Q1 2017
A quarterly update by KPMG on Qatar’s Real Estate sector

kpmg.com/qa/realestate
2016 ended on a mixed note for the real estate sector and many others in Qatar, largely due to the economic impacts of lower oil prices. However, the country’s economy is picking up, primarily driven by the non-hydrocarbon sector, as a result of increases in manufacturing, rising government investments and steady population growth. Economic improvement is good news for the real estate sector, driving occupier and investor demand across asset classes and securing solid optimism around Qatar’s long-term vision.

Real estate is deemed as one of Qatar’s most important economic barometers. 2016 was a challenging year for the sector but despite the market witnessing a significant slowdown in real estate transactions (compared to 2015), optimism remains. Overall, the total number of real estate transactions fell by approximately 44 percent over the 12 month period and the value of these transactions fell by 59 percent. However, FY2016 began on a positive note. During the first month of 2017, the estimated total value of real estate transactions was around QAR2.5 billion - approximately 25 percent more than the same period in 2016.

Qatar’s optimistic approach in actively investing in enhancing infrastructure, specifically transport links, will further support real estate growth, by opening new areas for development. The total budget committed for the development of infrastructure projects stands at QAR374 billion, with QAR46 billion committed to be invested during 2017.

Undoubtedly, the highest real estate performer of the first quarter FY17 was retail, with growth significantly stronger than all other asset classes, driven by positive consumer demand. In the past few months we have seen a paradigm shift towards customer focus in the retail space, with malls and shopping areas being designed for specific consumer groups. Examples of this are Mall of Qatar and Doha Festival City, which aim to provide an all-round shopping and entertainment experience, targeting a wide spectrum of resident groups and the upcoming mall Al-Hazm Mall which has positioned itself as a high-end luxury mall, targeting the local Qatari population and high-net worth individuals.

We have created Real Insights Qatar to share our observations on all aspects of the real estate market in Qatar. We have drawn on market performance over the first quarter of FY17 and our in-depth knowledge of the sector to compile what we hope will be a valuable and informative read. We welcome your feedback and the opportunity to discuss the contents of this edition and any other enquiries you may have about the industry, the market or our services.

Kind regards,

Venkatesh Krishnaswamy
Partner – Deal Advisory
KPMG in Qatar
KPMG viewpoint

- Resilient times ahead, despite uncertainty for the real estate market in Qatar
- Emerging importance of international standards in real estate valuations

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KPMG real estate advisory profile
Resilient times ahead, despite uncertainty for the real estate market in Qatar

Anurag Gupta
Head, Real Estate Advisory and Valuations
Resilient times ahead, despite uncertainty for the real estate market in Qatar

There is no doubt that regional economies have seen significant challenges in 2016 such as the reductions in public sector expenditure and the liquidity crunches. This has not only slowed down the pace of construction activity, but has also impacted the real estate projects as developers are more skeptical about launching new projects. However, with challenges there are many opportunities that has made way and Qatar is increasingly using this period to make positive and long-lasting changes to their respective economic systems. Qatar’s government has taken great strides over the past two years to secure sustainable growth, largely by placing increased emphasis on developing non-hydrocarbon sectors and by investing in infrastructure, using available funds to create assets that can be well utilized by the manufacturing, tourism and services sector in future.

The results of this shift in focus are now very visible. Taking MICE (Meetings, incentives, conferences and exhibitions) sector as an example, prior to 2011, Qatar rarely hosted large international conferences. However, thanks to investment in high-capacity conferencing facilities such as Qatar National Convention Center at Qatar Foundation and Doha Exhibition and Conference Center in West Bay, the country is now regularly holding large international events, that draw significant amount of people flocking to the country.

Shrinking deficits

The government budget released in December 2016 has made it very clear that even though last year was challenging, its focus on economic growth has not dampened. It is encouraging for investors that the total reduction in planned expenditure between 2016 and 2017 is just QAR4 billion. On the other hand, the government claims that the fiscal deficit will shrink from QAR46.5 billion in 2016 to QAR28.4 billion in 2017. However, as it is subject to volatility of global markets, inherent risks cannot be ignored.

