

Last Updated: April 2023

Bahrain's Real Estate sector covers land, residential, commercial and industrial real estate. The Real Estate & Business Activities industry's total gross value-added generates a sum of 713 million BHD as Bahrain's real estate market continues to thrive. Bahrain's growth in this sector has been built on diversified demographics and permission for foreign property ownership. This has expedited further growth and has opened opportunities for potential investment in the real estate market.



Sector Opportunities & Trends

01. Virtual tours

Office and house hunting has gone digital. Real estate companies have started using 3D tours, drone videos and virtual staging as alternatives to traditional in-person showings. Homebuyers are increasingly taking advantage of 3D tours and walk-throughs to get a better feel for their future home, and landlords and short-term rental hosts are providing virtual tours to attract tenants.

02. PropTech and Artificial Intelligence (AI)

The real estate sector has leveraged Property Technology, or PropTech, to help people research, sell, buy or manage property online and via apps. Adopting new and various PropTech solutions provides businesses with cost reduction solutions and value addition. Next-generation PropTech will be driven by AI that has the promise to revolutionize the real estate industry, with building organization, design, management and urban planning being some of the areas the technology can enhance.

03. Property management software

Real estate companies and agents having to deal with multiple clients, deals, reams of documentation and numerous compliance obligations are getting help from startups that are developing secure cloud-based customer relationship management (CRM) platforms. With Bahrain's digital transformation and adoption of its first cloud policy, there is an opportunity for startups to enter this space.

04. Fractional Ownership

Fractional investment is expected to continue to grow in 2023. This isn't a new concept, as investors have been using syndication, real estate investment trusts (REITs) and other partnerships to own shares of real estate assets for years. But technology is taking this trend to the next level and allowing more people to get involved in the real estate market.

05. Smart cities

Real estate developers have an opportunity to invest in the development of smart cities as Bahrain is expected to further expand its own smart cities in 2023 with the aim of creating a more efficient and sustainable urban environment.

06. Smart homes with Internet of Things (IoT)

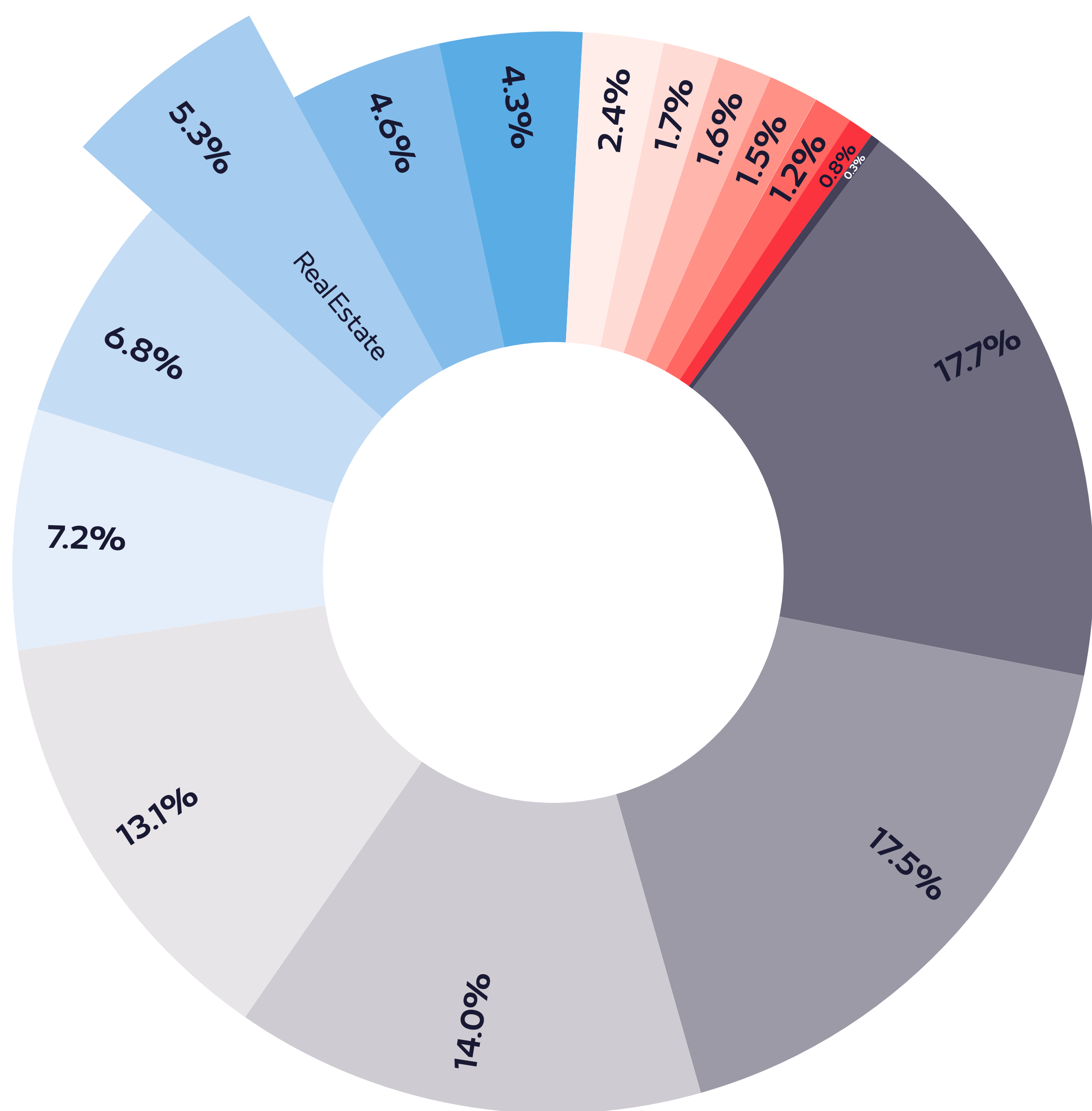
The real estate technology market with IoT is driving the future of housing technology trends. Using IoT, property owners can monitor a building's temperature, ventilation, air conditioning, lighting, fire and building security through mobile devices and computers.

