

Qatar Real Estate Q1, 2020

Steady increase in population partially supports the demand for housing.

Delay in delivery of under construction projects is expected due to outbreak of pandemic in the region.

Office supply in new CBD areas mounts pressure on price correction in old town business districts.

Operation of Doha metro in the vicinity of prime malls adds on to increased footfall.

Government supports hospitality sector by converting hotels to quarantine centers.

Overall land rates are stabilizing across Qatar.

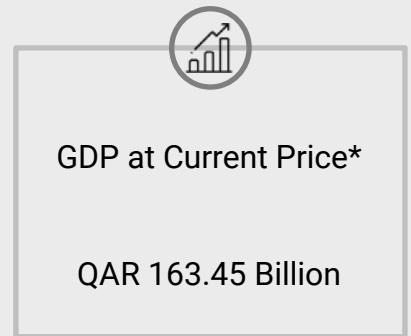
Municipalities



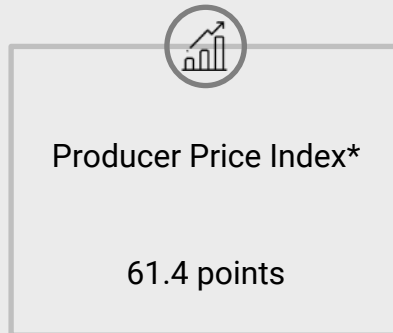
Micro Economics – Current Standings



* Mar 2020



* Q2 2019



* Sep 2019



* Aug 2019

Ref: QSA



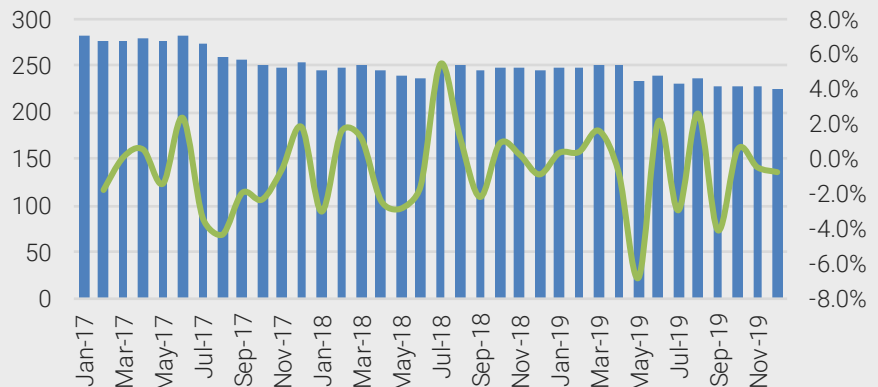
No of Properties Sold
923

Value of Properties Sold
QAR 6.06 Billion

Ref: MDPS

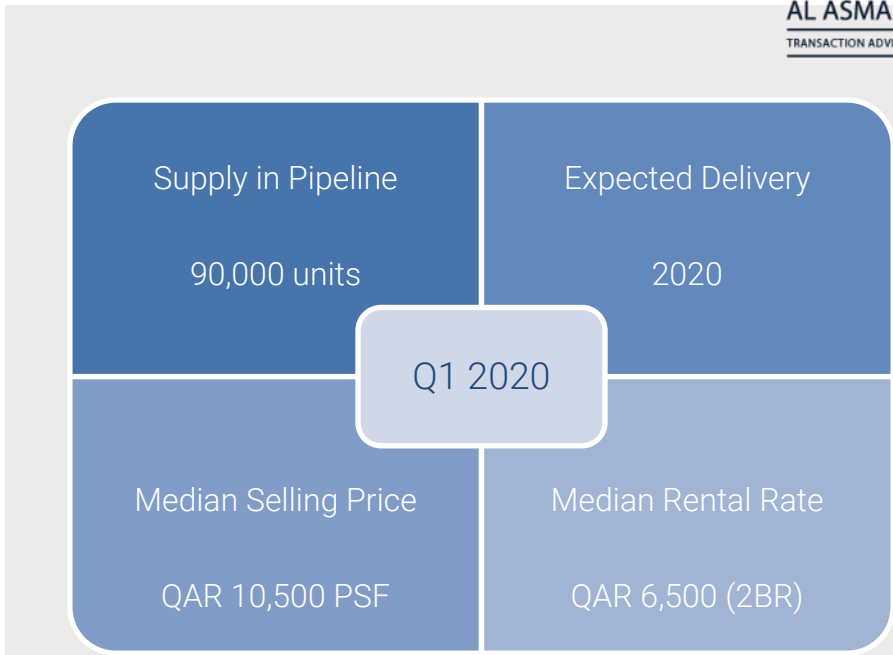
For the period December 2019, January 2020 and February 2020

