Jones Lang LaSalle

*Real value in a changing world*

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April 2010

# Real Estate Investor Sentiment Survey – Middle East & North Africa

## MENA Markets: From Volatility to Stability?

**Sentiment shows greater stability.** Sentiment has remained broadly similar over the past six months, a sign that confidence may be returning as the MENA markets move to a more mature phase.

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**More buyers than sellers for investable product.** One major constraint on sales volumes is the lack of suitable product being offered to the market at pricing levels investors consider attractive.

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**Yield expectations have increased marginally over the past 6 months.** This has contributed to the lack of sales activity as it has increased the price gap between investors and sellers.

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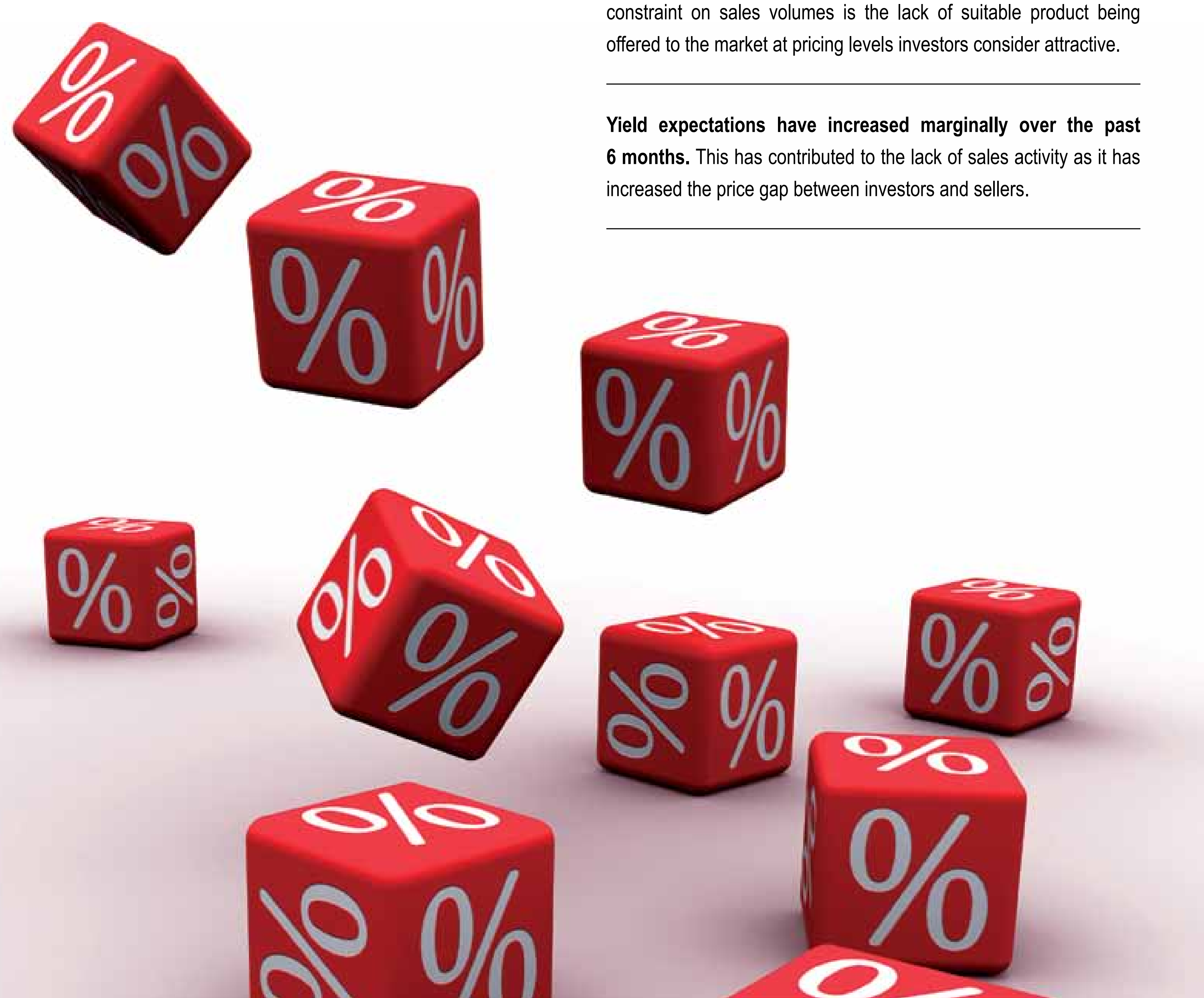

# Contributors


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Jones Lang LaSalle is a leading international real estate services and property funds management firm with more than 180 offices worldwide and operations in more than 750 cities in 60 countries. The firm employs over 33,000 people world wide engaged in delivering a comprehensive range of integrated real estate and investment management services on a local, regional and global level to private and public sector owners, occupiers and investors. Founded on a strong property market research platform, these services include sales and leasing, consultancy, valuations, property and asset management, corporate occupier services, project management, hotel advisory and transaction services.

