

REAL ESTATE SECTOR OUTLOOK

2022

MARCH

PREPARED BY

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Younis Al Harrasi
Chief Executive Officer

FOREWORD

Following the outbreak of COVID-19, governments have been introducing different measures and projects aimed at mitigating the impact of the pandemic on their societies and economies. Mass vaccination campaigns and lockdowns were pursued as a counter strategy. Although these efforts contributed to saving a lot of lives, they resulted in major financial and social issues in the forms of bankruptcy, unemployment, global recession, and most significantly disruption of normal life for almost two years.

However, beginning of FY 2022 marked restoration of normalcy as far as impact of COVID-19 is concerned. With mass vaccinations still rolling out, new variants of the virus are still emerging; nevertheless, overall impact is much more under control in terms of reported deaths, and hospitalizations. Similar to many countries around the world, Oman has lifted major forms of restrictions in terms of movement, and travelling, which is facilitating revival of the overall local economy along with stronger oil prices during the last twelve months.

Whilst discussing the overall economic situation, it is quite promising to realize that the overall credit rating of Oman has been improved by all of the major agencies largely on the back of stronger oil prices during FY 2021. During the first quarter of 2022, S&P upgraded Oman's credit rating to 'BB negative' with a stable outlook for the first time since 2015. Upgraded rating is reflecting the impact of improved fiscal and debt trajectory of the country.

As we reflect on the first quarter of the year, emergence of conflict in Europe has also raised concerns over the global stability, which has already been shaken by the presence of the pandemic during the last two years.

Conflict has been expanding, which is affecting the overall regional markets, and supply of major commodities like oil, gas, wheat, and some of the other critical food-related items. Adding these factors to the existing disruptions of COVID-19, we anticipate emergence of global inflation, especially food-related, which may damage some levels of the revival achieved during last 3 to 6 months.

Despite the above, the regional and local markets maintained their recovery mode supported by the large vaccination numbers, relaxation of the measures, and rising oil prices. To sustain this positive momentum, the Omani government announced some new development projects beside previous similar measures aimed at supporting the revival of the local economy. These efforts had a positive impact on the real estate market which started to witness some improvement from the second half of last year.

To sustain this positive impact on the economy in general and the real estate sector in particular, we think that the following points will remain critical. Firstly, sharing of critical market-related real estate data, which will allow investors to make more prudent decisions for development of their assets. Second, there has been a progress in allowing expatriates to own real estate assets outside ITC projects; however, we believe that more incentives and benefits will bring better outcomes. Third, the financial sector should play more active roles in the development projects with terms that can provide more financial flexibility to the developers. Finally, the recent implementation of the VAT and its direct effect on the real estate sector should also be discussed and compared with the regional markets to make sure that we have the best competitive practice.

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Purpose of the Report

Purpose of the Report

Our first report of 2022 will be focused on following key points in order to keep our stakeholders abreast of latest developments within the Real Estate Sector in Oman.



Population Assessment.



Implementation of VAT – Local Real Estate Sector.



Discussion on various sub-segments of Real Estate sector.



Prevailing prices in the market covering asset classes from Land to Developed Properties.



Future Outlook.

GENERAL OVERVIEW

There has been an experience of roller-coaster during last two years for each and every business on the planet. Spreading of COVID is followed by strict lockdowns, Vaccination drive, Reopening of economy, and then re-emergence of other variants. Globally, significant challenges exist in the form of latest Omicron variant along with the expected inflation that may hurt major part of the global economies. With rising inflations levels, we expect the central banks to act more prudently when it comes down to their respective monetary policies as it may create another phase of depression in the markets.

Real Estate sector in Oman has also experienced the cycles in similar manner. But despite the underlying challenges, we should also acknowledge one of the most significant achievements of the human population by finding ways of operating business and economic activities between this mayhem. Even though it is almost impossible to predict the future; however, we understand that overall sector started the rehabilitation process from 2H2021 and overall recovery is still in progress.

Inflation will remain one of the most critical issues for global economy and local economy will also be embraced with these challenges. Review of latest inflation data further firmed up our belief as index increased by 4.02% from 104.3 (Feb 2021) to 108.5 (Feb 2022) with growth in transport-related prices playing the key role. Review of major weights driving CPI are outlined in the following table.

SULTANATE OF OMAN – CONSUMER PRICING INDEX

Category	Weight	Feb 21	Feb 22	Variance
Housing & Utilities	26.477	103	108.2	5.01 %
Foods & Nonalcoholic	23.903	104.3	107.2	2.78 %
Transport	19.167	106.4	115.9	8.89 %

Source: NCSI Mar 2022

Whilst reflecting on the overall inflation in the local market, we cannot ignore the effect of VAT, which was levied during April 2021. Imposition of VAT impacted the overall business costs including real estate sector as well.

Despite the challenges in terms of slowdown and anticipated inflationary trends, local economy received the boost in the form of stable oil prices during last 12 months as major portion of GDP is still derived from the sector and related exports. Following table highlights the historical pattern of Oman Crude Oil prices.

OMAN CRUDE OIL PRICES – HISTORICAL DATA

	2020				2021			
USD/bbl	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Prices	64.80	23.65	43.62	41.11	54.79	63.10	72.73	81.58
Annual Growth	98.44%							
4Q21 Growth	12.17%							

Following are the key reasons, which further strengthen our belief that overall management of the pandemic is heading in right direction and the sector will be able to gather further momentum during FY 2022.

a) Reopening of Airports from Aug 2021 stimulated growth in passengers travelling to Oman. As per latest NCSI data, during last six months (Sep 21 – Feb 22), overall guests stayed in hotels stood at monthly average of 122,500, which is 20% higher than full year average of 2021. It is pertinent to mention that overall guests in hotel peaked to 162,054 during Feb 2022, which facilitated overall occupancy levels to peak beyond 50% as per latest data received from NCSI. We expect this momentum to be maintained during this year as well considering impact of Omicron variant is relatively weak, which is enabling the aviation authorities to continue operations with only specific and sporadic restrictions on highly-affected countries. In addition, Government has already relaxed the requirements for travelling with mandatory COVID test removed from the list of conditions for travelling to Oman.

b) Overall GDP of the country (at market prices) increased by 16% during FY 2021 as compared to overall GDP of FY 2020. This growth is reflecting the impact of reopening of economy during 2021 as well as relatively stronger oil prices, which will remain critical in the immediate to short term.

c) It is pertinent to mention that despite tough business climate, overall Omanis working in the private sector increased by 4.72% from 254,754 (Dec 2020) to 266,799 (Dec 2021).

d) We have also observed overall growth of 4.27% in the real estate activity with traded value increased from OMR 2,456.4 million (2020) to OMR 2,561 million (2021).

e) During January 2022, His Majesty has also issued directives to increase the sums allocated to Government Development Program from OMR 10 million to OMR 20 million for each governorate during the current five-year plan with effect from FY 2022. It reflects enhanced focus of the Government to further upgrade the infrastructure at Governorate level with benefits ultimately passed on to the general population.

f) To stimulate the real estate sector, the Ministry of Housing and Urban Planning initiated 'SOROUH' project with the aim of providing housing units to the Omani Nationals. Having established in 2018, SOROUH project will include 1,000 housing units on an area of 350,000 square metres. Overall construction and delivery will be completed across several stages, with each including the setting up of both villas and apartments. "During 4Q 2021, 22 housing units in the Hai Al-Naseem project were completed with all basic facilities as confirmed by the ministry.

