



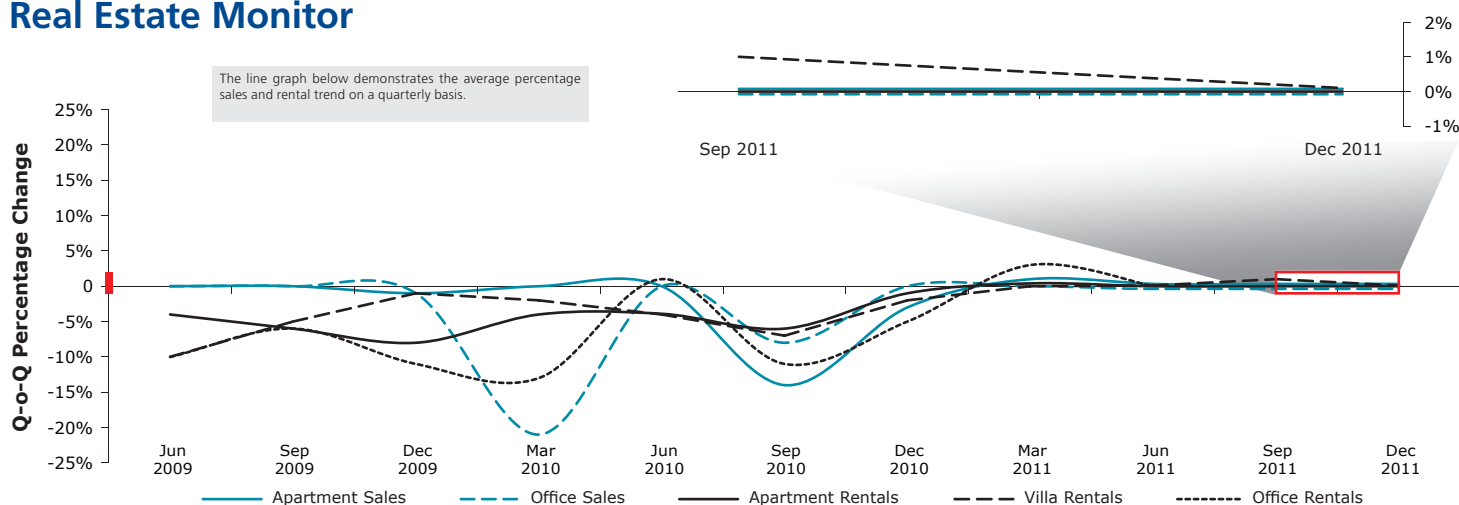
Property Market Summary

		Rental Rates (QAR/pm)		Sales Prices (QAR/m ²)	
		Min	Max	Min	Max
Apartment	Studio	2,500	7,000	9,000	16,000
	1 BR	3,000	10,500		
	2 BR	4,000	14,000		
	3 BR	6,000	17,500		
Villa	3 BR	7,000	19,000	-	-
	4 BR	8,500	24,000		
	5 BR	10,000	30,000		
Office	Per m ²	90	240	14,000	

Highlights

- Quarter 4 witnessed the final lettings in two of the most prestigious office towers in West Bay.
- There continues to be an oversupply of office space within Doha, especially for shell & core; meaning potential office occupiers are still looking for fitted, ready-to-move-in space.
- Residential rental rates have remained broadly stable across all locations.
- The number of residential leasing transactions and enquiry levels improved marginally compared to last quarter.
- There was a distinct increase in apartment sales transactions in the freehold zone of Pearl-Qatar during Q4.

