GCC REAL ESTATE MARKET

WHAT INVESTORS & BOARDS NEED TO KNOW — Q1 2026

A LEADERSHIP BRIEFING

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GCC REAL ESTATE: WHAT INVESTORS AND BOARDS NEED TO KNOW

The Q1 2026 Listed Developer & REIT Value Map

EXECUTIVE OVERVIEW

Listed GCC real estate splits into two groups: developers, who build and sell or lease property, and REITs, which own income-producing buildings. For an investor or a board, the numbers answer three questions: who actually generates cash, who carries the balance-sheet risk, and where is the market paying too much — or too little — for it. On the Q1 2026 figures the region looks strong but strikingly at two extremes. The most profitable, least-indebted developers trade at the lowest valuations; the market's premium sits with the growth story, not the cash flows. Three things stand out:

- **Cheapest Where It's Strongest:** The large UAE developers earn the region's fattest margins and carry almost no debt — Emaar Properties runs a 49% EBITDA margin at 0.4x debt/EBITDA — yet trade near 8x EV/EBITDA and 8x earnings, roughly half the Saudi multiple. Saudi developers, smaller and more leveraged, trade at 14x EBITDA, with several names above 30x.
- **Leverage Is the Real Divide:** Qatar (median 11.8x debt/EBITDA) and Kuwait (8.6x) carry three to five times the leverage of the UAE (2.3x). Falling interest rates flatter these books; however, none of them has been tested by a serviceability squeeze at these levels.
- **The Market Doesn't Trust Every Balance Sheet:** Every listed Qatari developer trades below the accounting value of its assets (0.3–0.6x book), and most GCC REITs trade at 0.8x book or less — a signal the market discounts either the reported asset values or the debt stacked against them.

THE INVESTOR DASHBOARD

SAR 113 BN	8.3x	14.3x	11.8x	0.8x
UAE TOP-3 DEVELOPER REVENUE	UAE MEDIAN EV/EBITDA	SAUDI MEDIAN EV/EBITDA	QATAR MEDIAN DEBT/EBITDA	GCC REIT MEDIAN P/B
• Emaar, Aldar & Emaar Development dominate the region	• Strongest margins, lowest multiple in the GCC	• The Vision 2030 growth premium — ~70% above the UAE	• Region's most leveraged developer book	• The income layer trades below book value

THE VALUE NARRATIVE: WHERE THE MARKET IS PRICED

A Region of Extremes: The Country Divide

The regional average hides very different businesses. UAE developers combine the biggest revenues, strong margins and the lowest leverage in the GCC — and trade at the cheapest multiples. Saudi Arabia's market is smaller-cap and more leveraged, yet commands the growth premium. Qatar and Kuwait sit at the leveraged end of the spectrum, and every Qatari name trades below book.

GCC LISTED DEVELOPERS — COUNTRY SNAPSHOT (Q1 2026, MEDIANS)							
Country	Cos.	Median Rev. (SAR M)	EBITDA Margin	Net Margin	Debt / EBITDA	EV/ EBITDA	P/B
United Arab Emirates	11	1,876	28%	41%	2.3x	8.3x	1.3x
Saudi Arabia	24	798	35%	25%	3.4x	14.3x	1.6x
Qatar	5	1,928	58%	27%	11.8x	17.7x	0.5x
Kuwait	33	81	57%	45%	8.6x	19.1x	1.0x
GCC Median	**77**	**154**	**40%**	**36%**	**4.6x**	**15.4x**	**1.1x**

The UAE Paradox: Cheapest Where It's Strongest

The clearest value pool in the region is also its strongest set of businesses. Emaar Properties — the GCC's largest listed developer at roughly SAR 106 billion of market value — earns a 49% EBITDA margin, carries almost no net debt, and trades at 4x EBITDA and 6x earnings. Emaar Development and Deyaar trade below 3x EBITDA. Why so cheap? The market is discounting a coming supply wave — Dubai has around 120,000 units scheduled for handover in 2026 (though delivery routinely runs well behind schedule), rents were already down about 6.7% into early 2026, and analysts flag a possible mild correction in supply-heavy apartment districts. An off-plan-heavy, cash-buyer market (roughly 86% of Dubai transactions are cash) is also inherently cyclical. For an income or value investor this is the region's most attractive entry point; for anyone underwriting it, the pipeline is the number to model.

