Gulf Property

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MAY, 2018

The region's premier monthly for lifestyle, real estate and construction

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Middle East home to super-rich homeowners

Dubai records Dh58 bn realty transactions in Q1

COVER STORY
Josef Kleindienst, Chairman of Kleindienst Group

EXCLUSIVE INTERVIEW
Emiel Van Dijk, General Manager of Swissotel Al Ghurair

Josef Kleindienst

The man who delivers dreams

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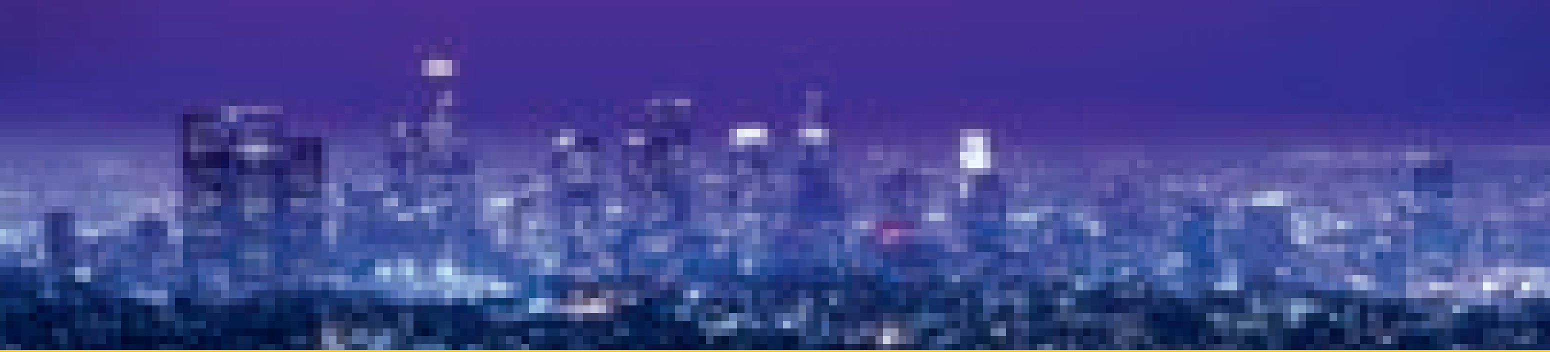
FOCUS ON INDIA

IREX INTERNATIONAL REAL ESTATE EXPO 2018



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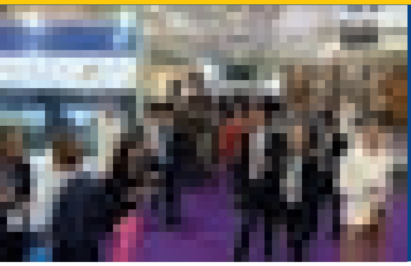

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EDITORIAL

Real estate market shows signs of slowdown

Property developers continue to build and deliver projects amid a slowdown in sales and marketing activities

The slowdown in the real estate market is now quite visible and almost all the developers and brokers are feeling the impact. Many apartment complexes in Deira and Bur Dubai are full of 'To-Let' signs – a symptom that the market has shifted towards the tenants and buyers. Although the landlords and developers are trying to hold on to the existing rents and prices at their best, things are not moving as per their plans.

Having said that, certain developers such as Emaar, Nakheel, Dubai Properties, Damac, Azizi and Danube Properties are having no problems in selling their properties – off-plan and those ready to move in. For some reasons they are still selling and doing a very good job at that!

Although one might feel bad about the current slowdown, this in a way, was inevitable as the market forces eventually control the prices and rents – not speculation or artificial influences. Prices and rents move according to the demand and supply curves. These are signs of market maturity and the current downward trend is a very good indication that the real estate market in parts of the UAE has matured.

The good news is that the market is now very well-regulated and the new deliveries this year is going to bring down the prices to a new level, so much so that the end-users from the middle income group that had so far being priced out – might start rushing in to snap up the ready-to-move-in properties that could eventually push the market back to growth mode.

Having said that, the low-price and low-rent environment is going to be the new normal for the real estate market – be it freehold sales or rental market – and all of us, including landlords and developers will have to get used to it, sooner than later.

– T. Akhtar

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GULF PROPERTY
The region's premier monthly for lifestyle, real estate, construction and building materials

EDITORIAL

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CIRCULATION
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ME consumers now cost-conscious

Middle East consumers are becoming more cost-conscious, less brand-loyal and rapidly shifting purchasing behaviours, a latest consumer survey by McKinsey & Company said.

Approximately 55 per cent of consumers are now actively looking for savings across markets, with those in Saudi Arabia leading the pack. They are finding creative ways to spend less and more actively considering alternative brands than in previous years.

The 2018 Middle East Sentiment Survey by McKinsey & Company reveals that almost 35 per cent of consumers now look to buy their preferred brands at any cost instead of trying out alternative brands at cheaper prices. This is down from almost 45 per cent in April 2017.

The survey also revealed that 78 per cent of consumers in the region changed their buying habits to save money. Multichannel shoppers have cut spending in all channels and increasingly favour discount formats and chain grocery stores.

KSA and UAE consumers felt they were forced, over the last two years, to make adjustments to their spending habits and now feel more confident about spending disposable income, in order to regain some of their lost purchasing power.

In KSA, 34 per cent of consumers are looking to buy their preferred brands at any price point, as compared to 42 per cent in April 2017. In UAE, this number was 34 per cent as compared to 41 per cent in 2017.

"Interestingly, consumers in UAE and KSA responded similarly to most questions that were put to them and despite fluctuating financial sentiment, they believe they are saving and delaying purchases less than in Spring 2017," says Gemma D'Auria, leader of the Retail practice in McKinsey's Middle East office.

McKinsey's 2018 Middle East Sentiment Survey classifies shoppers into five categories based on their behaviour – savvy cost-cutters, thrifty brand loyalists, selective splurgers, trade-down converts and multi-channel shoppers.

Across the globe, more consumers traded up to more expensive brands, while fewer consumers traded down to cheaper options. Although the overall consumer sentiment illustrates a shift towards cost consciousness, the market remains fragmented with a consistent and sizeable number of consumers still willing to trade up to higher value or luxury brands.

78%

consumers changed buying habits

In the region, almost 16 per cent traded down and 11 per cent traded up in this year's survey. Consumers in UAE and KSA continue to move away from mid-market brands. UAE was ranked 8th and KSA was ranked 11th in the list of countries where consumers were trading up, from among a group of 30 countries. In the UAE, 14 per cent traded down and 12 per cent traded up while in the KSA 16 per cent traded down and 11 per cent traded up in this year's survey.

In the region, approximately 54 per cent of those who have opted to trade down were happy with this decision with 46 per cent admitting a desire to return to their old brands. In the KSA, 45 per cent of those trading down expressed satisfaction, up from 41 per cent in Sept 2016.

"People are becoming less brand loyal. Earlier, they were looking more for preferred brands in cheaper channels, now they are more inclined to try and stick with lower cost brands – a shift which we attribute to an increase in the perceived and real quality of private label and lower tier brands," added Gemma D'Auria.

UAE non-oil growth loses stream: PMI

Growth momentum in UAE's non-oil private sector continues to ease, according to the Emirates NBD Dubai Purchasing Managers' Index (PMI)

Growth momentum in the UAE's non-oil private sector continued to ease pace at the end of the first quarter, with the latest data signalling the most muted expansion seen since May last year, according to UAE Purchasing Managers' Index, supplied by Emirates NBD.

"Easing new order, output and employment improvements, alongside stagnant foreign demand for goods and services contributed to the softer growth registered in March," said a statement.

The survey, sponsored by Emirates NBD and produced by IHS Markit, contains original data collected from a monthly survey of business conditions in the UAE non-oil private sector.

Daniel Richards, MENA Economist at Emirates NBD, said: "Although the UAE's PMI score continues to moderate from the pre-VAT boost enjoyed at the end of 2017, it remains firmly in expansionary territory, and continued discounting by firms should help stimulate demand. Firms are more positive towards future output than they were last month, reflecting new orders that remain strong at 60.2."

The headline seasonally adjusted Emirates NBD UAE Purchasing Managers' Index (PMI) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – eased to 54.8 in March, down from 55.1 in February.

The figure indicated a marked expansion overall, and one that was fractionally above the long-run average. That said, the rate of growth eased for the third month running, reaching a ten-month low in March's survey.

Output growth softened to a 23-month low during the latest survey. Some clients linked the rise to new project wins. Incoming new business remained in sharp growth territory, posting above the long-run average in March.

Despite domestic new business growth remaining strong, orders from abroad deteriorated in the latest survey, thereby ending a three-month sequence of growth.

Private sector firms in the UAE's non-oil private sector reported easing job creation during March. Moreover, the rate of employment growth slipped to a 17-month low.

In terms of inflation, price pressures eased further since the recent peak at the start of 2018.

The rate of input cost inflation was marginal overall, and the weakest registered since May 2017. In line with easing cost pressures, businesses offered price discounting to stimulate client demand for the second month running.

Confidence in the non-oil private sector improved since February, and was strongly positive overall. New project wins alongside an expected global economic upturn underpinned positive sentiment in March.

UAE investors inject $16bn in foreign countries

UAE investors invested US$16 bn in foreign countries in 2016 and remain well-positioned to support key growth economies, a top official said.

The UAE International Investors Council (UAEIIC), a semi-government institution under the chairmanship of the UAE Minister of Economy, has urged the UAE businesses to invest their resources in high-growth and investor-friendly countries, as it started exploring opportunities in key investment destinations.

Jamal Al-Jarwan, Secretary-General of the UAEIIC, said the UAEIIC is playing an instrumental role in bridging the gap between public and private sector as well as spearheading UAE's investment in other countries.

Foreign Direct Investment (FDI) flow in to the UAE reaches $10.3 billion in 2017, up from US$9.6 billion in 2016, according to the UAE Competitiveness and Statistics Authority. The UAE ranks 23 in the world in terms of FDI outflow and the first in the Middle East – making it a net capital exporting country in the world. Al Jarwan said the UAE has become the centre of the world's focus as its investors – individual, corporate, institutional and Sovereign Wealth Funds (SWFs) – have made great contribution to the economies.

DREI brings Harvard courses

The Dubai Real Estate Institute (DREI), the educational arm of Dubai Land Department (DLD), is organising an exclusive executive course from Harvard University focusing on strategic management and innovation in the real estate sector. The two-day course will be held at the Institute's headquarters at DLD.

Mahmoud El Burai, CEO of DREI, said: "We are pleased to announce the strategic management and innovation programme in the real estate sector in cooperation with Harvard University, which aims to raise efficiency among all personnel employed in the market and disseminate real estate knowledge in line with DREI's mission and vision. This course is a real opportunity for UAE real estate professionals and any other individuals seeking to develop their skills in strategy and innovation, and gain specialised knowledge from experts in this field."

The course is aimed at professionals working in Dubai's property sector. It specialises in the basics of strategic management and also addresses the strategic approach to real estate innovation. Participants will learn about internal analysis methods to discover strengths and weaknesses, as well as external analysis to identify threats and opportunities. ■

Business confidence in Dubai improves

Economic conditions in Dubai during the first quarter of 2018 (January-March) have improved over the same quarter of last year, and also over Q4 2017, the latest business confidence survey conducted by the Department of Economic Development (DED) shows.

"The Composite Business Confidence Index has improved by 5.5 points after registering 116.7 points in the first quarter of 2018 as compared to 111.2 points during the same quarter of 2017. Furthermore, the outlook for the second quarter of 2018 appears to be even more promising as businesses are anticipating better outcomes on revenues, sales volumes, profits and new orders," a report by the DED, says.

"The brighter global economic prospects, coupled with strengthening oil prices and improvement in global trade are supplementing Dubai's continued investment in infrastructure, diversification, and economic transformation to a knowledge-based economy. These developments have translated into better returns on investment and are contributing to an expected pickup in growth from 2.8 percent in 2017 in real terms to an anticipated 3.5 percent in 2018."

Looking ahead, the continued drive to meet Expo 2020 infrastructure needs, the easing of the fiscal adjustment in the Emirate, and the recent announcements by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, of a freeze in government fees for the next three years, and new measures to boost investment and cut cost of doing business are all adding to the upbeat business sentiments.

Emirate-wide, the outlooks across all the indicators have improved. For example, sentiments on sales revenues have increased from 26 percent for the first quarter of 2018 to 37 percent in the second quarter of 2018, and 35 percent of respondents expect higher sales volumes, up from 22 percent for the first quarter of 2018.

Trade sector appears to be the most confident about their business prospects. The services sector is the most optimistic about its hiring expectations. Within the trading sector, auto traders are optimistic of higher volumes during the second quarter of 2018 with a net balance of 75 percent based on higher demand. Exporters are more upbeat than domestic market-oriented firms across all the parameters in the Survey.

Half of the Survey respondents expect the business situation to improve in the second quarter of 2018 compared to 41 percent in the previous quarter. Competition remains the topmost challenge for firms operating in Dubai, as cited by 19 percent of the respondents. ■

Dubai Land Dept. plans mortgage law

Dubai Land Department has submitted a number of proposal including one to develop a new Mortgage Law to the Executive Council that will help the emirate attract new institutional and portfolio investment in to the emirate's real estate sector that has been softening in recent months due to oversupply and weak demand.

"Dubai Land Department (DLD) has announced a number of new initiatives that aim to support the emirate's economic diversification strategy by establishing Dubai's real estate sector as the world's leading property destination. The initiatives will see DLD developing a new mortgage and finance law in order to stimulate investment and streamline financial mechanisms in the real estate market," an official statement said.

"DLD's initiatives were presented to HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, as part of a series of initiatives that aim to stimulate economic growth. The Executive Council will implement the initiatives based on the directives of Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council.

"The main objective of the initiatives is to develop Dubai's mortgage law to attract foreign investors and public joint stock companies listed on the NASDAQ market. They will also encourage alternative financing methods and enable investors to diversify their investments in the real estate sector, catering to investors with small and medium-sized portfolios," the statement said.

Sultan Butti Bin Mejren, Director-General of Dubai Land Department – leading the changes

The development of Dubai's mortgage and finance systems will involve issuing a real estate legislation package that will have a positive impact on supporting the development of the sector. It will also strengthen partnerships between the public and private sectors to develop mortgage finance systems and mechanisms, leading to the identification of mortgage engines in Dubai's real estate market.

On a larger scale, the initiatives stress the importance of financial stability, economic diversification, government spending and the Dubai Plan 2021, and will allow the real estate market to mature by creating an enhanced property investment environment that is transparent and safe for all investors.

Sultan Butti bin Mejren, Director General of DLD, commented: "By developing Dubai's mortgage law, we will help real estate organisations to operate in perfect harmony and enhance their smart resources to provide the best possible services to customers, support the GDP, and create strong new investment tributaries."

Bin Mejren highlighted that DLD remains committed to pursuing best practices in the real estate sector and attracting both Islamic and private real estate investment portfolios. Alongside its mortgage law initiative, DLD has also submitted a proposal to cooperate with public joint stock companies to encourage alternative financing methods.

"DLD seeks to attract foreign investment property portfolios in line with the directives of the Government of Dubai to position Dubai as the world's leading investment destination and keep abreast of global economic changes," the statement said.

Bin Mejren added: "The implementation of this initiative will help to stimulate real estate investment and raise financial and economic efficiency.

"We hope that this will enhance economic growth, improve Dubai's business environment by making it more efficient and attractive, develop competitiveness, encourage innovation and efficiency, and strengthen Dubai's position globally."

DLD hopes that these regulations will be a key factor in protecting the rights of all investors. Through regular transactions, mortgage procedures in Dubai will lead to greater confidence.

Bin Mejren concluded: "The economy will have multiple sectors to ensure its sustainability, especially in light of the growing efforts of various government entities to work to the highest standards. We look forward to being an active contributor to the sustainability of Dubai's economy and enhancing its ability to achieve sustainable growth as one of the world's best economies."

An artist's impression of a new towship in Islamabad, Pakistan's capital city

Pakistanis invest Dh24.98 billion in Dubai real estate

Pakistani nationals have invested Dh24.98 billion in Dubai's real estate through 19,955 transactions in the last four years (2014-2017), according to Dubai Land Department (DLD) making them the third largest non-Arab investor group by nationality. However, as the Pakistani economy looks strong, major Middle Eastern investors are looking at the Pakistani real estate market for investment.

UAE-based BMS International Commercial Investment LLC, one of the Royal Group Companies of Sheikh Saeed Bin Khalifa Al Nahyan, has shown interest in investing $3 billion in different economic sectors of Pakistan, with a focus on real estate. In December 2017, Egyptian tycoon Naguib Sawiris of Ora Developers and Pakistan's Saif Group announced investing over $2 billion in real estate ventures in Islamabad.

Pakistan's near-term outlook for economic growth is broadly favourable, the International Monetary Fund (IMF), said in a recent statement. "Real GDP is expected to grow by 5.6 percent in FY 2017/18, supported by improved power supply, investment related to the China-Pakistan Economic Corridor (CPEC), strong consumption growth, and ongoing recovery in agriculture," the IMF said in a statement in March 2018.

Total Foreign direct investment into Pakistan surged 68.9 per cent to $4.45 billion in the nine months of FY2018, central bank says.

With a population of 208 million people, Pakistan is suffering a shortage of 12 million houses, said a latest report. Pakistan's growing economy supported by its investment sector has remained instrumental to the country's economic growth over the last five years. With a spend of about $5.2 billion on real estate construction backed up by price correction of up to 20 percent and major advancements in the overall industry dynamics, the property market has enabled strong returns among investors compared to other investment avenues. Likewise, recent studies have indicated a significant move in the Pakistan's real estate market towards overseas investment. Pakistan's property buyers have increasingly secured homes and investment in Europe, GCC, Canada and UK.

Global real estate transaction value reached $698 billion in 2017, 6 percent above the total transacted in 2016, according to Jones Lang LaSalle. Pakistani investors represented a good chunk of this. DOME Exhibitions in collaboration with Pakistan's leading media house Jang Media Group is back this year to bring the International Real Estate Investment opportunities in the heart of Pakistan with its much-awaited participation at the Dream Home Expo, Pakistan's leading property and investment exhibition.

At A Glance

$5 billion

investment from the Middle East to boost Pakistan realty

12 million

housing shortage in Pakistan

$5.2 billion

annual spend on real estate and construction in Pakistan

"Pakistanis have increasingly been investing within Pakistan and in international markets. Such investors have made their mark in countries across the world, acquiring not just investments but also citizenship opportunities through various investment programs," said Antoine Georges, Managing Director of DOME Exhibitions, International Pavilion organizer of the exhibition.

Set to bring the best that the region has to offer, Jang Media Group, the organiser of "Dream Home Expo" from 11-13 May at the Pak-China Friendship Centre, Islamabad, Pakistan. This year's show will host global property developers, brokerage from Europe, Canada, UK, USA, Cyprus and UAE. As many as 30,000 people are expected to visit the show.

International Real Estate and Investment Show (IREIS) Islamabad will also serve as a comprehensive meeting place where high net worth individuals and real estate leaders can discuss the latest trends across the local, regional and international level on the industry.

"IREIS is the perfect venue for investors and aspiring individuals to find the right investment opportunity in the comfort of Islamabad. Visitors can look forward to expert advise from the country's finance houses, developers and agents who will guide them throughout the decision and purchases process," concluded Georges.

Emaar Development nets Dh819m profit

Emaar Development, the UAE build-to-sell property development business majority-owned by Emaar Properties, recorded a 62 per cent growth in net profit to Dh819 million (US$223 million) during the first quarter (January to March) of 2018 compared to Dh506 million (US$138 million) in the corresponding period in 2017.

Revenue for the first quarter of 2018 grew by 95 per cent to Dh3.27 billion ($890 million) compared to Dh1.67 billion ($455 million), reflecting strong construction progress focused on timely delivery. The company recorded sales of Dh3.91 billion ($1.06 billion) in the first three months of the year and now has a total backlog of Dh41 billion ($11 billion). This highlights the company's strong fundamentals and robust delivery pipeline of over 27,200 residential units in the next four to five years.

In the first quarter of 2018, Emaar Development launched the sale of over 2,500 residential units across its mega-developments with overwhelming response from investors within UAE and international markets.

Dh3.2 b

revenues of Emaar Development in the first quarter of 2018

Mohamed Alabbar, Chairman of Emaar Development, said: "With the listing of Emaar Development, our focus was to unlock its true potential and create added value for our shareholders. This is demonstrated by the growth of the business and focus on delivering high quality projects and service. With our new developments, we are bringing exceptional lifestyle choices that meet the aspirations of our new generation through future city hubs."

In key launches during Q1 2018, Emaar Development unveiled Emaar Beachfront, a private gated island destination in the Arabian Gulf, offering residents the opportunity to experience Miami beach style living in Dubai. The launch of the first project Beach Vista was a sell-out success with strong investor response for subsequent project Sunrise Bay together recording total sales of over Dh1.35 billion ($368 million).

Emaar Development has over 10 mega-developments in its portfolio, and its strategy is to maintain its leadership role in prime residential real estate in Dubai, draw on its significant land bank and partner with leading entities to create sustained value for its shareholders. ■

China gets Atlantis Sanya resort

China's first Atlantis resort, located in the city of Sanya, officially opened on 28 April 2018, culminating four years of anticipation for a close to US Dollar two billion project, developed by owning company - Fosun International and managed by Kerzner International.

Atlantis Sanya promises to redefine holidaymaking and propel Hainan Island into a new era of world-class hospitality and tourism, solidifying the strong ties between the UAE and China.

Atlantis Sanya is an integrated entertainment destination occupying 540,000 square metres of land, designed as a modern interpretation of the mythical city of Atlantis. With a cutting-edge design, towering over Sanya as a new icon of the South China Sea, the new resort features 1,324 rooms and suites including five uniquely-designed Underwater Suites, a now globally-recognised feature of the Atlantis brand.

Over 80 reputable and international firms helped design and bring to life the Atlantis Sanya experience.

Atlantis Sanya's innovative design blends modern aesthetics and sea-inspired imagery with elements from Sanya's rich culture, giving the resort the enchanting look and feel of an aquatic paradise. ■

Nshama launches Rawda homes

Nshama has launched Rawda 2 apartments that are located next to Town Square Park, and offering access for residents to the Reel Cinemas cineplex, and a retail precinct with over 500 retail and F&B outlets in addition to a range of leisure attractions.

The company did not release the commercial price of the properties. With views also opening to the Courtyard and Town Square Boulevard, Rawda 2 comes with an even more affordable choice for home-buyers, with only 10 per cent upfront payment needed, and the fifth instalment to be paid only upon 100 percent completion. The remaining 40 per cent may be paid over two years.

This means, residents can check into their own homes, and make the rest of the payments over the next two years. The second and third instalments of 15 per cent each are also conveniently paced apart at six-month intervals, while the fourth instalment of 10 per cent comes 18 months from now, after the 50 per cent construction milestone is achieved.

The launch of Rawda 2 comes at an exciting phase in the evolution of Town Square Dubai, which has already handed over its first homes, Zahra townhouses. Town Square is set to hand over several residential communities in the coming months. ■

Emaar Malls Q1 2018 profits reach $149m

Emaar Malls, the shopping malls and retail business majority-owned by Emaar Properties, recorded a net profit of Dh548 million (US$ 149 million) during the first quarter (January to March) of 2018, similar to the net profit of Dh539 million ($147 million) in Q1 2017.

This is despite achieving a 24 percent growth in revenue for the first three months of 2018 to Dh1.03 billion ($283 million, higher than the Q1 2017 revenue of Dh836 million ($228 million), primarily due to the consolidation of Namshi revenue in 2018. Highlighting its focus on value creation for shareholders, at its third Annual General Meeting held in April, Emaar Malls approved a cash dividend of Dh1.3 billion ($354 million), equivalent to 10 per cent of share capital, for the third consecutive year.

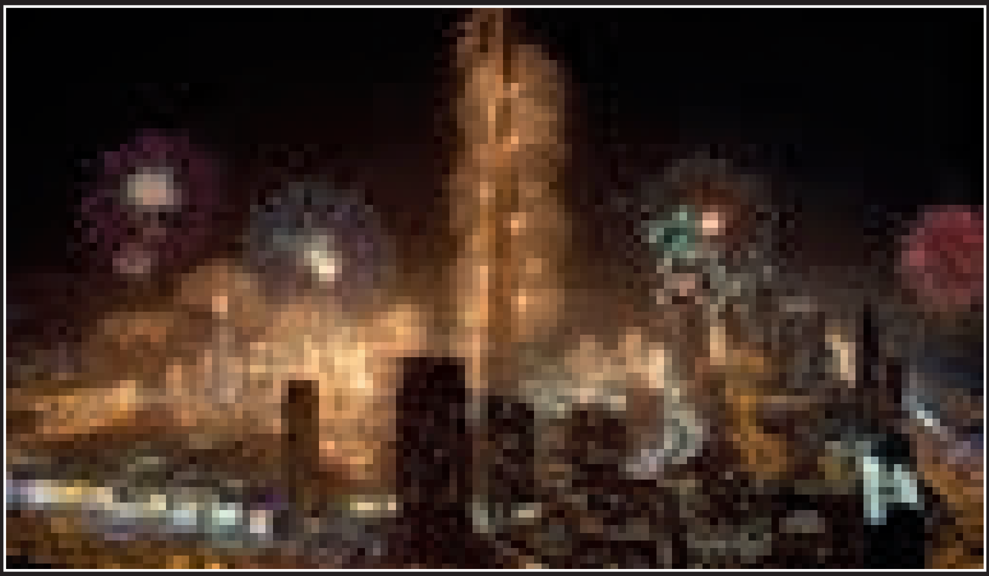
Across the assets of Emaar Malls – including The Dubai Mall, Dubai Marina Mall, Souk Al Bahar, Gold and Diamond Park and community shopping centres – gross leasable area (GLA) occupancy levels were robust at 95 percent. Together these retail destinations welcomed over 35 million visitors in Q1 2018, a growth of 3 per cent over the same period in 2017. The Dubai Mall alone welcomed 21 million visitors.

Mohamed Alabbar, Chairman of Emaar Properties and Board Member of Emaar Malls, said: "We have been shaping the retail sector of Dubai by building world-class retail and leisure destinations as well as ensuring that they offer retail choices that meet the aspirations of today's tech-savvy youth. We will continue to implement innovative approaches that bring back the charm of retail as a family activity, with a focus on delighting our customers, bringing digital innovation and driving deep customer personalisation and efficiency."

The newly expanded Fashion Avenue adds 600,000 square feet GLA with a total built-up area of 1 million square feet. Bringing 150 brands, the Fashion Avenue continues to be the must-visit destination. Emaar Malls has a gross leasable area of over 6.4 million square feet in Dubai, and has commenced work on The Dubai Mall's Mohammed bin Rashid Boulevard expansion that will link Mohammed bin Rashid Boulevard as well as its Fountain Views and Zabeel expansions of the mall. ■

Dh1m

starting price of Sama Majlis villas at Nasma Residences



Emaar reports Dh1.66 bn profits

Emaar Properties recorded revenue for the first three months of 2018 of Dh5.58 billion ($1.52 billion), 37 per cent higher than the first quarter of 2017 revenue of Dh4.07 billion ($1.1 billion). This was led by significant progress achieved on projects under construction and the growth in malls and hospitality businesses.

Emaar's net profit grew by 20 per cent to Dh1.66 billion ($453 million), prior to considering the effect of the IPO of Emaar Development compared to the net profit of Dh1.38 billion ($377 million) during the same period in 2017. The net profit subsequent to considering impact of Emaar Development IPO in 2017 is Dh1.5 billion ($409 million) for the period, an increase of 8.5 per cent over the same period last year.

Emaar's shopping malls, hospitality and leisure and entertainment businesses together generated recurring revenue of Dh1.83 billion ($499 million) during the first quarter of 2018, accounting for 33 per cent of the total Group revenue. This is 15 per cent higher than the first quarter of 2017 revenue of Dh1.59 billion ($433 million) from these business entities.

Emaar Properties distributed total cash dividend of Dh4 billion ($1.08 billion) from the proceeds of the successful IPO of Emaar Development, in two tranches to the company's shareholders.

Mohamed Alabbar, Chairman of Emaar Properties, said: "Our strategy to build long-term value for our shareholders is to focus on creating future cities that are relevant to our new generation, and to continue to drive the success of our hospitality, malls, leisure and entertainment businesses. We are a customer-first company, and we focus on rapid construction and project delivery. Our achievements are the result of working and winning together – by being open to ideas, welcoming innovation and promoting smart thinking."

