



مركز الإحصاء
STATISTICS CENTRE



Hotel Price Index

October 2015

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Introduction

The Emirate of Abu Dhabi is one of the most attractive tourist destinations in the Middle East because of the developed infrastructure and quality of services in the tourism sector. Hotel establishments are considered as the fundamental base of the tourism sector. In general, hotel establishments pricing strategies are considered as one of the most important factors contributing to the growth of the tourism sector.

To meet the requirements of customers, the Statistics Centre - Abu Dhabi (SCAD) has decided to construct a statistical price indicator to measure the changes in the hotel establishments room rates in Abu Dhabi. This indicator provides information about price movements in the hotel establishments based on the categories of hotels adopted by the Abu Dhabi Tourism and Culture Authority. Hotels are categorized from one to five stars, while hotel apartments are categorized as 'Deluxe', 'Standard' or 'Superior'. The index is calculated using the Laspeyres formula.

The hotel establishments price rates are collected and the index is calculated monthly according to the adopted categories of hotels in Abu Dhabi. This informs decision-makers and policy-makers, tourists and tourist offices and other users of the data about the change in hotel room rates, which contribute to increased transparency and development of the tourism sector in the Emirate of Abu Dhabi.

Key Points

This publication provides an analysis of the hotel establishments price index during the month of October 2015 compared with September 2015 and October 2014 (2012=100).

General index

- The hotel establishments price index increased by 16.6% during the month of October 2015 compared with September 2015.
- The hotel establishments price index decreased by 6.4% in October 2015 compared with October 2014.

Hotel index

- The hotel room rates index increased by 21.2% during October 2015 compared with September 2015.
- The hotel room rates index decreased by 6.9% during October 2015 compared with October 2014.

Hotel apartments index

- The hotel apartments room rates index increased by 1.8% during October 2015 compared with September 2015.
- The hotel apartments room rates index decreased by 4.3% during October 2015 compared with October 2014.

Hotel establishments revenues

- The hotel establishments revenue increased by 0.9% during the month of October 2015 compared with October 2014.
- The hotel establishments revenue increased by 32.2% during the month of October 2015 compared with September 2015.

1. Hotel price index during October 2015 compared with September 2015

The hotel establishments room rates index increased by 16.6% during October 2015 compared with September 2015, with the index increasing from 83.4 points in September 2015 to 97.2 points in October 2015. The increase was mainly caused by a 21.2% increase in the hotel room rates index while the hotel apartment's rates index increase by 1.8%.

The increase in most hotel categories ranged between 9.5% and 27.6%, causing an increase in the hotel room rates index of 21.2% during October 2015 compared with September 2015.

The increase in prices for 'Deluxe' hotel apartments by 2.9% and 'Superior' hotel apartments by 1.2% caused an increase in the hotel apartments room rates index of 1.8%, while 'Standard' hotel apartments decreased by 0.4% during October 2015 compared with September 2015. Table (1) shows the price indices and relative changes for all hotel categories and hotel apartments during October 2015 compared with September 2015.

Table 1: Index prices and relative changes according to the Laspeyres formula during October 2015 compared with September 2015 (2012=100)

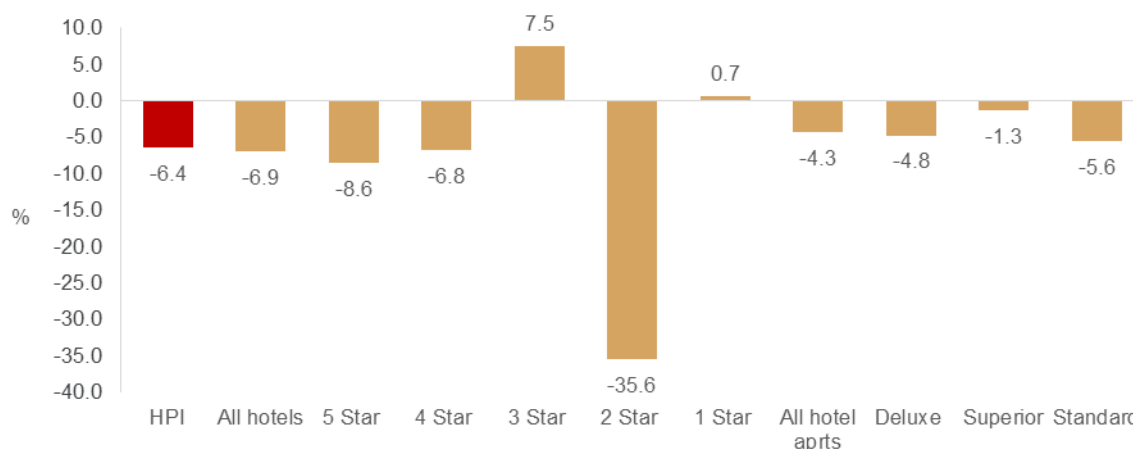
Hotel establishments	September 2015	October 2015	Relative change %
General index	83.4	97.2	16.6
All hotels	81.0	98.1	21.2
5 Star	78.3	100.0	27.6
4 Star	82.7	93.9	13.5
Hotels			
3 Star	92.6	101.8	9.9
2 Star	79.6	75.2	-5.6
1 Star	80.2	87.8	9.5
All hotel apartments	92.0	93.6	1.8
Hotel apartments			
Deluxe	93.0	95.7	2.9
Superior	101.4	102.6	1.2
Standard	83.5	83.2	-0.4