Real Estate Sector Economic Indicators

iGA-National Accounts, Q4-2022

Sectors' Contribution to Real GDP

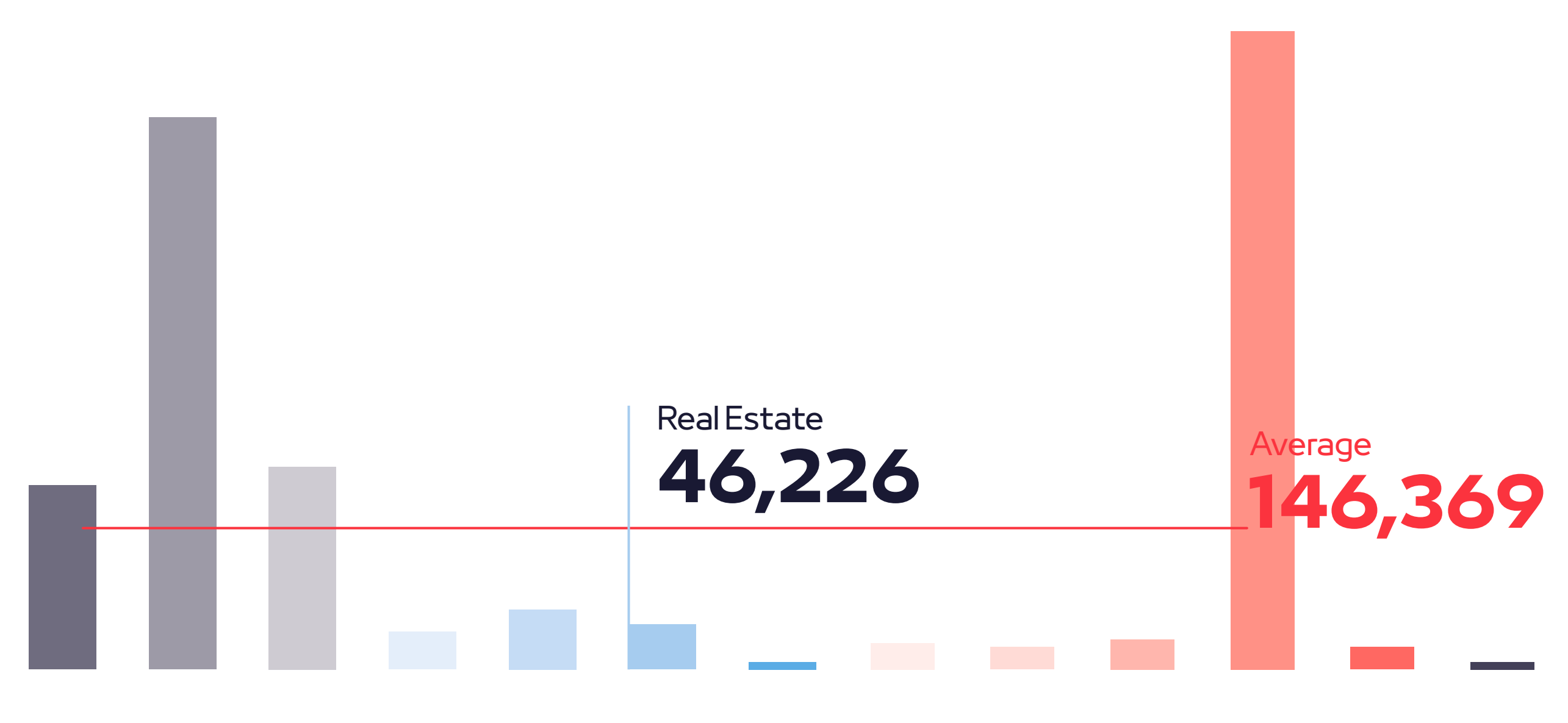
(%, Q4 2022)



