

Qatar Real Estate Market Review



Winter 2024/25

A biannual review of key trends and the performance of Qatar's real estate market

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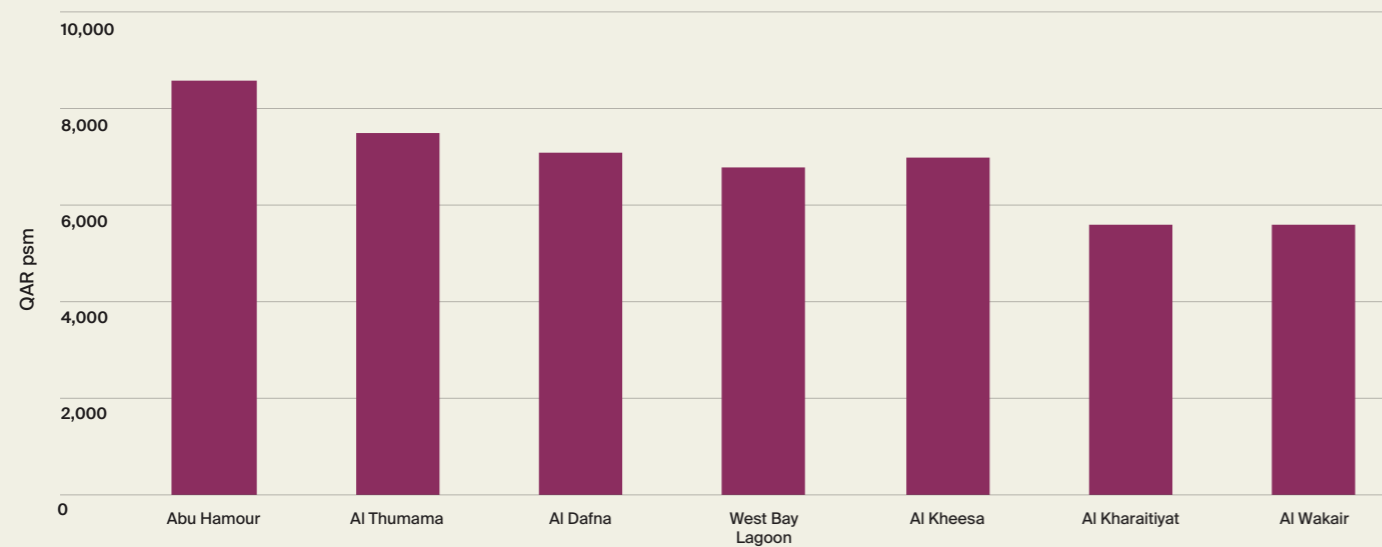