2016 was considered as a lackluster year when compared to 2015 figures, with oil prices plunging from an average US$54 in 2015 to US$46 in 2016. However, for a country whose GDP is largely dependent on hydrocarbon activities, Qatar has still managed to grow by almost 2.6 percent in 2016 and expected to grow by 3.4 percent in 2017, positively impacting the GDP of the country.
Driving the future

Qatar is placing a strong impetus on economic diversification frameworks and policies, through its National Vision 2030, as well as the new National Development Strategy 2017-21, which is currently underway to identify target areas/sectors which require attention.

A key aim of the strategy is to devise plans to include quantitative objectives and operational programs designed to achieve tangible achievements in terms of economic diversification. Significant attention is also set to be placed on availing the necessary financial resources to implement the diversification plans, whether through withdrawal from reserves, privatization or encouraging private sector participation in the implementation of important investment projects.

Tightening of liquidity may impact the real estate sector

The liquidity crunch loomed large in 2016. However, the volume of loans from Qatar’s banks rose significantly in the same period and the real estate sector registered 7.65 percent growth. Banks have largely overcome liquidity crunching by reducing profitability – which seems to be a new normal in raising Tier 1 capital. Rising cost of funds are an outcome of this, and the level of project scrutiny has grown significantly, with several developers choosing to wait rather than initiate some of their projects.

Keeping Qatar’s real estate sector on a sustainable growth path

Whilst the impact of oil price drops has undoubtedly been felt, Qatar’s economy is based mainly on gas and not oil. Market fluctuations in gas prices are expected, but gas demand will sustain for a much longer period, providing some level of economic sustainability. However, for real estate investors to see Qatar as a “safe haven”, there are a number of areas which need ongoing attention.
Emerging importance of international standards in real estate valuations

Aditya Rastogi
Head of Real Estate Valuations
The impacts of the global economic slowdown and the subsequent reduced growth rates have been felt across many markets. Oil prices have declined markedly since September 2015, and we are unlikely to see a dramatic increase in the coming year or so.

Qatar has made significant investments in diversifying into the non-hydro-carbon sectors. Despite this Qatar’s economy (which is primarily supported by oil and gas) has been affected by the slowdown, albeit perhaps less so than other oil and gas producing countries. Signs of reduced economic activity can be seen across sectors including corporates, banking and financial institutions, investment funds etc. This has resulted in major businesses and organizations looking for ways to optimize operations and minimize cost, leading to restructuring and resizing of operations. Major cost optimization initiatives have led to reduced spending on investments and other related segments and as a result, major investments funds, real estate developers, banking and financial institutions have adopted a more conservative approach to the real estate market.

The reduction in fund availability has limited real estate transaction activity in Qatar and, as a result, the quantity and value of transactions have witnessed a declining trend for the last few quarters, although figures are still up when compared to FY17.

The trend line below shows the decline in the real estate transactions:

There has been a continuous decline in the number of transactions and the total value of these transactions, partly arising from the conservative approach taken by banks in financing real estate assets. The number of transactions has significantly fallen since 2014, from approximately 5,830 transactions to 925 in 2016. However in Q1 2017, we have seen some improvement, compared to the same period in 2016.

We have seen a number of prominent real estate developers delaying or stalling projects and/or looking for alternative sources of support to progress developments (including from the government). In response to the challenging market conditions, financial institutions have also become more stringent when considering applications for project funding. Project funding reports are now expected be more detailed than ever before, explaining the recent demand and supply situation of real estate components and a detailed view on the future outlook of the market. Approval processes for funding are becoming more complex and banks are being cautious, to ensure loans are granted at the ‘right’ market value.

Developers with investment properties are becoming more careful with market valuations when reporting these in financial statements. If investment properties are not valued professionally, it can lead to an unrealistic notional profit or loss which would not be healthy for the company in the long run.