In the property business, Emaar marked several new residential launches in Dubai, including the unveiling of a private island destination, Emaar Beachfront. Innovative concepts in modern living were also launched in Dubai Creek Harbour, Dubai Hills Estate, Emaar South and Downtown Dubai.

In its other businesses, Emaar Malls recorded revenues of Dh1.03 billion ($283 million) in the first quarter of 2018, a growth of 24 per cent over the first quarter of 2017 revenue of Dh836 million ($228 million). Its flagship mall development, The Dubai Mall marked the opening of its expanded Fashion Avenue – which has the largest collection of renowned global brands under one roof. It brings an additional 150 luxury brands and several innovative attractions to the world's most-visited retail and lifestyle destination.

Emaar's hospitality, commercial leasing and entertainment businesses reported revenues of Dh795 million ($216 million) during the first quarter of 2018, 5 per cent higher than the first quarter of 2017 revenue of Dh756 million ($206 million) during the first quarter of 2017. Emaar Hospitality brands – Address Hotels + Resorts, Vida Hotels and Resorts and Rove Hotels – recorded an average occupancy of 90 per cent.

Emaar Hospitality Group also marked a historic milestone of 50 hotel projects in its portfolio currently, including 35 upcoming projects in the UAE and international markets, as well as 15 hotels and serviced residences that are operational in Dubai. The Group opened Rove Dubai Marina in April 2018. This is in addition to its expanding presence in international markets such as Saudi Arabia, Bahrain, Egypt, Turkey and The Maldives. ■

At A Glance

$1.52 billion
Emaar Properties revenues in the first quarter of 2018

$453 million
Emaar Properties net profits in the first quarter of 2018

$1.08 billion
cash dividends distributed by Emaar Properties in the first quarter of 2018

Seven Tides unveils 10% RoI on homes

UAE-headquartered property developer Seven Tides has launched a guaranteed 10 percent annual return on investment over five years for selected apartments at its SE7EN Residences The Palm development.

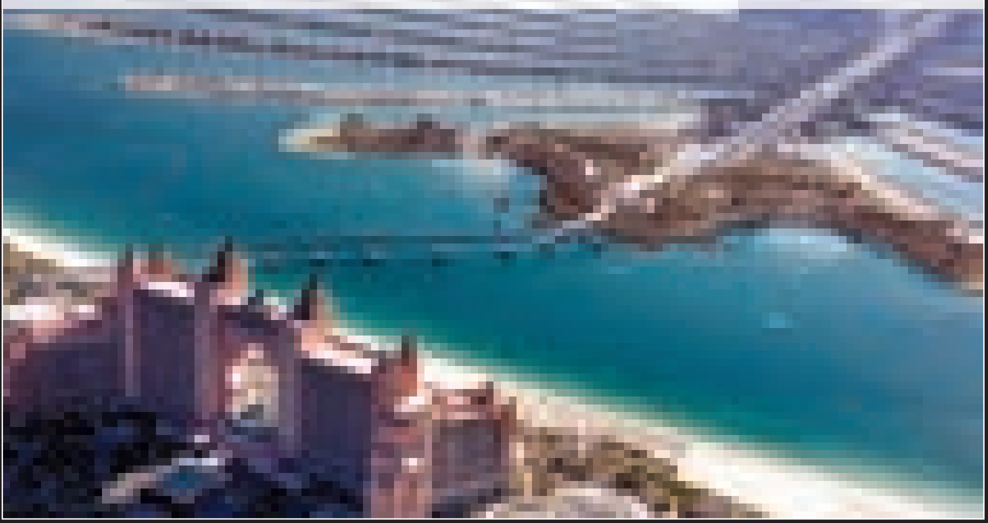
The offer is available on a limited number of studio and one-bedroom apartments located in the south tower of the Palm Jumeirah project.

Units are priced at Dh990,000 for studios and Dh1.9 million for one-bedroom apartments.

Apartments are sold unfurnished with high-end fittings and finishes. They will come equipped with soft clothes drawer built-in wardrobes, as well as white goods including a fridge, washing machine and cooking range appliances. The 14-storey two tower complex, which is situated next to Seven Tides' second development on the Palm, Dukes Dubai, has direct beach access. There will also be two restaurants at either side of the swimming pool and a fully equipped gymnasium.

Abdulla Bin Sulayem, CEO of Seven Tides, said: "This offer provides a developer-backed guaranteed 10 percent return on investment for five years, where owners will enjoy complete peace of mind knowing that their investment is in the professional hands of the Seven Tides management team." ■

Nakheel reports Dh1.55bn Q1 profit



Palm Jumeirah – Nakheel's iconic development

Nakheel, developer of two palm-shaped islands off the coast of Dubai, reported a 5 percent increase in net profit to Dh1.55 billion in the first quarter of 2018 – up on the first quarter profits reported in 2017.

The master developer handed over nearly 200 land and built form units to customers during the first quarter of 2018, and sold the last available villas at its new Warsan Village community, with all 934 homes now purchased. Meanwhile, its retail, hospitality and residential leasing businesses all continued to perform robustly.

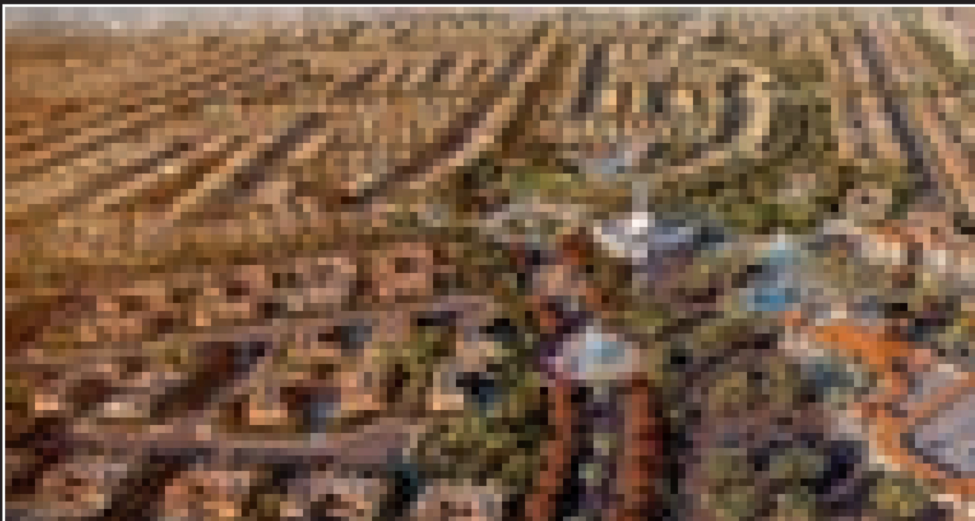
Between 1 January and 31 March 2018, Nakheel officially signed construction contracts worth almost Dh5 billion. Among them: an Dh4.2 billion contract for Deira Mall at Deira Islands, and an Dh385 million contract for its first joint venture at Deira Islands – the 800-room beachfront hotel and waterpark from Spain's RIU Hotels and Resorts.

The first quarter of 2018 also saw significant construction progress at several Nakheel residential, retail and hospitality projects, including The Palm Tower, Nakheel Mall and The Palm Gateway on Palm Jumeirah; Deira Islands Night Souk, Deira Mall and the RIU and Centara resorts; and Warsan Souk at Warsan Village.

Nakheel Chairman Ali Rashid Lootah said: "It has been an impressive start to 2018, with our first quarter results reflecting our ongoing delivery and diversification as per our business plan, and our key role in enhancing Dubai's real estate sector – through a growing range of residential, retail and hospitality projects – in line with government goals. As ever, we thank our leaders for their continued trust, support and belief in our company."

Nakheel is a world-leading developer and a major contributor to realising the vision of Dubai for the 21st century: to create a world class destination for living, business and tourism. Nakheel continues to deliver and enhance a growing portfolio of landmark projects in Dubai across the residential, retail, hospitality and leisure sectors.

Its master developments include Palm Jumeirah, The World, Deira Islands, Jumeirah Islands, Jumeirah Village, Jumeirah Park, Jumeirah Heights, the Gardens, Discovery Gardens, Al Furjan, Warsan Village, Dragon City, International City, Jebel Ali Gardens and Nad Al Sheba. Together, these span more than 15,000 hectares and currently provide homes for over 270,000 people. Nakheel has around 25,000 residential units under construction or in the pipeline. ■



Construction work the new phase in Villanova community will start later this year

Dubai Properties unveils villa project

Dubai Properties, a leading real estate master developer of renowned destinations and communities across the emirate, launched a new phase of its highly-successful Villanova community in Dubailand.

The third phase of Amaranta, the green heart of Villanova, is slated to begin in the fourth quarter of this year with completion scheduled for the fourth quarter of 2020.

The 2, 3, and 4 bedroom townhouses of Amaranta echo the haciendas of modern Spanish design. The carefully planned two-storey designs offer spacious floor plans that encourage a laid-back and relaxed lifestyle. The community layout create an intimate neighborhood for all Amaranta residents.

Amaranta 3 will comprise over 300 three- and four-bedroom townhouses, sporting Spanish façades. The aesthetics of each unit will draw inspiration from the detail found in Mediterranean architecture. The meticulously designed two-storey houses will feature elegantly finished interiors and bright natural colours that create an ideal setting for a stress-free and relaxed lifestyle.

300 townhouses planned under the new phase

Marwan Al Kindi, Executive Director of Sales and Sales Operations at Dubai Properties, said: "At Dubai Properties, we believe a home is not the house you buy, it's the memories you create with your loved ones and the feeling that you're in the place you cherish the most in the world the moment you walk through the door. Villanova offers community living with a modern Mediterranean flair amidst one of Dubai's most serene landscapes."

Set to sprawl across 18,000 square metres of verdant greenery, gardens and common spaces, Amaranta 3 also serves as the perfect venue to host family gatherings. Additional amenities will include private parking, picnic areas, pool, playground, sports court, cycling track and running track. The neighbourhood layout will promote a community lifestyle.

Villanova is an easily accessible residential community in Dubailand, located at the intersection of the Dubai – Al Ain Road and Emirates Road. Centrally located only five minutes away from Sheikh Mohammed Bin Zayed Road, Villanova is 15 minutes away from Al Maktoum International Airport and 15 minutes from the Expo 2020 site. ■

Azizi awards Dh440 million worth of two contracts

Azizi Developments, one of the leading private developers in the UAE, has awarded two construction contracts worth Dh440 million for the development of two buildings in Dubai Healthcare City.

The construction of the buildings began on 1 April 2018 and is advancing at a rapid pace. Zahrat Al Safa Contracting LLC has been appointed to construct the two buildings in Dubai Healthcare City, with each contract valued at Dh220 million.

Fawad Azizi will have a total of 396 units, including 201 studios, 165 one-bedroom apartments and 30 two-bedroom apartments; and Jawad Azizi will have 383 total units, including 216 studios, 137 one-bedroom apartments and 30 two-bedroom apartments.

Other two projects by Azizi Developments in DHCC include Azizi Aliyah Residences and Farhad Azizi.

Azizi Aliyah Residences is a Dh470 million project that will offer a total of 346 fully serviced residences with 191 studios, 135 one-bedroom apartments and 20 two-bedroom apartments, along with upscale retail space of 16,000 square feet and Farhad Azizi will have a total of 634 units, including 396 studios, 218 one-bedroom apartments and 20 two-bedroom apartments. ■

Banyan Tree sells Dh100m worth of units

Sweid and Sweid, a UAE developer, said, it has sold over Dh100 million during the pre-launch phase of the Middle East's first Banyan Tree Residences during the first month of sales.

Prices start from Dh1.49 million for a one-bedroom, Dh2.3 million for a two-bedroom, and Dh3.9 million for a three-bedroom unit. With just a 5 percent reservation fee the residences are being marketed on a 30:70 payment plan with banks offering a 20+ year mortgage on the 70 percent final payment.

Due for handover in just 17 months (Q3 2019), the G+31 storey tower will become Dubai's first urban residential resort. Located on a sprawling 110,000 square foot site, 90 percent of the area has been dedicated to resort-style amenities and lush landscaping – with the remaining 10 percent for the tower footprint.

The property's amenities feature a clubhouse including a Banyan Tree Spa, a state-of-the-art fitness centre with saunas and squash court, an indoor children's play area, and a poolside cafe.

Outdoors the residents will enjoy a resort pool stretching over 30 meters, a children's pool and play areas, and an expansive lawn and flower garden. Operations of all the facilities will be overseen by a Director of Residences, appointed by the Banyan Tree Group. ■

Metac gets Dh825m Nad Al Sheba Mall contract

An artist's impression of the Dh825 million Nad Al Sheeba Mall

Master developer Nakheel awarded a contract worth Dh595 million for the construction of Nad Al Sheba Mall, its new, 1.4 million square foot shopping, dining and entertainment destination that has a total development value of Dh825 million.

Nakheel has appointed Metac General Contracting Company to build the mall, which will have 200 shops, restaurants and entertainment outlets spread across 500,000 square feet of leasable space. It is due for completion in 2021.

Nad Al Sheba Mall will have two supermarkets including Spinneys and Union Co-Operative, department stores, a multi-screen cinema, medical clinic, fitness centre and a host of restaurants and cafes.

Located just off Sheikh Mohammed Bin Zayed Road, the mall will be the vibrant centrepiece of Dubai's Nad Al Sheba district, a well-populated, ever-growing community with over 11,000 high-end villas.

The area includes Nakheel's own community of 1,572 villas, 468 of which are being built by Metac under an Dh781 million contract awarded in 2015. The community has its own clubhouse, pool, sports courts and cycling track. Villas will be available for lease from early 2019.

At A Glance

Dh22 billion
being invested by Nakheel in retail portfolio

Dh4.2 billion
contract for Deira Mall has been awarded already

4.5 million
square feet Nakheel's existing retail space

Nad Al Sheba Mall is part of Nakheel Mall's Dh22 billion expansion that will take its total retail space to over 17 million square feet. The construction award comes two months after the company awarded a contract for Dh4.2 billion to build Deira Mall, the biggest mall in the Middle East in terms of leasable space.

Nakheel Malls' portfolio comprises 18 projects, including large-scale malls, souks and neighbourhood retail Pavilions. More than 4.5 million square feet of shop space is already in operation at several large-scale and neighbourhood retail developments, including the world-famous Ibn Battuta Mall and Dragon Mart, which together welcome more than 60 million visitors a year.

The company's diverse range of upcoming projects across Dubai will add 12.5 million square feet, through thousands of new shops, restaurants and unique attractions, to the mix. ■

Ali Rashid Lootah, Nakheel Chairman; Keeree Kanjanapas, U City PCL Chairman; Piyaporn Phanachet, U City PCL CEO; and Rupert Simoner, CEO of Vienna International Hotel Management AG

Nakheel, VH to build $160m hotel

Dubai-based master developer Nakheel is planning a new partnership with Austria's largest independent hotel chain, Vienna House, to create a US$160 million, 600-room beachfront resort at Deira Islands, adding yet another international hospitality brand to the emirate's ever-growing choice of accommodation.

News of the planned resort – the first for Vienna House in the Middle East – was outlined at a Letter of Intent signing in Bangkok, home of Vienna House's parent company, U City PCL. The ceremony was attended by Ali Rashid Lootah, Nakheel Chairman; Keeree Kanjanapas, U City PCL Chairman; Piyaporn Phanachet, U City PCL CEO; and Mr Rupert Simoner, CEO of Vienna International Hotel Management AG.

Under the planned partnership, the two companies will build a beachfront holiday complex – Vienna House Deira Beach – at Deira Islands, Nakheel's new, 15.3 square kilometres master planned waterfront city that is transforming the area traditionally known as 'Old Dubai' into a world-class hub for living, leisure, tourism and retail.

Ali Rashid Lootah, said: "We are delighted to be working with Vienna House on this unique new concept for Deira Islands. Our ongoing strategy is to being new, highly-reputable hospitality brands and concepts to Dubai as part of our commitment to supporting the government in realising its tourism vision. Vienna House at Deira Islands will be a shining example of how this strategy is coming to fruition.

"Vienna House has an enviable track record in hotel management and is renowned for its excellent service and hospitality across Europe. We look forward to welcoming this new brand into our ever-growing portfolio of global hospitality partners."

The planned Vienna House partnership is Naheel's third hospitality joint venture at Deira Islands. The developer already has 1,400 rooms under way through joint-ventures with Spain's RIU Hotels and Resorts and Thailand's Centara Hotels and Resorts. In total, Nakheel has more than 3,600 keys at Deira Islands through existing or upcoming joint ventures or hotel management agreements.

Vienna House, the largest independent hotel chain in Austria, currently has more than 30 hotels across nine countries, and employees around 2,400 people. While each hotel has its own character, all have one aim: to inspire guests. Deira Islands is adding 40 kilometres, including 21 kilometres of beachfront, to Dubai's coastline.

UAE hotels face up to Dh3.8m in lost revenue

Hotel operators in the UAE are preparing themselves for a period of challenging trading conditions as Ramadan and the subsequent summer season become ever closer, according to Markus Oberlin, CEO of leading UAE-based FM and sustainability consultancy Farnek.

Seasoned UAE hotel managers know that generating revenue over the next few months will be challenging, especially given the increase in supply and the subdued seasonal demand, which results in softer occupancy levels and rates.

Overall, Chris Hewett, director at TRI Consulting, estimated that RevPAR in 2018 could drop by as much as 7 percent, once compared with last year. Indeed, the latest Q1 2018 industry figures released by STR support TRI's forecast with RevPAR down 2.6 percent and 4 percent in Dubai and Abu Dhabi respectively.

"Converting that into cash, a hotel with 250 rooms, running at 80 percent occupancy, with an average rate of Dh750, could lose as much as Dh3.8 million in revenue over the course of a year. So, hotels will need to make savings to protect bottom lines, without compromising service levels," said Oberlin, "the question is how and where?"

REALTYBYTES

Citymax adds 204 keys in Ras Al Khaimah

Citymax Hotels, part of Landmark Group along with its Partner ST Group, is all set for the opening of its Citymax Hotel Ras Al Khaimah in the fourth quarter of 2018.

Sanjay Dube, Chief Executive Officer at Landmark Hospitality Division and Sheikh Salem Sultan Saqr Al Qasimi, Chairman of ST Group signed a management agreement for Citymax Hotels to operate the 204-bedroom hotel at this year's Arabian Travel Market. The hotel has been developed as a joint venture between Landmark Group and ST Group.

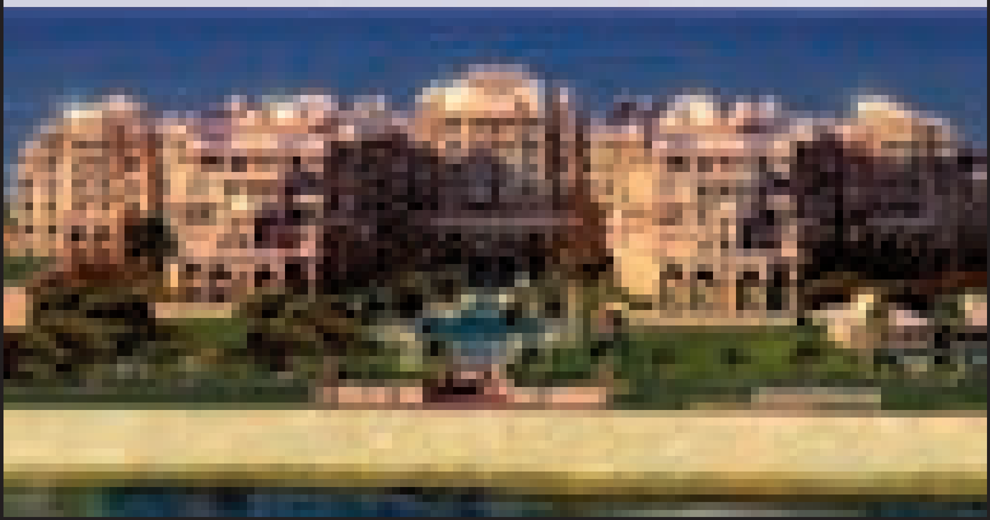
Citymax Ras Al Khaimah is centrally located by the creek in the Al Nakheel area of the city, close to Al Naeem Mall and only 15 minutes from RAK Airport, the hotel will cater to both business and leisure travelers with meeting rooms, high quality restaurants, roof top swimming pool and exclusive beach access.

Sheikh Salem Sultan Saqr Al Qasimi commented, "This hotel will showcase our refreshed contemporary and vibrant brand identity, aimed at meeting the design and functionality needs of the millennial traveler."

Sanjay Dube says, "Citymax brand to Ras Al Khaimah, adding to our current hotel portfolio in Dubai and Sharjah." ■

AA Almoosa open 3 hotels in Dubai

The Taj on the Palm Jumeirah, the ultimate destination of luxury



A.A. Al Moosa Enterprises, a Dubai-based service oriented conglomerat, revealed three iconic hotel projects - Hilton The Palm, TAJ Exotica Resort & Spa and Marriott The Palm – with a target opening date of first quarter of 2019.

The luxurious properties located on the Palm Jumeirah will add 1,500 rooms and suites to the current inventory of hotel rooms in Dubai which is projected to reach 132,000 by end of 2019 as the UAE's most populous city gears up for the Dubai World Expo with the government's Tourism Vision forecasting 20 million visitors a year by the time of the event in 2020.

The three hotels will feature 25 dining outlets making the properties a culinary destination offering diverse cuisines created to impress even the most sophisticated traveller with a rich taste and flair for food and beverages.

4,735

No of rooms operated by AA Al Moosa Enterprises

Faisal Al Moosa, representing A.A. Al Moosa Enterprises commented: "With the opening of the three hotels on the Palm, we are not only expanding our footprint in the UAE but also contributing to strengthening the tourism sector of Dubai. These three hotel projects will bring additional 1,500 hotel rooms that will support our government's Tourism Vision for 2020. The hotels will cater to varied market segments across diversified source markets and will further strengthen the city's reputation as the region's leading tourist destination and the most visited city in the Middle East."

Hilton The Palm, will be located on the Trunk of the Palm and will feature 608 rooms and suites and a Presidential Suite. The 13-story hotel is a beachfront resort offering breathtaking views of the Arabian Gulf.

Marriott The Palm Dubai is a beachfront hotel with 608 rooms and suites situated at the trunk of Palm Jumeirah and is in close proximity to the business districts of Dubai Internet City and Dubai Media City.

Taj Exotica Resort and Spa is situated on the eastern crescent of Palm Jumeirah. The resort features 325 lavish rooms and suites. With the opening of the three properties, Al Moosa Enterprises is contributing a total of 4,735 rooms to Dubai's hotel room inventory. ■

Rove to manage new Manar Mall hotel

Rove Hotels, the contemporary midscale hotel brand, has strengthened its operations in Ras Al Khaimah, with a management agreement to operate the Rove Manar Mall, directly linked to one of the most popular retail and leisure destinations in the emirate.

A joint venture between Emaar Properties and Meraas, Rove Hotels signed the agreement with Al Hamra, the developer of Manar Mall and Ras Al Khaimah's (RAK) largest real estate developer and investment company, for the 250-room hotel.

Construction work will commence this year with the hotel, situated in the heart of the city, scheduled to be operational in 2020. In addition to serving leisure tourists, who are charmed by the beaches, mangroves and other natural attractions in the emirate, Rove Manar Mall will also appeal to business guests, given the fast pace of growth in industrial and manufacturing activity in Ras Al Khaimah.

The hotel's proximity to the Ras Al Khaimah Free Zone, with over 13,000 companies, will bolster tourism guest arrivals.

Benoy Kurien of Al Hamra said: "Manar Mall is the leading hub for social, retail and leisure activity in Ras Al Khaimah, and a major draw for the growing number of tourists to the emirate. With Rove Manar Mall, we are offering visitors, tourists and residents a distinctive hospitality experience that focuses on value, excellent service and connectivity. The new hotel will further add to the burgeoning tourism and hospitality sector in Ras Al Khaimah, and boost the local economy."

Each of the rooms at Rove Manar Mall will offer a memorable experience for leisure and business guests. The rooms, several of them interconnected to meet the needs of families, feature comfortable mattresses.

Olivier Harnisch, said: "The young Rovers of Ras Al Khaimah will have a destination that truly meets their aspirations in Rove Manar Mall. In addition to serving tourists, it will also be an ideal stopover for visitors to the mall as well as for the growing staycation segment."

In restaurant choices, Rove Manar Mall will feature The Daily, an all-day restaurant that serves international flavours. The hotel will also offer convenient meeting facilities with the Rove Pit Stop serving as an ideal venue for informal chats and socialising.

Rove Hotels has five operational hotels in key locations in Dubai – Rove Downtown, Rove City Centre, Rove Healthcare City, Rove Trade Centre and Rove Dubai Marina. Several Rove Hotels are being planned in Dubai and other locations in the UAE as well as in Saudi Arabia. ■

Al Jimi Mall expansion on track in Al Ain

Al Jimi Mall, Al Ain's first and favourite shopping and entertainment destination, has revealed the progress of its extension, which will add 45,000 square metres of gross leasable area (GLA) when it opens in the fourth quarter of 2018.

The extension is currently about 80 percent complete, and, once complete, will include the city's first outside 'Retail Park' concept, 88 new stores and Al Ain's first eight screen Vox Cinema. To ensure easy access, the extension will also include 1200 extra car parking spaces, doubling the capacity of the mall's current parking lot.

Located in the heart of Al Ain, Al Jimi Mall, which first opened in 2001, is owned and managed by Aldar Properties. Given Al Ain's growing local population and vibrant business landscape, the city has become a key expansion market for Aldar's retail portfolio.

The new Retail Park which will consist of several big box spaces, ranging in size from 1,500 square metres to 6,500 square metres, directly adjacent to the mall, was also showcased.

With these renovations, Al Jimi Mall will reshape Al Ain's retail landscape with the introduction of exciting new brands including the city's first Danube Home Store, United Furniture outlet and Jarir Book Store. ■

Swiss Belotel expands

Continuing its expansion in the GCC, Swiss-Belhotel International (SBI) has entered into a management agreement with Al Salaam International Hotel to operate Swiss-Belinn Muscat in Oman.

Expected to open in 2019, the 3-star hotel enjoys an outstanding location in Seeb in close proximity to Muscat International Airport.

Swiss-Belinn Muscat, equipped with 120 standard rooms and 10 varieties of suites, is being developed to offer its guests a comprehensive range of facilities. Given its fantastic location near the airport, the hotel will serve as the perfect abode for transit passengers looking for stop-overs and airline crews as well as corporate travellers on a short visit to Oman or those facing unexpected flight halts.

With a strategy focused on expanding in high-growth markets, Swiss-Belhotel International is rapidly growing its footprint across the Middle East.

Gavin M. Faull, Chairman and President of Swiss-Belhotel International, said, “It is an exciting time for us as we continue to strengthen our presence in the GCC. The scale and diversity of our brands allows us to serve any market segment or need. Swiss-Belinn Muscat will be ideal for travellers looking for a comfortable and affordable accommodation.”

MAG launches offer for major projects

Moaffaq Al Gaddah (MAG) Lifestyle Development, the property development arm of the MAG Group, has started selling properties at MAG Creek Wellbeing Resort, MAG EYE, MAG 318, MAG 5 and MBL Residence projects with attractive payment plan to help customers.

MAG Creek Wellbeing Resort is a gated, landscaped community located on the Dubai Creek waterfront and just 4.5 kilometres away from the Burj Khalifa and Downtown Dubai. The project has been designed to provide residents with a holistic and healthy lifestyle by integrating the best of science, health and technology within the built environment. Residents will benefit from a sports, fitness and leisure centre; a wide variety of restaurants, cafés and retail outlets; and full access to a state-of-the art medical check-up clinic.

MAG EYE is the only fully gated townhouse and villa community in Meydan District 7, a prime location that is close to both Dubai International Airport and Downtown Dubai. The development features 3,952 studios or one-bedroom apartments and 536 three or four-bedroom townhouses. All have been designed to offer quality living spaces at affordable prices in an upcoming area of the city that is expected to deliver high ROI and significant price appreciation over the coming years.

MAG 318 is a new mixed-use luxury residential tower in Business Bay that features 439 studios and one and two-bedroom apartments with private balconies that overlook Dubai Water Canal and Downtown Dubai, within easy reach of iconic attractions including the Burj Khalifa, the Dubai Mall and the Dubai Fountain.

