

REAL ESTATE MARKET REVIEW

Bahrain Real Estate Market Review H2 2024

Transaction performance trends continue with select market segments demonstrating resilience.

CBRE RESEARCH
FEBRUARY 2025



Bahrain transaction performance trends continue with select market segments demonstrating resilience

▲ 2.4%

YoY forecast growth in GDP in 2024

▼ -4.8%

Decrease in registered real estate transactions in 2024 vs 2023

▼ -1.6%

Decrease in overall transaction value in 2024 vs 2023

▼ -1.6%

Change in average apartment sales rates in 2024 vs 2023

▲ 1.8%

Increase in average villa sales rates in 2024 vs 2023

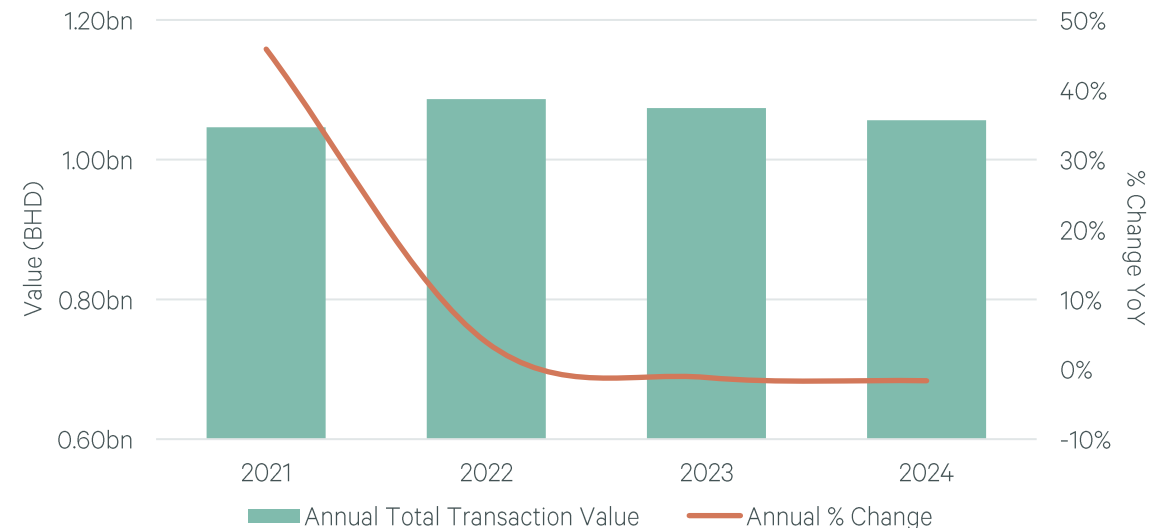
▲ 7.3%

Annual increase in Passengers through Bahrain International Airport 2024 vs 2023

Market Overview

- Bahrain’s GDP is expected to have grown by 2.4% in 2024, according to Oxford Economics, down from an earlier forecast of 3.0%, a -0.6% variance from 2023. This has been driven by a resilient non-oil sector, which is forecasted to have expanded 3.2% and accounted for 86% of total GDP.
- Headline GDP growth for 2025 is expected at 2.9%, with non-oil growth remaining steady at 3.2%. Meanwhile, inflation has remained low in 2024, averaging 1.4%; albeit this is expected to increase to 2.8% in 2025.
- Cityscape Bahrain returned for its third iteration in November, showcasing over 50 projects and attracting over 10,000 visitors. The exhibition reportedly saw BD341 million in agreed deals over five days and announcements for multiple new real estate projects.
- According to data from the Survey & Land Registration Bureau (SLRB), a total of 24,863 real estate transactions were registered in 2024, a -4.8% decrease year-on-year. There was also a dip in value terms with transactions totalling BD1.056 billion, a drop of -1.6% as compared to 2023’s BD1.074 billion and -2.8% compared to 2022’s 1.087 billion.

FIGURE 1: Bahrain, Annual Real Estate Transaction Values, BHD



Source: CBRE Research / SLRB

Bahrain Residential

Average sales rates for residential apartments were reported at BD684 per square metre, down -1.6% in H2 2024 as compared to 2023, having remained broadly unchanged in H1, as per analysis of RERA's transactional data. However, the dynamics for villas were slightly more positive, with sales rates rising 1.8% year-on-year against 2023.