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Developers with investment properties are becoming more careful with market valuations when reporting these in financial statements. If investment properties are not valued professionally, it can lead to an unrealistic notional profit or loss which would not be healthy for the company in the long run.
If development properties have an aggressive market value, chances of securing project funding could be reduced as the projects may not be able to provide returns as expected in the valuation. As a result, many corporates and banks are moving towards international real estate valuation practices, leading to the emergence of a new, professional and internationally recognized real estate valuation sector in Qatar. The most common practice adopt by developers in the past, has been to use locally based real estate valuers, registered with Ministry of Justice. Whilst sufficient for earlier times when there was less pressure on financing, valuations that are not undertaken in accordance with international standards are often not as comprehensive as those which to adhere to those guidelines as set out in the International Financial Reporting Standards, which a majority of banks in Qatar have now adopted. These standards require developers to have at least two opinions on the valuation, of which at least one must adhere to international valuation practices.

Using an international valuer also means that local projects are more marketable and in a better position to raise debt from international debt funding agencies, as well as being more attractive to other international investors.

The globally recognized valuation guidelines International Valuation Standards (IVS) and the Red Book issued by Royal Institute of Chartered Surveyors (RICS), are those most commonly used by developers in Qatar and provide some of the key parameters to be considered while undertaking a valuation. However, these are guidelines not rules, so there is still room for interpretation further emphasizing the importance for developers to engage internationally trained, experienced and recognized valuers.

It has been widely said by many valuation experts that “valuation is an art not a science” which essentially means that two individual valuers may value the same property with two different approaches. This means that the valuers may come to different conclusions about a property’s worth. Differing values are generally accepted provided they are within a small range, which if it is carried out according to international guidelines/practices, they generally should be. The methodology and approach adopted for valuation used is critical, because an inappropriate approach could lead to risk of selling or buying the asset at under or over the market value respectively and in case of the debt being raised based on such aggressive valuation, it may risk the repayment of the loan.

The three valuation approaches are:

1. **Income approach** – typically used in case of income generating properties or where the properties under development have income generating potential. There are multiple methodologies under the income approaches for valuation, which are adopted based on the type of the property being valued.

2. **Market approach** – primarily the comparison of the subject property to similar properties being transacted or quoted for transaction in the market. The approach involves assessment of the subject property vi-a-vis the comparable being used to arrive at the market value of the property.

3. **Cost approach** – typically used where there are limited comparable for the subject development and there is no revenue potential from the property. This approach would take market value for land and cost of construction for the building.

The valuation from all the approaches should reflect the value for the purpose. The purpose for the valuation could be to assess the market value for financing or reporting purpose, liquidation/distress sale value, etc. The valuation provided by two different valuers for a specific purpose should be within an acceptable range, even though valuation has been undertaken by different approach or methodology.

In Qatar, the real estate valuation market is evolving quickly and we are seeing more and more international real estate valuation and advisory companies establishing operations in the country. Qatari real estate developers and investment funds have started acknowledging the benefits of adhering to international practices and are increasingly adopting these to value property portfolios. Banks are following suit and considering this closely when granting funding and loans for development or against properties.

By considering the benefits of firmer and internationally recognized valuation methods – and adopting these practices, developers and investors in Qatar can have a significant positive impact on the local real estate market. This in turn will help bolster resilience against a significant price correction as seen elsewhere in the region in previous years. A knock on effect of greater security in the real estate sector is a greater protection for banks, in relation to loans and investments ultimately boosting the stability of the country.

**Article originally published in Qatar Today**
Real Estate highlights
Commercial office

- Prime commercial office spaces witnessed a dip in year-on-year rentals by an average of 10-15 percent in Q1 2017 due to lower demand and an increase in new supply.
- Q1 2017 didn’t witness any significant new demand for office accommodation, except for some enquiries from the private sector, often with requirements for smaller units ranging between 200-500 sqm.

Residential

- There has been an increase in supply of good quality ‘affordable’ accommodation in the peripheral suburbs.
- Residential rents witnessed a downfall for the major part of 2016, however, rents stabilized to some degree towards the end of Q4 2016 and Q1 2017.
- Overall residential rents fell by an average of 10-15 percent during the last two quarters.

Retail

- As per the report published in Gulf Times*, Qatar’s retail sector has the brightest growth prospects in the region, with sales growth expected to exceed the GCC average of 7.3 percent to post a 9.8 percent per annum increase from 2013 to 2018.
- The advent of new-age concept malls in Qatar is changing the way retail functions and is set to grow, with a robust supply of organized retail space planned to hit the market over the next few years.

