



Bahrain Property Market

RESIDENTIAL

Capital values across low-end apartments remained stable compared to the previous quarter, while other apartment market segments saw a marginal price correction during the review period.

Capital values across high-end apartments declined by 1.3% compared to Q3 2020 and 7% compared to Q4 2019. However, values across high-end villa projects remained stable compared to the previous quarter while prices across mid-end villas declined by 3.2% y-o-y.

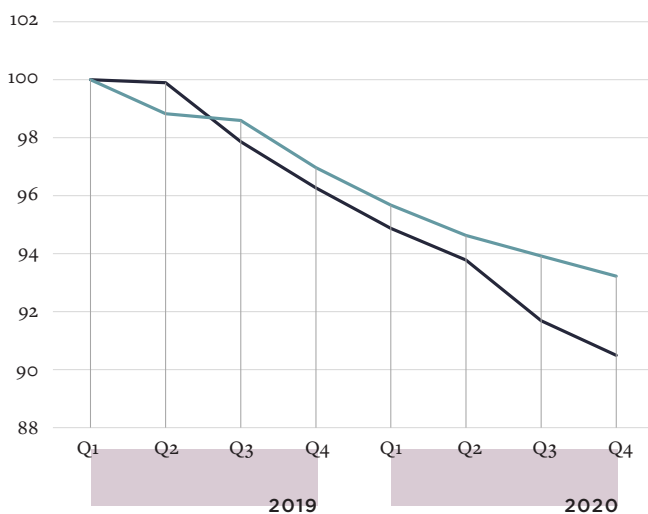
Rental values across the low-end and mid-end villa developments remained largely stable compared to the previous quarter.

We have found a disparity between prospective tenants' offers and those being accepted by landlords. We expect this trend to continue for the near future while the supply pipeline steadily increases.

MARKET HIGHLIGHTS

1. The new Bahrain International Airport opened in January 2021.
2. The International Monetary Fund (IMF) have forecasted the GDP growth rate at 2.3% y-o-y subject to the post-pandemic global economic recovery.
3. The Economic Development Board announced foreign direct investment into Bahrain reached BD330 million during 2020.
4. RERA and the SLRB reported a decline of 11% in the volume of real estate transactions for 2020.
5. A Memorandum of Understanding (MoU) was signed in January 2021 by the Industry, Commerce and Tourism Ministry to establish an American Trade Zone.
6. Non-oil trade carried out with Saudi, increased by 43% y-o-y in Q3 2020.

RESIDENTIAL RENTAL INDICES



RESIDENTIAL SALE INDICES



COMMERCIAL

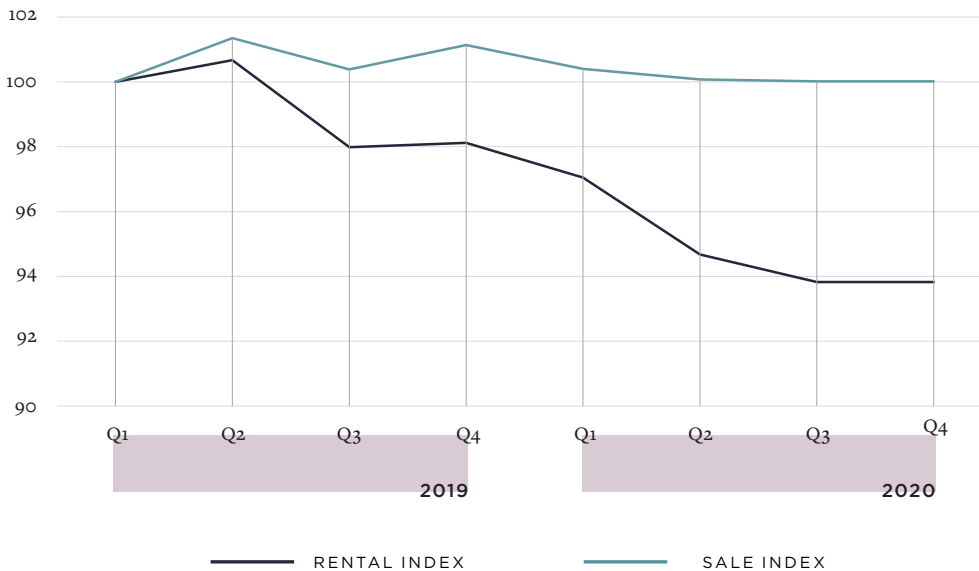
Capital values in Bahrain remained stable in Q4 2020 compared to the previous quarter, which saw a marginal decline.

Offices in the high-end segment recorded no price changes over the past six months. Prices across projects in the low-end segment also remained stable on a quarterly and yearly comparison.

In terms of the rental market, an increase in employees returning to offices was witnessed during the last quarter of 2020. As a result, rental values remained largely stable in Q4 2020 after three consecutive quarters of decline.

As the vaccination drive gathers momentum across Bahrain, the comfort levels in returning to the office may be sooner than expected.

OFFICE RENTAL AND SALE INDICES



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