Real Estate Monitor



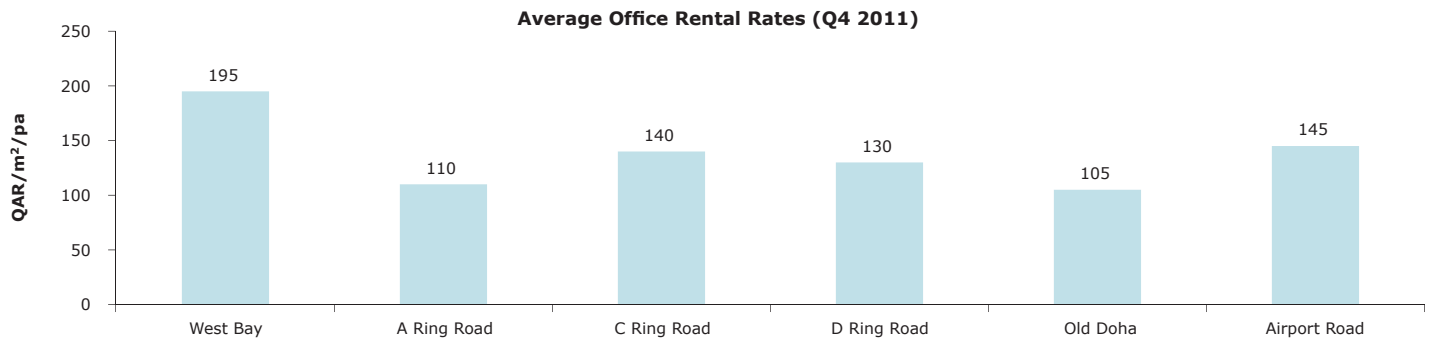
With over 25 years' experience in the Middle East, Asteco's Professional Services team brings together a group of the Gulf's leading real estate experts.

Asteco's network of offices in Abu Dhabi, Al Ain, Dubai, Northern Emirates, Qatar, Bahrain and Jordan not only provides a deep understanding of local markets but also enables us to undertake large instructions where we can quickly apply resources to meet the client's requirements.

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Commercial Office Market

- Quarter 4 witnessed the final lettings in two of the most prestigious office towers in West Bay – Tornado Tower and Al Fardan Commercial Tower – which are now fully occupied.
- Nevertheless there continues to be an oversupply of office space within Doha, with several new developments approaching completion.
- Whilst developers wish to simplify lettings by concentrating on shell and core, potential occupiers are still looking for fitted, ready-to-move-in space, without the delay and expense of fitting out.
- The commercial market is expected to continue to feel the impact of regulations requiring architects and engineers to move out of villa accommodation into purpose-built office premises of at least 200 square metres.
- Whilst there are still some potential tenants, such as oil and gas companies, in the market for large office space, many enquiries received are from newcomers looking for starter offices in the range of 200 to 600 square metres; they are also looking for fitted space in preference to shell and core.

