

Qatar Real Estate Q4, 2019

Steady increase in population partially supports the demand for housing.

Supply will continue for another 2 quarters due to the projects which are currently under construction.

Office rental are stabilizing in new CBD areas while old town is experiencing challenges.

Most malls are performing well in terms of occupancy.

The hospitality still focused on luxury segment, inventory in budget hotel rooms are limited.

Overall land rates are stabilizing across Qatar.

Micro Economics – Current Standings



Total Population*

2,773,885

* Nov 2019



GDP at Current Price*

QAR 163.45 Billion

* Q2 2019



Producer Price Index*

61.4 points

* Sep 2019



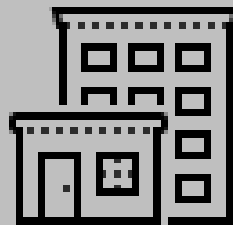
Industrial Production Index*

109.6 points

* Aug 2019

Ref: QSA

Municipalities



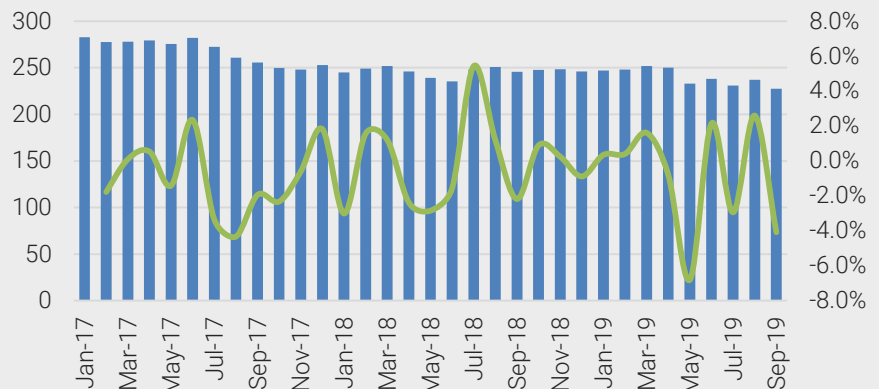
No of Properties Sold
1,107

Value of Properties Sold
QAR 7.3 Billion

Ref: MDPS

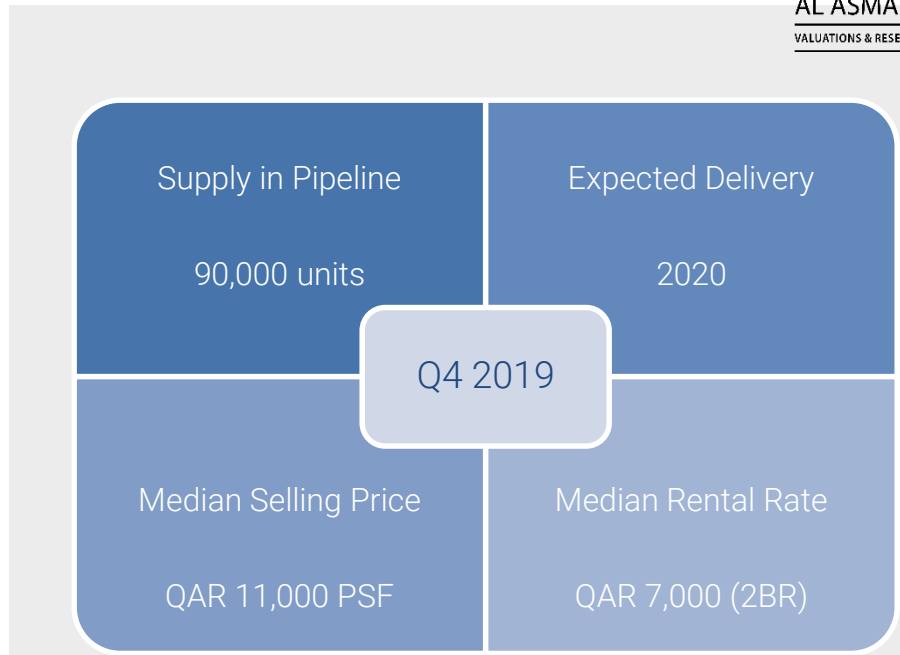
For the period September, October and November 2019

Real Estate Price Index (QoQ)