Real Estate Price Index (QoQ)



Ref: QCB

YTD Snapshot



Ref: AREDC Research

Key Demand Drivers



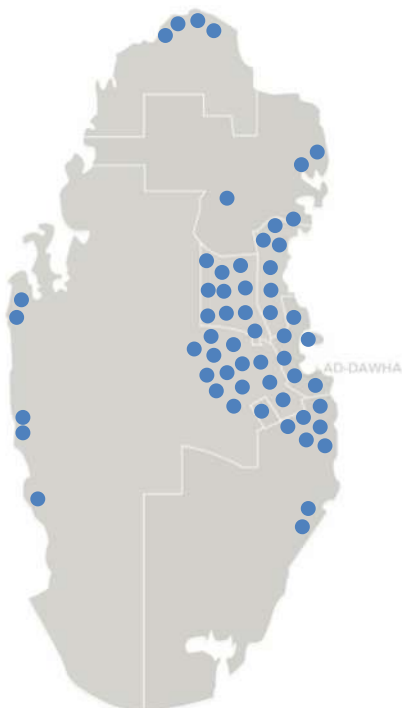
25%
Government



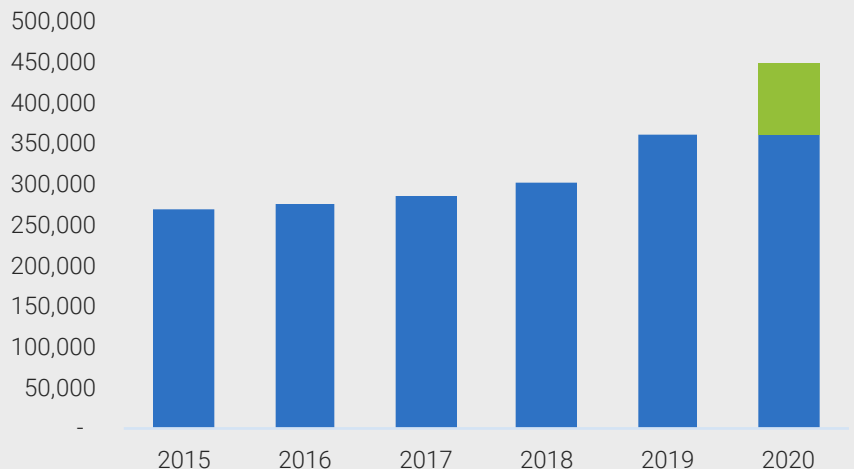
13%
Companies

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

	Q4 19	Q1 20
Unit Sales	■	■
Rental Trend	■	■
Occupancy	■	■
Overall Market	■	■

Apartment Snapshot

Micro markets	Rental Rate* (QAR/Month)**	Sale Price* (QAR/PSM)
The Pearl	11,000	11,000
West Bay	10,000	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	--