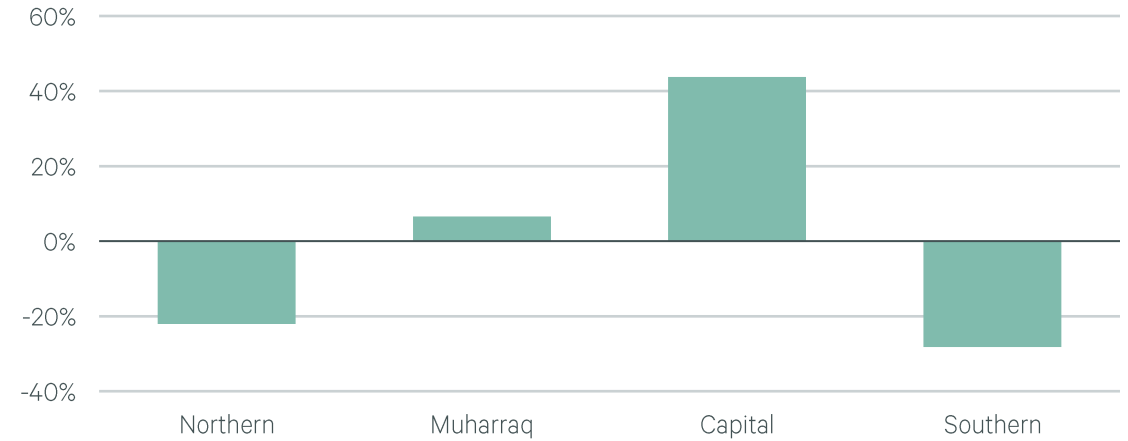
There were clear divergences between Governorates (Figure 2), with average apartment sales rates in the Capital more than double those in the Southern Governorate. In terms of quoted villa rental rates, H2 was consistent with 2023 (Figure 3), with minimal change in average rates since 2020; albeit there is some variation based on total bedrooms. For apartments, there was a continuation of the downward trend in rents, with a -2.4% drop versus 2023.

During Cityscape Bahrain, several new residential and mixed-use projects were announced. This included Onyx Water Garden, the third in the Onyx series from Kooheji Development. The two-tower project is proposed to house 503 apartment units ranging from one to three bedrooms, with prices starting from BD58,000. Planned amenities at the property include fitness centres, multiple swimming pools, a lazy river, an entertainment zone, games room and play areas. Also announced at Cityscape was Durrat Al Bahrain's Jewel of Marjan – a luxury waterfront villa development with 200 'sustainable' units, as well as Edamah's Tivoli Residences at Bilaj Al Jazayer, with 62 branded residential apartments integrated into the upcoming Tivoli Hotel.

Sustainability is increasingly becoming a key consideration for developers in Bahrain, as both buyers and renters alike are looking for more eco-friendly and future-proof options, with utility costs a growing concern. As developers look to capitalise on international trends, Diyar Al Muharraq, for example, has introduced initiatives such as a deep gravity sewage system to minimise energy consumption and a solar powered treated water irrigation system to alleviate water scarcity concerns.

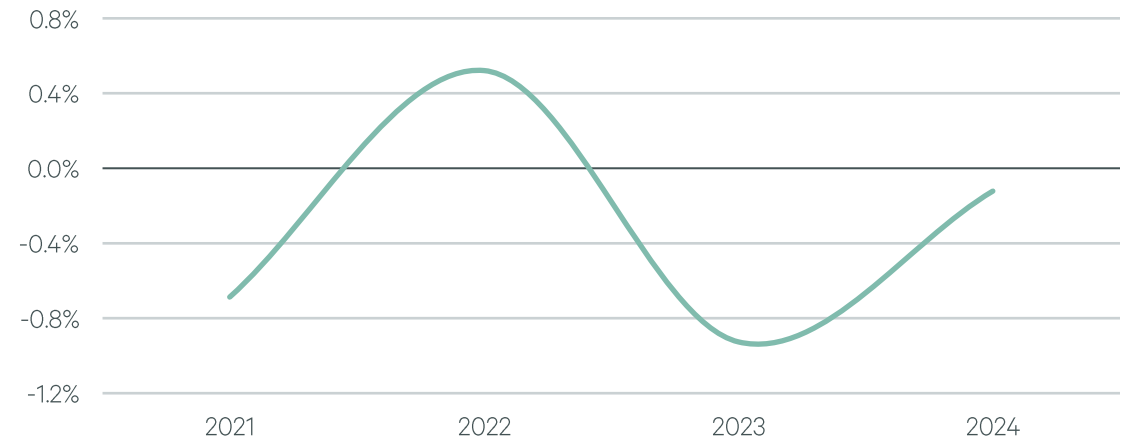
“Average recorded apartment sales rates were reported at BD684 per square metre in H2 2024 across all Governorates and types, a -1.6% decline from H2, whereas average villa sales rates saw an uptick of 1.8%.”

