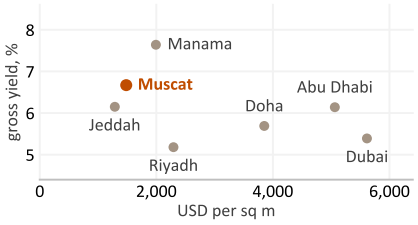
Oman – Real Estate and Tourism

Attractive Entry, Untapped Potential in GCC

We initiate our macro coverage with a constructive view on Oman's real estate and tourism sectors. Stronger sovereign finances, competitive property prices and attractive asking yields support long-term investment. Our analysis favour investments in affordable family housing, expatriate rental housing, Muscat's Integrated Tourism Complexes (ITCs) and selective hotel investment across Oman, guided by each destination's visitor demand, seasonal appeal and existing supply, which we explain in this report.

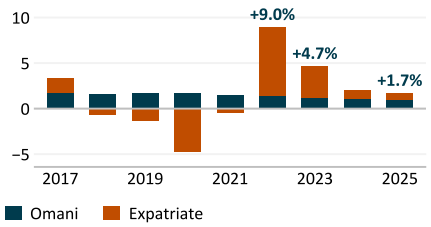
- **Oman's investment-grade status and the improvement in public debt from 68% of GDP in 2020 to 35% strengthen its investment appeal.** The budget ran surpluses in 2022–24 and all three rating agencies restored investment grade in 2024–25.
- **Greater Muscat: Supply broadly matches housing demand.** We estimate over [redacted] homes will be delivered annually in 2027–30, versus demand from [redacted] additional households. Supply is near the top of this range, but demand excludes second homes and replacement housing, which could absorb additional units (pages **Error! Bookmark not defined.**, **Error! Bookmark not defined.** and **Error! Bookmark not defined.**).
- **A young, fast-growing population underpins housing demand.** We forecast Oman's total population to grow by 2.8% annually through 2030, reaching 6.2mn. Omani nationals provide a stable underlying base, supported by fertility of 2.8 births per woman, above the 2.1 replacement rate. Rising expatriate inflows drive the acceleration, expanding the addressable housing market and supporting demand across both family homes and rental accommodation.
- **Oman offers competitive pricing and attractive yields.** Muscat apartments offer a 6.7% gross asking yield, ranking second-highest on yield and second-lowest on price among seven GCC cities. Foreign buyers can own freehold homes in designated areas and qualify for the Golden Residency, Oman's long-term residence programme for property investors.

Figure 1. Asking price against gross yield, seven GCC cities, Sep-2026



Source: OIB Research.

Figure 2. Population growth by nationality, Oman, 2017–25, percentage points



Source: NCSI; OIB Research.

Oman

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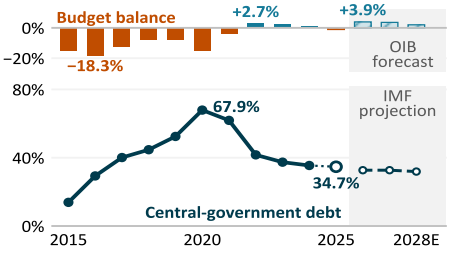
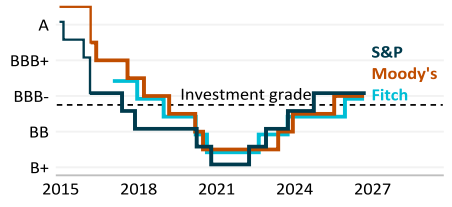
Figure 3. Budget balance and public debt, 2015–28E, % of GDP



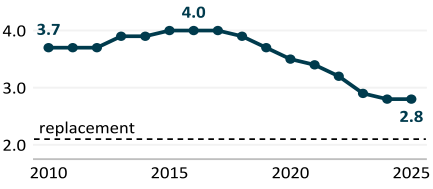
Source: MoF; NCSI; IMF; OIB Research.

Figure 4. Sovereign ratings by credit agencies, 2015–26



Source: S&P, Moody's, Fitch; OIB Research.

Figure 5. Omani total fertility rate, 2010–25, births per woman



Source: NCSI; UN, OIB Research.