Similarly, new sites have also been announced with opening up of nine investment sites for usufruct contracts in the new city of Liwa in North Batinah governorate.

g) Implementation of VAT remained quite smooth as most of the real estate transactions attract VAT. We expect VAT to remain useful contributor in order to meet Budgetary Deficits even though overall Govt borrowings have increased during FY 2021.

h) Another significant milestone is the recent initiative of MOCI to attract foreign investment to the Sultanate. Currently two categories of investments are being launched with certain criteria as outlined in the following table. It is pertinent to mention that we are highlighting the criteria for real estate investments in order to receive investor visa.



Category	1	2
Duration	10 years extendable	5 years extendable
Entitlements	<ul style="list-style-type: none"> ◆ The right to reside with family members with certain conditions. ◆ Ownership of a single property outside of ITC whether for residential, commercial or industrial purposes except for prohibited lands for non-Omanis. ◆ The possibility of employment in private (domestic) occupations and Sponsorship is not required for extraction. ◆ The possibility of engaging in economic activities or working in Sultanate. ◆ Bank Account. ◆ Issue visitor visas for relatives ◆ Use of the lanes designated for Omanis at airports and outlets. 	<ul style="list-style-type: none"> ◆ The right to reside with family members (first degree) with maximum of 25 years for children. ◆ The possibility of employment in private (domestic) occupations. ◆ The possibility of engaging in economic activities or working in the Sultanate ◆ Bank Account. ◆ Issue visitor visas for relatives. ◆ Use of the lanes designated for Omanis at airports and outlets.
Criteria (REAL ESTATE)	<ul style="list-style-type: none"> ◆ Applicant must own one or several residential units, fully established under title deed, worth not less than OMR 0.5 million in market value. ◆ The property must be personal. 	<ul style="list-style-type: none"> ◆ The applicant must own one or several residential units, fully established under title deed, worth not less than OMR 0.25 million in market value. ◆ The property must be personal. ◆ Applicant should register the purchase of asset in the Ministry of Housing and Urban Planning.

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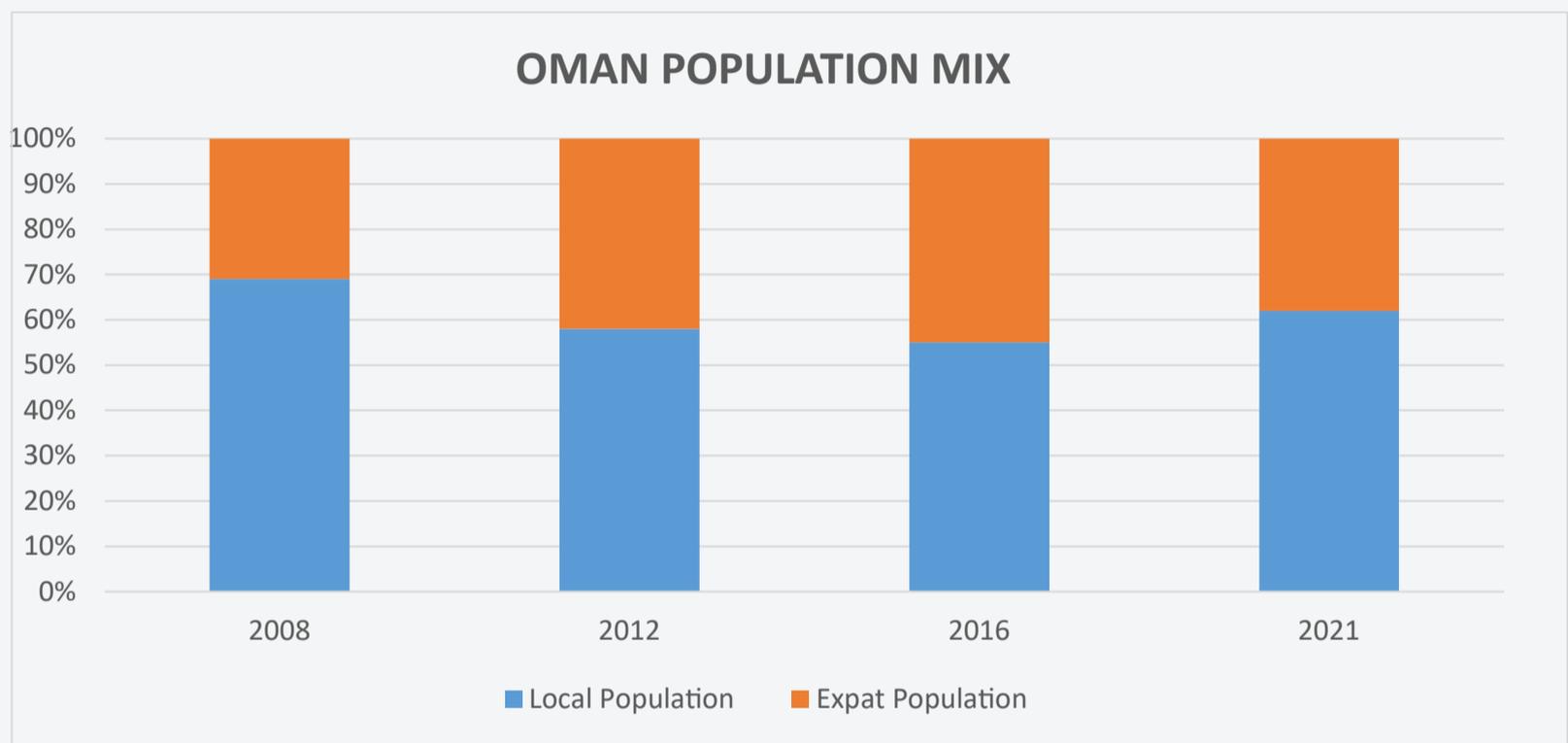
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Socio-Demographic Factors

SOCIO-DEMOGRAPHIC ASSESSMENT

As discussed in the earlier sections that overall population mix has been changing during last few years with reduction of expatriates' population driven by the overall economic slowdown coupled with austerity measures pursued by the Government and prevailing pandemic. We understand that the mix has further changed since the outbreak of the current global pandemic.



