MARKET REPORT

Forecast of Hotel Performance in GCC Beyond 2020

JUNE 9, 2020

We raise key concerns and questions that are worth reflecting on to address the complex “new normal” that will govern future investments and operations in our industry. Although COVID-19 has challenged our fundamental forecasting approach that typically relies on predictable market trends and metrics, we share our assumptions pertaining to what the recovery model may look like for select cities in the GCC and the likely impact on EBITDA.

This video summarizes the findings of the HVS Traveller and Hotel Guest Sentiment Survey along with hotel performance forecast 2020-2024 of the COVID-19 - Beyond the Dust article.

The goal of the Traveller and Hotel Guest Sentiment Survey was to understand the current confidence levels, changes in behavior and preferences, and most importantly the decision making when selecting destinations and hotel stays in the near term. We raise key concerns and questions that are worth reflecting on to address the complex “new normal” that will govern future investments and operations in our industry.

Although COVID-19 has challenged our fundamental forecasting approach that typically relies on market trends, supply and demand dynamics, other useful metrics such as development pipeline, induced demand generators and more has been taken into account to share with you our assumptions pertaining to what the recovery model may look like for select cities in the GCC region. For the purpose of future forecast, we have relied on publicly available information as on 4 May 2020 pertaining to travel and tourism national and international announcements.