Ref: QCB

YTD Snapshot



Ref: AREDC Research

Key Demand Drivers



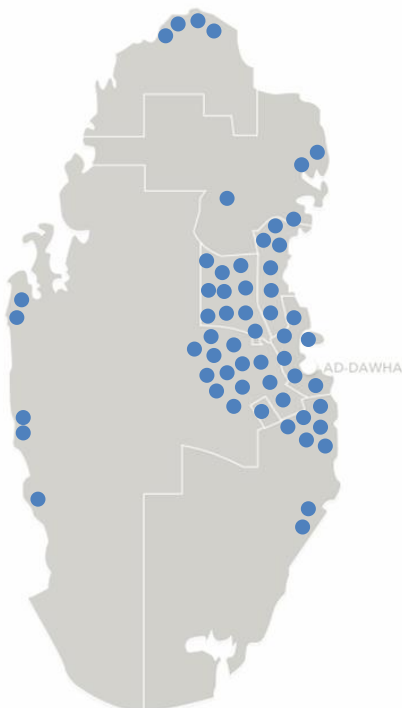
20%
Government



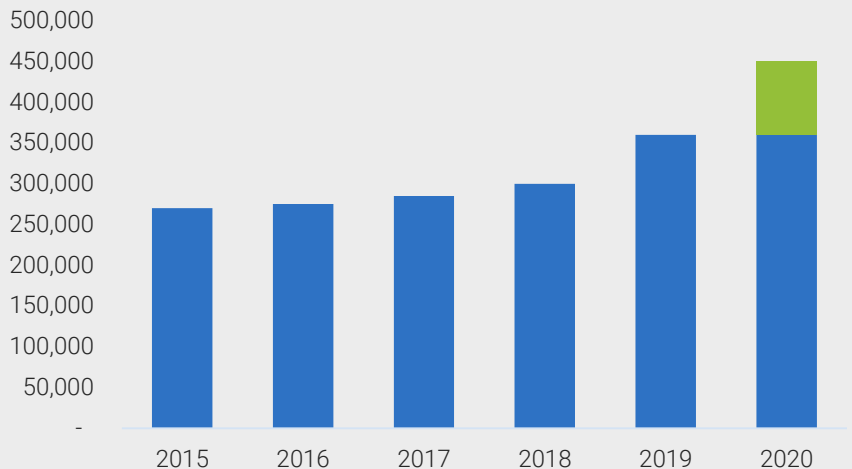
15%
Companies

Government and companies are taking residential units for their employees under HRA.

Residential Concentration



Residential Supply (Units) – YoY Comparison



Ref: AREDC Research

Residential Market Gauge

	Q3 19	Q4 19
Unit Sales	■	■
Rental Trend	■	■
Occupancy	■	■
Overall Market	■	■

Market Outlook

The residential market across Qatar has been stabilizing as compared to the previous quarters. Residential market expands beyond familiar neighborhood due to supplies in new localities courtesy to connectivity and infrastructure.. Home seekers with budget constraints can explore these locations such as Umm Slal Mohammed, Semaismah, Rawdat Al Hamam for villa development where 3BR and 4BR villas are in the range QAR 7,000 to QAR 10,000. Supply in these localities have added pressure on the affluent neighborhoods to sustain rentals. As a result perks and incentives of freely monthly rentals on annual contracts is widely practiced.

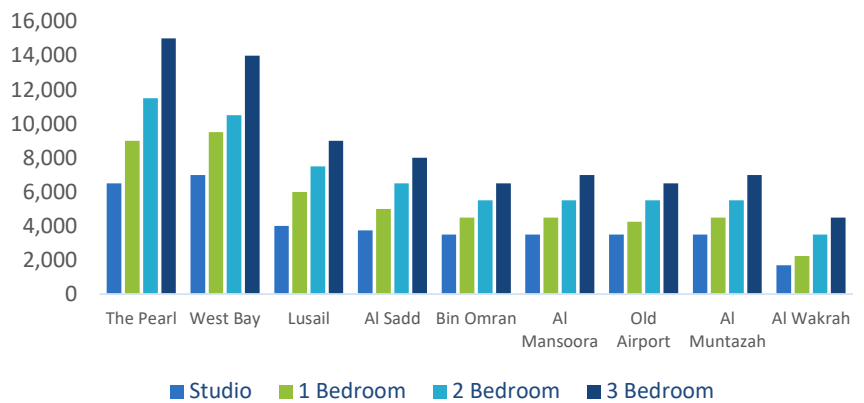
Apartment Snapshot

Micro markets	Rental Rate* (QAR/Month)**	Sale Price* (QAR/PSM)
The Pearl	11,500	11,500
West Bay	10,500	8,500
Lusail	7,500	11,000
C&D Ring Road	5,500	12,500
Downtown	5,000	12,500
Al Wakra	4,000	--
Al Khor	4,500	--

