

REAL ESTATE SECTOR

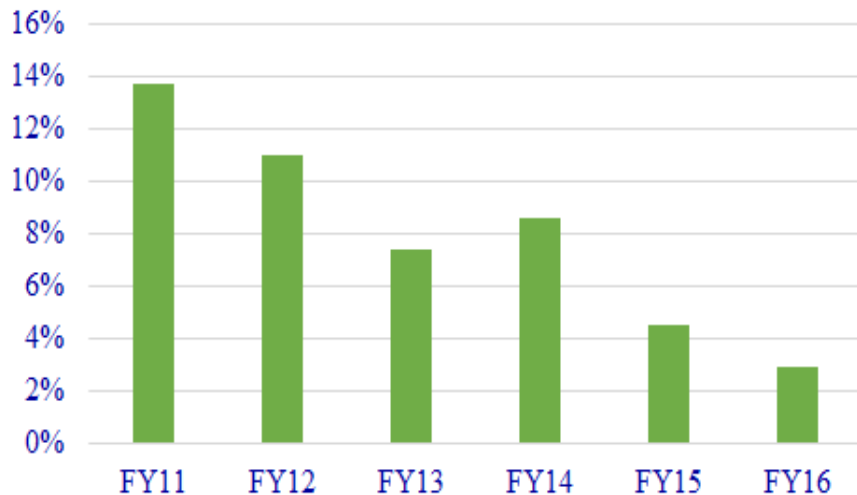
OFFICE BUILDINGS - KARACHI

October 2016

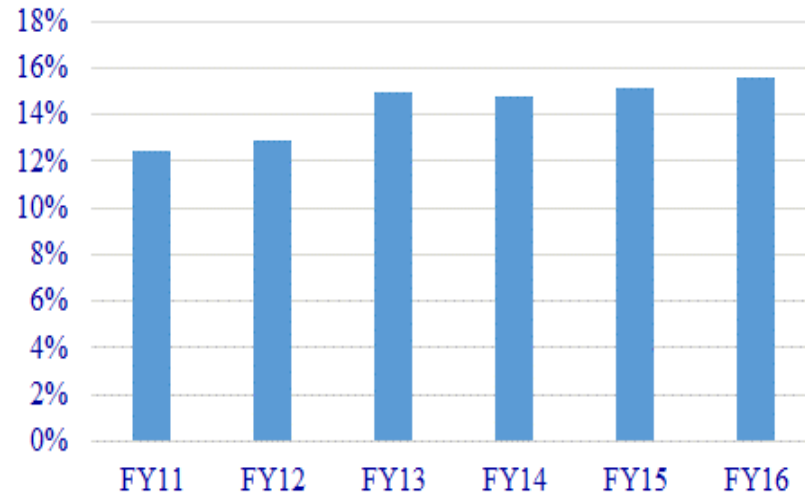
Pakistan | Real Estate Sector

- Pakistan | large economy – people tend to park their savings in real estate sector as these investments are used as a hedge against inflation.
- Real Estate Sector | Fragmented with few established nationwide professional developers

Inflation Trend

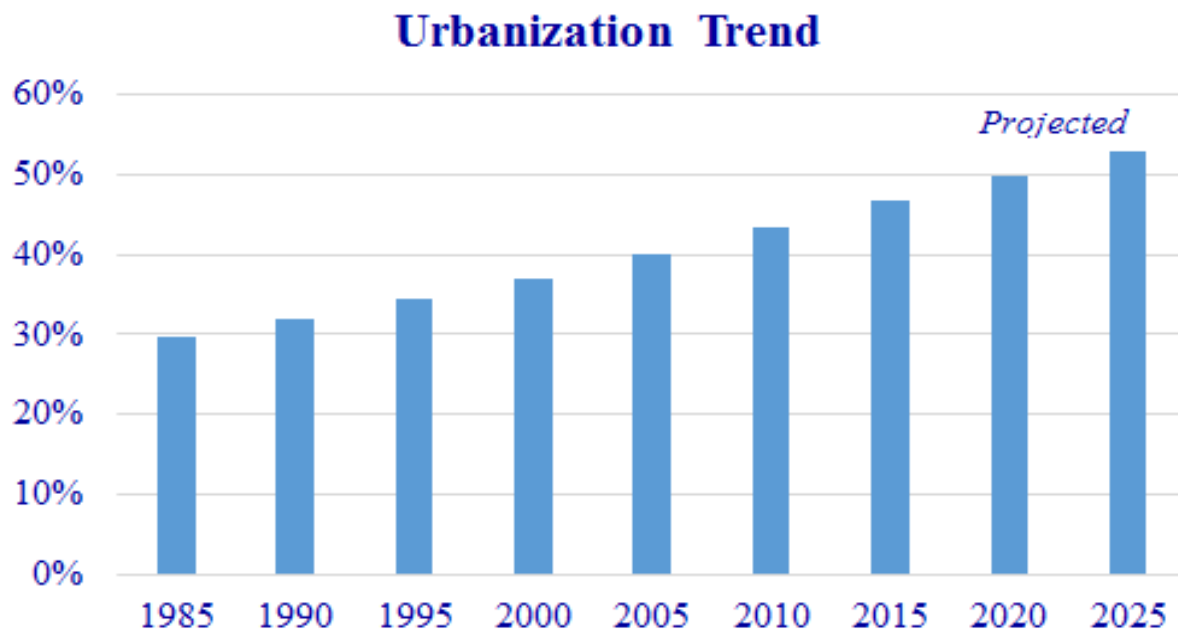


Investment to GDP



Real Estate Sector | Key Trends

- Trend towards urbanization creates a real demand for real estate.
- ~34% of Pakistan's total population resides in urban areas and by 2030, the urban cities are expected to accommodate above 50% of the total count.



Source: Independent Market Survey

Karachi | Real Estate Sector

- Karachi – provincial capital – is the most populous city of Pakistan and one of the most populous city in the world.
- Karachi is financial and commercial hub of Pakistan with its GDP accounting 20% to the local GDP.
- Lately, the offices have moved to other places than Central business place in the area of Saddar and I.I.Chundrigarh Road
- Current available office space in Karachi is approx. 15mln sq. ft.
- Due to security issues, the demand for commercial Real Estate properties in Karachi with upgraded security measures has spurred lately.

KEY RISKS

- Poor law and order situation
- Economic slowdown impacting business activity
 - ✓ Dip in occupancy rate
 - ✓ Decline in rentals yields

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