

# Quarterly Report - Q2

Q2 – 2018

Strategy – Research & Statistics Division

July - 2018

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## 1 EXECUTIVE SUMMARY

This report provides thorough analyses on the performance of the tourism sector in Sharjah during second quarter of 2018 on different aspect of the industry. Overall, the results of second quarter in 2018 were very modest compared to the same period from last year.

The total number of hotel guests visiting Sharjah was approximately 377 thousand and registering a decrease of 5% compared to Q2 in 2017. On the other hand, the top five markets more or less remain the same with Russia being the top nationality in terms of market share followed by UAE, Oman, India, and China. Russia has occupied more that 22% of market share during Q2 this year and registering a total growth of 58%. Furthermore, it was Russia, CIS, & Baltics Region that registered the highest positive growth (49%) and market share (26%) in Q2 compared to other regions, which witnessed an overall decrease in the number of guests staying in Sharjah.

Moreover, the Second Quarter of 2018 witnesses a slump in the overall performance of the tourism industry in Sharjah where demand for tourism drops by 9%. Seeing that, it was no surprise that hotels occupancy rates fall by 6%, revenue per available room (RevPAR) drop by 14%, and total hotels revenue also fall by 13% compared to same period last year. Conversely, average length of stay (ALOS) for guests has increased by 2.6% compared to last year and was also the highest in Q2 in all years since 2016.

Deluxe hotel apartments registered the lowest occupancy rates about 46% among all other classifications while 3-Star hotels registered the highest 66%. In terms of RevPAR, five star hotels registered the highest with 224 dirhams followed by standard apartments with 147 dirhams; while one star hotels registered the lowest with 61 dirhams in Q2.

The first-half of 2018 witnessed an overall growth in the number of guests coming to Sharjah by 4% and reaching about 919 thousand guests. However, the overall performance stays relatively stable compared to last year with occupancy rates remaining at the 70%, RevPAR decreasing by 5%, total revenue also dropping by 3.2% while ALOS improving by 3.2% as well.

Q2 2018



## 2 EXECUTIVE SUMMARY – Q2

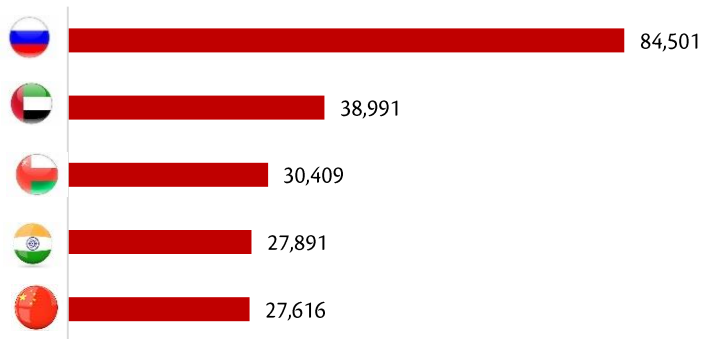
### Sharjah Hotel Guests

376,984



-5.3%

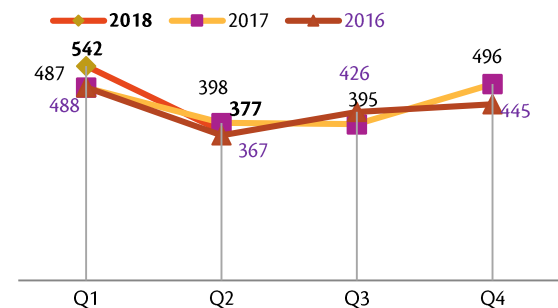
### Top 5 Nationalities (Hotel Establishments Guests)



### Hospitality Sector Performance Vs. 2017

Occupancy rate	57%	▼ -6.0%
Average Length of Stay	2.24	▲ 2.6%
RevPAR	116	▼ -14.1%
Total Revenue	141 Million AED	▼ -13.3%

