

DESTINATION
QATAR

The ultimate guide to demand for
real estate in Qatar

2nd edition

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THE DESIGN INSPIRATION: DESTINATION QATAR 2024

This year, our cover page takes its inspiration from the stunning design of Qatar's Al Janoub Stadium. The 40,000-seat arena, located in Al Wakrah, is a remarkable blend of traditional Qatari culture and futuristic architecture. Designed by the renowned Zaha Hadid Architects, the stadium's flowing curves evoke the sails of traditional dhow boats, symbolising Qatar's seafaring history and connection to the Arabian Gulf.

Al Janoub Stadium is a testament to Qatar's ability to harmonise heritage with innovation, reflecting both its cultural legacy and progressive aspirations. Its sweeping design and modern engineering are a symbol of the nation's dynamic growth and vision for the future.

In the same way, this report mirrors Qatar's approach—balancing tradition with cutting-edge strategies in urban and cultural development. Inspired by Al Janoub Stadium, our design reflects a commitment to honouring the past while building a future shaped by innovation and progress.

FOREWORD

Following Qatar's successful staging of the 2022 FIFA World Cup, the country has come into its own, emerging as a global hub for events, including the 2023 World Expo, the World Aquatics Championship, and the Geneva International Motor Show. It also rejoined the F1 Grand Prix global schedule last year in a new 10-year deal.

The government's efforts to capitalize on the US\$330 billion infrastructure investment made in the decade leading up to the 2022 FIFA World Cup are yielding results. Visitor numbers surged by 58% in 2023, reaching 4 million, with 1.6 million visitors arriving in the country in the first quarter of this year.

In-country entertainment attractions have been limited to date, but this is changing rapidly. For instance, the new US\$ 5.5bn Simaisma theme park, coupled with the recent opening of the Meryal Waterpark, boasting the highest waterslide in the world, will help Qatar compete more effectively for GCC and international tourists.

In parallel, Qatar's hospitality sector has experienced explosive growth over the last decade, with the number of hotel rooms doubling from around 20,000 in 2014 to just over 40,000 this year. Over the last four years alone, this figure has risen by 35%.

Sustaining demand post-World Cup was always going to be a challenge, given the high level of new inventory brought to market. However, the authorities' tourism campaigns have paid dividends, with hotel occupancy levels climbing to 70% between January and May 2024, compared to just 58% last year.

The infrastructure is already in place, and the attractions are world-class. It is against this backdrop that we set out to investigate the appeal of Qatar as a destination for travel and investment.

To answer this question, we have surveyed 502 GCC nationals and GCC-based expats from around the region to gauge their appetite, aspirations, and attitudes toward Qatar.

I invite you to explore the findings and insights in our second annual Destination Qatar report and welcome the opportunity to discuss our research with you in more detail.

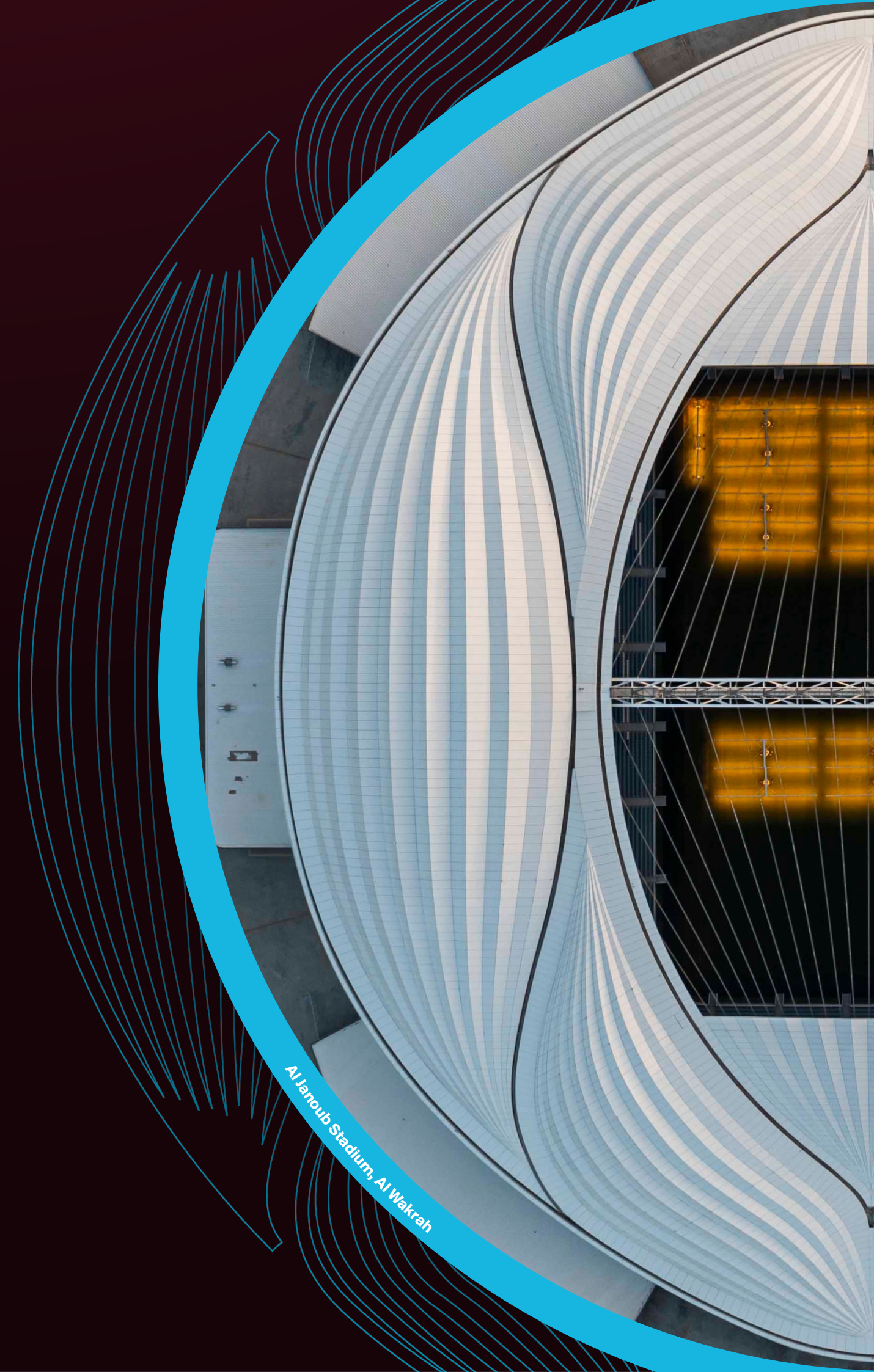


James Lewis
Managing Director, MENA

DISCOVER MORE



Al Janoub Stadium, Al Wakrah





INTRODUCTION

QATAR'S ECONOMIC AGENDA

Since the 2008 launch of Qatar National Vision 2030, the country has undergone a phenomenal economic transformation, supercharged by the US\$ 330bn spend linked to hosting the 2022 FIFA World Cup, which resulted in the development of a wide range of world-class infrastructure. This includes the new US\$ 16bn Hamad International Airport and the 76km Doha Metro, built at a cost of US\$ 36bn. Together, these projects have dramatically improved the quality of life in Qatar for citizens and residents. The government has unveiled its third National Development Strategy for 2024-2030. The ambitious vision aims to diversify Qatar's economy by reducing the reliance on hydrocarbon revenues and focusing on attracting foreign direct investment (FDI), while boosting Qatar's global competitive edge.

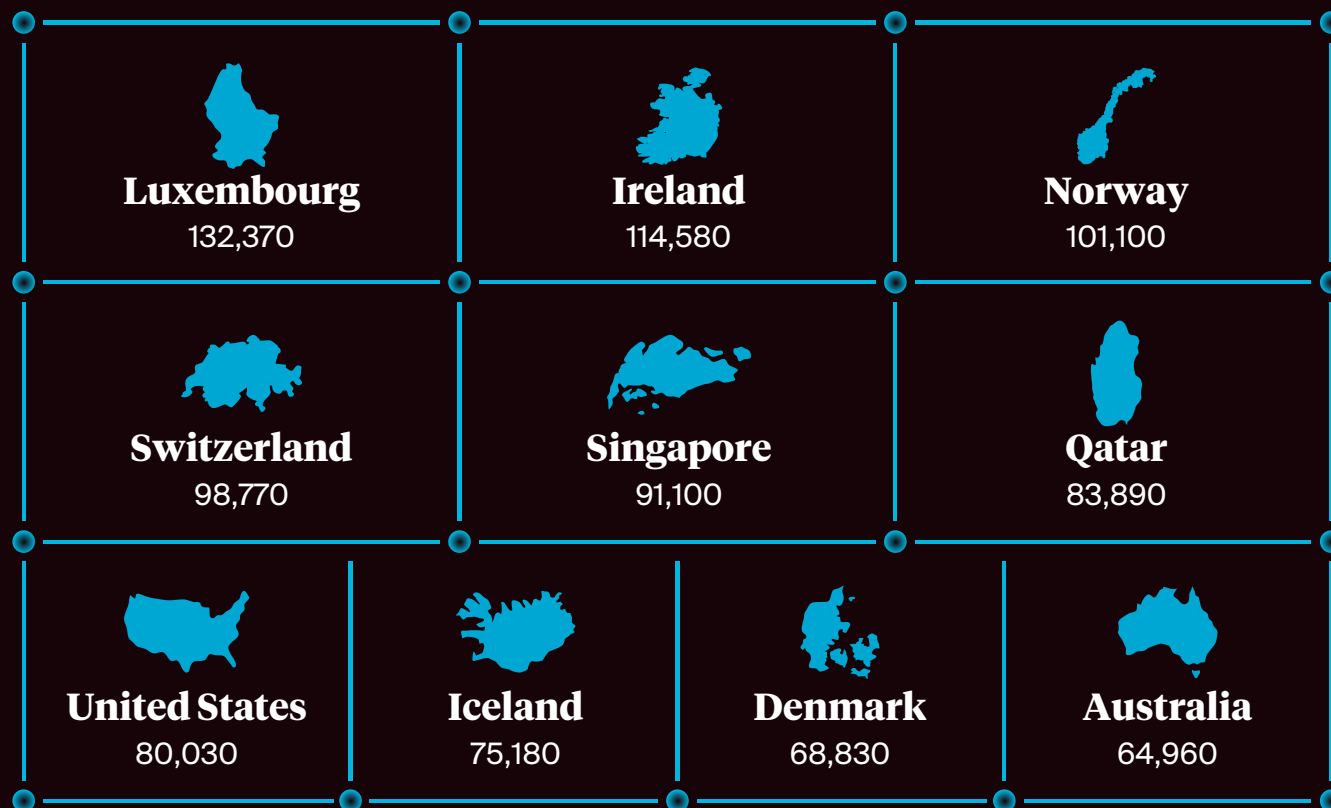
Macroeconomic backdrop

Since 2008, Qatar's economy has experienced a robust 5% annual GDP growth rate, compared to global growth of 2.7% over the same period (World Bank). The country's economic growth profile has been cemented by its position as the third largest exporter of natural gas, behind the US and Australia, as well as its US\$ 526.5bn sovereign wealth fund, QIA.

This solid fiscal and budgetary position has been complimented by the establishment of free zones and multiple innovation-related national institutions, such as Qatar Foundation (QF). QF's role is to facilitate the transition from a hydrocarbon-based economy to a knowledge-based one by building and attracting human capital.

Qatar's growing economic might is best represented by its 6th place global ranking last year for GDP per capita, which stood at US\$ 83,900 (IMF).

Ranking of countries by GDP per capita, US\$ (2023)



Source: IMF





QATAR'S ECONOMIC ALLURE

Impact on the real estate market

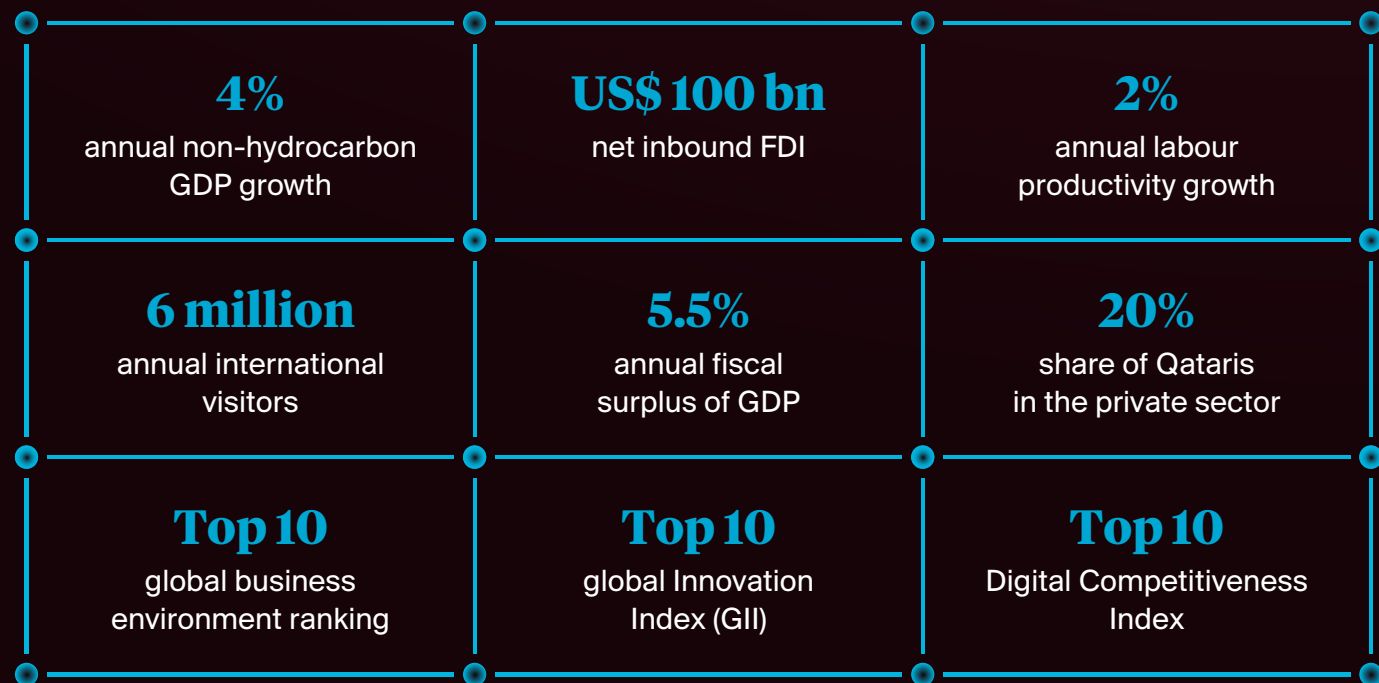
Unsurprisingly, the real estate market has been transformed, with the residential sector in particular experiencing an inventory surge to c. 394,000 homes. At the same time, the number of hotel rooms has grown to over 40,000 from just 30,670 two years ago.

While the population has risen from 1.7 million in 2010 to an estimated 2.9 million today (Oxford Economics), the

housing market in Qatar is in the midst of a supply-demand mismatch, which is sustaining downward pressure on property values and rental rates.

In addition, with headline interest rates at 6.25%, up from 5% in November last year, affordability issues have been exacerbated, contributing to subdued residential sales activity.

Economic KPI's (2023)



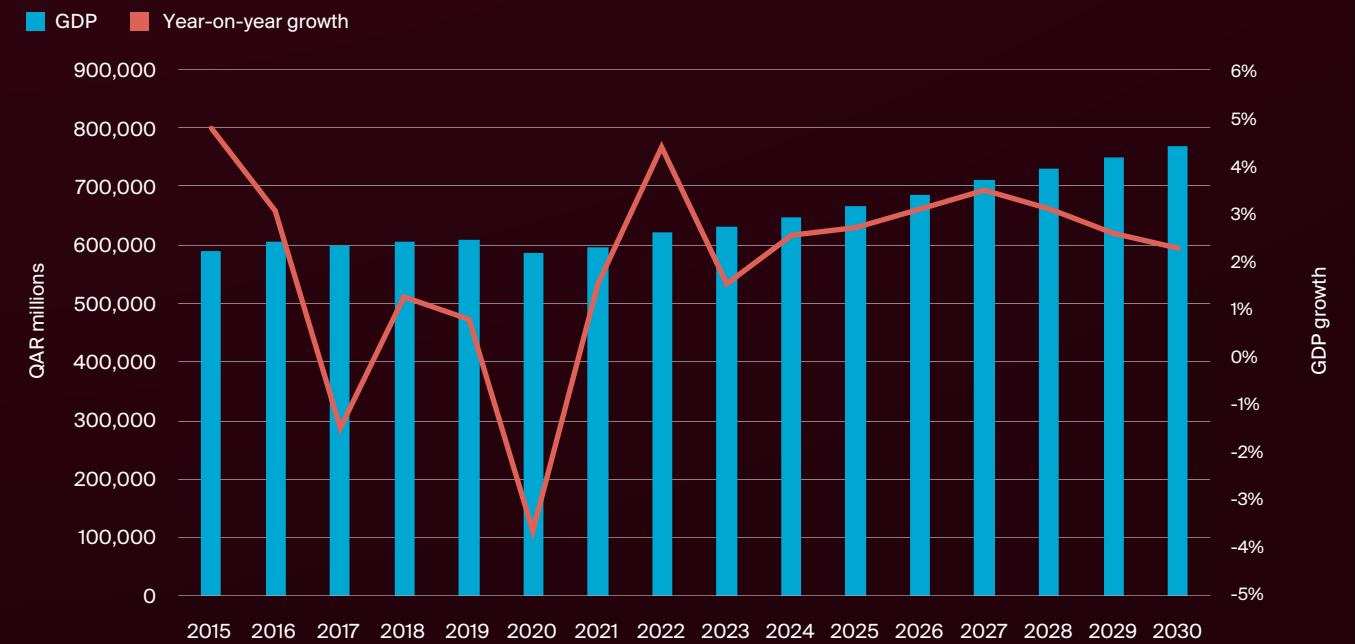
Source: Knight Frank, psa.gov.qa

“Qatari authorities have channelled their efforts into transforming the country into a modern state, complete with a plethora of and growing number of tourist attractions, including the recently announced US\$ 5.5 billion Simaisma. In addition, Qatar’s third National Development Strategy, coupled with its ambitious Vision 2030 is geared towards driving economic diversification and reducing the reliance on hydrocarbon revenues. Strategies such as these are setting the pace for the acceleration of FDI, as well as boosting Qatar’s global competitive edge.



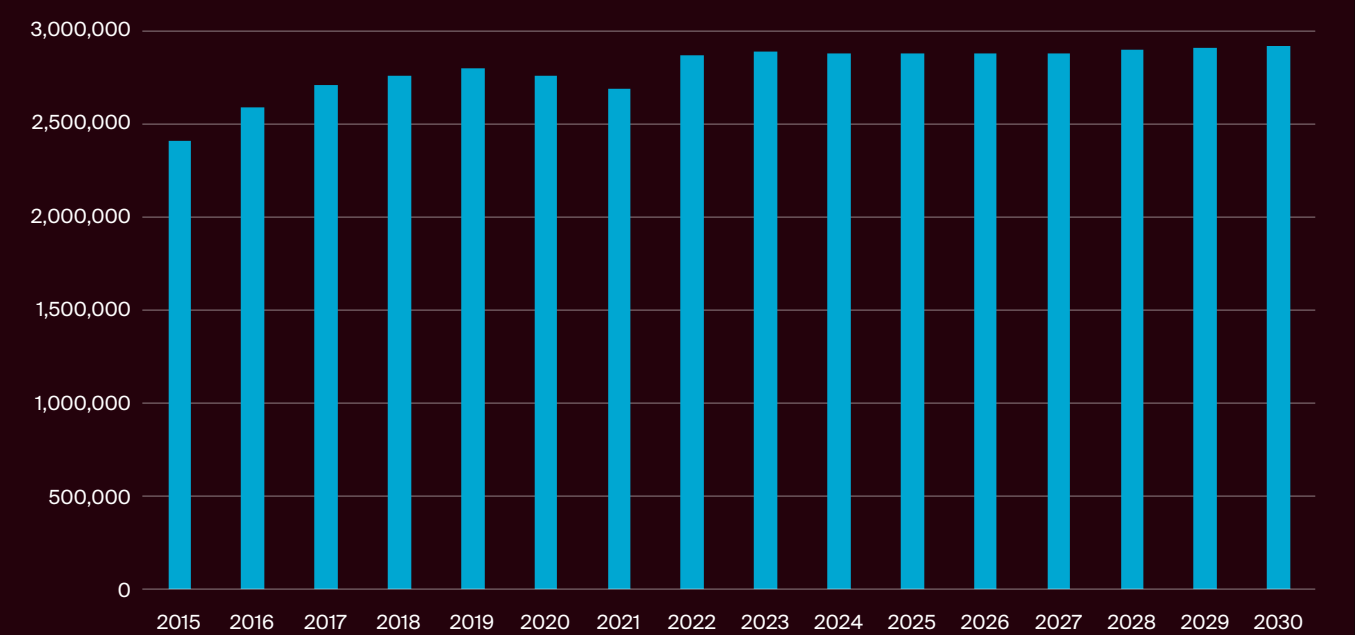
Faisal Durrani
Partner - Head of Research - MENA

Qatar GDP growth forecast



Source: Oxford Economics

Qatar population growth forecast



Source: Oxford Economics

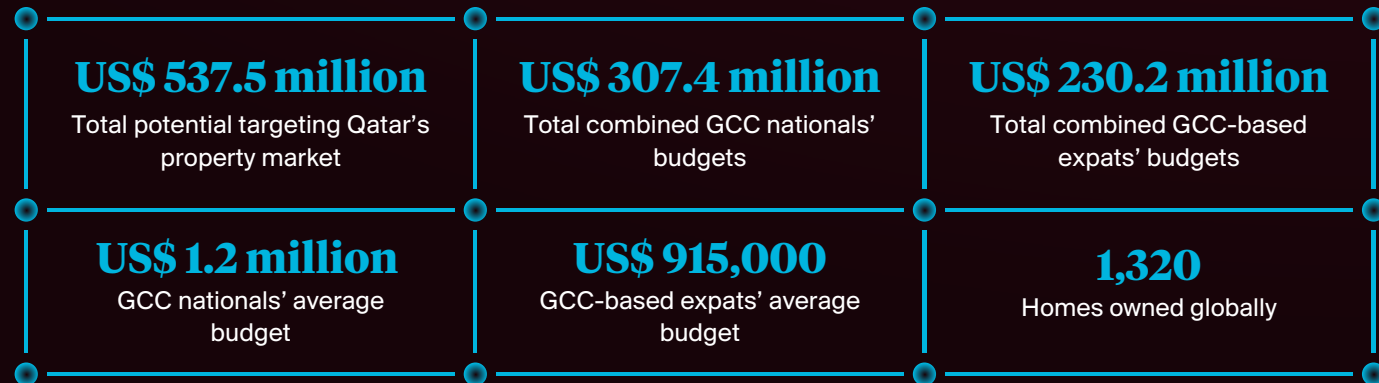
OUR SURVEY

Knight Frank's 2024 Destination Qatar consumer survey, conducted in partnership with YouGov, targeted GCC nationals, as well as GCC-based expats (excluding Qataris and Qatar-based expats). The survey aimed to gauge interest in owning real estate, particularly residential property in Qatar, and to understand respondents' desire to visit Qatar for leisure, shopping, and entertainment.

