

Qatar Real Estate Q3, 2020

Government scheme to offer residency via investment in freehold and leasehold areas paves way for demand in residential sector.

Office market outlook remains under pressure as Lusail adds on to the fresh supply.

Retail sector get back on track with phase wise lifting of restrictions that allows normal working hours.

Hospitality sector attracts locals by offering staycation packages for survival.

The land rates across Qatar have not much fluctuated in the recent times.

Municipalities



Micro Economics – Latest Standings



Total Population*

2,723,624

* Sep 2020



GDP at Current Price*

QAR 167.76 Billion

* Q4 2019



Real Estate Price Index*

217.11 points

Ref: QSA

* Sep 2020



Industrial Production Index*

104.2 points

* May 2020



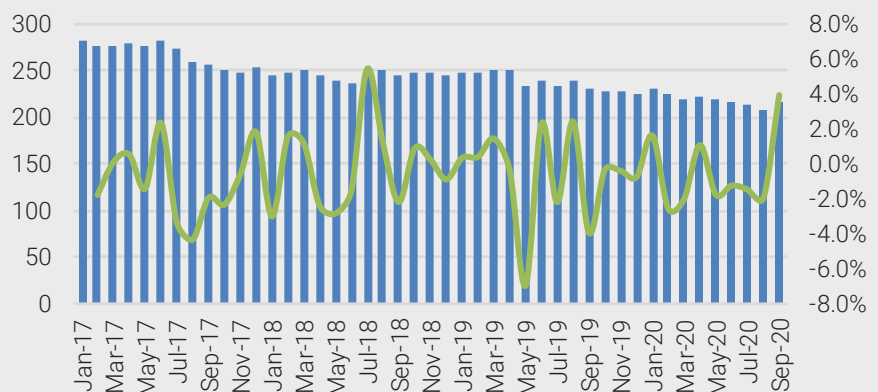
No. of Properties Sold
1,597

Value of Properties Sold
QAR 10.75 Billion

Ref: MDPS

For the period Jun, July and Aug 2020

Real Estate Price Index (QoQ)

