Riyadh real estate market overview 2014

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Riyadh real estate market timeline

- Arab Spring (2010 – 2012)
- Al Qasr Community completed

2010

- Mortgage law has been finalized and presented to Council of Ministers
- Al Qasr Mall completed

2011

- SAR 250 Bn allocated to build 500,000 housing units for Saudi nationals under Ministry of Housing
- Mortgage amount increased from SAR 300,000 to SAR 500,000
- Ritz Carlton completed

2012
• Mortgage law has been finalized and presented to Council of Ministers
• Al Qasr Mall completed
• Riyadh Metro Project was announced
• First phases of both King Abdullah Financial District and Information Technology Communications Complex is expected to be delivered
• Hyatt Regency Hotel to be completed

2013
• Inception of Riyadh Metro Project
• Commencement of construction of Ministry of Housing projects
• 30 percent down payment on all home financing
• Completion of “Rafal Tower”
• Completion of “Bustan Village”

2014

2015
Report Highlights

**KSA Macroeconomic**
- Saudi Arabia’s GDP growth rate was 3.59% in 2014
- Inflation will remain subdued in short to medium term
- A fiscal deficit of SAR 54 billion was recorded in 2014 mainly due to steep decline in oil prices

**Riyadh Residential Market**
- Young growing population is key demand generator
- Housing units supply will grow at CAGR of 3.8% between 2014 and 2016
- Additional 325,000 units are required by 2020 to meet the demand
- Tax on white land could cause reduction of land prices, hence making residential units more affordable

**Riyadh Retail Market**
- Increase in disposable income is driving the retail market
- Retail sale is projected to increase at a CAGR of 7% between 2013 and 2018
- Abundant supply of retail space anticipated by 2018
- Theme malls are anticipated to perform better due to selective consumer preferences
Riyadh Office Market

- Office market to weaken in coming years due to forthcoming supply
- Office stock is expected to increase by 50% in coming 2–3 years
- First phases of both King Abdullah Financial District and Information Technology Communications Complex are close to completion
- Declining trends in occupancy levels and rentals are expected to continue

Riyadh Hospitality Market

- Tourism industry has been identified as a priority area for investment
- Riyadh's hospitality market is mainly driven by business tourists
- Four and five star categories are leading the hotel stock of Riyadh
- In 2014, occupancy rates increased but at the cost of reduced average daily rates
Government’s spending continues to drive economy

KSA’s economy has grown significantly during the last decade and has been resilient to the global financial volatility in 2008. This growth is attributable to elevated oil production and prices, vigorous private sector activity and strong government spending on infrastructure, health, and education.

The nominal GDP of KSA grew from SAR 2,794.8 billion in 2013 to SAR 2,821.7 billion in 2014, and is projected to reach SAR 2,932 billion in 2016. Meanwhile, the real GDP growth rate was 3.59% in 2014, slightly lower than 3.95% in 2013.

Inflation to remain subdued

Having peaked in 2008, KSA’s inflation was stabilized at moderate levels during last couple of years. In 2014, inflation was recorded at an average of 2.7% and is expected to reach 2.6% during 2015. In spite of strong rental inflations, overall inflation is expected to remain subdued over the next few years.

The real GDP grew 3.59% in 2014
**Economic diversification, a need of era**

Despite number of steps taken by the government to diversify the hydrocarbon-based economy, the economy is still dominated by oil sector that accounts for approximately 90% of government revenues.

After four years of budgetary surplus, Saudi Arabia recorded a budget deficit in 2014 mainly due to higher government expenditures and sharp decline in global oil prices of nearly 50% as against 2013 average prices. While actual revenues were 18.2% higher than the budgeted revenues, expenditures surpassed revenues by 4.9% causing a deficit of 54 billion Saudi Riyals.

The budgeted revenues for 2015 is SAR 715 billion, while expenditures are estimated to be SAR 860 billion, thus leading to a deficit of SAR 145 billion in budget. In spite of deficit fiscal balance in 2014 and 2015, the government is aiming to focus on priority investment programs in non oil sector to enhance sustainable and strong economic growth. The surpluses and reserves built up in previous years will help KSA tide over declining oil prices in the short to medium term. Real GDP growth is expected to be 3.4% in 2015.

The plunge in oil prices is not likely to affect the real estate market in Saudi Arabia, as most of the real estate demand is based on actual demand rather than speculative; this will keep the market to grow and flourish. In addition, the huge fiscal reserves are allowing the government to keep spending, insulating the real estate market from declining oil revenues.