Hospitality

- The hospitality sector remained under pressure in Q1 2017, continuing the trend witnessed over the past few quarters.
- Average Room Rates (ARR) fell by 7.44 percent to QAR460 in the first quarter of 2017** compared to same period last year. Corporate demand remained the constant driver however given the increase in the room supply, hotels price competition has intensified.

Land

- Land transaction activity is picking up in Qatar. According to Ministry of Justice, Qatar witnessed registered real estate transactions worth QAR464.3 million between 26th-30th March 2017.
- In Q1 2017, it was Al-Rayyan, that witnessed 42 percent of the total land transaction activity, subsequently followed by Al-Daayen (28 percent) and Doha (12 percent).


** According to Qatar Tourism Authority statistics published in Q1 2017
Office Sector Overview
Qatar’s office market is witnessing a significant expansion of Grade A commercial office space. According to KPMG market research, currently, the total leasable office supply in Doha is estimated to be approximately 4 million sqm, out of which around 49 percent of the total cumulative office stock falls under the Grade A category, whilst the remainder comprises of Grade B/C units.

Broadly, Qatar’s office market can be segmented into Grade A and B office districts with few exceptions in the Grade B locations that are actually offering Grade A specifications. Grade A locations primarily include prime office in West Bay and emerging locations such as Lusail City, as well as some options at The Pearl and the upcoming Msheireb redevelopment district. Grade B, or the secondary business districts, include Old Salata, Al Sadd, C and D Ring Roads and Salwa Road.

In total, up to 2 million sqm of additional new office space is planned for Qatar within the next decade, most notably in Lusail’s Marina District, Energy City, West Bay and Msheireb. When considering current market dynamics, supply is significantly outpacing demand, a trend which is likely to continue.

Currently, approximately 1.63 million sqm of Grade A office space is situated in the West Bay area, of which approximately 300,000 sqm of available office stock is vacant. This reflects an availability rate of around 15 to 17 percent of the total prime stock in the area.

During the first quarter of 2017, office rentals continued to remain under pressure due to oversupply and slow economic activity. Q1 2017 didn’t witness any significant new demand for office accommodation, except for some enquiries from the private sector, often with requirements for smaller units ranging between 200-500 sqm.

Despite the recovery in oil prices, which is estimated to average at US$55 per barrel for the current year, there has not been any significant uptake in Real Estate demand from the public sector. Though Q4 2016 saw QP and a French oil company sign a total of 15,000 sqm of prime office space in West Bay, KPMG believes that the public sector office demand will not return to pre-2014 levels in the short-term, and there will be an increasing reliance on private sector demand to occupy the new office supply.
Another important trend the market is witnessing is the planned or actual movement of various government offices from West Bay to the upcoming business districts at Lusail. This is expected to significantly increase occupancy pressure on West Bay. We estimate the gap between the increasing supply and sluggish demand for office spaces in West Bay has resulted in an overall decline in office rentals by about 10-20 percent in the area over the past 12 months.

Having said that, KPMG believes that the properties which are priced well, and offer better facilities such as sufficient parking, retail areas and premium internal furnishing are still in demand. As there are more than sufficient stock in West Bay, the overall value proposition is a significant factor in potential occupants decision making. Buildings that satisfy Grade-A specifications and are professionally managed, are considered to be more resilient to the adverse impacts of the market downturn, compared to buildings of lesser quality.

Rental prices in West bay remain stable for the time being, however with addition of approx. 500,000 sqm of prime stock being introduced by the end of 2017 in Lusail’s Marina District alone, rentals in West Bay will begin to face the heat.

Currently, Grade-A office stock in prime locations such as West Bay command QAR170-210 per sqm per month depending on the size and type of building. Interestingly, occupancy levels in secondary business districts such as Old Salata, Al Sadd, C and D Ring Roads and Salwa Road are higher as these locations offer quality offices at relatively lower rentals than the prime locations. Rental prices for well-furnished Grade A/B office accommodations are around QAR 140-190 per sqm per month, however, Grade-B office stock ranges anywhere between QAR 90-130 per sqm per month, depending on the age, type and the standard of internal furnishing of the buildings.
Residential sector overview
The major growth driver for the residential market in Qatar is the steadily increasing population. According to Ministry of Development Planning and Statistics, 2016 witnessed an increase of 7.6 percent in the number of people moving to Qatar.* However, a significant portion of new residents were blue collared workforce leading to an increase in the demand for low-cost accommodation as opposed to high-end housing. The demand for quality mid-level housing remains strong, however recent staff reductions announced by the government, semi-government and private companies has created pockets of vacancies in some compounds and residential locations and some reductions in rents.

