



APRIL 2013 | US\$850

# 2013 MIDDLE EAST HOTEL SURVEY MAXIMUM SUPPORTABLE INVESTMENTS

**Rico Piconi**  
*Associate*

**Hala Matar Choufany, MRICS**  
*Managing Director*



## Introduction: Region

The Middle East region has endured turmoil and instability over the course of the last two years, and at the same time it has celebrated victories. Chaos in Cairo led to the proverbial crash in the tourism industry in Egypt, while 2012 experienced a rebound. In early 2012, the Louvre and Guggenheim projects in Abu Dhabi were revived following the construction delays announced during the latter part of 2011, according to the Tourism Development and Investment Company. Further mega developments such as Sheikh Mohammed bin Rashid City in Dubai sparked further signs of growth and economic confidence while Bahrain was also not exempt from exhibiting a rebound over 2011 performance indicators.

The 2013 edition of the Middle East Hotel Survey presents the conventional, key performance indicators (KPIs) as achieved in the various cities and destinations throughout the region, and provides an overview of the development pipeline for hospitality assets. This year's report features the aggregate of KPIs based on 436 hotels, representing roughly 115,000 rooms in 45 cities, which represents an estimated increase of 10.6% in terms of rooms.

Moreover, the 2013 edition of the hotel survey provides an indication of the maximum supportable investment that an owner or an organisation ought to budget when developing a hospitality product. A number of key assumptions were involved in the preparation of the maximum supportable investment, the details of which are articulated throughout this report.

---

## Highlights

The 2013 Middle East Hotel Survey includes **436 hotels**, representing roughly **115,000 rooms** throughout various Middle Eastern cities.

Following the **Arab Spring** witnessed in 2011, in addition to a recovering global economy, 2012 experienced a **rebound** in several cities. This was particularly evident in the United Arab Emirates, where **several large scale developments** were announced during the year as a result of the **economic stability**.

Although **worldwide tourist arrivals grew by 6% in 2012**, the Middle East region experienced a contraction of 4%, resulting in a contribution of 5% to global figures. The leading region remains Europe by a considerable 52% of total annual tourist arrivals.

**Erbil International Airport** achieved the highest growth in terms of **annual passenger movements** between 2012 and 2011. The destination with the greatest number of passenger movements remains **Dubai International Airport**, registering nearly **58 million passengers** in 2012.

The three cities ranked with the **highest levels** of occupancy are **Dubai, Ras Al Khaimah** and **Jeddah**, achieving occupancy levels between **79%** and **80%** in 2012. The weakest performers, with occupancy levels ranging between **2%** and **22%** are **Aleppo, Damascus** and **Luxor**.

In terms of **average rates** commanded in 2012, the **strongest performers** ranked in order are **Erbil, Riyadh** and **Istanbul**, earning average rates between **US\$250** and **US\$290**. On the other hand, **Nuweiba, Marsa Alam** and **Dahab** generated average rates between **US\$25** and **US\$45**. We note that average rate levels of Erbil are a result of the limited supply currently available, allowing operators to command high rates for quality, international products.

**35 properties** that opened in 2011 were included in this year's Middle East Hotel Survey, and a further **21 hotels** opened in 2012. Occupancy levels at these hotels were relatively low, given the unlikelihood that new properties achieve stable levels of performance. For this reason, the 21 hotels opened in 2012 were not included in the marketwide aggregates.

In 2011, the properties included in the Middle East Hotel Survey recorded approximately **22 million accommodated room nights**, excluding from consideration those properties that opened during that year. Applying the same assumption and running the same calculation for 2012 indicates that **4.7 million additional room nights** were generated in the Middle East, recording a total of **26.7 million accommodated room nights**.

## Worldwide Tourist Arrivals and Middle East Growth

The United Nations World Tourism Organisation released 2012 international tourist movements, indicating that worldwide tourist arrivals surpassed the one billion mark for the first time. The forecast for 2013 suggests that growth will continue by 3.0% to 4.0% with Asia Pacific and Africa witnessing the strongest growth. The Middle East forecast is

FIGURE 1: WORLDWIDE TOURIST ARRIVALS (000s)

	2005	2006	2007	2008	2009	2010	2011	2012	% Change 2011-12	% of Total
World	814,047	851,321	901,366	921,355	879,885	938,518	980,000	1,035,000	6%	100%
Africa	36,374	39,626	42,635	44,763	46,998	50,002	50,000	52,000	4%	5%
Americas	132,165	134,685	140,694	146,326	139,008	149,710	156,000	162,000	4%	16%
Asia Pacific	151,212	162,779	179,788	185,297	181,608	204,509	216,000	233,000	8%	23%
Europe	450,831	468,991	488,000	489,186	459,830	474,539	503,000	535,000	6%	52%
Middle East	43,465	45,240	50,249	55,783	52,441	59,758	55,000	53,000	-4%	5%

Source: UNWTO

largely dependent on stability in the region, and preliminary estimates project growth between 0.0% and 5.0%; a barometer, if anything, reflecting the uncertainty associated with the region.

