

Qatar Real Estate Q4, 2020

Residential rental rates are stabilized. Real estate is focusing on property sale with lucrative offers and optional developer finance scheme.

Commercial market is as usual combatting with oversupply.

Retail sector witnesses a hike in the number of footfalls as compared to the previous quarters.

In hospitality, around 1,000 keys that were due to open in 2020 may release to public in the first half of 2021.

The land rates across Qatar have stabilized in most parts of Qatar.

Micro Economics – Latest Standings



Total Population*

2,684,329

* Dec 2020



GDP at Current Price*

QAR 127.84 Billion

* Q3 2020



Real Estate Price Index*

208.12 points

Ref: QSA

* Dec 2020



Consumer Price Index*

95.93 points

* Dec 2020

Municipalities



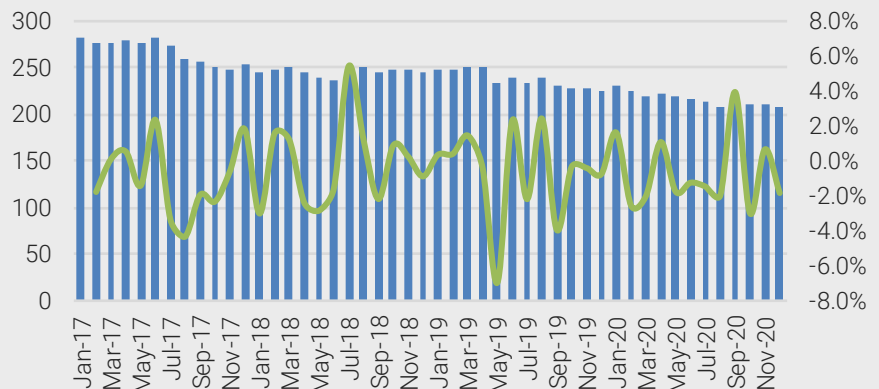
No. of Properties Sold
1,484

Value of Properties Sold
QAR 9.56 Billion

Ref: MDPS

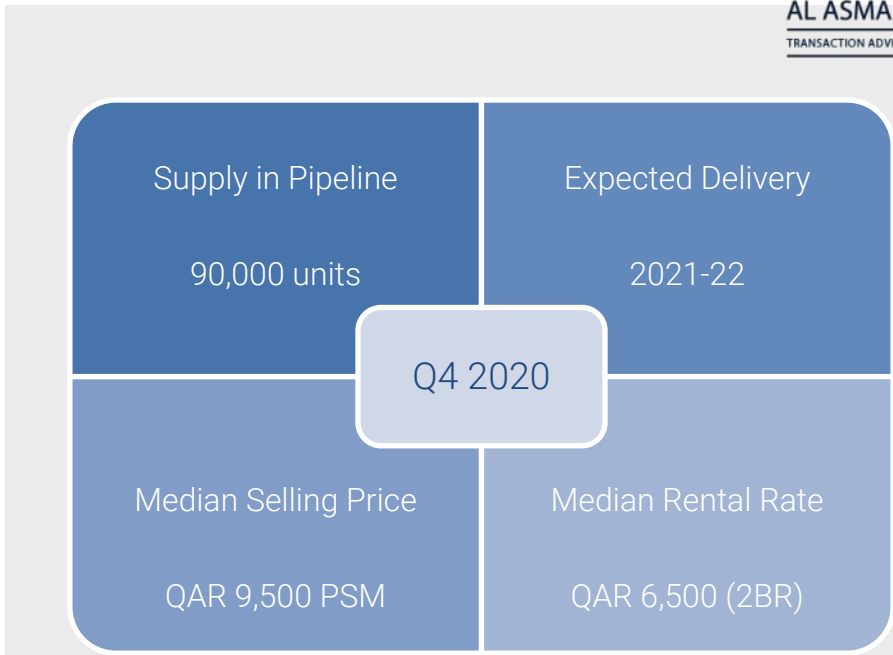
For the period Oct, Nov and Dec 2020

Real Estate Price Index (QoQ)