Source: NCSI



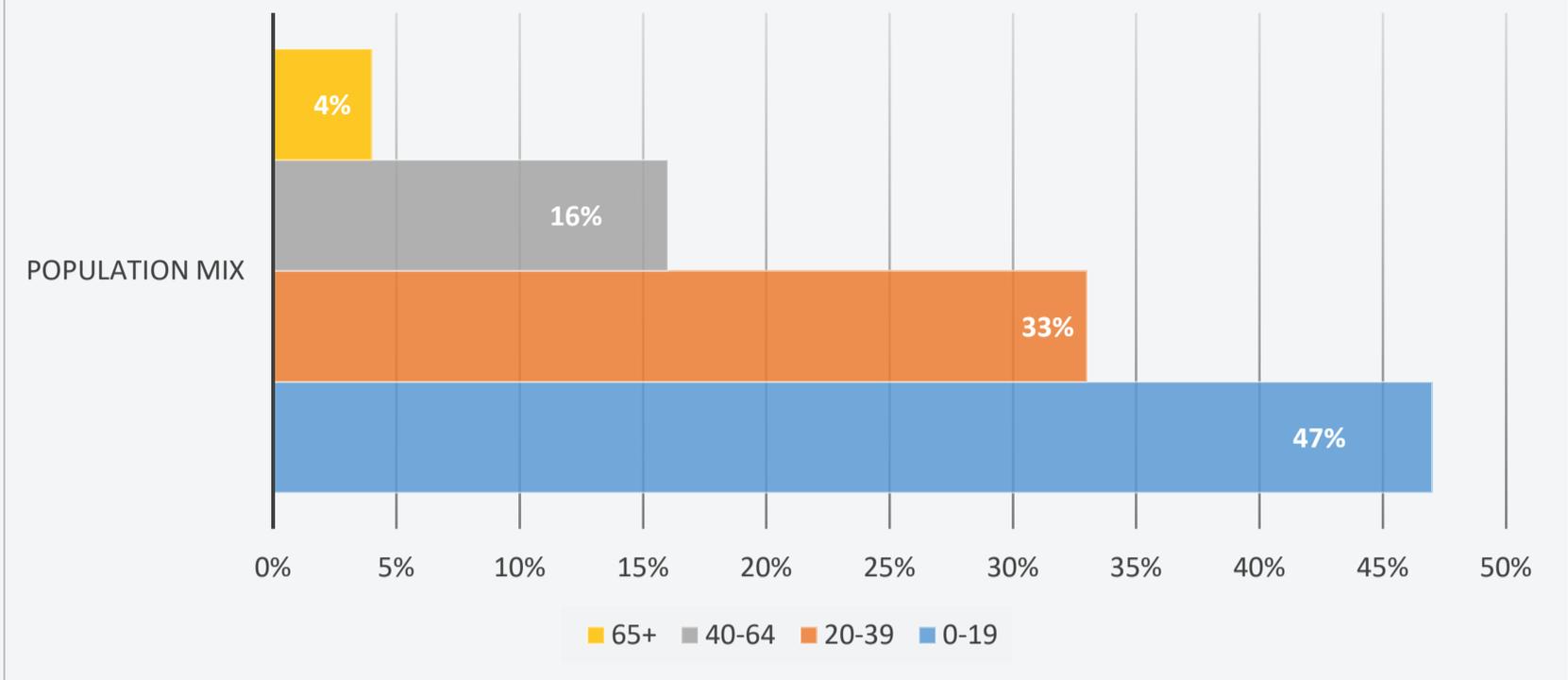
POPULATION ASSESSMENT – KEY NOTES

- Despite ever-changing dynamics of the population, we still derive comfort from the young age of local population, which is outlined in the next section.
- Going forward, we anticipate marginal growth in the expatriate population based on current economic outlook, which is expected to improve from the lower base of 2021.
- Various initiatives have been pursued by the Government to improve technical and professional skills, which will further enhance integration of Omani population in the existing and projected workforce.
- Apart from the efforts for job creations, variety of initiatives are pursued by the Government to spur entrepreneurial growth amongst the local population.

Overall Population of Oman (Governorate-Wise)

Governorate	Omani	Percentage	Expat	Percentage	Total	Percentage
Muscat	553,377	42%	758,309	58%	1,311,686	29%
Dhofar	220,457	52%	199,867	48%	420,324	9%
Musandam	34,867	70%	14,963	30%	49,830	1%
Al Buraimi	73,951	61%	46,421	39%	120,372	3%
Al Dakhiliya	375,288	77%	113,371	23%	488,659	11%
Al Batinah North	563,662	71%	231,171	29%	794,833	18%
Al Batinah South	361,473	76%	114,290	24%	475,763	10%
Al Sharaqiya South	231,772	72%	90,534	28%	322,306	7%
Al Sharaqiya North	197,347	72%	76,978	28%	274,325	6%
Al Dahirah	166,372	77%	50,009	23%	216,381	5%
Al Wusta	25,551	48%	27,416	52%	52,967	1%
	2,804,117	62%	1,723,329	38%	4,527,446	1%

Local Omani Population (Age - Wise)



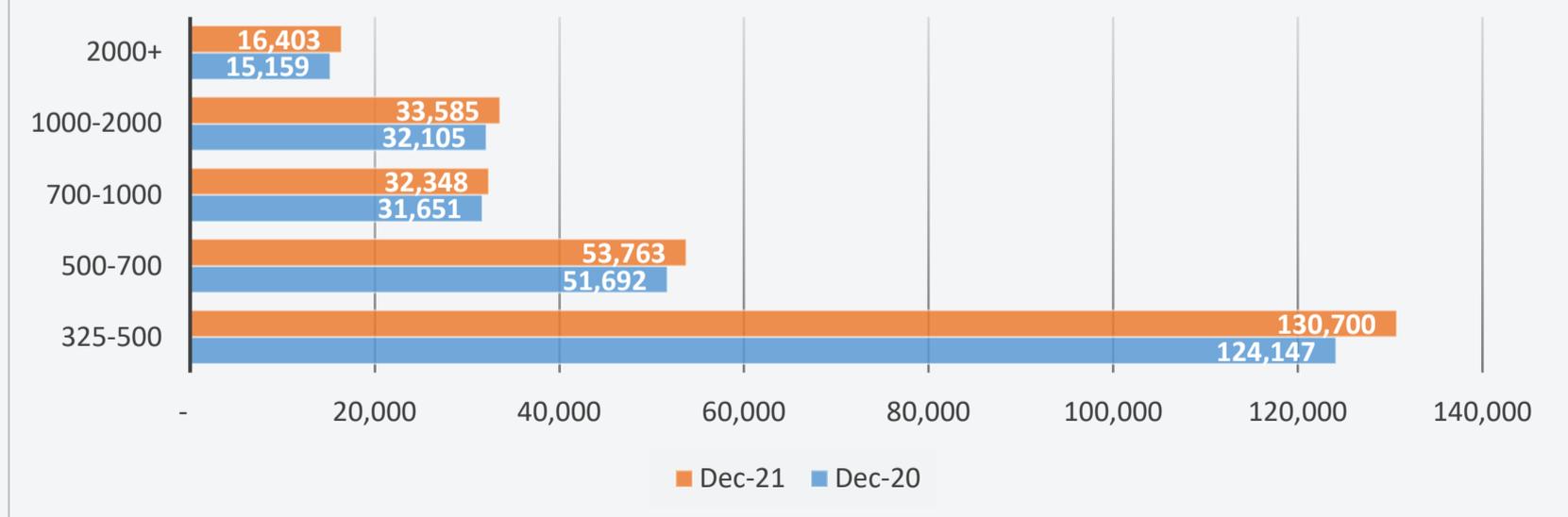
Source: NCSI

EMPLOYMENT DATA

Overall Omanis working in the private sector increased from 254,754 (Dec 2020) to 266,799 (Dec 2021).

Following charts reveals salary-wise distribution of Omanis working in the private sector as growth has been consistent in all segments.

Omanis Working in the Private Sector (Salary - wise Classification)

