

A night-time photograph of the Doha skyline, featuring numerous illuminated skyscrapers of various architectural styles, including the prominent yellow-tinted tower in the center. The buildings are reflected in the water in the foreground.

HI 2013
DOHA
OFFICES
Market update

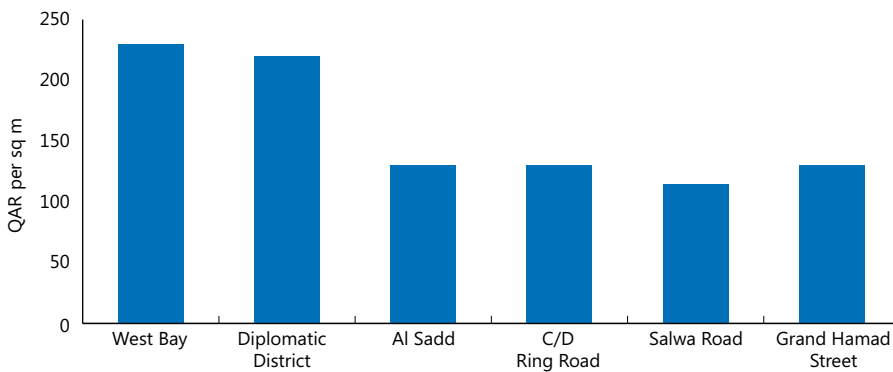
HIGHLIGHTS

- Supply looks set to increase over the coming twelve months as a number of projects near completion.
- The award of the 2022 FIFA World Cup continues to underpin demand for office space as the construction and engineering sectors increase staff levels.
- Enquiries remain strong with the majority of tenants requiring smaller units between 100 and 500 square metres.
- Over the last 12 months prime office rents remained stable with a number of prime office buildings close to full occupancy.

Market comment

- Supply continues to be released to the market as a number of headline buildings approach completion over the next six months.
- As utilities are provided to Lusail, a number of commercial plots will be ready for development over the coming twelve months which will add further stock to the market.
- Rental levels in prime buildings are robust and have stabilised over the past twelve months.
- Despite an increase in supply, there is a lack of stock with easily divisible floor plates suitable for start up companies looking to begin operations in Doha.

Figure 1
Indicative prime office rents by district (per sq m)



Source: Knight Frank

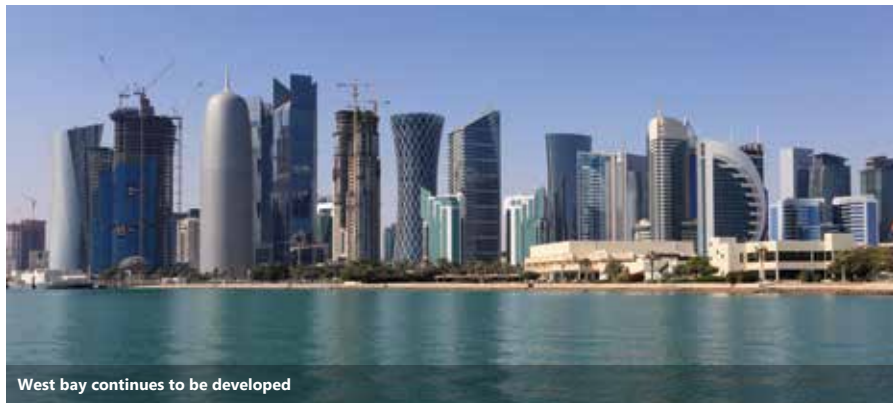


Figure 2
Average rents for shell & core offices

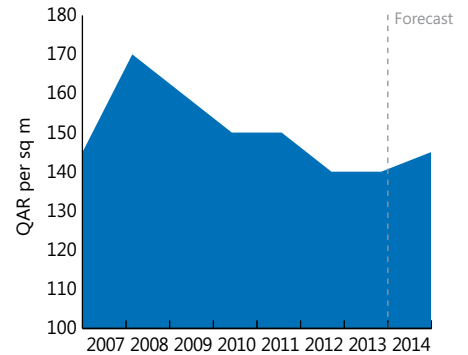


Figure 3
Current demand by occupier in H1 2013

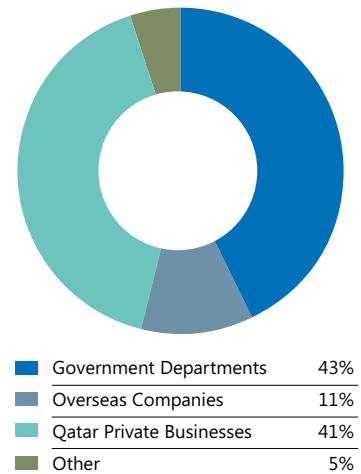
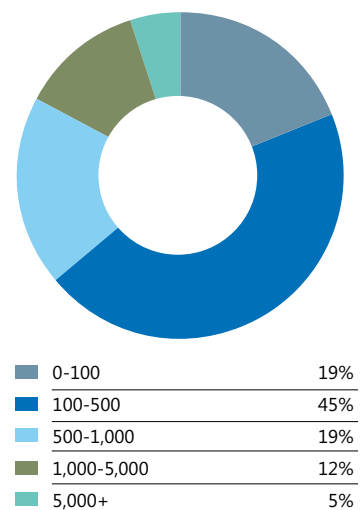


Figure 4
Tenant size requirement (sq m) in H1 2013



Source: Knight Frank

MARKET VIEW

- While demand for prime office space is dominated by Government departments there is increasing demand for small units as companies look to set up Doha offices.
- The majority of tenants are currently seeking fitted out office units as they seek to avoid costly fit outs as the market becomes more cost sensitive.
- In common with a number of Middle Eastern markets, car parking ratios are low in Doha which is leading to congestion in and around the CBD.
- The practice of landlords offering incentives has gained traction with average rent free periods standing at between one and two months depending on lease term.

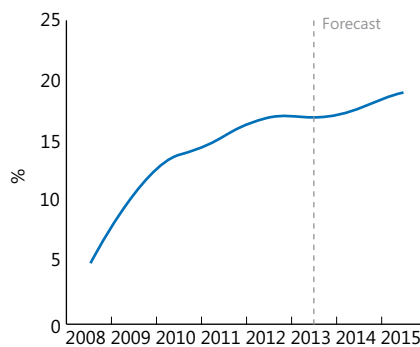


Figure 5
Key market indicators
To category A fit out

		Trending
Prime	QAR 230	▶
Grade A	QAR 160	▶
Grade B	QAR 120	▶
Availability/vacancy	17%	▶
Average rent free	8%-16%	▶

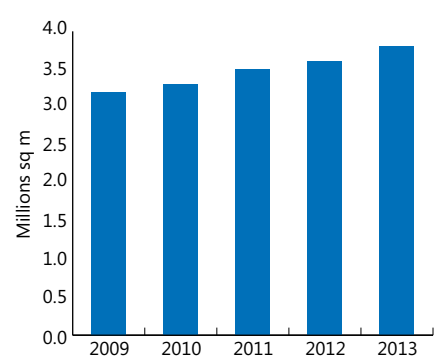


Figure 6
Total vacancy rates



Source: Knight Frank

Figure 7
Doha office stock (2009-2013)



Source: Knight Frank

MARKET VIEW

- Prime landmark buildings dominate the market and continue to attract major international occupiers.
- Project delays have resulted in a number of large leasing deals being stalled or renegotiated.
- Due to extensive civil defence obligations, landlords face delays following completion of construction as they apply for completion certificates.
- Over the short to medium term rents look set to remain stable with growth being seen in sub sectors such as for small fitted out units.

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