We polled 502 participants, including 253 GCC nationals and 249 GCC-based expats, each with a minimum monthly income of US\$ 5,000.

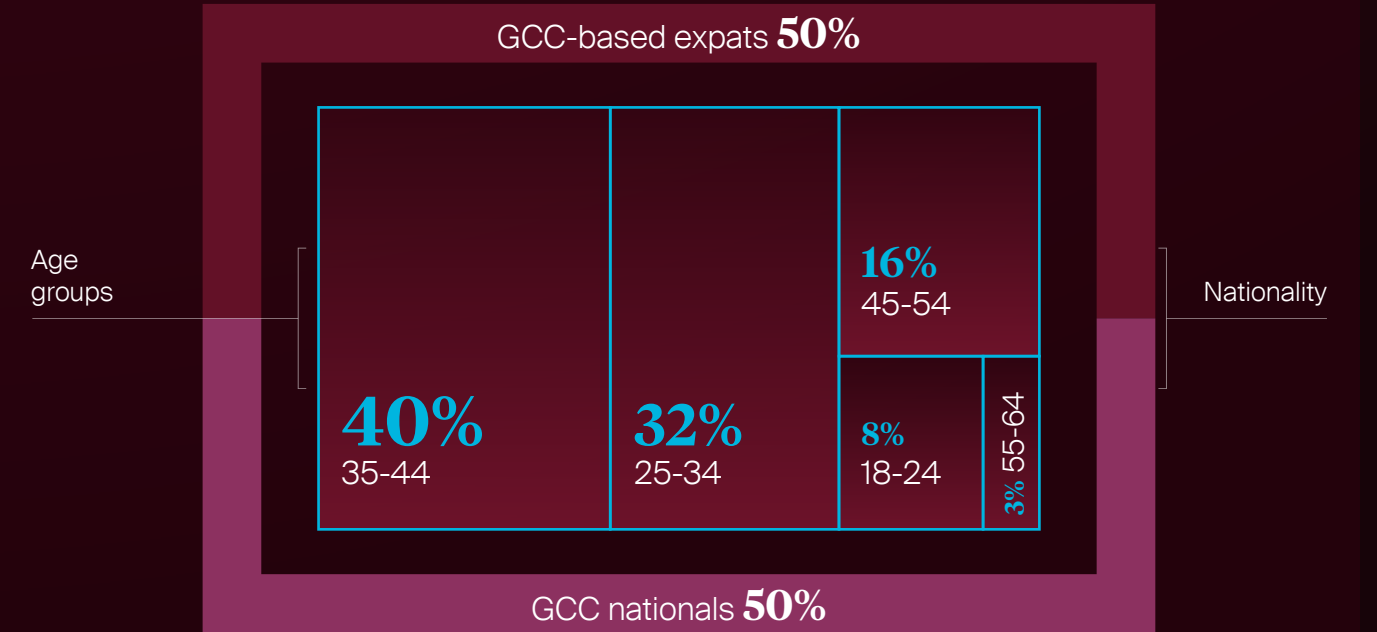
We did not include respondents from Qatar (nationals or expats) for our study as our focus was to investigate and understand external/regional perceptions.

Our respondents - numbers you need to know



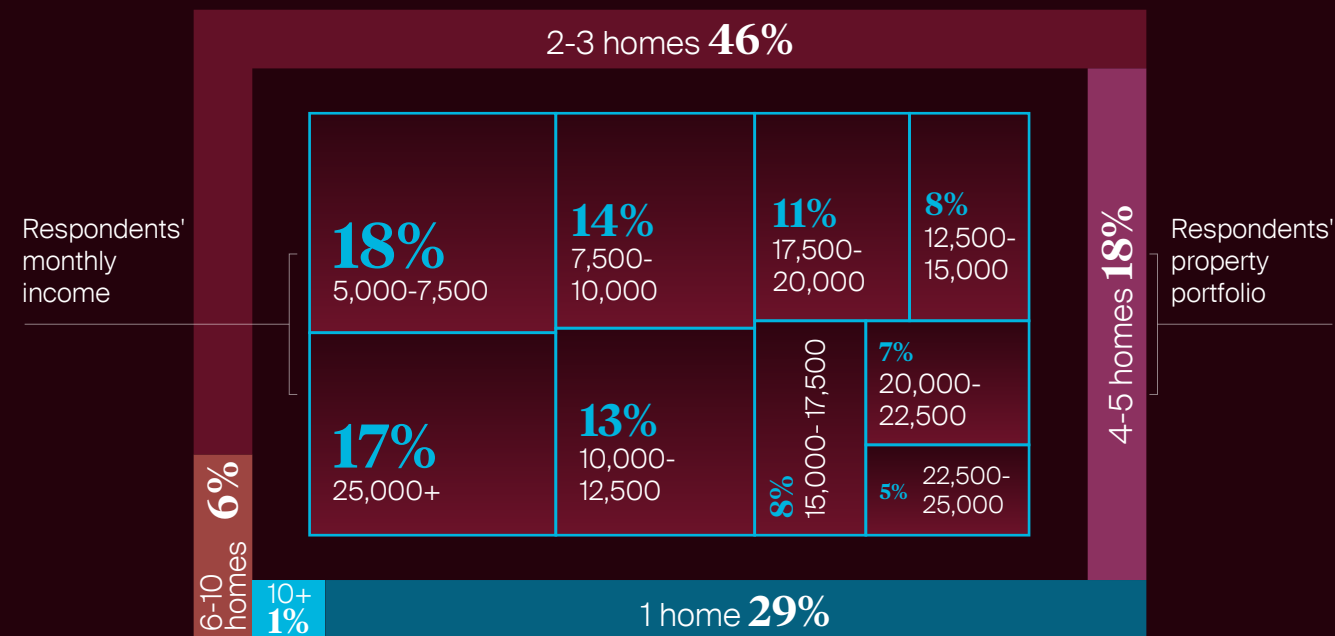
Source: Knight Frank, YouGov

Respondents' demographics



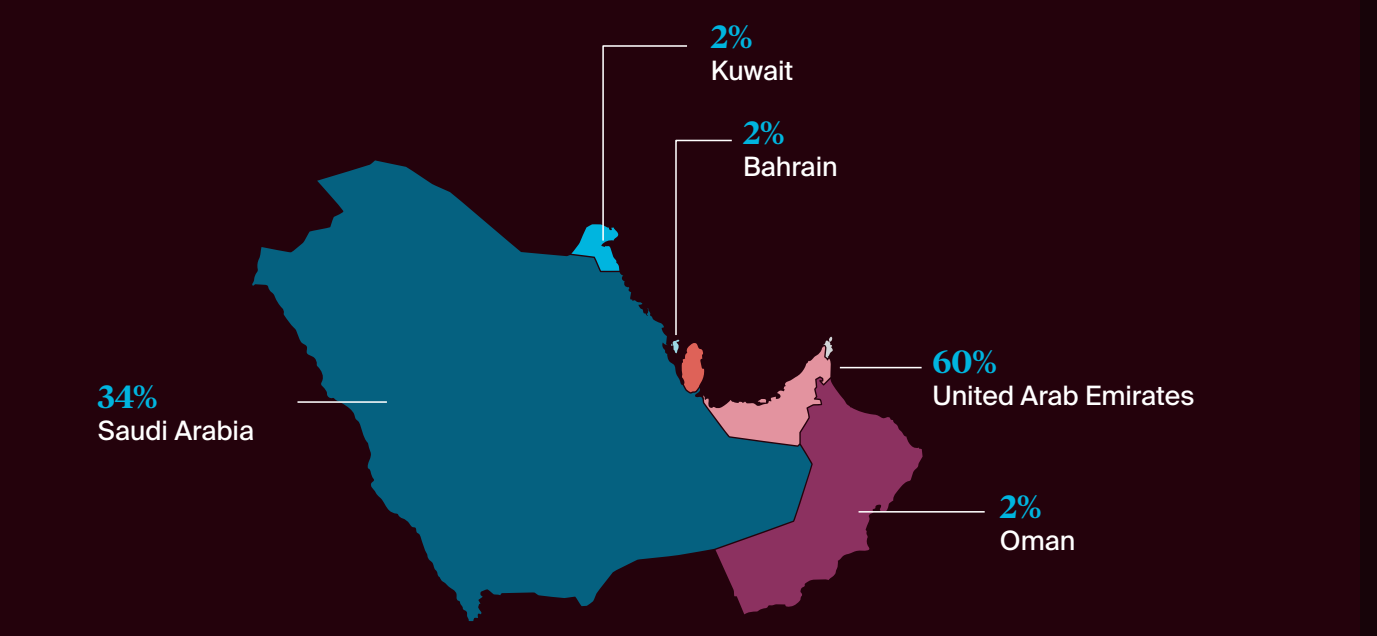
Source: Knight Frank, YouGov

Respondents' property portfolio and monthly income (US\$)



Source: Knight Frank, YouGov

Respondents' country of residence/origin



Source: Knight Frank, YouGov



QATAR RESIDENTIAL MARKET



UNDERSTANDING QATAR'S RESIDENTIAL MARKET

The housing market in Qatar has remained subdued over the past year, influenced by multiple factors. Residential property demand has been generally stable against a backdrop of rising supply. This supply-demand imbalance, combined with mortgage affordability issues, continues to exert downward pressure on property prices and rental rates.

Sales prices soften

Although the volume of residential sales transactions remained consistent over the 12 months to the end of Q2 2024, the total value of deals dropped by 24.5%, highlighting the decline in property values. Rising interest rates, currently at 6.25% compared to 3.90% in 2021, is exacerbating matters.

Villas have fared somewhat better than apartments, with villa values decreasing by 5% to QAR 7,025 psm over the past year. In contrast, apartment prices have fallen by 7.5% to an average of QAR 12,820 psm. Due to the relatively smaller villa sizes compared to other areas, Abu Hamour in Doha's southwest remains the priciest area for villas at QAR 8,810 psm, whereas Al Wukair is approximately 37.8% cheaper at QAR 5,480 psm.

Lusail's Waterfront boasts the country's highest apartment average sales prices at QAR 15,480 psm, while Fox Hills offers the most affordable apartments at around QAR 1,100 psm.

A two-tiered rental market has emerged

The rental market for villas in Qatar has also been sluggish, with average monthly rents dropping by 4.4% to QAR 15,465 over the past 12 months. Notably, areas like Nuaija and Umm Salal have seen significant rent declines of -10% and -8%, respectively, as demand from families and expatriates has decreased, with these two groups turning their attention to more desirable

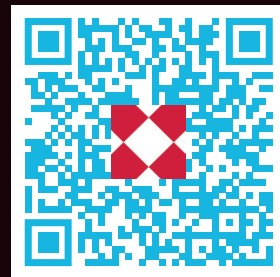
areas that have become more affordable.

Overall, a two-tiered apartment rental market has emerged, with stable rents for high-end luxury apartments, while more affordable locations face oversupply, leading to rental declines. Rents for luxury apartments in districts like West Bay and The Waterfront, for instance, have remained unchanged for two quarters, supported by moderate, yet steady demand from expatriates and professionals.

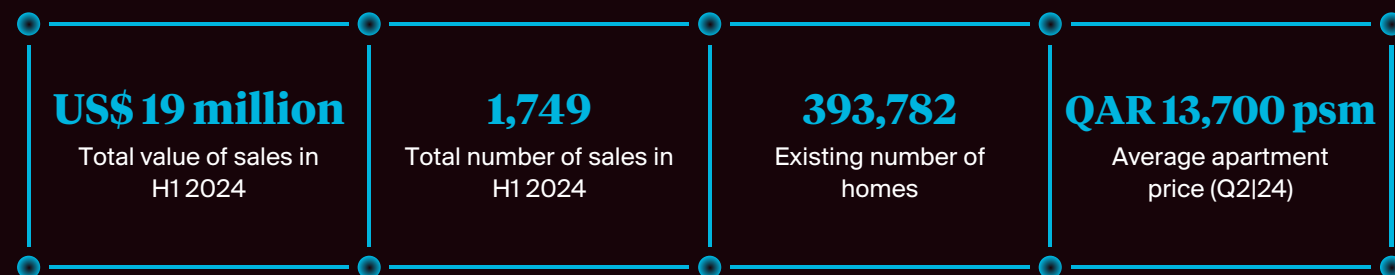
Elsewhere, however, increased supply and competition have put downward pressure on rents in areas such as the Marina District and Fox Hills. Consequently, over the past 12 months, apartment rents in Qatar have decreased by 5.5% to QAR 10,300 per month.

The oversupply issue is expected to continue, with an additional 6,400 homes projected to be completed this year. This will bring Qatar's residential stock to 400,000, comprising 246,000 apartments and 134,000 villas.

DISCOVER MORE



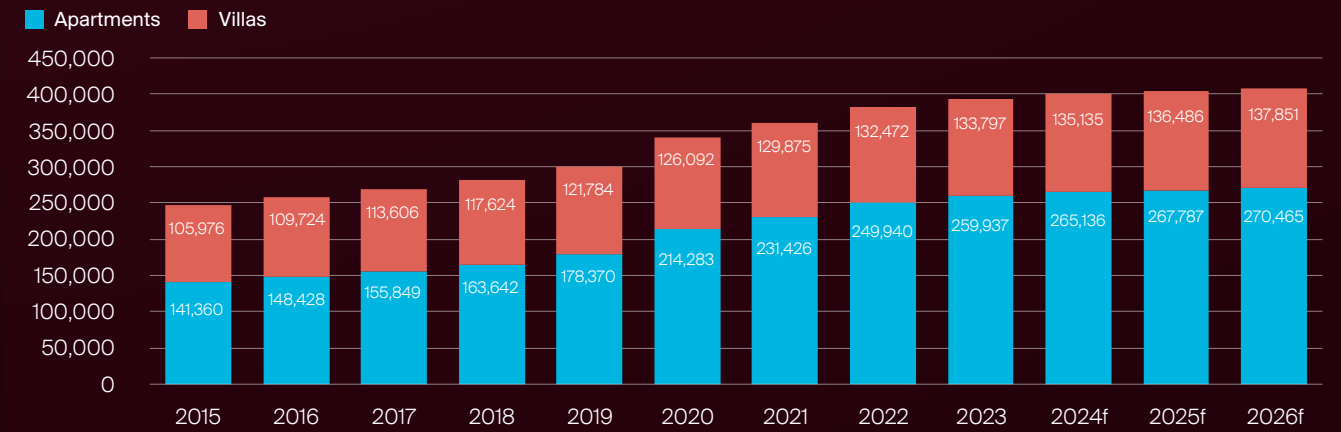
Qatar's residential market: numbers you need to know



Source: Knight Frank, MoJ

Evolution of Qatar's residential supply

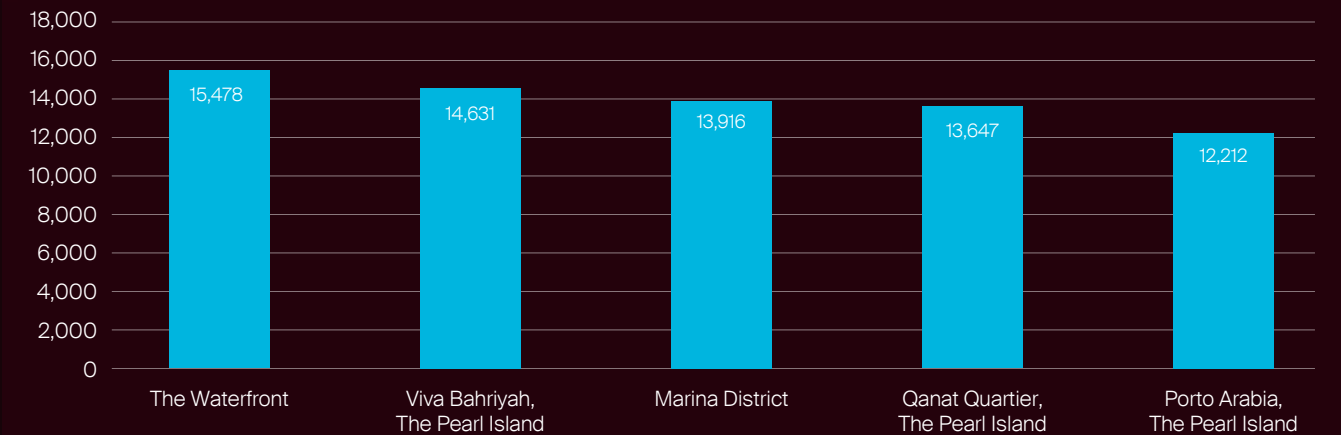
Number of units



Source: Knight Frank

Average apartment sales prices

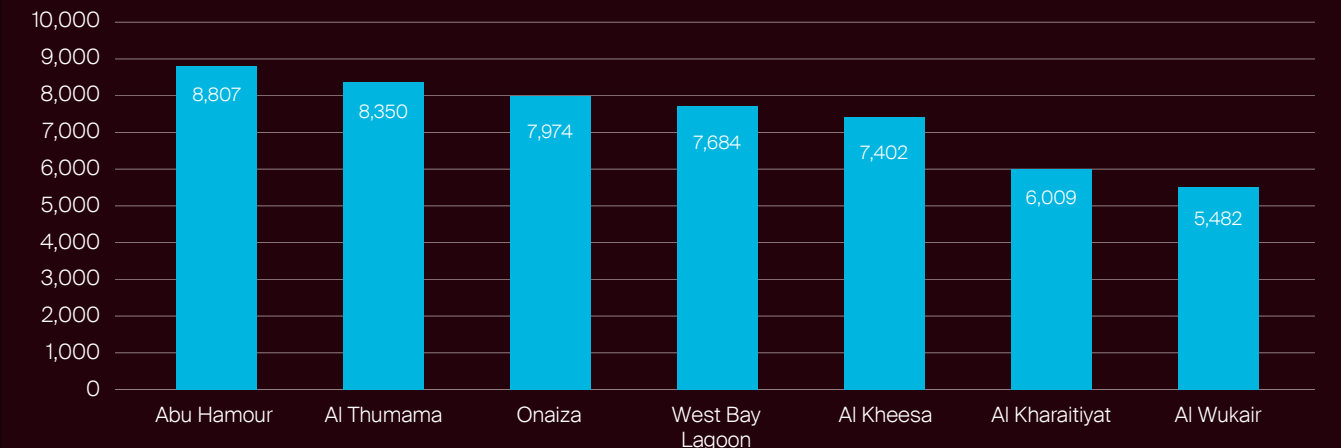
QAR/sqm - H1 2024



Source: Knight Frank

Average villa sales prices

QAR/sqm - H1 2024



Source: Knight Frank

RESIDENTIAL REAL ESTATE BECKONS

Qatar’s residential sector has, for a long time, been dominated by domestic (Qatari) purchasers. In 2002, the market was opened to GCC nationals and restrictions were further eased in 2018, allowing international buyers access to freehold rights in 10 designated freehold zones and usufruct rights (leasehold for 99 years) in 16 designated leasehold zones.

Over the last five years, Qatar’s expat residents have shown a strong interest in home ownership, with home values rising by an average of 4.5% between 2018 and the end of H1 2024.

And now, according to our survey results, GCC nationals and GCC-based expats demonstrate a strong appetite to own residential real estate in Qatar as well.

Most preferred sector

Qatar’s residential sector has emerged as the most preferred asset class for GCC nationals and GCC-based expats, with 65% of this cohort keen on acquiring a residential property in Qatar within the next five years. 28% would like to transact during 2024.

A new magnet for investors

The principal reason cited by our survey respondents for wanting to own residential property in Qatar is ‘purely for investment/capital gains’ (37%). This rationale is echoed across age brackets, with those aged 18-24 (42%) most attracted to the sector for this reason.

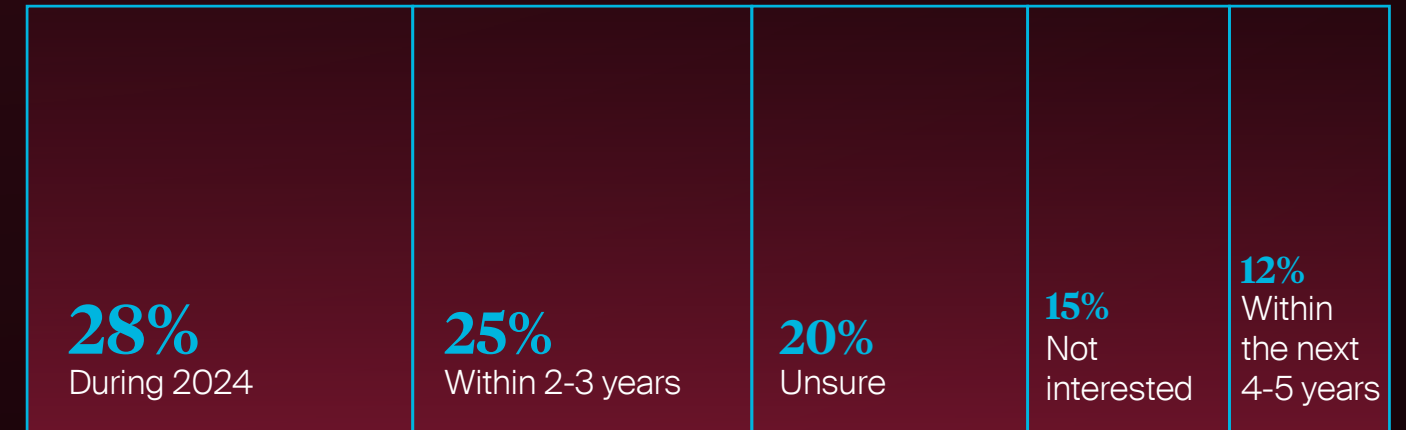
The second biggest motivation to acquire residential real estate in Qatar is, perhaps unsurprisingly, for a ‘buy-to-let property’ (34%). Interestingly, this is also the biggest driver for expats living in Saudi (33%) as well as those in the UAE (37%).

Residential property purchase rationale (by income)

	US\$ 5,000 - 10,000	US\$ 10,000 - 15,000	US\$ 15,000 - 20,000	US\$ 20,000 - 25,000	US\$ 25,000+
Investment purposes	50%	44%	50%	46%	43%
Second home / holiday home	11%	13%	14%	11%	16%
For friends/family	11%	12%	10%	9%	10%
Main residence	10%	10%	10%	12%	9%
Home for my children while they study in Qatar	6%	10%	6%	11%	12%
To access medical treatment	5%	4%	8%	7%	7%
None of the above	4%	4%	2%	1%	2%
Unsure	3%	3%	0%	1%	0%

Source: Knight Frank, YouGov

GCC nationals and GCC-based expats’ likelihood of purchasing a residential property in Qatar



Source: Knight Frank, YouGov



Qanat Quartier, The Pearl Island

RESIDENTIAL REAL ESTATE BECKONS

High expectations

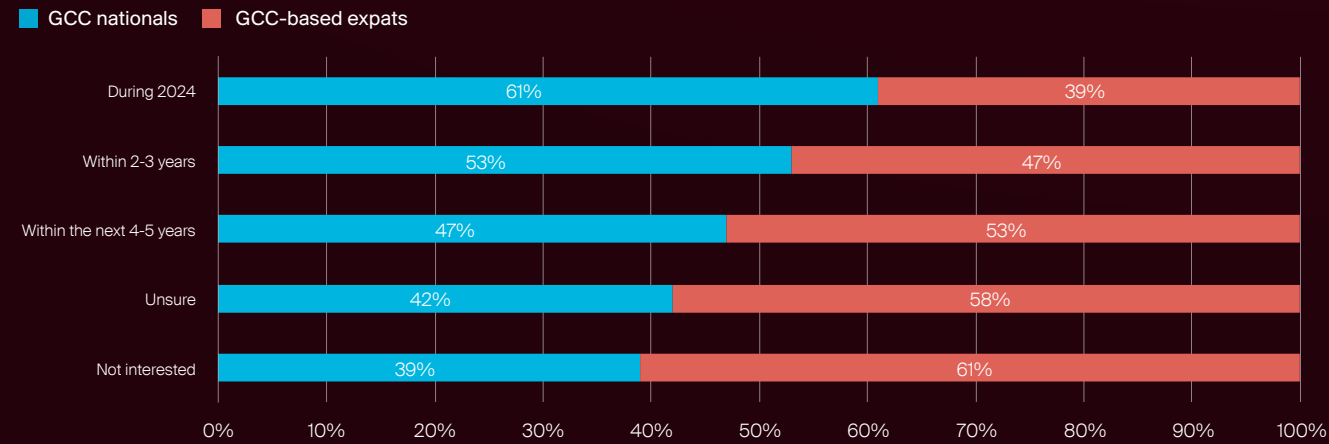
When it comes to capital value growth expectations, 47% of our respondents believe house prices will rise by 5-8% during the first 12 months of their acquisition.

