Gulf Property

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EDITORIAL

2018: Another Challenging Year Passes by

The year 2018 will be remembered by consumers with mixed feelings. Developers will remember it for lower returns, while tenants will love it for lower rents and lower prices....

The year 2018 is about to end. How will it be remembered by the real estate sector? Another challenging year? Yes, for sure. However, those who have bought properties at the current rock-bottom price, will give you a completely different story – how this purchasing decision is going to bring dividends in future.

The current low prices offer an excellent opportunity for property buyers and investors and, once prices starts to rise, they will be able to make solid returns. However, the down side of this is that they might not get 708 percent rental returns – which might be lower. A 5 per cent rental return is also quite good compared to the other cities with similar positioning.

The year 2018 marks the tenth anniversary of the Global Financial Crisis, that created the mother of all recessions. It is also the tenth anniversary of Gulf Property which navigated out of the crisis and continues to publish quality articles and is able to distribute freely.

All said, the year 2018 is marked as a very challenging year for all the sectors – real estate, travel, tourism, airlines, hospitality, retail – all have suffered from lower demand. However, hopefully this is the last year of slowdown and the next year things start to recover.

One thing is for sure – those who have survived this year – will do well in the next few years of growth.

This year, we reached free distribution level of 20,000 copies, while the Cityscape issue – *Gulf Property's* tenth anniversary issue had 40,000 free circulation across the UAE, along with *Gulf News.*

In this issue, we have expanded the coverage of the Indian Realty section and hope to offer a wider coverage of the Indian real estate market for the Non-Resident Indians living in the UAE and develop a stronger India-UAE real estate corridor.

– T. Akhtar

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GULF PROPERTY
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EDITORIAL

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CIRCULATION
20,000 copies

Emirates NBD Purchasing Managers' Index (PMI) declined to 55.0 points in October 2018, from 55.3 in September 2018

UAE economy expands steady

Despite moderating since September, the latest data signalled another marked improvement in business conditions across the non-oil private sector, with sharp growth in both output and new orders, says the latest Emirates NBD UAE Purchasing Managers' Index.

Furthermore, business confidence accelerated to a record high, reflecting optimism towards Expo 2020 and new project wins. On the price front, input cost pressures sharpened to the greatest extent in six months whilst selling prices fell at a modest rate.

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 – fell to 55.0 in October, from 55.3 in the preceding survey. The latest expansion remained marked overall and above the historical average nonetheless.

"Non-oil private sector companies in the UAE reported another sharp increase in new business during October. Anecdotal evidence suggested that promotional activity was partly linked to the improvement. That said, new orders from abroad grew at the weakest pace since March," the report said. "Meanwhile, output increased at a weaker pace in the latest survey period. In fact, the rate of growth was the slowest in six months. The expansion remained sharp overall, however, and was linked to rising inflows of new business.

"Business confidence across the non-oil private sector hit its highest since the index began in 2012. Promotional activity, investment surrounding Expo 2020 and new product launches attributed to positive sentiment."

On the price front, output charges fell in October following an increase in September. Respondents linked the fall to competitive pressures in the non-oil private sector. The rate of decline was modest overall and the fastest since July.

Khatija Haque, Head of MENA Research at Emirates NBD, said: "The headline UAE PMI eased to 55.0 in October from 55.3 in September. It has been broadly stable between 55 and 56 for the last four months, indicating growth in the UAE's non-oil private sector at a similar rate to last year, when official GDP data showed the non-oil sector expanded 2.5 percent.

"Output growth slowed to the weakest in six months in October, despite relatively robust new order growth. Anecdotal evidence suggested that promotions and price discounts likely contributed to the rise in new orders last month. Indeed, new export order growth also slowed sharply last month.

55.0

UAE PMI reached in October 2018

"Employment was broadly flat in October after declining in the prior two months. Staff costs, a good proxy for wages, were also largely unchanged last month.

"Business optimism about future output rose to a record high in October, with nearly 78 percent of firms surveyed indicating they expected their output to be higher in a year's time. The surge in oil prices as well as announcements of increased government spending and Expo 2020 investment may have contributed to improved sentiment last month."

Input price inflation accelerated in the most recent survey period. The rate of inflation was the strongest since April. Nonetheless it remained below the long-run average. Employment growth returned during October, thereby ending a two-month sequence of job shedding. The rate of growth was only fractional, however. Reflecting higher output requirements, firms increased their purchasing activity in October. The rate of expansion accelerated since September, and was the strongest registered since February this year. ■

Dubai records slowest growth: ENBD


Dubai private sector growth recorded the slowest growth pace in October, says ENBD Dubai Economy Tracker

Dubai's private sector growth recorded slowest overall growth since March 2016, according to the latest Emirates NBD Dubai Economy Tracker Index.

Latest data signalled an improvement in the health of Dubai's non-oil private sector, but the rate of growth weakened to a 31-month low. Slower improvements in activity and new work, alongside another contraction in employment contributed to the slowdown. Contrary to the general trend, the construction sector saw a stronger expansion in the latest survey. The seasonally adjusted Emirates NBD Dubai Economy Tracker Index – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – posted at 52.5, down from 54.4 in September, and the weakest figure since March 2016.

52.5

Dubai Economy Tracker Index reached in October 2018

Nonetheless, it remained above the critical 50.0 mark in October, thereby stretching the current phase of expansion to 32 months.

The survey covers the Dubai non-oil private sector economy, with additional sector data published for travel & tourism, wholesale & retail and construction. A reading of below 50.0 indicates that the non-oil private sector economy is generally declining; above 50.0, that it is generally expanding. A reading of 50.0 signals no change.

Travel and tourism was the weakest performing sector in October at 49.6, followed by wholesale and retail (53.7) and construction (55.5).

Khatija Haque, Head of MENA Research at Emirates NBD, said: "The headline Dubai Economy Tracker Index fell to 52.5 in October, down from 54.4 in September and the lowest reading since March 2016. While still in expansion territory, the headline index points to the slowest rate of growth in the private sector in more than two and half years. The travel and tourism sector weighed on the overall index, as it contracted marginally last month.

"Both output and new orders across the whole of Dubai's private sector increased in October, but at markedly slower rates. Output growth was the weakest year-to-date, while new order growth was the slowest since April 2016. The employment index remained in contraction territory for the second month in a row, as more firms reported a decline in headcount than those reporting an increase. However, the vast majority of firms surveyed reported no change in job numbers in October.

"Margin pressures intensified last month, as input costs rose at a slightly faster rate than in September, while output (selling) prices declined on average. Stocks of inventories also declined last month, the first time this has happened since February 2016. Despite the soft survey data, firms in Dubai were the most optimistic than they have been since at least 2012, with nearly 77% of respondents expecting their output to be higher in a year's time."

Businesses reported a further increase in incoming new work during October, thereby extending the current phase of growth to 32 months. That said, the latest expansion was the weakest in two-and-a-half years. Whilst the increase was solid overall, it scored well below the historical average amid reports of slowing client demand growth in the non-oil private sector.

Despite the slowdown in output and new business, future growth prospects rose to a record high since this index began in 2012. Firms expressed optimism towards new project wins and developments surrounding Expo 2020. Average cost burdens in Dubai's non-oil private sector increased for the seventh month running in October. Furthermore, the rate of inflation accelerated to a three-month high. Output charges fell once again in the latest survey. Some firms linked lower selling prices to promotional activity. The rate of decline was modest overall, however.

Tamleek Cube to help realty buyers

Dubai Land Department (DLD) inaugurated Tamleek Cube yesterday, a first-of-its-kind office that provides real estate registration trustee and real estate service trustee services in Dubai South.

The new office combines real estate registration trustee services including sales, mortgage registration, off-plan property registration, property gifting, Musataha contract, release mortgage and E-Step.

The real estate service trustee will offer a variety of services, including replacing title deed, property valuation – flat/office, modifying property ownership, apply RDC rent dispute cases, to whom it may concern letter issuance, updating property ownership information, and land/property map issuance, as well as Ejari registration, renewal, and cancellation.

The office will provide quick services to investors through its strategic location and will offer more than 70 registration trustee and real estate service trustee services. The office's location in Dubai South is significant for a wide range of projects that are being developed there by a number of real estate developers in the city. The centre was provided with free parking for customers and contains smart machines to provide business services in the office. ■

US investors will be able to register their properties in Dubai, sitting in New York

Dubai opens realty office in New York

US investors will now be able to register their properties, records, obtain title deeds and ejari documents in New York, following the inauguration of the first real estate promotion trustee office in the United States by Dubai Land Department (DLD).

Sultan Butti bin Mejren, Director General of DLD, and Majida Ali Rashid, CEO of the Real Estate Promotion and Investment Management Sector at DLD, inaugurated the new real estate promotion trustee office in New York in partnership with Aqari Global Ltd 'Century 21,' and in the presence of Majid Al Suwaidi, Consul General of the UAE in New York.

Real estate professionals and industry leaders from agents, real estate brokers, and fund managers attended the opening ceremony, where the promotion trustee will provide several services to buyers and investors interested in the real estate market in Dubai.

Bin Mejren said: "The new office will contribute to promoting investment opportunities in Dubai's real estate market in light of the emirate's unique advantage over other markets, in addition to the high returns on investment, whether for investors or real estate developers, compared to other cities around the world."

He stressed that Dubai is one of the ten fastest-growing real estate markets in the world with the infrastructure, security, and safety it provides for investors, supported by DLD's unique legal structure to enhance investors' security.

Majida Ali Rashid stressed that the real estate promotion trustee office, which will be the focal point for developers in Dubai to reach out to the US market, will promote the various investment opportunities in Dubai; and will represent a practical centre allowing local developers to sell their projects to American buyers.

Majida Ali Rashid said, "There is a large number of American investors looking for the best investment destinations around the world.

"We are confident that Dubai's diverse projects, attractive features, and legislation that protect investors' rights will provide them with a variety of options that cater to their needs."

The office will provide customer relations, enquiry, and specialised services that help attract investments, and will introduce investors from around the world to the services provided by DLD.

In addition, the office will participate in real estate exhibitions and external workshops organised by DLD and its partners in different parts of the United States. ■

Dubai gets its Way in Frisco, Texas, USA

Inauguration of Dubai Way in Frisco Town, Texas, by officials of Dubai Land Department

A street named 'Dubai Way' – has been inaugurated in an agricultural town called Frisco in Texas, USA.

Dubai Way in Frisco, Texas, which is part of Investment Group Overseas' (IGO's) development The Gate, was inaugurated by Sultan Butti bin Mejren, Director-General of Dubai Land Department (DLD); Saeed Mubarak Al Muhairi, Consul General of the UAE in Houston; Jeff Cheney, Mayor of Frisco; Majida Ali Rashid, CEO of the Real Estate Promotion and Investment Management at DLD; and Dr Anas Kozbari, Managing Partner and CEO of IGO.

Bin Mejren expressed his happiness in naming a Texan street 'Dubai,' stressing that the emirate proudly spreads its message of giving, peace, cooperation, and development all over the world.

"We are eager to expand our partnerships with various institutions and companies to enhance our outstanding government performance and jointly raise the level of Dubai's competitiveness.

IGO is an investment company seeking to capitalise on investment opportunities in the world, support economic development in the region, and is looking for outstanding projects and strategic partnerships around the world.

Majida Ali Rashid stressed that attracting investors and competencies is a priority for the investment promotion sector by offering new benefits and initiatives, reflecting their eagerness to attract investors to Dubai's real estate investment environment.

"It is our great pleasure to be here at the Dubai Way inauguration ceremony in this magnificent city. For years we have been striving to record pioneering steps that make our real estate market an excellent choice, especially as we work in line with the wise vision of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. Our smart solutions have played a major role in enhancing Dubai's position as an attractive investment destination and increased the legislation system to protect the investors' rights."

Dr Kozbari said: "Dubai Way in Frisco is a landmark that celebrates the union of two of the most dynamic cities around the world, Frisco and Dubai. Frisco is a city with an agricultural history that came a long way from the farmland it once was. At one point, it had a population of around 3,000 people, no traffic lights, no industry, business, tourism, or sports sectors. Today, it has a population of over 180,000 people and rising. It is slowly becoming the investment hub of the southern part of the USA."

Nakheel's 9m profit slides 3.5% to Dh3.86 billion

Nakheel, developer of the world's first palm-shaped islands, reported a 3.5 percent decline in its net profits of Dh3.86 billion for the first nine months of 2018, down from Dh4 billion recorded in in the corresponding period last year.

Year-to-date property handovers total 588 units, the company said, adding that while residential development remains its core business, the focus on expanding its hospitality, retail and leasing divisions continues. Annual revenue from these sectors is now Dh2.6 billion – almost 40 per cent of the total – and continues to grow as new projects are delivered.

Last month, Nakheel announced two new residential projects – Dragon Towers and Jumeirah Park Homes – for sale, adding a significant number of units to its pipeline, which will be reflected in future profit figures as the projects are delivered. The Dh713 million Dragon Towers broke ground last month and is due for completion in 2021, while construction of 147 homes with private pools at the high-end Jumeirah Park community is due to begin in early 2019.

So far this year, Nakheel has announced contracts worth Dh7 billion for a diverse range of infrastructure, residential, retail and hospitality projects.

ECC becomes lean and thin

Engineering Contracting Company (ECC) said it has been awarded the 'Lean Principles Awareness and Applications' certification by the Lean Gulf Institute, reflecting its ongoing commitment to operational efficiency.

The 43-year-old organisation revolutionised its operations by introducing a Business Information Modelling (BIM) Department earlier this year, resulting in waste cost reductions of up to 60 percent across its projects.

Lean Principles enable organisations to become more profitable by emphasizing quality and eliminating inefficiencies. The principles follow a simple four step process: Plan, Do, Check, Act. Identifying problems is the key first step, followed by testing potential solutions from which results can be gathered. Once compiled, the most efficient solution is then applied to the processes.

Kareem Farah, CEO of ECC commented: "Lean Principles help identify which inefficient processes are hindering project delivery and creating needless waste. On average, waste accounts for 57 percent of a construction crew's time, which heavily affects delivery and budgets. Companies in the market are generally not as efficient as they once were."

Lean Principles create progressive work environments and facilitate continual improvements.

ADGM-registered offshore companies will be able to buy/sell freehold properties in Dubai

Offshore companies can buy properties

Abu Dhabi Global Market (ADGM) registered foreign offshore companies will be able to buy and own freehold properties in Dubai, a statement said.

Dubai Land Department (DLD) has signed a memorandum of understanding (MoU) with the Registration Authority of Abu Dhabi Global Market (ADGM), the International Financial Centre (IFC) in Abu Dhabi. The MoU was signed by Sultan Butti bin Mejren, Director General of DLD, and Dhaher bin Dhaher Al Mheiri, CEO of the ADGM Registration Authority.

The MoU will contribute to the expansion of partnerships for DLD. Having been previously limited to free zones in Dubai, it now gains access to the financial free zone in Abu Dhabi, improving the outstanding performance of the government, raising the level of competitiveness of the Emirate, and providing facilitated and transparent services for all investors.

The MoU highlights DLD's interest to establish cooperative relations with the Financial Free Zone Authority by enabling international companies registered in ADGM to own properties in Dubai's Freehold Areas within DLD's framework, legal controls, and registration procedures.

Bin Mejren commented: "We welcome our partnership with ADGM as the strengthening of cooperation and coordination between Dubai and other Emirates helps us achieve the vision and strategy of Dubai, and consolidates our vision to position the Emirate as the world's premier real estate destination, and a byword for innovation, trust, and happiness."

Bin Mejren affirmed that the new MoU helps to promote Dubai's real estate sector, providing additional opportunities for institutions outside Dubai to enter into partnerships, paving the way for them to own properties in the freehold areas in the emirate.

Dhaher bin Dhaher Al Mheiri said: "The UAE has developed an unparalleled real estate sector and continues to bring forth new initiatives such as this to bolster the ease of doing business for investors. The strategic cooperation between ADGM and the DLD will streamline regulations and policies to enhance accessibility into the real estate market.

The MoU serves to augment the sustainable growth of the sector and contribute towards the UAE's development as one of the world's leading real estate investment destinations. DLD was founded by Dubai Government in January 1960 to regulate and register lands and properties sector, including sale, purchase, rent, mortgage of properties.

Dubai realty brokers make $230m in 9mts

Real estate brokers in Dubai made $230 million (Dh842 million) in brokerage commissions by selling properties in Dubai in the first nine months of 2018, according to Dubai Land Department (DLD), the emirate's land and property registry.

As many as 5,622 brokers contributed to concluding 18,121 transactions in that period. Among these, 1,901 female brokers registered 5,617 transactions with commissions amounting up to Dh261 million.

The report issued by the Department of Real Estate Studies and Research at DLD shows that brokers earned Dh429 million from land sales, Dh73 million from building sales, and Dh340 from residential unit sales.

Yousif Al Hashimi, Deputy CEO of the Real Estate Regulatory Agency (RERA), said: "Brokers play an important role in attracting international investors to Dubai's real estate market, highlighting the market's unique characteristics. DLD developed a comprehensive system to protect the rights of brokers in every successfully concluded transaction between the selling and buying parties."

"The Department of Real Estate Studies and Research issues these figures on a regular basis, revealing the brokers' efforts in promoting real estate projects across Dubai locally and internationally. Brokers are among our most important partners, especially as they exercise their duties with the highest degree of honesty and integrity while adhering to the procedures and standards set by DLD."

Al Hashimi stressed that 5,622 brokers contributed to enhancing the vitality of the sector during the reporting period. The brokers have played a crucial role in the sustainable growth of Dubai's real estate sector from one quarter to another on an annual basis, he said.

At A Glance

Dh842 million
earned by real estate brokers in Dubai in 9 months

Dh429 million
earned by brokers by land sales in Dubai in 9 months

Dh340 million
earned by brokers from residential units sales

The number of accredited permits issued by DLD to real estate brokers — representing 2,436 offices — amounted to 4,686.

Al Hashimi advises all customers to choose licensed and accredited real estate brokers and urges them to ensure that the broker holds a 'Certified Real Estate Broker' card.

DLD follows a broker accreditation mechanism to establish a secure real estate environment for all parties in the market that relies on the systems, legislation, and controls that regulate this activity. The brokers contribute to supporting DLD's vision by enhancing the movement of real estate transactions in the Emirate.

DLD organises training courses through the Dubai Real Estate Institute (DREI), including the intensive primary course that rewards successful applicants a 'Certified Real Estate Broker' card upon its completion. Additionally, DLD provided the 'Dubai Brokers' app through which anyone can enter property ownership details to verify and validate any of the property's information for involved parties.

Burj Royale goes on sale

Emaar Development said, it is offering investors the last opportunity to invest in a residential apartment in Downtown Dubai, the world's most visited lifestyle and retail destination, with the launch of Burj Royale.

With unobstructed views of the iconic Burj Khalifa and The Dubai Fountain, the new Burj Royale apartments bring a vibrant lifestyle choice for investors and residents, who will be within walking distance of The Dubai Mall and Dubai Opera.

Effortless access to a wide range of amenities is the most appealing factor of Burj Royale, designed as an extension of the Old Town neighbourhood with several hotels including Address Downtown, Vida Downtown and Manzil Downtown nearby. Residents also step out to Sheikh Mohammed bin Rashid Boulevard, a lively destination featuring several popular F&B outlets and cafes.

The prices of premium apartments in Downtown Dubai are competitive compared to similar developments in global cities, making Burj Royale a great investment opportunity for international investors too. With Downtown Dubai serving as the must-visit destination renowned for its retail, hospitality and lifestyle choices, as well as ease of access to the major business destinations, Burj Royale will meet the requirements of professionals and tourists.

Emaar 9m profit up 28% to Dh5.26 bn

Emaar Properties, developer of the world's tallest tower Burj Khalifa, recorded a 28 per cent growth in net profits to Dh5.26 billion ($1.43 billion) during the first nine months of 2018, compared to the net profit of Dh4.10 billion ($1.12 billion) during the same period last year, a company statement said.

The developer recorded a 30 percent jump in revenue to Dh17.39 billion ($4.73 billion) in the first nine months of 2018, compared to Dh13.35 billion ($3.63 billion) during the same period in 2017, led by the robust growth achieved by Emaar Development, the UAE build-to-sale property development business majority owned by Emaar, as well as the impressive performance by Emaar Malls.

Emaar's shopping malls, hospitality and leisure businesses recorded revenues of Dh5.18 billion ($1.41 billion) during the nine months of the year, 17 per cent higher than revenue of Dh4.44 billion ($1.21 billion) during the same period last year, which represents 30 per cent of the total revenue.

Emaar's international property development operation contributed Dh2.18 billion ($595 million) to the total revenue during nine-month period of the year, which represents 13 per cent of the total revenue.

Mohamed Alabbar, Chairman of Emaar Properties, said: "We focus on continuously evolving our businesses to meet the aspirations of today's customers. By investing in digital technology and by innovating new lifestyle environments, we are creating assets that shape the future."

Emaar Malls recorded revenues of Dh3.23 billion ($880 million), during the first nine months of 2018, 29 per cent higher than the revenue for the same period last year at Dh2.5 billion ($681 million). One of the largest mall operators in the world with a total gross leasable area of 6.7 million square foot, Emaar Malls assets have occupancy levels of 93 per cent and welcomed 99 million visitors during the first nine months of 2018.

Revenue from Emaar's hospitality, commercial leasing and entertainment businesses was Dh1.95 billion ($532 million) during the first nine months of 2018, similar to the revenue of Dh1.94 billion (US$529 million) during the same period in 2017.

Emaar is today ranked as the world's largest property company outside China. Emaar is also among the top 10 brands in the Middle East led by its strategic new developments, with its brand value increasing by 39 per cent in the past year.

Emaar Dev's 9m profit hits 2.49bn

Emaar Development PJSC, the UAE build-to-sell property development business majority-owned by Emaar Properties, recorded a 19 per cent growth in net profit to Dh2.49 billion ($680 million) during the first nine months (January to September) of 2018, compared to the net profit of Dh2.1 billion ($573 million) during the same period in 2017.

Total revenue for the first nine months jumped 54 percent to Dh10.03 billion ($2.73 billion), over the revenue of Dh6.50 billion ($1.77 billion) during the corresponding period last year. The company reported total sales worth Dh10.03 billion ($2.73 billion) during the first nine months of 2018. Emaar Development now has a total sales backlog of Dh38.53 billion ($10.49 billion), which will be recognised as revenue in the next three to four years.

In the third quarter of 2018 (July to September), Emaar Development reported a net profit of Dh682 million ($186 million) and revenue of Dh3.04 billion ($828 million), with a robust portfolio of projects nearing revenue recognition milestones.