Residential Market

RESIDENTIAL SALES MARKET

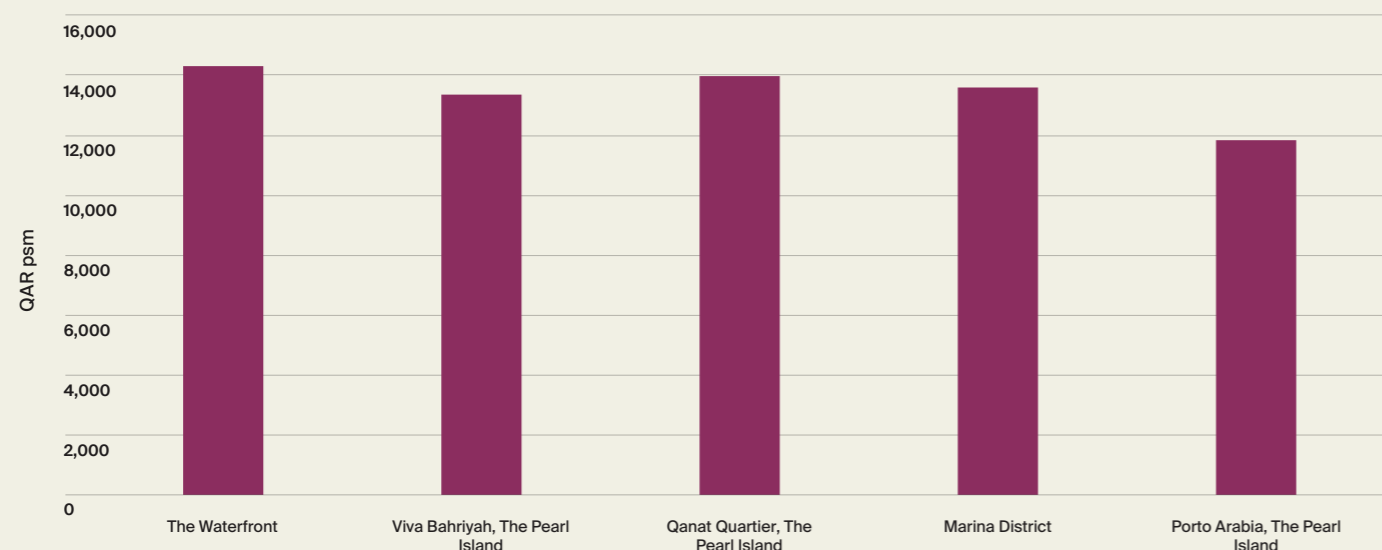
- The Qatar residential market experienced a 5% year-on-year decline in both villa and apartment prices, reflecting evolving market dynamics and a shift in buyer sentiment. Despite the decline, prime locations continue to command and hold high values, supported by steady demand for premium high-end homes.
- Abu Hamour recorded the highest villa prices at QAR 8,587 psm, driven by its smaller unit sizes and community appeal. Al Thumama (QAR 7,500 psm) and Al Kheesa (QAR 7,000 psm) remain key mid-tier villa locations, offering competitive pricing. Meanwhile, Al Wakair (QAR 5,600 psm) and Al Kharaitiyat (QAR 5,807 psm) present more affordable options.
- Apartment prices declined 5% year-on-year, averaging QAR 12,625 psm at the end of 2024. Qanat Quartier (QAR 13,977 psm) and The Waterfront (QAR 14,300 psm) recorded the highest prices, driven by strong demand for luxury waterfront living. The Marina District (QAR 13,600 psm) remains a prime location, attracting both investors and end-users, while Porto Arabia and The Pearl Island (QAR 11,834 psm) offer more affordable options within The Pearl.
- Mortgage activity has increased, with Q4 2024 recording 294 transactions valued at QAR 24.8bn, a 168% jump year-on-year, signaling perhaps opportunistic refinancing activity as interest rates declined from 6.25% in January to 5.1% in December last year.

