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## **Rays of recovery - Ezdan sees QAR 94 million profit during Q4**

*Friday, 13 Nov, 2009*

Reuters reported that Ezdan Real Estate Company expects its net profit in the Q4 to be similar to that of the third and is aiming to sell part of its property portfolio by year end to a Malaysian based REIT to finance new projects.

Mr Hesham El Sahtary MD of Ezdan said that Qatar's largest property developer by market value expects strong demand for affordable housing in its home market, where a shortage of middle income housing supply has left a vacuum for real estate firms to fill.

He said that over the past 3 years Qatar's population increased to 1.5 million. If we continue at the same rate along with economic growth all this needs property. The Q4 net profit result would be similar to the QAR 94 million made in the Q3.

The Emir Mr HH Sheikh Hamad bin Khalifa Al Thani said recently that Qatar property prices dropped by about 30% in the H1 of 2009. But the economy could grow 7% in the 2009 to 2010 fiscal year and 16% the following year.

He said that "Our rents have declined 10% to 15% since the crisis began late 2008 but we are still maintaining our profit and despite the market situation there is an increase compared to 2008."

Qatar has been pouring billions of dollars into infrastructure development to diversify the economy away from hydrocarbons, help propel itself onto the international arena and become a transport hub between Europe and Asia.

Mr Sahtary said that Ezdan with about USD 1 billion worth of projects under construction is also working on selling some of its portfolio, worth about QAR 600 million to QAR 700 million to a real estate investment trust based in Malaysia to help finance future projects. They will buy the property from us and we will manage it for them with a fixed return. The plan is to launch it in Malaysia as an international fund and we hope to conclude it this year.

He said that Ezdan, whose shareholders agreed on November 4th 2009 to merge with Group of International Housing Company will launch new project once the merger, is complete. Ezdan, which has a market capitalization of USD 8.6 billion will have around 6,000 employees once the merger, is concluded, giving it a stronger base to compete with local rivals such as Barwa Real Estate and the country's sovereign wealth fund's property arm Qatari Diar.

Mr Sahtary said that "This is a strong merger that benefits investment, the economy, investors, and our tenants. It will make us stronger and enable us to finish projects faster."

He said that Ezdan which has an expansion plan stretching to 2039 with the Phase I concluding in 2019 plans to grow in its home market first, then regionally and finally internationally. The merger will help the company compete on an international level. He added that we have projects worth more than USD 1 billion under construction. We have projects in the pipeline and a plan for 30 years including residential and hotel projects that will be announced after the merger.

(Sourced from Reuters)

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