GCC nationals appear to have the most optimistic expectations, with 39% of 25-34-year-olds expecting price increases of 7-10% within 12 months of any purchase. This tempers slightly to 34% amongst 35-44-year-olds.

GCC-based expats are more muted in their view, with 57% of those aged 25-34 forecasting price growth of 3-6% within one year of making a residential investment, compared to 35% of those between the ages of 45-54.

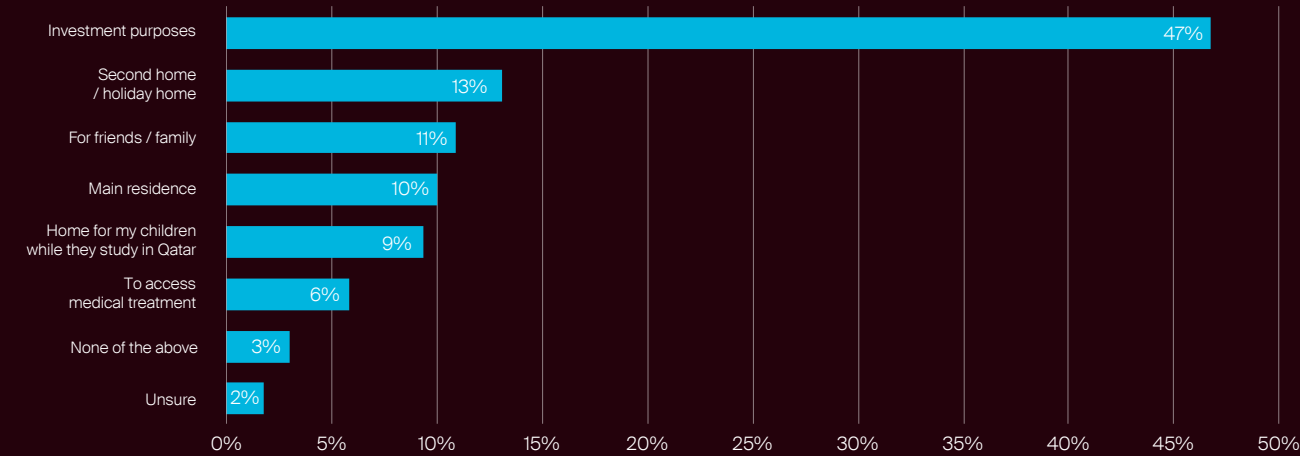
Similarly, 'high rental yields' (49%) and 'long-term capital value growth' (45%) top the list of motivators for those considering a buy-to-let investment in Qatar.

GCC nationals and GCC-based expats' time frame for purchasing residential property in Qatar



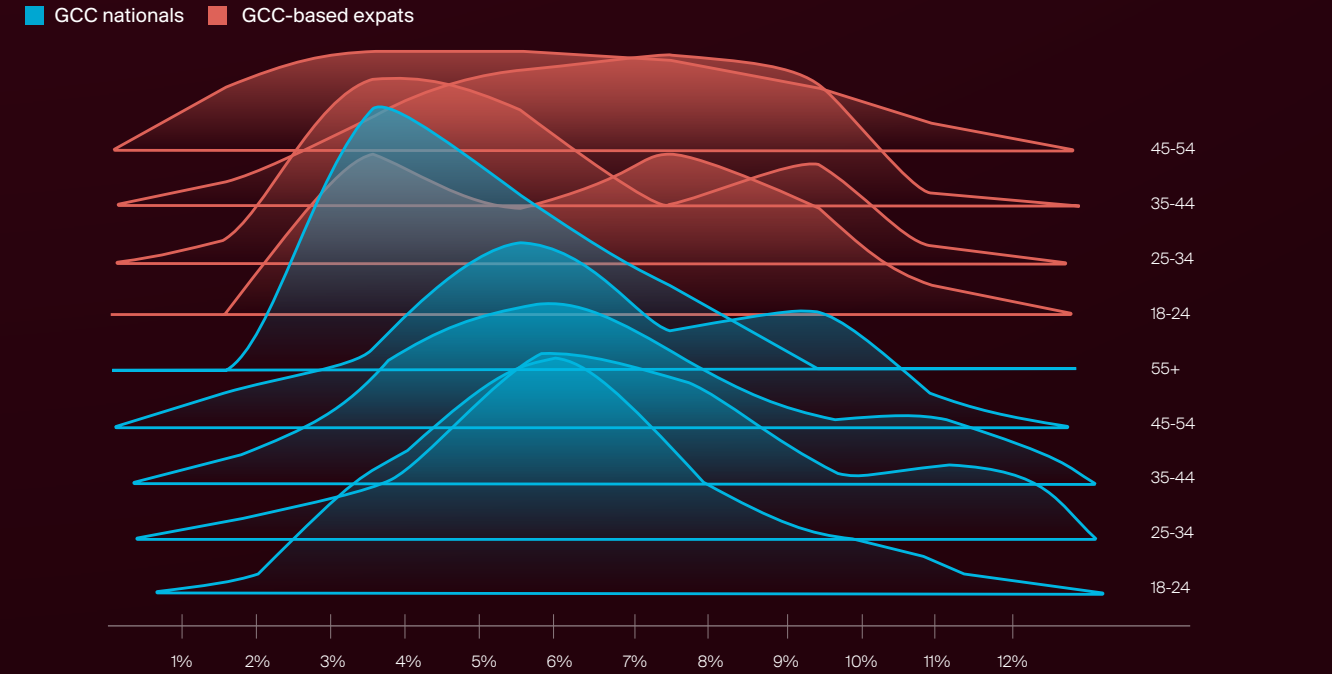
Source: Knight Frank, YouGov

Residential property purchase rationale



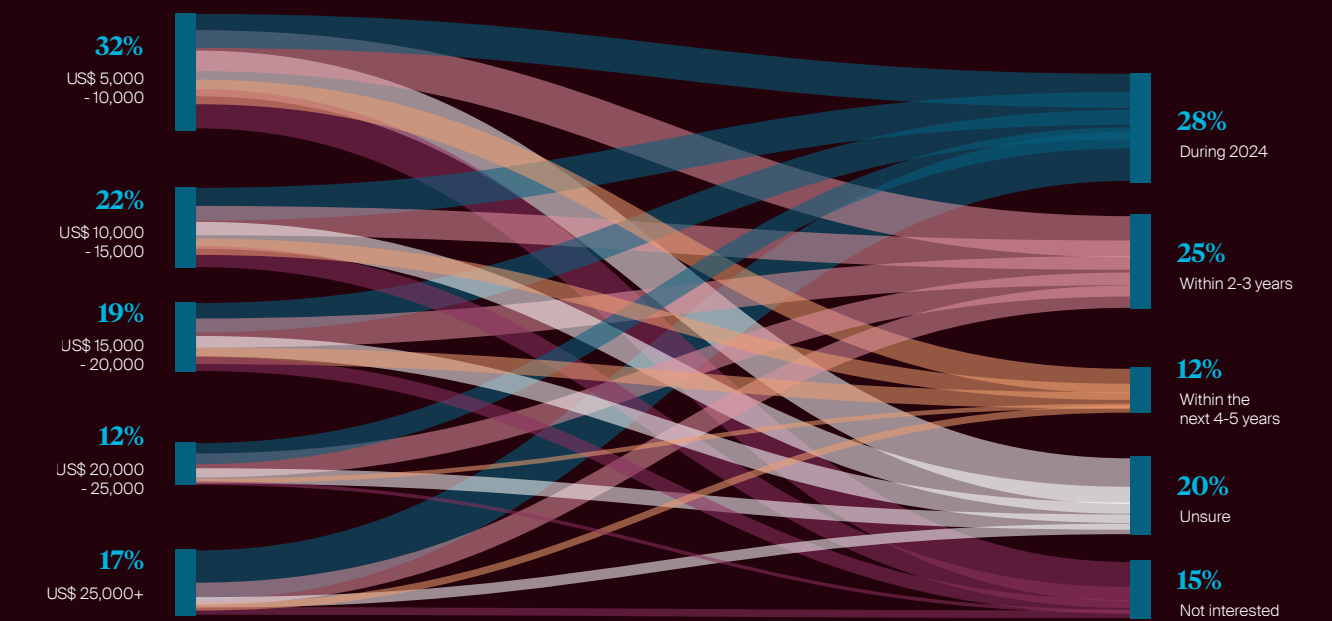
Source: Knight Frank, YouGov

Capital value growth expectations (by age bracket)



Source: Knight Frank, YouGov

Likelihood of buying a residential property in Qatar (by income)



Source: Knight Frank, YouGov

US\$ 538 MILLION TAKES AIM AT QATAR

In our survey of GCC nationals and GCC-based expats, we have uncovered a potential pool of US\$ 537.5 million of private capital that is actively considering a residential purchase in Qatar. In comparison, the total value of all residential sales in Qatar during H1 2024 stood at US\$ 907 million, highlighting the rapidity at which Qatar is starting to court the interest of regional purchasers and investors.

Million-dollar glass ceiling

69% of all our respondents are willing to spend up to US\$ 1 million on a residential acquisition in Qatar, with just 7% prepared to spend over US\$ 4 million. 14% are willing to spend US\$ 1-4 million.

GCC nationals aged 25-34 have the deepest pockets, with 55% willing to spend between US\$ 500,000 and US\$ 1 million on a home in Qatar.

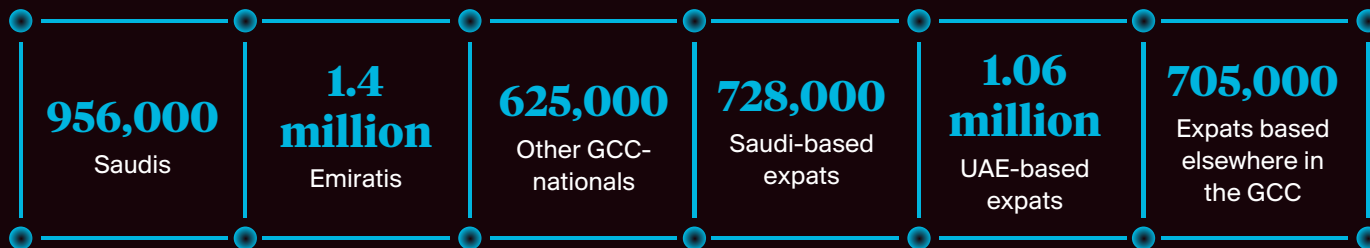
For GCC-based expats, budgets are lower, with most not willing to allocate more than US\$ 500,000. This ranges from 34% of those aged 25-34 to 41% amongst 45-54-year-olds.

Almost all GCC nationals (excl. Saudis and Emiratis) would like to spend between US\$ 500,000-750,000, while 47% of Emiratis are prepared to commit US\$ 500,000 to US\$ 1 million. For Saudi nationals, most (28%) would like to spend no more than US\$ 500,000.

Amongst GCC nationals, those aged 25-34 have the highest average budgets at US\$ 1.3 million. This falls to US\$ 630,000 for GCC-based expats aged 45-54. Overall, however, UAE nationals have the largest potential budgets for residential purchases in Qatar, averaging US\$ 1.4 million.

For now, the bulk of project launches that we are aware of fall within the US\$ 500,000 to US\$ 1 million price range, suggesting that residential units are being priced correctly. However, there is an opportunity for developers to fine-tune their offerings to better match the requirements of the region's investors. We will return to this theme in our Opportunities chapter at the end of the report.

Average regional budgets for a residential purchase in Qatar (US\$)



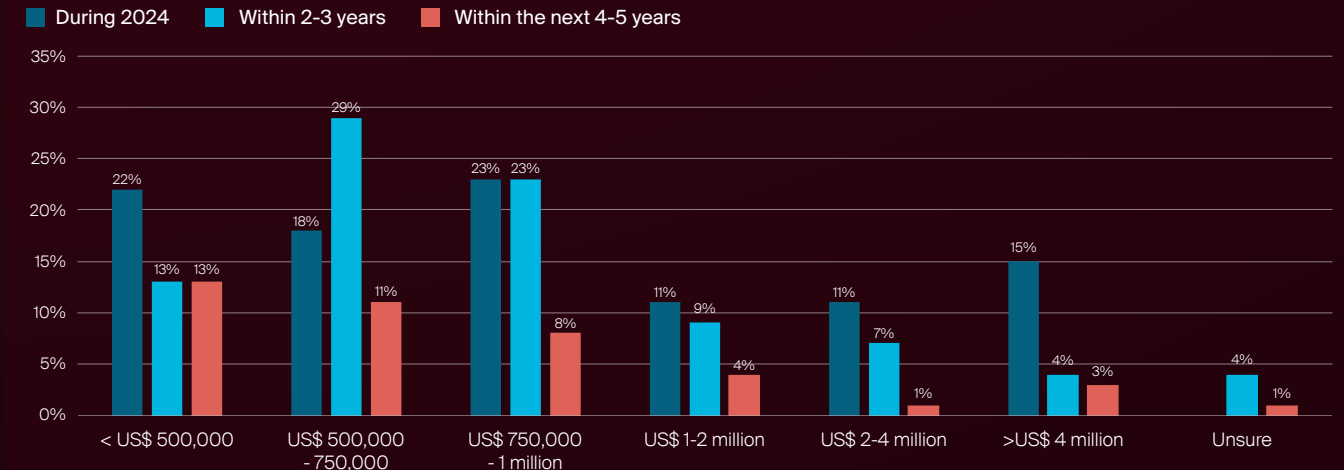
Source: Knight Frank, YouGov

“As the government’s efforts to improve public transportation and infrastructure progress, we forecast the residential sales and leasing markets in Qatar will begin to stabilise, with a gradual reversal in the current imbalance between supply and demand. This, together with plans to boost educational and healthcare offerings across Doha, will contribute to the ongoing improvement in the quality of life across the city, improving the appeal of more neighbourhoods to buyers, tenants and investors.”



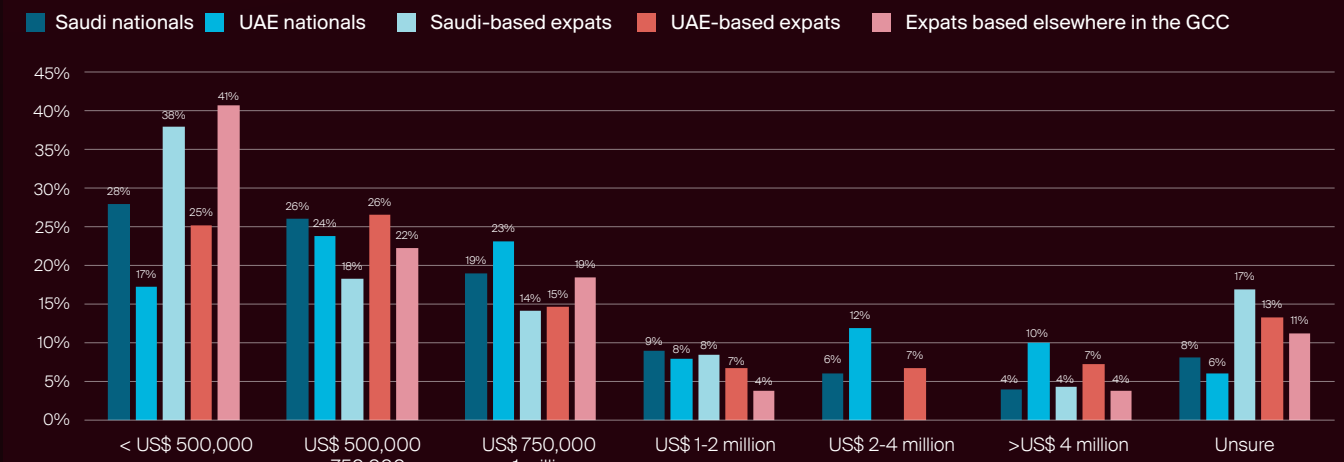
Adam Stewart
Partner – Head of Qatar

Allocated budgets for property purchase in Qatar (by timeframe to purchase)



Source: Knight Frank, YouGov

Regional budgets for residential property purchase in Qatar



Source: Knight Frank, YouGov

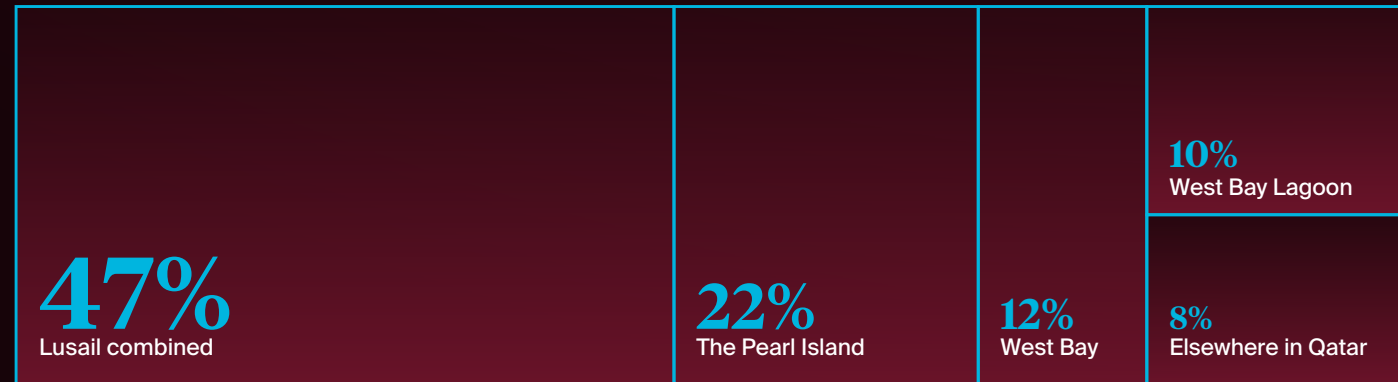
NEED TO KNOW

- 65% of GCC nationals and GCC-based expats are interested in purchasing residential property in Qatar within the next five years, with 28% intending to buy a home during 2024
- 54% of GCC nationals with a monthly income over US\$ 25,000 are keen to buy a property in Qatar this year
- The principal reason cited by our survey respondents for wanting to own residential property in Qatar is ‘purely for investment/capital gains’ (37%)
- Respondents with monthly income over US\$ 25,000 have the highest interest in buying a second home in Qatar (16%)
- 69% of all our respondents are willing to spend up to US\$ 1 million on a residential acquisition in Qatar
- The average budget for a residential purchase in Qatar is US\$ 924,300 for GCC-based expats

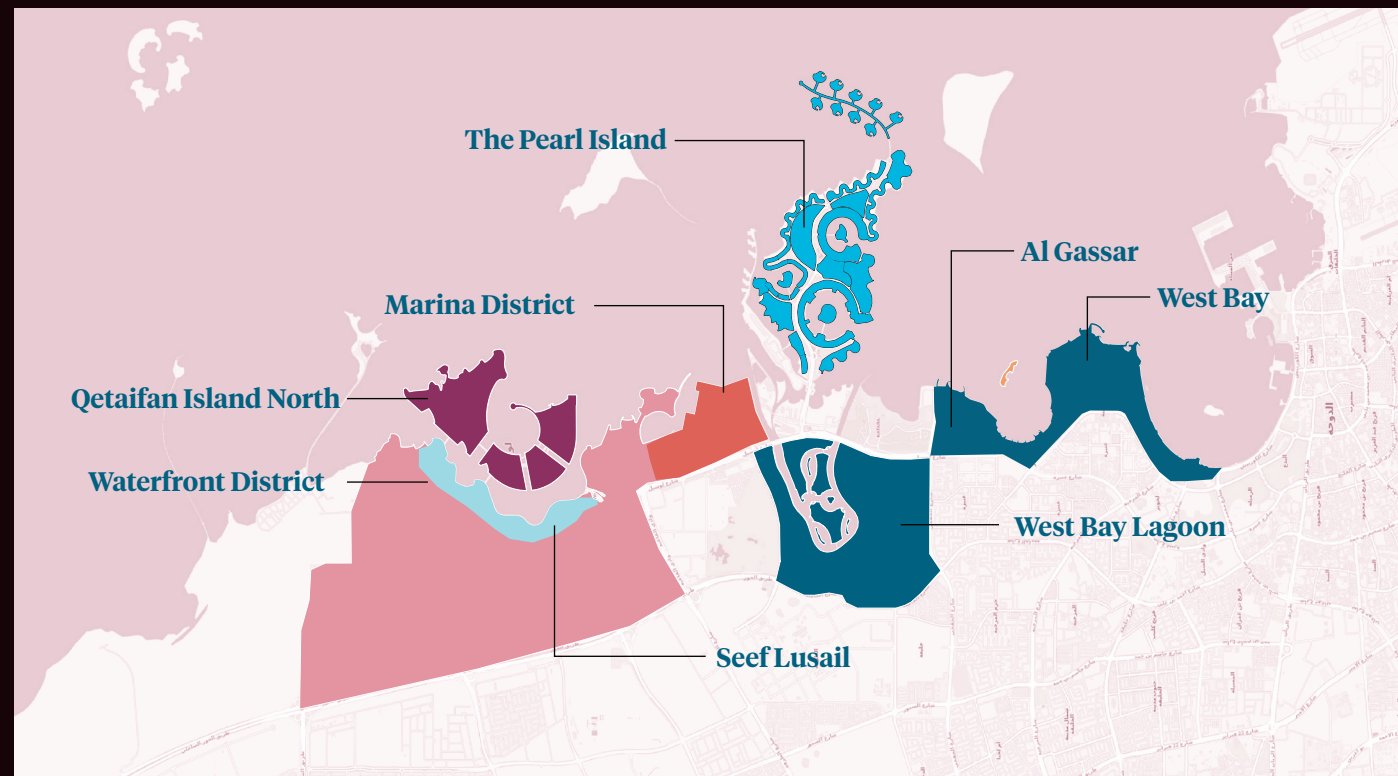
LUSAIL BECKONS

In our 2023 Destination Qatar report, Qatari HNWI's identified both Lusail Marina and Lusail Waterfront as their top target locations for a residential purchase. Mirroring that sentiment in our 2024 survey, GCC nationals and GCC-based expat respondents have also named locations across Lusail (47.2%) as their most preferred neighbourhoods to buy a home. The Pearl follows in second place at 21.8%, with West Bay rounding off the top three at 12.1%. Within Lusail, the Marina and Waterfront are the most preferred districts.