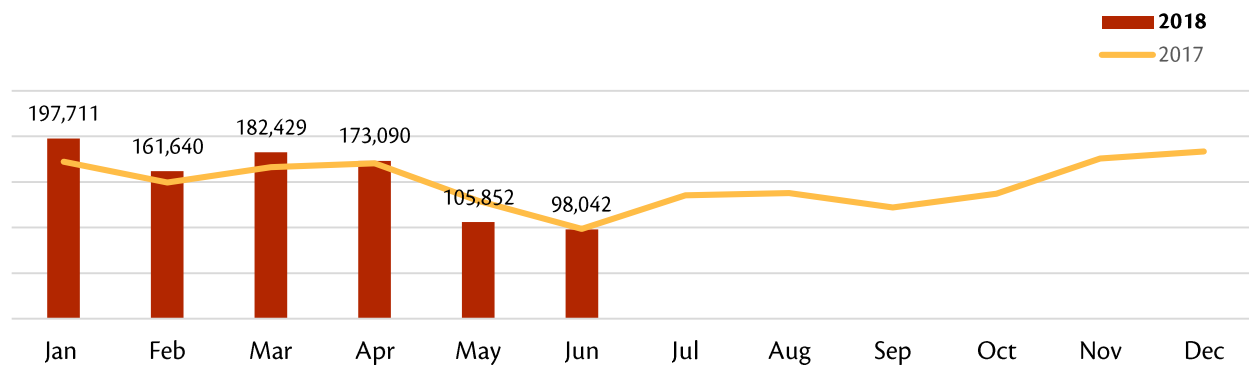
(000) Evolution in the number of Hotels Guest



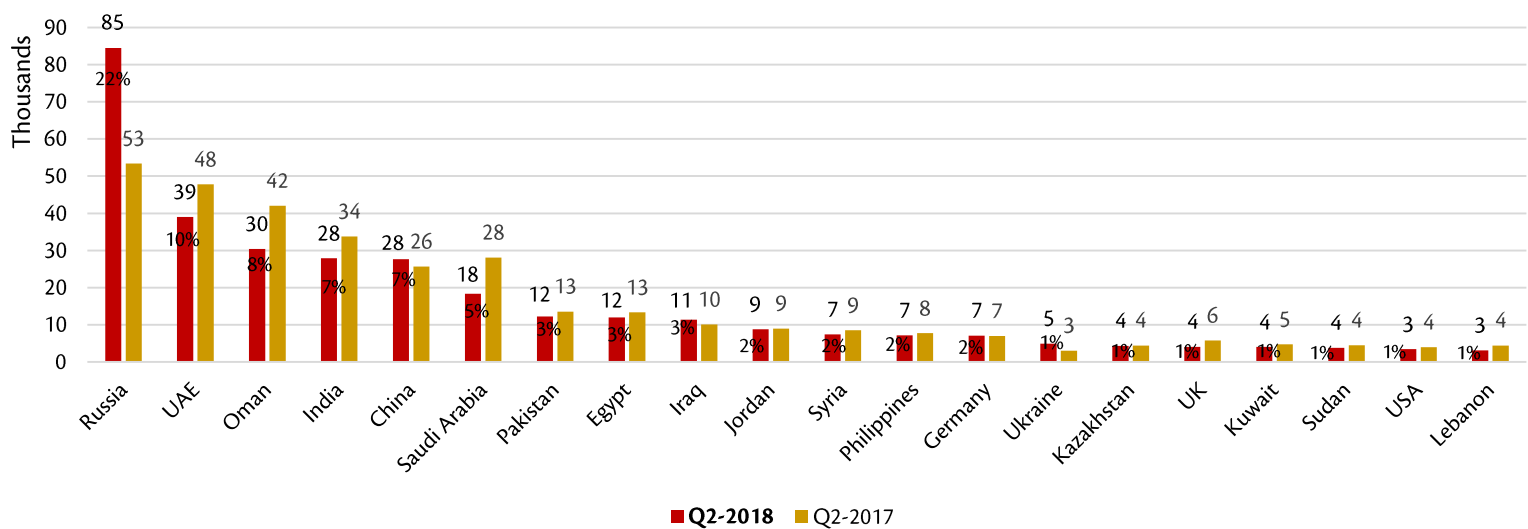


### 3 HOSPITALITY SECTOR PERFORMANCE

#### Hotel Guests Trend



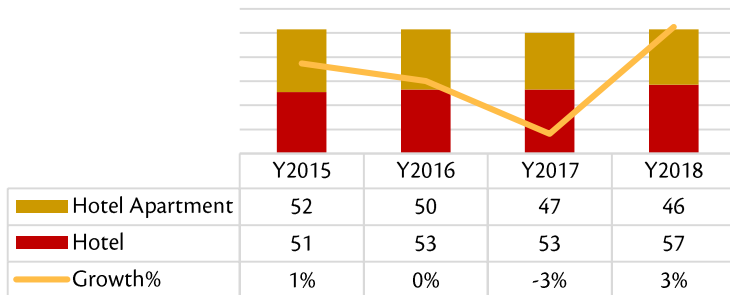
#### %Share of Hotel Establishment Guets By Nationality during Second Quarter