At its General Meeting, held in October, Emaar Development announced the distribution of Dh1.04 billion ($283.15 million), representing 26 per cent of the share capital being 26 fils per share, as special cash dividend to the company's shareholders.

During the first nine months of 2018, Emaar Development sold 4,150 residential units in Dubai, which recorded positive investor response, including from international buyers. Emaar Development now has a pipeline of eight residential destinations in Dubai that offer over 26,500 homes currently under development. To date, the company has handed over 35,100 residences in Dubai, with significant deliveries due in coming quarters.

Mohamed Alabbar, Chairman of Emaar Development and Emaar Properties, said: "The strong performance of Emaar Development underlines the strength of Dubai's property sector, driven by the robust economic fundamentals of the nation. Through our lifestyle destinations, we are offering world-class residential choices that stand out for their design and build quality. These developments also serve as dynamic hubs, with full-fledged amenities including retail and hospitality, which energise the economy and create new jobs and business opportunities."

Emaar Development marked the launch of several exceptional residential destinations in Dubai this year. These include: The Grand, a collection of apartments and townhouses, in Dubai Creek Harbour; Socio and Collective, innovative concepts for co-living spaces, and Golf Place in Dubai Hills Estate; Beach Vista, Sunrise Bay and Marina Vista in Emaar Beachfront; and Grande in Downtown Dubai.

Emaar Development is set to welcome the first residents next year in Dubai Creek Harbour. It is also progressing as per schedule on the delivery of homes in Dubai Hills Estate, Emaar South and Downtown Dubai.

It is supporting investors with innovative home financing. Through its partnership with Dubai Islamic Bank, investors have the potential to earn greater than 10 per cent return on investment. Among several benefits, customers can benefit from extended 25-year financing, with zero per cent financing cost for the first five years.

Emaar's projects are now among the most sought-after by high net worth individuals with the global investors covering over 200 nationalities. This has established Emaar as the world's largest property company outside China, with a brand value of over $2.7 billion.

At A Glance

Dh38.5 billion

Emaar Development's current order backlog value

Dh10 billion

Emaar Development's 9 months sales in 2018

Dh2.49 billion

net profit recorded by Emaar Development in 9 months

35,100

residences delivered by Emaar Development

Regal London enters Dubai realty market

Regal London, an independent developer at the forefront of London's property market, has today made its grand debut into the Middle East market with the launch of its offices in Dubai. The launch comes as London's luxury real estate market is witnessing a surge in interest from Middle Eastern investors.

Over the past five years, around 12 percent of Regal London sales were buyers from the Middle East region. According to a recent report by PwC, survey respondents considered London's key attributes to be well-developed infrastructure, its connection to the rest of the world, a well-developed legal framework and the breadth of education for its population. With the long established interest of GCC nationals in London as a destination for travel, leisure and investment, the property developer identified the need for an office to reach its discerning GCC clientele.

Located in Downtown Dubai, the office provides Regal London's regional clients with a closer look into the company's developments in London, showcasing the quality of work it delivers with intricate attention to detail and impeccable craftsmanship. Regal London is currently celebrating its 20th anniversary having delivered 1,750 new homes in London over two decades.

Phase II of the Motor City will kick off in the next few months

Union Properties returns to black

Union Properties, a leading Dubai-based property developer, has recorded a net profit of $39.7 million (Dh145.6 million) in the first nine months of 2018, compared to a net loss of $626.7 million (Dh2.3 billion) for the same period in 2017.

The property management and sales revenues increased by 46 percent to $30.6 million (Dh112.3 million) during the first nine months of 2018 compared to $20.9 million (Dh76.7 million) for the same period in 2017.

Other operating revenue has also increased to $75.7 million (Dh277.9 million) during the first nine months of this year compared to $73.5 million (Dh269.8 million) for the same period in 2017.

"The Board of Directors' of Union Properties changed company strategies aiming to expand and increase revenues and profits from financial investments, after facing the loss last year. The change in strategies reflected well on company finance and $39.7 million (Dh145.6 million) profits were achieved," the developer said in a statement.

Meanwhile, gain on financial instruments increased by 375 percent to $1.5 million (Dh5.7 million) in the first nine months of this year compared to $326,975 (Dh1.2 million) for the same period of 2017.

Union Properties' total income grew 18 percent to $168 million (Dh617 million) in the first nine months of this year compared to $142.8 million (Dh524 million) for the corresponding period last year. This income does not include gains or losses on revaluation of investment properties.

In 2017, Union Properties announced phase 2 masterplan for Dubai Motor City.

Union Properties has 11 subsidiaries including facilities management firm Serveu and interior company The Fitout.

At A Glance

Dh617 million

Union Properties's income in the first nine months of 2018

Dh145 million

net profit recorded by Union Properties in the first nine months of 2018

Dh2.3 billion

net loss recorded by Union Properties in the first nine months of 2017

Aldar Q3 income up 8% to Dh1.5 bn

Alghadheer – Aldar's affordable community between Dubai and Abu Dhabi, will drive sales in the coming months

Aldar Properties, Abu Dhabi's largest freehold property developer, reported an 8 percent year-on-year increase in revenue to Dh1.5 billion in the third quarter of 2018 and steady year-on-year gross profit of Dh581 million reflecting the strength of its core business.

Aldar's year to date development sales of Dh1.5 billion was well supported by sales at Al Ghadeer, Mamsha Al Saadiyat and West Yas. Aldar reported net profit Dh420 million.

The developer's operating income from recurring revenue asset portfolio up 6 percent on Q3 2017 to Dh381 million supported by recent asset acquisitions while its asset management represents 66 percent of the Q3 2018 gross profit.

Talal Al Dhiyebi, Chief Executive Officer, Aldar Properties commented: "Our financial results for the quarter reflect the solid performance of our two core businesses, with gross profit steady year on year. Our asset management business maintained strong occupancy in Q3, demonstrating resilience. We continued to uphold our reputation for delivery in our development business, with customer handovers at West Yas and Nareel Island.

"2018 has been a significant year for Aldar, with a series of strategic milestones announced which are further strengthening our business and expanding our focus to a wider range of destinations across Abu Dhabi, including Saadiyat Island. Recent Government initiatives including the Dh50 billion Ghadan 21 programme, legislative changes encouraging longer term residency and ADNOC's Dh486 billion capital investment plans will accelerate national development and support sustainable long-term growth."

In March, Aldar signed an MoU with Emaar to develop Dh30 billion of local and international projects. Discussions are ongoing to finalise the terms of the partnership and we look forward to providing further updates in 2019. In May, Aldar announced one of the largest real estate acquisitions in the UAE's history, acquiring assets worth Dh3.7 billion from Abu Dhabi's Tourism Development & Investment Company (TDIC), which was completed on 30 June.

The launch of Aldar Investments in September marked the creation of the region's largest diversified real estate investment company. Aldar Investments is structured to operate independently, which enables it to raise capital separately and pursue its own growth strategy. ■

Studio M enters UAE market

Studio M Arabian Plaza, the first Studio M in the Middle East region and the first property to be introduced under the 'M collection' portfolio under Millennium Hotels and Resorts in the UAE, opened its doors on 1st December, 2018.

With a total inventory of 323 hotel rooms and serviced apartments, the three-star property is perfect for tech-savvy travellers and long-term guests looking for a fusion of function and comfort. The property also features two food and beverage outlets, meeting room spaces, a lap pool and fitness centre.

The opening launch marked Millennium Hotels & Resorts MEA's brand growth by expanding into the mid-market segment, a highly in-demand hospitality segment in the city. Furthermore, Studio M Arabian Plaza is also the first venture of Hala Hospitality Group, a part of the Saeed and Mohammed Al Naboodah Group, into the hospitality industry.

Guests of Studio M Arabian Plaza can also expect playful yet smart touches in the rooms' interiors, featuring open-wardrobe designs, Instagram-worthy accent walls and luxurious furniture pieces from Italy.

Each hotel floor is splashed with a colour theme which is complemented by funky neon signage and life-sized character statues. ■

Heart of Europe will soon start delivering luxury homes to buyers

At A Glance

Dh26 million

price of a luxury beachfront villa at the Heart of Europe

Dh11.5 million

average price of a lagoon villa at the Heart of Europe

4,000

luxury residential units will be developed across six islands at the Heart of Europe

Heart of Europe sells 1,000 units

Kleindienst Group, the UAE's largest European property developer and creator of The Heart of Europe cluster of islands, said, it has successfully sold out all 32 contemporary villas on Germany Island as second homes.

It plays host to 15 contemporary beachfront and 17 lagoon villas with each enjoying tranquillity and privacy as well as unparalleled waterfront views. Prices for the former averaged Dh26.2 million while the latter off plan price started at Dh11.5 million. This comes after Kleindienst Group announced this summer that it sold out all 10 luxurious Sweden Beach Palaces on Sweden Island, with proven capital appreciation of over 200 percent.

Construction on Germany Island started in early 2018 and handover is expected for end of this year and construction completion by Q2 2019. Since the villas are underway with bricks and mortar available to see, it has started to draw in the European investors who prefer to see part-built/built units as well as attractive forecasts for return on investment before purchasing.

Josef Kleindienst, Founder and Chairman of Kleindienst Group said: "The successful sell out of Germany Island's 32 villas is further testament to the growing demand for freehold second homes in Dubai. We have witnessed strong interest from UAE, GCC and now European investors in second homes on The Heart of Europe, which reinforces that Dubai is ready both for this concept and a new investment opportunity with guaranteed returns. Out of our 4,000 units that will be available, we have now sold over 1,000 units to a mix of buyer nationalities and we will bring more new investors from Europe in Q4 this year and beyond.

Our project is on track and we recently increased the number of workers to approximatively 2,000. As we move towards the handover of the first homes at the Heart of Europe very soon."

Germany Island combines superior craftsmanship and smart technology with high quality finish to create pure perfection. Inspired by the Bauhaus style, the design interprets this with a contemporary twist and sleek design and innovative technology. Germany Island will be constructed in the shape of a horseshoe as a backdrop for Germany's inherent rich cultural heritage intertwined with modern concepts of sustainability embedded in the beautiful design and experience. The sense of a Maldivian island concept will be further enriched by a stunning seascape created by artificial coral reefs built with real coral fragmented and nurtured at Kleindienst's own coral nursery.

Each Germany Island Villa will be powered by green energy and solar power. Landscaping in the style of the Maldives with bended palm trees and luscious vegetation will not only delight the villa owners and guests but will also reduce the climate temperature naturally by up to 4-5 degrees in the same way as on Sweden island.

From the finest, traditional German food, fruits and beverages to well-known and niche festivals, Germany Island will enliven residents with high standards of luxury lifestyle.

Kleindienst plans to start handing over three islands, Sweden, Germany and Floating Seahorses at St Petersburg Island.

Bluewaters ready for Ain Dubai visitors

Bluewaters, home to the world's largest observation wheel Ain Dubai, has recently opened its doors to public.

Bluewaters features several courtyards, intimate pedestrian spaces and scenic walkways that boast a green and lush landscape. Central and Sunset Avenues gently separate the three zones, while North and South Walks allow pedestrians to stand at the water's edge and gaze out at the sea, or the city beyond.

Meraas, developer of the project, said, "Since Ain Dubai, the world's largest observation wheel, first made its appearance off the coast of Dubai Marina, it has captured the imagination of the city.

Making its presence felt, this new landmark-in-the-making has drawn attention to Bluewaters, the island destination that has opened its doors to visitors.

"Channelling a distinct vibe that blends island calm with urban buzz, Bluewaters boasts residential, hospitality and lifestyle and leisure and entertainment spaces set to offer new vantage points and a stunning addition to Dubai's skyline."

Connecting it to the mainland is a sophisticated network of roads, including a direct link to Sheikh Zayed Road, pedestrian access from the Beach opposite JBR and water transport.

The Wharf, Bluewaters' lifestyle retail area set against the backdrop of Ain Dubai, will have 132 retail and dining outlets. Walkways crisscross the district, shaded by trees, palms and visually striking light features.

Food and beverage at The Wharf range from licensed fine-dining concepts at the waterfront to quirky eateries, and an eclectic mix of cafés, restaurants and intimate bistros that serve a wide range of global cuisines. More concepts and stores will be opening gradually over the coming couple of months.

Central Avenue borders the landside of The Wharf, while North Walk and Wharf Avenue edge the waterfront, circling Ain Dubai Plaza beneath the observation wheel. A 265-metre pedestrian bridge,

The Wharf Link, connects this area to The Beach on the coast of mainland Dubai. Bluewaters Wharf Station will serve as a dock for water transport. It also boasts over 2,000 parking bays, spanning basement and podium levels.

Bluewaters Residences comprises 10 elegant mid-rise towers featuring 698 apartments, four penthouses and 17 townhouses, set over a podium that offers stunning views of the sea or Ain Dubai. With the initial wave of handovers set for December 2018, the island should welcome its first residents by Q1 2019. ■

Phase II of Yard gets underway

Meraas, a public sector master developer of communities, said, it has started the third phase of The Yard that is set to add a host of exciting new indoor and outdoor attractions at Al Khawaneej neighbourhood.

With the 200,000 square foot expansion expected to be complete by the fourth quarter of 2019, the new lifestyle attractions will complete the offerings at The Yard and transform it into a social hub where families and friends can shop, dine, hang out, entertain and have fun.

The Yard draws inspiration from the collective nostalgia for the rustic, as well as the locality's strong links to agriculture. In addition to featuring farming materials and other rural elements throughout the space, an 18-metre-tall windmill, and street arts all add to the charm quotient of this singular destination.

The destination comprises Last Exit D89 Al Khawaneej, the food truck park launched in 2017, as well as a picturesque 350,000-square-foot extension that consists of a courtyard known affectionately as The Barn. In addition to a bakery and restaurants and a selection of shops, the destination features a lake, in addition to shaded walking trails and landscaped picnic areas. The Yard will encompass 2.8 million square feet once it is completed. ■

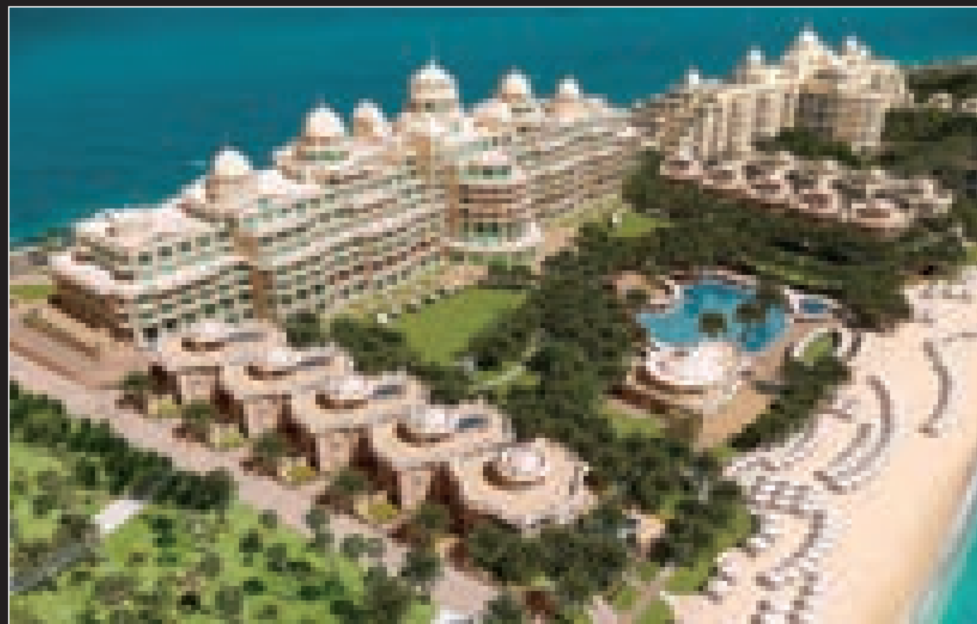
Amanat makes Dh24.3 million profit

Amanat Holdings, the GCC's largest healthcare and education investment company, reported a net profit of Dh24.3 million for the 9 months ending 30 September 2018.

This includes the full consolidation of the recent majority stakes acquired in two high-quality assets, 100 percent of Middlesex University Dubai and a 69.36 percent holding in Royal Hospital for Women in Bahrain, in line with Amanat's strategy.

Income from existing associates grew strongly to Dh37.1 million, a remarkable increase of 58 percent compared to the first nine months of 2017. This performance is testament to the strength of the underlying assets Amanat has invested in since its inception, as well as the success of its collaborative approach to its investments. Shareholder equity stood at Dh2.53 billion as at 30 September 2018 demonstrating the early positive impact of the accelerated capital deployment over the past year. Furthermore, Amanat's corporate expenses remained stable year-on-year, despite the considerable growth in the business and deployment.

"Middlesex University Dubai is a profitable and flourishing business generating in excess of Dh130 million in revenue and a profit margin of c. 25 percent a year," the company said in a statement.



Emarald Palace Kempinski opens

Emerald Palace Kempinski Dubai, a jewel in Dubai's crown and one of the fines piece of architectural landmarks that is akin to a real palace, opened its doors to guests on 29 November 2018.

Set within 100,000 square metres, the Palace lies on the West Crescent of Palm Jumeirah, the world's largest man-made island and archipelago. Its privileged location boasts panoramic sea views and vistas of Dubai's iconic skyline offering a tranquil and private escape, just a short drive away from the city's vibrant attractions. Inspired by the palaces of 18th century Europe, guests can expect discreet service, refined dining and artfully curated experiences catering to the privileged few, setting a new precedent in a city synonymous with pioneering hospitality.

"This beach front, palatial resort property confirms our commitment to serving to the top segment of a growing luxury hospitality market. We remain committed to the vision of Dubai as one of the most innovative tourism destinations in the Middle East," says Henk Meyknecht, Chief Operating Officer – Middle East and Africa Kempinski Hotels.

Rising above the cobalt blue waters of the Arabian Gulf, and flanked by a 500 metres of private white sand beach, the Palace is a regal landmark offering 391 luxurious rooms, suites and villas. During their stay, guests will have remarkable facilities at their disposal, with eight exquisite restaurants and the largest private cinema on Palm Jumeirah.

Combining grandeur and opulence, the extraordinary permeates throughout Emerald Palace Kempinski Dubai. Every aspect is designed to perfection from the 6,400 chandeliers that dazzle around every corner, hand-painted 24-carat gold leaf detailing with handcrafted motifs, classical friezes and a jewel-toned colour palate adding to the sublime ambience.

Highly skilled craftsmen have utilised the finest materials handpicked from Italy, France and across Europe. From the grand atrium that features a striking chandelier made from 40,000 Swarovski crystals, to an ornate ballroom accented with damask silk tapestries, and the Blüthner Supreme Edition Louis XIV grand piano in the spectacular Blüthner Hall, every detail has been custom-designed to deliver authenticity and uncompromising European style.

Aljada to be smart & sustainable city

Aljada will be a smart city with sustainable and energy-efficiency systems built-in to the city

Sharjah-based master property developer Arada has announced plans to create one of the UAE's smartest cities at Aljada, the progressive urban megaproject located in the heart of Sharjah.

Among the innovations to be introduced at the 24 million square foot development are a Sustainability Lane for electric vehicles, smart parking, smart solar-powered lighting and 'circular' offices. The aim of these initiatives will be to provide residents, workers and visitors to the destination with technology that adds value, improves quality of life, saves money and also supports the environment.

In the early stages of the Aljada Smart City project, Arada's development team will focus on five key areas: mobility, utilities, telecommunications, the 'circular economy', and waste management. All these areas will be supported by ultra-secure, high-end digital infrastructure that will be managed centrally within the community.

Arada is currently in negotiations with several multinational companies with extensive experience in smart technology and will be announcing new partnerships in the coming months.

In the mobility sphere, Aljada will contain a number of smart technology solutions, including: a traffic management system that allows for congestion-free movement around the city; a smart parking app that will allow residents and visitors to reserve spaces at key destinations within the city such as Aljada's Central Hub; and public and private charging stations for electric cars.

The Sustainability Lane will be reserved for the use of Aljada's internal public transport network of environmentally friendly buses. Use of these 'hop-on hop-off' buses will be free of charge for residents and visitors, allowing them to easily navigate their way through the city, and gain easy access to the two main retail boulevards, each 2.2 kilometres long. This network will be serviced by a series of smart bus stops, which will provide real-time information about the calendar of events happening in the city.

With regard to utilities, Arada will implement smart solar solutions across public spaces, and in particular in the Central Hub, the leisure and entertainment district in the heart of the project. The developer is aiming to ensure that the lighting requirements for this area of Aljada is entirely powered by renewable energy. In addition, smart street lighting will provide significant cost savings, as well as reducing carbon emissions. ■

DSI gets Dh600m MEP contract for Reem Mall

Drake and Scull International (DSI), a regional market leader in engineering and construction services, has announced that it has been appointed as the mechanical, electrical and plumbing contractor for the Reem Mall project, a new 2.8 million square feet lifestyle, retail and entertainment destination, located in Abu Dhabi's prestigious Reem Island.

The company has been awarded a Dh600 million contract to execute the mechanical, electrical and plumbing (MEP) works of the project under a joint venture agreement with Itinera-Ghantoot (the Main JV of the project).

Located in the heart of Reem Island, Reem Mall will host around 450 stores, featuring 85 food and beverage outlets and various family-friendly entertainment attractions, including Snow Park Abu Dhabi by Majid Al Futtaim.

The project is being developed by Al Farwaniya Property Developments, a partnership between Agility, its affiliate United Projects for Aviation Services Company, and the National Real Estate Company.

Itinera-Ghantoot JV, a joint venture between Itinera, one of Italy's largest construction companies, and Ghantoot, one of UAE's leading builders is the lead contractor of the project. ■

Thanay construction on track

Abu Dhabi developer Imkan said it has made progress on its integrated residential project, Thanaya, located in Abu Dhabi's vibrant Al Muntazah area.

Earlier this year, Imkan appointed Shapoorji Pallonji Mideast as the main contractor, local architectural design company UNii Engineering Consultancy as the lead consultant, and global design and consultancy firm Arcadis as the cost consultant for the project. Construction works are well underway, with 75 percent of the shoring completed. The for-lease-only building is scheduled for handover in the fourth quarter of 2019.

The residential development will comprise two basement car park levels, multi-use retail and food and beverage space and a pharmacy on the ground level, a community clinic on the mezzanine level, and 84 spacious, fully furnished apartments ranging from studios to two-bedroom units across six levels.

Thanaya features bespoke rooftop amenities, including a jogging track and other outdoor recreational zones.

