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ZAHA HADID’S FIRST DUBAI PROJECT THE OPUS IS AHEAD OF THE CURVE

Monday, May 08, 2017

Zaha Hadid's first project in Dubai is a work of art to rival any of the renowned Iraqi-born architect's award-winning structures, and will add something very different to the city's burgeoning collection of prestige buildings.

In many ways, a visit to Dubai's Business Bay feels like a trip back to the future – to a city that feels eerily familiar to anyone who can remember the giddy days before the financial crisis hit in 2008.

Outside, the air rings with the sound of continuous construction and the plots between Sheikh Zayed Road and the Burj Khalifa, long dormant, are now filled with a ballet of workers, lorries and cranes.

Inside the area's new towers, many of which are topped with the names of their developer, elevators are filled with men dressed in similar fashion: no jackets and crisp, white shirts with collars that are always worn open.

Their shoes, fresh from site visits, are caked in a layer of fine white dust.

Close to the epicentre of this boomtown within a boomtown stands a futuristic building, a glass cube with a gigantic amorphous void at its centre, which manages to feel modest while entirely at home in a cityscape defined by gratuitous acts of architectural shape-making.

Now that it is nearing completion, The Opus – the latest development from Omnimat Properties – will be the first project from Zaha Hadid Architects to have been built in Dubai.

The company is responsible for the Sheikh Zayed Bridge in Abu Dhabi, the Olympic Aquatics Centre in London and the MAXXI Museum of XXI Century Arts in Rome.

Despite its appearance, The Opus consists of two glass towers linked by a four-storey podium at ground level, and at a height of 71 metres by an asymmetric steel and glass bridge.

Standing three storeys, 38 metres wide and weighing almost 1,000 tonnes, the bridge and the building's eight-storey void are clad in 4,500 triple-glazed midnight blue panels.

But thanks to the undulating complexity of the design however, many of the panels are required to curve in two directions which means that every one is unique.

Made of glass from China and aluminum frames from Denmark, the largest panels weigh 800 kilograms each.

The Opus will have 56,000 square feet of office space, a rooftop bar, and a nightclub in its basement, 12 restaurants and ME Dubai, an oddity in the Dubai hospitality market in that it will be a five-star boutique hotel with only 93 guest rooms and 60 apartments.

The first ME by Melia hotels in the Middle East, ME Dubai will become part of an exclusive group of hotels belonging to the Spanish hospitality group that consists of outposts in London, Madrid, Mallorca, Milan, Miami, Ibiza, Cancun and Cabo San Lucas.

The hotel will feature a lobby and central atrium with mezzanines that will rise like the petals of a gigantic flower.

But at the moment the interior of The Opus remains a forest of scaffolding and the only guide to its eventual appearance are the renderings produced by the architects.
Despite the fact that the hotel is not due to open until summer next year, for one man the precise detail of every element of the hotel's suites and facilities already feels like a reality.

"Being Zaha Hadid, everything is curved and sometimes the design supersedes the functionality so it's my role to make sure we find the right balance," says Stefan Viard, the new general manager of the ME Dubai.

"From an operations point of view we try to look at the common designs like the wardrobes and the bathrooms to make sure they are standardised as much as possible.

"Because of the shape of the building, we only have 93 rooms, but out of these there are 68 different types."

*Source: The National*
TOP-QUALITY DUBAI OFFICE RENTS TO RISE

Monday, May 08, 2017

Rents for the best-quality offices in Dubai are set to tick up slightly this year as occupiers resume shelved office searches amid an improved economic outlook, according to Knight Frank.

The broker said that after rising steadily to about Dh190 per square foot at the start of 2016, grade A office rents in Dubai dipped slightly last year as corporates put off leasing decisions amid oil price volatility and global economic uncertainties.

It said landlords have also responded to difficult economic conditions by offering greater incentives such as more flexible leases, free office fit outs, longer rent free periods and the inclusion of utilities in service charges.

But the company said that after oil prices staged a mini bounce at the end of 2016, occupiers are again starting to press ahead with expansion plans and leasing activity, pushing rents back to about the same levels they had been at the start of 2016.