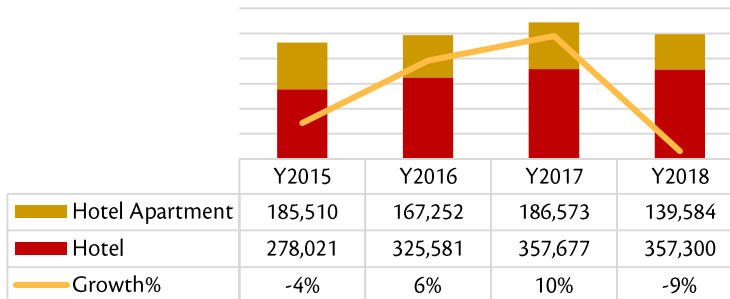
## 4 SUPPLY AND DEMAND

Hotel Establishments Supply and Growth Rates - Q2



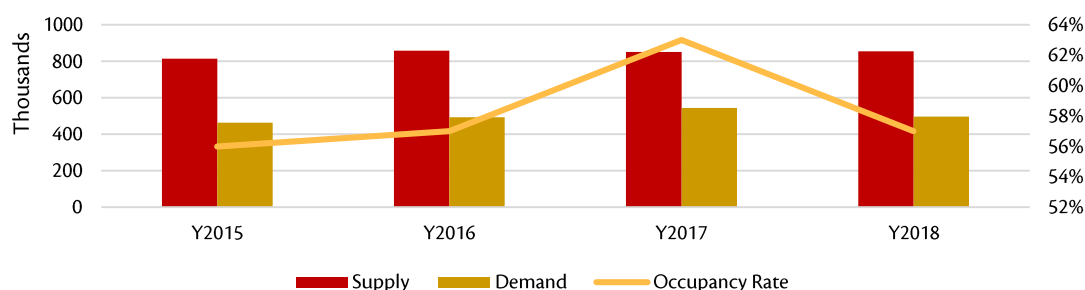
There has been a positive growth of 3% in the total number of hotel establishments in Sharjah (103) during second quarter compared to last year (100). This growth was mainly due to increase in the Hotel segment over Hotel Apartment which registered growth rates of 8% and -2% respectively.

Hotel Establishments Demand and Growth Rates - Q2



On the other hand, demand for tourism dropped around 9% during Q2 in 2018 compared to the same period in 2017. This decrease could be attributed to having month of Ramadan during May in Q2; which is considered a low season in general as many guests prefer to engage in spiritual and religious prayers.

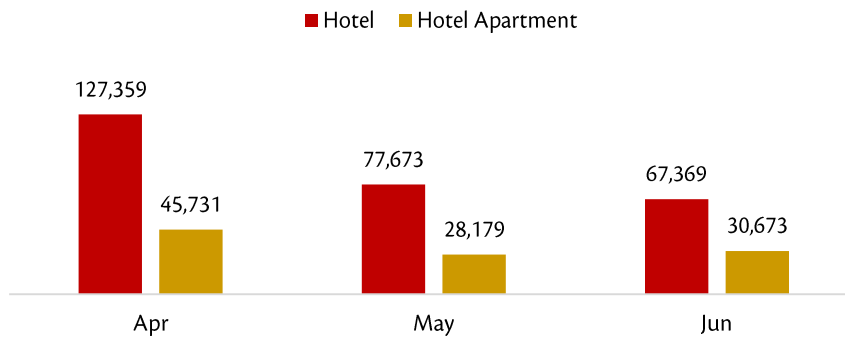
Sharjah Tourism Sector Supply & Demand Trend