In the Middle East and North Africa, Jones Lang LaSalle is a leading real estate and hotel advisory firm providing broad services in over 20 Middle Eastern and North African countries. Over the last year the firm has advised clients on more than US$ 200 billion worth of real estate, hotel and hospitality development and has consistently achieved a number of industry awards.

# Welcome to our Fourth Real Estate Investor Sentiment Survey

In February last year, Jones Lang LaSalle suggested that 2009 would be a year of contraction, 2010 would be a year of consolidation and 2011 would most likely mark the beginning of a broader real estate recovery. The findings of our latest Investor Sentiment Survey (April 2010) suggest this prediction is holding true so far.

Investor sentiment has remained relatively stable since our last survey in October 2009 with no significant change in sentiment or behaviour recorded. The majority of investors are still expecting to see capital values increase in all MENA markets except Dubai over the next 12 months, but the extent of these increases has generally been scaled back.

Two major factors appear to be shaping expectations with investors increasingly focussing on those markets with strong demand fundamentals (driven by domestic population) and those with strong core economic growth drivers (such as oil and gas). Saudi Arabia is the only country in the region that offers a combination of these two factors, but this is not the easiest real estate market for investors to enter. Other markets that offer one of the two basic criteria include Egypt, Qatar and Abu Dhabi.

This ‘back to basics’ attitude has resulted in less interest in markets such as Dubai, that are perceived as being more dependent upon the global economy. Dubai is however recognised as the most competitive city in the region on a number of different indicators and therefore retains its place in the investment portfolio of most investors, albeit with a lower priority than in the past.

Although transaction levels across the region have been subdued over the past 6 months, it is interesting to note that the latest survey reveals there are currently more active buyers than sellers. The limited number of transactions reflects both a lack of debt financing to support transactions and the continuing mis-match on pricing expectations between buyers and sellers. The re-scheduling of loans by the banks and government financial support programs have effectively prevented ‘fire-sales’, with limited distressed sales at the institutional level. While a number of ‘vulture’ funds have emerged, they remain frustrated by the lack of distressed pricing and are likely to increasingly seek opportunities elsewhere – perhaps even outside of the MENA region over the next 12 months.

Market regulation and risk remain the most important factors influencing investment decisions, suggesting most investors are more focussed on minimising downside risk factors than maximising upside returns. Though improved transparency remains important, the fragile economic environment has taken precedent for investors this time around.

We hope you enjoy reading the results of the survey and as always we would welcome any feedback.

**Andrew Charlesworth**
Head of Capital Markets – MENA

# Reality check across all markets

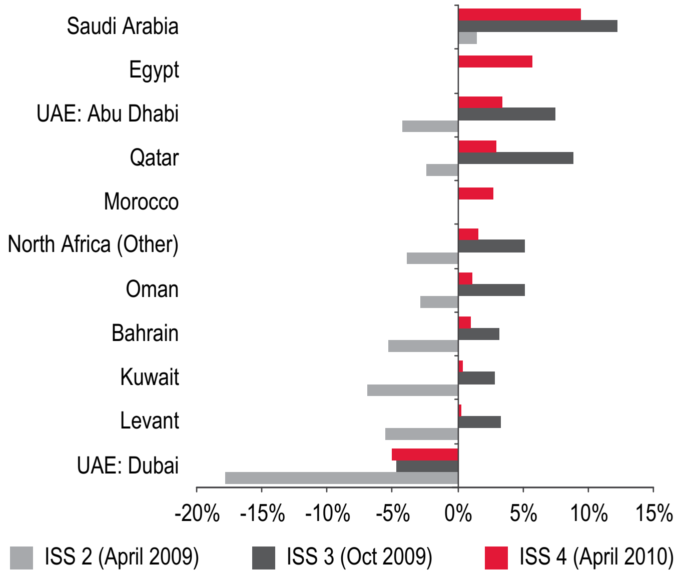
Investors' expectations have generally moderated over the past 6 months but the majority of respondents are still expecting real estate values to increase in all markets across the region over the next 12 months (except for Dubai).

However, in broad terms, investors at this point are more bearish on the MENA markets than they were 6 months ago, with most markets showing a fall in capital value growth sentiment as compared to the previous survey. While fewer investors are now expecting to see significant value increase in markets such as Saudi Arabia, Abu Dhabi, Egypt and Qatar, on balance, they are still expecting these markets to experience marginal value growth.

Saudi Arabia continues to be regarded as the market most likely to see price increases over the next 12 months, in line with investors' expectations that it will be the first to "bottom out". The other markets where most investors expect to see a growth in real estate values over the next 12 months include Abu Dhabi, Egypt, and Qatar.

**Change in Real Estate Values**

(Net Balance over next 12 months)




Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, April 2009, October 2009 and April 2010

**Jones Lang LaSalle View: Moderating expectations in line with the 'new normal'**

Investors' expectations have been re-aligned with the 'new normal' real estate investment paradigm focussing on sustainable income rather than short term capital gains.

