UAE Hospitality Market Review

Knight Frank

2025

An annual data-led review of the hospitality market across the UAE, with a focus on Dubai

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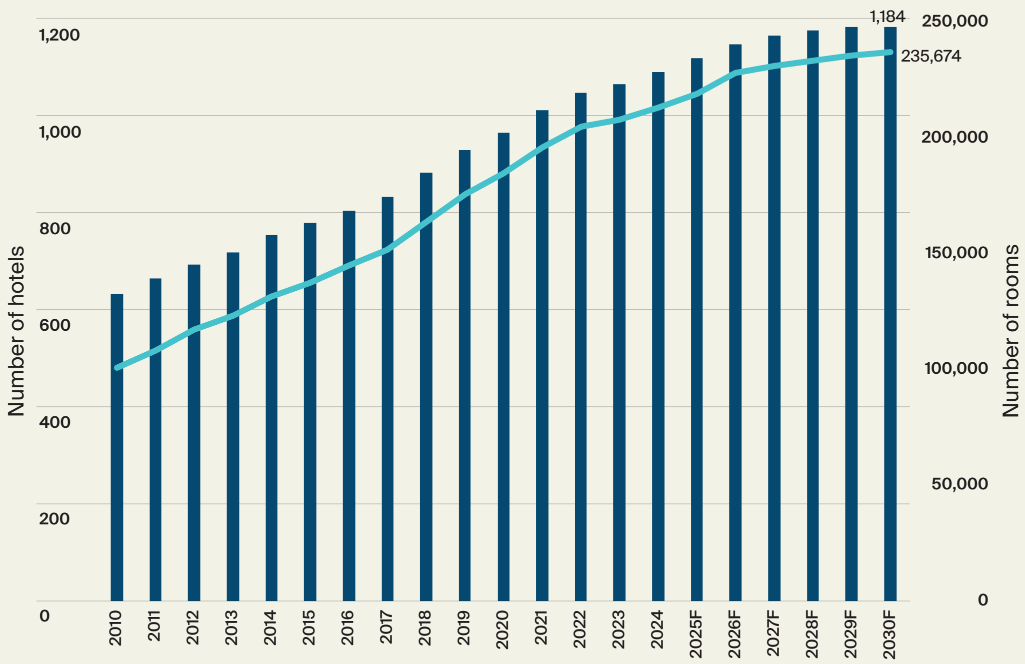
UAE HOSPITALITY MARKET