Dubai remains the most frequently visited city in the GCC region, representing nearly 50% of all passenger movements. This is attributed partially to the presence of Emirates Airlines and the position of Dubai as the major hub connecting east and west. Doha contributed roughly 16% to regional travel with Qatar Airlines also operating as a strong international carrier. Although Erbil currently contributes the least to regional passenger movements, Erbil International Airport registered the highest growth among all Middle East airports, indicating that this city is poised to grow significantly in the years ahead. Istanbul, similarly, registered solid growth and constitutes approximately 25% of travel when included in the Middle East.

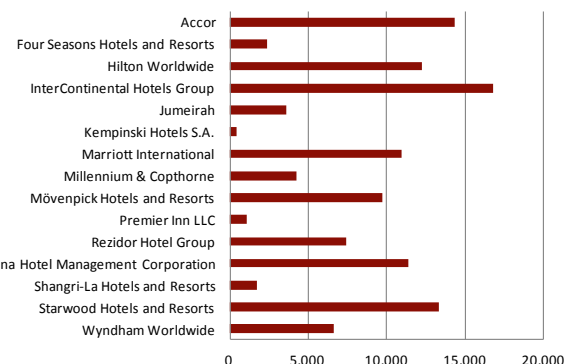
Dubai remains the most frequently

FIGURE 2: MIDDLE EAST PASSENGER MOVEMENTS

City	2004	2005	2006	2007	2008	2009	2010	2011	2012	Annual Growth 2011-12	Percentage of Total
Abu Dhabi	4,622,023	4,877,387	4,788,893	6,565,556	8,687,712	9,374,631	10,496,300	12,400,000	14,700,420	18.6%	7.3%
Amman	2,988,174	3,272,020	3,506,061	3,850,347	4,477,811	4,770,769	5,430,000	5,467,726	6,250,048	14.3%	3.1%
Bahrain	4,617,138	5,169,831	6,362,365	6,983,629	8,411,442	8,736,974	8,598,069	7,568,200	8,479,884	12.0%	4.2%
Beirut	3,199,952	3,179,753	2,739,606	3,326,433	4,039,560	4,953,891	5,512,435	5,596,034	5,960,414	6.5%	3.0%
Cairo	9,386,707	10,089,339	10,665,708	12,475,605	14,272,180	14,305,800	16,052,619	12,847,398	na	-20.0%*	7.6%*
Dammam	2,782,423	3,013,240	3,341,092	3,840,671	3,883,700	4,149,588	4,568,715	5,268,073	6,473,307	22.9%	3.2%
Doha	5,500,031	7,191,991	8,733,160	9,522,620	12,425,161	13,270,005	15,863,292	18,202,489	21,163,382	16.3%	10.5%
Dubai	20,868,995	23,922,292	27,925,522	33,481,257	36,592,307	40,104,149	47,200,000	50,980,000	57,684,550	13.2%	28.7%
Erbil	15,600,601	19,293,769	163,619	263,148	301,534	348,120	435,469	621,870	947,600	52.4%	0.5%
Istanbul	12,256,413	13,239,144	13,265,071	14,356,433	15,292,451	15,923,875	17,839,544	20,892,590	na	17.1%*	12.3%*
Jeddah	5,048,937	5,381,258	6,053,094	6,910,309	7,226,345	8,125,617	8,332,857	8,466,737	8,979,281	6.1%	4.5%
Muscat	3,334,655	3,388,866	4,521,343	4,050,005	3,918,136	4,474,837	5,521,802	6,479,860	7,546,715	16.5%	3.8%
Riyadh	9,138,170	9,881,495	10,532,752	10,962,043	11,709,230	11,465,552	12,635,739	14,836,305	18,000,000	21.3%	8.9%