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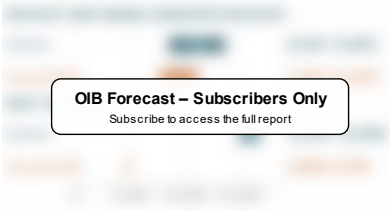
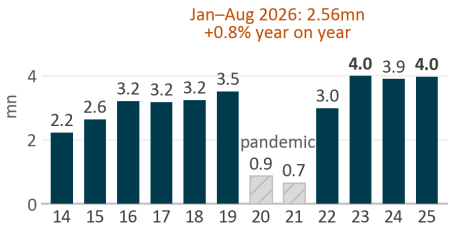
- **Most apartments in Greater Muscat are priced at what an ordinary buyer can afford with a mortgage.** In most areas the typical apartment on the market costs no more than a standard home loan or a normal salary can pay for, so new projects at today's price levels have a broad base of Omani buyers. Premium freehold such as Al Mouj is a separate case: a resort product open to all nationalities, bought for lifestyle and investment, and still priced 30–49% below comparable freehold in Dubai, Abu Dhabi and Doha. For developers this means pricing mainstream apartments at what a mortgage buys in each area, while premium freehold competes on location and quality at a discount to the Gulf (Figure 7).
- **Will there be enough demand to meet new projects?** Oman has announced a wave of major projects and future cities in just three years, making demand absorption the report's central question. Unlike Dubai, Oman lacks a comparable track record of large-scale development. Al Mouj's planned 8,000 homes are less than half Sultan Haitham City's planned 20,000 homes. But the underlying demand comes from an expanding resident population: we estimate around [redacted] additional Omani households and [redacted] additional expatriate households annually in Greater Muscat in 2027–30. With almost all of Muscat's expatriate households renting, much of this demand supports rental housing, alongside homes for Omani families.
- **Tourism has recovered fully from the pandemic and now exceeds pre-COVID levels.** Hotel check-ins reached 5.1mn in 2025, 31% above 2019, with Omani visitors up 41% and foreign visitors up 24% (Figure 8). Room-nights sold halved in 2020 and have since climbed to 62% above their 2016 level, while rooms more than doubled, so supply has grown faster than demand (Figure 9). We project Muscat's hotel demand to rise from 3.4mn room-nights in 2025 to [redacted] if historical growth persists, which licensed rooms and announced projects already cover, so the investment case hinges on destination-specific seasonality rather than room numbers. Distinct visitor markets in Dhofar and Jabal Akhdar support selective opportunities, and upside to this base case could drive higher occupancy and support additional hotel development (page **Error! Bookmark not defined.**).
- **Our selective approach to housing and tourism: In housing,** we favour family homes priced around buyers' financing capacity, with unit sizes and construction phases aligned with effective demand. Government-supported housing loans imply maximum budgets of around OMR66,700, rising to OMR88,900 in eligible integrated communities — useful benchmarks for pricing and product design. In tourism, we favour hotels targeting clearly defined visitor segments, with year-round revenues sufficient to cover operating and financing costs. Outside the pandemic years, occupancy at hotels below four stars has remained below one-third since 2018, highlighting the risks of adding capacity without a clear demand base.

Figure 6. Asking prices by tier against lending limits, Greater Muscat, Apr-2026, OMR '000



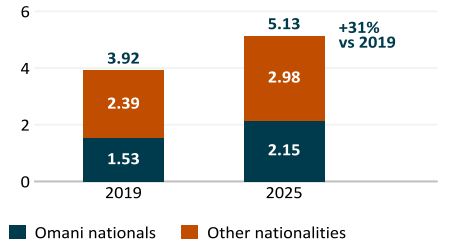
Source:OIB Research.

Figure 7. Inbound visitors, Oman, 2014–25, mn



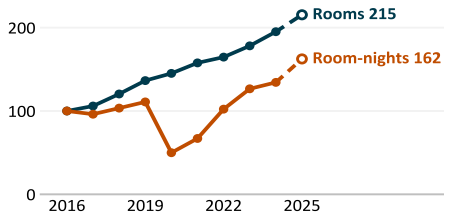
Source: NCSI; OIB Research.

Figure 8. Hotel check-ins by nationality, Oman, 2019 and 2025, mn



Source: NCSI; OIB Research.