Having crashed from highs of about US$120 a barrel in 2014, oil prices sank to a low of less than $30 a barrel last year before staging a partial recovery at the start of this year to hover at about $55 during much of the first quarter of the year.

"Our outlook for Dubai remains positive in 2017 as oil prices are expected to regain some of the losses previously recorded," said Matthew Reason, a surveyor in Knight Frank's Dubai office and the author of the report.

Earlier this year, Cluttons reported that top-band rents had fallen in 15 out of 23 Dubai submarkets monitored while they only increased in two, DIFC and Dubai Design District.

Faisal Durrani, the head of research at Cluttons, said that activity in terms of the take-up of new office space started to weaken during the second half of 2016.

"By no means would I go so far as to say that it had dried up but it was weaker than a year earlier," he said. "I think that … nervousness around the health of the global economy is putting multinationals in a holding pattern. They're holding off on expansion activities until things become a little bit clearer."

Source: The National

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ALDAR AWARDS MAIN CONTRACT FOR YAS ACRES DEVELOPMENT TO TROJAN

Sunday, May 07, 2017

Abu Dhabi’s largest listed property developer, Aldar, said on Sunday it has awarded Trojan General Contracting a Dh1.7 billion main construction contract for the first three precincts of its Yas Acres development on Yas Island in Abu Dhabi.

In a note to the Abu Dhabi bourse, Aldar said Trojan would mobilise on site immediately to start work on 652 villas and town houses, a golf course, a club house and infrastructure at the project which will eventually comprise a total of 1,315 homes spread across 811,108 square metres.

The contract award follows the completion of a Dh155 million early works package by Bauer Geotechnical Specialized Foundation, which has left the project 10 per cent complete.

Aldar said the construction work would take 32 months and that it would hand over the first home at Yas Acres at the end of 2019. "With the mobilisation of the contractors we expect to see highly visible progress as these precincts of villas and town houses start construction," said Talal Al Dhiyebi, the chief development officer at Aldar Properties.

On Saturday, Aldar reported that it had found buyers for the third tower of its The Bridges "mid market" property development on Reem Island after just four hours.

The company had already received initial deposits from buyers for the first two towers of the six-tower project which the company started marketing at Cityscape Abu Dhabi last month.

The developer said that demand for the apartments, which were being marketed at prices starting from Dh450,000, was so high that it released a third tower for sale last weekend.

Aldar has now generated Dh600m from off-plan sales at The Bridges, it said.

The off-plan sales come despite price declines in the capital’s secondary market as two years of low oil prices force government-related companies to lay off staff and cut housing allowances.

Last month, Asteco reported that apartment sales prices for completed properties fell by an average of 2 per cent in the first three months of the year and 4 per cent compared with a year earlier.

Property brokers say investors are still buying off-plan property in Abu Dhabi because they can purchase smaller, cheaper apartments than ones that are currently available on the secondary market amid expectations of a market uptick by 2020.

"People are buying these off-plan apartments as a bet that the market will recover by 2019 or 2020 so they can buy at today’s prices and expect capital appreciation while the properties are being built," said Ben Crompton, the managing partner at Crompton Partners estate agents. "The same thing is happening in Dubai with buyers gambling that there will be another boom in a few years time."

Source: The National

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ADNEC EVENTS GIVE A BOOST TO ABU DHABI’S ECONOMY

Wednesday, May 10, 2017

The success of events such as Idex and Abu Dhabi Sustainability Week helped to lift the contribution of conferences and exhibitions to the emirate’s economy.

The Abu Dhabi National Exhibitions Company (Adnec Group), said yesterday it brought in more than 300,000 visitors to the emirate in the first three months of this year, generating 240,396 guest nights for the hospitality industry in Abu Dhabi and Al Ain.

The contribution to the economy, directly and indirectly, was Dh1.12 billion for the period, 8 per cent higher than a year earlier as it hosted 12 exhibitions and 108 conferences in the first quarter. The meetings, incentives, conferences and exhibitions (Mice) sector also accounted for 6,922 jobs.

"Adnec [Group] has continued to deliver impressive growth and strong performance across all our business segments in the first quarter of 2017," said Humaid Al Dhaheri, the group chief executive.

