



QATAR REAL ESTATE MARKET

1ST QUARTER | 2021 REVIEW

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REAL ESTATE MARKET

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MACRO ECONOMIC SNAPSHOT

- As per the latest statistics released by the Planning & Statistics Authority (PSA), real GDP totalled QAR 163 billion during Q4 2020, contracting by 3.9% YoY and 0.5% QoQ.
- The International Monetary Fund (IMF) projected the real GDP of Qatar to grow 2.4% during 2021.
- As per the Ministry of Public Health, the capacity of vaccinations for COVID-19 has gradually increased, as of March 2021, 130,000 doses have been administered a week.
- The population is estimated at 2.64 million, declining 5.4% annually.
- The government of Qatar approved two important draft laws: No. 01; will facilitate individuals and companies to obtain bank loans guaranteed by movable assets and No. 02; mandated health insurance for renewal and issuance of visas for expatriates and visitors.
- Al-Ula Declaration' resulted in reopening of borders, resumption of air and sea travel and trade of Qatar with Saudi Arabia, the United Arab Emirates, Bahrain and Egypt
- During the first two months of Q1 2021, export revenues reduced by 3.8% YoY, and imports contracted by 14% YoY.
- During Q1 2021, the Consumer Price Index (CPI) stood at 97.1 points (the base year 2018) with a marginal decrease of 1.0% annually and an increase of 1.1% QoQ
Housing and Utility Expenses Index decreased 5.5% YoY and 1.6% QoQ.

QATAR POPULATION

2017 - 2021 ('000 UNITS)

2,671,000 2,674,000 2,773,000 2,794,000 2,642,000



2017



2018



2019



2020



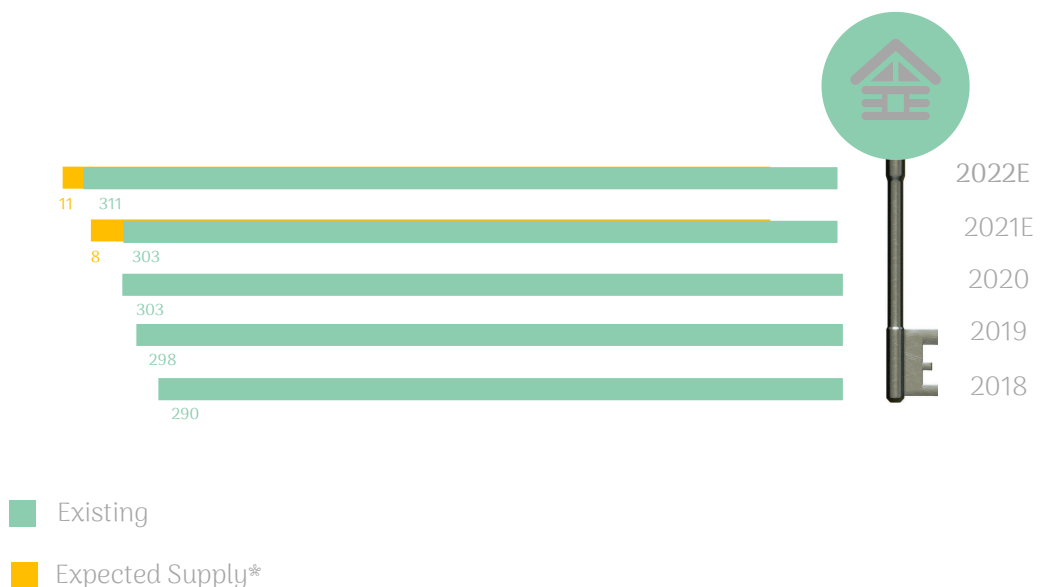
Q1, 2021

RESIDENTIAL SUPPLY

- As of Q1 2021, the total housing stock was approximately 304,715 units with the addition of 1,700 apartments and villas.
- Apartment supply consisted of 1,650 units coming from project handovers in Lusail (Fox Hills and Marina District), The Pearl, Al Dafna, Mirqab Al Jadeed and Fereej Abdul Aziz.
- Contracts of residential buildings were awarded during the quarter in Lusail Waterfront, Marina and Fox Hills, estimated to add 450 units by the end of 2022.
- 6,300 units are currently in the pipeline for the remaining quarters of 2021.