Source: Statistics Centre – Abu Dhabi

2. Hotel price index during October 2015 compared with October 2014

The hotel establishments price index decreased by 6.4% during October 2015 compared with October 2014. This decrease was caused by a decrease of 6.9% in the prices of hotel rooms, while prices for hotel apartments fell by 4.3%. Figure (1) shows the average percentage change in hotel rates during October 2015 compared with October 2014 by categories of hotels.

Figure 1: Percent change in hotel rates during October 2015 compared with October 2014 by categories of hotels



Source: Statistics Centre – Abu Dhabi

The figure above shows a 6.9% decrease in hotel room rates during October 2015 compared with October 2014. Prices of ‘Five -star’ hotels decreased by 8.6%, ‘Four-star’ hotels by 6.8%, ‘Two-star’ hotels by 35.6%, while ‘Three-star’ and ‘One-star’ hotels increased by 7.5% and 0.7% respectively.

The rate of hotel apartment rooms decreased by 4.3% during October 2015 compared with October 2014, mainly due to the decrease in ‘Deluxe’ by 4.8%, ‘Superior’ hotel apartments decreased by 1.3% and ‘Standard’ hotel apartments by 5.6%.

Table 2: Index prices and relative changes according to the Laspeyres formula during October 2015 compared with October 2014 (2012=100)

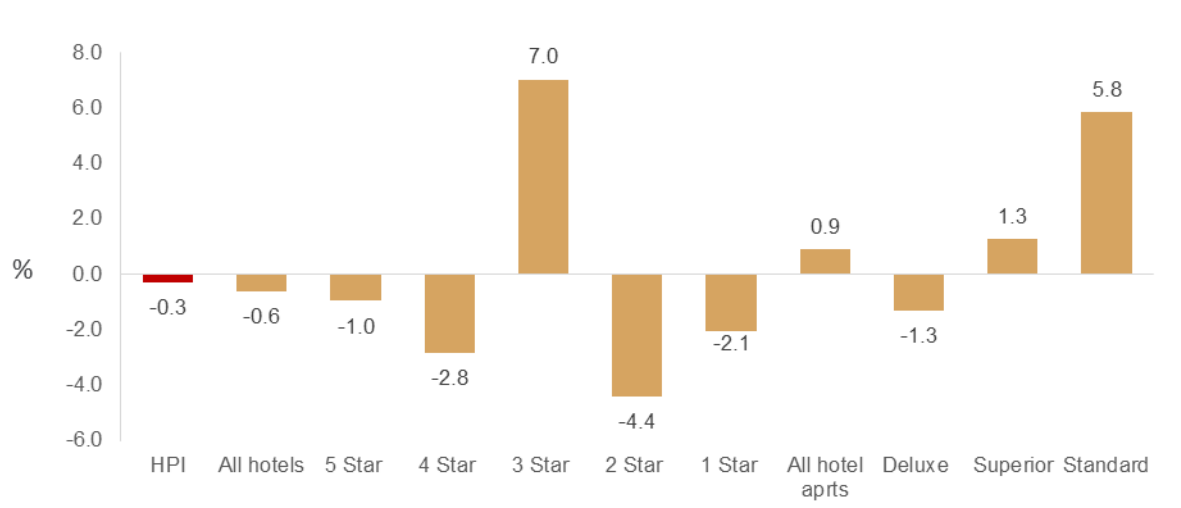
Hotel establishments	October 2014	October 2015	Relative change %
General index	103.8	97.2	-6.4
All hotels	105.4	98.1	-6.9
Hotels			
5 Star	109.4	100.0	-8.6
4 Star	100.7	93.9	-6.8
3 Star	94.7	101.8	7.5
2 Star	116.7	75.2	-35.6
1 Star	87.3	87.8	0.7
All hotel apartments	97.8	93.6	-4.3
Hotel apartments			
Deluxe	100.5	95.7	-4.8
Superior	104.0	102.6	-1.3
Standard	88.1	83.2	-5.6

Source: Statistics Centre – Abu Dhabi

3. The cumulative hotel price index (Jan-October 2015) compared with the same period in 2014

The cumulative index of hotel establishments prices (Jan- October 2015) decreased by 0.3% compared with the same period in 2014. The hotels room rates decreased by 0.6%, while the rate of hotel apartment rooms increased by 0.9%. Figure (2) and table (3) show the cumulative indices prices and relative changes during the period of (Jan- October 2015) compared with the same period in 2014.

