



BAHRAIN PROPERTY REPORT Year 2022

Progressive property valuation and transaction volume improvement have been witnessed due to increased local and regional economic stability and growth.

ASK Real Estate





BAHRAIN ECONOMY HIGHLIGHTS

- The economy of Bahrain is closely linked to the fluctuation in global crude oil prices as the rest of the region. However, its impact is much narrower compared to other Gulf countries due to the relatively diverse nature of the Bahraini economy.
- In 2021 the government launched the National Economic Recovery Plan. The plan aims to drive economic growth based on five main pillars, including the launch of strategic projects valued at over US\$30 billion in various sectors, including infrastructure, industrial, housing, tourism, and healthcare. The housing segment of the plan includes the “Sharaka” programme, which allows private developers to bid for contracts for government land, in line with the government’s commitment to strengthening its partnership with the private sector and providing quality houses for citizens.
- Continuing fiscal reforms and emphasizing better-targeted subsidies under the Fiscal Balance Program (FBP) is expected to narrow the fiscal deficit to circa BHD 1.1 billion for the year 2022. A series of reforms were laid to balance the budget by 2024, including increasing VAT to 10%.



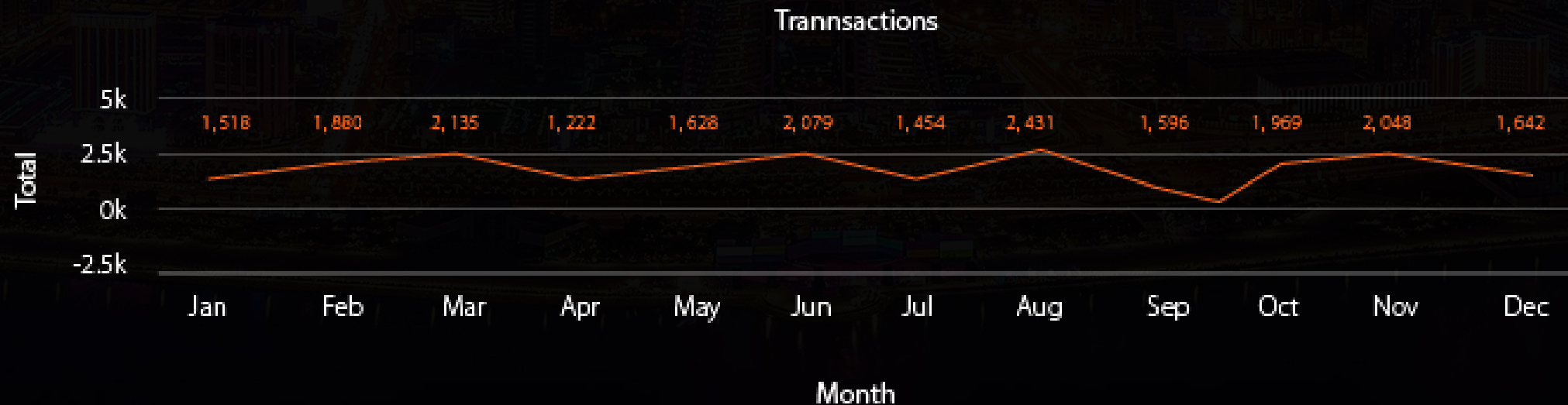
BAHRAIN ECONOMY HIGHLIGHTS

- Bahrain's pledge to monetize newly-discovered hydrocarbon reserves of up to 80 billion barrels and around 20 trillion cubic feet of tight natural gas within the next five years will improve Bahrain outlook (IMF). The non-oil primary balance is expected to keep improving in the back of higher non-oil revenues.
- Inflation is expected to be 2.5% in 2022, fuelled by the doubling of VAT to 10% and continued recovery in domestic demand.
- The Central Bank of Bahrain (CBB) raised its key policy interest rate by 75 basis points.