QATAR RESIDENTIAL SUPPLY

2018 - 2022 ('000 UNITS)



RESIDENTIAL SALES

- The median transacted ticket size for residential houses was QAR 2.7 million, increased by 3.4% quarterly and 6.8% annually.
- Transactional volumes for houses declined 3.3% quarterly but were 52.8% higher when compared to the same period last year.
- Amongst all areas, Umm Garn had the highest volume of transactions for residential houses and Fereej Al Amir had the highest ticket size.
- 68 transactions were recorded for residential buildings, as Old Airport and Umm Ghuwailina had the highest number of transactions.
- During the first two months of 2021, the volume and value of transactions in The Pearl and West Bay Lagoon fell 6.8% and 11.7% annually respectively.
- The Average Sales price for the Apartments in The Pearl was QAR 16,000 per square meter.

RESIDENTIAL MEDIAN TRANSACTED PRICES



6.8%
Last 2 years



6.8%
Last year



6.8%
Last 6 Months



3.4%
Last Quarter

RESIDENTIAL RENTS

- The median monthly asking rent for residential units dropped 1.8% QoQ and 5.7% YoY.
- Villa rents continue to reduce at a slower pace compared to apartment rents which have experienced rapid drops over the last year.
- The median monthly asking rent for apartments was QAR 6,290, declining 1.9% quarterly and 6% annually. Three-bedroom apartments experienced the highest quarterly falls in rent of up to 5.3%.
- West Bay, Fereej Bin Mahmoud and Al Mansoura experienced the highest quarterly drops in rents varying 3.5% to 5%.
- The median monthly asking rent for villas was QAR 10,460, which fell by 1.2% QoQ and 3.9% YoY. 3-bedroom villas experienced the highest quarterly drop in rents of up to 2.8%.
- Villas in compounds in Al Aziziya and Ain Khaled experienced the highest QoQ rental falls by an estimated 3.3%.
- The Average monthly asking rent in The Pearl for One, Two & Three Bedroom Apartments was QAR 7,750, QAR 12,000 & QAR 15,000 respectively.