\* 2010-11  
Source: HVS Research

FIGURE 3: MIDDLE EAST CURRENT SUPPLY (OPERATOR)

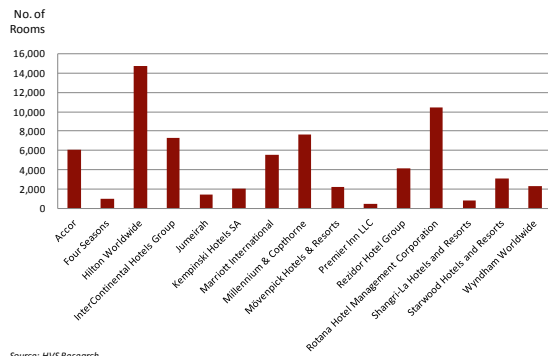


Source: HVS Research

## Supply and Pipeline

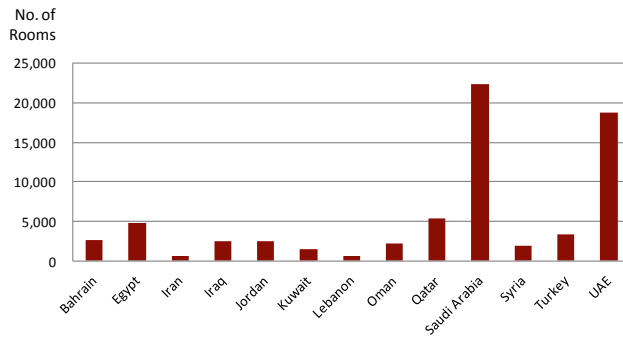
As a reflection of global figures in 2011, InterContinental Hotels Group currently boasts the greatest supply in terms of inventory specific to the Middle East region, registering some 17,000 rooms. Accor and Starwood Hotels and Resorts follow whilst Marriott International and Rotana Hotel Management Corporation each operate roughly 11,000 rooms in the region.

FIGURE 4: MIDDLE EAST DEVELOPMENT PIPELINE (OPERATOR)



Source: HVS Research

FIGURE 5: MIDDLE EAST DEVELOPMENT PIPELINE (COUNTRY)



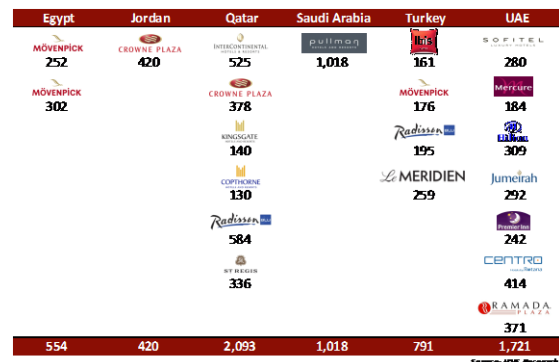
Source: HVS Research

The forecast for supply reveals that Hilton Worldwide is currently positioned as the most rapidly expanding hotel operator, both in terms of hotel properties and inventory. This is followed by Rotana Hotel Management Corporation and InterContinental Hotels Group (IHG), however, we do comment that Millennium & Copthorne plans to introduce a larger inventory than IHG reflective of a more aggressive development strategy. The current supply among the listed operators is 116,000 rooms, suggesting that in the years ahead, the inventory in the Middle East is expected to increase by 162%, which excludes from consideration current property expansions. Based on regional hotel occupancy of roughly 64% among the operators included in this survey, in order to maintain the level of occupancy as new supply is introduced into the market, demand must grow at a compound annual rate of 7.8% over the course of the next several years. Under the assumption that certain regional destinations return to stability, by observing passenger growth in the majority of cities in the region, and in light of the major developments that were recently announced and currently under way, the compound annual growth requirements are not entirely farfetched.

The majority of the supply in the development pipeline is expected to open in 2013, with approximately 19,000 new rooms due to enter the market. In 2014, a similar, albeit marginally lower, number of rooms are expected to increase regional inventory. A handful of projects remain on hold, primarily due to regional instability in the respective markets, however, this represents a mere 5% of the total development pipeline.

New openings in 2012 included the properties represented in *Figure 6: New Openings 2012*. In total, the new supply falls short of 7,000 rooms added in the Middle East by such operators as Jumeirah, Wyndham Worldwide and Rezidor Hotel Group. We note that for the purpose of calculating aggregate, key performance indicators in the region, these recently opened properties were excluded given the potential inconsistencies in performance reporting.