Residential districts of interest for property purchase

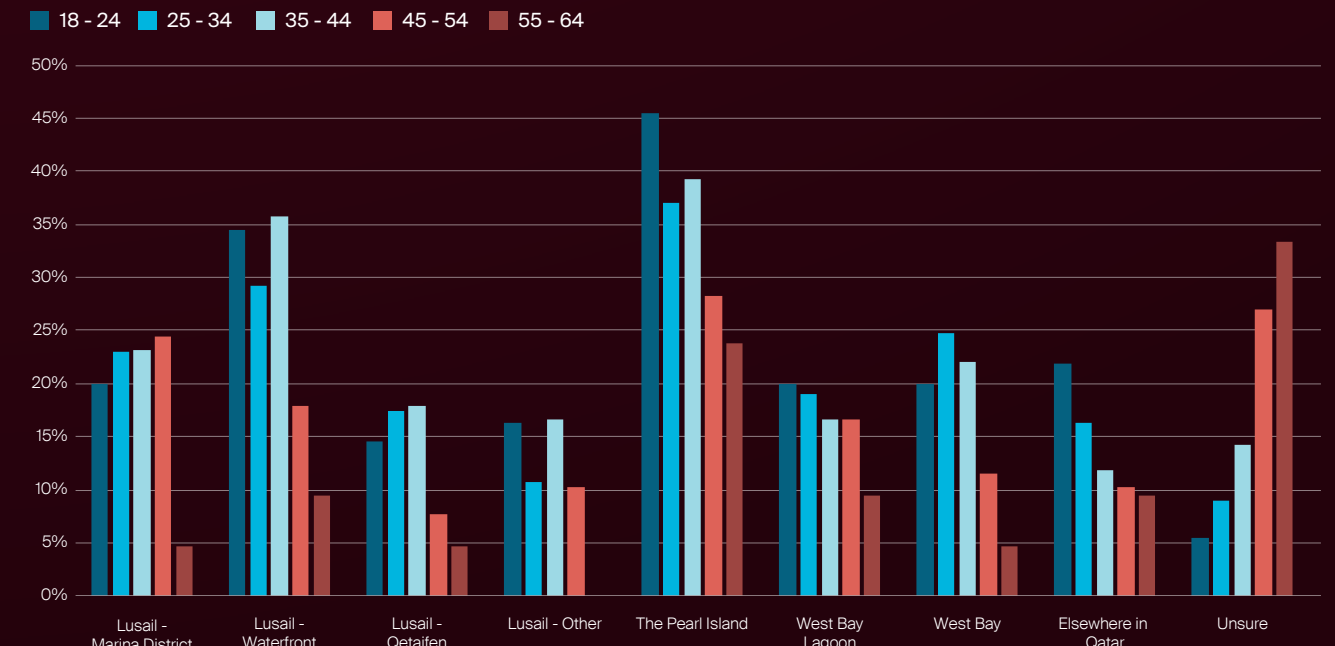


Source: Knight Frank, YouGov



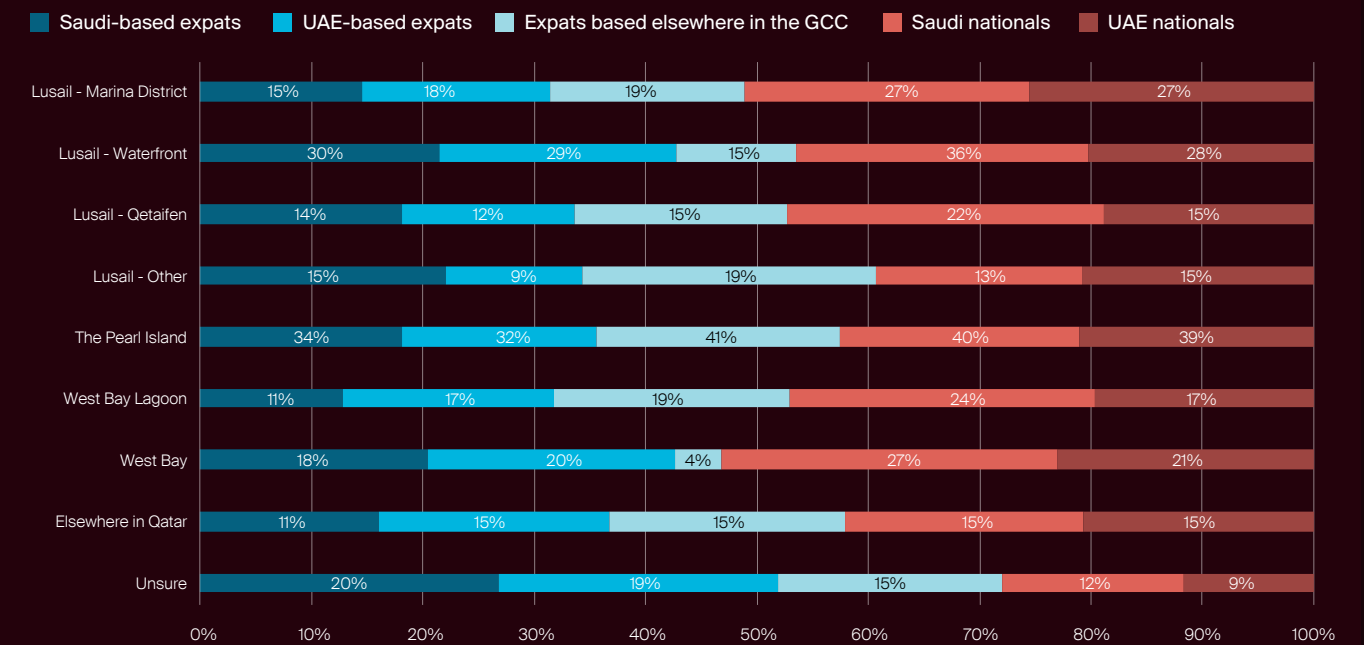
Source: Knight Frank, YouGov

Top target residential purchase areas for GCC nationals and GCC-based expats (by age)



Source: Knight Frank, YouGov

Top target residential purchase areas (GCC nationals v GCC-based expats)



Source: Knight Frank, YouGov



IN FOCUS: THE PEARL ISLAND

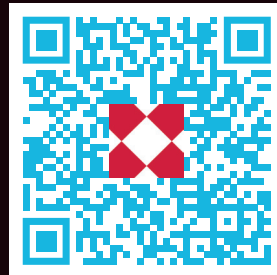
Below we take a closer look at The Pearl Island, the second most popular target location for a residential property purchase by both GCC nationals and GCC-based expats.

What you need to know

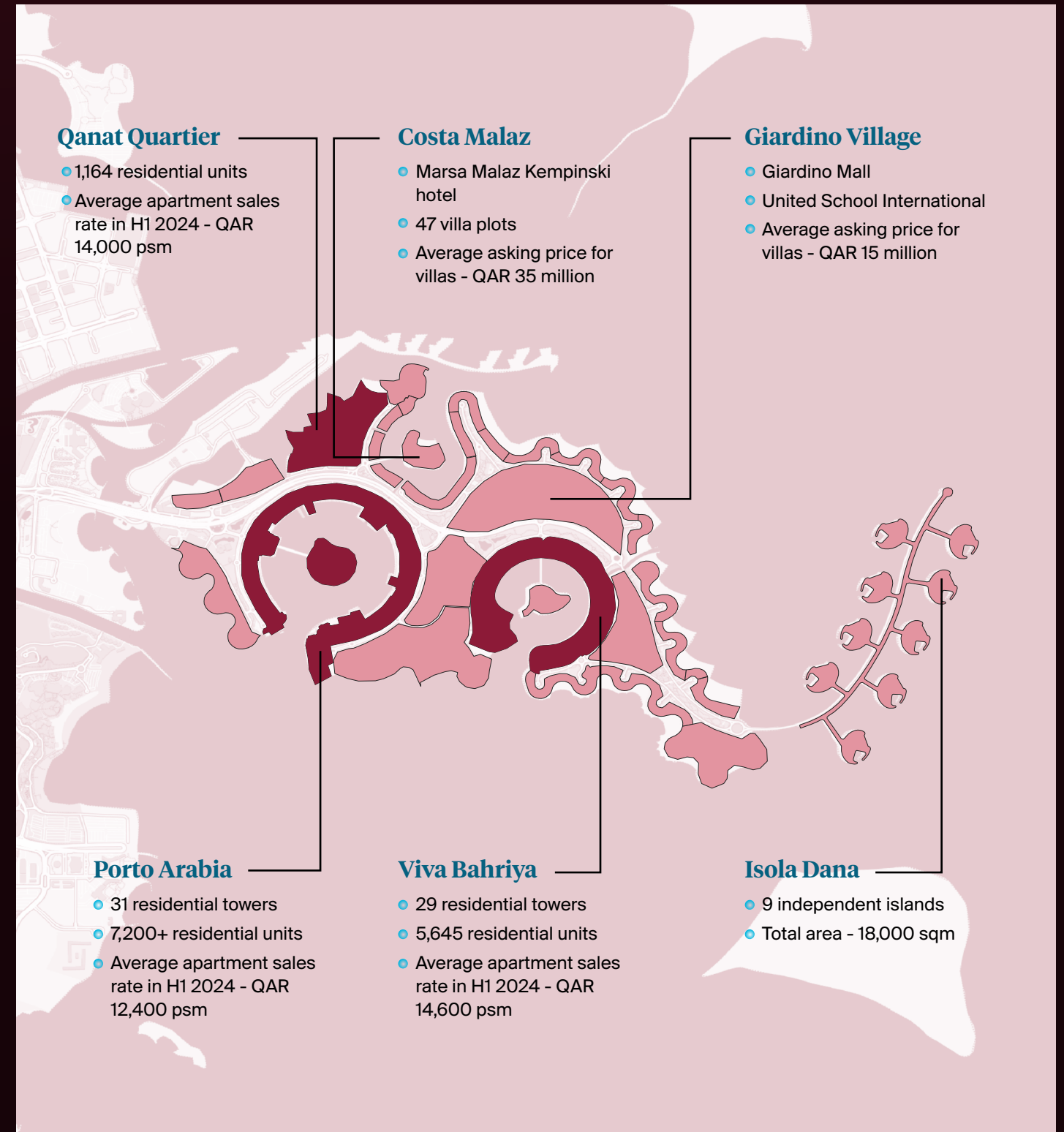
<p>4 million sqm Reclaimed land</p>	<p>52,000 Current population</p>	<p>100% Ownership for foreign investors</p>
<p>81.4% Share of total apartment sales in Doha in H1 2024</p>	<p>QAR 14,800 psm Average apartment sales rate in H1 2024</p>	<p>QAR 19,800 psm Average villa sales rate in H1 2024</p>
<p>15 million Annual visitors</p>	<p>165,000 sqm Leased retail space</p>	<p>32km Coastline created</p>

Source: Knight Frank, various sources

DISCOVER MORE



A closer look at The Pearl's neighbourhoods



Source: Knight Frank



QATAR HOSPITALITY AND TOURISM MARKET



QATAR'S HOSPITALITY MARKET BACKDROP

Qatar has made significant strides in diversifying its tourism industry. Efforts have included developing local attractions like the Qatar National Museum, expanding the cruise sector by upgrading port facilities, and growing MICE tourism, with world class convention centres such as the Doha Exhibition and Convention Center. The introduction of visa-free entry for citizens from 88 countries has also boosted Qatar's reputation as one of the most welcoming and accessible nations in the world.

Additionally, Qatar actively promoted itself as a tourist destination leading up to the 2022 FIFA World Cup, investing heavily in infrastructure, hotels, and entertainment facilities to accommodate the influx of tourists during the event.

Following the successful hosting of the world's largest football event, the tourism sector in Qatar continues to show promising growth. Visitor numbers surged 58% in 2023 to reach 4 million, compared to 2.6 million in 2022 (PSA). Notably, 28% of these visitors hail from other GCC countries.

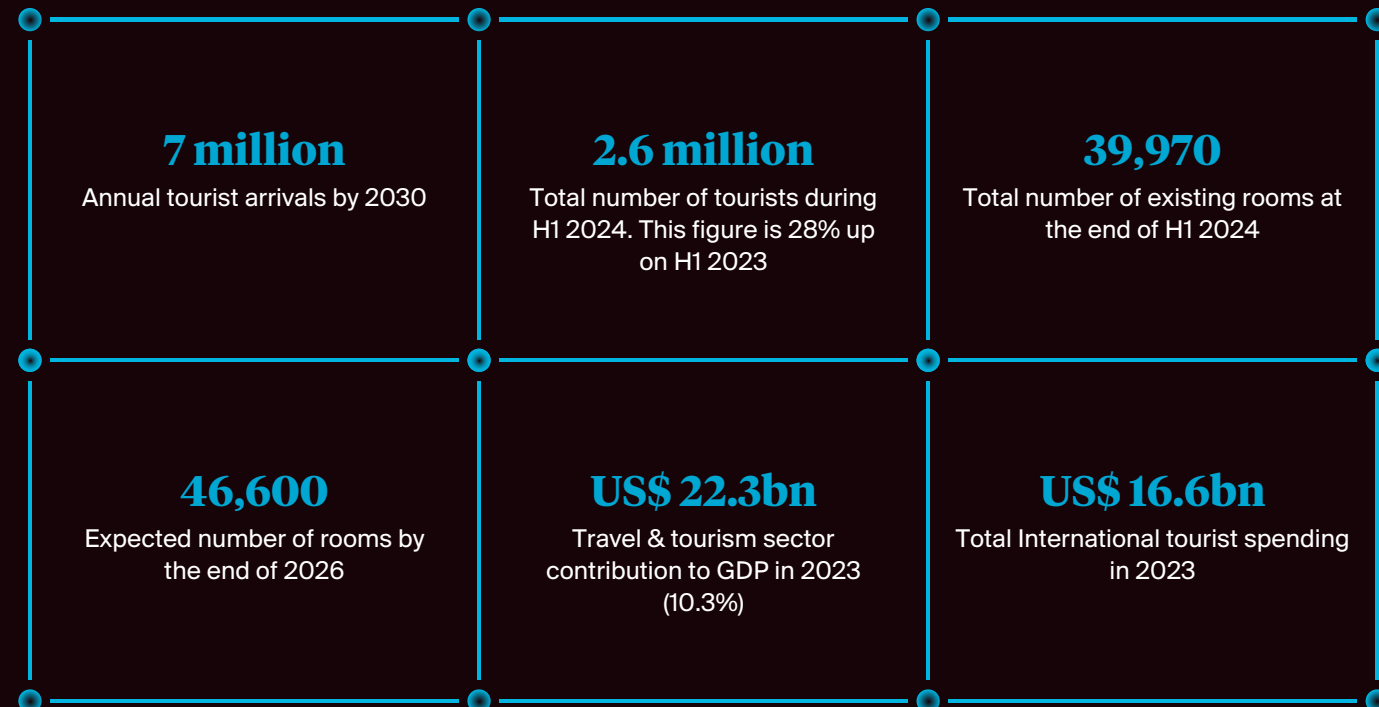
Qatar's tourism sector is emerging as a key contributor to economic activity, growing by 31% to reach a record-breaking QAR 81.2bn (US\$ 23.3bn) in 2023, representing 10.3% of total economic output. Separately, domestic visitor spend reached QAR 1.4bn, up 8.4% year-on-year, while international visitor spend increased by nearly 40% year-on-year to QAR 60.4bn (WTTC).

In terms of employment, the tourism sector created 20,300 new jobs in 2023, bringing the total to nearly 286,000 jobs, which equates to one in every eight jobs in the country.

Hotel room supply continues to trickle into the market, with over 1,300 keys added in 2023. This followed an unparalleled increase in room numbers in 2022 when over 7,200 keys were delivered (equating to 18% of the supply at the time). In fact, at the end of H1 2024, the total quality room supply in Qatar stood at c. 40,000 keys, 60% of which comprised internationally branded rooms. By the end of 2026, the quality room supply in Qatar is expected to reach 46,600 keys.

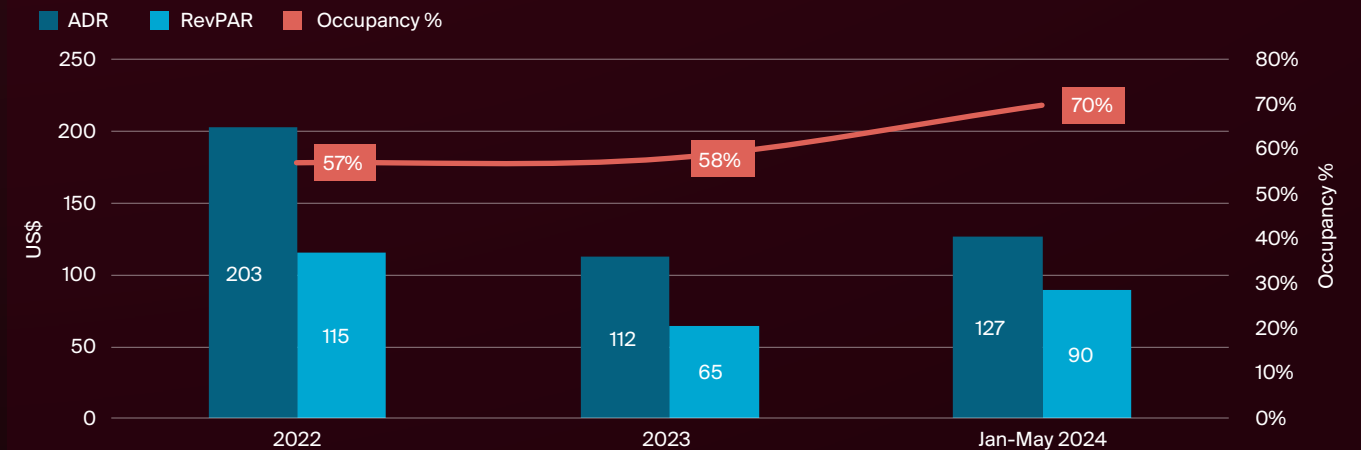
As a result of the increased influx of tourists, the hotel performance indicators in Qatar have improved steadily between January and May this year. The ADR, for instance, increased by 8.3% to US\$ 127, while average occupancy levels increased by 33% to 70%. As a result, RevPAR grew by 44% to US\$ 90.

Qatar's hospitality market: numbers you need to know



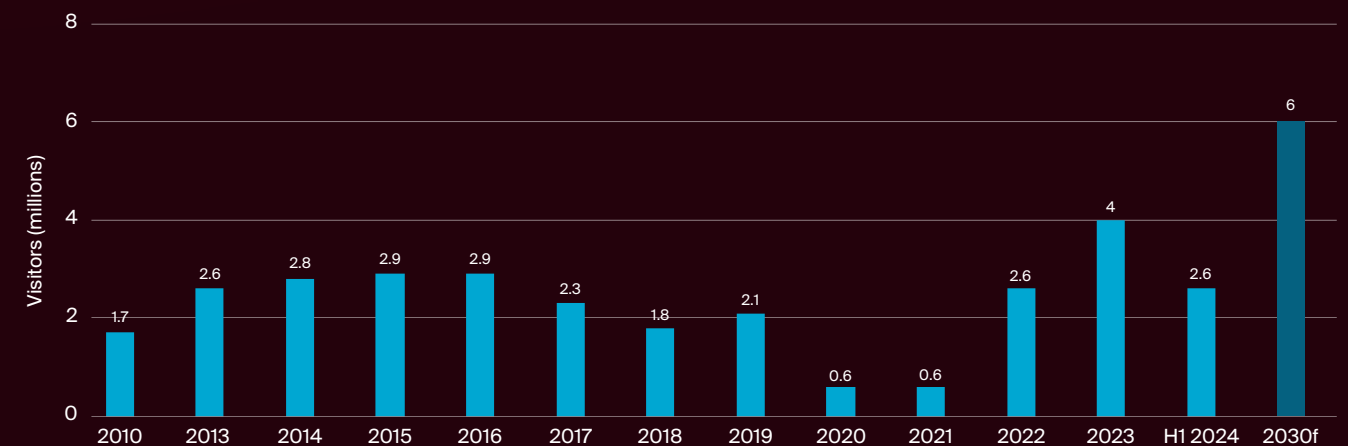
Source: STR Global, WTTC

KPIs - ADR, RevPAR & Occupancy % change



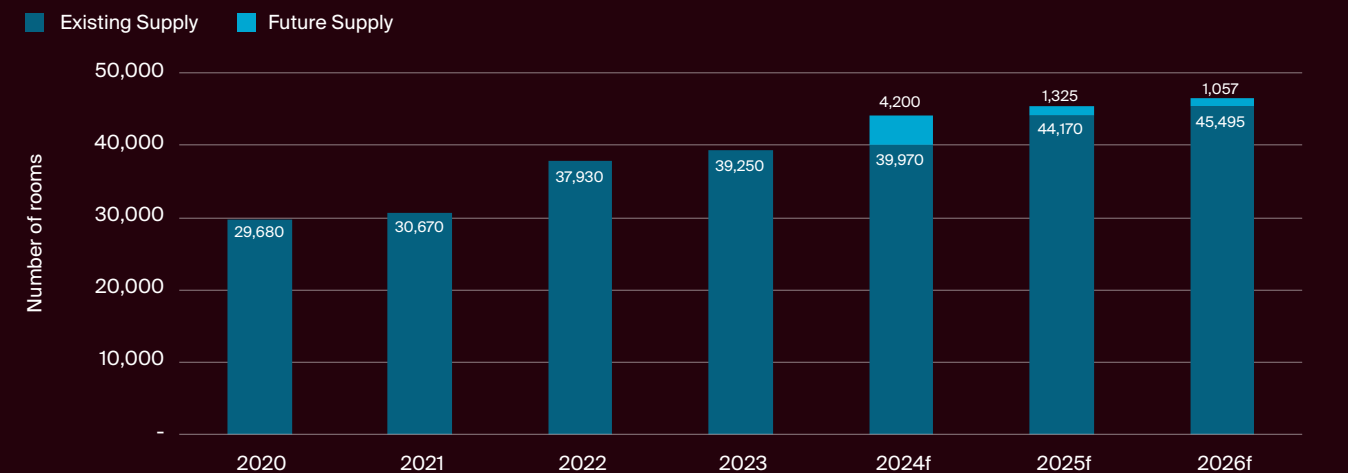
Source: STR Global

Number of international visitors



Source: Knight Frank, National Planning Council

Evolution of quality hotel supply & forecast



Source: STR Global

QATAR'S GROWING ALLURE

Entertainment appeal

Our survey also looked at the reasons for travelling to Qatar.

46% of respondents travel to Qatar for 'entertainment and seasonal attractions'. This particular aspect of Qatar's appeal resonates most with GCC nationals aged 45-54 (53%), followed by GCC nationals aged 35-44 (51%). For GCC-based expats, 25-34 and 35-44-year-olds are also drawn to visit Qatar for the same reason (46% each).

The second most popular reason to visit Qatar among all age groups is to see friends (40%), with this being highest among GCC nationals aged 18-24 (48%) and 35-44 (48%).

'Cultural attractions' and to 'discover or explore the country' emerged as the third most popular driver for a trip to Qatar for all our respondents, at 38% each.