RESIDENTIAL MEDIAN ASKING RENTS



-10.4%
Last 2 years



-5.7%
Last year



-2.4%
Last 6 Months



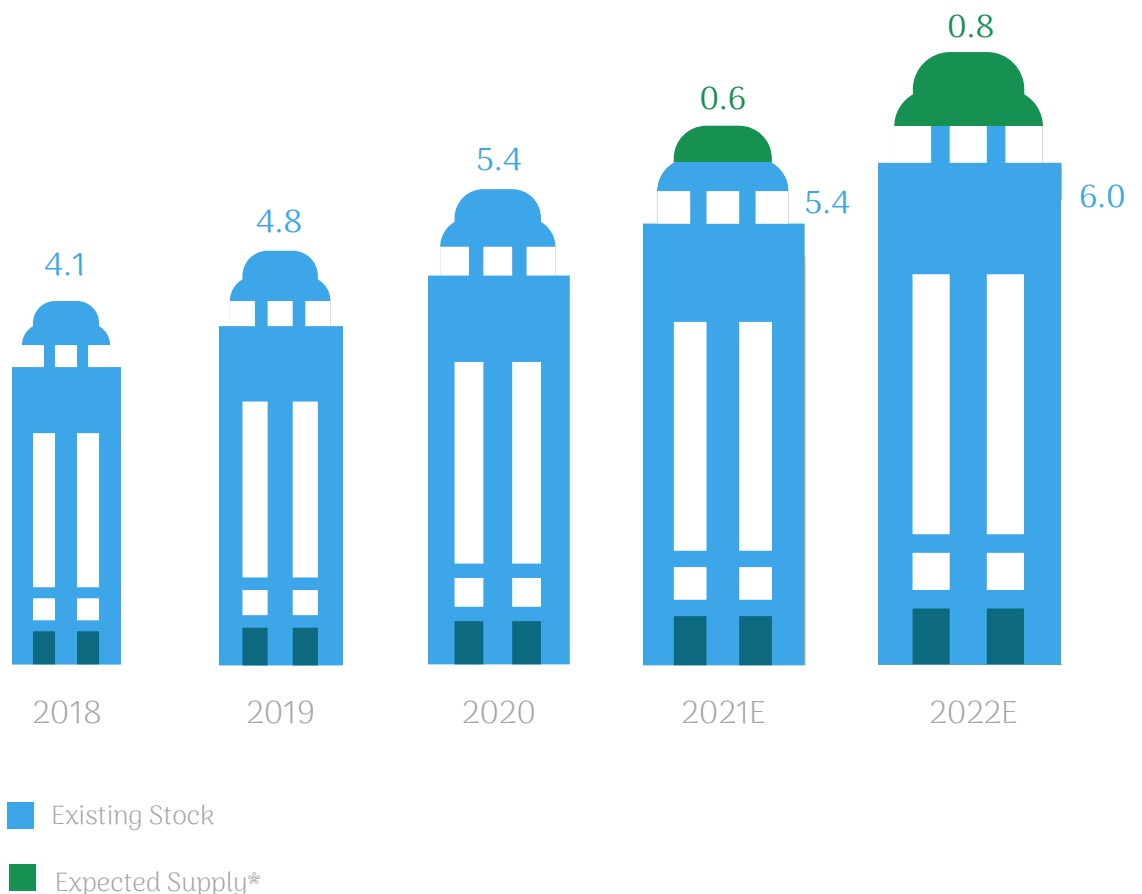
-1.8%
Last Quarter

OFFICE SUPPLY

- As of Q1 2021, the supply of office space was 5.5 million sq m Gross Leasable Area (GLA). Moreover, 62% of the existing stock was of Grade-A
- Seven office projects were added this quarter in Lusail, Ain Khaled (Salwa Road), Fereej Abdul Aziz, Old Airport, Al Muntazah and Msheireb comprising of 145,000 sq m GLA.
- Upcoming projects till 2022, currently under development totalled 1.28 million sq m GLA, 62% of which is located in Lusail (Fox Hills, Energy City, Commercial Boulevard and Marina District) and the remaining mixed amongst Umm Ghuwailina, Al Hitmi and Al Dafna.

QATAR OFFICE SUPPLY

2018- 2022 (Million sq m GLA)

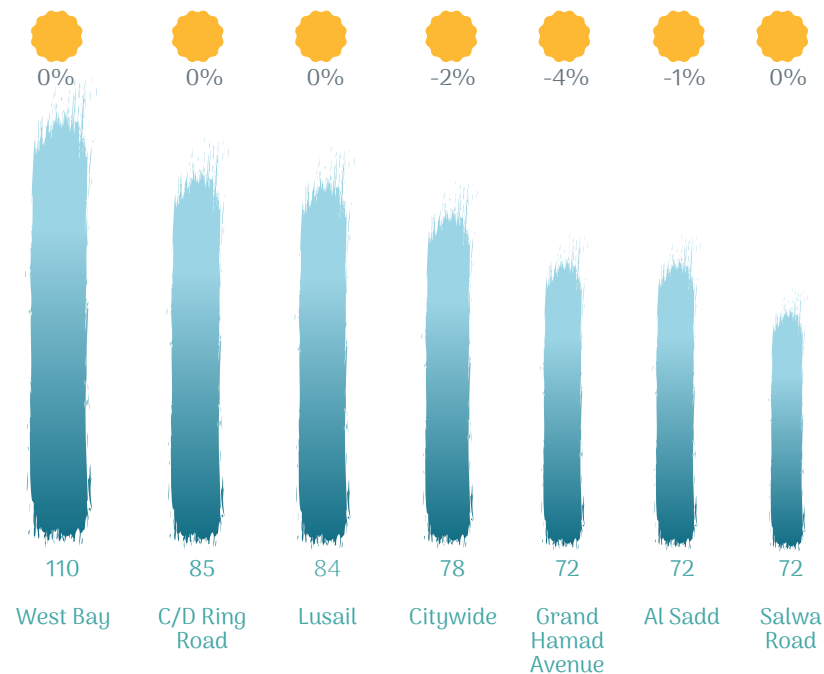


OFFICE PERFORMANCE

- Median office asking rents fell 6% YoY and 2% QoQ.
- The median monthly office asking rent in West Bay was QAR 110 per sq m, with quoted rents ranging from QAR 70 to 190 per sq m.
- Offices in Al Sadd experienced the highest quarterly fall in asking rents up to 4%, with rates varying from QAR 50 to QAR 110 per sq m.
- Secondary office locations saw larger declines this quarter in comparison to prime locations.
- Offices in Al Wakrah and Al Khor ranged from QAR 40 to QAR 60 per sq m
- The average asking price for offices in Lusail and West Bay was QAR 17,500 per sq m on sellable area.

