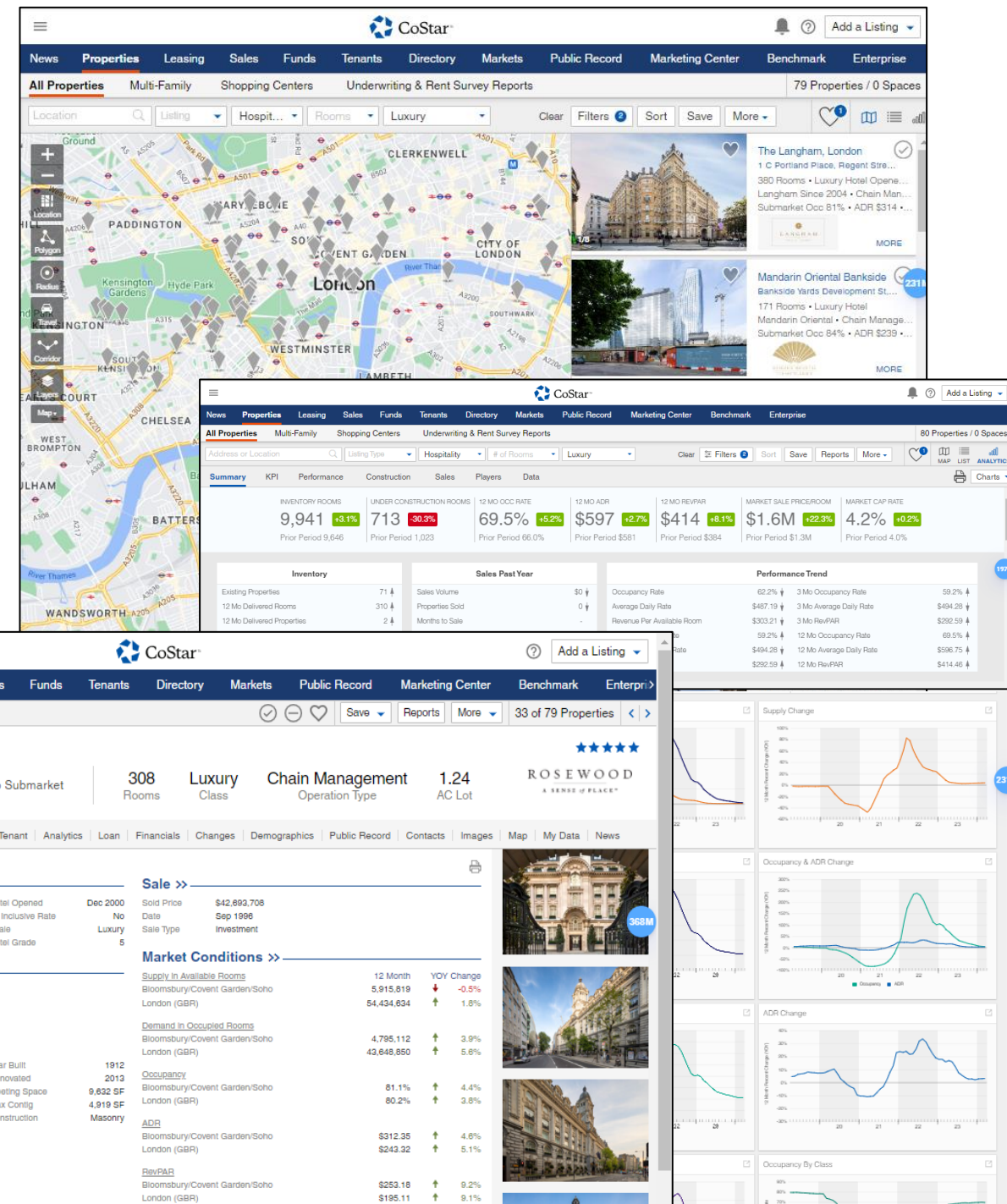
SHARE Center Training Resources

- **Four Analytics-Related Industry Certifications for Students**
  1. Certification in <u>Hotel Industry Analytics</u> (CHIA), plus Recertification
  2. Certification in <u>Advanced Hospitality & Tourism Analytics</u> (CAHTA)
  3. <u>Revenue Management</u> Student Certification (RMC)
  4. CoStar <u>Real Estate Analytics</u> Certification (CREA)

- **"Industry Essentials" Training Programs**
  1. Introduction to <u>Big Data</u> in the Hotel and Tourism Industry
  2. Hotel and Tourism Industry <u>Stakeholders</u>
  3. Hotel and Tourism Industry <u>Geography</u>
  4. Hotel Industry <u>Branding</u>
  5. Introduction to Hotel <u>Development</u>
  6. Hotel Industry Current Trends and <u>Hot Topics</u>

STR CoStar™

Middle East Hotel Counts: Countries, Cities, Companies, Chains, and Scales

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Continents and Subcontinents - Counts

- **Property and Room Counts for each continent & subcontinent (UNWTO definitions):**

Continent	Sub-Continent	Hotels	Rooms
Americas	Caribbean	2,118	283,217
	Central America	1,360	75,161
	North America	75,729	6,566,619
	South America	6,928	581,037
Asia Pacific	Australia & Oceania	8,422	427,653
	Central & South Asia	7,444	452,125
	Northeastern Asia	36,911	5,276,025
	Southeastern Asia	11,179	1,305,231
Europe	Eastern Europe	7,473	639,841
	Northern Europe	19,806	1,118,616
	Southern Europe	27,586	2,296,808
	Western Europe	31,361	1,883,555
Middle East & Africa	Middle East	3,304	508,726
	Northern Africa	1,769	339,499
	Southern Africa	3,521	256,429
TOTAL WORLD		244,911	22,010,542

As of Sept 2024

Middle East and Africa Continent

Middle East
Afghanistan
Bahrain
Iran
Iraq
Jordan
Kuwait
Lebanon
Oman
Qatar
Saudi Arabia
Syria
UAE
Yemen

Northern Africa
Algeria
Burkina Faso
Chad
Djibouti
Egypt
Eritrea
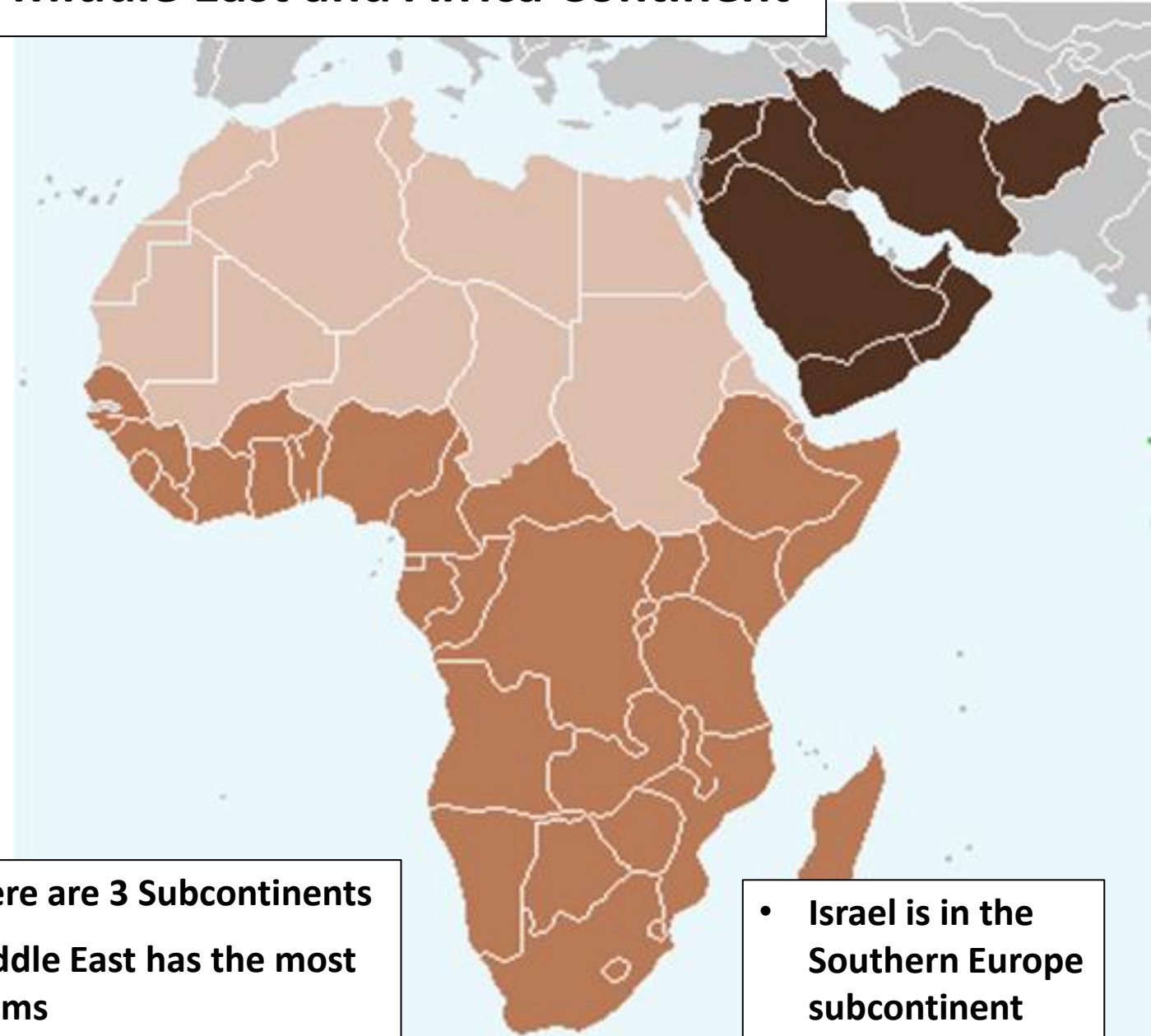Libya
Mali
Morocco
Mauritania
Niger
Sudan
Tunisia

Southern Africa
Angola
Benin
Botswana
Burundi
Cameroon

Southern Africa (cont.)
Cape Verde
Central African Republic
Comoros
Congo
Cote d'Ivoire
Democratic Rep. of Congo
Equatorial Guinea
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Nigeria
Reunion
Rwanda
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Somalia
South Africa
Swaziland
Tanzania
Togo
Uganda
Zambia
Zimbabwe

- There are 3 Subcontinents
- Middle East has the most rooms

- Israel is in the Southern Europe subcontinent

Middle East Subcontinent Hotel Map and Countries

14 Countries	Hotels	Rooms
United Arab Emirates*	1,073	209,867
Saudi Arabia*	1,120	159,313
Qatar*	195	39,915
Oman*	259	23,206
Jordan	213	20,455
Bahrain*	162	18,631
Kuwait*	70	9,992
Lebanon	92	8,747
Syria	29	6,123
Iraq	43	5,506
Iran	19	3,515
Palestinian Territories	12	1,754
Yemen	10	944
Afghanistan	7	758

- There are 14 Countries in the Mideast

- * The GCC (Gulf Cooperation Council) includes 6 countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE

- There are 3,307 Hotels and 509,605 Rooms in the Mideast

Middle East Market Map and Markets

- Due to the small sizes, almost all countries in the Mideast only have one market equivalent to the country

- United Arab Emirates does have three markets, two below for the two largest cities and one for all other

Country	Markets	Hotels	Rooms
UAE	Dubai	710	149,247
UAE	Abu Dhabi	138	30,594

- **There are 16 Markets in the Mideast**

Source: STR. © 2023 CoStar Group   12

Middle East Submarket Map and Cities

- Remember the two largest cities in the Mideast are the markets of Dubai and Abu Dhabi in UAE

- Additional Mideast cities are identified by Submarkets

- There are 19 Mideast cities listed as Submarkets in order by size on the next slide

- The smallest countries in the Mideast (Iran, Iraq, Palestine, Syria) only have one submarket equivalent to the country

- All other countries have a "Regional" Submarket for hotels outside the big cities

- **There are 43 Submarkets in Mideast**

Mideast Submarkets – these are smaller cities

Country	Submarkets	Note	Hotels	Rooms
Saudi Arabia	Makkah	religious, largest in KSA	96	56,261
Saudi Arabia	Riyadh	business/government, capital	163	23,571
Saudi Arabia	Medina	religious	77	22,686
Bahrain	Manama	capital	152	17,640
Qatar	Doha North & West Bay		51	17,514
Qatar	Doha Centre	combined = 2nd largest city, capital	106	16,546
Saudi Arabia	Jeddah	business	118	14,187
Oman	Muscat	capital	128	13,673
Jordan	Amman	capital	161	13,533
United Arab Emirates	Sharjah	3rd largest in UAE	86	10,131
Kuwait	Kuwait City	capital	59	8,598
Saudi Arabia	Al Khobar	5th largest in KSA	52	7,967
United Arab Emirates	Ras Al-Khaimah	4th largest in UAE	46	7,594
Qatar	Doha West/Al Rayyan/Qatar Regional		38	5,855
Lebanon	Beirut	capital	60	5,797
United Arab Emirates	Fujairah		33	5,105
Saudi Arabia	Dammam		70	4,539
Oman	Salalah Area		32	4,080
United Arab Emirates	Ajman		17	2,474

- *Excludes "Regional" submarkets, also three submarkets for Doha: Centre, North, and West*

Mideast – Chains, Companies, and Scales

Top 25 Chains	Hotels	Rooms
Hilton	23	9,204
Millennium	26	8,507
Movenpick	31	8,238
Rotana	25	7,934
InterContinental	26	7,259
Holiday Inn	26	7,124
Crowne Plaza	25	6,992
Radisson Blu	31	6,471
voco	8	6,468
Jumeirah	16	5,530
Novotel	17	5,301
Marriott	15	5,248
Le Meridien	16	5,026
DoubleTree by Hilton	18	4,902
Ramada	27	4,710
ibis	18	4,510
Swissotel	6	4,422
Pullman	9	4,239
Sheraton Hotel	13	4,215
Fairmont	10	4,103
Four Points by Sheraton	11	3,757
Sofitel	11	3,724
Rove	10	3,535
Rixos	8	3,489
Ritz-Carlton	14	3,481

Top 15 Parent Companies	Hotels	Rooms
Accor	153	47,572
Marriott International	163	45,202
IHG Hotels & Resorts	106	31,751
Hilton Worldwide	86	25,023
Rotana Hotel Management Corporation PJSC	60	16,380
Millennium Hotels & Resorts (MHR)	50	14,610
Radisson Hotel Group	58	12,429
Wyndham Hotels & Resorts	57	10,242
Hyatt Hotels Corporation	31	8,325
Jumeirah International LLC	17	5,742
SAS Louvre Hotels Group	29	4,889
Emaar Hospitality Group LLC	18	4,355
Minor Hotel Group Limited	24	4,257
Rove Hospitality L.L.C	10	3,535
Premier Inn Hotels LLC	11	3,187

Scale	Hotels	Rooms
Luxury Chains	244	66,531
Upper Upscale Chains	259	74,077
Upscale Chains	308	78,315
Upper Midscale Chains	185	37,834
Midscale Chains	89	18,098
Economy Chains	81	4,418
Independents	2,141	230,332

Sample Countries:
UAE, Saudi Arabia, Qatar, & Israel – Markets, Submarkets, & Scales

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United Arab Emirates – Maps and Markets
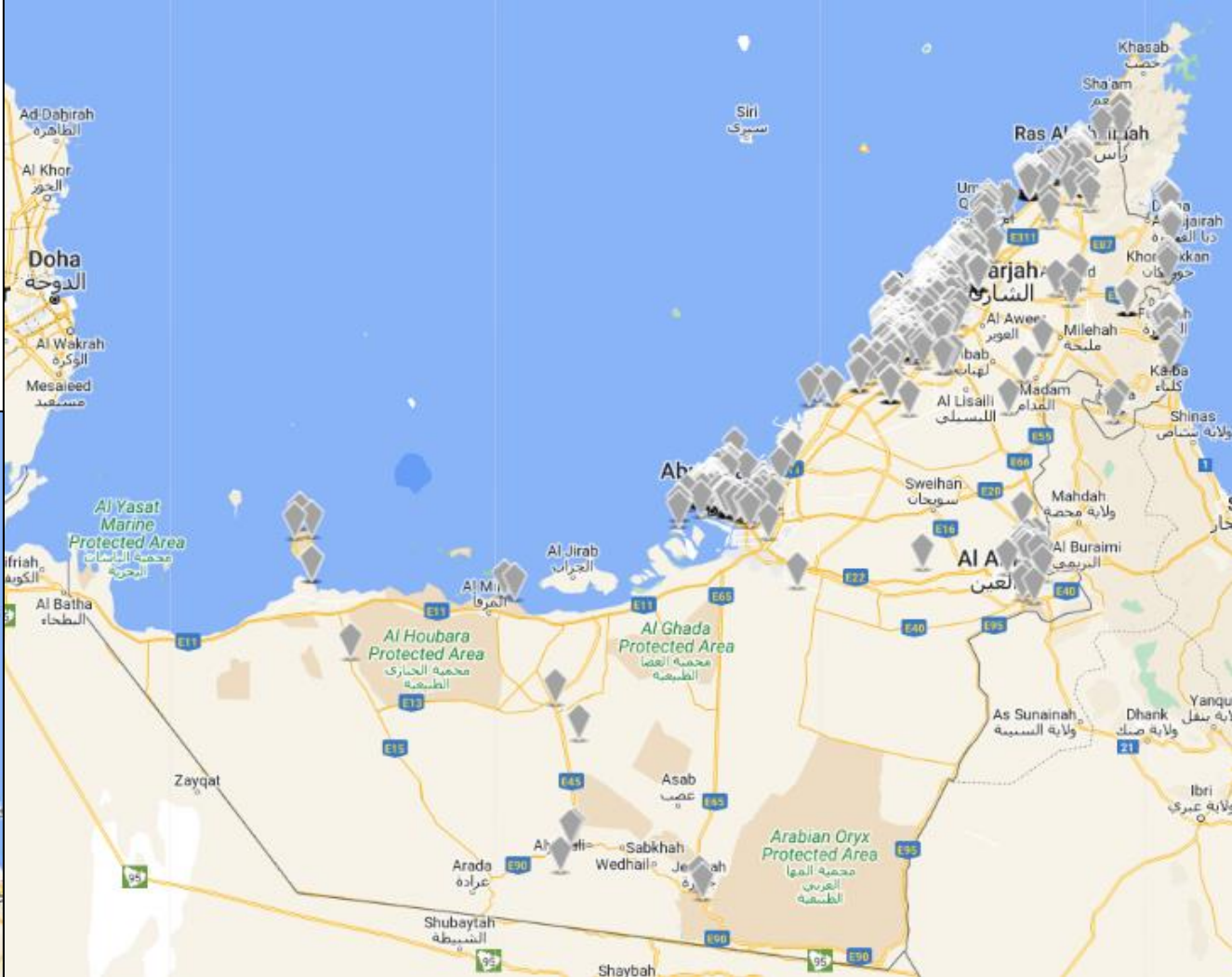
Market	Hotels	Rooms
Abu Dhabi	138	30,594
Dubai	710	149,247
UAE Provincial	225	30,026

Source: STR. © 2023 CoStar Group

United Arab Emirates – Submarkets and Scales

Market	Submarket	Hotels	Rooms
Abu Dhabi	Al Raha/Saadiyat/Yas	17	5,193
Abu Dhabi	Corniche & Downtown	93	18,088
Abu Dhabi	Exhibition Center & Suburbs	28	7,313
Dubai	Al Barsha/Media City/Tecom	92	20,772
Dubai	Bur Dubai	103	15,004
Dubai	Deira Centre & Deira Creek	198	24,658
Dubai	Downtown & Business Bay	54	16,467
Dubai	Dubai Creek/DXB Airpt/Festival City	57	15,081
Dubai	Dubai Surrounding	61	15,621
Dubai	Jumeirah Beach Residences & Marina	54	13,359
Dubai	Jumeirah Palm & Beaches	52	15,964
Dubai	Sheikh Zayed Road	39	12,321
UAE Provincial	Ajman	17	2,474
UAE Provincial	Fujairah	33	5,105
UAE Provincial	Ras Al-Khaimah	46	7,594
UAE Provincial	Sharjah	86	10,131
UAE Provincial	UAE Regional	43	4,722

Scale	Hotels	Rooms
Luxury Chains	119	34,199
Upper Upscale Chains	107	33,195
Upscale Chains	129	33,882
Upper Midscale Chains	73	17,813
Midscale Chains	43	10,957
Economy Chains	20	1,242
Independents	579	78,040

Saudi Arabia – Maps and Markets

Market	Hotels	Rooms
Saudi Arabia	1,120	159,313

Source: STR. © 2023 CoStar Group

Saudi Arabia – Submarkets and Scales

Market	Submarket	Hotels	Rooms
Saudi Arabia	Al Khobar	52	7,967
Saudi Arabia	Dammam	70	4,539
Saudi Arabia	Jeddah	118	14,187
Saudi Arabia	Makkah	96	56,261
Saudi Arabia	Medina	77	22,686
Saudi Arabia	Riyadh	163	23,571
Saudi Arabia	Saudi Arabia Regional	544	30,102

Scale	Hotels	Rooms
Luxury Chains	42	12,729
Upper Upscale Chains	69	21,554
Upscale Chains	95	26,997
Upper Midscale Chains	64	11,680
Midscale Chains	19	3,227
Economy Chains	27	1,435
Independents	804	81,691

Qatar – Maps and Markets

Market	Hotels	Rooms
Qatar	195	39,915

Doha

Qatar – Submarkets and Scales

Market	Submarket	Hotels	Rooms
Qatar	Doha North & West Bay	51	17,514
Qatar	Doha Centre	106	16,546
Qatar	Doha West/Al Rayyan/Qatar Regional	38	5,855

Scale	Hotels	Rooms
Luxury Chains	34	8,913
Upper Upscale Chains	31	8,390
Upscale Chains	24	5,249
Upper Midscale Chains	7	1,554
Midscale Chains	6	897
Economy Chains	1	122
Independents	92	14,790

Israel – Maps and Markets

Market	Hotels	Rooms
Israel Central	136	14,869
Israel Provincial	304	40,190

Israel – Submarkets, Scales, and Chains

Market	Submarket	Hotels	Rooms
Israel Central	Tel Aviv	108	12,212
Israel Central	Tel Aviv Surrounding	28	2,657
Israel Provincial	Eilat	48	10,286
Israel Provincial	Israel North Regional	121	11,580
Israel Provincial	Israel South Regional	37	6,230
Israel Provincial	Jerusalem	98	12,094

Scale	Hotels	Rooms
Luxury Chains	6	1,392
Upper Upscale Chains	7	1,588
Upscale Chains	39	4,628
Upper Midscale Chains	67	11,511
Midscale Chains	7	1,061
Economy Chains	0	0
Independents	314	34,879

Top 25 Chains	Hotels	Rooms
Isrotel	22	4,678
Leonardo Hotel	19	4,476
Brown Hotels	23	1,709
Prima	14	1,686
Astral	7	1,329
Ramada	3	709
Crowne Plaza	3	636
Selina	11	611
Hilton	1	560
InterContinental	1	555
NYX Hotel	2	369
Leonardo Boutique Hotel	3	357
Renaissance	1	340
Sheraton Hotel	1	320
Kempinski	1	250
Leonardo Royal Hotel	1	228
Waldorf Astoria	1	226
Ritz-Carlton	1	181
Autograph Collection	1	159
ibis	1	124
Luxury Collection	1	120
MGallery Collection	2	117
ibis Styles	1	104
Hotel Indigo	1	92
Tulip Inn	1	91

Global Overview with a focus on the Mideast

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YTD Occupancy barely growing – Mideast one of three positive

Occupancy, YTD September 2024 and % change to 2023

North America
64%
0%

Central America
63%
3%

South America
58%
0%

Europe
70%
1%

Northern Africa
59%
-2%

Middle East
67%
2%

Sub-Saharan Africa
57%
-1%

Mainland China
65%
-2%

Asia (excl. Mainland China)
67%
3%

Australia & Oceania
70%
2%

⬤ YTD 2024   ⬤ YTD % change YoY
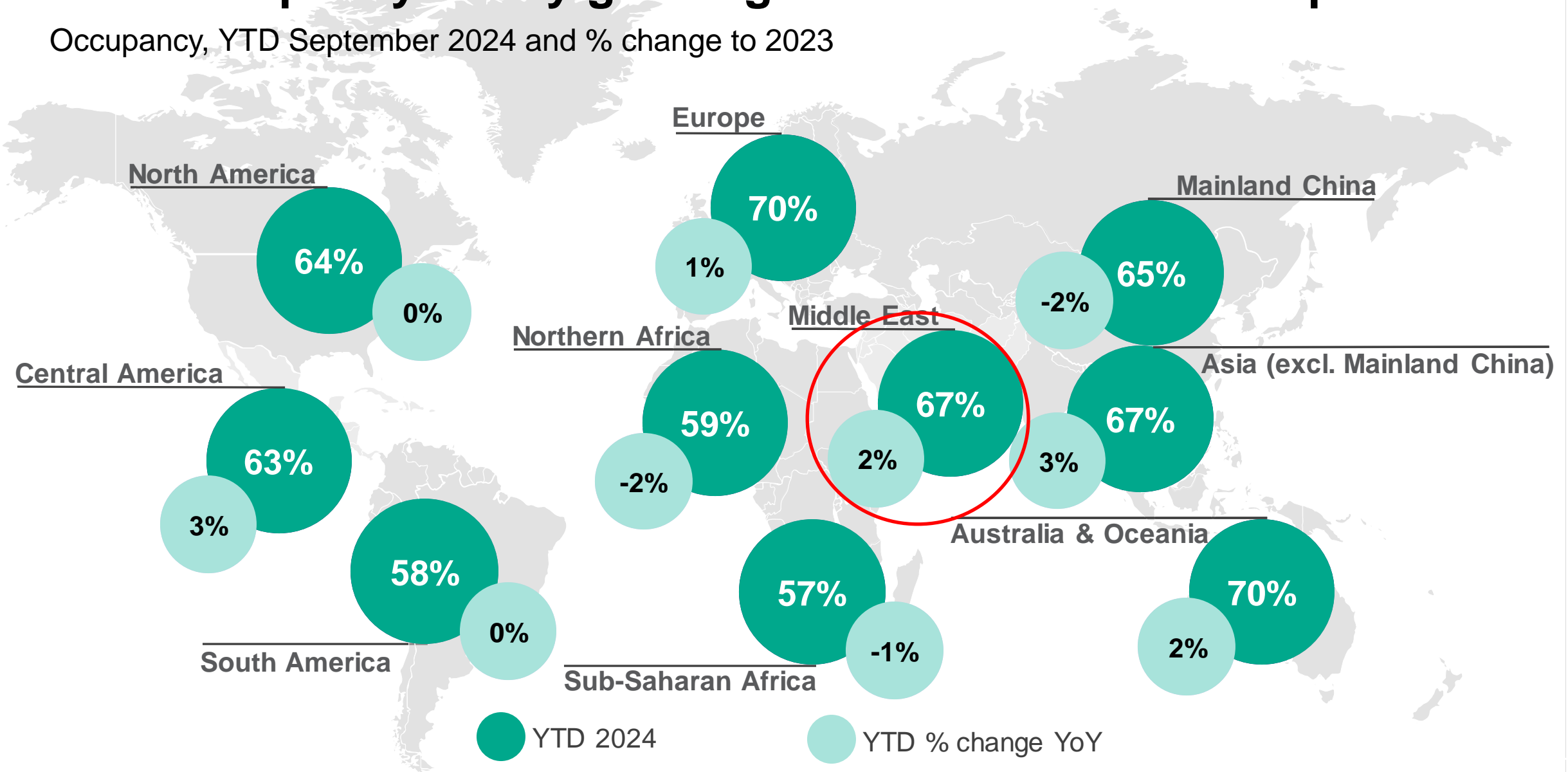
Compared to 2019, Mideast is almost only positive region

Occupancy, YTD September 2024 and % change to 2019

Europe 70% -3%

North America 64% -4%

Mainland China 65% -3%

Middle East 67% 3%

Northern Africa 59% -4%

Central America 63% 11%

Asia (excl. Mainland China) 67% -5%

South America 58% 0%

Sub-Saharan Africa 57% -2%

Australia & Oceania 70% -5%

● YTD 2024   ● YTD % change to 2019

STR   CoStar
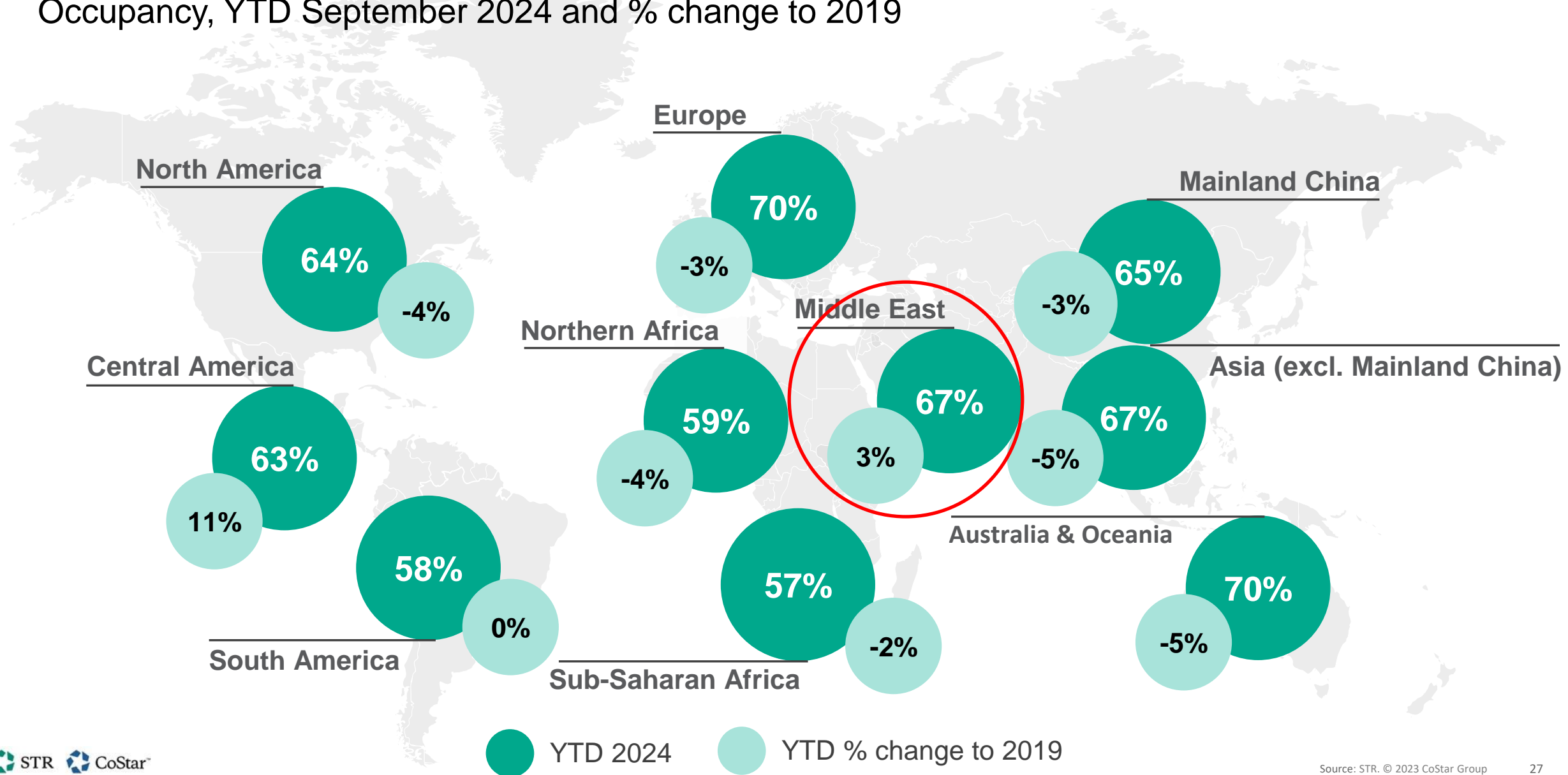
YTD ADR is still rising, but more slowly, Mideast lower than some