![Graph showing government revenues and expenditures from 2008 to 2015.](image)

*Source: CDSI, MOF*
Riyadh Residential Market Overview

Undersupply seems to be persisting

Riyadh residential market is undersupplied as demand is continuously increasing, supported by favorable demographics, and supply is unable to catch up. This supply-demand gap seems to be persisting in the medium to long term.

The home ownership rate in Riyadh is quite low as compared to other developed cities in the world. The high land prices and construction cost coupled with lack of financing activities, make home ownership difficult for residents of Riyadh city. However, the mortgage law will play an important role to enhance affordability of housing units.

The government is taking multiple initiatives to provide affordable housing to its nationals. Recently Ministry of Housing launched the ESKAN housing aid program, a further step to provide affordable housing units announced by the government back in 2011.

Growth in supply is expected to increase steadily

Approx. 28,000 residential units were completed in 2014, making the current housing stock to 960,000 units, 12.3% increase as compared to 2010. In addition, around 115,000 units are expected to be delivered in the next 2-3 years. It is worth mentioning that the majority of existing and upcoming supply is mainly delivered by small Real Estate developers and individuals.

Major completions during 2014 were “Rafal Tower” and “Al Bustan Village” which delivered 420 units and 836 units respectively.

The compounded annual growth rate (CAGR) of delivery of residential units is expected to increase as number of medium level residential projects are initiated in 2014, which will be completed during 2015 - 16. Housing units in Riyadh will increase at a CAGR of 3.8% between 2014 and 2016.
Earlier this year Kinan Real Estate Development Company launched first phase of “Masharif Hills” located at North of Riyadh. First phase of the project comprised of 169 housing units and will be completed during second half of 2015.

To follow the success story of earlier ventures, Rafal and Alargaan initiated their new projects. “Rafal Residence” by Rafal and “Manazel Qurtoba II” by Alargaan will deliver 172 and 558 units respectively.

The Ministry of Housing commenced work to build affordable houses for low-income Saudi families and groundwork is under execution. The project is located at North Riyadh and is expected to be completed by 2018.

<table>
<thead>
<tr>
<th>Key Upcoming Residential Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
</tr>
<tr>
<td>Village Mulaqa</td>
</tr>
<tr>
<td>Masharif Hills (Ph-I)</td>
</tr>
<tr>
<td>Rita Villas</td>
</tr>
<tr>
<td>Manazel Qurtoba (Ph-II)</td>
</tr>
<tr>
<td>Rafal Residence</td>
</tr>
<tr>
<td>Bayt Al Hurr</td>
</tr>
<tr>
<td>Manazel Qurtoba II</td>
</tr>
</tbody>
</table>

Source: KPMG Research & Analysis

Young growing population, key demand generator

Riyadh residential demand continues to outstrip supply. The demand is mainly driven by a large and growing population coupled with increasing urbanization trend and declining household size.

Riyadh city is home of approximately 20% of KSA’s population and more than 75% of province population. As per the estimates of Central Department of Statistics and Information (CDSI), Riyadh’s population is expected to reach around 6.8 million in 2020 from 5.8 million in 2013.

The demand of housing units is continuously increasing; it is estimated that Riyadh will need additional 325,000 residential units by 2020.

Most residential demand comes from middle and lower middle income segment, however real estate developers are mainly focused on upper middle and high income segments.

Housing units in Riyadh will increase at a CAGR of 3.8% between 2014 and 2016.
Apartment’s prices to rise faster than villas

The Residential sector in Riyadh has the highest demand among the other real estate sectors; however, Riyadh’s residential market made moderate gains in 2014. Sale prices and rental rates of residential properties soared with modest growth rates, driven by healthy growing demand. Same trend is expected to continue in short to medium run.

In 2014, average sale prices of villas have increased by 4-7% as compared to 2013 prices, while apartment sale prices surged by 6-9%.

The rental rates of villas and apartments followed the same upward trend and increased by 6-11% across the city, depending upon the location and finish quality of the property.

The median sale price of a villa ranges between SAR 3,333 per square meter and SAR 5,200 per square meter, while rental rates of a small villa/duplex of 250 – 330 sqm ranges from SAR 80,000 to SAR 140,000 per annum.

Residential units within compounds have the highest rental rates in Riyadh city, where average rental rate of 2 bedroom apartment varies between SAR 110,000 and SAR 150,000 per annum.