OFFICE MEDIAN ASKING RENT

(QAR/sq m/Month) and Quarterly Change (%)



● Medium Asking Rate (QAR/sq m)

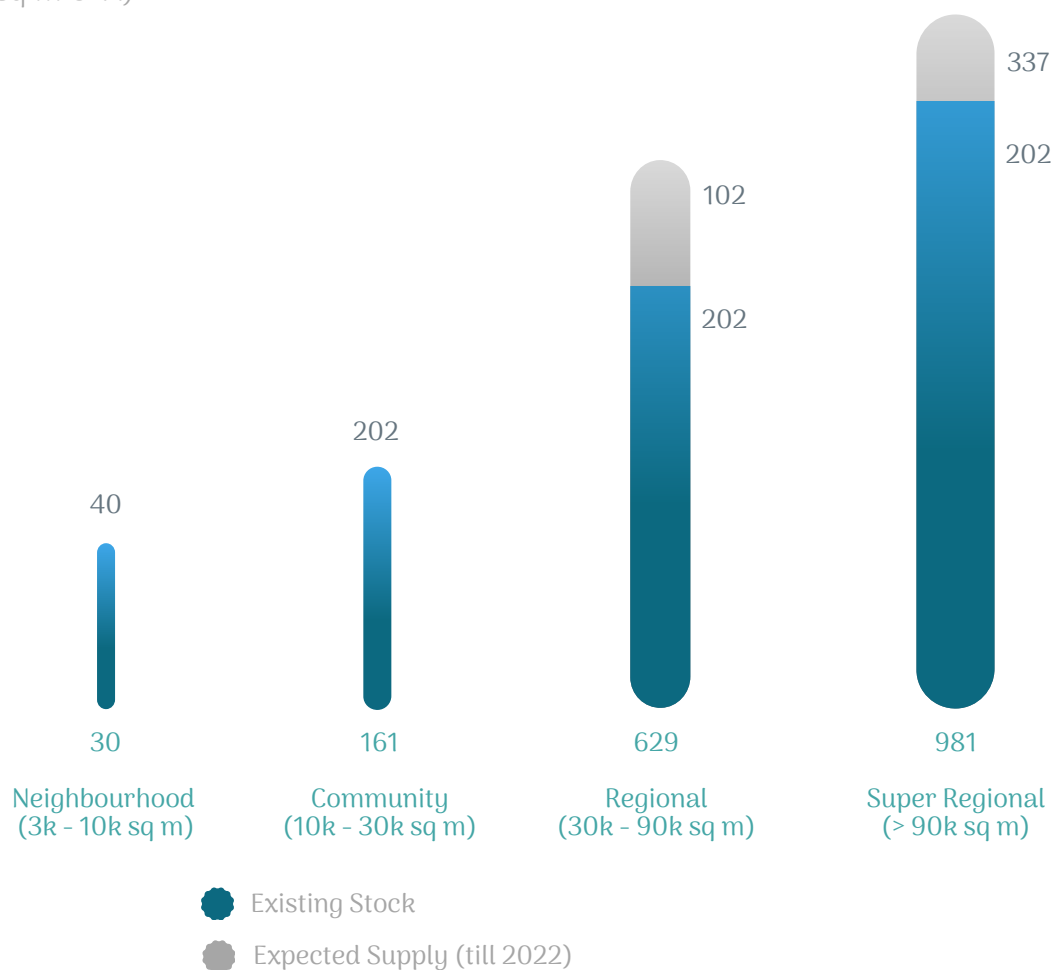
● Quarterly Change (%)