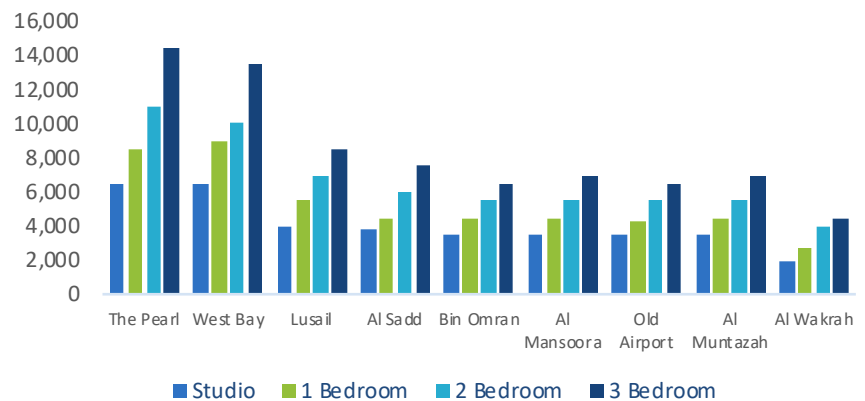
Ref: AREDC Research

* Average
** For standard 2BR unit

Market Outlook

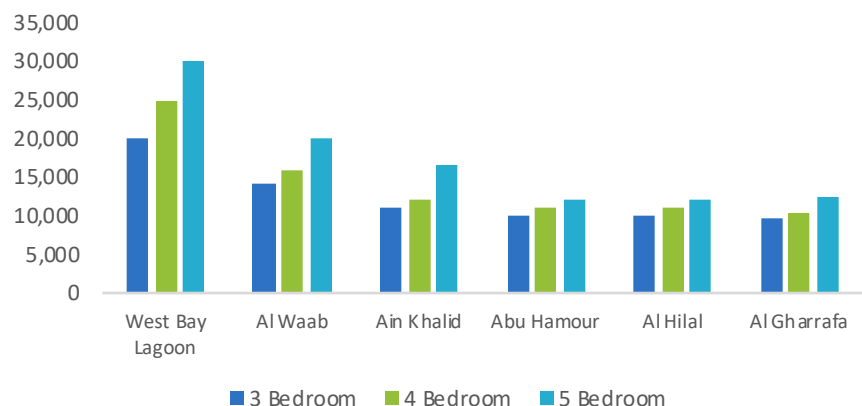
The residential segment in Qatar witnesses surge in inventory from newly developed micro markets towards northern peripheries of Doha. Additionally well connected roadway corridors to the vicinity to the central districts of Doha has worked wonders. Due to affordable inventory available in the newly developed locations, pressure to sustain rentals and occupancy mounts on the existing neighborhoods. Average rentals dips around 3% across all asset classes in the residential segment as compared to the previous quarter Q4 2019. However residential communities that are professionally maintained are able to hold up the sustenance.

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



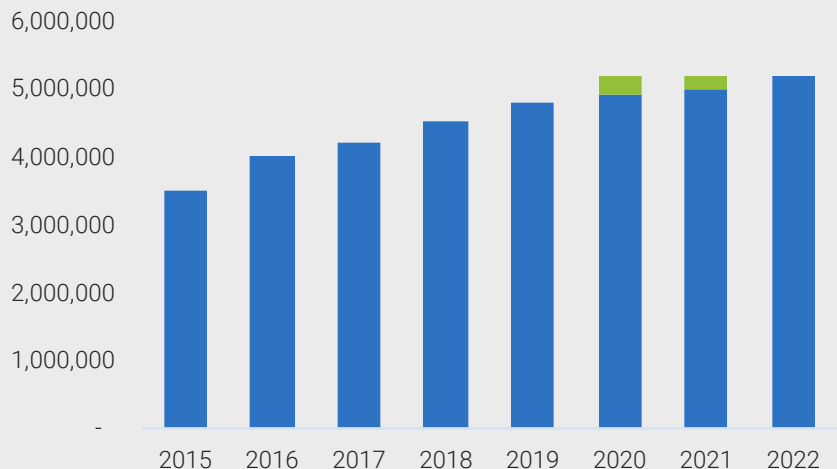
Affordable Rental



Better Leasing Terms

Class A office spaces are now affordable due to easy rental terms and lucrative rental rates.

Office Supply (sq.m) – YoY Comparison



Ref: AREDC Research

Office Market Gauge

	Q4 19	Q1 20
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Office Snapshot

Micro markets	Monthly Rental Rate (QAR/sq.m)*	Occupancy (%)*
West Bay	120	67%
C Ring Road	80	70%
D Ring Road	70	65%
Al Sadd	90	73%
Salwa Road	70	58%
Airport Road	90	65%
Old Slata	80	60%