The premium housing market in Qatar, including The Pearl and West Bay, has been particularly affected by staff reductions and has witnessed a stress in rentals amounting to contraction by almost 10 to 15 percent across various locations. Currently, rentals for apartments at The Pearl are averaging between QAR10,500 – QAR11,500 for 1 Bedroom; QAR13,500 – QAR15,500 for 2 Bedroom and QAR17,500 – QAR19,500 for 3 Bedroom apartments. The rates may vary depending on the type of project and amenities offered.

Most investors and developers feel that these trends are temporary and demand, as well as prices, will revert to previous levels by the end of 2017. Nevertheless, the overall market is slowly maturing and, to be successful, residential developments must provide its occupants a higher quality lifestyle.

**Premium housing supply**

Considering the existing premium residential supply at West Bay (approximately 9,100 units) and The Pearl (approximately 9,500 units), the estimated present supply of premium residential apartments is around 18,600 units. Going forward, with the completion of Lusail (approximately 25,600 units) and Msheireb (approximately 900 units), the total supply of premium residential apartments is expected to rise to around 45,200 units by 2022 and around 52,700 units by 2033.

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*Source: KPMG Market Research and Assessment*
Q1 2017 witnessed an uptake in demand for compound villa developments that are situated towards the peripheral suburbs. Areas including Abu Hamour, Al Waab and Al Hilal offer high-end compound villa accommodation at relatively lower prices, when compared to premium locations such as The Pearl and West Bay Lagoon.

Emerging residential areas such as Um Salal, Ain Khalid, Al Wakrah and Muaither are also witnessing an increase in the demand for residential accommodation, especially by families, given that connectivity to Doha and the availability of schools and hospitals are improving.

Premium locations offer villa developments at relatively high prices, given the quality of lifestyle they provide. These are largely water-front properties and offer wide spectrum of amenities that cater mostly to the HNWIs and diplomats.

Interestingly, corporate leasing is witnessing an uptake in Doha’s premium housing markets. As per our assessment, there has been an approx. 15-20 percent increase in corporate leasing activity in premium locations. As rentals are falling, developers and property owners are preferring corporate tenants to secure long-term contracts.

Source: KPMG Market Research and Assessment
Retail sector overview
Supply scenario

The current cumulative organized retail space (malls and showrooms) by gross leasable area (GLA) in Qatar is estimated at approx. 1.2 million sqm. This supply represents an average retail area per capita of 0.47 sqm. However, if also including other retail segments, such as hypermarkets and shopping complexes, we estimate the supply to be approx. 1.8 million sqm, resulting in the retail area per capita of 0.69 sqm.

Future supply impact

There is a strong pipeline of both small and large organized retail projects in Qatar and this is expected to remain consistent over the next 5 to 10 years. This brings with it strong growth in the availability of retail space in the coming years.

Currently, based on projects which are under construction or which have been announced, the cumulative organized retail space is expected to reach 2.75 million sqm by 2021, with approximately 0.5 million sqm coming on line in 2017.

The estimated total retail space per capita is projected to be at 0.99 sqm for the year 2017 and is expected to rise to 1.17 sqm by the end of 2018.

KPMG believes if all the currently declared projects are delivered on schedule, Qatar is poised for significant growth, but potential oversupply in the Grade A retail space.
Rental trends
To understand retail rental trends, it is important to identify which category of store is being discussed. Retail rentals in malls derived by analysing attributes including store location and position, store size (vanilla store, flagship stores, hypermarkets etc.), quality of store fit-out. In Doha, retail rental varies from QAR65 to QAR550 per sqm, depending on the format.