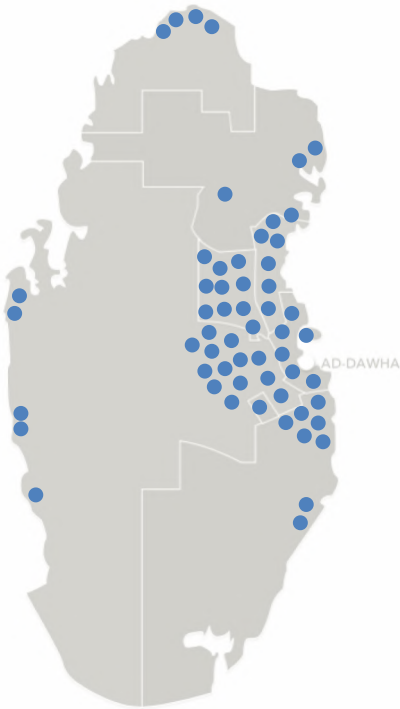


Ref: QCB

YTD Snapshot



Residential Concentration



Ref: AREDC Research

Key Demand Drivers



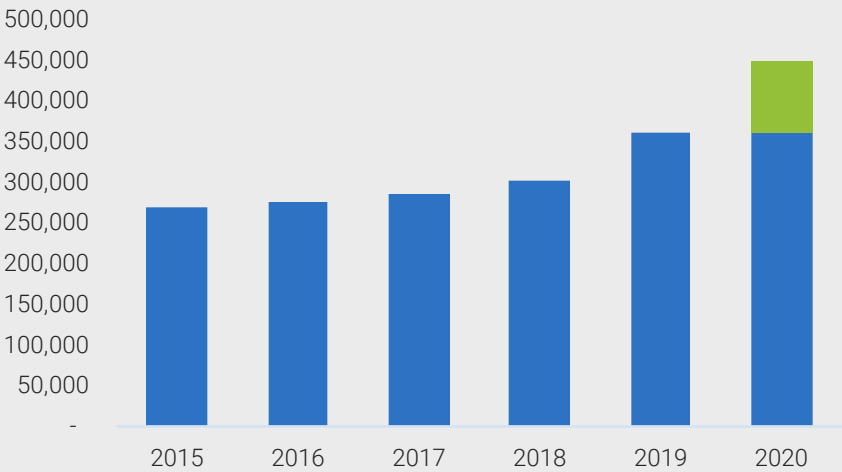
Residency via Investment



25% Government

Government scheme to offer 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

	Q2 20	Q3 20
Unit Sales	■	■
Rental Trend	■	■
Occupancy	■	■
Overall Market	■	■

Apartment Snapshot

Micro markets	Rental Rate* (QAR/Month)**	Sale Price* (QAR/PSM)
The Pearl	9,500	10,000
West Bay	9,500	8,500
Lusail	7,000	10,000
C&D Ring Road	5,000	11,000
Downtown	4,500	11,000
Al Wakra	3,800	--
Al Khor	4,000	--

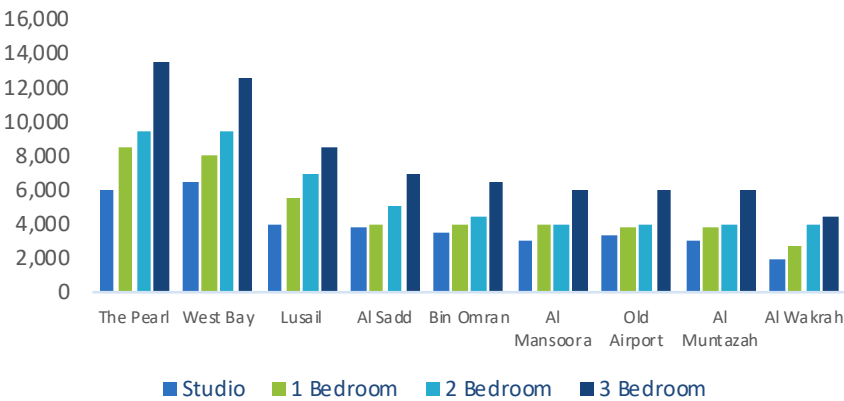
Ref: AREDC Research

* Average
** For standard 2BR unit

Market Outlook

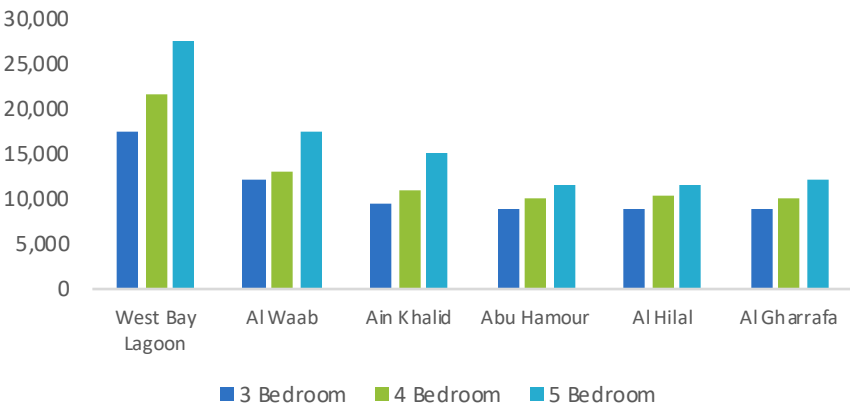
The residential market scenario stays sluggish where in efforts were made by landlords to recover from the consequences of the pandemic. A stimulus government scheme to offer residency via investment in freehold and usufruct areas may draw fresh sentiments from the investors to create optimism in the market. As compared to previous quarter the average rentals dips around 3% - 5% across all asset classes in the residential segment. As far as the outright purchase market is concerned, easy and flexible payment plans with other attractive offers were thrown open in the market to attract investors.