While we do not expect to see any broad based recovery in real estate values over the next 12 months there will continue to be specific market niches where values will increase. There is also less likelihood of further significant value erosion as the region's real estate markets are maturing and are expected to show lower volatility over the next 12–24 months.

# Yield expectations trending upwards

Average yield expectations across the MENA region have increased by around 90bps over the past 6 months. This reflects ongoing concerns over softening market conditions and potential oversupply in many markets. Yield expectations have increased everywhere with the exception of Qatar where they remained the same (10.7%).

Yield expectations have increased in all sectors of the market over the past 6 months with the exception of hotels where they have dropped marginally. Investors have demonstrated a greater differentiation between markets and sectors. Most notably, the logistics sector saw the largest increase in yield expectations growing from an average of 10.3% in October 2009 to 12% in this survey. This yield level is probably more in line with long term historic norms. However, it may also suggest that investor confidence in the logistics sector across the region is waning slightly, which could signal a potential decrease in market values over the next year.

Similarly, the retail sector has also seen a 140bps increase in yield expectations – reflecting the reduced spending and increased supply experienced in many markets across the region.

This year's survey has included the addition of a new question to determine the difference in return expectations between Core (income producing assets with little repositioning or value enhancement required), Core + (value-add opportunities) and Development Opportunities (land and projects under construction). As would be anticipated, yield expectations are lowest for the more passive (Core) assets with cash yields at 8.6%, compared to an average of 9.6% for Core +. IRR expectations range from 13% for Core income generating assets to 17.3% for development projects.

### Investor Return Expectations, Asset Types

| | Yield | IRR |
|---|---|---|
| Core | 8.6% | 13.0% |
| Core + | 9.6% | 14.0% |
| Development | 11.9% | 17.3% |

Core: Grade A income generating single-let asset with secured long term lease in place
Core +: Value enhancement required, possible repositioning
Development: Assets under development

Source: Jones Lang LaSalle Real Estate Investor Sentiment Survey, April 2010

### Yield Expectations by City (Oct 2009 – April 2010)

| | Yields (Oct 2009) | Yields (April 2010) | Change (bps) |
|---|---|---|---|
| Dubai | 9.9% | 10.5% | 60 |
| Abu Dhabi | 10.9% | 12.1% | 120 |
| KSA | 10.8% | 12.3% | 150 |
| Qatar | 10.7% | 10.7% | — |
| GCC (Other) | 9.9% | 11.6% | 170 |
| North Africa | 10.3% | 10.9% | 60 |
| Levant | 10.2% | 10.7% | 50 |
| **Average** | **10.4%** | **11.3%** | **90** |

Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010

### Yield Expectations by Sector (Oct 2009 – April 2010)

| | October 2009 | April 2010 | Change (bps) |
|---|---|---|---|
| Residential | 10.0% | 10.6% | 60 |
| Office | 10.2% | 10.8% | 60 |
| Retail | 10.1% | 11.5% | 140 |
| Hotels | 11.3% | 11.2% | -10 |
| Logistics | 10.3% | 12.0% | 170 |
| **Average** | **10.4%** | **11.3%** | **90** |

Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010

**Jones Lang LaSalle View: Gap between investors yield expectations and market realities in Saudi Arabia**

Investors recognise the strategic importance of Saudi Arabia but they are finding it difficult to identify opportunities that meet their return expectations. While our investor respondents expect yields of 12%+, we have seen some yield compression over the last year, and the limited supply of investment grade assets have traded on initial yields of below 10%. There has been a shift in focus from development to income assets, with the exception of the residential sector where we are seeing investors and developers seeking to capitalise on Saudi Arabia's requirements for affordable housing. With lower yields, sale and leaseback funding has emerged as an alternative source of finance for local companies. Saudi banks have substantial capacity to lend but they remain cautious and have become more careful about their valuations and due diligence.

# Local demand is key to recovery

Survey respondents believe Saudi Arabia, Egypt, Qatar, Morocco and Abu Dhabi will experience the quickest recovery timelines. Over 40% of investors suggest that real estate markets in Saudi Arabia have already started to recover, buoyed by the large local demand base. The imminent passage of the much delayed mortgage law will further enhance the real estate market, providing increased debt and liquidity to the residential sector.

Egypt benefits from similar attributes to the Saudi market and is further supported by significant demand from MNC's who are planning to increase their presence in the country to serve both the large local market and as a point of entry into the broader MENA markets. 30% of respondents feel that the real estate sector in Egypt has already started to recover, with a further 50% suggesting recovery will be experienced within the next 12 months.

