



مركز الإحصاء  
STATISTICS CENTRE



# Hotel Price Index

December 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 2015 compared with 2014 and during the month of December 2015 compared with November 2015 and December 2014 (2012=100).

### General index

- The hotel establishments price index decreased by 1.5% during 2015 compared with 2014.
- The hotel establishments price index decreased by 20.6% during the month of December 2015 compared with November 2015.
- The hotel establishments price index decreased by 5.7% in December 2015 compared with December 2014.

### Hotel index

- The hotel room rates index decreased by 1.8% during 2015 compared with 2014.
- The hotel room rates index decreased by 23.1% during December 2015 compared with November 2015.
- The hotel room rates index decreased by 5.6% during December 2015 compared with December 2014.

### Hotel apartments index

- The hotel apartments room rates index decreased by 0.3% during 2015 compared with 2014.
- The hotel apartments room rates index decreased by 9.3% during December 2015 compared with November 2015.
- The hotel apartments room rates index decreased by 6.0% during December 2015 compared with December 2014.

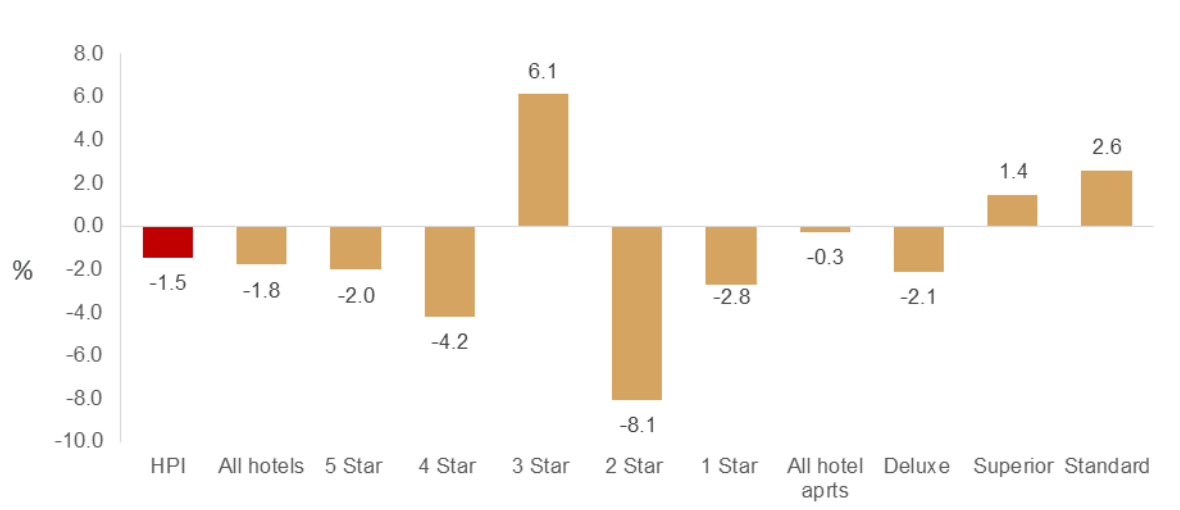
### Hotel establishments rooms revenue

- The hotel establishments revenue increased by 6.8% during 2015 compared 2014.
- The hotel establishments revenue decreased by 2.6% during the month of December 2015 compared with December 2014.
- The hotel establishments revenue decreased by 24.0% during the month of December 2015 compared with November 2015.

## 1. Hotel price index during 2015 compared with 2014

The annual index of hotel establishments decreased by 1.5% during the year of 2015 compared with 2014. Hotel room rates decreased by 1.8%, while the rate of hotel apartment rooms decreased by 0.3%. Figure (1) and table (1) show the annual indices prices and relative changes during 2015 compared with 2014.

**Figure 1: Annual percent changes during 2015 compared with 2014 by hotel categories**



Source: Statistics Centre – Abu Dhabi

**Table 1: Annual index of prices and relative changes during 2015 compared with 2014 (2012=100)**

Hotel establishments		HPI 2014	HPI 2015	Relative Change %
General index		97.9	96.5	-1.5
	All hotels	98.0	96.2	-1.8
	5 Star	98.9	96.9	-2.0
Hotels	4 Star	98.1	93.9	-4.2
	3 Star	94.1	99.8	6.1
	2 Star	96.0	88.3	-8.1
	1 Star	89.7	87.2	-2.8
	All hotel apartments	97.8	97.5	-0.3
Hotel apartments	Deluxe	101.5	99.4	-2.1
	Superior	104.4	105.9	1.4
	Standard	85.7	88.0	2.6

Source: Statistics Centre – Abu Dhabi

## 2. Hotel price index during December 2015 compared with November 2015

The hotel establishments room rates index decreased by 20.6% during December 2015 compared with November 2015, with the index decreasing from 128.2 points in November 2015 to 101.8 points in December 2015. The decrease was mainly caused by a 23.1% decrease in the hotel room rates index while the hotel apartment's rates index decreased by 9.3%.