Outlook:

In spite of government’s efforts to stimulate the provision of affordable housing, it is expected that Riyadh’s residential market will remain undersupplied for the next couple of years. Demand for apartments and small villas/duplexes is expected to increase with faster pace due to influx of expatriates and reduced affordability concerns (mortgage law) for Saudi nationals. The implementation of loan-to-value ratio of 70% will further compel buyers to choose smaller units as they need to pay 30% of the value from their own pocket.

Recently the government has approved tax on undeveloped land parcels in urban areas. This decision is likely to accelerate the real estate activities. The landlords are expected to either build income generating properties or sell their land plots to avoid the tax. This will result in increase in the supply and reduction of land prices and as a result making residential units more affordable. The success of this government’s decision to put tax on white land is subject to the proper development and implantation of its bylaws.
Changing consumer preferences driving retail market growth

KSA is the largest retail market in the Middle East followed by UAE. It witnessed major developments in the last decade, backed by strong economic growth, increased disposable income, and young growing population.

As per EIU, retail sales are projected to increase from an estimated SAR 347 billion in 2013 to around SAR 487 billion in 2018 at CAGR of 7%.

The Riyadh retail market has improved and the city has become one of the favorite destinations for international luxury brands. The city’s retail market is dominated by regional malls with average leasable areas of 40,000 to 75,000 sqm.

Thanks to declining unemployment rates and salary floors as set by the government, personal disposable income is expected to increase. The main beneficiaries of increased spending will be large shopping centers due to selective consumer preferences. Upcoming malls in Riyadh are focusing on provision of leisure facilities within the same premises.

Source: EIU, KPMG Research & Analysis
**Market is witnessing huge supply by 2018**

Including recently completed “Nakheel Mall”, Riyadh’s mall based retail supply reached approximately 1.45 million square meters, while city’s total retail supply is at 3 million square meters.

Riyadh retail mall GLA supply is dominated by the regional malls, accounting for more than 40% of existing supply followed by community malls.

Prime completions in strip retail format and community centers were “Balancia Bazar”, “Telal Center”, “Yarmouk Center”, and “Alia Plaza” which delivered around 100,000 square meters of GLA during the year 2014.

The mall-based retail space is expected to increase significantly in the coming few years. An additional 700,000 square meters of mall space is expected to be delivered by 2018.

Al Futtaim Group along with Kaynnat Real Estate are developing a super-regional mall with GLA of 250,000 square meters in the West of Riyadh. In addition, some other key projects including “The Family Garden”, and “Al Khaleej Mall” will be completed in a couple of years.

### Riyadh Retail GLA Distribution (2012)

- **Street Retail**: 40%
- **Mall Based**: 54%
- **Other**: 6%

Source: KPMG Research & Analysis

<table>
<thead>
<tr>
<th>Key Upcoming Retail Projects</th>
<th>GLA (sqm)</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Family Garden</td>
<td>20,000</td>
<td>2015</td>
</tr>
<tr>
<td>Malaz Mall</td>
<td>49,000</td>
<td>2016</td>
</tr>
<tr>
<td>Al Hamra Mall</td>
<td>51,000</td>
<td>2016</td>
</tr>
<tr>
<td>Al Khaleej Mall</td>
<td>54,000</td>
<td>2016</td>
</tr>
<tr>
<td>Majed Al Futtaim Mall</td>
<td>180,000</td>
<td>2017</td>
</tr>
<tr>
<td>Diriyah Gate</td>
<td>250,000</td>
<td>2018</td>
</tr>
</tbody>
</table>

Source: KPMG Research & Analysis
Increase in disposable income would influence retail space demand

The demand of retail space is mainly driven by population growth, younger demographic profile, and steady increase in personal disposable income. The minimum monthly salary set by the government coupled with job creation plan by the government will have a positive impact on the consumption over the coming years. These positive dynamics will prop up demand in retail sector. By considering the population growth and other key factors affecting the demand of retail space, we estimate that demand for retail mall is expected to reach 2 million square meters by 2020.

Community malls witnessed robust increase in rentals

In 2014, marginal rise has been witnessed in retail rentals in the capital city. Malls and community centers located at prime locations benefited more with this upsurge in rental rates. The strongest rental growth was observed in CBD where average rental rates increased by 8%, followed by northern areas of Riyadh. Median rental rates of retail outlets in central areas range between SAR 1,400 and SAR 2,300 per square meter. The rental rate varies from SAR 800 to SAR 1,400 per square meter at northern side and from SAR 400 to SAR 800 per square meter at southern side of the city.