Current and future hotel room supply

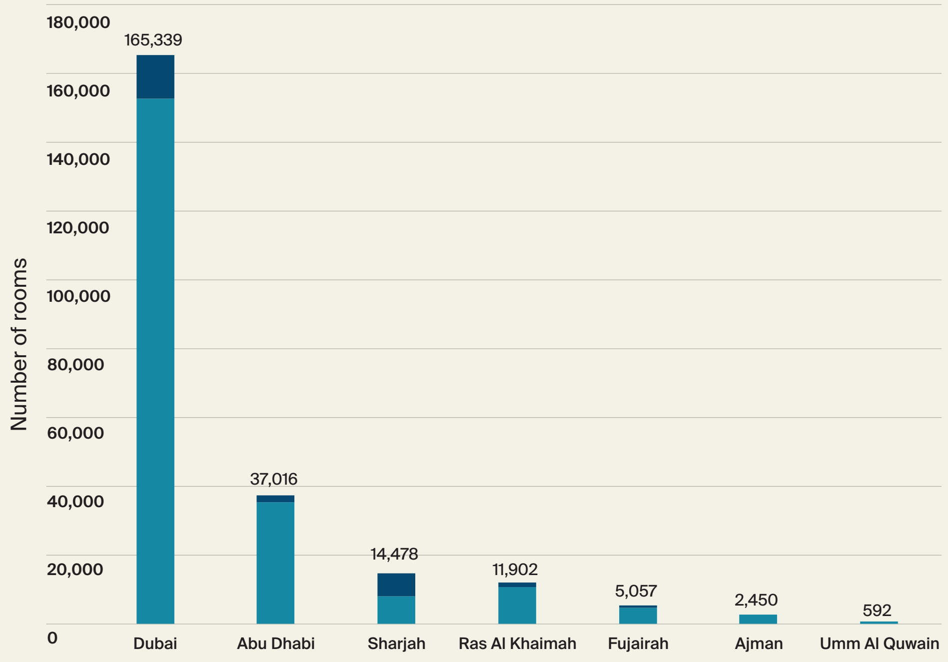
Number of hotels | Number of rooms



Source: Knight Frank, STR Global

Distribution of hotel keys across the emirates

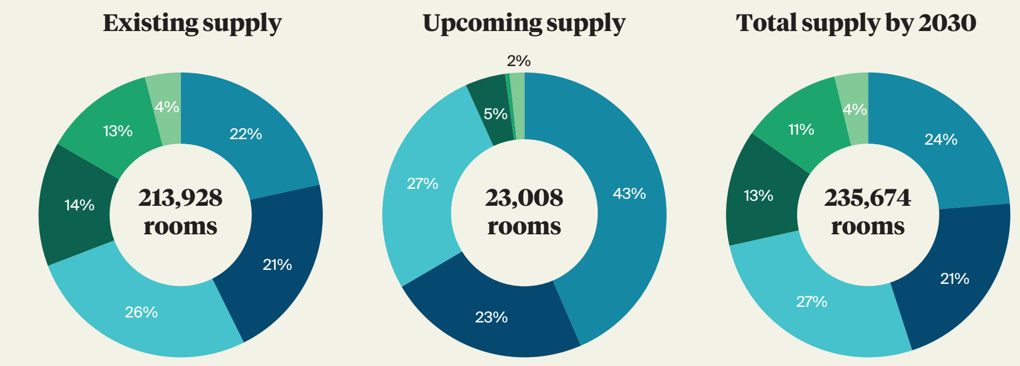
Existing supply | Upcoming supply



Source: Knight Frank, STR Global

Current and upcoming supply by operator classification

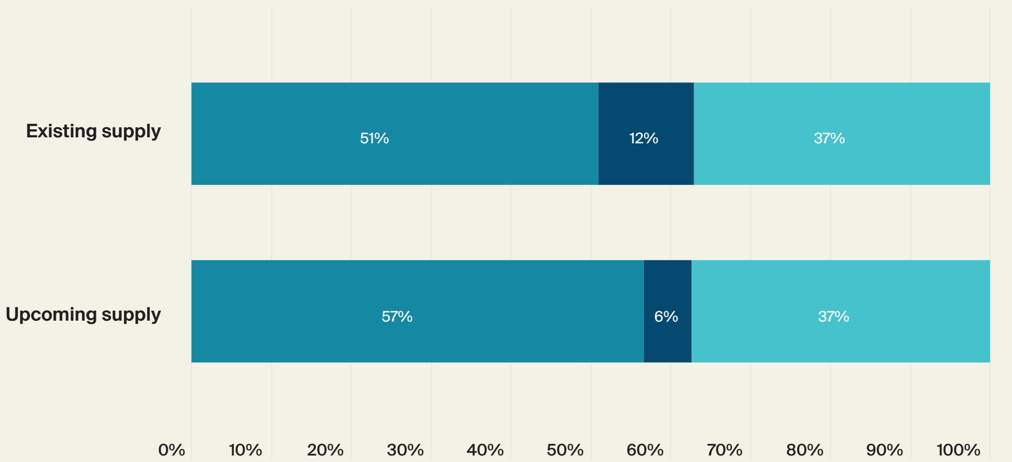
Luxury | Upper Upscale | Upscale | Upper Midscale | Midscale | Economy



Source: Knight Frank, STR Global

Supply breakdown by operator classification (% share of rooms)

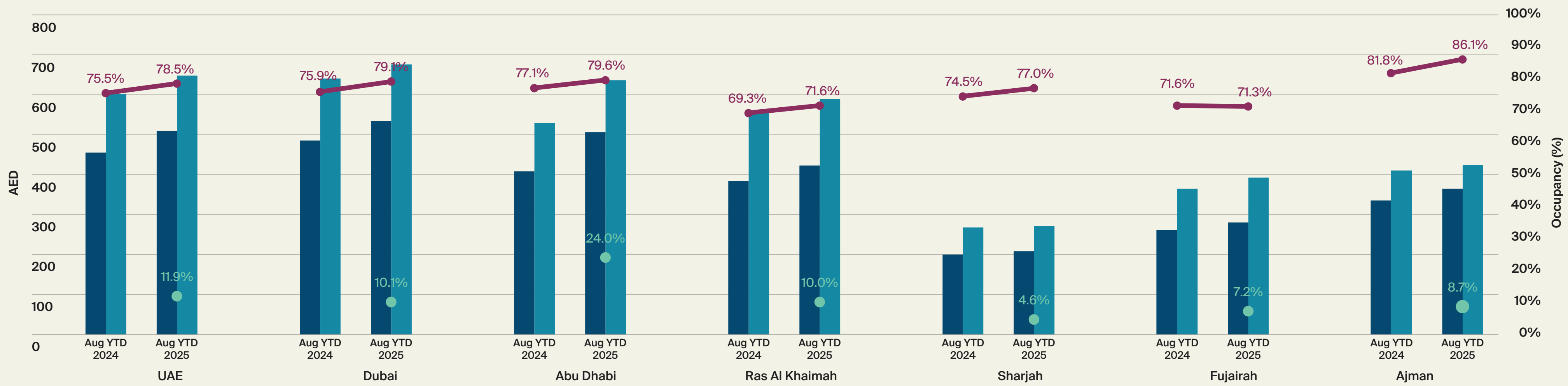
International brand | Local brand | Unbranded