RETAIL SUPPLY

- As of Q1 2021, the supply of organised retail space totalled 1.93 million sq m GLA with completion of the re-development work at City Centre Doha.
- 202,000 sq m GLA of organised retail space is in the pipeline for 2021, including Boulevard Mall in Jeryan Jenaihat, 04 Mall in The Pearl and Doha Mall in Al Maamoura.
- New regional and international food & beverage and fashion brands opened stores in the Mall of Qatar including Maia lounge, Mestooran restaurant, Kaldi Café and Bianca Nera.
- Al Meera (58th branch) and Daiso Japan (7th branch) opened their stores in Al Asmakh Mall and Mirqab Mall respectively, both spread over an area of 1,000 sq m.

RETAIL MALLS & SHOPPING CENTRES

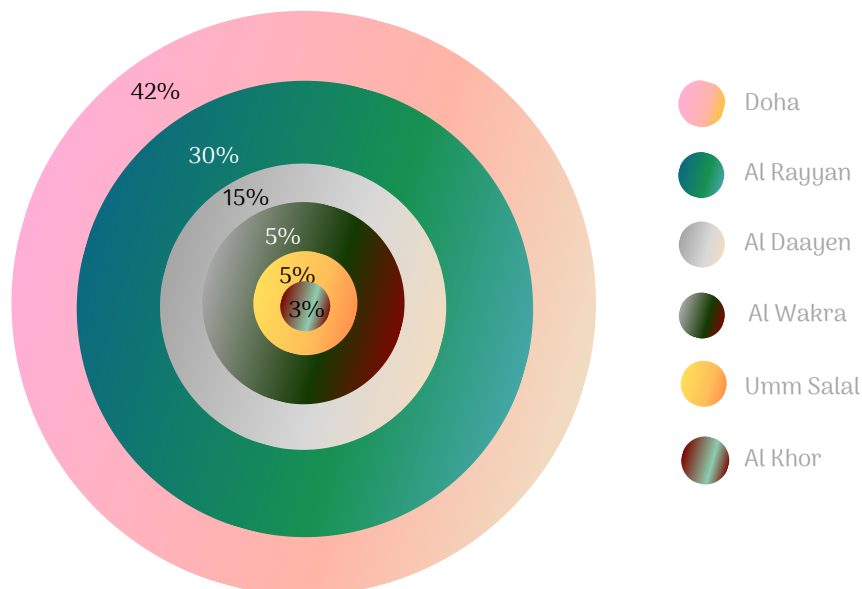
('000 sq m GLA)



RETAIL PERFORMANCE

- With the continuation of the pandemic and restrictions on social mobility, challenges associated with oversupply continue to exacerbate occupancy and rents in organised and unorganised retail outlets.
- The median monthly asking rent in shopping centres remain unchanged QoQ and fell by 4.3% YoY.
- The median monthly asking rent for the established retail developments in The Pearl region is in the range of QAR 240 to QAR 300 per sq m, declined by 3% QoQ and 8% YoY.
- The median asking rent among street retail units outside Doha was QAR 155 per sq m, falling by 6% QoQ and 9% YoY.
- Faster absorption of listings of street retail was seen in areas of Ain Khaled, Abu Hamour and Old Airport compared to Lusail, Fereej Bin Mahmoud and shops along Salwa Road which experienced an increase in vacant spaces available for rent.