Average villa sale prices



Source: Knight Frank

Average apartment sale prices

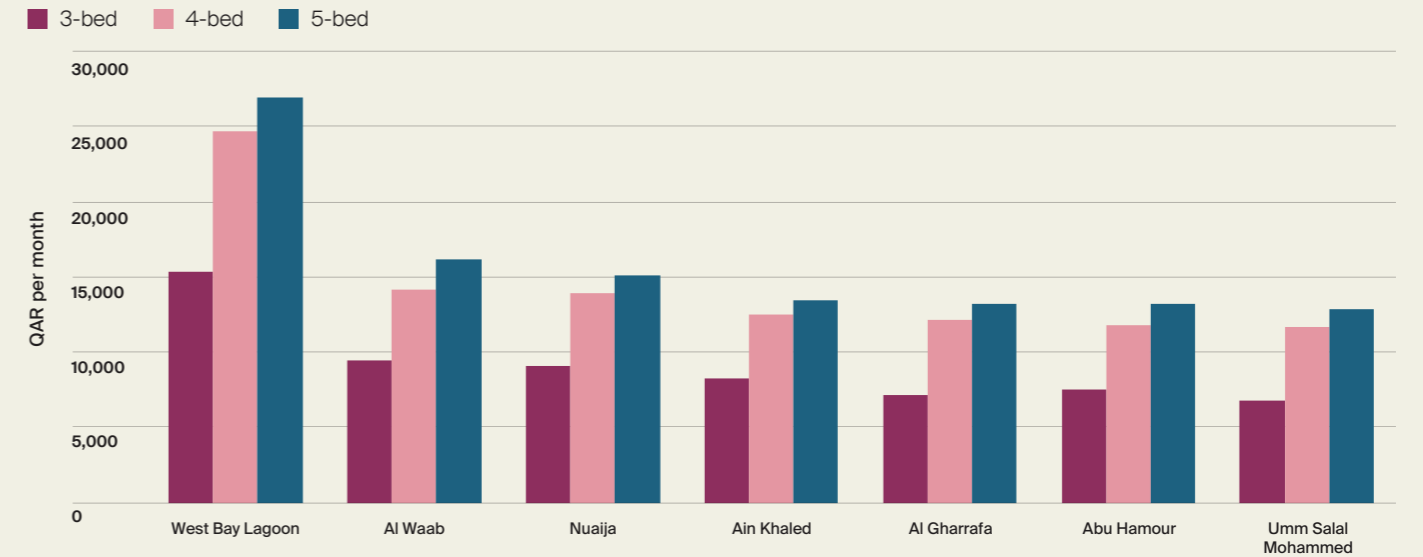


Source: Knight Frank

RESIDENTIAL LEASING MARKET

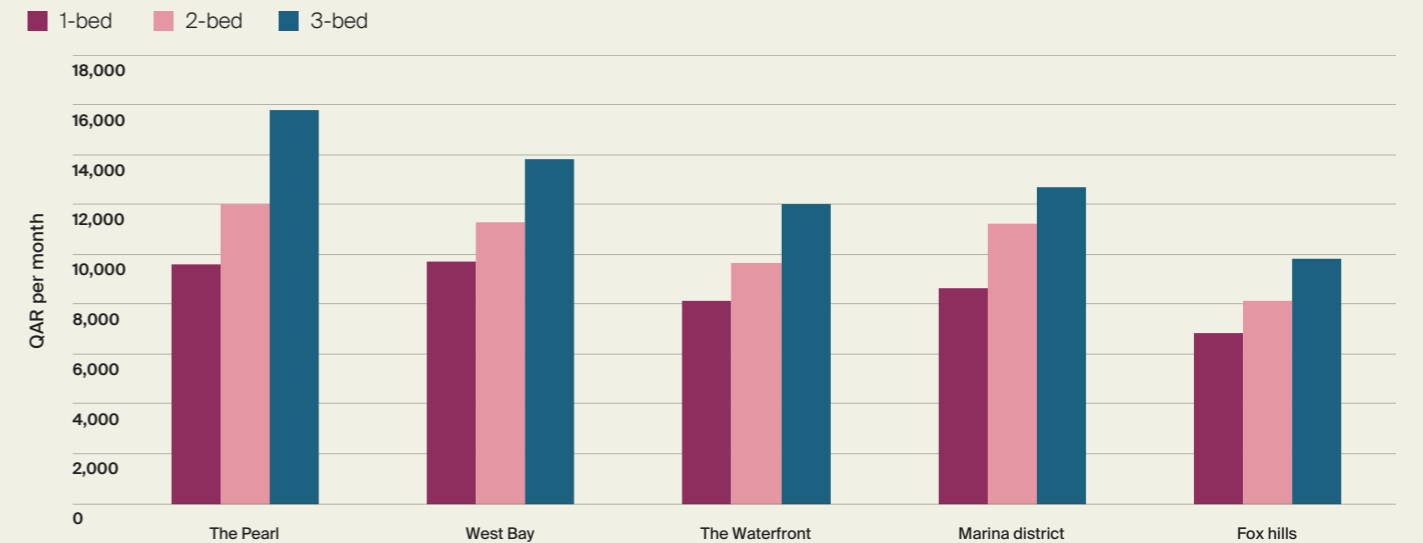
- The Qatar residential rental market remains resilient, with premium locations maintaining strong lease values. However, there have been some declines in villa rental rates.
- Average villa rental rates declined by 2.6% during 2024, averaging QAR 15,875 per month. Despite the overall decrease, premium locations continue to command strong rents.
- West Bay Lagoon maintains the highest villa rents, with 5-bedroom homes averaging QAR 28,850 per month.
- The apartment rental market remained stable last year, with an average rent of QAR 7,990 per month. Premium locations continue to attract high rental demand.
- The Pearl leads the market, with 3-bed apartments averaging QAR 15,721 per month, driven by its luxury appeal and waterfront location. More affordable options are available in Fox Hills, where 1-bed apartments rent for QAR 5,113 per month, making it a budget-friendly alternative to prime locations.
- Villa rents are expected to stabilise in prime areas, while secondary locations may see further price adjustments due to softer demand. Apartment rentals remain strong in luxury developments like The Pearl and West Bay, with steady demand and occupancy.