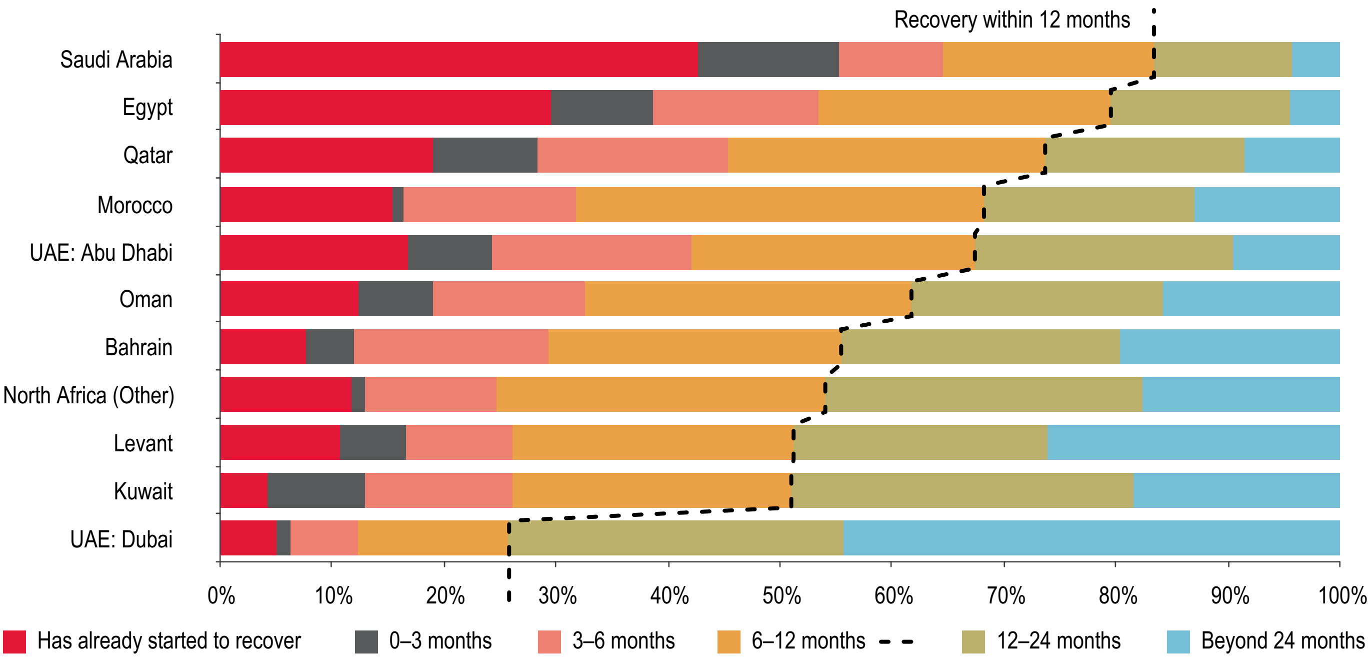
For those markets where investors are concerned about the strength of local end user demand, the prospects for recovery are considered to be more distant. The most extreme case is Dubai, where approximately 75% of investors believe any real estate market recovery is at least 12 months away, perhaps reflective of the concern over the prospects of population recovery following the economic crisis and perceived large population outflow that occurred in 2008–2009. Indeed, over 40% of respondents consider no recovery in Dubai is likely within two years, which suggests that investors' sentiment towards Dubai has not significantly improved since our previous survey in October 2009.

**Jones Lang LaSalle View: Dubai World debt restructuring – a move in the right direction**

The latest survey was undertaken before the announcement of the proposed Dubai World debt restructuring on 25th March, 2010. This plan has been generally well received as an indication that the Government remains firmly behind Nakheel and its parent (Dubai World) company and this may result in more positive sentiment for Dubai being reflected in the next survey.

In our view this restructuring plan removes one of the potential hurdles that has to be overcome for the Dubai market to recover. While the additional certainty provided is clearly a positive for sentiment and confidence, the planned restructuring itself does not address the underlying challenges of over supply and limited end user demand faced by Dubai.

**Anticipated Timing of Real Estate Market Recovery**




Source: Jones Lang LaSalle Real Estate Investor Sentiment Survey, April 2010

# More buyers than sellers

Interestingly, the survey indicates that for most of the MENA markets, there are more potential buyers than sellers of real estate assets. Across the region, buyers outnumber sellers by an average of 8%. The challenge faced by investors in these markets is finding suitable product that vendors are willing to sell at what buyers consider realistic prices.

In Saudi Arabia, certain cities outside of Riyadh and Jeddah are being targeted by investors seeking opportunities to either develop new projects or purchase existing assets. Though property purchases are highly restricted, the Holy cities of Makkah and Madinah are witnessing a strong surge in demand for hospitality projects. Development around the Haram in Makkah is surging with many planned projects in the pipeline. The Eastern Province is also experiencing renewed interest in integrated mixed use developments along the coast, particularly around the centre of the oil industry in Dhahran.

The other major markets where potential buyers significantly outnumber potential sellers include Egypt and Abu Dhabi. Egypt comes across strongly in this survey, holding the second highest "Buy" position after Riyadh. The large percentage of investors looking to purchase in Egypt reflects an increasing willingness to enter this buoyant real estate sector to benefit from its potential long term upside.

There continues to be strong investor interest in Abu Dhabi where potential purchasers exceed potential sellers by 16%. Abu Dhabi has witnessed a decline in those seeking to "build" new assets rather than purchasing existing ones, with this category dropping from 25% in our last Survey to 16%. This probably reflects the large number of projects already under construction within Abu Dhabi and concerns about how quickly this additional supply will be absorbed by the market.