Ref: AREDC Research

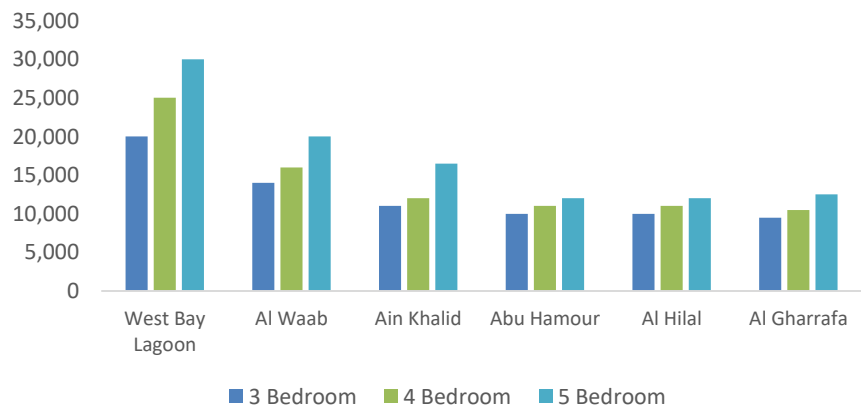
* Average
** For standard 2BR unit

Apartment Rental Rates in Prime Areas



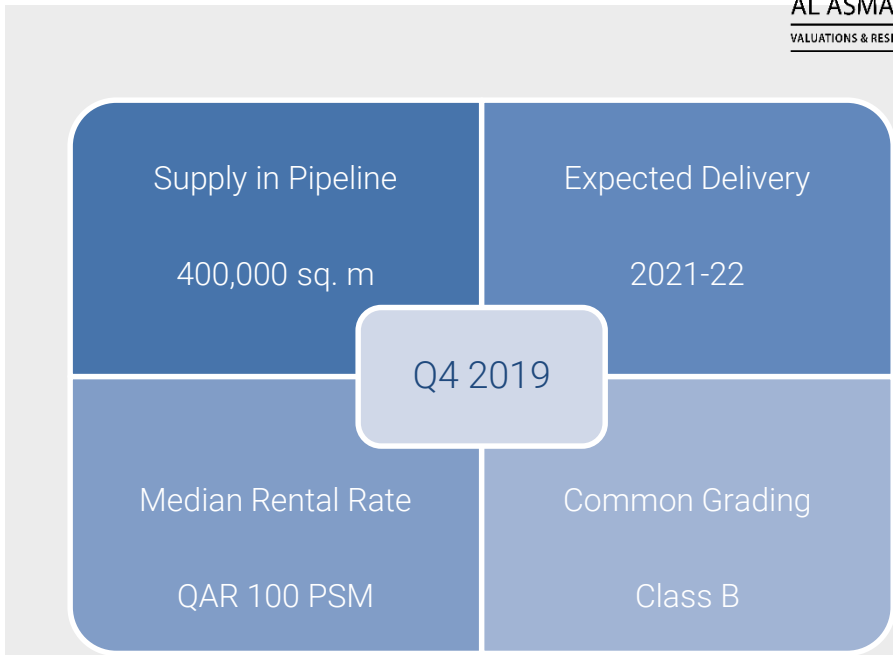
Ref: AREDC Research

Rental Rates of Villas in Residential Compounds in Prime Areas



Ref: AREDC Research

YTD Snapshot



Ref: AREDC Research

Office Concentration



Key Demand Drivers



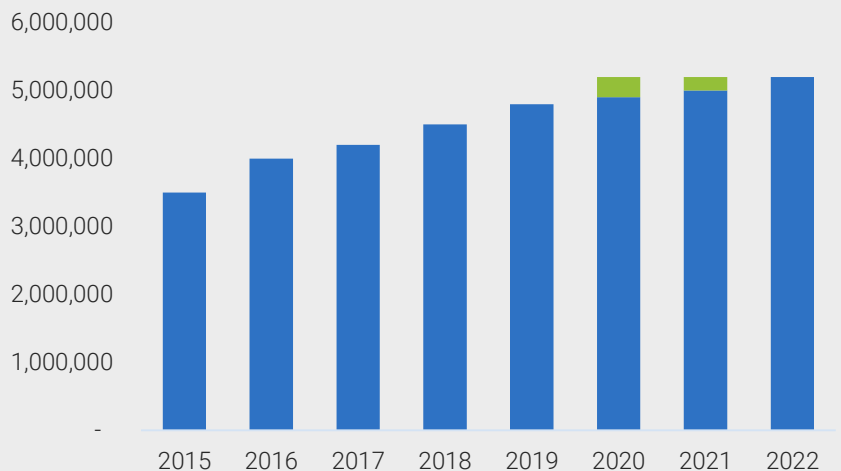
Stabilized Rental



Additional Supply

Lusail City, an emerging CBD has added pressure with stabilized rentals and incentives to the CBD to retain clients.

