



Real Estate Monthly Pulse

KPMG in Qatar

July 2020

Join our webinar on the 16th of July 2020 –
Real Estate in Qatar: Can PropTech be a game changer?
11 am – 12 pm
[Click here to register](#)



Welcome to the latest issue of KPMG in Qatar's Real Estate Monthly Pulse, which brings you the news highlights from the real estate and related sectors in Qatar. We hope you find this information valuable. If you have any queries or would like to discuss the newsletter, business or the market, kindly contact us.

Real estate

[Rising affordability, business-friendly government initiatives can help Qatar's real estate sector: KPMG](#)

Qatar needs to follow a prudent real estate credit policy by sticking to the fundamentals of credit allocation, especially in light of the "softening" in the real estate market, KPMG has said in a report. "Qatar's economy is unique and is not comparable to developed or diversified economies. However, compared to its regional counterparts, which possess similar characteristics, KPMG finds that the "proportion of real estate credit to total credit is lower. Qatar's real estate to total credit ratio was hovering around 16% on an average between 2015 and 2018 and reduced to 14.2% in 2019", KPMG said in the report prepared by Anurag Gupta, the firm's Real Estate and Valuations lead.

[Hefty deals drive real estate price index](#)

Qatar's real estate market activity has gathered momentum with a number of hefty property sale deals, notably in Doha and Al Rayan Municipalities. The deals in these two municipalities exceeded the threshold of QR100m during 14-18 June 2020, triggering a stability of realty price index at its record levels.

Doha Municipality ranked first in terms of highest deal value by selling a residential tower at The Pearl spanning over an area of 5,610 sqm, at a price per sqft that reached QR3,146, with a total value of QR190mn. While Al Rayyan Municipality has seen a sale deal of a multiuse land lot in Muaither spreading over an area of 7,857 sqm at QR1,286 per sqft, totaling QR108.7mn.

[UDC awards QR1.5bn contracts for Gewan Island development](#)

United Development Company (UDC) has awarded contracts for Gewan Island's building and landscape package to China Railway 18th Bureau, and has equally tasked Navayuga Engineering Company with infrastructure works on the island.

UDC's investment in these packages amounts to about QR1.5bn; development works are expected to be completed in 2022.

For any enquiries, please contact:



Venkat Krishnaswamy
Partner, Advisory
kvenkatesh@kpmg.com
Tel : +974 4457 6541
Mob: +974 5554 1024



Anurag Gupta
Director, Advisory
aagupta@kpmg.com
Tel : +974 4457 6438
Mob: +974 3354 4317

Speed up in development projects stimulates growth of real estate sector

The progress achieved in the construction of highway networks in the run-up to Qatar 2022 FIFA World Cup realised a significant progress that accounts for 95 percent of total delivery, where all roads leading to Al Rayyan Stadium and the roads surrounding Al-Bayt Stadium were opened.

QR4bn- ten new contracts for infrastructure projects, meant to serve more than 8,400 housing plots in ten regions across the country, were concluded. The covered regions shall include Southern Al-Duhail, Umm Lakhba, Jeryan Najima, South Al-Mashaf, Al-Ab and Labeeb, Al-Maarad, southwest of Muaither, AlKharaitiyat and Izghawa, west of Sumaysimah, Al-Uqdah, AlHadan and Al-Khor.

Tourism and Hospitality

Hospitality sector accommodation set to increase

Room supply from properties under development in the country is expected to further increase in the coming years. These will include 107 projects, comprising an estimated 21,500 rooms, under various stages of development, as well as other project proposals under consideration. The total number of rooms in Qatar currently stands at 27,261 across 130 properties.

The number of rooms sold (demand) in hotels and hotel apartments increased by 15% in 2019 compared to 2018. All hotel and hotel apartments witnessed increases in occupancy in 2019, except for deluxe apartments, according to Qatar National Tourism Council's (QNTC) Annual Tourism Performance Report.

Economy and regulations

Ministry of Justice sets up three administrative units

The Ministry has called on the real estate brokers and the offices of the real estate brokers involved in the real estate sector to accelerate the registration to complete the licensing and accreditation procedures for practicing the real estate brokerage profession under the Law No. (22) of 2017 regulating real estate brokerage works. The Ministry said that in order to facilitate the citizens who wish to practice the profession, brokers and offices currently operating, a registration page has been launched through the official website of the Ministry.

Fitch Affirms Qatar at 'AA-'

Qatar's 'AA-' ratings reflect a strong sovereign net foreign asset position, one of the world's highest ratios of GDP per capita and a flexible public finance structure allowing for favourable debt dynamics and a robust response to limit the fiscal impact of the coronavirus pandemic. These strengths are balanced against a high level of debt and exceptionally high contingent liabilities compared with rated peers, heavy hydrocarbon dependence and mediocre scores on measures of governance and doing business.

Sources: The Peninsula, Gulf Times, fitchratings.com

To unsubscribe regular updates from KPMG, kindly send a mail to svereneker@kpmg.com

[Privacy](#) | [Legal](#)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date, it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

©2020 KPMG LLC, a limited liability company registered with Qatar Financial Centre Authority (QFCA), State of Qatar and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

home.kpmg/qa