MBL Residence is a 40-level residential tower located in Jumeirah Lakes Towers. The 758,875 square foot development features 472 high-end one, two and three bedroom apartments of different sizes. The project is due for completion in Q4 2019.

MAG 5 is part of the wider MAG 5 Boulevard community and comprises seven residential buildings that are due for completion in Q2 2019. The Dh800 million gated residential community will offer the benefits of a 24-hour walkable community that spreads over 800,000 square feet of land in the lush Dubai Greenbelt.

Talal Moafaq Al Gaddah, CEO of MAG LD, commented: “projects. At MAG Creek Wellbeing Resort, MAG EYE, MAG 318, MAG 5 and MBL Residence, we have put ‘lifestyle development’ concept into action, and we look forward to welcoming visitors to show them how we can enhance their lives.”

Al Hokair Group expands hotels

Consolidating its partnership with the world's leading hospitality brands, Al Hokair Group continues to expand rapidly in gateway business and leisure destinations across the Middle East.

Following the addition of 1,113 new rooms to its exceptional portfolio of hotels over the last 12 months, the group has increased its inventory of keys by approximately 25 per cent from 4,548 rooms to 5,661 rooms.

Al Hokair Group has signed a Master Development Agreement (MDA) with InterContinental Hotels Group (IHG) which will see the debut of Holiday Inn Express brand in Saudi Arabia with a rollout of 10 Holiday Inn Express hotels over the next 15 years. This significant development complements IHG's robust pipeline in the Kingdom and cements its position as one of the leading operators in the country, as well as consolidates its partnership with the Al Hokair Group.

Al Hokair Group currently operates six Holiday Inn hotels in Saudi Arabia. As part of the exclusive new agreement, the first Holiday Inn Express will be a 200-room hotel based in Jeddah closely followed by openings in various key cities across the country. All 10 hotels will be operated under long-term franchise agreements.

Sami Al Hokair, Managing Director of Al Hokair Group, stated, "Al Hokair's expansion strategy is in line with region's growth and investment in the tourism sector. Our partnership with global hospitality brands such as Marriott International, IHG, Accor Hotels, Radisson Hotel Group and Hilton gives us a unique edge over the competitors while leveraging Al Hokair Group's position as a market leader in the hospitality industry.

Sami Al Hokair, Managing Director of Al Hokair Group

"The recent addition of new hotels namely Jabal Omar Marriott Hotel, Radisson Blu Residence Istanbul Batisehir, Radisson Blu Hotel Jeddah Corniche, Park Inn by Radisson Jubail, MENA Plaza Al Barsha Dubai, MENA Airport Hotel Jeddah, MENA ApartHotel Al Barsha Dubai, MENA Hotel Tabuk KSA and Jeddah Marriott Hotel (opening 2019), has allowed us to penetrate new destinations like Makkah, Tabuk and Istanbul while growing our presence in existing territories."

IHG currently operates 31 hotels across four brands including InterContinental Hotels & Resorts, Crowne Plaza Hotels & Resorts, Holiday Inn and Staybridge Suites in Saudi Arabia.

There are currently 2600 Holiday Inn Express hotels open across the globe, with a further 776 hotels due to open in the next three to five years.

Pascal Gauvin, Managing Director, India, Middle East and Africa, IHG said: "The tourism landscape in Saudi Arabia is rapidly changing and we are excited to leverage the huge growth opportunities that Saudi Vision 2030 presents, particularly given that one of the biggest pillars of the plan is to bring more tourism into the country."

The new additions and development will positively contribute to the revenue and increase market share of Al Hokair hotels' division. ■

TBCI gets Dh102m Azizi contract

Azizi Developments, has awarded contracts worth Dh102 million to Tasmeem Building Contracting (TBCI) to develop its latest Meydan Avenue projects.

The new projects at Meydan Avenue consist of three low-rise buildings located along the Meydan Road leading to the Meydan Hotel and Meydan Racecourse and Grandstand that offer character living within the new and upcoming vibrant Meydan Avenue community.

The three individual complexes – Azizi Gardens, Azizi Park Avenue, and Azizi Greenfield – comprise a total of 242 one and two-bedroom apartments incorporating elements of open green spaces, including landscaped areas, parks, gardens and a waterfront feature that gives an aesthetic appeal.

Azizi Gardens, Azizi Park Avenue and Azizi Greenfield offer a premium lifestyle with contemporary architecture including parks and gardens. Adding to the appeal is the projects prime location nearDubai Water Canal, Meydan Grandstand, with transport links to Business Bay, Dubai Mall, Safa Park. Encompassing a wide network of restaurants and retail outlets alongside a 500 metres waterfront boardwalk, the Meydan Avenue offers an exciting and elevated lifestyle experience. ■

CineSplash at Yas Island to open in June

Miral, the creator of Abu Dhabi's destinations, announced today that a unique CineSplash experience will open in June 2018 in Yas Waterworld, Abu Dhabi.

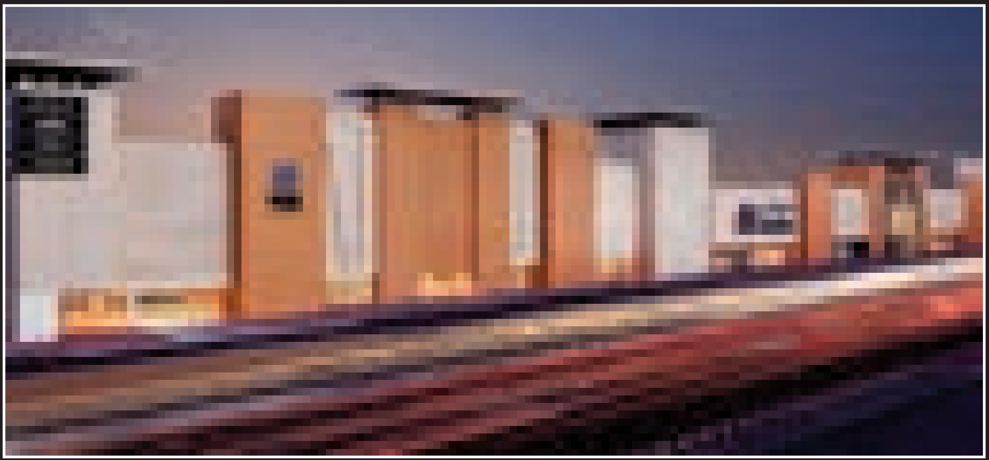
This attraction is an addition to Yas Island's rich portfolio of theme parks and word-class attractions that brings unique, exciting and immersive experiences to the emirate's residents and visitors.

Visitors of CineSplash will enjoy a 10-12 minute 5D water adventure about the fascinating story of the'The Legend of the Lost Pearl.'

As the story unfolds, the theatre will flood with water and will bring along rain, fountains, waterfalls and several other water effects. This experience will be the first-of-its-kind water experience in the region.

The opening of CineSplash complements the 43 different rides, slides and attractions available at Yas Waterworld. This latest attraction at Yas Waterworld, the largest waterpark in the region and the UAE's first mega waterpark, is yet another step forward in achieving Miral's vision for Yas Island to become one of the top travel and tourism destinations in the world.

This latest addition to Yas Waterworld complements Miral's rapidly expanding Yas Island tourism destination portfolio of themed parks. ■



Shj City Centre gets Dh260m makeover

Sharjah City Centre opened its Dh260 million expanded facilities that includes 22 new lifestyle brands and family restaurants.

Shopping mall developer Majid Al Futtaim invested Dh260 million revamp to transform into a regional retail and entertainment destination where families can gather to shop, eat and unwind is nearly complete. The mall has not only increased in size, from a gross leasable area of 37,728 square metres to 51,428 square metres, but has undergone an entire interior and exterior facelift that is set to elevate the customer experience.

The mall's contemporary design features a skylight ceiling and a redesigned entrance that allows natural light in, creating a warm and inviting ambiance for shoppers. Adding to the convenience and accessibility for customers, the parking facility has grown from 700 to 1,426 spaces, as well.

"City Centre Sharjah has evolved and transformed to meet the changing expectations of our customers. We began as a community mall, serving the day-to-day needs of this densely populated area of Sharjah, and are proud to have grown into a truly regional destination drawing visitors from across the emirate and beyond," said Fuad Mansoor Sharaf, Managing Director for Majid Al Futtaim Properties, Shopping Malls (UAE, Bahrain & Oman).

"Bigger, brighter and better than ever before, it also has a more contemporary, relaxing atmosphere that underscores City Centre Sharjah's role as a hub for Sharjah's residents and tourists," he added.

A number of new brands have opened outlets in City Centre Sharjah in recent weeks. Sharaf DG, the technology superstore, is now selling a comprehensive selection of consumer electronics that includes laptops, domestic appliances, and home entertainment systems in the newly-expanded mall.

City Centre Sharjah now provides a one-stop solution for shoppers' furniture and accessories needs with the opening of the affordable home solutions brand Home Box.Korean lifestyle store Mumuso is also making its Sharjah debut. This fun, quirky outlet is a treasure trove of goods, from soft toys and homeware to clothing and even electronic gadgets.

Another iconic North Asian brand is also being added to City Centre Sharjah. Daiso, from Japan, has won many fans across the Emirates for its eclectic mix of homeware, gifts and gadgets, all at bargain price points.

Lighthearted, affordable sleepwear for ladies is now available at Nayomi, while more athletic shoppers types should head to Healthy Sports. New dining outlets include Nando's, Chili's and Indian restaurant Gazebo, a chain homegrown in the UAE. As the mall continues to transform in the coming months, shoppers can look forward to the addition of many more homeware stores and entertainment options, including Sharjah's first 12-screen VOX Cinemas. ■

Aljada launches East Village cluster

Sharjah-based developer Arada has launched East Village, a new creative residential community targeting the younger generation at the developer's Sharjah mega project, Aljada.

An urban focal point for creativity and culture, East Village will be home to students, singles and young couples, as well as those entering the jobs market for the first time. The East Village buildings will be characterised by bold, fresh and colourful designs, each carefully tailored to foster a sense of community among tenants, homeowners and visitors.

Residents at East Village will benefit from large green spaces that will play host to regular events, art installations and pop-up retail outlets. Constructed using responsible building practices, each apartment block will have communal areas, with additional space set aside for local facilities, including small shops and cafes. East Village is also located close to both Aljada's Business Park, a commercial hub featuring 500,000 square metres of office space that will welcome both multinationals and SMEs inside a modern and welcoming environment, as well as University City, one of the Middle East's largest education complexes.

2250

units will be delivered at East Village

Consisting of 15 buildings, each of which houses roughly 150 units, East Village features a range of studios and one-bedroom apartments with varying sizes and floor plans to suit the specific needs of end-users. East Village is being launched officially at the Cityscape Abu Dhabi trade show between 17-19 April at the Abu Dhabi National Exhibition Centre (ADNEC), where special prices and payment plans are on offer. Homes in the community will be handed over by the end of 2020.

Simultaneously, enabling work on Aljada is now under way, following a ground-breaking ceremony attended by Sheikh Sultan bin Ahmed Al Qasimi, Chairman of Arada, and Prince Khaled bin Alwaleed bin Talal Al-Saud, Vice Chairman of Arada. The first phase of Aljada is on schedule to be handed over to homeowners by the end of 2019.

Sheikh Sultan bin Ahmed Al Qasimi said: "It is our hope that East Village will be a haven for young people taking their first steps into adult life. They are our greatest asset, and we believe that this new community will provide the next generation with a space that will allow their creativity to flourish. At the same time, we are also pleased to announce that work on the Aljada master plan has now begun on schedule. This is in line with Arada's promise to our buyers to deliver their homes on time and to an exceptional level of quality."

Prince Khaled bin Alwaleed bin Talal said: "Young people around the world, and increasingly across the GCC, are now playing an individual role in responsible living and environmentally conscious spending. We're doing our part by working to position Aljada as a sustainability benchmark in the Middle East, with best-practice techniques and new technologies implemented right the way through the city. We'll also be focusing on sustainability at East Village, a community dedicated to a generation that demands an exceptional quality of life that at the same time respects the environment."

The news follows a busy few months at Aljada, the 24 million square feet mixed-use destination located on the last large plot of land in the heart of Sharjah. Earlier this month, Arada signed a management agreement with Emaar Hospitality Group to bring three new hotels, Address Aljada Sharjah, Vida Aljada Sharjah and Rove Aljada to the mega project. ■

Roda Links Al Nasr Hotel

Roda Hotels & Resorts, a Dubai-based hospitality management company and a subsidiary of Dubai International Real Estate, announced the opening of Roda Links Al Nasr, a 4-star property that will target business and leisure travellers who are looking for comfortable, affordable yet chic accommodation in Dubai.

Roda Links Al Nasr will open its doors on 1st May 2018 and will mark another milestone in Roda's expansion plans, bringing the total number of properties that the Group owns and manages to seven.

Roda Links Al Nasr Dubai features 114 comfortable rooms with hip bars and fine dining outlets. The rooms and suites feature elegant contemporary décor with quality furnishings and state-of-the-art amenities. All rooms are equipped with satellite radio and TV channels, mini-bar, safety deposit box, ironing board and high-speed wireless internet connectivity.

Situated in close proximity to Dubai International Airport, Oud Metha Metro Station and Downtown Dubai, dining outlets in the hotel include 1971 – an all-day dining restaurant serving international cuisine and Brugges restaurant offering guests a selection of delicacies. Guests can sip drinks in the sophisticated atmosphere and enjoy a great view of the city from Anees Pool Bar located at the rooftop of the hotel. ■

Some of Deyaar's latest projects attracted higer sales, reflecting a strong growth

Deyaar reports 25% jump in Q1 profits

Dubai-based real estate developer Deyaar Development reported a 25 percent jump in net profits to Dh40 million in the first quarter of 2018, ending March 31, 2018, up from Dh32 million recorded in the first quarter of 2017.

Deyaar reported a strong year-on-year increase in revenues by nearly 25 percent to over Dh176 million in the first quarter of 2018, up from Dh142 million recorded for the first quarter 2017.

The preliminary results for the first quarter of 2018 were discussed during Deyaar's board meeting held on April 10, 2018, where the board also discussed the capital position and structure and requested the management to carry out the required studies and present them to the board for discussion in the next board meeting.

Saeed Al Qatami, CEO of Deyaar, said: "Deyaar's steady performance in the first quarter of 2018 is reflected in higher revenues and a healthy net profit. During the first three months of 2018, Deyaar has made major headway in its iconic projects. As we recently handed over the Mont Rose project and are making significant progress on The Atria, Midtown, and Millennium Deyaar Hotel and Apartments in Al Barsha, Deyaar is showing commitment to further expanding its portfolio and continues to advance our status as a leader in the sector."

> **Dh176m**
>
> **revenues generated by Deyaar in the first quarter of 2018**

Deyaar began 2018 with a strong start, with the handover process for the two residential towers in its iconic Mont Rose project. The company also expects to deliver The Atria in Q2 2018. Currently near completion, The Atria is located in Business Bay and comprises a four-star hotel apartment tower and a residential tower.

Listed on the Dubai Financial Market and majority-owned by Dubai Islamic Bank (DIB), Deyaar is one of Dubai's leading developers, with real estate ventures spanning key growth corridors and prime locations within the emirate. Over the years, Deyaar has delivered an extensive portfolio of commercial and residential properties, all offering the highest levels of service and quality. ■

Union Properties unveils Zawaya

Zawaya is part of the Dh8 billion new master-planned community in Motor City

Union Properties, one of the largest real estate developers in the UAE, launched Zawaya, a new mixed-use development in Motor City, and the commencement of its excavation work.

With the launch of Zawaya, Union Properties will be initiating the first phase of its new masterplan for Motor City that was revealed recently, which is currently estimated to have a development cost of over Dh8 billion. China State Construction Engineering Corporation (CSCEC) has been given the excavation work under an agreement, which was signed recently by both companies to complete the new masterplan.

"Inspired by traditional community-focused neighbourhoods, the project boasts a unique architectural design that meets the needs of modern life in all its aspects and aims to create a vibrant, integrated, and sustainable community within the larger Motor City area. Properties in Zawaya will be built around a main town square, which will serve as the heart of the community, where residents can host pop-up markets, celebrate festive occasions and gather for recreational activities," a company statement said.

With a total floor area of nearly 400,000 square feet, and a retail space of 55,000 square feet, Zawaya will consist of 400 residences including studios, deluxe studios as well as one- and two-bedroom apartments. The 148,000-square foot development will also include retail and leisure facilities, a wide range of restaurants and cafés, open green spaces, swimming pools, a fitness center, and courts for squash and basketball. Zawaya will also provide a modern lifestyle that improves the overall living standard of its residents and will add significant value to Motor City.

Ahmed Yousef Khoury, Group CEO of Union Properties, said: "Union Properties is one the first real estate developers to design and create integrated residential communities in Dubai like Motor City. We are proud to officially announce the launch of 'Zawaya' that will redefine the concept of modern and integrated residential community with its iconic design. Residents will be able to enjoy a close-knit community experience, as we provide them with a suitable and harmonious space for communication and co-existence.

"We are looking forward to launching more residential, commercial, hotel and leisure projects within the new masterplan for Motor City, which will redefine many concepts and mark a major milestone in Dubai's real estate market," added Khoury.

Melia to operate Desert Palm

Meliá Hotels International said it will operate the Desert Palm Dubai Hotel under its Meliá brand.

The hotel is an exclusive 160-acre urban oasis, providing 39 spacious rooms, suites and villas in an elegant retreat for the most discerning travellers, with an exclusive and authentic setting and a wide range of dining and wellness facilities as well as a variety of equestrian activities secluded amongst class polo fields.

The hotel will create a benchmark for serene sophistication. Just a short distance from the most popular tourist attractions, the resort will seamlessly combine classic Spanish elegance – of which the Meliá brand is one of the finest ambassadors – with uncompromising luxury.

The addition of this hotel allows Meliá to extend its presence in Dubai, where it will soon be opening brand new ME by Meliá and Innside by Meliá hotels, and throughout the Middle East region, with coming hotels also in Doha and Maldives.

Meliá Hotels International, a global leading resort group, has a successful and long track record in managing luxury boutique hotels worldwide, such as the Meliá Colbert, Meliá Champs Elysées or Meliá Vendome in Paris, or the Meliá Campione and Meliá Villa Capri in Italy, among others.

Danube offers 15% returns on homes

Danube Properties, a major Dubai-based property developer, announced that 300 of the 463 apartments at its latest project Jewelz has been sold out to property buyers and investors due to higher return on investment (RoI).

Danube Properties, one of the UAE's fastest growing real estate developers, launched the Dh300 million Jewelz residential project on March 7, 2018, that offers up to 15 percent annual return on investment, depending on the size of the apartment and pricing.

Buyers of properties at Jewelz could get the keys to their apartments upon payment of around 46 percent and they could enjoy paying the balance 1 percent per month for the rest of the instalments. With rental income ranging 7-8 percent of the total value of the property per annum, the buyer's return on investment stands at 15 percent and above, depending on the price and rent at a particular point of time.

"I am glad to announce that investors and buyers have purchased 300 apartments within a month of the project's, due to higher investor interest in our properties that offers up to 15 percent return on investment," Rizwan Sajan, Founder Chairman of Danube Group, said. "Higher return will continue to attract investors in to Dubai's real estate market that witnessed Dh285 billion worth of transactions last year.

"As a developer, we are offering a much better value to our customers – property buyers and investors – that exceeds the return on investment in other asset classes including financial products, treasuries, securities, stocks and bonds. Return on investment in Danube Properties' homes by far exceeds returns from all other asset classes and this is more secure and shariah-compliant. We encourage people to invest in our projects and multiply your future earnings."

With the launch of its tenth project Jewelz raises Danube Properties' total development portfolio to 3,628 residential units, worth Dh3.14 billion, of which Dh1.12 billion worth of properties involving 827 units in four projects have already been delivered.

On a Dh1 million two-bedroom apartment, the buyer could easily rent out the

apartment for Dh80,000 per annum, which is equivalent to 8 percent rental income per year, when he has just paid 50 per cent of the property value, or Dh500,000. If calculated based on the amount invested on the property at that particular time, the return on investment stands at 16 per cent.

Atif Rahman, Director and Partner of Danube Properties, said, "The return on investment gets higher on studio and one-bedroom apartment where the demand is high and the rental return is also higher.

"As a developer, Danube Properties has created a solid reputation in the market with 40 percent of the project or a third of the portfolio being delivered in less than four years since we entered the property development market.

"Being in the affordable home market, we offer luxury products with luxury finishing at an affordable price that is unmatched in the market. Despite offering the property at 1 percent payment instalment per month, we deliver homes on time, even when 52 percent of the price remains unpaid!

"Through our innovative and customer-centric approach, we are currently able to offer the best value that money could buy. The investors and property buyers sees the added value we offer, which we are now taking to the Abu Dhabi market through Cityscape Abu Dhabi so that the investors from Abu Dhabi could benefit from our offerings."

Danube Properties, part of Dubai-based diversified conglomerate Danube Group, has launched ten residential projects, of which four have been delivered, two are getting ready for delivery while four others are at various stages of construction and one in tendering stage.

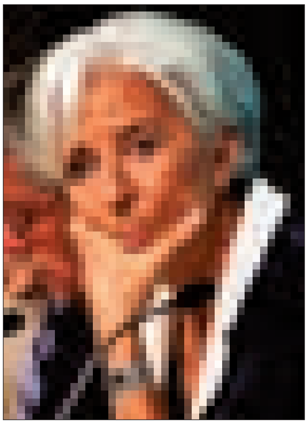
The company has one of the fastest development-to-delivery ratio in the region's real estate market where timely delivery of properties remains a major challenge. That way, Danube Properties' performance in construction and delivery is helping strengthen buyers' trust in real estate.

In 2017, Danube awarded five construction-related contracts with a combined value exceeding Dh392 million a year it started delivering homes. These include a Dh221 million main construction contract recently awarded to Naresco Contracting LLC to deliver Miraclz Tower near Miracle Gardens at Arjan that will host 599 units including 591 apartments. The 28-month contract will see the project delivered by the end of 2019.

Danube Properties has also awarded a Dh146 million contract for the main construction package for the Resortz project to Dubai Walls Construction. The 17-month contract will see the project gets ready for occupancy by the second quarter of 2019. Resortz will host 444 units including 419 apartments, 25 retail outlets, landscaped environment that appears more like a five-star resort, than a residential compound.

OPINION

Belt and Road transparency



CHRISTINE LAGARDE
Managing Director
International Monetary Fund

In 2013, when President Xi announced the Belt and Road Initiative, he described it as a platform for international cooperation. From promoting trade, to fostering financial inclusion, to facilitating people-to-people exchanges, this initiative seeks to bring the world closer together.

One of the examples of how the Belt and Road can connect communities is through infrastructure investment.

We know that good infrastructure can help achieve more inclusive growth, attract more foreign direct investment, and create more jobs. A major project can transform the economic fortunes of a city or even an entire region.

The Thailand-China high-speed railway is one example of infrastructure's transformative impact. When completed, the new line will be the first of its kind in Thailand and could enhance the economy's integration into regional supply chains.

Another example is in Kazakhstan, where a recently constructed manufacturing development zone is already stimulating trade and linking previously isolated areas.

Given the more than 70 BRI participating countries, it is difficult to estimate precisely the overall investment needs. But they will be in the hundreds of billions of dollars annually.

Clearly there is a pressing need for infrastructure and already there are signs of progress. In other words, blooms are starting to appear.

But there is a concern that some investments — if not properly tended — could wither on the vine.

So allow me to highlight two challenges facing the Belt and Road Initiative.

The first challenge is ensuring that Belt and Road only travels where it is needed. With any large-scale spending there is sometimes the temptation to take advantage of the project selection and bidding process.

Experiences from across the globe show that there is always a risk of potentially failed projects and the misuse of funds. Even when the right project is picked, difficulties often arise during implementation.

If Chinese and other companies assist with construction overseas, they may face new political, legal, and environmental obstacles.

Preparing for these situations, selecting projects that fill true infrastructure gaps, and implementing them in the most efficient way should be top priorities moving forward.

> **The first challenge is ensuring that Belt and Road only travels where it is needed. With any large-scale spending there is sometimes the temptation to take advantage of the project selection and bidding process...**

This is related to the second challenge — focusing on sound fiscal policies.

The Belt and Road Initiative can provide much-needed infrastructure financing to partner countries. However, these ventures can also lead to a problematic increase in debt, potentially limiting other spending as debt service rises, and creating balance of payment challenges.

In countries where public debt is already high, careful management of financing terms is critical. This will protect both China and partner governments from entering into agreements that will cause financial difficulties in the future.

Fortunately, we know that China's leadership is aware of these potential risks — as well as the proven strategies that can help address the challenges.

A good starting point is ensuring transparent decision-making. An overarching framework between the various agencies involved in the Belt and Road Initiative would help provide clarity to all stakeholders.

A "one-stop shop" for the BRI could provide such a framework. The recently established International Development Cooperation Agency, which will be in charge of China's foreign aid as well as the BRI, could potentially play this role.

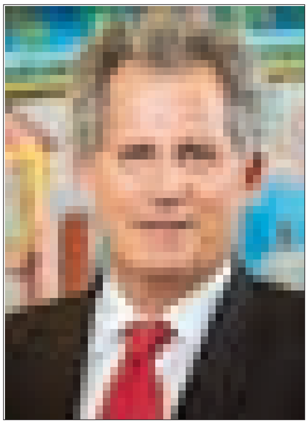
Digital tools can help as well. In Kenya, for example, the government recently launched an e-procurement system that made the review process more efficient and accessible.

Innovations like these can also help foster an open process and level playing field for project selection, which is essential for strong private sector participation.

For projects that have already been approved, dispute resolution systems can prevent small problems from turning into major complications. As projects are designed and implemented, meeting environmental standards can build trust within the community and allow investments to become sustainable building blocks for growth.

These policies can enable success under the Belt and Road Initiative. The steps taken today can help secure the expected gains from the Belt and Road Initiative and allow the buds we see to reach full bloom. Working together, we can ensure there is a good harvest for many years to come. ■

Egypt needs to create more jobs



DAVID LIPTON
Deputy Managing Director, International Monetary Fund

The global economy is improving as trade and investment show strength we have not seen in a decade. These forces are benefiting most countries, including Egypt. Our recent World Economic Outlook projects a continued expansion in the immediate future, with global growth of 3.9 percent this year and in 2019.

That favourable external environment provides a good window of opportunity for Egypt to undertake reforms; a window that may not be open for too long.

That is because the medium-term outlook is more uncertain. We should expect interest rates to head higher and financial conditions to tighten. And we are all aware of the uncertainty hanging over the global trading system, which could mean less favourable conditions at some point.

In other words, now would be a good time for Egypt to shift growth and job creation into a higher gear. In 2016, Egypt faced severe economic challenges. The response then was bold. It has been sustained, and it has succeeded.

To see what is at stake, just look how far you have come. In 2016, the Egyptian economy was suffering from low growth, lagging investment, rising inflation, and growing government debt. In truth, it was at risk of instability.

In the IMF-supported reform programme, Egypt liberalised the foreign exchange market and tightened monetary policy. The government put in place a three-year fiscal-consolidation effort, including subsidy reforms. The authorities also took decisive measures to strengthen the business climate and improve the management of public finances.

By 2028, Egypt's working age population will increase by 20 percent. That works out to a labour force of 80 million Egyptians just 10 years from now. Creating jobs for all those people has to be Egypt's biggest economic challenge...

Exports and tourism are recovering, and the current account deficit is falling. Confidence has improved, and investment has picked up. As a result, growth so far this year is at a 5.2 percent pace and inflation should decline to 11 percent. There is clear evidence that the Central Bank of Egypt's monetary policy control has contained the second-round effects from the pound's depreciation, the increases in fuel prices, and the VAT.

The subsidy reform has freed up some of the funding needed for targeted social assistance. And it has moved fuel prices in the direction of their true cost. Subsidy reduction makes possible a more efficient allocation of resources across the economy — which will be an important element in unlocking Egypt's economic potential.

The results are clear: macroeconomic stability and market confidence have been restored, growth has resumed, inflation has fallen, and the public debt ratio is expected to fall for the first time in nearly a decade. Many people in this room have played a role in this success, and the Egyptian people themselves have been called upon for patience through a disruptive time.

But now the time has come to take advantage of the hard-won macroeconomic stability and push on to create jobs and raise living standards through sustainable growth. That may be difficult, but it would provide the payoff for all the efforts to date.