ADR, USD & CC, YTD September 2024 and % change to 2023

North America — 162, 2%

Central America — 173, 5%

South America — 112, 18%

Europe — 164, 5%

Northern Africa — 146, 25%

Middle East — 164, 3%

Sub-Saharan Africa — 141, 21%

Mainland China — 58, -4%

Asia (excl. Mainland China) — 126, 9%

Australia & Oceania — 160, 0%

● YTD 2024   ● YTD % change YoY
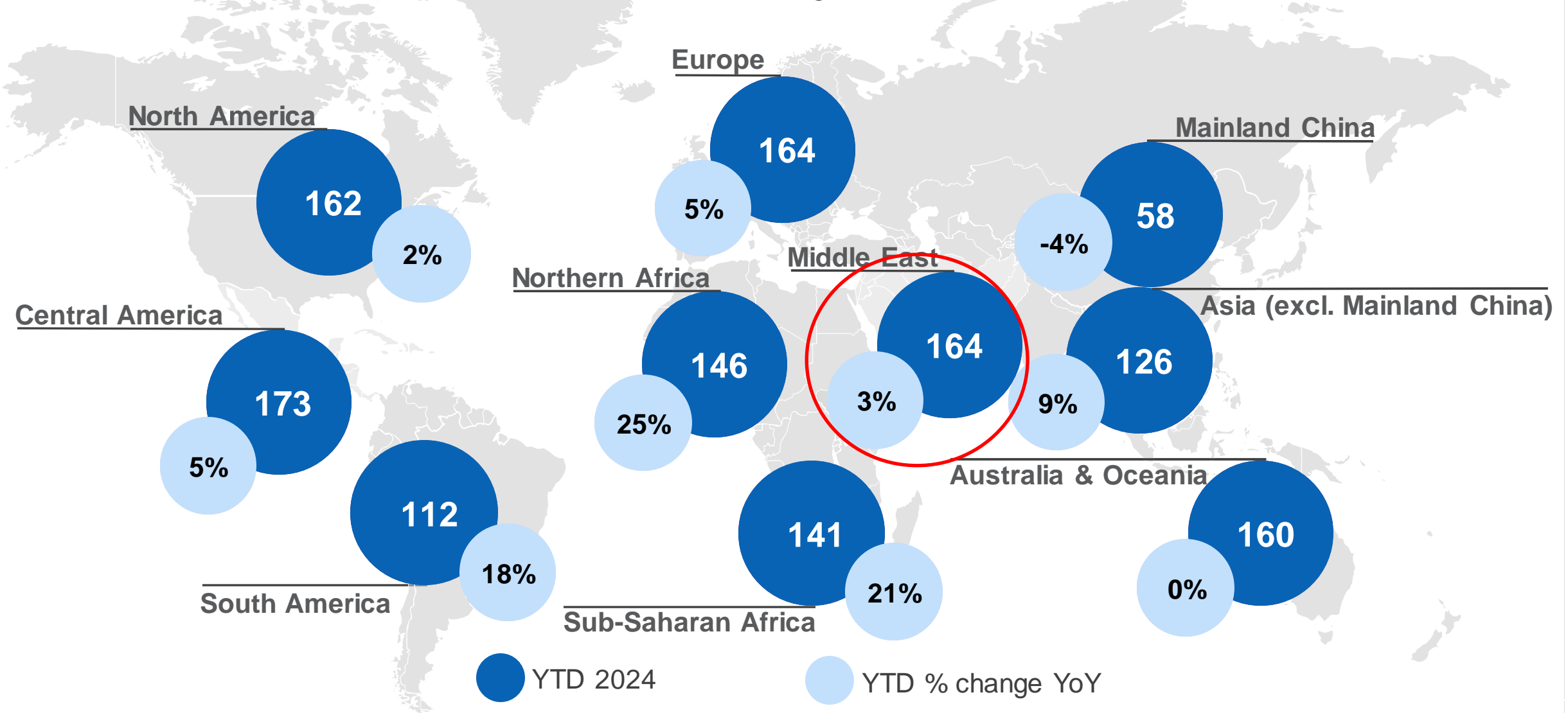
Significant increases compared to 2019, Mideast moderate

ADR, USD & CC, YTD September 2024 and % change to 2019

North America
162
22%

Central America
173
28%

South America
112
70%

Europe
164
35%

Northern Africa
146
120%

Sub-Saharan Africa
141
55%

Middle East
164
17%

Mainland China
58
-2%

Asia (excl. Mainland China)
126
29%

Australia & Oceania
160
28%

● YTD 2024   ● YTD % change YoY

STR CoStar
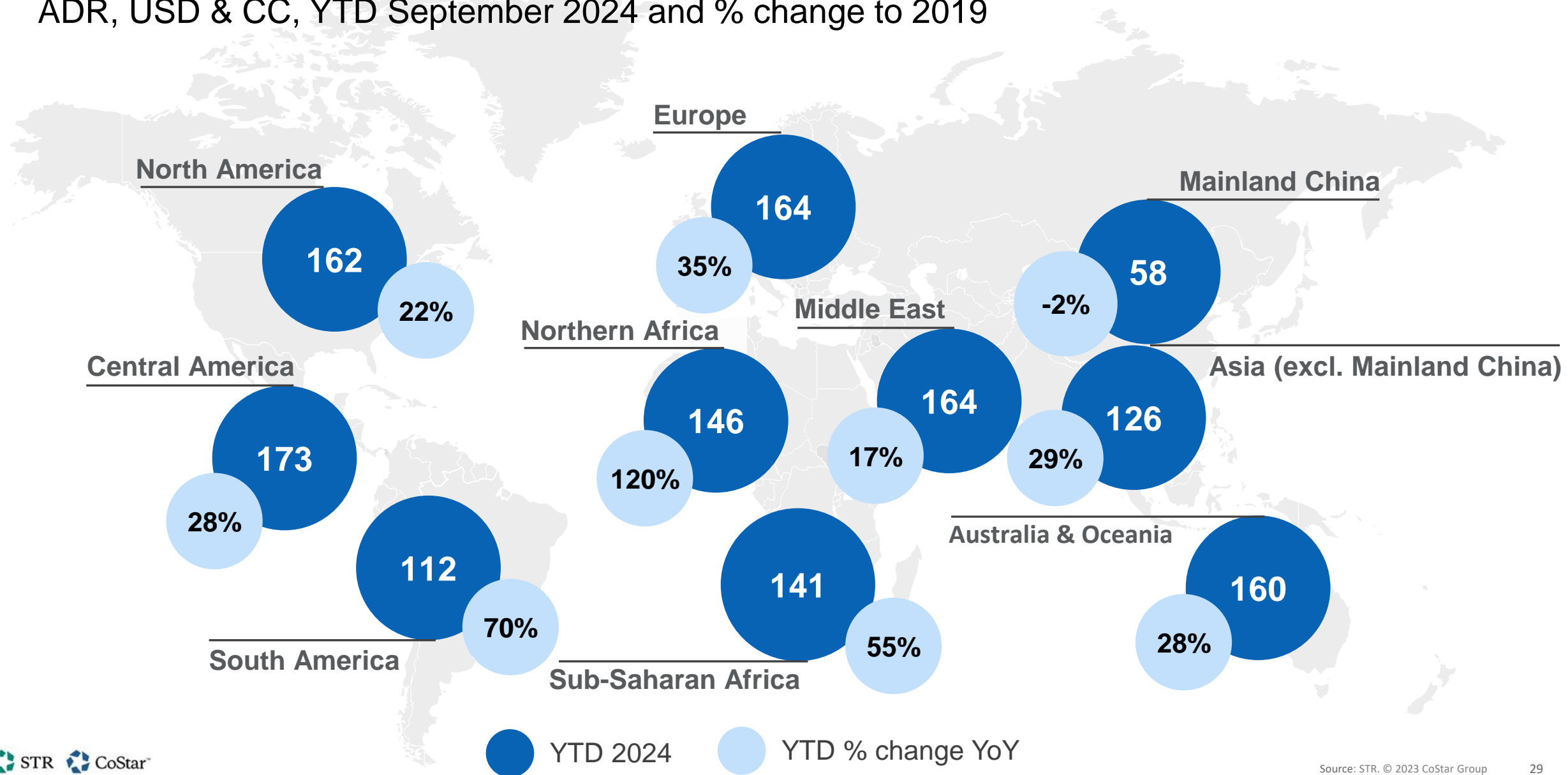
A lot has changed over the past 10 years - Supply

GCC countries, census room count, 2014 – YTD August 2024

Legend: United Arab Emirates, Saudi Arabia, Oman, Qatar, Bahrain, Kuwait

2014: 324k
2024 YTD: 461k 42%

STR CoStar
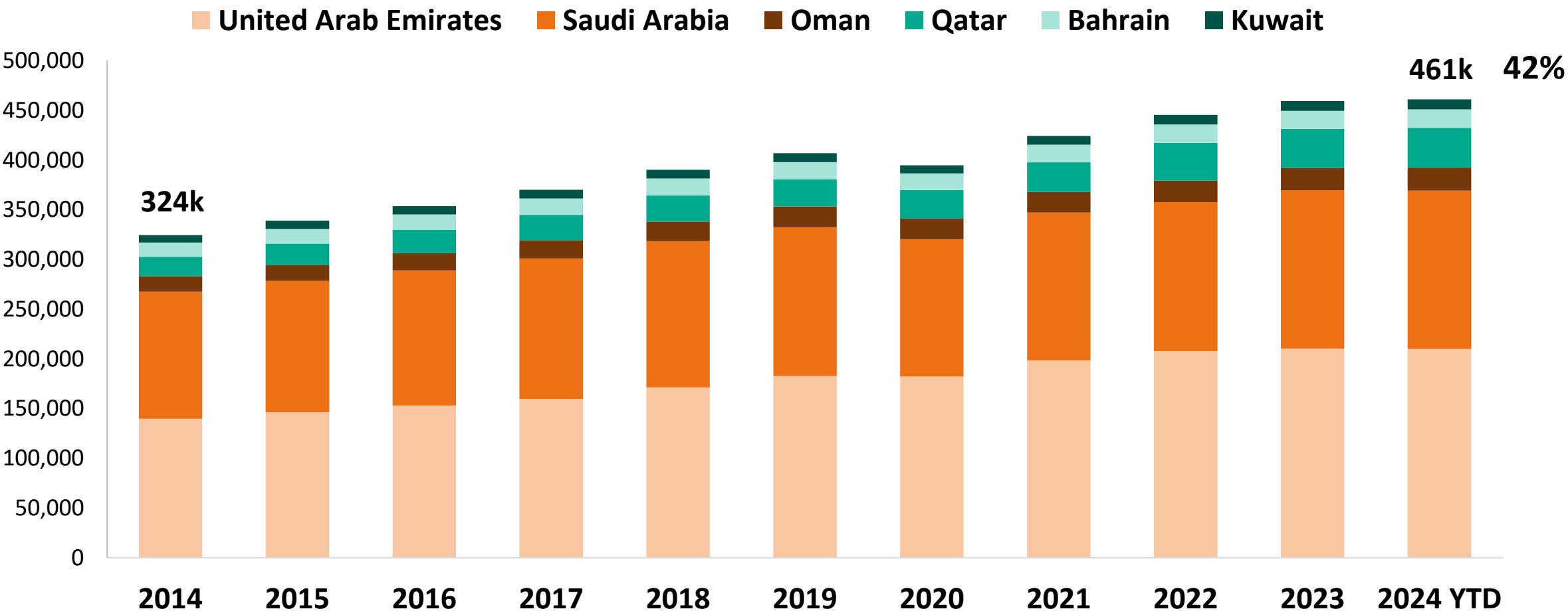
Demand followed a similar pattern to supply over the decade

GCC countries, supply and demand to January 2014 - YTD August 2024

COVID

Significant recovery
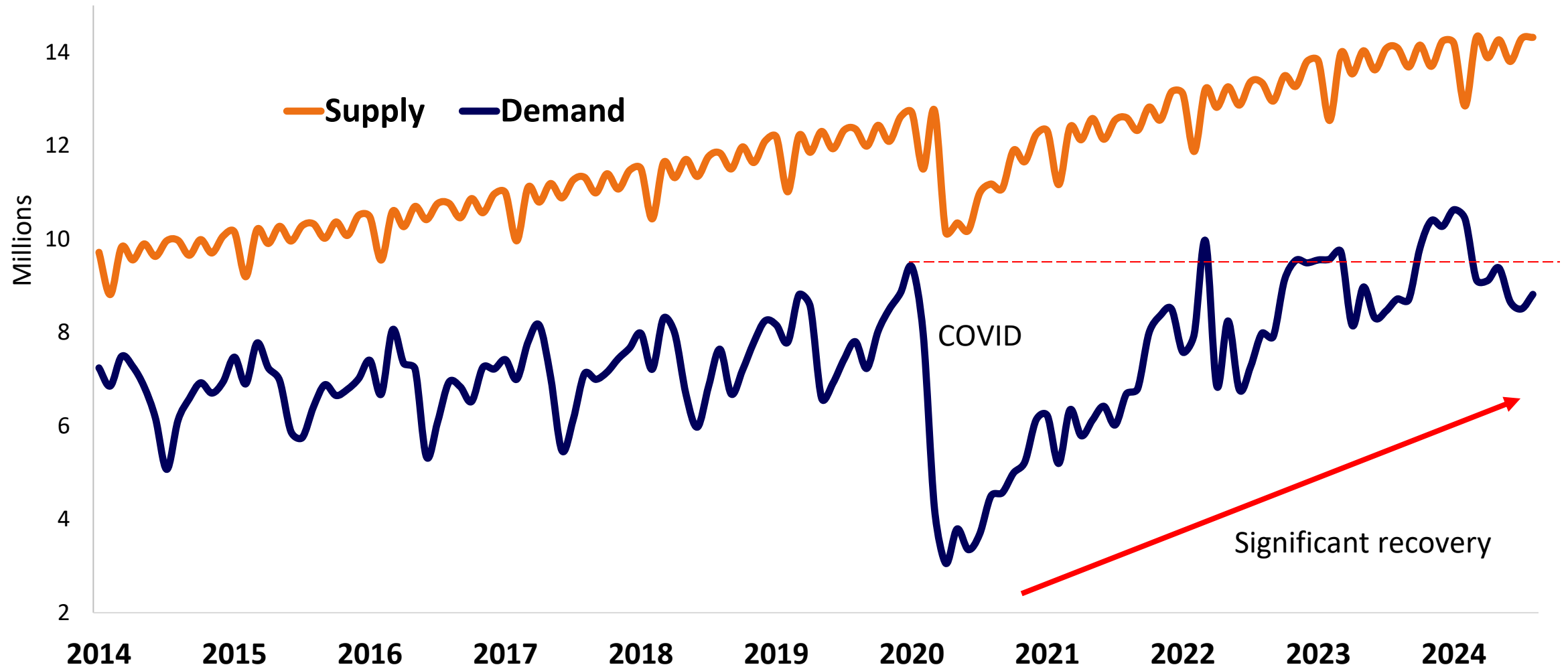
Demand tells the true story: the GCC is the new 'it' region

GCC countries, demand
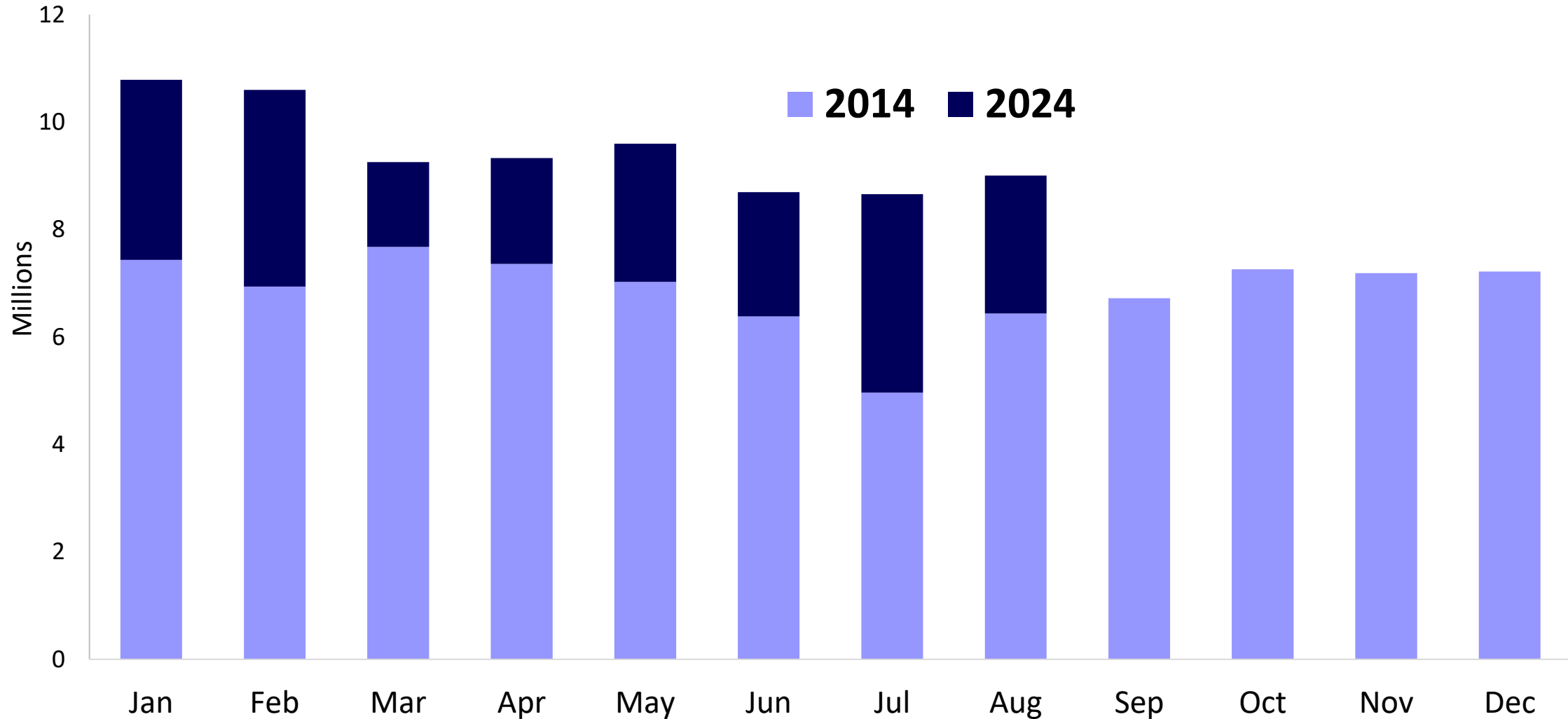
2-3 million room night increase

However GCC demand growth is decelerating

GCC countries, YoY % chg., Jan 2023 – Aug 2024
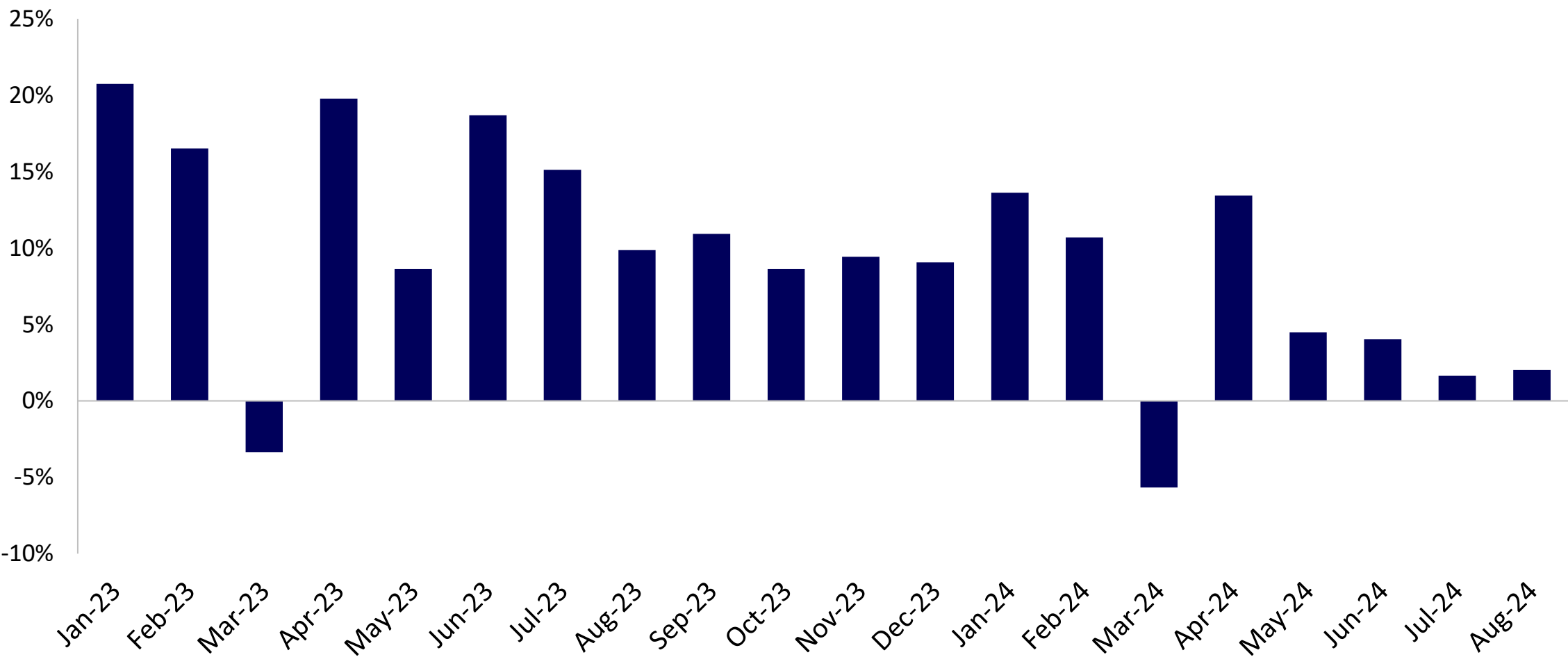
All that new supply has limited occupancy growth

GCC countries, occupancy
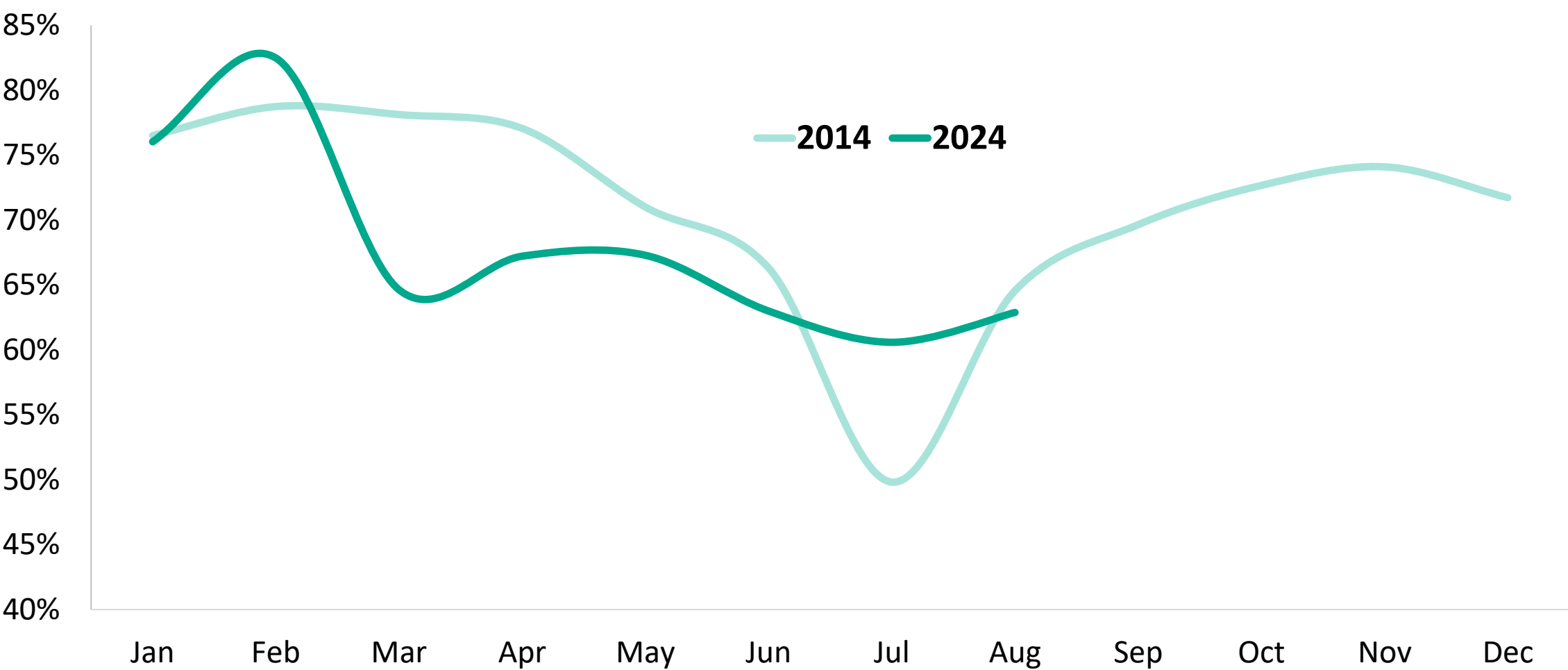
Mideast Historic Supply and Demand Trends

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Organization for Trend Data

Country Group 1	Hotels	Rooms
United Arab Emirates*	1,073	209,867
Saudi Arabia*	1,120	159,313
Qatar*	195	39,915

City Group 1	Submarkets	Hotels	Rooms
United Arab Emirates	Dubai	710	149,247
United Arab Emirates	Abu Dhabi	138	30,594
Saudi Arabia	Makkah	96	56,261
Saudi Arabia	Riyadh	163	23,571
Saudi Arabia	Medina	77	22,686
Saudi Arabia	Jeddah	118	14,187

Country Group 2	Hotels	Rooms
Oman*	259	23,206
Jordan	213	20,455
Bahrain*	162	18,631
Kuwait*	70	9,992
Lebanon	92	8,747

City Group 2	Submarkets	Hotels	Rooms
Bahrain	Manama	152	17,640
Qatar	Doha Centre	106	16,546
Oman	Muscat	128	13,673
Jordan	Amman	161	13,533
Kuwait	Kuwait City	59	8,598
Lebanon	Beirut	60	5,797

