

# Building Hotels in a Challenging Environment | FHS 2023

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**Hala Matar Choufany**, President & Managing Partner, Middle East, Africa & South Asia at HVS, together with **Engr. Suwaidan Al Dhaheri**, CEO Imkan Properties, **Fahad Abdulrahim Kazim**, CEO Lakhraim Group & Millenium Hotels MEA, and **Michael McGovern**, Director Compass Project Consulting, discuss the topic of building hotels in a challenging environment within the Middle East. Hala Matar Choufany shares her view on the current and future hospitality market in the region. The main takeaways are:

- **HVS** advisory works cover the full cycle of a project, from project feasibility studies to operations and value optimizations, up to dispositions;
- In addition to the importance of healthy IRRs, which is undoubtedly crucial in investment decision-making, a comprehensive feasibility study should analyse project inflows (EBITDA) based on market conditions, proposed branding, type of offering as well as the outflow (CAPEX) which should be aligned with the efficiency per key, positioning; design and operators' suitability;
- Inefficiently designed buildings or over-specified schemes typically result in higher investment budgets which is commonly observed with hotel developments in the region and negatively affects the IRR of the project;
- The limited number of hotel transactions in the GCC is due in part to a disconnect between development costs and hotel actual values based on income potential;
- In the current economic conditions - rising costs and higher interest rates - hotel development/redevelopments are developed in conjunction with branded residences or part of larger schemes in order to mitigate the investment and development risk;
- The hospitality industry is currently grappling with a series of challenges stemming from a convergence of factors that have fundamentally reshaped its landscape. Among these challenges, the early stages of development, particularly regarding Fire, Life & Safety (FLS) and Furniture, Fixtures, and Equipment (FF&E), stand out as a primary cause of project delays, resulting in substantial cost escalation and reputational damage for developers. Beyond the delay in hotel and project openings, developers are confronted with issues related to product quality, failing to meet the specifications outlined in approved designs.

[Watch the Full Video](#)



## Summary

Watch Hala Matar Choufany's discussion about the region's development of hotels, the existing challenges, and opportunities, at the 2023 Future Hospitality Summit

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## About **Hala Matar Choufany**



Hala is an experienced Regional President and Managing Partner, an industry expert, and is recognized as one of the most influential leaders in the hospitality industry, notably in the Middle East and Africa region.

Hala has advised on more than 5,000 hospitality and mixed-use projects in the last 20 years across Europe, the Middle East, Africa and Asia. She has advised clients in areas such as Valuations, Acquisitions, Asset Management, Strategic investments and development, Contract Negotiations, and general Real Estate Strategic Advisory.

Hala has authored more than 50 publications and speaks frequently at investment and hospitality related conferences on a range of topics including asset valuation, investments, management issues and women leadership.

In addition to being a Board Member of HVS Global, Hala sits on the Boards of Harvard Business School Club of the GCC, Hotel Investment Advisory Board, and is regularly invited to Boards as a subject matter expert in the industry. Hala is frequently invited to discuss hotel and tourism trends on major news channel including Alarabiya, Bloomberg, Abu Dhabi TV, Forbes, Breaking Travel News and CNN.

Hala is also a member of the International Society of Hospitality Consultants (ISHC).

Hala completed Executive Education at Harvard Business School. She also holds an MBA in Finance and Strategy from IMHI (Essec- Cornell) University, Paris, France and a BA in Hospitality Management from Notre Dame University, Lebanon. Hala is fluent in English, French and Arabic.

Born in Beirut, Hala lived and worked in several cities across Europe, Asia and Middle East and is a mother of three.

For more information, contact Hala at [\[email protected\]](#).