FIGURE 6: NEW OPENINGS 2012



Source: HVS Research

## Key Performance Indicators

As mentioned in previous text, although certain markets may have experienced declining occupancy levels, accommodated room nights experienced an increase. We note once again herein that whilst a majority of rooms were introduced to the region in 2012, newly launched hotels were not included in the 2012 key performance indicators owing to potential inconsistencies in performance reporting by the various operators. Abu Dhabi, on one hand, registered a decline of three percentage points, however, accommodated room nights increased from roughly 1.9 million in 2011 to 2.3 million in 2012. This is testament to the fact that whilst a certain destination may appear to be performing weaker at first glance, in actuality, demand continues to experience growth.

FIGURE 7: AVERAGE ANNUAL OCCUPANCY (1994-2012)

	Average Annual Occupancy (%)																	Average		
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		2011	2012
<b>Bahrain</b>	65	58	53	63	58	56	59	62	64	64	72	75	71	77	75	68	66	72	48	46
<b>Egypt</b>																				
Manama																				
El Gouna																				
El Quseir																				
Alexandria																				
Cairo		63	73	71	62	77	79	67	68	67	75	77	75	81	69	68	65	53	64	64
Dahab																				
Hurghada		48	63	63	50	80	77	65	66	66	86	75	75	86	88	80	82	63	72	56
Luxor																				
Marsa Alam																				
Nuweiba																				
Sharm El Sheikh		73	72	66	68	79	63	61	66	64	75	71	66	76	81	75	82	48	60	68
Taba																				
<b>Iraq</b>																				
Erbil																				
<b>Jordan</b>																				
Amman		61	74	61	56	56	59	44	45	57	72	70	58	64	66	57	63	58	69	61
Aqaba																				
Dead Sea																				
Petra																				
<b>Kuwait</b>																				
Kuwait City		44	41	44	46	47	46	49	53	84	64	70	65	58	62	59	54	58	58	0
<b>Lebanon</b>																				
Beirut																				
<b>Oman</b>																				
Muscat		67	66	64	71	56	55	62	59	57	69	80	74	67	69	54	58	53	60	63
Salalah																				
<b>Qatar</b>																				
Doha		61	75	80	78	61	58	56	60	72	72	71	71	71	70	58	66	59	63	67
<b>Saudi Arabia</b>																				
Al Jubail																				
Al Khobar																				
Al Qassim																				
Dammam																				
Jeddah		68	64	61	58	59	63	59	57	53	54	61	64	73	60	55	54	55	67	58
Makkah																				
Madinah																				
Riyadh		66	62	62	63	62	60	61	65	64	55	62	70	71	74	67	63	63	54	61
Taif																				
Yanbu																				
<b>Syria</b>																				
Aleppo																				
Damascus		70	73	70	69	69	66	65	67	65	69	75	73	80	79	71	74	21	15	65
Latakia																				
<b>Turkey</b>																				
Istanbul																				
Izmir																				
<b>UAE</b>																				
Abu Dhabi		65	66	65	66	64	67	67	68	68	82	85	84	81	81	73	64	70	67	70
Ajman																				
Al Ain																				
Dubai		74	69	73	70	70	74	71	76	79	86	82	84	87	81	69	72	72	80	66
Fujairah																				
Ras Al Khaimah																				
Sharjah																				
Sana'a																				
<b>Yemen</b>																				
Average	64	65	64	65	61	64	63	60	62	66	72	72	70	72	70	64	62	51	56	60

Source: HVS Research



FIGURE 9: REVPAR PERFORMANCE (1994-2012) (US\$)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	% Change 2011-12	Compound Annual Growth Rate 1994-'12	
<b>Bahrain</b>	56	51	49	56	54	57	62	64	76	78	95	133	140	193	195	139	138	69	109	57%	4	
<b>Egypt</b>																						
Manama																						
El Gouna																						
El Quseir																						
Alexandria																						
Cairo City Centre																						
Dahab																						
Hurghada																						
Luxor																						
Marsa Alam																						
Nuweiba																						
Sharm El Sheikh																						
Taba																						
<b>Iraq</b>																						
Erbil																						
<b>Jordan</b>																						
Amman																						
Aqaba																						
Dead Sea																						
<b>Kuwait</b>																						
Kuwait City																						
<b>Lebanon</b>																						
Beirut																						
<b>Oman</b>																						
Muscat																						
Salalah																						
<b>Qatar</b>																						
Doha																						
<b>Saudi Arabia</b>																						
Al Jubail																						
Al Khobar																						
Al Qassim																						
Dammam																						
Jeddah																						
Makkah																						
Madinah																						
Riyadh																						
Taif																						
Yanbu																						
<b>Syria</b>																						
Aleppo																						
Damascus																						
Latakia																						
<b>Turkey</b>																						
Istanbul																						
Izmir																						
<b>UAE</b>																						
Abu Dhabi																						
Ajman																						
Al Ain																						
Dubai																						
Fujairah																						
Ras Al Khaimah																						
Sharjah																						
<b>Yemen</b>																						
Sana'a																						
<b>Average</b>	63	60	69	69	62	144	142	134	138	149	169	186	190	217	146	125	115	93	106	15	3	