Apartment Rental Rates in Prime Areas



Ref: AREDC Research

Rental Rates of Villas in Residential Compounds in Prime Areas

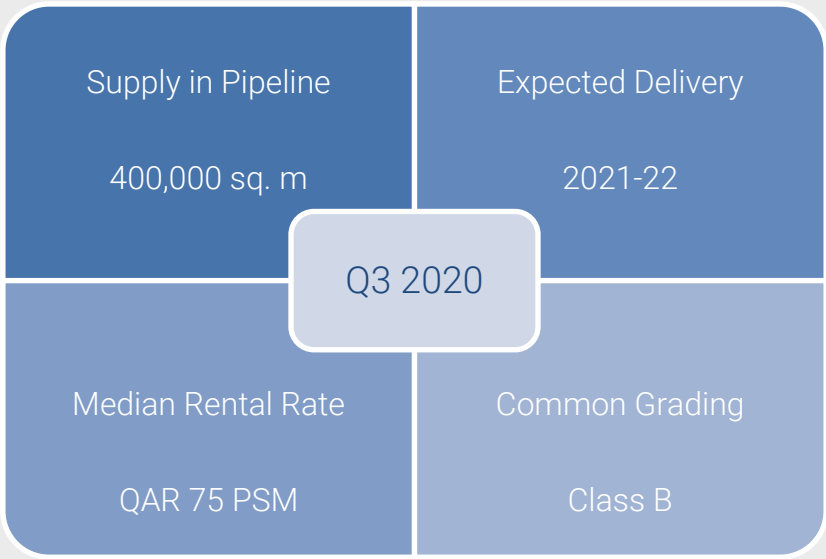
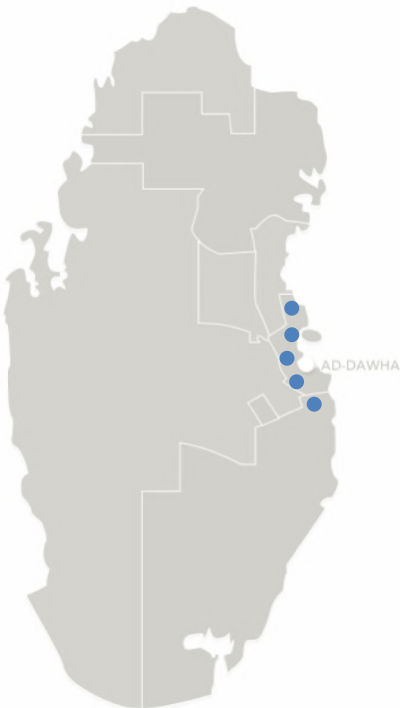


Ref: AREDC Research

YTD Snapshot



Office Concentration



Ref: AREDC Research

Key Demand Drivers



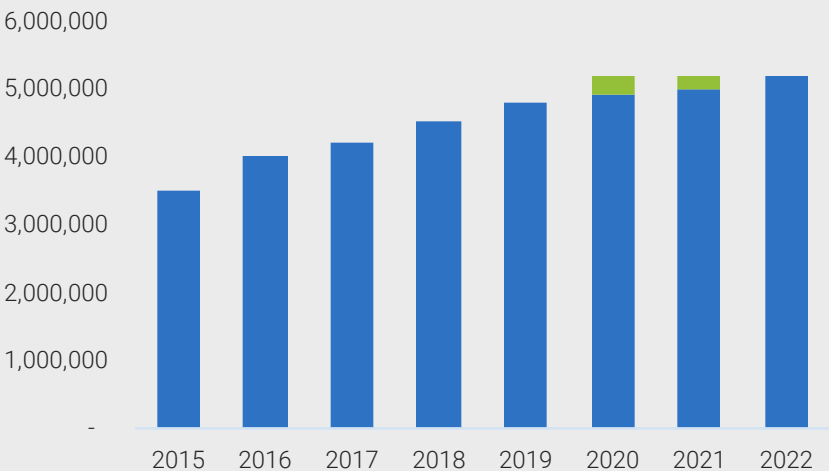
Affordable
Rental



Better
Leasing Terms

Phase wise lifting of COVID restrictions in the months of July and August saw the masses returning back to offices spaces thereby driving demand.