Many countries have escaped financial jeopardy and achieved a measure of macro-stability. But a smaller number have sustained that stabilization and gone on to complete a modernisation driving sustained, inclusive growth. Egypt now is at the point where it has a chance to do so. That will require broadening and deepening the reform agenda.

In Egypt, there are several immediate reasons to press ahead with reform. Public finances certainly are on a firmer footing, but public debt remains very high. A strong effort is needed both to consolidate and to make room for spending in key areas such as health and education. Delays in following through on the reform of energy subsidies could again leave the budget at risk from higher global oil prices.

But more than anything else, Egypt cannot delay on jobs. By 2028, Egypt's working age population will increase by 20 percent. That works out to a labour force of 80 million Egyptians just 10 years from now. Creating jobs for all those people has to be Egypt's biggest economic challenge.

But at the same time, Egypt's biggest challenge, employing the youth, is also the biggest opportunity. If this country can tap the potential of its young people — by bringing unemployment and labour force participation to the level of many other emerging market countries — their absorption into the economy could boost growth into the range of 6 to 8 percent. That would be a transformation. It would mean improving living standards for large segments of the population. ■

OPINION

REITs new growth area in real estate

SAMIR DERBAS
Vice President Finance and CFO of SARED

Real estate is considered a distinct and crucial asset class that every investor should own as part of a well-diversified portfolio.

Real estate investment mainly takes two forms; direct and indirect investment. Direct investment in real property often provides investors with the greatest opportunity for financial gain. Indirectly investing in real estate offers investors some of the benefits of property ownership but at significantly reduced risk.

Nonetheless, direct property investment suffers from a number of drawbacks which include, illiquidity, lack of central market, substantial initial investment, qualified property management experience requirement and high transaction cost. All these drawbacks contribute to the difficulty of entering into the direct real estate investment domain.

On Sept 14, 1960, the then US President Dwight Eisenhower signed a law that shaped a new approach to income-producing real estate investment, a way that combines the best qualities of real estate and stock-based investment.

The act aimed to spread the benefits of large-scale real estate investment to all types of investors. Another goal was to increase the liquidity of the real estate investment industry. Since then, the Real Estate Investment Trust (REIT) industry has been growing dramatically in both importance and size. Over the last few decades, REITs have outperformed most other major equity market benchmarks.

Today, one of the most attractive investment options for institutional investors as well as smaller ones are REITs. REIT is a type of real estate company that modelled after mutual funds. Undoubtedly, REITs bring the benefits of commercial real estate investment to all investors. REITs may invest in the properties themselves, mortgages or mortgage-related securities tied to the properties.

The trading of REITs is like that of the common stocks. After paying a conversion fee, a REIT escapes corporation tax. REITs must pay out 90 percent of property income to shareholders annually in the form of dividends.

REIT-based real estate investment historically has delivered long-standing performance and strong cash distributions for investors.

According to the US National Association of Real Estate Investment Trusts (NAREIT), over the 20 years

In 2015, US REITs paid out US$51 billion in dividends. REITs in the US and increasingly around the world provide investors with the opportunity for significant dividends, portfolio diversification, inflation protection, valuable liquidity, desirable transparency, real estate marketplace stability, and competitive performance....

period ended August 2016, stock exchange-listed US REITs brought their shareholders a combined annual gross return of 10.4 percent, higher than the S&P 500's 8.2 percent. In 2015, U.S. REITs paid out $51 billion in dividends.

REITs could be categorized in different forms; REITs could be Specialised or Diversified and could also be Finite-Life or Perpetual REITs. The NAREIT has identified three primary types of REITs: Equity REITs, Mortgage REITs, and Hybrid REITs. The three types give investors the opportunity to invest in either the equity financing, the debt financing real estate or in both.

REITs are legal ownership entities that combine the liquidity and limited liability benefits of corporate ownership. Whereas, from a portfolio perspective, REITs have shown to reduce total portfolio risk and to enhance returns. Theoretically, REIT investment allows investors to diversify across geographic areas and property types. However, some REIT offerings specialise in specific asset types (i.e., retail) while others specialise in specific geographic regions. Investors should investigate each package individually.

REITs in the U.S. and increasingly around the world provide investors with the opportunity for significant dividends, portfolio diversification, inflation protection, valuable liquidity, desirable transparency, real estate marketplace stability, and competitive performance.

In summary, REITs are playing an important role in the property market in the developed countries, not only as a financing vehicle but also as an investment and operational vehicle.

More awareness about how REITs have been legislated and operating in these countries is needed to be spread in the GCC area. In the next two parts, we will discuss the International spread of REITs and REITs in the GCC respectively. ■

How to tackle rising interest rate

DHIREN GUPTA
Managing Director
4C Mortgage Consultancy

The US Fed has increased rates by another quarter per cent from 1.5 per cent to 1.75 per cent in the March 2018 for the sixth time, which is incredibly low by the historical standards.

However, this gradual increase in the interest rates is having a significant effect on the financial borrowing in UAE, as Dirham is pegged to US Dollar. Moreover, similar impact is seen on the existing mortgage buyers, as UAE mortgage rates are tied to the Emirates Interbank Offered Rate (EIBOR), which has been low for years but started rising steadily with every hike.

Despite that, the banks have kept the borrowing rates under control by reducing their base lending rate, thereby giving options to the borrower to rethink their approach. Few banks have drastically reduced their base rates to as low as 1.5 percent linked to EIBOR. With the rate hike, the existing borrower faces an increase in their monthly installments, and could consider swiping into a longer fixed rate instead of the variable rate option or take advantage of today's low rates to pay down their debt.

Furthermore, the US Federal Reserve is planning two more quarterpoint rate hikes in 2018, lifting rates to 2.25 per cent. This undoubtedly alarms the existing borrower to look into lower long-term perspective. Since a mortgage is the biggest financial commitment for every mortgage buyer hence, even a small rise in rates can have a huge impact on the cost of borrowing.

Given maximum loan-to-value and long tenures in the UAE, the impact of the small rate hike will be magnified. Moreover, based on previous data recorded in the land department, mortgage sale have superseded the cash sale transactions. For the last 3 year's mortgage has recounted for more than 60 per cent of property transactions. In 2018 until March end more than Dh24 billion worth of mortgage transaction is documented as compared to around 8 billion cash sale deals. Similarly, in the year 2017 around Dh114 billion worth of mortgage registered under Dubai Land Department as compared to Dh55 billion cash sale transaction.

Additionally, these rate hikes will not be large enough to put off people from investing in the property market. And the segments that are attracting home buyers the most in the current market are affordable housing projects and under-construction properties.

The frequency of mortgages in 2012 as a percentage of overall transactions was around 20 per cent, and has now grown to over 60 per cent in the first quarter of 2018.

Fixed interest rates of 2 to 3 years have been popular in the UAE in the past few years. Historically, people have taken out mortgages which have been in the upper end of the market and therefore were inclined towards the villa segment. In 2017, however, there was a distinct surge in the mortgage activity, where approximately, 65 per cent rise in the Dh1 million to Dh2 million purchase price range, representing that banks are more tending to lend to the mid segment of the market. Henceforth, there has been an increase in the number of end-users buying property financed through home loans in Dubai.

However, today mortgages have been taken up on across all segments of properties irrespective of the size of the units. However, with the enormous availability of mid-price range units in the market surely the demand for mortgages is higher as compared to the luxury segment. But, with current mortgage rates available even the high end-user and investors are opting to cash on their assets.

Predominantly, in first few years' banks offers lower interest rates but then rates change frequently and adjust accordingly to reflect the current market conditions prevailing post fixed rate period. Most adjustable rate terms have a defined margin on how much the interest rate may swing, as well as how often it can be revised.

In the current market trend, most banks are offering one, two or three years fixed rate then have adjustable rates in repayment structure. Your mortgage repayment is influenced by the current and future financial outlining and also on how long you planning to stay in the property.

However, few banks have shown courage to offer fixed rate product for up to 15 years, but the offering rates are much higher than the current rates.

However to understand the monthly repayment for the principal amount of Dh 2 million with the fixed-rate mortgage for 25 years (300 monthly payments) at an interest rate of 3.99 per cent will have a monthly payment of approximately Dh10,545.

Similarly, if to calculate Dh2 million adjustable rate mortgage for 25 years we need to readjust the repayment schedule based on the bank margin and variable component of EIBOR on the specified term. Hence, the monthly installment would vary across the tenure of the loan.

Well, considering still the low rate and the global market movement it is prudent to all mortgagors to lock in the fixed-rate mortgage which will leverage them from the consequences of the higher interest rates and fluctuations in the EIBOR. Mortgage refinance or buyout process will indeed, give rate security and protect existing home buyer finances from the market variability. ■

Middle East tops list of rich homeowners

Gulf Property Exclusive

The UAE hosts 660 ultra-wealthy people whose networth exceeds US$50 million (Dh183 million), part of the 4,740-strong ultra-wealthy community in the Middle East.

This translates to a whopping US$33 billion minimum combined networth of those 660 people possessing more than $50 million wealth in the UAE. The minimum combined networth of the 4,740 super rich people reached US$237 billion last year.

Globally, there are 129,730 people with that kind of wealth, according to a latest Wealth Report 2018 published by Knight Knight Frank recently. The UAE has the second highest concentration of the ultra-wealthy community, after Saudi Arabia, with 1,540.

"New data prepared exclusively for The Wealth Report by wealth data specialist Wealth-X shows that the number of ultra-wealthy people – those with net assets of US$50 million or more – rose by 10 percent in 2017. This is in line with the results of The Wealth Report Attitudes Survey, in which 72 percent of respondents said that their clients' wealth had increased during the year. This took the the global population to 129,730, with a total worth of US$26.4 trillion.

That 10 percent rise in the ultra-wealthy population marks a notably more rapid rate of growth than in the previous five years, where there was a cumulative 18 percent increase, the report says.

According to Vincent White, Managing Director at the Wealth-X Institute, this is an auspicious time for wealth creation. "We have been experiencing 'Goldilocks' economic conditions: not too hot, and not too cold.

These make it easier to do business, provide a good environment to raise capital and, above all, encourage entrepreneurialism – the key to wealth creation."

For this edition of The Wealth Report, the focus is on those with US$50 million or more in net assets, as well as demi-billionaires (over $500 million) and multi-millionaires (over $5 million).

When it comes to assessing how ultra-wealthy popu-

At A Glance

$26.6 trillion
networth of the 129,730 super rich people globally

$33 billion
value of the combined minimum networth of 660 super rich people in the UAE

$237 billion
value of the total minimum networth of 4,740 super rich people in the Middle East

The Middle East ranks in first place in terms of number of first and second homes owned by the ultra-high-net-worth individuals (UHNWIs) – the super-rich people, according to the 12th edition of the Wealth Report 2018 by Knight Frank.

Middle Eastern ultra-wealthy individuals own an average of 4.0 homes just ahead of Russia (3.5) and significantly ahead of other regions (Europe 2.7, North America 2.7, Asia 2.9).

The recently released the Wealth Report 2018 includes price performance data for 100 global luxury property markets, wealth distribution data, Knight Frank's Global Cities Index as well as the results of the Wealth Report annual Attitude Survey.

The Attitude Survey looks at the most important investment trends for ultra-high-net-worth individuals (UHNWIs), canvassing the responses of 500 of the world's leading private bankers and wealth advisors, who between them represent over 50,000 clients with a combined wealth of more than US$3 trillion.

Another eye-catching result from the Attitude Survey was that the Middle East ranks highly in terms of the proportion of UHNWIs planning to buy a new home in 2018. The results showed that 33 percent of the survey respondents from the Middle East said that their clients are planning to buy a new home in their home country in 2018, placing the Middle East on top of the ranking. This figure increases to 39 percent when it comes to intentions to acquire a new home overseas in 2018, ranking the Middle East in second position just behind Russia.

The Attitude Survey shows that UHNWIs from the Middle East favour the UK, the UAE, the US, France and Turkey (ranked by order) as a preferred destination for property investments.

Knight Frank is currently tracking £3.9 billion of private wealth in the GCC looking to invest in overseas real estate including the UK, Europe and the United States with a focus on various asset classes ranging from offices and retail to hospitality and logistics. A substantial share of this private wealth is looking into investments in the UK's commercial market due to its solid fundamentals (liquidity, transparency, and high quality stock) and attractive pricing. ■

lations have fared between 2012 and 2017, the picture is mixed. While the number of people with US$50 million or more in net assets rose in North America (+31%), Asia (+37%) and Europe (+10%), there were falls in the remaining five regions, most notably in Latin America and the Caribbean (-22%) and Russia and CIS (-37%).

North America remains the world's largest wealth region. Some 34 percent of the world's ultra-wealthy are based there, and their ranks rose by a further 5 percent last year, taking the total to 44,000.

Europe, however, failed to fend off a strong Asian challenge, narrowly losing its second place spot despite a 10 percent rise in the number of people with US$50 million or more in net assets that took the total population to 35,180. A 15 percent rise in Asia's ultra-wealthy cadre took its population to 35,880.

In China, the ultra-wealthy population will more than double in the next five years, according to Wealth-X. There will also be strong growth in Japan (+51%), India (+71%), Indonesia (+66%) and Malaysia (+65%). Overall, the outlook for the Asia region is highly optimistic.

Latin America and the Caribbean also saw a bounceback in ultra-wealthy populations in 2017, with a 20% rise after the 22 percent decline seen since 2012.

The total number of ultra-wealthy individuals in the region, estimated at 4,220 is still lower than in 2012 (5,380), but the figure is expected to grow by 30 percent over the next five years. Brazil, the biggest wealth hub in the region, also saw strong growth last year.

In the US, new tax policies aimed at trying to encourage more corporates to move money onshore may have ramifications for the whole economy and, in turn, for ultra-wealthy populations.

In late 2017, US President Donald Trump announced a raft of tax changes, including an ultra-low 15.5 percent tax rate for companies bringing their money onshore.

He also cut corporation tax to 21 percent, as well as cutting some income tax rates and boosting family allowances.

Under current economic forecasts, the US is expected to see a 38 percent rise in its ultra-wealthy popu-

lation over the next five years.

The global mobility of the ultra-wealthy is noticeable in such countries as Monaco. There are around 50 people worth over US$50 million with a primary residence in the principality, according to the Wealth-X model.

However, once the definition of residence is extended to all those with a home or presence in the country, this number rises to 542, making Monaco one of the most densely populated countries in the world in terms of ultra-wealthy people as a proportion of the total population.

Money Movement

With money moving around the globe in greater volume – and at greater speed – than ever before, governments are working hard to keep track. In 2016, the Bank for International Settlements (BIS) started to release data provided by 29 reporting locations on the aggregate level of foreign deposits by "non-banks" in their financial institutions.

Of the reporting locations, 27 also analyse deposits on a location-by-location basis. Non-banks include individual, corporate and government deposits. This provides a unique perspective on the movement of money around the globe, helping to confirm the direction of travel of wealth and investment flows.

Understanding wealth flows Chinese funds deposited in reporting locations rose by $172 billion, a staggering 721 percent, in the three years to June 2017. Over the same period, deposits held by Russian non-banks grew by US$6 billion, up 21 percent.

The outbound flow of funds from China in particular, but also from other locations including Russia, has been a key trend affecting global asset markets over recent years. Despite official attempts to rein in these flows, the BIS data confirms that the trend looks likely to continue.

"Our annual analysis of global wealth and investment trends shows that the desire of wealthy individuals to move their money – and themselves – across borders shows no signs of abating. And, if the continued development of transparency regulations is anything to go by, the same is true of the desire

Citizenship by Investment

Data from Knight Frank's Attitudes Survey reveals that 34 percent of UHNWIs already hold a second passport and 29 percent are planning to purchase one, while 21 percent are considering emigrating permanently. The desire for privacy remains a factor influencing UHNWI behaviour. In some cases, this is prompting individuals to reconsider their place of residence.

The result has been a bidding war, as more countries seeking new sources of revenue try to encourage foreign direct investment in return for citizenship.

Some, including the UK, require a significant level of long-term financial commitment; but there are others with less onerous programmes or which are relaxing their requirements.

In the Caribbean several islands have recently slashed the level of investment required by as much as 50 percent, or linked citizenship to one-off contributions to hurricane relief or economic development funds. As the sector matures it will provide a major source of future revenue for countries that lack alternative exports – but reputational risks are rising too. Less drastic than a change of residence but perhaps similarly effective, at least for now, is to place money in a country outside the Common Reporting Standard (CRS) net. Switzerland, for example, has delayed the exchange of information with Middle East countries.

BIS data confirms that financial non-bank deposits from Saudi Arabia and the UAE into Switzerland rose by 44 percent and 53 percent respectively over the past three years, running counter to the trend of an overall fall in global deposits held there. This urge for privacy is also steering flows within the CRS countries, with those offering high standards of data security emerging as favoured investment hubs. It is one thing for data to be disclosed to home government; it is quite another for it to be sold on to third parties with questionable motives. ■

from governments to at least monitor, if not direct, the flow," says the report.

"The scale of the challenge they face is considerable, to say the least. Money is moving at a record rate. An analysis of data from the BIS confirms that foreign non-bank deposits rose by $97 billion in the year to June 2017 in the 29 locations that provide detailed reporting."

For some, this cross-border activity is being spurred on by the prospect of tighter capital controls. As David Ji, Knight Frank's Head of Research for Greater China, notes, there is a real belief that the Chinese government is planning to tighten controls further. To take just one example, while Chinese citizens are currently allowed to buy up to US$50,000-worth of foreign currency each year, there are signs that regulators intend to lower this limit. Indeed, it is apparent that stricter rules are already being brought in.

The OECD's big idea, the Common Reporting Standard (CRS), was launched in September 2017. Almost 50 countries formed the first wave with more joining earlier this year, bringing to more than 100 the number of nations now automatically sharing data on foreign accounts. The CRS may be an important step towards revealing where wealthy people, as well as businesses, are placing their investments – but it is only the beginning of the story.

The standard does not currently cover property ownership, but the support recently stated by the OECD for property ownership registers suggests that future iterations may well do so.

Trends at a national and intergovernmental level point towards a more comprehensive shift in the power of governments to identify who owns what. Both the UK and Germany have taken action aimed at providing greater clarity on the ultimate beneficial ownership of trusts and international companies. In addition, both the EU and the Financial Action Task Force have echoed the OECD's call for a register of property owners.

In India, the Liberalised Remittance Scheme (LRS) allows US$250,000 per head per year to be moved out of the country. The pace of money transfers increased by 60 percent in the year to September 2017, and by almost 1,800 percent over the past decade. The rapid growth in transfers coincides with increased scrutiny by the Reserve Bank of India of dealings under the LRS.

The growth of global wealth flows has also led a number of jurisdictions to introduce or extend taxes targeting affluent investors. In July 2017, the government of New South Wales, Australia, raised the stamp duty surcharge from 4 to 8 percent for foreign buyers, as well as increasing its annual land surcharge from 0.75 to 2 percent.

In the same month, Australia's treasury released a draft paper detailing proposed legislation to remove the main residence exemption for capital gains tax for foreign residents. The government of New Zealand has proposed changes that will require property investors to pay tax on capital gains if they make disposals within five years of purchasing, up from the current two.

In November 2017, the UK government announced plans for capital gains tax to apply to non-residents on commercial as well as residential property. ■

Dubai records Dh58bn transactions in Q1, 2018

Gulf Property Exclusive

Dubai Land Department, the emirate's land and property registrar, said, it has recorded real estate transactions worth Dh58 billion $15.08 billion) through 13,759 transactions in the first three months of 2018.

The GCC investors led the way, making nearly 2,500 transactions worth around Dh6 billion, while 1,067 investors from other Arab countries concluded 1,250 transactions worth more than Dh2 billion. The first quarter also saw 5,041 investors foreign making more than 5,000 transactions with a total value exceeding Dh10 billion.

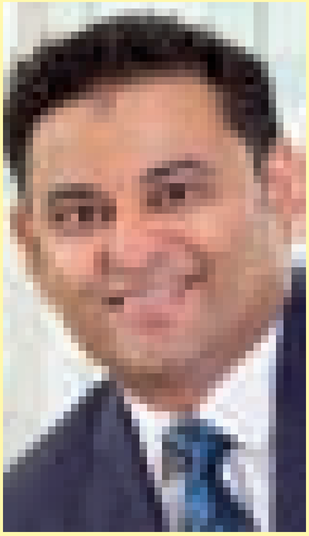
Sultan Butti bin Mejren, Director-General of Dubai Land Department (DLD), said, "The Dubai real estate market continues to show continuous growth, driven by general optimism and confidence in the real estate sector.

"Achieving almost Dh58 billion of transactions shows strong momentum in the real estate sector for the first quarter of 2018, and we expect this to raise the second quarter transaction index and continue to rally before the end of the year. Analysts and experts predict an upsurge as we enter 2019 with unprecedented strength, as many strategic infrastructure projects are due to be completed in Dubai in preparation for Expo 2020."

"These results have been achieved thanks to our commitment to our leadership's vision of achieving the highest levels of excellence and developing innovative services that enhance cooperation among investors. Dubai remains an attractive destination for investors seeking a safe return on investment, which is evident from the emirate's base of investors, who belong to more than 217 nationalities from all over the world."

According to the report issued by DLD's Department of Real Estates Studies and Research, the first quarter of 2018 saw a total of 9,092 sales transaction worth about Dh19 billion, 3,717 mortgage transactions worth over Dh30.6 billion, and 950 other transactions valued at Dh8.4 billion.

Atif Rahman, Partner and Director of Danube Properties, said, "We have remained very bullish on the overall real estate market, especially in the affordable and the mid-market segment where there is still a shortage of homes and Dubai Land Department's first quarter 2018 report reflects our firm belief in the market. The fact that Dh58 billion worth of



Atif Rahman, Partner and Director Danube Properties

Sailesh Jatania, Chief Executive Officer of Gemini Property Developers

The fact that Dh58 billion worth of transactions have taken place in three months speaks volumes about Dubai's real estate market and it's buoyancy.

– Atif Rahman, Danube Properties

transactions have taken place in three months speaks volumes about Dubai's real estate market and it's buoyancy.

"Danube Properties itself has sold 300 apartments in our latest project – Jewelz, that we launched in March this year.

"Dubai will continue to attract investment in real estate for a few simple reasons: return on investment is still very high as can be witnessed in our properties – achieving up to 15 percent upon handover. Like I have said before, a lot of credit must be given to RERA for the regulatory framework they have put in place over the years to make Dubai one of the safest investment destination. DLD has also ensured that for any property buyer there remains unparalleled ease through which they can invest in Dubai.

"The continuous spending on infrastructure development and addition of new landmark attractions makes Dubai a place like no other city in the region. Affordable and mid-market segments will continue to drive buying and selling activities."

Among the total number of investors, 2,431 women made 2,780 investments exceeding Dh4.4 billion in value.

Sailesh Jatania, CEO of Gemini Property Developers, said, "Dubai's real estate market continues to defy the odds and Dubai Land Department's first quarter report is a living testimony of that.

"Dubai will continue to attract foreign investment due to the emirate's unique selling points (USPs) – higher rental yield that translates to higher return on investment, strong connectivity with the rest of the world, free repatriation of capital and profits, sound regulatory regime that protects investment and a growth-driven leadership – that means business.

"The report demonstrates that the market is well supported by investors and developers will be able to carry on with their projects as buyers are coming to Dubai market where new supplies are also attracting the real estate investment trust (REIT) funds. We see an exciting times ahead."

Top Investors

The UAE nationals outnumbered all other nationalities including Gulf, Arab and foreign countries, totalling Dh4 billion through 1,587 transactions made by 1,264 investors.

They were followed directly by the 1,387 Indian nationals who invested Dh3 billion through 1,550 transactions. Saudis came in third place with investments of nearly Dh1.3 billion, Pakistan and the UK followed on fourth in fifth place, and Chinese, Egyptian, Russian, Jordanian and Canadian nationalities ranked from the 6th to 10th respectively. ■

High Demand Areas

In terms of sales, Business Bay topped the list with 973 transactions worth almost Dh2 billion, followed by Dubai Marina with 720 transactions worth Dh1.37 billion.

Al Barsha South Fourth came in third place with 681 transactions worth Dh1.14 billion. The other seven places went to Al Merkadh, Jebel Ali First, Al Hebiah Fourth, Al Warsan 1, Al Thunaya 5, Al Yelayiss 2, and the Palm Jumeirah.

In terms of mortgages, Business Bay listed 249 transactions worth Dh1.8 billion, followed by Al Thunaya 5 with 195 transactions worth Dh613 million, and Dubai Marina with 192 transactions worth Dh289 million, followed by Jebel Ali Al First, Nad Al Sheba 1, Al Barsha South Fourth, Al Thunaya 3, Burj Khalifa, Palm Jumeirah, Al Thunaya 4 respectively.

At A Glance

Dh58 billion
value of land transactions in the first quarter of 2018

Dh4 billion
investment by UAE nationals in Dubai's real estate in Q1

Dh3 billion
investment by Indians in Dubai's real estate in Q1

Dh4.4 billion
value of transactions by women investors in the first quarter of 2018

Brokers

Brokers made Dh240 million in commission in land, building and residential unit sales.

The number of real estate permits issued reached 1,773 during the same period, while the number of real estate offices reached 2,165.

According to DLD's statistics, Dubai is now home to a total of 6,177 real estate brokers. ■

Heart of Europe takes shape off Dubai coast

Gulf Property Exclusive

Tall, well-built with imposing stature and a cool demeanour, he could have easily become a James Bond or a Mission Impossible movie character on a spy mission. However, Josef Kleindienst, the 55-year-old former Austrian policeman chose to bet on a series of luxury projects in Dubai.

He entered Dubai's real estate market as soon as Dubai Government opened the emirate's real estate market for foreign investment in May 2002 offering freehold ownership – something that was more of a taboo in the UAE.

The timing of the announcing was perfect – barely eight months after the fateful September 11 events in the United States and the subsequent pressure on Arab capital and their investment that came under heavy scrutiny in the Western world, which prompted the repatriation of an estimated US$800 billion to US$1 trillion Arab capital back to the GCC economy.

The Gulf countries then did not have the capacity to absorb such a huge capital.

In the absence of adequate investment opportunity, this huge pool of liquid cash were looking at a fertile land for investment. The region's stock markets did not have the capacity to absorb such a huge pile of cash, either.

So, the opening up of Dubai's real estate market offered a timely opportunity and part of this huge pile of cash started to penetrate the desert sandscape of Dubai and in 15 years, turned the barren land into a series of master-planned communities, so much so, that these projects extended deep into the Arabian Gulf in the form of the Palm Jumeirah island, Palm Jebel Ali, Deira Island and the World islands.

"I entered Dubai's real estate market in 2002 as an investor buying villas and apartments that were offered on a freehold basis," Josef Kleindienst, Chairman of the Kleindienst Group says, smiling at his crowded stand at the Abu Dhabi Cityscape last month.

"So, I made some money through my investment and then decided to form a company to engage in the industry further.

"I then formed a company to formalise the investment business into a real estate venture around 2004 and then started to think of developing a big project a few years later. So, when the

"When we invested in the World Island, we took the risk because we saw the opportunity. Others saw only the risk and once the crisis of 2008 hit – they left. We saw the opportunity and stayed."

– Josef Kleindienst,
Chairman of the
Kleindienst Group

Josef Kleindienst, Chairman of Kleindienst Group

World island was launched, I saw an opportunity and bought six islands, collectively called the Heart of Europe, at the peak of the emirate's real estate boom," he recalls.

Since 2006, he has been working on the Heart of Europe for at least 12 years now, before the global financial crisis of 2008 almost wiped out his dream venture.

"But then the 2008 global financial crisis happened and all went for a toss," he says, with a mischievous smile.

"In 2002, I was the first and only German investor in Dubai's real estate. In 2008, I was one of the 42 German real estate investors. Then in 2009, I remained the only German investor, while all others disappeared!

"When we invested in the World Island, we took the risk because we saw the opportunity. Others saw the risk, once the crisis of 2008 hit – and they left. We saw opportunity and stayed."

Despite his continuous efforts, perseverance and vigilance, the company could not deliver a single unit till now. But then, the Heart of Europe is not an ordinary project. It is a unique and game-changing venture that will see a lot of 'firsts' in the world.

"There will be snow throughout the year in one of the projects despite being in one of the extremely hot climates in the world. I am going to make it snow all year round," he says.

How cool is that!