Office Supply (sq.m) – YoY Comparison



Ref: AREDC Research

Office Market Gauge

	Q3 19	Q4 19
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Office Snapshot

Micro markets	Monthly Rental Rate (QAR/sq.m)*	Occupancy (%)*
West Bay	130	65%
C Ring Road	90	70%
D Ring Road	80	65%
Al Sadd	100	70%
Salwa Road	80	60%
Airport Road	100	65%
Old Slata	95	60%

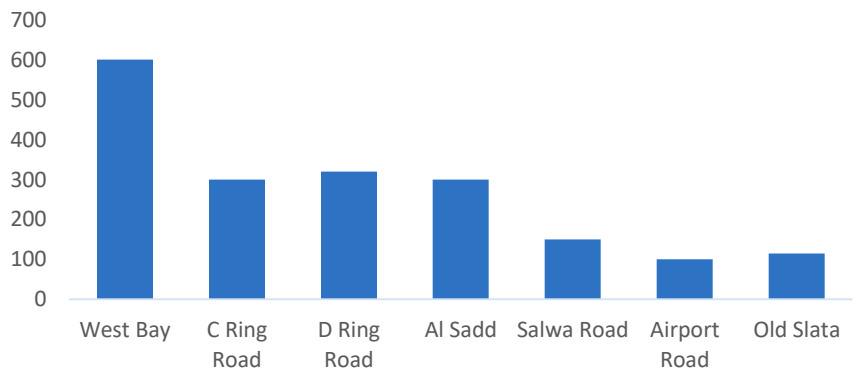
Ref: AREDC Research

* Average

Market Outlook

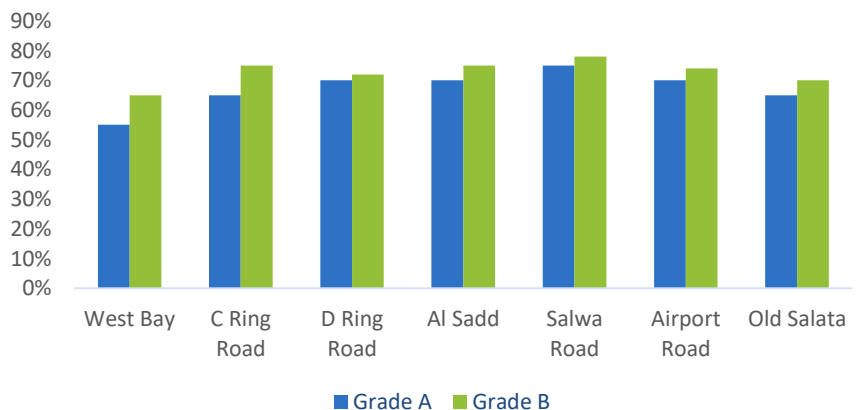
Office market segment battling ways to sustain occupancies and monthly rentals. Additional Office supply in Lusail City shifts the momentum towards price correction. The average occupancies in West Bay offices is around 55% to 65% and the asking monthly average rental ranges from QAR 100 to QAR 140 per sq. m. The Suburban Business District (SBD) as in Doha downtown, C & D Ring road, Al Sadd, Salwa road and Airport road are commanding monthly rentals ranges between QAR 70 to QAR 100 per sq. m while the average occupancies in SBD is around 60% to 75%.

Office Sizes (sq.m) in Prime Areas



Ref: AREDC Research

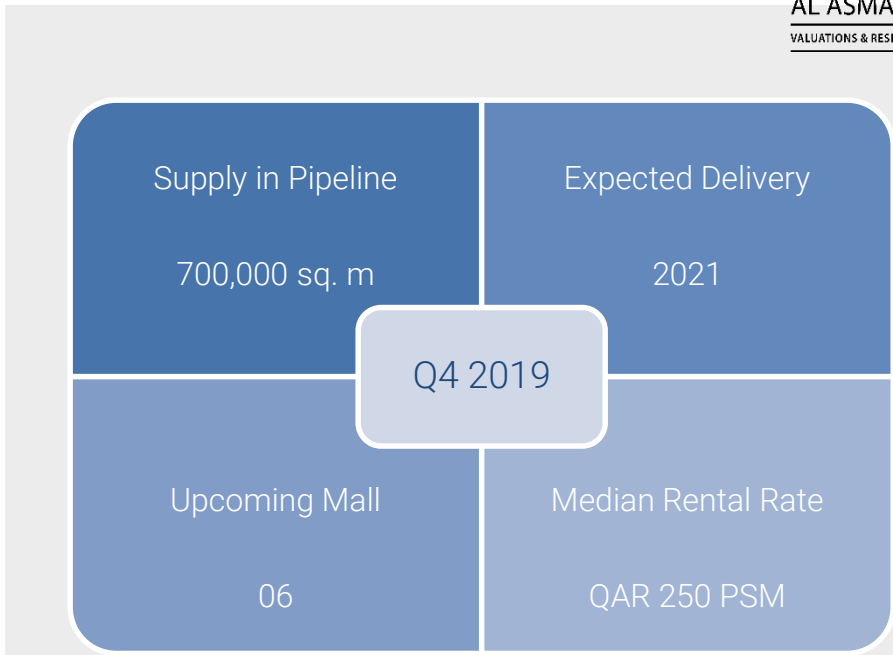
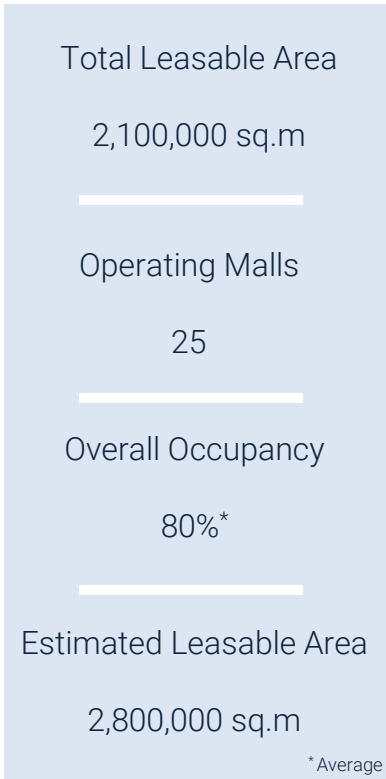
Average Occupancies (%) – By Grade