FIGURE 2: Bahrain, Apartment Sales Rates by Governorate, % Variation from National Average



Source: CBRE Research/ RERA

FIGURE 3: Bahrain, Quoted Residential Villa Rental Rate Variation, YoY % Change



Source: CBRE Research

Bahrain Retail

Average occupancy at CBRE's set of 21 tracked retail centres remained relatively steady from H1 to H2 2024, with a decrease of just -0.15% to 68.8% (Figure 4). The highest occupancy rates continue to be seen at Bahrain's destination malls, such as Bahrain City Centre and The Avenues. Dragon City, the international wholesale and retail trading centre at Diyar Al Muharraq, also continues to perform well in terms of occupancy.

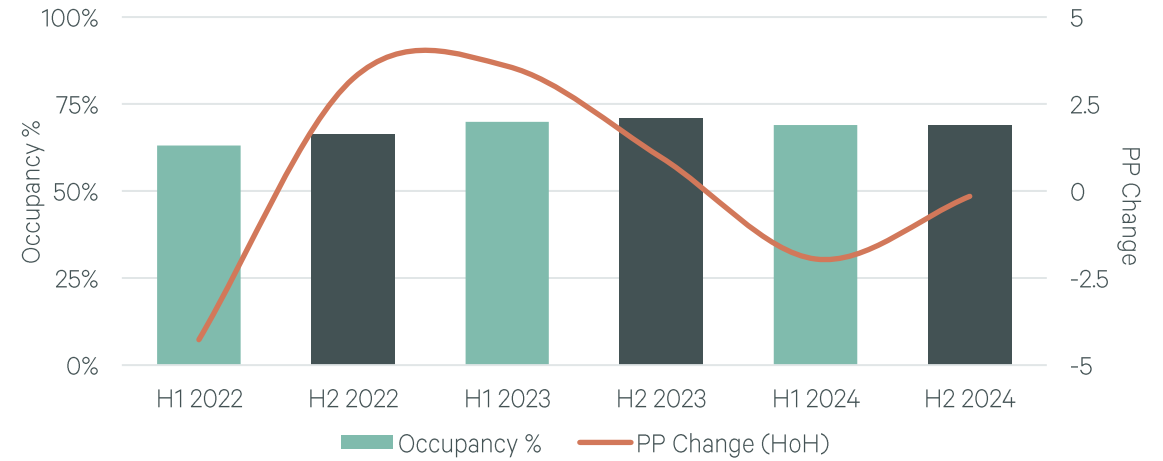
The opening of Time Out Market at Bahrain City Centre appears to be a notable footfall driver for the property. The food hall is the first of its kind in the Kingdom, with 14 curated F&B outlets and over 900 seats set across over 3,200 square metres. This is a continuation of a trend towards entertainment-based experiences within retail properties across Bahrain as traditional retail seeks to mitigate the ongoing difficulties of increased competition and limited consumer spending power.

The second phase of The Avenues is expected to open during H1 2025, bringing an additional 40,000 square metres of GLA into the market. The expansion will feature two dedicated entertainment areas, as well as an ice-skating rink. The addition will increase the waterfront promenade to 1.3km, making it Bahrain's largest waterfront shopping and entertainment destination, reaffirming the requirement of modern shopping malls to have a vast array of experiential offerings.

Supply growth in 2024 was recorded at 12.7% across all shopping centre categories (Figure 5), with the most significant addition being the introduction of Marassi Galleria in the super regional category. Recorded average rental rates have remained flat from H1 to H2 2024 across all shopping centre types, following a decline of -4.2% from the previous year.