# Mideast Countries Group 1 – Actual Supply
Running 12-month data Room Nights Available – January 2000 to September 2024
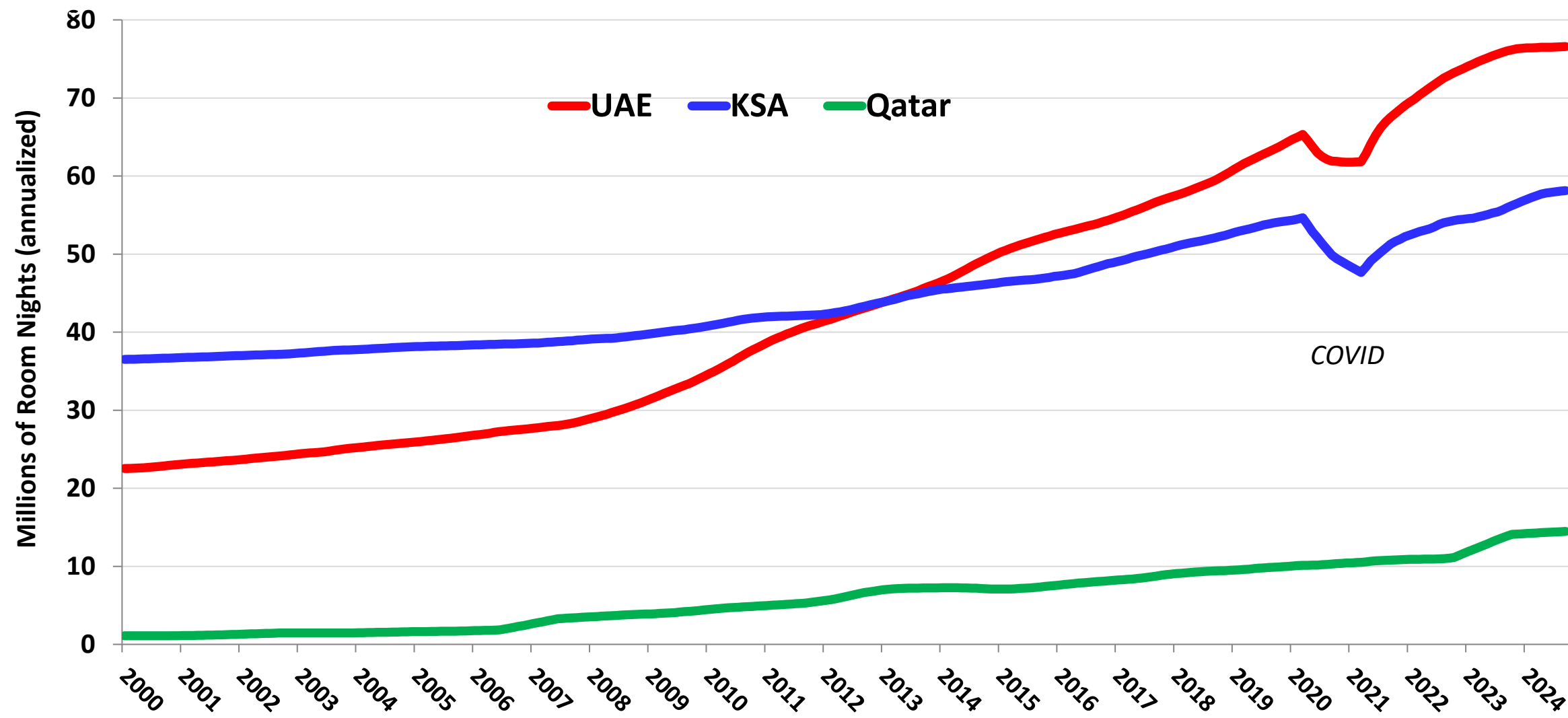
All three increasing, UAE more pronounced, Qatar significant
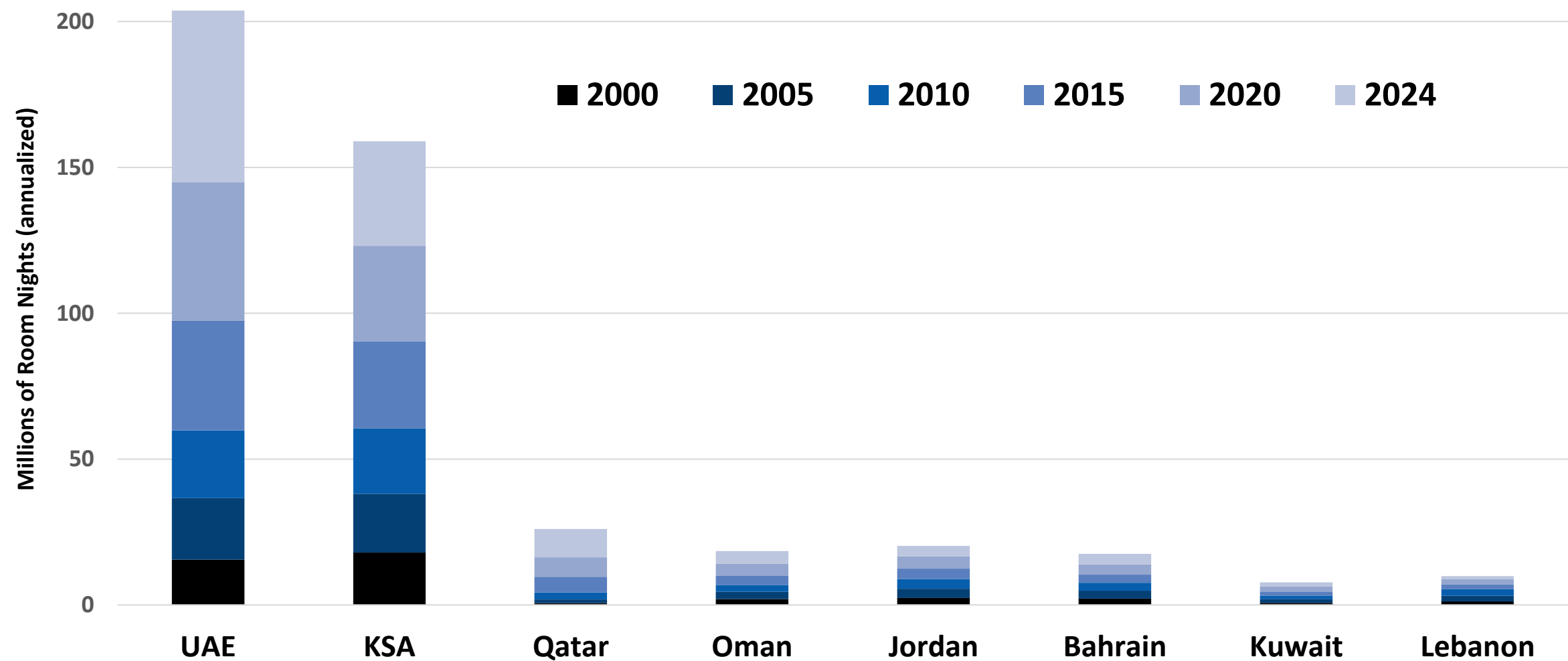
Mideast Countries Group 2 – Actual Supply

Running 12-month data Room Nights Available – January 2000 to September 2024
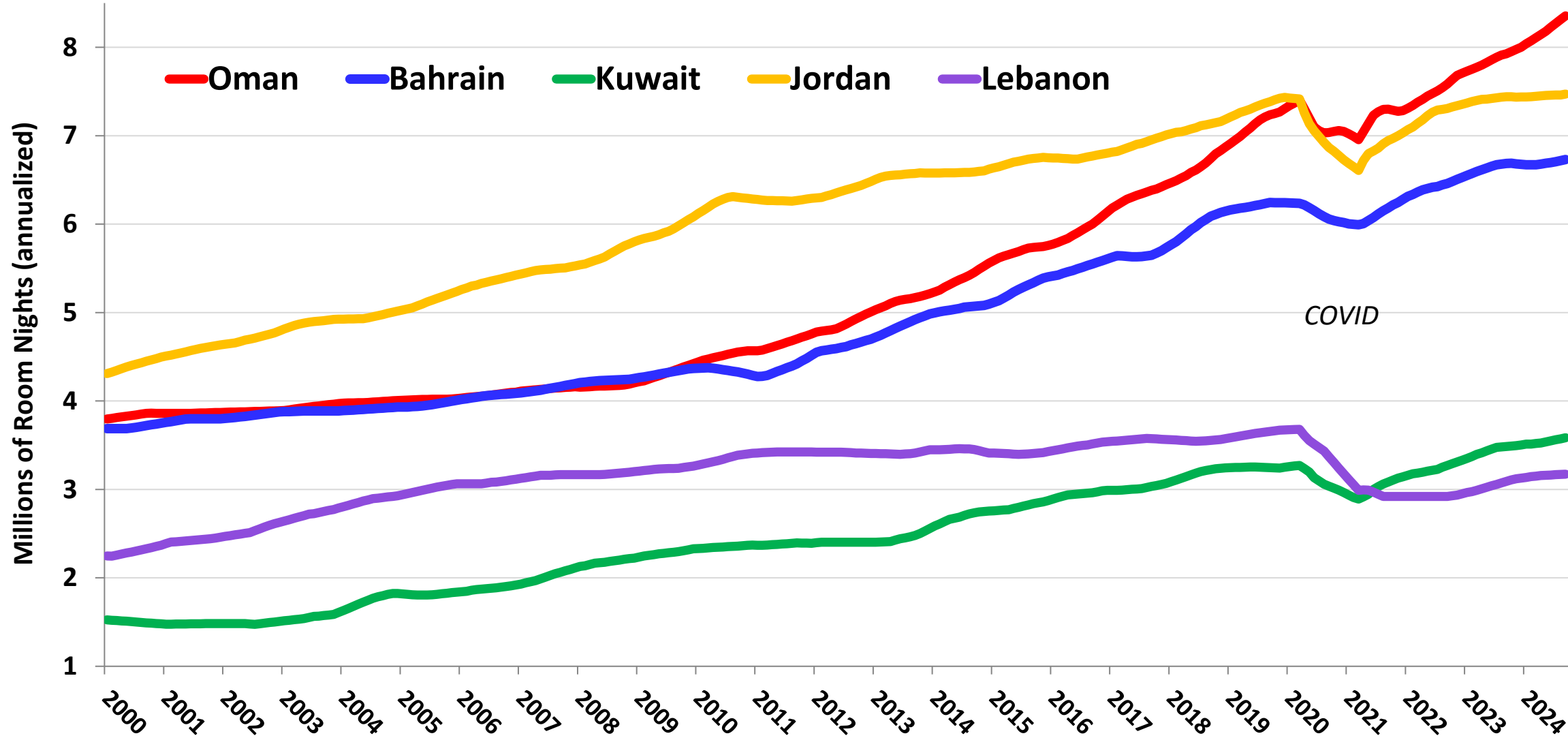
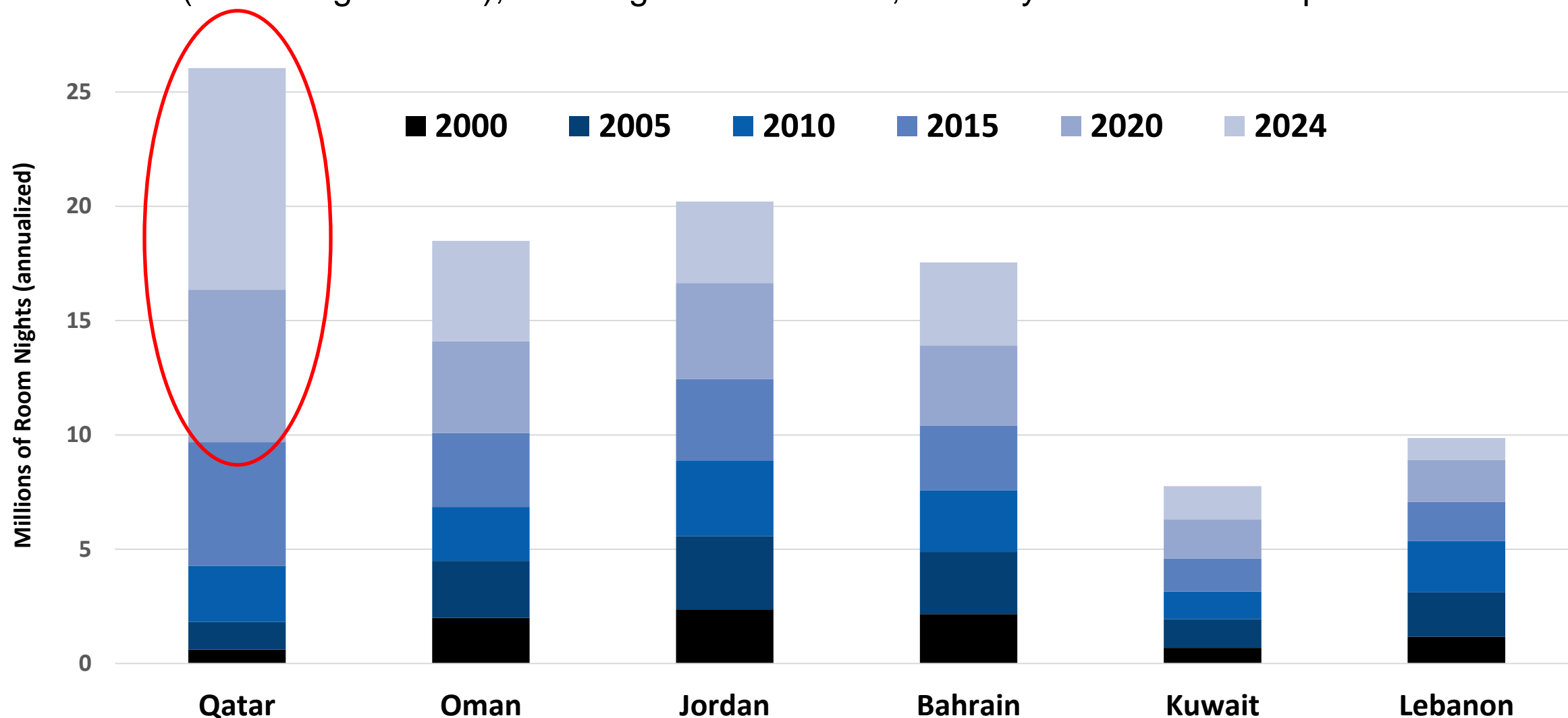*Oman showing most growth, Jordan, Bahrain, and Kuwait moderate, Lebanon challenged*

Supply Growth Snapshot – Mideast Countries

Supply (Room Nights Available), Running 12-month data, January 2000 – 2024 September

Millions of Room Nights (annualized)

Legend: ■ 2000 ■ 2005 ■ 2010 ■ 2015 ■ 2020 ■ 2024

Categories: UAE, KSA, Qatar, Oman, Jordan, Bahrain, Kuwait, Lebanon
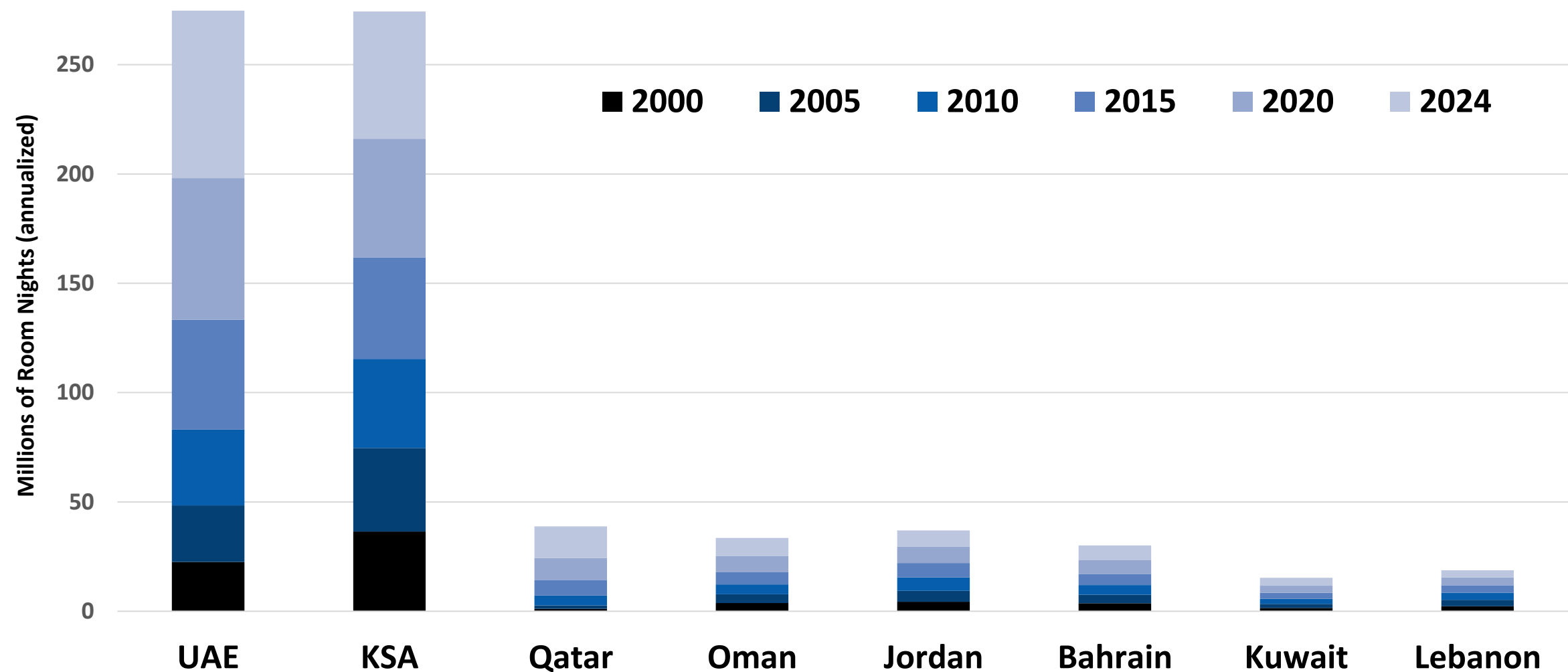
Supply Growth Snapshot – Mideast Countries w/o KSA & UAE

Supply (Room Nights Available), Running 12-month data, January 2000 – 2024 September
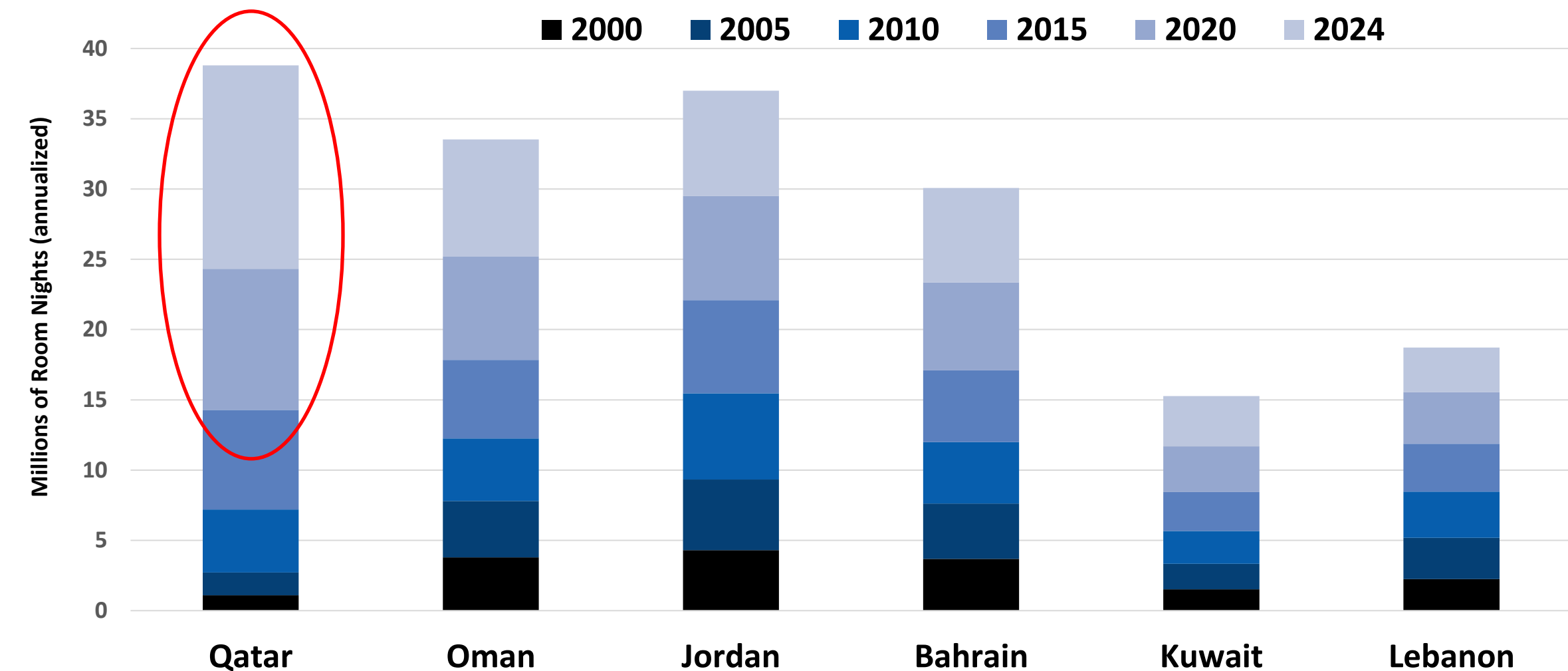
Legend: 2000, 2005, 2010, 2015, 2020, 2024

Y-axis: Millions of Room Nights (annualized)

Categories: Qatar, Oman, Jordan, Bahrain, Kuwait, Lebanon
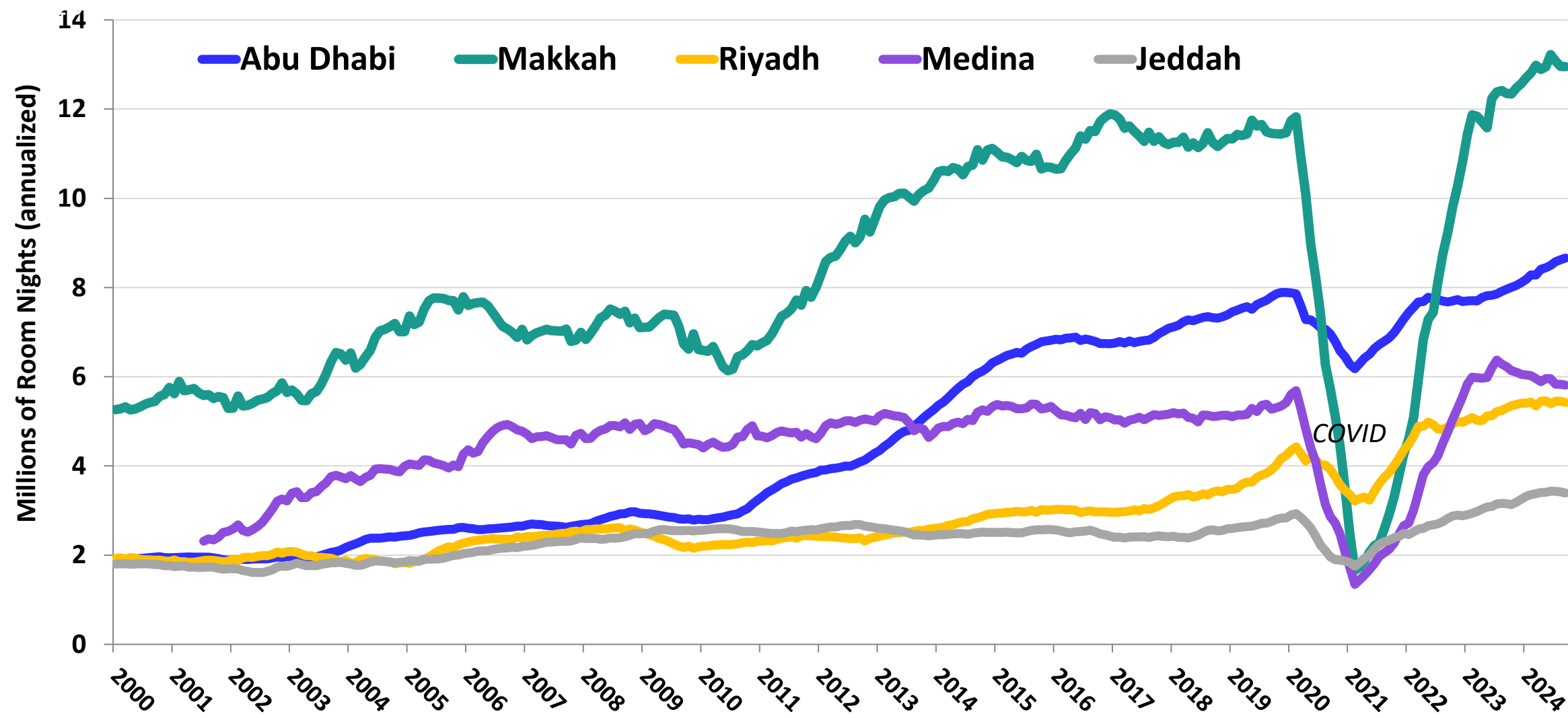
Mideast Cities Group 1 – Actual Supply

Running 12-month data Room Nights Available – January 2000 to
September 2024

Extreme growth in Dubai, …

# Mideast Cities Group 1 (without Dubai) – Actual Supply

Running 12-month data Room Nights Available – January 2000 to September 2024

Abu Dhabi ——— **Makkah** ——— **Riyadh** ——— **Medina** ——— **Jeddah**

COVID

Millions of Room Nights (annualized)
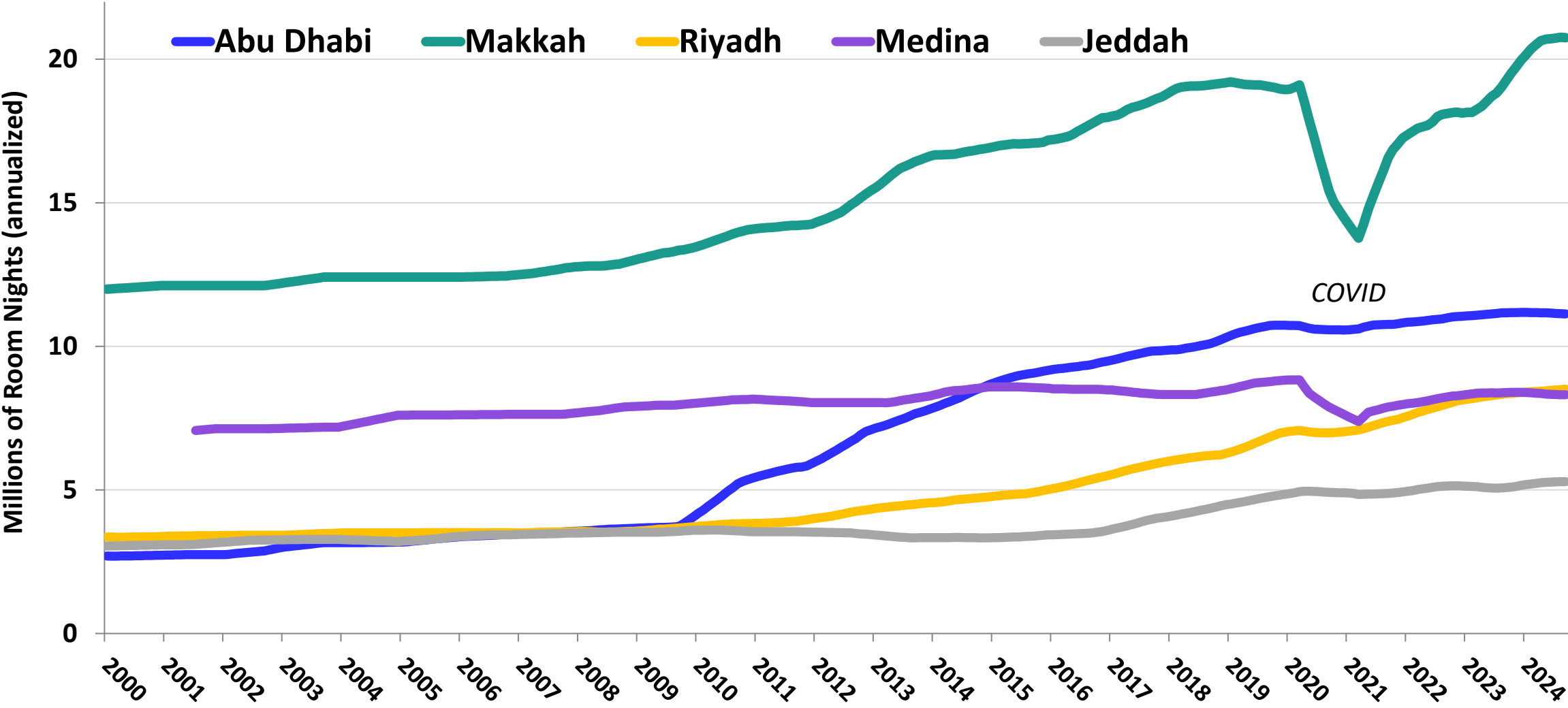
Most growth in Makkah, Abu Dhabi, and Riyadh, Medina and Jeddah slower growth

**Mideast Cities Group 2 – Actual Supply**

Running 12-month data Room Nights Available – January 2000 to September 2024

Largest increase in Doha, increases in most others, challenges in Beirut

Source: STR. © 2023 CoStar Group   43
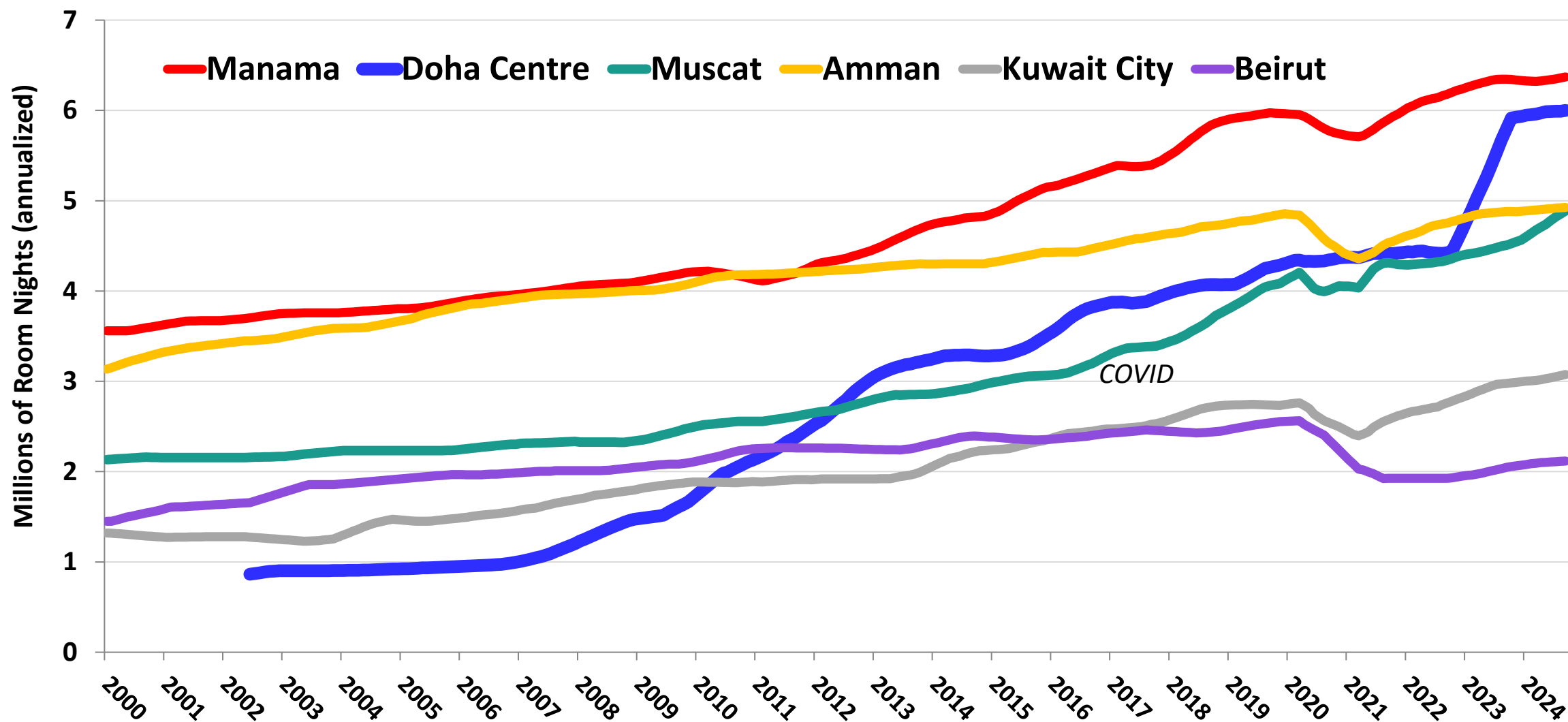
Supply Growth Snapshot – Mideast Cities