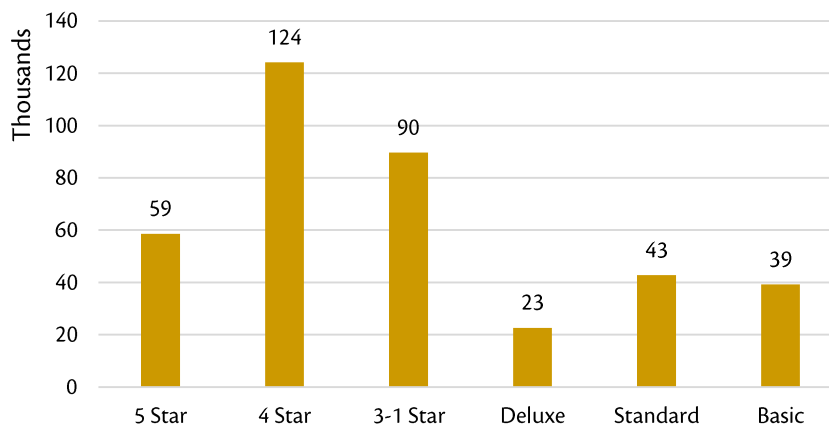
## 5 GUESTS ANALYSIS

Guest Distribution by Hotel Type - Q2

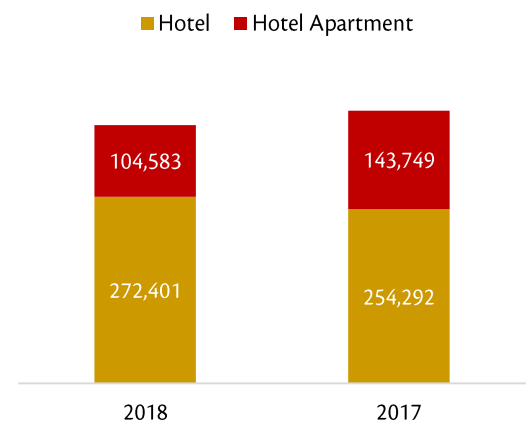


June registered the lowest number of guests about 98 thousand overall that stayed in Sharjah' accommodation sector

Guest Distribution by Hotel Classification - Q2



Guest Growth By Hotel Type - Q2

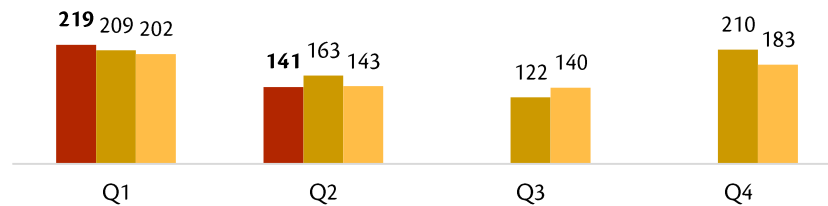


## 6 SECTOR PERFORMANCE – KEY INDICATORS (QUARTERLY)

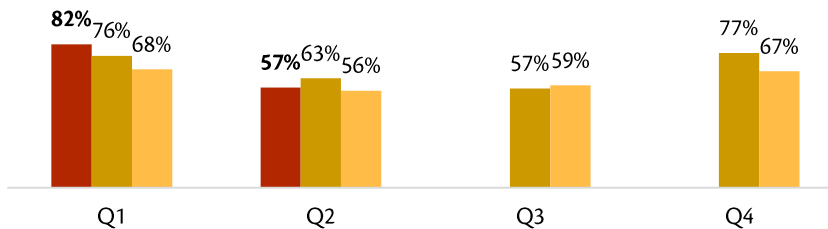
■ 2018 ■ 2017 ■ 2016

### Revenue

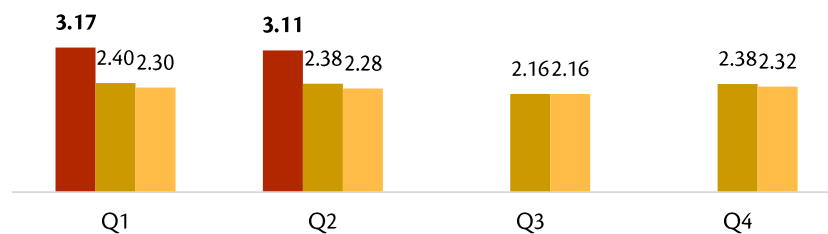
(AED Million)