Source: HVS Research

\* Or the earliest year for which data are available

## Maximum Supportable Investments

In order to provide the maximum supportable investment for various asset classes throughout the Middle East, several assumptions were taken into consideration. In all scenarios, the assumed opening date of the asset(s) is January 2013. Inflationary rates utilised in the various scenarios pertain to the consumer price inflation recorded in the respective cities according to the Economist Intelligence Unit as at February 2013. Ultimately, with the exception of investments in the Kingdom of Saudi Arabia and Kuwait, the asset(s) assume a 'wet' operation in that service of alcoholic beverages is permitted. Additional assumptions are highlighted in Figure 10.

FIGURE 10: ASSET CLASS ASSUMPTIONS

Asset Class	No. of Rooms	No. of Restaurant	No. of Lounge/Bar	Spa	Meeting Facilities (m <sup>2</sup> )
Three-Star	220	1	1	N	Limited
Four-Star	280	2	1	N	1,200
Five-Star	250	3	2	Y	2,000

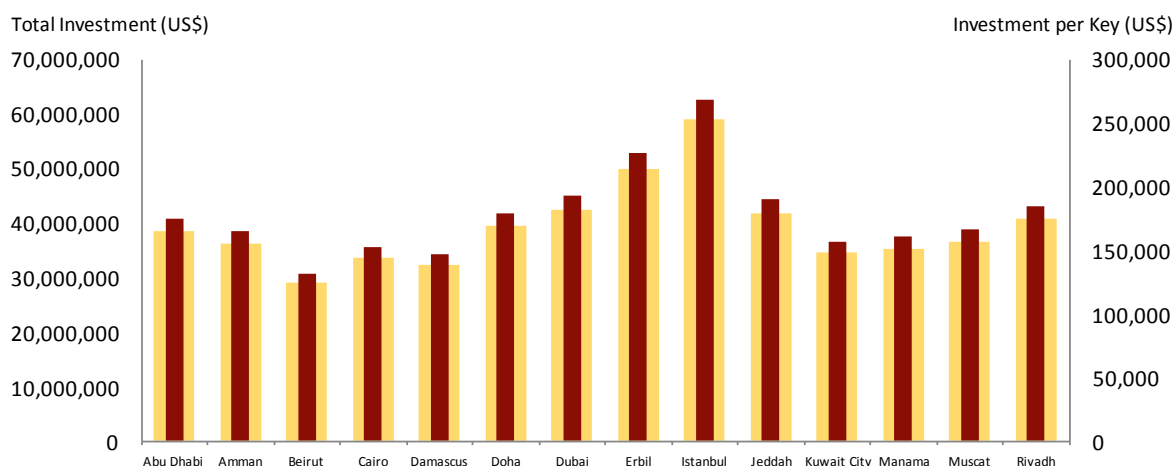
In addition to the highlighted assumptions, capitalisation rates utilised in order to calculate the supportable investment figures range between 9.0% and 11.0%, whilst equity yields factored into consideration vary between 16.0%

and 17.0%. In all cases, the loan to value ratio is 60%, while the holding period and the amortisation assumed were 10 years and 20 years, respectively. With this in mind, presented in the following tables are the maximum supportable investments for the three-star, the four-star and the five-star categories as estimated throughout 14 major cities in the Middle East.

We make the following additional comments in regards to the supportable investments. HVS estimates of the maximum supportable investment include the cost of land in the overall development cost and the development cost per key. While it is possible that maximum supportable investments may reach these indicated levels, it is equally plausible that development costs may fall under these levels. With that said, it is equally possible that development costs may exceed these estimates, and we emphasize that no investment decision ought to be made without first consulting industry specialists.

