

HOSPITALITY

As at May 21st 2024, Saudi Arabia’s General Authority of Civil Aviation (GACA) latest data shows that so far in 2024, total passenger numbers have increased by 20.0%. This continued growth follows a 26.0% growth rate seen in passenger numbers in 2023, where the number of passenger totalled 111 million. Moreover, it was announced that the Kingdom’s connectivity has increased by 48% as a result of 148 new national and international destinations being added over the course of 2023.

In comparison to the pre-pandemic baselines, in the year to date to June 2024 compared to the same period in 2019, aside from Jeddah, the Key Performance Indicators (KPIs) of all major hospitality markets within Saudi Arabia now sit above their pre-pandemic baselines. For Saudi Arabia as a whole over this period, the average occupancy rate and ADR sit 3.7 percentage points and 35.6% higher and as a result, RevPARs have increased by 43.9%.

Year-on-year in the year to June 2024, all KPIs for Saudi Arabia as a whole showed growth. The Kingdom’s average occupancy rate rose by 0.9 percentage points, its ADR climbed by 6.7% and resultantly we have seen an 8.2% increase in RevPAR over this period.

Looking at the major cities, in the year-on-year in the year to June 2024, average occupancy in Riyadh fell by 1.5 percentage points, however as the capital’s ADR increased by 25.5% this led to a 22.4% expansion in RevPAR. Makkah’s key performance indicators demonstrated positive readings, starting with a 1.6 percentage point increase in average occupancy, which was accompanied by a growth of 1.1% in ADR that culminated in a 3.6% expansion in RevPAR. In Madinah, although the city has seen its average occupancy rate weaken by 1.0 percentage points, ADR increased by 16.1%, which facilitated for a RevPAR growth of 14.5%. Khobar’s hospitality indicators regressed, with average occupancy softening by 1.7 percentage points and ADR contracting by 1.5%, resulting in the average RevPAR for Khobar declining by 4.1%. For Dammam, the average occupancy grew by 8.4 percentage points and although ADR decreased by 1.1%, RevPAR observed an upturn of 14.5%. Finally, looking at Jeddah, the average occupancy registered a growth of 4.1 percentage points, which was contrasted by a fall of 9.9% in ADR generating a decline in RevPAR of 4.2%.

FIGURE 8: Key Tourism Indicators in the Kingdom, Q2 2024

111m

Total passenger numbers in 2023

48%

Increased connectivity with 148 new destinations worldwide added in 2023

Source: CBRE Research/ General Authority of Civil Aviation

FIGURE 9: Saudi Arabia, Hospitality Market, KPIs, YoY % Change

	Year to Date - June 2024 vs June 2019			Year to Date - June 2024 vs June 2023		
	Occ PP Change	ADR % Change	RevPAR % Change	Occ PP Change	ADR % Change	RevPAR % Change
Saudi Arabia	3.7%	35.6%	43.9%	0.9%	6.7%	8.2%
Khobar	-	-	-	-1.7%	-1.5%	-4.1%
Dammam	-	-	-	8.4%	-1.1%	14.5%
Jeddah	11.3%	-20.0%	-4.1%	4.1%	-9.9%	-4.2%
Makkah	0.1%	40.9%	41.2%	1.6%	1.1%	3.6%
Madinah	13.0%	105.5%	148.5%	-1.0%	16.1%	14.5%
Riyadh	3.3%	53.6%	62.5%	-1.5%	25.5%	22.4%

Source: CBRE Research/ STR Global