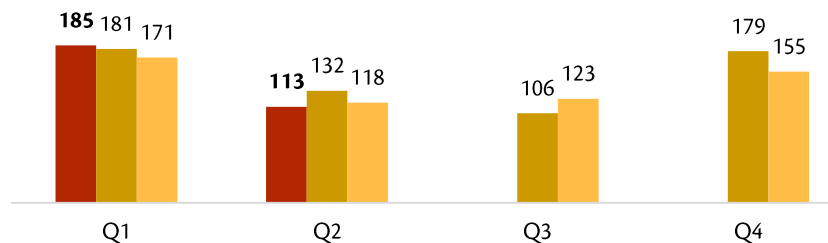
### Occupancy %



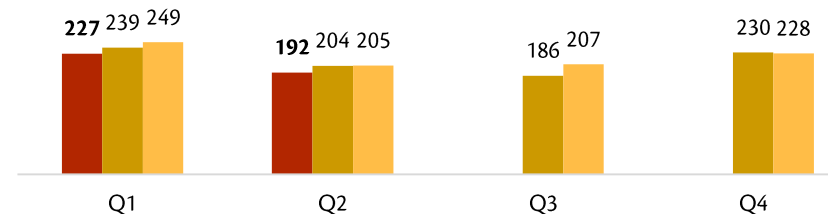
### ALOS (DAYS)