The Dubai market is experiencing a closer balance between potential buyers and sellers, though buyers continue to exceed sellers by 8%. Despite the major correction in values there appear to be few distressed sellers in the Dubai market, with many owners unwilling to dispose of assets at the bottom of the cycle. Interestingly, around 50% of investors still prefer to "hold" assets in Dubai, the largest percentage among all MENA markets.

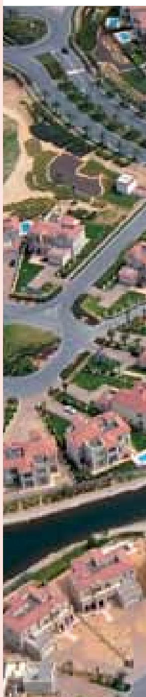
**Jones Lang LaSalle View: Why the availability of potential buyers may not result in increased transaction volumes**

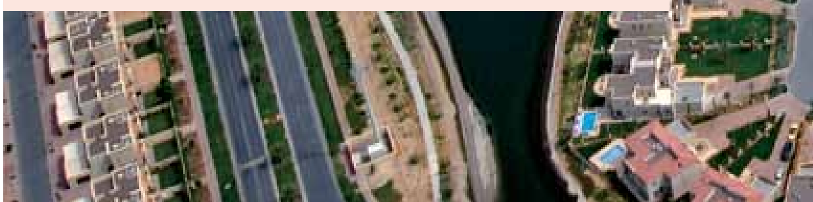
Although there is currently a range of both local and international investors seeking opportunities to purchase real estate across the MENA region, the market continues to experience a very low level of deal flow in respect of institutional grade real estate assets. The major reason for this is the gap in pricing expectations between vendors and potential investors as well as restricted financing options. This gap may have actually widened in recent months as most investors are seeking bargain basement pricing while existing owners of institutional grade assets are showing less willingness to offer assets at 'fire sale' prices.

A number of so called 'vulture funds' have been circling the market looking to purchase income producing real estate at distressed pricing levels. The lack of transactions completed to date reflects the absence of such assets being offered to the market at pricing levels considered attractive by these investor groups.

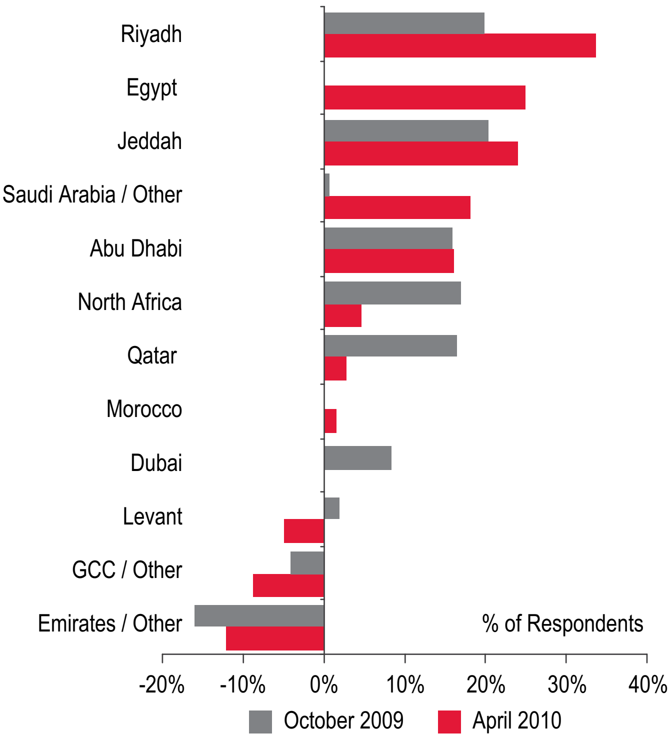
The MENA markets have traditionally been dominated by individuals rather than institutional investors and this trend appears likely to continue with perhaps the greatest level of investment activity occurring at the lower end of the pricing spectrum. These smaller private investors can build investment portfolios over time and will have a wider choice of product.

It is the larger institutional investors who have struggled to find investable assets with seemingly limited investment choice being offered and a continuing gap in pricing expectations with sellers. One would assume that many of the larger more established institutional investment groups currently looking at MENA will eventually move on and seek opportunities in other real estate markets possibly outside of the region where there may be a wider choice of product at more attractive pricing levels.