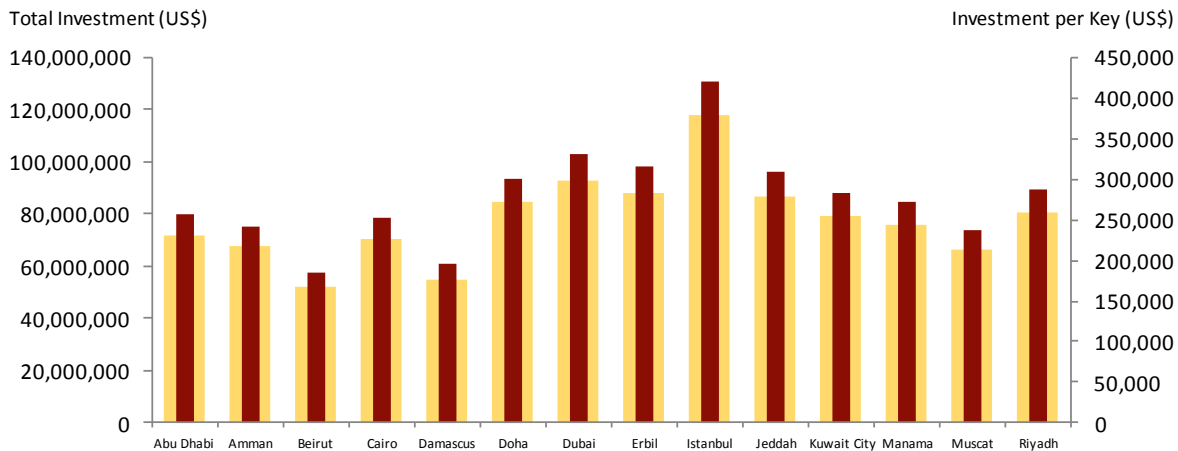
The cities offering the most flexible, or generous, development cost figures are Dubai, Erbil, Istanbul and Jeddah. As the cities in the region that generally achieve the most solid RevPAR figures, this is rather predictable. In order to produce a financially viable project, the maximum supportable investment is largely contingent on the revenues that may be achieved by the rooms product. With this in mind, the maximum supportable investment in these locations is a reflection of the strength of these markets. We do comment once again herein that the market in Erbil is largely under developed in terms of quality, internationally branded hotel establishments. Following the onset of new players entering the market, it is anticipated that the levels of supportable investment will retract as the market begins to stabilise.

FIGURE 11: MAXIMUM SUPPORTABLE INVESTMENT (THREE-STAR)



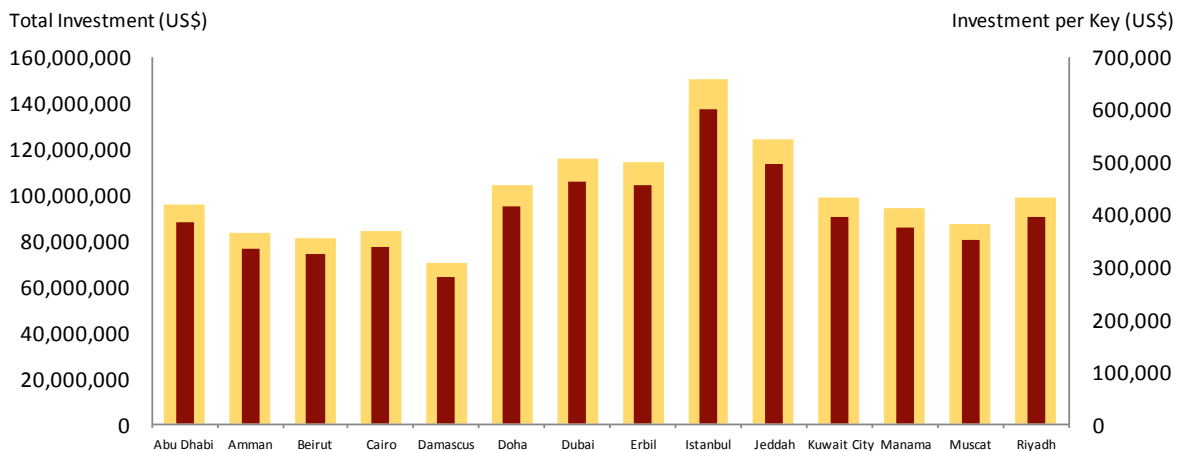
Source: HVS Research

FIGURE 12: MAXIMUM SUPPORTABLE INVESTMENT (FOUR-STAR)