### REVPAR (AED)

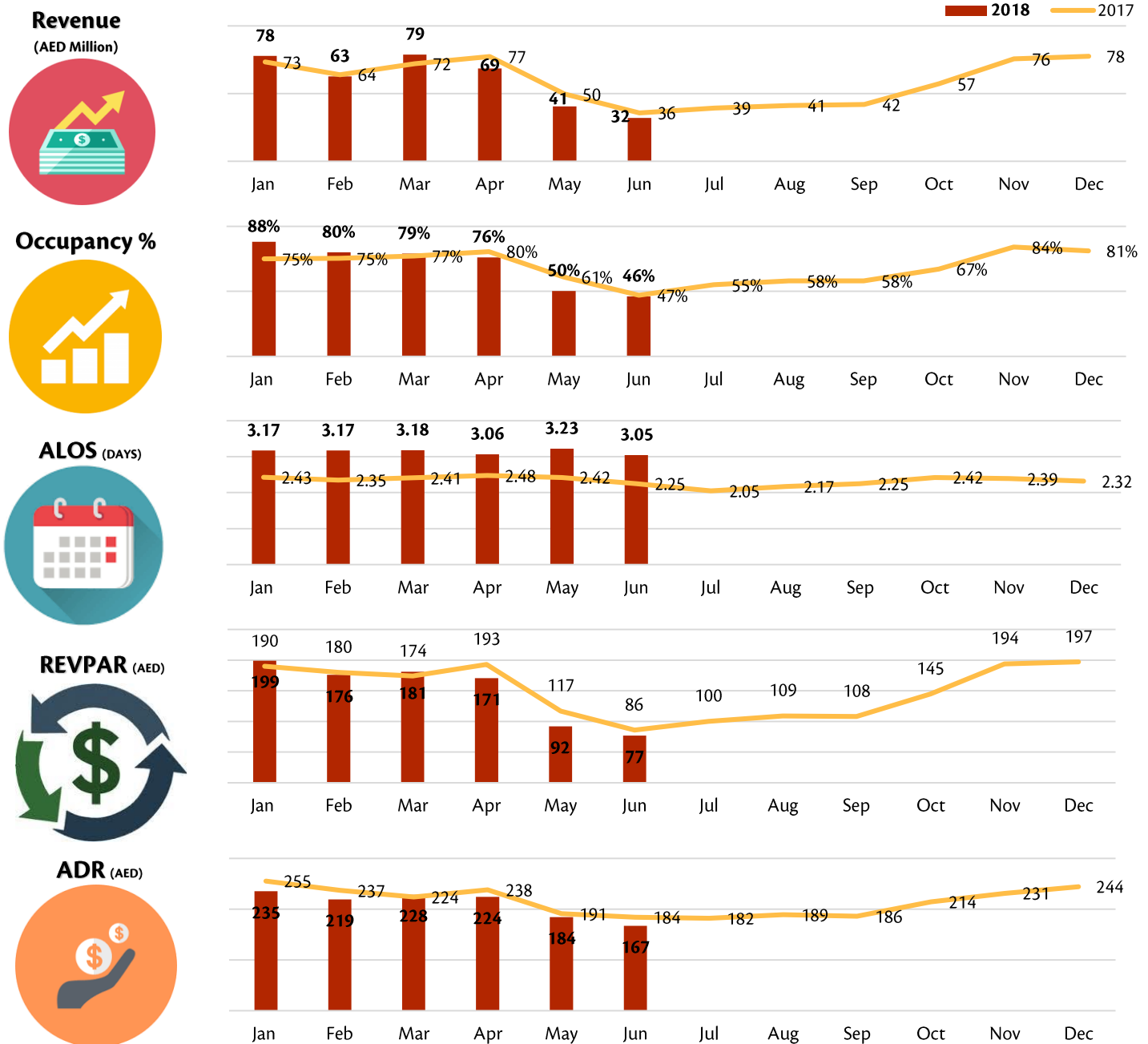


### ADR (AED)



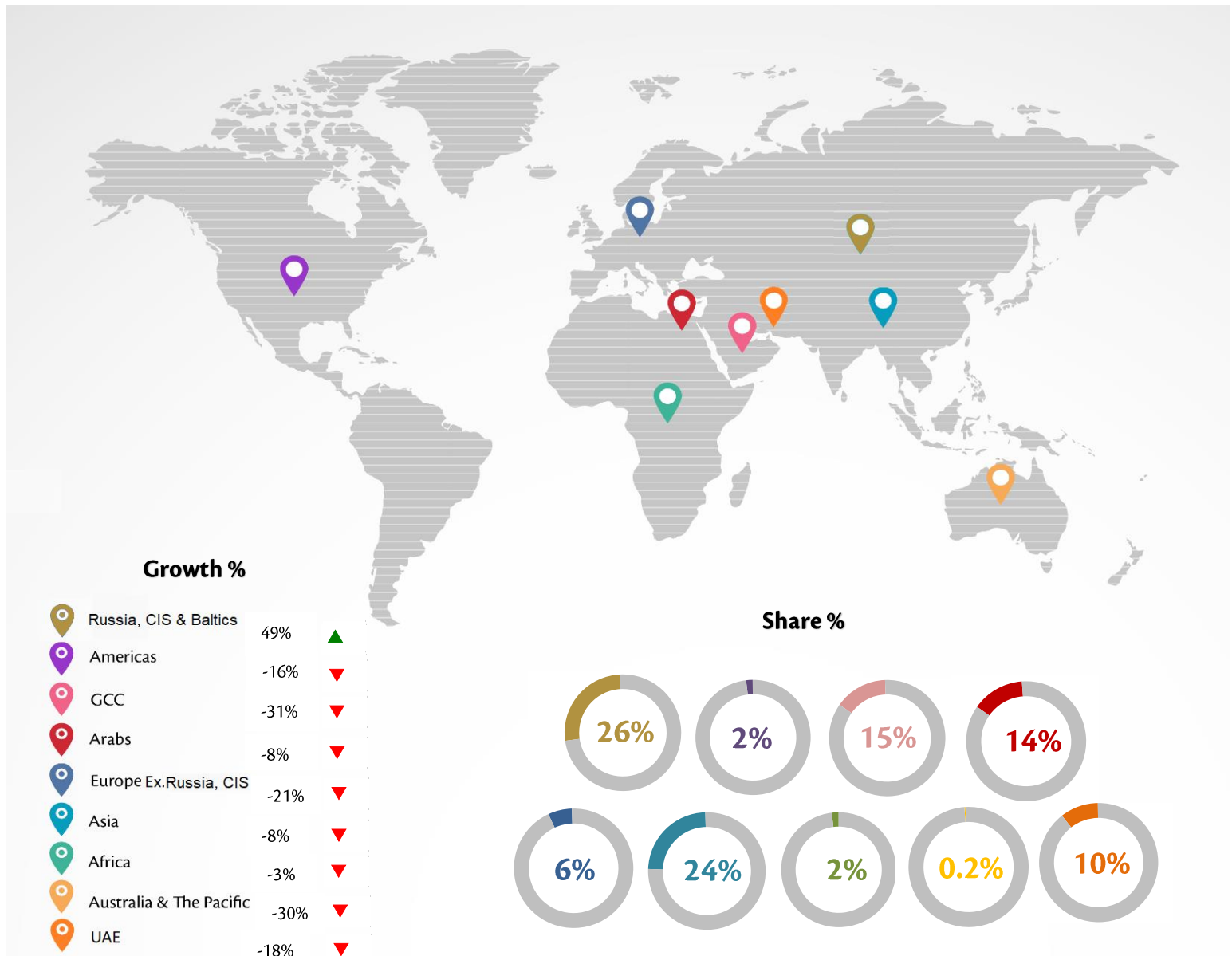


## 7 SECTOR PERFORMANCE – KEY INDICATORS (MONTHLY)





## 8 KEY INDICATORS BY REGION





## 9 KEY INDICATORS PER HOTEL TYPE:

★★★★★ 5-Star Number of Hotels: 6	Available Rooms	996					
	Occupancy	63%					
	ALOS	2.18					
	RevPAR	224					
	Top 5 Nationalities						
★★★★ 4-Star Number of Hotels: 18	Available Rooms	2,645					
	Occupancy	58%					
	ALOS	1.90					
	RevPAR	115					
	Top 5 Nationalities						
★★★ 3-Star Number of Hotels: 12	Available Rooms	1,649					
	Occupancy	66%					
	ALOS	2.78					
	RevPAR	122					
	Top 5 Nationalities						
★★ 2-Star Number of Hotels: 10	Available Rooms	725					
	Occupancy	46%					
	ALOS	2.24					
	RevPAR	63					
	Top 5 Nationalities						
★ 1-Star Number of Hotels: 11	Available Rooms	404					
