

Dubai Tourism Growth Projections & Hotel Performance Forecast – April & May 2025

Key Insights Report - Dubai



Leading Hoteliers Network
2025

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Dubai's tourism sector is expected to maintain strong growth in April and May 2025, driven by a mix of leisure travel, business events, and seasonal trends. Below is a detailed forecast, including key performance indicators (KPIs), demand drivers, and comparisons with previous years.

1. Key Tourism & Hotel Performance Metrics (April-May 2025 Forecast)

April 2025 Projections

- Occupancy Rate: 80-85% (vs. ~78-83% in April 2024)
- Average Daily Rate (ADR): AED 1,100 – 1,400 (vs. AED 1,000 – 1,300 in 2024)
- RevPAR (Revenue Per Available Room): AED 880 – 1,190 (vs. AED 780 – 1,080 in 2024)
- Total Hotel Revenue: AED 3.2 – 3.8 billion (vs. ~AED 2.9 – 3.5 billion in 2024)

May 2025 Projections

- Occupancy Rate: 75-80% (vs. ~72-78% in May 2024)
- Average Daily Rate (ADR): AED 950 – 1,250 (vs. AED 900 – 1,200 in 2024)
- RevPAR: AED 710 – 1,000 (vs. AED 650 – 940 in 2024)
- Total Hotel Revenue: AED 2.8 – 3.4 billion (vs. ~AED 2.6 – 3.1 billion in 2024)

(Projections assume stable global economy, no major disruptions.)

2. Key Demand Drivers (April-May 2025)

A. Major Events & Attractions

- Eid al-Fitr (Expected ~March 30 – April 3, 2025)
Extended holidays will boost last-minute bookings in early April.
Luxury resorts (Palm Jumeirah, Atlantis) may see 90%+ occupancy.
- Arabian Travel Market (ATM) – May 6-9, 2025
One of the largest travel trade shows, driving corporate demand.
Business hotels (JW Marriott, Conrad) will see ADR spikes (~AED 1,500+).
- Dubai World Cup (March 29, 2025) Spillover
High-net-worth travelers may extend stays into early April.

B. Seasonal Trends

- April:
Peak of spring travel season (European, Russian tourists).
Warm but pleasant weather (~28-35°C), ideal for outdoor tourism.
- May:
Start of summer slowdown due to rising heat (~35-40°C).
More reliance on domestic & GCC tourists (Saudi, Kuwait).

C. Airline & Connectivity Growth

- Emirates & flydubai expanding routes (Africa, Central Asia).
- Expected increase in Chinese tourists (post-visa relaxation).

3. Segment-Wise Performance Forecast

Segment	April 2025 (Projected)	May 2025 (Projected)
Luxury (5-star)	ADR: AED 2,000 – 3,500 Occupancy: 85-90%	ADR: AED 1,800 – 3,000 Occupancy: 80-85%
Midscale (4-star)	ADR: AED 800 – 1,300 Occupancy: 80-85%	ADR: AED 700 – 1,100 Occupancy: 75-80%
Budget (3-star & below)	ADR: AED 400 – 700 Occupancy: 75-80%	ADR: AED 350 – 650 Occupancy: 70-75%

4. Year-on-Year Growth Expectations

Metric	April 2025 (YoY Growth)	May 2025 (YoY Growth)
Occupancy	+2-4% vs. 2024	+3-5% vs. 2024
ADR	+8-10% vs. 2024	+5-8% vs. 2024
RevPAR	+10-12% vs. 2024	+8-10% vs. 2024

5. Challenges & Risks

- Heat Impact in May: Rising temperatures may reduce leisure demand.
- Global Economic Conditions: Recession risks in Europe/US could affect travel spending.
- Competition: Saudi Arabia's Red Sea Project & Neom may divert some luxury travelers.

6. Conclusion: Strong Growth, But Seasonal Dip in May

- April 2025 will be strong, driven by Eid, ATM, and global tourism recovery.
- May 2025 will see a mild slowdown due to heat, but corporate events (ATM) will support revenues.
- Overall 2025 Forecast: Dubai is on track for 25M+ visitors, with hotel revenues growing 8-12% YoY.

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