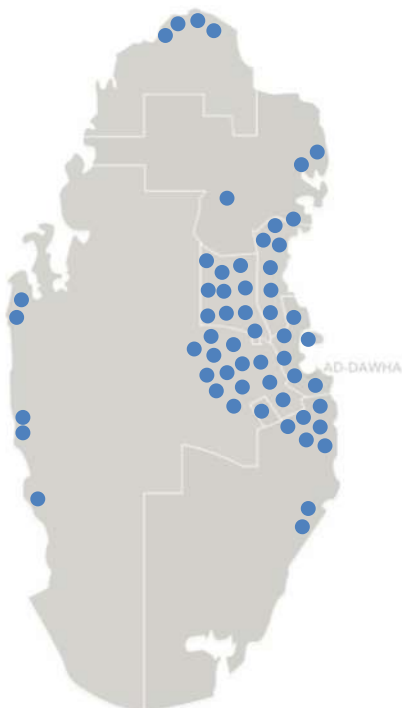
Ref: QCB

YTD Snapshot



Ref: AREDC Research

Residential Concentration



Key Demand Drivers



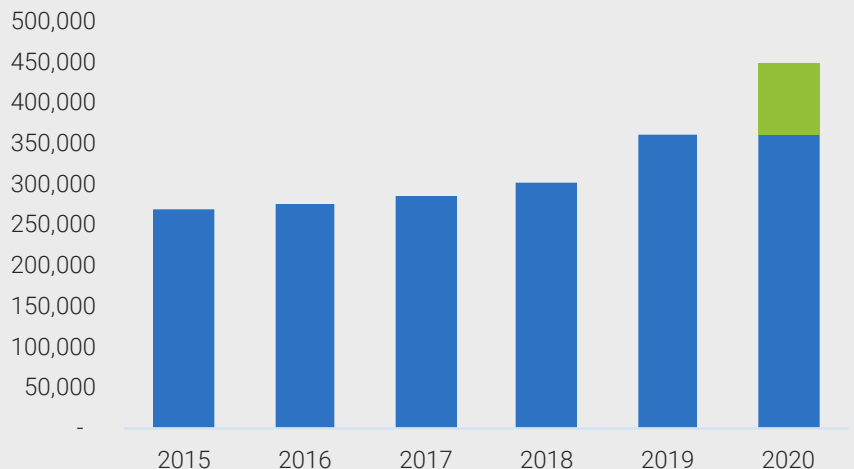
Flexible Payment Schemes



Residency via Investment

Attractive schemes with flexible payment and residency via investment in freehold and leasehold areas paves way for demand in residential sector.

Residential Supply (Units) – YoY Comparison



Ref: AREDC Research

Residential Market Gauge

	Q3 20	Q4 20
Unit Sales	Yellow	Yellow
Rental Trend	Yellow	Red
Occupancy	Yellow	Yellow
Overall Market	Yellow	Yellow

Market Outlook

The residential market expanded on the government scheme to offer residency via investment in freehold and usufruct areas. Moreover attractive schemes have been floated in the market with flexible payment terms to boost real estate sales. However, the rental market remains overall steady, the average rentals dips around 3% - 5% across all asset classes. Budget apartments can be available in locations such as Doha Jadeed, Al Ghanim, Umm Ghwailina, Wakra, Mesaimmer. The Residential Market predominantly expands beyond peripheral areas of Doha with surplus inventory taking final shape for delivery as a result of robust connectivity and infrastructure.

Apartment Snapshot

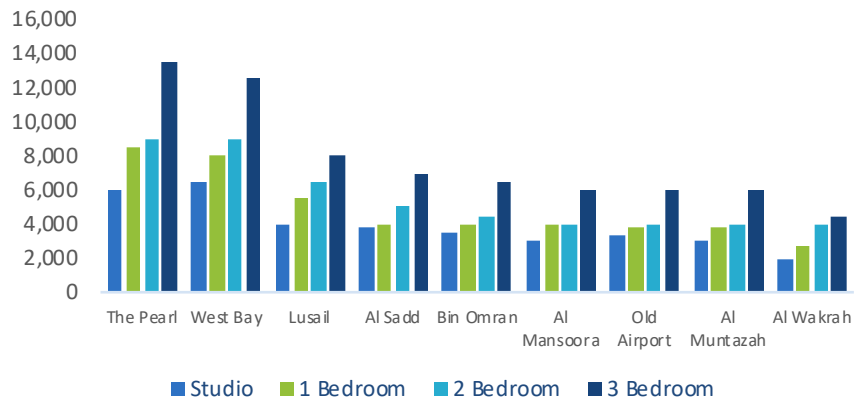
Micro markets	Rental Rate* (QAR/Month)**	Sale Price* (QAR/PSM)
The Pearl	9,000	10,000
West Bay	9,000	8,500
Lusail	6,500	10,000
C&D Ring Road	5,000	11,000
Downtown	4,500	11,000
Al Wakra	3,750	--
Al Khor	3,500	--