"Then we are developing a resort called Ikaria, based on the lifestyle and culture of the Greek island of Icaria – where people live longer than the rest of the world," he explains. "The people of Icaria usually have a life span of 100 years – due to their healthy lifestyle.

"For example, they go to bed early – as early as after lunch! They just switch off from work and go to bed at around 2-3 pm.

"Our hotel Ikaria will follow the same principles and will offer the same lifestyle of Icaria."

Who will operate the hotel?

"We will, and the people of Icaria will manage the hotel," he says.

Empress Elizabeth resort will have just one key! It will have a climate controlled avenue for the hotel occupier – perhaps a newly-wed couple on honeymoon.

However, one of the most

Portofino Hotel, part of the Heart of Europe

unique creations of the Kleindienst Group is the Seahorses – a collection of floating homes, part of which will be submerged into water and residents could see the marine life, fish and corals from their underwater bedroom. The prototypes are already in the process of import and installation.

Designed, engineered and built in the UAE, 40 Signature Edition Floating Seahorses are now under production and are currently priced at Dh12 million apiece.

The first two phases totalling 40 Seahorses have been handed over. Some 40 per cent of buyers are from Saudi Arabia, 28 per cent are from the UAE, 12 per cent are from elsewhere in the Arab world, 13 per cent are from Asia and 7 per cent from South America.

On the Sweden Island, he is building 10 palaces – all with super-luxury amenities and out-of-the-world facilities. Most of the Floating Seahorse villas have been sold, promising investors a guaranteed yield of 8 percent over five years; S

Then there is the Dh2.5 billion Floating Venice island – a floating platform resort with 380 keys that comes with a wider choice of restaurants and cuisines.

Valued at Dh2.5 billion (US$680 million), the Floating Venice will be located in The World islands, about four kilometres offshore from Dubai and will bring an authentic Venetian experience to the Middle East.

"This unique floating resort has a capacity of up to 3,000 guests daily, with accommodation, restaurants and recreation split over four decks, one of which is underwater," the developer said.

"Guests will arrive by boat, seaplane or helicopter to the main Piazza San Marco where they can check-in at the underwater lobby. Gondola's imported from Venice will transport guests to their cabins through the winding canals, or alternatively a short stroll through canal side walkways and bridges will take them to their awaiting cabins."

Once completed, it will add to touristic attractions to Dubai and help attract international tourists to Dubai and UAE.

The project plan includes planting of 400,000 square feet of corals in the vicinity of the resort to aid marine life

The Heart of Europe:
Recreating a heaven on earth

and coral reefs and provide a picturesque view to the guests.

There will be a range of 414 bespoke cabins arranged over 4 decks, one of which is underwater giving spectacular views of the coral reefs below and passing gondola above, it said.

A collection of 12 restaurants and bars offer a variety of entertainment, 3 of which are underwater giving spectacular vistas of the dazzling marine life. Alternatively, the world's first floating underwater spa awaits to pamper.

Josef Kleindienst says "As a developer our vision supports and aligns with Dubai's ambition to be a leading global destination and home of innovation as the world's most forward-thinking city.

"Our aim is to change the landscape of real estate and hospitality and deliver a new iconic experience. The Floating Venice is the epitome of this innovation and spirit, the world's first luxury underwater vessel resort."

The Floating Venice is set to become a new modern marvel and the latest iconic destination for Dubai.

Its design echoes the ancient city with its elegant facades and magnificent palaces, the inspiration for the ultimate modern interpretation and natural progression of Venice, a luxury destination like no other.

The Floating Venice is made possible through the new technologies developed creating The Floating Seahorse. Constructed from a mixture of concrete for the underwater sections and marine lightweight materials for the upper decks, The Floating Venice will have a guaranteed lifespan of at least 100 years. Construction is scheduled to begin in 2018 with completion by 2020.

However, Josef Kleindienst, the go-getter, has now become more close to deliver his dream project – the Heart of Europe, a cluster of inter-connected islands on The World – an amalgamation of 300 man-made islands raised from the waters of the Arabian Gulf that is supposed to recreate the map of the world, protected by breakwaters.

The Heart of Europe, a collection of 14 hotels and resorts offering 3,427 guest rooms and serviced apartments in addition to 48 villas and palaces in total including a seven-start single-key wedding palace-resort – all

spread across six man-made islands interconnected through bridges.

"Out of the six islands, we will deliver three this year and progressively the entire project will be delivered by 2020, before the Expo 2020," he says. "The Heart of Europe will ensure that visitors to Dubai has enough attractions for tourists to stay here longer than the usual 2 to 3 nights. Our attractions will give tourists enough reasons to stay back for a longer period."

Dubai hosts 686 hotels and service apartment complexes with more than 107,000 keys. It will add more than 40,000 hotel rooms in the next two and a half years to be able to host 25 million guests converging in Dubai for the Expo 2020 as well as to host 20 million guests in hotel rooms per annum.

The Heart of Europe will add 3,427 keys to the existing inventory of 107,000 hotel rooms and hotel apartments.

Kleindienst Group has a team of 1,500 people working day and night executing these complex projects. The team includes 200 sales and marketing professionals.

"With investment outlay of US$2 billion (Dh7.3 billion), we are the largest European real estate developer in the UAE," he says.

"When I started the business, it was a one-man show in 2002. In 2006, we grew to a 100-people company an then reduced to 9 people in 2009. Now we are a 1,500 person strong business.

"Everything that we are developing, are done in-house – from concept to completion, including design, mas-

Heart of Europe: At a Glance

The Heart of Europe will boast many unique features, yet to be seen anywhere else in the world. These include:

Dubai's first exclusive vacation resort with some of the world's most sought after holiday homes.

The resort will be home to the world's first climate controlled streets (rainy streets and a snow plaza).

The Heart of Europe will feature Dubai's first 5-star family hotel, one 6-star hotel, two 7-star hotels and ten 5-star hotels – the only island resort in the world that offers such facilities.

The UAE's first party hotel, couple's hotel and pet hotel. The Empress Elizabeth Wedding Hotel.

51 European countries represented across a plethora of authentic cafes and restaurants (including floating restaurants, bars and a member's only floating yacht club).

Exciting nightlife 24/7 to suit all ages and interests.

A unique European shopping experience.

Home to The Floating Seahorse, the world's first underwater villa with a view to the world's largest aquarium – The Arabian Gulf.

The resort features over 100,000 natural corals and its own dedicated coral nursery.

First-class diving and snorkelling facilities.

An underwater heritage museum.

A permanent circus run by a renowned Swiss brand.

A calendar of all-year-round events and celebrations including a circus festival, crayfish parties, Oktoberfest and much more.

A 'spectacular' daily night show for all ages (fireworks, light shows, pyrotechnics, 3D mapping etc)

Majestic beachfront seven bedroom Sweden Palaces furnished by Bentley Home with their private snow/sauna room and private beach (the only beach villas in the world where you actually own the beach),

An Olympic pool with glass sides designed for watching synchronised swimming and swim related training and competitions.

Ancient Mediterranean trees which range from 100 to 1,500 years old (imported from Andalucía in southern Spain). ■

ter-panning, detail design, structural designing, engineering, construction, procurement and completion – all are now done in-house. We have learnt everything from scratch and developed the capability to construct and complete.

"It took a bit of time for self-learning and executing. However, since we now have the in-house knowhow and expertise, we are executing the project to perfection."

Kleindienst said, he initially had assigned part of the work to contractors and also created a joint venture with a Chinese contractor to deliver the project.

"However, they could not live up to their commitment and then I had to pick up the pieces from scratch and build the project," Kleindienst says.

"It has been a great learning experience and now that we have learnt the lessons and the engineering in the hard way, we will be able to deliver similar projects elsewhere and lend our expertise to other developers."

Although the some of the projects are nearing completion, price, room rates and other fees structure are yet to be put in place.

Climate Controlled Streets

The Heart of Europe in Dubai will be home to the world's first climate controlled streets.

The question is: How is it possible in The Middle East?

Areas of the islands will use state-of-the-art technology from Germany and the outdoor climate boulevard has been designed by Germany's Fraunhofer Institute, one of the world's leading environmental science research organisations who have been developing this technology since 2009.

The system works by redirecting return air from buildings and hotels to air vents lining the streets. Water will then be filtered from the condensation pipe to produce the effect of rain. Instead of blowing cold air on our visitors to bring the temperature down from 50 to 27 degrees in the summer we will use rain and snow. As cold air is heavier than hot air, this will enable people to walk outdoors all-year-round.

This exciting concept has not been seen in Dubai before and our guests will be

able to experience true European seasonal weather at The Heart of Europe!

The Heart of Europe

The Heart of Europe in Dubai is the world's only island destination that brings together the very best of European designs, heritage and hospitality.

The islands span six million square feet and will be able to accommodate up to 16,000 people at any one time. All six islands will be connected via bridges and will be accessible by boat, seaplane and helicopter.

There will be no cars permitted on the islands to create the perfect island experience.

More than just a destination, the Heart of Europe will offer a lifestyle like no other and be a beautiful tranquil haven that captures the very essence of European living to create a memorable vacation experience that goes beyond the imagination.

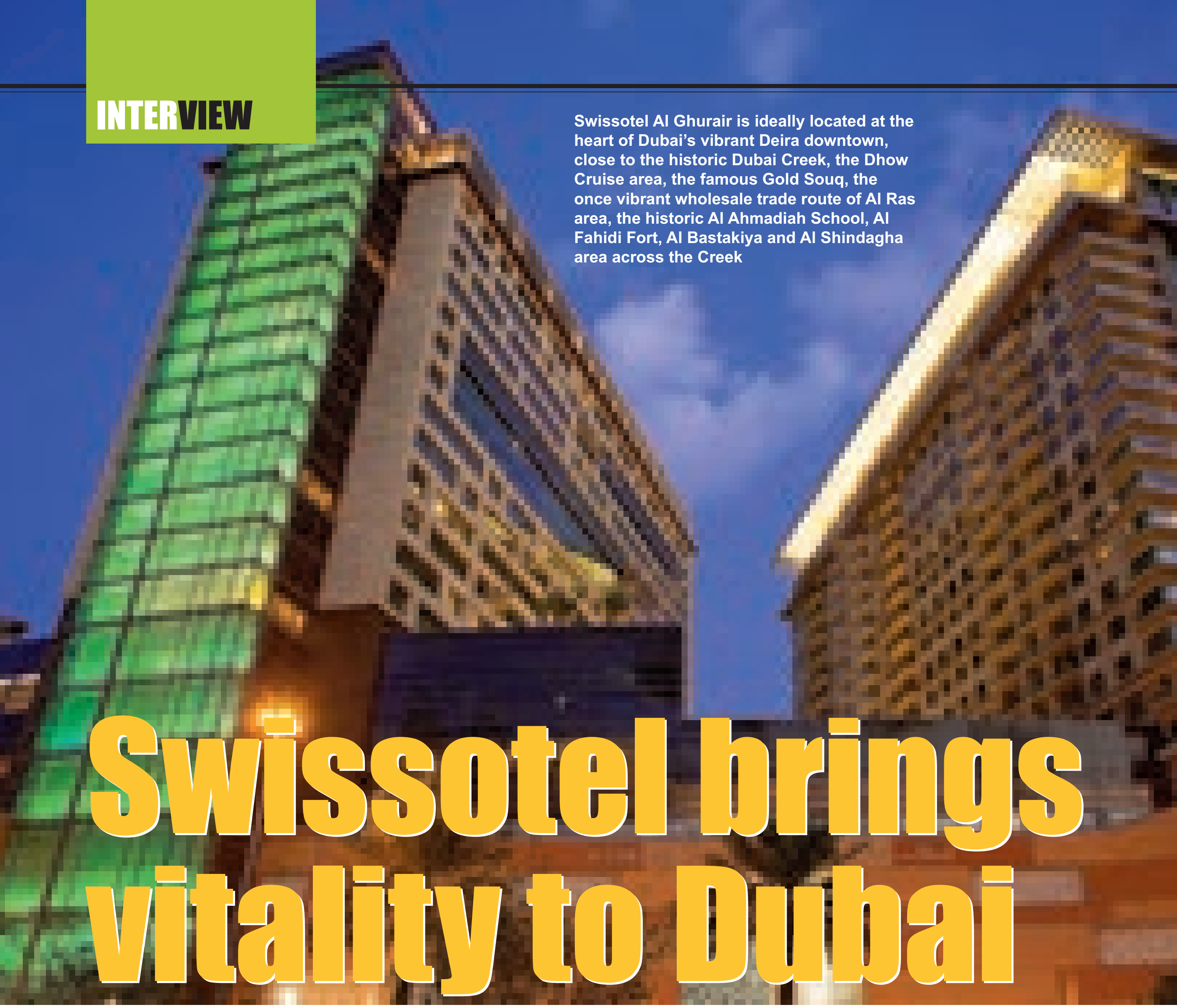
The Heart of Europe is a cluster of six islands on The World, a global landmark, made up of 300 islands reclaimed from the sea in the shape of the world map. This engineering wonder is an iconic collection of private and resort islands, located 4 kilometres off the coast of Dubai.

The Heart of Europe is based on destinations across Europe, spread over the islands of Germany, the Floating Venice, Sweden, Switzerland, St Petersburg and Main Europe, each of which boast a unique design. The islands are a celebration of the continent's artistic and cultural treasures, with each one capturing a different facet of Europe's culture, character and ambiance.

The Heart of Europe has partnered with some of the world's best architects and technology providers to give the islands their very own signature style and modern design infused with key features from host nations.

The project will set a new benchmark for sustainability and innovation – incorporating green features, solar power and state-of-the-art technology.

The Heart of Europe is expected to become one of the world's most environmentally-friendly and forward thinking leisure tourism destinations in the world. ■



Swissotel Al Ghurair is ideally located at the heart of Dubai's vibrant Deira downtown, close to the historic Dubai Creek, the Dhow Cruise area, the famous Gold Souq, the once vibrant wholesale trade route of Al Ras area, the historic Al Ahmadiah School, Al Fahidi Fort, Al Bastakiya and Al Shindagha area across the Creek

Swissotel brings vitality to Dubai

Gulf Property Exclusive

Swissotel, a Swiss luxury hospitality brand and part of AccorHotels, entered the UAE with Swissotel Al Ghurair in December 2017, widening the hospitality choice for Dubai's growing hotel guests who constantly look for new products, services and experiences.

Al Ghurair Properties, the property development arm of Al Ghurair, has partnered with the world renowned Swissôtel to launch Swissôtel Al Ghurair and Swissôtel Living, embedded within Al Ghurair Centre, Deira. This follows from the formal partnership agreement between Al Ghurair Properties and AccorHotels in July 2017, to open the first Swissôtel in the United Arab Emirates.

Consisting of 428 rooms and 192 apartments, the luxury property is located within the Al Ghurair Centre Complex, one of the region's first and most prominent shopping destinations. Geared towards both business and leisure travellers, Swissôtel Al Ghurair and Swissôtel Living is situated in the heart of old Dubai.

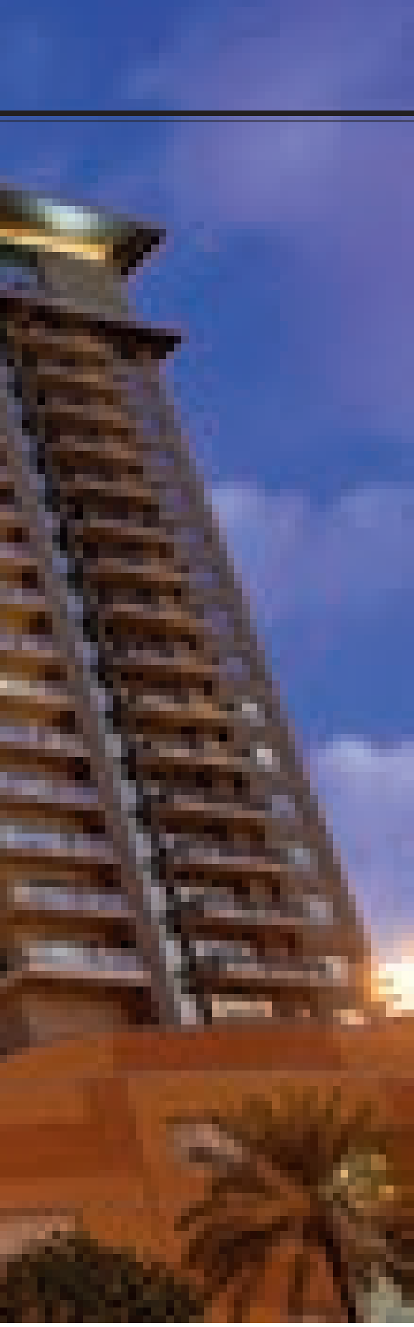
Swissotel Al Ghurair fills an important gap in the market. In an exclusive interview with *Gulf Property,* Emiel Van Dijk, General Manager of Swissotel Al Ghurair, explains all in great details. Excerpts:

Gulf Property: What is your view of the overall tourism industry of the UAE?

Emiel Van Dijk: The UAE tourism industry is healthy and vibrant.

It is still evolving, although the hotel industry in Dubai has matured a lot. Some markets, such as Ajman, Fujairah and Umm Al Quwain are developing, while the tourism sector in Abu Dhabi, Dubai, Ras Al Khaimah and Sharjah have matured quite a lot.

The tourism sector's demand and supply situation in Dubai is marked by anticipated demand for the World Expo 2020 and the statistics are all known – Dubai needs to add 40,000 hotel rooms to the existing inventory of 107,000 guest rooms and hotel apartments. So, the current situation is domi-



Emiel Van Dijk

"The UAE tourism industry is healthy and vibrant. It is still evolving, although the hotel industry in Dubai has matured a lot. Some markets, such as Ajman, Fujairah and Umm Al Quwain are developing, while the tourism sectors in Abu Dhabi, Dubai, Ras Al Khaimah and Sharjah have matured quite a lot..."

– Emiel Van Dijk
General Manager
Swissotel Al Ghurair

nated by a lot of new hotel construction and supply that will cater to the future demand.

Looking ahead to the future, the travel segment in the region will benefit from the wider tourism objectives and vision of the government, such as Dubai's Tourism Vision 2020, an ambitious roadmap to double annual visitor numbers from 10 million in 2010, to 20 million in 2020. Dubai's hotels and hotel apartments have hosted 15.8 million overnight visitors in 2017 – more than halfway mark to reach 20 million hotel guests by 2020.

Influenced by these initiatives, I believe we will see an increase in the family travel sector, as new theme parks and family attractions open in region, in addition to an increase in high-end business and Meetings, Incentives, Conference and Exhibitions (MICE) bookings, due to evolving business initiatives and facilities in the city.

Do you think the UAE has enough attractions for tourists to spend a week in the country?

Yes and No. While the country as a whole has a lot to offer for a tourist for at least a week's stay, it could add a lot more attractions, especially on the mountainous regions as well as sustainable tourism projects and development of more beach properties could create new excitements. Besides, the UAE could host a lot more theme parks to attract families.

The average length of stay has increased in the past few years. The fastest growing group are those staying between 6-8 nights, Dubai has seen an increase in long stays by 28 percent than the year before. These findings show significant progress in the UAE's attractiveness as a destination.

In 2016, Dubai Parks and Resorts opened a number of theme parks, in addition to the IMG World of Adventures – together they cater to a new generation visitors. The opening of the Louvre Abu Dhabi and the addition of new attractions in Saadiyat Island and Yas Island offer a wider choice to international tourists and makes the UAE even a more attractive destination.

In Ras Al Khaimah, the opening of the world's longest zipline is going to attract a lot of adventure tourists to the UAE. Thrill-seekers and adrenaline junkies will travel at speeds of up to 120kph to 150kph at a height of 1,680 metres above sea level on top of Jebel Jais mountain. So, international tourists could easily keep themselves busy for more than a week in the UAE.

Swissotel Al Ghurair is also located in the middle of a large number of attractions – it is close to the historic Deira downtown, Dubai Creek, Dubai Museum, the historic Al Bastakiya and Al Fahidi Fort as well as the famous Gold Souq, among others.

The hotel is connected to Al Ghurair Centre, the first modern shopping mall in the Middle East that hosts a large food court, a dining district with a wider choice of casual dining options, an indoor children's entertainment centre and a Cineplex.

How is Swissotel different compared to other five-star hospitality brands? What are the value propositions of Swissotel brand?

Swissotel is part of the Luxury and Upscale segment of AccorHotels Group. Swissotel brand carries the Swiss hospitality culture and heritage with it. Swissotel's service proposition is well supported by vitality, sustainability and Swissness – Swiss quality of service.

Vitality is a Swissotel programme aimed at inspiring travellers to maintain an active and energised body and mind while on the road.

As guests of the world, we uphold Swiss sustainability standards wherever we go. Because we build sustainability into our hotels from the bottom up. From the locally sourced ingredients on our menus to the behind-the-scenes energy-saving measures, we'll run your meeting or event as efficiently as we run our hotels.

The promise 'Quality in Life' is already inherent in the company's name. Swiss stands clearly for Swissness at all Swissotel locations: for a natural, unique design language and use of materials, which always keeps comfort and functionality in mind.

Swissness is also a promise to take care of nature and people; to be responsible for making sustainable development go hand-in-hand with economic development and entrepreneurial responsibility.

Also Swiss, of course, is the instinct for exercise and vitality, and in keeping with this each hotel in the Swissotel portfolio is constantly adapting its products and services to guests and their well-being – a balance between physical and mental vitality.

The 'otel' part of the name stands for the promise to offer each guest a temporary home and to infuse that home with hospitality, reliability and local charm.

Swissotel Al Ghurair is a landmark destination located at the heart of Dubai city. It sits at the crossroads of the city's age-old charm at one side where the traditional Arabic homes with wind towers, main trading hub, wholesale and retail districts, souqs, and the main waterway – the Dubai Creek – are located at walking distance while on the other side, it is well-connected to the ever-vibrant neighbourhoods of Deira – where life doesn't end till morning.

Swissotel Al Ghurair is the first Swissotel in the UAE and brings the best of the Swiss hospitality to the UAE – at the heart of Dubai city.

How do you position Swis-

Room With A View: Swissotel Al Ghurair that is ideally located at the heart of Dubai's vibrant Deira downtown, offers a great view of the city's major landmarks – Burj Khalifa and Dubai Creek on the one side and the new Deira Islands as well as a glimpse of the Arabian Gulf on the other side

sotel in the Dubai's tourism industry where visitors are spoilt for choice?

We want to be the preferred choice of stay to all the visitors of Dubai. I also strongly believe that we have an edge to the competition as we are located on the cultural and heritage side of the city, Swissotel Al Ghurair.

It is the perfect destination for short-stay and stop-over travellers that are looking to explore the local culture. Dubai continues to be a key business hub for the UAE and with Swissotel location 10 minutes away from Dubai International Airport and in close proximity to Dubai's business and financial districts, the hotel is also ideally positioned for business travellers.

What are your unique selling points (USPs)?

For Swissotel Al Ghurair, location is one of its unique selling points.

It is located in the heart of Dubai – at the center of Deira's business and leisure districts and in close proximity to the famous Gold Souq, the traditional wholesale and trading centre at Murshid Bazaar and the Dubai Creek – the water body that once provided the lifeline to Dubai's economy.

Three metro stations, including Union Station – the main rail station is in walking distance.

The hotel is connected to Al Ghurair Shopping Centre – a large shopping mall with a food court, a casual dining district with wide choice of cuisine and tastes, a large Cineplex and indoor children's entertainment centre.

The mall is in ten minutes driving distance to Dubai International Airport, Dubai Cruise Terminal, five minutes distance from the Gold Souq

Who is Emiel Van Dijk?

Emiel Van Dijk is the high energy, results-oriented General Manager at Swissôtel Al Ghurair and Swissôtel Living Al Ghurair. He brings 18 years of experience having worked in numerous departments of hospitality across various countries.

Throughout his journey with the Swissôtel brand, which started in 2006 and a position at the Swissôtel Berlin, Van Dijk gained essential insights across European properties, including Swissôtel London and Zurich, where he moved up through the ranks from Director of Sales and Marketing to Director of Operations.

His subsequent move to Swissôtel The Bosphorus, Istanbul, allowed him to take the title of interim General Manager, paving the way for his current role at Swissôtel Al Ghurair. His achievements in Istanbul have resulted in an array of prestigious accolades including the 2013 Europe Luxury Hotel Award, World SPA Awards consecutively in 2014, 2015 and 2016 as well as inclusion in the Conde Nast Traveller Gold Lists in 2011 and 2013.

In his current position, Van Dijk focuses on service quality and guest satisfaction, applying a holistic approach to boost the overall performance of the hotel. In line with the Swissôtel philosophy, Van Dijk advocates sustainable processes when possible in order to decrease the ecological footprint of the property. ■

and other destinations.

The hotel hosts 428 rooms and suites as well as 192 apartments, all furnished with luxurious and modern facilitates with three dining venues offering a wide choice of delightful dishes and beverages. The hotel also features Swissotel Spa and Sports, the perfect escape to replenish, relax and unwind your body.

Besides, Swissotel brings refreshing ideas under its brand philosophy of Vitality, Sustainability and Quality of Life – to promote healthy living and well-being of its guests.

Why should a tourist check into your hotel – Swissotel Al Ghurair – when there are so many other hotels in various locations? What is in it for the tourists?

Swissotel brings the authentic Swiss hospitality to Dubai's vibrant tourism industry as a refreshing change. Swissotel blends modern Swiss hospitality with Dubai's age-old charm. You will find Arab and Swiss hospitality and culture merges to create a very modern and vibrant fusion that you will love to experience – like no other!

Besides, being part of the AccorHotels Group, Swissotel offers a wider benefit to business and frequent leisure travellers who could bank on the conveniences offered by the programme across the network of AccorHotels.

Your hotel is connected to Al Ghurair Centre shopping mall. How does that help the hotel?

It's a fantastic advantage to have. Al Ghurair Centre is a great mall with world-class outlets.

How does it help the hotel – well it definitely helps our guests to dine and shop. If you are here with the family for leisure – you couldn't have asked for a better location. However, if you are in Dubai for business, it provides you the ideal location for business, rest, dining, shopping and night-out.

You could walk down the vibrant Al Riqqa Street shopping and tasting the traditional local food, juice, tea or Arabic coffee.

The mall attracts a lot of local residents, but also attracts family travellers who are looking for convenience , a luxury place to stay at and linked to premium mall with shopping outets, kids and family activates, a wide range of dining options.

Al Ghurair Centre has seen a lot development in the last few years adding a complete dining district on all sides of the shopping mall where visitors could try out different delicacies. It recently announced the addition of 18 new Cinema Screens that will open later this year.

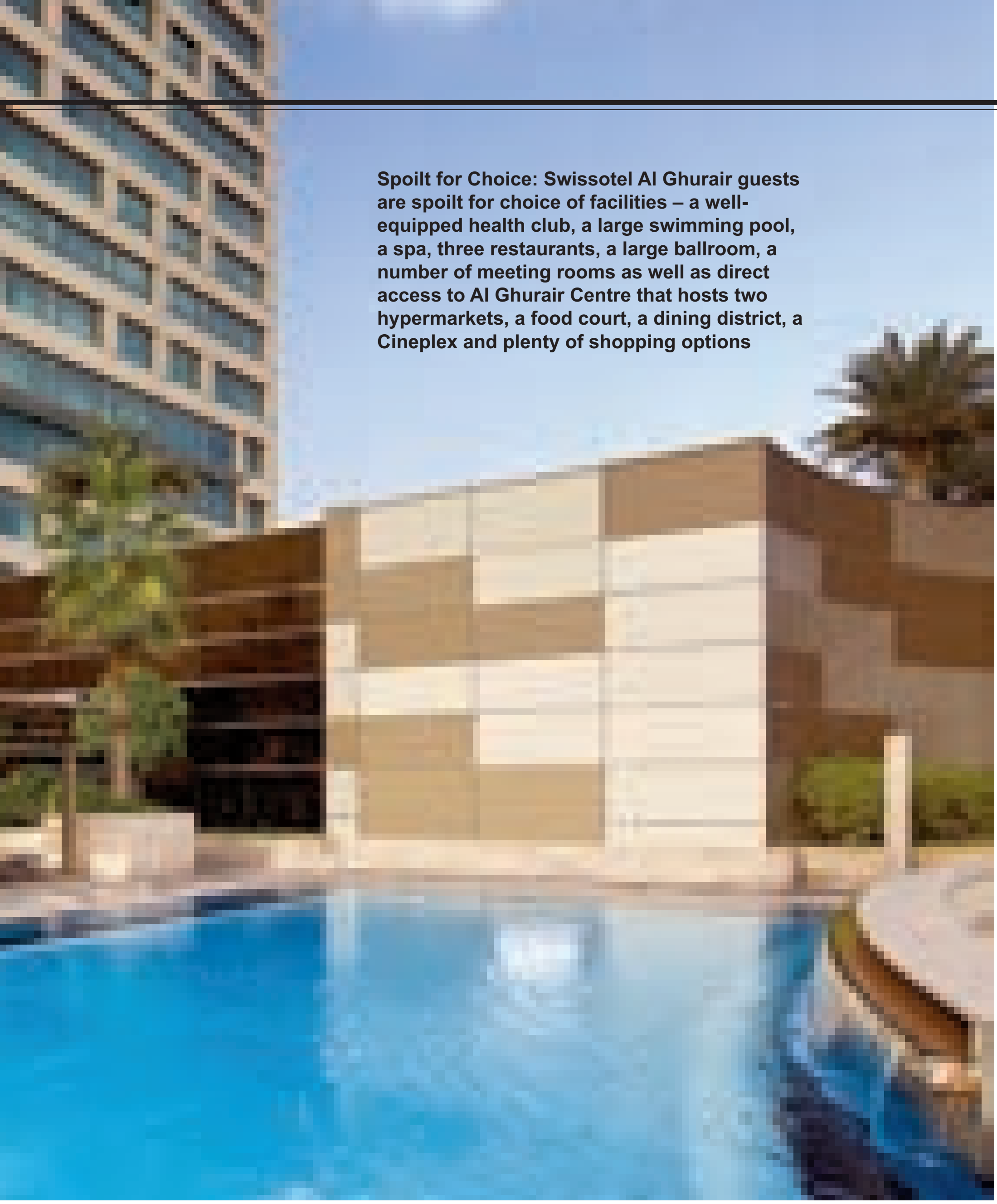
Your hotel is a dry hotel – how does that help your business?

