HOSPITALITY INVESTMENT INTELLIGENCE

ABU DHABI

HOSPITALITY SECTOR OUTLOOK

2026–2028

DEMAND / SUPPLY / RATES / INVESTMENT

EXECUTIVE VIEW

"Abu Dhabi is evolving into a premium, event-driven hospitality destination, supported by tourism growth, major international events, luxury developments and expanding air connectivity."

BOTTOM-LINE OUTLOOK

CAUTIOUSLY POSITIVE → STRONGER RECOVERY

SOURCES: ABU DHABI MEDIA OFFICE · SCAD · COSTAR / TOURISM ECONOMICS · ZAYED INTERNATIONAL AIRPORT

KEY MARKET INTELLIGENCE

Abu Dhabi's hotel market is showing strong pricing power

Revenue is being generated through higher rates rather than simply higher occupancy.

01 OCCUPANCY	02 RATE	03 YIELD	04 CONNECTIVITY
85.2%	AED 846	AED 721	16.41M
OCCUPANCY	AVERAGE DAILY RATE	REVPAR	AIRPORT ARRIVALS
January 2026	January 2026	January 2026	2025

HOW THE REVENUE IS BUILT

85.2% × AED 846 = AED 721

Occupancy × ADR = RevPAR. With occupancy already high, incremental yield is coming from rate — the defining characteristic of this cycle.

SUPPORTING INSIGHTS

- Occupancy remains resilient despite changing international travel conditions.
- ADR growth is significantly stronger than occupancy growth.
- Revenue is increasingly generated through higher rates, not higher volume.
- Major events create periods of exceptional demand and rate compression.

"Strong fundamentals + premium pricing = continued attractiveness for quality hotel assets."

KEY MARKET INTELLIGENCE

Four forces are driving Abu Dhabi hospitality

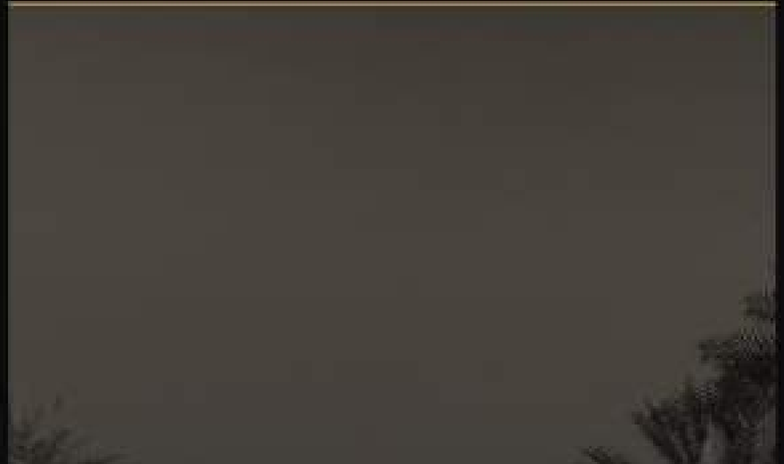
Demand is no longer single-sourced. Four distinct engines now shape occupancy, rate and seasonality.

01

EVENTS & MICE

International exhibitions, conferences, sports and entertainment generate high-demand periods and significant ADR opportunity.

IDEX · ADIPEC · UFC
CONCERTS · EXHIBITIONS



02

LEISURE & LUXURY

Yas Island, Saadiyat Island, museums, theme parks, beaches and luxury resorts are expanding the leisure proposition.