Ref: AREDC Research

* Average

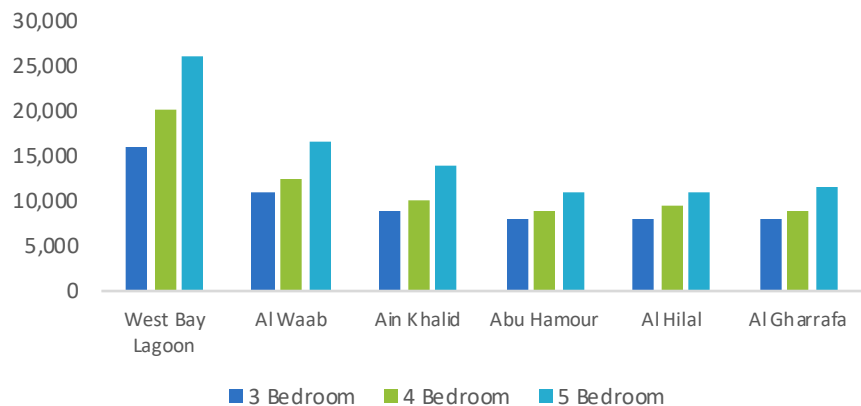
** For standard 2BR unit

Apartment Rental Rates in Prime Areas



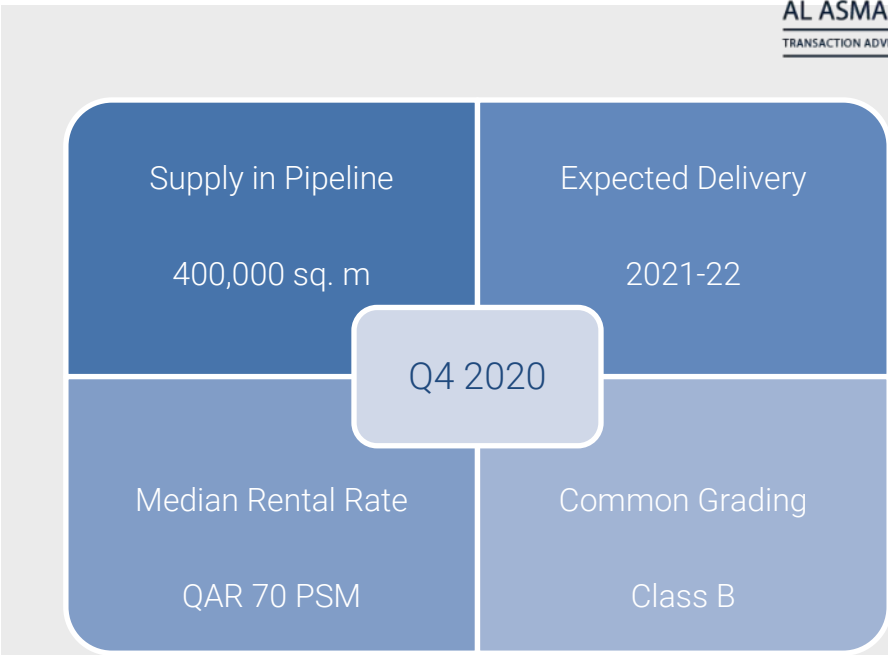
Ref: AREDC Research

Rental Rates of Villas in Residential Compounds in Prime Areas



Ref: AREDC Research

YTD Snapshot



Ref: AREDC Research

Key Demand Drivers



Relaxation of restrictions



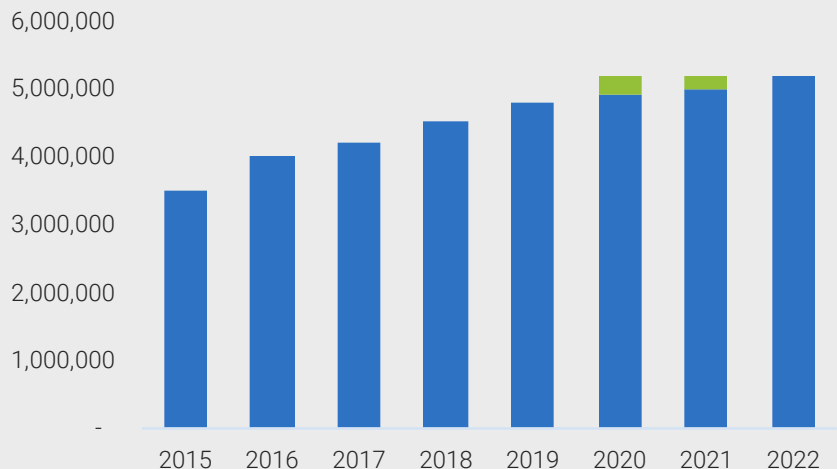
Rental Incentives

Operations resuming to the full capacity after lifting of restriction at workplaces regulated the demand for offices spaces in the quarter.

