

Impact of the FIFA World Cup on Qatar:
**A look at the real estate trends shaping
2023 and beyond**





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INTRODUCTION

As Qatar basks in a post-World Cup bliss, its real estate sector is already shifting gear and preparing for the next decade. Qatar is currently enjoying the aftermath of hosting the World Cup, but the country's real estate sector is already shifting focus to the next decade. Through its ambitious plans in the tourism, hospitality, luxury retail, and residential sectors, Qatar has made a name for itself on the global stage, attracting investors and homebuyers.

Since its bid for the World Cup in 2010, Qatar has invested USD 220 billion in infrastructure, making Doha one of the fastest-growing hotel and hospitality markets globally. As part of the Qatar National Vision 2030, the tourism and hospitality sector is expected to contribute 12% of GDP by 2030, bringing its worth to USD 55 billion.

The peninsula is also expected to host 81 sports events in the next few years, including 14 international sports events in 2023 alone, including AFC Champions League 2023 and the Grand Prix in 2023 among others. In September 2022, Secretary-General HE Hassan al-Thawadi of the Supreme Committee for Delivery & Legacy (SC) also revealed that the country has plans to bid again for the Olympics.

With Qatar riding the FIFA World Cup wave, Cityscape Intelligence takes a look at how the country used the 12-year preparation and the tournament to make significant and lasting investments in its real estate sector, sustainability, tourism and hospitality sector, and the global sports industry.



CHAPTER 1

THE RISE AND RISE OF TOURISM AND HOSPITALITY

Undoubtedly, the tourism and hospitality sector is the most significant advantage of Qatar hosting the FIFA World Cup. It is estimated that approximately 5 billion viewers worldwide watched the World Cup matches in November and December, and by 2030, the country expects to welcome 7 million tourists annually.

According to a recent report by real estate consultant, Knight Frank, Qatar's hospitality sector has potential to grow by 89% to over 56,000 hotel keys by 2025. The expert also predicts that the delivery of the planned hotel room supply sits at around USD 7 billion.

Adam Stewart, head of Qatar for Knight Frank's new office in Doha says that while 30,000 keys were delivered at the end of 2021, 3,800 keys were expected at the end of 2022. In addition, says Stewart in Knight Frank's report, Qatar's hotel capacity was also boosted by an additional 3,900 cabins in two luxury cruise ships off the coast, while a third is being planned.

Looking at 2023, Stewart reveals that the tourism and hospitality sector is expected to contribute 12% of GDP by 2030 bringing its worth to USD 55 billion, by which time tourist arrivals are forecast to be closing in on 7 million.

In addition, the country has been ramping up its entertainment and tourism offering. From the new theme park attractions for Lusail such as the Winter Wonderland to the Aquatar on Qetaifan Island, which boasts



an oil rig theme and the largest waterslide in the world that sits at 85-metre-high, Qatar has significantly increased its tourist and entertainment offering.

Presenting the biggest opportunity in the market at the moment, says Knight Frank, is the 3-star hotel category, which at the moment takes up 14% of the expected hotel keys. "This is the segment that could present the greatest opportunity to transform Qatar's appeal to a wider audience, particularly in the wake of the World Cup, which will put the country in the global spotlight," says Knight Frank.

At the moment, the real estate consultant reveals that 76% of planned rooms will be classified as either 4 or 5 stars.

Additionally, Qatar has intensified its focus on the cruise sector. Qatar Tourism and Mwani Qatar recently revealed that 50 cruise liners are expected to bring in approximately 200,000 visitors between the start of the year and April 2023.

According to Maryan Saoud, Head of Tourism Product Support at Qatar Tourism, the cruise sector has expanded over the years and is now an essential element of their tourism strategy.

CHAPTER 2

BUILDING A SMART CITY ECONOMY

According to a report by MarketsAndMarkets, a B2B global data and research advisory, the market for smart cities was valued at USD 511.6 billion in 2022 and is predicted to reach USD 1024.4 billion by 2027.