	Occupancy	50%					
	ALOS	2.39					
	RevPAR	61					
	Top 5 Nationalities						
<b>Deluxe</b> Number of Hotels: 6	Available Rooms	751					
	Occupancy	45%					
	ALOS	2.75					
	RevPAR	139					
	Top 5 Nationalities						
<b>Standard</b> Number of Hotels: 7	Available Rooms	812					
	Occupancy	53%					
	ALOS	1.72					
	RevPAR	147					
	Top 5 Nationalities						
<b>Basic</b> Number of Hotels: 33	Available Rooms	1,325					
	Occupancy	58%					
	ALOS	2.86					
	RevPAR	103					
	Top 5 Nationalities						

## Year-To-Date 2018



### 10 EXECUTIVE SUMMARY YTD (FIRST HALF)

#### Sharjah Hotel Guests

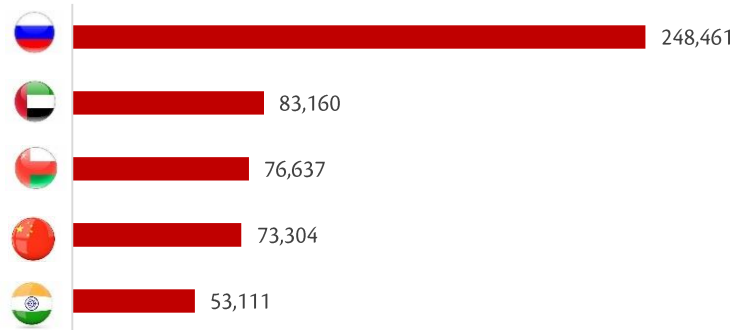
918,764



4%

#### Top 5 Nationalities

(Hotel Establishments Guests - Thousands)



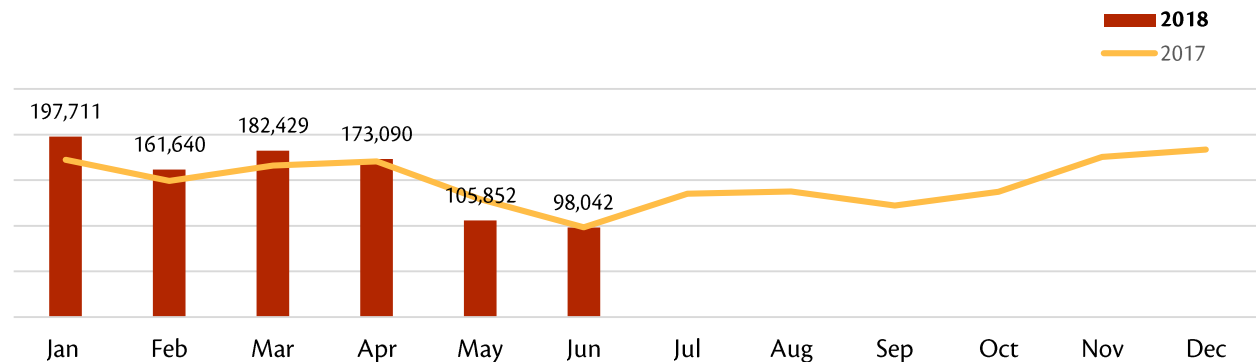
#### Hospitality Sector Performance Vs. 2017