Ref: AREDC Research

■ Grade A ■ Grade B

YTD Snapshot



Ref: AREDC Research

Key Demand Drivers



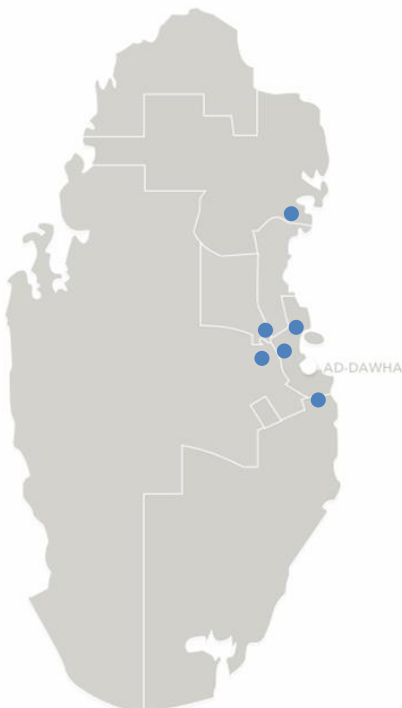
Stabilized Rental



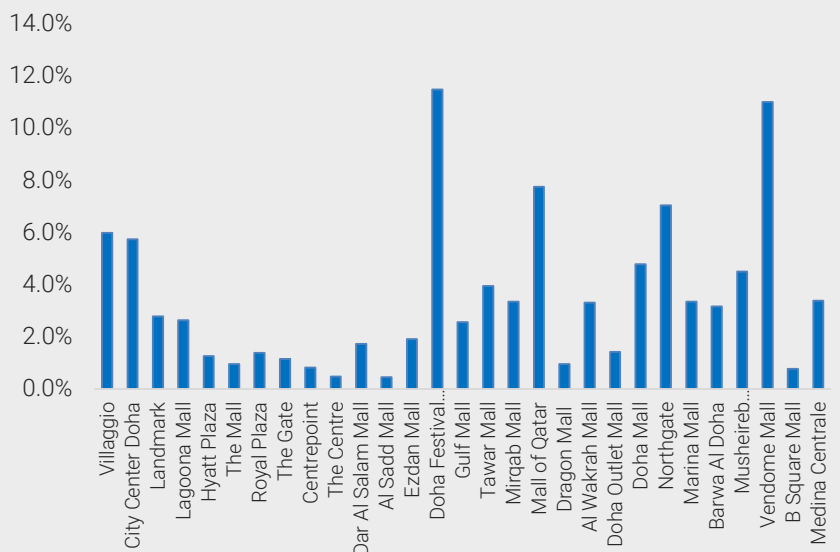
Brand Retention

Stabilized rental rates across the malls have lead to considerable occupancy and Brand retention in most malls.

Retail Concentration



Net Leasable Area Distribution



Ref: AREDC Research

Retail Market Gauge

	Q3 19	Q4 19
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Retail Snapshot

Year	Shopping Mall*	Showrooms (Street Shopping)*
2013	230	180
2014	240	160
2015	250	140
2016	270	145
2017	260	140
2018	250	145
Q4 2019	240	140

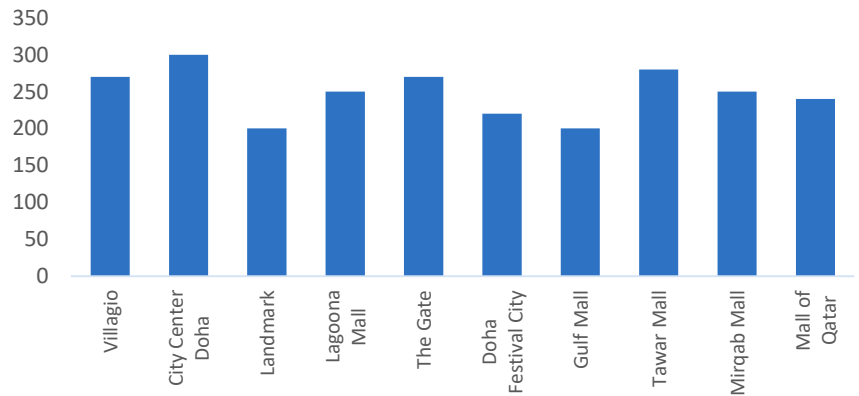
Ref: AREDC Research

*Average Monthly Rental Rates (QAR/sq.m)

