



QATAR
REVIEW 2018
OUTLOOK 2019

FULL MARKET REPORT

2018

REVIEW

2019

OUTLOOK

2018 Q1



ECONOMY

- Real GDP grew 1.4% YoY, as per Ministry of Development Planning and Statistics (MDPS).
- Second National Development Strategy (2017-2022) was launched, prioritising six sectors: manufacturing, tourism, logistics, financial services, information and communication and scientific research.



RESIDENTIAL

- 14,200 residential units projected to be completed in 2018, of which 1,200 were delivered.
- An emerging flight to quality was evident as quarterly falls in rental values appeared steeper in secondary locations compared to prime locations, as more tenants vacate and trade up.



TOURISM

- Total number of visitors declined 40% YoY to 535,000.



HOTEL

- Two hotels were re-branded: M Doha Hotel in West Bay as Crowne Plaza Doha West Bay (317 rooms) and Movenpick Al Aziziya as Al Aziziya Boutique Hotel (140 keys).



OFFICE

- Al Sadd witnessed a significant drop in QoQ median asking rents, resulting from below market listing prices on new space being used to help boost occupancy rates.
- Citywide increases in vacancies and new supply stock, applied downward pressure on office rents in secondary locations.



RETAIL

- Effective rents were negatively impacted by landlords offering more incentives to existing tenants, in an effort to maintain occupancy rates in the midst of increased competition from new supply.

2018 Q 2



ECONOMY

- Real GDP grew 2.0% YoY
- Construction and financial services sectors led non-hydrocarbon growth of 6.1%



RESIDENTIAL

- A mix of 775 residential units were delivered. Apartment rents reduced the most in central areas of Doha.
- Rentals for villas in areas outside Doha experienced highest quarterly falls.



INDUSTRIAL

- 3rd Phase of logistical warehousing by Qatar Industrial Manufacturing Company (QIMC) and cold storage facility by Zad Holding were completed, adding 44,800 sq m to warehousing space



HOTEL

- Hotel visitors totaled 944,000 during first six months of 2018.
- Ezdan Palace and Vichy Celestin spa Resort and Al Mansour residence were unveiled. 2nd Phase of Katara Twin Towers launched, to add 505 rooms by 2021.



OFFICE

- Offices in C-Ring Road and Salwa road experienced steep quarterly falls in rents by 9% due to impact of new supply.



RETAIL

- Katara Plaza (38,600 sq m) completed construction.
- 2nd Phase of Al Furjan Markets was launched featuring at least 300 shops distributed across Al Rayyan, Al Wakrah Al Khor and Umm Salal.



CITYSCAPE

- Notable residential projects launched included, Gewan Island in The Pearl, 2nd Phase of Giardina Village, Wadi One in Msheireb downtown, Al Kharaij Tower, Baywalk Towers in The Pearl and 2nd Phase of Place Vendome.

2018 Q3



ECONOMY

- Qatar ranked second-most competitive economy in the region, as per "The Global Competitiveness Report" launched by World Economic Forum.
- Due to forecasted real GDP growth of 2.7%, Moody's (Global Credit Agency) upgraded Qatar's Banking Outlook from 'Negative' to 'Stable'



RESIDENTIAL

- 635 apartments and villas were added to total stock.
- Sidra residential compound, comprising 1,615 units were leased to Qatar Foundation for Education, Science & Community Development.



TOURISM

- Tourist count totaled 1.3 million YTD, down 26% YoY.



POPULATION

- Population as of September 2018 reached 2.7 million.



HOTEL

- Total hotel room stock reached 26,170 keys (Required 60,000 keys by 2022 as per FIFA guideliness).
- Al Najada Doha Hotel Apartments and Souq Al Wakrah Hotel were added.



OFFICE

- Highest quarterly fall of 6% was experienced in Lusail. Moreover, landlords offered rent-free periods of up to 2 months or inclusion of utility expenses in base rent.



RETAIL

- Mall of Qatar and Dar Al Salam Mall announced expansion plans for existing outlets.
- Occupancy fell in street retail outside Doha (Al Rayyan, Al Wakrah & Al Khor) putting pressure on landlords to reduce rents by as much as 15%, in comparison to 2017.



SALE ACTIVITY

- In the first 9 months of 2018, there were 3,148 real estate transactions with a total value of QAR 17.98 billion, as per the Ministry of Justice.

2018 Q 4



ECONOMY

- International Monetary Fund (IMF) projected real GDP to grow by 2.4%, on the back of robust non-hydrocarbon growth and recovery in oil and gas production.
- US Federal Reserve raised interest rates by 25 basis points, Qatar Central Bank followed suit.



INFRASTRUCTURE

- QAR 600 million upgrade of AlWakrah main road has been launched, which will improve flow of traffic and travel time from Doha (G-Ring Road) to Al Wakrah & Messaied. This project is expected to be completed in two years.



TOURISM

- As of October 2018, tourist count totaled 1.476 million YTD, down 24% YoY.



HOTEL

- Staybridge Suites and Centara West Bay Residences & Suites opened, adding 385 keys to total stock.



OFFICE

- Oversupply of office space in market will continue to depress headline rents of lower grade offices in areas such as C/D Ring Road, Grand Hamad Avenue and Salwa Road.



INDUSTRIAL

- Manateq officially announced completion of four warehousing parks in Bu Sulba, Umm Shahraine & Bu Fasila comprising at least 1 million sq m GLA.



LEGAL

- Qatar Financial Centre (QFC) plans to allocate QAR 7.3 billion in a bid to provide incentives (seed capital, free offices and tax-free holidays) to attract multinational companies.

2019



ECONOMY

- IMF projected real GDP to grow by 3.1%. Inflation rate is estimated to remain modest and current account surplus is expected to reach QAR 4.3 billion.
- Further US Federal Reserve rate hikes are expected.



RESIDENTIAL

- Supply projections for 2019 have been adjusted upwards to 10,000 units due to delayed deliveries in 2018. 75% of the supply is projected to launch in Lusail and The Pearl which might negatively influence market rent in the area once projects are handed over. Rents in Central areas of Doha are expected to stabilise.
- Capital values of villas outside Doha may experience downward pressure as a result of increasing competitiveness of villas in prime locations



TOURISM

- National Museum of Qatar to open.



HOTEL

- Upcoming hotels: Al Messila Resort, Dusit Doha, Mandarin Hotel, Zuhair Wellness Resort, M Gallery Boutique Hotel, Panaroma residences and Suites and Plaza Rayhaan.
- Mid-market hotel segment might continue to show improvement in occupancy.



OFFICE

- Lusail is expected to receive 80% of the projected supply which could impose downward pressure on asking rental rates in order to maintain occupancy.



INDUSTRIAL

- Two free zones: Umm Al Houl (34sqkm) and Ras Bufantas (4.01sqkm) expected to start receiving foreign and local investors.



RETAIL

- Upcoming malls: Place Vendome, Boulevard Mall, Doha Mall, LA Plage Mall and Marina Mall.



POPULATION

- World Bank projected population will grow to 2.7 M in 2019.

SOURCE & REFERENCE

- Source of the data is from ValuStrat

First Qatar Real Estate Development Hilton - The Pearl