The Saudi Premium — and What Sits Beneath It

Saudi Arabia trades richest because the market is paying for Vision 2030 delivery and a genuinely accelerating market: residential transactions rose roughly 18% quarter-on-quarter in Q3 2025, with Riyadh and Jeddah leading price gains and developers pushing supply through giga-projects. The premium is real but uneven. Names tied to the giga-project and Makkah/Madinah pilgrim-economy themes — Umm Al Qura, Makkah Construction, Retal — trade at 18–35x EBITDA and up to 6.7x book, pricing years of delivery in advance. Others sit far cheaper: Saudi Real Estate at 7.7x EBITDA, Arabian Centres at a 5.3x P/E and 0.5x book. The watch-out is leverage: Dar Al Arkan at 9.7x debt/EBITDA, Arabian Centres 11.9x, and Emaar The Economic City at 32.2x on a negative net margin. Today's multiples assume the growth arrives on schedule and the balance sheets hold.

The Leverage Map: Where the Balance-Sheet Risk Sits

Strip the region down to leverage and the risk clusters clearly — in Kuwait, in Qatar, and among a handful of large Saudi names. Some of that debt is comfortable: Barwa and Mabanee carry 60%+ net margins that easily service it. Some is not: Emaar The Economic City and Al Argan carry heavy debt on thin or negative earnings. As rates fall, high leverage flatters equity returns; if refinancing tightens or asset values wobble, these are the names where the cushion is thinnest and the first place a downturn would show.

Trading Below Book: The Value — and the Warning — Signal

A striking share of the market trades below the accounting value of its own assets. Every listed Qatari developer sits at 0.3–0.6x book; Saudi's Arabian Centres and Saudi Real Estate at 0.5–0.9x; and most GCC REITs at 0.8x or less. There are two readings. One is opportunity — assets bought for less than their carrying value. The other is that the market doubts those carrying values, which for property companies often rest on periodic fair-value appraisals, or distrusts the leverage stacked against them. The question a board or investor should put to management is simple: when were the assets last independently revalued, and against what cap-rate assumptions? The gap between price and book is where the real debate sits.

The Income Layer: GCC REITs

For income-seeking investors, GCC REITs offer high EBITDA margins — the Saudi median is around 76% — but the catch is leverage. The typical listed Saudi REIT runs 6.4x debt/EBITDA, several are above 13x, and the group trades at 0.8x book. A REIT geared to that degree is far more sensitive to rate and occupancy moves than its distribution yield suggests. Riyad REIT is the cautionary case: a 13.5x debt load alongside fair-value writedowns that pushed its net margin deeply negative. Falling rates should support this layer through 2026 — but the discipline is to look past the headline yield to the balance sheet behind it.

THE MACRO OUTLOOK

The next 12 to 24 months look like a maturing cycle, not a bubble. The tailwinds are real: interest rates are easing, which supports both valuations and buyer affordability, and demand fundamentals remain strong — Dubai is adding roughly 470 residents a day, and Saudi transaction volumes are still accelerating. Two things will decide whether the strong numbers hold. First, supply: Dubai faces its largest handover wave in over a decade, with a heavier 2027 pipeline, and rents already softening — analysts expect a two-speed market where prime villas hold firm while supply-heavy apartment districts see mild corrections. Saudi Arabia's version of the same risk is giga-project supply arriving into a market priced for continued acceleration. Second, geopolitics: the Q1 2026 regional conflict was a genuine shock — it delayed roughly half of Dubai's 2026 completions into 2027 and pushed construction costs up sharply. None of this points to a cliff. But the cycle now rewards asset quality, balance-sheet strength and disciplined entry multiples over momentum.

KEY TAKEAWAYS FOR INVESTORS AND BOARDS

1. Buy the Cash Flow, Not the Story

Look Where Margins Are High and Leverage Is Low: The widest value in the region sits with the large UAE developers at 4–9x EBITDA. Before paying 20–35x for a Saudi growth name, ask what delivery is already priced in — and what happens to the multiple if the pipeline slips.

2. Treat Leverage as the Cycle's Fault Line

Ask for the Maturity Ladder, Not Just the Yield: At 8–12x debt/EBITDA, Kuwaiti and Qatari developers — and several REITs — are exposed if refinancing tightens or asset values soften. The debt maturity schedule and refinancing plan matter more than the headline distribution.

3. Interrogate Book Value

Find Out When the Assets Were Last Revalued: When a third of the market trades below the carrying value of its assets, the market is either seeing a bargain or doubting the appraisals. Ask when assets were last independently revalued and at what cap rates — that gap is where the real debate lives.

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