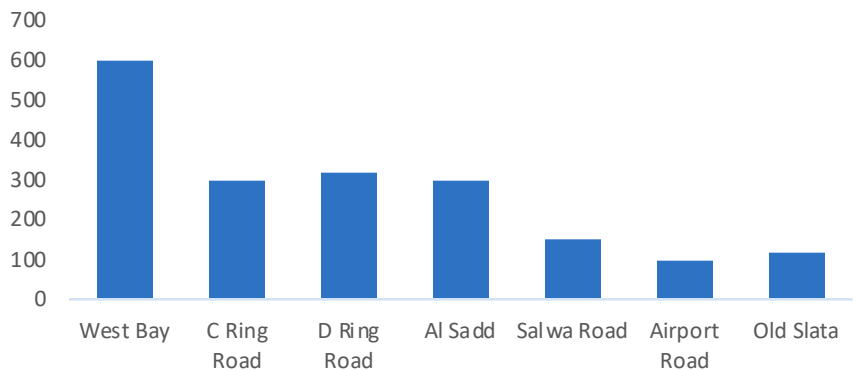
Ref: AREDC Research

* Average

Market Outlook

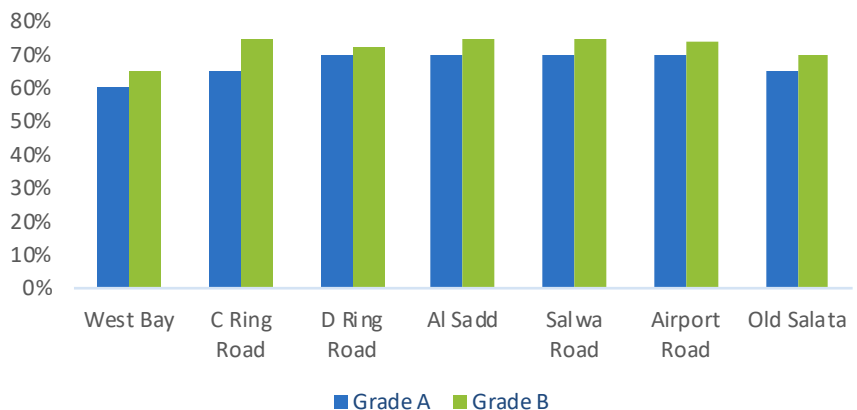
The office segment yet to stabilize occupancies and monthly rentals. Surplus Office supply in Lusail City and Musheireb Downtown shifts the momentum towards price correction in the existing Business District.. The occupancies in West Bay offices towers is in the range of 55% to 65% while asking monthly 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 90 per sq. m while the average occupancies in SBD is around 65%

Office Sizes (sq.m) in Prime Areas



Ref: AREDC Research

Average Occupancies (%) – By Grade



Ref: AREDC Research

■ Grade A ■ Grade B

YTD Snapshot

Total Net Leasable Area

2,100,000 sq.m*

Operating Malls

25

Overall Occupancy

78%**

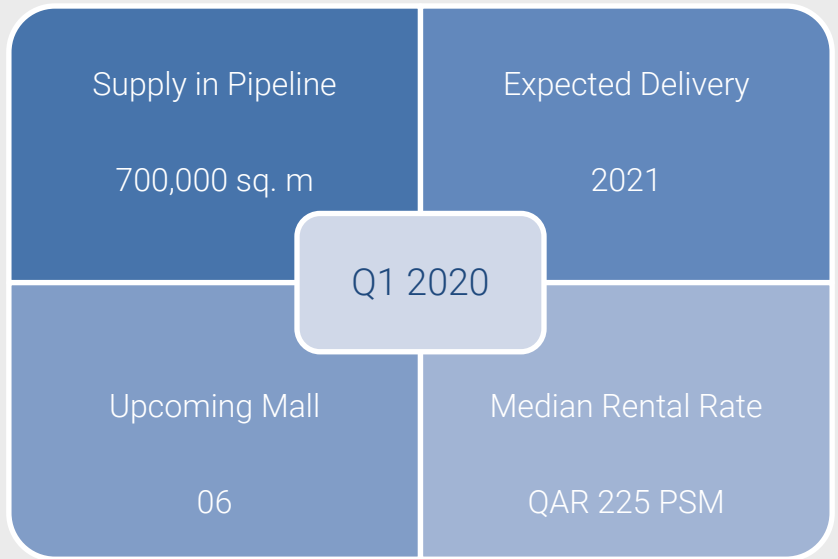
Median Mall Size

55,000 sq.m* (NLA)