Inspired by the traditional mashrabiya – Al Thanaya's ever-changing façade, apart from aesthetic appeal, will ensure privacy, exclusivity, personalisation and customisation for its residents with the advanced shading system. ■

Imkan fast-tracks Nudra villas work

Imkan, an Abu Dhabi-based property developer, announced significant progress on the construction of Nudra, a luxury development of 37 villas on Saadiyat Island in Abu Dhabi that broke ground earlier this year.

Located in Saadiyat's Cultural District, the development is already over 20 percent complete and is well on track for a timely handover in July 2019.

Earlier this year, Imkan awarded construction contract for Nudra to the joint-venture of Wates and Eastern. While Wates is a renowned UK company that has executed highly skilled restoration works on Buckingham Palace and locally on Qasr Al Hosn, UAE-based construction and civil engineering firm Eastern brings to the table four decades of experience in the local market. Moreover, award winning architect Meisa Batayneh Maani, Founder and Principal Architect at Maisam Architects and Engineers, is chief designer of the development.

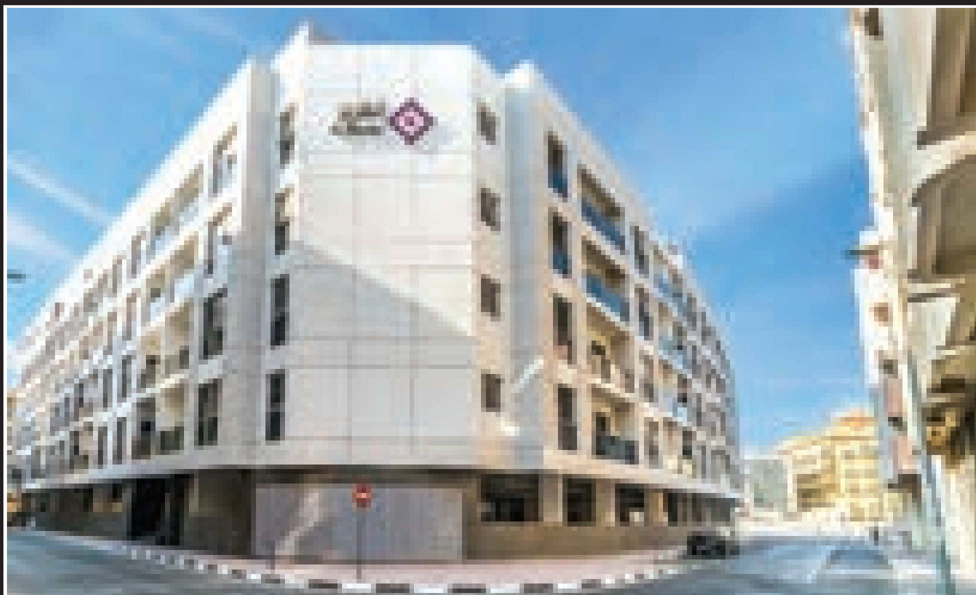
The meticulously-planned 26,000 square feet development plots along the beachfront are currently being graded and hoarded, ready for handover before year-end. Site offices are well-established and the first stage foundation work, including the bulk excavation, dewatering and the installation of over 1,500 piles, has been successfully completed. Furthermore, 11 out of the 32 villa basements are ready and five of the ground floor slabs already cast, with the remainder set to follow in quick succession.

Imkan has also reported that the Jerusalem Limestone, which is to clad the external elevations, has been quarried and is now being cut and finished, with the first batch due to arrive at the site later this month.

The building structures are already starting to rise above ground level, giving purchasers an increasing sense of the scale of these luxurious villas. The 'shell and core' finish will enable purchasers to fully customize their interiors.

The construction of the hillside retaining wall at the rear of the project is also now complete. This structure is designed to support the gentle rising hill that is located approximately six meters above the entrance level, providing villas at the rear with magnificent views of both the Arabian Sea and the Louvre Abu Dhabi.

Formation of the beach is also progressing well with completion forecast for February 2019. ■


Al Ghurair Properties is developing 58 projects involving 8,000 apartments

Al Ghurair Properties readies 4 projects

Al Ghurair Properties, the real estate development arm of Al Ghurair Investment, said, 4 new residential projects in Deira are noe ready for delivery, as part of its Dh5 billion – 58 building project.

Located in the heart of Deira, the integral symbol that is central to the city's history and identity, the 4 new projects will cater to a cultural experience, offering 236 residential units, with 93 one-bedroom apartments, 107 two-bedroom apartments in addition to 36 three-bedroom apartments. These living spaces are designed to reward a balanced way of life.

Sultan Al Ghurair, CEO of Al Ghurair Properties commented: "Al Ghurair Properties enjoys a long standing experience in the UAE, and an insightful understanding of the real estate industry.

8,000

number of apartments being built by Al Ghurair Properties

With our projects, we continue to relentlessly deliver world-class developments that support the UAE Vision 2021."

With convenience and connectivity at heart, the new projects create vibrant places that residents can call home, with amenities that bring convenience to their lifestyle, including swimming pools, health clubs and maintenance services, all while connecting them to the main leisure and business hubs in the city.

The news comes to further underscore the company's commitment to plan, develop and manage a diversified real estate portfolio that responds to the UAE residents' needs. Al Ghurair Properties earlier announced the development of Dh5 billion ($1.36 billion) worth of projects in Dubai that include 58 buildings with 8,000 residential units and 350,000 square feet of retail units, are a testament of the company's vision to enhance the property offering in the city, with full completion by Q4 2020.

Waterbay to get Cavalli flavour

Bin Faqeeh Real Estate Investment Company has signed a partnership agreement with Italian luxury fashion house Roberto Cavalli, which will exclusively design the interiors of the Eastern Tower at the Waterbay project in Bahrain Bay.

The project's target completion date is for the 2nd quarter of 2019, and delivery date is set for 4th quarter of 2019. Roberto Cavalli Group will create customised interiors where the company's latest home collection will contribute to deliver a full, rich experience in the brand's signature luxurious world.

Bin Faqeeh is the first real estate developer in the Kingdom of Bahrain to collaborate with an international fashion brand. Waterbay Residence by Roberto Cavalli will be the upcoming luxury development located at Bahrain Bay. It will feature signature Italian interiors designed by the Roberto Cavalli brand, which will create glamorous and modern spaces to enjoy a luxurious lifestyle.

Launched in 2018, the Waterbay project, which will be developed in partnership with Paramount Hotels and Resorts, includes the Waterbay Middle, the Eastern Tower Waterbay Residence by Roberto Cavalli and the Western Tower, named Paramount Residences Bahrain.

Binghatti to deliver West in Jan 2019

Binghatti Developers said, the construction of Binghatti West is being processed at an accelerated pace, which will allow the company to deliver its project by end of January 2019.

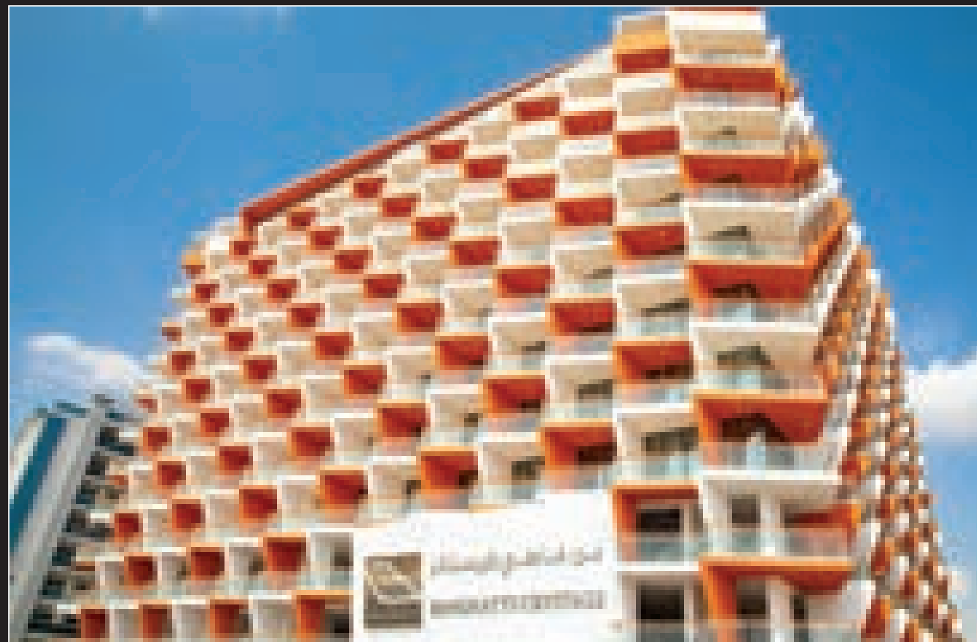
The basement, ground, and six residential floors of the 6-storey building have already been completed, and at this pace, the company will ensure that the project will be delivered on time.

Located at the heart of the Dubai Land Residential Complex community and spread over a construction area of 123,247 square feet, Binghatti West comprises 47 residential units, including 35 one-bedroom and 12 two-bedroom apartments.

Binghatti West features a plethora of lifestyle amenities including a heat monitored swimming pool, a health club, a children's play area, and a public terrace for residents to enjoy.

Muhammad BinGhatti, CEO, said: "We have reached a business model that suits all customer segments, including investors."

Binghatti West is amongst a number of projects that are currently being developed by Binghatti Developers including Millennium Binghatti Residences, Binghatti Stars, Binghatti East, Binghatti Sapphires, Binghatti Crystals, Binghatti Platinum with a total of 1772 units being currently developed in Dubai.



Binghatti Crystals ready for delivery

Dubai-based Binghatti Developers said, it has completed the construction works of Binghatti Crystals in Dubai Silicon Oasis.

Located just off sheikh Mohammed Bin Zayed road, Binghatti Crystals is a 12-floor building that highlights Binghatti Developers' signature design. The building comprises a total of 219 residential units including 159 studios, 8 one-bedroom, and 48 two-bedroom apartments, in addition to 4 two-bedroom duplexes. Containing a 154,785 square feet leasable area, the property offers many modern lifestyle amenities including a heat-monitored swimming pool, health club, prayer hall, children's play area, public terrace, two floors of covered parking, a multipurpose hall, and an owner's office.

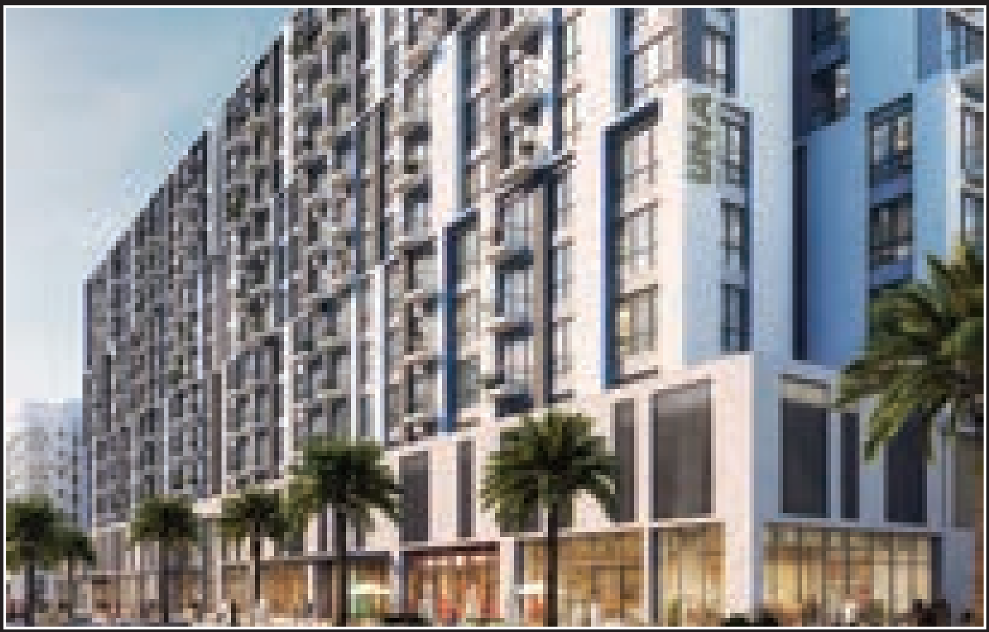
Binghatti Crystals is located in the master planned Smart City of Dubai Silicon Oasis. The building is centred within walking distance of both the cutting-edge Silicon Park Development, the Dubai Silicon Oasis Authority's flagship mixed-use community development, and the upcoming Silicon Oasis Mall development. The Silicon Mall development will feature a LuLu Hypermarket, as well as a cinema, and numerous dining and shopping destinations.

Muhammad BinGhatti, CEO of Binghatti Holding said: "We are happy to have completed Binghatti Crystals in Dubai Silicon Oasis. The project is a testament to our commitment to iconicity of buildings, high-quality, and timely delivery. Binghatti Crystals is a project located in Dubai Silicon Oasis, which is an area that has proven to be excellent for both end users and investors seeking long term rental returns."

Binghatti Developers is seeking to redefine the norms of the real estate industry by delivering reasonably priced high-quality projects in a timely manner. Binghatti Developers, the development arm of Binghatti Holding, operates throughout the UAE with an investment value constituting Dh3.5 billion across a portfolio exceeding 40 projects, including its strategic partnership with Millennium Hotels and Resorts.

The company currently operates in Business Bay, Dubai Silicon Oasis, Al Jaddaf, Dubai Marina, Jumeirah Village Circle, Liwan, and Dubai Land Residence Complex, in addition to a commercial project in Dubai covering an area of 1 million square feet.

ENBD REIT secures $75m SCB facility



Emirates NBD Real Estate Investment Trust (ENBD REIT), the Shari'a compliant real estate investment trust managed by Emirates NBD Asset Management Limited, has confirmed a $75 million (Dh275 million) Murabaha finance facility with Standard Chartered Bank for a term of three years with an accordion option to upsize the facility to $100 million.

The new facility will support the REIT's focus on portfolio diversification through further acquisitions, to maximise income returns and mitigate risk. The Shari'a compliant facility is in two tranches. Tranche A ($45 million at total drawdown) will partially repay ENBD REIT's existing debt, following oversight approval, thereby delivering a material benefit to the REIT's finance cost. Utilisation of Tranche A will not affect the Loan-to-Value (LTV) ratio of 38 percent and results in a reduction in profit costs that better aligns with ENBD REIT's investment strategy and target returns. Tranche B, of $30 million, will be available to support potential acquisitions and will increase LTV to 42 percent. The facility has a bullet payment at maturity. ENBD REIT's property portfolio value stands at $459 million as at 30th September 2018, with diverse holdings totalling 11 properties across office, residential and alternative real estate sectors. Gross yield on the portfolio held steady on the full year period ended 31st March 2018, at 8.3 per cent, following successful efforts to lease units in the office and residential portfolio. Funds from operations for the 6-month period were $6.9 million, up 42 percent on H1 2017/2018. Occupancy across the portfolio remains strong at 90 percent. It has a property portfolio value of $463 million and net asset value of $289 million.

Anthony Taylor, Head of Real Estate at Emirates NBD Asset Management, said: "The facility that we have secured with Standard Chartered Bank will support our core objective of delivering value and income to investors, by enabling us to complete strategic acquisitions that boost the diversity and size of our portfolio, as well as reducing our cost of financing."

ENBD REIT, which has been listed on Nasdaq Dubai since March 2017, offers investors access to Dubai's institutional real estate market. Over the past 24 months the fund has invested $150 million in properties across alternative and office asset classes. ■

Staybridge Suites to debut in Kuwait in '22

InterContinental Hotels Group (IHG), one of the world's leading hotel companies, has signed a management agreement with Al Arabiya Real Estate Company, owned by the leading Kuwaiti conglomerate, the Bukhamseen Group to debut Staybridge Suites in Kuwait, with the development of Staybridge Suites Kuwait Salmiya.

The new hotel is due to open in January 2022 and will add to IHG's growing portfolio in the Middle East.

Located in Salmiya, close to the commercial and upscale residential blocks beside the Persian Gulf coastline, the 120-keys Staybridge Suites Kuwait Salmiya will offer long-stay guests a choice of one-bedroom and two-bedroom suites.

The modern serviced apartments will be stylishly designed and furnished, featuring separate living and working areas, fully equipped kitchens, entertainment systems and free WiFi. Guests staying at the hotel will have access to business areas, as well as tourist attractions such as the Marine Museum, Shaab Leisure Centre Park and a variety of shopping malls.

Staybridge Suites Salmiya will offer facilities such as a fitness centre so guests can maintain their exercise regimen and a swimming pool for a dip after a long day. ■

REALTYBYTES

Al Shaya to bring brands at Al Maryah Central Mall

Gulf Related, together with leading international franchise operator Alshaya Group, have announced the leasing of nearly 40 units, reinforcing Al Maryah Central's status as the new 'go-to' mall and a market leader that will transform Abu Dhabi's lifestyle, dining and shopping experience.

The important partnership brings much anticipated flagship stores for Debenhams, H&M, and Victoria's Secret to Al Maryah Central, together with popular beauty brands including Charlotte Tilbury, MAC and NYX, creating a vibrant fashion and retail collection for the city's discerning shoppers.

Residents in the capital will be able to relax at several of Alshaya's restaurants including Bouchon Bakery, Blaze Pizza, The Cheesecake Factory, P.F. Chang's and Texas Roadhouse. Alshaya will also bring family and contemporary homeware brands Mothercare, Pottery Barn and West Elm to Al Maryah Central. Alshaya's range of brands will join other international brands including a 35,000 square feet Zara, Massimo Dutti, All Saints, and Lululemon, creating a complete mix of family-friendly retail and entertainment, such as the 21-screen VOX cinema with IMAX, together with The Galleria's luxury and dining offering. ■

RAK tourism up 11.2% in 9 months of 2018

Hotels and serviced apartments in Ras Al Khaimah served 795,000 tourists in the first nine months of 2018, the government's tourism promotion body said

Almost 795,000 tourists stayed in hotels and serviced apartments in Ras Al Khaimah from January to September 2018 generating a total of 2.53 million guest nights.

Ras Al Khaimah Tourism Development Authority (RAKTDA), the government body that develops the emirate's tourism infrastructure and initiates its domestic and overseas promotions, reported growth of 11.2 per cent in international guests in the first nine months of the year compared to the same period in 2017.

Double digit growth from international markets was led by Germany as the single largest source market with 64,372 visitors, up 4.1 per cent on Q1-3 2017. This was followed by Russia, with 57,117 visitors – up a significant 36.5 per cent on the same period in the previous year. The third largest source market was the UK, with 45,496 visitors, up 10.1 per cent; India was in fourth position with 44,734 visitors, up 16.1 per cent; and rounding out the top five was Kazakhstan with 21,966 visitors, up 26.9 per cent.

In terms of market growth, Norway saw the largest percentage increase in visitors, up 41.5 per cent on the first three quarters of 2017, with Nordic neighbours Sweden and Denmark also showing increased interest in the emirate, with guest numbers up 27.7 per cent and 19.3 per cent respectively.

Ras Al Khaimah's tourism indices were up across the board - with visitor satisfaction at 94 per cent, above targets of 90 per cent, and average length of stay at 3.19 days. The emirate recorded regional success, with the second highest revenue per available room (RevPAR) at Dh402.2 (US$109.6), the third highest Daily Room Rate (ADR) at Dh581.6 (US$158.5) and a steady average occupancy rate for the first 9 months of the year at 69.1 per cent.

Ras Al Khaimah has identified supply of new hotel rooms as a major focus to support the increasing popularity of the destination with international and domestic tourists. The emirate is preparing to add 5,000 rooms to the 6,500 currently available with the confirmed introduction of major global brands including Marriott, Movenpick, Sheraton, Anantara, Rezidor, Intercontinental, Hampton by Hilton over the next three years. So far in 2018, RAKTDA hosted 237 travel agents from 18 countries. It also participated in nine exhibitions across six countries, reaching out to over 300 travel agents worldwide. It also facilitated roadshows in 69 cities in 20 countries, engaging with 7,419 travel members. ■

Construction works on the US$2 billion Aykon City starts as contractors are on board

Works on Aykon City picks up pace

Damac Properties announced the completion of the raft foundation for tower C of Aykon City – $2 billion luxury mixed-use project – its 4 million square feet development centrally located between Sheikh Zayed Road and the Dubai Water Canal.

The setting of the foundation slab, the second one at the development, saw over 288,600 cubic feet of concrete poured within a 30-hour period, and requiring more than 1,500 metric tons of steel.

"The foundation work presented a complex challenge for the project management team as the site is in the middle of a busy metropolitan." said Niall McLoughlin, Senior Vice President at Damac Properties. "To ensure that the setting of the raft did not disturb the flow of traffic in the area, the team orchestrated the job across several shifts, ensuring to complete the feat within 30 hours."

In adherence to best standards, the slab required concrete to be poured in a temperature-controlled environment. With the successful completion of the foundation, construction can now begin on the main columns and core walls, accelerating the pace at which the tower will rise to complement the existing skyline.

Slated for completion in 2021, the multi-tower Aykon City community, consists of residences, serviced apartments, a hotel and office spaces. It also offers stunning views of Dubai Water Canal, rated as one of the top attractions in the city. The promenade of Dubai Canal is the ideal place for residents and visitors to relax, and indulge in world-class experiences, owing to the scenic pedestrian tracks, waterways and bridges, as well as restaurants and stores that dot the area.

In September, Damac Properties awarded a Dh512 million ($139 million) construction contract to China State Construction Engineering Corporation to build tower C of Aykon City.

Tower C, known as The Residence, will have a total built up area of nearly 1.8 million square feet. It will feature studio, one, two and three-bedroom apartments and The Club, a residents-only entertainment space.

The 62-floor tower is made up of two basements, a ground and ten podium levels, 48 residential floors and a rooftop. Tower A of the will be the Aykon hotel and residences tower, which offers elegant service and exclusivity with every detail.

Tower B will be operated by Damac Maison and host-serviced hotel residences in 63 floors. Comprising 964 serviced apartments and 324 hotel units, it will be the first of its kind to allow investors own a hotel room and receive higher rental returns. ■

FEWA and Honeywell to drive green development

The Federal Electricity & Water Authority (FEWA) signed a Memorandum of Understanding with Honeywell, a global leader in Industrial Internet of Things technologies for buildings, to drive sustainable development and green economy initiatives in the UAE's Northern Emirates.

The collaboration details FEWA's focus on driving significant energy savings of between 10 and 30 percent across a range of public sector buildings through energy efficient technologies and to improve the standards of living and achieve sustainable growth.

Under the agreement, the organisations will determine a Proof of Value, focusing particularly on Honeywell's next-generation solutions that enable significant energy savings and adhere to sustainable environmental guidelines.