DISTRIBUTION OF GLA OF SHOPPING CENTERS/MALLS ACROSS MUNICIPALITIES

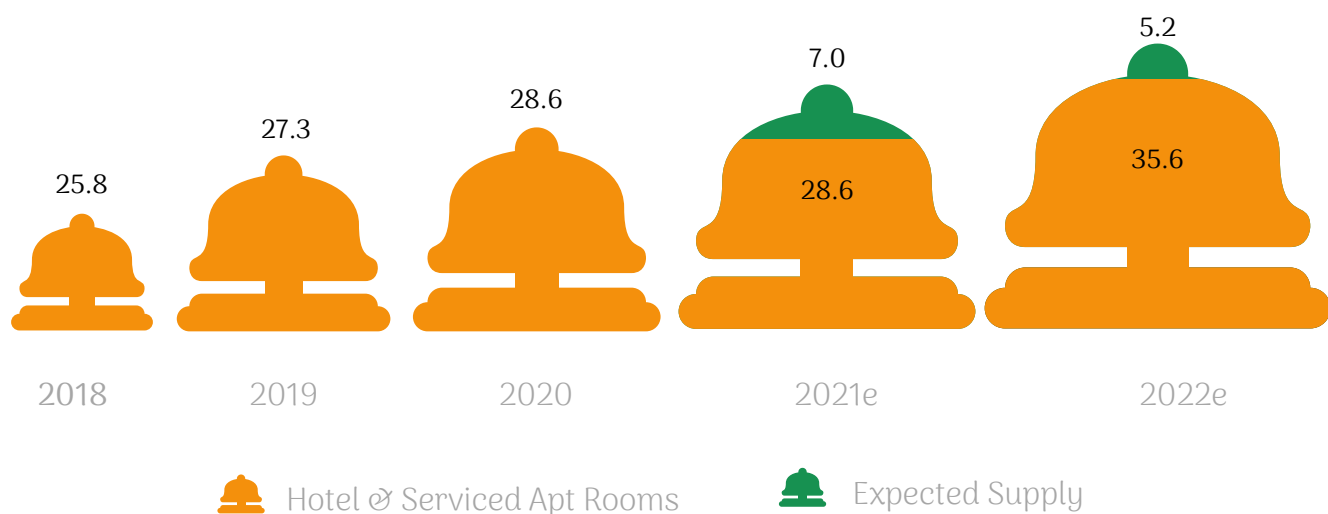


HOTEL SUPPLY

- As per ValuStrat research, the total supply of hotel rooms and apartments stood at an estimated 29,075 keys during Q1 2021.
- Hilton Salwa Beach Resort (361 rooms and villas) along Salwa Road and Jouri Murwab Hotel (134 rooms) were unveiled this quarter adding a total of 495 rooms.
- Chedi Katara Hotel & Resort in Katara Cultural Village and Four-Seasons Private Residence in The Pearl were launched, to add 91 and 416 units respectively once completed by 2022.
- Hayri Atak Architectural Design Studio announced an eco-friendly, rotating and floating 5-star hotel to open by 2025 adding 152 rooms upon completion.
- Katara Hospitality announced Fairmont and Raffles Hotel (Accor) to operate landmark towers in Lusail, expected to add 493 keys upon completion by 2022.
- Qatar is expected to receive 5,750 hotel keys and 750 hotel apartments during the remaining quarters of 2021.

HOTEL ROOM SUPPLY

2018 - 2022 ('000 KEYS)