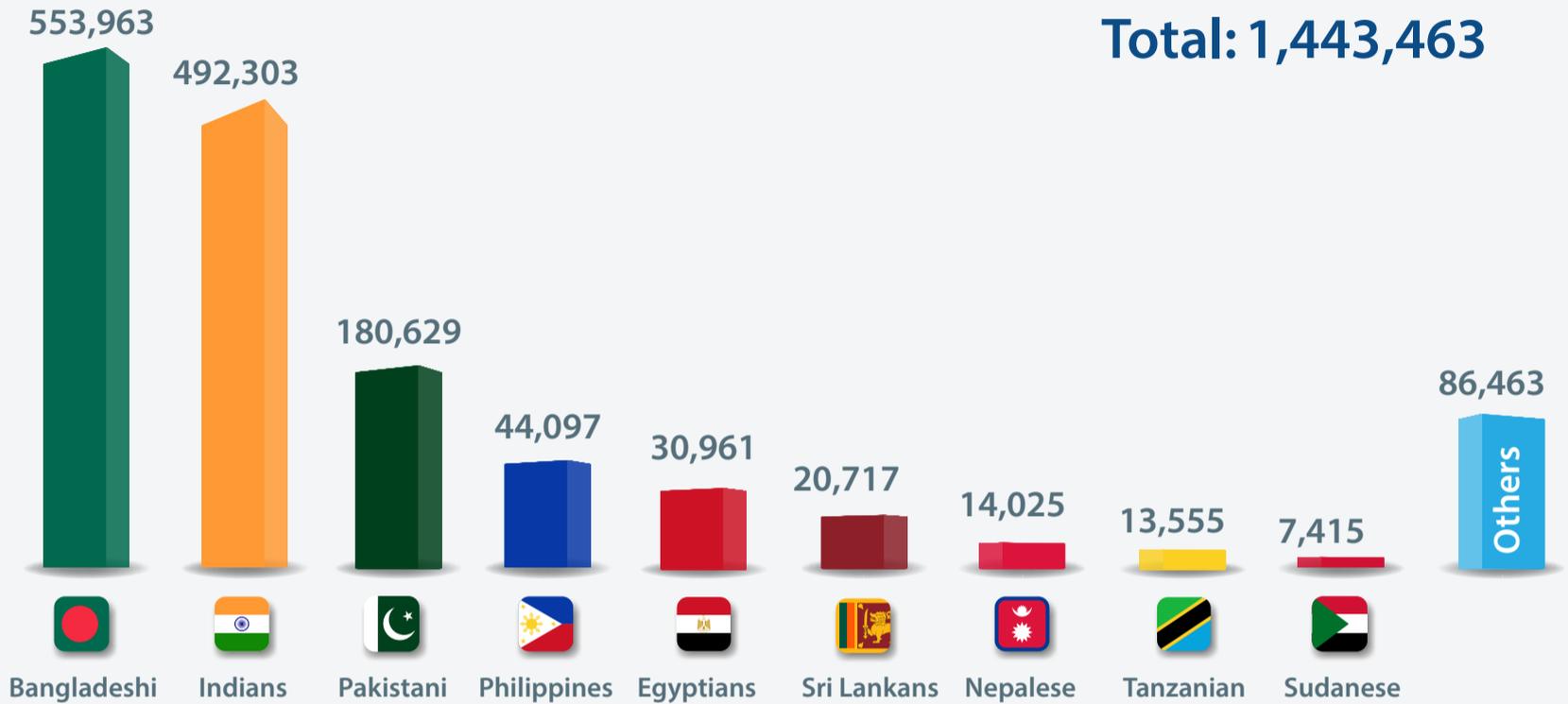


Source: NCSI

EXPATRIATE WORKFORCE (Nationality-Wise Segregation)

Dec-20

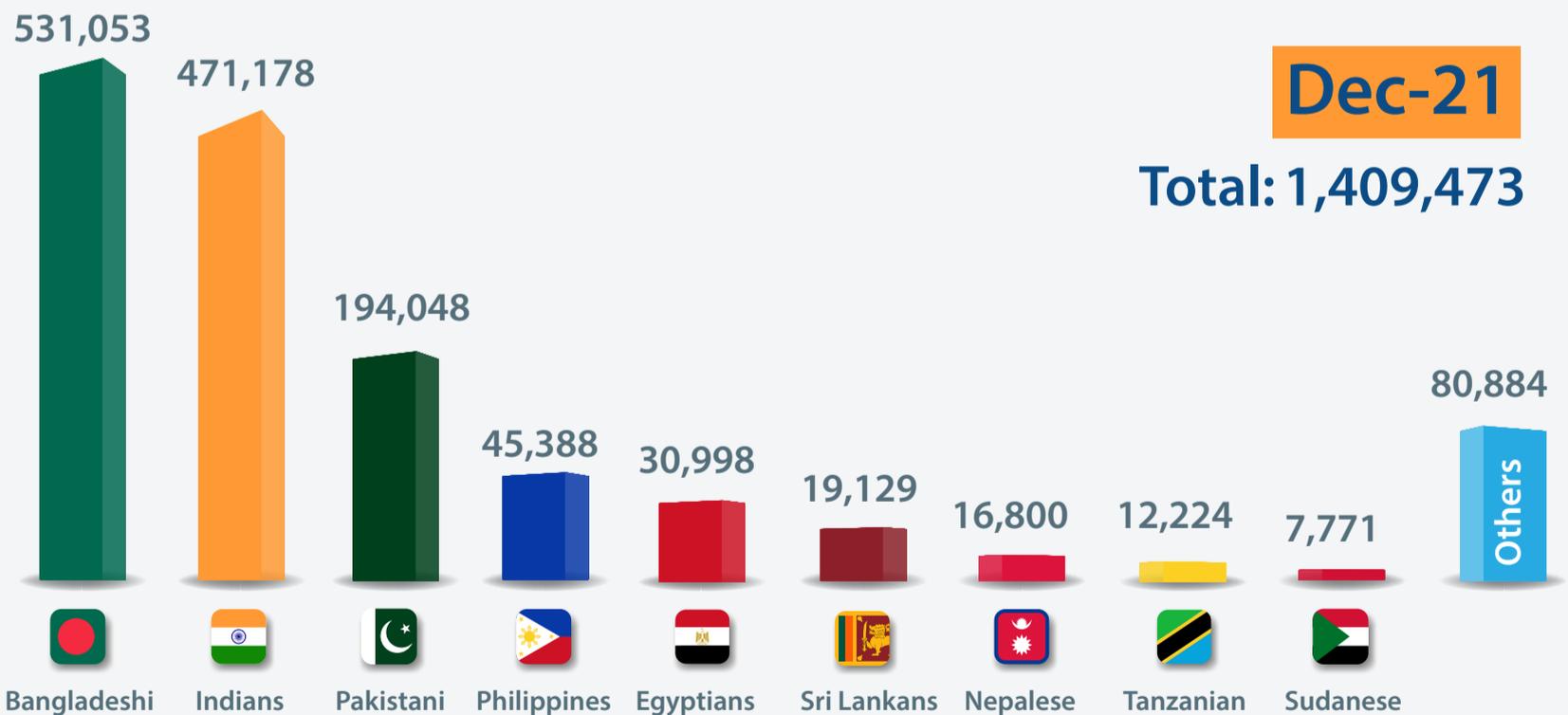
Total: 1,443,463



Nationality

Dec-21

Total: 1,409,473



Nationality



Summary of VAT Guidelines

IMPLEMENTATION OF VAT – LOCAL REAL ESTATE SECTOR

The implementation of VAT has been in full swing in the entire GCC since 2017; however, formally the tax is imposed in Oman from 2021. Even though it has directly or indirectly affected all business sectors; however, we are dedicating this section to application of VAT on local real estate sector.

First of all, it is very important to understand the definition of Real Estate and Residential Real Estate, which will allow the readers to understand application accordingly.

DEFINITION OF REAL ESTATE

Description	Applicable	Not Applicable
Vacant Lands	✓	—
Buildings	✓	—
Temporary Housing	—	✓
Furniture/ Equipment/ Appliances (Not Installed in the Property)	—	✓
Parking	✓	—
Caravan	—	✓
Hospital	—	✓

DEFINITION OF RESIDENTIAL REAL ESTATE

Description	Applicable	Not Applicable
Hotel	—	✓
Tourist Complex	—	✓
Commercial Mall	—	✓
Residential Apartment	✓	—
Residential Villa	✓	—
Caravan	—	✓
Industrial	—	✓

APPLICATION OF VAT ON VARIOUS TYPES OF REAL ESTATE ASSETS

Type of Asset	5%	0%	Exempted
Renting/ Sale of Commercial Property	✓	—	—
First Sale of Residential Property	✓	—	—
Resale of Residential Property	—	—	✓
Supply of Vacant Lands	—	—	✓
Rental of Residential Properties	—	—	✓
Real Estate within special economic or free zones	—	✓	—

APPLICATION OF VAT ON REAL ESTATE



In Bahrain, All residential and commercial properties for sale are exempt from VAT

Specific VAT on first sale of assets has severely affected the local developers with current market situation is not conducive to pass on those costs directly to end buyers. In addition, some developers have offered discounts in order to compensate the impact of VAT. However, trades in secondary market does not attract such VAT, which is providing unfair conditions for developing selling brand-new units.