The partnership will support the goals of the UAE Energy Strategy 2050, the first unified energy strategy in the country. The strategy aims to increase the contribution of clean energy in the total energy mix from 25 percent to 50 percent by 2050 and reduce carbon footprint of power generation by 70 percent, thus saving Dh700 billion by 2050. It also seeks to increase consumption efficiency of individuals and corporates by 40 percent. ■

OPINION

Digital currency: to be or not to be

CHRISTINE LAGARDE
Managing Director
International Monetary Fund

Change is the only constant, wrote the ancient Greek philosopher, Heraclitus of Ephesus.

And yet change can appear daunting, destabilising, even threatening. This is especially true for technological change, which disrupts our habits, jobs, and social interactions. The key is to harness the benefits while managing the risks.

Let me begin with the big issue on the table today — the changing nature of money.

When commerce was local, centered around the town square, money in the form of tokens — metal coins — was sufficient. And it was efficient. The exchange of coins from one hand to another settled transactions. So long as the coins were valid — determined by glancing, scratching, or even biting into them — it did not matter which hands held them.

But as commerce moved to ships and covered increasingly greater distances, carrying coins became expensive, risky, and cumbersome.

Chinese paper money — introduced in the 9th century — helped, but not enough. Innovation produced bills of exchange — pieces of paper allowing merchants with a bank account in their home city to draw money from a bank at their destination.

The Arabs called these Sakks, the origin of our word "check" today. These checks, and the banks that went along with them, spread around the world, spearheaded by the Italian bankers and merchants of the Renaissance. Other examples are the Chinese Shansi and Indian Hundi bills. Suddenly, it mattered whom you dealt with. Trust became essential — and the state became the guarantor of that trust, by offering liquidity backstops, and supervision.

Why is this brief tour of history relevant? Because the fintech revolution questions the two forms of money we just discussed — coins and commercial bank deposits. And it questions the role of the state in providing money.

We are at a historic turning point. You — young and bold entrepreneurs — are not just inventing services; you are potentially reinventing history. And we are all in the process of adapting.

A new wind is blowing, that of digitalisation. In this new world, we meet anywhere, any time. The town square is back — virtually, on our smartphones. We exchange information, services, even emojis, instantly… peer to peer, person to person.

We float through a world of information, where data is the "new gold" — despite growing concerns over privacy, and cyber-security. A world in which millennials are reinventing how our economy works, phone in hand.

And this is key: money itself is changing. We expect it to become more convenient and user-friendly, perhaps even less serious-looking.

We expect it to be integrated with social media, readily available for online and person-to-person use, including micro-payments. And of course, we expect it to be cheap and safe, protected against criminals and prying eyes.

What role will remain for cash in this digital world? Already signs in store windows read 'cash not accepted'. In various countries, demand for cash is decreasing. And in ten, twenty, thirty years, who will still be exchanging pieces of paper?

Bank deposits too are feeling pressure from new forms of money. Think of the new specialised payment providers that offer e-money — from AliPay and WeChat in China, to PayTM in India, to M-Pesa in Kenya. These forms of money are designed with the digital economy in mind. They respond to what people demand, and what the economy requires.

Even cryptocurrencies such as Bitcoin, Ethereum, and Ripple are vying for a spot in the cashless world, constantly reinventing themselves in the hope of offering more stable value, and quicker, cheaper settlement.

Let me now turn to my second issue: the role of the state — of central banks — in this new monetary landscape.

Some suggest the state should back down. Providers of e-money argue that they are less risky than banks, because they do not lend money. Instead, they hold client funds in custodian accounts, and simply settle payments within their networks. For their part, cryptocurrencies seek to anchor trust in technology. So long as they are transparent — and if you are tech savvy — you might trust their services.

Still, I am not entirely convinced. Proper regulation of these entities will remain a pillar of trust. Should we go further? Beyond regulation, should the state remain an active player in the market for money?

Let me be more specific: should central banks issue a new digital form of money? A state-backed token, or perhaps an account held directly at the central bank, available to people and firms for retail payments?

True, your deposits in commercial banks are already digital. But a digital currency would be a liability of the state, like cash today, not of a private firm.

This is not science fiction. Various central banks around the world are seriously considering these ideas, including Canada, China, Sweden, and Uruguay. They are embracing change and new thinking — as indeed is the IMF. ■

Travellers prefer hotel apartments

In the past, travellers only resorted to fully serviced apartments in the case of extended stays of more than a week or for larger groups; but times have changed and in the past few years, serviced hotel apartments have popped up in all the major cities across the world.

Travellers are now looking to replicate the serviced apartment and hotel experience at home – they want to feel like hotel guests in their own homes.

The luxury end of the market in particular, has indicated an increase in demand for serviced apartments; especially those serviced by a hotel. These apartments, usually located in the same building or beside the hotel property, are serviced by the hotel enjoying all the, amenities, luxuries and services available to a hotel guest.

That's why many investors and buyers are now seeking hotel residences for investment and demand has been rising in the Middle East in the past few years. This is particularly the case when looking at branded residences that are associated with a renowned hotel group, as it offers a level of confidence and assurance when it comes to quality and resale value.

Those looking into branded residences generally identify with a certain lifestyle and taste closely associated with that brand and can then replicate the ethos within their own living space. There is also the additional benefit of a higher return on investment when compared to regular residences when looking at renting out the apartments or even resale.

Travellers are now looking to replicate the serviced apartment and hotel experience at home – they want to feel like hotel guests in their own homes...

Recent studies conducted by Colliers International show that luxury hotel chains are now expanding their portfolios and diversifying into boutique hotels, luxury resorts and designer branded residences to meet the changes in attitude within the market.

Hotel residences have seen stronger resilience through tough times when compared to hotels. This business and investment model continues to evolve to provide investors with an increasingly established asset class in the region.

Trends show that a construction boom is shaping up for the Middle East and North Africa (MENA) region in 2018. The MENA, is the fastest growing region globally for the construction sector and is set to outpace the global growth, expanding by 5.8 percent to hit $225 billion, according to BMI Research. The construction sector in MENA will be expanding at an average of 6.5 percent over the next five years to hit $330 billion. Positive demographics, gradually rising oil prices, and ambitious economic diversification agendas throughout the region all play a part in this. This will have a positive impact on the property market making the Middle East attractive for investors.

Markets in the Middle East are progressively growing, due to the increased tourism initiatives by governments, so demand for room nights will increase. Markets like UAE and Saudi Arabia have been growing rapidly over the years. Saudi Arabia is expected to be a hot spot in the region with many new opportunities opening in the tourism sector.

The Kingdom's diversification plans, new visa programs and large-scale projects are expected to contribute to the growth in tourism, for both business and leisure tourism. Recent data revealed in November 2017 by hotel industry research firm, STR, showed that demand for room nights in Dubai alone went up year-over-year by 2.7 per cent, reaching an all-time high.

Jordan is another market that has become increasingly attractive for investors in the Middle East. The Jordan Government has made a remarkable effort with public spending, which, according to the International Monetary Fund (IMF), has placed Jordan amongst the most dynamic countries in the Middle East. GDP in Jordan, according to the IMF, is expected to grow by 4 percent by 2019. This has positively benefited the real estate market in the country, especially in the capital Amman. Jordan has been an oasis of political stability in the Middle East and its geographical location is an important asset.

This is one of the major reasons why we decided to explore Jordan's capital, Amman. With a unique combination of attributes that create an attractive environment for business and investment, Jordan is gaining popularity as an international business and investment hub. ■

SAAD AUDEH
Founding Member and Managing Director of the Audeh Group and Chairman of Campbell Gray Hotels

Artificial Intelligence and lead generation

PHILIP NASH
Chief Operating Officer
Tripler

Artificial Intelligence. It's one of the business buzzwords of today, but what is it exactly and how can it assist in generating leads?

In basic terms, AI is a broad area of computer science which makes machines seem like they have human intelligence. AI may be today's buzzword but it is not something new. In fact the term has been around for half a century.

The term Artificial intelligence was first coined in 1956 by Professor John McCarthy.

He led a group of mathematicians and computer scientists at Dartmouth College in the US to establish whether machines could learn in the same way that young children learn. Many research programmes followed and AI remained for the most part in University classrooms and computer labs.

More recently, the commercial use of AI has been playing an increasingly important role across industries and Real Estate is no exception. Market intelligence firm Tractica recently published research that predicts global AI revenue is expected to reach almost $40 billion by 2025.

So what has led to the explosion in the commercial uses of AI? Three things.

Computing Power

In 1965, businessman and computer scientist Gordon Moore observed that the number of transistors in a dense integrated circuit doubles approximately every two years, which means a doubling of computer processing power.

The prediction was so accurate that this phenomenon was dubbed "Moore's Law." The law has remained more or less true up until now and has resulted in an exponential growth in computing power.

> **Beyond generating leads, Artificial Intelligence can validate and enrich them with data. If someone is looking at three-bedroom apartments or focusing their search on one area, say Business Bay, that information is extremely valuable to an agent...**

Big Data

Huge amounts of data is now being produced every minute. In fact 90 percent of the worlds data has been created in the last two years. That is mind-blowing!

This data explosion has been facilitated by the combination of internet, social media, communication, digital services and the internet of things (connected devices).

Speed

The development of wifi networks, 3G, 4G and soon 5G mobile networks enables us to communicate with each other across multiple devices, channels and formats, sending and receiving data in real time, 24 hours a day.

These three factors have led to the widespread commercial application of AI across all industries.

So how is AI changing the way that leads are being generated? Lead generation and qualification

AI supports real estate agents by generating high quality leads.

Over 90 percent of people start their property search online. If someone is actively browsing through online property portals, that's a sign they're ready to buy. Social media can also be helpful.

It's not uncommon for people to be interested in buying property after a job promotion, moving to a new area, or the birth of a child and people share those types of life events on social media. There's no way an agent on their own could track these types of behaviours, but AI can. Beyond generating leads, AI can validate and enrich them with data. If someone is looking at three-bedroom apartments or focusing their search on one area, say Business Bay, that information is extremely valuable to an agent.

AI can provide insight into leads' behaviours and preferences that allows agents to approach in a thoughtful, strategic manner. This insight cuts both ways by helping identify leads who are unmotivated or who may want to buy a property, but won't be closing a deal anytime soon — e.g., someone who is not pre-approved for a mortgage. AI takes all these various data points and makes them actionable.

AI also enables lead qualification to be automated at scale. We are seeing this in the deployment of chat bots which use AI to guide buyers through the property search process with conversational language. They can engage with multiple prospects at once and handle them in real time which increases the chances of converting them into a buyer.

Chatbots can also be deployed across multiple digital and social media channels as well as websites, providing great flexibility in capturing and nurturing prospects 24/7. Back in the early 1990's we couldn't imagine how the internet would evolve and the same can now be said about the use of AI in business.

What we can say is that AI will continue to transform lead generation across all sectors including Real Estate. ■

Evaluate mortgage repayment exit cost

DHIREN GUPTA
Managing Director
4C Mortgage Consultancy

A mortgage considered as a long-term financial commitment which enables us to buy a house and has a major share in home buyers monthly budgeting.

The banks give the homeowners diverse mortgage options to select from, based on every individual's financial credibility. In addition, the monthly mortgage repayment calculated by the lender on three components which are principal, interest, and insurance. In short, mortgage repayment amount plays the vital role equally, when one takes the mortgage.

Alongside, there are associated costs when one considers repaying the same mortgage in the form of partial settlement, full settlement or plans for buyout/refinance. Hence, it is imperative to understand how to zero out the mortgage cost so you can start enjoying your disposable income.

Exit policy is different with most of the bank, hence before plugins into the mortgage, give a deep thought on exit guidelines.

As previous Central Bank regulations limited the early settlement fee cap on the mortgage to 1 per cent of the outstanding amount, not exceeding Dh10,000. However, the latest amendment most banks have raised the cap to a maximum of 3 per cent of the loan outstanding amount, which brings pressure on borrowers' pocket.

In today's market when the Federal Reserve interest rate is surging and since UAE dirham is pegged with US dollar, every homeowner who has a mortgage is looking into options of liquidating the debt.

However, if one can maintain a strong financial position securing the future, and have enough corpus which can cover 6-7 months expenses the mortgage exit options could be considered. Here are a few tips on how to downsize home loan quickly, if it's within your affordability.

Partial Settlement

If there is no advance payment forfeit in the mortgage contract, then adding extra payment in principal to your monthly payment can downsize the mortgage repayment amount during the term.

This can be the simplest and early payoff plan, which will reduce your principal amount thus the loan balance used for the calculation of interest charges will also be declined and empower you to pay off your loan quicker. This option is considered best once one has the extra cash.

Now, let's understand with an example – how extra payments will affect the loan amount of Dh1,000,000 on a 25-year mortgage with a 3.49 per cent interest rate, which would have Dh5,000 as a monthly installment for the initial promotional offering, and would differ during the variable period.

Making an extra mortgage payment of Dh30,000 semi-annually after 1st year, could save up to 25 percent in the total interest and can pay off your loan almost 14 years earlier. Few banks would have a minimum prepayment amount and could also restrict in the frequency of the settlement request every year. This early settlement option can be discussed during the selection of the mortgage with the lender.

Full Settlement

Indeed, with the recent revision in the exit fee by the Central Bank the increase by 3 per cent in the early settlement can give much burden on the borrower.

This option is viable only if the homebuyer has surplus cash cushion which covers the outstanding plus the 3 per cent exit cost on the loan value, to become debt free quickly. Currently, almost every bank is charging 3 per cent exit cap on fixed period tenure while on variable period the exit cost varies from 1-2 per cent, hence consulting with own lender would be ideal to decide on what option can give more advantages.

Refinance

Refinance could be your alternate approach to pay off your loan quickly, either with a lower interest rate or shorter term but standard 3 per cent is the exit fee applicable on the buyout.

If planning to stay in your home for a minimum of five years with an interest rate of 5.5 per cent or higher, ask your current loan provider for the loan rescheduling or compare it with other offers.

If you can rationalize your current rate by 1.5 to 2 per cent or can shorten the amortisation period, go ahead and refinance. With the lesser interest rate, you will manage superfluous to pay off the loan principal element. Do the proper math to understand the ultimate refinance costs.

In refinancing, many prefer the adjustment due to increased flexibility and compact interest rate, while other choose the essential discipline of the monthly payment to keep it sheltered. Moreover, the common understanding in mortgage goes with a maximum tenure as the longer the tenure, higher the interest paid.

So, rather than paying over 25-year, reduce the term, will certainly shoot up the equated monthly installment, but here the interest part is usually lesser, thus offset the monthly outflows. Buying a property is a good idea, but keeping the check on all the cost can maintain your financial budget perfectly healthy. Consult your lender to find out what exit fees apply to your mortgage if you were to switch lenders or pay off loan early before signing the mortgage contract. ■

New FDI Law to boost investment, economy

Gulf Property Exclusive

The UAE Government has recently issued a new Investment Law, part of a comprehensive economic reforms to boost the country's competitiveness.

UAE President, His Highness Sheikh Khalifa bin Zayed Al Nahyan, has issued the new Foreign Direct Investment (FDI) law on October 30, 2018, which aims to promote and develop the country's investment environment, and attract foreign direct investment in line with national development policies, according to the state-owned Emirates News Agency (WAM).

In accordance with Article II, the Decree-Law No. (19) of 2018 aims to consolidate the country's position as a major attraction for foreign direct investment at the regional and global levels, attract and encourage foreign investment.

The UAE has been the prime regional destination of FDI inflows at about $11 billion in 2017, accounting for 22 per cent of total flow to the Middle East and North Africa region. Cumulative FDI inflow increased from $80.6 billion in 2012 to around $130 billion in 2017.

The government is now setting up a Foreign Direct Investment Unit at the Ministry of Economy that will be responsible for proposing FDI policies in the country and determining its priorities; and setting up associated plans and programmes and work on their implementation following their approval by the Cabinet, said the decree carried by state-run Wam news agency.

This will be responsible for proposing foreign direct investment policies in the country and determining its priorities, and setting up associated plans and programmes and work on their implementation following their approval by the UAE Cabinet.

The FDI unit will be responsible for establishing a comprehensive database for UAE investments, including data on existing FDI projects, and will review and update information on a periodical basis.

Additionally, the relevant authorities shall provide the unit with data on approved

“The new FDI law is a qualitative leap on the path to further stimulate the country's investment-conducive environment and strengthen the efforts being tirelessly made to draw more investments to the knowledge and innovation-based sectors which represent real pillars for sustainable development....”

– Sultan Bin Saeed Al Mansouri, UAE Minister of Economy

investment projects.

The FDI unit will also oversee the creation of an attractive environment for foreign direct investment, facilitate the procedures for registering and licensing foreign direct investment projects, as well as monitor and evaluate their performance in the country.

It is all part of the country’s strategic national target to increase its attractiveness to FDI, promote diversification, inject the national economy with financial liquidity, stimulate trade movement and improve the business environment in the country, the Economy Minister said.

Earlier, the UAE announced that the country will offer a 10-year visas to investors and highly-skilled professionals as allow 100 percent foreign ownership in local companies – that will help attract more and more foreign investment.

The law, published in the latest issue of the Official Gazette, seeks to expand and diversify the production base, transfer and attract advanced technology, knowledge and training, in addition to increasing the flow of foreign direct investment in priority sectors to achieve balanced and sustainable development.

This will help provide job opportunities in various fields, achieving the best returns of available resources and high added value to the country's economy, WAM said.

Earlier, the UAE had created 16 catalysts that have helped to attract foreign direct investment (FDI) according to relevant national statistics for the end of 2017.

The catalysts include freedom of capital movement, smart government, and transparent policies, regulations, systems and laws.

The country’s net FDI inflow increased from $9.6 billion in 2012 to $10.4 billion in 2017, an annual growth rate of 1.6 per cent while its cumulative FDI inflows increased from $80.6 billion in 2012 to around $130 billion during the same period.

Along with its political, economic, social and security stability, the country’s geographic location, competitiveness, free-market policies, encouragement for the private sector, and attractive investment environment have enabled it to lead a list of countries that attract FDIs.

Sultan bin Saeed Al Man-

souri, Minister of Economy, has said that the new FDI law is a qualitative leap on the path to further stimulate the country's investment-conducive environment and strengthen the efforts being tirelessly made to draw more investments to the knowledge and innovation-based sectors which represent real pillars for sustainable development.

As per the law, the minister said, a 'Foreign Direct Investment Unit' is to be established in the Ministry of Economy. This will be responsible for proposing foreign direct investment policies in the country and determining its priorities, and setting up associated plans and programmes and work on their implementation following their approval by the UAE Cabinet.

"The new law will reflect positively on advancing the UAE's rankings across global competitive indices," the minister noted.

The FDI unit will be responsible for establishing a comprehensive database for UAE investments, including data on existing FDI projects, and will review and update information on a periodical basis.

Article 10 of the Decree-Law stipulates that the licensing authority and the responsible authority shall determine the conditions and procedures for the establishment and licensing of FDI projects based on the listed required documents of the Decree-law, and the laws of the country.

FDI projects that exist before the new law shall retain all the privileges given in accordance with former legislations, agreements and contracts within the specified period.

Marwan bin Jassim Al Sarkal, executive chairman of Sharjah Investment and Development Authority (Shurooq), said the decree comes at a time when the UAE continues to experience good growth in capital and foreign direct investment inflows.

"This decree underscores the UAE's keenness, under the leadership of President His Highness Sheikh Khalifa bin Zayed Al Nahyan to further diversify sustainable development, and cement our position on the world map as a leading foreign investment destination," he said.

"Our strategic location, economic resilience and diversified sectors are the mainly responsible for the UAE's lucrative and stable environment, which continues to attract global businesses that benefit from the vibrant local economy," Sarkal said.

As per the law, licensed foreign investment companies shall be granted the same treatment as national companies, within the limits permitted by the legislation in force in the state and the international conventions to which the UAE is a party.

Article 10 of the Decree-Law stipulates that the licensing authority and the responsible authority shall determine the conditions and procedures for the establishment and licensing of FDI projects based on the listed required documents of the Decree-law, and the laws of the country.

FDI projects that exist before the new law shall retain all the privileges given in accordance with former legislations, agreements and contracts within the specified period, WAM said.

Anti-money laundering law

The President has issued Federal Decree No. 20 of 2018 on anti-money laundering and countering the financing of terrorism.

The decree is part of the requirements and recommendations of the Financial Action Task Force (FATF).

Some of the articles provided by the Law require the declaration of anyone entering or leaving the country carrying cash, monetary or financial bearer instruments, precious metals or stones of value, as per the regulations set out by the Central Bank.

The Law recommends the establishment of an independent 'Financial Information Unit' within the Central Bank to receive and investigate all reports submitted by financial institutions and other corporate establishments regarding suspected illicit financial activity.

The Financial Information Unit will also follow up and gather evidence on the transaction in question, and share this information with the relevant law enforcement departments when referring the case for further investigation, should they deem it the most appropriate course of action.

The unit shall be responsible for requesting financial institutions, designated non-financial businesses and professions, as well as the concerned authorities to provide any additional information or documents relating to the reports, information received and any other extra information deemed necessary to perform its functions.

Furthermore, it may exchange information with its counterparts units in certain countries, based on suspicious transaction reports, or other information that the Unit has access to directly or indirectly.

The unit will also be responsible for establishing a database, or a special record, of the information and protect it by establishing rules governing information security and confidentiality.

Citizenship is a $20b global business

Gulf Property Exclusive

An increasing number of affluent Gulf residents are pursuing a second citizenship either through investment in real estate, business immigration, investment, buying a second passport or just skilled migration process, due to changing global environment and a change in their financial fortunes, reports say.

The act of leaving behind everything that is familiar to start over in another country is a leap of faith. That leap has been taken by approximately a quarter of a billion people who have left their birthplace and now live in another country where they hope to build a better life, finds a research by Mckinsey Global Institute.

While conflict has forced some of them to flee their homes, the vast majority move across borders voluntarily.

Despite the misgivings and controversy surrounding it, cross-border migration is a natural outcome of a more interconnected world and a global labor market.

In today's ever-changing and a more globalised world, dual citizenship is no longer a privilege for a select few. With the variety of programmes now available to the market, and their affordability making it accessible to many more families, alternative residence and citizenship have become a necessity for families looking to provide their loved ones with greater freedom, safety, health and educational opportunities. At the very core of it, dual citizenship enables parents to provide their children with more opportunities in life – a global legacy.