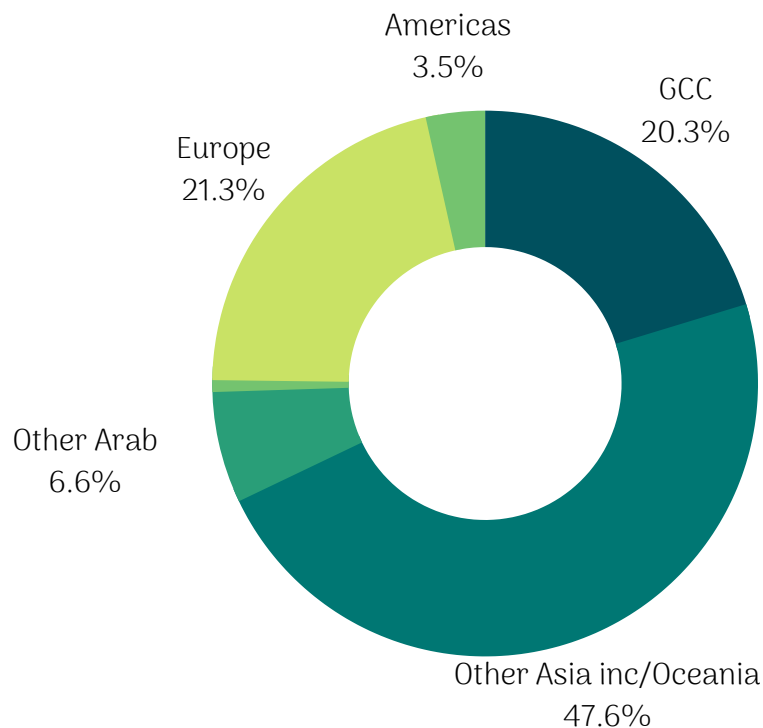


HOTEL PERFORMANCE

- Amidst the pandemic, the number of arrivals was limited due to restrictions on inbound tourism. During the first two months of 2021, the total number of visitor arrivals in Qatar was 27,759, down by 94% compared to February 2020.
- Boosts to tourism expected from re-opening of borders and travel with Saudi Arabia, the United Arab Emirates, Bahrain and Egypt
- 47.6% of tourist arrivals were from Asia followed by Europe and GCC.
- The average occupancy of hotels was 64% during February 2021, up by 2% compared to February 2020. Mandatory hotel quarantine and “Staycations” boosted occupancy.
- 60 hotels were designated for travellers for quarantine upon return to Qatar. 85,000 returning travellers booked during March 2021 as per Discover Qatar.
- The Average Daily Rate (ADR) for 5-hotels in The Pearl was QAR 750 (Superior), QAR 950(Deluxe), QAR 1,450(Suite).

SOURCE OF QATAR VISITORS BY REGION

February 2021 -YTD



INDUSTRIAL SUPPLY

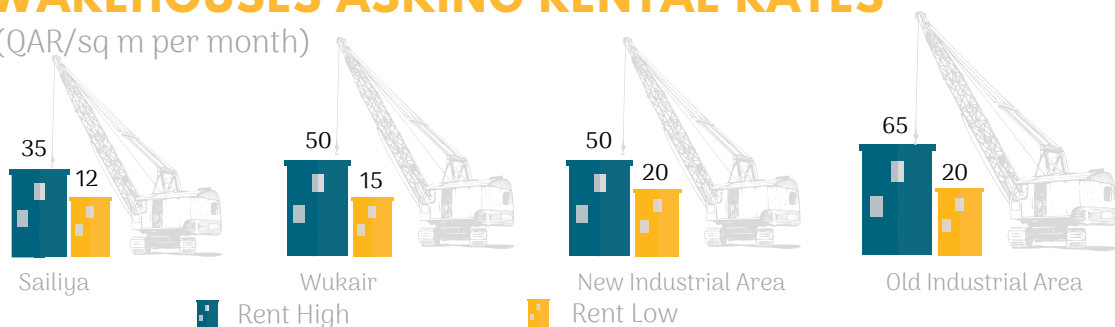
- During January 2021, manufacturing output declined 2.8% compared to December 2020 and 1.7% compared to January 2020, as per the latest Industrial Production Index published by MDPS.
- Qatar Free Zones have become attractive destinations for international and local investment. 1,500 electric buses will be manufactured in the Free Zones starting from Q4 2022.
- Gulf Warehousing Company (GWC) inaugurated logistics hub, the first company to start operations in Ras Bufontas Free Zone
- Ali Bin Ali Holding announced to set up a 3,000 sq m production facility for laptops in Umm Al Houl (Qatar Free Zone) projected to complete by August 2021. Gulf Agency Company (GAC) has signed a contract with Qatar Free Zone Authority to establish a 27,000 sq m logistics facility and office in the Ras Bufontas area by Q1 2022.

INDUSTRIAL PERFORMANCE

- The COVID-19 pandemic resulted in local and regional businesses diversifying sourcing that led to additional demand for industrial facilities, however, at the same time there was a temporary reduction in container flows at major gateway ports. As per PSA, during the first two months of 2021, the net tonnage of bulk cargo reduced by 20% YoY.
- The pandemic provided a boost to e-commerce, as per the Ministry of Transport and Communication there was an increase of 144 new websites (allowing companies to trade online) compared to last year, leading to a total of 494 websites.
- The average asking rent for cold storage being leased unit wise was QAR 12,000 per month with an average size of 60 sq m in the Doha Industrial Area. 30 sq m containers were offered on a monthly basis for QAR 3,500 per month in Umm Salal.

WAREHOUSES ASKING RENTAL RATES

(QAR/sq m per month)



SOURCE & REFERENCES

Major source Valustrat

WWW.FIRST-QATAR.COM

First Qatar Real Estate Development Company