PROPERTY MARKET

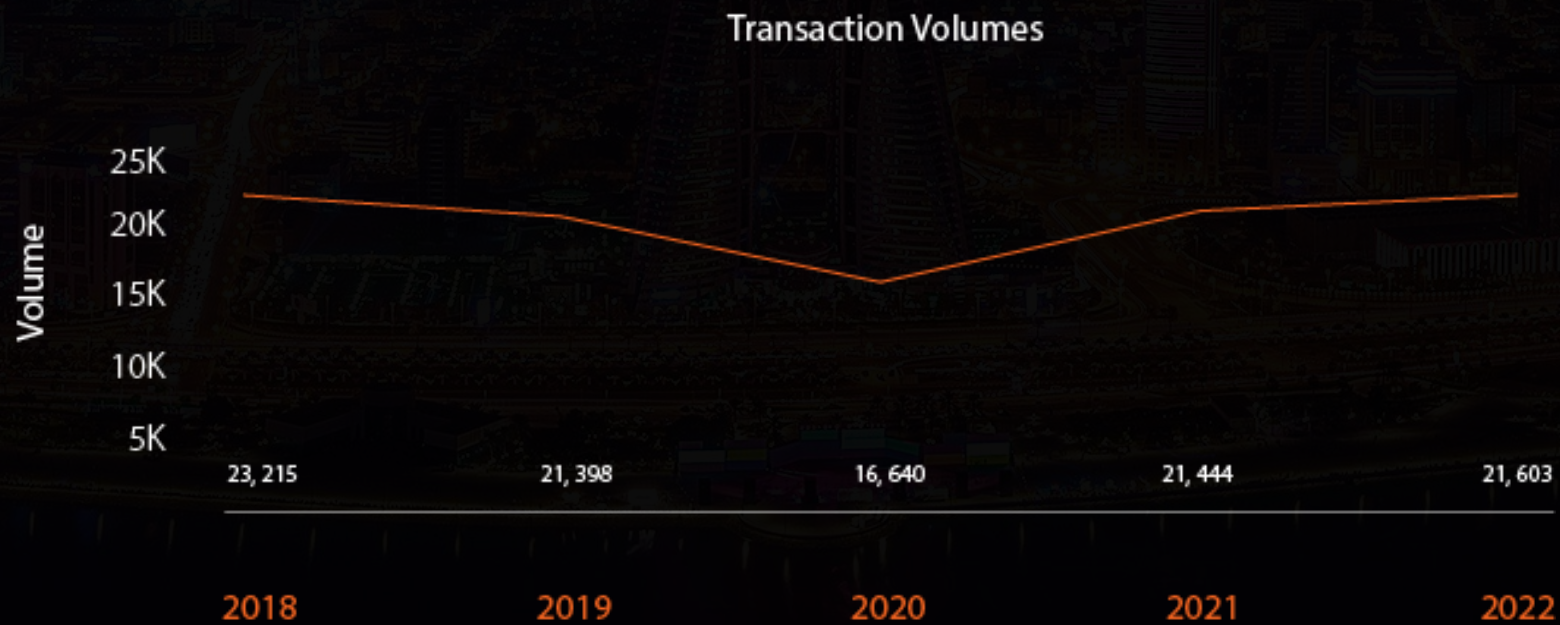
- A number of construction projects which had stalled or stopped during the Covid-19 peak pandemic period have resumed. Lots of construction cranes can be observed across the Bahrain skyline signaling a return to economic normalcy.
- The total real estate transactions in the 4th quarter of the year stood at 5,659 and the transactions were worth BHD 287,587,437.
- Bahrain's real estate transactions value was BHD 1,086,804,371 at the end of the 4th quarter of the year, compared to 1,046,162,081 for the year 2021, an increase of circa 3.9%

Source:slrb.gov.bh



PROPERTY MARKET

- Total transactions for the year 2022 were 21,603 compared to 21,444 for the year 2021, an increase of circa 0.74%, also signaling the return of the economy to the pre-pandemic era.





SECTOR PERFORMANCES

Office Sector

The commercial office market continues to be dominated by weak occupier demand coupled with oversupply. Manama's market has become favoured towards tenants over the years. Demand is subdued, with rents across all market segments stagnating. The prime yield for office investments is in the order of 8-10% and rentals are in the range of BHD 4 -BHD 7 per square metre.

Retail Sector

In Manama, prime yields for retail investments are in the order of 8-10% and rentals range between BHD 9 – BHD 15 per square metre. The expansion of the Avenues is expected to increase the stock of destination shopping malls in Bahrain. The 1890 Boulevard and Seef Boulevard in Seef, which are under development are also expected to add to the retail stock.