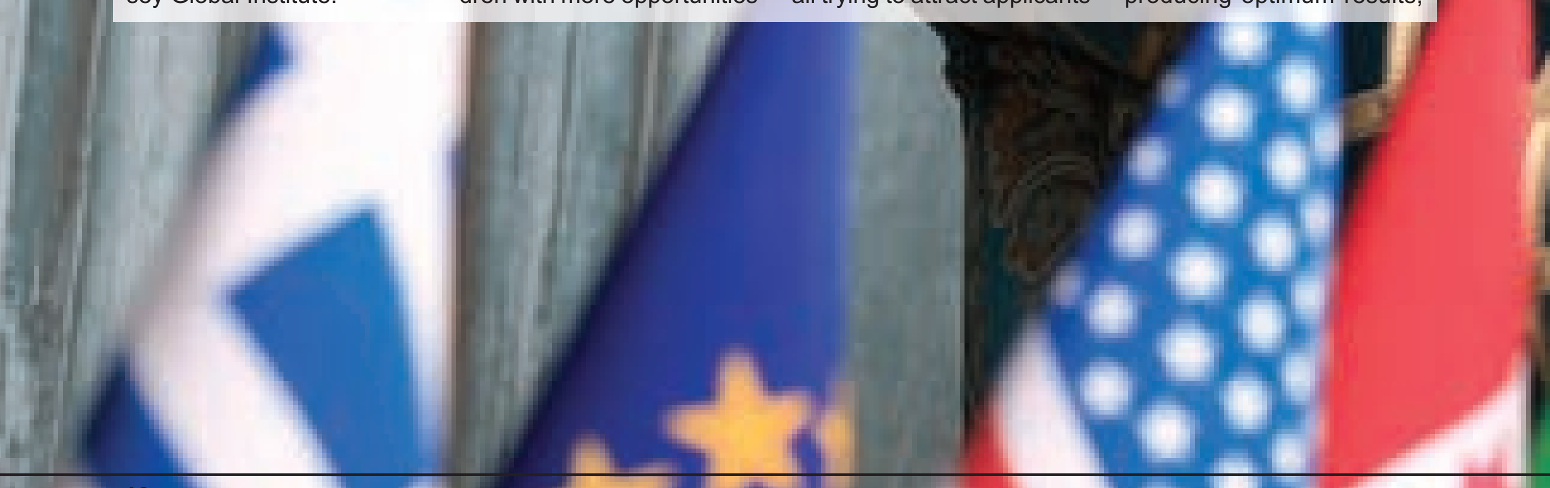
Many foreigners in these Gulf countries use their resources generated through employment or business, to finance the second citizenship that allows them visa free travel to the rest of the world – without having to stand in queue for hours to get a visa stamped on the passport for travelling either on business or leisure.

UAE-based Bayat Group CEO Sam Bayat, said, "If we compare 2017 to 2018 we have processed about 25 per cent more applications. This is partly due to our region's geopolitics and to applicants' choices in selecting programmes that are closer to their overall objectives, such as livability in the host country. In 2017-18 several countries launched their citizenship programmes such as Moldavia, Montenegro, Turkey, Jordan and Egypt, all trying to attract applicants to actually relocate."

As of 2015, approximately 247 million people lived in a country not of their birth—a number that has almost tripled in the past 50 years.1

Over the past 15 years alone, the total number of migrants worldwide has increased by 74 million. Most of them gravitate to places where they believe they will find jobs and opportunity. As of 2015, approximately 65 percent of the world's migrants were residing in developed economies. About half of all migrants globally have moved from developing to developed countries — in fact, this is the fastest-growing type of migration flow.

Bayat Group is a boutique law firm specialising in business immigration, economic citizenship and corporate immigration for over 25 years. The company believes in producing optimum results,



Pej Mohyeddin, Managing Director of Bayat Group

Pej Mohyeddin, Managing Director of Bayat Group

Sam Bayat, Chief Executive Officer of Bayat Group and Pej Mohyeddin, Managing Director of Bayat Group, seen with HE Roosevelt Skerrit, Prime Minister of Commonwealth of Dominica

rather than settling for acceptable solutions.

Pej Mohyeddin, Managing Director of Bayat Group, says, "Citizenship and residency by investment industry is on the rise, according to some calculations the industry has exceeded US$20 billion per year recently and it is growing.

"Statesmen acknowledge that citizenship and residency by investment schemes are right and flexible means to attract much needed finances from abroad, therefore sustain further economic and social development. That is one side of the coin."

Pej Mohyeddin was born in 1974 and raised in Canada. With more than 20 years experience in immigration laws and working with Bayat Legal Services (BLS) in Dubai. Pej is now recognized as one of the most qualified individuals in his field and the Managing Director of BLS.

From Canadian immigration laws, to the Caribbean citizenship programmes and European residency, Pej is a trusted advisor to many seeking citizenship or residency.

He started with Bayat Legal Services, formally known as Canadian Legal Services back in mid 90s, flying to Dubai from his home town Toronto. From there, its been a soaring career with his passion of the field.

In an exclusive interview, Pej Mohyeddin, Managing Director of Bayat Group, speaks to *Gulf Property* at length on various issues relating to the immigration, property investment-linked citizenship and second passport. Excerpts:

Gulf Property: How do you see the future of the various Citizenship by Immigration/2nd Passport/ Property Ownership-linked Visa Regimes, especially in view of the latest round of attack on them by neoconservative politicians in the United States and European Union?

Pej Mohyeddin: Citizenship and residency by investment industry is on the rise, according to some calculations the industry has exceeded US$20 billion per year recently and it is growing.

Statesmen acknowledge that citizenship and residency by investment schemes are right and flexible means to attract much needed finances from abroad, therefore sustain further economic and social development. That is one side of the coin.

On the other side, recipients of such schemes are securing so called 'plan B' for them and their families in case of any political or social turmoil in their homelands. They also increase their mobility as alternative passport allows them to travel visa free to much more destinations than the passport of their homeland allows.

Motives of high net worth individuals applying for second or even third, fourth passport varies, but we can say for sure that demand for second passports or golden visas' is increasing and if there is a demand there will be a supply. The fact that just recently two more European states, Montenegro and Moldova, have officially launched citizenship by investment programmes, clearly exhibits that the demand on second passports is on the rise. Immigration has always been a very sensitive issue in all societies.

Some are arguing with morality, that citizenship or a passport should not be sold, others have security concerns, like the European Commissioner Vera Jourova, who also stressed that such schemes should not be used for money laundering or tax avoidance.

Although I can ensure you that all these programmes are well regulated and supervised, with a very strict due diligence vetting procedures. Almost all programmes require a third party checking as well, performed by globally well-known companies such as Thompson Reuters, Exiger, Bishops or others.

United States maintains the Immigrant Investor Programme, commonly known as EB-5, since 1993 and it is one of the most successful residency by investment programs in the world.

The government is permanently extending time frames of this programme, as they know that it drives the economy, it helped to overcome a great recession of 2008-2012 and personally I think that the United States will preserve this programme despite the anti-immigration rhetoric of the ruling political establishment.

As for about European Union, I think that, the commission will just issue a recommendations asking operating states to impose more regulations and even more stringent due diligence, especially on the sources of

assets.

In general, I can say, that some states can modify or reshape their citizenship or residency by investment schemes, some may even suspend and re-launch after some period like Montenegro, or just totally new state players will emerge on the market, as is the case with Moldova.

It is said that the United States was built by immigrants. How does the host country benefit from the new immigrants?

Though the United States federal agency, which is in charge of issuing green cards and granting citizenship to foreigners (United States Citizenship and Immigration Services, USCIS) has stopped characterising the United States as "a nation of immigrants" since February, it does not change the reality – America is indeed the nation of immigrants.

The current leadership of USCIS fully shares the Trump administration's sceptical and often hardline stance on immigration. They have increased scrutiny of visa applications for foreign workers and changed the asylum application process to discourage people from seeking second homeland in America and made harder for foreigners already in the country to obtain a green card.

The United States has already benefited from immigrants throughout history, as economy can not be expanded without adequate human resources. Nonetheless we have to distinguish two phenomenons: the ordinary immigration, when there is influx of people masses seeking safe havens and economic migration that is when a high net worth individual wants to obtain nationality or residency of the other country, while seeking for a more mobility, security and welfare of their family members.

Then why is there a protectionist policy against immigration? Are these purely due to economic reasons – the natives losing jobs to the immigrants?

While there are political sentiments, in some societies politicians found it very profitable to pretend themselves as defenders of traditional values, defenders of national identity.

Pej Mohyeddin, Managing Director of Bayat Group, seen with his colleagues at office

To some extent, it is a response on the globalisation – the process, which loosened the importance of state borders. Unregulated immigration definitely can cause some social unrest, as competition on job market increases and sometimes it also affects the criminal rates. Although that has nothing to do with citizenship or residency by investment programmes.

Let's say American EB-5 programme stipulates job creation. Invested funds contribute to the economy growth.

In case of Cyprus and Malta, such schemes played the vital role in overcoming the financial crises. Fears regarding such programs are very hypothetical, they do not deprive locals of jobs, on the contrary they help to set up new businesses and thus creating more jobs. However I agree that there is a disconnect between the program and the public.

Why do you think people change passports – giving up their prized possession – their identity? Are these purely motivated by economic reasons?

One thing is for sure, the priority is not tax planning, at least not in the MENA region. However, I do not agree that people applying for second passport are giving up their identity.

Families can preserve their beliefs and values not only in their home countries, but also outside as well. Rich people, as I have mentioned above, have various motives for applying for second nationality. They want some kind of insurance for themselves and their families if there is a political or social unrest in their homelands.

Sometimes they seek better lifestyle and education possibilities for their children, health and environmental issues also a matter, but most commonly people want to expand their travel freedom, as a second passport gives them visa free travel opportunities to desired destinations. Thus, along with economic there are also other important factors that drive demand on citizenship or residency by investment programmes.

What is the best age to apply for a second passport? Is there an age bar for second passport?

Most of our clients are mid-

Sam Bayat, Chief Executive Officer of Bayat Group, seen with HE Timothy Harris, Prime Minister of St. Kitts and Nevis

dle age, successful business people.

I can not say that there are some universal criteria in terms of age, but according to my observations, people start to think about economic migration, when they have already achieved success in their home countries and want either to expand the business to other parts of the globe or secure welfare for their families.

What are the most popular investment immigration programmes?

The rich from the Middle East generally prefer to obtain a second passport from the Caribbean as investment thresholds there are relatively small and it starts from $100,000 in a form of donation to the specially designed governmental fund and starts from $200,000 in a form of real estate investment, plus various processing and due diligence fees. In return they gain a citizenship with a visa free travel opportunity to more than 130 countries worldwide.

The strength of European passports is much higher and therefore Cypriot or Maltese passports can be obtained after respectively EUR2 million or EUR1 million investments. As Montenegro is supposed to join the EU in 2025, the demand on its passport will probably increase and it will compete with Cyprus and Malta in that regard, the interesting fact about Montenegro is also its livability factor.

As for residency by investment programs, until recently the American EB-5 programme was considered the best in the world. Except today things are changing. Many experts now argue that the best residency programmes are maintained in Portugal and Greece, which offer residency permits starting from 250,000 Euros.

But, I'd like also to underline the British Entrepreneur. Despite the Brexit, the United Kingdom is still very attractive for many high net worth individuals world-wide and many are ready to invest at least GBP500,000 in order to acquire residence permit there.

Which is the fastest programme to get a new passport that offers visa-free travel to the developed countries?

The fastest programme, is probably maintained by Do-

Cost of Citizenship

Citizenship by Investment (CBI) has become a major business worldwide that allows citizens of certain countries who need to spend a lot of time and resources to obtain visa for travel, residency or work for almost all developed countries, to gain residency or citizenship by investing in those countries and help their economies in exchange for the residency status or a passport..

While many nations, the U.S. included, allow legal residents the chance to apply for citizenship after meeting certain criteria, only 10 countries permit outsiders to acquire citizenship outright. Most require payment in the form of a direct investment, typically in property or a local business.

How Much Does Citizenship Cost? Each country requires a certain minimum investment Hide details.

Country	Citizenship Cost	Capital Gains Tax	Corp. Tax	Sold since
Austria	$10,000,000	28%	25.0%	1985
Cyprus	$2,000,000	20%	12.5%	2002
Malta	$1,000,000	12%	35.0%	2014
Turkey	$250,000	35%	22.0%	2017
Vanuatu	$160,000	0%	0.0%	2017
Grenada	$200,000	12%	30.0%	2013
St. Kitts & Nevis	$150,000	0%	35.0%	1984
Saint Lucia	$100,000	0%	30.0%	2015
Dominica	$100,000	0%	25.0%	1993
Antigua & Barbuda	$100,000	0%	0.0%	2013

"The rich from the Middle East generally prefer to obtain a second passport from the Caribbean as investment thresholds there are relatively small and it starts from $100,000 in a form of donation to the government fund and starts from $200,000 in a form of real estate investment. In return they gain a citizenship with a visa free travel opportunity to more than 130 countries worldwide."

– Pej Mohyeddin
Managing Director
Bayat Group

minica.

A successful applicant can obtain its nationality within the period of less than 6 months. For an additional fee, St. Kitts and Nevis can offer accelerated process, however applicants from certain nations are not eligible to apply.

St. Lucian citizenship through investments can be obtained in period of 3 to 5 months, while in Grenada the processing time can last up to 6 months. Cyprus requires at least 6 months of residency until an applicant is eligible to apply for citizenship. While in Malta processing of the citizenship application will take no less than 12 months.

What is the cheapest citizenship by immigration programme?

The least expensive citizenship by investment program are currently operated in Dominica and St. Lucia, where for just $100,000 donation, a foreigner can apply for citizenship.

The next is Antigua and Barbuda, where single applicant minimum outlay equals to $125,000. In Grenada and St. Kitts and Nevis the investment thresholds start from $150,000. Of course you have to consider some additional governmental, processing and professional fees will be added.

How many people from the UAE and GCC opt for immigration annually?

GCC countries, including the UAE represent a unique phenomenon with regards to their population composition.

Unlike most of states around the globe they constitute a minority within their own countries.

According to some estimates, only 8 percent of the total population in the UAE enjoys citizenship rights, the rest are expats.

Indicators of immigration are also high in other GCC regions as well. Like in Kuwait and Qatar 75 percent of total population are immigrants. The UAE has opened borders for those who seek work and set up a business. Therefore, attracting many talented individuals who have gained their success here.

The region also needs labour resources, especially in Dubai due to the boom in the construction sector. Dubai successfully positions itself in the region as a hub and attracts many high net worth individuals.

Some studies suggest that almost two third of rich people in GCC either posses or wish to obtain a second passport. The official citizenship by investment schemes are opportunities for them to make this wish true.

It is hard to say the exact number of those who wish migrate from the GCC, because obtaining second passport does not necessarily mean that those who acquired them will definitely migrate.

This is done for easing travel and getting insurance for the future. But after Chinese and Russian nationals, people from the GCC are the third largest group applying for second citizenship or residency abroad.

What is your view of the EB-5 Programme? Do you think the US Government will renew it?

The EB-5 programme was extended till fall 2019, but personally I expect that it will be further extended.

As it's great tools to attack HNWI, investment and job creation. It might not be suspended in the foreseen future, but I am sure that some other programme will be launched based on the same principle – issuing residency permit or as it is called 'green card' instead of investments.

But to speak more specifically on EB-5 programme, I can outline one concrete direction, there are tens of schools in the United States built by using funds from the EB5 program.

Thus the accessibility to education for society has improved. The EB-5 programme is designed to create jobs and boost economy in rural areas. In some areas it has a vital importance and value.

Thus I think it will be preserved, though some conditions of this programme might be changed. For instance, they may increase the investment threshold, which now stands on $500,000. Investments are done through authorised Regional Centers and only some of them involve real estate deals.

Which is the cheapest property-linked visa regime? For how long is this visa valid?

There are dozens of states around the world with lower investment minimums and shorter application processing times.

Some of them offer the chance to obtain a second citizenship through naturalization. For example, Georgia until recently was offering residency permits to those foreigners who buys a real estate property of at least $35,000. However new amendments to the national legislation will very soon increase the investment threshold from $35,000 to $100,000.

Although probably the cheapest in the world is the Thailand Elite Residency programme, where the minimum investment layout starts from $16,000. The best thing about Thai residency permit is that, you have to prolong it once every ten years.

As for about Caribbean citizenship by investment programs, reals estate investment option is higher than the donation option. In St. Kitts and Nevis minimum investment threshold for real estate equals $400,000 or $200,000, while in Antigua and Barbuda is $400,000, Grenada it is $350,000 and St. Lucia it is $300,000.

The cheapest in the Caribbean is the Dominica programme, which asks citizenship seekers to invest at least $200,000 in the island's real estate approved projects in order to qualify for the programme.

As of Europe the prices go up, however, the most affordable are Greek and Portuguese 'golden visa' schemes. Where in Greece the minimum investment is 250,000 Euros and in Portugal is 350,000 Euros.

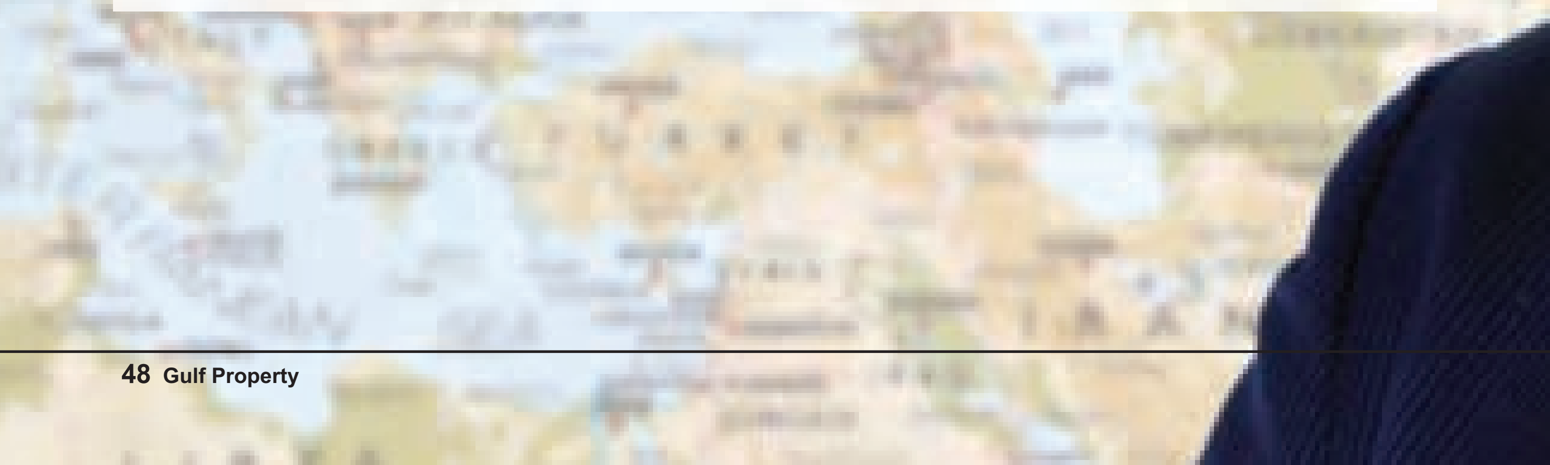
The UAE has started liberalising its visa policy for foreigners, by introducing a 10-year investor visa and a five-year retiree visa. Do you think the UAE or GCC countries will introduce property-linked visa schemes?

Well, Dubai is already offering residency through real estate purchase. Emirates offer 'golden visas' to those foreigners who invest at least one million dirhams in property.

Visa issuing regulations intend to bring in foreign direct investment or skills into an economy.

Thus, every market follows a different approach towards visa norms. The UAE is leading to the correct direction.

Introduction of a five-year retiree visa is a move that could change how residents of the UAE choose to live out their golden years and help Emiratis to lead the capital inside the country. ■



Pej Mohyeddin, Managing Director of Bayat Group

How to 'buy' a new passport

Securing a second passport/citizenship remains one of the key objectives of many expatriate families living in the Gulf countries that allows them visa-free travel opportunity to more than 100 countries.

Business immigration, skilled immigration or Citizenship by Investment (CBI) and Residency by Investment (RBI) programmes are some of the most popular formats in immigration business worldwide.

Demand from UAE expats for Caribbean citizenship, for instance, has increased by 51 per cent, the highest in the world, according to reports.

Buying a second passport is not that tough anymore. One has to just have the willpower and cash resources – up to US$100,000 at least.

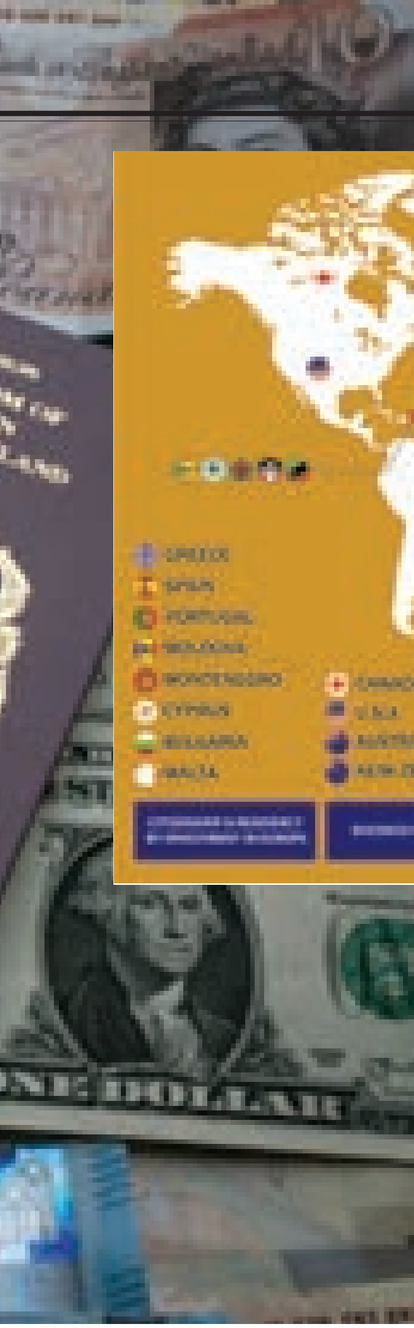
One could opt for direct citizenship application for that amount, or invest in real estate – which has a higher ceiling and file the application. The application, if accepted, allows the applicant to own the property, live in there or benefit from rental income as well as gain the passport that allows visa-free travel to more than 120 countries.

There are other CBI and RBI programmes in other countries where the investor in the government's bond programme invests in exchange of the passport. These were offered by a number of European countries that were suffering from debt crisis.

Some of the popular countries offering such schemes include St. Kitts and Nevis, Dominica, Grenada, Antigua and Barbuda and St. Lucia. Among the nationalities that have sought second citizenship are those from Syria, Yemen, Lebanon, Saudi Arabia, Bahrain, Kuwait, Oman, India and Pakistan.

