



مركز الإحصاء
STATISTICS CENTRE



Hotel Price Index

May 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 May 2015 compared with April 2015 and May 2014 (2012=100).

General index

- The hotel establishments price index decreased by 18.7% during the month of May 2015 compared with April 2015.
- The hotel establishments price index decreased by 6.2% in May 2015 compared with May 2014.

Hotel index

- The hotel room rates index decreased by 21.9% during May 2015 compared with April 2015.
- The hotel room rates index decreased by 7.4% during May 2015 compared with May 2014.

Hotel apartments index

- The hotel apartments room rates index decreased by 6.3% during May 2015 compared with April 2015.
- The hotel apartments room rates index decreased by 2.1% during May 2015 compared with May 2014.

Hotel establishments revenues

- The hotel establishments revenue increased by 2.3% during the month of May 2015 compared with May 2014.
- The hotel establishments revenue decreased by 20.0% during the month of May 2015 compared with April 2015.

1. Hotel price index during May 2015 compared with April 2015

The hotel establishments room rates index decreased by 18.7% during May 2015 compared with April 2015, with the index decreasing from 104.3 points in April 2015 to 84.8 points in May 2015. The decrease was mainly caused by a 21.9% decrease in the hotel room rates index and by a 6.3% decrease in the hotel apartment's rates index.

The decreases in prices of all hotel categories ranged between 8.4% and 27.0%, causing a decrease in the hotel room rates index of 21.9% during May 2015 compared with April 2015.

The decreases in prices for all hotel apartments categories between 0.3% and 7.8% caused a decrease in the hotel apartments room rates index of 6.3% during May 2015 compared with April 2015. Table (1) shows the price indices and relative changes for all hotel categories and hotel apartments during May 2015 compared with April 2015.

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

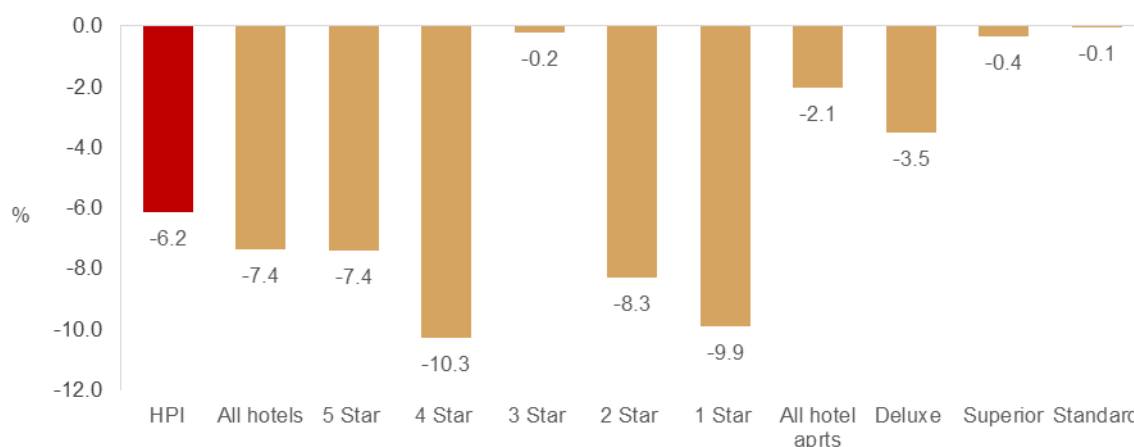
Hotel establishments	April 2015	May 2015	Relative change %
General index	104.3	84.8	-18.7
All hotels	105.5	82.4	-21.9
5 Star	112.2	81.9	-27.0
4 Star	94.1	80.9	-14.1
3 Star	96.4	88.3	-8.4
2 Star	91.8	83.7	-8.8
1 Star	91.2	82.6	-9.5
All hotel apartments	100.0	93.7	-6.3
Hotel apartments			
Deluxe	103.1	95.0	-7.8
Superior	103.9	103.7	-0.3
Standard	90.9	84.0	-7.7

Source: Statistics Centre – Abu Dhabi

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

The hotel establishments price index decreased by 6.2% during May 2015 compared with May 2014. This decrease was caused by a decrease of 7.4% in the prices of hotel rooms, while prices for hotel apartments fell by 2.1%. Figure (1) shows the average percentage change in hotel rates during May 2015 compared with May 2014 by categories of hotels.

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



Source: Statistics Centre – Abu Dhabi

The figure above shows a 7.4% decrease in hotel room rates during May 2015 compared with May 2014. Prices of ‘Five -star’ hotels decreased by 7.4%, ‘Four-star’ hotels by 10.3%, ‘three-star’ hotels by 0.2%, ‘Two-star’ and ‘One-star’ hotels decreased by 8.3% and 9.9% respectively.

The rate of hotel apartment rooms decreased by 2.1% during May 2015 compared with May 2014, mainly due to the decrease in ‘Deluxe’ rooms by 3.5%, while ‘Superior’ hotel apartments decreased by 0.4% and ‘Standard’ hotel apartments by 0.1%.

