

**MEASURED
OPTIMISM
BUT OPERATORS
SHOULD
DO MORE**



TOP TEN HIGHLIGHTS FROM OUR HOTELS SURVEY 2017

1. **72%** of respondents predicted there will be “some growth” in MENA RevPAR in 2017 where last year most predicted “no growth” or a “decline in growth”.

2. Cities with the most stable governments, **sound tourism infrastructure** and a well-established tourism plan lead MENA RevPAR growth forecasts and as potential hotel development sites.

3. Respondents once again rated MENA hotels **more favourably** as an asset class than office, retail, residential or warehousing and saw hotels as no more risky than these other asset classes.

4. **72%** believe that the market for buying/selling existing hotels in the MENA region to be relatively inactive and closed, particularly to foreign investors.

5. Respondents feel there is a need to “**shake up**” the traditional management contract model to give owners more control over their asset and its performance.

6. **55%** believe that operator consolidation and resulting brand overlap in portfolios makes traditional “brand specific” territorial non-compete restrictions ineffective.

7. Management agreements and franchising remain the **most popular** MENA growth model for hotels.

8. **90%** of respondents feel operators should bear more of the costs of recapturing guests back from OTAs to their own direct booking platforms.

9. **56%** feel that operators have adequately adapted their centralised marketing charges and services to address the growth of social media sites over more traditional forms of advertising.

10. **67%** planned to spend more on technology in the coming year with the major focus of that spend being digital marketing (apps, websites).

I am pleased to present the results of Berwin Leighton Paisner’s 2017 Middle East and Africa (MENA) Hotel Market Survey. Incorporating the views of some of the region’s leading and most influential professionals in the hotel industry, our survey provides valuable insights into market sentiment and intent for the forthcoming year.

Our headline figures show the reasonably positive outlook among our respondents over the next year, although most agree that a re-balancing of the owner-operator relationship is required.

For further analysis and to see what our respondents think about the MENA hotel market, read our full report at: www.blplaw.com/MENA-Hotel-Survey-2017



Scott Antel
Partner, Head of Hospitality and Leisure (MEA)

WHAT OUR RESPONDENTS SAID



Leadership matters. There is a clear link between a well-established tourism planning structure and vision (be it local government or a regional tourism board) and the success of a region’s hospitality sector.

Whilst a) operators have changed in size and scale, in the number of and service level of their brands and in what they do today - being more managers of brands than of specific hotels - and b) owners have changed with more hotel owners owning multiple hotels and being more sophisticated and/or employing professional asset managers; and c) customers of hotels have changed insofar as how they search for, evaluate and book their hotel product, the actual management contract format has remained surprisingly static near on 50 years.

The very real dilution of the Brands’ distribution systems with the rise of the OTAs’ has not been reflected in a decreased cost charged by operators for marketing and distribution. If anything it has increased as operators try and lure back (through discounts, upgrades, frequent guest programmes) the customers they lost, albeit on the owners’ dime.

This - partially generational - shift to social media and user generated content in marketing hotels as opposed to more traditional media (print and advertising) has come about incredibly quickly and is widely recognized for its power to “bring a more effective result for less money.” As several respondents noted: “Today it is the best platform for advertising, period!”

See the full survey results and the complete Current Trends report at www.blplaw.com/MENA-Hotel-Survey-2017



Getting in touch

When you need a practical legal solution for your next business opportunity or challenge, please get in touch.

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The Firm has won eight Law Firm of the Year titles, is independently ranked by Chambers and the Legal 500 in over 65 legal disciplines and also ranked in 'the top 10 game changers of the past 10 years' by the FT Innovative Lawyers report 2015.

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