Being dry helps a lot. Firstly it offers a healthy choice to the tourists. It helps attract more family tourists.

This also support the hotel's brand proposition 'Life is a Journey. Live it well'. This helps to attract sports groups when choosing a hotel that cares about guests' wellbeing.

Do you think Dubai's hospitality sector will suffer due to oversupply?

Not really. The 5-star hotel landscape in the UAE is highly competitive and fast-paced. There have been a number of new hotels open in the past period, and there



Spoilt for Choice: Swissotel Al Ghurair guests are spoilt for choice of facilities – a well-equipped health club, a large swimming pool, a spa, three restaurants, a large ballroom, a number of meeting rooms as well as direct access to Al Ghurair Centre that hosts two hypermarkets, a food court, a dining district, a Cineplex and plenty of shopping options

are more to come as Dubai continues to grow.

I believe that this feeds into the ambitious 2020 Dubai's Tourism Vision. Most luxury branded hotels are well occupied with guests as Dubai remains a business and leisure hub of the Middle East. If one just looks at the year-round exhibitions, conferences, seminars and corporate events schedule – one would find that these provide more than half of the hotel guests and keep the rooms occupied most of the time.

How many hotel rooms and service apartments do you have?
Swissôtel Al Ghurair 428 rooms and suites, each furnished with luxurious amenities and modern facilities.

Swissotel Living Al Ghurair offers 192 well-appointed apartments with spacious balcony, featuring modern conveniences and amenities, such as high-speed wireless internet, tea facilities and Nespresso coffee making machines.

How many food and beverage outlets do you have?
We have three dining venues offering a wide choice of delightful dishes and beverages. Liwan is an all-day dining restaurant offering a wide selection of international dishes at a daily buffet service for breakfast, lunch, and dinner, alongside an inspired à la carte offering, while an outdoor terrace offers a great place for al fresco meals.

Shayan, our signature Lebanese and Persian restaurant offers a range of authentic dishes, served in a comfortable and elegant ambience.

Relaxing and comfortable, Yasmine Lounge offers an ideal venue for casual and light conversations while enjoying tea, coffee and light snacks.

How big are the meeting facilities and events space?
Al Khor ballroom accommodating up to 300 guests, and 6 breakout rooms. ■

Location

Gulf Property: Your hotel is located at the heart of the traditional downtown of Dubai – Deira, which is well-connected through public transport networks. Is your location an asset or a liability for you?
Emiel Van Dijk: Obviously, it is an asset. Most international tourists who want to explore the city's origin, history, culture and heritage, usually choose to stay at the heart of the downtown – next to the main railway station or the waterway on which the city was founded.

Swissotel Al Ghurair is ideal for the business as well as leisure guest. Business guests enjoy being close in proximity to the city's important business centers and the airport. We have an equipped business center and each of the rooms offer high-speed internet for the comfort of the guests use.

Leisure guests can benefit from various facilities, including two pool decks, morning yoga sessions, two fully equipped gyms, the renowned spa, the hotel adjacent link to Al Ghurair Shopping Center, and easy access to cultural touristic locations.

Swissotel Al Ghurair has something to offer for each type of guest. ■

Majid Al Futtaim enters Dubai property market

Gulf Property Exclusive

Majid Al Futtaim, the Dubai-based regional shopping malls developer and retail giant, announced its foray into Dubai's residential real estate market with a Dh14 billion master-planned mixed-used community, Tilal Al Ghaf, which will host more than 800 luxury villas on the banks of a man-made lagoon in the middle of the desert.

Majid Al Futtaim group, the Dh32.2 billion ($8.7 billion) annual turnover conglomerate that recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of Dh4.2 billion ($1.14 billion) last year, has been injecting its resources in carefully planned expansion across the Middle East.

The diversified conglomerate, which owns and operates 22 shopping malls, 12 hotels and 3 mixed used communities, has total assets valued at Dh59.4 billion ($16.1 billion) and a net debt of Dh10.4 billion ($2.8 billion).

Majid Al Futtaim operates a portfolio of 97 hypermarkets and 134 supermarkets, across 14 countries as part of its exclusive rights to the Carrefour franchise in 38 markets across Middle East, Africa and Asia.

It operates 301 VOX Cinema screens and 32 Magic Planet family entertainment centres across the region, in addition to iconic leisure and entertainment facilities such as Ski Dubai and Ski Egypt, among others.

Among the group's three verticals, Majid Al Futtaim Properties registered 3 percent revenue growth in 2017 to Dh4.6 billion ($1.2 billion), while EBITDA increased by 3 percent to Dh2.9 billion ($789.5 million), almost 69 percent of the group's total EBITDA.

The group's property portfolio is valued at Dh44.12 billion.

Majid Al Futtaim retail, for its part, recorded Dh25.9 billion ($7.05 billion) revenue in 2017, an 8 percent increase from 2016. EBITDA declined 1.6 percent to Dh1.2 billion ($326.7 million).

Majid Al Futtaim – Ventures revenue rose 14 percent in 2017 to Dh2.1 billion ($571.7 million), with a 3 percent EBITDA decline to Dh258

million ($70.2 million).

Majid Al Futtaim is set to open three new shopping malls in 2018, including My City Centre Al Dhait – which opened in January – as well as City Centre Sohar and My City Centre Sur in Oman.

It has started investing in real estate for sometime now, with mixed-used master-planned communities in Sharjah, Oman and Lebanon. However, it had refrained from investing in Dubai's real estate market, except for building shopping malls.

Tilal Al Ghaf has been designed for people to live, work and play, through the art of 'place-making', this lifestyle mixed-use destination, which aims to create places that nurture mind, body and soul.

The name Tilal Al Ghaf, is inspired by the Ghaf tree which is a symbol of local heritage and sustainability. Extensive plantings of indigenous Ghaf trees will be provided across the community to encourage a sense of connection to the national natural landscape.

Tilal Al Ghaf represents the evolution of Majid Al Futtaim's properties business in Dubai.

"Building on our long track record of creating leading destinations that integrate the company's pioneering retail, hospitality, leisure and entertainment experiences, we are now introducing residential real estate to our customers in the Emirate," said Robert Welanetz, Chief Executive Officer of Majid Al Futtaim – Properties.

Majid Al Futtaim owns and operates 23 shopping malls, 12 hotels and 4 mixed-use communities, with further developments underway in the region.

Along with Tilal Al Ghaf, Majid Al Futtaim's communities' portfolio includes three leading communities, Al Zahia, Al Mouj Muscat, and Waterfront City, which are joint ventures with public and private partners in the UAE, Oman, and Lebanon. Further developments in the MENA region are also underway.

The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and four community malls which are in joint venture with the Government of Sharjah. The company is the exclusive franchisee for Carrefour in 38 markets across Middle East, Africa and Asia, and operates a portfolio of more than 230 outlets in 14 countries.

The Millennials, people who were born between 1991 and 1996, prefer the idea of live-work-play under the same community. Communities where all the daily needs are full-filled and available within a hand's reach. Tillal Al Ghaf is perfect place for them.

Spanning 3 million square metres at the intersection of Hessa Street and Sheikh Zayed Bin Hamdan Al Nahyan Street, near Dubai Sports City, Tilal Al Ghaf is a phased project that will in-

clude more than 6,500 freehold homes when complete by 2027, ranging from apartments, townhouses and bungalows, through to substantial luxury villas.

The first phase of the project, which consists of 800 structures will have its official launch to public in this 21st April and expect to be completed by end of 2020. The constructor's contract for the first phase will be awarded soon.

Homes will be set in a series of walkable neighbourhoods connected by pathways, natural open spaces, and neighbourhood parks. Around 355,000 square metres of landscaped open space will include green spaces and play areas, 18km of walkable trails and 11km of cycling paths, tennis and basketball courts, football pitch, and space for water sports.

At the heart of the community will be The Hive, Club Hive and Hive Park, combining diverse business, leisure and fitness offerings into an innovative lifestyle ecosystem, positioned to overlook the swimmable 70,000 square metre Lagoon Al Ghaf, complete with 400 metres of beachfront and 1.5 kilometres of walkable waterfront, enabling a wide range of water sports.

Residential areas, each with its own character, will be blended with vibrant retail, dining, leisure and cultural precincts, offering places to live, work and play.

Essential community facilities will include a holistic healthcare clinic, a top international K-12 school for up to 2,000 students, and three nurseries.

A concierge service will be also available to take care of mundane day-to-day tasks, leaving residents free to spend more of their time on the things they enjoy.

In this rapidly changing world giving priority to customer's demand is very much important. Majid Al Futtaim involves its customer's feedback in all its stage of making master plans. This is where customers can differentiate the brand from others.

While making the making the master plan Majid al Futtaim looks into all the small details to give its customer the bet comfort. From proper day light to appropriate disposal of waste, Majid al Futtaim takes all these nitty-gritty things in consider-

ation. For Tilal Al Ghaf, it's also offering customization to its customers from where they can customize colour of the house to the type kitchen or balcony of their individual houses.

Hawazen Esber, Chief Executive Officer of Majid Al Futtaim – Communities, said, "There is a strong demand in Dubai for homes where people feel connected to their community, but a shortage of areas where that is a reality. This is what Tilal Al Ghaf offers to the market.

"Innovation and sustainability are central to the philosophy that underpins Tilal Al Ghaf.

"This will be a progressive, forward-thinking community, and one that will stand the test of time. Our planning pays close attention to the continuing evolution of Tilal Al Ghaf, the wellbeing and happiness of its residents and the environmental impact of our modern lifestyle, far into the future and long after construction is finished."

Tilal Al Ghaf's sustainability will help to increase Dubai's stand in sustainability in global stage with smart home system.

The community will feature four neighbourhoods, each having own unique character, with Serenity and Harmony the first two offered as part of the launch phase. Serenity is a collection of 40 five- and six-bedroom upper luxury villas, offering unmatched waterfront views across Lagoon Al Ghaf as well as from the elevated ridge towards south-west Dubai.

Harmony has a diversity of living options, from single storey bungalows to expansive three storey family villas, all with the principle of connecting indoor and outdoor spaces and linked by parkways and trails.

Villas and bungalows are available in a wide choice of mid-range to upper-luxury layouts. Many will feature a range of personalisation options, varying by type, so that residents can create the ideal home for their family, tailored to suit their lifestyle and reflecting their individual aesthetic sense.

The homes themselves will feature contemporary, minimalist design. Seeking elegance by simplicity, the design language uses clean lines and building volumes to blend rich and contrasting materials, representing a modern and contemporary lifestyle.

Smart Home systems will incorporate innovative convenience technology into residences, such as a centralised home personal assistant allowing control of lighting, multi-room audio, smart locks and a smart thermostat, enabled by certified pre-installed WiFi.

Tilal Al Ghaf will be the first Dubai-based community to achieve certification under the Building Research Establishment Environmental Assessment Method (BREEAM). Extensive use of renewable energy will feature in both a residential and community setting, alongside smart technology to reduce energy consumption. Active efforts will be made to promote recycling and composting, reducing the volume of Tilal Al Ghaf's waste going to landfill. ■

Realty project value in Abu Dhabi hits $62 bn

Gulf Property Exclusive

The total value of the 1,270 residential and commercial building projects in Abu Dhabi has exceeded $62 billion (Dh230.45 billion), according to BNC Network, the largest project intelligence provider in the MENA region.

Of the 1,270 active projects in the urban construction sector, 76 percent belong to residential and commercial buildings category. However, when split on value of the projects, 41 percent of the projects belong to the residential and commercial buildings category while the remaining 59 percent belong to other urban construction projects such as hotels, hospitals and malls. This means that the average value of other urban construction projects is higher than that of the residential and commercial buildings projects.

Around 695 projects with estimated worth of $21.6 billion belong to low-rise residential and commercial buildings while 365 belong to mid-rise categories worth $16.5 billion and 210 worth $24.7 billion are high-rise towers.

Approximately 700 projects worth over $16 billion of the total projects are under construction while over 60 residential and commercial building projects valued at $2.3 billion are currently being tendered. Approximately 130 projects worth $7.3 billion are in preliminary stages of the construction life-cycle..

"Abu Dhabi is a major economic power backed up by large hydrocarbon reserves that puts the emirate's economy on solid ground. However, low global oil prices in the period of 2014-2017 compelled oil dependent economies to undertake conservative growth strategies, resulting in a slowdown in construction activities," Avin Gidwani, Chief Executive Officer of BNC Network, says.

"This is expected to be a temporary phenomenon as crude prices hover around the psychological US$ 60-70 per barrel, investment in housing projects and other development initiatives is expected to increase.

"We would expect to see a surge in the construction activities in Abu Dhabi in the next few years, if the current

At A Glance

$62 billion
value of active building projects in Abu Dhabi

$21.6 billion
value of low-rise building projects in Abu Dhabi

$16.5 billion
value of mid-rise building projects in Abu Dhabi

$24.7 billion
value of high-rise building projects in Abu Dhabi

$237 billion
value of 8374 active building projects in the UAE

$108 billion
value of high-rise building projects in the UAE

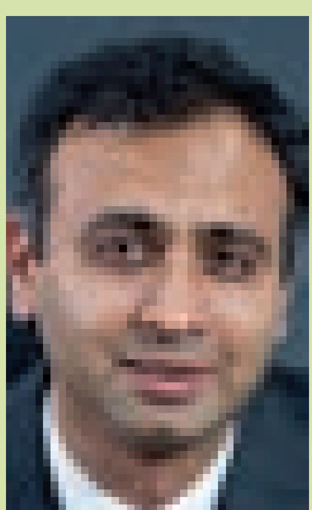
$68 billion
value of low-rise building projects in the UAE

$60 billion
value of mid-rise building projects in the UAE

level of crude oil prices hold. As it stands, major Abu Dhabi developers have already started announcing new projects, especially in the affordable home segment."

During the first quarter of 2018, more than 2,000 residential units have been delivered in Abu Dhabi's Reem Island, Yas Island and Saadiyat Island area, according to the latest report by Jones Lang LaSalle, the global real estate advisory.

A further 7,000 residential units are expected to be delivered by the end of 2018 - bringing the total number of deliveries to 9,000 this year. which might put further pressure on the real estate market that is currently suffering from subdued demand.



Avin Gidwani, Chief Executive of BNC Network

As per BNC Construction Analytics, Abu Dhabi projects are part of the 8,374 active residential and commercial building projects in the UAE, valued at over $237 billion (Dh871.25 billion).

Of these, approximately 1,100 high-rise residential and commercial building projects represent over $108 billion (Dh399.28 billion) in value, 4,775 low-rise building projects represent almost $68 billion (Dh251 billion) and 2,500 odd mid-rise buildings worth almost $60 billion (Dh220.93 billion), BNC data shows.

Residential and commercial buildings worth over $105 billion (Dh385.7 billion) are currently being tendered or are currently under construction – while projects valued at over $90 billion (Dh333.6 billion) are on hold and projects estimated at $41 billion (Dh151.9 billion) are in either concept or design.

In terms of the number of projects, 84 percent are residential and commercial buildings while the remaining 16 percent belong to the other urban construction projects.

However, in terms of the value of the projects, residential and commercial buildings represent 45 percent of the projects. This means that 16 percent of projects constitute55 percent of the total value of projects.

"The UAE's construction project market is currently being driven by the anticipated footfall demand for the World Expo 2020 – that necessitated the upgradation and expansion of infrastructure as well as the addition of new housing and hotel projects – to accommodate a large number of visitors to the emirates," Gidwani says. "Over the course of the next two years most of the currently ongoing construction work will be completed." ■

Aldar makes prices at AlGhadeer affordable

By Shayaree Islam
Gulf Property Report

Aldar Properties, the largest real estate developer in Abu Dhabi, has brought down the property prices at a rock-bottom level with studios prices starting at Dh290,000 and townhouses to Dh899,000 at Alghadeer – a master-planned mixed-use project on the Dubai-Abu Dhabi border, close to Dubai South, Al Maktoum International Airport and Dubai Expo 2020 site.

Aldar Properties last month launched a new Dh10 billion masterplan to build 14,408 residential units at Alghadeer, which sits close to the border of Abu Dhabi and Dubai within its Seih Al Sdeirah landbank.

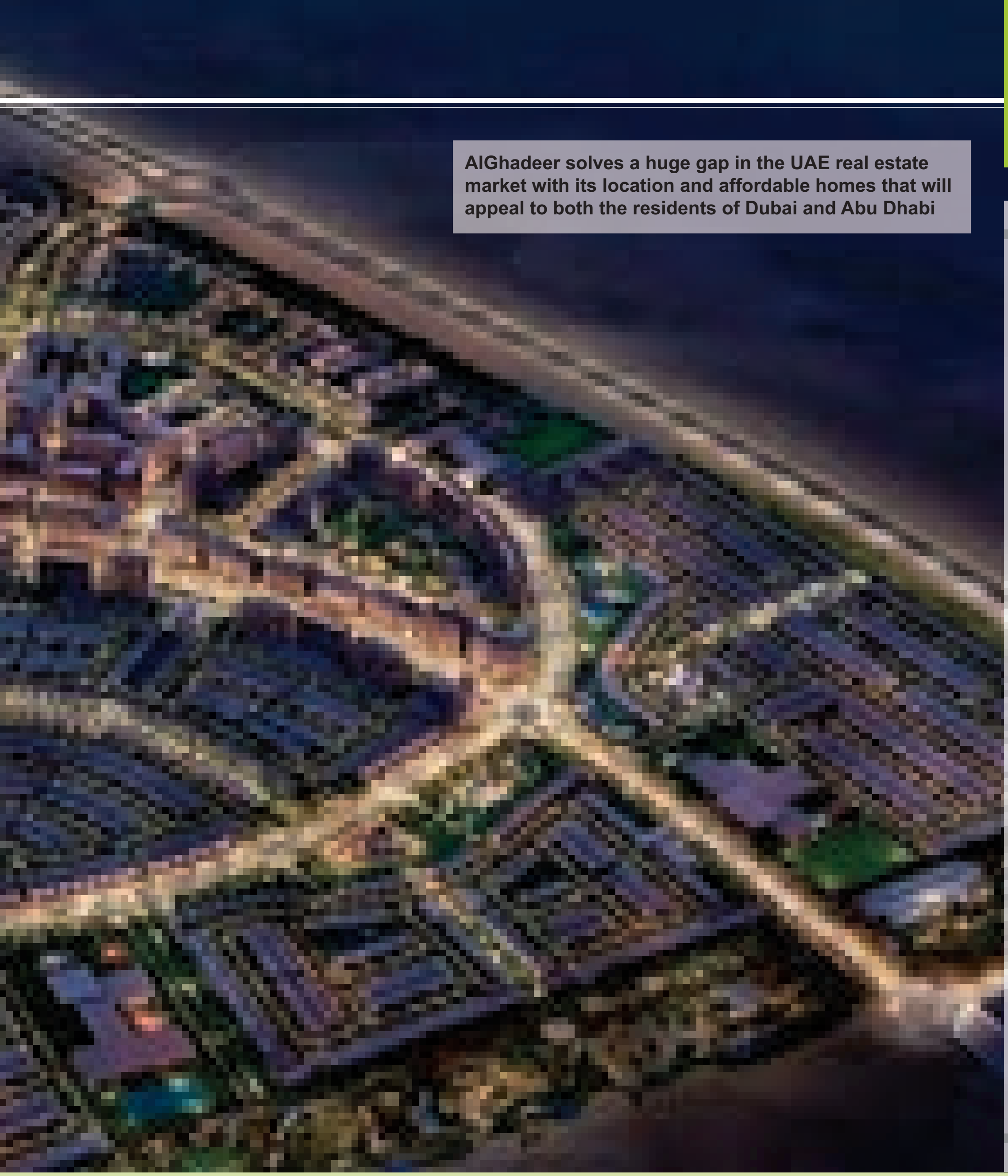
Alghadeer masterplan consists of 14,408 units, including villas, townhouses, and maisonettes. Total residential gross floor area (GFA) is set to exceed 1.3 million square metres and will be complemented by office space, retail space, hospitality, education and community amenities.

The new Alghadeer masterplan incorporates Aldar's existing community of the same name which boasts over 2,000 homes and is a thriving destination for many families.

Construction of this first neighbourhood is scheduled to commence in 2018 and be completed during 2021.

Alghadeer is designed to benefit from the significant growth being experienced in the north of Abu Dhabi and the south of Dubai. This area of the UAE includes major job creating projects such as Dubai Expo 2020, KIZAD, Dubai World Central incorporating Dubai South, the Al Maktoum Airport, as well as Dubai Industrial and Wholesale Cities, which will further boost the demand for high quality living spaces on the border of the two Emirates.

Talal Al Dhiyebi, Chief Executive Officer, Aldar Properties said: "The launch of Alghadeer is clear statement of Aldar's ambition. From its strategic location to its sustainable living initiatives, Alghadeer signals the creation of a new way of living for UAE residents, now and in the future. We are confident of the demand for a community which offers a distinct lifestyle - peaceful residential neighbourhoods, within close



AlGhadeer solves a huge gap in the UAE real estate market with its location and affordable homes that will appeal to both the residents of Dubai and Abu Dhabi

Alghadeer sits at such a strategic point within the UAE – close to major growth areas of both Abu Dhabi and Dubai, that it makes sense to pair it with rapid transport opportunities. We believe that Hyperloop technology can have a major positive impact on the lives of all of those living within our communities."

– Talal Al Dhiyebi, CEO, Aldar

proximity to the bustling cities of Abu Dhabi and Dubai.

"This launch further underlines how Aldar is expanding its successful destination-led strategy to additional areas of Abu Dhabi, capitalising on the UAE's flourishing population as well as our reputation as Abu Dhabi's leading developer. The scale and 15-year timeframe of the development underlines Aldar's confidence in the Abu Dhabi residential market."

With easy access to the UAE's arterial highways, Alghadeer will become home to those seeking both connectivity, and an escape from city life.

"Alghadeer which is more close to the city of Dubai than Abu Dhabi, actually is ideally located to families or working couples who work in Dubai and Abu Dhabi – and drive towards opposite directions to work everyday," said an analyst, requesting anonymity.

"So, for a couple, who work in Dubai and Abu Dhabi – the driving distance from Alghadeer becomes less and they both can reach their offices within 45 minutes, instead of one of them having to drive for 90 minutes.

"Besides, with growing employment opportunities in Dubai South that hosts the world's largest greenfield airport, and Khalifa Industrial Zone Abu Dhabi (KIZAD) that will host some of the largest industries in future, will help working couples to benefit from the close distance from Alghadeer – which is ten minutes from Dubai South and 20 minutes from KIZAD.

"The other benefit is the very affordable pricing that will help families and end-users to buy homes at Alghadeer. With this, Aldar is approaching the right product in the right location and offering homes at the right pricing. A comfortable payment scheme will further cement the success of Alghadeer."

In a nutshell, he said, "Alghadeer masterplan is a master stroke in the UAE's real estate and a true game-changer."

Aldar has also signed a Memorandum of Understanding (MoU) with Hyperloop Transportation Technologies (HyperloopTT), the innovative transportation and technology company, to build a transport loop to Dubai and Abu Dhabi – to

AlGhadeer is ideally located to serve the new economic growth areas of Dubai and Abu Dhabi emirates

transport people to destinations in Abu Dhabi and Dubai in ten minutes!

"HyperloopTT future plans include construction of the line in several phases starting within the ten kilometre allocation, with further development aimed at creating a commercial Hyperloop network across the Emirates and beyond," a joint statement said.

Talal Al Dhiyebi, Chief Executive Officer, Aldar Properties, said: "We are delighted to be working with HyperloopTT as they look to bring one of the world's most revolutionary transportation technologies to Abu Dhabi. Alghadeer sits at such a strategic point within the UAE – close to major growth areas of both Abu Dhabi and Dubai, that it makes sense to pair it with rapid transport opportunities. We believe that Hyperloop technology can have a major positive impact on the lives of all of those living within our communities, and we look forward to this possibility becoming a reality."

It will also see the development of a new urban centre within Aldar's Seih Al Sdeirah landbank and in close proximity to Alghadeer.

Bibop Gresta, Chairman of HyperloopTT, says, "This agreement creates the basis for the first commercial Hyperloop system in the world here in the Emirate of Abu Dhabi. With regulatory support, we hope the first section will be operational in time for Expo 2020."

The MoU, when fully executed, will allow for the creation of a new HyperloopTT centre including a full scale commercial Hyperloop system, a Hyperloop research and development Advanced Mobility Centre, a Demonstration and Visitor centre, and an Innovation Hub.

Dirk Ahlborn, CEO of HyperloopTT, says, "A forward-thinking nation like the UAE is ideal for building the most revolutionary, most efficient, and fastest transportation system in the world," said Dirk Ahlborn, CEO of HyperloopTT. "With this agreement in Abu Dhabi, we take a big step towards the world's first commercial hyperloop system."

Aldar Properties has US$10 billion assets and a 75 million square metres land bank.

Aldar's Annual General Meeting held recently, has increased its Foreign Owner-

ship Limit (FOL) to 49 percent, from 40 percent with approval of its shareholders.

Active engagement with international investors has been an important focus for Aldar over the past few years and it has seen significant growth in international shareholding over this time. The increase in FOL will support further growth in international shareholding, as well as providing greater liquidity in the stock as it embarks on growth strategy within Abu Dhabi and beyond.

Aldar Properties has also signed Escrow agreement with First Abu Dhabi Bank (FAB) which enables Aldar to provide Escrow services for buyers of its Alghadeer.

The Alghadeer masterplan also includes schools, a hotel, public garden areas, community swimming pools, multi-use sports areas, and community centres.

Aldar has already sold two plots of land for community services. The contracts will see British curriculum Alghadeer International School and retail outlets including LuLu supermarket and a community clinic open in Alghadeer in 2021 in line with handovers of the first new community to customers.

These will increase the range of convenience-driven services and facilities for existing and future residents at Alghadeer, creating more complete neighbourhoods.

The retail amenities will have a GFA of more than 30,000 square metres and will include a range of outlets as well as a community clinic.

The LuLu supermarket, with a GFA of 5,000 square metres, will primarily focus on grocery and supermarket products, with a product range that is specifically targeted at Alghadeer's diverse population. The supermarket, retail outlets and clinic will be operational from 2021.