Office Supply (sq.m) – YoY Comparison



Ref: AREDC Research

Office Market Gauge

	Q2 20	Q3 20
Rental Trend	■	■
Occupancy	■	■
Sentiments	■	■
Overall Market	■	■

Office Snapshot

Micro markets	Monthly Rental Rate (QAR/sq.m)*	Occupancy (%)*
West Bay	110	65%
C Ring Road	75	70%
D Ring Road	70	65%
Al Sadd	80	72%
Salwa Road	65	60%
Airport Road	80	65%
Old Slatat	75	60%

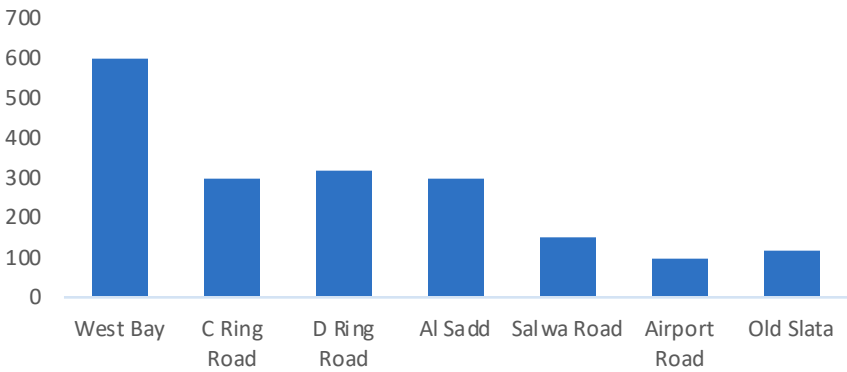
Ref: AREDC Research

* Average

Market Outlook

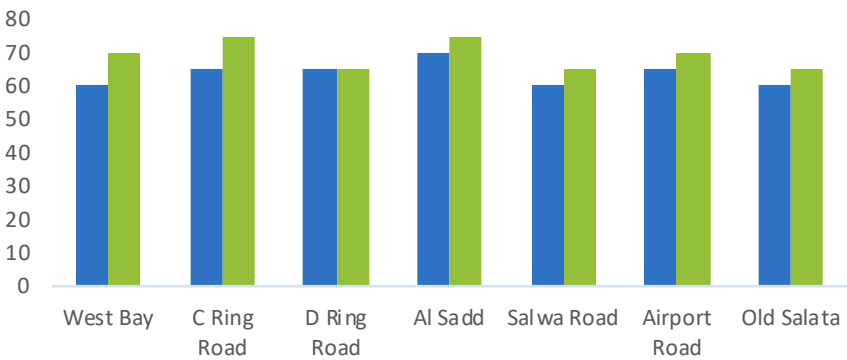
The office market outlook post COVID-19 restrictions after phase wise lifting in restrictions imposed witnessed offices spaces back in action ending the work from home facility. However, no significant rent transaction was noticed in the office market as currently there is a wide gap in supply vs demand in the market. The occupancies in West Bay offices towers remains 55% to 65% while asking monthly average rental ranges from QAR 80 to QAR 130 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