The average vacancy rate of Riyadh shopping malls is approximately 12%. Riyadh Gallery, Kingdom Mall, and Faisilyah Mall are the best performing malls of the city and enjoying healthier occupancy rates. Average rental rates of line shops within retail mall range between SAR 1,800 and SAR 3,000 per square meter. Anchor tenants pay much lesser but generate footfall.

Average Retail Rentals (SAR/Sq.m)

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Rental Rate (SAR/Sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Riyadh</td>
<td>500-1,000</td>
</tr>
<tr>
<td>West Riyadh</td>
<td>1,000-1,500</td>
</tr>
<tr>
<td>North Riyadh</td>
<td>1,500-2,000</td>
</tr>
<tr>
<td>South Riyadh</td>
<td>2,000-2,500</td>
</tr>
<tr>
<td>Central Riyadh</td>
<td>2,500-3,000</td>
</tr>
</tbody>
</table>

Source: KPMG Research & Analysis

Outlook:

Robust increase in retail sales refers to the strong demand of retail spaces in Saudi Arabia. The retail sale is expected to have an upsurge in the coming years due to an increase in disposable income of residents and change in spending behavior. The capital city is lacking in leisure attractions therefore, theme malls providing entertainment facilities along with shopping outlets are more likely to perform well in the future. The average rentals of malls are expected to either increase (in primary location) or remain stable (in secondary location) in short to medium term.

Riyadh’s mall based retail supply reached approximately 1.45 million square meters

Theme malls providing entertainment facilities along with shopping outlets are more likely to perform well in the future.
Riyadh Office Market Overview

Riyadh office market to exacerbate

Despite the strong demand generated by public and private sectors, Riyadh office market remained oversupplied in 2014 and this situation is likely to exacerbate in coming years due to bulk upcoming supply.

The office rentals and occupancy rates have been negatively affected due to ongoing oversupplied condition. In spite of offering lower rental rate and attractive rent-free periods to the tenants, property owners/operators are facing problems in maintaining healthy occupancy rates.

The concept of business parks was well accepted by the market as several major companies moved to newly constructed Granada Business Park and Riyadh Business Gate. Rest are waiting the completion of the Information Technology & Communications Complex (ITCC) and King Abdullah Financial District (KAFD) to relocate their businesses.

Office stock is expected to increase by 50%

There was around 150,000 square meters of new office space completed in 2014, bringing the current stock to circa 2.3 million square meters. It is expected that supply will increase by 50% in coming 2-3 years as more than a million square meters of office space is due to be delivered in short to medium term.

King Abdulaziz Center for National Dialogue and Olaya Towers were the major completions in 2014 that included 125,000 square meters in current office stock. In addition, Riyadh office market witnessed completion of several B class office buildings during the year.

Hamad Tower and first phases of both King Abdullah Financial District (KAFD) & Information Technology & Communications Complex (ITCC) are expected to be completed in 2015. This will further pressurize the market and vacancy rate is expected to be increased, as demand is not keeping pace with supply.
Faced with massive increase in office supply, investors and developers seem reluctant to initiate new projects in the office sector.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>GLA (sqm)</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamad Tower</td>
<td>31,000</td>
<td>2015</td>
</tr>
<tr>
<td>Majdoul Tower</td>
<td>55,000</td>
<td>2015-16</td>
</tr>
<tr>
<td>King Saud University Endowment Project</td>
<td>95,000</td>
<td>2015-16</td>
</tr>
<tr>
<td>ITCC</td>
<td>230,000</td>
<td>2015-16</td>
</tr>
<tr>
<td>KAFD</td>
<td>800,000</td>
<td>2016-17</td>
</tr>
</tbody>
</table>

Source: KPMG Research & Analysis

**Public sector continues to drive the demand**

Demand for office spaces in the capital city remained stable during last couple of years backed by strong economic growth and healthy progress of private sector.

The demand is mainly driven by public sector, banking sector and new ingresses in the market. Government's initiatives to ease business environment and diversify the economy will boost the office demand. It is expected to remain stable in short to medium terms.

Delay in upcoming projects coupled with strong demand generated by diverse sectors played major role in transient stability of office market. However, completion of under construction projects is likely to have a detrimental impact on both occupancy rates and rentals.