It has been well documented that immigrants contribute disproportionately to entrepreneurship. This is true both in the United States, where they represent 27.5 percent of all entrepreneurs but only 13 percent of the population, and in many other countries around the world.

On average, immigrants contribute twice as much to U.S. entrepreneurship as native-born citizens do. But immigrants aren't just creating more businesses; they're



Buying a second passport is not that tough anymore. One has to just have the willpower and cash resources – up to $100,000 at least....

At A Glance

$20 billion
value of global investment immigration business

$5 billion
annual investment into US by EB-5 Programme

$6.7 trillion
contribution to global GDP by immigrants worldwide

$2.5 trillion
migrants' contribution to North American economies

creating more successful ones. A Harvard Business school study comparing immigrant-founded businesses to native-founded ones showed that immigrant-founded companies perform better in terms of employment growth over three- and six-year time horizons.

CIPs have become a major contributors to the gross domestic product (GDP) of many countries.

The first launched in 1984, a year after young, cash-strapped St Kitts and Nevis won independence from the UK. Slow to take off, it accelerated fast after 2009 when passport-holders from the Caribbean island nation were granted visa-free travel to the 26-nation Schenghen zone, a report published in *the Guardian* said.

"For poorer countries, such schemes can be a boon, lifting them out of debt and even becoming their biggest export: the International Monetary Fund reckons St Kitts and Nevis earned 14 percent of its GDP from its CIP in 2014, and other estimates put the figure as high as 30 percent of state revenue," the report says.

"Wealthier countries such as Canada, the UK and New Zealand have also seen the potential of CIPs (the US EB-5 programme is worth about $5 billion a year to the economy) but sell their schemes more around the attractions of a stable economy and safe investment environment than on freedom of movement."

Almost half of the EU's member states offer some kind of investment residency or citizenship programme leading to a highly prized EU passport, which typically allows visa-free travel to between 150 and 170 countries, the Guardia says.

"Malta's citizenship-for-sale scheme requires a €675,000 donation to the national development fund and a €350,000 property purchase. In Cyprus the cost is a €2m investment in real estate, stocks, government bonds or Cypriot businesses (although the number of new passports is to be capped at 700 a year following criticism)," the report says.

"In Bulgaria, €500,000 gets you residency, and about €1m over two years plus a year's residency gets you fast-track citizenship. Investors can get residency rights leading longer term to citizenship – usually after five

> "The St. Kitts and Nevis passport is very well regarded and has excellent reputation, and only relatively few passports have been issued under this citizenship-by-investment programme by the Government. It is a cheapest programme to gain second citizenship for Americans..."
>
> – Les Khan, CEO, St Kitts and Nevis CBI Unit

years, and subject to passing relevant language and other tests – for €65,000 in Latvia (equities), €250,000 in Greece (property), €350,000 or €500,000 (property or a small business investment fund) or €500,000 in Spain (property, and you have to wait 10 years to apply for citizenship).

More than 40 per cent of expats in the UAE have sold their properties in their home countries in order to obtain a second citizenship, latest data shows.

According to a recent report, about 23.7 per cent of applicants sold some of their own properties to apply for a second citizenship while 16.9 per cent sold their only house last year to secure another passport or nationality.

Among the expat communities seeking a second passport in the UAE, Pakistanis are No.1 followed by Syrians, Indians, Lebanese, Egyptians, Palestinians, Jordanians, Iranians, Iraqis and UAE nationals, according to the Savory and Partners report. The top destinations for second passports are Commonwealth of Dominicia, St Kitts and Nevis, Spain, Portugal and St Lucia.

The report noted that the Commonwealth of Dominica is the easiest option in terms of costs and document requirements for obtaining second passport for single applicants while Antigua and Barbuda and St Kitts and Nevis are the best bet for a family of four.

Around 56 per cent of UAE residents seeking second citizenship apply with their families while 41 per cent are single applicants. However, 39 per cent of people applying for second citizenship apply before the age of 40. More than 46 per cent of applicants have the St Kitts and Nevis citizenship as their favourite since it allows its holder to enter the UAE without a visa and it has an embassy in Dubai.

Cyprus citizenship, meanwhile, is the most favourite programme when it comes to Europe - but an applicant has to invest 2 million in real state.

Meanwhile, a top official of St Kitts and Nevis has urged Gulf residents to take advantage of the new Citizenship by Investment (CBI) programme that allows a family of four to migrate and obtain passports to the twin island state for US$195,000 and avail visa-free travel to 133 countries in the world.

Most High-Networth Individuals (UNWIs) spend a lot of time in applying and waiting in queue for security clearances to obtain visas for business or leisure travel, to most important countries – resulting in time, business and opportunity losses.

According to the Passport Index 2018, the passport of St Kitts and Nevis is ranked 24 that allows holders of the passport to avail visa-free travel to 100 countries and visa upon arrival in 33 other countries. The country also

Migrants contribute $6.7 trn to global economy

Migration is a key feature of a more interconnected world. Despite significant concerns about its economic and social implications, the movement of people across the world's borders boosts global productivity, according to a report by McKinsey Global Institute.

The countries that prioritise integration stand to make the most of this potential — improving outcomes for their own economies and societies as well as for immigrants themselves.

More than 90 percent of the world's 247 million cross-border migrants moved voluntarily, usually for economic reasons. The remaining 10 percent are refugees and asylum seekers who have fled to another country to escape conflict and persecution.

Roughly half of these 24 million refugees and asylum seekers are in the Middle East and North Africa, reflecting the dominant pattern of flight to a neighboring country.

But the recent surge of arrivals in Europe focused the developed world's attention on this issue.

Roughly half of the world's migrants have moved from developing to developed countries, where immigration is a key driver of population growth. From 2000 to 2014, immigrants contributed 40 to 80 percent of labour force growth in major destination countries.

Workers moving to higher-productivity settings boosts global GDP. McKinsey Global Institute (MGI) estimates that migrants contributed roughly $6.7 trillion, or 9.4 percent, to global GDP in 2015 — some $3 trillion more than they would have produced in their origin countries.

North America captured up to $2.5 trillion of this output, while up to $2.3 trillion went to Western Europe. Migrants of all skill levels make a positive economic contribution, whether through innovation, entrepreneurship, or freeing up natives for higher-value work.

Extensive academic evidence shows that immigration does not harm native employment or wages, although there can be short-term negative effects if there is a large inflow of migrants into a small region, if migrants are close substitutes for native workers, or if the destination economy is experiencing a downturn.

The costs of managing entry are typically less than 0.2 percent of GDP across major destinations but can escalate when there is a large wave of refugees. Most studies indicate that immigrants have a small but net positive fiscal impact in their destination countries and play a positive role in easing pension burdens.

Narrowing the wage gap between immigrant and native workers from 20 – 30 percent to 5 – 10 percent through better economic, social, and civic integration would translate into an additional $800 billion to $1 trillion in global output annually.

The success or failure of integration across areas such as employment, education, health, and housing can reverberate for many years, influencing whether second-generation immigrants become fully participating citizens or remain in a poverty trap. ■

allows dual citizenship and holders of its passport can also keep and the original passport of the country of the immigrant's origin.

St Kitts and Nevis offers Citizenship by Investment (CBI) programme – that allows foreigners to obtain a passport in exchange for investment of $150,000 for a single person and $195,000 for a family of four – that allows the person to travel across the world without having to stand in the queue for visas.

"The St. Kitts and Nevis passport is very well regarded and has excellent reputation, and only relatively few passports have been issued under this citizenship-by-investment programme by the Government. It is a cheapest programme to gain second citizenship for Americans," said Les Khan, Chief Executive Officer of the St Kitts and Nevis Citizenship by Investment Unit.

However, according to the recently published Henley Passport Index, St Kitts and Nevis' passport was ranked the world's 26th most powerful and the best in the OECS. The ranking measures a country's passport strength based on the number of destinations its holders can access, with St Kitts and Nevis adding 15 new territories to its list since last year.

Sam Bayat, CEO of Bayat Group, said, "This is perhaps the best time for pursuing the second passport as most countries have reduced fees and investment outlay. This is the best time to spend money in getting a new passport and avail visa-free travel to most of the countries in the world.

"People spend a lot of time wasting in visa processing and waiting for immigration and security clearance for visa issuance that result in wastage of time, money and possible loss in business opportunities."

The fastest and most affordable route to St Kitts and Nevis' coveted citizenship is through a one-off contribution to the Sustainable Growth Fund (SGF), which starts at $150,000 for a single applicant.

The new investment plan was conceived by Prime Minister Timothy Harris with the purpose of using the collected funds for socio-economic development on the islands, in education, infrastructure, tourism and indigenous entrepreneurship. ■

Citizenship fetches €9.2b to EU countries

Citizenship and residency by investment schemes have positive economic impacts in on European Union member-states, especially in the real estate sector, reveals the study by the European Parliamentary Research Service (EPRS).

According to the report, Citizenship by Investment (CBI) and Residency by Investment (RBI) schemes have increased foreign investment in the EU States that offer them.

European countries benefitted from CBI and RBI by €9.2 billion from 2008-2018 period, says the EPRS study.

"The inflows of investments can be qualified as foreign portfolio investment (FPI) and property investments. Indeed, the investments under those CBI/RBI schemes are of a passive nature, consisting mostly of foreign portfolio investments in securities and other foreign financial assets that are passively held by the foreign investor. But in a long run perspective, FPIs contribute to sustainable growth of the economy," the report said.

EPRS study shows that Cyprus CBI has generated around €4.8 billion between the years of 2008-2017. Portugal's Golden Visa programme has attracted more than €4 billion in just five years from 2013 to 2018.

Ireland has accumulated more than €200 million between the years of 2012 to 2016 and Malta has also generated more than €203 million through its Individual Investor Programme (IIP) from the year of 2013 to 2018. But the report lacks statistics from Bulgaria, Estonia, Latvia, Italy, Cyprus, and Malta residency schemes.

"The spillover effects of CBI/RBI schemes on job creation are similarly uncertain. But it is clear that RBI/CBI schemes make finances more accessible for the companies and they greatly contribute to the growth of real estate sector," the report said.

"In theory, the benefits of CBI/RBI schemes for both newcomers and destination Member States are straightforward. For potential investors, these schemes are attractive because they offer a faster or easier route to change residency, they provide insurance against political or economic disturbance at home, or they give access to visa-free travel.

"In exchange, destination Member States enjoy the benefits of new investments, including revenues and job creation. At aggregate level, however, the economic impacts of CBI/RBI schemes are often modest and elusive.

The vast majority of these schemes rely partly or totally on investments in the property sector. In Cyprus, Latvia, and Malta (together with other forms of investment) the investments should be made in the real estate. It could be argued that investment in property can stimulate construction activity and thus create jobs. "However evidence of these impacts in practice is scarce", says the study.

But official statistics show that In Cyprus, the number of deeds of sale transactions in the real estate sector has increased by 43 percent in 2016 compared to 2015. It is noteworthy that 25.67 percent relate to sales to foreign buyers. This is a 34.44 percent increase compared to the previous year and can be attributed to the fact that Cyprus has attracted foreign investors via its CBI/RBI schemes.

"Cyprus has, in fact, saved its economy after 2012-2013 financial crises by reshaping its citizenship by investment scheme," says Sam Bayat, founder of Bayat Legal Services, a boutique firm based in Dubai and specialising on investment migration.

"Cyprus citizenship scheme accountable for the 2.5 percent of the country's GDP revenues, by contrast, the agriculture sector there generates only 2.3 percent of the GDP. Thus, Cyprus Investment Programme is vital for the economy," Bayat adds.

Latvia is another EU state, which witnessed a huge rise in the real estate market when the Latvian RBI was introduced. In some regions of Latvia, the share of real property transactions in which foreigners were involved reached more than 50 percent.

Even if the number of deeds decreased by 6 percent between 2015 and 2016 in Malta, the aggregate volume amount of transactions on the property market rose by 12 percent during the same period, meaning that there are fewer but bigger transactions, says EPRS study.

According to the available data, in 2016, the Maltese CBI scheme represented 0.43 percent of the total number of sales in Malta, but 5.43 percent of the total sale prices. These data clearly suggest that the Maltese property market is impacted by the CBI scheme, with a potential effect of a rise in house prices.

In Portugal, from 2012 to 2018, €3.5 billion was invested in property through its RBI scheme. During the same period of time, the number of property transactions rose by more than 100 percent. The rapid increase in RBI applications has reportedly boosted the construction sector and real estate market, which in turn led to the rise in prices, especially for luxury property.

But it has also to be mentioned that the commodification of Lisbon's historic centre is partly due to the Portuguese RBI scheme.

The study by EPRS also argues that investments in the property market lead to the increase of the housing costs, thus increasing anxieties. ■

ADIO develops Dh5bn projects in Abu Dhabi

Gulf Property Exclusive

Abu Dhabi Government's economic diversification plan will boost the stock of the Dh108 billion ($29.4 billion) foreign direct investment (FDI) inflow into Abu Dhabi and the emirate's Dh331.13 billion ($90 billion) foreign trade, according to the Statistics Centre of Abu Dhabi (SCAD).

Abu Dhabi, which has a proven oil reserve of 92 billion barrels, will serve its economy for the next 93 years, as per the current production rate. The emirate, under the Vision 2030, is utilising its oil wealth to diversify economy to make it more sustainable by expanding downstream petrochemicals and associated industries, manufacturing, tourism, healthcare, aviation and financial services.

A 37 per cent jump in average oil prices in 2018 is leading to a marked turnaround in external balances of the GCC countries and other Middle East and North African oil exporters, according to the Institute of International Finance (IIF).

With oil prices hovering above $60 per barrel and poised to hit $100 within months, the combined current account surplus of the 10 Mena oil exporters is projected to rise by about $150 billion to $197 billion in 2018, IIF said in their Mena Economic Outlook report. For the GCC, the current account surplus will widen from $49 billion in 2017 to $188 billion in 2018, equivalent to 10 per cent of GDP. Financial soundness indicators suggest that the banking systems remain sound. Capital adequacy ratios exceed 16 per cent in the six GCC countries.

These factors are good enough indicators of a robust economy and the huge current account surplus is expected to be invested in infrastructure and housing, that will create additional demand and investment and thus boost FDI inflow.

Abu Dhabi National Oil Company (ADNOC) earlier this year announced investment of Dh165 billion into downstream petrochemical sector that will create 15,000 well-paid jobs in the new industrial cluster in Ruwais where a Chemical City is being developed. The UAE is expected to spend Dh400 billion over the next five years in the downstream sector as well as in developing Abu Dhabi's gas reserves.

It is at this backdrop, the Abu Dhabi Investment Office (ADIO), the investment arm of the Abu Dhabi Government, announced new in-

vestment opportunities at the Abu Dhabi Investment Conference in the wake of recent investor-friendly economic reforms and how to capitalise on the opportunities these reforms will bring.

ADIO is currently overseeing the development of projects worth Dh3-5 billion, a top official announced at the International Real Estate Investment Show (IREIS) 2018 that took off at the Abu Dhabi National Exhibition Centre (ADNEC).

These include Dh350 million worth of investment in three hotel and marina projects in Mirfa as well as Dh150 million worth of three hotel and resort projects in Delma Island – where private sector is developing the projects, under the guidance of ADIO.

"ADIO is working closely with the private sector of the UAE and international investors to invest in master-planned projects in Abu Dhabi and we are currently helping the prove sector investors in implementing a number of projects across the emirate of Abu Dhabi," Mohammed Al Hosani, Advisor to ADIO, said.

"These include three hotels and resorts at Delma Island, three hotels and a marina at Mirfa and hotels in Gayathi and Madinat Zayed cities. In total the value of these projects undertaken by the private sector would be between Dh3-5 billion."

He said, ADIO has also floated tender for 7 mixed use projects with Abu Dhabi Sports Council to develop sports-inspired mixed-use projects.

"These are under a public-private partnership (PPP) arrangement in coordination with Abu Dhabi Sports Council where the private sectors will develop the projects for the client," Al Hosani said. "The tender has been floated and the bid closing deadline is November 21. We expect a good number of developers and contractors to bid for the projects."

Al Hosani said, any landlord with a sizeable chunk of landbank in the emirate of Abu Dhabi can approach ADIO to help find investors and help develop projects.

"Although ADIO is a very new player in the scene, we are very aggressive in working towards the Abu Dhabi Vision 2030 by identifying new projects and investors develop projects," Al Hosani said. "We are playing the role of match-maker between the landlords, asset manager, investors and developers. Our initiatives will create new employment and create new attractions across the emirate and help the emirates gross domestic product.

ADIO is also overseeing the development of the Mangrove Park which is spread across 10 square kilometres where 8 million trees exist. Among the projects ADIO will also oversee the development of an underwater museum off the coast of Saadiyat Island.

The intelligent utilisation of the hydrocarbon resources will help create new downstream petrochemicals industries that will help set up hundreds of manufacturing and industrial units across the emirate, said Antoine Georges, managing director of Dome Exhibitions.

"Abu Dhabi currently manufactures aircraft components for Boeing and Airbus and we will soon see the emirate set up industries to manufacture and supply parts and components to the global automobiles industries," said Georges. ■

Cast gets Danube job for Dh300 m Jewelz

Danube Properties has awarded a Dh149.5 million contract to Cast Construction, a Dubai-based civil construction company, for the main construction works of Jewelz, the developer's tenth residential project to be built at Arjan, near Miracle Gardens.

The Dh300 million Jewelz project offers 463 residential units, ranging from studio, one and two-bedroom apartments. The project is attractively located on a plot adjacent to the park with a private entrance leading to the property.

The project, launched in March 2018, is scheduled for delivery in the first quarter of 2020.

The amenities include a fully equipped health club, swimming pool, steam and sauna room, multi-purpose hall, jogging track, barbecue deck, badminton court, paddle tennis court and a high tech surveillance system for the protection and security of the residents.

The building design and architectural aesthetic was created to reinforce the design strategy of Danube, which helps maximise the living space while delivering convenience of community living. The project dedicates 50 percent space to open areas with an emphasis on greenery and landscapes.

Rizwan Sajan, Founder and Chairman, of the Danube Group, said: "As a developer we remain committed to the Dubai Real Estate market. Through our successful property launch and construction delivery we want to reinforce the belief in the real estate industry of Dubai which remains one of the most lucrative real estate investment opportunities worldwide. We are determined to deliver all our projects to our customers on time. The awarding of the main construction contract within seven months of the launch of the project reflects our strong commitment to our customers"

Following the commercial launch of properties and subsequent sell-out, Danube usually starts tendering for the construction of the project, before launching the next project.

Atif Rahman, Director and Partner of Danube Properties, said, "The latest construction contract raises our construction contract value

to Dh1.4 billion across ten projects. As a developer, our key objective is to deliver projects on time and with supreme quality and in most cases we have been successful in delivering deliver better than promised value in our real estate projects. In this endeavour the contractor becomes a key stakeholder and I ensure selection of the best available partner to deliver nothing less than the best.

"Backed by the phenomenal sales success I am extremely pleased that all our ongoing projects are strongly placed and progressing well with their respective construction. I am very confident that our partnership with Cast Contracting will set a new benchmark of construction quality."

Danube Properties, part of the Danube Group, made its foray in to the real estate market in June 2014, by launching the Dh500 million 171 townhouses at Al Furjan. Since then, it continued to expand its development portfolio by launching Glitz Residence I, II, III, Starz, Glamz, Miraclz, Resortz, Bayz, Jewelz and Lawnz projects.

The company currently has a development portfolio of 3,680 units, with a combined value exceeding Dh3.14 billion. It is delivering about 830 units in 2017-18, with a combined sales value of Dh1 billion – or a third of its portfolio value.

Yusra Saleh Al Yafei-Managing Director of Cast Construction, said: "It is my utmost delight to be awarded Danube Properties Jewelz Project as the Main Contractor and certainly privileged to associate with Danube Properties. On this occasion I would like to extend my warm regards to Mr. Atif Rahman Director and Partner of Danube Properties for considering and selecting Cast Construction. Cast Construction has a proven track record of embarking and successfully accomplishing construction projects over the last 2 decades. I believe that construction is a "life time Experience" hence we ensure to build quality living for the people which will have lasting impact for decades to follow.

Cast Construction has been in the construction business in UAE for the last ten years, with a network of offices in Dubai, Sharjah and Ajman.

Established in the year 1993, Danube Group was founded and cultivated under the leadership of Rizwan Sajan, who is the known to be the Founder and Chairman of the Group. Starting off as a small trading firm, the company is moving from strength-to-strength, expanding its foothold in the region, and has established itself as the No. 1 building Materials Company along with other branches under its vast umbrella.

In 2015, the company recorded a turnover of Dh5.14 billion and has been growing ever since. Moreover, Rizwan Sajan was ranked 12th among the 'Top 100 Indian leaders in the UAE' List by Forbes Middle East.

The company provides more than 25,000 products in stock and in-house value added services in all of its multiple set of showrooms across the Middle East region and India. ■

Gemini seeks a slice of the Indian market

Indian nationals invest more than Dh83.65 billion in Dubai real estate sector between 2013-2017. Non-resident Indians (NRIs) are the largest group of foreign investors in Dubai real estate. Indian nationals invested Dh15.6 billion in 2017, Dh12 billion in 2016 and Dh20 billion in 2015.

Gemini Property Developers, a Dubai-based boutique property developer, is focusing on tapping into the Indian market to promote and sell its properties currently being delivered and developed in Dubai, by launching a major marketing campaign in Mumbai at the Dubai Property Show that takes place at Bandra Kurla Complex in Mumbai from December 7-9, 2018.

A number of UAE developers are currently participating at the annual Dubai Property Show that is aimed at tapping into the Indian investors, who have invested Dh83.5 billion (US$22.75 billion) in the last five years. Indian nationals are the largest foreign investors in Dubai's real estate market – also dominated by Indian-owned developers – that creates a strong bridge between India and the UAE.

Indian nationals form the largest expatriate population in the UAE and they are also the largest foreign owners of business establishments in the country.

They invested Dh15.6 billion in Dubai's real estate in 2017, Dh12 billion in 2016 and Dh20 billion in 2015 – their highest in a year, according to Dubai Land Department.

"India and the UAE are strategic partners – a relationship that has been cemented by back-to-back state visits at the highest level – with Indian Prime Minister Shri Narendra Modi visiting the UAE twice in three years to take the relationship to a new level," Sudhakar R. Rao, Chairman of Gemini Group, said.