Supply (Room Nights Available), Running 12-month data, January 2000 – 2024 September
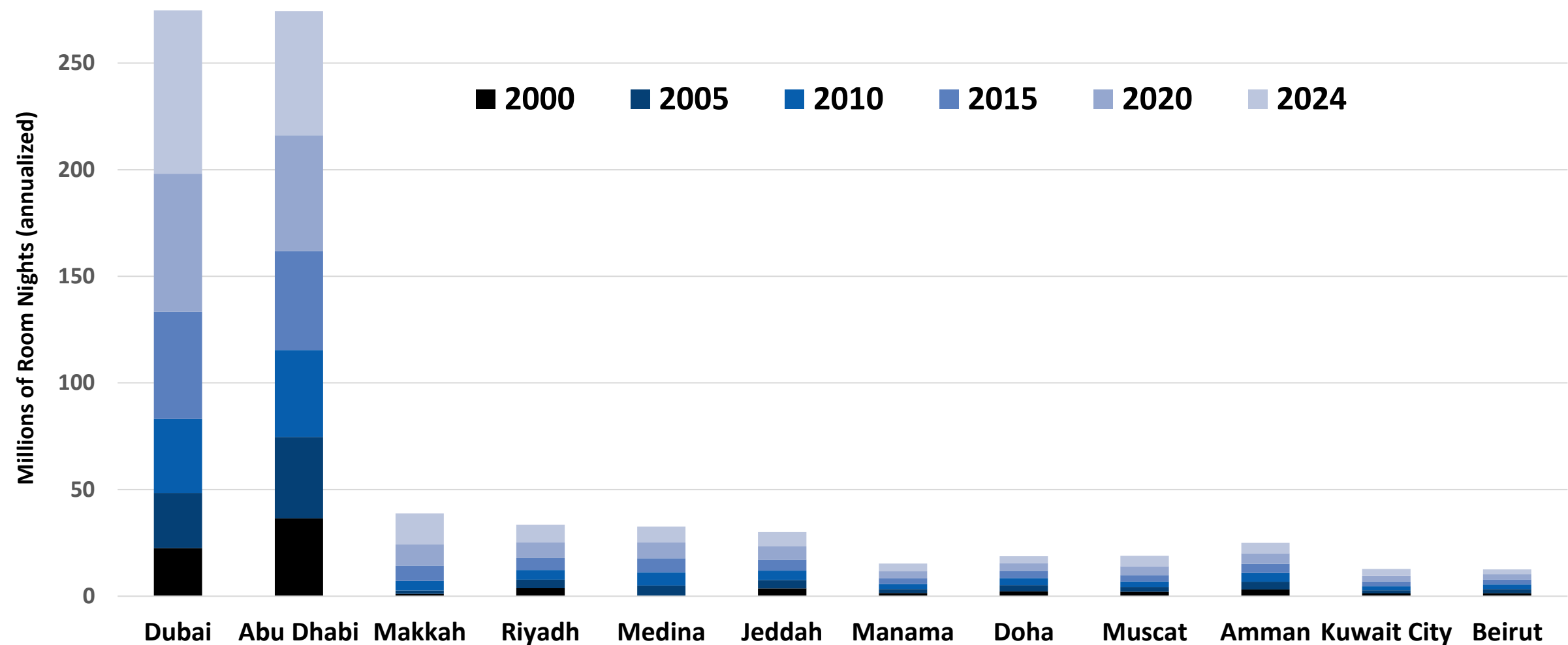
Supply Growth Snapshot – Mideast Cities w/o Dubai & Abu Dhabi

Supply (Room Nights Available), Running 12-month data, January 2000 – 2024 September
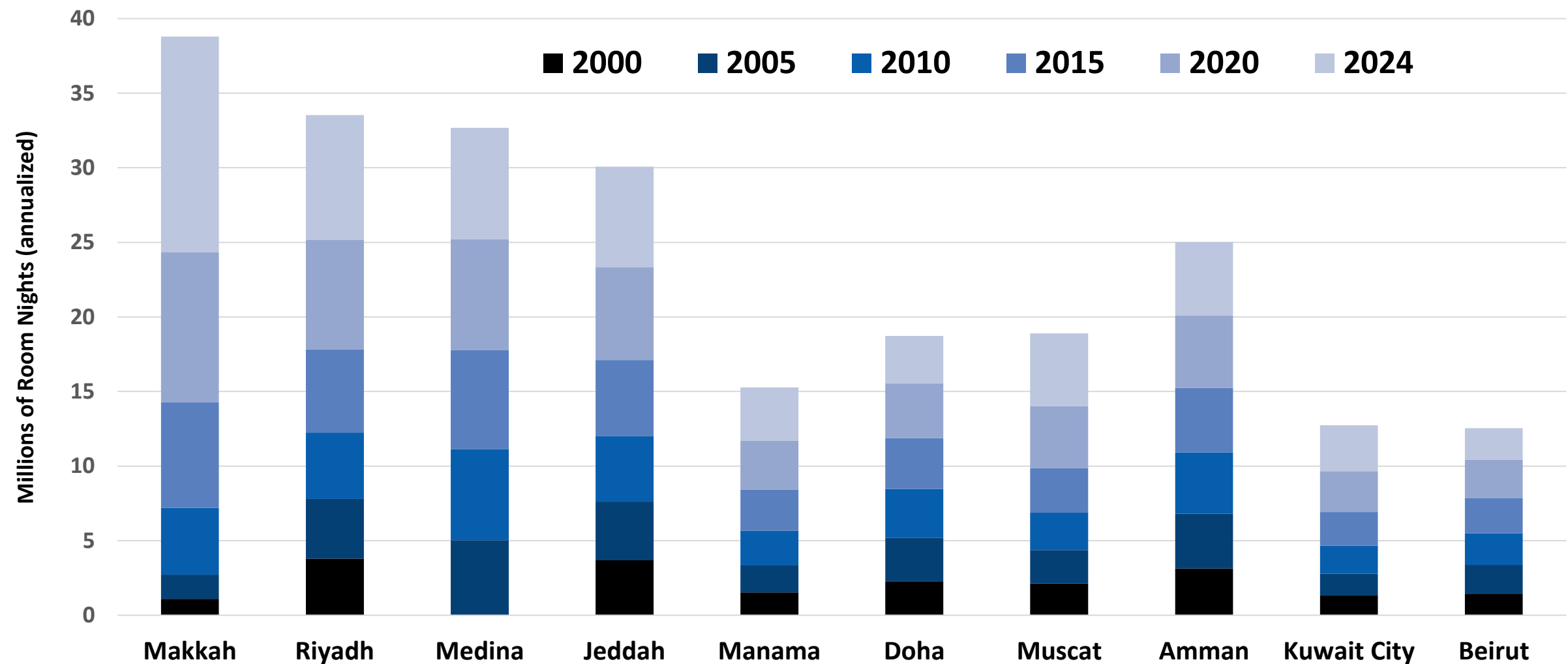
Mideast Countries Group 1 – Actual Demand

Running 12-month data Room Nights Sold – January 2000 to September 2024
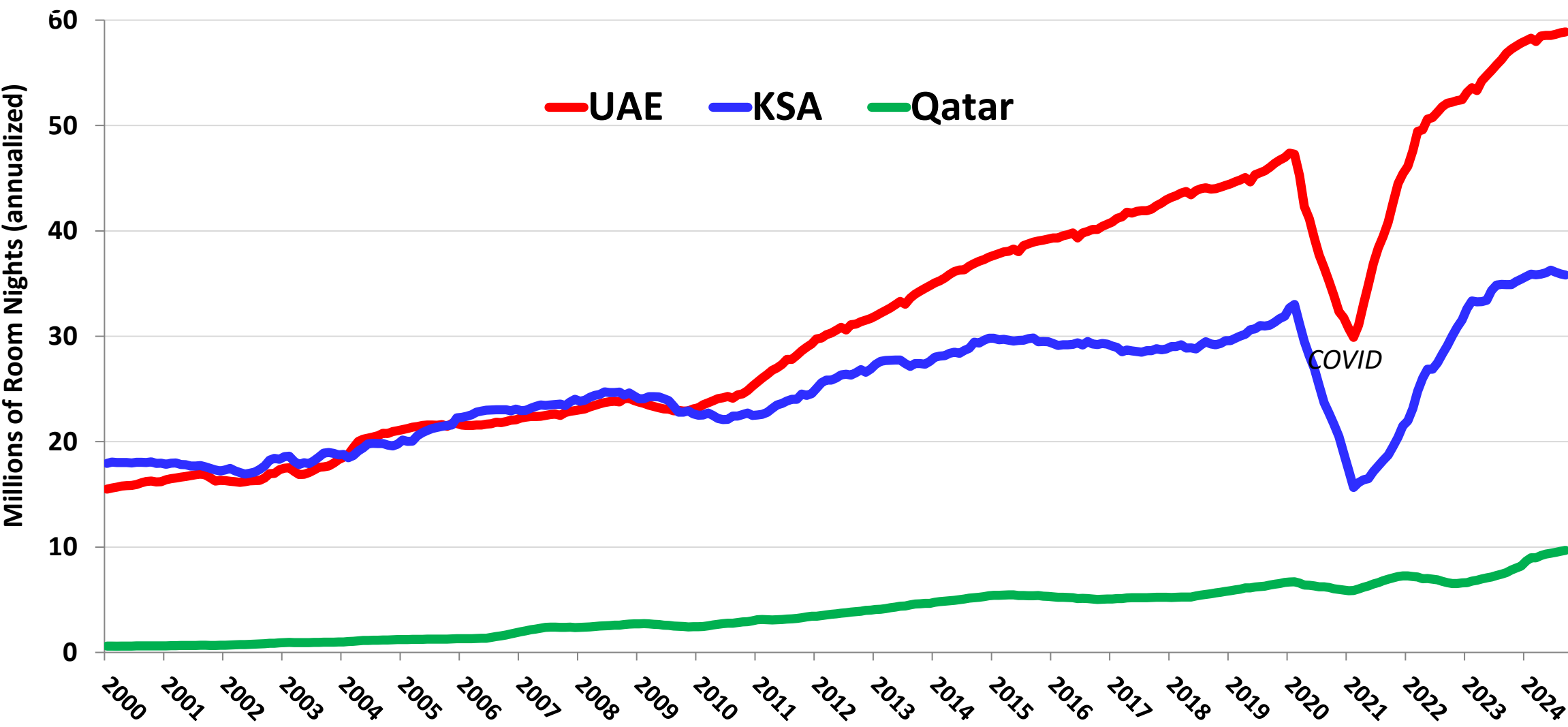
All three increasing, UAE more pronounced, Qatar significant
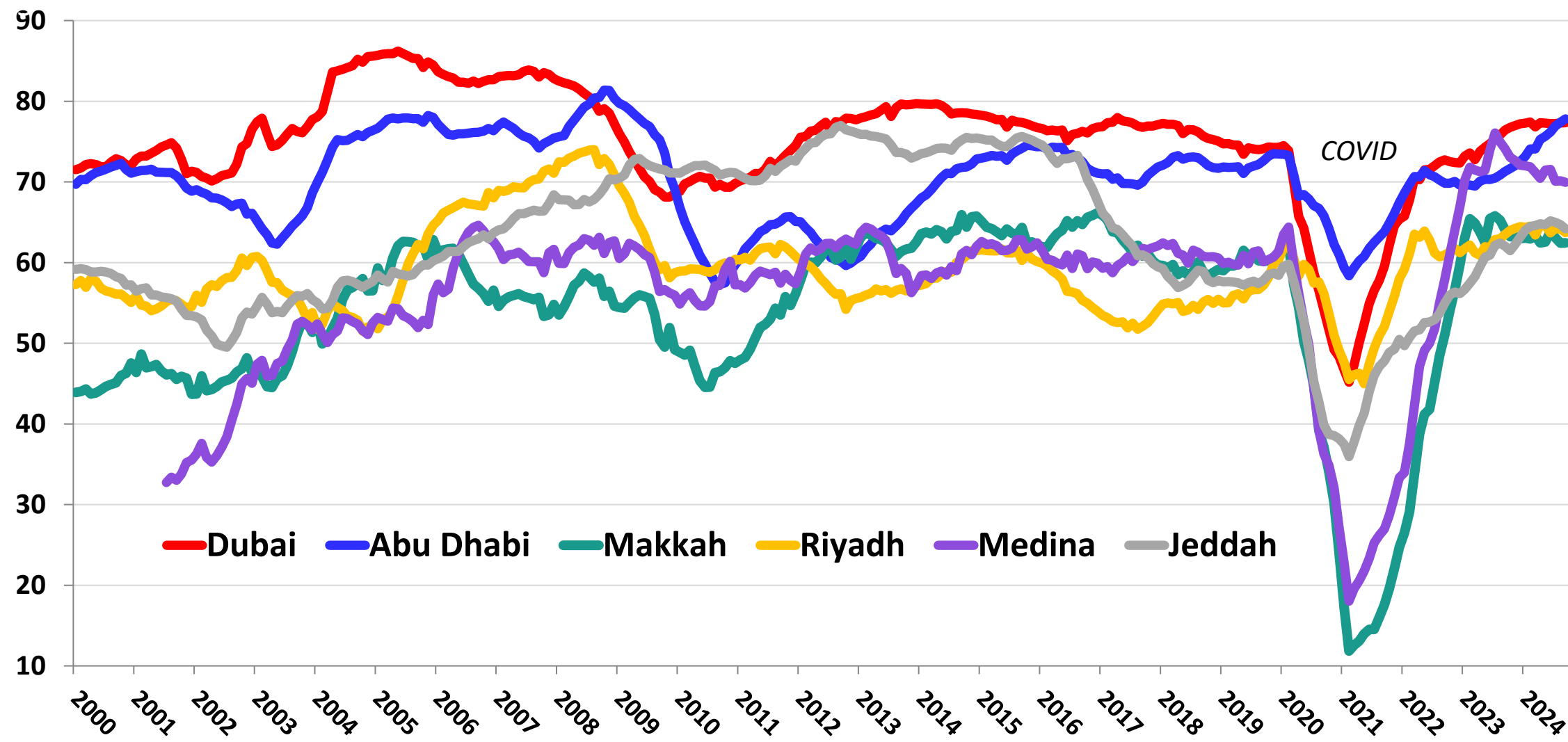
Mideast Countries Group 2 – Actual Demand

Running 12-month data Room Nights Sold – January 2000 to September 2024
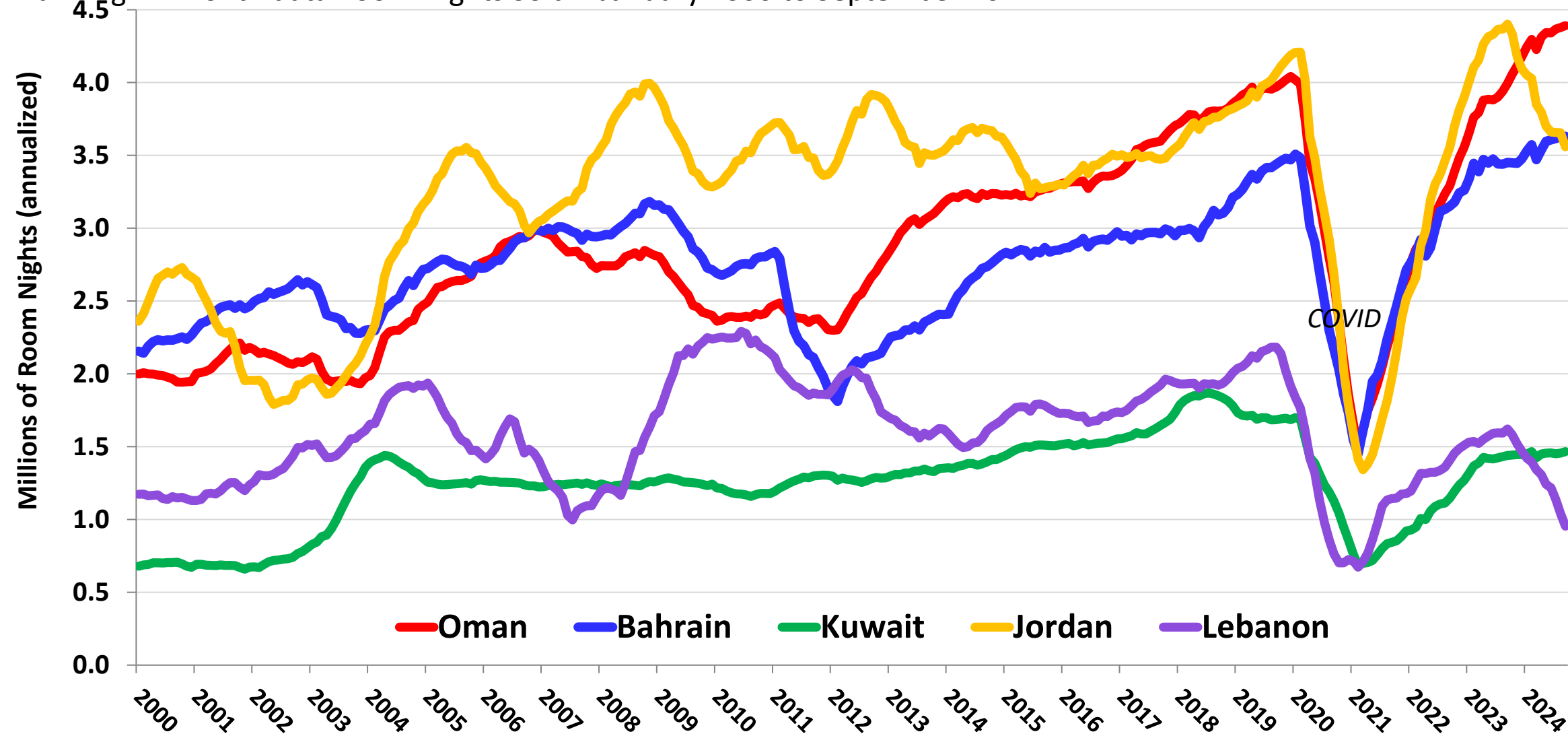
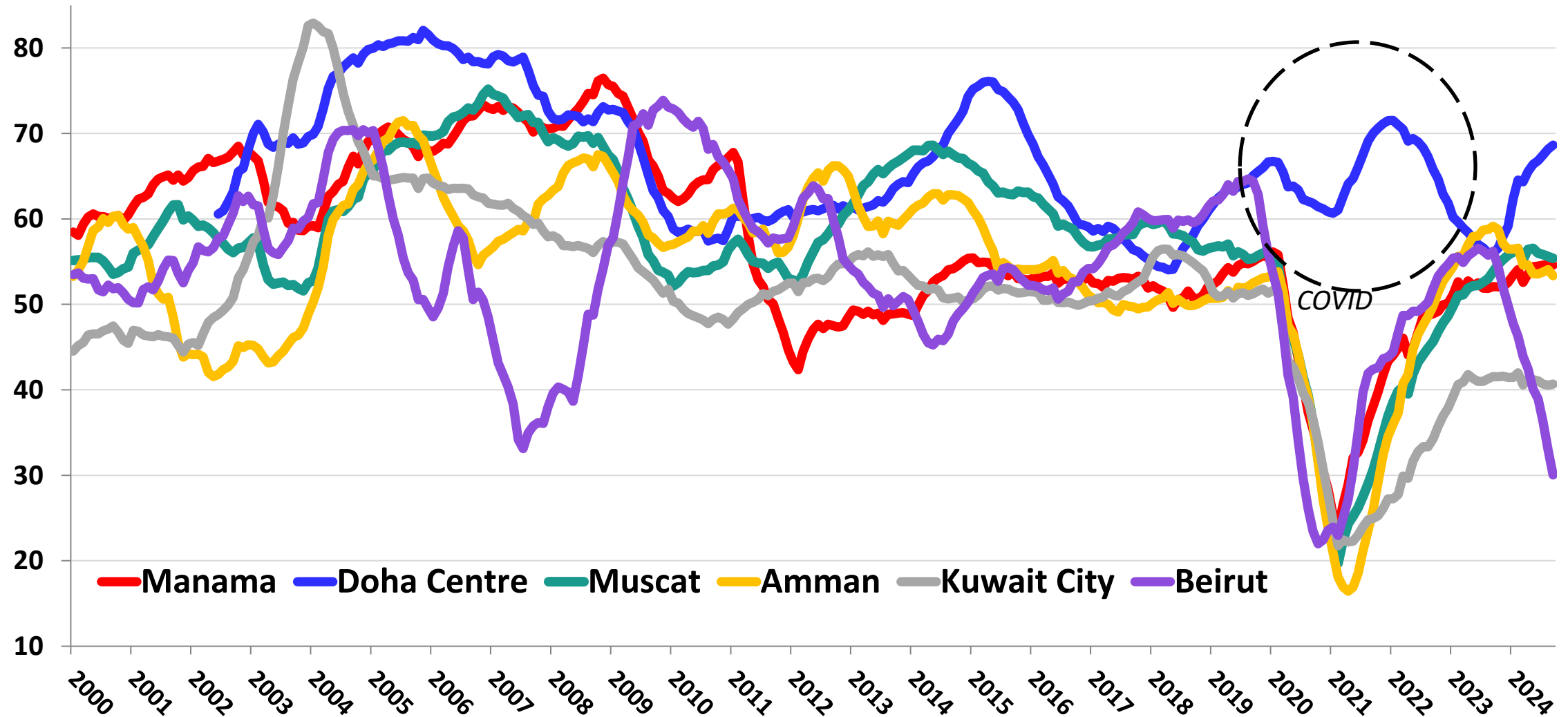*Oman showing most growth, Jordan, Bahrain, and Kuwait moderate, Lebanon challenged*

Demand Growth Snapshot – Mideast Countries

Demand (Room Nights Sold), Running 12-month data, January 2000 – 2024 September

Legend: ■ 2000 ■ 2005 ■ 2010 ■ 2015 ■ 2020 ■ 2024

Y-axis: Millions of Room Nights (annualized) — 0, 50, 100, 150, 200

X-axis: UAE, KSA, Qatar, Oman, Jordan, Bahrain, Kuwait, Lebanon

Demand Growth Snapshot – Mideast Countries w/o UAE & KSA

Demand (Room Nights Sold), Running 12-month data, January 2000 – 2024 September

Legend: ■ 2000 ■ 2005 ■ 2010 ■ 2015 ■ 2020 ■ 2024

Y-axis: Millions of Room Nights (annualized)

Categories: Qatar, Oman, Jordan, Bahrain, Kuwait, Lebanon

STR CoStar

Mideast Cities Group 1 – Actual Demand

Running 12-month data Room Nights Sold – January 2000 to September 2024
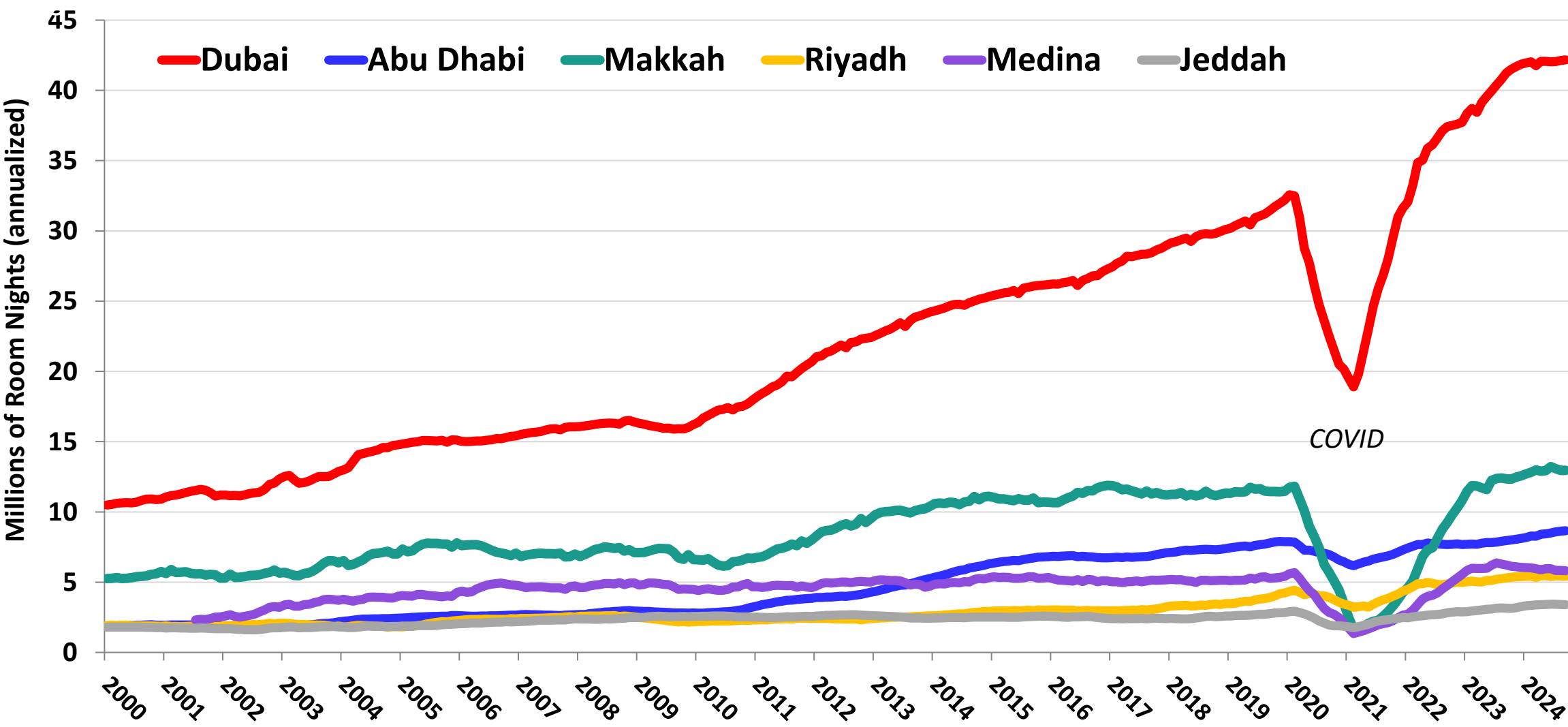
Extreme growth in Dubai, …

Mideast Cities Group 1 (without Dubai) – Actual Demand

Running 12-month data Room Nights Sold – January 2000 to September 2024

Extreme growth in Dubai, ...