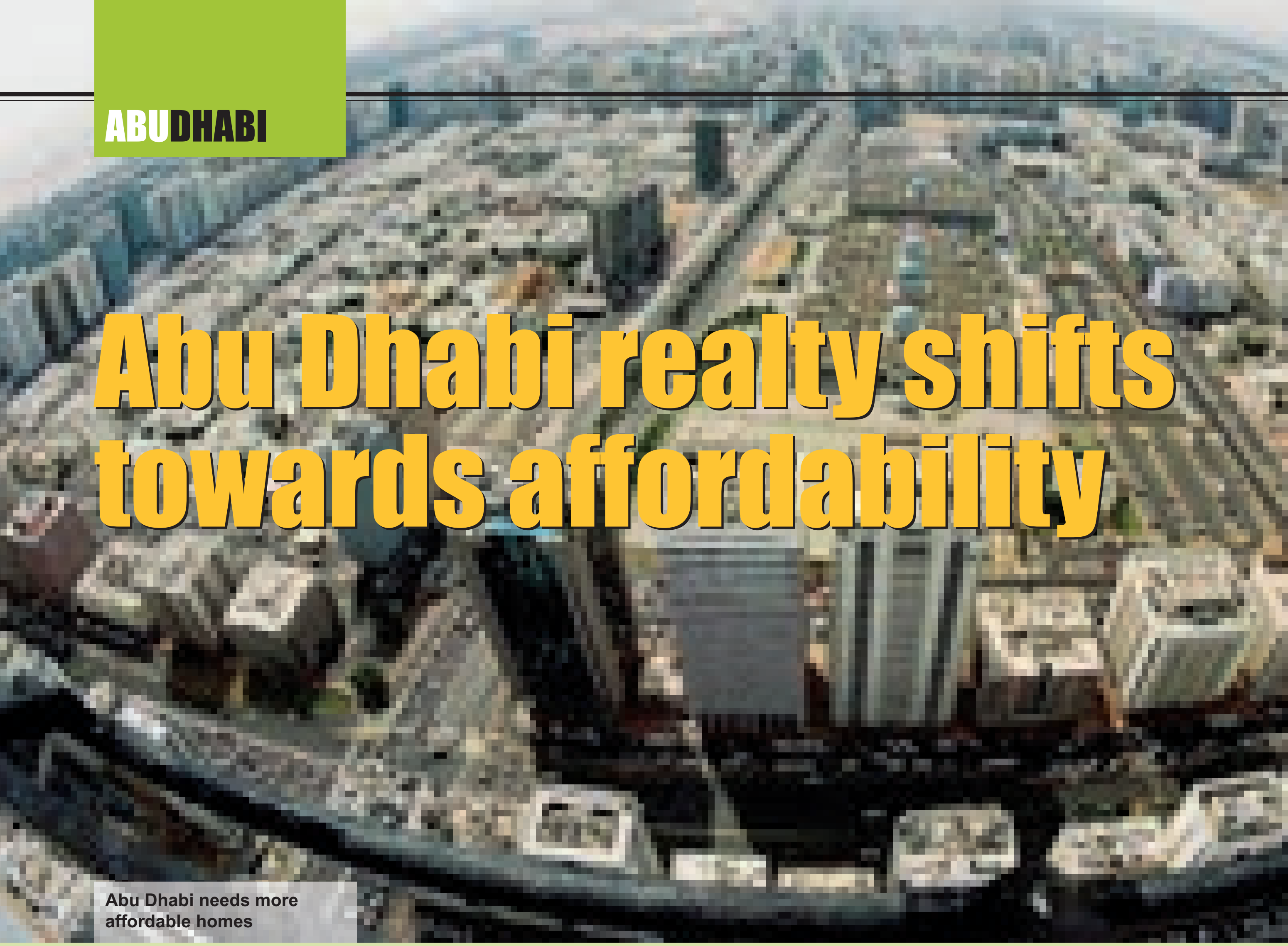
Occupying 38,809 square metres of space with a GFA of 18,485 square metres, Alghadeer International School is a British curriculum private school, set to offer places for 1,500 students from FS1 to Grade 12 as well as a nursery offering early childhood education. The school is to be operational from September 2020.

At the heart of Alghadeer is Harvest, a multi-use agricultural led space containing parts like, The Hub – a food and beverage outlet, The Studio – an educational area for training and workshops, The Shed – a dedicated area for purchasing farming tools and supplies, and The Market– a retail area for freshly grown produce, and The Field - where people can rent plots and grow their own produce.

Attractive those who prefer wide-open spaces and unique recreational facilities, the place will also have lakes, running and cycle tracks, gym, camping and BBQ sites and a network of walkable gardens and parks lit entirely by solar powered lights.

Aldar has already launched the first neighbourhood of 611 homes for sale during Cityscape Abu Dhabi. This neighbourhood is located to the north west of the masterplan, and near Alghadeer's central amenities such as Harvest. ■

Abu Dhabi realty shifts towards affordability



Abu Dhabi needs more affordable homes

By Shayaree Islam
Gulf Property Report

Abu Dhabi real estate market is heading towards affordable segment as demand for upmarket luxury units are softening, according to real estate analysts and experts.

Rents have declined between 5 to 30 percent in the last three years, from 2014 while sales prices have declined between 5 to 33 percent depending on the location, neighbourhood and facilities, Mansoor Ahmed, Director of Development Solutions at Colliers International, said, quoting market statistics.

"Less than 15 percent of the homes belong to affordable category in Abu Dhabi," he said.

"In the matured markets of the United Kingdom and United States, 20 percent of the household income are spent on rents or housing while in India and China, families spent 30 percent of their income in rents or mortgage. However, in the UAE, it is 35 percent per month – very high."

Real estate prices in Abu Dhabi have been declining over the last 2 years. Apartment sales prices in Abu Dhabi have dropped by 5 percent in the last 6 months, a similar trend can be noticed for the rentals as well, according to real estate firm Asteco.

Apartment and villa rental rates recorded decreases of 3 and 2 percent respectively in the first quarter of 2018 and an annual drop of 11 percent and 9 percent, Asteco said.

Slow economic growth coupled with job cuts, VAT implication, low oil prices and new supply has resulted sales and rent, it said.

John Stevens, Managing Director, Asteco said "As a result of the delivery of new supply during a period of restrained economic growth and subdued market sentiment, we have seen an increase in vacancy rates across all residential unit types."

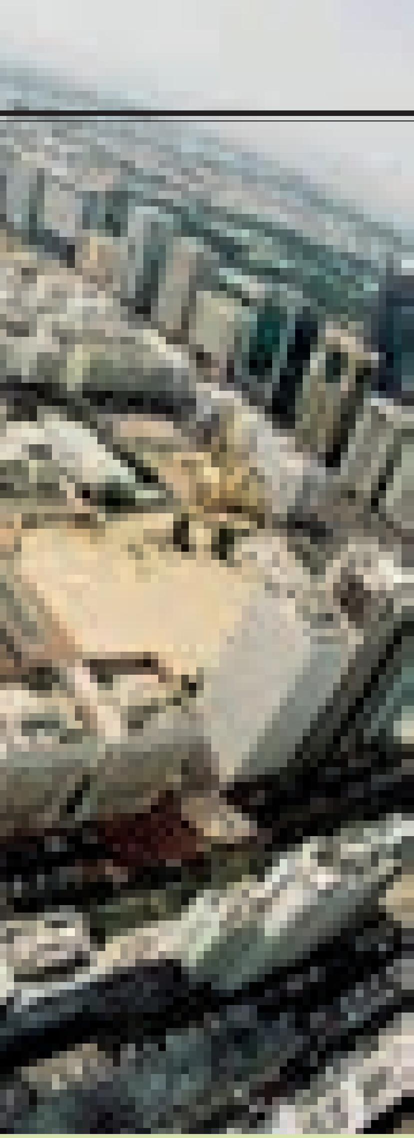
According to Knight Frank, after subdued market performance in 2017, landlords have conceded to lowering rents and offering appealing incentives and as a result leasing rates have exhibited significant falls in the first quarter across all market sectors.

The first quarter of 2018 saw the launch of several new projects such as the Al Fahid Island Master Development by Al Nahda Investment and the Reflection Towers on Reem Island by Aldar.

Approximately 2,000 residential units were delivered in the first quarter of 2018 with the bulk (more than 75 percent) located within Investment Zones, including, Yas Island, Al Reem Island and Al Raha Beach.

Over 2,500 units on Al Reem Island, 1,800 on Yas and Saadiyat Islands, including West Yas, Jawaher Al Saadiyat and Maamsha Al Saadiyat, and more than 1,650 units on the Abu Dhabi mainland are among the key developments of 2018.

The major theme for Q1



Sameh Muhtadi, Chief Executive Officer of Bloom Holding

"Affording housing is getting good attention from the developers. The flexible payment system offered by the developers like us are making low income group to think about owning a house. But from government side we expect to get more land as subsidies. So that, we can build new 'Affordable' communities in affordable areas."

– Sameh Muhtadi, CEO of Bloom Holding

across the office, residential, retail and hotel sectors has been that of 'affordability', according to Jones Lang LaSalle, the global real estate advisory.

Residential developers have offered smaller unites at competitive prices in areas in UAE known for more affordable housing.

Maysah Sabah, Managing Director of Affordable Housing Institute said, affordable homes are most often mistaken as low-quality homes.

"While making affordable housing three things mainly we take in consideration. First is the quality of living, the apartment and the neighbouring atmosphere, then second is the "Affordability" and thirdly the sustainability," she said.

"We have ranges for affordability as well. We are building different communities for people who earns Dh15,000 per month, Dh10,000 per month, below Dh10,000 and the retiring communities."

Maan Al Awlaqi, Commercial Executive of Aldar said, "We are the first to target lower income communities to own a house. Alghadeer offers 60 percent less than usual price of a town house. The low underpayment and mortgage pay is also affordable. Dh290,000 for a maisonettes is amazing price for people earning low."

Ahmed Alkhoshaibi, CEO, Arada, one of the UAE's newest developers, said: "At this year's event, we are launching the second phase of Aljada, our most incredible project, where we're building something affordable, that we think will be of huge interest to younger members of the community, whether they are students, perhaps working for the first time or recently married."

Real estate market has now turned into a buyers' market, from being a sellers' market for a long time – due to looming oversupply and lower demand.

Buyers are getting offers that were not seen in a while in real estate market. The competitions among the developers are fierce and push to sell is high, as demand is much lower than the supply.

Sameh Muhtadi, CEO of Bloom Holding, said: "Affording housing is getting good attention from the developers. The flexible payment system offered by the developers like us are making low income group to think about owning a house.

"But from government side we expect to get more land as subsidies. So that, we can build new 'Affordable' communities in affordable areas."

The main issue the developers are facing is the availability of having financial support from the bank for affordable buildings.

According to Maysa Sabah and Sameh Muhtadi, the first step to build or buy an affordable house is to understand the concept of affordable living. The building needs to be more standardised, people need to think about smart savings and the whole community needs to recognise the importance of scalability, they said. ■

Tourism contributes Dh116 bn to UAE GDP

Gulf Property Exclusive

Travel and tourism sector's direct contribution to the UAE GDP reached Dh68.5 billion ($18.7 billion) or 5.2 percent of the total GDP of the country in 2016, according to a latest report by the World Travel and Tourism Council (WTTC).

The WTTC ranks the UAE 26th largest tourism market in the world in absolute terms. More than 14.9 million leisure and business travellers visited the UAE in 2016, representing a 4.9 percent increase from the previous year.

"The number of visitors to the country has been growing steadily in recent years as source markets have diversified," a report by Dubai Chamber said.

"The Middle East was identified largest source of visitors, with a share of 28.6 percent in total arrivals during 2016, followed by the Asia Pacific region at 25.7 percent, and Europe at 17.1 percent.

This is forecast to have risen by 3.2 percent in 2017, and to rise by 5.1 percent per annum from 2017-2027, to Dh116.1 billion ($31.6 billion) or 5.4 percent of the country's projected total GDP in 2027.

The total contribution of travel and tourism to GDP was Dh159.1 billion ($43.3 billion) or 12.1 percent of GDP in 2016, and is forecast to have risen by 2.9 percent in 2017, and to rise by 4.9 percent per annum to Dh264.5 billion ($72.0 billion) or 12.4 percent of GDP in 2027.

Leisure travel spending (inbound and domestic) generated 77.4 percent of direct travel and tourism GDP in 2016 (Dh115 billion) compared with 22.6 percent for business travel spending estimated at Dh33.6 billion in 2016..

Domestic travel spending generated 26.1 percent of direct travel and tourism GDP in 2016 compared with 73.9 percent for visitor exports (ie foreign visitor spending or international tourism receipts).

In 2016 travel and tourism directly supported 317,500 jobs (5.4 percent of total employment) in the UAE in 2016. This is expected to have risen by 2.3 percent in 2017 and further grow 2.4

percent per annum to 410,000 jobs or 5.9 percent of the total estimated employment in 2027.

In 2016, the total contribution of travel and tourism to employment, including jobs indirectly supported by the industry was 10.4 percent of total employment of 617,500 jobs.

This is expected to have grown 1.8 percent in 2017 to 628,500 jobs and rise by 2.0 percent per annum to 770,000 jobs in 2027 (11.1 percent of the total).

Visitor exports generated Dh109.8 billion ($29.9 billion) or 8.1 percent of total exports in 2016.

This is forecast to have grown by 3.3 percent in 2017, and grow by 5.0 percent per annum, from 2017 to 2027, to Dh184.5 billion ($50.24 billion) in 2027 or 5.9 percent of the total visitor exports.

Travel and tourism investment in 2016 was Dh26.2 billion or 7.0 percent of total investment ($7.1 billion) in 2016. It is estimated to have fallen by 0.2 percent in 2017, and rise by 11.0 percent per annum over the next ten years to Dh74.5 billion ($20.3 billion) in 2027 or 11.2 percent of total. 2027.

Dubai Tourism

Dubai's tourism sector welcomed 4.7 million international overnight tourists from January-March 2018, recording 2 percent increase in traffic versus the same period last year, according to the Department of Tourism and Commerce Marketing (DTCM), Dubai Government's tourism promotion and regulatory body.

More than 15.79 million visitors stayed in Dubai's 107,431 guest rooms and furnished apartments in 681 hotels and service apartment complexes last year, DTCM statistics show.

The number of hotel guests rose 6 percent from 14.87 million last year.

The number of occupied room nights reached 29.21 million last year, up from 28 million room nights in 2016.

Average daily room rate declined to Dh492 per room per night last year, down from Dh511 per room per night in 2016.

Revenue per available room also declined to Dh383 per room per night last year, down from Dh397 per room per night in 2016.

With Dh383 revenue per room per night, the 29.21 room nights would have generated Dh11.18 billion revenues for Dubai's hotels and serviced apartments.

Indian tourists were the largest hotel guests in 2017. The number of Indians staying Dubai's hotels grew 15 percent last year to 2.07 million, up from 1.8 million in 2016, DTCM statistics show.

The emirate's room supply is set to reach 132,000 by the end of 2019, growing at a 2-year (2017-2019) compound annual growth rate (CAGR) of 11.1 percent. ■

Emaar to operate 50 hotels, 25000 rooms

Emaar Hospitality Group, the hospitality and leisure business of Dubai's biggest property developer Emaar Properties, said, it will add 35 hotels in its existing portfolio of 15 operating hotels and serviced residences that are operational in Dubai.

The expansion could see Emaar Hospitality operating its hotels in 20 European and sub-saharan African cities, including first-tier European cities, such as London, Paris, Rome and Munich.

It has a pipeline of 35 projects in the Saudi Arabia, UAE, Bahrain, Egypt, Turkey and the Maldives, bringing the total number of destinations in which it operates to 58 markets.

Olivier Harnisch, Chief Executive Officer of Emaar Hospitality Group, said that several new management agreements are being finalised to be potentially announced during the Arabian Travel Market 2018.

"Since 2007, we have been shaping a new identity and presence in the hospitality scene, and with three distinctive brands, we have now achieved a remarkable milestone in our growth journey of having a robust portfolio of 50 hospitality projects – both operational and upcoming – together offering more than 25,000 rooms and residences. While our primary footprint is the UAE and the Middle East and North Africa region, we are delighted by the response from owners and developers to our hotel concepts, and are expanding to new geographies," said Harnisch.

The expansion push will be a combination of both managing and building hotels, with the majority of projects skewed towards management, Harnisch said. Most of the projects will be funded either by Emaar Capital or through joint ventures with real estate companies and funds.

Emaar Hospitality Group's upcoming international projects are in Saudi Arabia, Bahrain, Egypt, Turkey and The Maldives, with new destinations to be added shortly. In the UAE, the Group has expanded its presence from Dubai to Abu Dhabi, Sharjah, Ras Al Khaimah and Fujairah.

"Our ambition is to be one of the world's most admired and trusted hospitality companies, and with Dubai evolving as a global tourism

and business hub, we have earned remarkable brand recognition in global markets that power our onward journey," said Harnisch.

With a focus on brand differentiation to drive deep customer personalisation, Emaar Hospitality Group has launched three hotel brands – the premium luxury Address Hotels + Resorts, the upscale lifestyle Vida Hotels and Resorts, and the contemporary midscale Rove Hotels, the latter developed as a joint venture between Emaar Properties and Meraas Holding.

Addressing the media at a press conference held during Arabian Travel Market, Harnisch said that each of the three brands has gained significant traction – and are fast-expanding their footprint to meet the fast needs and aspirations of a fast-changing tourist demographic, especially with a focus on the millennial travellers and new generation of entrepreneurs.

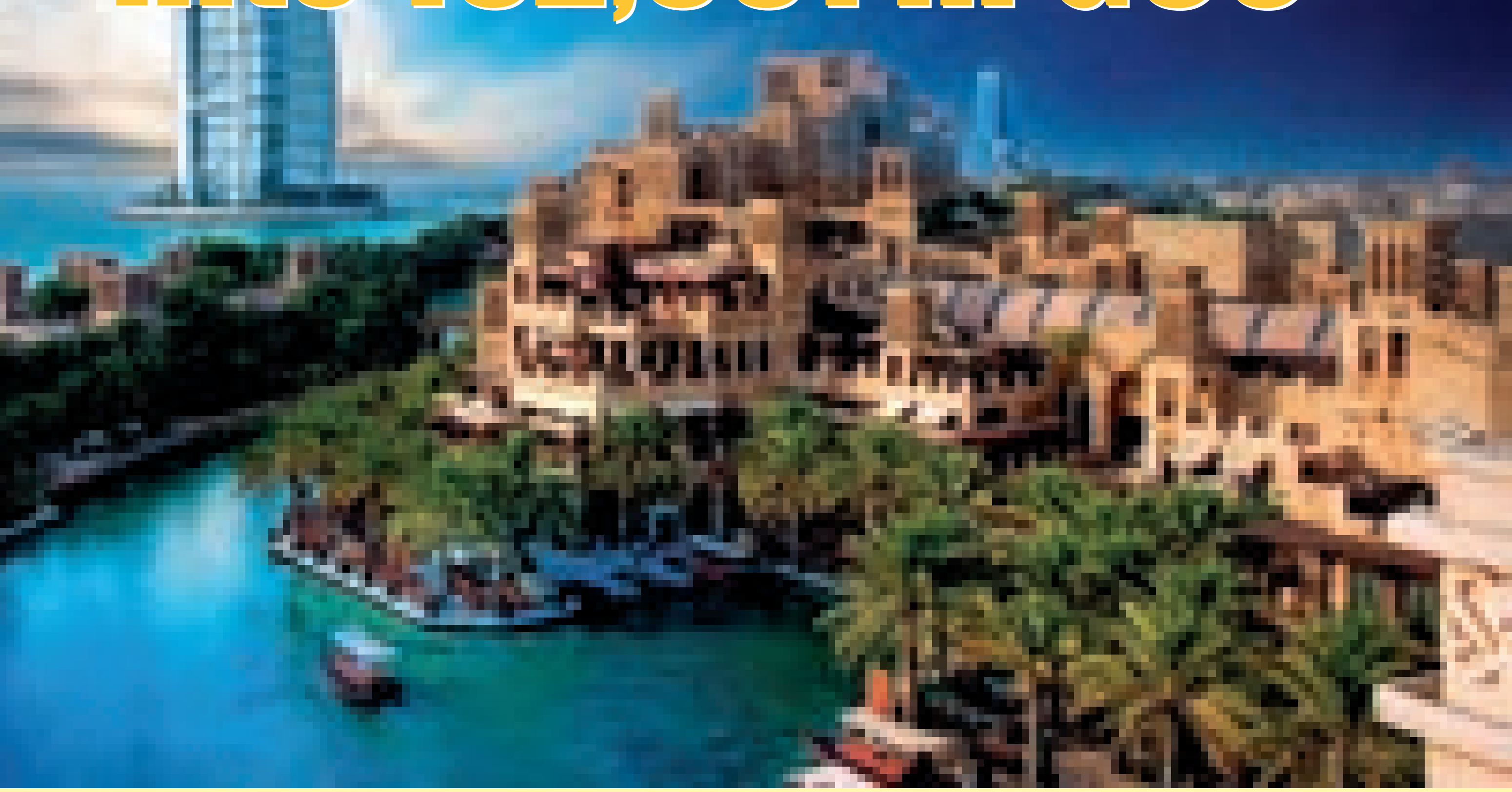
"Across the MENA region, there is a strong focus on economic diversification with tourism and hospitality serving as central pillars of the strategic vision outlined by governments. The UAE Vision 2021 and Saudi Vision 2030, for example, outline the important role that the hospitality sector plays in job creation and in diversifying non-oil revenues. Our strategy is to leverage the growth of the Middle East's tourism sector, which grew 5 per cent in 2017, by strengthening the hospitality infrastructure and assuring visitors distinctive guest experiences through our hotel projects," said Harnisch.

The expansion of Emaar Hospitality Group is complemented through higher operational efficiency and a customer-first approach highlighted through an organisation-wide digital transformation strategy. In addition to working with tech-leaders such as Microsoft and Accenture, the Group has launched three digital initiatives that will set industry-firsts.

The first project focuses on bringing seamless service to the guest, ensuring they can check-in/check-out anytime, anywhere. The second leads to the transformation of hotel rooms as intelligent rooms that tunes itself to the preferences of the guest through machine learning and Artificial Intelligence. The third project draws on digital collaterals to free up space in guest rooms and public spaces whereby the Group will introduce digital storage and connected processes to create social spaces for better guest interaction and fun activities.

As of April 2018, Emaar Hospitality Group has 12 operational hotels in Dubai – five each under the Address and Rove brands and two by Vida. The development pipeline in the UAE includes 12 Address, nine Vida and four Rove hotels. Internationally, seven Address hotels are being developed in addition to three Vida properties and one Rove hotel. ■

Hotel room pipeline hits 152,551 in GCC



A series of new hotel announcements at the recently concluded Arabian Travel Market reflects a robust growth in the region's tourism industry.

Despite an oversupply of hotel rooms in some of the key markets, the total pipeline of rooms in the GCC currently stands at 152,551 across 518 properties, according to data from STR. The leading contributors are the UAE with 73,981 rooms in the pipeline; Saudi Arabia with 64,015; and Oman with 8,823. In percentage terms the largest increase on existing stock will be seen in Saudi Arabia, which is on track to witness 123.7 per cent growth.

Currently, the Middle East is one of only two regions globally, the other being South America, in which supply is outstripping demand, with supply increasing at a rate of 4.9 per cent versus demand at 3.2 per cent.

"The Middle East has been the fastest growing region in the hospitality industry over the last decade in terms of supply. With 153,460 rooms across 540 projects currently under contract, the region is set to add 49 percent on top of its current existing supply," Robin Rossmann, managing director, STR, said in a recent statement.

'As far as markets, Dubai leads the way with over 42,000 rooms in the pipeline, followed by Makkah with almost 30,000. While this represents significant expansion for Dubai, demand has also continued to grow. We're projecting some declines for the market's occupancy levels over the next few years, as supply is expected to outpace demand.

"While Dubai continues to bring in substantial leisure business, which has helped offset much of the supply growth to date, it will become increasingly challenging for the market to continue maintaining this balance as it continues to expand," Rossmann said.

Meanwhile, Time Hotels, the UAE-headquartered hospitality company and hotel operator, said it plans to open six new properties across the Middle East by the end of 2020.

The properties, will see the growth and launch of existing as well as new Time Hotel brands to key territories throughout the region.

Mohamed Awadalla, CEO

Central Hotels to open 2 properties

Central Hotels, a UAE home-grown hotel operator, is all set to double its inventory of keys in Dubai next month with the opening of two hotels namely Royal Central The Palm (207 keys) and Canal Central in Business Bay (280 keys).

Both properties have been designed in contemporary style to serve the needs of modern business and leisure travellers. Featuring world-class facilities and inspiring spaces with signature personalised service, each property is unique in its own way. Central Hotels' growth is fuelled by the city's extensive expansion of tourism infrastructure in preparation of Expo 2020.

Ahmad Al Abdulla, Chairman of Central Hotels, said, "Our expansion strategy demonstrates our commitment to support the growth

Canal Central Hotel

of the destination and its envisioned potential. We look forward to being part of this incredible success by contributing to the hospitality sector in the UAE."

Strategically located in Business Bay on Sheikh Zayed Road, Canal Central is only minutes away from Dubai International Financial Centre (DIFC), Dubai Design District, Dubai International Convention Centre and Exhibition Halls, The Dubai Mall, Burj Khalifa and Dubai Fountains.

Each of the hotel's 280 rooms and suites offer spectacular Canal or Burj Khalifa views and are equipped with the finest amenities.

Abdulla Al Abdulla, Vice President of Central Hotels, further added, "Our brand is ideally positioned to cater to the needs of local and international travellers seeking world-class service and facilities."

Located on the East Crescent of Dubai's iconic Palm Jumeirah, Royal Central The Palm is a beachside resort featuring 207 rooms.

From its exceptional location on the shores of the Arabian Gulf, guests can access one of the best private beaches in the city as well as enjoy unhindered views of the iconic destination. ■

of Time Hotels, said: "Our current pipeline of hotels and residences meet the demands of multiple value-driven markets by offering a high-quality stay across all our brand portfolio. With two new additions in both Dubai and Sharjah, we will also be extending our brand presence to Saudi Arabia and Egypt by the end of 2020, taking our total portfolio to 20 properties across the Middle East."

Time Hotels will debut the Time Express Hotels brand with the opening of a property in Sharjah, during the third quarter of 2018. The three-star hotel will feature 55 keys in total, including 45 standard rooms and five suites, with an additional five disabled-friendly suites.

Also opening in Sharjah during the third quarter of 2018 will be the second property under the Time Hotel Apartment brand. It will comprise 33 studios, 53 one-bedroom units, 11 two-bedroom units and two fully adapted, disabled-friendly apartments.

In Dubai, two new hotels will open including the firm's first five-star property. Scheduled to open during 2020, the hotel will boast 277 rooms and suites. The second, located in the Al Barsha area, is a four-star hotel comprising 232 rooms. This property is scheduled to open during the final quarter of 2018.

Time Hotel's international openings in Jeddah, Saudi Arabia, and Ras Sudr, Egypt, demonstrate the brand's strength and popularity in markets outside of the UAE.

Time Hotels will open its first resort in Saudi Arabia during the second quarter of 2018. Featuring 61 villas, the resort is located close to the beach, and 20 minutes' drive from Jeddah International Airport and the city centre. The mid-range resort will offer fitness and leisure facilities and concierge and business services.

The first beach resort property by Time Hotels is under development in Ras Sudr, Egypt. Scheduled to open during 2018 it will feature 56 rooms, three food and beverage outlets, fitness and leisure facilities and meeting rooms.

Over the next few months, four Time Hotels' properties will undergo a series of refurbishments. Under the Time Hotel Apartments brand, 100 apartments will be refurbished at Time Crystal Hotel Apartments by end of April 2018 and 64 at Time Topaz Hotel Apartments by end of May 2018.

At Time Oak Hotel and Suites, bathrooms in all rooms will be renovated, carpets will be replaced by vinyl flooring and four rooms will be adapted to fully disabled-friendly. Refurbishments will also take place in Petals restaurant and Vanilla lobby lounge. While, at Time Grand Plaza Hotel all flooring across the property will be replaced. ■

Top 10 Expo project value hits $32.7bn

Avin Gidwani, Chief Executive of BNC Network

The total value of the top 10 active projects linked to Expo 2020 has exceeded $32.7 billion (Dh120 billion) as of March 31, 2018, according to BNC Network, the largest project intelligence provider in the MENA region.

There are various high value projects across different sectors that are being developed in the UAE which will impact or contribute to the success of Expo 2020, however as per BNC Construction Intelligence Report, the estimated value of major projects having an impact and can be classified as major Expo-related construction activities is $42.5 billion (Dh156 billion) in Dubai.