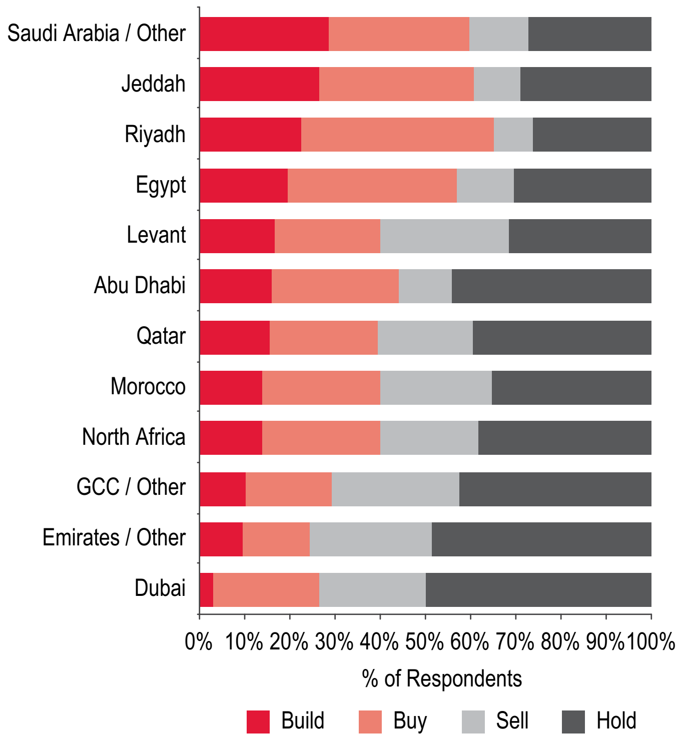


**Investor Intentions, Buy – Sell (% Net Balance)**




Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010

**Investor Intentions, Build, Buy, Sell, Hold**




Source: Jones Lang LaSalle Real Estate Investor Sentiment Survey, April 2010

# Saudi Arabia emerges as the preferred market

Two clear drivers of investors' sentiment are reflected in our latest survey:

- **Importance of local demand** – The size and strength of local market demand has become an increasingly important driver of investor sentiment. Those markets with large local populations (such as Egypt and Saudi Arabia) are perceived to be better positioned than those (such as Dubai) that are more closely tied to the global economy and rely more on the presence of foreign workers to generate local real estate demand.
- **Attraction of energy rich economies** – While developments in the oil and gas sector may not generate much direct demand for real estate they have a fundamental role as generators of sizeable capital surpluses that can be used to invest in infrastructure and develop a broader economic base. The rebound in energy prices over the past 6 months has provided an important cushion to help economies such as Saudi Arabia, Abu Dhabi and Qatar avoid the full impact of the global economic crisis. While their real estate markets have definitely been impacted, investors feel these markets have the necessary depth of capital to manoeuvre through the current difficult conditions.

Saudi Arabia is the only market across MENA that scores highly on both of these two drivers and it is therefore not surprising that investors feel Saudi Arabia will be the strongest performing real estate market in MENA over the next 12–24 months. Egypt has also shown increasingly favourable sentiment, with 13% of investors expecting Egypt to be the strongest performing real estate market in MENA over the next 12–24 months. The significant benefit which both markets have is their large population base (26 million and 80 million respectively). This is a decisive factor for real estate demand, and unlike many GCC states, the two nations do not have to rely on external demand to boost their real estate markets.

**Key Drivers of Investor Sentiment**

| | Saudi Arabia | Egypt | Abu Dhabi | Qatar |
|---|---|---|---|---|
| Domestic demand | ✓ | ✓ | ✗ | ✗ |
| Energy driven economy | ✓ | ✗ | ✓ | ✓ |

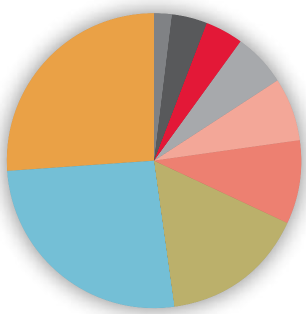
Source: Jones Lang LaSalle Real Estate Investor Sentiment Survey, April 2010

**Jones Lang LaSalle View: Localisation of Real Estate Markets**

Real estate markets across the region are likely to become more locally driven over the next few years. This localisation will involve a number of trends including a shift from investor to end user demand (real homes for real people) and a greater focus on domestic and regional projects among MENA real estate investors and developers.

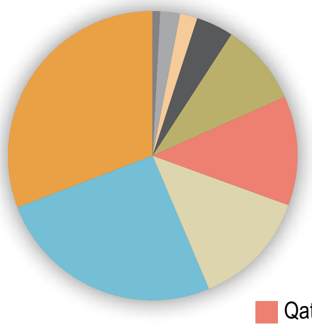
**Strongest Anticipated Real Estate Performance – MENA**
(over next 12 months)

October 2009



Oman – 2%
Bahrain – 4%
Kuwait – 4%
North Africa (Other) – 6%
Levant – 7%
Qatar – 9%
UAE: Dubai – 16%
UAE: Abu Dhabi – 26%
Saudi Arabia – 26%

April 2010



Kuwait – 0%
North Africa (Other) – 0%
Oman – 1%
Levant – 3%
Morocco – 3%
Bahrain – 4%
UAE: Dubai – 9%
Qatar – 12%
Egypt – 13%
UAE: Abu Dhabi – 25%
Saudi Arabia – 30%

Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010

# UAE seen as most competitive MENA market

The World Economic Forum (WEF) describes competitiveness as "the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the sustainable level of prosperity that can be earned by an economy."[1] This information is crucial for investors looking to enter new markets and regions, and in this regard MENA markets have been actively attempting to improve their competitiveness levels.