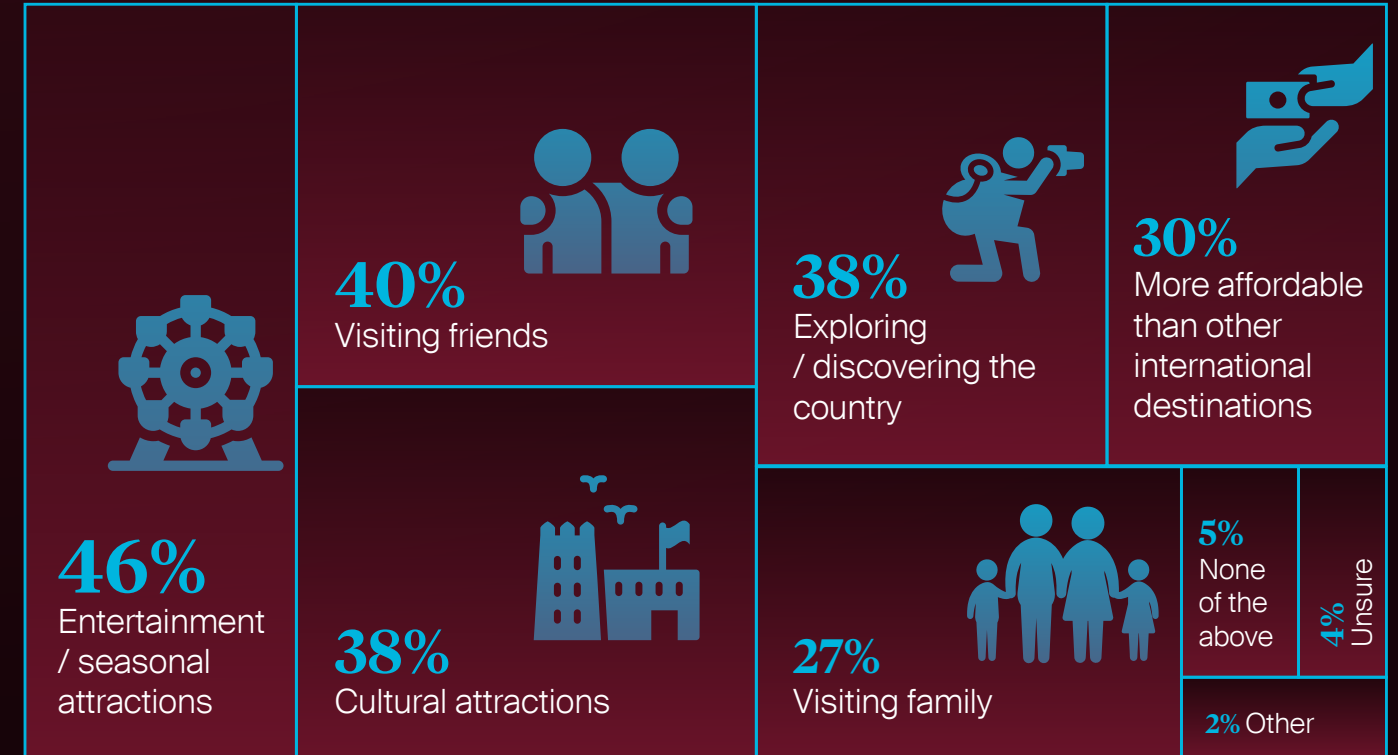
An affordable destination?

30% of our survey respondents also believe Qatar's relative affordability, when compared to other global destinations, makes it especially appealing. With 70% of all existing hotel rooms in Qatar falling in the 4-5-star category, this hints at an opportunity to grow the mid-market segment of hotels as well. We will return to this in our Opportunities chapter later in the report.



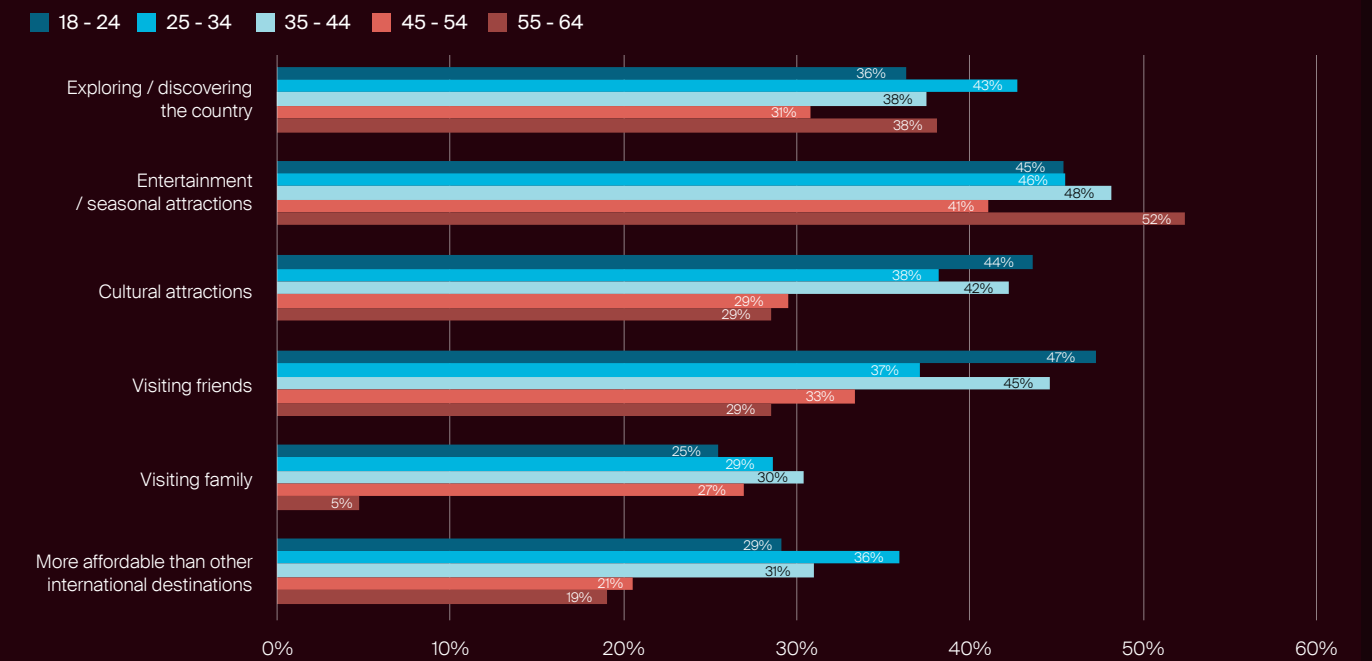
Meryal Water Park, Qetafin Island North

Reasons for travelling to Qatar



Source: Knight Frank, YouGov

Visiting rationale (by age group)



Source: Knight Frank, YouGov

QATAR'S GROWING ALLURE

In the wake of the 2022 FIFA World Cup, visitor numbers to Qatar jumped, hitting 4 million during 2023, putting the country well on track to hit the 2030 visitor target of 6 million set by the government. Unsurprisingly, the travel and tourism sector is quickly growing in its strategic importance to the economy. Indeed, the sector accounted for 10.3% of GDP growth in 2023 and is expected to grow to 12.8% of GDP by 2034 (WTTC).

Rising popularity

Against this backdrop, we wanted to understand the perceptions of potential visitors as this may have direct consequences for the volume of future travellers as well as inward investment activity.

Positively, 23% of GCC nationals and GCC-based expats already visit Qatar every 2-3 months, with a further 16% visiting once or twice a month.

Travel to Qatar is highest amongst the younger respondents of our survey (18-24-year-old GCC nationals), 27% of whom visit once or twice a month. The same is true for 25-34-year-old GCC-based expats, 26% of whom travel to Qatar up to twice a month.

Love thy neighbour

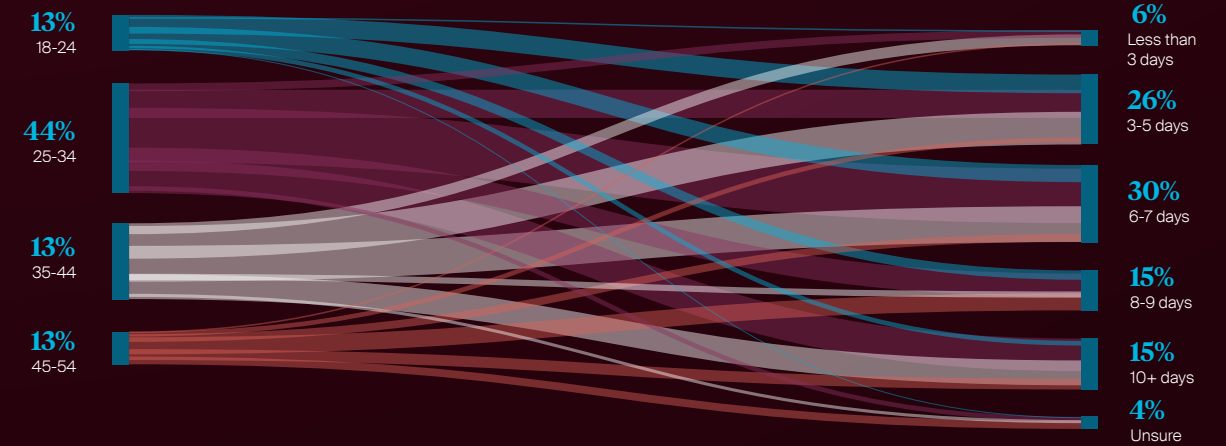
The relatively short flying time between Dubai and Doha and the fact there are 84 flights per week between the two cities is in part responsible for the relatively high frequency of visits to the country by UAE national respondents, 30% of whom travel to Qatar every 2-3 months. Similarly, 24% of the UAE-based expats surveyed visit Qatar every six months.

When it comes to understanding the correlation between the respondents' age and the length of their stay in Qatar, the majority (31%) from all age groups tend to spend 6-7 days in the country. Amongst GCC national respondents, 45-54-year-olds tend to vacation in Qatar for the longest periods, with 34% staying 8-9 days. For GCC-based expats, the 'sweet-spot' appears to fall between 3-7 days, with 63% of 25-34-year-olds selecting this option.



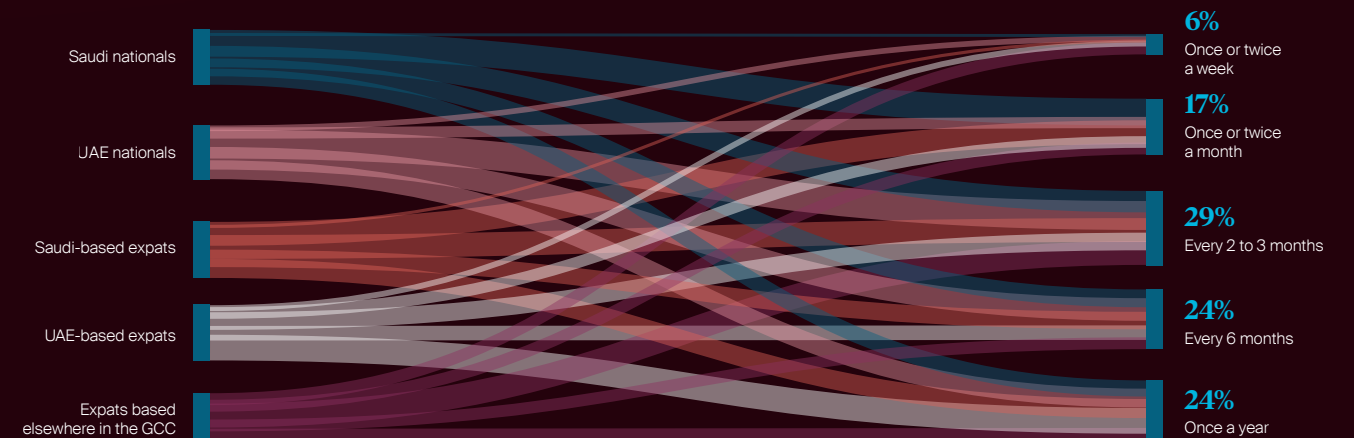
Katara Cultural Village, Doha

Length of stay for GCC nationals visiting Qatar (by age group)



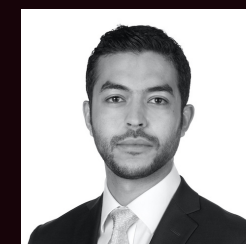
Source: Knight Frank, YouGov

Frequency of visits (GCC nationals v. GCC-based expats)



Source: Knight Frank, YouGov

“ Qatar’s tourism sector is emerging as a key contributor to economic activity, growing by 31% to reach a record-breaking US\$ 23.3bn in 2023, representing 10.3% of total economic output. While the supply of luxury rooms continues to edge up, there remains an opportunity to tap into the mid-market segment to widen the appeal of visiting Qatar to a wider range of tourists, some of whom may currently be priced out of visiting.



Oussama El Kadiri

Partner - Head of Hospitality, Tourism & Leisure Advisory, MENA

QATAR'S HOSPITALITY MARKET

Hotel room supply continues to trickle into the market, with over 1,300 keys added in 2023. At the end of H1 2024, the total quality room supply in Qatar stood at c. 40,000 keys, 60% of which comprised internationally branded rooms. By the end of 2026, the quality room supply in Qatar is expected to reach 46,600 keys.

Travel accommodation preferences

When it comes to accommodation preferences in Qatar, more than a third (35%) of our respondents prefer hotels over other forms of accommodation.

The second most popular option for GCC nationals and GCC-based expats is staying in one of the country's resorts (25%), with brands such as the Sheraton, Four Seasons, Hilton, Kempinski, and Ritz-Carlton all offering resort stay options.

For Saudi nationals, resorts are the most popular type of accommodation (35%), while for Emiratis, hotels are the go-to option (40%). For both UAE-based and Saudi-based expats, 31% prefer resorts, while for expats based elsewhere in the GCC, the figure is higher at 44%.

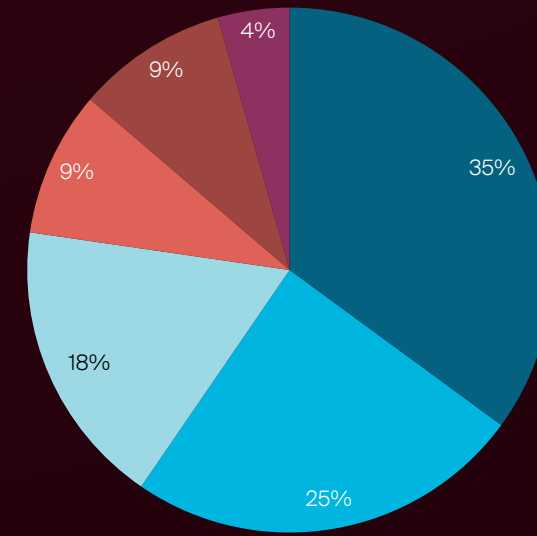
5-star all the way

Overall, 21% of our survey respondents would opt to stay in a 5-star hotel. This figure is slightly higher for UAE nationals (25%). GCC-based expats are also especially keen on this option (30%).

Of note is the fact that the majority (50%) of other GCC nationals (excluding Saudis and Emiratis) would opt for a 4-star hotel. Only 14% of Saudi nationals would choose to stay in a 4-star hotel, while for Emiratis, the figure is even lower at 11%.

Accommodation preferences in Qatar

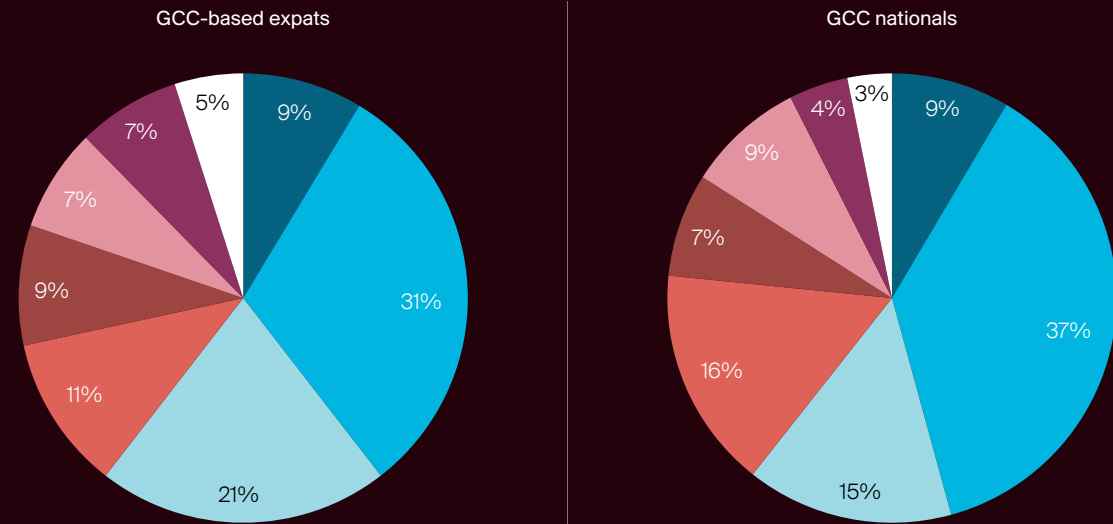
Hotels Resorts Serviced apartments AirBnB Staying with friends/family Undecided



Source: Knight Frank, YouGov

Respondents' preferred hotel brand in Qatar

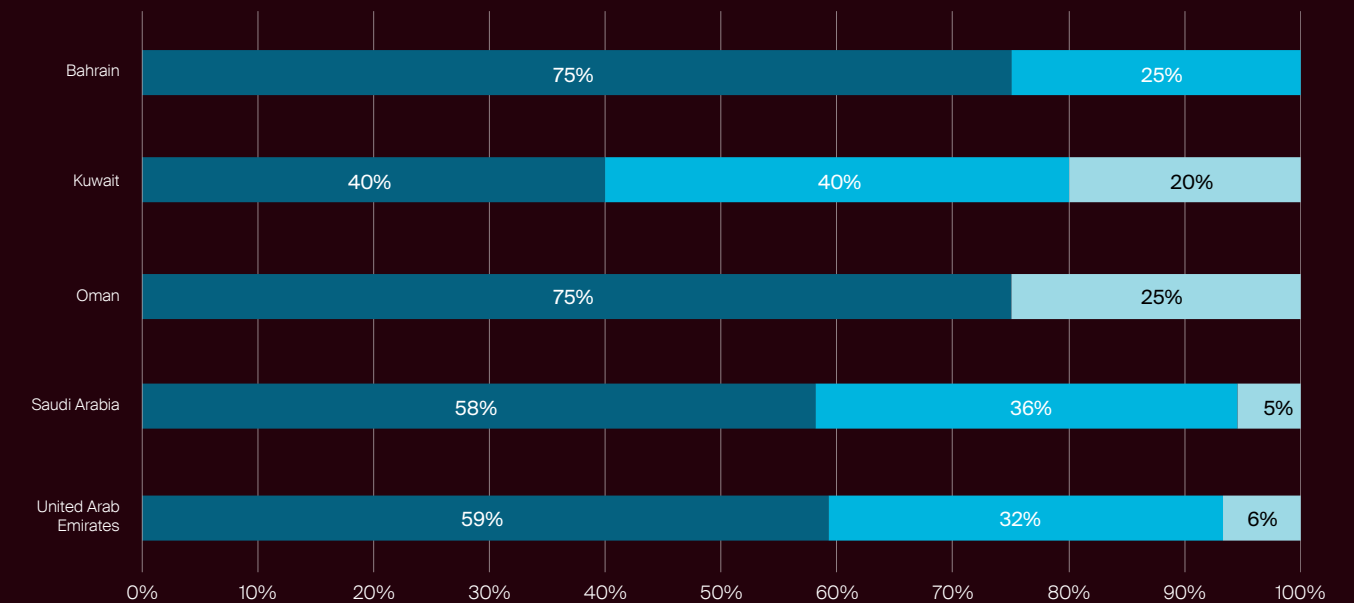
Accor Hilton Worldwide Marriott International Four Seasons IHG Hotels Hyatt Hotels Rotana Hotels Unsure



Source: Knight Frank, YouGov

Star rating for hotel choice (by country of residence)

5 star 4 star 3 star



Source: Knight Frank, YouGov

QATAR'S HOSPITALITY MARKET

Travel accommodation budgets

When it comes to typical daily accommodation expenses for a visit to Qatar, 28% of the respondents we polled said they would be willing to spend between US\$ 100-200.

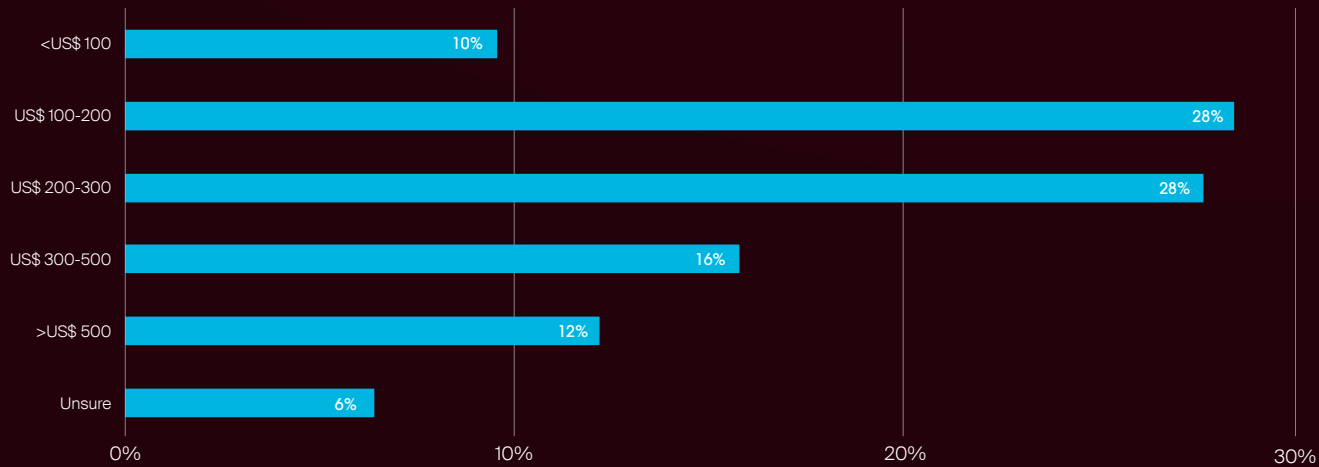
Those with the deepest pockets are the highest earners, with 19% of those on monthly salaries over US\$ 25,000 prepared to part with over US\$ 500 per day.

10% of Saudis, 13% of Omanis, and 14% of Emiratis are happy to secure accommodation that costs over US\$ 500 per day.

Over a third of Omanis (38%) and 30% of Saudis are willing to spend between US\$ 200-300 daily.