Office Concentration



Office Supply (sq.m) – YoY Comparison



Ref: AREDC Research

Office Market Gauge

	Q3 20	Q4 20
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Office Snapshot

Micro markets	Monthly Rental Rate (QAR/sq.m)*	Occupancy (%)*
West Bay	100	67%
C Ring Road	70	68%
D Ring Road	65	65%
Al Sadd	75	70%
Salwa Road	55	60%
Airport Road	75	65%
Old Slata	70	60%

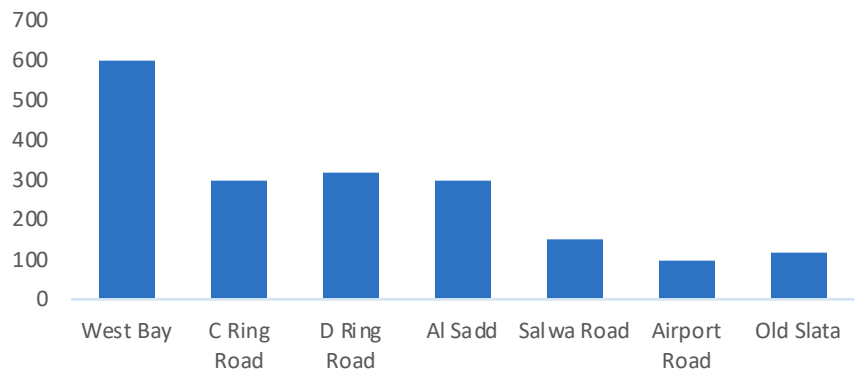
Ref: AREDC Research

* Average

Market Outlook

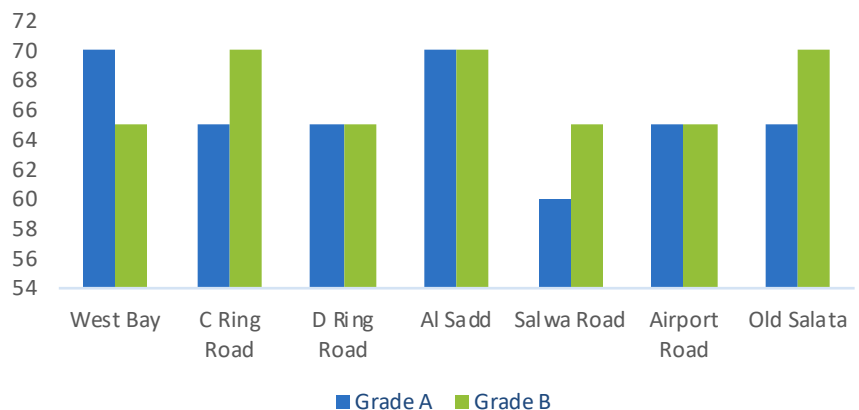
Commercial market has been combatting with oversupply. Also the recent times at the onset of COVID 19, witnessed new norms and adopted work from home thereby impacting the office market sentiments. Additional commercial supply in Lusail City and the Alternate Business District shifts the momentum towards price correction. The occupancies in West Bay offices towers remains 55% to 65% while asking monthly average rental ranges from QAR 80 to QAR 100 per sq.m. The Alternate Business District (ABD) as in Lusail Marina district commands monthly rentals ranges between QAR 70 to QAR 90 per sq. m.

Office Sizes (sq.m) in Prime Areas



Ref: AREDC Research

Average Occupancies (%) – By Grade



Ref: AREDC Research

YTD Snapshot

Total Net Leasable Area

2,100,000 sq.m*

Operating Malls

25

Overall Occupancy

75%**

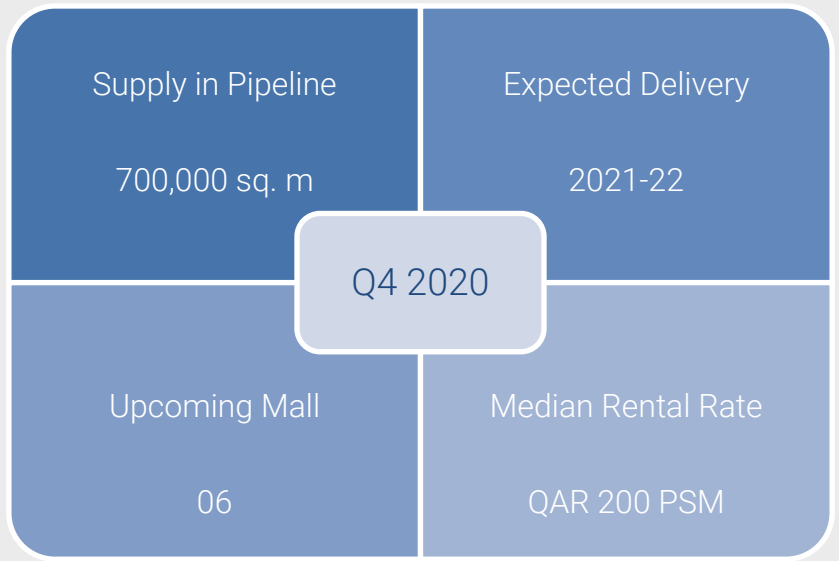
Median Mall Size

55,000 sq.m* (NLA)