"Both the countries are currently building up a US$75 billion fund that will be used for the infrastructure development in India and mostly funded by the UAE. We are happy to play our part in bringing the people, resources and wealth of both the countries much closer to create a win-win situation,", Sudhakar added

Indian nationals are expected to remain at the forefront of the a three-day Dubai

Property Show in Mumbai – where Gemini Property Developers is launching a variety of discount offers for Indian buyers. The company will showcase its maiden project, the Dh300 million Splendor at Mohammed Bin Rashid (MBR) City, which has been recently completed and being handed over to property buyers. Gemini is offering a 24 percent rental guarantees for property buyers.

"India is a strategically important investor base for the UAE due to several reasons. While warm bilateral relations between the UAE and India go back to decades, the current momentum is unprecedented. Foreign trade figures between the UAE and India rose from $182 million in 1982 to staggering $53 billion in 2017." said Sunil Gomes, Chief Executive Officer of Gemini Property Developers.

"Investors in India regard Dubai based real estate options as lucrative and high yielding. The real estate market in Dubai is highly regulated, offers a very high return on investment, quality lifestyle, safe and close proximity to India. All these factors make Gemini's properties attractive for investors," he added.

"Our offer of discounts, rental guarantees and waiving the property registration fees are demonstration of our strong commitment to the Indian market and I believe, they will like our products and our current offer. Dubai real estate market offers a much higher and faster rental yield varying between 5-8 percent, which is hard to beat."

Gemini have already started handing over its maiden Splendor project with first residents already moved-in. The G+8-storey Splendor residential building spans over a built-up area of over 320,000 square feet, which includes 134 residential units comprising spacious one, two and three-bedroom apartments, penthouses and townhouses equipped with state-of-the-art amenities.

Besides the completed Splendor project, Gemini Property Developers are showcasing upcoming G+29-storey Symphony residential project, the high-end project at Dubai's Business Bay area, in close proximity to iconic Burj Khalifa, the Dubai Mall, the Dancing Fountain and host of other tourist attractions.

Symphony's ground-breaking has already been completed and marks the beginning of the construction of the project that is estimated for completion before the historic Expo 2020, which begins in October 20, 2020.

Indian real estate on recovery mode

By Kamlesh Pandya
Bureau Chief, India

For Indian real estate, 2018 has largely been a year on 'recovery mode', according to reports and observations made by key industry officials and experts.

"India's recovery from the effects of demonetisation and GST is reflected in our First Quarter of 2018 GDP clocking an impressive 8.2 percent growth," said a latest joint report published jointly by Jones Lang LaSalle (JLL), a global real estate advisory and the Indian apex private sector body, Federation of Indian Chamber of Commerce and Industry (FICCI).

Apart from the macro-economic indicators, inflection points observed within each category of real estate markets indicate an overall stable growth in the medium term, it said.

The number of new launches crossed the 40,000-unit mark for the first time after eight quarters in the second quarter of 2018 with Bengaluru and Mumbai remain the major contributors to new residential launches.

Launches within the INR 40 lacs pricing bracket were the highest during 2017 and H1 2018, the report said. Affordable housing finance is estimated to burgeon into an INR 6 lakh crore business opportunity by 2022

Ramesh Nair, CEO and Country Head, JLL India said, "India's real estate sector is at an inflection point and the evolutionary trends in the sector are paving the way towards sustainable growth of the industry. H1 2018 has seen phenomenal growth in Grade A office space from both, the demand and supply side. Private equity interest in Indian retail realty is now at an all-time high with the sector witnessing an investment of INR9.50 billion in 2018. With regulatory reforms such as Real Estate (Regulation and Development) Act (RERA) and Goods and Services (GST) showing results, the sector is poised to grow exponentially. Student Housing, a new emerging sector presents a tremendous opportunity for the market."

Consumer Price Index (CPI) inflation, which has been a concern in the recent past, is expected to remain

"Growth in the Indian real estate market through 2018 and into 2019 is being driven by the fast rate at which urbanisation is happening. A recent survey mentioned India's urban population as expected to reach 800 million in the next 30 to 35 years, becoming equal in size to India's rural population..."

– Dr. Niranjan Hiranandani, President, Naredco

at 4.7 percent in the annual forecast for median inflation (2018-19 and 2019-20).

Apart from the macro-economic indicators, inflection points observed within each category of real estate markets indicate an overall stable growth in the medium term.

Sanjay Dutt, Chairman FICCI Real Estate Committee said, "The sector has been through a bumpy ride in the last couple of years, but the environment is changing and the sector is back in the spotlight with key indicators pointing at the revival of Indian real estate. Key regulatory reforms such as RERA and REITs have given a new lease to the sector, and investors and end users are regaining confidence towards the recovery trends in the industry. Logistics and warehousing, commercial and retail are witnessing surge in demand and absorption. Overall trends are moving in the right direction for the Indian real estate sector."

The extent to which the real estate sector has grown can be gauged from investments in 'under construction' projects within investment grade real estate. This number which was about US$173.9 billion in the forth quarter of 2012, has touched US$242.6 billion in the second quarter of 2018. India has moved up 30 ranks to the 100th position on the World Bank's scale of countries in Ease of Doing Business for 2018.

In 2008, Indian developers sold 96,000 residential units, which is expected to cross 130,000 this year.

Overall, strong economic fundamentals, proactive reforms and the use of technology will continue to boost the sector. Apart from the conventional sectors, the emergence of alternative segment (student housing and senior living) and greater demand from sophisticated logistics in the warehousing space are expected to be the drivers for robust growth and a promising future for the sector, the report observed.

The recovery is from what Dr. Niranjan Hiranandani, MD and co-founder, Hiranandani Group refers to as the 'Tsunamis' that hit Indian real estate across 2016 - 2017.

Economic and policy reforms majorly impacted Indian real estate, starting with Demonetisation (DeMo) in end 2016, went on through

implementation of other major reforms like RERA, GST, Insolvency Bankruptcy Code and Benami Properties Act which effectively, led to sluggish real estate market sentiment. This ‘system reboot’ resulted in homebuyers turning into ‘fence sitters’, getting into a ‘wait and watch’ mode.

On the flip side, the new era post the policy transformation regime has brought in much-awaited transparency, accountability and compliance mechanism in place which is helping enhance consumer confidence. So, sales are up, the buyer is back to the market – it is better, but not as good as would have been expected.

Dr Niranjan Hiranandani, President of Naredco

Pankaj Kapoor, Managing Director, Liases Foras

Across Indian real estate, the buyer is back, says Satish Magar, MD, Magarpatta Township Development and Construction Company Limited, Pune. “There is movement, but in a price-band that is around Rs 7.000,000 (70 million) and largely in the 2 BHK segment,” he adds. For a city like Pune, which is an automobile and Information Technology driven economic powerhouse, it is the new jobs which have come up, largely in Information Tech-

nology, which have driven demand for residential real estate, as also rental homes. "It is a similar scenario in Bengaluru and Hyderabad, 2018 has witnessed IT hiring leading to enhanced demand for residential real estate," he adds.

Growth in the Indian real estate market through 2018 and into 2019 is being driven by the fast rate at which urbanisation is happening. A recent survey mentioned India's urban population as expected to reach 800 million in the next 30 to 35 years, becoming equal in size to India's rural population, said Dr. Niranjan Hiranandani.

Satish Magar, Managing Director, Magarpatta Township Development

Arvind Nandan, Executive Director for Research, Knight Frank India

He added that most of the demand is expected to be in the Affordable Housing segment and the middle income group. From the perspective of GDP growth, the forward and backward linkages mean Indian real estate will also create more employment opportunities. "The Indian real estate market is expected to touch US$180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020," added Dr. Niranjan Hiranandani.

There have been micro-markets which have performed well, like In the Mumbai Metropolitan Region (MMR), cities like Thane and Kalyan which across 2018, have seen the home buyer return in sync with sales and leasing of retail, commercial, workspaces and IT-driven real estate, says Rajan Bandelkar, Director, Raunak Group.

"The implementation of RERA has played an important role in the return of the home buyer across 2018," he says. Mumbai city, suburbs and peripheral areas across the Mumbai Metropolitan Region (MMR) have seen some micro-markets gain traction on price points that remained steady across most of the year, with a slight increase across select projects with the advent of the festive season in the last four months of 2018. We see this trend reflected across other western Indian states like Gujarat and Goa, along with Maharashtra, says the NAREDCO (West) President.

The year 2018 brought with it a new ray of hope for the residential sector, with both

Ramesh Nair, Chief Executive Officer and Country Head for India, Jones Lang LaSalle

sales and new supply gradually picking up across the top 7 Indian cities – Bengaluru, National Capital Region (NCR), Mumbai Metropolitan Region (MMR), Chennai, Kolkata, Pune, and Hyderabad, says Anuj Puri, Chairman – ANAROCK Property Consultants. As per ANAROCK data, the new launch supply across the top 7 cities in first three quarters of 2018 stood at 1,39,700 units, increasing by 18 per cent against the corresponding period in 2017, he adds.

Housing sales also witnessed a jump of nearly 8 per cent in the first three quarters of 2018 as against the same period in 2017. “While we are still far away from historic peak levels, the positive impact of reformatory changes like RERA and GST has been making itself felt,” adds Anuj Puri.

Indian real estate is grudgingly adjusting itself to an unaccustomed market environment – one of transparency and efficiency. In fact, as per ANAROCK’s recent Consumer Survey, 81 per cent of respondents feel that Indian real estate has become more efficient and transparent, says Anuj Puri.

Anuj Puri, Chairman, Anarock Property Consultants

Rajan Bandelkar, Director, Raunak Group

The Indian property markets have come off a long slump and through a series of structural reforms over the last two years, says Arvind Nandan, Executive Director-Research, Knight Frank India.

“It is evident from past data that most markets remained in a wait and watch mode during most of 2016-17. The first half of 2018 saw office spaces record a sound 13 per cent year on year growth. What needs to be emphasized is that apart from the regular demand generators like banking, manufacturing and technology sectors,

At A Glance

$242.6 billion
investment in on-going projects in Q2, 2018 in India

$173.9 billion
investment in construction projects in India Q4 in 2012

130,000
homes are expected to be sold in India in 2018

$180 billion
value of Indian real estate to reach a year by 2020

other services including co-working spaces recorded 40 per cent of the total volumes as compared to 29 per cent in the previous year. Nearly 20 million sq. ft of office space was transacted during the period. Office rentals were mostly seen to be stable or marginally rising in 2018," he adds.

Pankaj Ojha of the consultancy 'Launchpad' based in Pune says the city, like other IT cities in India, has witnessed constantly growing social infrastructure, nightlife, good connectivity and good public transportation and connectivity to major business hubs. Pune's real estate, through 2018, has been outstanding for Investors and end-users.

Pankaj Jain, Managing Director, Realistic Realtors

Pankaj Ojha, Captain of Launchpad Consultancy

"Starting from budget Homes to Luxury Villas there is a plethora of options, and the city has something for every segment of buyers and investors, making IT cities – including Pune – as one of the best investment destinations for end-users and investors, including NRIs."

Information Technology is among the co-writers of the real estate revival across 2018 in cities like Bengaluru and Hyderabad, apart from Pune.

Pankaj Kapoor, MD real estate ratings and research agency Liases Foras forecasts that sales are expected to double by 2020, post a brief slowdown.

"The Prime Minister's initiative, 'Housing For All by 2022' has helped real estate grow significantly in terms of end-user participation, given that the scheme provides direct financial benefits to first time home buyers. Due to this scheme, residential real estate sales through 2018 in tier-II and tier-III cities have started growing rapidly," he adds.

"Consequently new launches have been increasing at a very fast pace and have grown by 38 percent between calendar year 2017 and 2018 (Jan to September). Most of the new launches this year have catered to affordable and mid-segment home buyers," he points out.

In southern India, in Chennai, we have seen a mixed bag of residential real estate options that end up being the 'flavour of the month', says Dr. Niranjan Hiranandani. At his project, Hiranandani Parks in Oragadam near Chennai, the new offering is villa plots – and it has taken off as being majorly 'in demand'. "At the integrated township, we offer low rise and high rise apartments, villas and villa plots. The demand is for villa plots has exceeded our expectations, he says.

Oragadam, like Pune, is an automobile and information technology hub, and these industries have been drivers of residential real estate demand, says Dr. Niranjan Hiranandani.

"Indian real estate through 2018, is diversifying, and like other players in the industry, we are coming up with warehousing and logistics parks as also integrated industrial townships which will include housing in Oragadam, Pune and Nashik," he adds.

"Co-working spaces have taken off in a big way, and at Hiranandani Estate, Thane, we have already concluded the first such transaction with an American co-working major. Indian real estate is not just growing, but also diversifying into newer segments, which in turn are an investment opportunity," he adds.

There is a big investment inflow from NRIs in Commercial Real Estate in India in general and the national

Capital Region (NCR) in particular, says Pankaj Jain, Managing Director at Realistic Realtors, Delhi/ National Capital Region (NCR). “The first reason is higher rental income as compared to returns from residential real estate. Secondly, the appreciation potential also looks better as compared to residential properties, he adds.

The past few months have witnessed correction in price points for some locations in NCR’s residential real estate. Those who have a long term horizon find a lot of projects offering value for money. Given the drop in Indian Rupee, investment by NRIs has become more lucrative than ever. At the same time, NRIs are also safeguarding their investments in NCR properties. The preference is for ready possession or nearing completion properties.

Very few buyers and investors – no more than 10 to 15 per cent of the total - are opting for new launches in NCR. This is why a few projects in Gurgaon like Pioneer Araya, DFL Crest, Tata Primanti, Central Park and M3M Golf Estate are among the favoured properties for NRIs.

As a result, sales in selective projects and condominiums are picking up. Top of all, price movement in residential plots in Gurgaon and Noida have increased by an average of 12 per cent in the past one year, as a result of investments by Indian HNIs and NRIs, adds Pankaj Jain.

On the residential front, the trend in 2018 has been clearly about focusing on lowering the ticket sizes. In 2018 H-1, the overall sales were recorded at around 1.30 lakh units, of which Mumbai and Bangalore witnessed nearly 47 percent of the sales, says Arvind Nandan.

“Mumbai and Bangalore also accounted for a major share of the supply infusions, with 56 per cent of the overall supply being in these two cities. It is nearly evident that the builders have renewed their focus on the sub-INR 60 lakh segment, where maximum demand is expected to be. While the markets are showing a sign to gradual stability, the prices mostly remained stagnant with the exception of Hyderabad and Bangalore to some extent,” he adds.

Despite the teething pains of game-changing policies like RERA and GST in 2017 and early 2018, project launches increased by 18 percent in the first three quarters of 2018 as against the same period in 2017, says Anuj Puri.

“Considering this growth pattern and the fact that the real estate sector is looking more upbeat in terms of overall consumer sentiments, builders will focus on launching more new projects across cities in 2019. However, the ongoing consolidation process brought on by the NBFC crisis as well as RERA and GST will cause a lot of this supply to change hands,” he adds.

While there was a hint of recovery in the earlier part of the year based on clarity of taxation and RERA, the mix of events will probably keep the markets in a state of balance for the next 6 months.

“Nevertheless,” adds Arvind Nandan, “it is important to remember that the latent demand and strength of the Indian economy are highly likely to create a conducive atmosphere for the revival of real estate markets in the latter part of 2019,’’ he concludes. ■

Ramesh Sanghvi, Chairman and Managing Director of Sanghvi Parrsssva Group

Sanghvi to promote Rs2.5 bn realty in GCC

Gulf Property Exclusive

Sanghvi Parrsssva Group, a major real estate developer in Mumbai, has delivered 18,000 residences across 72 projects and it prepares for the handover of more projects in 2018 and 2019.

Ramesh Sanghvi, Chairman and Managing Director of Sanghvi Parrsssva Group and a reputed Indian developer and social entrepreneur, says the ongoing economic reforms and changes in the real estate sector will improve the economic environment in India, make the economy more transparent that will help strengthen investor confidence.

The company is planning to enter the UAE and Gulf markets to promote its projects to the Non-Resident Indian (NRI) community, who represents between 8-12 percent of the total number of real estate buyers.

According to a latest report, more than 130,000 residential units will be sold across India and if the NRIs represent 10 percent of that – means that the NRIs would purchase at least 13,000 residential units this year. With an average price of Rs10 million, this could translate a whopping Rs130 billion market.

Nearly half of the Rs130 billion are generated out of the Gulf region.

Sanghvi Parrsssva Group is the legacy of Sanghvi Group formed in 1983 by Shri Sankalchand Sanghvi who had started working with Lodha and were initially partners.

Born in 1968, Ramesh Sanghvi was mentored by his father Shri Sankalchand Sanghvi, from whom he learnt the important philosophies of life and the vision he further developed for the Sanghvi Parrsssva Group.

"Government of India's aim of Housing for all in 2020 is driving the residential development activity, while the Real Estate [Regulation and Development] Act (RERA) 2016 is making market more transparent..."

– Ramesh Sanghvi, Chairman and Managing Director of Sanghvi Parrsssva Group

Ramesh Sanghvi holds a Bachelor's degree in Commerce from Mumbai University and holds a Bachelor's degree in General Law from Government Law College. However, his business acumen and vision was shaped much earlier in his life by his father.

He is a staunch supporter of values and commitment. Sanghvi Parrsssva Group, the real estate arm of Sanghvi Group, was established in 2015.

Sanghvi Parrsssva Group is one of Mumbai's premier real estate group primarily involved in the development and sale of residential and commercial properties. Sanghvi is a dynamic entrepreneur and visionary whose ethos revolves around high work ethics, being passionate about one's dreams, and enriching the lives of others. Later, in 1986, Ramesh Sanghvi joined the business and the Lodha Sanghvi Group was established.

However, in 1996, the two companies decided to part ways; the family business now includes Ramesh Sanghvi and his three brothers, and thus Sanghvi Group was born.

Today, under the reigns of Ramesh Sanghvi, Sanghvi Parrsssva Group of Companies is on a mission to transform Mumbai's skyline. He aims to take the company to new heights by expanding its horizons and seizing every opportunity that comes along.

Although Shri Sankalchand Sanghvi was Ramesh's overall mentor for life, it has been Mangal Prabhat Lodha who has been Ramesh's real estate business mentor who has inspired him to finish what they started.

From 1986 to 2015, he was completely devoted towards building the company.

By spending quality time with his family, he is able to give the best gift to his children: time.

Ramesh Sanghvi's journey so far has not been without failures. In his own words, he says, 'Failure is a part of growing; it is a step towards achieving the goal. It is an evidence/sign that you are growing. Failures make a person stronger and more intelligent'.

Sanghvi Parrsssva Group has a number of landmark developments and accolades to its name. In 2017, the group won the prestigious title 'The Best Affordable Housing Project of the Year 2017' for Sanghvi Golden City at the 32nd National Real Estate Annual Awards. Sanghvi Parrsssva Group currently employs over 100 professionals across offices and provides site-based employment to over 500 workers.

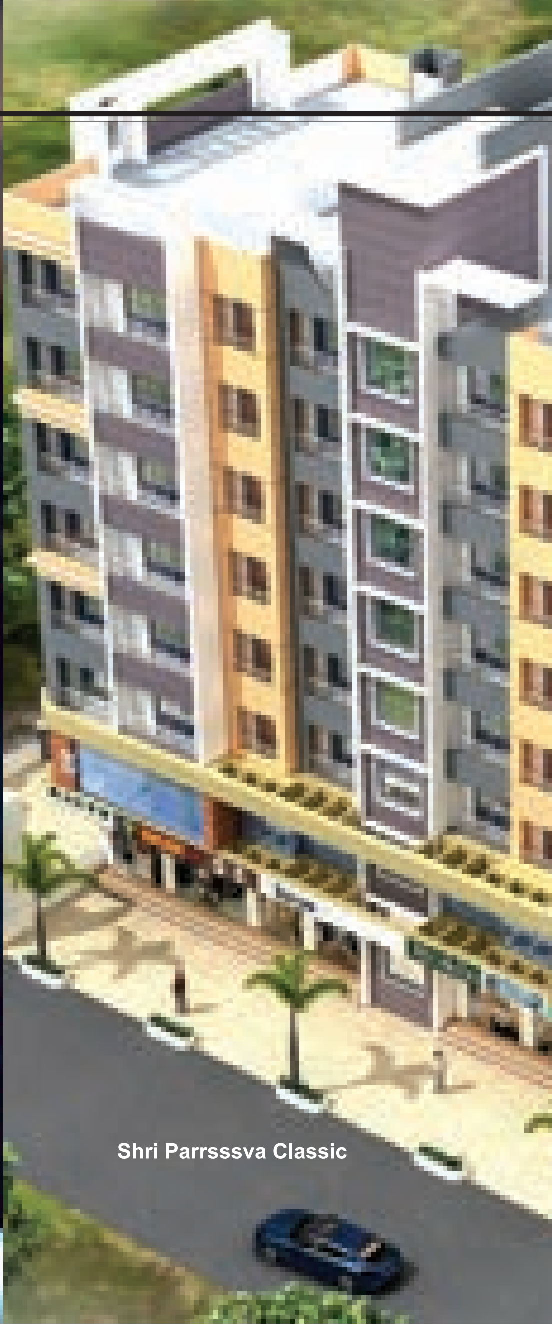
The group currently has ongoing projects in Ghatkopar, Malad, Andheri, Bhiwandi and Atgaon, and Shahpur areas. They also have upcoming projects in Kandivali, Parel, Goregaon, Mazgaon, Vasind and Lalbaugh areas, and we will be launching projects in Charni Road, Khetwadi and Lower Parel areas shortly.

Sanghvi Parrsssva Group has also diversified into contracting of large projects in real estate and infrastructure in Mumbai and Ahmedabad.

While Sanghvi Parrsssva Group is highly passionate about what it does, it has not forgotten the importance of giving back to society.

The group's philanthropic and CSR activities include the launch of Seema Sanghvi Welfare Foundation.The key focus areas of their CSR initiatives include children education and serving the country in all the possible ways.

Prarthana Sanghvi
Executive Director



Shri Parrsssva Classic

In an exclusive interview with *Gulf Property*, Ramesh Sanghvi, Chairman and Managing Director of Sanghvi Parrsssva Group, elaborated his thoughts on Indian real estate market. Excerpts:

Gulf Property: What is your view on India's real estate market in general and in Mumbai in particular?

Ramesh Sanghvi: The rapid urbanisation is expected to offer significant opportunities for real estate and infrastructure development in Indian cities.

Reform measures including implementation of RERA, a push to affordable housing and smart cities mission have made India an investor-friendly destination for the real estate market.

This sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. It is also important to note that the real estate developers have been instrumental in changing the face of India through building state-of-the-art infrastructure, buildings, townships, malls spread all over the country.

