

Crisis hits property prices in Bahrain

MANAMA: Property prices have fallen in Bahrain and rental rates of commercial property are also down though residential rates have remained largely stable, according to a report.

Manama has not been immune to the recent downturn in the global property market with an oversupply of high-end real estate and prime office space, according to Knight Frank Middle East's Bahrain Property Highlights report.

"There is significant pent-up demand for affordable housing which is not being met and there is already an oversupply of high-end apartments with Bahrain's stock due to increase by 37 per cent over the next few years, with 5,000 units in the development pipeline," the report said.

"High-end residential rental rates have yet to drop to reflect increasing vacancy rates, whereas sales rates for freehold properties have declined by 20pc since 2009."

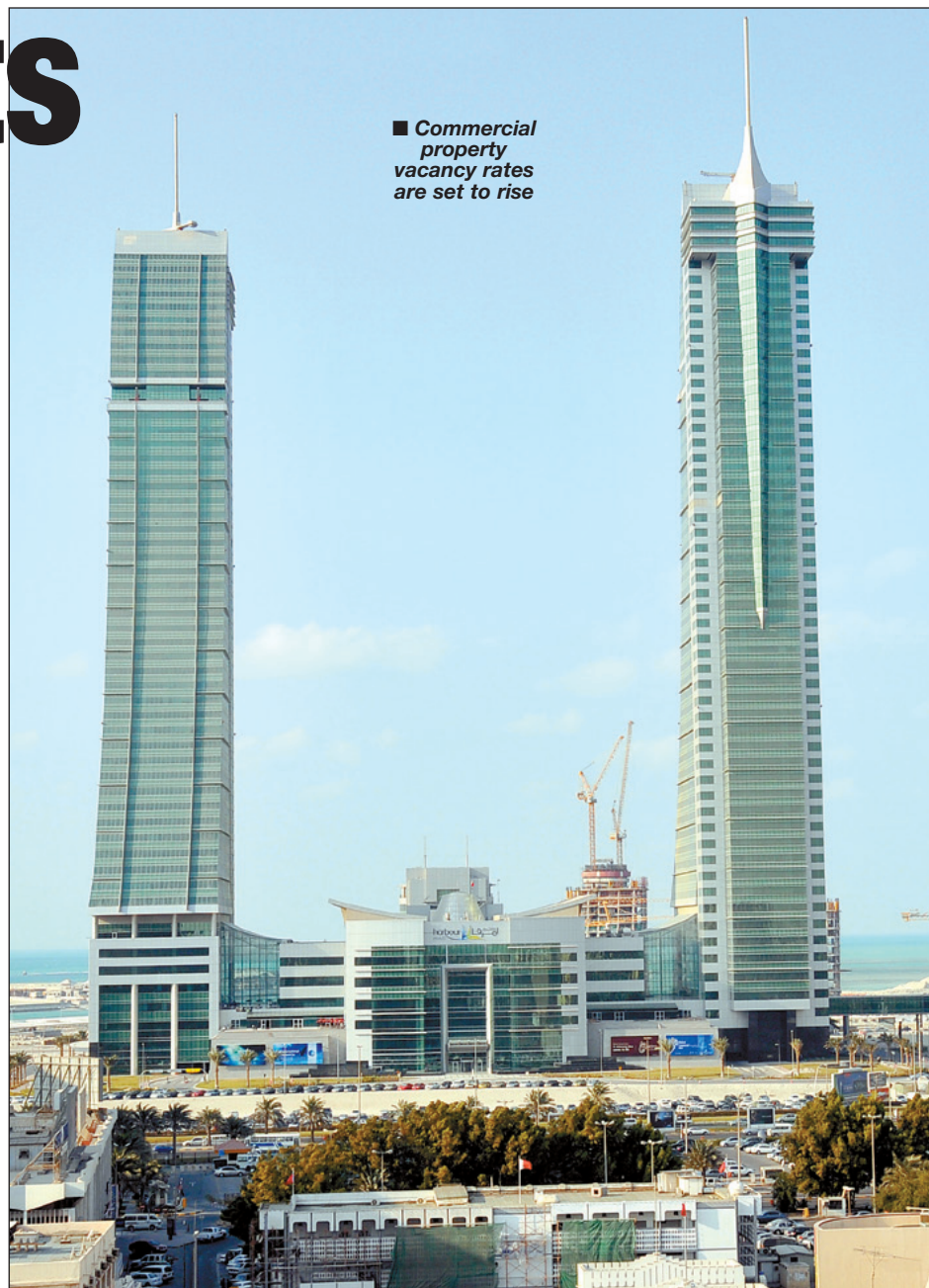
By ARTHUR MACDONALD

"Although there is significant pent-up demand for affordable housing, with 47,000 already on the government's waiting list and a young and growing population adding to demand, developers in Bahrain are failing to meet the needs of this market," said Knight Frank Middle East research and consultancy head Jim Lynn.

"Meanwhile, there is an oversupply at the high-end of the market, with 5,000 luxury apartments in the development pipeline and this situation is only set to worsen."

"Vacancy and rental rates for gated villa compounds in the Northern Governorate have shown only small fluctuations in recent years."

"Vacancy rates for Capital Governorate apartments have been on the increase due to new stock coming online, however landlords have yet to reduce rents to reflect this market reality. Sales of freehold villas and apartments



have been almost non-existent in Bahrain over the last two years, with prices dropping an average of 20pc from 2009 rates as a consequence."

On the commercial sector, he said, "Bahrain's labour force is predicted to reach more than 500,000 workers this year, with about 56,000

occupying 830,000 square metres of Grade A and B office space."

"This increase in demand for office accommodation has been significantly exceeded by unprecedented levels of commercial development, and total stock is set to pass the one million sqm mark

this year. Therefore, average vacancy rates for prime space are set to exceed the current levels of 20pc to 25pc."

"Monthly rental rates are down 20pc from 2009 levels, whereas average sales rates have decreased by just over 10pc," he said.

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Productivity challenges to be probed

MANAMA: Managing the challenges of low productivity in an economic downturn will be highlighted at a three-day conference which opens at the Sheraton Hotel tomorrow.