*Including upcoming malls

**Average

Retail Concentration



Ref: AREDC Research

Key Demand Drivers



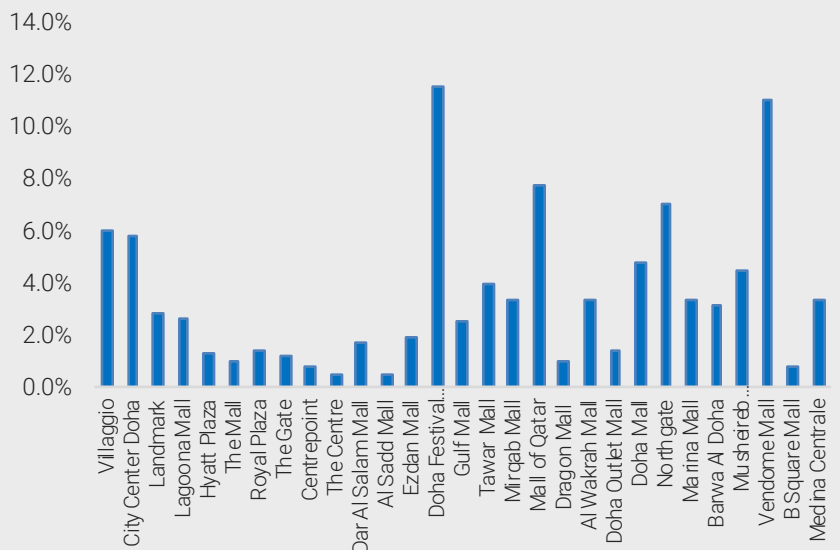
Stabilized Occupancy



Brand Retention

Most operational malls have higher and stabilized occupancy that support the mall's rental income and its stability.

Net Leasable Area Distribution



Ref: AREDC Research

Retail Market Gauge

	Q4 19	Q1 20
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Retail Snapshot

Year	Shopping Mall*	Showrooms (Street Shopping)*
2014	240	160
2015	250	140
2016	270	145
2017	260	140
2018	250	145
2019	240	140
Q1 2020	240	120

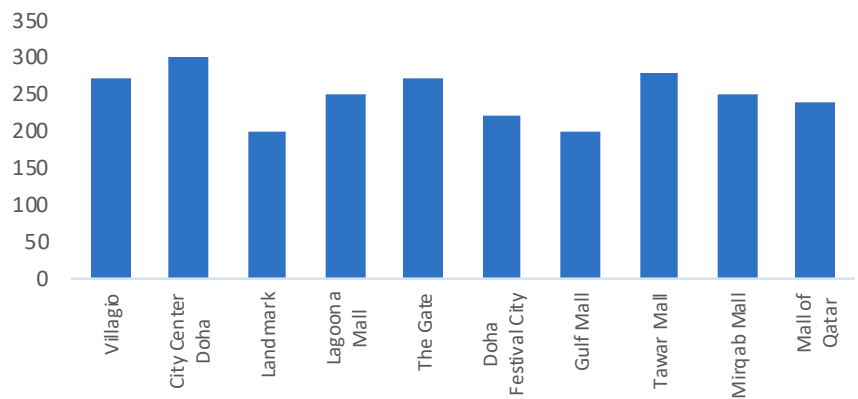
Ref: AREDC Research

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

Market Outlook

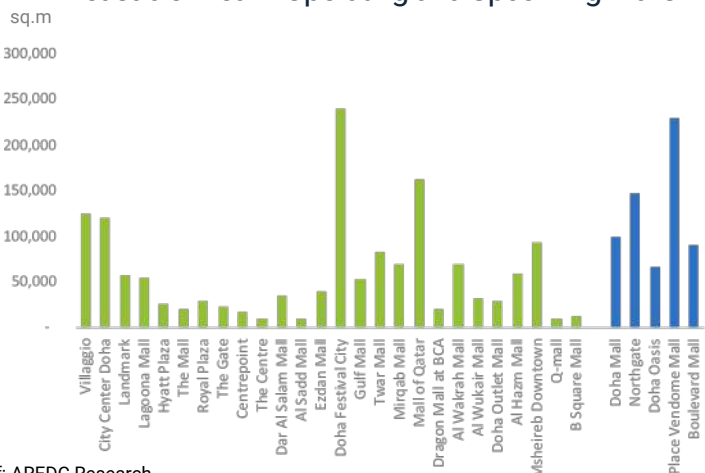
The highest concentration of the malls is on Al Shamal Road where 8 malls are located with net leasable area of 721,250 sq.m that is closed to 33% of total net leasable area. The monthly rental rates in the well established malls are in the range of QAR 200 to QAR 250 per sq.m. The recent launch of Doha Metro connects many premium and region malls that offers higher footfalls to the malls and easy access to the visitors. In upcoming 2 years, the expected supply of about 634,000 sq.m that is 42% of the current NLA is expected from 5 under construction mall.