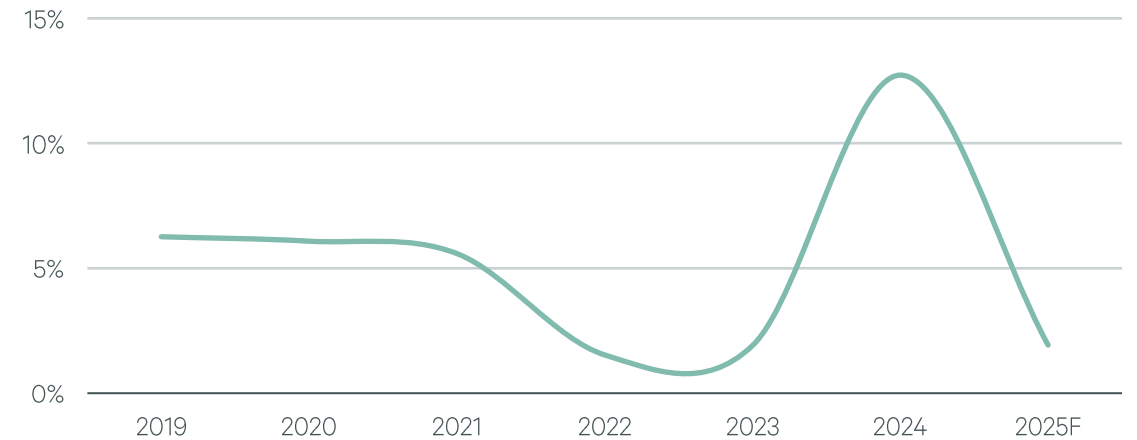
“Average trading occupancy remained relatively stable in H2 2024, with only a marginal decline recorded from H1, despite the additional stock introduced throughout the year and pipeline anticipated in 2025.”

FIGURE 4: Bahrain, Retail Occupancy %, 21 Major Shopping Centres



Source: CBRE Research

FIGURE 5: Bahrain, Annual Retail GLA Supply Growth %



Source: CBRE Research

Bahrain Office

Average office rental rates decreased marginally during H2 2024, continuing the downward trend. According to CBRE research, average Grade A & B office rates sit at BD5.1 per square metre per month across tracked locations (Figure 6). Bahrain currently exhibits the most affordable office rates in the GCC (Figure 7), with Grade A office space offered at half the rate of the next most affordable city (Jeddah), and Prime office space at a third of the rate of its closest competitor (Abu Dhabi).

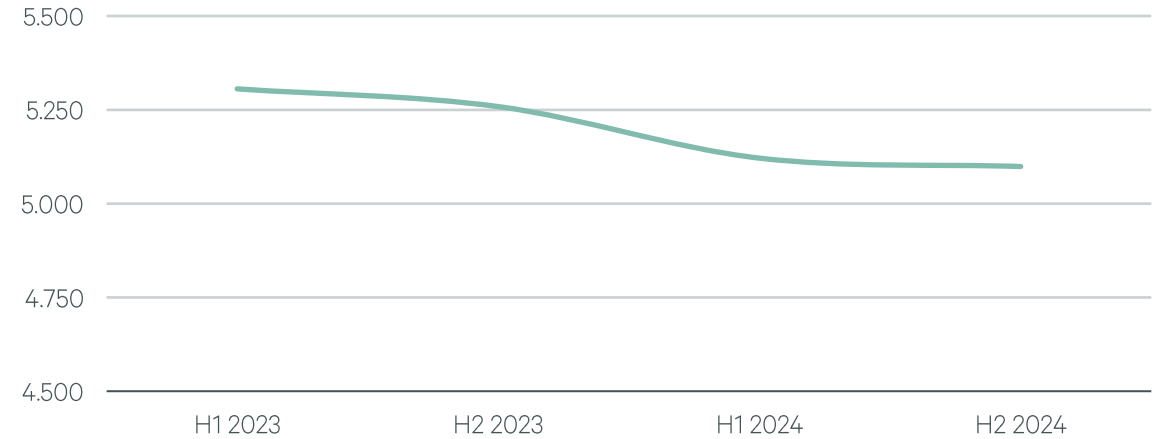
Demand remains muted, with limited interest from new and existing businesses to lease office space in the Kingdom. Growth in supply, however, continues, with new quality stock being added to the rental market regularly, albeit at a more conservative pace than previous years. This combination of factors, with growing supply diluting the tempered demand, has impacted occupancy and rental rates across the board.

Looking at investor and occupier trends, despite a general a general shift in development towards Bahrain Bay and Bahrain Financial Harbour over the last decade, with upcoming commercial projects such as Future Generation Reserve Tower and Onyx Skyview, Seef remains popular for businesses and continues to be a primary commercial hub for commercial activity in Bahrain.