The average rental range for vanilla stores is QAR250-300 per sqm per month and, for larger stores in premium areas, organized retail formats can charge between QAR170-250 per sqm per month.

Interestingly, in Doha organized retail formats still maintain good occupancy rates and stable monthly rentals particularly ranging between QAR270 to QAR310 per sqm as of Q1 2017.

Occupancy trends
Most of the recently opened malls, for instance Mall of Qatar and Doha Festival City are doing fairly well from an occupancy standpoint. Based on our research, most retail spaces are already rented or pre-leased. Many large malls under development are witnessing increased pre-leasing activity with subsequent fit out process, including large-scale malls in Lusail. The retail market in Qatar is dominated by a few large retailers, with many prominent brands under their portfolio. By targeting these retailers and tailoring offerings to meet their requirements (discounted rents, premium locations in the mall), developers can ensure good occupancy levels.

Retail market – sales trends
All statistics that measure the health of the retail industry, such as consumer spending, household disposable incomes etc, are in sync with the rapidly growing retail industry. A recent report by Alpen Capital also pointed out that Qatar’s retail sector has the brightest growth prospects in the region, with sales growth expected to exceed the GCC average of 7.3 percent to post a 9.8 percent per annum increase from 2013 to 2018.
Hospitality sector overview
Supply trends

In 2016, an estimated 1,800 additional rooms were added to the hotel sector in Qatar (according to QTA and KPMG market research), taking the total room inventory to 20,908 rooms exhibiting a 9 percent increase from 2015. These are largely found in new hotels including the Al Rayyan Hotel at Mall of Qatar, The Curve in West Bay; most of which opened in the last 6 months.

Today, Qatar has more than 120 hotels and hotel apartment establishments. Around 85 percent of hotel rooms and more than 70 percent of hotel establishments come under the 4 and 5 star category. According to QTA estimates, around 43 percent of the upcoming hospitality projects fall under the high-end category (i.e. 4 and 5 star).

To meet the FIFA World Cup 2022 requirements for the hotel rooms, Qatar needs to provide more than 60,000 hotel rooms. According to Qatar Tourism Authority, more than 26,000 hotel rooms and hotel apartments, in 69 buildings, are currently at various stages of construction in Qatar. On completion, this will increase overall to more than 47,000 rooms. To address the shortfall, the government is planning to use docked cruise liners to increase room capacity temporarily for the tournament.

Segment break-up of hotel rooms (Dec 2016) (Approx. percentages)

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<thead>
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<th>Category</th>
<th>No. of Room Keys</th>
<th>Approx. Percentage</th>
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<tr>
<td>5 Star</td>
<td>10,365</td>
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<tr>
<td>4 Star</td>
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<td>3 Star</td>
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<td>1 &amp; 2 Star</td>
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<tr>
<td>Total</td>
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Source: QTA, Business Monitor International Estimates, KPMG Market Research and Assessment

Projected supply of 5-star hotels in Doha

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<th>Year</th>
<th>No. of Room Keys</th>
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</tr>
<tr>
<td>2019(E)</td>
<td>18,534</td>
</tr>
<tr>
<td>2020(E)</td>
<td>21,417</td>
</tr>
</tbody>
</table>

Source: QTA, Business Monitor International Estimates, KPMG Market Research and Assessment
Supporting infrastructure

Infrastructure projects, created by the government, are providing much needed support to the hospitality industry. For instance, the new Hamad International Airport has reported that it managed 37.3 million passengers in 2016 and approx. 9.8 million in the first quarter of 2017. Such developments are transforming Qatar and creating a new gateway to the world.

Recently, the Qatar Tourism Authority announced that it would be releasing its new tourism strategy which will further provide an additional boost to the tourism sector, supporting the hospitality industry. It is expected to be published in the Q3 2017.

Occupancy trends

The rise in hotel stock creates concern regarding oversupply in the market, particularly in the high-end category. However, given the growth in passenger arrivals, tourism growth and FIFA related travel has kept the occupancy levels marginally better, when compared to the same period last year.