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



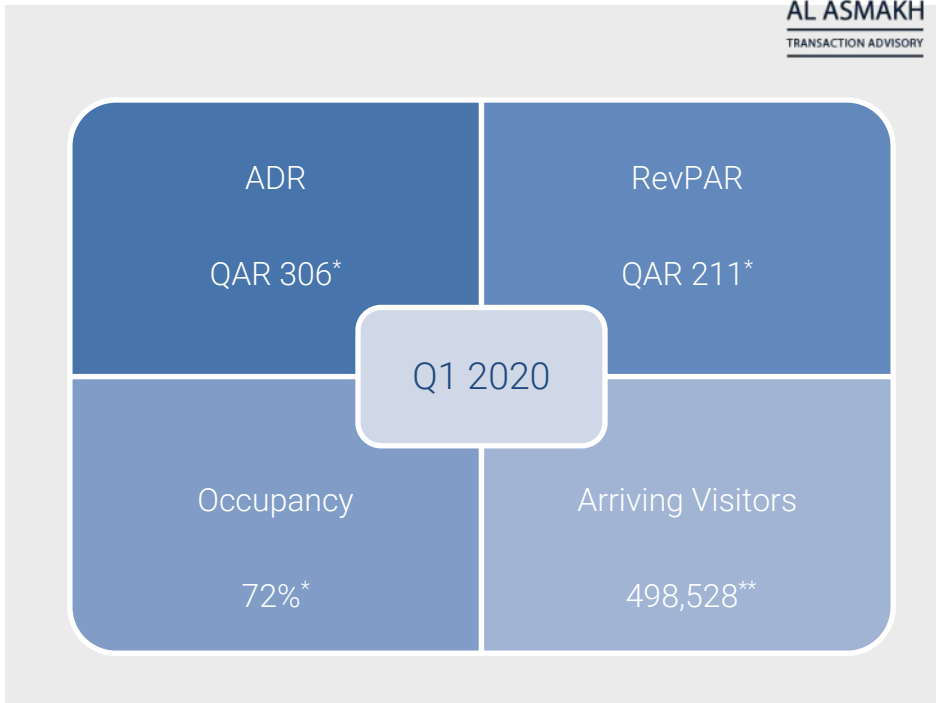
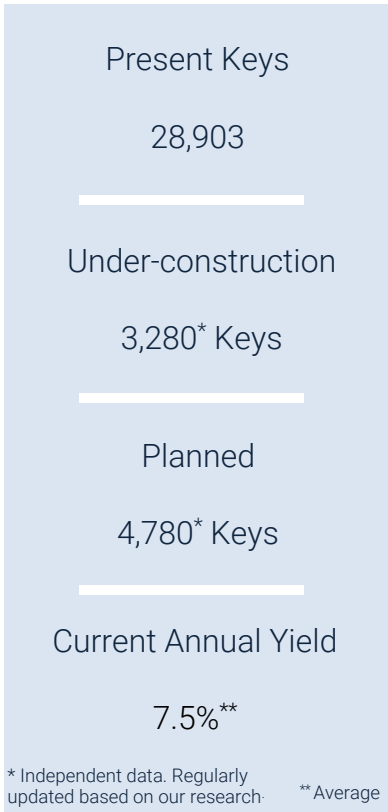
Ref: AREDC Research