Among these, $17.4 billion are spent on major infrastructure and transport projects, while $13.2 billion are spent in major housing (commercial and residential properties) and $11 billion spent on major hospitality projects, such as hotels, destination and theme parks.

The report comes barely two and a half years before the historic World Expo 2020 kicks off in October 2020 – by when Dubai's urban fabric and skyline will expand significantly. The city's skyline is currently dominated by skyscrapers and tower cranes on construction sites where contractors are racing against time to complete these projects ahead of schedule.

Among these projects, expansion of Al Maktoum International Airport's Phase I tops the list with $8 billion (Dh29.36 billion). Al Maktoum International is part of an aerotropolis – airport city – that covers a landmass of 140 square kilometres or ten times the size of Dubai International Airport that has an updated design capacity to handle more than 100 million passengers per annum. Al Maktoum International, the world's largest green field airport with a design capacity to handle 160 million passengers per annum.

This is followed by the Villages at Dubai South township – with a value of $6.8 billion (Dh25 billion). This is a sustainable green residential cluster.

Dubai Exhibition City, a $6.6 billion project will create a new hub for business exhibitions and trade fairs and help Dubai attract more business visitors that will keep the hotels busy. One of the key projects that is currently being developed is the Dubai Metro Red Line extension to Al Maktoum International Airport, worth $2.9 billion.

As many as nine out of the top 10 Expo-linked projects are located at Dubai South or directly connected to the mega city.

"Mega global events such as World Expos offer greater economic opportunity for all stakeholders and for the host city that benefits from a large pool of investment into proj-

1. **Expansion of Al Maktoum International Airport - Phase 1**
   - Project Value (USD): USD 8 Billion
   - Sector Name: Transport
   - Project Type: Aviation - Airport
   - Estimated Completion Date: Q4, 2025
2. **The Villages - Dubai South**
   - Project Value (USD): USD 6.8 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Urban Development
   - Estimated Completion Date: Q4, 2022
3. **Dubai Exhibition City - Expo 2020**
   - Project Value (USD): USD 6.6 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Urban Development
   - Estimated Completion Date: Q4, 2019
4. **Dubai Metro Red Line Extension - Expo 2020**
   - Project Value (USD): USD 2.9 Billion
   - Sector Name: Transport
   - Project Type: Rail - Metro & Subway
   - Estimated Completion Date: Q2, 2022
5. **Expansion of Al Maktoum International Airport - Phase 2**
   - Project Value (USD): USD 2 Billion
   - Sector Name: Transport
   - Project Type: Aviation - Airport
   - Estimated Completion Date: Q4, 2025
6. **Burj 2020 District - Expo 2020**
   - Project Value (USD): USD 1.6 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Urban Development
   - Estimated Completion Date: Q4, 2020
7. **Dubai Logistics City (DLC) - Dubai South (DWC)**
   - Project Value (USD): USD 1.6 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Industrial Development
   - Estimated Completion Date: Q4, 2018
8. **Dubai World Aviation City - Dubai South (DWC)**
   - Project Value (USD): USD 1.5 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Urban Development
   - Estimated Completion Date: Q4, 2018
9. **Golf District - Dubai South (DWC)**
   - Project Value (USD): USD 0.9 Billion
   - Sector Name: Urban Construction
   - Project Type: Mega Urban Development
   - Estimated Completion Date: Q4, 2022
10. **Expansion of International Humanitarian City (IHC) - Dubai South**
    - Project Value (USD): USD 0.8 Billion
    - Sector Name: Industrial
    - Project Type: Storage Facility
    - Estimated Completion Date: Q4, 2020

ects – infrastructure, housing, tourism, etc and Dubai is currently undergoing that phase," Avin Gidwani, Chief Executive Officer of BNC Network, says. "Attractions such as Dubai Parks and Resorts, IMG World among others have already been added to the growing number of attractions to Dubai to retain tourists for longer period and will help the tourism industry to thrive.

"As evident from the hectic construction activities, Expo 2020 projects have kept Dubai's construction sector busy which have a knock-on positive impact on the overall economy. This in turn will help the economy and the consumption stable. The number of construction cranes and the workers has gone up significantly within Dubai South – where the Expo 2020 village will be located.

"Once completed, Dubai South and Dubai as a whole, will become another integrated, sustainable city that will have the Al Maktoum International Airport as its centre-piece," Gidwani says. ■

Gulf hotel project value hits $147 bn

The total value of the 1,156 hospitality and tourism projects in the GCC region has exceeded $147 billion (Dh539 billion) in March 2018, according to BNC Network.

Among the 1,156 hospitality projects, 724 projects worth $78 billion (Dh286 billion) are hotel projects while 140 hospitality projects worth $50 billion (Dh183 billion) are resort hotels and 292 hospitality projects worth $19.5 billion (Dh71.5 billion) are hotel apartments. As many as 492 hospitality projects worth $39.4 billion are currently on progress – including tender and under-construction stage. As many as 210 hospitality projects worth $26.8 billion (Dh98.35 billion) are in the pipeline – in planning, concept and design stage. However, in terms of value, $80.9 billion (Dh296.9 billion) worth of projects – or 55 percent of the projects – are currently on hold.

"Most of the hotel projects are being constructed in the UAE, especially in Dubai in order to prepare the city to welcome a record number of visitors during the World Expo 2020 mega event," Avin Gidwani, Chief Executive Officer of BNC Network, says.

"Dubai is racing against time to deliver a large number of hotel rooms and service apartments to be able to handle 20 million hotel guests per year and 25 million visitors during the Expo 2020. Besides, the opening of the Saudi economy, under the country's current leadership, one would expect a lot more tourism projects coming up in future, as part of the Vision 2030."

According to the Department of Tourism and Commerce Marketing (DTCM) the emirate's tourism regulator, the city of Dubai needs 40,000 additional hotel rooms in order to host such a mega event.

Dubai's nearly 600 hotels and serviced apartments collective has an inventory of more than 100,000 hotel rooms. ■

Gemini guarantees 24% return in 3 years

Gemini Property Developers, a Dubai-based boutique real estate developer, has announced a 24 percent guaranteed rental returns for the first three years to investors of the Dh300 million Gemini Splendor at MBR City, with handover of the apartment in just three months.

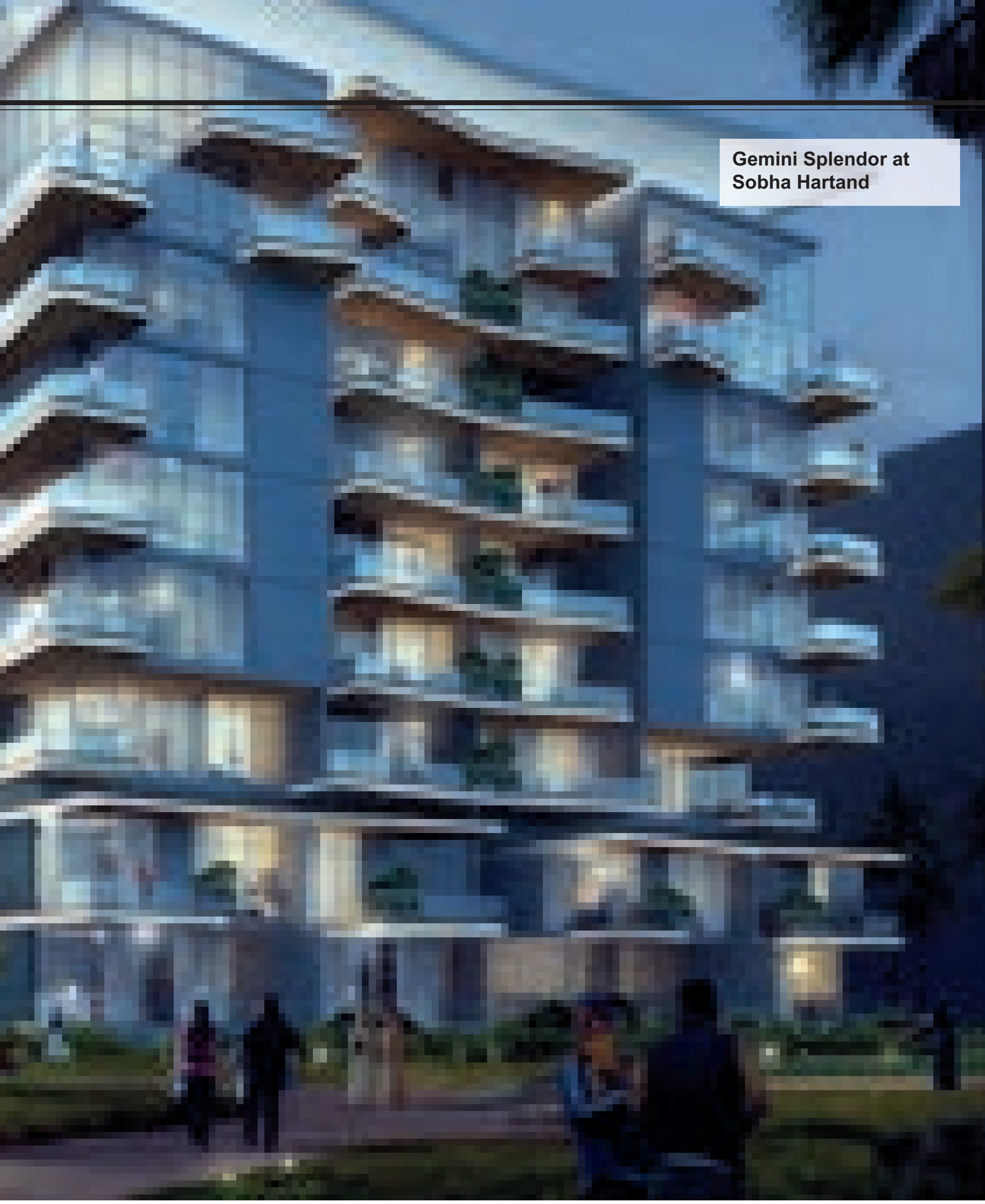
The offer spans over three years with 8 percent upfront return each year to make it easier and simple for the investor to pay and earn rental yield. So, on a Dh1 million property, Gemini guarantees Dh80,000 annual rental returns for the first three years, totaling Dh240,000 or 24 percent.

The new lucrative offering is for Gemini's maiden G+8-storey luxury residential located at Sobha Hartland, which has achieved 90 per cent sale in a short span of one year due to its prime location, close to the downtown of the future, Dubai's new neighbourhood with a lifestyle living and a new business district. The higher than bank rate makes Splendor a lucrative proposition for investors at a much sought-after location.

Sudhakar Rao, Chairman of Gemini Property Developers, said: "We have a buyer-focused business model, with a win-win approach where buyer is at focus. Our 24 per cent guarantee of rental returns is hard to compete in Dubai's real estate market which only a mature and sustainable developer can offer. Our sustainable business approach reflects our commitment to the buyers in particular, and to the Dubai's real estate market in general.

"The 24 percent rental return guarantee is based on our market research and the luxury finishes at Gemini Splendor – which is located at the crossroads of Dubai's main highways and at the heart of the new urban center that is next to Meydan One, Business Bay, Dubai Creek Harbour and Downtown, Dubai.

"We have more to come with new projects in most sought-after locations of Dubai, that will have attractive and affordable payment schemes. That is our straightforward way of doing real estate business, which encourages people for buying instead of renting. Splendor's close proximity to the community facilities, 12 min-



Gemini Splendor at Sobha Hartand

Sudhakar Rao, Chairman of Gemini Property Developers

utes drive from Dubai International Airport and walking distance to two international school makes the project an attractive choice for investors," he said.

Splendor project is conceptualized by is one of the five largest international architectural firms – Aedas – while detailed designs were carried out by Dubai Consultants. The project offers excellent views of the Dubai skyline via two Expressways as well as nearby Ras Al Khor bird sanctuary.

In addition, Gemini Property Developers is offering zero service fee for the period of two years. After two years the stipulated service fee will be charged between Dh12 to Dh14 per square-feet per year, which is regulated by Dubai Land Department.

Sailesh Jatania, Chief Executive Officer of Gemini Property Developers, said: "In Splendor project, we are offering the 20-80 payment plan with no hidden charges and hassle-free transactions, which gives immense peace of mind to investors."

The offer comes at a time when the Dubai's developers are in a competition to offer value for money.

Dubai's economy and real estate market remains positive despite some key risks which must be monitored and managed. In the first nine months of the year we have seen the effective exchange rate of the UAE dirham drop circa 5 percent against its weighted basket of currencies.

This has provided support for the residential market given the material presence of international investors in Dubai. Looking forward a key risk to market performance would be any significant appreciations of the dollar (to which the dirham is pegged) due to rake hikes by the Federal Reserve. Additionally ongoing geo-political uncertainties may also impact demand, according to Night Frank. The Expo 2020 impact makes 2018 a right time for residential property buyers, in addition to available inventory stock and oversupply in Dubai, according to a study by international ratings agency Standard and Poor's. Dubai's real estate market offers an average yield of 6 - 7 per cent, about 2-3 per cent above the average yield in international property markets as compared to mature markets like London, Paris or New York.

Splendor at MBR City is G+8-storey luxury residential located at Sobha Hartland with a built-up area of over 320,000 square feet. The residential building houses 134 stylishly designed and elegant units comprising spacious one, two and three-bedroom apartments, penthouses and townhouses equipped with state-of-the-art amenities.

Apartment units range from 780 square feet to 3,400 square feet. The community also has retail, shopping and entertainment facilities, along with green spaces. ■

Emirates NBD to help DLD customers

Dubai Land Department (DLD) has signed an agreement with Emirates NBD, with the bank offering customers installment plans on DLD's services that will not be subject to any fees.

The agreement follows a study conducted by DLD's finance and administrative affairs department to understand all bank names through which DLD customers pay their fees. The study revealed that approximately 38 percent of DLD's fees paid by customers were made through Emirates NBD — either through cheques issued by the Emirates NBD or by credit cards.

These new financial facilities are being launched at DLD for the first time with the aim of satisfying the customers through smooth financial transactions.

Saad Abdulla Al Hammadi, Senior Director of Finance and Administrative Affairs at DLD, said: "This agreement reflects our priority at DLD to satisfy our customers and enable financial facilities for payment of fees. This advanced service enables customers to pay their fees using credit cards issued by the bank and to receive fee installments at a rate of zero percent. We also confirm that the bank does not impose any interest to its credit card holders, given that installment plans can be provided for a period longer than six months".

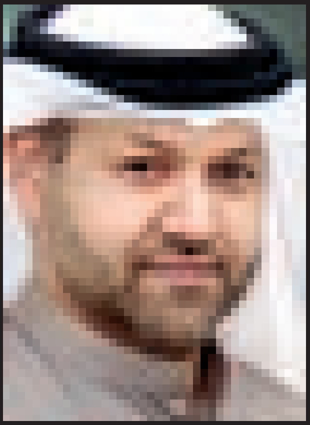
Artificial Intelligence to verify 2.5m Ejari

Tenancy agreements or Ejari contracts in Dubai will be verified by Artificial Intelligence, Dubai Land Department said in a statement.

Dubai Land Department (DLD) last month said it will be using Artificial Intelligence (AI) to verify Ejari contracts from April 2018.

"The new technology is part of DLD's latest governance system for verifying lease contracts, and the AI will be used to correctly match contract signatures with those in the department's database," it said in a statement.

The new system is aligned with the 'UAE Strategy for Artificial Intelligence' launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, a new stage in the development of the UAE as the nation progresses toward global leadership by improving government performance.



Mohammed Yahya, Deputy Executive Director of the Rental Affairs Sector at DLD, commented: "We at DLD are constantly looking for the best advanced technology solutions to prevent interference with the lease contract registration process. The new system will detect fake companies, especially those with no offices on their commercial licenses. These actions are part of our initiatives that aim to enhance transparency across all operations, including those related to other economic sectors."

The new technologies will be used on all 2.5 million registered lease contracts in the Ejari database to enforce governance and control over lease registration.

Yahya added: "Our real estate sector has acquired global fame thanks to the confidence we are building among all. AI is the latest technology we have adopted to match and verify illegal transactions related to lease contracts."

DLD officials hope to enhance the standards of lease contract audits, ensure the security of the community, and preserve the rights of owners and tenants. This will strengthen confidence, and put an end to fraud with regards to leases contracts and fake companies.

A record Deal ends

A surge in the development of theme parks, shopping malls, and an increasing tourists inflow to the UAE, have created a growing demand for amusement and leisure offerings in the region, officials said at the recently concluded Dubai Entertainment Amusement and Leisure (Deal 2018).

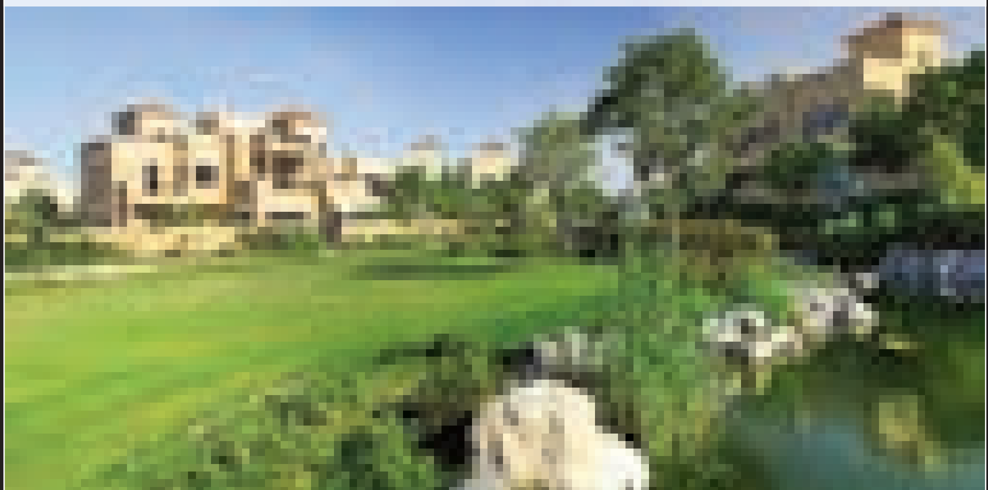
The three-day event saw multi-million dollar worth of business being conducted at the event. Abdul Rahman Falaknaz, chairman of International Expo-Consults (IEC), the show organiser, noted that industry experts are optimistic about growth in the sector.

"Deal is the most anticipated show in the region for the entertainment and leisure industry. For the past 23 years we have been trying to grow the industry from scratch," he said.

"Two decades later, Deal is the most effective platform for any company that wants to enter the market or introduce a new product or service relevant to the industry. It is the best place to network, learn from the industry leaders, research the competition and meet customers.

"Deal doesn't just boast of pulling in exhibitors from around the world but the visitors as well. In the next 3 days thousands of visitors are expected to attend the exhibition from around the world to learn the best kept secrets of the industry."

British nationals have bought properties worth Dh31.1 billion in the last four years, according to Dubai Land Department data



British buyers invest Dh31bn in Dubai realty

British nationals have invested Dh31.1 billion (US$8.47 billion) in Dubai's real estate during the last four years (2014-2017), according to the statistics released by Dubai Land Department (DLD).

Of these, property buyers from the United Kingdom have invested Dh6 billion in 2017, Dh5.8 billion in 2016, Dh10 billion in 2015 and Dh9.3 billion in 2014, DLD statistics show.

The United Kingdom is one of the largest investment source markets for Dubai's real estate. Although the annual investment has been declining from Dh10 billion in 2015 to Dh5.8 billion in 2016, this has somewhat bottomed out in 2015 and grew marginally to Dh6 billion in 2017.

Following the Brexit vote in 2016 and subsequent move for separation from European Union by the British Government, Britain has witnessed a massive outflow of capital towards outbound investment.

Besides, the sound regulatory environment and solid foreign investor protection makes Dubai an ideal market for investment for British investors and other foreign investors in Britain who want to invest their money in a more stable and higher-yield market and the UAE fits the bill.

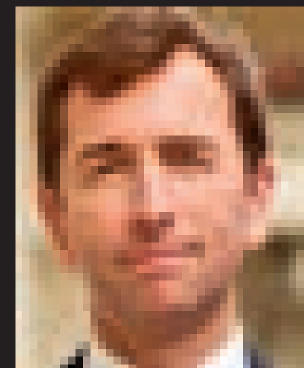
Sensing this, a number of UAE developers have tried to reach out to British home buyers, by setting up offices and appointing brokers to promote Dubai's real estate in the UK market.

The International Real Estate and Investment Show (IREIS) is also set to bring the biggest international names in the real estate and investment industry to London with IREIS 2018 – UK Edition. To be held at the Queen Elizabeth Centre II from June 22 to 23, 2018, the show serves as a one-stop shop for UK investors who are seeking for the perfect investment opportunities in the UAE.Organised by DOME Exhibitions, the IREIS 2018 – UK Edition will host a spectrum of property developers, investment and real estate brokerage companies which will showcase the latest offers across the seven emirates and around the world.

"A country that thrives with its low tax environment, world-class infrastructure and 100 percent ownership prospects for foreign investors in selected zones, the UAE has rapidly risen as one of the most sought-after choice among foreign investors," Antoine Georges, Managing Director of DOME Exhibitions, says.

"With the upcoming Expo 2020 Dubai ahead, the country is expected to possess such key drivers that will uphold a healthy outlook for the real estate market, further cementing its position as the top tourism and business hub in the world.

"The UAE holds exactly what British investors look for in each venture: high quality real estate with a promising return on investment." ■



KEF appoints Richard Pattle CEO

KEF Holdings, a multinational diversified group with strategic investments across sectors and a specialization in innovative offsite construction technology, today named Richard Pattle as the company's new Chief Executive Officer and board member.

Pattle, who is anticipated to assume his new role in early summer 2018, will be responsible for the overall management of the business and its subsidiaries, in addition he will head global strategic partnerships and investments.

Currently concluding his tenure as Vice Chairman of Standard Chartered Private Bank, Richard Pattle has been responsible for co-investment initiatives, next generation programmes, philanthropy, and Commonwealth connectivity for several hundred influential families across Asia, Africa, the Middle East and Europe. Richard started his career in the British Royal Air Force as a pilot in 1989, serving in a variety of operational and staff roles until 2008. ■

SPOTLIGHT

Lootah adds 100 units at Int'l City

Lootah Real Estate Development (LRED) said, it has completed Lootah Residences II at the International City Phase III on-time, adding 100 residential units to its growing portfolio.

The real-estate developer held a ribbon-cutting ceremony at the Lootah Residence II to celebrate another milestone and formally commemorated the new residential building. Lootah Residence II was acquired by the developer in 2017 in line with its strategic objectives of expanding the company's growing leasing residential portfolio. LRED completed the remaining 40 percent of construction work on the B+G+7 residential building including the enhancement of façade and other facilities before handing it over for leasing.

The residential property features 100 apartments comprising 38 studios, 48 one bedroom apartments and 14 two-bedroom apartments, in addition to a state of the art gymnasium and covered parking spaces.

Saleh Abdullah Lootah, Executive Director of LRED, said: "Each of our communities offers a unique living experience and caters to a specific residential lifestyle, but what all our properties have in common is that they provide the highest standards of quality when it comes to build, location, and community experience." ■

George Azar, Chairman and CEO of Gulf Sotheby's International Realty, with Elaine Jones, Executive Chairman of Asteco after announcing the partnership

Gulf Sotheby's & Asteco join hands

Gulf Sotheby's International Realty and Asteco announced a strategic alliance, bringing together their extensive market know-how, exceptionally skilled teams and network in the field of off-plan sales.

The declared objective of the newly formed specialised unit is to elevate the UAE's global standing as a leading real estate destination through driving growth in the off-plan luxury real estate segment, while also establishing a strong footing in other markets with fast-growing demand such as Saudi Arabia. The combined team of over 300 experienced professionals bring to the fore a deep understanding of the market dynamics and a passion for the business.

George Azar, Chairman and CEO of Gulf Sotheby's International Realty said: "With the regional markets maturing and investors becoming increasingly discerning and knowledgeable about the return on property investments, transactions in this segment have been continuously increasing.

"We want to send out a clear message to the regional markets that we're ready to set ourselves apart from the competition in the off-plan and project sales sector, aiming to take the prime position in all countries we are active in."

With buyers having been attracted by lower price points, attractive floor plans and enticing payment plans, off-plan sales dominated the UAE property transactions in 2017.

The synergies between the two companies are apparent in their operational styles and business models.

Elaine Jones, Executive Chairman of Asteco, added: "We represent a significant number of the region's top property owners, developers and investors and have developed a deep expertise in off-plan and project sales since 2001 when the market was opened to expatriates for investment in real estate.

"This partnership comes at an opportune time, following the recent amendments in Dubai's off-plan property purchase law facilitating a clearer procedure for the enforcement of developers' rights and protection of buyers' investments."

While off-plan sales are integral to Gulf Sotheby's International Realty's offering, the partnership is expected to significantly elevate the business. Since its launch in the UAE, Gulf Sotheby's International Realty has evolved as one of the most well-known brands in its segment, recording one the highest property transactions in the UAE – amounting to up to Dh100 million.

After securing four major local acquisitions in recent years that paved the way for future growth, the company is now ready to further strengthen its profile and add specialized services to its portfolio. ■

Sudhakar Rao is the Visionary Leader

Sudhakar Rao, Chairman of Gemini Property Developers, a Dubai-based real estate developer, received major recognition as a 'Visionary Leader" at the Emerging Leaders Awards 2018 at glittering ceremony held at The Address Hotel, Dubai. The award ceremony was organised by UAE's leading daily Khaleej Times and was attended by 300 business executives from a wide cross-section of industries.

The Emerging Leader Awards is an initiative to instill the passion of entrepreneurship amongst people and empowering them to dream big. Through this initiative, *Khaleej Times* honoured and recognised those leaders who have seen tides through unimaginable circumstances and made the most of what they had. They believe in themselves and their abilities to execute their vision in a manner that leaves everyone in awe of their achievements.

These leaders believe in reinvention, disruption, innovation and an eventual role in the growth of economy. It is their turn now to be an inspiration for millions and let the world know of their contribution to the society in general.

Sudhakar Rao envisioned the road to success at an early age. A distinguished business man with more than three decades of entrepreneurship and a pioneer in the field of Testing and Inspection for Energy sector, Sudhakar Rao is the man responsible for setting up Gemini group and taking it beyond the Indian borders. ■

MEA vehicle fleet to grow 4.67% from 92m

The addition of 4.3 million vehicles, or 4.67 percent growth per year to the existing fleet of 92 million active vehicles in the Middle East and Africa (MEA) in 2017, is going to help the region's automotive aftermarket trade grow at 7 percent per year to $31 billion in 2022, up from US$22 billion in 2017, according to a latest report by analysts TechSci Research, released in April 2018.

"While the growth in sale of new cars might have slowed down, the maintenance, repair and overhaul of those vehicles in operation will continue to drive the demand of auto spare parts and accessories, before many of them come up for replacement due to continuous erosion, wear and tear," Asad Badami, Managing Director of Al Muqarram Auto Parts (A-MAP) Trading LLC, says.

Sales of tyres, oils, lubricants, coolants, filters, batteries, brakes, electrical parts, lights, and other accessories and car components was worth $12 billion in 2017, with this set to increase to $16 billion by 2022, the report said.

In Africa, the auto aftermarket was worth $10 billion last year, with demand for parts and accessories tipped to reach $15 billion by 2022.

Auto spare parts trade through Jebel Ali Port reached $10.75 billion in 2017, according to Jebel Ali Free Zone Authority (Jafza). This also reflects that Dubai represents the biggest automotive aftermarket trade in the MEA region.

With $10.75 billion worth of auto spare parts trade in 2017, Jafza represents 48.86 percent of the $22 billion auto spare parts and accessories trade in MEA. ■

Imran Farooq is Emerging Leader

Imran Farooq, Chief Executive Officer of Samana Group of companies, a Dubai-based business conglomerate, wins the Emerging Leaders Awards 2018 under the services category at a glittering ceremony held at The Address Hotel. The award was organised by UAE's leading daily *Khaleej Times* and was attended by 300 business executives from a wide cross-section of industries.

The Emerging Leaders Award's 'Services' category recognises Samana Group's diversified services that include Business Management, Immigration Services and Real Estate Investment and Development - with highly professional approach to its large customer-base of different nationalities.

Samana Group have been making mark in the immigration services and Citizenship by Investment and are the largest such consultancies in the Middle East. Samana Group's Star Executive Business Centre is a modern facility that houses state-of-the-art, serviced offices. ■

Gulf Property

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