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

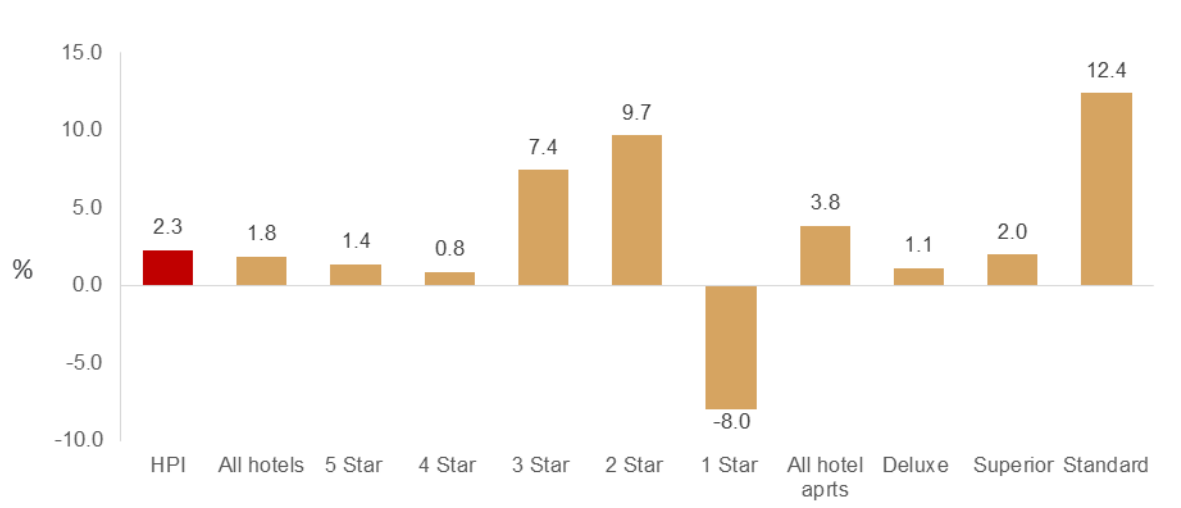
Hotel establishments	May 2014	May 2015	Relative change %
General index	90.4	84.8	-6.2
All hotels	89.0	82.4	-7.4
5 Star	88.5	81.9	-7.4
Hotels			
4 Star	90.2	80.9	-10.3
3 Star	88.5	88.3	-0.2
2 Star	91.3	83.7	-8.3
1 Star	91.7	82.6	-9.9
All hotel apartments	95.6	93.7	-2.1
Hotel apartments			
Deluxe	98.5	95.0	-3.5
Superior	104.0	103.7	-0.4
Standard	84.0	84.0	-0.1

Source: Statistics Centre – Abu Dhabi

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

The cumulative index of hotel establishments prices (Jan- May 2015) increased by 2.3% compared with the same period in 2014. The hotels room rates increased by 1.8%, while the rate of hotel apartment rooms increased by 3.8%. Figure (2) and table (3) show the cumulative indices prices and relative changes during the period of (Jan- May 2015) compared with the same period in 2014.

Figure 2: Cumulative rates of percent changes (Jan 2015 to May 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 May 2015) compared with the same period in 2014 (2012=100)

Hotel establishments	(Jan to May) 2014	(Jan to May) 2015	Relative Change %
General index	100.8	103.0	2.3
All hotels	101.7	103.6	1.8
Hotels			
5 Star	104.7	106.1	1.4
4 Star	97.9	98.7	0.8
3 Star	95.3	102.4	7.4
2 Star	91.1	99.9	9.7
1 Star	96.5	88.8	-8.0
All hotel apartments	97.3	101.1	3.8
Hotel apartments			
Deluxe	102.0	103.1	1.1
Superior	105.5	107.6	2.0
Standard	82.4	92.6	12.4

Source: Statistics Centre – Abu Dhabi

4. Hotel establishments revenues

The hotel establishments revenues increased by 2.3% during May 2015 compared with May 2014, as a result of an increase in hotels revenues by 0.8% and hotel apartments revenues by 8.3%.

The hotel establishments revenues decreased during May 2015 compared with April 2015 by 20.0%, mainly due to the decreases in hotels room revenues by 23.4%, while hotel apartment revenues decreased by 4.1%. Table (4) shows the average percent change in hotel establishments revenues during May 2015 compared with May 2014 and April 2015.

Table 4 : Percent change in hotel establishments revenues during May 2015 compared with May 2014 and April 2015

Hotel establishments		May 2015 / May 2014 %	May 2015 / April 2015 %
All hotel establishments		2.3	-20.0
All hotels		0.8	-23.4
Hotels	5 Star	5.7	-27.2
	4 Star	-4.5	-21.6
	3 Star	-11.0	-8.5
	2 Star	99.0	115.8
	1 Star	-50.2	-49.8
	All hotel apartments		8.3
Hotel apartments	Deluxe	10.3	-4.5
	Superior	16.8	-1.0
	Standard	-17.3	-10.2

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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