■ Grade A ■ Grade B

YTD Snapshot

Total Net Leasable Area

2,100,000 sq.m*

Operating Malls

25

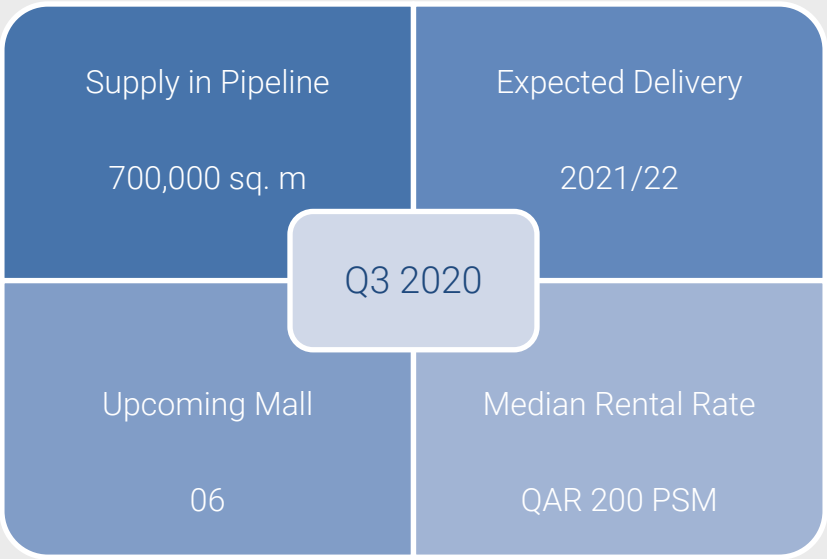
Overall Occupancy

75%**

Median Mall Size

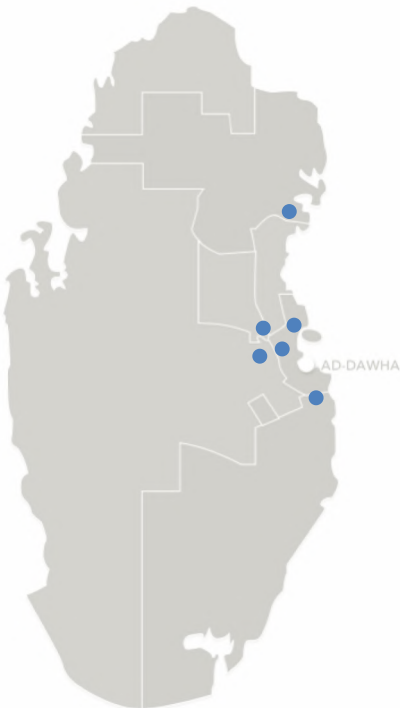
55,000 sq.m* (NLA)

* Including upcoming malls **Average



Ref: AREDC Research

Retail Concentration



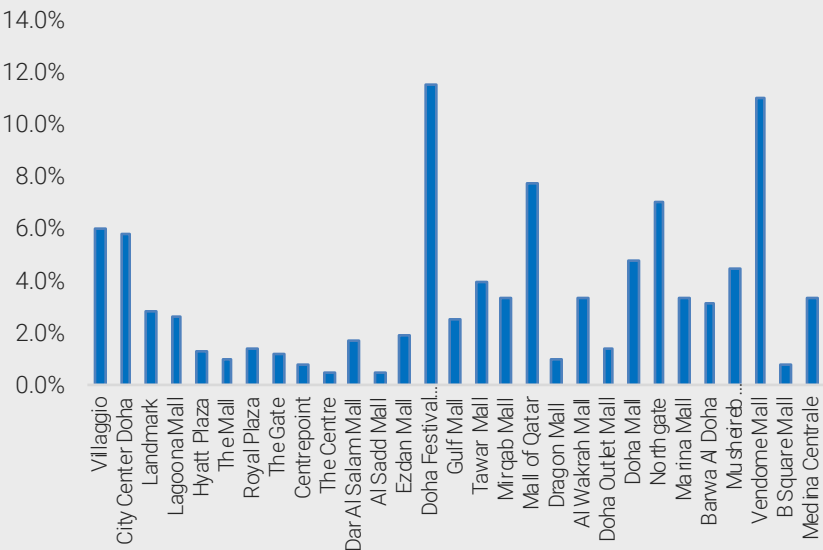
Key Demand Drivers



Relaxation of COVID restrictions

Returning to maximum capacity and normal working hours after the lifting of COVID restrictions bought back shoppers in large numbers.

Net Leasable Area Distribution



Ref: AREDC Research

Retail Market Gauge

	Q2 20	Q3 20
Rental Trend	<div></div>	<div></div>
Occupancy	<div></div>	<div></div>
Sentiments	<div></div>	<div></div>
Overall Market	<div></div>	<div></div>

Retail Snapshot

Year	Shopping Mall*	Showrooms (Street Shopping)*
2015	250	140
2016	270	145
2017	260	140
2018	250	145
2019	240	140
Q1 2020	240	120
Q2 2020	230	100
Q3 2020	200	100