Mideast Cities Group 2 – Actual Demand

Running 12-month data Room Nights Sold – January 2000 to September 2024
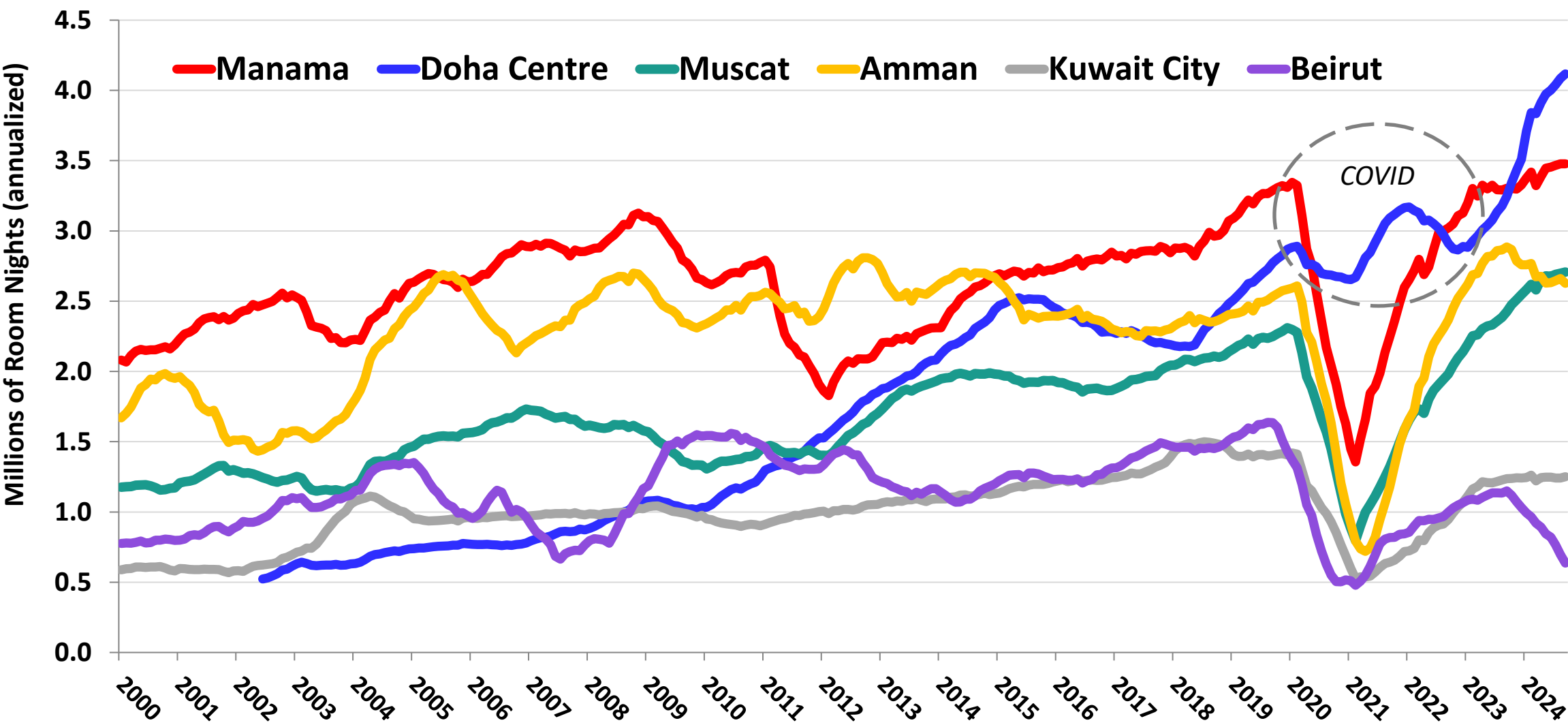
Largest increase in Doha, increases in most others, challenges in Beirut

Demand Growth Snapshot – Mideast Cities

Demand (Room Nights Sold), January 2000 – 2024 September
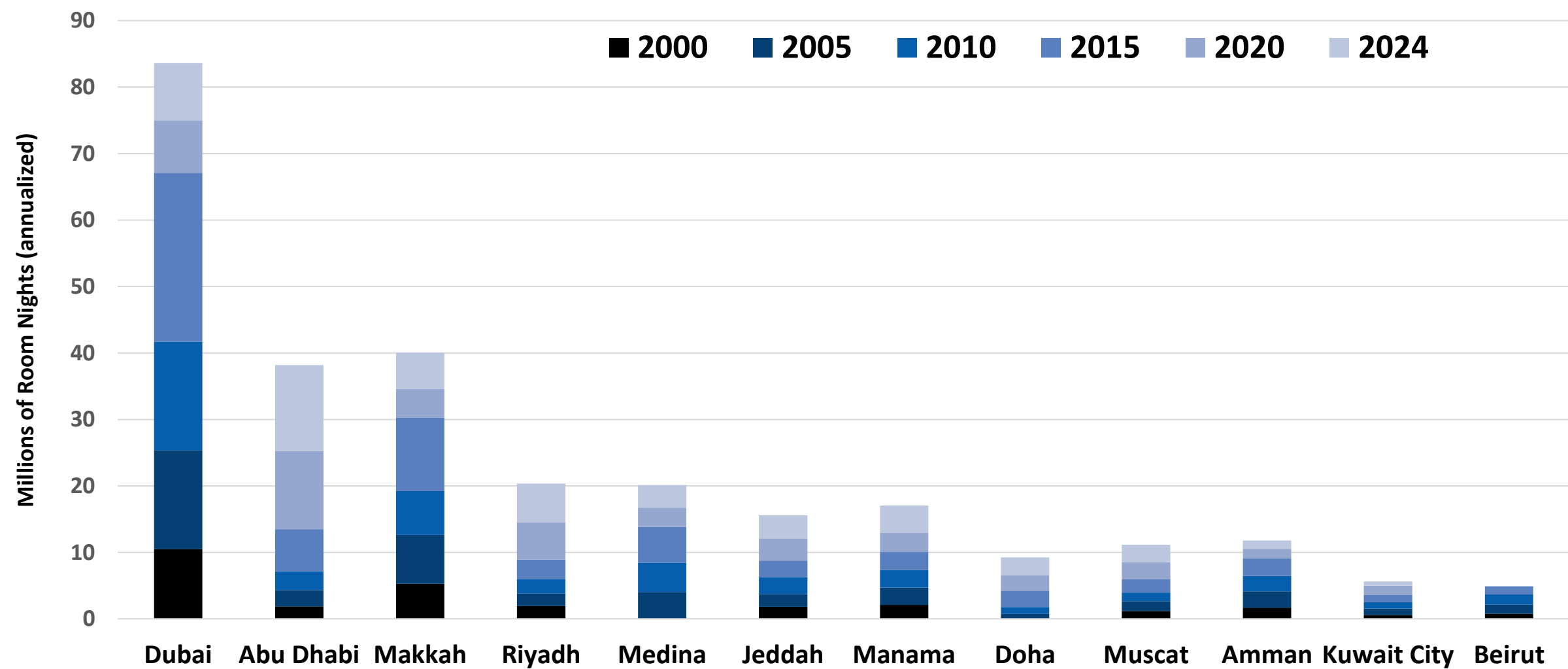
Mideast Historic Occupancy and Average Daily Rate Trends

The SHARE Center

Supporting Hotel and Real Estate Education

Mideast Countries Group 1 – Occupancy

Running 12-month data Occupancy – January 2000 to September 2024

UAE **KSA** **Qatar**

Qatar World Cup

Dubai Expo
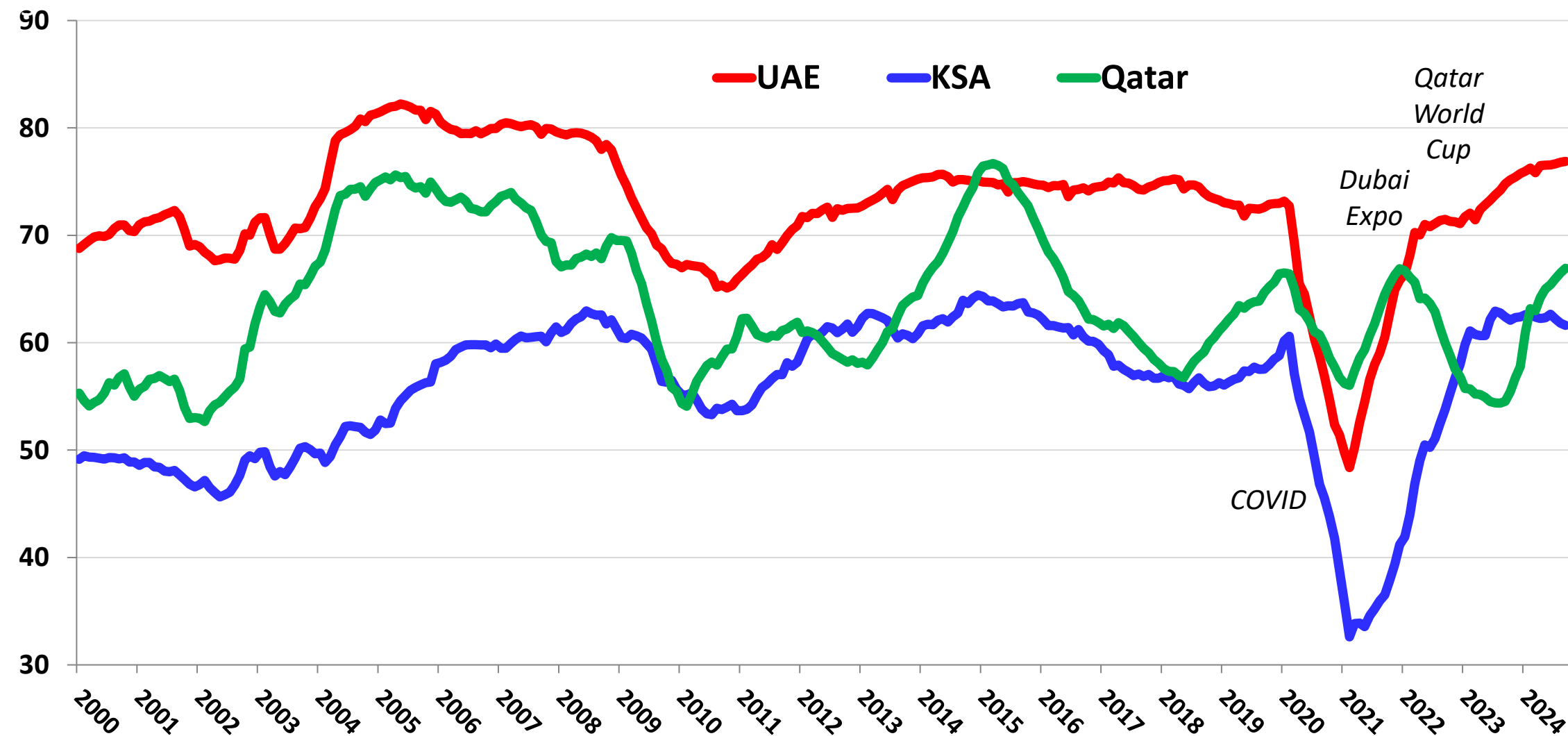
COVID

Peaks in 2009, level off since, drop with COVID, spikes for events

Mideast Countries Group 2 – Occupancy
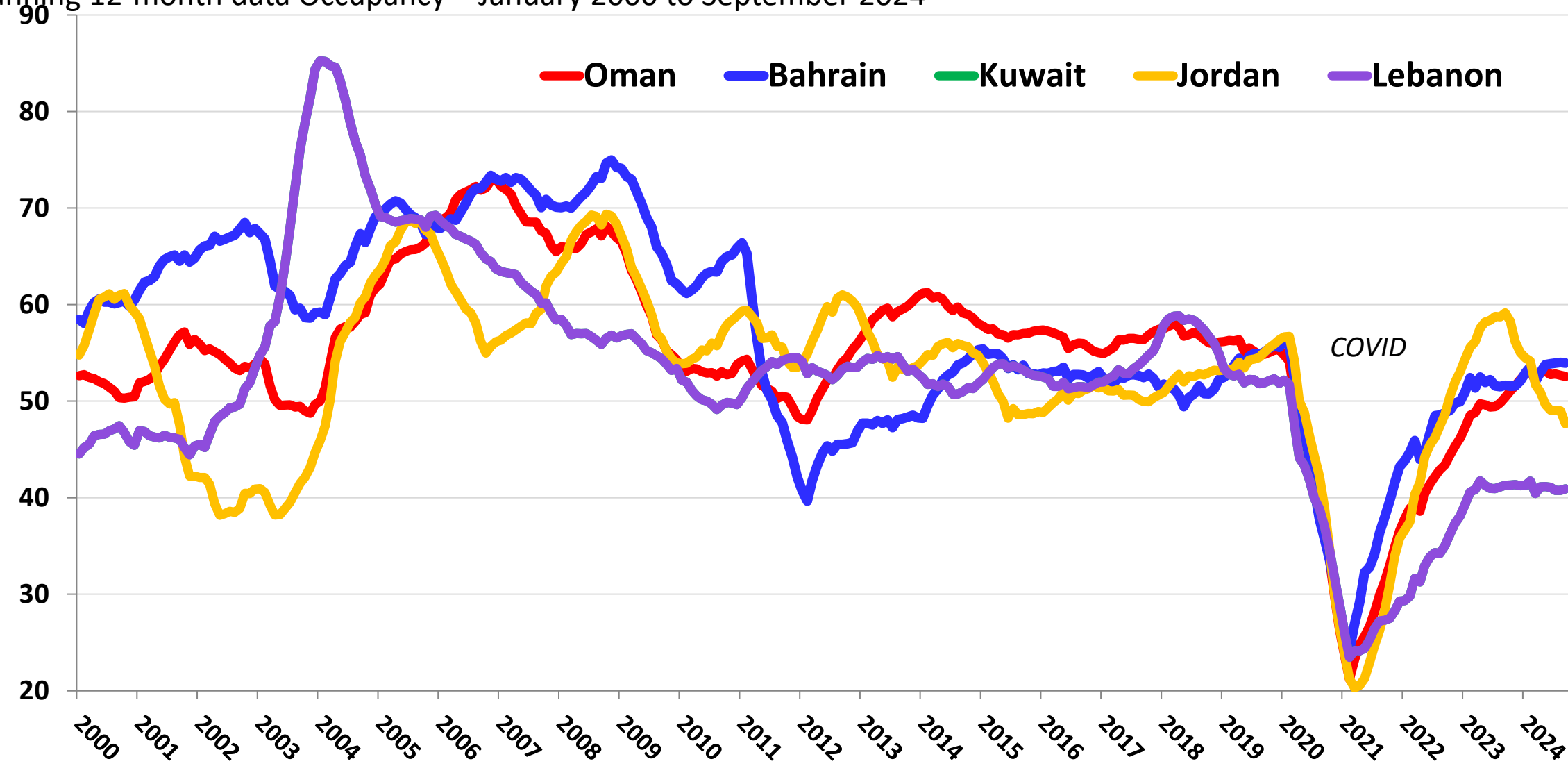
Running 12-month data Occupancy – January 2000 to September 2024

Oman showing most growth, Jordan, Bahrain, and Kuwait moderate, Lebanon challenged

Mideast Cities Group 1 – Occupancy

Running 12-month data Occupancy – January 2000 to September 2024

COVID

Dubai   **Abu Dhabi**   **Makkah**   **Riyadh**   **Medina**   **Jeddah**

Extreme growth in Dubai, …

Mideast Cities Group 2 – Occupancy

Running 12-month data Occupancy – January 2000 to September 2024

Largest increase in Doha, increases in most others, challenges in Beirut

# Mideast Countries Group 1 – Average Daily Rate
Running 12-month data ADR – January 2000 to September 2024

Legend: **UAE** (red) · **KSA** (blue) · **Qatar** (green)

Annotations on chart: *Qatar World Cup*, *Dubai Expo*, *COVID*

Peaks in 2009, level off since, drop with COVID, spikes for events

Source: STR. © 2023 CoStar Group   59

Mideast Countries Group 2 – Average Daily Rate

Running 12-month data ADR – January 2000 to September 2024

Oman showing most growth, Jordan, Bahrain, and Kuwait moderate, Lebanon challenged

Mideast Cities Group 1 – Average Daily Rate

Running 12-month data ADR – January 2000 to September 2024
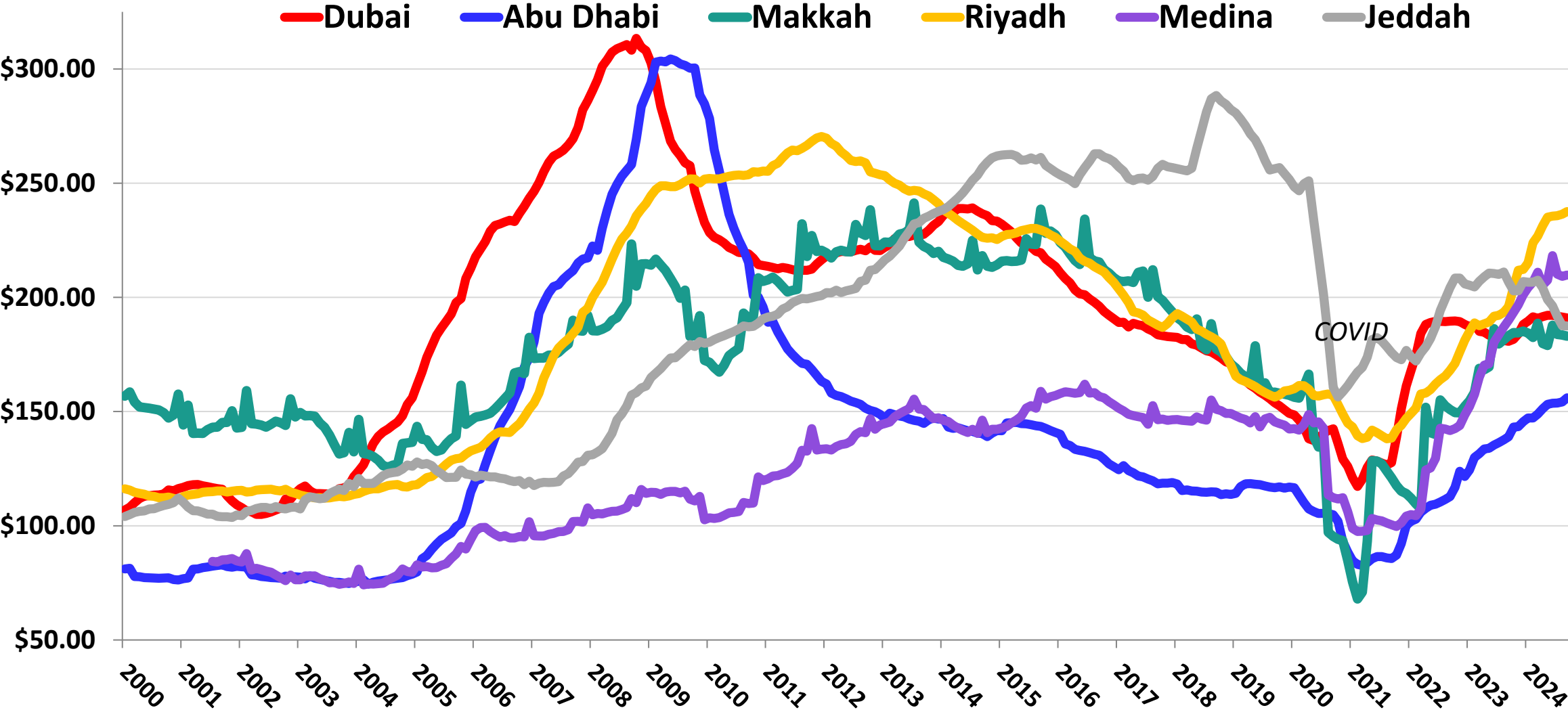
Extreme growth in Dubai, ...

Mideast Cities Group 2 – Average Daily Rate

Running 12-month data ADR – January 2000 to September 2024
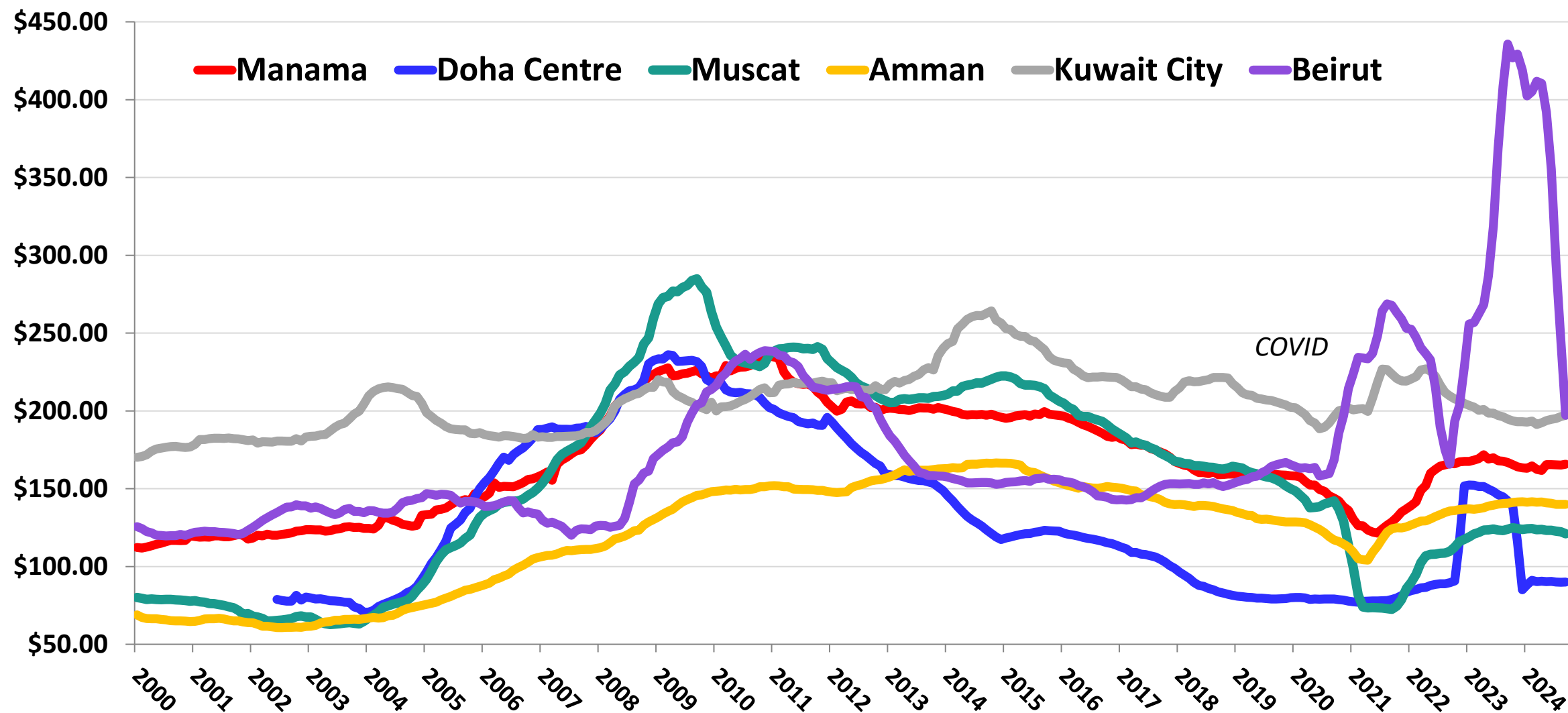
Largest increase in Doha, increases in most others, challenges in Beirut

Mideast Hotel Industry - Current Trends

The SHARE Center
Supporting Hotel and Real Estate Education

ME Occupancies range from 40-70s, UAE cities highest, then KSA & Doha

Occupancy, YTD September 2024
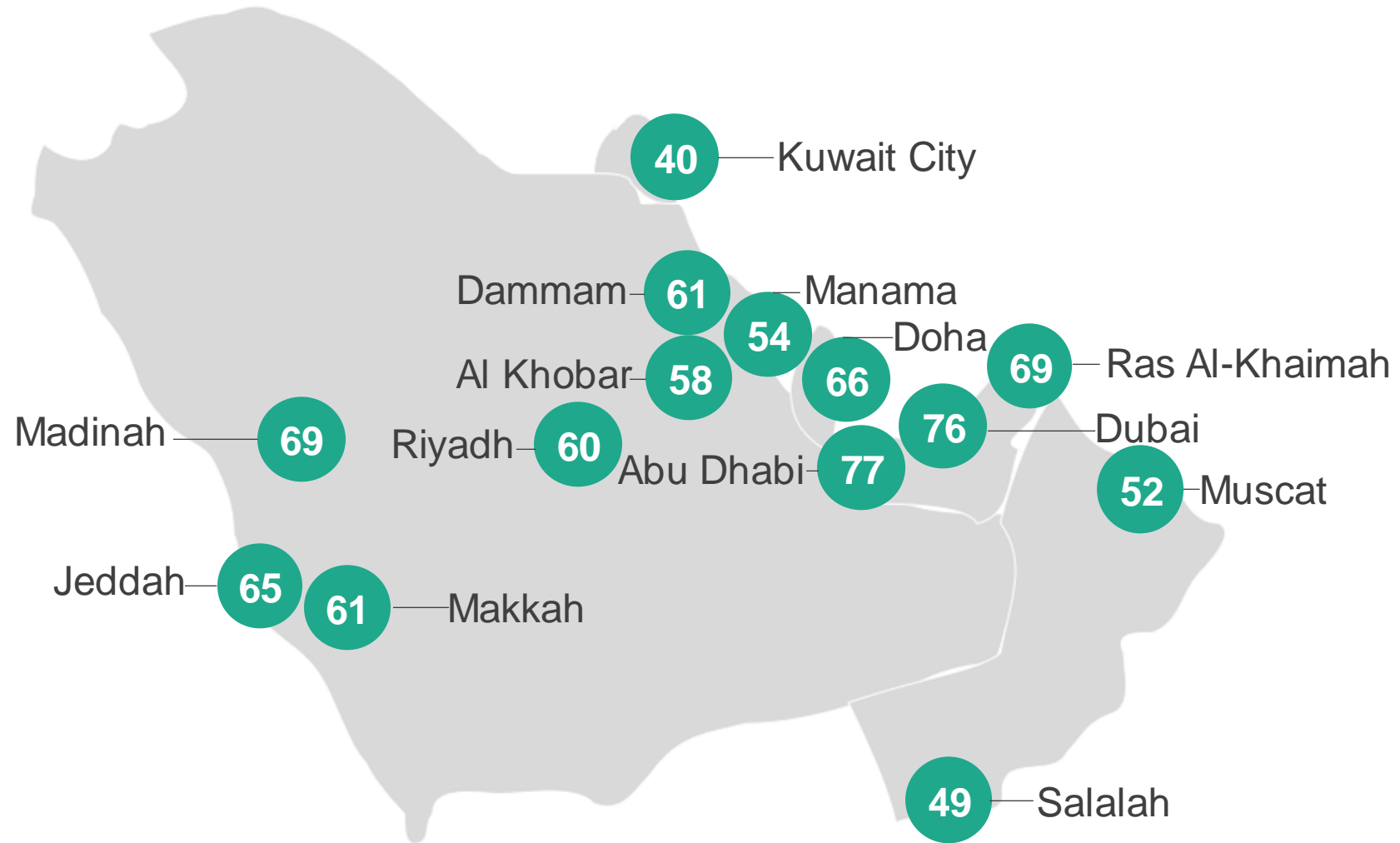
Range of Occ % changes, Doha highest, others positive & negative

Occupancy, % chg. YoY, YTD September 2024

-3 — Kuwait City

Dammam +15 — Manama

+5 Doha

Al Khobar — -4 +23 — Ras Al-Khaimah -4

Madinah — -4 Riyadh — -2 +0 — Dubai

Abu Dhabi — +10

-0 — Muscat

Jeddah — +2 -1 — Makkah

+5 — Salalah
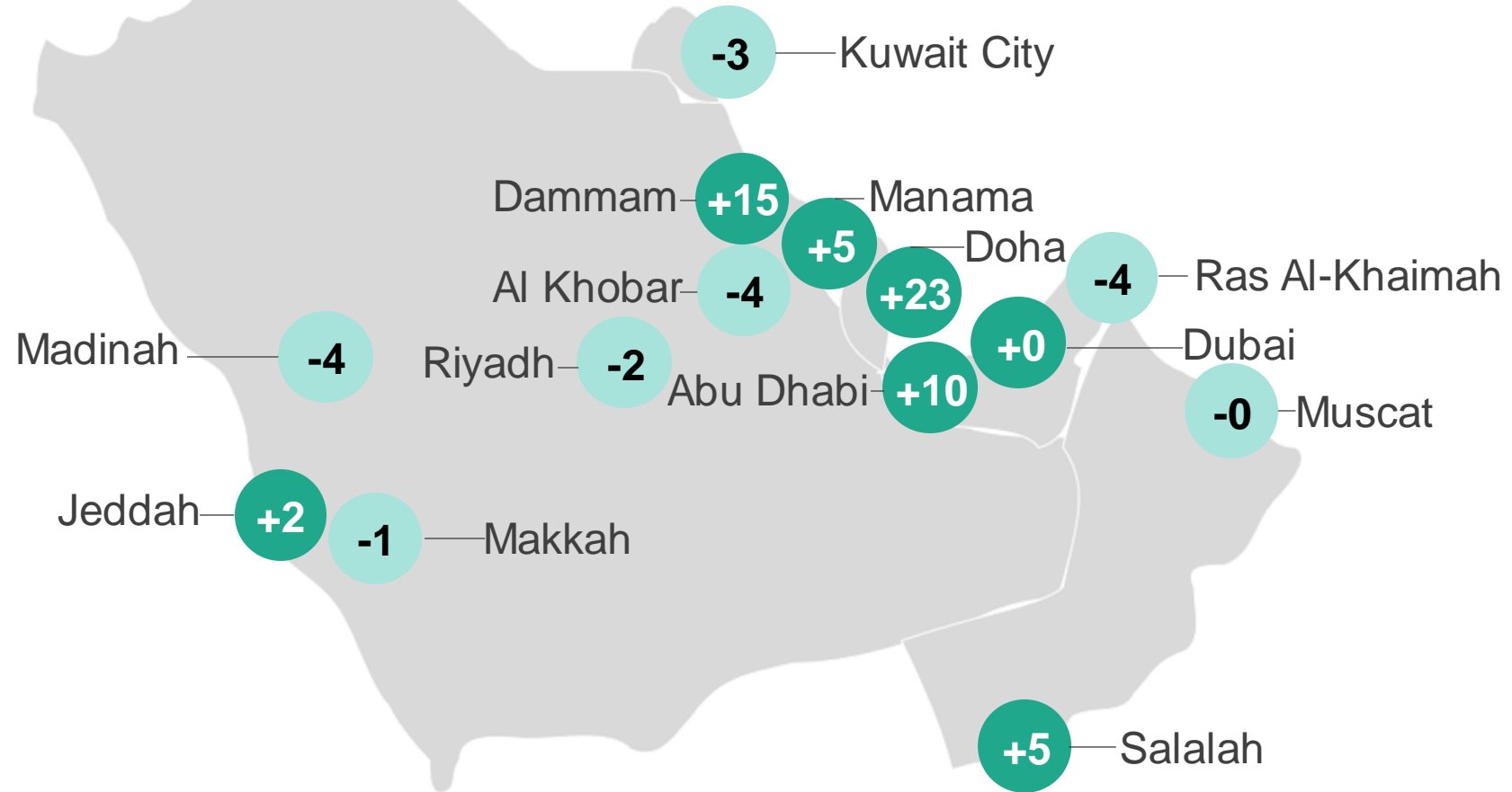
ME ADRs vary, KSA cities highest, then Kuwait City, Manama, & UAE cities

ADR (USD), YTD September 2024

- **200** — Kuwait City
- Dammam — **73**
- **171** — Manama
- Al Khobar — **113**
- **119** — Doha
- **147** — Ras Al-Khaimah
- Madinah — **219**
- Riyadh — **226**
- **169** — Dubai
- Abu Dhabi — **144**
- **114** — Muscat
- Jeddah — **189**
- **200** — Makkah
- **152** — Salalah