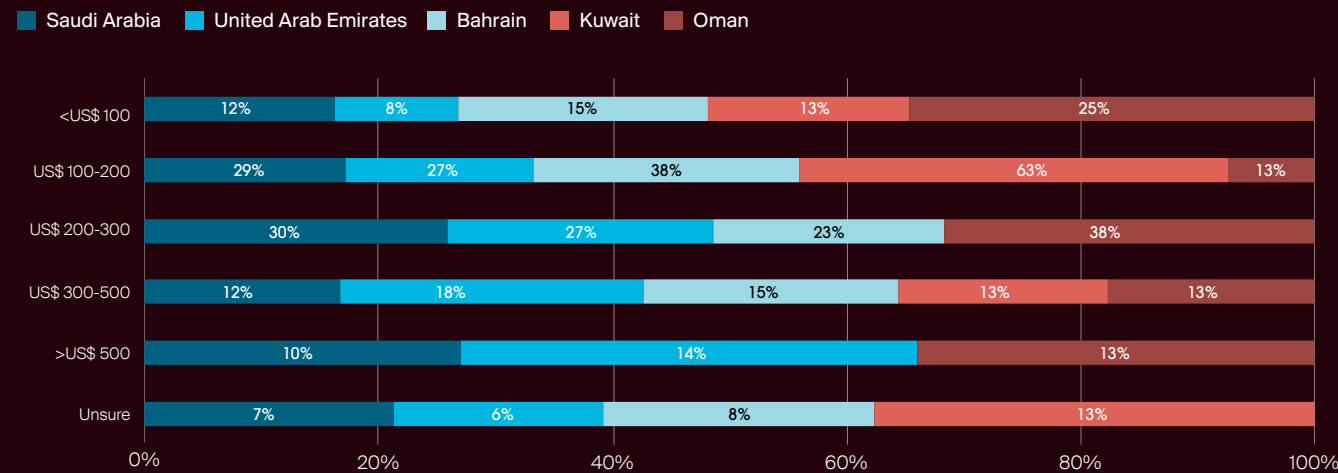
63% of Kuwaitis and 38% of Emiratis are ready to spend US\$ 100-200 per day, the most popular daily budget overall.

Typical daily accommodation budgets



Source: Knight Frank, YouGov

Daily hotel budgets (by country of residence)



Source: Knight Frank, YouGov

NEED TO KNOW

- 23% of GCC nationals and GCC-based expats already visit Qatar every 2-3 months
- 31% tend to spend 6-7 days in the country during a visit
- 'Entertainment and seasonal attractions' is the main reason cited for travel to Qatar (46%)
- 30% of our survey respondents also believe Qatar's relative affordability, when compared to other global destinations, makes it especially appealing
- More than a third (35%) of GCC nationals and GCC-based expats prefer hotels over other forms of accommodation in Qatar
- 21% of our survey respondents would opt to stay in a 5-star hotel



Katara Hills, Doha



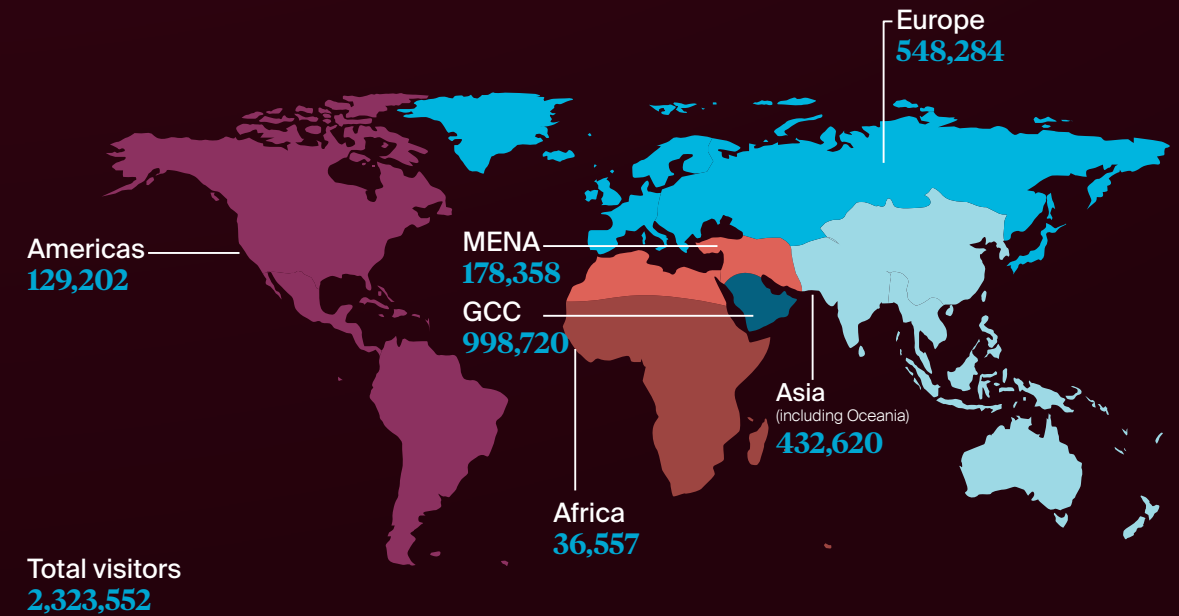
HAMAD INTERNATIONAL: QATAR'S GLOBAL GATEWAY

Hamad International Airport in Doha is a state-of-the-art aviation hub built to help position Doha as one of the world's key transit gateways for passengers travelling between Europe, Africa, and Asia. It is the second busiest airport in the Middle East, handling 45.9 million passengers in 2023. This year, the US\$ 16bn airport was named the 'best in the world' by Skytrax, which described it as the most architecturally significant terminal complex globally.

Travel and tourism, as already highlighted, is playing an increasingly significant role in helping to diversify Qatar's economy, with its share of GDP expected to grow from 10.3% at present to 12.8% by 2034 (WTTC).

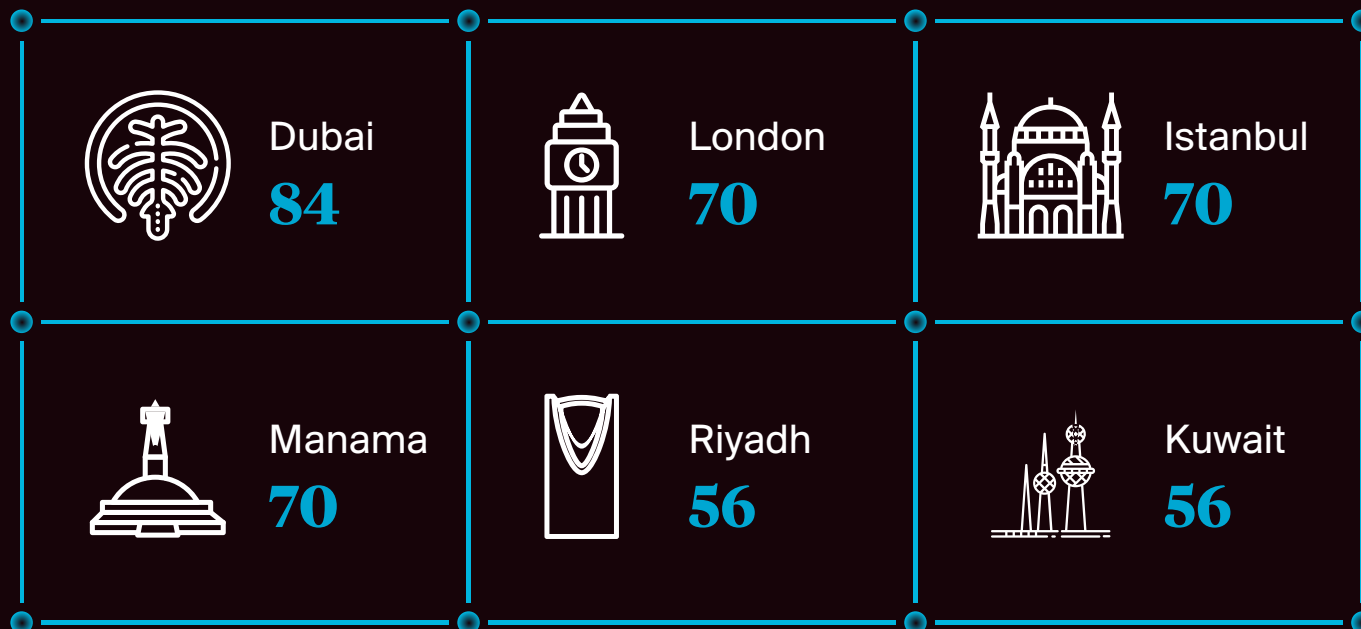
Below, we take a closer look at the connectivity offered to travellers by Hamad International Airport.

Visitor arrivals to Qatar by region (Jan-May 2024)



Source: Knight Frank, psa.gov.qa

Cities with the most connections to Doha
Number of flights per week



Source: Flightradar

Hamad International Airport in numbers



Source: Knight Frank, Flightradar



QATAR RETAIL MARKET



UNDERSTANDING QATAR'S RETAIL MARKET

In recent years, Qatar has made significant strides in diversifying its economy away from hydrocarbons. The landmark US\$ 330bn nation-altering expenditure linked to the hosting of the 2022 FIFA World Cup kick-started the government's transformative vision for a diversified economy. The share of the contribution of the non-oil sector to GDP stood at 63% in 2023.

A key part of economic diversification efforts

The US\$ 330bn World Cup budget has transformed the country, with Doha, Al Daayen and Al Rayyan emerging as key beneficiaries.

Although the population of Doha currently stands at 1.18 million, infrastructure has been put in place to accommodate 5 million residents. In parallel, a rich range of cultural attractions, such as the Qatar National Museum and the Qatar Museum of Islamic Art, have helped to position the country as one of the world's leading cultural destinations, differentiating it from regional peers. Shop Qatar, launched in 2017, is the country's largest shopping festival and a key part of the government's diversification efforts.

Events like this have stimulated growth in the retail sector by boosting tourism and consumer spending. During 2023, domestic visitor spend reached QAR 1.4bn, up 8.4% year-on-year, while international visitor spending increased by nearly 40% over the same period to QAR 60.4bn (WTTC).

High annual household incomes, estimated at QAR 928,000 (Oxford Economics) have also aided the sector's rapid expansion. Household incomes are projected to increase by 11%, from a total of US\$ 90.4bn in 2023 to US\$ 95.2bn by the end of 2024. Consumer spending is expected to grow in parallel, rising to a projected US\$ 73.9bn in 2024, up from US\$ 53.9bn in 2021 and US\$ 70.9bn in 2022 (Statista).

A sector transformed

Qatar's shopping malls have gone through a period of significant transformation in recent years. Major new mall and retail developments include Place Vendôme (230,000 sqm) in Lusail and Doha Oasis Printemps (38,000 sqm), the Middle East's largest luxury department store.

Both have been operational since 2022. Place Vendôme is the third super-regional mall to open in Qatar after Mall of Qatar and Doha Festival City.

Qatar now boasts over 1.78 million sqm of leasable retail space in major malls. Additionally, there is over 400,000 sqm of leasable space in outdoor retail and leisure destinations in and around Doha, including locations such as The Pearl Island, Souq Waqif, Msheireb Downtown, Katara, Doha Port, and Lusail Boulevard.

Experiential retail key to survival

Perhaps unsurprisingly, the significant increase in supply has impacted retail rents, with average monthly rates falling by 7% to QAR 200 psm between Q2 2023 and Q2 2024.

Retail developments that offer a distinctive consumer experience and are tailored to accommodate shifting consumer behaviour by incorporating elements such as an inviting public realm, F&B offerings, educational experiences, well-being and entertainment have sustained high occupancy rates.

In contrast, developments where landlords have focused on discount-based rent incentives to entice businesses and boost their occupancy rates continue to experience increasing voids and declining footfall.

Monthly headline lease rates for line units in Doha's premier malls continue to range from QAR 210-270 psm. Many secondary malls have monthly line unit lease rates below QAR 200 psm.

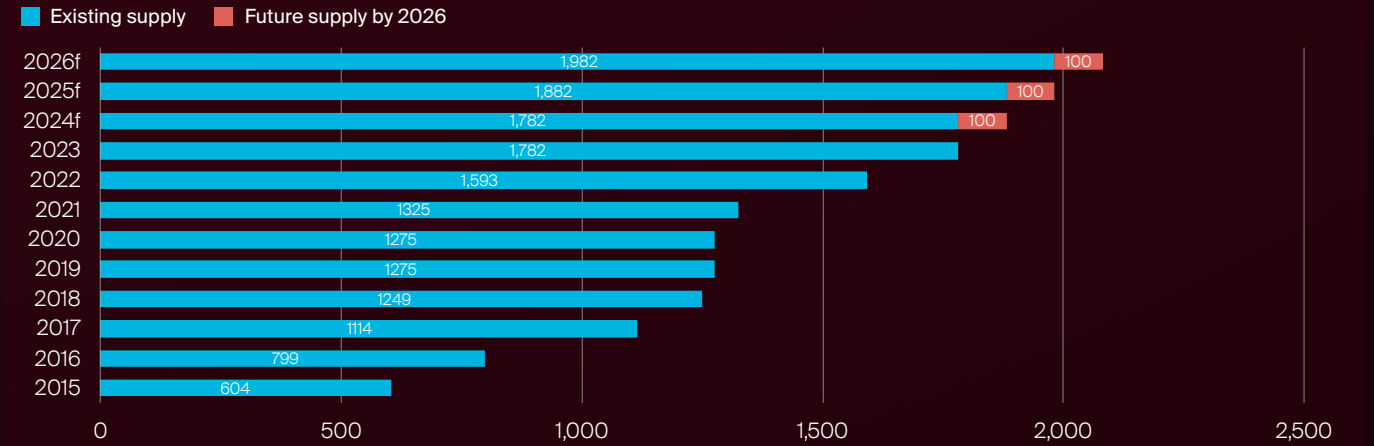
High street units remain the most affordable for retailers, with monthly rents ranging from QAR 100-170 psm, depending on size and use category.

DISCOVER MORE



Evolution of Qatar retail supply

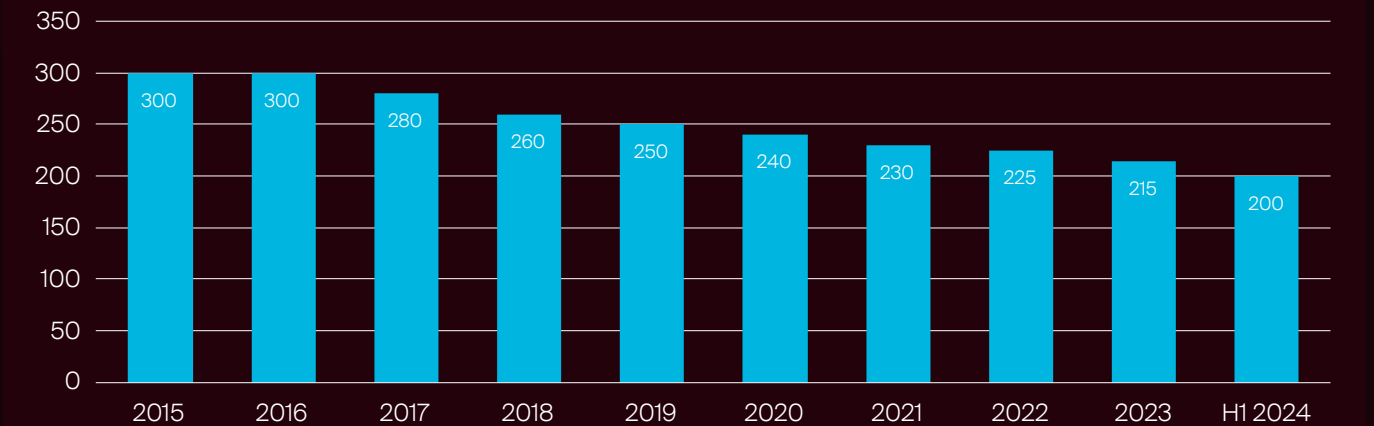
sqm (000's)



Source: Knight Frank

Qatar market-wide lease rates

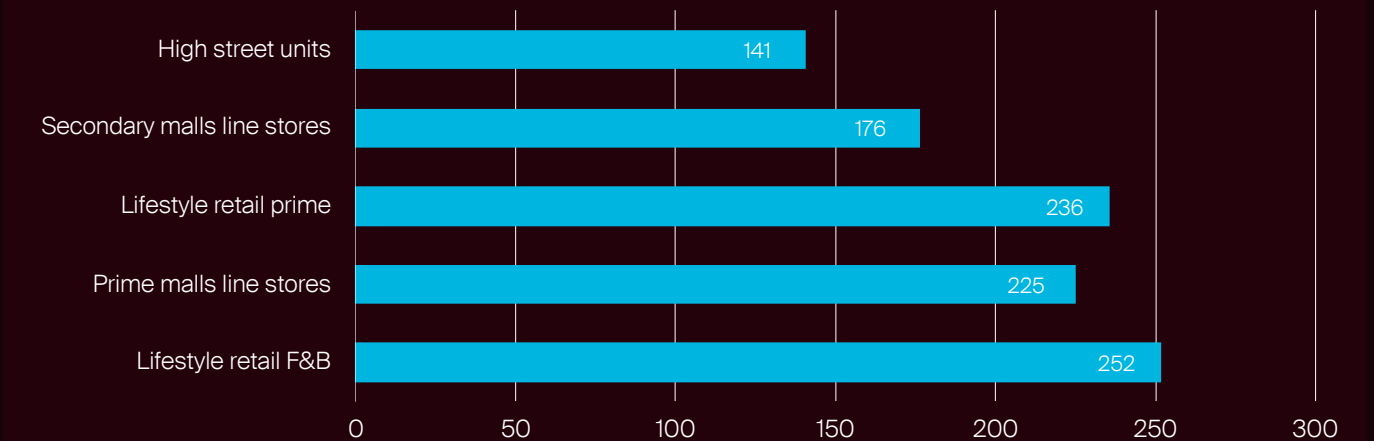
QAR psm per month



Source: Knight Frank

Retail performance by type of retail

QAR psm per month



Source: Knight Frank

SHOP TILL YOU DROP

Qatar's retail sector has undergone a phenomenal transformation in the lead-up to the FIFA 2022 World Cup, with over 880,000 sqm of retail space being activated in new luxury shopping malls since 2011. As the country works to position itself as a luxury retail magnet in the region, it is perhaps no surprise that the retail sector, at 37%, ranks jointly as the second most popular investment asset class, alongside branded residences, for both GCC-based expats and GCC nationals. The residential sector is the most popular target sector for our respondents.

A clear favourite for UAE and Saudi-based expats

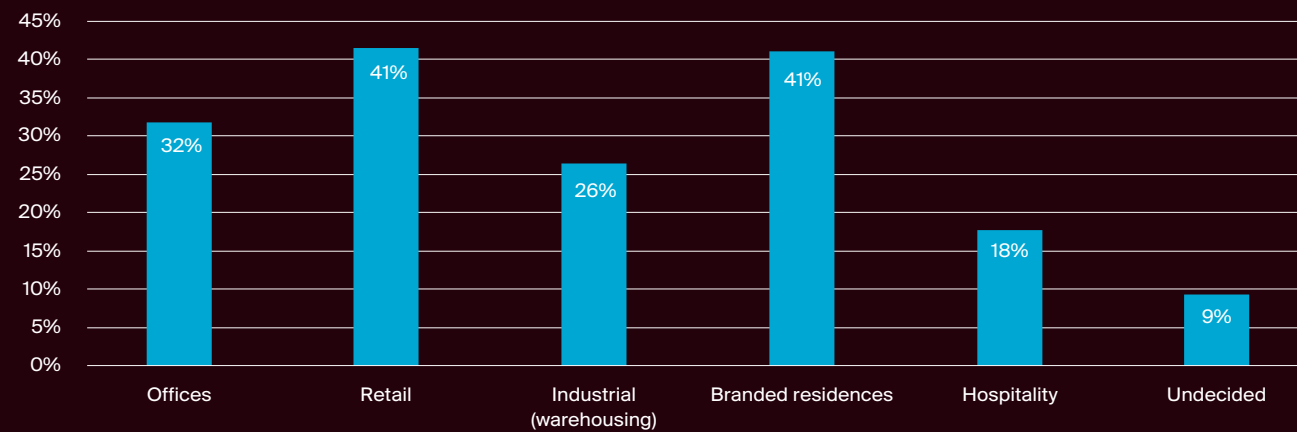
When asked to identify their most preferred real estate sector for investment in Qatar, aside from the residential sector, the retail sector at 41% was jointly the most popular sector for GCC nationals aged over 45, alongside branded residences.

For GCC nationals aged 18-45, the sector was the second most popular, behind branded residences. For Saudis and

Emiratis, the retail sector is also the second most popular asset class in Qatar at 40% and 36%, respectively, behind branded residences.

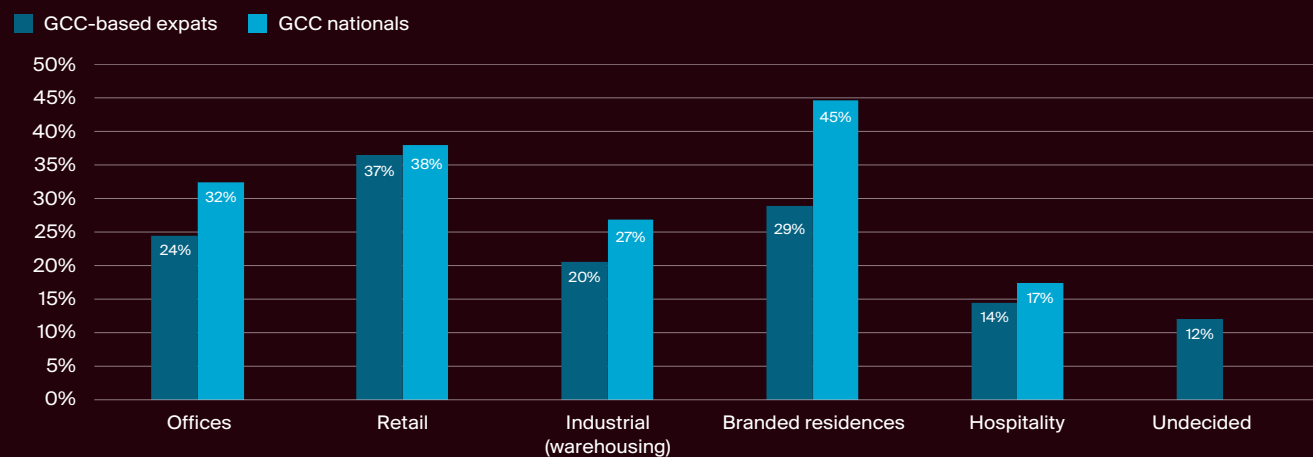
The sector is held in even higher regard by GCC-based expats, with 44% of Saudi-based expats and 34% of UAE-based expats naming it as their top target asset class, hinting at the authorities' success in fostering a vibrant and attractive retail landscape.

Preferred real estate sectors for investment (excluding residential)



Source: Knight Frank, YouGov

Preferred real estate sectors for investment (excluding residential)



Source: Knight Frank, YouGov



Souq Waqif, Doha

'RETAIL THERAPY' APPEAL

Qatar's efforts to become a global shopping destination through shopping festivals and year-round retail events appear to appeal strongly to our survey respondents. Indeed, 79% of those surveyed around the region would be willing to travel to Qatar purely for shopping or retail therapy, pointing towards a successful campaign by authorities to transform Qatar into a regional shopper's paradise.

A shopper's paradise emerges?

Our survey reveals a strong overall interest (79%) in Qatar as a shopping destination, particularly among young GCC nationals. A significant 91% of GCC nationals aged 18-24 and 89% of those aged 25-34 express a desire to travel to Qatar for shopping, and this enthusiasm, while slightly decreasing with age, remains substantial, with 80% of GCC nationals aged 35-44 keen to plan a shopping trip to Qatar.

GCC-based expats also demonstrate notable interest, albeit slightly lower than their native counterparts. 76% of expats aged 25-34, for instance, are interested in arranging a shopping trip to Qatar, compared to 80% of those aged 35-44.