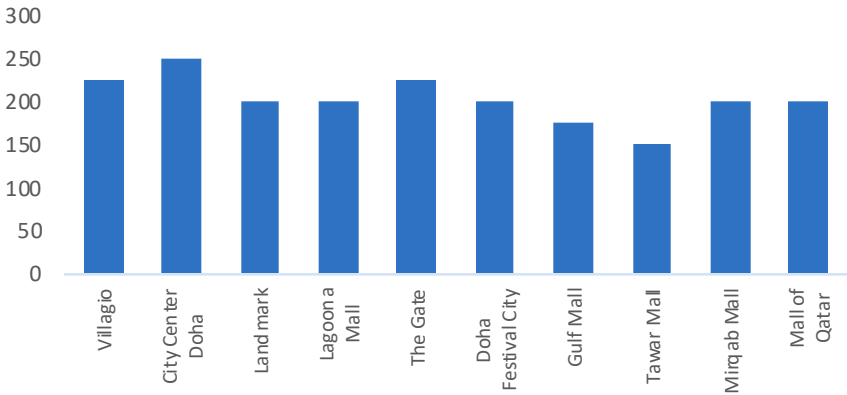
Ref: AREDC Research

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

Market Outlook

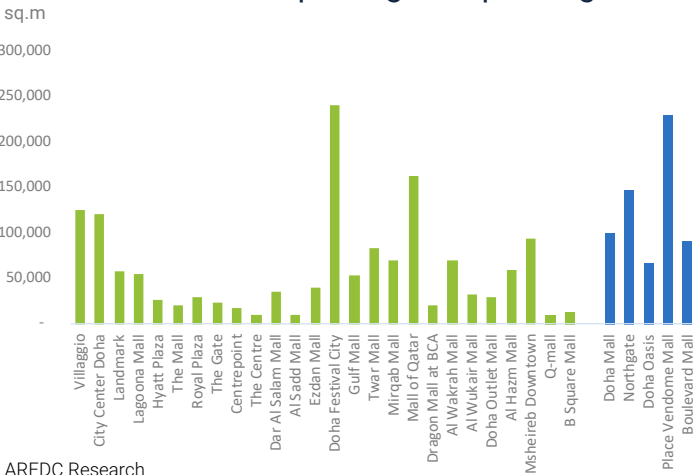
At the onset of Q3 the retail activities resumed operations phase wise with normalizing working hours and complete capacity. Much emphasis was laid by the landlords to retain the tenants by offering lucrative discounts and better leasing terms. Moreover due to the complete lockdown imposed on the retail malls in the previous quarter witnessed permanent shutdown of many retail outlets which in turn hampered the occupancy levels in most of the malls. Also a short term impact has been witnessed in the rentals which is compromised by at least 5% - 10% in order to retain the existing tenants and lure new entrants in the market.