The Mumbai Metropolitan Region has witnessed a growth of 13 percent. The residential sales in Tier-1 cites rose by 9 percent from a year ago led by affordable housing, according to data from Liases Foras Real Estate rating and research.

Maharashtra RERA has brought developers and buyers on a common platform and provides relief to home-buyers. MahaRERA is the

Vama Sanghvi
Executive Director

revolution to make informal real estate industry a very formal one. Rationalisation of real estate transaction process in entire industry has made cost of acquisition predictable.

Projects will be completed in time and there will be a custodian of faith in regulator authority. Since its inception, RERA has satisfied hundreds and thousands of flats buyers who were looping in dark and were running pillar to post get their dream home. It is a great time ahead for real estate industry under the umbrella of regulatory reforms in the form of RERA. Now builders cannot utilise the money from the current project for buying land for other projects.

Has the sector recovered from the demonetisation?

Yes the market has recovered from the demonetisation and a high-level of transparency is being maintained by the developers.

This is giving the confidence to the new buyers to invest in property market.

The demonetisation crisis was further aggravated due to the implementation of various policy reforms like RERA and GST. These reforms were aimed at protecting consumer interest, improving transparency in the sector and making builders more accountable, among others.

The affordable housing segment has been the driving force in the residential sector; even commercial real estate absorption has remained strong, showing signs of a robust business environment. A positive leasing market with strong global occupier demand has sustained investors' interest in the commercial segment.

What is the market outlook – according to you?

Increasing incomes, urbanisation and economic growth are pushing the demand of residential and commercial realty demand in India.

Real estate has also become a preferred asset class for investment. Segments like warehousing, hospitality and affordable houses are growing at a fast pace in India, presenting wider opportunities for investors.

Government of India's aim of Housing for all in 2020 is driving the residential development activity, while the Real Estate [Regulation and Development] Act (RERA) 2016 is making market more transparent. It is also expected that this sector will incur more non-resident Indian [NRI] investment in the both short term and long term.

Foreign Direct Investment (FDI): The government has permitted FDI up to 100 percent under automatic route in townships, housing, built-up infrastructure and construction development projects which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure facilities, such as roads and bridges, transit systems etc., that will continue to drive the demand.

Do you think it's the right time to invest in properties in India? Why?

Yes. Post RERA implementation in India, investment in properties in India has become more safe and transparent.

As the overall market sentiments are low it is the right time to invest in India, majority of the developers are offering good discounts on

rates and free bees on their properties. There are companies who are offering tailor made payment schedule to suit the payment option for the prospective buyers.

Home loan interest rates are at all-time low: The excess liquidity in the banking system has led the RBI reign the key lending rates. Resultantly, the home loan interest rates that were recorded at around 9.5 percent a year in 2016 have now been floating in the range between 8.3-8.4 percent.

Steady revival of interest from global investor fraternity: The implementation of overarching regulatory mechanisms has instilled a much higher level of confidence in the global investor fraternity. The real estate sector is projected to receive Private Equity (PE) investments to the tune of US$4 billion during this fiscal year, as per industry reports.

How does the current exchange rate of the Indian Rupee favour the NRIs, especially in terms of buying properties?
The fluctuating Indian rupee and introduction of various regulations to bring in transparency and accountability are making real estate market more lucrative for the non-resident Indians [NRIs].

The drop in rupee can be seen as investment opportunity for the individual buyers as well as institutional investors. About 7-8 percent of the inventory is bought and held by the NRI's every year.

How many projects has Sanghvi Parrsssva Group delivered so far? How many million square feet of development have you delivered so far?
The following projects have been delivered by Sanghvi Parrsssva Group so far: Sanghvi Golden City – Atgaon, Shahpur; Sanghvi Parrsssva Eleganza – Ghatkopar and Sanghvi Jewel – Malad.

What is the total value of the properties delivered by Sanghvi Parrsssva Group?
The total value of the properties delivered by the Sanghvi Parrsssva Group is INR1.23 billion.

How many properties are currently under construction and development?
We have a good number of projects currently under development and planning.

The properties which are under construction and development are: Sanghvi Parrsssva Elegenza – Ghatkopa; Sanghvi Parrsssva Classic – Bhiwandi; Sanghvi Parrsssva City – Atgaon, Shahpur; Sanghvi Arham Bluz – Andheri; Sanghvi Parrsssva ExcellenSea – Charni Road; Neev Galaxy – Malad

Our future projects are: Sanghvi Parrsssva Concorde – Khetwadi; Sanghvi Parrsssva Corporate Park – Lower Parel; Sanghvi Parrsssva Crystal – Parel; Sanghvi Parrsssva Empire – Goregaon; Sanghvi Parrsssva Enclave – Gojeshwari; Mohankheda Nagri – Vasind; Sanghvi Parrsssva Elite – Ghatkopar; Sanghvi Parrsssva Estate – Mazgaon; Sanghvi Parrsssva Emerald – Kandivali; Sanghvi Parrsssva Vista -

Sanghvi Parrsssva City

Lalbaugh.

What is the combined value of the properties currently under construction and development?
The total value of the properties under construction and development are INR2.56 billion.

How many properties are being delivered this year and in 2019?
The projects delivered in 2018 are Sanghvi Parrsssva Elegenza, Ghatkopar, Sanghvi Golden City – Atgaon. The properties that will be delivered in 2019 are Sanghvi Parrsssva City, Atgaon and Sanghvi Parrsssva Classic, Bhiwandi.

What is your marketing game plan to attract investors from the UAE?
Sanghvi Parrsssva Group has planned various marketing activities to attract the investors. These include road shows and investor meet; channel partner meeting; participation in property shows; special rates and tailor-made payment plan; marketing campaigns in the media.

How is the demand-supply situation in real estate sector in India?
The demand and supply totally depends on the location and the development one does.Proper planning, no area wastage will make every project sell faster.

What support will your company provide to property buyers from the UAE?
Sanghvi Parrsssva Group has various projects for every segment and budget.

All our projects are as per the RERA guidelines and approved by all housing finance. We can have tailored made payment schedule and other payment options for our property buyers from the UAE.

The better locations, transparency and trust of over 35 yrs in the industry will add value to all our projects.

Each of our projects offered will be timely completed with international standard.

Home loan option will be there for the desired client.

We will also help in renting out the units for the investors because of having good network with the channel partners.

We will also help in re-selling their flat with mutually agreed lock-in period.

Do you plan to set up your marketing and sales office in the UAE – in future?
Yes in future we are open to start marketing and sales office in future in the UAE.

How do you see the changing landscape of the Indian real estate market?
The sector is in the positive territory. The new infrastructure which is being created will enable growth of housing, will enable improved access to new, peripheral areas near existing cities where smart cities would be created; the government's new policies are supporting creation of housing stock for the end-user.

The Mumbai Trans-Harbour link would open up huge chunk of land across the harbour, which could be an extension of South Mumbai. ■

Get residency for $35,000 in Georgia

Gulf Property Exclusive

Georgia grants temporary residence permit through the purchase of immovable property with a minimum value of US$35,000 – one of the cheapest Residency by Investment (RBI) programmes in the world.

"In accordance with Law of Georgia on Promotion and Guarantees of Investments, foreign nationals with a minimum investment of GEL300,000 (Georgian Lira), which is equivalent to US$125,000 in Georgia, are eligible for an investment residence permit," said a government spokesperson.

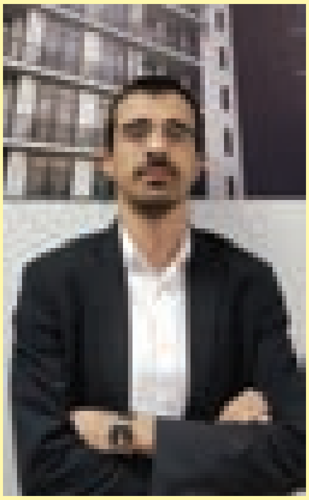
"To apply, an individual will be required to provide evidence of investment, personal identification documents and a recommendation letter from a Georgian government official or 3 Georgian nationals."

A number of Georgian real estate developers have now started to promote their properties in the UAE to woo investors granting them permanent residency through investment in real estate.

Sky Development is one such developer with a number of projects that the UAE-based investors could benefit from.

"Foreigners can obtain residence permit in 10 days. A short-term residence permit is issued to foreigners and members of his/her family, if the foreigner owns a property by the Georgian legislation with the value more than US$35 000, which is supposed to be raised to US$100 000 soon," Giorgi Tugushi, Shareholder of Sky Development, a large property developer in Georgia, told *Gulf Property* in an exclusive interview recently.

"Permanent residence permit is issued to a spouse, parent and child of citizen of Georgia; also, to a foreign citizen who, holding a temporary residence permit, has resided in Georgia during the preceding six years. If the person lived in Georgia for educational purposes or medical treatment or spent some time working at the diplomatic mission or at an equivalent representative office, this period cannot be counted towards the pre-requisite six-year term."



Giorgi Tugushi, Shareholder of Sky Development, Georgia

In an exclusive interview with Gulf Property, Giorgi Tugushi, Shareholder of Sky Development, elaborated his thoughts on a number of issues. Excerpts:

Gulf Property: How is the socio-economic and political environment in Georgia?

Giorgi Tugushi: Georgia is the leader in the Caucasus region for several reasons: It has access to the Black Sea coast.

However, what is really important is the economic transformation of the country. Georgia is turning into an international transport corridor through Batumi and Poti ports, Baku–Tbilisi–Kars Railway line, an oil pipeline from Baku through Tbilisi to Ceyhan, the Baku–Tbilisi–Ceyhan pipeline (BTC) and a parallel gas pipeline, the South Caucasus Pipeline.

The country has sizable hydropower resources. Throughout Georgia's modern history agriculture and tourism have been principal economic sectors, because of the country's climate and topography.

Tourism is an increasingly significant part of the Georgian economy. In 2016, 2,714,773 tourists brought approximately $2.16 billion to the country. According to the government, there are 103 resorts in different climatic zones in Georgia. Tourist attractions include more than 2,000 mineral springs, over 12,000 historical and cultural monuments, four of which are recognised as UNESCO World Heritage Sites.

Can foreigners buy property and gain residency? For how long? What are the terms of residency by ownership of property?

In our country buying a property for becoming short-term (1 year) resident has been a common practice.

After short-term residency foreigners can apply for permanent residency. In fact, there are different types of residence permits in Georgia.

Investment residence permit is issued to a foreign citizen who invested at least GEL300,000 (but it is supposed to be changed to $300,000 soon) in Georgia. This provision is prescribed in the Law of Georgia on Promotion and Guarantees of investment.

In such cases, residence permits are also issued to

the investor’s family members, which include a spouse, underage dependent and/or fully dependent incapacitated person;

Temporary residence permit is issued to a foreigner, who according to the Law of Georgia on elimination of domestic violence, protection of and support to its victims, has been recognised as a victim of domestic violence;

Short-term residence permit is issued to the person – and his/her family members – who have the right to immovable property with the market price above US$35,000. This ceiling is expected to be raised to US$100,000 soon.

How long does it take and what is the minimum investment?

Foreigner can get residence permit in 10 days.

A short-term residence permit is issued to foreigners and members of his/her family, if the foreigner owns a property with the value exceeding US$35,000.

Can foreigners owning a property obtain a Georgian passport? What are the terms of passport by dint of owning a property?

With the property of a real estate you get residence permit not citizenship.

What support will your company provide to property buyers from the UAE?

Our company will take responsibility to manage all the legal documents and issues about residence permit.

Why should someone from the UAE buy property in Georgia?

Georgia has been showing significant improvement in terms of business and economics and is likely to follow this path. Year-on-year more and more foreigners are willing to live and start a business in our country. Compared to other European countries living cost in Georgia is cheaper, there is less corruption and bureaucracy. It is very easy to get residency and start doing business.

Georgia is ranked 6th in the World Bank Doing Business Report (2018), ranking higher than countries such as Sweden, Estonia, Finland and Australia.

How many projects has Sky Development deliver so far?

Sky development, which is known for its unique construction style and high quality, has delivered six projects so far.

It has three on-going and eight projects in the pipeline.

Sky Development is a member of the investment company Wealth Management. The brand is well known in Georgia that's why we have permanent customers who are ready to cooperate with every new project.

Having partners and investors from over 50 countries is one more thing that makes our company so trusted and popular. We try our best to create safe and cozy homes, every house owner is involved in designing his own apartment. Besides, we create vast recreational zones in every project we make. As a result, we gain prestige and loyal customers.

How is your response from the UAE market, following your participation at the IREIS?

The IREIS exhibition and conference was very useful and productive for our company.

During the business meetings in Abu Dhabi, we met a number of visitors and presented a new, unprecedented project D9, which will be constructed soon. The project was greatly appreciated and attracted investors' interest.

After the Abu Dhabi exhibition, we decided to organise an international conference in Georgia in January and along with the other projects we are going to present Summer Sky and D9 to international audience once again.

What is your marketing game plan to attract investors from the UAE?

There is no doubt that Georgia attracts lots of foreign investors. The two investment destination cities which stand out, are – the capital city Tbilisi and the sea resort Batumi.

But only our company, Sky Development offers contract with guaranteed minimum ROI of 10 percent in the project Sky Batumi (Summer Sky).

Other than buying apartments for renting purposes, many foreigners buy property in Georgia for getting residency. Wealth Management not only offers them to buy an apartment, but also takes responsibility to manage the legal documents needed for getting residential permit. If foreigners will not be able to become residents, company is ready to resell their apartment and refund the cost.

Also, we are making some TV advertisements, newspaper articles, online pages, etc.

Do you plan to set up your marketing and sales office in the UAE – in future?

In Dubai Sky Development is represented by its experienced partner – Bayat Group with whom we have cooperated in many projects. ■

SPOTLIGHT

Investors need to change attitude

Negative perception by regional investors and venture capitalists in the Arab World is hampering the growth of innovation and techpreneurship as well as start-ups in the Gulf and the Middle East region, experts told more than 200 decision-makers, investment advisors, wealth managers, business owners and private bankers at the Wealth Arabia Summit held at the JW Marriott Marquis hotel in Dubai recently.

"If the technology is good, it will be developed in the Silicon Valley, not in the UAE – is the perception amongst most local and regional investors," Noor Sweid, General Partner, Global Ventures, told delegates at the Wealth Arabia Summit, trying to explain the lack of funding by venture capitals and investors to boost start-ups in the region.

"More than 50 percent of the population in the MENA region is under 25 years of age and they are at the forefront of the internet and media consumption. The highest number of YouTube visitors is not from Europe or the United States, but from the Middle East. In fact, the people in the Arab World consume more YouTube per capita than in Europe.

"The UAE leadership has created a great enabling environment for start-ups, entrepreneurship and we are proud of the achievements of the country in the last 47 years. We can create global success stories in Dubai – more Souqs and Careems – as more and more start-ups are coming up with innovation.

"However, getting funding is an issue due to a strange perception that 'if they are good, they will be built in the United States. This needs to change," Sweid, who helps new start-ups raise funds. "US and European tech funds as well as investors from other countries are funding more companies in the UAE start-up market, compared to the local and regional investors."

Panelists at the Wealth Arabia Summit discusses start-up and entrepreneurship issues

She said, Dubai has been a real estate and trading hub for a long time. "It is now becoming an innovation hub – as the government is pushing for," she said.

"The regional start-up scenario has changed a lot. However, in the US, 0.3 percent of the GDP is invested in venture capital that represents 21 percent revenues of the private sector and 11 percent jobs in venture capital-backed firms. In the UAE and Saudi Arabia, investment in venture capital is around 0.03 percent of the GDP – one tenth of that of the United States.

"However, while Europe and America invests in people, we invest in companies – looking at only balance sheets and profit and loss statements. Investors need to change their attitudes towards the regional techpreneurs and start-ups and look more at the product, people and their potential, and not the balance sheet.

"More than 123,000 engineers are graduated in the Middle East every year. Yet, youth unemployment in the region is 30 percent – one of the highest in the world. We need to invest in people, more than in companies."

The Wealth Arabia Summit is the only platform in the region built from the ground up that specifically caters to high net-worth individuals (HNWIs) and their most trusted representatives in wealth management.

Since its inception in 2016, the summit has established itself as the premium forum bringing together the region's HNWIs, senior investment executives and service providers for actionable investment advice from the world's most informed.

Following the continued success of 2016 and 2017, the 2018 edition of the Wealth Arabia Summit has evolved significantly with the introduction of three new forums and a larger exhibition space.

The 2018 edition includes the Main Stage which features six keynote presentations on vital trends shaping the investment space, followed by the Women's Investment Forum, the Real Estate Investment Forum and the Family Affairs Streams, as well as exhibition space for service providers. ■

Emaar is offering apartments at Dubai Hills Estate at a very low price, attractive investment opportunity in real estate

Emaar sells 1BHK for Dh664,888

Emaar Properties has brought down the prices of one-bedroom hall apartments to Dh664,888 at the Dubai Hills Estate, as looming oversupply is pushing the prices of freehold homes to rock-bottom.

Following the sell-out customer response to Collective, the first co-living community in Dubai Hills Estate, the serene, lush lifestyle destination located only 15 minutes from Downtown Dubai and City Walk, Emaar has unveiled its second phase - Collective 2.0.

"Enabling customers to stop renting and start owning, the Collective 2.0 homes start at Dh664,888 for a one-bedroom with an innovative monthly payment plan with significant demand expected for the trend-setting residences. A contemporary social hub, Collective 2.0 homes are ideal for millennials, young professionals and entrepreneurs seeking an all-inclusive 'work-live-play' environment," the developer said in a statement.

"Collective 2.0 builds on the huge success of the fast-selling phase with a more prime address. In addition to having the perfect location for a chic urban lifestyle within Dubai Hills Estate's masterplan, Collective 2.0 is nestled alongside Rove Hotel and Business Park, which increases the property value.

"Collective 2.0 offer a rich choice of amenities for residents with the Dubai Hills Boulevard, featuring trendy retail outlets; the Dubai Hills Park, serving as a serene retreat; and the Dubai Hills Mall, with over 650 retail and F&B outlets, in walking distance. They also have effortless connectivity with the city with easy access to Al Khail Road and a nearby Metro station."

Promoting a new concept of openness and sustainable living, Collective 2.0 is designed to meet the lifestyle aspirations of the young and fashionable. The apartments in one and two-bedrooms are overlooking the Dubai Hills Boulevard and a few residences opening to direct views of the iconic Burj Khalifa and Downtown Dubai.

Residents at Collective 2.0 can enjoy the ground floor as their lounge, with an informal concierge service. Designed for people to meet, interact and grow, the co-living community also boasts work spaces, relaxation areas and an entertainment zone. Collective 2.0 has several high-end lifestyle amenities too, such as open courtyards, barbecue areas, two swimming pools, a mini theatre and library. ■

Dubai seeks more rooftop solar panels

Following the success of the flagship Safaqat project in Hatta, whereby 640 villas were retrofitted with solar rooftop panels, Dubai is now extending this innovative approach across additional buildings and villas. The Safaqat programme will support the implementation of solar rooftop panels on buildings across the UAE, with demand coming from Hatta and residential villas in Dubai.

Safaqat is the solar revolution enabler for the UAE and falls under the Shams Dubai initiative. Under Safaqat, eligibility is only possible when the savings are more than the cost of the hardware over its usable life. Each Safaqat deal will cost less for the end user by comparison to their pre purchase scenario.

The solar rooftop panels are photovoltaic (PV) panels, which generate electrical power by using solar cells to convert energy from the sun into a flow of electrons. Solar cells produce direct current electricity from sunlight which can be used to power equipment or to recharge a battery. When installed on the villas, the PV panels will result in the reduction of 50 tonnes of carbon emissions, equivalent to the planting of 500 trees, whilst installation on the buildings results in the reduction of 130 tonnes of carbon emissions, equivalent to planting 1,300 trees. ■

Sternon's projects are part of the US EB-5 Investor Immigration programme, that helps investors to obtain US permanent residency Green Card

Sternon puts $150m project on EB-5

Sternon Worldwide, the international real estate development arm of Dubai-based developer Sternon Group, will start developing the US$150 million Fortune Star project close to the Disney World in Orlando, Florida, United States.

Designed by the renowned architects, Ray Scott and Matt Cormia, Fortune Star is a massive development of three towers that will deliver 550 luxury apartments in three phases at Kissimmee, near Disney World.

The first phase of the project will see the development of 250 apartments, 80 of which have already been sold to 40 investors under the EB-5 investor immigration programme that allows investors to obtain permanent US residency and a Green Card, on the condition of a minimum investment of US$500,000 that creates at least 10 jobs in the United States.

"We have already sold 80 apartments to 40 investors under the EB-5 Investor Immigration programme while the balance 170 apartments have been kept aside for leasing purpose," Hussaini F. Nalwala, Managing Director of Sternon Group.

"The land for the development of the project has been acquired, following which all the permits have been obtained and we expect the main construction activities to start in April. We expect to deliver the project in two and a half years' time.

"Located just a few minutes away from Disney World in Kissimmee, Florida, Fortune Star offers a plush lifestyle with comfortable living. Surrounded by a number of important establishments in the area, Fortune Star defines itself as a part of the tourist destination and is the heart of a bustling community.

"One wakes up to an unforgettable picturesque view of the waterfront and Disney attractions which makes Fortune Star a cut above the rest. With its great location and extensive facilities, Fortune Star proves to be a great investment in the real estate industry which can yield high returns over the years."

Being developed in three phases, each building is carefully planned to accommodate the needs of distinct personalities and modern day families. Every phase is unique and offers a healthy space with contemporary living solutions.

Being developed in 3 phases, each building is carefully planned to accommodate the needs of distinct personalities and modern day families. Every phase is unique and offers a healthy space with contemporary living solutions.

The 1st phase of the development is a 11 storey building overlooking the Magic Kingdom of Disney World. With a stunning view of the outdoors, one is bound to live in serenity and relaxation. The 1st Phase comprises of two level shopping area, 3 storey parking space and 7 floors of 1- and 2-bedroom apartments.

The 2nd phase of the development is an 18 storey building encircling aesthetic landscapes and alluring gardens. Every sight is easy on the eye and every breath is of fresh air. The 2nd Phase comprises of commercial space at ground and first floor, 4 storey parking space and 13 floors of apartments.

The 3rd phase of the development is a 20 storey building with a stunning view of the attractions and sceneries which includes six-level parking space and 15-level residences.

All apartments are created with excellence and provide deluxe amenities to its residents, including breath-taking lake views, built-in home appliances such as: microwaves, dishwasher/disposal, cable and internet, digital thermostat, full-size washer and dryer, intrusion alarms, oversized walk-in closets and home-office alcoves, private terraces and walk-in showers. ■