Industrial Sector

The indicative yield for prime industrial properties in Bahrain ranges between 8% & 10% and rentals are between BHD 3 – BHD 5 per square metre.

SECTOR PERFORMANCES

Residential Property in Bahrain

Rental Rates have largely remained stagnant or flat in most prime areas. The section analysis movement of rentals and capital values in the different prime areas in Bahrain.

SEEF

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	200 - 275	200 - 275	200 - 275
	1 bedroom	250 – 350	250 - 350	250 - 350
	2 bedrooms	350 – 450	350 – 450	350 – 450
	3 bedrooms	500 – 900	500 – 900	500 – 900
	4 bedrooms	900 - 1500	900 -1500	900 -1500

A lot of stock is available on the market and these include at The Court Yard, RP Tower, Millennium Tower, The address, Catamaran, The Platinum, Nodic Towers and the Seef Avenues. New projects under construction includes, Seef Avenues II, Sumo Tower, MBW Tower, and The District Tower. The selling price for apartments in Seef ranges between BHD 550- BHD 700 per square metre.

REEF

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	500 - 600	500 – 600	500 – 600
	1 bedroom	500 – 800	500 – 800	500 – 800
	2 bedrooms	800 – 1350	800 – 1350	800 – 1350
	3 bedrooms	1200 – 2500	1200 – 2500	1200 – 2500
	4 bedrooms	1650 - 3000	1650 - 3000	1650 - 3000

In terms of the selling prices, apartments are being sold at between BHD 1,400–BHD 1,650 per square metre, depending on the size, aspect and other material factors. Apartment with sea view commanding the high rate.

SECTOR PERFORMANCES

Residential Property in Bahrain

Rental Rates have largely remained stagnant or flat in most prime areas. The section analysis movement of rentals and capital values in the different prime areas in Bahrain.

BAHRAIN BAY

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	375 -550	375 -550	375 -550
	1 bedroom	500 -700	500 -700	500 -700
	2 bedrooms	750 -1200	750 -1200	750 -1200
	3 bedrooms	1200 -2500	1200 -2500	1200 -2500
	4 bedrooms	2500- 3000	2500-3000	2500-3000

A number of stocks are available on the market. New offerings on the market include Water Bay Residence Tower C which is expected to be delivered at the end of the 1st quarter of 2023. Other projects under construction include ONYX, Golden Gate, Four Seasons Private Residence Bahrain Bay, and Paramount Residence. The Four Seasons Private Residence Bahrain Bay is expected to open in late 2023. The long-awaited Golden Gate is expected to deliver approximately 86,111 square meters into the market, however, works at the site have been stopped as a result of a contractual dispute. The new offerings are expected to significantly add to the existing stock and that is likely to put more pressure on the values if not coupled with increased demand.

Apartments are being sold at between BHD 1,400 – BHD 1,650 per square metre depending on the size, aspect, and other material factors. Apartments with a sea view are commanding the high end of the range.

SECTOR PERFORMANCES

Residential Property in Bahrain

Rental Rates have largely remained stagnant or flat in most prime areas. The section analysis movement of rentals and capital values in the different prime areas in Bahrain.

HARBOUR AREAS

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	300-550	300-550	300-550
	1 bedroom	450-700	450-700	450-700
	2 bedrooms	600-1100	600-1100	600-1100
	3 bedrooms	800-1350	800-1350	800-1350

A number of stocks are available on the market. And these include Harbour Heights and Harbour Row. New offerings or projects under construction include First Energy Tower and the Future Generations Revenue Tower.

In terms of the selling prices, apartments are being sold at between BHD 1,400 – BHD 1,650 per square metre, depending on the size, aspect, and other material factors. Apartments with sea views are commanding the high end of the range.

SECTOR PERFORMANCES

Residential Property in Bahrain

Rental Rates have largely remained stagnant or flat in most prime areas. The section analysis movement of rentals and capital values in the different prime areas in Bahrain.