STR · CoStar
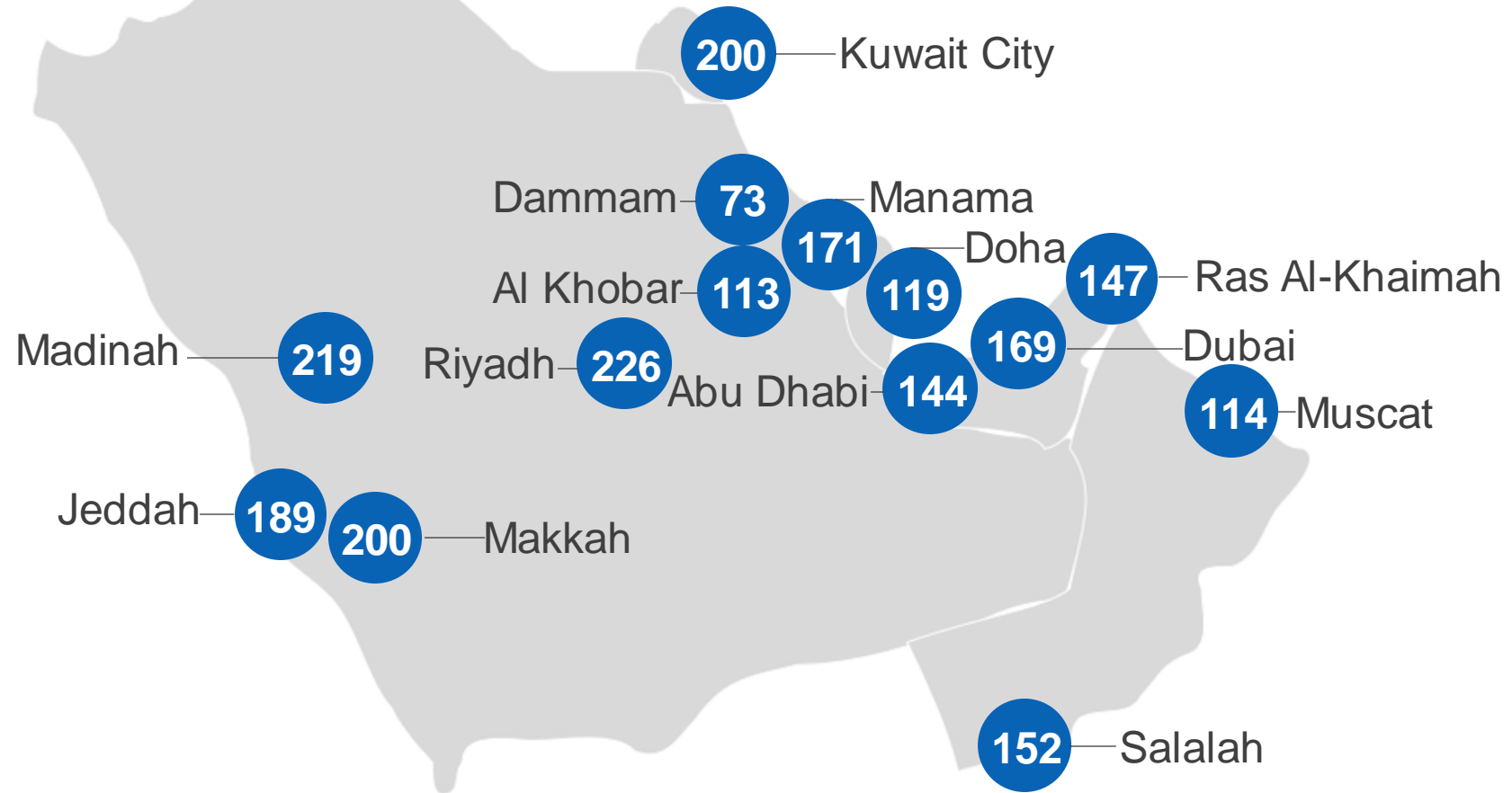
Most ADR % changes positive, some double digit positive, some negative

ADR (LC), % chg. YoY, YTD September 2024

- +3 Kuwait City
- Dammam -0
- +2 Manama
- Doha +6
- +10 Ras Al-Khaimah
- Al Khobar -2
- Madinah +6
- Riyadh +19
- Abu Dhabi +12
- +2 Dubai
- -3 Muscat
- Jeddah -12
- -2 Makkah
- +3 Salalah
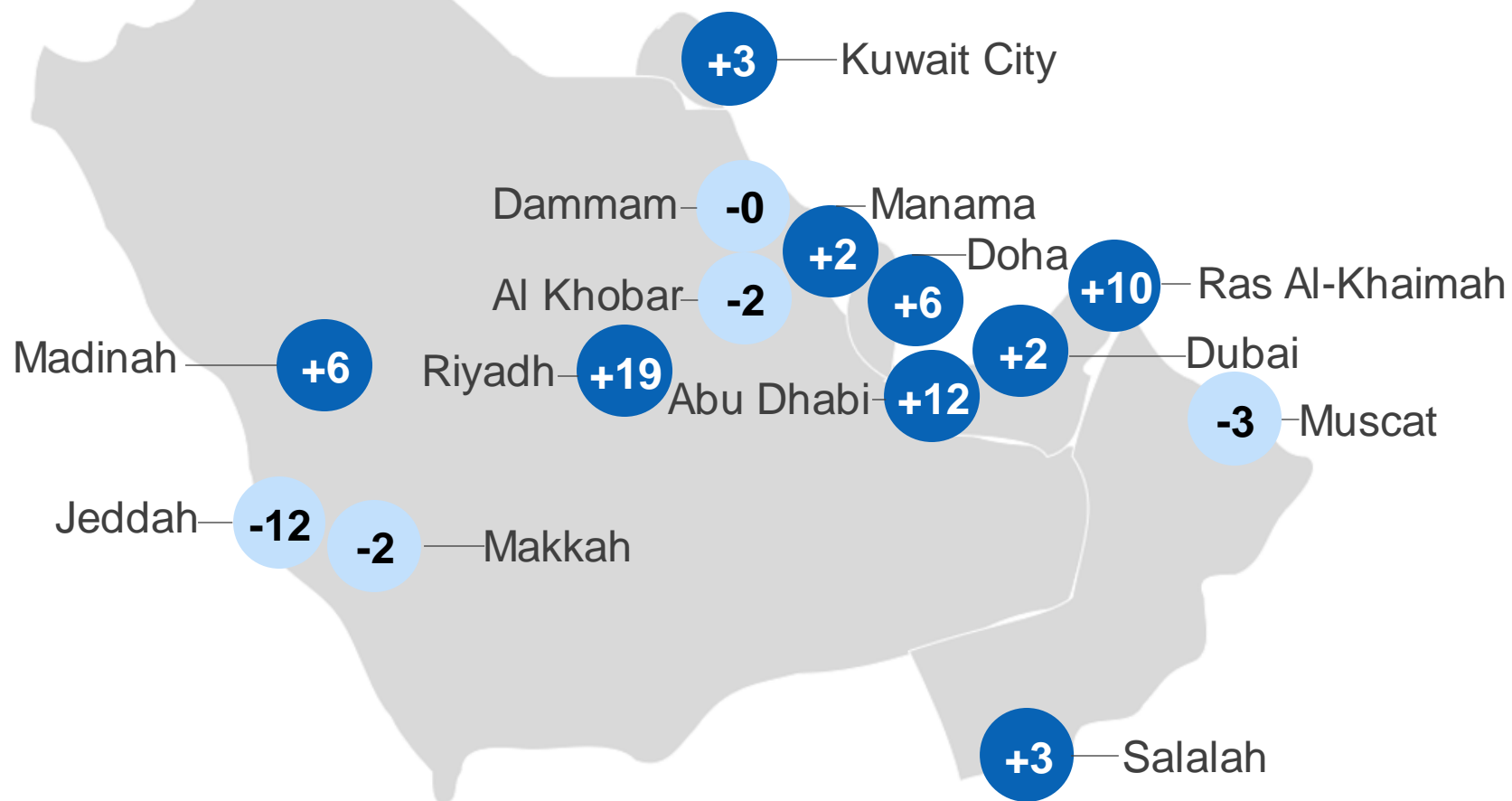
Mideast Special Events

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Qatar World Cup Occupancy peaked on matchdays

Doha Centre, Daily Occupancy, November & December 2022

STR CoStar
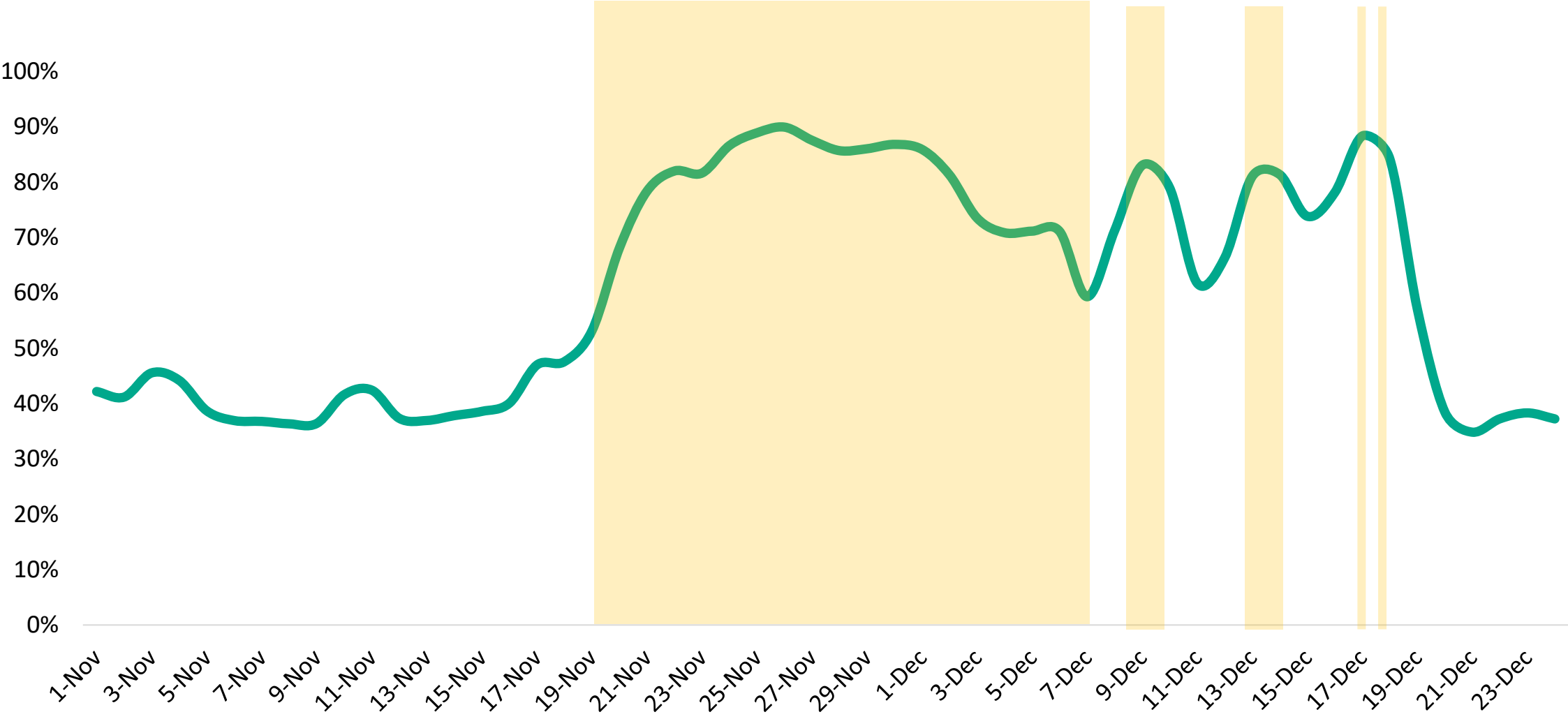
The final was the priciest night in Qatar

Qatar, ADR (USD), World Cup matchdays
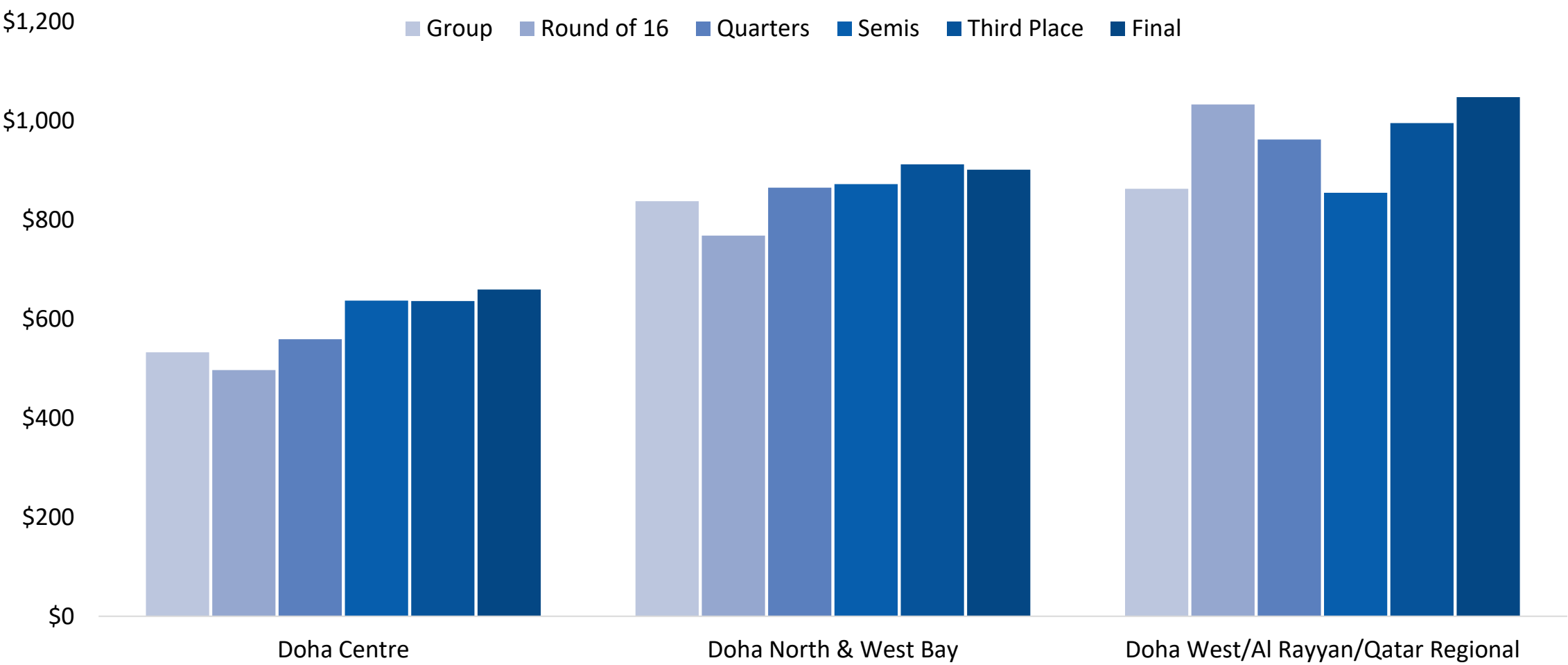
EXPO Impacts: Dubai takes off

Dubai R7 Occ and R7 ADR (Local currency), 1 July 2021 – 27 Feb 2022
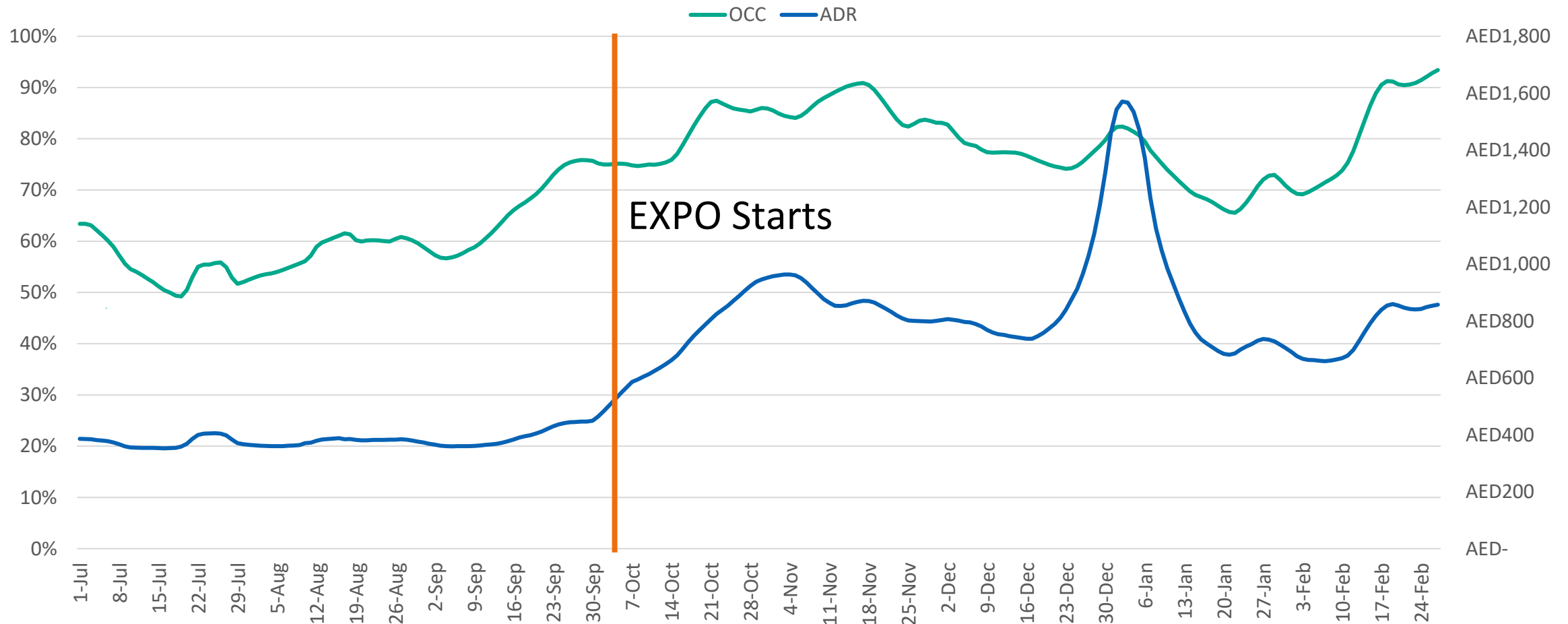
Formula 1 – Extreme ADR growth during race weekends

Occupancy, ADR & RevPAR (local currency) % chg., YoY, 2024 F1 weekends

■ Occ % chg   ■ ADR % chg   ● RevPAR % chg

Source: STR. © 2023 CoStar Group
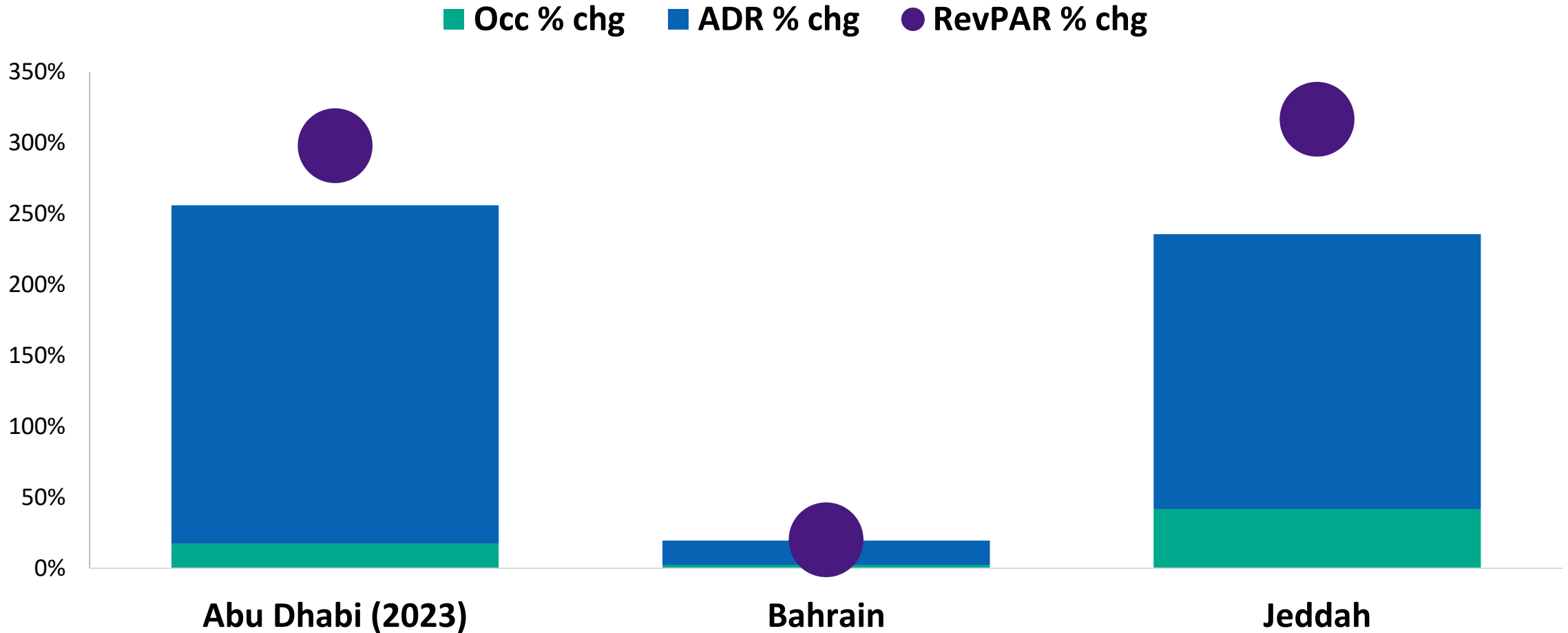
Dubai submarkets during UN COP conference

Dubai, Occ, YoY % chg., 1 Nov – 17 Dec 2023

COP28

Legend:
- Al Barsha/Media City/Tecom
- Bur Dubai
- Deira Centre & Deira Creek
- Downtown & Business Bay
- Dubai Creek/DXB Airpt/Festival City
- Jumeirah Beach Residences & Marina
- Jumeirah Palm & Beaches
- Sheikh Zayed Road
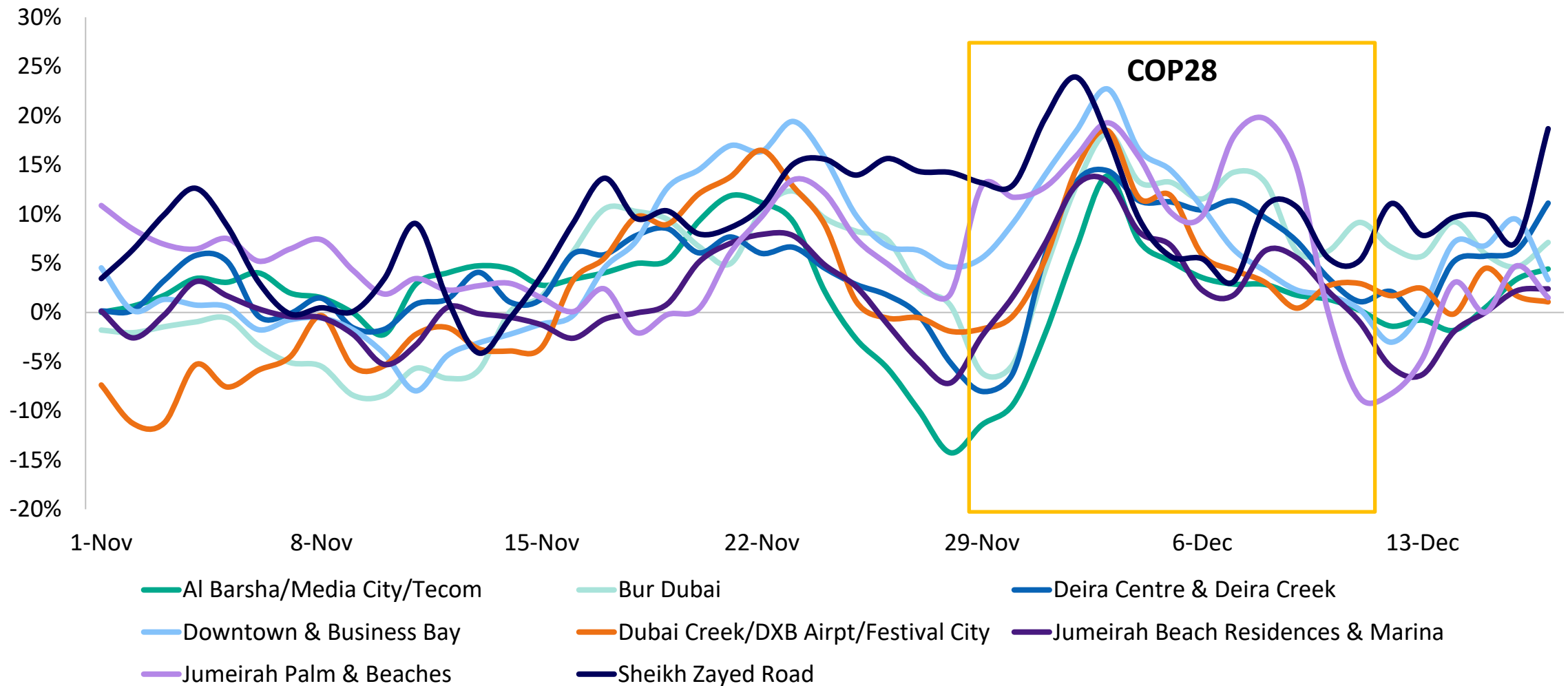
During Ramadan, Makkah achieved 2019 occupancy, Madinah surpassed 2019