We understand that implementation of VAT has already been achieved in most of the other GCC countries therefore we should learn from their practices in order to continue supporting the developers as they are incurring the VAT on their construction costs as well.

From our research on application of VAT in regional markets, we have discovered that in UAE, if the property is new then 0% VAT will be applied on the first supply (i.e., the first lease or sale) of the property within the first three years of completion. After the first supply, the residential property rolls back to being VAT exempt. However, review of operating guidelines in Bahrain reveals that all types of sales of residential as well as commercial properties are exempted; however, construction of new building is zero-rated.

KEY POINTS – VAT IN LOCAL MARKET

a)

Any transaction where real estate asset is being transferred along with the underlying economic activity then the said transaction will not be considered a taxable supply.

For example, Seller is transferring the asset along with registered underlying lease agreement and the buyer is going to continue with the same agreement.

b)

Sale and rental of undeveloped lands are also exempted from the VAT. Furthermore, supplier is not entitled to recover any tax incurred on the expenses related to the supply of undeveloped land as well. The other expenses may include legal, management, or brokerage fee. However, treatment will be different if the land does not fall under the category of 'Undeveloped'.

c)

First sale of residential real estate will attract VAT; however, subsequent trades in the secondary market will not be subject to any tax.

d)

It is pertinent to mention that category of Individuals is not excluded from the VAT. Individual businesspersons should comply with the VAT as per the specific guidelines for the respective asset class.

e)

Whilst dealing with assets having mixed uses, specific tax will be applied to the nature of the use. For instance, rental from commercial shop in the same building will be subject to tax; however, residential apartments will remain exempted according to their use.

f)

All construction and building services supplied are subject to tax rate of 5% considering treatment with respect to the specific zone. This tax treatment will apply regardless of the type of building being constructed.

g)

Completion of Building is determined according to the issuance of Building Completion Certificate. However, building will be considered as completed for the treatment of tax if there is occupancy even before the issuance of certificate.

h)

For the sale of partially completed commercial building, it will be taxed at the standard rate unless it qualifies to be treated as part of 'Transfer of Going Concern'.

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Real Estate Sector Brief overview

SECTORAL ANALYSIS

In the following section, we will focus on each sub-segment of Real Estate sector with discussion on prevailing rates according to specific locations as well.

a) RESIDENTIAL SEGMENT

- During recent years, we have observed oversupply of low to moderate grade residential apartments with limited (if any) facilities across Muscat. However, we anticipate the supply levels to be more rationalized during coming years.
- Despite more units under supply at Al Mouj and Muscat Hills, we expect supply levels in this segment to be more rationally managed as well considering overall reduction in ITC prices since the emergence of COVID.
- Rental units under residential segment are more positioned towards expat market as general tendency to own is much lower in this segment. We understand that projects with decent quality and facilities like Gym, Swimming Pool, and Adequate parking are still attaining higher level of occupancy as compared to projects without these facilities.
- Overall Expatriate population decreased sharply from 2019 and during the first year of COVID, which severely affected the rental yields of residential properties. However, the pace of reduction stabilized during 2021, which has subsequently stabilized the overall rentals across all residential asset classes like Villa, Townhouse, & apartments. We expect rentals to further stabilize during 2022 with marginal growth in selective locations.
- During 2021, Ministry of Housing & Urban Planning allowed Expatriates (Aged 23 and above) to purchase housing units under the usufruct system in multi-storey residential and commercial buildings for a period of 99 years, provided that the applicant holds residence permit of no less than two years when submitting the application. The purchase control document sets the minimum price for the housing unit at OMR 45,000 within specific locations of Governorate of Muscat.
- Latest decision by MOH has been welcomed by the Expat segment; however, there are still some reservations regarding the visa status, ability to trade such assets, and utilize them for generating rental yield. These issues are restricting the potential appetite of this product.

- Our experience of Property Management services, with more than 1,600 leasable units under our management all over Muscat, reveals growth in Omani tenants since the emergence of COVID. This change is primarily caused by overall reduction in existing rents as well as preference of young local population to avail renting in better locations. We expect this trend to sustain at prevailing rent levels within the residential segment.

LEADING RESIDENTIAL PROJECTS – RENTAL ANALYSIS (EXCLUDING ITC)

Project	Location	Completion	Category	Units	Break up	Size (sqm)	Rent	Occupancy
Baushar Building	Baushar	2018	Retail + Residential	106	1BHK (41) 2BHK (60) 3BHK (5)	80 - 100 110-135 145 - 165	225-275 300-350 400-425	62%
Lamar	Baushar	2017	Retail + Residential	356	1BHK (140) 2BHK (170) 3BHK (46)	99-109 145-170 162-321	400-450 475-535 650-800	64%
Taminat	Baushar	2017	Retail + Residential	615	1BHK (36) 2BHK (414) 3BHK (165)	80-95 100-115 120-140	290-325 375-450 450-700	61%
Al Khuwair Bldg	Khuwair	2019	Retail + Residential	112	1BHK (48) 2BHK (56) 3BHK (8)	80-90 100-120 130-165	225-275 255-325 410-450	68%
Sukoon	Azaiba	2015	Retail + Residential	217	1BHK (111) 2BHK (96) 3BHK (10)	80-90 110-130 150 - 170	350 450 650	85%
Fahmy Furniture	Azaiba	2016	Retail + Residential	231	1BHK (42) 2BHK (168) 3BHK (21)	85-95 110-125 150-160	275 400 500	70%
Al Khuwair (Fahmy)	Khuwair	2016	Retail + Residential	105	1BHK (52) 2BHK (53)	85-95 110-125	275 350	70%

b) Retail Segment

Retail segment remains key to any real estate investment decision as major portion of rental yield revolves around this category especially in mixed use developments. In our opinion, certain locations within Muscat still command higher returns in term of yield/ sqm; however, some of the locations have severely affected as well.

Following table defines the driving factor behind each location especially focusing on the main Muscat market.

RETAIL MARKET – KEY LOCATIONS (MUSCAT REGION)

Location	Demand Potential	Range of Rents (OMR Per SQM)
Al Hail South	High	10 to 16
Al Mawaleh	High	10 to 16
Al Khoudh (Souq Area)	High	10 to 14
Al Seeb (Souq Area)	High	8 to 10
18th November, Azaiba	High	12 to 18
Azaiba	Medium to High	12 to 18
Al Khuwair (High Street)	Medium to High	10 to 12
Al Khuwair (Others)	Low to Medium	8 to 10
Al Ghubra	Medium	8 to 10
Baushar	Medium	6 to 10
Ghala	Low	6 to 8
Ruwi	Low to Medium	6 to 9
Wadi Kabeer	Low to Medium	6 to 8
Qurum	Medium to High	12 to 16

Source: Advisory, Tibiaan Properties (March 2022)

Target Market - Customers

a) In terms of customer base, we have continued to observed demands from following sectors.



b) Overall relaxed credit terms are being offered in the market along with subtle reduction in pricing to attract retail tenants; however, prime locations continue to attract long term tenants even at premium pricing.

Apart from the retail markets, we have recently studied some of the specialized commercial malls as well within the Muscat region with key statistics being outlined as follows.