JUFFAIR

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	250 – 350	250 – 350	250 – 350
	1 bedroom	300 – 600	300 – 600	300 – 600
	2 bedrooms	400 – 800	400 – 800	400 – 800
	3 bedrooms	500 – 1200	500 – 1200	500 – 1200

A number of prime stocks are available on the market, and these include Burj Kadi, Vevey, Jana Tower, Sama Tower, Cielo Tower, Providence Residence, Fontana Infinity, Fontana Tower TJ Tower, Capricorn Tower, and The Vision. Projects under construction include some multi-storey residential apartments building being developed close to The Bahrain Specialist Hospital by VK Universal Property Management CO. W.L.L; and Farhan Tower.

In terms of the selling prices, apartments are being sold at between BHD 450 –BHD 700 per square metre, depending on the size, aspect, and other material factors. Apartments with sea views are commanding the high end of the range.

SECTOR PERFORMANCES

Residential Property in Bahrain

Rental Rates have largely remained stagnant or flat in most prime areas. The section analysis movement of rentals and capital values in the different prime areas in Bahrain.

AMWAJ

Use	Accommodation	Rental (BHD) per month		
		2 nd quarter	3 rd quarter	4 th quarter
Residential Apartments	Studio	200 – 250	200 – 250	200 – 250
	1 bedroom	280 – 500	280 – 500	280 – 500
	2 bedrooms	300 – 750	300 – 750	300 – 750
	3 bedrooms	1000 - 1500	1000 - 1500	1000 - 1500

A number of stocks are available on the market. In terms of the selling prices, apartments are being sold at between BHD 700 – BHD 850 per square metre, depending on the size, aspect and other material factors. Apartment with sea view are commanding the high end of the range

SECTOR PERFORMANCES

Off Plan Sales Project

There are currently 27 approved off plan sales project in the Kingdom of Bahrain. Of the 27 projects, 5 have been completed, 1 cancelled and 21 are still active.

The below table tabulates the status and location of each approved off plan sale project in Bahrain

No	Development	License and Project Status	Location
1	Diyar Al Khair Phase 1	Active	Al Daih
2	Harbour Row 2	Active	Bahrain Bay
3	Symphony Tower	Active	Al Hoorra
4	Marassi Boulevard	Completed	Marassi Al Bahrain
5	Canal View	Active	Dilmunia
6	Al Bareh Phase 1 - 35 Villas	Completed	Diyar Al Muharraq
7	The Address Residences	Active	Marassi Al Bahrain
8	Burj Kadi	Active	Al Fateh
9	Onyx Bahrain Bay	Active	Bahrain Bay
10	The Courtyard Residence	Completed	Seef
11	Difaaf	Active	Reef Island
12	Al Sidra - Phase 1 (89 units)	Active	Diyar Al Muharraq
13	Jeewan Villas - Phase 1 (173 units)	Completed	Diyar Al Muharraq

Source: RERA

SECTOR PERFORMANCES

Off Plan Sales Project

There are currently 27 approved off plan sales project in the Kingdom of Bahrain. Of the 27 projects, 5 have been completed, 1 cancelled and 21 are still active. The below table tabulates the status and location of each approved off plan sale project in Bahrain

No	Development	License and Project Status	Location
14	Hanging Gardens of Dilmunia	Active	Dilmunia
15	Layan	Active	Durrat Marina
16	Harbour Row 3	Active	Sea Front
17	Somewhere Tower	Active	Al Burhama
18	FEB Tower	Cancelled	Sea Front
19	Spiral Orchid	Active	Water Garden City
20	Marassi Park	Active	Diyar Al Muharraq
21	Jewaan Villas - Phase 2	Completed	Diyar Al Muharraq
22	Al Naseem - Phase 1A	Active	Diyar Al Muharraq
23	Address Residences Marassi Vista	Active	Diyar Al Muharraq
24	Golden Gate	Active	Bahrain Bay
25	Al Naseem Phase 2	Active	Diyar Al Muharraq
26	Amwaj Beachfront - Townhouses	Active	Amwaj
27	Private Residences Bahrain Bay	Active	Bahrain Bay

Source: RERA



SECTOR PERFORMANCES

Hospitality in Bahrain

- The hospitality and hotel sector recorded an estimated 3,701,100 nights of tourism during the year 2022 compared to 3 190,000 nights of tourism in 2021, an increase of 15.9 percent.
- According to an str report, the average hotel occupancy rate for the year 2022 was 50.7% compared to 43.7% for the year 2021, an increase of 15.9%.
- Average ADR for 2022 is 65.86% compared to 54.90 for 2021, an increase of 20%.
- RevPar was 33.38 in 2022 compared to 24.01 in 2021 an increase of 39%.