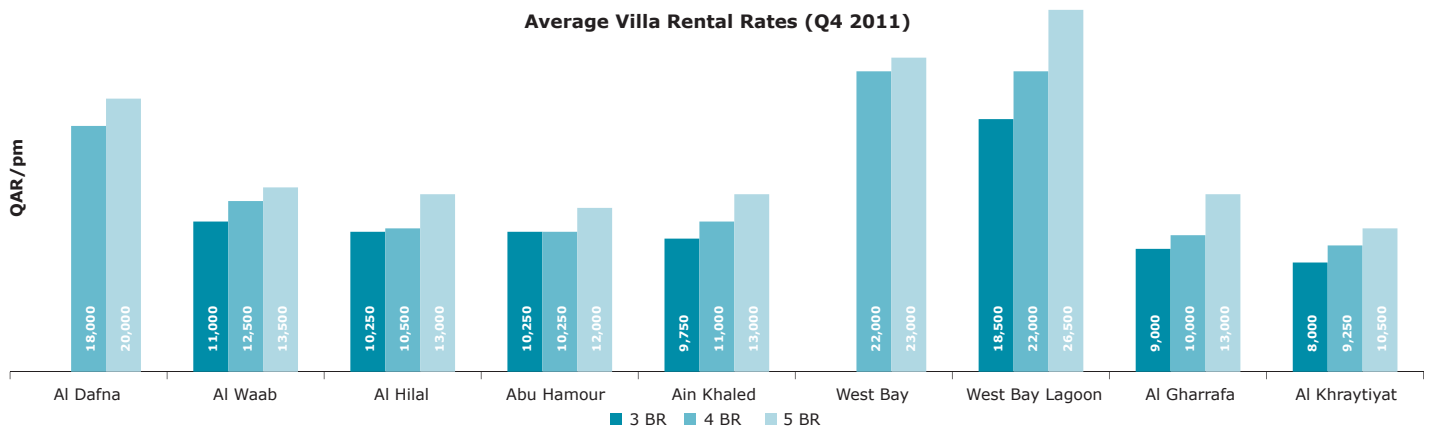


Residential Leasing Market

- Residential rental rates have remained broadly stable across all locations, with little or no change from last quarter. Our data shows a small decline in rents in the prime areas of West Bay, but this can be attributed to a small number of transactions rather than a market trend.
- Quarter 4 witnessed the handover of a second tower, Tower 18, at the Pearl-Qatar within the Viva Bahriya district. Tower 18 has a distinctly different ambience to those towers within the Porto Arabia district, benefiting from beachfront access and uninterrupted views. One-bedroom apartments are proving popular with a steady number of transactions occurring during the quarter. Asteco has been appointed as sole leasing agent and property manager of the development.
- Rentals for compound villas showed stability and a slight increase in rents, with large, stand-alone, high-end villas performing best. Rates for good quality stock start at QAR 23,000 rising up to QAR 40,000 per month.
- Overall, the number of transactions and enquiry levels improved marginally compared to Q3, continuing the market trend of 2011.

Average Apartment Rental Rates (QAR/pm)

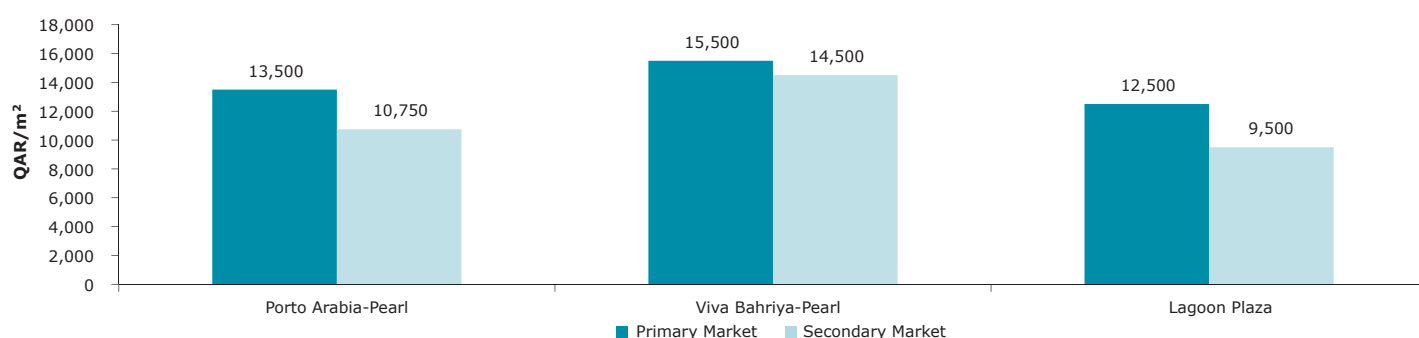
Location	1 BR	2 BR	3 BR
Al Sadd	4,750	6,250	7,375
Bin Mahmoud	4,000	5,500	7,125
Al Muntazah	3,500	5,000	6,250
Najma	3,500	5,000	6,500
West Bay/Dafna	7,000	9,750	13,250
Al Maamoura	4,250	5,500	6,375
Bin Omran	4,250	5,500	6,250
Old Airport	4,750	6,250	6,500
Pearl-Qatar	9,500	13,000	16,250



Residential Sales Market

- There was a distinct increase in apartment sales transactions in the freehold zone of Pearl-Qatar during Q4 2011, indicating that investor confidence is returning.
- Transactions largely occurred in the secondary market by investors looking for distressed sales. With prices having stabilised for the fourth consecutive quarter there is now strong evidence to suggest that prices have finally bottomed out and will not decline further.
- Mortgage volumes to expatriates remained low with the continued requirement of the Qatar Central Bank of a 70% Loan to Value (LTV) ratio.
- Enquires from Qataris increased slightly in this quarter, which can be attributed to the public sector pay rises announced earlier in the year.
- Generally, enquiry levels from both Qataris and expatriates for freehold apartments were distinctly higher than Q3, which may translate to a more positive sales market during 2012.