RETAIL MARKET – KEY LOCATIONS (MUSCAT REGION)

Area (SQM)	Mall of Muscat	MGM
Location	Mabellah	Baushar
Monthly OMR/SQM		
0-50	24 to 36	27 to 32
51-100	16 to 34	16 to 20
100-250	10 to 24	14 to 16
250+	6 to 13	6.00
1,000 + (Large)	4 to 8	N/A
Occupancy	85%	95%

c) Commercial Office Segment

For Commercial Office segment, we are focusing more on the Muscat market considering its dominance in the overall local market.

- The office market in Muscat has been affected during last 2 to 3 year with the slowdown largely motivated by overall economic slowdown coupled with the prevailing pandemic, which has severely impacted majority of business entities.
- Public transportation system in Muscat should be further improved along with provision of parking facilities, which can improve the overall rental yield from office space segment.
- Office space in Muscat is currently operating at average occupancy of 70% - 75%. However, according to ground research, developments offering suitable floor layouts, parking provisions and good quality construction achieve high occupancy levels in shorter time frame.
- For this segment, we have also observed movement towards central locations like Azaiba, Ghala, and Ghubra. The Airport Heights area has also emerged as new commercial district; however, it will still take few more years to develop further as established market segment. We anticipate further migration of office space from older areas like Ruwi, Mutrah, Wadi Kabeer towards the western parts of the city.

Office Segment – Demand Analysis

- Most of the government institutes and ministries continue to reconsolidate their operations, which has resulted in majority of evacuations. This process has affected and will continue to impact the overall occupancy levels of office segment.
- There is still demand for specialized business centres largely to meet the demand on start-ups as they provided efficient solution to new businesses. We understand that there is potential in this segment to bring more professional operators as currently market is held by Maktabi and Regus with overall supplies not exceeding 15,000 to 20,000 sqm.

- Average Rentals continue to decline during last three years largely due to a) Overall gap in Supply/ Demand, b) Overall economic slowdown, c) Overall downsizing in Govt and private entities, & d) Lingering over impact of the COVID.

- Following table highlights overall movement in the total workforce employed in the private sector as it is one of the key components aligning up with the demand of office space. It is notable to mention that overall workforce decreased during last 12 months; however, the growth is positive during last quarter of the year, which bodes well primarily for the commercial segment of the real estate sector.

OVERALL WORKFORCE - OMAN (PRIVATE SECTOR)

	Dec-20	Sep-21	Oct-21	Nov-21	Dec-21	Annual Growth	4Q21 Growth
Omanis (Private)	254,754	259,685	260,812	263,913	266,799	4.73%	2.74%
Expatriates Gross (Private)	1,400,888	1,300,810	1,320,231	1,344,077	1,371,477	-2.10%	5.43%
Sub: Household	186,343	173,944	175,525	178,894	182,600	-2.01%	4.98%
Expatriates - Net	1,214,545	1,126,866	1,144,706	1,165,183	1,189,000	-2.11%	5.50%
Total Workforce	1,469,299	1,386,551	1,405,518	1,429,096	1,455,676	-0.93%	4.99%

Source: NCSI (2022)

- Another way of gauging potential demand for office space is by studying the registration of new business entities primarily in the SME segment, which also reflects the future potential of business segment. Growth in registration of new business entities is also encouraging as evident from following table.

OPERATIVE SMEs - OMAN

Governorates	Dec-20	Nov-21	Growth
Muscat	16,332	21,068	29%
Dhofar	4,050	5,318	31%
Musandam	185	319	72%
Al Buraimi	1,040	1,321	27%
Al Dakhiliya	6,152	7,604	24%
Al Batinah North	7,671	9,830	28%
Al Batinah South	3,630	4,742	31%
Al Shariqiya South	2,886	3,738	30%
Al Shariqiya North	3,264	4,110	26%
Al Dahirah	2,818	3,454	23%
Al Wusta	641	831	30%
Total	48,669	62,335	28%

Source: NCSI (2022)

d) Hospitality Segment

- Oman aims to attract 11.7 million international and domestic tourists along with the development of 80,000 hospitality keys as part of their Tourism Strategy 2040.
 - During 2018, Oman received a total of 3.16 million international tourist arrivals, which was expected to reach 4.41 million by 2024.
 - However, all of the expectations developed during 2018/2019 with the launch of new International Airport have already been affected by the pandemic. Furthermore, WHO has been consistently warning that the pandemic may last even longer than initially anticipated.
 - After very low performance levels during FY 2020, overall hospitality segment bounced back during FY 2021 with growth primarily driven by reopening of economy, airports, and further relaxation in COVID-related restrictions.
- Following table reveals overall growth in 2021 along with the specific growth in 4Q2021, which is the most productive quarter of the year.

Operating Indicators - 3Star to 5Star Hotels in Oman

	FY 2020	FY 2021	Annual Growth	4Q2021	Contribution of 4Q
No. of Guests	851,757	1,219,303	43.15%	369,643	30%
Overall Revenues (OMR in Millions)	85.29	101.67	19.21%	41.61	41%
Occupancy (%)	26.5%	38.3%	44.53%	44.63%	-
Omani Guests	57%	66.80%	-	49.59%	-
GCC Guests	4.40%	3.25%	-	7.08%	-
Others	38.60%	29.95%	-	43.33%	-

Source: NCSI (Jan 2022)

- We understand that overall growth in occupancy levels were also supported by the mandatory hotel quarantine requirements; however, this condition was waived during 3Q2021. Therefore, overall improvement in operational performance of the Hospitality segment is genuinely produced by resumption of tourism-related activities.

Best Valuation & Advisory Services With Tibiaan Properties

- ✓ Residential Valuation
- ✓ Industrial Valuation
- ✓ Commercial Valuation
- ✓ Portfolio Valuation
- ✓ Agricultural Valuation
- ✓ Rental Valuation
- ✓ Valuation for auditing purposes





ANNEXURE (MARKET PRICE REVIEW)

OVERVIEW - Existing Rents & Prices

LAND PRICES – MUSCAT

Range of prices is defined in order to mitigate the impact of specific locations and sizes as well.