Figure 2: Cumulative rates of percent changes (Jan 2015 to October 2015) compared with the same period in 2014 by hotel categories



Source: Statistics Centre – Abu Dhabi

Table 3: Cumulative index of prices and cumulative relative changes according to the Laspeyres formula (Jan to October 2015) compared with the same period in 2014 (2012=100)

Hotel establishments	(Jan to Oct) 2014	(Jan to Oct) 2015	Relative Change %
General index	93.1	92.8	-0.3
All hotels	92.3	91.7	-0.6
5 Star	92.7	91.9	-1.0
4 Star	92.4	89.8	-2.8
Hotels			
3 Star	89.8	96.1	7.0
2 Star	93.2	89.1	-4.4
1 Star	88.6	86.8	-2.1
All hotel apartments	95.9	96.8	0.9
Hotel apartments			
Deluxe	99.7	98.3	-1.3
Superior	103.4	104.7	1.3
Standard	83.2	88.0	5.8

Source: Statistics Centre – Abu Dhabi

4. Hotel establishments revenues

The hotel establishments revenues increased by 0.9% during October 2015 compared with October 2014, as a result of an increase in hotels revenues by 0.2% and hotel apartments revenues by 4.3%.

The hotel establishments revenues increased during October 2015 compared with September 2015 by 32.2%, mainly due to the increases in hotels room revenues by 38.2%, while hotel apartment revenues increased by 10.4%. Table (4) shows the average percent change in hotel establishments revenues during October 2015 compared with October 2014 and September 2015.

Table 4: Percent change in hotel establishments revenues during October 2015 compared with October 2014 and September 2015

Hotel establishments		October 2015 / October 2014 %	October 2015 / September 2015 %
All hotel establishments		0.9	32.2
All hotels		0.2	38.2
Hotels	5 Star	-2.6	46.8
	4 Star	13.3	29.3
	3 Star	-0.5	24.8
	2 Star	-13.1	-6.6
	1 Star	-35.2	23.4
	All hotel apartments		4.3
Hotel apartments	Deluxe	1.9	8.8
	Superior	17.5	14.0
	Standard	-14.2	9.0

Source: Statistics Centre – Abu Dhabi

Methodology

The classification of the hotel price index was provided to SCAD by the Abu Dhabi Tourism & Culture Authority in addition to all the data for calculating this price index. With this support, the statistical indicators in this publication could be constructed. This administrative data is of the highest credibility and accuracy, which helps to compile and disseminate indicators of high quality, accuracy and transparency. It contributes to the development and growth in the Emirate of Abu Dhabi.

Definition of the hotel establishments price index

The HPI is a statistical indicator which measures the relative change of hotel room's prices over two periods. It shows the time series of changes in the prices of hotel rooms by categories for hotels in the Emirate of Abu Dhabi.

Importance of the hotel establishments price index

- 1 – Provide data about the changes in the prices of hotel rooms in the Emirate of Abu Dhabi according to the hotel categories.
- 2 – It is used as a reference tool by the media, analysts and hotel owners and tourism bodies and academics.
- 3 - Provide data for the calculation of statistical indicators such as the CPI and GDP within the Statistics Centre - Abu Dhabi.
- 4 – Improves understanding of the evolution in the interim prices of hotel rooms in order to serve tourists and citizens and residents as well as other users (companies and tour operators and travel agencies).
- 5 – It is used by decision and policy makers to forecast changes in the prices of hotel rooms.
- 6 – It records and disseminates the seasonal fluctuations in the prices of hotel rooms to participants in the domestic tourism sector.

Mechanism of calculating the hotel establishments price index

The HPI is calculated using the Laspeyres formula, which is based on the weights of the base year (2012).

Weights

The hotel establishments price index is a weighted average of the change in the price of hotel rooms by categories of hotels.

The weight reflects the relative importance of each hotel class. It is calculated as a weight category (x) by dividing (total income for category hotels (x)) by (total income for all hotel categories) for base year weights.

Categories		Base year weights (2012)
Hotel establishments		100.0
	All hotels	78.3
	5 Star	48.7
Hotels	4 Star	18.5
	3 Star	8.6
	2 Star	1.2
	1 Star	1.3
	All hotel apartments	21.7
Hotel apartments	Deluxe	11.7
	Superior	4.1
	Standard	5.8

Source: Statistics Centre – Abu Dhabi

Disclaimer

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