The event is being held under the patronage of Minister of State for Defence Dr Shaikh Mohammed bin Abdulla Al Khalifa and organised by Etqan Consultancy.

Conference chairman and Etqan chief executive officer Ahmed Al Banna said the event will focus specifically on practical tools and techniques to motivate employees and consequently enhance productivity and efficiency.

"Regrettably in business, unlike sailing at sea, the skills required for managing a downturn are not taught in business schools," he said.

"Just as at sea, bad weather takes its toll and the business ship sinks."

"In short a failure costs all stakeholders, customers, suppliers, employees, community, financial institutions, and owners."

"Hence managing low productivity in a downturn is extremely important to everyone."

"What Do We Do?" he asked.

"The answer lies in the productivity level and focus of all staff from the board of directors right to the shop floor."

"But it starts with the top management's collective focus on improving productivity."

Sessions will cover performance indicators, challenges and barriers affecting performance of employees, performance excellence, managing deadbeat employees, employee engagement tools, performance and rewards and leadership lessons.



■ Shaikh Mohammed, fifth from right, and Mr Guillemard, fourth from right, with guests at the event

Capital Club membership milestone

MANAMA: Bahrain's Capital Club now has more than 600 members, it was announced at a gala evening to celebrate its first anniversary.

Operators Signature Clubs International's chief executive Guy Guillemard said this had been achieved in spite of opening while the global economy was deep in recession.

"The main objective for any business or institution is survival and sustainability and for the Capital Club I'm happy to say that we're surviving and even growing," Mr Guillemard said at the event.

"We've welcomed more than 100 new members this year and have more than 600 members. Member feedback on everything from menus to events

is not only being listened to, but expressed in action and in the first quarter we saw increased visits by both members and guests."

Club chairman and Economic Development Board chief executive Shaikh Mohammed bin Essa Al Khalifa welcomed distinguished VIP guests including governors, members

and their guests, who enjoyed a memorable red-carpet event on the uppermost floors of the iconic Bahrain Financial Harbour.

"Most clubs have been in existence for decades and some for over a hundred years," he said.

"In my view, the Capital Club has come a very long way, in a very short

time and through a very challenging economic period. So I want to congratulate the club and the team who make it happen."

"The Capital Club already enjoys a positive reputation. It is the first place we think of to entertain our international visitors and guests and to hold a meeting."