Source: Knight Frank, STR Global

Hospitality market performance

RevPAR | ADR | Occupancy rate (%) | Year-on-year change in RevPAR



Source: Knight Frank, STR Global

217,853
rooms expected in the UAE by end of 2025 - a 3% increase from 2024

212,291
rooms currently trading in the UAE as of August 2025

55.9%
of the upcoming supply of hotel rooms is in Dubai as of August 2025

11.9%
Year-on-year change in ADR in the UAE (Aug YTD)

Abu Dhabi
the highest-growth market, with a 24% y/y increase in RevPAR and a 20.2% rise in ADR (Aug YTD)

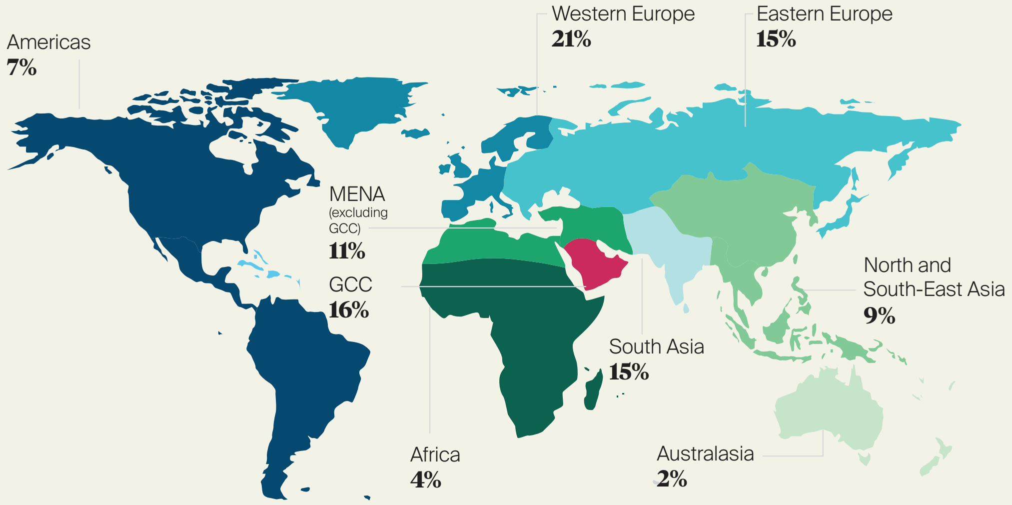
78.5%
UAE average occupancy (Aug YTD 2025), showing 4% y/y growth (Aug YTD)