Occupancy rate	70%	▶ 0.0%
Average Length of Stay	2.26	▲ 3.2%
RevPAR	185	▼ -5.0%
Total Revenue	360 Million AED	▼ -3.2%



## 11 HOSPITALITY SECTOR PERFORMANCE YTD

### Hotel Guests Trend

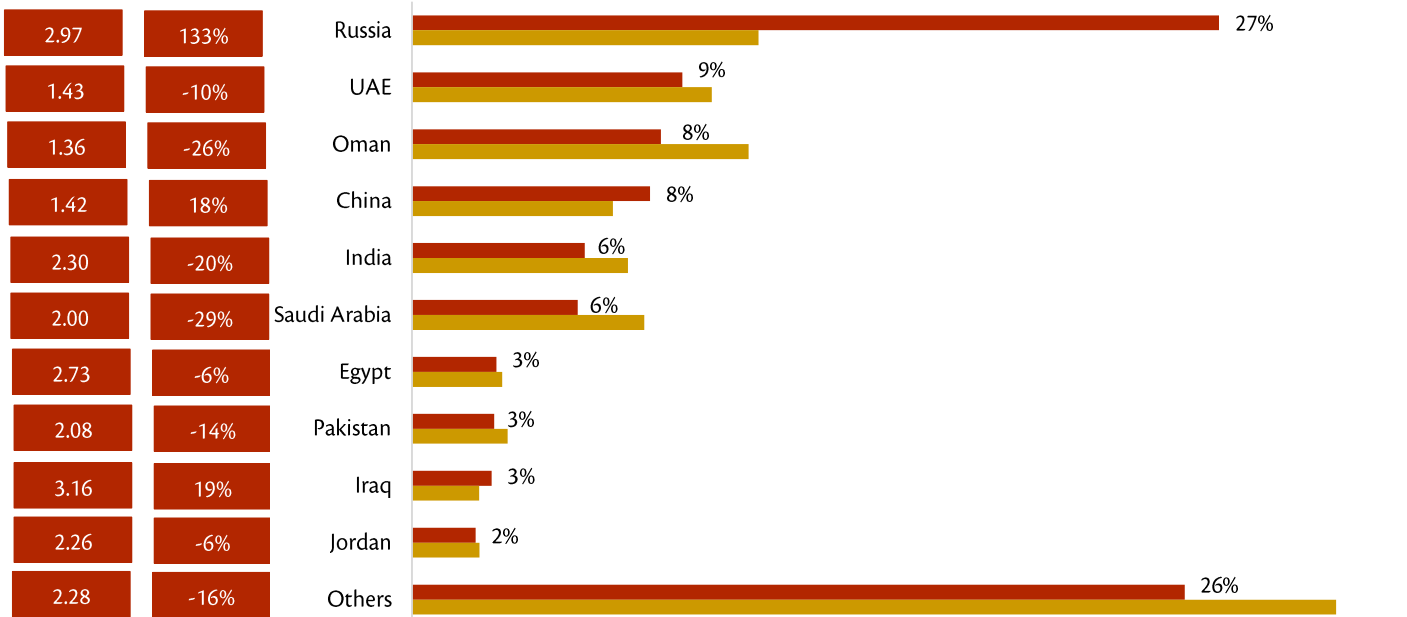


ALOS  
(DAYS)

Growth  
%

### %Share of Hotel Guets By Nationality - First Half

H1-2018 H1-2017





## 12 GLOSSARY:

### ❖ ADR (Average Daily Rate)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.

$$ADR = \text{Room Revenue} / \text{Rooms Sold}$$

### ❖ Occupancy Rate

Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available.

$$\text{Occupancy} = (\text{Rooms Sold} / \text{Rooms Available}) \times 100$$

### ❖ RevPAR (Rev Per Available Room)

Revenue per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from average daily rate (ADR) because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.

$$\text{RevPAR} = \text{Occupancy} \times \text{ADR}$$

### Country Flag Key:

UAE		Oman		Kazakhstan	
Saudi Arabia		Egypt		Jordan	
Germany		Iraq		Kenya	
Russia		China			
India		Lebanon			
Philippines		Sri Lanka			
Pakistan		Other Europe			
Bangladesh		UK			



### 13 ACCREDITATION:

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