Figure 9. Rooms and room-nights sold, Oman, 2016–25, index 2016 = 100



Source: NCSI; OIB Research.

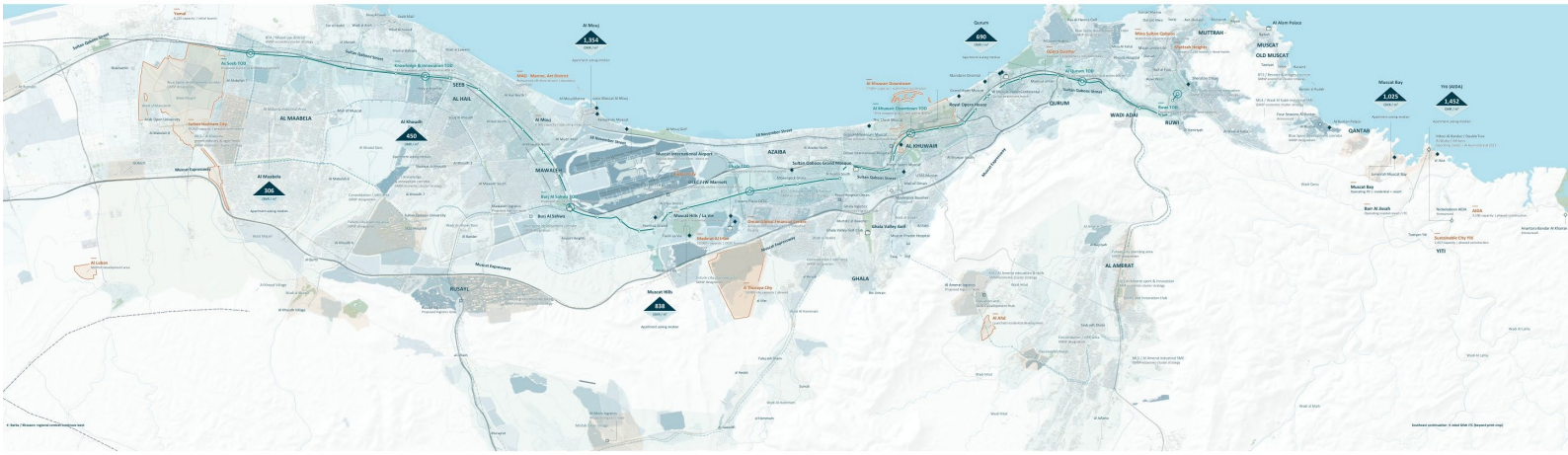
One metropolitan corridor, five continuous views

Greater Muscat connects land, housing and tourism through one geography. The airport links established eastern neighbourhoods with western growth; coast and mountains shape access to employment and development. The map combines existing urban fabric, projects, transport proposals and investment anchors.

Established, emerging and proposed locations differ commercially: proximity explains positioning; delivery, ownership eligibility and demonstrated absorption determine opportunity. Coastal development links residential supply to destination economics.

Read from west to east. One continuous model links western growth, the established city and the eastern tourism corridor.

WEST **ONE CONTINUOUS MODEL** **EAST**



01	02	03	04	05
Seeb / west	**Airport / Al Mouj**	**Irfan / Ghala**	**Qurum / Muttrah**	**Yiti / coast**

READING THE MAP

- Proposed LRT + stops
- Proposed BRT
- Commuter rail
- GCC rail concept
- Freight corridor
- Future project

Reading the model. Home counts are programme capacities, not simultaneous delivery. Apartment diamonds show asking medians (OMR/sq m); small diamonds mark hotels; open symbols identify announced assets. Rings mark proposed transit-oriented development; public land is outlined and source-plan underutilised land is hatched.

Extent and interpretation. Seeb-Yiti; Barka/Khazaen and Jebel Sifah continue beyond the map. Terrain 1x; buildings 4x for legibility. Heights, proposals, alignments and boundaries are indicative. Delivery timing remains in the report's phase analysis.

To view the full map, please contact our Research Team at **researchteam@oib.om** or register through our Research Portal.

Source: MoHUP; © OpenStreetMap contributors; Overture; Microsoft; Copernicus DEM; OIB Research.

بنك الاستثمار العُماني
Oman Investment Bank

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