



مركز الإحصاء
STATISTICS CENTRE



Hotel Price Index

April 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'. It is worth mentioning that the index is compiled to be calculated through 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 April 2015 compared with March 2015 and April 2014 (2012=100).

General index

- The hotel establishments price index increased by 4.4% during the month of April 2015 compared with March 2015.
- The hotel establishments price index decreased by 0.5% in April 2015 compared with April 2014.

Hotel index

- The hotel room rates index increased by 5.4% during April 2015 compared with March 2015.
- The hotel room rates index decreased by 1.0% during April 2015 compared with April 2014.

Hotel apartments index

- The hotel apartments room rates index increased by 0.4% during April 2015 compared with March 2015.
- The hotel apartments room rates index increased by 1.5% during April 2015 compared with April 2014.

Hotel establishments revenues

- The hotel establishments revenue increased by 6.6% during the month of April 2015 compared with April 2014.
- The hotel establishments revenue increased by 0.7% during the month of April 2015 compared with March 2015.

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

The hotel establishments room rates index increased by 4.4% during April 2015 compared with March 2015, with the index increasing from 100.0 points in March 2015 to 104.3 points in April 2015. The increase was mainly caused by a 5.4% increase in the hotel room rates index and by a 0.4% increase in the hotel apartment's rates index.

The increase in some hotel categories ranged between 5.6% and 10.5%, causing an increase in the hotel room rates index of 5.4% during April 2015 compared with March 2015.

The increase in prices for 'Deluxe' hotel apartments by 1.8% caused an increase in the hotel apartments room rates index of 0.4% during April 2015 compared with March 2015. Table (1) shows the price indices and relative changes for all hotel categories and hotel apartments during April 2015 compared with March 2015.

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

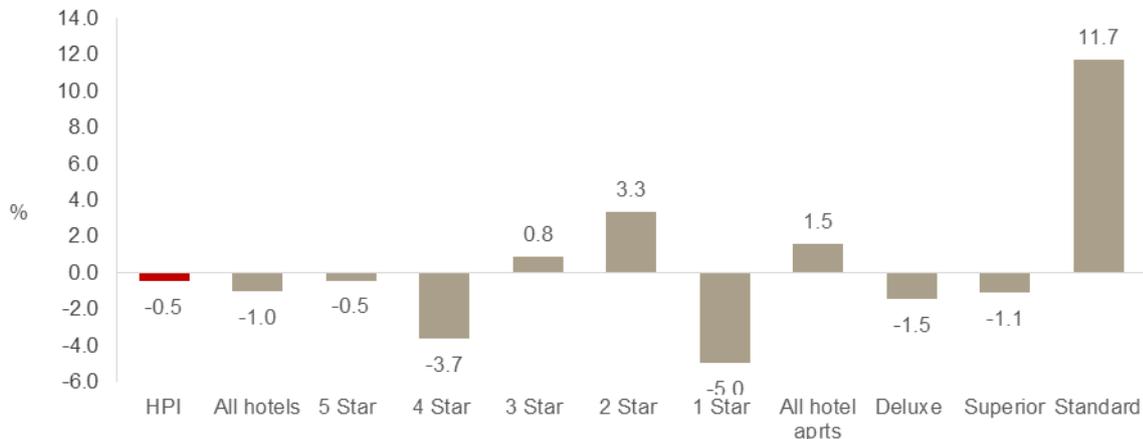
Hotel establishments	March 2015	April 2015	Relative change %
General index	100.0	104.3	4.4
Hotels			
All hotels	100.1	105.5	5.4
5 Star	101.5	112.2	10.5
4 Star	96.8	94.1	-2.8
3 Star	100.6	96.4	-4.1
2 Star	102.6	91.8	-10.6
1 Star	86.4	91.2	5.6
All hotel apartments	99.6	100.0	0.4
Hotel apartments			
Deluxe	101.3	103.1	1.8
Superior	105.1	103.9	-1.1
Standard	92.2	90.9	-1.4

Source: Statistics Centre – Abu Dhabi

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

The hotel establishments price index decreased by 0.5% during April 2015 compared with April 2014. This decrease was caused by a decrease of 1.0% in the prices of hotel rooms, while prices for hotel apartments rose by 1.5%. Figure (1) shows the average percentage change in hotel rates during April 2015 compared with April 2014 by categories of hotels.

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



Source: Statistics Centre – Abu Dhabi

The figure above shows a 1.0% decrease in hotel room rates during April 2015 compared with April 2014. Prices of ‘Five -star’ hotels decreased by 0.5%, ‘Four-star’ hotels by 3.7% and ‘One-star’ hotels decreased by 5.0%, while ‘three-star’ and ‘Two-star’ hotels increased by 0.8% and 3.3% respectively.

The rate of hotel apartment rooms increased by 1.5% during April 2015 compared with April 2014, mainly due to the increase in ‘Standard’ by 11.7%, while ‘Deluxe’ hotel apartments decreased by 1.5% and ‘Superior’ hotel apartments by 1.1%.