The growing market has countries across the world scrambling to incorporate ICT into their city infrastructure. Over the last few years, Qatar's focus has been on tech-driven future cities, part of its National Vision 2030. Intent on fuelling its economy, smart urban planning, smart transport, sustainability, healthcare, and improving the lives of its residents and citizens, Qatar has invested billions in digital transformation. The cities also played a major role in the 2022 FIFA World Cup, not only improving the lives of residents and tourists but also demonstrating how the MENA region is responding to environmental challenges by using ICT.

The first smart and sustainable city built in Qatar was Lusail City, a USD45 billion metropolis that has directed all investment and development into green energy, infrastructure, mobility and buildings. Smart grids, integrated traffic control systems and BMS have all provided its more than 200,000 citizens with a greener state-of-the-art-living experience.

The USD 5.5 billion Msheireb Downtown Doha, considered the world's first downtown regeneration projects, is a smart city that boasts the latest services, transport and applications for a fully digital experience. From 8000 smart metres to smart systems for building management and smart homes, Msheireb Downtown is one of Qatar's most popular mixed-use destinations and even

broke the record for attracting more than 4 million fans during the World Cup.

Determined to see its smart city vision, the Ministry of Transport and Communications in the lead up to the World Cup launched TASMU a lead enabler of the Smart Qatar Vision, a cloud-based IoT platform to facilitate greener smart city services. Designed to target five priority sectors: transportation, healthcare, logistics, environment and sports, the platform was launched with the aim to transform Qatar into one of the world's most advanced smart countries.



CHAPTER 3

INVESTOR-FRIENDLY POLICIES

When Qatar won the bid to host the World Cup 12 years ago, the country was vastly different from what it is today. In just over a decade the country has changed significantly, not only in its physical landscape with state-of-the-art transport systems, and towering stadiums, but also in its ability to open doors to investors looking for new real estate investment avenues in the MENA region.

In 2021, the country made it possible for non-residents to purchase properties on a freehold basis and also made it possible for non-Qatari nationals to rent residential or commercial properties for up to 99 years or leasehold. In addition, its National Vision 2030 is based on economic diversification putting the focus firmly on entrepreneurship. Start-up support and seed funding efforts from the government have also made Qatar an enterprising landscape for tech-savvy entrepreneurs. For example, Ithmar Seed Funding Program provides Qatari entrepreneurs with the support and equity capital needed to start their own business venture.

Post-World Cup investment opportunities in Qatar appear promising, with significant business growth in December 2022, as indicated by the latest Purchasing Managers' Index (PMI) from the Qatar Financial Centre, which reported increased activity for wholesale, retail, and service providers. With Qatar also seeing significant business growth in December 2022. According to the latest Purchasing Managers' Index (from Qatar Financial Centre), there was an increase in activity for wholesale, retail and service providers.

CHAPTER 4

SUSTAINABILITY IS NOT AN OPTION

As part of Qatar's National Vision 2030, the country announced in 2021 that it aims to reduce its greenhouse gas emissions by 25% by 2030. To support this goal, it established the Ministry for Environment and Climate Change and committed to hosting the first carbon-neutral event in the tournament's history.

The tournament's green measures have set the pace for the country to continue in the same sustainable vein as it looks towards its 2030 goal. From its electric metro system that employs regenerative braking systems which reduces its carbon footprint, to its green transportation plans to extend electric cars and buses.

Among the country's GSAS-certified stadiums – awarded for its design, construction and water usage – is the first fully dismantlable stadium constructed from shipping containers and will be repurposed and serve as sports and entertainment centres moving forward for its numerous events it plans on hosting.

Looking at reducing its reliance on gas, the country also launched its first 800MW solar power plant, located 80KM west of Doha.

With a continued focus on minimising its carbon footprint, implementing an updating its ESG standards, Qatar should continue to propel its real estate sector further onto the global stage.