Source: HVSResearch

FIGURE 13: MAXIMUM SUPPORTABLE INVESTMENT (FIVE-STAR)



Source: HVSResearch

## Conclusion: Region

In review, 2012 witnessed hotel occupancy growth of five percentage points from a regional perspective, thereby reinforcing the strength and the resilience of the region. Average room rates in Middle East cities continue to be placed in top positions when compared to global hotspots such as Moscow, London, Paris, and New York. Destinations throughout the region endured the hardship when the global economy collapsed in 2008, and the resistance of the hotel sector to instability was further tested during the Arab Spring of 2011. The after effects of the uprising continued to spill over into 2012, however, as exhibited in the key performance indicators highlighted throughout this survey, demand is once again exhibiting a growth cycle and hotel performance is following suit.

Infrastructure developments, large scale projects, and the sustainability of the major demand generators in several cities continue to fuel growth in the hotel sector, and as a result in their respective national economies. In spite of the aforementioned announcement that Middle East tourism arrivals registered a 4% decline, the year ahead is expected to witness growth once again on the back of the rebounding global economy and the strengthening perception of the region as a safe destination.



## SERVICES & SOLUTIONS

**CONSULTING AND VALUATION** provides appraisals, market studies, feasibility studies and strategy consulting for single assets and portfolios of hotels worldwide as well as mixed-use developments.

### Valuation

HVS is widely regarded as the leading provider of specialist hotel valuations worldwide. As pioneers of the discounted cash flow method, the firm stands at the forefront of the industry in terms of degree of analysis, depth and transparency of reporting and sophistication of computer modeling. HVS valuations are recognised and used by many of the world's leading banks, hotel owners and developers. Valuation services can be provided for individual assets or portfolios, and can range from limited service hotels through to prestigious five-star properties as well as mixed use developments.

For global acquisitions we can assemble the largest worldwide team of specialist hotel valuers capable of appraising the most sizeable groups/chains in the most rapid timescale possible.

### General Consulting

Additional advisory services provided by HVS include:

**Strategic advice** – relating to specific properties, hospitality and shared ownership companies, markets or segments.

**Operational reviews** – assistance in maximising the performance of a hotel.

**Due diligence assistance** – assisting in the evaluation and purchase of individual hotels, shared ownership properties or portfolios.

### Feasibility Studies

HVS is a leading provider of development feasibility advice. Using the same approach and methodology utilized in undertaking valuations, feasibility studies are performed for hotel and shared ownership operators, developers, investors and lenders.

Feasibility studies provide detailed profit and cash flow projections, valuation estimates and return on investment analyses for all types of assets. By combining our extensive knowledge of the dynamics of both established and emerging markets, HVS offers unparalleled advice in connection with new hotel developments worldwide.

### Operator Search and Management Contract Negotiations

HVS has considerable experience in advising on management contract and lease negotiations with hotel operators.

As you may be aware, we are familiar with all the leading hotel operators around the world. It is these operators that are most likely to form the nucleus of those that are eventually short-listed and we are confident that our combination of hotel industry knowledge and our contacts within all the leading hotel companies, will ensure that your project receives the appropriate attention from potential operators and that we negotiate the most reasonable terms for you as an owner.

### Hospitality Development Strategy

The typical HVS approach to a hospitality development strategy includes:

1. Defining likely evolution of hospitality market under various scenarios over a pre-determined period of time;
2. Determining the supportable number of hotel/hotel derivative rooms and assets under each scenario;
3. Recommending, for each asset class, the ideal phasing and timing of development, the optimal facilities mix, the most competitive positioning, target markets, etc.



**EXECUTIVE SEARCH** is the premier executive search and advisory firm providing human capital consulting services to leaders of the hotel, restaurant, and gaming industries. This includes senior-level executive search, mid-management recruitment, compensation consulting, and performance management.

**ASSET MANAGEMENT** offers a comprehensive range of strategic planning, asset oversight, operational and development consulting, franchise and management company evaluation and selection, and expert witness litigation support.

**SHARED OWNERSHIP** services provides strategic advice, and marketing and sales solutions relevant to vacation ownership, residence clubs, condo hotels, and mixed-use resort development.

**INVESTMENT BANKING** provides you with one-stop shopping for the hospitality industry's investment banking needs, including financing, investment sales, and capital advisory.