Despite a notable trend in terms of flight to quality in recent years, with competitive rates offered within leading Grade A properties in Bahrain Bay and Bahrain Financial Harbour, Seef continues to see steady transaction activity, providing occupiers with relatively affordable yet presentable office spaces. Total occupancy costs, along with flexibility in lease terms, are key influences on the decision-making process for occupiers, particularly when weathering an uncertain business climate.

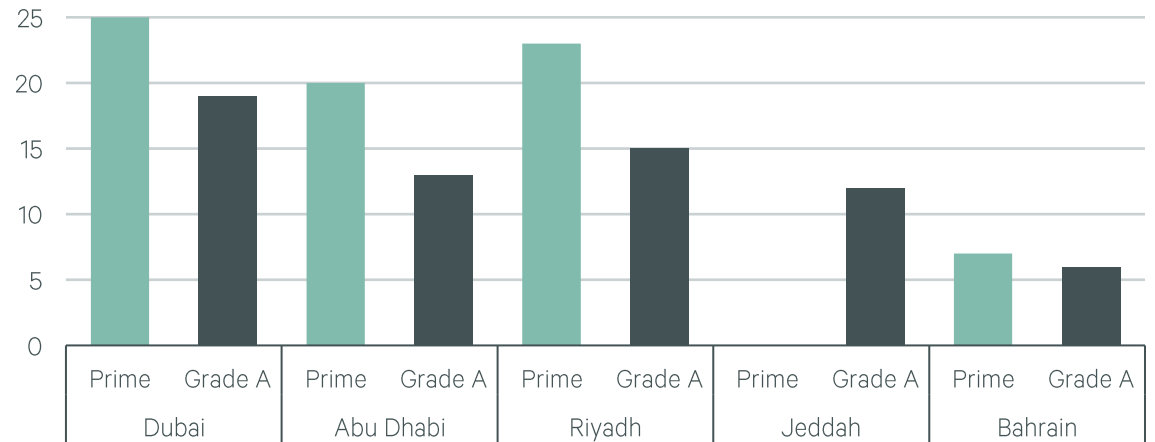
“Office rental rates and occupancy levels are strained by steady additions to supply, met with muted increase in demand from new market entrants. The flight to quality continues as further international grade quality accommodation is introduced into the market.”

FIGURE 6: Bahrain, Average Monthly Office Rental Rates, BHD/sqm



Source: CBRE Research

FIGURE 7: GCC, Monthly Office Rental Rates by Grade, BHD/sqm



Source: CBRE Research

Bahrain Hospitality

H2 2024 saw 4.7 million passengers travel through Bahrain International Airport, an increase of 1.5% as compared to H1. This brought the total passengers for 2024 to 9.4 million (Figure 8), an overall increase of 7.3% year-on-year.

The Sheraton Bahrain Hotel, a Marriott property, reopened in December 2024, having been closed since 2019 for refurbishment. The 210-key property is located adjacent to the Bahrain World Trade Centre in the heart of Manama. The hotel's signature rooftop restaurant, Brasero Atlántico, is due to open in H1 2025 with panoramic views of the city.

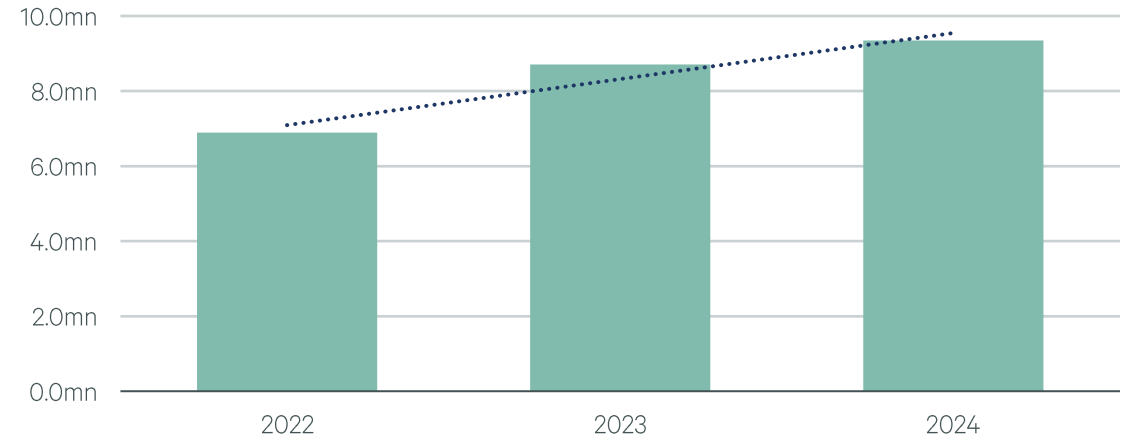
The 104-key Mantis hotel on the UNESCO-recognised Hawar Island is due to open in Q1 2025. The property is a first-of-its-kind, sustainable eco-resort in Bahrain featuring a variety of guest rooms, including water villas and tented suites. The island offers a variety of land and water-based activities and will also be home to the Bear Grylls Survival Academy, a worldwide adventure programme that teaches survival skills and aims to bring participants closer to nature.