Multi-national firms and publically listed companies are more likely to occupy grade A+ office space. Large local businesses and financial firms are more interested in grade A office space while grade B & C office space is occupied by small businesses.

King Abdulaziz Center for National Dialogue and Olaya Towers were the major completions in 2014

The median rental rates of grade A+ office buildings range from SAR 1,600 to SAR 1,800 per square meter
Diminishing trend in rentals to continue

The office market continued its mixed performance in 2014. Office buildings located at prime locations showed some signs of stability while rentals inched down in offices located at secondary locations.

The median rental rates of grade A+ office buildings range from SAR 1,600 to SAR 1,800 per square meter, while rentals of A grade buildings range from SAR 1,100 to SAR 1,300 per square meter.

The citywide vacancy rate varies between 15% and 20% and there will be an upward pressure on vacancy rate with the delivery of new supply during 2015 – 16.

Outlook:

The office market continues to struggle as upcoming supply would make the market more competitive. Declining trend in both rental rates and occupancy rates is expected till the period the market can absorb additional office space supply.

The office space of A, A+, and located within a mixed use development are more likely to perform better as compared to B & C grade office buildings.
One of the fastest growing hospitality market

KSA’s hospitality market is growing at a positive pace and investors are keen to invest in this sector. This growth is expected to continue with 150 new hotels in the pipeline across the Kingdom. The Saudi Commission for Tourism and Antiques forecasted that revenue from hospitality sector is estimated to reach SAR 232 billion by 2020.

In efforts to diversify the economy’s dependence on oil, tourism industry has been identified as a priority area of investment. Including expansion of holy mosques and airports, government is taking numerous initiatives to attract and accommodate more tourists.

Riyadh, the capital city and head quarter of all government institutions and most private firms, is experiencing upsurge in business tourists and ranked as one of the most visited cities in GCC.

Including “Kempinski”, “Four Points by Sheraton”, and “Ritz Carlton”; Riyadh city witnessed opening of number of world class hotels during last couple of years. These projects and others have turned Riyadh city into one of the fastest growing hospitality markets in the Middle East.

Four and five star categories are leading the hotel stock

In 2014, total count of hotel rooms in Riyadh reached above 13,000 and around 7,000 keys are yet to be delivered in the coming 2-3 years. Upcoming supply will augment existing stock by more than 50%.

As per Saudi Commission for Tourism and Antiques statistics, Riyadh is accommodating 5% of total number of hotel rooms in the Kingdom, and two-thirds of Riyadh’s existing hotel rooms fall in four and five star category.
Riyadh is steadily becoming a city of hotels as a large number of hotel facilities of different classifications are under construction. The city's hospitality market is expected to witness a significant increase in short to medium run. 20% of upcoming 150 hotel in the Kingdom will be located in the capital city.

Hilton Residence, Hyatt Regency, Crowne Plaza, Fairmont, and Movenpick are major upcoming hotels, which will be delivered in 2015-16. In addition, some local brands are also expected to contribute in the market and will deliver few projects of hotels and furnished apartments in coming years.

**Key Upcoming Hospitality Projects**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>No. of Keys</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nobu Riyadh</td>
<td>135</td>
<td>2015</td>
</tr>
<tr>
<td>Inter Continental (KAFD)</td>
<td>220</td>
<td>2015</td>
</tr>
<tr>
<td>Aloft Riyadh</td>
<td>225</td>
<td>2015</td>
</tr>
<tr>
<td>Hilton (KSU)</td>
<td>241</td>
<td>2015</td>
</tr>
<tr>
<td>Fairmont Hotel</td>
<td>255</td>
<td>2015</td>
</tr>
<tr>
<td>Hyatt Regency</td>
<td>261</td>
<td>2015</td>
</tr>
<tr>
<td>Crowne Plaza (ITCC)</td>
<td>326</td>
<td>2015</td>
</tr>
<tr>
<td>Movenpick</td>
<td>445</td>
<td>2015</td>
</tr>
<tr>
<td>Le Meridien</td>
<td>232</td>
<td>2016</td>
</tr>
<tr>
<td>Radisson Blu</td>
<td>252</td>
<td>2016</td>
</tr>
<tr>
<td>Hilton Riyadh Hotel &amp; Residence</td>
<td>830</td>
<td>2016</td>
</tr>
</tbody>
</table>