OCCUPANCY RATE

Vacancy rates across the commercial market hover around **40% with best-in-class schemes commanding better occupancy levels**. Older buildings with inefficient floor plates and poor parking arrangements are suffering from lower occupancy levels and higher falls in the rental rate. Here is a table that summarises the rentals and yields for prime properties.

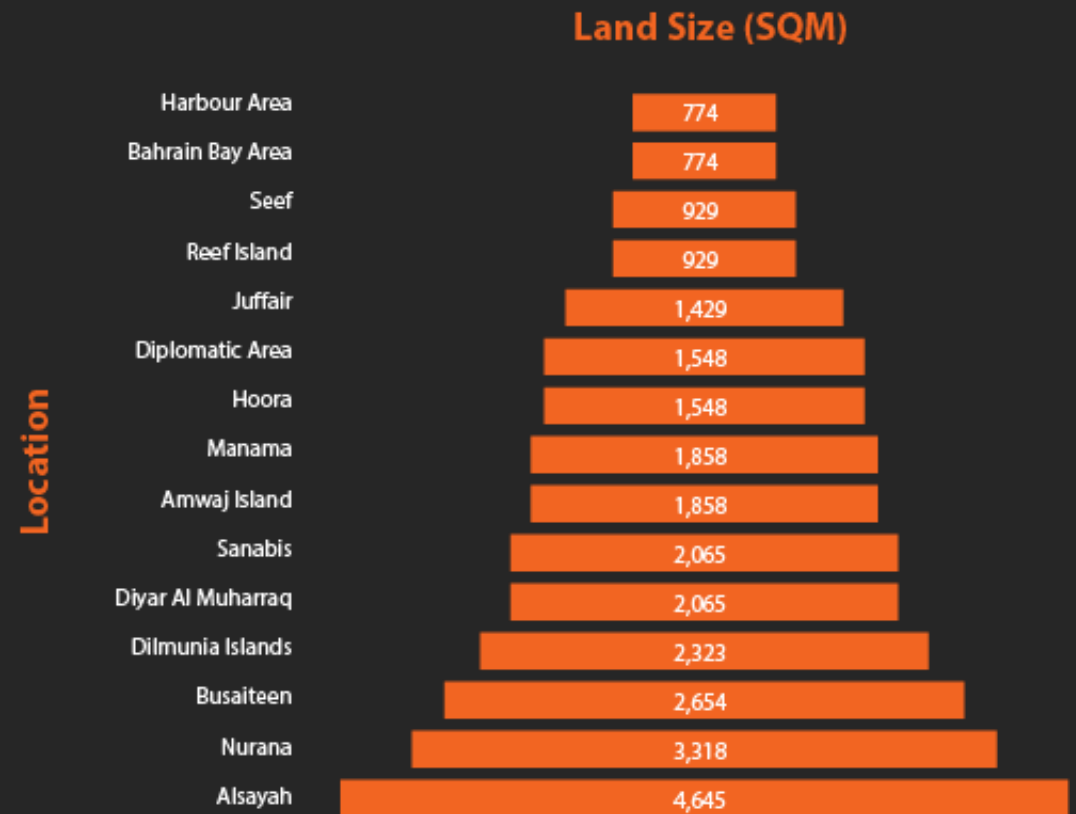
Use	Prime Rentals /m ²	Yield (%)
Retail	BHD9-15	8-10
Offices	BHD 4-7	8-10





LAND VALUES

How much investment land can one million dinars buy you across prime locations in Bahrain?
The below chart shows the size of land you can buy with a million dinars across different locations in the Kingdom of Bahrain.