Average Apartment Sales Prices (Q4 2011)



2011 Summary / 2012 Outlook

2011

- Asteco's research indicated a stabilisation in both the residential and commercial leasing markets during 2011. Rental rates in both sectors have experienced only minor fluctuations during the year.
- Although demand was effectively outstripped by supply, a steady increase in demand was witnessed quarter-on-quarter, being sufficiently high to prevent further declines in rental rates.
- One-bedroom apartments in prime locations proved most popular within the residential leasing market, whilst prime luxury villas of high quality performed the best during the year. Demand for good quality, prime villas that are maintained to high international standards marginally outstripped supply and this looks set to continue.
- In the commercial leasing market, the vast proportion of tenant enquiries were from international companies seeking 100 to 600 square metres of space.
- Generally, tenants were not willing to spend large sums on fit-out, preferring to opt for fitted office space or buildings where fit-out costs were relatively low.
- 2011 saw renewed interest in locations around the airport as businesses benefited from lower rents than the Diplomatic Area and reduced travel times to and from the airport.
- Overall, the residential sales market was relatively flat during 2011, with little improvement over 2010. However, enquiry and transaction levels were up in the latter part of the fourth quarter.
- Bearing in mind 2011 was the third consecutive year of the global downturn experienced by the GCC markets, the Qatar real estate market performed relatively well, with pricing generally stabilising across all sectors.

2012

- It is likely that there will be little or no increase in rental rates for both the residential and commercial leasing markets during 2012. However, we can expect a steady increase in demand.
- Overall, supply is set to outstrip demand, but the supply/demand gap will decrease towards the end of the year.
- The increased supply in certain micro markets and locations, such as prime West Bay, may have a more negative impact on rental levels. However, demand is expected to be focussed on these locations, which may minimise the effect of continued supply.
- Generally, performance of the Qatar real estate market is likely to be similar to 2011, with sales prices and rental rates remaining relatively flat, but with an increase in the number of transactions and enquiries.
- Asteco's research indicates that major contracts surrounding the large infrastructure projects associated with FIFA 2022 are unlikely to be awarded in 2012. Material growth in the real estate market will have a direct correlation to population growth and these major infrastructure projects will be the main source of this growth.
- Finalising the Rail Network plans, Stadia locations and awarding associated construction contracts will have a significant positive effect on the real estate market. If indeed some of these contracts are awarded in 2012, performance will no doubt look significantly healthier than 2011.

Asteco Property Management LLC

Our breadth of experience across all the main property sectors is underpinned by our sales, leasing and property management teams transacting in the market, and a wealth of research that supports our decision making.

Research

Asteco's Research Department provides investors and developers with essential real estate knowledge to ensure clients understand their competitors, target markets and their long-term strategies.

Consultancy

Asteco's Consultancy Department provides comprehensive advice on market trends and solid solutions, from project concept to completion. Asteco's consultancy reports stimulate initial investment to financial institutions and other private equity providers.

Valuations

The team is fully independent in its approach and adheres to the Royal Institution of Chartered Surveyors' (RICS) valuation standards.

Sales

Asteco's internationally qualified team has enjoyed over two decades of experience within the highly dynamic Middle East property market.

Leasing

Asteco is the leading leasing agent in the UAE and is the sole agent for a number of key developments in the region.

Property Management

Asteco manages some 45,000 leases or approximately 3,500 buildings throughout the UAE, which include corporate portfolios and local and international funds.



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New Qatar Premium Report available at www.astecoreports.com

Coming Soon: Abu Dhabi Office Premium Market Report and Dubai Residential Premium Market Report.

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