Source: Knight Frank, STR Global

DUBAI'S HOSPITALITY MARKET

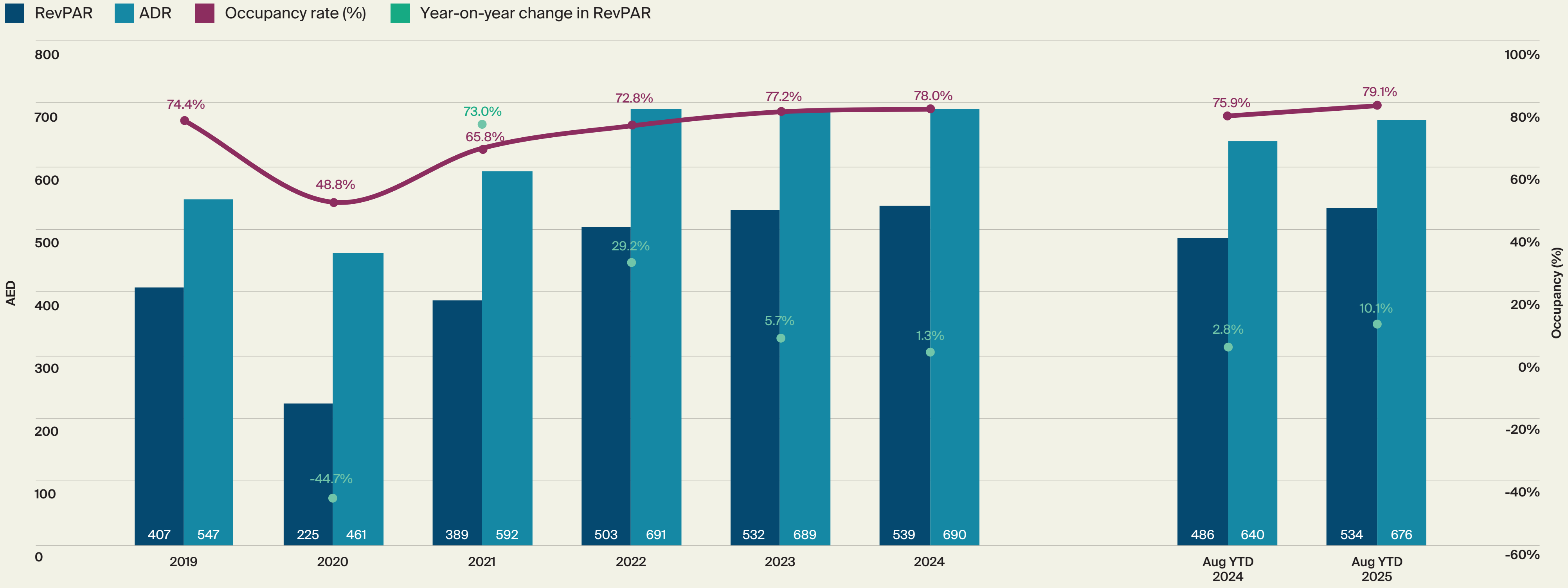
Knight Frank

Source of visitors by region (Jan - July 2025)



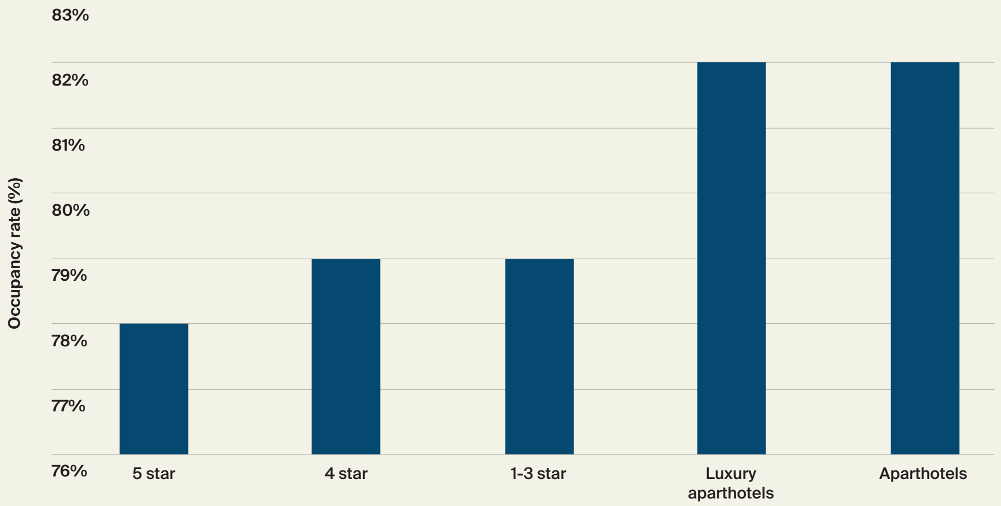
Source: Dubai Department of Economy & Tourism