**HOTEL MANAGEMENT** helps you maximize the return on hospitality investments with hotel management, asset management, operations and consulting, and special services such as receivership and strategies for repositioning your property or hotel company.

**RISK MANAGEMENT** specifically addresses the needs of hotel owners and operators looking to reduce their overall cost of risk. We provide insurance solutions specific to the hospitality industry. Our expertise includes property, casualty, and employee benefits.

**SPA & LEISURE** services provides consulting and management services for spas, fitness facilities and leisure developments of all types for hotels, resorts, and real estate projects worldwide. Service options include feasibility studies, design consulting, pre-opening and daily management. Our goal is to offer exceptional spa experiences while maximizing revenue and profit for our clients.

**HOTEL PARKING** services helps you maximize the value and capture the full potential of hospitality parking assets.

**GAMING** services provides appraisals and market and financial feasibility studies with comprehensive analyses of market support and financial projections for casinos and ancillary operations.

**SALES & MARKETING** services provides sales training, marketing communications expertise, and public relations support to expand awareness, brand recognition, and reach, in order to boost occupancy and revenue.

**GOLF** services provides appraisals, market and feasibility studies as well as litigation support for stand alone and mixed-use developments that include resort residential communities, mixed-use developments, membership clubs and golf facilities.

**SUSTAINABILITY** services enables hospitality firms to identify cost-saving opportunities, enhance operational efficiency, and demonstrate a positive commitment to the environment—to guests, investors and other stake holders. Our core services include benchmarking, auditing, project implementation support, certification and strategic advisory.

**PROPERTY TAX** services meets the increasing demand of hotel owners seeking to control their property tax valuation and expense. If you are uncertain about the accuracy of your latest U.S. assessment, and need representation or support through the process, we invite you to discuss our specialized approach.

**DESIGN** works around the globe and specializes in interior design, architecture, and project management for lodging industry.

**CONVENTION, SPORTS & ENTERTAINMENT FACILITIES CONSULTING** provides you with the specialized expertise necessary to analyze and implement public facilities projects, including convention centers, headquarters hotels, arenas, fairgrounds, water parks, and museums.



## About HVS

**HVS** is the world's leading consulting and services organisation focused on the hotel, restaurant, shared ownership, gaming, and leisure industries. Established in 1980, the company performs more than 2,000 assignments per year for virtually every major industry participant. HVS principals are regarded as the leading professionals in their respective regions of the globe. Through a worldwide network of 30 offices staffed by 400 seasoned industry professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. For further information regarding our expertise and specifics about our services, please visit [www.hvs.com](http://www.hvs.com).

**HVS** has a team of Middle East experts that conducts its operations in the Middle East and North Africa. The team benefits from international and local cultural backgrounds, diverse academic and hotel-related experience, in-depth expertise in the hotel markets in the Middle East and a broad exposure to international hotel markets. Over the last six years, the team has advised on more than 400 hotels or projects in the region for hotel owners, lenders, investors and operators. HVS has advised on more than US\$55 billion worth of hotel real estate in the region.

## About the Authors



**Rico Picenoni** is an Associate, working with the HVS Dubai office, specialising in hotel valuation and consultancy. Rico holds a BSc from l'Ecole Hôtelière de Lausanne, Switzerland. Providing over six years of operational experience

in various management positions, Rico has performed consulting and valuation assignments, operator selections and management contract negotiations in multiple markets, across various asset classes in the Middle East.

[rpicenoni@hvs.com](mailto:rpicenoni@hvs.com)



**Hala Matar Choufany** is the Managing Director of HVS Dubai and is responsible for the firm's valuation and consulting work in the Middle East and North Africa.

Since joining HVS, she has worked on several mid and large scale mixed use developments and conducted numerous valuations, feasibility studies, operator search, strategy advice, return on investment and market studies in Europe, MENA and Asia. Hala has in-depth expertise in regional hotel markets and a broad exposure to international markets and maintains excellent contacts with developers, owners, operators, investment institutions and government entities.

Hala holds an MPhil from Leeds University, U.K., an MBA in Finance and Strategy from IMHI (Essec-Cornell) University, Paris, France and a BA in Hospitality Management from Notre Dame University, Lebanon. Moreover, Hala is a member of the Royal Institute for Chartered Surveyors. Hala is fluent in English, French and Arabic.

[hchoufany@hvs.com](mailto:hchoufany@hvs.com)