Mining & Quarrying	17.7%	Trade	4.3%
Financial Corporations	17.5%	Private Education Services	2.4%
Manufacturing	14.0%	Hotels & Restaurants	1.7%
Government Services	13.1%	Other Social & Personal Services	1.6%
Construction	7.2%	Electricity & Water	1.5%
Transport and Communication	6.8%	Private Health Services	1.2%
Real Estate & Business Activities	5.3%	Others**	0.8%
Net tax on Products	4.6%	Agriculture & Fishing	0.3%

GVA per company

(BHD, Q4 2022)



*Gross Value added (GVA) measures the value of goods and services produced in an area, industry or sector of an economy
 **Others includes (Private Non-Profit Institutions, Households with Employed Persons)

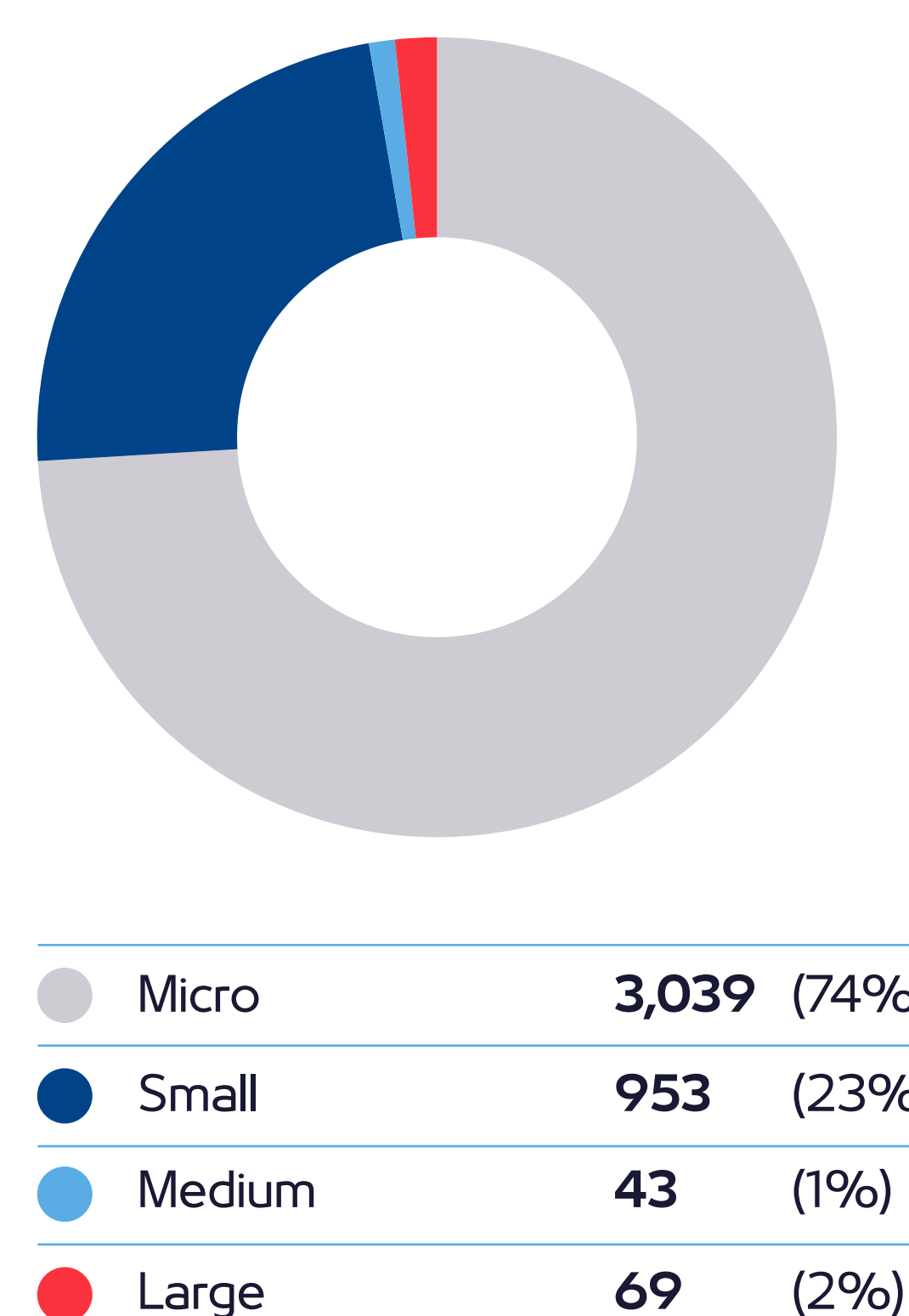
