

Hotels & Tourism

UAE Hospitality Market Review Q1 2024

VIEWPOINT

The UAE's key performance indicators continued to showcase resilient performance in the first quarter of the year, largely supported by the elevated visitation levels.

CBRE RESEARCH
MAY 2024



UAE Hospitality Market

Globally, in the first quarter of 2024, the average number of daily flights stood at 118,689, surpassing the 2019 pre-pandemic baseline by 11.5% and registering a year-on-year increase of 11.0%. In March 2024, data from IATA revealed that the global passenger load factor (PLF) reached 82.0%, up by 1.0% from the comparable 2023 figure, and the available seat kilometers (ASKs) registered a year-on-year increase of 12.3%.

In the year to date to March 2024, the total number of hotel guests in Abu Dhabi stood at 1.30 million, a growth of 22.0% compared to the year prior and a 16.1% growth from the 2019 comparable figure. In Dubai, in the year to date to March 2024, the total number of international visitors stood at 5.18 million, marking a year-on-year increase of 10.9%, and a 9.1% increase from the 2019 level.

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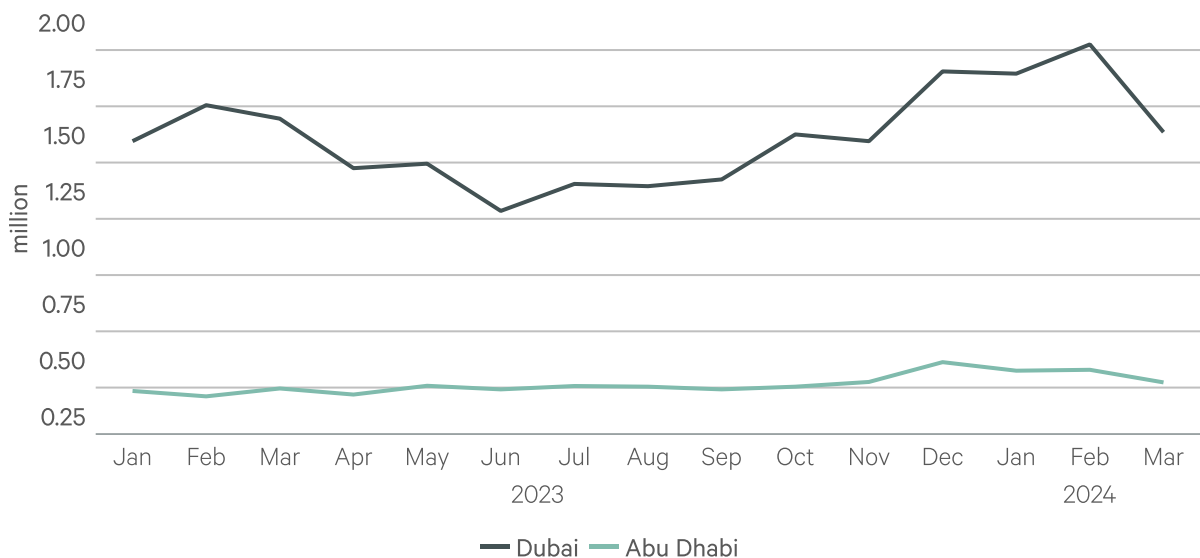
Over the remainder of the year, we expect that visitation will see a marked increase owing to several events, which are expected to continue to drive occupancy and rates to record levels.

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Taimur Khan
Head of Research

Figure 1: Abu Dhabi and Dubai Visitation Levels



Source: CBRE Research/ Department of Culture and Tourism Abu Dhabi/ Dubai Department of Economy and Tourism

The UAE's Key Performance Indicators (KPIs) continue to showcase strong performance levels on the back of robust visitation. Year-on-year, in the year to date to March 2024, the average occupancy rate registered a marginal increase of 0.9 percentage points, and the country's ADR increased by 5.6%. As a result, we have seen the average RevPAR increase by 6.8%. In the year to date to March 2024, the UAE's average ADRs stood at 24.9% above the 2019 comparable figure. This has been underpinned by higher ADRs in Sharjah, Dubai, Abu Dhabi, Fujairah, and Ras Al Khaimah, recording respective increases of 27.9%, 24.0%, 18.0%, 11.1%, and 1.9%. As a result, we have seen these cities' RevPARs outperform their 2019 pre-pandemic levels by 34.3%, 22.3%, 19.7%, 40.6%, and 3.0%, respectively. In terms of citywide occupancy, the majority of locations have topped their 2019 pre-pandemic levels; however, Dubai is the only city that sits marginally below its 2019 baseline by 1.2 percentage points, owing largely to lower visitation during Ramadan.

Over the remainder of the year, strong performance will continue to be seen in the UAE's hospitality sector as the elevated visitation levels will likely be maintained given a number of key upcoming local and regional events.

YoY YTD to March 2024 increase
in UAE hotel occupancy rates

0.9pp

Increase in average RevPAR in the
UAE YoY YTD to March 2024

+6.8%

Figure 2: UAE, Hospitality Market, KPIs, YoY % Change

	Year to Date - March 2024 vs March 2019			Year to Date - March 2024 vs March 2023		
	Occ PP Change	ADR % Change	RevPAR % Change	Occ PP Change	ADR % Change	RevPAR % Change
UAE	0.2%	24.9%	25.2%	0.9%	5.6%	6.8%
Abu Dhabi	1.2%	18.0%	19.7%	6.3%	8.0%	17.2%
Dubai	-1.2%	24.0%	22.3%	-0.7%	5.4%	4.5%
RAK	0.8%	1.9%	3.0%	-1.5%	8.0%	5.8%
Sharjah	4.0%	27.9%	34.3%	4.2%	3.8%	9.4%
Fujairah	15.8%	11.1%	40.6%	10.5%	-2.2%	13.7%
Ajman	-	-	-	1.4%	0.9%	2.6%

Source: CBRE Research/ STR Global

Contacts

Middle East

Taimur Khan

Head of Research
+971 52 281 6953
taimur.khan@cbre.com

Tatiana El Bazi

Senior Analyst
+971 52 414 6791
tatiana.elbazi@cbre.com

Michael Young

Head of Advisory & Transactions
+971 56 603 9160
michael.young@cbre.com

Lindsay McQuillan

Head of Property Management
+971 52 640 9532
lindsay.mcquillan@cbre.com

Daniel McCulloch

Head of Valuation
+971 50 656 8325
daniel.mcculloch@cbre.com

Harish Nair

Head of MENA Consulting
+966 11 254 9777
harish.nair@cbre.com

Ali Manzoor

Head of Hotels & Tourism
+971 58 149 2583
ali.manzoore@cbre.com

Scott Keaney

Head of Project Management
+971 52 640 9525
scott.keaney@cbre.com

Inci Gecekusu

Head of Marketing & Communications
+971 52 1005 122
inci.gecekusu@cbre.com

Global Research

Richard Barkham, Ph.D., MRICS

Global Chief Economist & Head of Research
richard.barkham@cbre.com

Henry Chin, Ph.D.

Global Head of Investor Thought Leadership & Head of Research, APAC
henry.chin@cbre.com.hk

Abhinav Joshi

Head of Research, India, Middle East and North Africa
abhinav.joshi@cbre.co.in

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