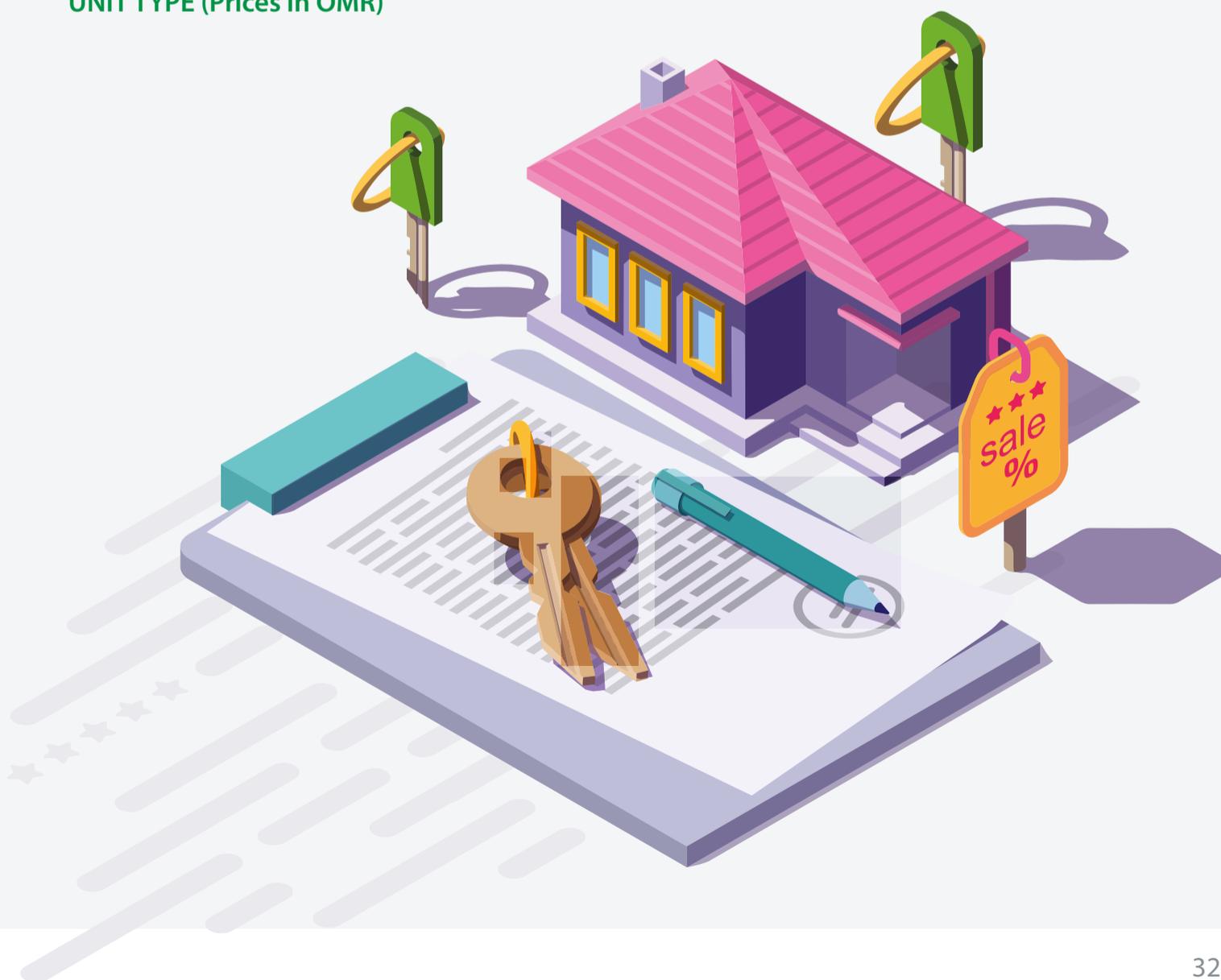
Location	Residential	Com/Res	Industrial	Agriculture
Maabelah North	60 to 140	181 to 300	N/A	35 to 60
Maabelah South	57 to 105	180 to 360	175 to 300	N/A
Al Khoudh (Old/ New)	72 to 160	370 to 1,100	N/A	50
Al Hail North	100 to 180	515 to 1,180	N/A	50 to 75
Al Hail South	113 to 177	396 to 700	N/A	N/A
Mawaleh North	145 to 225	420 to 1,000	N/A	N/A
Mawaleh South	125 to 220	300 to 500	N/A	N/A
Sur Al Hadid	75 to 160	200 to 350	N/A	65 to 80
Azaibah	210 to 350	580 to 1,100	-	-
Ghubrah	170 to 290	350 to 950	-	-
Al Ansab	145 to 290	345 to 700	-	-
Ghala	-	200 to 800	-	-
Misfah	80 to 130	140 to 200	50 to 80	-
Al Khuwair	160 to 310	450 to 700	N/A	-
Madinat Sultan Qaboos	175 to 316	320 to 520	N/A	-
Shatti Al Qurum / Sarooj	350 to 450	600 to 1,000	-	-
Qurum	225 to 400	375 to 600	-	-
Ruwi	90 to 200	175 to 350	-	-
Amirat	30 to 100	75 to 350	-	-

(Prices in OMR/ SQM)

APARTMENTS & VILLAS – AVERAGE SALES PRICES IN MUSCAT:

Location	1 BHK	2 BHK	3 BHK	5 BHK+Villa
Maabelah South	18K to 23K	19K to 30K	22K to 42K	+70K
Al Khoudh	20K to 25K	22K to 40K	30K to 43K	+ 80K
Al Hail North	26K to 38K	32K to 55K	55K to 75K	+ 85K
Al Hail South	23K to 30K	28K to 39K	40K to 55K	+ 100K
Mawaleh North	30K to 40K	35K to 60K	55K to 85K	+ 120K
Mawaleh South	23K to 30K	28K to 40K	39K to 62k	+ 100K
Madinat Al Elam & Madinat Qaboos	38K to 45K	42K to 55K	50K to 80 K	+200K
Qurum	32K to 50K	35K to 62K	43K to 75K	+200K
Shati Al Qurum & Al Sarooj	36K to 45K	40K to 65K	50k to 75K	+250K
Ghubra North & Azaiba	28K to 40K	33K to 60K	48K to 70K	+125K
Bausher & Al Muna	23K to 40K	28K to 55K	38K to 80K	+100K
Al Khuwair	30K to 50K	36K to 62K	55K to 80K	+100K
Al Ansab	23K to 40K	32K to 50K	37K to 60K	+100K
Al Amrat	15K to 20K	17K to 33K	20K to 35K	+50K
Ruwi	18K to 30K	25K to 45K	26K to 50K	+80K

UNIT TYPE (Prices in OMR)



RESIDENTIAL RENTALS – MUSCAT REGION:

Below are the ranges of residential leasing rates of different types of residential properties with standard finishing:

Location	1 BHK	2 BHK	3 BHK	5 BHK+Villa
Maabelah South	100 to 150	120 to 170	120 to 220	+300
Al Khoudh	125 to 180	130 to 200	150 to 250	+300
Al Hail North	120 to 200	150 to 275	230 to 300	+400
Al Hail South	130 to 225	160 to 250	210 to 300	+400
Mawaleh North	150 to 250	230 to 275	250 to 350	+450
Mawaleh South	140 to 200	150 to 250	190 to 350	+400
Madinat Al Elam & Madinat Qaboos	225 to 325	300 to 425	400 to 600	+650
Qurum	225 to 300	250 to 400	325 to 550	+700
Shati Al Qurum & Al Sarooj	275 to 400	300 to 450	375 to 550	+700
Ghubra North & Azaiba	150 to 250	200 to 350	275 to 400	+500
Bausher & Al Muna	120 to 300	170 to 350	250 to 450	+450
Al Khuwair	140 to 240	200 to 350	250 to 400	+450
Al Ansab	140 to 200	200 to 300	250 to 350	+500
Al Amrat	90 to 160	110 to 220	150 to 250	+350
Ruwi	110 to 220	150 to 250	160 to 300	+350

(Values in OMR per month)

LAND PRICES – AL BATINAH REGION

Area	Residential	Com/Res	Industrial	Agriculture
Khour Al Siyabi	22 to 42	N/A	N/A	N/A
Gail Al-Shuboul	20 to 40	70 to 125	N/A	5 to 17
Al-Awainat	5 to 32	20 to 120	13 to 50	3 to 10
Majaz Al Kubraa	5 to 30	20 to 130	N/A	3 to 10
Al Fatik	5 to 18	N/A	N/A	N/A
Hambar	28 to 50	N/A	N/A	10 to 18
Muwailih	24 to 42	100 to 140	N/A	N/A
Saih Al-Makarim / Hai Al Rufah	12 to 28	50 to 120	N/A	N/A
Yanbae	5 to 8	15 to 40	N/A	N/A
Al Arad	5 to 7	N/A	N/A	N/A
Al Waqiba	20 to 50	N/A	N/A	10 to 18
Al Hazira	27 to 40	N/A	N/A	N/A
Al Hajra	27 to 40	N/A	N/A	N/A
Al Tarif	30 to 55	170 to 230	N/A	10 to 18
Salan	25 to 45	60 to 120	N/A	N/A
Eumq	25 to 30	N/A	N/A	N/A
Al Zaafaran	25 to 32	70 to 170	N/A	N/A
Al Ghashba	25 to 47	70 to 200	N/A	N/A
Al Ouhi	24 to 35	N/A	25 to 60	7 to 15
Al Multaqah	24 to 35	55 to 230	N/A	7 to 13
Al Sanqra	24 to 31	N/A	N/A	N/A
Falaj Al Qabail	24 to 40	80 to 200	N/A	N/A
Harat Al-Sheikh	25 to 33	N/A	N/A	N/A
Al-Jafra	15 to 33	N/A	N/A	N/A
Al Khuweiriyah	22 to 35	37 to 150	N/A	N/A
Mujis	24 to 33	N/A	N/A	N/A
Wadi Al-Jizzi	5 to 12	N/A	N/A	N/A