Real Estate Sector Enterprises

LMRA, 2022 - BLMI

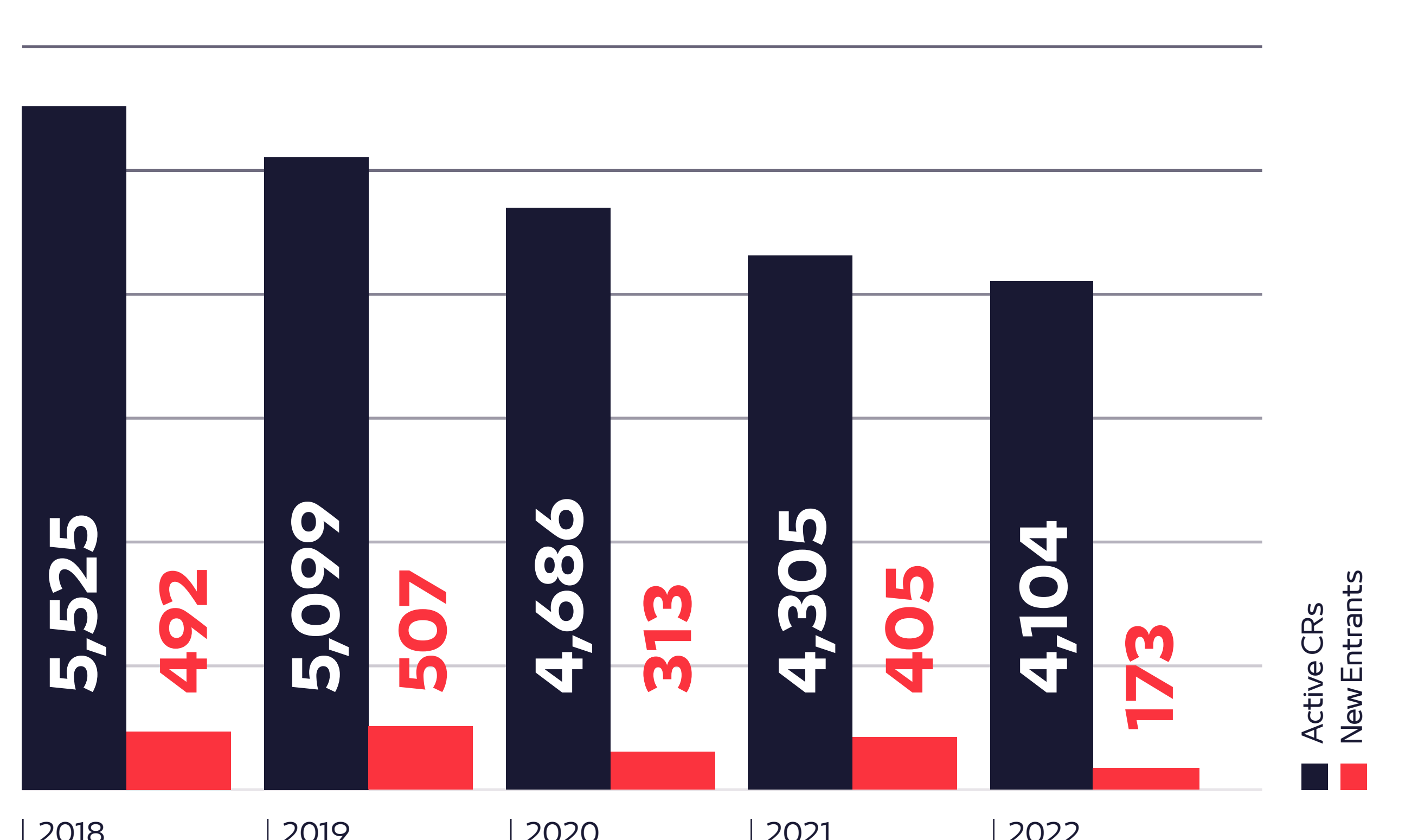
4,104
Active CRs

5.7%
of total Active CRs in Bahrain

Real Estate Sector by Enterprise Size (%, Q4 2022)



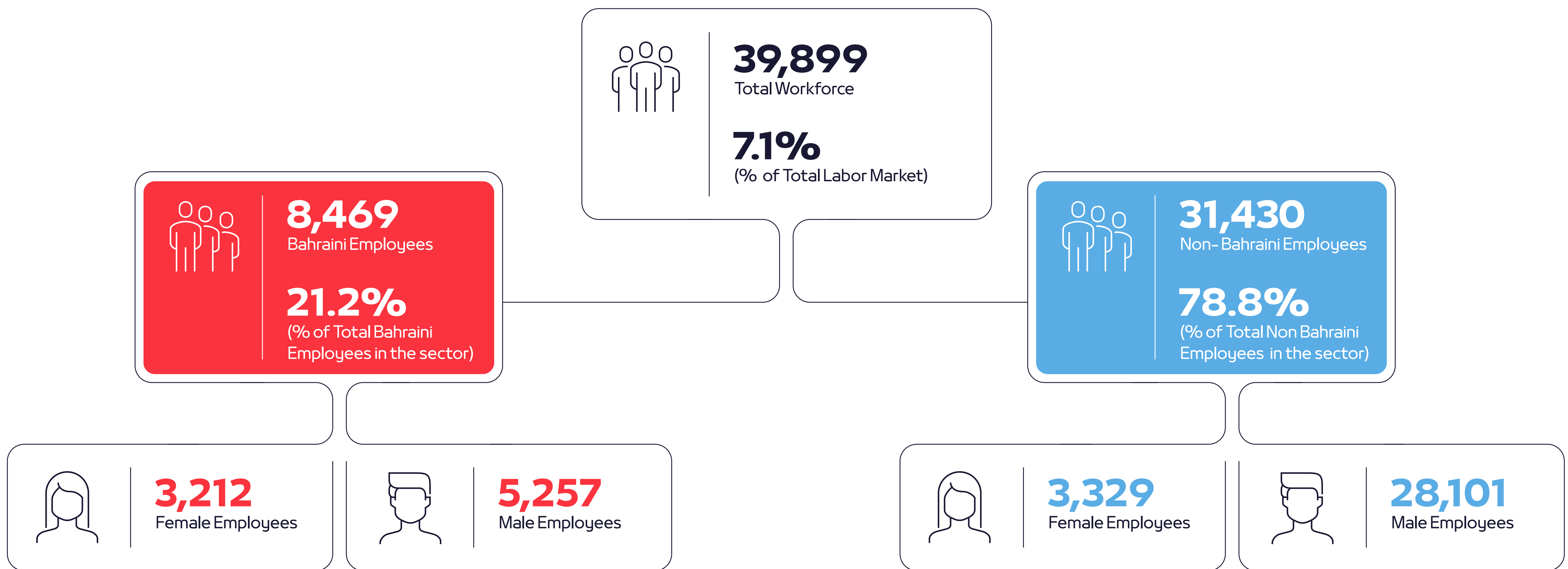
Real Estate Sector Active Commercial Registrations (2018 - 2022)