Source: KPMG Research & Analysis
Demand is mainly driven by business tourists
In the absence of leisure facilities, business tourists are the main drivers of hospitality units in Riyadh. Government’s investments into key infrastructure projects and other mega developments such as King Abdullah Financial District (KAFD) and Information Technology & Communications Complex (ITCC) coupled with its policies to encourage foreign investments will attract more business delegates and investors. SCTA’s initiatives to rehabilitate historic town center and traditional villages and to develop tourism related services will have a positive impact on tourism industry and will escalate the tourist’s visits. In addition, arrangement of cultural events and exhibitions are key sources to attract more tourists.
A significant number of regional and super-regional shopping malls are either under construction or in the planning phase will play a major role to increase domestic tourism and demand for hospitality units is expected to increase.

Occupancy is rising at the cost of decreasing Average Daily Rate (ADR)
After facing a declining trend since the global economic crisis, Riyadh hospitality market started performing positively during last couple of years. In 2014, market showed signs of improvement in occupancy rates as it increased from 63% in 2013 to 67% in 2014. Despite an increase in occupancy rates, average daily rates declined from SAR 1,013 in 2013 to SAR 935 in 2014, causing a reduction in Revenue Per Available Room as well.
This decline in Average Daily Rate and Revenue Per Available Room is attributed to the sizable number of supplied rooms during the last couple of years.

Riyadh hospitality market performed well during 2014 as occupancy rates increased by 4% as compared to 2013. However, the increase in occupancy rates was offset by a reduction in average daily rates. Our analysis shows that the forthcoming supply will exert additional pressure on average daily rates and it is expected to decrease further.
KPMG Real Estate Advisory

KPMG’s Real Estate team is led by seasoned professionals with over 50 years of combined Real Estate experience. The team provides different types of real estate advisory services across the Kingdom of Saudi Arabia through our three offices in Riyadh, Jeddah, and Al Khobar. The team is also supported by KPMG’s global network of member firms.

KPMG’s Real Estate team provides the following services for Real Estate Developers and Investors.

Strategy Advisory Services

1. Strategy and Business Plans: The team is involved in developing Corporate Strategies and Business Plans for Real Estate clients in the start-up, growth, transformation, and mature stages. Strategy development includes setting goals/objectives, determining actions to achieve the goals, and helping clients mobilize resources/funding to execute the actions.

2. Financial Modelling: KPMG’s experienced Financial Modelling team develops custom models for Real Estate clients to be used for their Strategic, Financial, and day-to-day requirements. These models are delivered to clients with user manuals and training sessions to help ensure proper usage of the model.

Development Advisory Services

1. Highest and Best Use Studies: Our professionals advise clients on the best development option that is financially feasible and appropriately supported by the market to generate the highest returns. KPMG provides research backed development options, scenario analysis, sensitivity analysis, and key financial returns/indicators.

2. Market Research and Analysis: KPMG’s Real Estate team assesses the market in order to advise on the most attractive sectors of the Real Estate market. The assessment is based on drivers like demand and supply and performance indicators like Lease Rates, Sale Prices, Occupancies, ADRs etc. The Market Analysis is based on both primary and secondary research conducted by our dedicated research team.

3. Financial Feasibility Studies: Combined with the market study, KPMG assesses the expected Financial Returns of specific Real Estate projects based on the parameters of the project and the market indicators. The Feasibility study includes Market and Financial Analysis sections. KPMG’s Financial Feasibility Studies are frequently used by a number of banks as bankable documents; these can also be used by developers/Investors to raise debt from banks.

4. Valuation Services: KPMG’s Real Estate Team provides Valuation Services where the Entity Value is derived by using different valuation methods such as Comparables, Multiples, Asset Sale, and DCF valuation methodologies.

Transaction and Financial Advisory Services

1. Real Estate Sales: The Real Estate team is actively involved in bringing together real estate developers with Real Estate Investors. The scope involves developing an Information Pack, which includes background, market, technical, and financial information about the company. KPMG’s Real Estate team can help clients with the Sales process from inception to signature of a binding agreement.

2. Bank Financing: The Real Estate team is also actively involved in preparing Information Packs used for bank financing. KPMG’s Real Estate team has a long track record of success in helping clients’ secure bank financing with our Information Packs.

3. PPP Procurement and Tendering: KPMG’s Real Estate team can lead the procurement and tendering processes of PPP projects on behalf of clients. The team has led several multibillion-dollar PPP projects in the region and has developed the relative PPP experience which can help ensure favorable financial closure of projects.