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



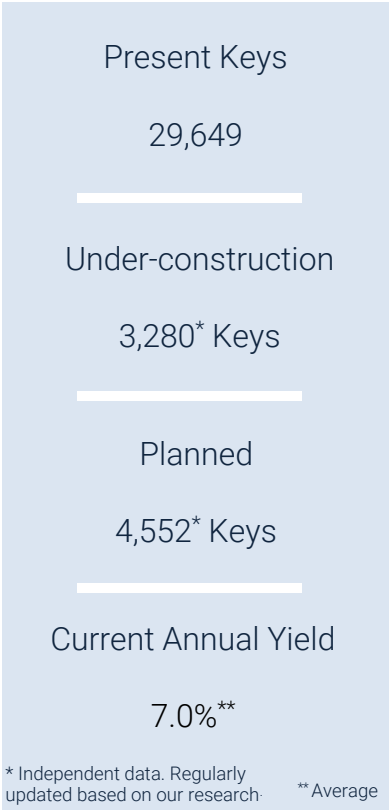
Ref: AREDC Research

Leasable Area in Operating and Upcoming Malls



Ref: AREDC Research

YTD Snapshot



Ref: MDPS

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

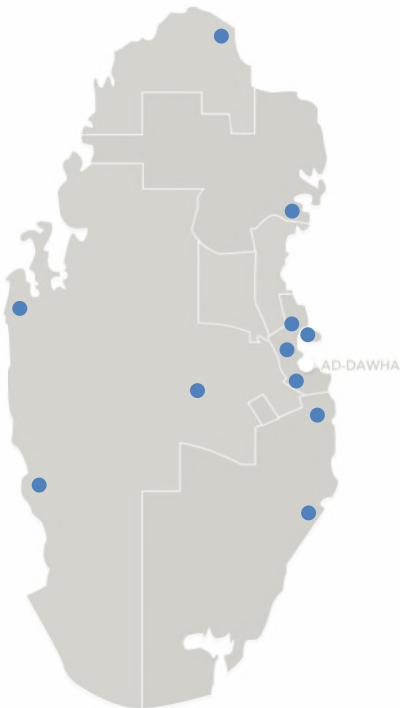
Key Demand Drivers



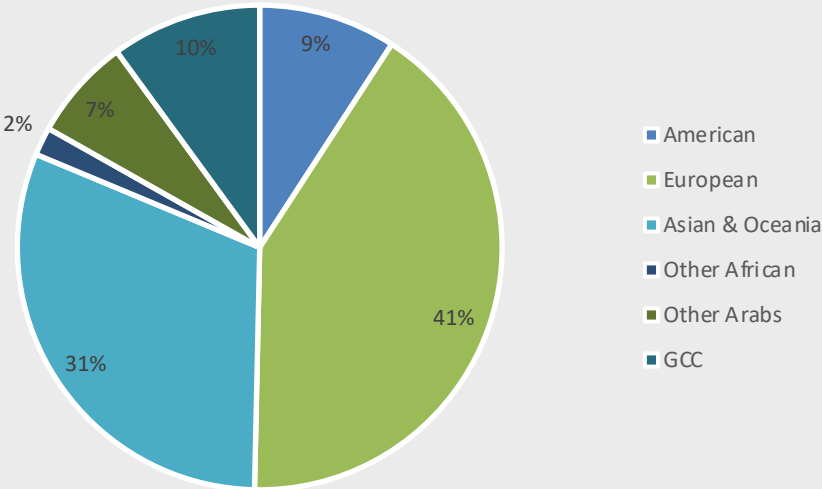
Travel
Quarantine

Government initiatives to temporarily set up COVID 19 quarantine facilities in 5 & 4 star hotels boosts sustainability while travel restrictions worldwide is hampering hotel performance.

Hotel Concentration



Distribution of Arriving Visitors by Region



Ref: MDPS

Hospitality Market Gauge

	Q2 20	Q3 20
ADR	<div></div>	<div></div>
RevPAR	<div></div>	<div></div>
Occupancy	<div></div>	<div></div>
Overall Market	<div></div>	<div></div>

Hotel Snapshot

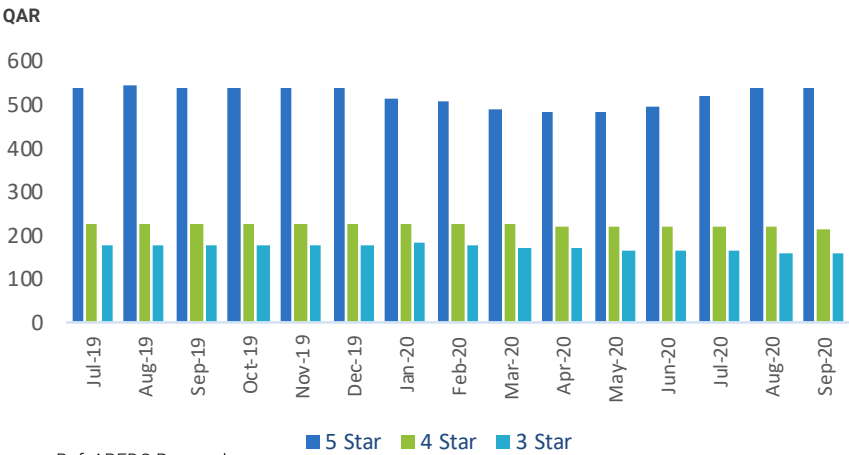
Category	No. of Hotels	No. of Keys
Luxury Class	24	6,503
Upper Upscale Class	24	6,345
Upscale Class	11	2,168
Upper Midscale Class	23	4,610
Midscale Class	26	3,526
Economy Class	38	6,497
Total	146	29,649