Average villa lease rates



Source: Knight Frank

Average apartment lease rates



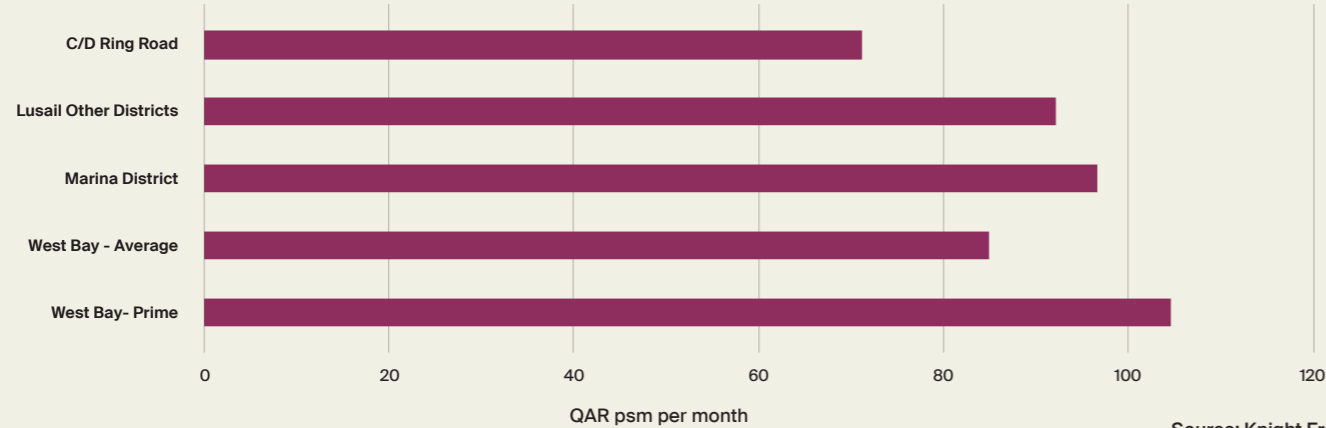
Source: Knight Frank

Commercial Market

OFFICE MARKET

- The Qatar office market experienced a 2.3% decline in Grade A office rents over the past 12 months, bringing the average monthly rental rate to QAR 90 psm. This decline reflects a shift in demand dynamics, influenced by factors such as new supply, corporate consolidations, and evolving corporate occupational strategies.
- Demand remains strong in prime districts such as Msheireb Downtown and West Bay, where government leases and corporate expansions are tightening available office supply.
- West Bay-Prime continues to command the highest rental rates at QAR 105 psm per month, maintaining its position as Qatar's premier office destination. Marina District follows closely with rents averaging QAR 97 psm per month, supported by its appeal to multinational firms and its integration within Lusail's commercial hub.
- Vacancy rates in secondary locations remain elevated, standing at around 15%, contributing to the downward pressure on rents.