To gauge city competitiveness within a real estate context, respondents to our survey were asked to rank the major MENA markets in respect of the criteria shown in the table below.

In contrast to their perception that Dubai will be the last real estate market in MENA to recover, investors rank Dubai in first place among the region's major cities in terms of most indicators of city competitiveness. Investors consistently scored Dubai highly on factors such as transport, infrastructure, real estate transparency, quality of life, etc. It is also widely felt that Dubai has done the most to address problems facing the real estate market.

Investors scored Abu Dhabi second to Dubai on most indicators, with the UAE capital scoring favourably on factors such as liquidity/ capital availability for the real estate market and the government's support for the real estate sector. This emphasise's investor belief that Abu Dhabi's underlying financial strength and government commitment to supporting the real estate sector cannot be underestimated.

Manama's 'Business Friendly' marketing campaign appears to be paying dividends with Bahrain's position improving on a number of indicators over the past 6 months. It's long standing position as a regional financial centre and it's limited development pipeline during the boom has meant that Bahrain was among the least affected by the recent crisis in terms of broad value declines. With a strong local labour force, a focus on increasing the quality of education and human resources and a well established financial regulatory environment, investors are likely to continue to express interest in the real estate sector of the island nation.

**Jones Lang LaSalle View: UAE remains competitive**

Investors recognise that the Dubai market may be the last in the region to recover from the current downturn. They do however also acknowledge the strong long term potential of this market due to its global connectivity, the quality of its urban infrastructure and its regulatory environment. Dubai was the first regional market to develop and still benefits from a number of first mover advantages.

Abu Dhabi has a number of competitive advantages including access to capital and a clearly defined long term vision. If the synergies between the two adjoining Emirates can continue to be developed and strengthened, the United Arab Emirates will provide a stronger and more compelling offer for real estate investors looking for a long term position in the MENA region.

**City Competitiveness Indicators & Highest Ranked Market**

| Indicator | Top Ranked City (October 2009) | Top Ranked City (April 2010) |
|---|---|---|
| Quality of current transport infrastructure (road / metro, etc) | Dubai | Dubai |
| City that has achieved most over past 10 years | Dubai | Dubai |
| Quality of life (place to live) | Dubai | Dubai |
| Connectivity (airport connectivity and capacity) | Dubai | Dubai |
| Value for money (as location to purchase real estate) | Dubai | Dubai |
| Availability of good quality real estate assets | Dubai | Dubai |
| Most suitable location for international corporate (regional HQ location) | Dubai | Dubai |
| Most open real estate market (access for overseas investors) | Dubai | Dubai |
| Transparency / quality of regulatory environment | Dubai | Dubai |
| Financial strength of major real estate players | Abu Dhabi | Abu Dhabi |
| Liquidity / availability of capital for real estate | Abu Dhabi | Abu Dhabi |
| Government support to real estate sector | Abu Dhabi | Abu Dhabi |
| Done most to address the problems facing real estate market | Abu Dhabi | Dubai |

Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010

[1] World Economic Forum, Global Competitiveness Report 2009/10

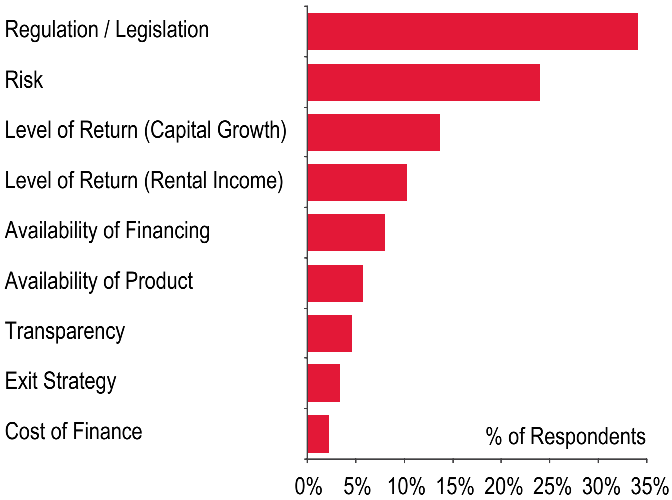
# Clearer regulations remain a priority for investors

There has been little notable change in the factors influencing investor decision-making from our previous survey. Investors still believe the most significant factors are market regulation/ legislation and risk. However, it appears that transparency, which was a significant concern last year has now dropped in importance over the past 6 months.

The continued importance attached to regulations and risk shows that investors are still more concerned with minimising potential downside than they are with potential upside returns.

Though improved transparency remains an issue for many investors, the current fragile economic conditions and the concern with managing broader financial and market risks has taken precedence, resulting in a lower ranking for transparency per se.