Leasable Area in Operating and Upcoming Malls



Ref: AREDC Research

YTD Snapshot



Ref: MDPS

* Quarterly average of 5, 4 & 3 star categories
** Year till February 29th

Key Demand Drivers



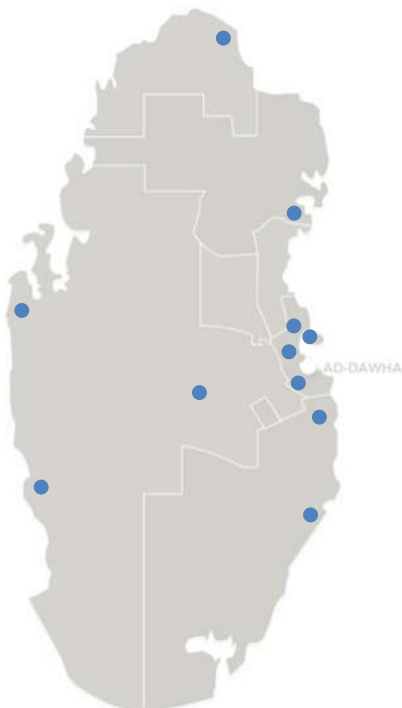
Qatar Tourism



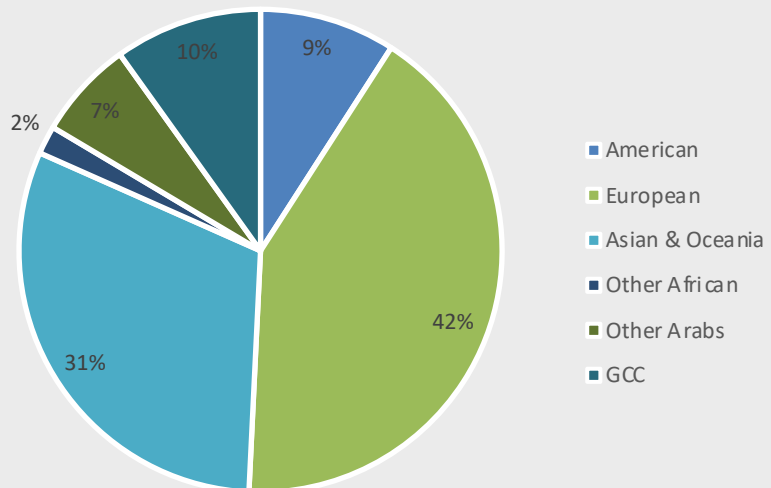
Government Initiative

Government initiatives to support healthcare by temporarily setting up COVID 19 quarantine facilities in 5 & 4 star hotels and visa-on-arrival from 80 countries uphold the hospitality sector in Qatar.

Hotel Concentration



Distribution of Arriving Visitors by Region



Ref: MDPS

Hospitality Market Gauge

	Q4 19	Q1 20
ADR	■	■
RevPAR	■	■
Occupancy	■	■
Overall Market	■	■

Market Outlook

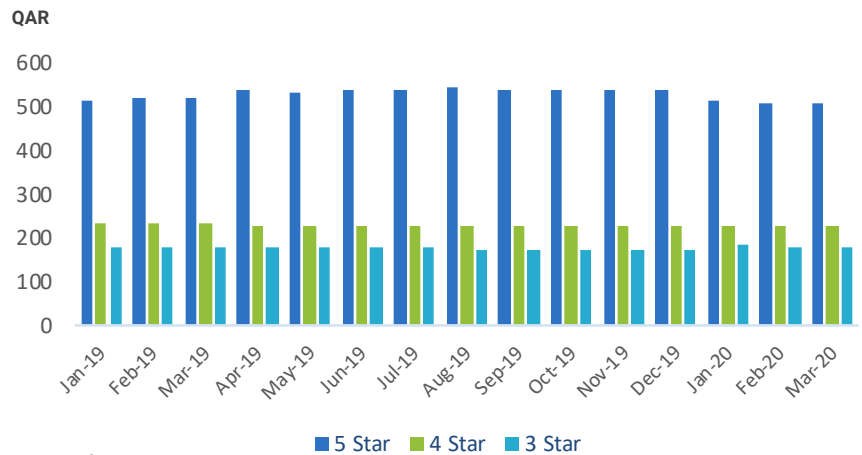
The previous two quarters witnessed the launch of around 10 hotels and hotel apartments. Now Qatar has 143 operational hotels and hotel apartments with around 28,900 keys across all star categories. More than 75% of room keys are still with 4-star or 5-star and 70% of keys are confined in West Bay alone. According to MDPS statistics, the average hotel occupancy in 5 star hotel for 1st quarter 2020 was around 65% while Average Daily Rates (ADRs) and Revenue per Available Room (RevPAR's) were QAR 511 and QAR 330 respectively.

Hotel Snapshot

Category	No. of Hotels	No. of Keys
Luxury Class	21	5,757
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	143	28,903