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

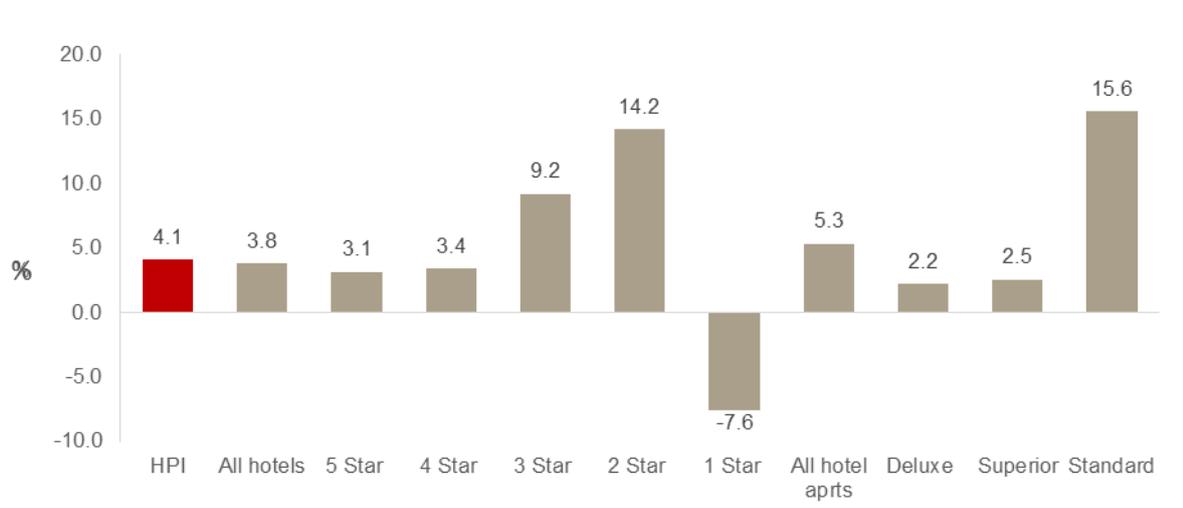
Hotel establishments	April 2014	April 2015	Relative change %
General index	104.9	104.3	-0.5
Hotels			
All hotels	106.6	105.5	-1.0
5 Star	112.7	112.2	-0.5
4 Star	97.7	94.1	-3.7
3 Star	95.6	96.4	0.8
2 Star	88.8	91.8	3.3
1 Star	96.1	91.2	-5.0
Hotel apartments			
All hotel apartments	98.5	100.0	1.5
Deluxe	104.6	103.1	-1.5
Superior	105.1	103.9	-1.1
Standard	81.4	90.9	11.7

Source: Statistics Centre – Abu Dhabi

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

The cumulative index of hotel establishments prices (Jan- April 2015) increased by 4.1% compared with the same period in 2014. The hotels room rates increased by 3.8%, while the rate of hotel apartment rooms increased by 5.3%. Figure (2) and table (4) show the cumulative indices prices and relative changes during the period of (Jan- April 2015) compared with the same period in 2014.

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

Hotel establishments	(Jan to Mar) 2014	(Jan to Mar) 2015	Relative Change %	
General index	103.3	107.6	4.1	
Hotels	All hotels	104.9	108.9	3.8
	5 Star	108.7	112.1	3.1
	4 Star	99.8	103.2	3.4
	3 Star	97.1	106.0	9.2
	2 Star	91.1	104.0	14.2
	1 Star	97.8	90.3	-7.6
Hotel apartments	All hotel apartments	97.8	102.9	5.3
	Deluxe	102.8	105.1	2.2
	Superior	105.9	108.6	2.5
	Standard	82.0	94.7	15.6

Source: Statistics Centre – Abu Dhabi

4. Hotel establishments revenues

The hotel establishments revenues increased by 6.6% during April 2015 compared with April 2014, as a result of an increase in hotels revenues by 5.9% and hotel apartments revenues by 9.7%.

The hotel establishments revenues increased during April 2015 compared with March 2015 by 0.7%, mainly due to the increases in hotels room revenues by 1.8%, while hotel apartment revenues decreased by 4.2%. Table (4) shows the average percent change in hotel establishments revenues during April 2015 compared with April 2014 and March 2015.

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

Hotel establishments		April 2015 / April 2014 %	April 2015 / Mar 2015 %
All hotel establishments		6.6	0.7
Hotels	All hotels	5.9	1.8
	5 Star	7.2	9.2
	4 Star	11.9	-6.3
	3 Star	-9.0	-12.3
	2 Star	-18.6	-55.5
	1 Star	7.0	6.1
Hotel apartments	All hotel apartments	9.7	-4.2
	Deluxe	10.3	-1.6
	Superior	18.4	-7.1
	Standard	-9.7	-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
	5 Star
	4 Star
Hotels	3 Star
	2 Star
	1 Star
	hotel apartments
Hotel apartments	Deluxe
	Superior
	Standard

Source: Statistics Centre – Abu Dhabi

Disclaimer

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