**ECONOMIC**

- 3.4% Forecasted GDP growth 2018
- 3.7% Real estate sector growth Q1 2018
- 4.2% Manufacturing sector growth Q1 2018

**HOSPITALITY**

- 13,700 Rooms H1 2018
- 19,400 Rooms 2022
- 3.1 million Growth in 4 & 5 star hotel rooms
- 63% Visits for Holiday & Leisure Q1 2018

**RETAIL**

- 82% Average occupancy rate in established malls
- BD15.5 per m²/month Across shopping centre categories
- 990 thousand m² Retail supply growth H1 2018 to 2022
- 1.6 million m²

**RESIDENTIAL**

- 5,300 Pipeline supply in private villa communities
- BD850/m² Average apartment sales rate
- 34% Apartment supply growth 2018

**HEALTHCARE**

- 5% Increase in private facilities H1 2018
- 2 New hospitals H1 2018
- 76% Of hospitals in Capital Governorate

**REAL ESTATE MARKET UPDATE H1 2018 SNAPSHOT**

- 1.3 million m² Office stock in the capital
- BD6 per m²/month Average for Grade A and B
- Increase in freehold developments offering smaller office units for sale

**INDUSTRIAL**

- c. 70% Occupancy rate in pre built units
- BD2-4 m²/month Pre-built unit rents
- BD1 m²/annum Government land *Industrial activity

**EDUCATION**

- 130 Pre Schools
- 74 Private/K-12 Schools
- 52% Of private schools are in Southern Governorate
- 36% Growth in private school numbers 2013/14 – 2017/18

**OFFICE**

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ECONOMIC

GDP growth is forecast at 3.4% for 2018 despite an overall deceleration in Q1. Construction growth accelerated markedly in Q1 at 6.7% and signs indicate that this will continue, with a number of new projects, led by the Bapco Modernization Program, breaking ground in 2018.

The government believe that should underpin a broader positive growth momentum, which will also benefit further from the upcoming VAT introduction.

RETAIL

Development in Bahrain’s retail sector continues to see supply growth in the destination, community and neighbourhood segments.

Pipeline projects are geared towards experience and leisure based retail, with an emphasis on both F&B and entertainment elements. Historically unique to the Capital, destination malls are now being developed out of town, within the Northern and Muharraq governorates.

BAHRAIN REAL ESTATE MARKET UPDATE H1 2018

As Bahrain focuses on tourism’s contribution to growth, the hospitality sector has seen an influx of luxury hotel announcements, openings and pipeline projects throughout the Kingdom, expected to increase current supply significantly in the next 5 years.

Development has been led by 5-star projects, however, there is a gradual increase seen in branded 4-star products that offer a more affordable price point for leisure and business travellers.

RENTAL

The freehold residential apartment segment continues to see the majority share of development activity, with a large increase in stock anticipated over the coming 3 years, particularly within the Capital and Muharraq Governorates.

The healthcare sector is witnessing increased regulatory oversight and the introduction of a national health insurance law to take effect in 2019. As figures steadily rise in terms of new licenses for private facilities, with the largest proportion in the Capital Governorate, Bahrain aims to encourage foreign investment.

With a lack of purpose built facilities, within the capital, many clinics adapt to commercial office properties and more recently retail malls.

INDUSTRIAL

Bahrain has made notable improvements in pre built product. Regionally competitive rates are offered on units and government, long term, ground lease land.

International grade pre built and serviced facilities have been developed over the past decade, through private investment, providing incubators for international operations. Hidd, in the Muharraq Governorate, has become the centre for industrial development of this grade.

EDUCATION

Development in the education sector fuelled by the government, private investment and neighbouring GCC countries is seeing new facilities introduced, as well as upgrades to existing. Both the local and expatriate population favour private education, which is evident from the increased growth shown in numbers of student applications.

New developments are geared around more modern facilities, that meet the needs of international class teaching methods.

HOSPITALITY

The commercial office market is in oversupply in the Grade A and B classes, with attractive rental rates and incentives for tenants offered in new, high specification buildings within the central business district (CBD).

Significant pipeline developments are typically purpose built facilities for owner occupiers and freehold offerings. There is little investment grade stock outside of the Capital Governorate.

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