Ref: AREDC Research

Market Outlook

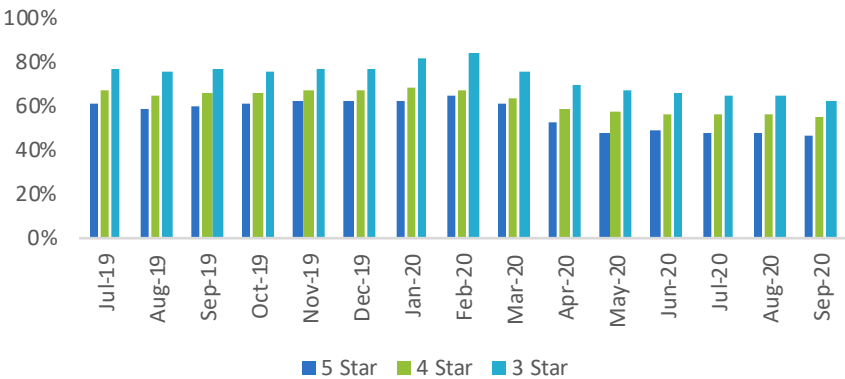
The tourist arrivals in Qatar have been negligible in this quarter due to ongoing travel ban on the international passengers from most of the countries. The hotel operators are curious to offer their hotels for family holidays and recreation. During Q3, a luxury project, Salwa Beach Resort by Hilton has been launched, partially open to the public. According to MDPS statistics, the average hotel occupancy in 5 star hotel for 3rd quarter 2020 was around 47% while in Q3 Average Daily Rates (ADRs) and Revenue per Available Room (RevPAR's) were QAR 533 and QAR 251 respectively.

ADR Tracker



Ref: AREDC Research

Occupancy Tracker



Ref: AREDC Research

Land Market Gauge

	Q2 20	Q3 20
Land Price	<div></div>	<div></div>
Land Sale	<div></div>	<div></div>
Sentiments	<div></div>	<div></div>
Overall Market	<div></div>	<div></div>

Key Transactions in Q3 2020

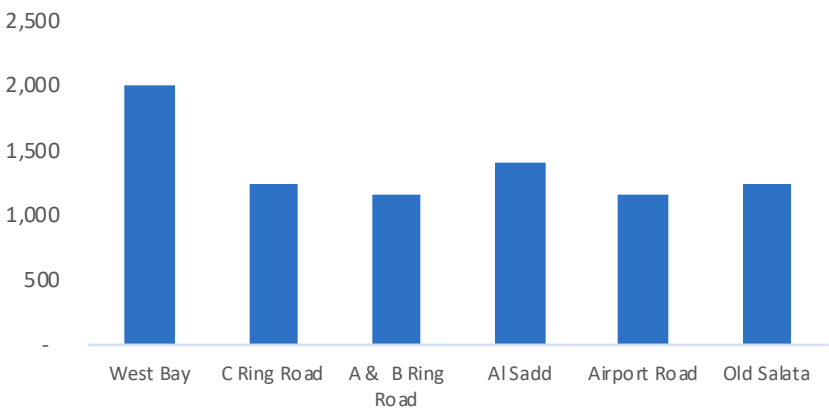
Location	Municipality	Amount (QAR)
Al Mansoura	Doha	180,000,000
Al Kharayej	Al Daayen	80,000,000
Muraikh	Al Rayyan	79,299,260
Al Wukair	Al Wakra	70,000,000
Lusail	Al Daayen	59,831,950
Umm Al Amad	Umm Slal	46,000,000
Baaya	Al Rayyan	44,000,000

Ref: MoJ

Market Outlook

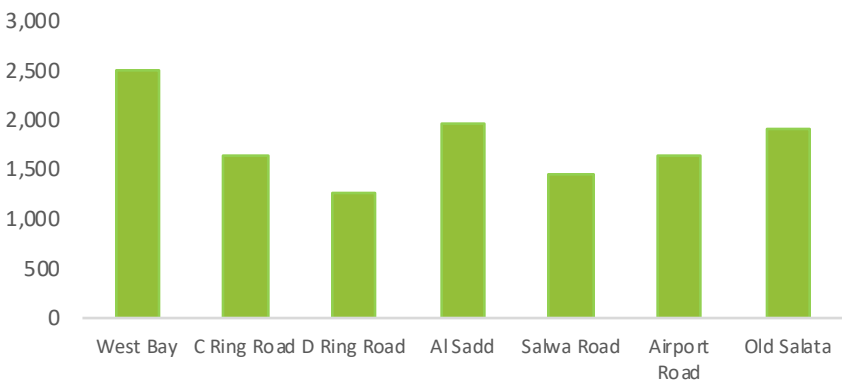
In Q3 2020, the land rates have reduced marginally as compared to previous quarters. The highest ticket value of the land transaction recorded is QAR 180 million. Transacted land price in Al Thumama in Doha municipality were in the range QAR 300 to QAR 350 per sq.ft. In Izghawa, and Bu Hamour of Al Rayyan municipality 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.

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