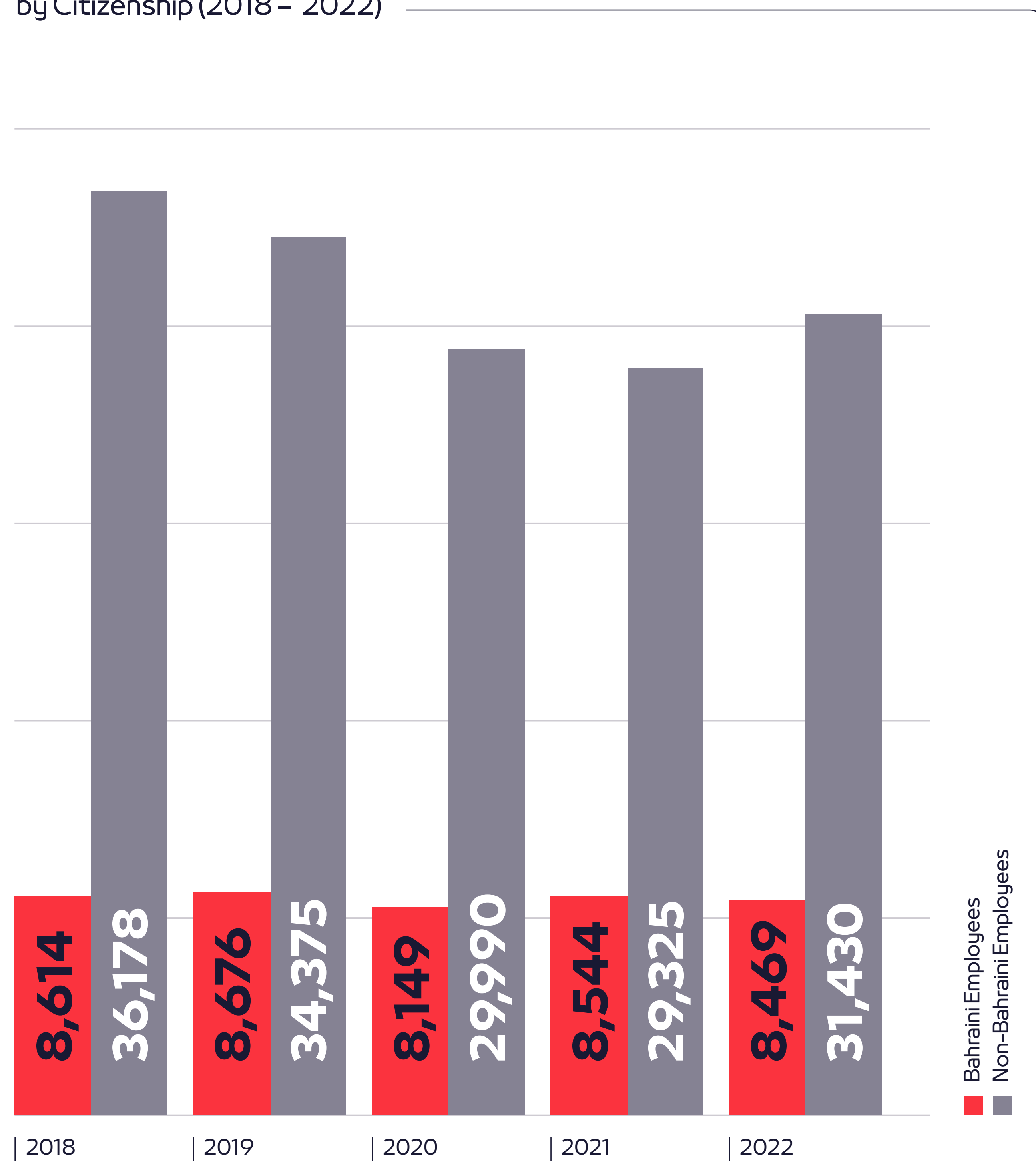
As per ISIC4 classification, the sector includes real estate activities with own or leased property, real estate activities on a fee or contract basis.