*Including upcoming malls

**Average

Retail Concentration



Ref: AREDC Research

Key Demand Drivers



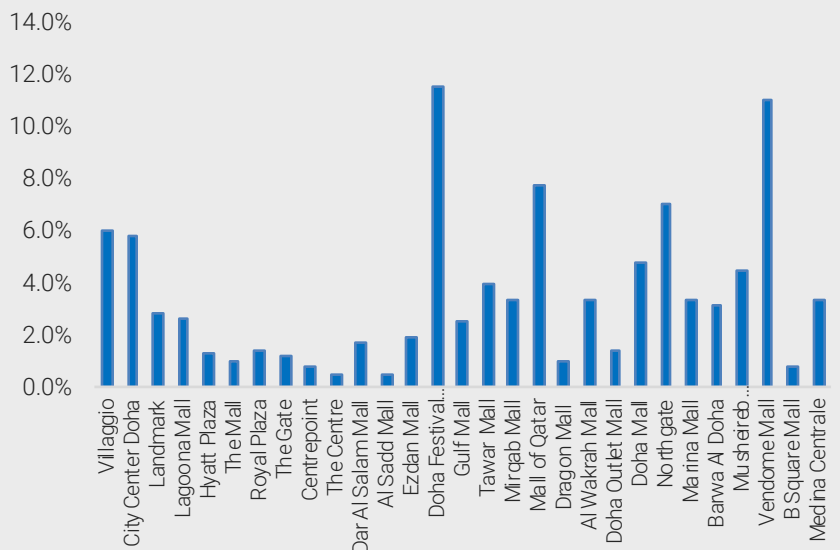
Increased footfalls



Relaxation of restrictions

Lifting of COVID restrictions resulted in huge increase of footfalls across all malls in Qatar. Alongside return of brands which were closed in 1st half of 2020.

Net Leasable Area Distribution



Ref: AREDC Research

Retail Market Gauge

	Q3 20	Q4 20
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Retail Snapshot

Year	Shopping Mall*	Showrooms (Street Shopping)*
2015	250	140
2016	270	145
2017	260	140
2018	250	145
2019	240	140
2020	200	100

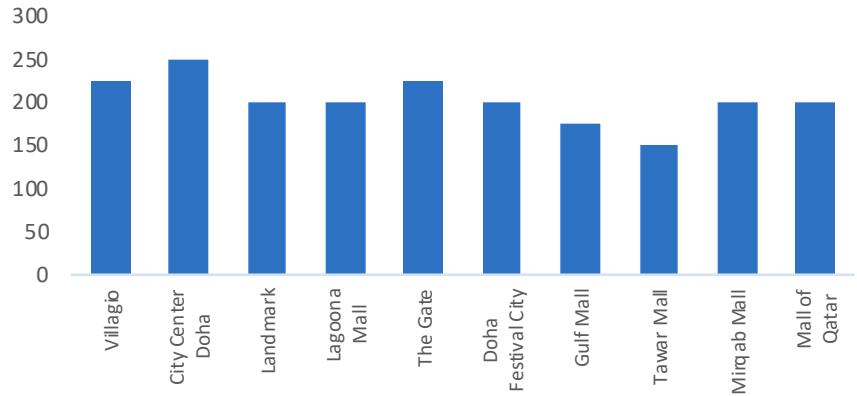
Ref: AREDC Research

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

Market Outlook

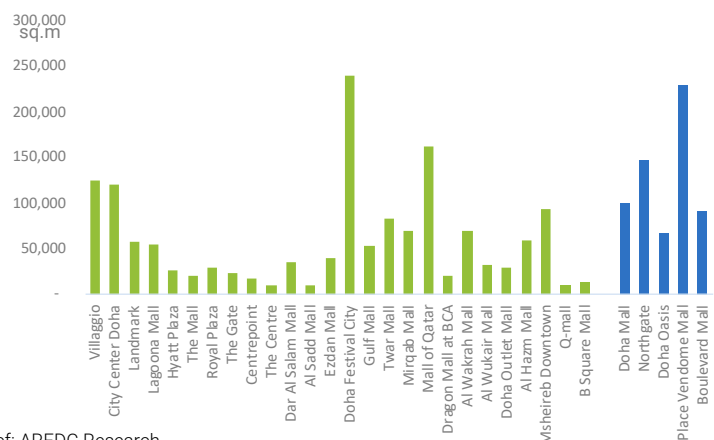
Most of the retail activities resumed complete operations in Q4 with normalizing working hours and full capacity. However social distancing with safety measures were in place. Q4 witnessed considerably higher footfalls as compared to the previous quarters. Most of the outlets that exited the mall premises were replaced by other brands thereby improving the overall occupancies in the malls. Rentals in prime malls remain to be unchanged while the rentals in other secondary malls were compromised by at least 2% - 3% in order to retain the existing tenants and lure new entrants in the market.

