



# Bahrain Property Market

## RESIDENTIAL

Capital values across low-end apartments remained stable on a quarterly comparison. In the high-end apartment segment, however, capital values grew by a marginal 0.4% over the previous quarter.

Across the villa segment, capital value declines across mid-end villa projects slowed to -2.8% in Q1 2021 from -3.2% in Q4 2020. In the high-end villa segment, a marginal price decline of 0.8% q-o-q was observed.

Developers continue to offer attractive incentives such as low down-payments and flexible payment plans to attract buyers.

Rental values declined by an average 2.4% q-o-q across apartment projects. This was primarily caused by a price contraction of 2.7% in the mid-end apartment market.

Across the villa market, rental prices across the low-end segment grew by an average 1.9% q-o-q in Q1 2021; however, the average decline across rental villas were recorded at 1.6% q-o-q.

Over the past quarter, Savills has noted some landlords have become increasingly flexible in their pricing strategies. In rare instances, we have seen price corrections of approximately 20% since the start of the year.

## MARKET HIGHLIGHTS

1. Close to BD 717 mn. worth of real estate transactions were recorded across Bahrain, a drop of 11% y-o-y compared to BD 808 mn in 2019, according to the latest data from SLRB and RERA.
2. A four year National Real Estate Plan 2021-2024 was revealed by RERA in March 2021 with an aim to create a coherent, secure, transparent, and sustainable real estate sector. The vision is to promote investments into the sector, to development innovative real estate enterprises and preserving the rights of all the stakeholders.
3. The Sustainable Energy Authority (SEA) has announced plans of imposing energy efficiency rating on commercial and residential properties based on their actual consumption and green credentials.
4. The government has proposed and tendered infrastructure upgrades on Al Fateh Highway to improve connectivity and ease traffic congestion. Along with upgrades to the existing flow, it will feature an overpass with two lanes for traffic from the north of Manama on Al Fateh Highway to Prince Saud Al Faisal Road in Juffair.

RESIDENTIAL SALE INDICES



RESIDENTIAL RENTAL INDICES



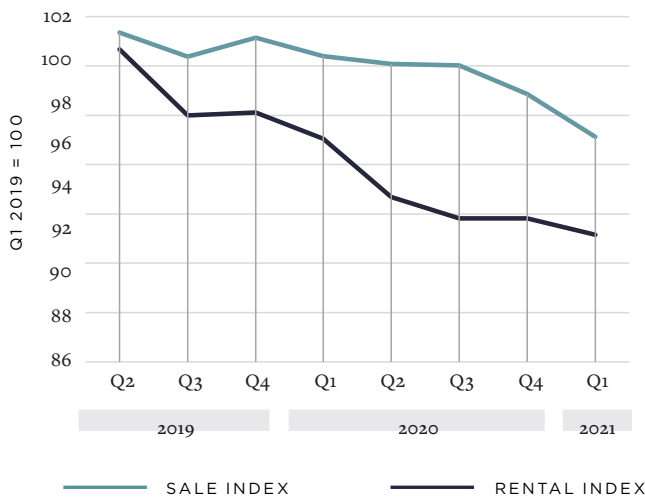
**COMMERCIAL**

Capital values across office developments witnessed a q-o-q decrease of 1.8%, largely due to the low-end segment, which experienced a negative growth of 3.7% for the same period. On a yearly comparison, prices across the low-end segment are now 7.2% lower than the capital values in Q1 2020.

The first quarter of the year saw an average marginal decline in office rents of 0.7% across all sub-sectors.

Similar to residential landlords, commercial landlords are being more flexible to retain and attract new tenants. This has included increasing rent free periods, contributing to fit out costs and increasing parking ratios, where possible, to attract traditionally larger occupiers such as clinics and training centres. However, there appears to be a demand for smaller spaces as companies continue to assess their office space requirements, with hybrid working models becoming increasingly popular.

**OFFICE RENTAL AND SALE INDICES**



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