Office rental rates

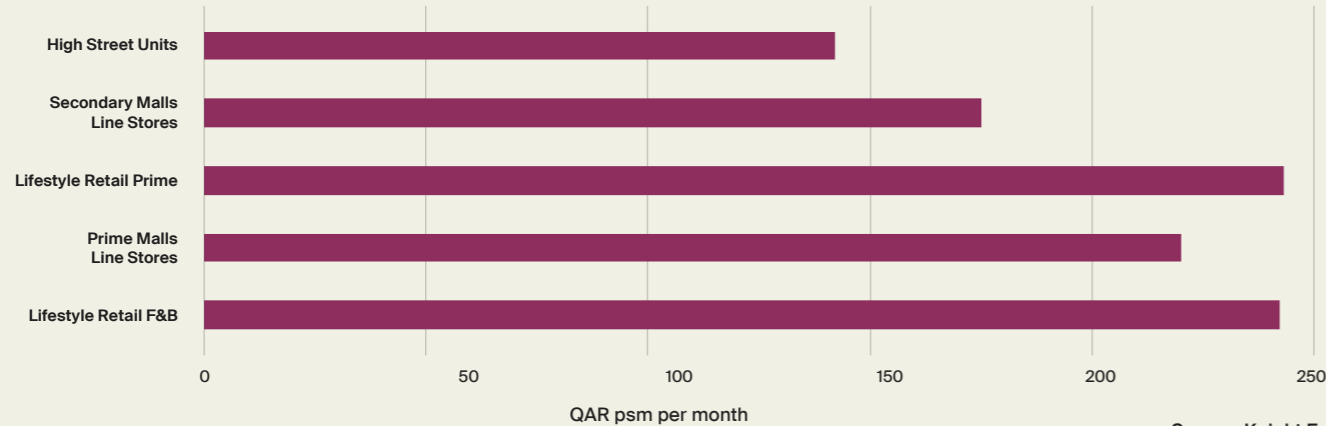


Source: Knight Frank

RETAIL MARKET

- Qatar's retail market experienced a 1.5% decline in average annual lease rates, bringing the average rate to QAR 204 psm per month. This reflects ongoing adjustments in rental pricing mainly due to increased supply.
- Lifestyle Retail developments in prime locations command the highest rents at QAR 243 psm per month, driven by strong demand for premium brands and high consumer footfall. While, lifestyle retail F&B follows closely at QAR 242 psm per month, highlighting the steady demand for experiential dining and entertainment-driven retail.
- Luxury and experience-driven retail continue to dominate, with high-end malls maintaining high occupancy levels despite some downward rent adjustments. Secondary malls are facing challenges, as newer lifestyle destinations like Lusail Boulevard and The Pearl attract more tenants.
- E-commerce growth is also reshaping retail strategies, with Qatar's online sales surpassing QAR 4.1bn in December 2024, marking a 32.2% year-on-year increase, highlighting the emerging challenge for bricks and mortar stores.

Retail rental rates

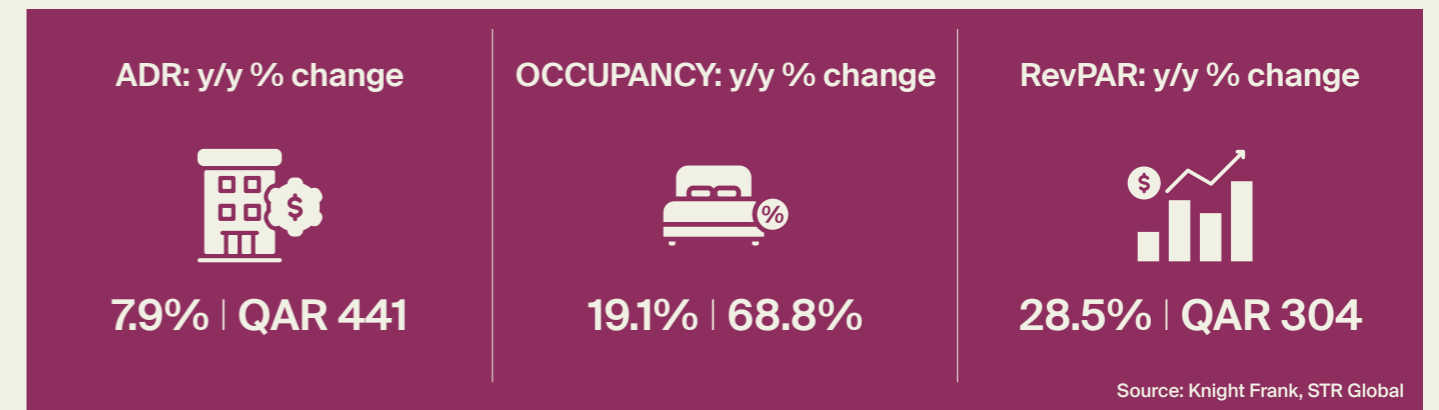


Source: Knight Frank

Hospitality Market

- As of the end of 2024, Qatar's total supply of quality hotel rooms stood at approximately 40,755 keys, with internationally branded properties accounting for 60% of this inventory.
- The total number of visitors to Qatar reached 5.08 million in 2024, reflecting a 25% increase compared to the 4.05 million visitors recorded in 2023. December alone saw 594,079 visitors, marking a 14.6% year-on-year rise. This surge underscores Qatar's growing appeal as a tourism destination, driven by enhanced infrastructure, global events, and continued investments in hospitality and leisure sectors.
- As a result of the increased influx of tourists, the hotel performance indicators in Qatar improved steadily in 2024. Average Daily Rates (ADR), for instance, increased by 7.9% to QAR 441, while average occupancy levels increased by 19.1% to 68.8%. As a result, the Revenue Per Available Room (RevPAR) grew by 28.5% to QAR 304.

Hospitality Market Performance



Source: Knight Frank, STR Global



Lusail Boulevard

We like questions. If you've got one about our research, or would like some property advice, we would love to hear from you.

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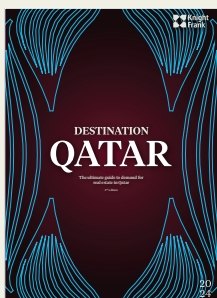
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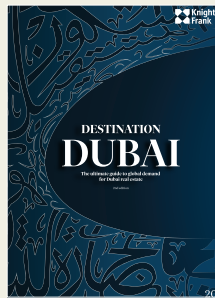
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