Overall, nationals and expat residents in Bahrain and Saudi Arabia have the strongest desire to travel to Qatar for shopping at 85% each. The United Arab Emirates (76%) and Kuwait (75%) show moderate interest. In comparison, Oman exhibits a lower interest rate of 63%.

The appeal of Qatar to those living in Bahrain and Saudi Arabia as a place for a shopping holiday likely stems from their relative proximity and cultural similarities. Strong historical and economic ties are also likely factors. Indeed, Saudi Arabia emerged as the top source market for tourists in 2023, while Bahrain ranked seventh, ahead of the UAE (ninth place).

Hey big spender

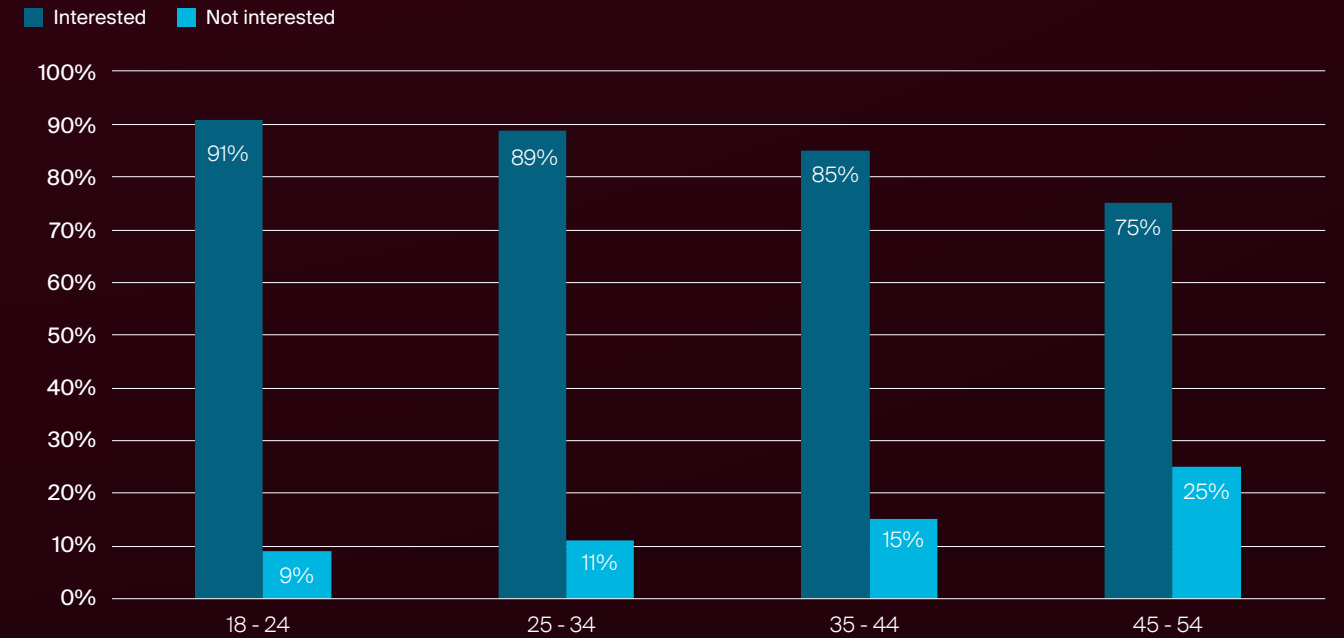
This interest in travelling to Qatar to shop is particularly strong among the higher income brackets, irrespective of country of residence or origin. 86% of those earning above US\$ 25,000 per month would like to plan a shopping holiday to Qatar and this rises to 88% for those on monthly incomes of US\$ 22,500-25,000. This strongly hints at the fact that Qatar has indeed emerged as a luxury destination attracting the interest of the region's affluent shoppers.

“ Qatar's strategic location, combined with its world-class retail offerings and unique shopping experiences, makes it a premier destination for GCC visitors. Our survey reveals a robust interest across various demographics, particularly among younger adults and those in higher income brackets, indicating strong market potential. The appeal of Qatar's luxury brands, modern malls, and cultural affinity with neighboring countries like Saudi Arabia and Bahrain further enhance its attractiveness. By continuously enhancing the retail experience and hosting major events like 'Shop Qatar', Qatar is well on its way to emerging as the region's latest retail destination. ”



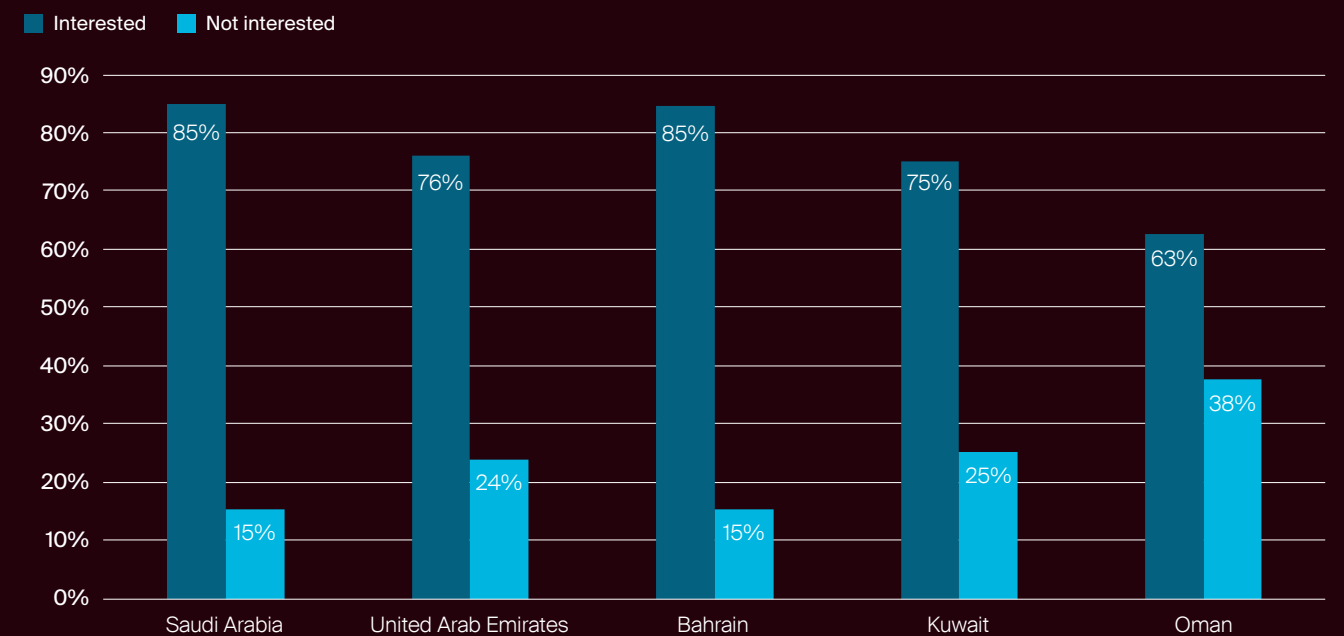
Amar Hussain
Associate Partner - Research, ME

GCC nationals' interest in Qatar as a shopping destination (by age group)



Source: Knight Frank, YouGov

Desire to plan a shopping trip to Qatar by country of residence (nationals and expats)



Source: Knight Frank, YouGov

'RETAIL THERAPY' APPEAL

53% of all our respondents indicated their interest in travelling to Qatar for shopping is due to the country's highly publicised shopping festivals. Nationals from other GCC states (excluding Saudi and the UAE) cite the luxury shopping experience available as the top pull factor, while for Saudi nationals, tax-free shopping is the most important consideration.

The appeal of Qatari retail

The range of factors that draw in regional visitors points towards a diversified retail offering that appears to appeal to all income brackets, albeit our survey results suggest that Qatar's strong luxury shopping scene is fast emerging as its key USP.

Our survey results indicate that 'shopping festivals' (53%), the 'combination of shopping with tourism' (51%), and 'luxury shopping experiences' (48%) underpin Qatar's allure as a shopping holiday destination.

This attraction is particularly strong among younger and more frequent travellers. For instance, 55% of GCC nationals aged 18-24 find Qatar's luxury shopping offerings the biggest pull factor, while for GCC nationals earning over US\$ 25,000 per month, this figure drops to 40%.

Luxury retail haven

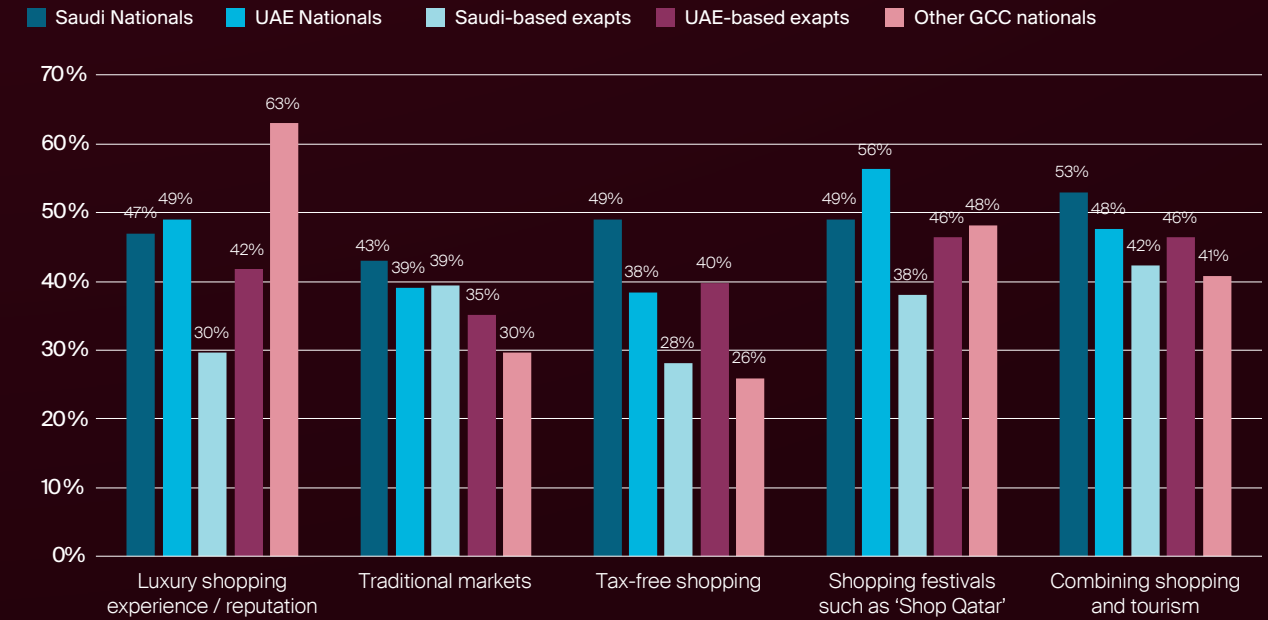
Breaking down the result by country of residence, expats living in GCC nations (excluding the UAE and Saudi) demonstrate the highest preference for luxury shopping (63%), followed by UAE nationals (49%) and Saudi nationals (47%).

Qatar's shopping festivals are particularly appealing to UAE (56%) and Saudi nationals (49%).

Combining shopping and tourism is also a significant factor, especially for Saudi nationals (53%) and UAE-based expats (46%).

Traditional markets attract moderate interest, with Saudi nationals (43%) emerging as the group for whom this is the most significant influencing factor in travelling to Qatar for a shopping holiday.

Reasons Qatar's retail scene appeals to regional visitors



Source: Knight Frank, YouGov

Reasons why regional visitors would choose to shop in Qatar



*Percentages indicate number of times each option was selected by the respondents

Source: Knight Frank, YouGov



Place Vendome, Lusail

FROM MALLS TO MARKETS

Qatar has a diverse array of indoor and outdoor malls catering to various tastes and preferences. From sprawling luxury complexes to culturally rich outdoor markets, Qatar offers an eclectic shopping experience combining traditional charm and modern opulence.

Diverse shopping experiences

Malls like the Mall of Qatar, Place Vendome, and Doha Festival City are known for their opulence and wide selection of high-end brands. Meanwhile, outdoor venues like The Pearl Island, offering a Mediterranean-inspired setting and atmosphere with cafes and boutiques along scenic walkways and canals, and Souq Waqif, showcasing Qatar's rich heritage, present visitors with diverse shopping options to suit all budgets.

Souq Waqif is a highlight for those seeking a more traditional experience. Situated in central Doha, this historic market sells everything from spices and jewellery to local handicrafts while offering local cuisine and hospitality in its many eateries and shisha bars.

Understanding Qatar's mall appeal

Our survey also investigated the unique characteristics of Qatar's retail venues to identify the factors that appeal the most to regional visitors. The results highlight that the 'variety of luxury and international brand stores' is the most influential factor (41%). This indicates a strong demand for high-end retail experiences among the region's shoppers.

Following closely behind is the 'quality and variety of dining options' (39%). 'Entertainment and leisure activities' rank in third place (38%), alongside 'family friendliness' (38%),

suggesting that malls that cater to a broad demographic with diverse facilities are particularly appealing.

Other significant factors include the 'diversity of shops and brands' (37%), the 'architectural beauty and ambience of the mall' (36%), and the 'convenience of location' (35%). These elements highlight the importance of aesthetics, variety, and accessibility in attracting consumers and tourists visiting purely for shopping.

'Exclusive events and promotions' also play a role, although less so, with a 31% influence rate. 'Cultural and art exhibitions', as well as the 'availability of traditional Qatari and regional products', also contribute to mall preferences, influencing 29% and 28% of respondents, respectively.

A blueprint for success

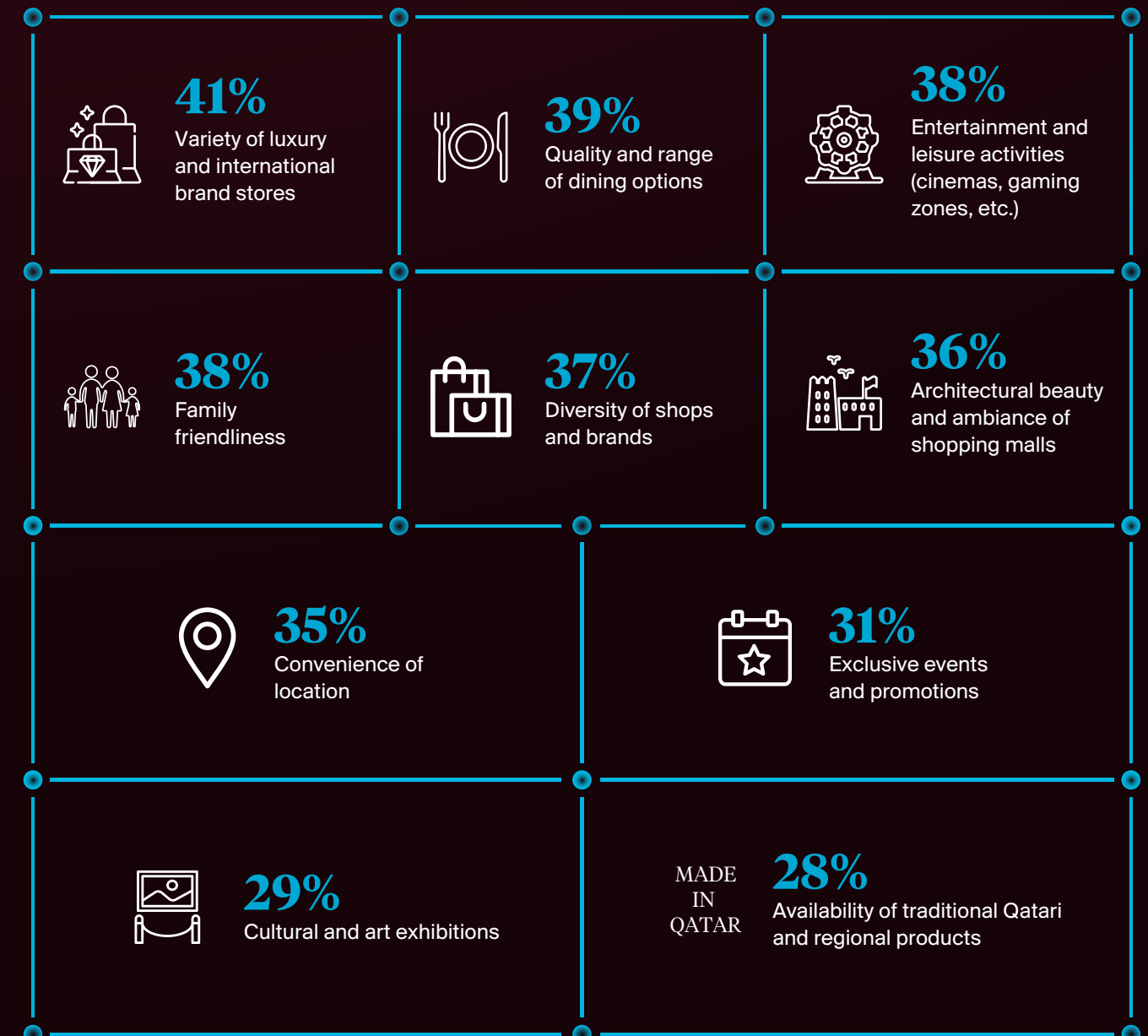
These results underscore a clear preference for malls that integrate high-quality retail with diverse dining and entertainment options within an inviting atmosphere.

The presence of luxury and international brands is particularly appealing, while cultural activities and local products also enhance the shopping experience, offering perhaps a blueprint to mall operators and developers looking to capitalise on the growing interest from the region to travel to Qatar for a shopping holiday.

NEED TO KNOW

- For GCC nationals aged 18-45, the retail sector was named as the second most popular investment asset class, behind branded residences
- 44% of Saudi-based expats and 34% of UAE-based expats named Qatar's retail sector as their target investment asset class
- 79% of regional respondents have a desire to travel to Qatar purely for shopping
- Nationals and expat residents in Bahrain and Saudi Arabia have the strongest desire to travel to Qatar for shopping at 85% each
- 91% of GCC nationals aged 18-24 are keen to travel to Qatar for shopping, compared to 89% of those aged 25-34
- 'Shopping festivals' (53%), the 'combination of shopping with tourism' (51%), and 'luxury shopping experiences' (48%) underpin Qatar's appeal as a shopping holiday destination
- Younger respondents (18-24) show a strong preference for the 'architectural beauty and ambience of the mall' (51%), while older respondents (55-64) prioritise the 'diversity of shops and brands' (57%)

Factors influencing Qatari shopping mall preferences for regional visitors



*Percentages indicate number of times each option was selected by the respondents

Source: Knight Frank, YouGov

DISCOVER MORE

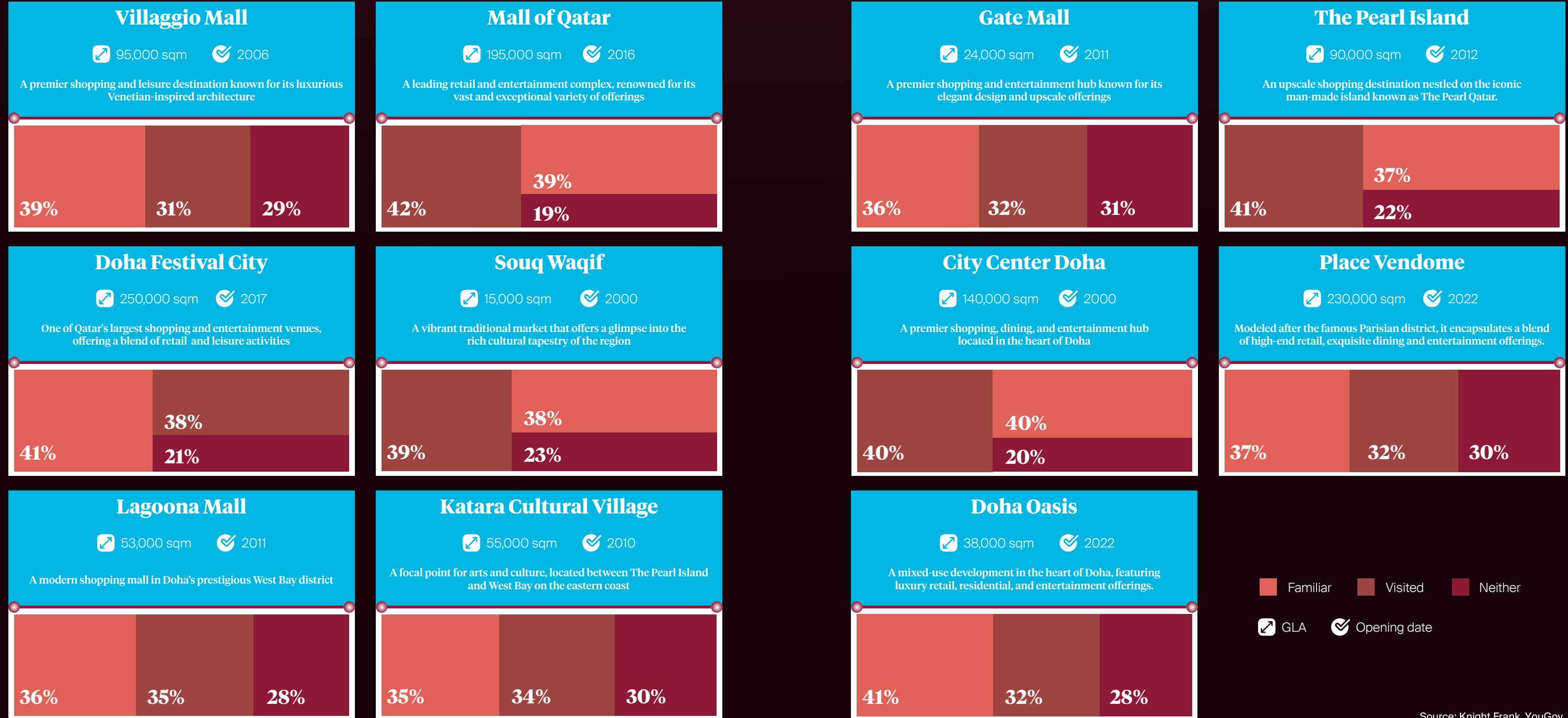




QATAR'S PRIME RETAIL HOTSPOTS

Qatar has seen the completion of over 880,000 sqm of retail since 2011, and in our survey, we investigated regional visitors' familiarity with the myriad of Qatar's retail offerings.

Familiarity with retail destinations in Qatar



■ Familiar
 ■ Visited
 ■ Neither
✍ GLA
 ✓ Opening date

Source: Knight Frank, YouGov

NEED TO KNOW

QETAIFAN ISLAND: ENTERTAINMENT REDEFINED

Poised to build cities of sustainable and intelligent infrastructure to support Qatar’s long-term economic Vision 2030, Qetaifan Projects is a national developer, who’s first and primary project is Qetaifan Island North. The development comprises a unique island with a cutting-edge waterpark and an opulent all-inclusive hotel, complimented by residential developments and supporting amenities. Below we take a closer look at the sub-projects that will define Qetaifan Island North, ushering in one of Qatar’s most exciting and all-inclusive residential and entertainment destinations.