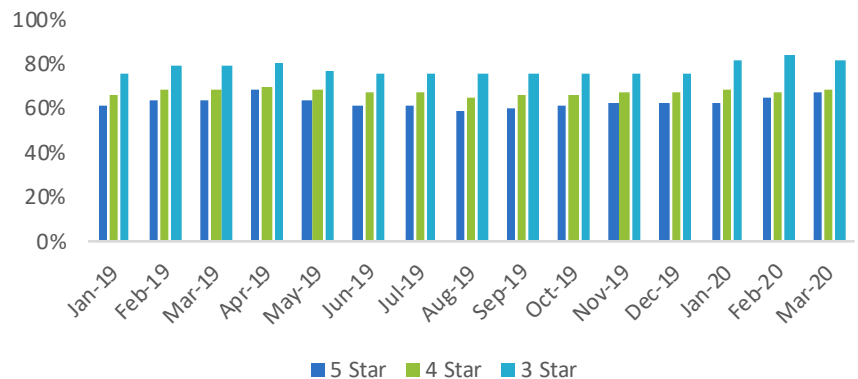
Ref: AREDC Research

ADR Tracker



Ref: AREDC Research

Occupancy Tracker



Ref: AREDC Research

Land Market Gauge

	Q4 19	Q1 20
Land Price	■	■
Land Sale	■	■
Sentiments	■	■
Overall Market	■	■

Market Outlook

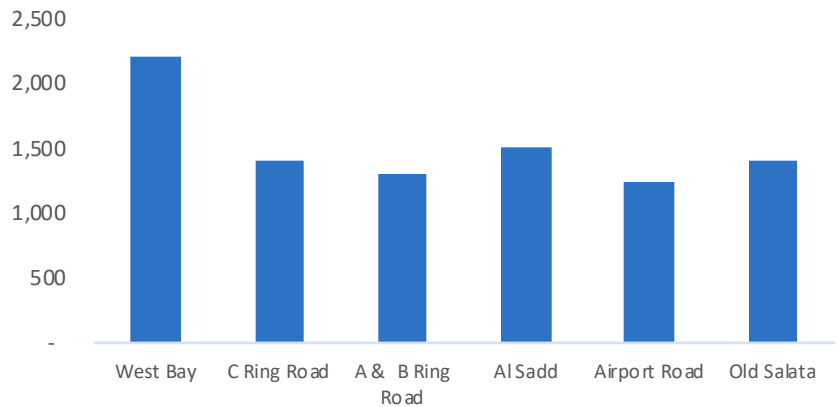
In Q1 2020, the land rates have reduced marginally as compared to previous two quarters. Transactions in villa segment recorded in Old Airport and Al Thumama in Doha municipality were in the range QAR 300 to QAR 350 per sq.ft. In Al Bu Hamour, Muraikh of Al Rayyan municipality were in the range QAR 300 to QAR 325 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 parcels 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 Q1 2020

Location	Municipality	Amount (QAR)
Al Wukair	Al Wakra	623,670,521
Al Wukair	Al Wakra	433,406,482
Al Wukair	Al Wakra	199,149,285
Al Wajibah	Al Rayyan	110,000,000
Al Thumama	Doha	68,360,150
Lusail	Doha	42,624,000
Abu Hamour	Al Rayyan	28,000,000

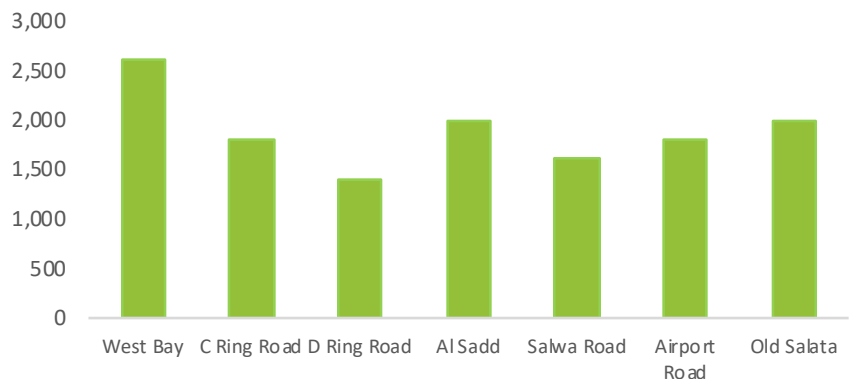
Ref: MoJ

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



Ref: AREDC Research

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



Ref: AREDC Research

Fadi Barakeh

General Manager

E : gm@alasmakhrealstate.com

Gaurav Borikar, MRICS

Senior Executive Director

E : gaurav.borikar@alasmakhrealstate.com

Hisham Qureshi

Research Manager

E : hisham.qureshi@alasmakhrealstate.com

CONTACT US:

Get in touch with us and find how our services can benefit your company.

Office: Al Asmakh Tower, Floor 28, West Bay,
Doha, Qatar.

Email: advisory@alasmakhrealstate.com

Phone: +974 4448 5111

www.alasmakhrealstate.com



- 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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