Market Outlook

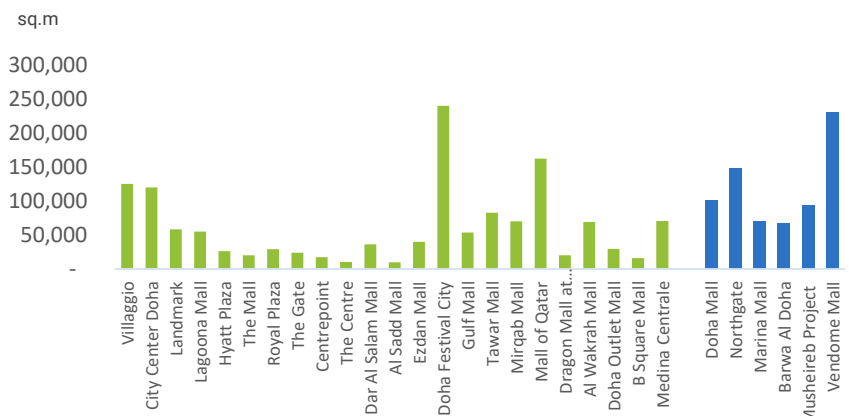
The organized retail supply in Qatar is now around 1.5 million sq. m. The increase in retail supply has impacted on performance of newly developed malls who are competing for tenants in a much challenging market. The prime retail malls still command monthly rentals of between QAR 270 to QAR 300 per sq. m. The occupancies in the prime malls are expected to be around 80% with anchor brands holding the maximum share. The secondary malls command monthly rentals of around QAR 200 to QAR 260 per sq. m while the average occupancies in secondary malls are around 80%.

Average Monthly Rentals in Prime Malls (QAR/sq. m)



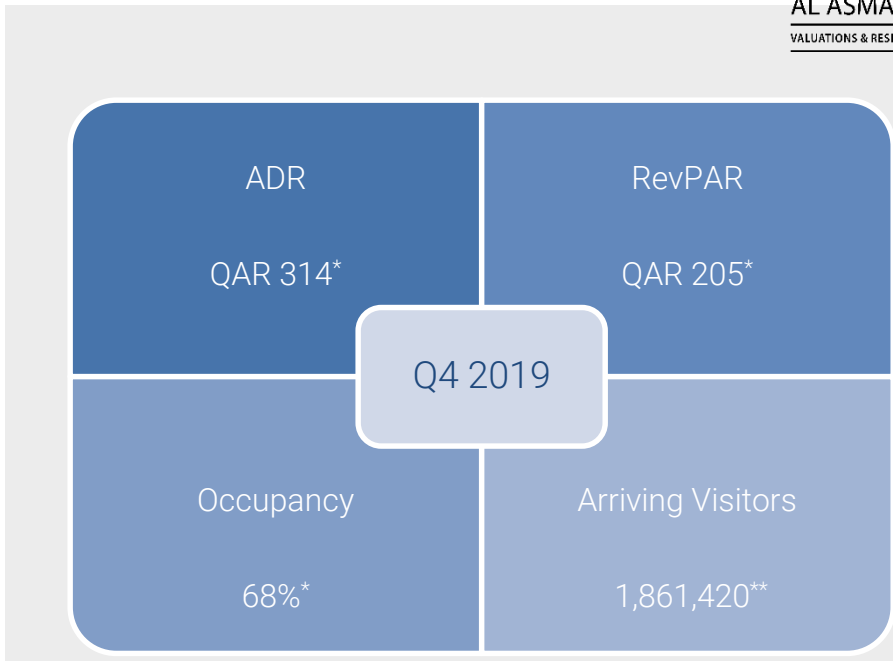
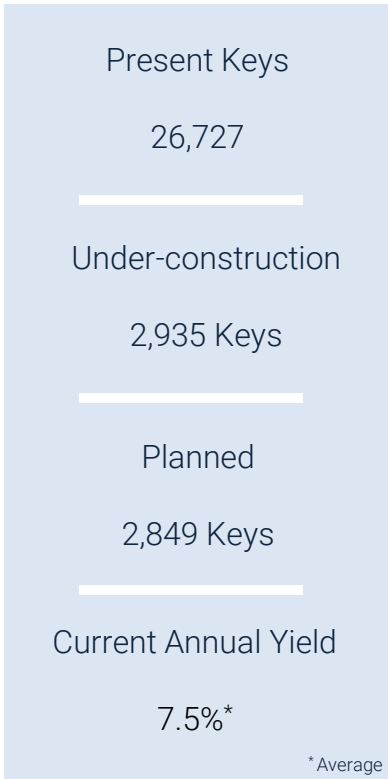
Ref: AREDC Research