Average room rate (ARR) trends

At an overall level, the ARRs fell by 7.44 percent in the first quarter of 2017 compared to same period last year. Corporate demand remained the constant driver however given the increase in room supply, hotel price competition has intensified. If we compare the growth of international tourist arrivals, which currently stands at 6.78 percent, we believe the ARR will range between QAR450-460 over the course of 2017.
Land sector overview
After a period of uncertainty and hitting a record low in September 2016, real estate prices in Qatar have shown a marginal recovery during Q4 2016 and Q1 2017. However, there has been a considerable decrease in the overall number of real estate transactions. The combined value of real estate transactions in 2016 touched QAR21.6 billion, which is more than 50 percent lower compared to 2015 (QAR53.5 billion).

In 2016, the majority of land transaction activity took place in the single or mixed use buildings segments. The combined value of land transactions during 2016 stood at QAR5.1 billion, which accounted for only 23 percent of the total value of real estate transactions during the year. The sale and purchase of mixed used buildings, including villas and apartments was QAR16.5 billion, accounting for 77 percent of the total value in 2016.

KPMG's analysis suggests that the decline in the total value of transactions in 2016 was mainly due to the liquidity crunch in the market. This has led to weakness in the overall number of transactions, though land prices have still remained more or less inflated.
Qatar in figures
Q1 2017

GDP growth 2012-2018

GDP growth by sectors 2015-2019

Inflation over the years (2015-2018)

Expenditure – revenue – deficit 2016 vs 2017

Source: Ministry of Development Planning and Statistics (MDPS), IMF Forecast, QNB Monthly Monitor, KPMG Market Research & Assessment
Our strong local presence

In Qatar, KPMG has a dedicated and specialized real estate advisory and valuation team, consisting of qualified architects, master planners, urban designers and transaction advisors with over a decade of experience.

The team has undertaken several projects in Qatar covering a breadth of real estate asset classes. Our knowledgeable real estate professionals focus on providing informed perspectives and clear solutions, drawing experience from a variety of backgrounds including accounting, tax, advisory, banking, regulation and corporate finance and valuations.

Our team is involved in every stage of the asset and investment lifecycle, and offers experience in working with all levels of stakeholders throughout the real estate industry.

Our client focus, our commitment to excellence, our global mindset and consistent delivery build trusted relationships that are at the core of our business and reputation.

**Member of Global KPMG Building, Construction & Real Estate (BC&RE) Network**

The global KPMG BC&RE network is made up of nearly 350 Partners and 5,000 Practitioners and provides a broad range of professional services. The Global BC&RE Network was set up within KPMG to assist the specific needs of clients active in the Real Estate business.

Whether your focus is local, national, regional or global, we can provide you with the right mix of experience to support and enhance your needs and ambitions.
Our real estate advisory services

Market research/opportunity analysis studies
Assisting clients in taking market knowledge based decision for infrastructure and real estate related projects

Detailed market & financial feasibility studies
Understand the viability of the proposed development / business from a financial and market perspective

Highest & best use option studies
Assisting clients in taking appropriate real estate product mix decision to attain best value

Corporate real estate strategy development and business plan
Defining vision, mission, and creating complete business plan and creating corporate strategy

Real Estate Advisory Services

Financial modeling development/financial model review
Creating / validating financial models and scenarios for possible business venture, funding etc.

Property valuation
Property valuation for various real estate enabling management to take informed decisions for both, transactions and IFRS purpose

Policies and procedure manuals
Development of operational policies, and procedures for real estate property and facilities management

Business performance reviews & operation plan
Developing and reviewing business performance and recommending on changes required

Our diverse sector experience

Residential
Multistoried apartment developments
Integrated villa and compound developments
Integrated townships
Social Housing

Commercial office
Exclusive commercial offices
Integrated commercial developments (including retail and/or residential components)

Hospitality and entertainment
Resorts
Leisure and business hotels
Serviced apartments
Clubs and recreation centers
Spas and wellness centers
Exhibition and convention centers
Amusement and theme parks, including Indoor & Outdoor Family Entertainment Centers (FEC)

Retail
Organized retail malls
High street retail
Traditional retail and souqs

Industrial
Industrial developments (individual developments and industrial areas)
Logistics and warehousing
Economic zone developments

Social sectors: education & healthcare
Kindergartens
K+12 Schools
Higher education and universities
Hospitals, health centers and polyclinics
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