

# Unlocking the future

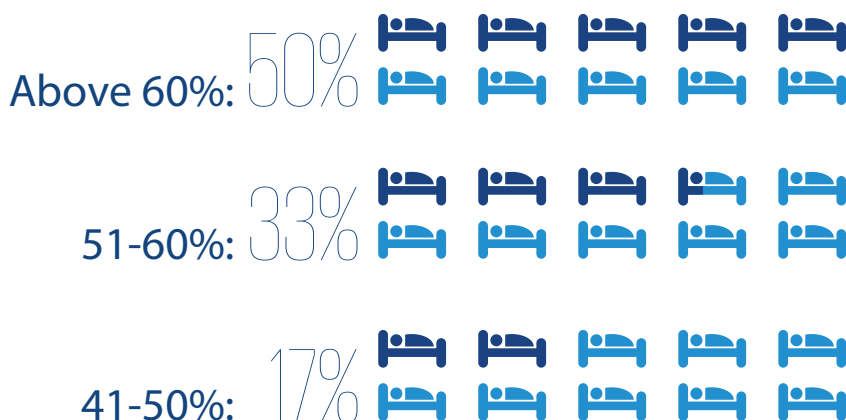


The nation's hospitality market has shown tremendous resilience, boasting the world's second highest occupancy rates in 2020.<sup>12</sup> And Dubai will likely remain a regional and global tourism hub. Leisure and business destinations around the world will only see travel increase, as vaccine rollouts continue and economies gradually

recover. Indeed, our survey finds 75% of owner/operators anticipate the vaccine to be effective in boosting occupancy rates. In fact, half of those surveyed expect occupancy rates above 60% in FY 2021 and 75% expect occupancy to return to pre-Covid-19 levels by 2023.

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## What average occupancy rate do you expect to achieve in FY21?



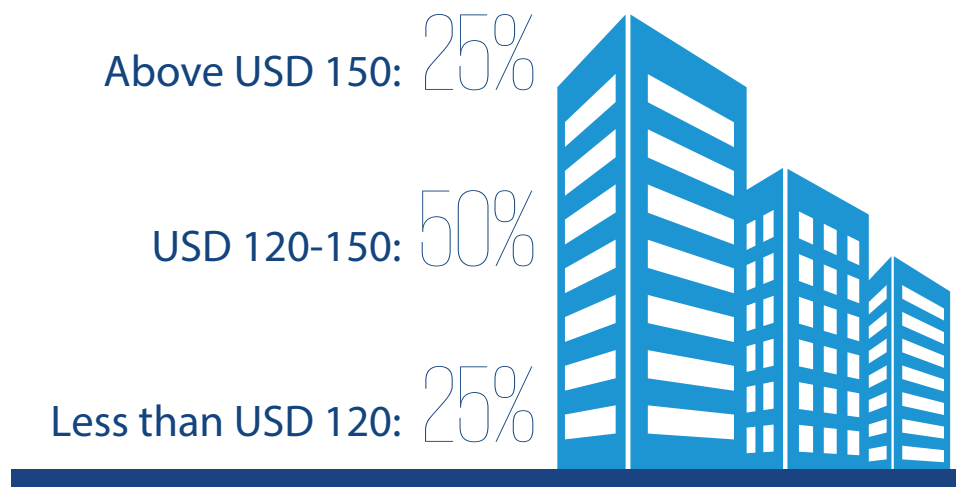
Source: KPMG Dubai hospitality survey 2021 – operators

Among owner/operators of Dubai-based properties in our survey, half anticipate an average daily rate (ADR) of USD 120-150 in 2021, with an additional 25% expecting

USD 150 or higher. Consistent with the presumed occupancy rates' timeframe, 83% expect ADR to return to pre-Covid-19 levels in 2023.



## What ADR do you expect to achieve in FY21?



Source: KPMG Dubai hospitality survey 2021 – operators

Considering existing travel restrictions, short- to medium-term challenges will remain. While occupancy and room rates have improved, full recovery will be a longer-term journey.

The Government of Dubai has taken steps to position the emirate as a sought-after destination. New developments are expected to enhance the city's appeal, from Ain Dubai to the Museum of the Future. In addition, increased vaccination rates are

bolstering travelers' confidence and reinforcing the message that Dubai is, indeed, a safe destination. Furthermore, 16,000 keys are expected to be delivered in 2021, adding to the current inventory of 135,000 keys in response to the large number of Expo 2020 visitors anticipated, starting in October 2021

In the long term, these steps are supported by Dubai's 2040 Urban Master Plan, which seeks to enlarge the land used for hotels

and tourist activities by 134%. In addition, the length of public beaches is expected to increase by approximately 400% by 2040. Both measures are expected to drive future growth in the industry.<sup>13</sup> Given that 67% of owner/operators in our survey expect beachfront hotels to recover fastest, this is likely a welcome move.<sup>14</sup> The approval of multiple tourist entry visas, remote working visas and student sponsorship visas will also likely help boost the sector.<sup>15</sup>