Leasable Area in Operating and Upcoming Malls



Ref: AREDC Research

YTD Snapshot



Ref: MDPS

* Annual average of all star categories
** Year till November 30th

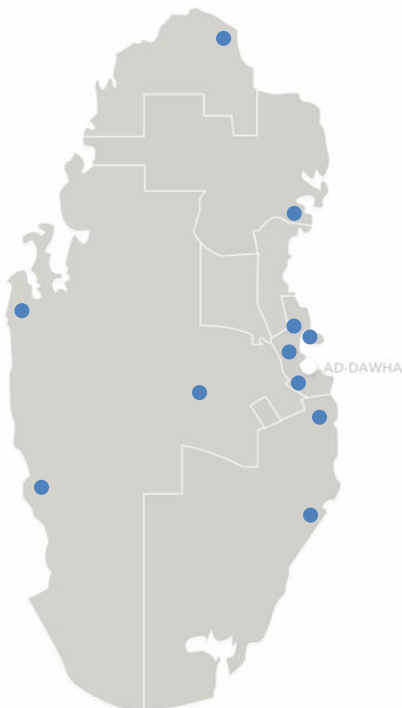
Key Demand Drivers



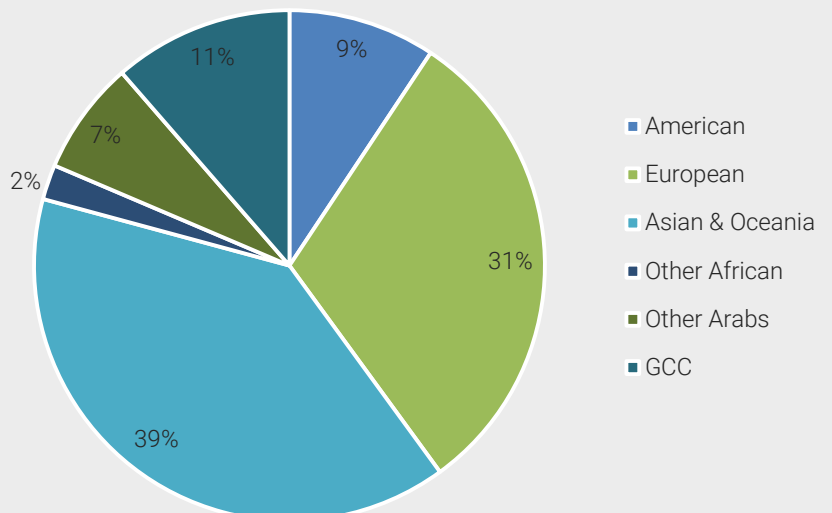
International Sports Events

Government initiatives such as visa-on-arrival from 80 countries encouraged visitor inflow in the country.

Hotel Concentration



Distribution of Arriving Visitors by Region



Ref: MDPS

Hospitality Market Gauge

	Q3 19	Q4 19
ADR	■	■
RevPAR	■	■
Occupancy	■	■
Overall Market	■	■

Market Outlook

According to QTA reports, total number of hotel and hotel apartment developments currently operating in Qatar officially is recorded at 123 which is close to around 26,700 keys across all star categories. More than 75% of room keys are still with 4-star or 5-star and 70% of keys are confined in West Bay alone. According to MDPS statistics, the average hotel occupancy in 5 star hotel for 4th quarter 2019 was around 62% while Average Daily Rates (ADRs) and Revenue per Available Room (RevPAR's) were QAR 540 and QAR 332 respectively.

Hotel Snapshot

Category	No. of Hotels	No. of Keys
Luxury Class	19	5,078
Upper Upscale Class	20	5,529
Upscale Class	8	1,716
Upper Midscale Class	22	4,486
Midscale Class	26	3,526
Economy Class	37	6,392
Total	132	26,727