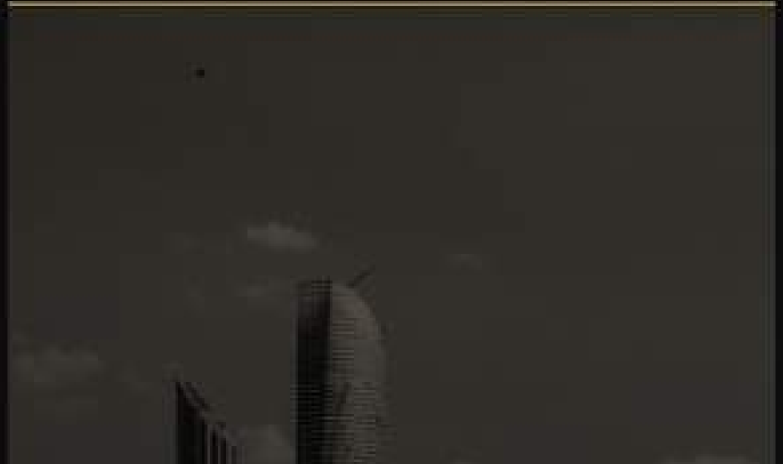
RESORTS · CULTURE
THEME PARKS · BEACHES

03

INTERNATIONAL TOURISM

Expanding air connectivity continues to widen the long-haul catchment feeding premium hotel demand.

INDIA · CHINA · RUSSIA
UK · USA



04

GCC & DOMESTIC

Regional and domestic visitors provide an important demand buffer during periods of softer long-haul tourism.

WEEKEND · STAYCATION
REGIONAL DRIVE-MARKET

FROM BUSINESS DESTINATION → DIVERSIFIED LUXURY, LEISURE & EVENTS DESTINATION

Growing supply creates both opportunity and competition

172
HOTEL ESTABLISHMENTS
March 2026

925.5K
HOTEL GUEST NIGHTS
March 2026

75.4%
OCCUPANCY · 2027
FORECAST

"Can new supply be absorbed without weakening pricing power?"

WHERE THE OPPORTUNITY CONCENTRATES

LUXURY RESORTS
Premium positioning and destination appeal.

LIFESTYLE HOTELS
Experience-led demand and differentiated concepts.

MIXED-USE
Hotels + residences + retail + entertainment.

DESTINATION ASSETS
Yas · Saadiyat · experience-led locations.

WATCH OUT Undifferentiated midscale supply is likely to face greater competitive pressure as inventory expands.

INVESTOR TAKEAWAY

"Abu Dhabi does not simply need more rooms. It needs more differentiated experiences."

KEY MARKET INTELLIGENCE

Three years.
Three different phases.

Directional phasing of market conditions and operating priorities. Not a numerical forecast.

2026 CAUTIOUSLY POSITIVE

Domestic and GCC demand remain resilient. International demand remains vulnerable to geopolitical conditions, air capacity and macroeconomic uncertainty.

PRIORITY

PROTECT ADR & MARKET POSITION

2027 RECOVERY

International tourism is expected to strengthen. Improving demand and major events should support occupancy and pricing.

PRIORITY

CAPTURE RETURNING INTERNATIONAL DEMAND

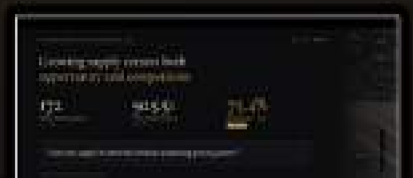
2028 UPSIDE

Growing tourism infrastructure, destination development and international connectivity create potential for sustained RevPAR growth.

PRIORITY

INVEST AHEAD OF THE NEXT DEMAND CYCLE

KEY RISKS International demand volatility | New supply | Geopolitical uncertainty | Seasonality | Ramadan timing



KEY MARKET INTELLIGENCE

Where the opportunity lies

Five strategic pillars for owners, operators and investors positioning for the next cycle.

01

PROTECT RATE

Use dynamic pricing and event-driven revenue management instead of competing primarily on occupancy.

02

CAPTURE LEISURE

Build packages around Yas, Saadiyat, culture, wellness, family and luxury experiences.

03

REDUCE SEASONALITY

Strengthen GCC, domestic and regional demand to offset softer international periods.

04

INVEST SELECTIVELY

Prioritise differentiated luxury, lifestyle, resort and mixed-use concepts over generic inventory.

05

MONETISE EVENTS

Treat exhibitions, sports and entertainment as strategic revenue-management opportunities.

"Abu Dhabi remains one of the Gulf's most attractive premium hospitality markets."

The winning strategy is not simply to add rooms. It is to create differentiated demand, maximise ADR and invest in assets that can capture Abu Dhabi's next phase of tourism growth.

SOURCES: ABU DHABI MEDIA OFFICE · STATISTICS CENTRE – ABU DHABI (SCAD) · COSTAR / TOURISM ECONOMICS · ZAYED INTERNATIONAL AIRPORT