Real Estate Sector Employment

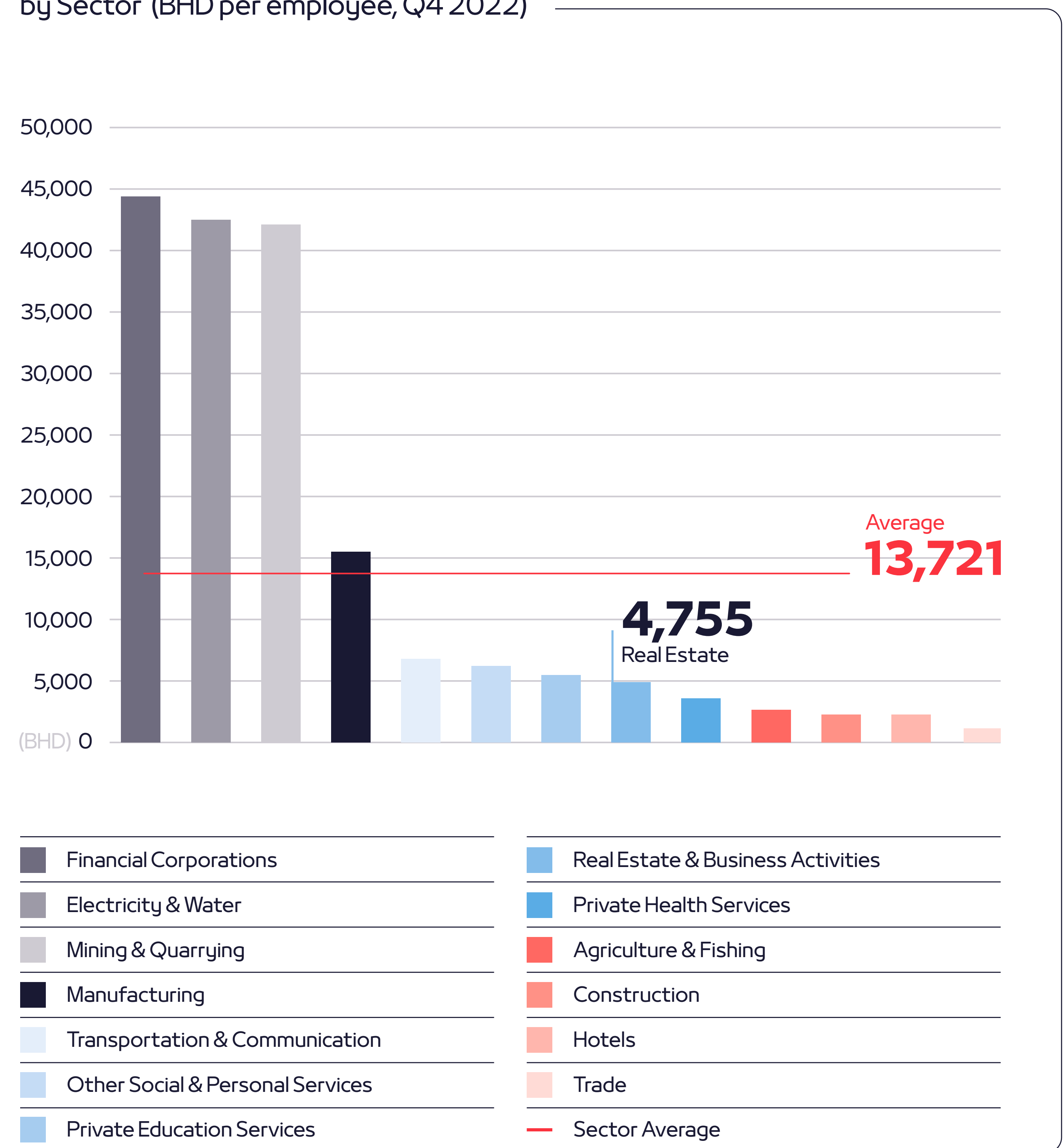
LMRA, Q4 2022- BLMI / iGA-National Accounts



Real Estate Growth In Employees by Citizenship (2018 – 2022)



Real Estate Labor Productivity by Sector (BHD per employee, Q4 2022)



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