The decrease in all hotel categories ranged between 10.5% and 29.9%, causing a decrease in the hotel room rates index of 20.6% during December 2015 compared with November 2015.

The decrease in prices for 'Deluxe' hotel apartments by 10.0%, 'Superior' hotel apartments by 10.4% and 'Standard' by 6.3%, caused a decrease in the hotel apartments room rates index of 9.3% during December 2015 compared with November 2015. Table (2) shows the price indices and relative changes for all hotel categories and hotel apartments during December 2015 compared with November 2015.

**Table 2: Index prices and relative changes during December 2015 compared with November 2015 (2012=100)**

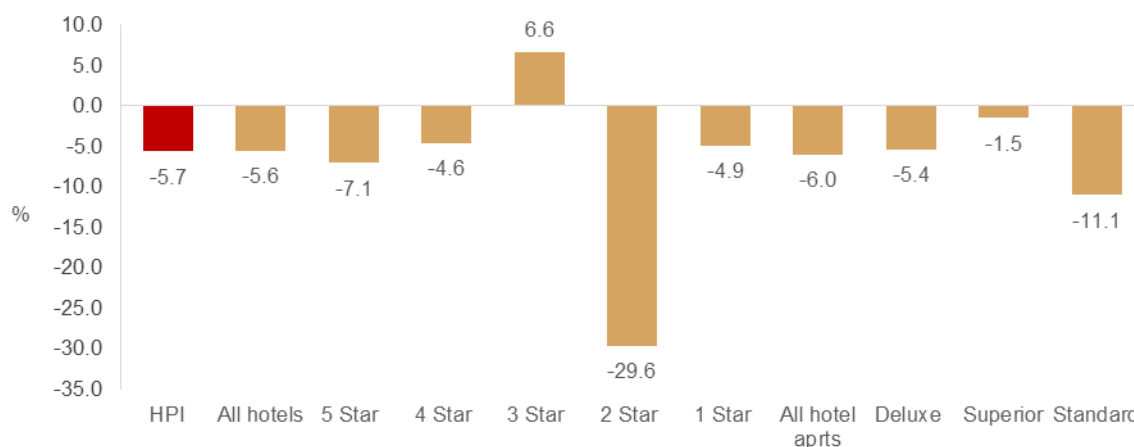
Hotel establishments		November 2015	December 2015	Relative change %
<b>General index</b>		<b>128.2</b>	<b>101.8</b>	<b>-20.6</b>
	<b>All hotels</b>	<b>134.3</b>	<b>103.3</b>	<b>-23.1</b>
	<b>5 Star</b>	136.1	107.9	-20.7
	<b>4 Star</b>	135.0	94.6	-29.9
<b>Hotels</b>	<b>3 Star</b>	134.8	102.3	-24.1
	<b>2 Star</b>	91.9	76.4	-16.9
	<b>1 Star</b>	94.0	84.1	-10.5
	<b>All hotel apartments</b>	<b>106.2</b>	<b>96.4</b>	<b>-9.3</b>
<b>Hotel apartments</b>	<b>Deluxe</b>	109.9	98.9	-10.0
	<b>Superior</b>	118.4	106.0	-10.4
	<b>Standard</b>	90.4	84.8	-6.3

Source: Statistics Centre – Abu Dhabi

## 3. Hotel price index during December 2015 compared with December 2014

The hotel establishments price index decreased by 5.7% during December 2015 compared with December 2014. This was caused by a decrease of 5.6% in the prices of hotel rooms, while prices for hotel apartments fell by 6.0%. Figure (2) shows the average percentage change in hotel rates during December 2015 compared with December 2014 by categories of hotels.