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



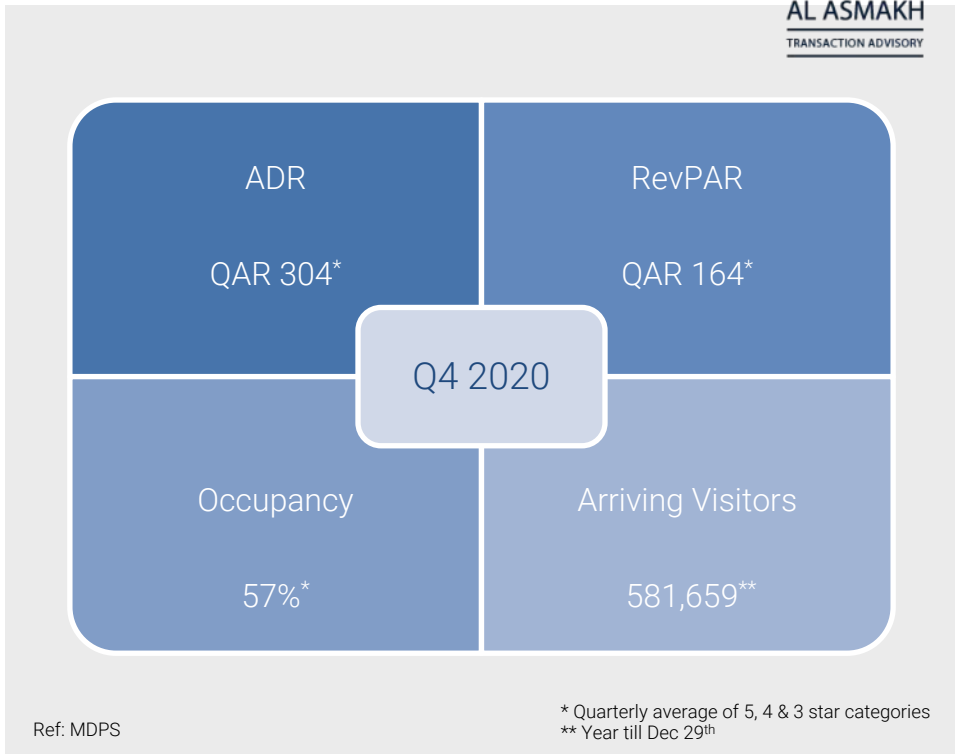
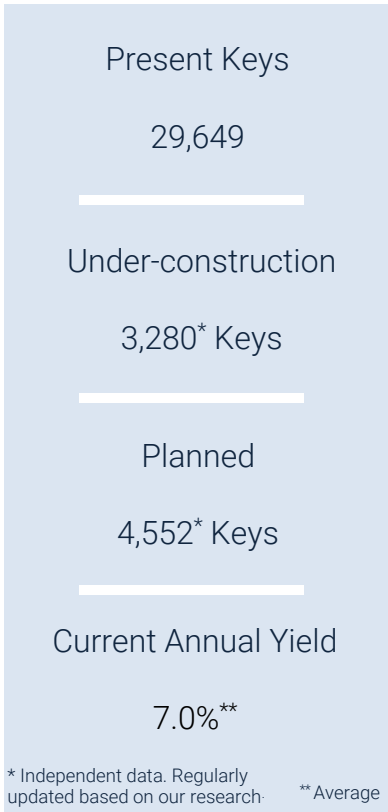
Ref: AREDC Research