Hospitality market performance



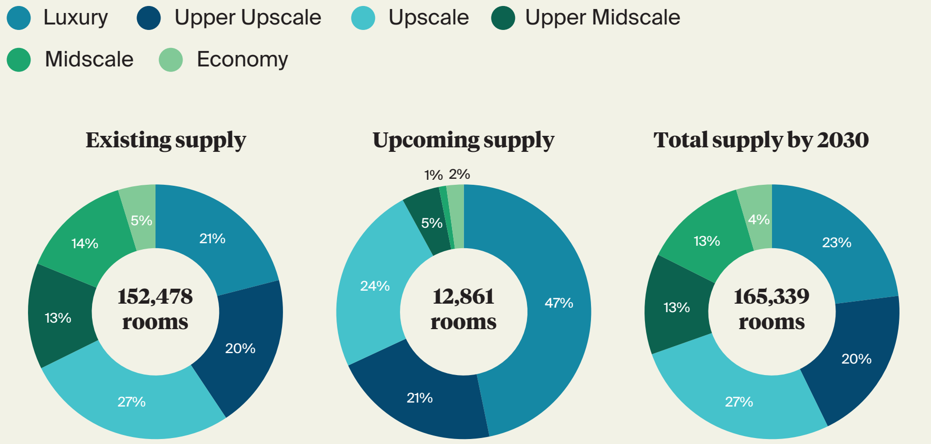
Source: Knight Frank, STR Global

Occupancy rates by hotel classification (Jan - Jul 2025)



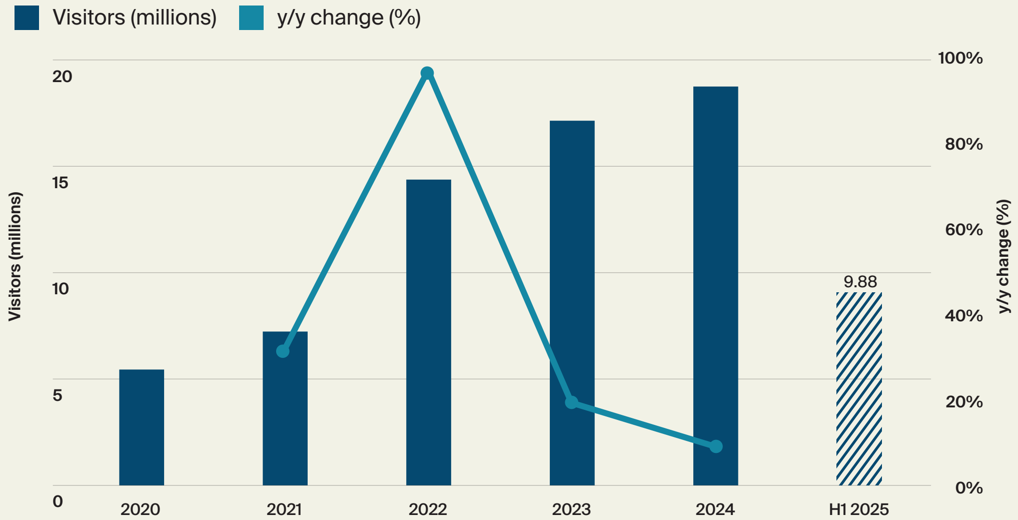
Source: Dubai Department of Economy & Tourism

Current and upcoming supply by operator classification



Source: Knight Frank, STR Global

International visitor growth



Source: Dubai Department of Economy & Tourism

3.7 nights
Average guests' length of stay in Dubai between Jan – Jul 2025

DXB
World's busiest international airport in 2024 for the 11th consecutive year, with a record of 92.3 million passengers

11.17 million
international visitors in Dubai between Jan - Jul 2025 up 5.2% from the same period last year

25.53 million nights
Occupied room nights in Dubai between Jan – Jul 2025

10.1%
y/y growth in Dubai's RevPAR Aug YTD 2025 accelerating from 2.8% y/y 2024 in the same period

79.1%
Average occupancy rate across Dubai between Jan – Aug 2025

Source: Knight Frank, STR Global, Dubai Department of Economy & Tourism

UAE hotel transaction market shifts toward investment-led growth

The UAE hotel transaction market is entering a new phase of maturity in 2025, particularly in Dubai, where investor focus is shifting from development-led expansion to strategic acquisitions and asset repositioning. This evolution reflects a more sophisticated investment landscape, shaped by years of rapid growth and a deepening pool of institutional capital.