<h3>Meryal Waterpark</h3> <p>US\$ 266 million 100% 2023</p> <p>The biggest waterpark in Qatar with four World Guinness World Record nominations</p> <p>3 outlets 7,500</p> <p>207,015 m² 8 outlets</p>	<h3>Azure Doha Beach Club</h3> <p>US\$ 30 million 100% 2024</p> <p>A high-end beach club in Doha, operated by Rixos</p> <p>1,500</p> <p>31,269 m² 2 outlets</p>
<h3>Rixos Premium Qetaifan Island North</h3> <p>US\$ 200 million 99% 2024</p> <p>An all-inclusive beach resort with world-class facilities</p> <p>2,000 m² 345 keys 1,100</p> <p>77,210 m² 6 outlets</p>	<h3>Trove East & West Retail Plazas</h3> <p>US\$ 130 million 99% 2024</p> <p>Retail and F&B stand-alone buildings scattered alongside the Majra Alsail Canal and Park</p> <p>14,946 m² 7,000</p> <p>117,610 m²</p>
<h3>Majra Alsail Canal and Park</h3> <p>100% 2020</p> <p>The main artery of the island that links the districts all together</p> <p>80,921 m²</p>	<h3>Residential Community</h3> <p>2025 - 2027</p> <p>A first-class luxury residential community with stunning waterfront views</p> <p>20,400 m²</p> <p>33 apartment buildings 146 units</p>

Source: Qetaifan Projects, MEED

Project value Construction progress of commissioned projects Expected completion

F&B Apartments Villas Total guest capacity Retail Hospitality Total land area



Qetaifan Island North, Lusail



OPPORTUNITIES

OPPORTUNITIES

As Qatar prepares for the next phase of its growth, the unique data and insights derived from our 2024 Destination Qatar survey of GCC nationals and GCC-based expats have highlighted a range of opportunities in Qatar's real estate market. As the country capitalises and builds on the success of the 2022 FIFA World Cup, Qatar's emergence in the Middle East as a prominent tourist destination has been evident in our findings.

Drawing on our market experience and the results of our survey we've put together a list of 5 real estate market opportunities:

1) MORE BRANDED RESIDENCES

Aside from residential real estate, branded residences were named the joint most popular real estate asset class for potential investors from around the region by both GCC nationals and GCC-based expats.

Branded residences offer access to a lifestyle that appeals to non-resident investors. Aside from the guarantee of access to world-class facilities and amenities, when connected to a hotel, branded residences also offer a virtual guarantee of outstanding property and facilities management – a significant consideration for those not living in the same location.

In nearby Dubai, which boasts the highest concentration of branded residential operators in the world, alongside a significant pipeline of 5,100 units due for delivery in the next five years, international HNWI are clamouring for a slice of the 'Dubai Life'. Our recently published *Destination Dubai 2024* report found that the global appetite for this asset class in the Emirate has risen from 59% to 69% in 2023.

In Qatar, branded residences appear to be a relatively nascent concept. However, this appears to be changing quickly with The St. Regis Marsa Arabia Island (263 units) opening in 2022, the Four Seasons Resort and Residences at The Pearl Island (161 units) opening in 2023, and Les Vagues by Elie Saab on Qetaifan Island North recently launching phase 3 (59 units).

The Swissôtel Corniche Park Towers Residences (121 units), due to complete in 2024, and JMJ Real Estate's Qetaifan Island North Project (c.293 units), with its wonderful design by Zaha Hadid Architects, and 'soon to be announced' luxury branded residence operator, due to be released to the market in October 2024, will add to the small but fast-expanding luxury branded residential sector in Qatar.

With real estate budgets ranging from US\$ 1.2 million for GCC nationals to US\$ 915,000 for GCC-based expats, the branded residential sector's expansion appears almost inevitable if Qatar is to capture some of this apparent pent-up demand for branded homes in the country.

2) LEVERAGING LUXURY RETAIL

Shopping festivals such as 'Shop Qatar' align with other major international events hosted by Qatar, like the 2023 AFC Asian Football Cup, which can have the dual benefit of drawing sports fans as well as shoppers.

Indeed, our survey reveals a very strong desire to visit Qatar for shopping (79%), particularly among young GCC nationals.

When looking at factors that inspire respondents to choose Qatar for shopping by country of residence, expats living in GCC nations (excluding the UAE and Saudi) demonstrate the highest preference for luxury shopping (63%), followed by UAE nationals (49%) and Saudi nationals (47%).

The strong appeal of the luxury retail sector to the region's travellers, as revealed in our survey results, hints at an opportunity to tailor shopping holidays, which could perhaps be offered in partnership with Qatar Airways and some of the country's luxury hotels. This would have the twin impact of raising the sector's profile within the region as well as facilitating the flow of shoppers with deep pockets to Qatar.

Even as an investment asset class, the retail sector (41%) was jointly the most popular sector for GCC nationals aged over 45, alongside branded residences, highlighting its broad appeal.



Museum of Islamic Art, Doha

OPPORTUNITIES

3) MID-MARKET HOTEL ACCOMODATION

Qatar has enjoyed a post-World-Cup boost, with visitor numbers rising and hotel occupancy levels increasing in tandem, topping out at 70% earlier this summer.

While just over a fifth (21%) of all our GCC national and GCC-based expat respondents would choose to stay in a 5-star hotel during a visit to Qatar, the bulk would like to stay in hotels rated 4 stars or less.

Furthermore, nearly a third (28%) of our respondents are willing to spend between US\$ 100-200 a day on accommodation in Qatar, rising to 38% of Emiratis and 63% of Kuwaitis, hinting strongly at a market for more affordable hotel options.

Around 19% of Qatar's current hotel room supply falls within the mid-scale price bracket, and our estimates show that this figure will dip further to just 15% by the end of 2028.

As the country works to position itself as an alternative tourist hub to other regional destinations, it is important to consider providing hotel options to cater to all budgets. We feel doing so will go some way in helping Qatar achieve its ambitious annual tourist figure of 6 million by 2030.

4) KNOW YOUR HOME BUYERS

When it comes to the residential market, we know it is the most preferred sector amongst GCC nationals and GCC-based expats, with 65% of our survey respondents keen on acquiring residential real estate in Qatar within the next five years. Indeed, 28% would like to transact during 2024.

The bulk of respondents (37%) are interested in making a residential purchase 'purely for investment or capital gains', and a further 34% are focused on purchasing a buy-to-let asset.

Further down the list of drivers to buy a home in Qatar is 'for friends/family' (28%) and for use as a 'main residence' (22%), which rank in fifth and sixth place, respectively.

To us, this points toward an opportunity to boost the appetite to purchase a home in the country as a main residence.

The recent change in ownership laws allows international buyers to obtain permanent residency by purchasing a home valued at a minimum of US\$1 million, a move that has undoubtedly increased demand among Qatar's expat community.

Our survey results highlight that GCC nationals aged 18-24 have the highest likelihood, amongst all our respondents, of buying a home in Qatar for use as a main residence (36%). The opportunity we feel lies in tapping into this yet-to-be-mined source of demand.

Developers should be mindful not only of the budgetary constraints of this group, most of whom (27%) would be prepared to spend under US\$ 500,000, but also of the type of housing likely to appeal to young GCC nationals.

The ISI World Statistics Congress estimates that around half of the GCC population is aged under 25, representing an important source of potential future housing demand. This group will most likely respond to modern housing developments with facilities and amenities within walking distance. Indeed, our regional research has shown this to be the case in the UAE as well as [Saudi Arabia](#).

Furthermore, live-work-play communities, where most conveniences (retail, schools, clinics, f&b outlets, etc.) are within walking distance, as well as residential developments that are anchored by parks, green space, or well-being facilities are quickly becoming 'must-haves' for investors and buyers. Today, Qatar lacks large-scale villa community developments, which are widely available elsewhere in the region.

We feel this could be a relatively easy way to begin targeting not only young GCC nationals but also other expats in the region who might be looking for a more affordable housing option or, indeed, a future retirement property.

Sheraton Grand Doha Resort & Convention Hotel, Doha

OPPORTUNITIES

5) ESG-LINKED OFFICE STOCK COULD BOOST DEMAND

Our final area of opportunity, which is not strictly connected to the results of our survey, is linked to the country's office market.

Office rents have for a long time stagnated, while more secondary office buildings have registered rent falls as well as rising void periods.

With an estimated 80% of office requirements stemming from the public sector, either directly or through quasi-government entities, landlords are almost entirely reliant on relocation activity.

One way to stimulate market activity is through offering a new and unique product. Globally, the pandemic has driven a pivot towards best-in-class grade A offices, not least because of the impact on talent attraction and retention but also because newer office stock also often comes attached with ESG credentials – something many multinational occupiers have a global mandate to secure. Infact, many are even willing to pay a premium to occupy such space.

Securing ESG credentials such as LEED, for instance, are challenging (but not impossible) to achieve post-construction, but ESG certifications such as WELL or WiredScore, which are proven to boost office rents, are still limited in Qatar and represent a relatively easy way to offer something new to occupiers and possibly stimulate demand and activity as well.

Our team has already helped the likes of Msheireb Properties and The Gate Mall achieve WiredScore certifications. With digital connectivity infrastructure now widely regarded as being as essential as utilities infrastructure (water and electricity), we feel this presents developers and landlords a simple, but unique way to differentiate their office stock and potentially command a rental premium.

NEED TO KNOW

ESG CREDENTIAL OPTIONS

LEED

The Leadership in Energy and Environmental Design (LEED) is the world's most well-known green-rating system for buildings. 80,000 buildings globally are LEED certified.

BREEM

Developed by the Building Research Establishment (BRE) in 1990 in the UK, BREEAM is the world's oldest green building certification system and is currently used in 50 countries and covers over two million buildings.

WELL

A performance-based measure used to assess and promote the health and well-being

DIGITAL WELLBEING

Digital connectivity is an element of the built environment that isn't necessarily visible, but plays a considerable part in unlocking the true potential of a workspace as well as having a direct impact on the wellbeing of its occupants. This positions connectivity firmly in the 'S' camp of ESG considerations.

WIREScore

WiredScore sets the global standard for technology in the built world through education and certification. Over 800 million square feet of commercial and residential space have been committed to certification, impacting over 8 million people across 36 countries.

WiredScore Certification is a measure of a building's digital infrastructure and overall accessibility. This does not typically feature overtly in the equation for determining rents, or indeed the value of commercial real estate. However, with the technology sector a significant source of office requirements globally and with serviced office space increasing in popularity around the world, digital connectivity looks set to play a bigger role in commercial real estate valuations in the future.

The threat of building obsolescence through poor digital connectivity is real and one that could have a direct impact on the value and saleability of a commercial asset.

With poor digital connectivity, workers' ability to remain productive may be diminished and with it, a business's propensity to renew a lease, or indeed expand in situ may well be compromised.

A CONNECTIVITY PREMIUM?

The bottom line is that being connected digitally isn't something that is currently factored in building valuations explicitly, however with a culture of hot-desking becoming increasingly common, it seems inevitable that the digital connectivity rating of a property will start to play a greater role.

Research carried out by YouGov Galaxy in Australia, commissioned by Lendlease, showed that workers who experienced bad digital connectivity had an increase in negative emotions. And since internet outages don't just affect one person in the office, these emotions can become widespread within a business very quickly, thereby impacting overall business productivity.

The vast majority (98%) of respondents to this survey aligned with the idea that digital connectivity enables higher personal productivity at work.

From an investment perspective, the benefit, or indeed the appeal of digital connectivity ratings is perhaps less clear. The opportunity we feel lies in upgrading a building's connectivity credentials, which will bring with it a digital connectivity rental premium for the right occupier.

Navigation Tower, West Bay



THE HOUSE VIEW

EXPERT INSIGHT

Qatar Residential Market: Opportunities, and long-term growth prospects

Qatar’s residential market is in a period of adjustment post World Cup. Average sales rates rose in 2022 by 10% due to the the ‘World Cup effect’ and have now returned to pre-World Cup levels. We anticipated this temporary boost as it mirrors similar patterns in other FIFA World Cup host countries, like South Africa and Brazil.

Improving prospects

In the short to medium term, the market may continue to face challenges; however, the long-term outlook is positive. Qatar continues to market itself on the world stage, which, when coupled with the recent changes in ownership laws that permit international buyers to own property, should continue to catalyse foreign direct investment.

Indeed, the results of our 2024 Destination Qatar survey indicate that Qatar is very much on regional investors’ radars, with 65% of the GCC nationals and GCC-based expats surveyed interested in purchasing residential property in Qatar within the next five years.

Regional demand

The principal reason cited by our survey respondents for wanting to own residential property in Qatar is ‘purely for investment / capital gains’. Qatar’s relative affordability when compared to other regional markets may also be contributing to its appeal.

Average pricing for branded residences in Qatar sits at around QAR 25,000 psm compared to AED 39,300 psm for similar type assets in the UAE. With respondents willing to pay up to QAR 4.4 million (US\$ 1.2 million) per asset, current pricing levels in Qatar mean purchasers get a lot of ‘bang for their buck’, which is also likely to help drive increased international demand in the medium term.

Rental market

Elsewhere, a two-tiered rental market has emerged, with rents remaining stable for high-end luxury apartments, while more affordable locations grapple with oversupply, leading to rental declines.

In general, we expect a stabilisation in the residential sales and leasing markets, particularly as the government’s efforts to improve public transportation and infrastructure progress. This, together with plans to boost educational and healthcare offerings across Doha will contribute to the ongoing improvement in the quality of life across the city, boosting the appeal of more neighborhoods to buyers and tenants. These efforts will not only contribute to Qatar’s long-term market resilience but also support the country’s broader vision of becoming a prime destination for global investors.



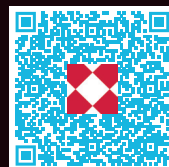
Adam Stewart
Partner – Head of Qatar



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Shehzad Jamal
Partner - Healthcare & Education, MENA



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Residential buildings on The Pearl Island

EXPERT INSIGHT

The evolution of retail in Qatar: Leading trends and expanding tourist engagements

Over recent years, we have seen Qatar establish itself as a preeminent global retail destination as a result of the delivery of several world class retail destinations. This has provided consumers with a broad range of retail offerings, ranging from discount retailers through to the world's finest luxury brands. In turn we have seen robust footfall and conversion rates, attracting tourists and consumers from various global markets.

A global retail destination

Qatar's retail offer competes on the world stage with global gateway cities, and therefore the necessity for it to maintain relevance in a highly competitive market has underpinned an evolution to experience-led retail concepts, unique pop-ups, new-to-market concepts and bespoke festivals.

We have also seen excellent collaboration between Qatar's retail ecosystem, its festivals and Qatar Tourism to expand the tourist events calendar which has been incredibly beneficial in ensuring higher footfall is achieved in peak seasons. This collaboration further enables retailers to benefit from optimised and sustained levels of footfall, as well as sales to establish a profitable presence in this market.

Another key to the success of Qatar's retail market is its focus on not simply responding to globally recognised retail trends, but by proactively driving consumer behaviours and unlocking new trends by thoroughly analysing shifts in consumer behaviours and recognising how these behaviours and spending habits differ between tourist segments. Close collaboration between governing bodies, landlords and retail brands enables retailers to better connect with consumers, optimise the customer journey and ultimately drive higher rates of conversion.

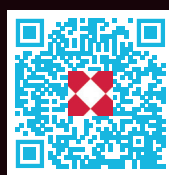
Building on successes

Moving forwards, we expect a greater focus on optimising customer journeys and connecting better with domestic consumers, in addition to understanding the factors that influence international visitors to travel to Qatar for shopping.

We have seen incredible growth in the sector in the lead up to the 2022 FIFA World Cup and now attention is shifting to maintaining this success and gaining market share from competing global destinations. Also, a focus on unique entertainment concepts and broadening the range of activities tourists can experience will also be an important focus area as Qatar emerges as a destination sought after by international tourists.



Jonathan Pagett
Partner – Retail Advisory, MENA



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West Bay Skyline

EXPERT INSIGHT

Qatar's emergent branded residential market

The branded residences market in Qatar is still emerging, with only a few hospitality brands in the market like Four Seasons, St. Regis and Waldorf Astoria having launched recently. For non-hotel brands the choice is even less, with Les Vagues by Elie Saab being the only offering to date. Further projects are expected to be launched in Doha and Lusail as the sector grows in popularity.

Understanding the appeal

Branded residences offer residents the opportunity to live in a five-star hotel environment, complete with world class amenities and concierge services around the clock. A branded residence is usually decorated by the hotel's interior architect, or in case of non-hotel brands, by the brand's designer.

An additional driver for branded residence investors is the opportunity to place the property in a rental pool arrangement, something that is usually managed by the developer, which effectively offers investors a turn-key solution.

Non-hotel brands are mostly from the fashion, jewellery or automotive industries and sell for significant premiums compared to non-branded luxury residences.

Indeed, in Dubai, which boasts the highest concentration of branded residential operators globally, branded residential property can command a premium of up to 70%, when compared to non-branded homes in some neighbourhoods. Through our research, we also know that the average premium HNWI's are willing to pay in Dubai stands at 58% according to our latest signature report Destination Dubai.

Future expectations

We expect more luxury brands to enter the Qatari market, particularly given the popularity of the sector to GCC nationals and GCC-based expats. Indeed, aside from residential real estate, branded residences were named the joint most popular real estate asset class for potential investors from around the region in our survey.

Brands like Bugatti, Dolce Gabbana and Porsche are targeting locations in territories with a high brand awareness and sales penetration of their products for their branded residences. Often the first buyers of their branded residences are "super-fans" of the brand, or VIP clients who are intimately familiar with the brand.

As Qatar's branded residential landscape expands, we expect to see branded homes commanding large premiums when compared to non-branded units, mirroring trends seen elsewhere in the world.



Lars Jung-Larsen
Partner - Luxury Brands, MENA



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The Glass Bridge of Lusail, Lusail

EXPERT INSIGHT

Qatar’s post-World Cup boom: Growth and transformation in construction and infrastructure

After the conclusion of the FIFA World Cup 2022, many analysts expected a slowdown in the construction market in Qatar. Yet Qatar’s market is experiencing significant growth and transformation across various sectors, with a strong focus on infrastructure and sustainable development.

Emerging trends and focus sectors

Qatar continues to progress economic diversification initiatives as it moves towards both broadening and deepening various economic specialisms.

Key areas of focus include:

- **Sustainability and Green Buildings:** There is a substantial emphasis on sustainable practices, driven by Qatar National Vision 2030.
- **Digital Transformation:** Investments in digital infrastructure and technology are increasing, with a focus on smart city initiatives and enhancing digital skills.
- **Diverse Economic Activities:** Qatar is investing in sectors like ICT, wholesale and retail trade, professional services, and administrative support activities.

New Projects

Qatar has announced plans to launch several new infrastructure and lifestyle-enhancing projects, including:

- **Public Works:** Road development, sewage systems, and beautification projects.
- **Utilities:** Enhancements to electricity and water networks.
- **Healthcare and Education:** Significant investments in health and education infrastructure.
- **Sports and tourism:** Capitalising on the significant infrastructure available in the country for both purposes, Qatar is still investing significantly in these areas as one of the main global destinations for sports events and tourism.

These developments reflect Qatar’s ongoing commitment to economic diversification and sustainable growth, positioning it as a dynamic market for investors and businesses alike.

Construction and fit-out rates:

The heightened level of development activity means tracking construction costs is critical for developers. Noting rates for construction and fit-out can vary widely depending on the scope of works and materials used, our team closely monitors changes to development costs and below we summarise these.

Sector	Tier	Low QAR/m ²	High QAR/m ²
Residential	Townhouses - standard	4,500	5,500
	Apartments - standard	5,500	6,800
Hospitality	4-star hotels	8,200	11,500
	5-star hotels	9,500	15,000
Office fit-out	Office fit-out - standard	6,000	8,400
Retail space	Shopping centre	5,000	7,500

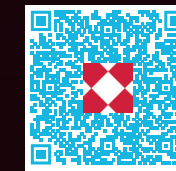
Source: Knight Frank

Key Assumptions

- General pricing data has been based upon benchmarking data prepared by Knight Frank for projects of similar nature and specifications.
- Rates per square metre are based on GIA.
- QAR/m² rates are current as of Q1 2024.
- The estimates assume a traditional procurement route for different project packages.
- The estimates are indicative and serve as a rough order of magnitude. For detailed project specific estimates, further study into project parameters will be required.
- The estimates are based on utilising common market used contracts such as FIDIC 1987, 1999 and 2017.
- Fit-out projects are assumed to be initiated in a shell and core condition.
- Project specific data such as location, contract type, and design might impact the cost of a project.



Moataz Mosallam
Head of Project & Development Services, UAE & Egypt



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Msheireb Downtown Doha

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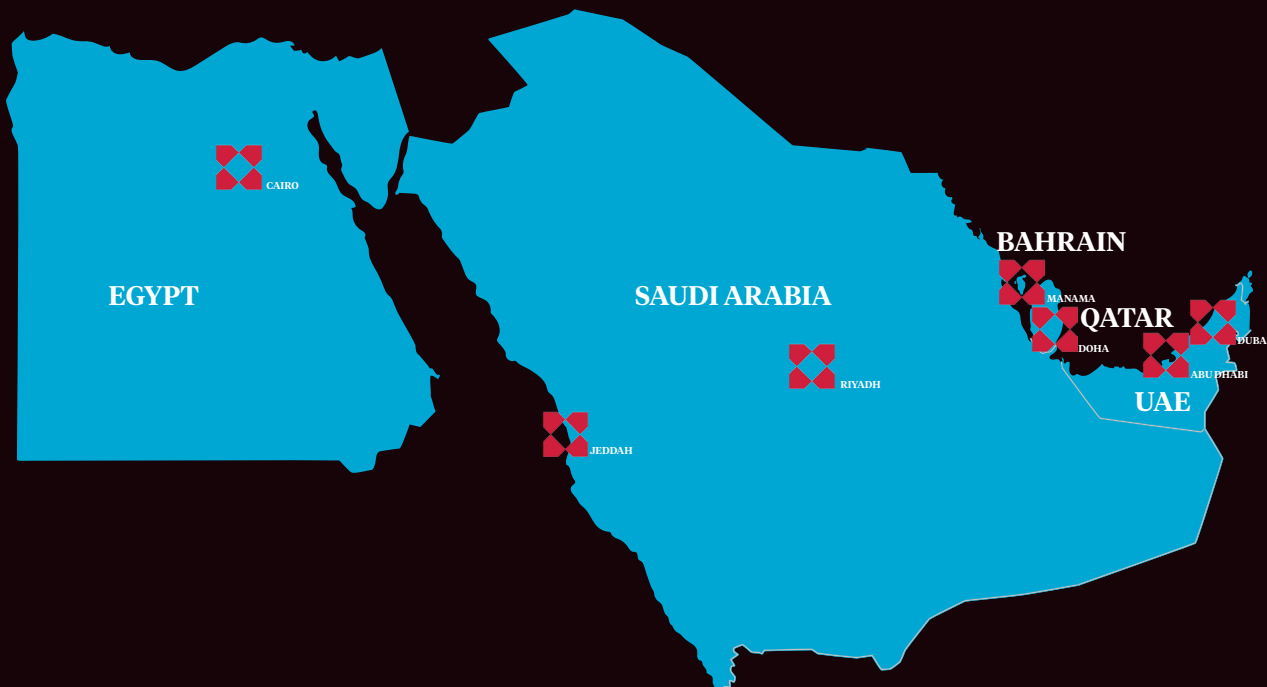
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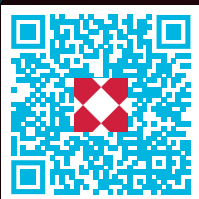
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