

Are you on the bench?
Insight into the Qatar
construction market and
opportunities for real
estate developers



Qatar is positioning itself as a regional sporting hub

Through a number of programs, such as the Qatar 2022 FIFA World Cup (Q2022 program), Qatar is investing heavily into becoming a commercial hub in the Middle East over the next few years:

- Selected to host the 2022 FIFA World Cup. As part of developing the infrastructure and stadiums for hosting the FIFA World Cup in 2022 the program will also focus on a number of initiatives for developing the private sector.
- Men's Handball World Championships 2015.
- Match Racing International Regatta April 2013.
- Hosted football's Asian Cup - January 2012.
- Asia Football Cup of Nations – January 2011.
- IAAF World Indoor Championships - Doha 2010.
- World Clubs Handball Championship - 2010
- Is an annual fixture on the MotoGP calendar.
- Hosts an annual World Powerboat Championship race.
- The Qatar ExxonMobil open and Sony Ericsson Championships are regular fixtures on the ATP and WTP calendar respectively.
- The Qatar masters has been a part of the PGA schedule since 1998.
- Hosted the 2006 Asian Games.

Qatar is planning to invest over USD200 billion in the next 10 years in construction projects signaling immense opportunities for real estate developers

Government vision and support

Qatar has been focusing on attracting more tourists and visitors. The government's strategy over the last few years has been to promote sustainable tourism by improving transport infrastructure and developing attractions, such as the Museum of Islamic Art and the Cultural Village.

Projects such as the Qatar-Bahrain causeway will help drive regional tourist arrivals in Qatar.

Programs such as Q2022, with a vision of a successful delivery of a historic FIFA World Cup, and Qatar National Vision 2030, are also focusing on leaving a legacy for Qatar in terms of football, infrastructure and economic development.

Infrastructure

In anticipation of the FIFA World Cup in 2022, Qatar plans to invest over USD140 billion over the next five years in transport infrastructure to transform Qatar. Investments in constructing a new airport, roads and a metro system have been planned as part of supporting an anticipated influx of visitors for the World Cup as well as leaving a sustainable legacy for Qatar.

Demand for accommodation

A significant demand for affordable properties, especially in the run-up to the 2022 FIFA World Cup, is anticipated. Currently supply of housing is scarce and with an increase in population forecasted in Doha over the coming years, construction of affordable residences will increase.

Affordable accommodation that is currently on the market has performed well, particularly during the economic recession.

Golden Tulip, Hilton Worldwide and the Starwood Group are actively considering investments in this sub-sector in Qatar.

Demand for hotels and commercial developments
Qatar Tourism Authority plans to invest about USD20 billion on tourism infrastructure as the number of tourist arrivals grows at a rate of 15.9% compounded annually, to reach 3.7million by 2022.

Demand for hotel accommodation is also anticipated to increase as more visitors are expected to visit Qatar in the run-up to the FIFA World Cup 2022, when the peak in the number of visitors will be experienced.

With millions of visitors and football fans anticipated in 2022, Qatar has planned for the development of several hotels in the next few years. The expected influx of visitors also creates the opportunity for the development of commercial units, such as various shopping malls around Qatar.

- 4) Local Roads and Drainage Scheme
- 5) Barzan Gas Development
- 6) Barwa City Development
- 7) Doha, Lusail and Dukhan Highways
- 8) Education City
- 9) Ras Laffan Complex
- 10) New Doha Port
- 11) Pearl-Qatar
- 12) Ras Laffan Olefins Project
- 13) Msheireb
- 14) Transmission Project
- 15) World Cup stadiums
- 16) Inner Doha Re-sewerage Implementation Strategy
- 17) Al-Waab City
- 18) Doha Festival City
- 19) Al-Jawhara City
- 20) Barwa al-Baraha

New contracts up to USD3.3bn are expected to be awarded by end of 2013³

Pipeline of projects

In anticipation of the FIFA World Cup in 2022 in Qatar, there are numerous projects planned and under way to ensure that the country has the right infrastructure and competition venues to support an influx of visitors and football fans. Projects are currently focused on housing, hotels (estimated: 90,000 rooms), 12 stadiums, a new port, roads, metro and rail system, malls and various other mixed asset developments, to accommodate an estimated 400,000 fans.

The top 20 projects by value in Qatar include¹:

- 1) Lusail City
- 2) Qatar Integrated Rail Project
- 3) Hamad International Airport

An estimated of USD168bn (87%) of remaining work for the projects listed above is anticipated to be awarded over the next few years.¹

Lusail Real Estate Development Co. is expected to award USD3bn worth of contracts over the next year for infrastructure and roads as part of developing the new Lusail city². The project is expected to be completed by 2019 just before the Qatar 2022 World Cup.

Additionally, new contracts up to USD3.3bn are expected to be awarded as part of Doha's New Port project by the end of 2013³.

Environmental sustainability

Environmental sustainability has become a key item in the government's agenda and one of the key goals for the Q2022 program is to improve environmental sustainability, not only considering the event but also for the country. The program will deliver a new environmental sustainability standard and improve nationwide awareness.

Qatar's National Vision offers immense opportunities for developers in the region and beyond

The implementation of a global sustainability

Assessment System, which is currently under way, will require corresponding bodies responsible for the development of major projects and developers to adhere to defined policies and standards⁴. Adherence to sustainability standards and demonstration of these capabilities by developers is expected to be a determining factor during the procurement and award process.

Key success factors

It is evident that through Qatar's investment in infrastructure in anticipation of the Qatar 2022 World Cup, and also as part of realizing Qatar's National Vision, there will be immense opportunities for developers in the region and beyond.

Successful bidders will have to take into consideration a number of factors such as alignment with Qatar's 2022 program strategic objectives, adherence to sustainability and health and safety standards, innovation, quality and with an overall focus on the legacy theme, which is embedded in the strategy for delivering the Qatar 2022 World Cup.

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Endnotes

- 1 <http://www.meed.com/countries/qatar/ambitious-qatar-megaprojects-surge-ahead/3163797.article>
- 2 <http://www.arabianbusiness.com/qatar-award-3bn-of-contracts-for-new-world-cup-city-383696.html>
- 3 <http://www.constructionweekonline.com/article-21818-doha-new-port-project-to-award-contracts-tenders/#.UWaaU1cz99I>
- 4 <http://arabianindustry.com/construction/news/2013/apr/9/qatar-makes-progress-implementing-green-standards-4267978/#.UWaaPfcz99I>

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