Daily occupancy for Ramadan period 2019 to 2024

Makkah

Madinah

2019   2022   2023   2024

STR   CoStar
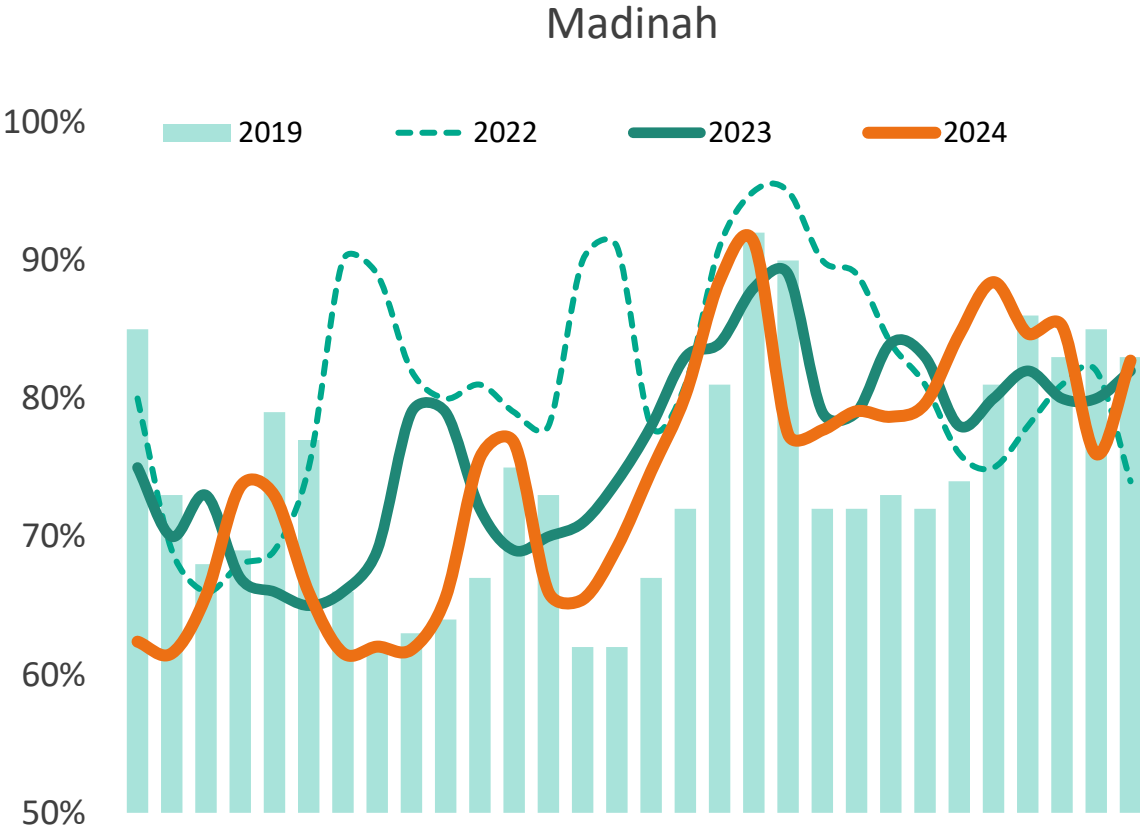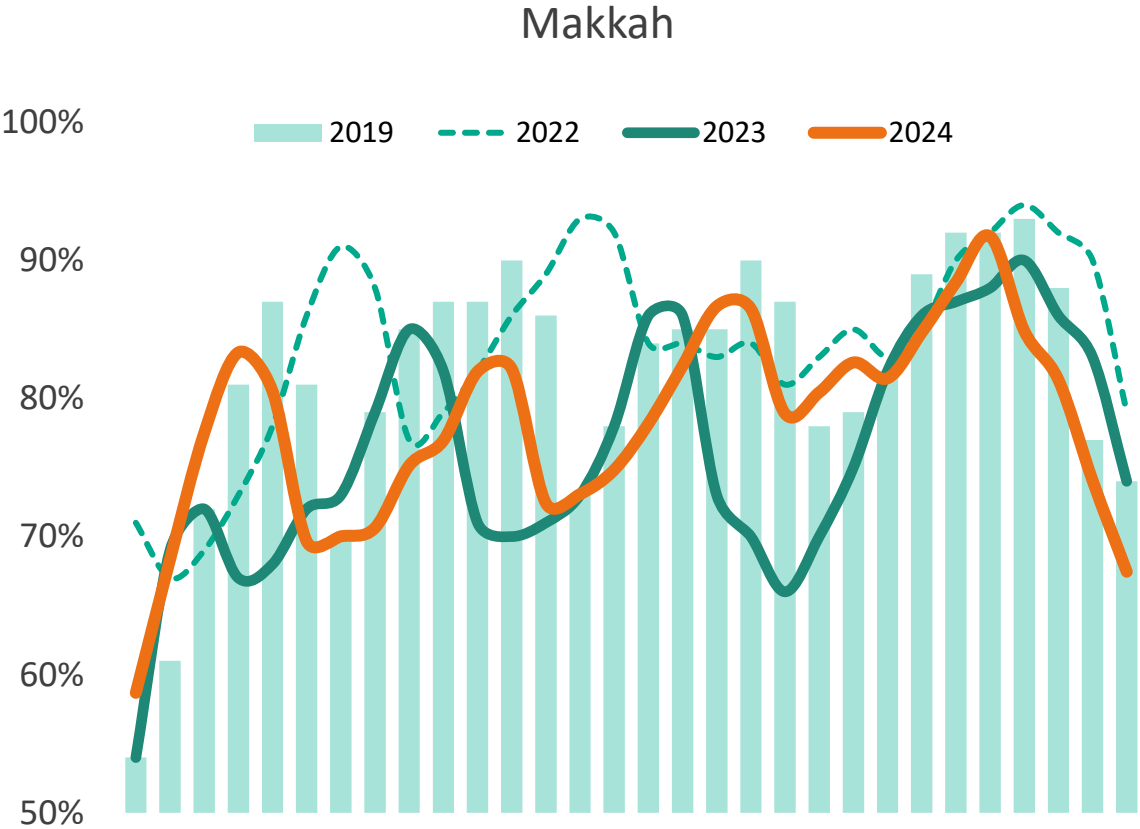
Group business a big factor on Dubai Occupancy growth
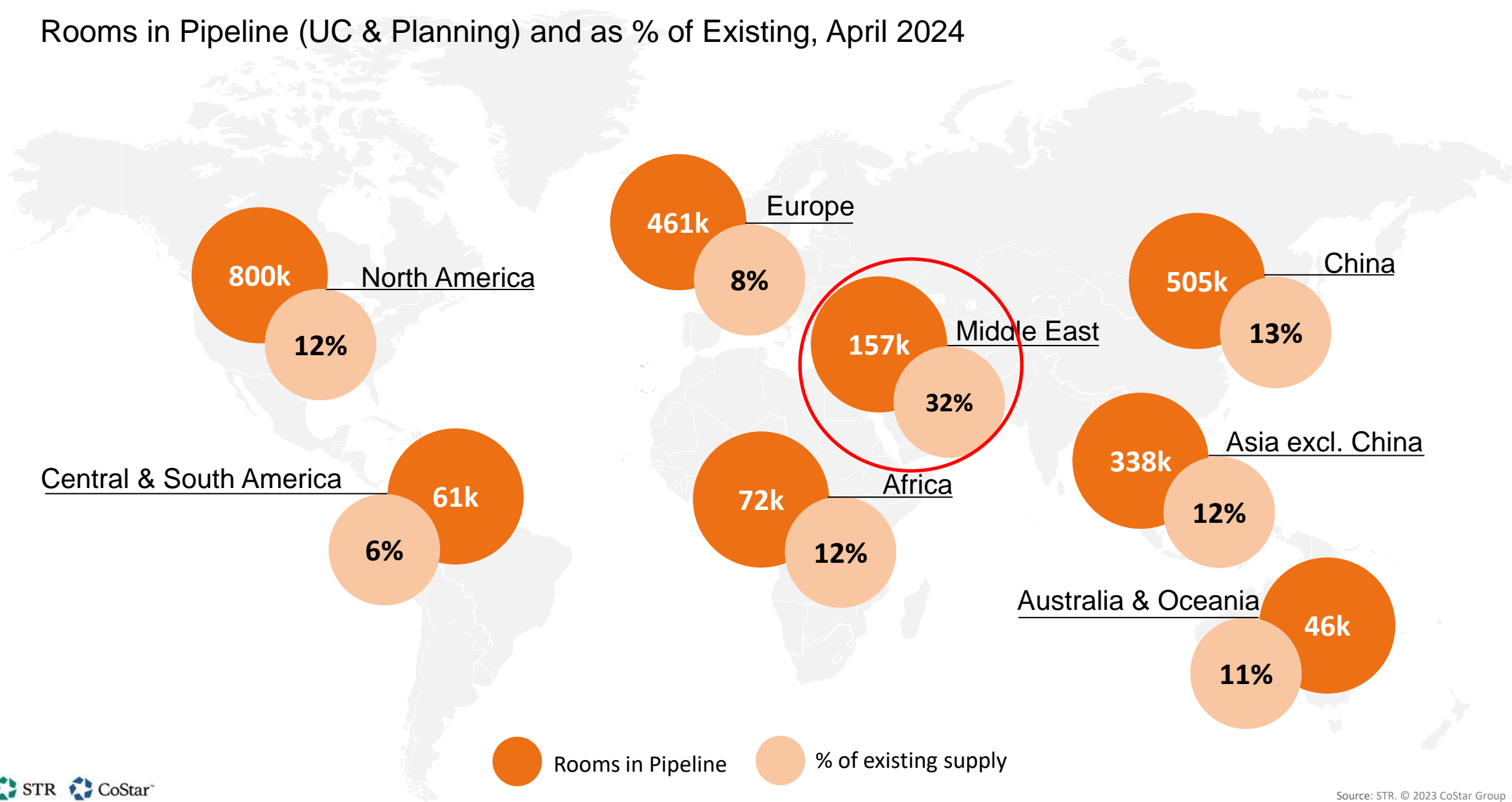
Dubai, Group Demand % chg YoY, Jan 2023 – May 2024
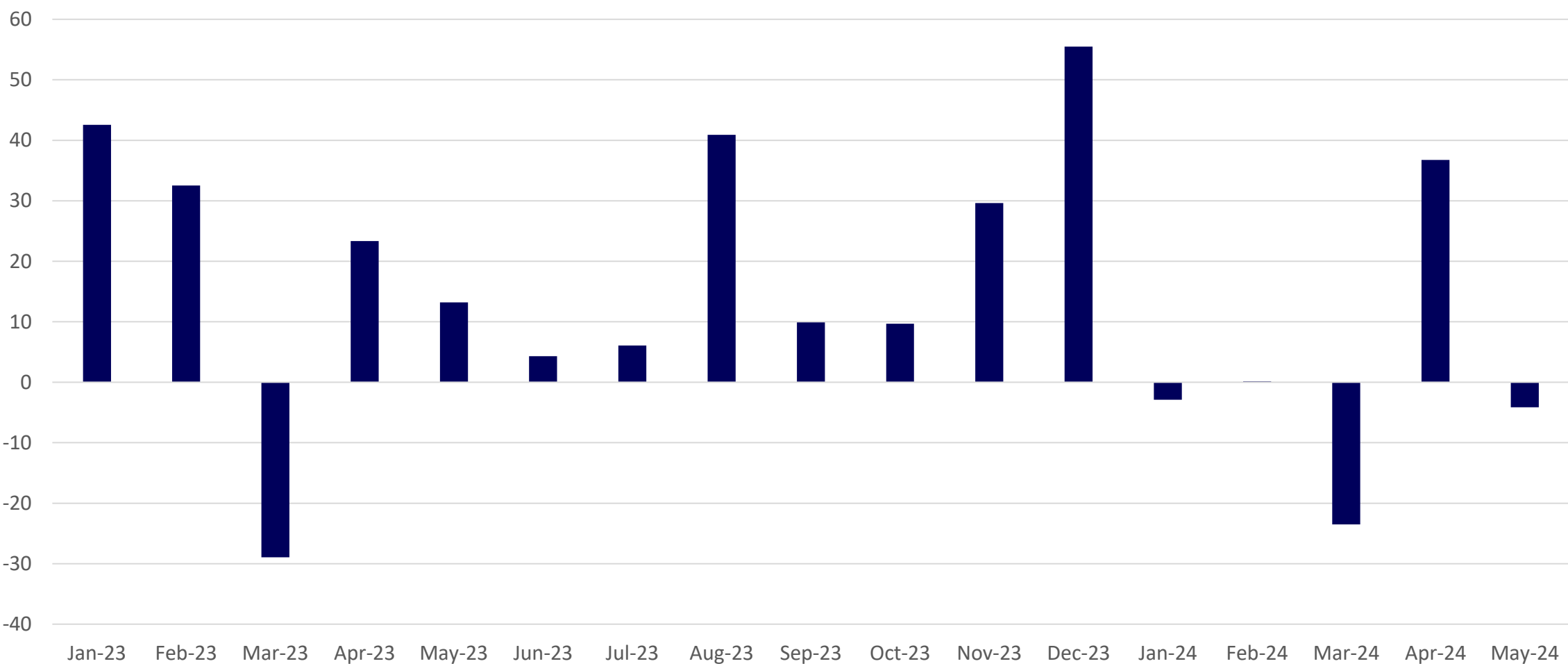
Mideast Pipeline and Development Overview

The SHARE Center
*Supporting Hotel and Real Estate Education*

Pipeline globally, and it is the Middle East that stands out

Rooms in Pipeline (UC & Planning) and as % of Existing, April 2024

North America — 800k, 12%

Central & South America — 61k, 6%

Europe — 461k, 8%

Middle East — 157k, 32%

Africa — 72k, 12%

China — 505k, 13%

Asia excl. China — 338k, 12%

Australia & Oceania — 46k, 11%

Rooms in Pipeline   % of existing supply

Saudi Arabia 3rd on world leader board, UAE 14th

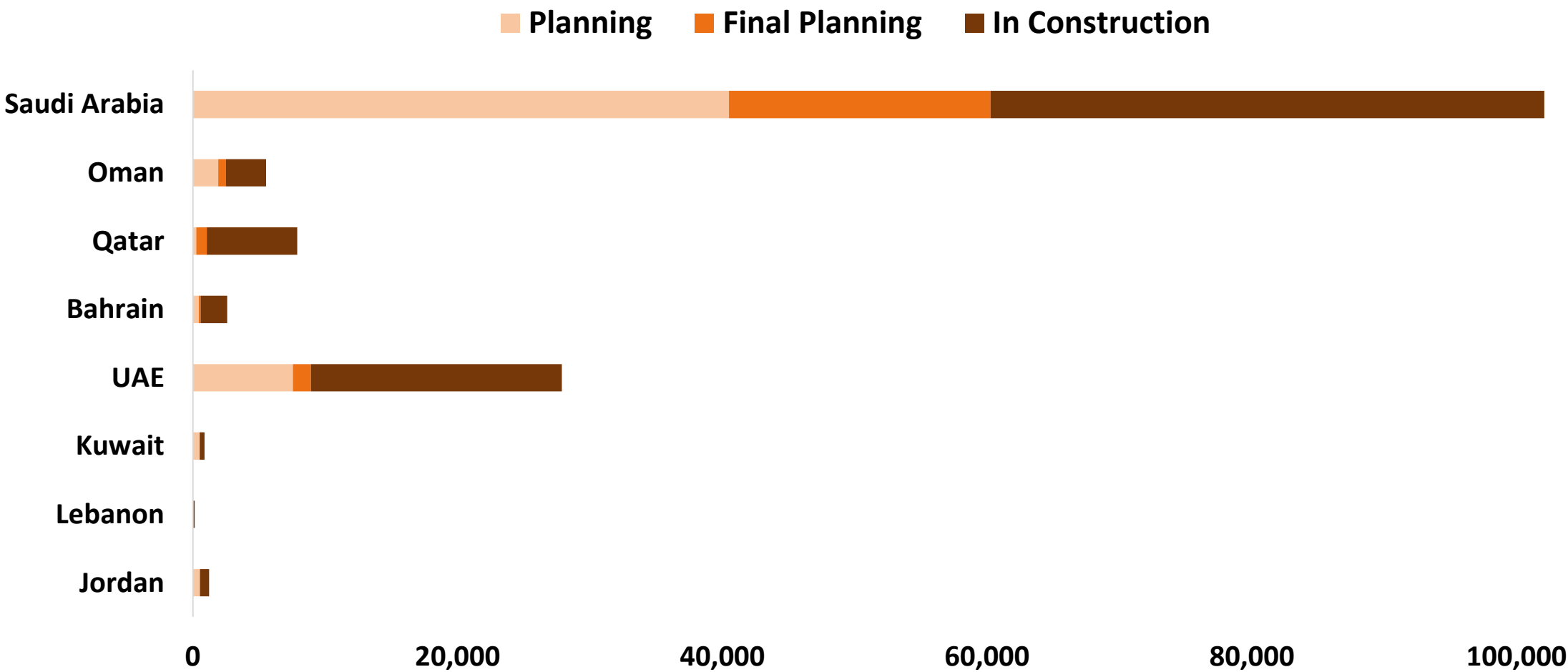Global countries, Rooms in the active pipeline, April 2024
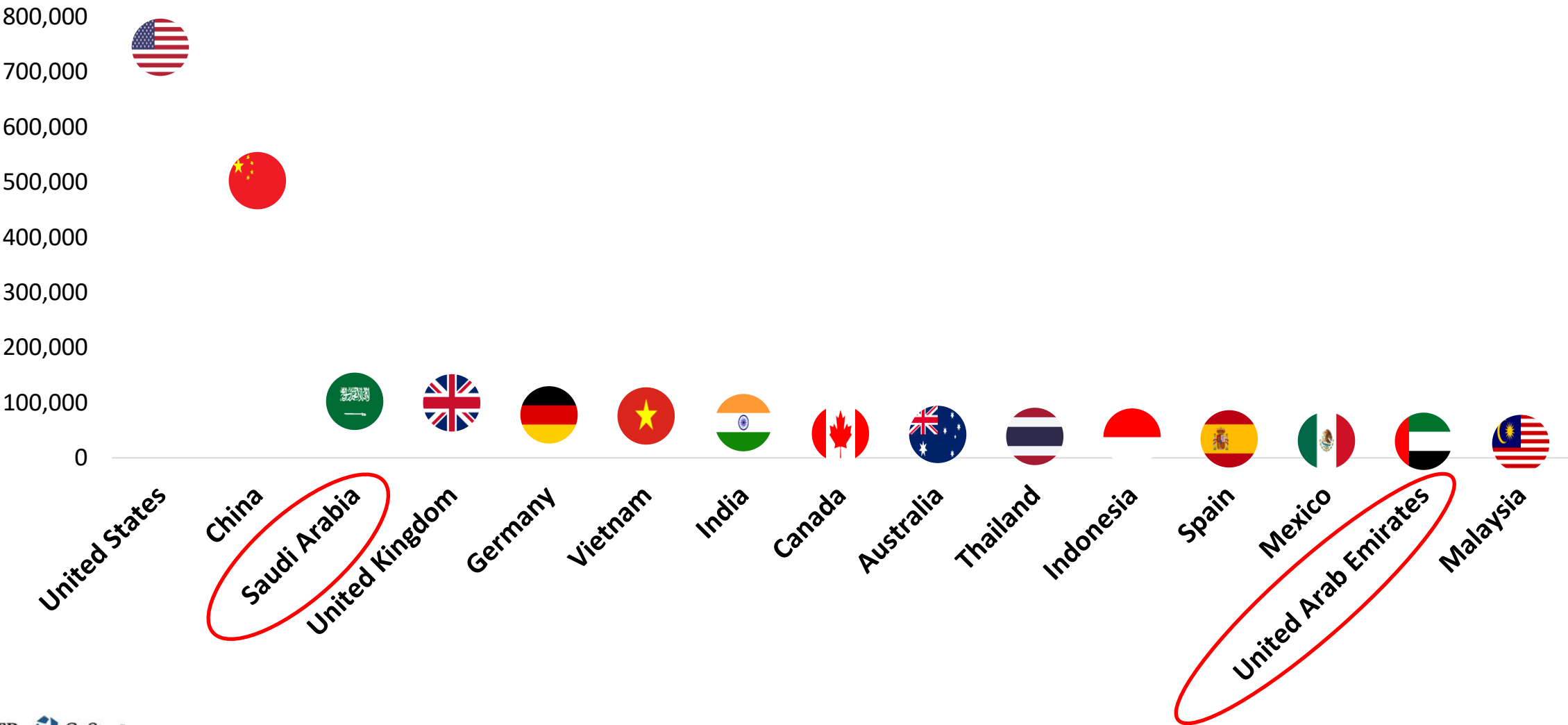
Riyadh has world's largest pipeline, Makkah, Dubai, & Jeddah follow
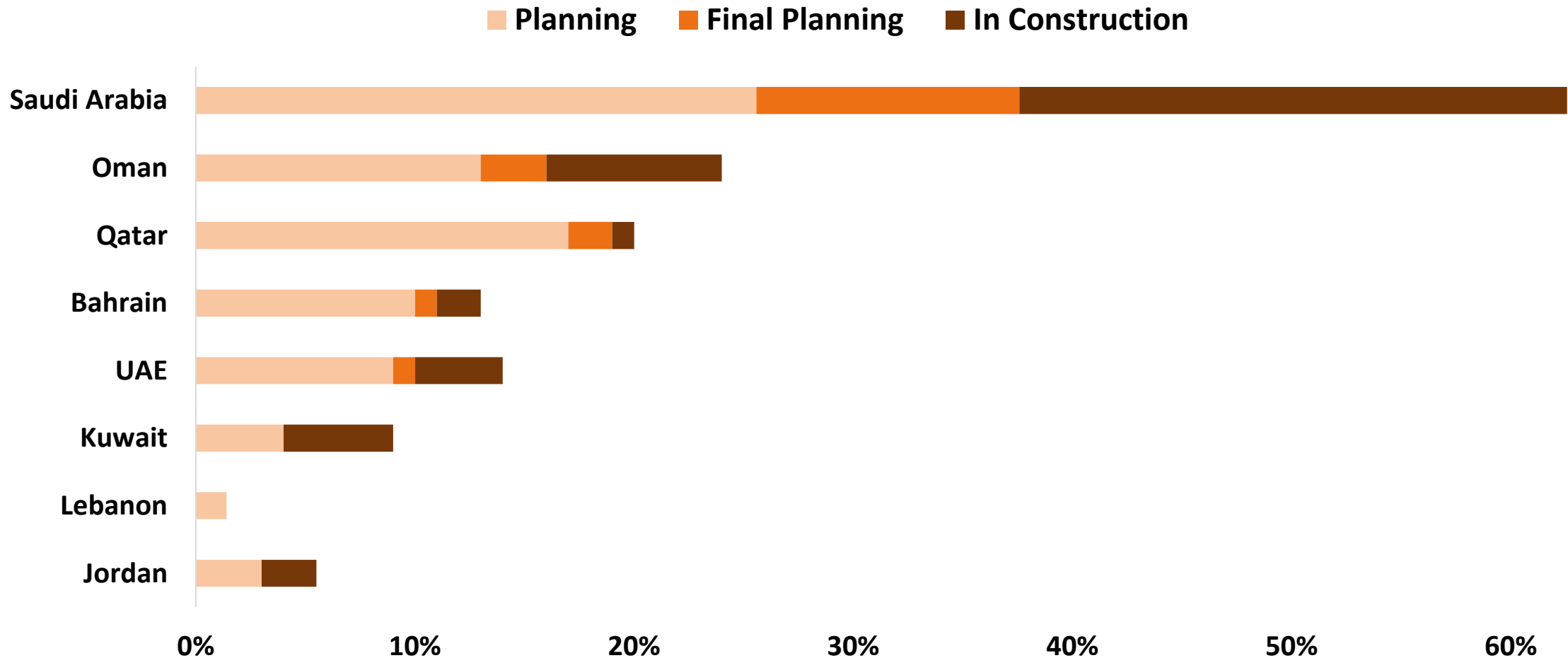
Global cities, Rooms in the active pipeline, April 2024
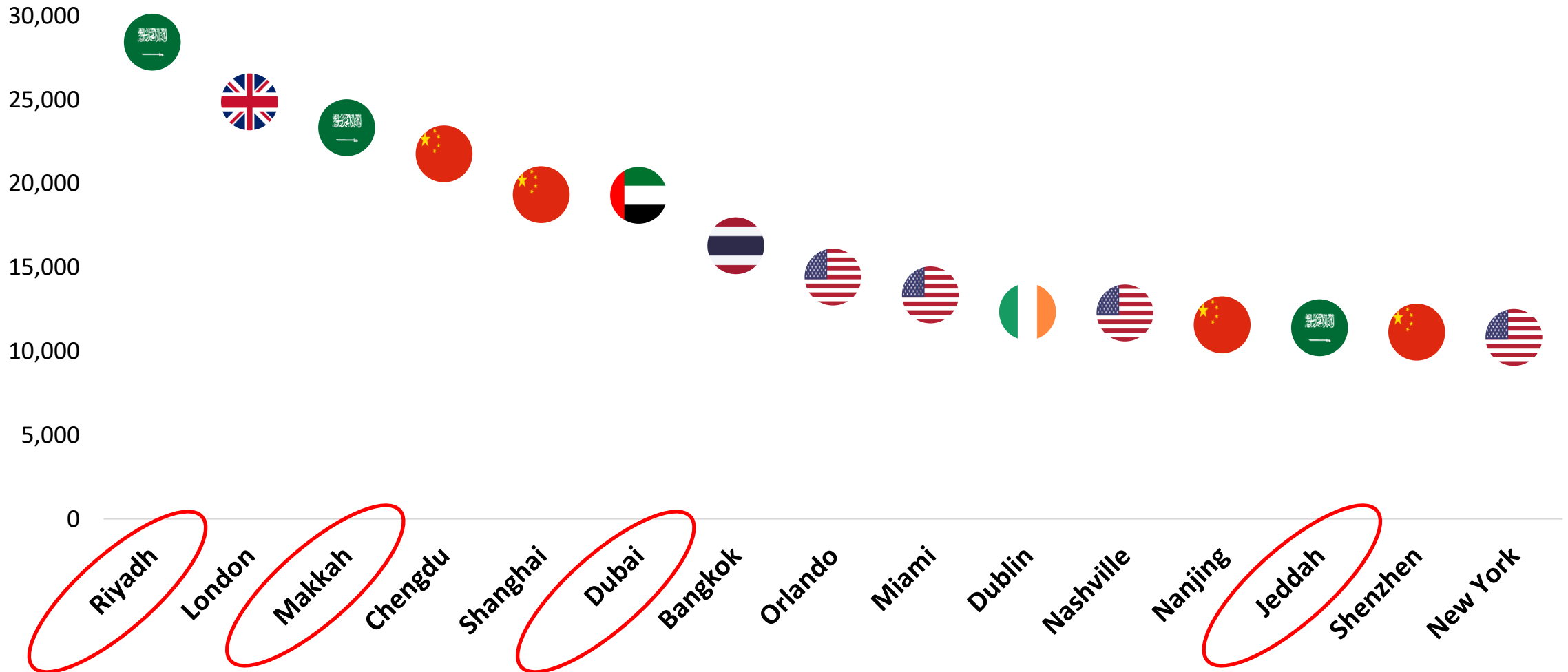
Staggering Saudi supply growth is set to continue, UAE 2nd

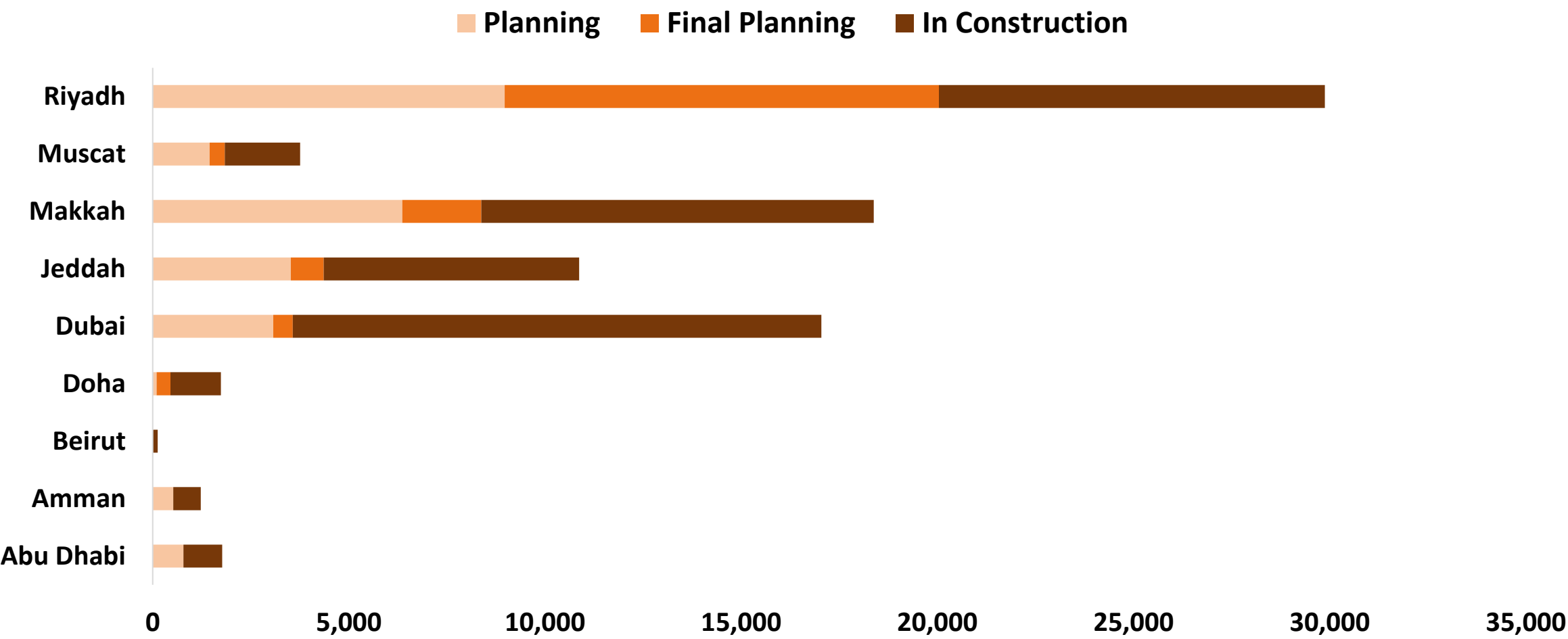Mideast countries, active pipeline as <u>number of rooms in the pipeline</u>, September 2024

Legend: ■ Planning ■ Final Planning ■ In Construction

X-axis: 0 20,000 40,000 60,000 80,000 100,000

Categories (top to bottom): Saudi Arabia, Oman, Qatar, Bahrain, UAE, Kuwait, Lebanon, Jordan

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Different perspective – percentage, Oman & Qatar high

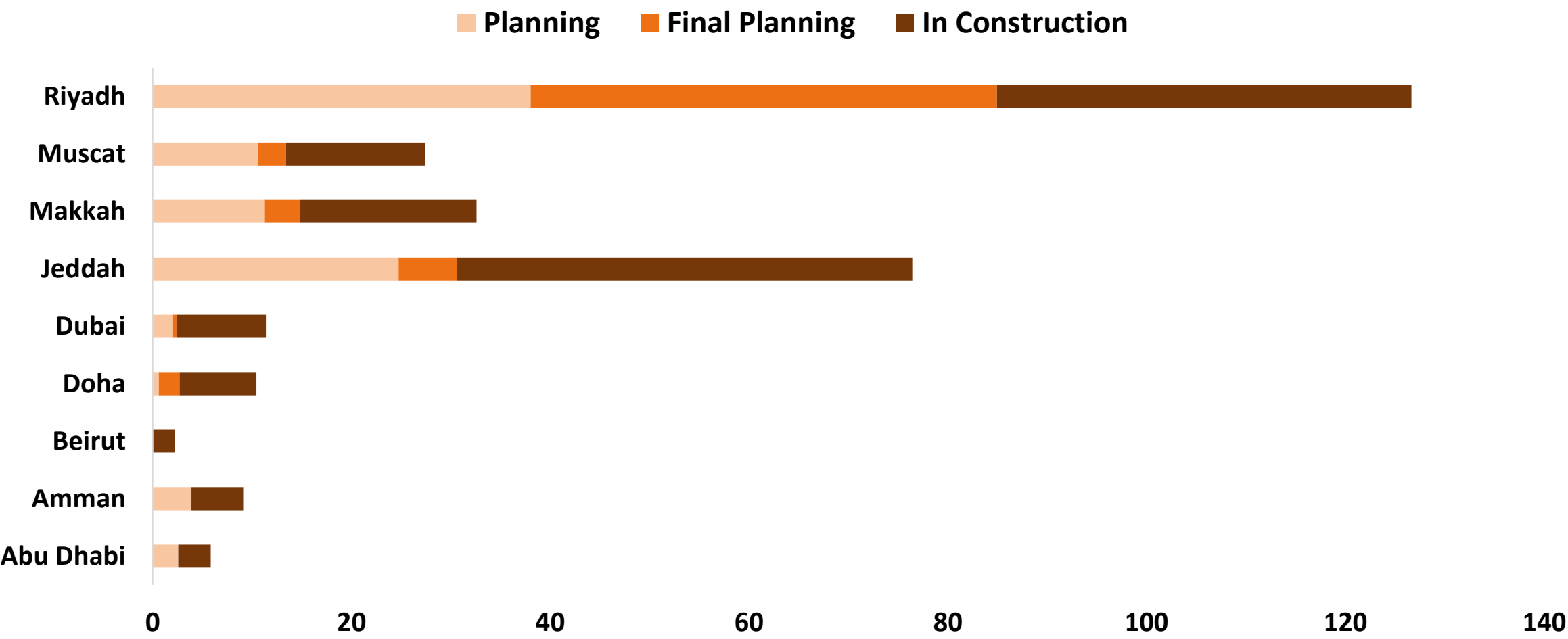Mideast countries, active pipeline as <u>percent of existing rooms</u>, September 2024

Legend: ▮ Planning ▮ Final Planning ▮ In Construction

Chart (bar chart, percent of existing rooms):
- Saudi Arabia: ~62%
- Oman: ~24%
- Qatar: ~20%
- Bahrain: ~13%
- UAE: ~14%
- Kuwait: ~9%
- Lebanon: ~1.5%
- Jordan: ~5.5%

X-axis: 0%, 10%, 20%, 30%, 40%, 50%, 60%

Cities - Riyadh, Makkah, Dubai, & Jeddah have highest numbers

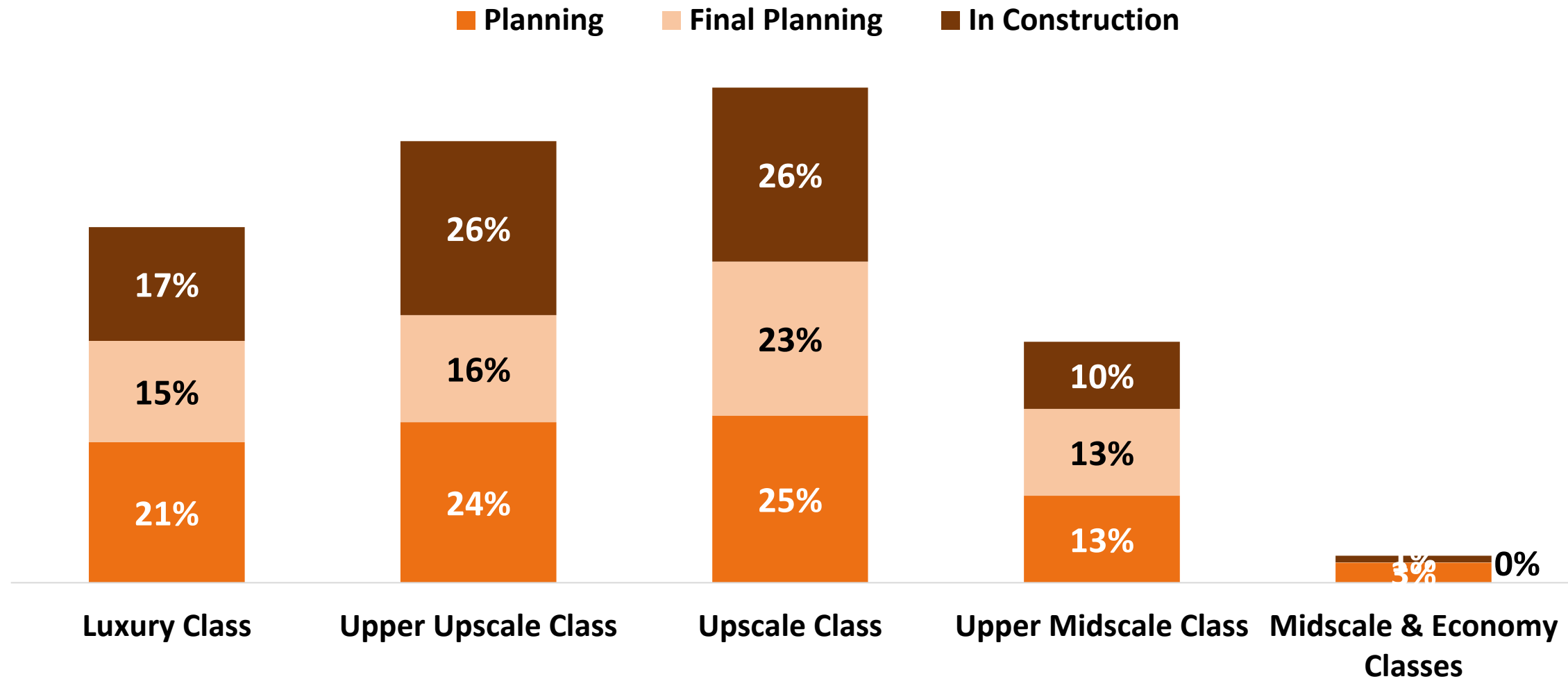Mideast countries, active pipeline by number of existing rooms, September 2024