Leasable Area in Operating and Upcoming Malls

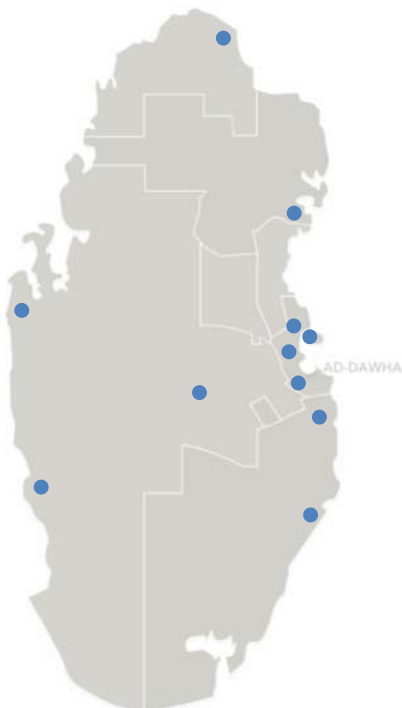


Ref: AREDC Research

YTD Snapshot



Hotel Concentration



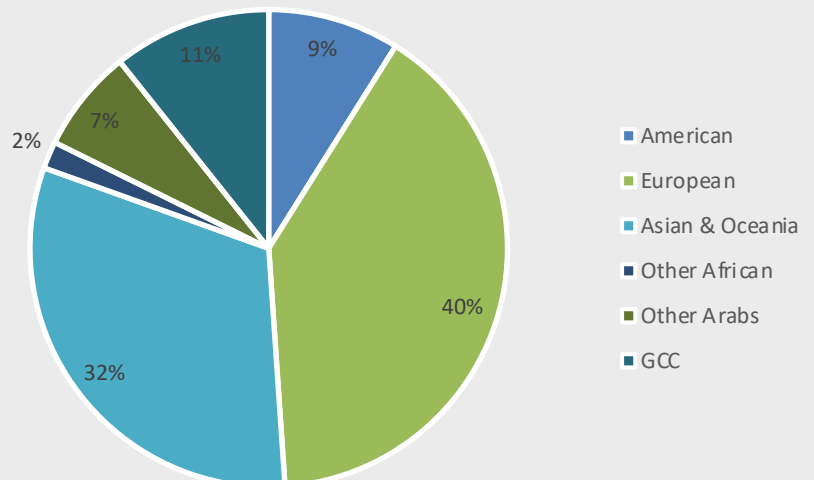
Key Demand Drivers



Mandatory Hotel Quarantine

Mandatory hotel quarantine upon return to Qatar for nationals and residence have slightly boosted the overall occupancy compared to previous quarter.

Distribution of Arriving Visitors by Region



Hospitality Market Gauge

	Q3 20	Q4 20
ADR	■	■
RevPAR	■	■
Occupancy	■	■
Overall Market	■	■

Hotel Snapshot

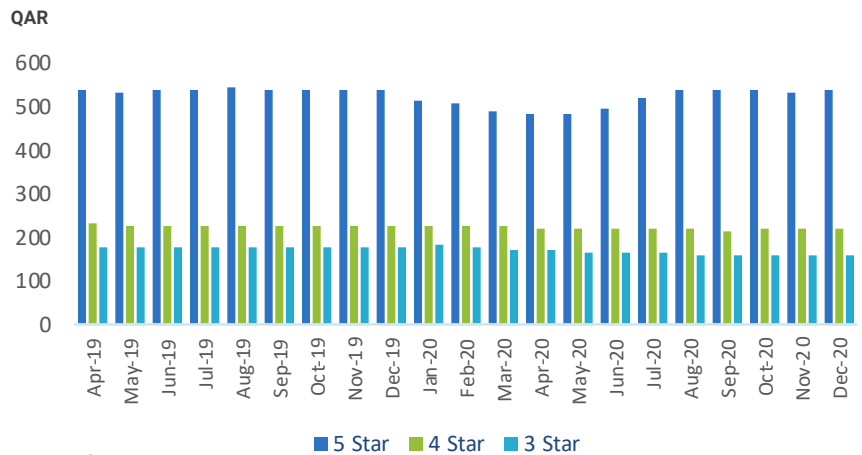
Category	No. of Hotels	No. of Keys
Luxury Class	24	6,503
Upper Upscale Class	24	6,345
Upscale Class	11	2,168
Upper Midscale Class	23	4,610
Midscale Class	26	3,526
Economy Class	38	6,497
Total	146	29,649

Ref: AREDC Research

Market Outlook

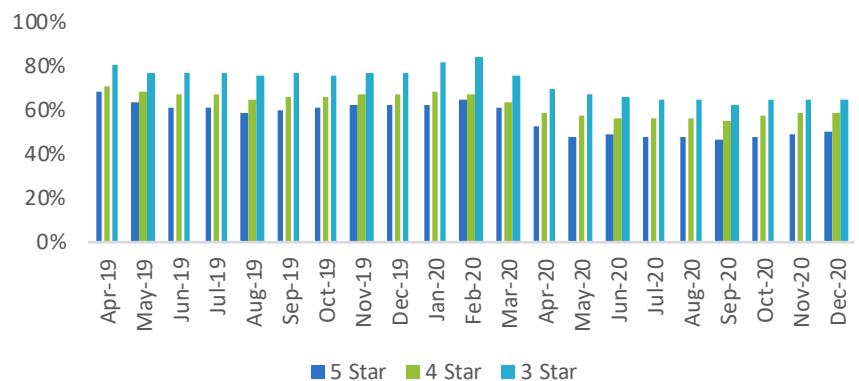
Hospitality sector has been the worst hit sector worldwide. The tourist arrivals in Qatar have been negligible since the outbreak of the global pandemic in late 2019 and travel ban on the international passengers from most of the countries has been imposed. Close to 1,000 keys that were due to open up in 2020 may release to public in the first half of 2021. According to MDPS statistics, the average hotel occupancy in 5 star hotel for 4th quarter 2020 was around 49% while in Q4 Average Daily Rates (ADRs) and Revenue per Available Room (RevPAR's) were QAR 537 and QAR 263 respectively.