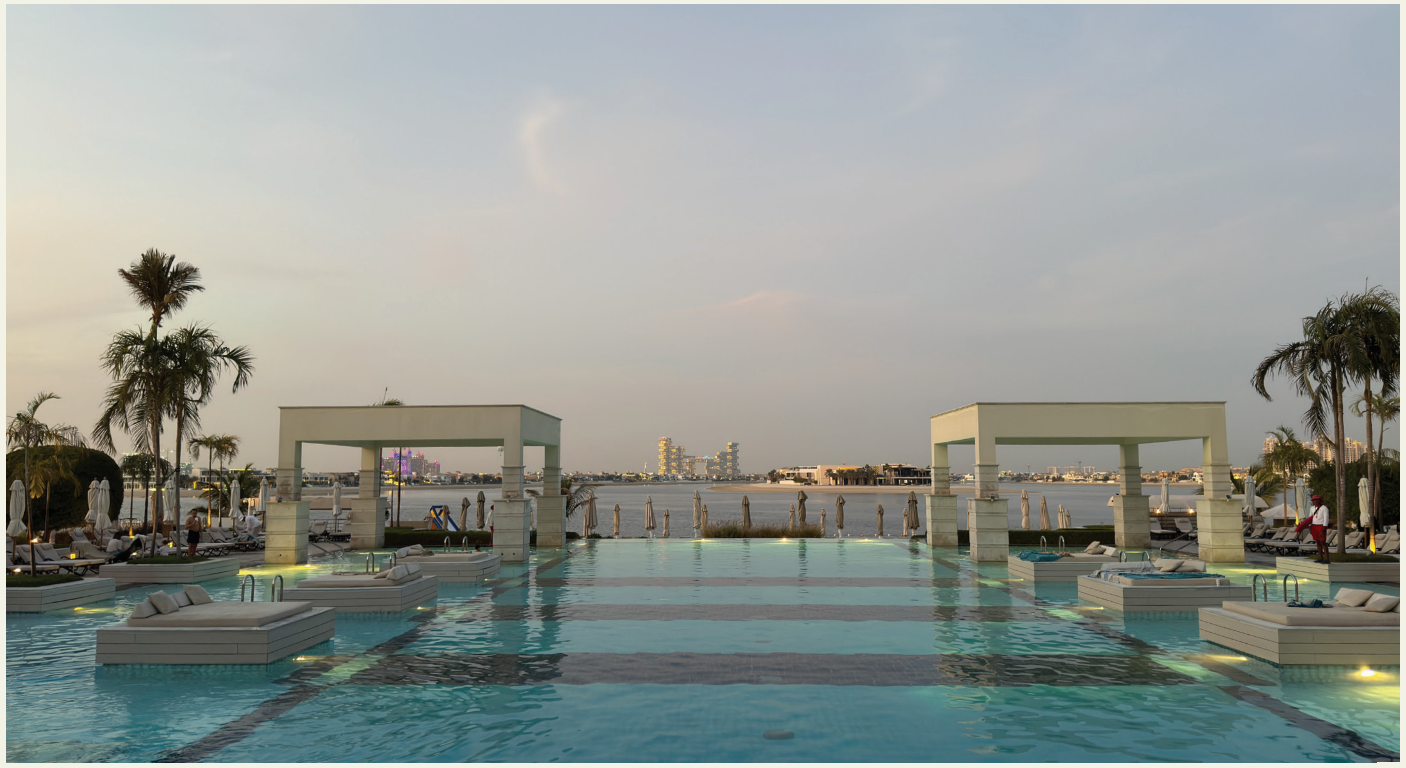
Dubai continues to dominate regional deal activity, supported by its global tourism appeal and established hospitality infrastructure. Recent transactions underscore the trend toward investment over new development. Select Group's acquisition of Radisson Blu Hotel in Dubai Media City is a prime example, with plans to refurbish and reposition the asset. Similarly, the sale of Fairmont The Palm to Arzan Financial Group highlights sustained demand for established, income-generating properties in prime locations.

This maturing market is attracting a broader range of investors—from regional family offices to international investors—seeking long-term value through operational enhancements, brand partnerships, and mixed-use integrations. The rise of branded residences and lifestyle-led concepts is further diversifying the transaction landscape.

Outside Dubai, Abu Dhabi and Ras Al Khaimah are emerging as complementary investment destinations, offering leisure-driven opportunities and alternative asset classes. However, the core investment momentum remains centred in Dubai, where the focus is increasingly on optimising existing stock over new supply.

As the UAE transitions from a development-heavy cycle to a more balanced, investment-led phase, hotel transactions are expected to remain active. The market's maturity, depth, and resilience position it as a leading destination for hospitality capital in the region.

James Wrenn
Partner - Head of Hotel & Leisure Capital Markets, MEA



We like questions. If you've got one about our research, or would like some property advice, we would love to hear from you.

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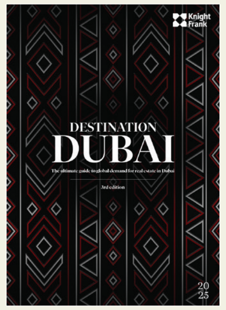

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