**Factors Influencing Investor Decisions**




Source: Jones Lang LaSalle Real Estate Investor Sentiment Survey, April 2010

**Jones Lang LaSalle View: RERA Initiatives to improve regulatory framework of Dubai real estate market**

As regulation continues to play a key role in investment decision making, the Dubai government has made significant efforts over the last 6 months to improve the regulatory environment. Key initiatives that have been announced by the Real Estate Regulatory Authority (RERA) include:

- a professional code for valuations;
- an improved process to deal with project cancellations and a streamlined arbitration and litigation process for project disputes;
- the launch of Ijari, a new registration system for rental contracts.

While regulation is firmly in the hands of the government, transparency is the responsibility of all stakeholders. In a market that is still largely led by relationships and that is becoming increasingly local, it is no surprise that transparency has taken a back seat. With more investors looking at their local markets, their own knowledge and experience overrides their need for a transparent market environment, a criteria of greater importance to cross-border investors.

# Asia-Pacific continues to shine

Respondents to our previous survey (October 2009) tipped Asia-Pacific as the strongest global performer and this sentiment has continued with the region showing a 21% increase in favourable sentiment. This reflects the robust economic growth rates being experienced in China and India in particular, which have positioned Asia Pacific as the world's fastest growing economic region at the present time.

Most other markets have seen similar figures to our previous survey, with many moving up or down only slightly. Western Europe has seen a similar figure in performance sentiment from 6 months ago. However, sentiment could increase with the potential for further falls in the value of the British Pound. This interest could extend from London to the rest of the UK and continental Europe if we see a continued decline in the value of the Euro versus the US Dollar.

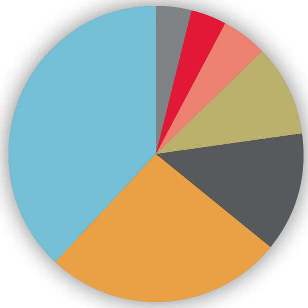
Sentiment towards MENA as a region has declined marginally over the past 6 months. Investors are still somewhat uncertain about future prospects for the region although the majority expect real estate prices to increase over the next 12 months in most markets other than Dubai which is not anticipated to see recovery for another 24 months.

**Jones Lang LaSalle View: From BRIC to BIC**

Brazil, India and China have continued to forge ahead with current forecasts of real GDP growth in 2010 of 5%, 8% and 10% respectively (Global Insights, March 2010) resulting in further corresponding growth in their real estate markets. Russia has bucked the BRIC trend with much lower real GDP growth (2.6%) and significant levels of new supply pushing Moscow real estate prices down by more than 50% during 2009. While the BIC real estate markets will continue to provide opportunities, we anticipate most MENA investors are more likely to be attracted to these markets via indirect funds rather than through direct real estate acquisitions due to a lack of locally based investment platforms.

**Strongest Anticipated Real Estate Performance – By Region**
(over next 12 months)

October 2009



Eastern Europe – 4%
South America – 4%
Western Europe – 5%
Africa – 10%
North America – 13%
Middle East – 26%
Asia Pacific – 38%

April 2010

Western Europe – 3%
Eastern Europe – 5%
North America – 7%
Africa – 8%
South America – 8%
Middle East – 23%
Asia Pacific – 46%

Source: Jones Lang LaSalle Real Estate Investor Sentiment Surveys, October 2009 and April 2010


# About the Survey

**The fourth edition of Jones Lang LaSalle's Investor Sentiment Survey was undertaken in association with Cityscape Intelligence, with the subsequent report being released at Cityscape Abu Dhabi (April 2010).**

### About Cityscape Intelligence?

In addition to being a leading real estate exhibition and conference organiser, Cityscape also produces a market intelligence service. Cityscape Intelligence (CI) is the online information service for investors, developers and senior professionals focused on business to business real estate within emerging market countries. CI offers an unrivalled resource of essential information in one place. The service seeks to bridge the information and transparency gap that exists in emerging markets and provide our subscribers the intelligence they need to help them make key strategic business decisions.

We create and collate content and intelligence through a number of sources:

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- A tailored integrated news feed from over 2,500 global sources
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- Input and comments from a network of global industry professionals
- Extensive industry research

You can sign up for our weekly e-newsletter or register for a 2 day trial to the service by visiting: **www.cityscapeintelligence.com**.

This report presents the results of the fourth Jones Lang LaSalle Real Estate Investor Sentiment Survey (REISS).

The REISS encapsulates the views of leading real estate investors from across the MENA region and beyond. Participants are limited to active investors and do not include advisors or analysts. While some high net worth individuals are included in the survey, the emphasis is on more 'institutional' investors which typically would be classified as including Sovereign Wealth Funds, Investment Banks, Private Equity Investors and large HNW Family Businesses as well as local and overseas based Funds.

**We would like to thank all the respondents for their invaluable input into this survey.**

### Definition of Initial Yield

The initial yield is defined as the first year's net operating income divided by the purchase price.

### Definition of Net Balance

The net balance is the percentage of respondents who respond positively to any question, minus the percentage of respondents who respond negatively. The maximum potential score (+100%) indicates that all participants gave a positive response to a particular question. A score of 0% indicates the same number of positive and negative responses.


Press Office
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CITYSCAPE

Jones Lang LaSalle

*Real value in a changing world*

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