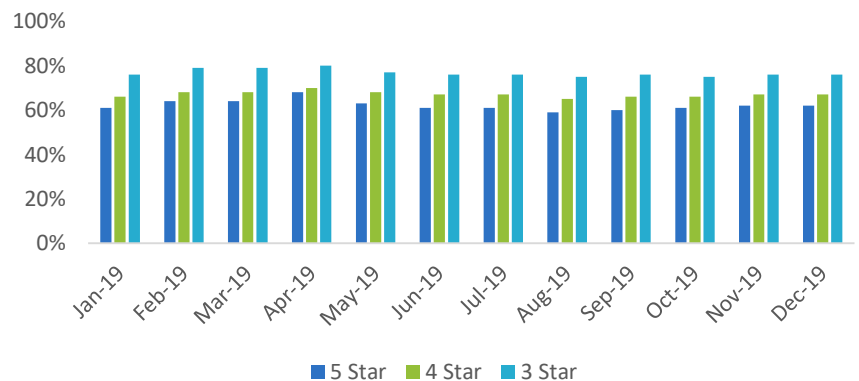
Ref: AREDC Research

ADR Tracker



Ref: AREDC Research

Occupancy Tracker



Ref: AREDC Research

Land Market Gauge

	Q3 19	Q4 19
Land Price	■	■
Land Sale	■	■
Sentiments	■	■
Overall Market	■	■

Market Outlook

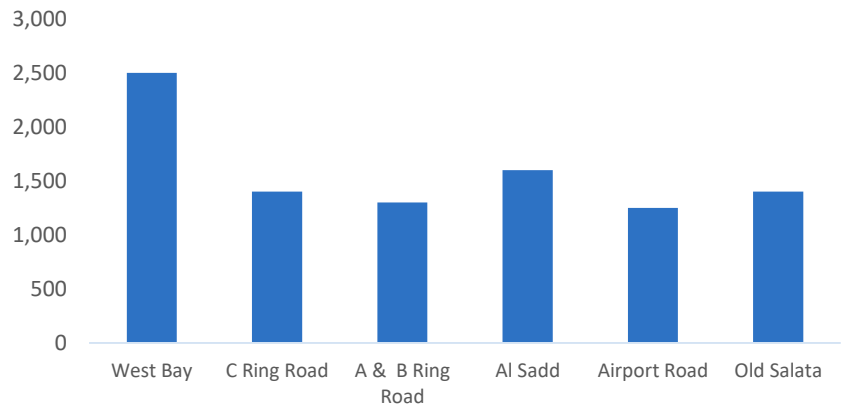
In Q4 2019, the land transactions in villa segment recorded in Al Thumama, Doha municipality were in the range QAR 300 to QAR 350 per sq.ft. In Al Gharafa, Muaither of Al Rayyan municipality were in the range QAR 350 to QAR 450 per sq.ft. In Al Wukair, Wakra municipality the land transaction witnessed were in the range QAR 200 to QAR 250 per sq.ft. Various locations in other neighboring municipalities of Doha, the land banks were transacted in the range QAR 140 to QAR 300 per sq.ft. The land for tower has not recorded in 2019.

Key Transactions in Q4 2019

Location	Municipality	Amount (QAR)
Al Thumama	Doha	143,865,000
New Salata	Doha	118,300,00
Legtaifiya	Doha	61,053,000
Al Kheesa	Al Daayen	56,000,000
Fereej Bin Mahmoud	Doha	48,750,000
Lusail	Doha	30,000,000
Jeryan Jenaihat	Al Daayen	23,000,000

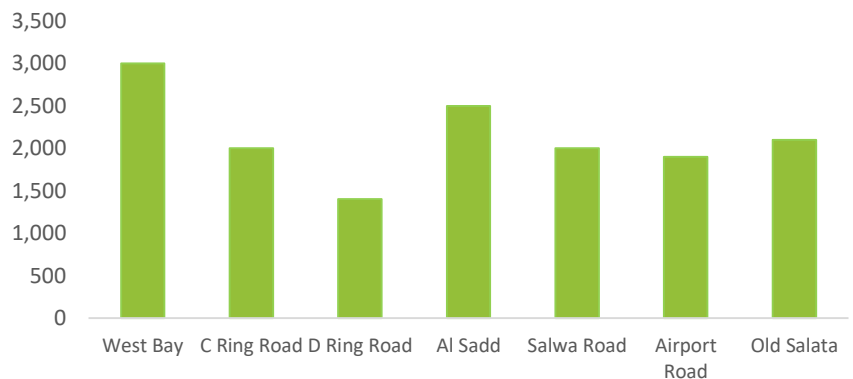
Ref: MoJ

Average Residential Land Prices for Buildings (QAR/sq.ft)



Ref: AREDC Research

Average Commercial Land Prices for Buildings (QAR/sq.ft)



Ref: AREDC Research

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- IMF: International Monetary Fund.
- QSA: Qatar Statistics Authority
- QCB: Qatar Central Bank
- MOJ: Ministry of Justice
- IIF: The Institute of International Finance

VALUATIONS AND APPRAISALS

Property Valuation –

Residential, Commercial, Retails

Hospitality Valuation –

Hotels, Resorts, Hotel Apartments

Industrial Valuation –

Warehouse, Factory, Plant & Machineries

Masterplan Valuation –

Integrated Masterplan, Development
Appraisal

CONSULTING AND ADVISORY

Real Estate Market Research

Feasibility, Highest and Best Use Studies

Development Advisory

Portfolio Analysis

Merger, Acquisition, and Joint-Venture

Portfolio Restructuring

Market Gauge

- - Bettering as compare to previous quarter
- - Remained stable as of previous quarter
- - Reducing as compare to previous quarter

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