ADR Tracker



Ref: AREDC Research

Occupancy Tracker



Ref: AREDC Research

Land Market Gauge

	Q3 20	Q4 20
Land Price	■	■
Land Sale	■	■
Sentiments	■	■
Overall Market	■	■

Market Outlook

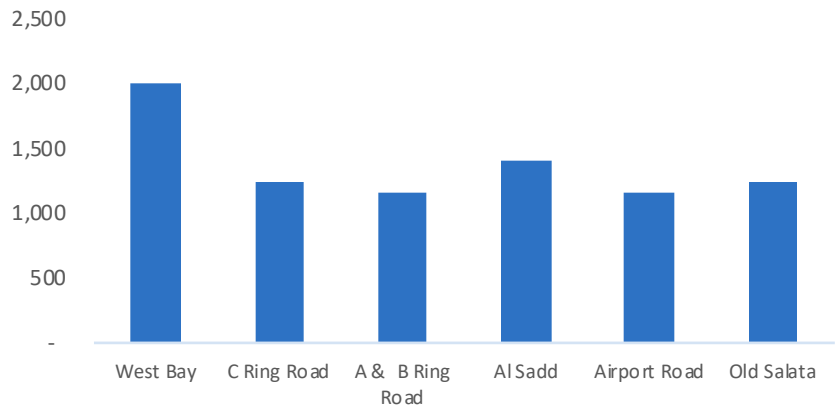
The land rates in Q4 2020, started to stabilize in comparison to previous quarters. The highest ticket value of the land transaction recorded is QAR 70 million in Al Mashaf area of Al Wakra. Most of the transacted land in Doha appears to be in Al Thumama which are in the range QAR 300 to QAR 350 per sq.ft. In New Rayyan, Muaither and Gharaffa of Al Rayyan municipality, land rates were in the range QAR 300 to QAR 325 per sq.ft. In Al Wukair of Wakra municipality the land transaction witnessed were in the range QAR 200 to QAR 250 per sq.ft. Various other neighboring municipalities of Doha, the land parcels were transacted in the range QAR 140 to QAR 300 per sq.ft.

Key Transactions in Q4 2020

Location	Municipality	Amount (QAR)
Al Mashaf	Al Wakra	70,000,000
Legtaifiya	Doha	62,000,000
Al Hilal	Doha	30,000,000
Hazm Al Markhiya	Doha	25,500,000
Legtaifiya	Doha	25,000,000
Jeryan Jenaihat	Al Daayen	24,200,000
Umm Qarn	Al Daayen	23,000,000

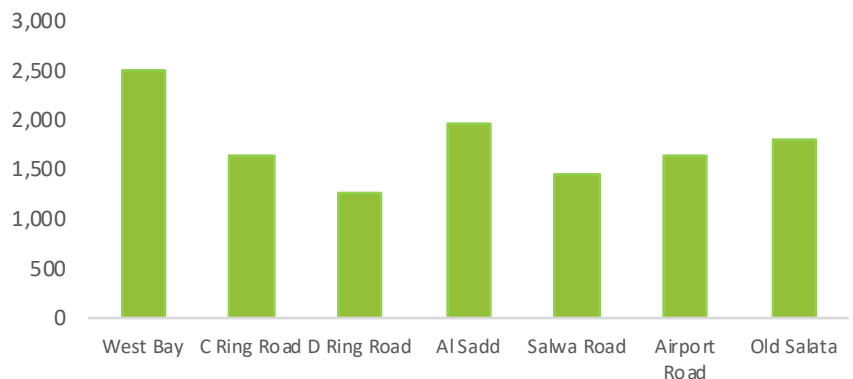
Ref: MoJ

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
- Hospitality Valuation
- Industrial Valuation
- Masterplan Valuation

CONSULTING AND ADVISORY

- Real Estate Market Research
- Feasibility, Highest and Best Use Studies
- Development Advisory
- Portfolio Analysis

CORPORATE DEAL ADVISORY

- Property Buying/Selling/Leasing Assistance
- Merger, Acquisition, and Joint-Venture
- Portfolio Restructuring

CAPITAL MARKET SERVICES

- Project Finance Services
- Loan Restructuring
- Securitizations and Structured Finance
- Private Placements – Equity or Debt

Market Gauge

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

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