Other recent hotel announcements include the 120-key Waldorf Astoria Bahrain Bay, a Hilton property, which is slated to open in 2028 with direct connections to the Avenues mall, as well as two Taj properties, developed by Indian Hotels Company (IHCL). These include the 251-key Taj Resort in Hamala and the 200-key Taj Hotel in Seef. Moreover, the METT Hotel & Residences by Sunset Hotels and Resorts was announced in November; a 220-key property located on Amwaj Beachfront with additional Isola Beach Club.

These announcements come amidst a Ministry of Tourism promise to deliver twelve new hotels and an additional 3,000 keys by the end of 2026. The total number of 5* hotel room keys increased by 9.5% from 2023 to 2024 (Figure 9), or close to 600 keys, with a further 4.4% growth anticipated during 2025.

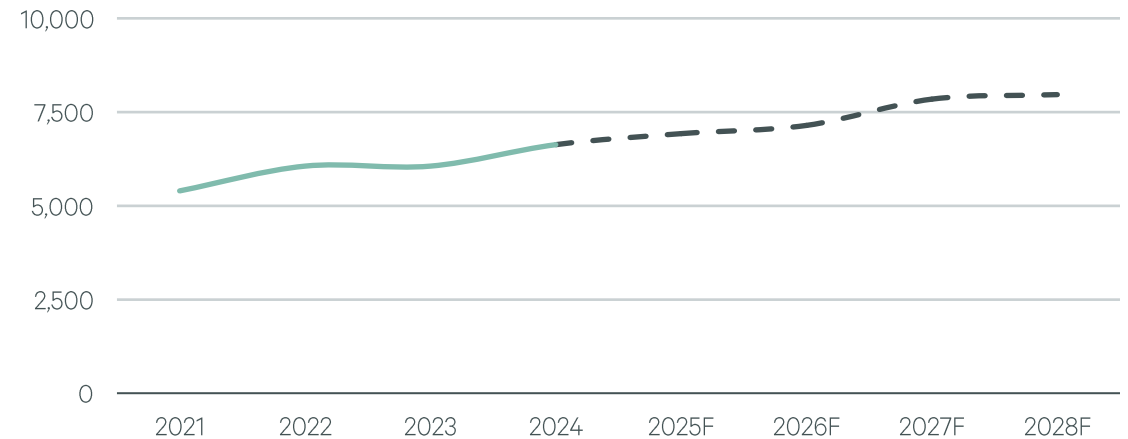
“Bahrain witnessed a 9.5% increase in 5-star hotel keys between 2023 and 2024, adding significant room capacity to the Kingdom’s tourism market.”

FIGURE 8: Total Annual Passengers Through Bahrain International Airport



Source: CBRE Research/ Ministry of Transportation & Telecommunications

FIGURE 9: Bahrain, 5* Hotel Room Key Supply, Confirmed Openings Only



Source: CBRE Research

Contacts

Bahrain

Heather Longden

Director - Advisory & Transactions

+973 3928 8221

heather.longden@cbre.com

Samantha Schiffman

Senior Analyst

+973 3321 0546

samantha.schiffman@cbre.com

Richard Botham

Senior Director & General Manager

+973 3960 5084

richard.botham@cbre.com

Middle East

Matthew Green

Regional Head of Research

+971 58 566 4640

matthew.green@cbre.com

Ciaran Lynch

Director – Regional Head of Property Management

+973 3626 5699

ciaran.lynch@cbre.com

Inci Gecekusu

Head of Marketing & Communications

+971 52 1005 122

inci.gecekusu@cbre.com

Sarah Al Attar

Regional Marketing Manager

+973 1655 6600

sarah.alattar@cbre.com

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

