

Hotelier MIDDLE EAST
HOUSEKEEPING
REPORT 2016

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1. WELCOME

The challenges facing the Middle East's hospitality industry have been well documented in recent months. After years of impressive growth, high RevPAR figures and robust occupancy rates, 2015 witnessed these figures come under sustained pressure. Although the hotel industry in the region is still in fine health when compared to other markets, growing maturity has brought with it clear challenges.

The top end of the market is oversubscribed and with more five-star properties on the opening schedule, competition for tourist dollars will only intensify. The mid-market is also experiencing rapid growth, as international and local hotel operators seek to exploit the emerging business opportunity outside the region's traditional high end focus.

According to STR's June 2016 Pipeline report there are 154,576 rooms, in 550 hotels 'under contract' in the Middle

East, and over 81,000 rooms actually under construction.

A packed hotel pipeline, combined with a maturing market, tumbling oil prices and tough economic conditions in core markets from Europe, through Russia and China have contributed to pessimistic growth forecasts for much of the regional hospitality industry.

As fierce market competition becomes the norm, hotel management firms will have to innovate to differentiate their products. This means reexamining their operations in an attempt to find better, more efficient ways of working. Whether that gives rise to a growing focus on the use of information technology, a shift to use of outsourcing service providers, or a greater focus on sustainable solutions designed to reduce operating costs has yet to be seen.

What is clear, is that housekeepers have a vital role to play if hotels are to address key operational inefficiencies and streamline their operation.

HOUSEKEEPING REPORT 2016

2. Abstract

This report outlines the key findings from *The Hotelier Middle East Housekeeping Survey*, the trends dominating hospitality housekeeping, and the analysis of these results against the market outlook, with a commentary on the key issues from experts in the field. *The Hotelier Middle East Housekeeping Report* provides essential business insight into this critical hotel function, revealing a gradual move towards the use of automated management and a commitment to sustainability, concerns over recruitment, retention and staff outsourcing, and the potential to deliver much more, if only the industry's "image problem" can be reversed.

Eighty-three hotel housekeeping professionals completed *The Hotelier Middle East Housekeeping Survey* between April and June 2016. The sample is a senior group of industry professionals, 88% at manager level or above, with exactly half either holding the position of director of housekeeping (46%), director of laundry or director of rooms. The overwhelming majority of respondents is based in the UAE, with 77% based in Dubai and 13% in Abu Dhabi.

Together they represent more than 80 hotels comprising approximately 31,450 rooms and employing around 7,225 staff in the hotel housekeeping department. Add to this outsourced or agency staff and our respondents are collectively responsible for a housekeeping workforce of 10,300 people.

More than two thirds of respondents have in-house teams of less than 100 staff, 19% have teams of between 101 and 150 staff and at the opposite end of the scale, 3% have housekeeping teams of 500+ employees.

Four fifths (79%) of the hotels represented in the *Housekeeping Survey* are five-star properties, with respondents coming from a mix of business (47%) and leisure (35%) hotels, while 18% of the sample work at either hotel apartments or serviced residences. Two thirds of respondents work for international hotel brands; 21% represent local brands; and 13% said they worked for independent hotel properties.

They're a busy group of professionals; reflecting on Q1 2016, 80% of the respondents reported average hotel occupancy of 70% or higher. Breaking this down, and 21% had occupancy of 70-80%; 36% reported occupancy of 80-90% and 23% were nearly full, with occupancy in the 90th percentile. Only 3% reported occupancy of less than 40%.