**Figure 2: Percent change in hotel rates during December 2015 compared with December 2014 by categories of hotels**



Source: Statistics Centre – Abu Dhabi

The figure above shows a 5.6% decrease in hotel room rates during December 2015 compared with December 2014. Prices of ‘Five -star’ hotels decreased by 7.1%, ‘Four-star’ hotels by 4.6%, ‘Two-star’ and ‘One-star’ hotels decreased by 29.6% and 4.9% respectively. While ‘Three-star’ hotels increased by 6.6%

The rate of hotel apartment rooms decreased by 6.0% during December 2015 compared with December 2014, mainly due to the decrease in ‘Deluxe’ by 5.4%, ‘Superior by 1.5% and ‘Standard’ by 11.1%.

**Table 3: Index prices and relative changes during December 2015 compared with December 2014 (2012=100)**

Hotel establishments	December 2014	December 2015	Relative change %
<b>General index</b>	<b>107.9</b>	<b>101.8</b>	<b>-5.7</b>
<b>All hotels</b>	<b>109.3</b>	<b>103.3</b>	<b>-5.6</b>
<b>5 Star</b>	116.2	107.9	-7.1
<b>4 Star</b>	99.1	94.6	-4.6
<b>Hotels</b>			
<b>3 Star</b>	96.0	102.3	6.6
<b>2 Star</b>	108.6	76.4	-29.6
<b>1 Star</b>	88.5	84.1	-4.9
<b>All hotel apartments</b>	<b>102.6</b>	<b>96.4</b>	<b>-6.0</b>
<b>Hotel apartments</b>			
<b>Deluxe</b>	104.5	98.9	-5.4
<b>Superior</b>	107.6	106.0	-1.5
<b>Standard</b>	95.3	84.8	-11.1

Source: Statistics Centre – Abu Dhabi

## 4. Hotel establishments rooms revenue

The annual rooms revenue of hotel establishments increased by 6.8% during 2015 compared with 2014, as a result of an increase in hotel rooms revenue by 6.1% and hotel apartment rooms revenue by 9.8%.

The hotel establishments rooms revenue decreased by 2.6% during December 2015 compared with December 2014, as a result of a decrease in hotel rooms revenue by 3.2%, while hotel apartment rooms revenue increased by 0.4%.

The hotel establishments rooms revenue decreased during December 2015 compared with November 2015 by 24.0%, mainly due to the decreases in hotel rooms revenue by 26.2%, while hotel apartment revenues decreased by 11.7%. Table (4) shows the average percent change in hotel establishments rooms revenue during 2015 compared with 2014 and during December 2015 compared with December 2014 and November 2015.

**Table 4: Percent change in hotel establishments revenues during December 2015 compared with December 2014 and November 2015**

Hotel establishments		2015 / 2014 %	December 2015 / December 2014 %	December 2015 / November 2015 %
<b>All hotel establishments</b>		<b>6.8</b>	<b>-2.6</b>	<b>-24.0</b>
<b>All hotels</b>		<b>6.1</b>	<b>-3.2</b>	<b>-26.2</b>
<b>5 Star</b>		7.0	-4.5	-23.1
<b>4 Star</b>		9.4	3.8	-33.7
<b>Hotels</b>	<b>3 Star</b>	-3.5	-4.5	-30.4
	<b>2 Star</b>	44.7	6.5	-7.6
	<b>1 Star</b>	-23.5	-42.6	-14.8
<b>All hotel apartments</b>		<b>9.8</b>	<b>0.4</b>	<b>-11.7</b>
<b>Hotel apartments</b>	<b>Deluxe</b>	10.0	6.0	-12.0
	<b>Superior</b>	20.1	0.2	-11.0
	<b>Standard</b>	-12.7	-24.3	-12.0

Source: Statistics Centre – Abu Dhabi

## Methodology

The classification of the hotel price index was provided to SCAD by the Abu Dhabi Tourism and 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)
<b>Hotel establishments</b>		<b>100.0</b>
	<b>All hotels</b>	<b>78.3</b>
	<b>5 Star</b>	48.7
<b>Hotels</b>	<b>4 Star</b>	18.5
	<b>3 Star</b>	8.6
	<b>2 Star</b>	1.2
	<b>1 Star</b>	1.3
	<b>All hotel apartments</b>	<b>21.7</b>
<b>Hotel apartments</b>	<b>Deluxe</b>	11.7
	<b>Superior</b>	4.1
	<b>Standard</b>	5.8

Source: Statistics Centre – Abu Dhabi

## Disclaimer

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