SERVICES OFFERED By ASK Real Estate

VALUATION AND ADVISORY TEAM

- Our valuation reports are in line with the Bahrain Valuation Standards (BVS) which are inline with the RICS's Red book which incorporates the International Valuation Standards (IVS). The RICS is the premium regulatory body in the field of Land and Buildings. Our Valuation team is led by an RICS member, who is also an RICS Registered Valuer with over 12 years of experience in the field of property valuations and advisory. Our RICS member is also registered as a TIER-A Appraiser with RERA.

PROPERTY MANAGEMENT

- **HANDOVER**
 - We ensure our clients receive their property in pristine condition.
- **DETAILED PRICING STRATEGY**
 - Our smart technology and market reach allows us to ensure that each unit is individually priced, using a unique algorithm.
- **TENANCY MANAGEMENT**
 - ASK Real Estate screens each tenant to make sure they are well-suited to occupy our clients' properties.
- **ASSET PRESERVATION**
 - Preventative maintenance is offered to all our clients through pre-qualified and approved vendors.
- **SIZE AND REACHABILITY**
 - Our dedicated team of Property Consultants ensures efficient and healthy occupancy of our managed assets.

SERVICES OFFERED By ASK Real Estate

CONSULTATION SERVICES

- We offer the following:
 - Service charge studies and value engineering
 - Snagging management
 - Buildings handover management and documentation
 - Inventory controlling and registering
 - Identify defective liability period "DLP" issues;
 - Asset registration and lifecycle management
 - 3rd party safety certificates
 - Warranties and guaranties controlling
 - Create rules and regulations;
 - Energy consumption tracking and controlling
 - RERA coordination
 - Navy Approvals
 - Civil Defense Final Safety Certificate
 - Standard operating procedure
 - Collection support.

OWNERS' ASSOCIATION MANAGEMENT

- We offer the following:
 - Developing strategies for the management of the common area
 - Implementing strategies, programs and plans set by the board
 - Representing the owner's association
 - Conduct owner's association and board meetings
 - Provide the full range of administrative and secretarial services
 - Manage the collection of annual subscriptions service charges and banking arrangements to the operational and reserve accounts
 - Arrange for tenders and facilitate the entry into contracts
 - Supervise the performance of contractors and suppliers to the owners association and report to the board or general assembly
 - Prepare annual budgets for the approval of the board;
Address queries and complaints of the Owners; Process insurance claims
 - Undertake basic credit control processes
 - Collect, update and safeguard all information of the owner's association.

SERVICES OFFERED By ASK Real Estate

FACILITY MANAGEMENT

- Mechanical, electrical and plumbing services
- Heating, air conditioning and ventilation systems (HVAC)
- Lifts controlling and maintenance
- Fire control and detection management and maintenance
- Access control systems
- Building management systems controlling and maintenance (BMS)
- Barrier gates and CCTV
- Civil works and maintenance
- Generator preventive and breakdown maintenance
- Building pressurization systems controlling and PPM
- Pumps preventive maintenance and controlling
- Emergency breakdowns 7/24

BROKERAGE

- Extensive database of local and international properties
- Large brokerage portfolio
- Comprehensive pre-consultancy service
- Strong Marketing Presence:
- Large Property Finder Account in Bahrain
- In-depth Marketing Analysis

SERVICES OFFERED

By ASK Real Estate

MIXED-USE AND RETAIL DEVELOPMENT

- **Retail Strategy**

- We use market intelligence information to verify the aspirations and positioning of the development. We provide the unique selling propositions of the development to arrive at positioning and desired tenant mix along with the anchors, size and, orientation hence, arriving at a merchandising plan.

- **Leasing Services**

- We provide leasing services based on the tenant mix that defines the retailers that are targeted locally, regionally, and internationally. We assist in drafting the offers and lease documents - which govern the relationship between the landlord and tenant - and establish the lease approval process.MIXED-USE

DISCLAIMER

This report is published for general information only.

Although high standards have been used in the preparation of the information, analysis, views, and projections presented in this report, no legal responsibility can be accepted by ASK Real Estate W.L.L for any loss or damage resulting from the contents of this document. As a general report, this material does not necessarily represent the view of ASK Real Estate W.L.L in relation to particular properties or projects.

Reproduction of this report in whole or in part is allowed with proper reference to ASK Real Estate W.L.L Research.



THANK YOU