(Prices in OMR/ SQM)

SUWEIQ

Area	Residential	Com/Res	Industrial	Agriculture
Al Bidaya	9 to 30	30 to 80	N/A	3 to 7
Badi Al Amood	10 to 17	N/A	N/A	N/A
Diyan Al Buwarah	10 to 25	N/A	N/A	3 to 7
Al Higarah	18 to 21	N/A	N/A	3 to 7
Al Galiela	14 to 18	N/A	N/A	N/A
Galil Al Hanadis	14 to 21	N/A	N/A	N/A
Al Sur	10 to 17	N/A	N/A	N/A
Batha Hilal	18 to 25	N/A	N/A	3 to 5
Al Auriq	10 to 20	N/A	N/A	N/A
Al Khadra	5 to 25	30 to 90	N/A	N/A
Al Shater	5 to 20	N/A	N/A	N/A
Khadra Burshid	5 to 20	N/A	N/A	3 to 5
Al Subayki	5 to 22	40 to 100	N/A	3 to 7

(Prices in OMR/ SQM)

SHINAS

Area	Residential	Com/Res	Industrial	Agriculture
Al Aqer	10 to 17	22 to 60	N/A	2 to 5
Al Nuamaa	5 to 26	30 to 60	N/A	N/A
Khadrawain	5 to 15	15 to 25	N/A	2 to 4
Humirah	5 to 15	15 to 25	N/A	2 to 4
Al Firfarah	4 to 18	23 to 30	N/A	N/A
Asrar Bani Omar	4 to 15	32 to 60	N/A	N/A
Al Omani	4 to 18	30 to 60	N/A	2 to 4

(Prices in OMR/ SQM)



SAHAM

Area	Residential	Com/Res	Industrial	Agriculture
Mukhilif	6 to 25	N/A	N/A	3 to 5
Al Rada	5 to 22	N/A	N/A	3 to 6
Hafeet	8 to 24	N/A	N/A	3 to 6
Sur Al Shiyadi	13 to 22	N/A	N/A	3 to 5
Majaz Al Sughrah	5 to 20	N/A	N/A	2 to 7
Al Huwail	20 to 45	60 to 130	N/A	N/A
Halit Al Burj	10 to 20	N/A	N/A	3 to 5
khur almulihi	10 to 20	N/A	N/A	3 to 8
Khur Al Hammam	8 to 20	30 to 70	N/A	3 to 8
Hilat Al Khahahil	10 to 20	N/A	N/A	3 to 5
Hilat Al Burj	10 to 16	N/A	N/A	3 to 5
Al Marfaa	5 to 22	35 to 70	N/A	3 to 5
Ashkier	7 to 30	N/A	N/A	3 to 7

(Prices in OMR/ SQM)

Other Areas of Al Batinah Region

Area	Residential	Com/Res	Industrial	Agriculture
Al Haram – Barka	18 to 34	60 to 150	N/A	5 to 15
Somhan- Barka	25 to 48	100 to 150	N/A	7 to 15
Rumais – Barka	20 to 30	60 to 150	N/A	5 to 15
Saqsuoq Industrial Area	-	-	60 to 120	-
Musanah	5 to 25	50 to 100	22 to 40	3 to 10
Wadi Ma'awal	8 to 27	45 to 75	45 to 60	2 to 4
Nakhal	7 to 45	50 to 75	25 to 60	-
Al Awabi	10 to 25	-	-	-
Rustaq	7 to 40	50 to 150	-	2 to 4

(Prices in OMR/ SQM)

LAND PRICES - AL SHARQIYA REGION

Area	Residential	Com/Res	Industrial	Agriculture
Sur	7 to 60	48 to 83	15 to 85	3 to 9
Ibra	5 to 23	40 to 68	-	3 to 13
Mudhaibi & Sinaw	5 to 23	27 to 150	7 to 48	1 to 3
Jaalan Bani Bu Ali	4 to 35	47 to 175	25 to 30	1 to 3
Jaalan Bu Hassan	8 to 16	28 to 36	-	-
Bidiya	4 to 14	-	-	-
Massirah Island	5 to 18	37 to 50	-	-

(Prices in OMR/ SQM)

LAND PRICES - DAKHLIYAH REGION

Area	Residential	Com/Res	Industrial	Agriculture
Bidbid	24 to 45	100 to 160	40 to 66	4 to 7
Samail	17 to 33	50 to 105	25 to 70	3 to 9
Izki	11 to 22	35 to 77	-	-
Nizwa	7 to 59	47 to 85	28 to 36	3 to 10
Bahla	14 to 28	36 to 80	30 to 65	2 to 6
Adam	4 to 25	50 to 85	-	1 to 3

(Prices in OMR/ SQM)

LAND PRICES - AL WUSTA

Area	Residential	Com/Res	Industrial	Agriculture
Haima	3 to 8	8 to 30	-	-
Duqm	7 to 45	143 to 316	31 to 100	-

(Prices in OMR/ SQM)

LAND PRICES - DHOFAR REGIONS

Area	Residential	Com/Res	Industrial
Sahanoot	32 to 45	117 to 125	-
Saadah	8 to 15	200 to 300	-
Taqah	11 to 21	40 to 70	20 to 25
Thamrait	4 to 6	30 to 40	7 to 11
Mirbat	8 to 29	35 to 50	8 to 12
Mazyuna	1.5 to 4	-	3 to 4

(Prices in OMR/ SQM)

LAND PRICES - DHAHIRA REGION

Area	Residential	Com/Res	Industrial
Ibri	3 to 20	20 to 90	-
Yanqul	6 to 20	48 to 83	-
Dhank	4 to 10	33 to 50	-

(Prices in OMR/ SQM)



LAND

FOR FURTHER INFORMATION, PLEASE CONTACT:



Saud Khan

VP – Investment & Advisory

+968 985 35 605 | +968 244 99 783

saud.khan@tibiaan.com



Talal Al Kindi

Senior Associate - Valuation & Advisory

+968 966 52 522 | +968 244 99 783

talal.ak@tibiaan.com



Hadi Al Muscati

Senior Associate - Valuation & Advisory

+968 9547 9004 | +968 244 99 783

hadi.am@tibiaan.com



Limitations of the report

LIMITATIONS OF THE REPORT

- Most of the market prices are indicated in the form of ranges considering variety of locations and sizes within specific location.
- The findings and conclusion in this report are based on our present knowledge and information with respect to business and economic data, which was readily available with us or gathered through internal and external sources.
- Whilst, we have made our efforts in order to ensure that data presented is reliable; however, Tibiaan Properties has not performed a review of any of the published information and does not express any firm assurance related to the accuracy of all external information gathered during the exercise.
- It is pertinent to mention that we are not responsible for any variations in the projected performance should the existing environment alter other than as outlined in the report.
- The recipient of this report indemnifies and holds harmless, Tibiaan Properties and its employees from and against any claims, liabilities, costs, and expenses (including, without limitation, legal fees and the time of Tibiaan employees involved) brought against, paid or incurred by Tibiaan at any time and in any way arising out of relating to Tibiaan Properties services related to this report.