Legend: Planning · Final Planning · In Construction

Cities (top to bottom): Riyadh, Muscat, Makkah, Jeddah, Dubai, Doha, Beirut, Amman, Abu Dhabi

X-axis: 0, 5,000, 10,000, 15,000, 20,000, 25,000, 30,000, 35,000

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Cities - Riyadh and Jeddah have highest percentages

Mideast countries, active pipeline as % of existing rooms, September 2024

Legend: ■ Planning ■ Final Planning ■ In Construction

Cities (top to bottom): Riyadh, Muscat, Makkah, Jeddah, Dubai, Doha, Beirut, Amman, Abu Dhabi

X-axis: 0, 20, 40, 60, 80, 100, 120, 140

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With high end classes still the preferred type of hotel

Mideast countries, active pipeline as % of existing rooms, August 2024

■ Planning   ■ Final Planning   ■ In Construction

Class	Planning	Final Planning	In Construction
Luxury Class	21%	15%	17%
Upper Upscale Class	24%	16%	26%
Upscale Class	25%	23%	26%
Upper Midscale Class	13%	13%	10%
Midscale & Economy Classes	3%		0%

KSA Pipeline Detail

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Supporting Hotel and Real Estate Education

Much of this supply will be going into the KSA giga projects…

KSA Players & Demand Generators
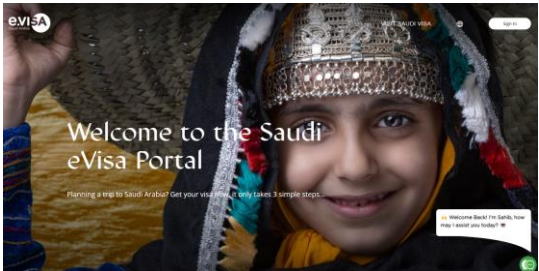
Pipeline throughout KSA, giga project clearly visible, 100+K keys

Saudi Arabia Hotels in active pipeline – March 2024

# Holy Cities ruled the pipeline over past 16 years...

Saudi Arabia, share of new rooms opened by market, 2006-2014 and 2015-2022
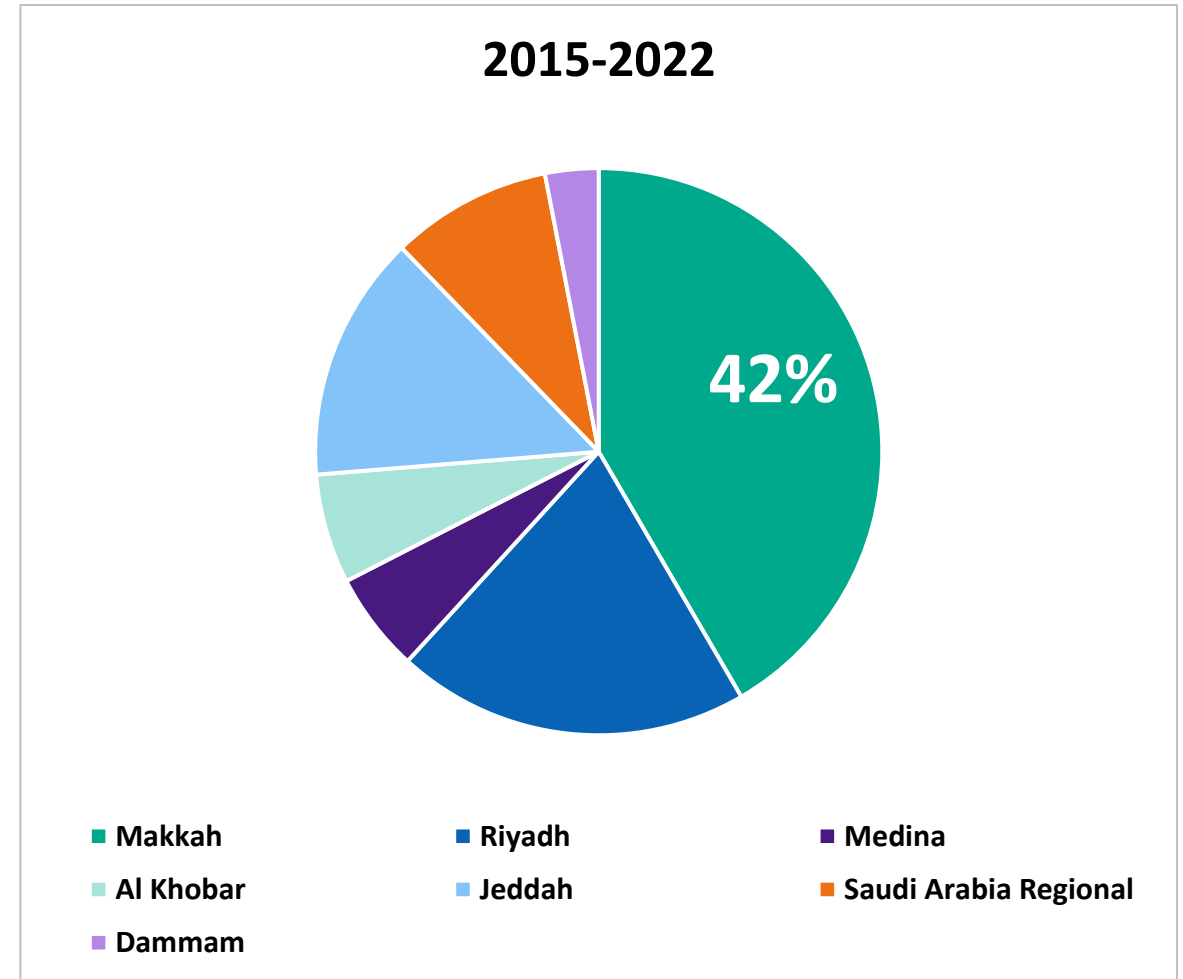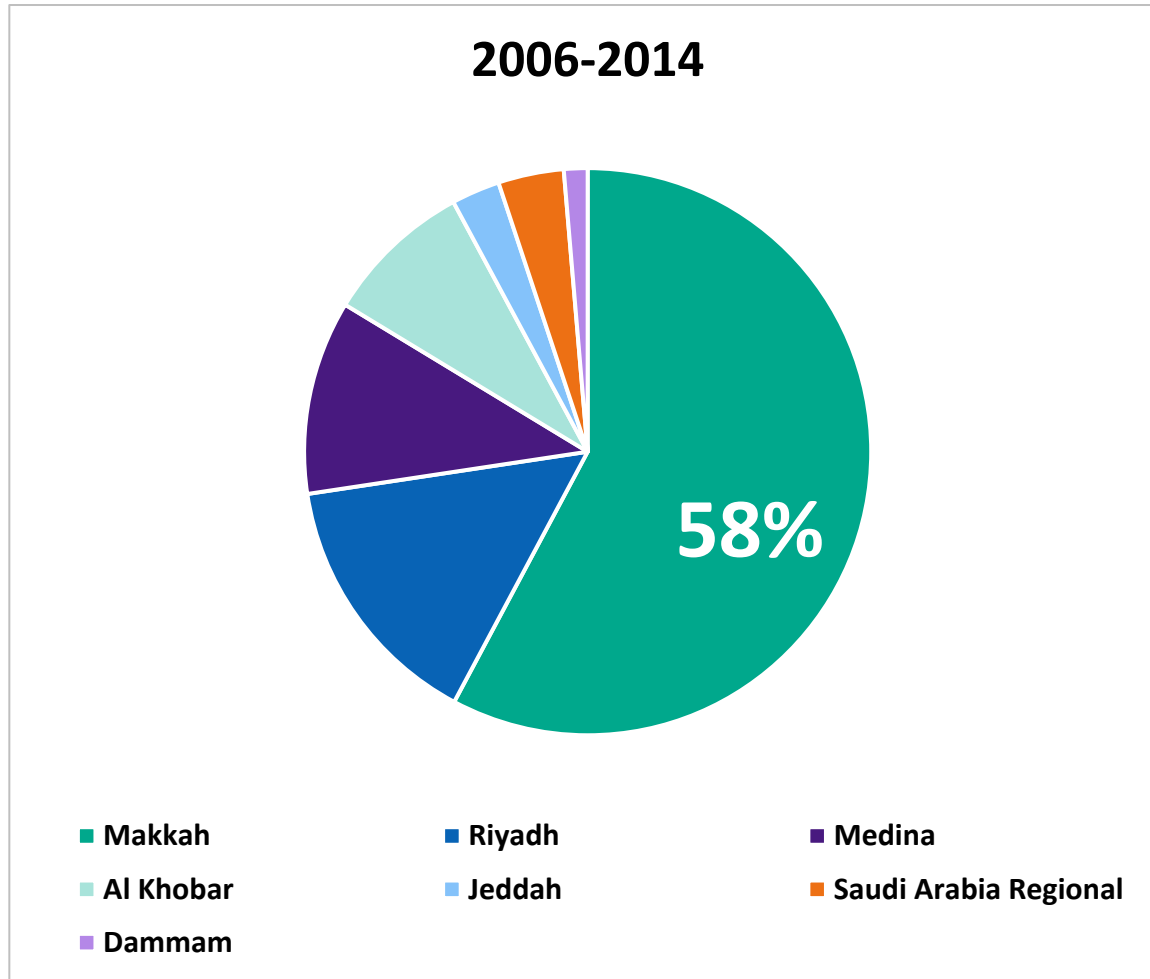
Vision 2030 puts Riyadh & KSA Regional at forefront over next 7 years

Saudi Arabia, share of new rooms opening by market, 2023* – 2030 pipeline

Legend: ■ Makkah ■ Riyadh ■ Medina ■ Al Khobar ■ Jeddah ■ Saudi Arabia Regional ■ Dammam

Pie chart values: 1%, 22%, 27%, 11%, 4%, 12%, 24%
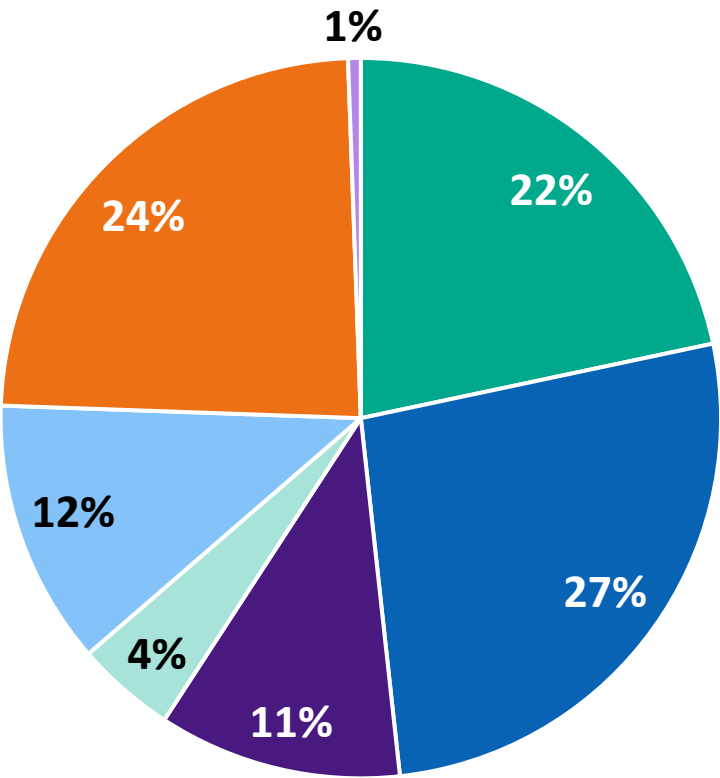
*includes rooms opened YTD and pipeline

If we take the pipeline opening dates, this is future supply growth

Saudi Arabia, historic and pipeline rooms opened and due to open, 2006 – 2030

■ New rooms opened   ■ Pipeline projected open
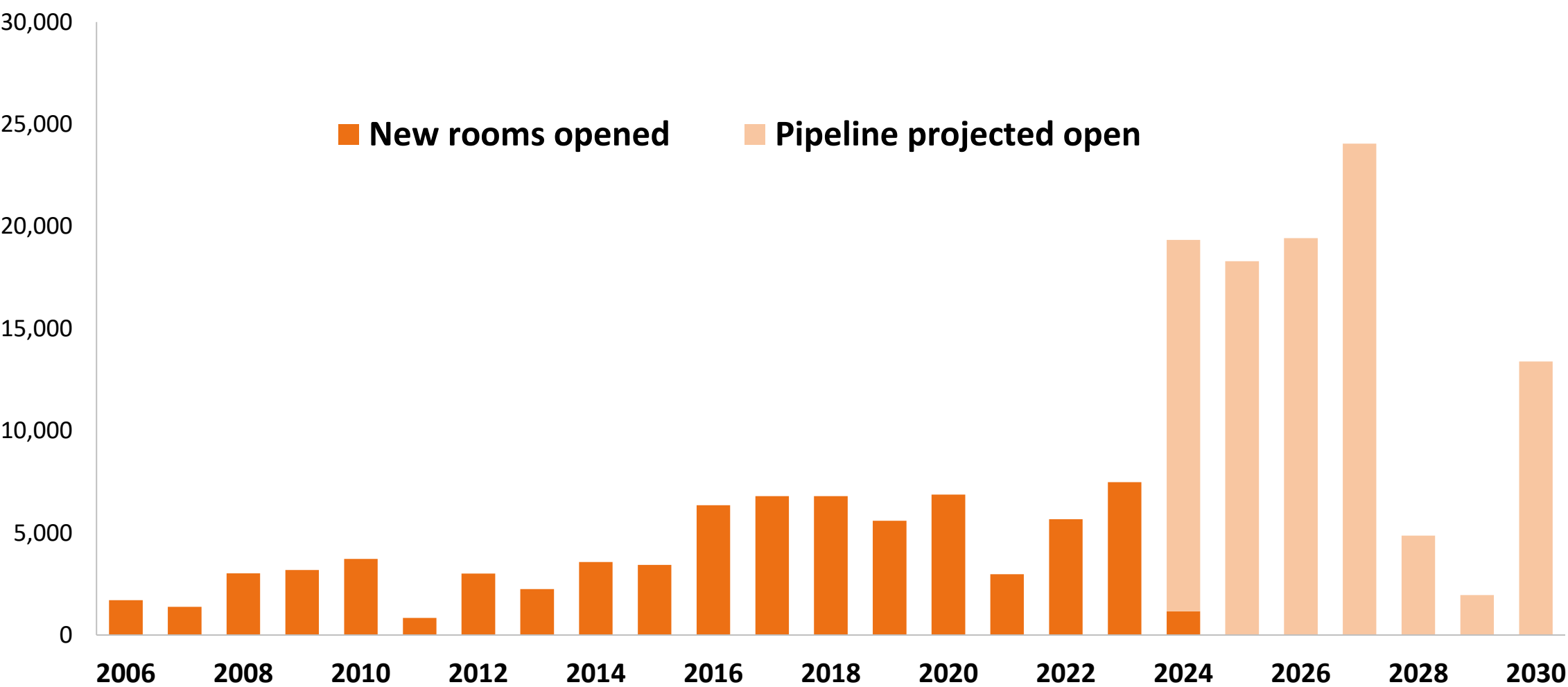
With major global companies all eager for a greater slice of the cake

Saudi Arabia existing supply and pipeline

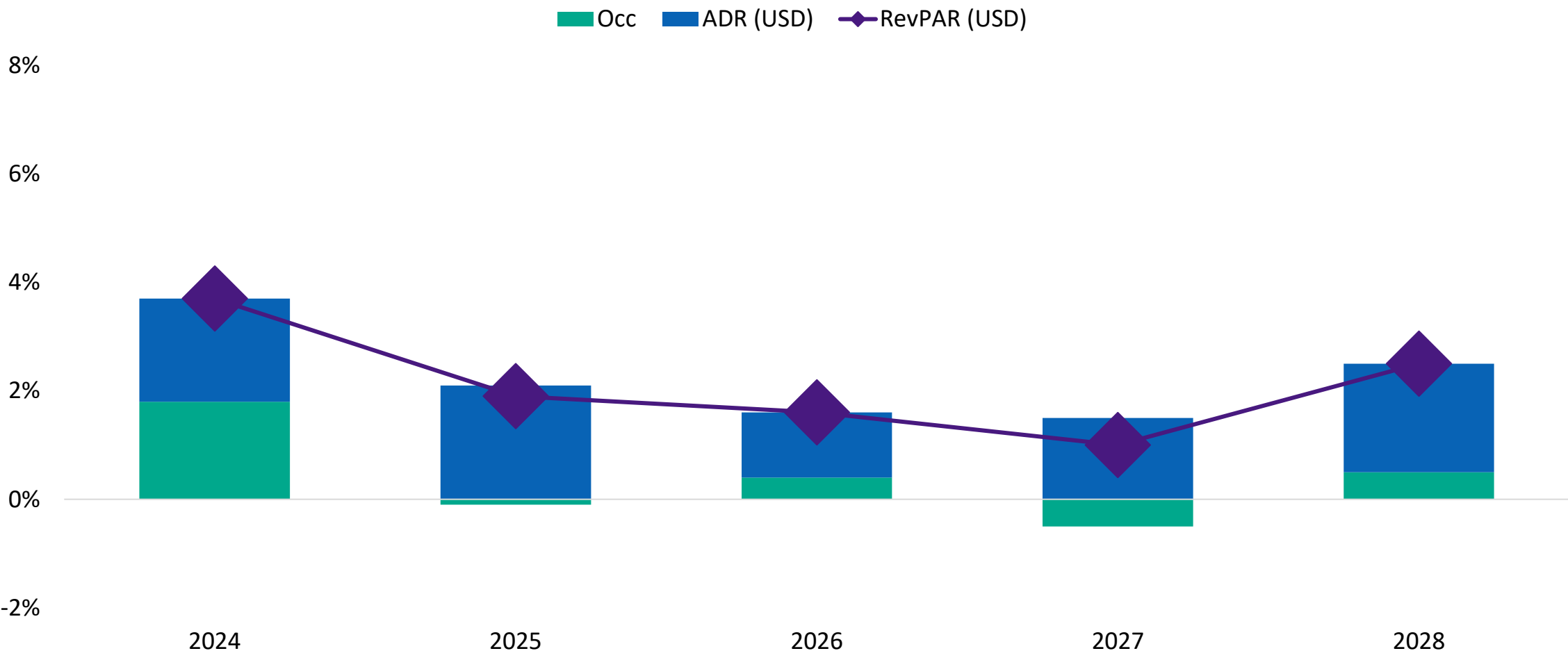Source: STR. © 2023 CoStar Group
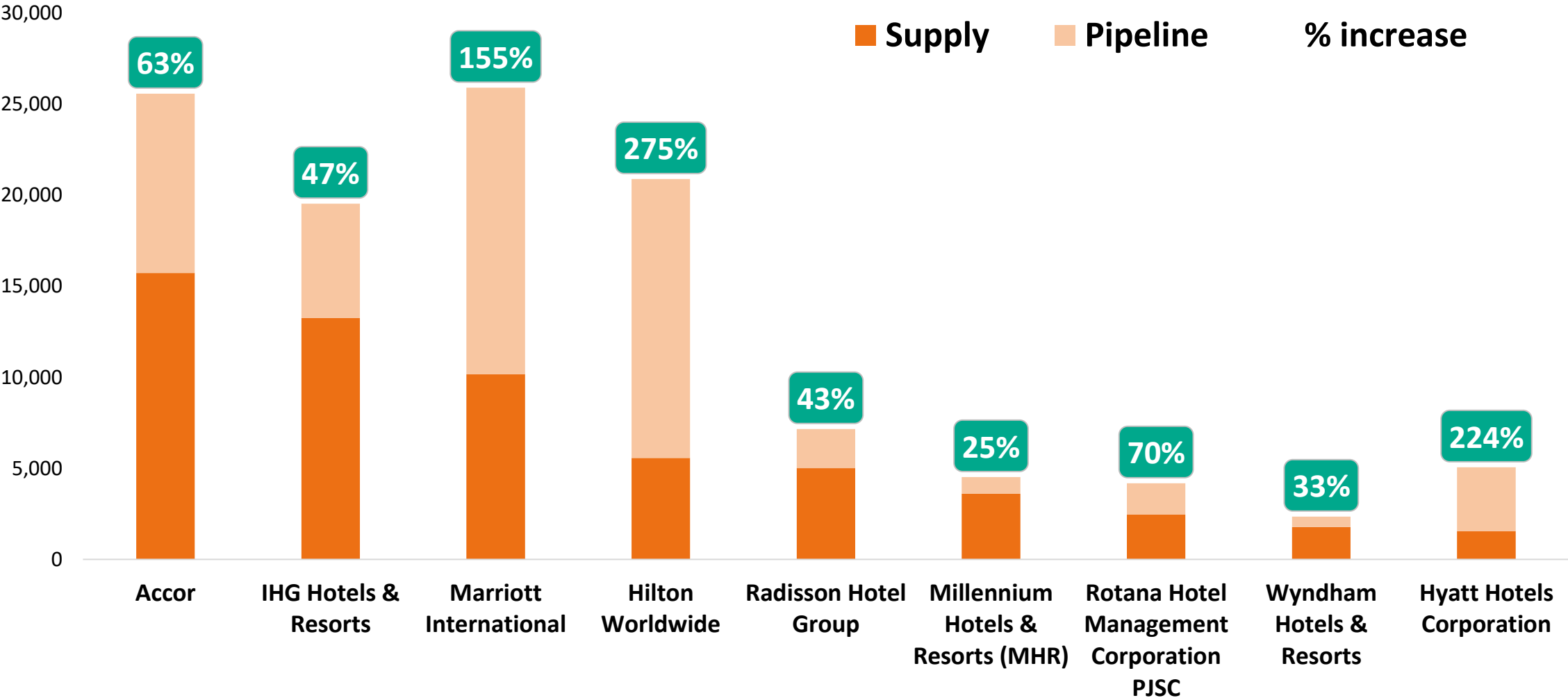
Mideast Forecasts
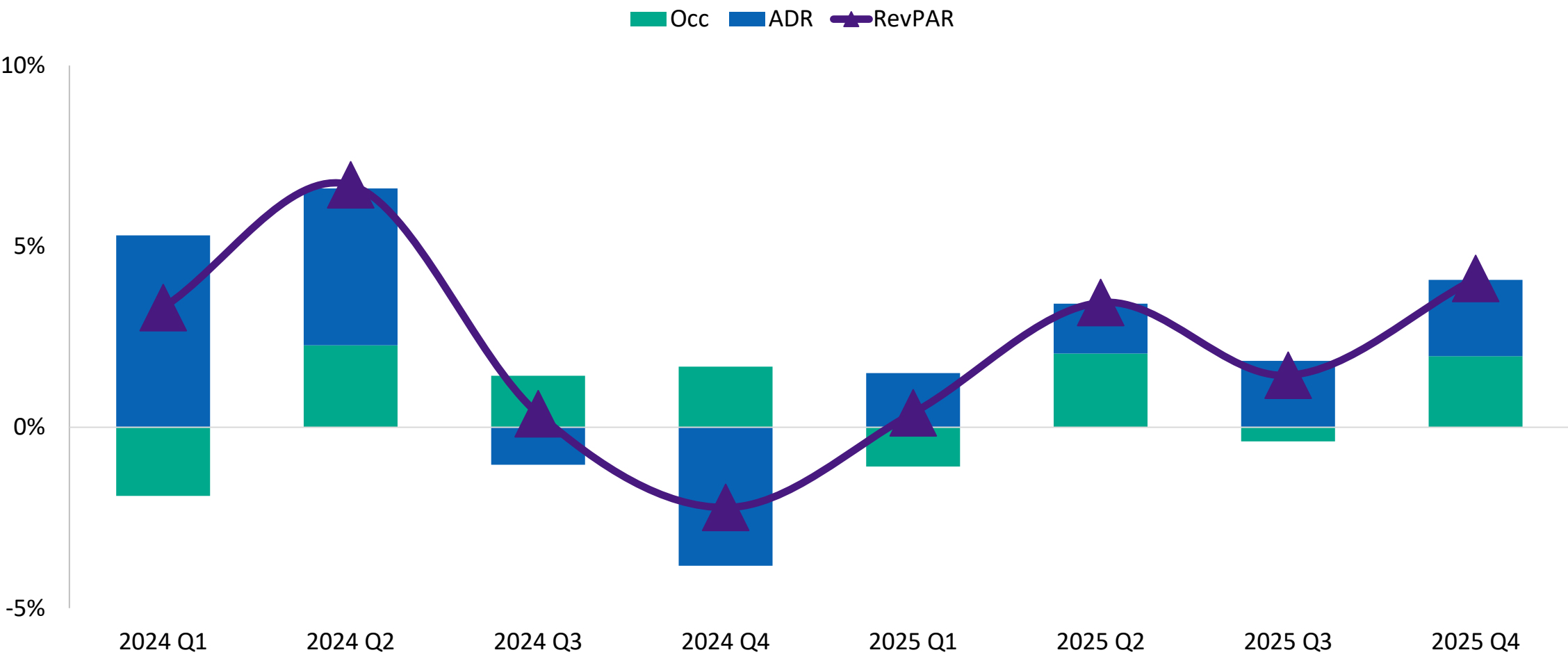
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Middle East: New supply limits occupancy but RevPAR growth still expected

Middle East* KPI YoY % change, Forecast 2024F – 2028F

*Aggregated performance of Abu Dhabi, Dubai, Jeddah and Riyadh
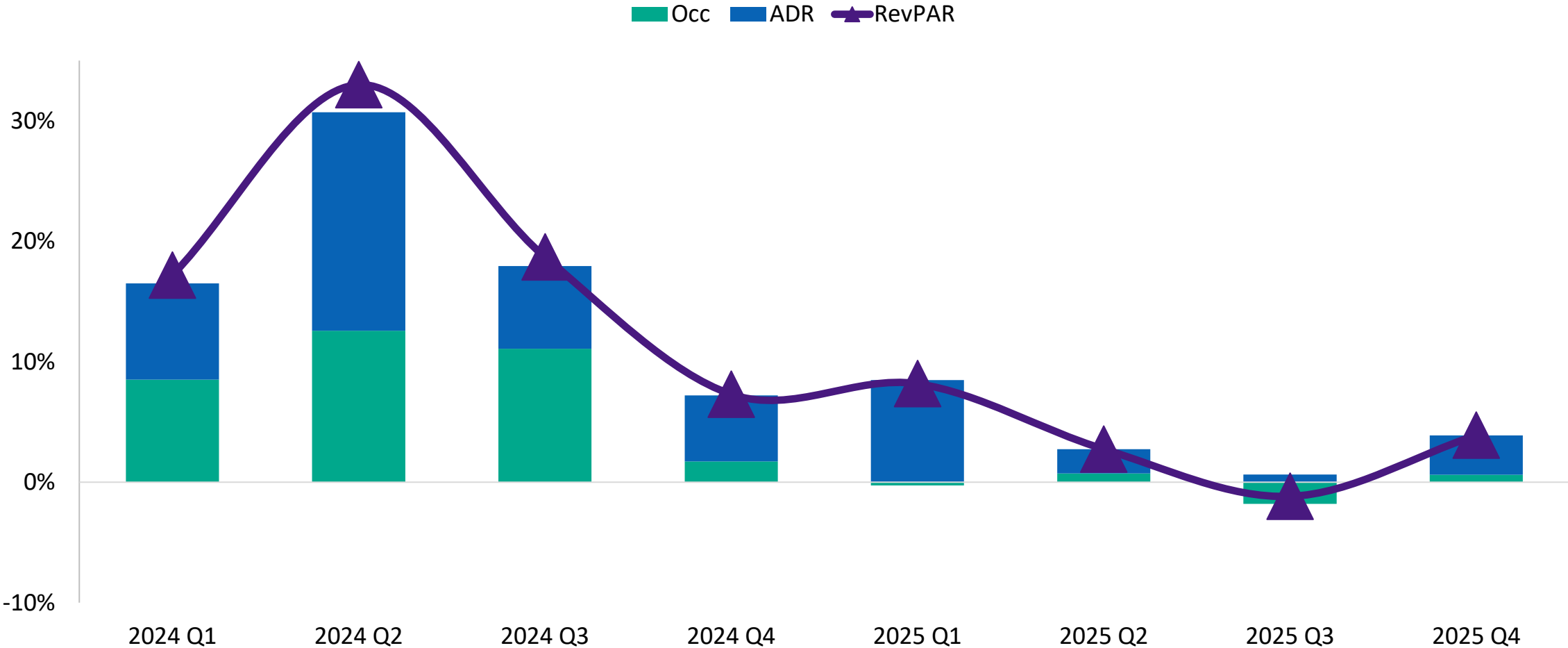
Dubai has some event offsets and holidays to consider

Dubai, KPIs (AED) % chg. YoY, Q1 2024 – Q2 2024 hist; Q3 2024 – Q4 2025F

And the medium term in Abu Dhabi is shaping up nicely too

Abu Dhabi, KPIs (AED) % chg. YoY, Q1 2024 – Q2 2024 hist; Q3 2024 – Q4 2025F

Thank you!

Questions?

Steve Hood, shood@str.com

Email me if you would like the PPT