He said the company had focused on the diversification of its events portfolio. The biennial Idex and Navdex defence industry events, held in February, became the most successful ever with 1,235 companies participating, more than 100,000 visitors received and business deals of Dh20bn in value agreed, up 5 per cent from 2015.

"As we continue into the second quarter of 2017, we are committed to maintaining the momentum and achieving new milestones," said Mr Al Dhaheri. "We are confident that our top-notch facilities and ability to cater to the dynamic customer requirements will give us an edge over our competitors."

Adnec Group operates the 133,000 square metre Abu Dhabi National Exhibition Centre, the Al Ain Convention Centre and the ExCel London.

The conference centre operator has already announced its partnership with British Marine Boat Shows to host the Abu Dhabi International Boat Show in October 2018. It also recently won two international conference bids, it said. The FIP Pharmaceutical Sciences World Congress will be held in 2019 and a second unnamed event will be announced later in the year.

"Together with our partners, Adnec takes pride in playing a major role in Abu Dhabi’s economic transformation through the development of business tourism sector and enhancing Abu Dhabi’s reputation as a destination of choice for key event organisers and professional associations," said Noura Al Kaabi, the chairwoman of Adnec and Minister of State for Federal National Council Affairs.

Source: The National

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EXPO 2020 SPENDING Boosts Dubai Economy

Tuesday, May 09, 2017

A key gauge tracking business conditions in Dubai in April registered its fastest one-month growth in more than two years, with the construction sector receiving a boost in the run-up to Expo 2020.

Emirates NBD's latest Dubai Economy Tracker Index rose to 57.7 last month, compared with 56.6 in March, the fastest upturn since February 2015. A reading above 50 suggests the non-oil economy is growing, while a reading below 50 suggests that it is contracting.

The survey's three key sub-sectors of construction, wholesale and retail and travel and tourism all experienced month-on-month improvements, with construction leading the way, at 57.9.

The wholesale and retail sector was at 57.8, followed by travel and tourism at 57.0.

"The latest Dubai Economy Tracker survey supports our view that investment in infrastructure ahead of Expo 2020 will be a key driver of Dubai's growth over the next two to three years," said Khatija Haque, the head of Mena research at Emirates NBD. "It is encouraging to see the sharp rise in the construction sector index in April, as this had lagged wholesale and retail trade and travel and tourism indices in the first quarter."

Employment across all three sectors increased during April, albeit at modest rates, the bank said.

New business had its 14th consecutive monthly rise in April, with tracker panellists citing more construction projects, promotional discounts and a generally supportive economic backdrop.

Earlier this month, the IMF forecast that Dubai's economy would grow by as much as 4 per cent this year, compared with an average of 2.3 per cent across the Mena area, thanks to an improvement in global trade and increased government spending in the run up to Expo 2020.

Not all economists are confident in the uptick in Dubai's economy.

"While there could be some pickup in construction activity ... we note two key challenges surrounding Dubai's trade and services-led economy: how to sustain consumption and maintain competitiveness," said Dima Jardaneh, the head of Mena economic research at Standard Chartered. "Resident consumers are more restrained in their spending ... which is leading retailers to cut prices to entice buyers."

Improving business conditions in Dubai contrast with a more cautious outlook for the UAE overall.

Source: The National

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GCC’S VAT FRAMEWORK TAKES SHAPE

Sunday, May 07, 2017

The Arabic text of the GCC Unified Agreement on Value Added Tax (GCC UAVAT) has been published in the Saudi official gazette; unofficial English translations are in circulation.

The GCC UAVAT provides the framework for the introduction of value added tax (VAT) in all six GCC member states. As such, the GCC UAVAT contains predictable elements. It also contains some surprises, such as its strong unitary tendencies – although it would allow each statewide discretion in the treatment of financial services. And there are still important details to come, for example the rules for free zones and the list of foods that will be zero-rated (that is, their VAT rate will be 0 per cent).

The context of the GCC UAVAT is set by its opening Recitals, which recall the objectives of the GCC Charter, the goals of the 2001 GCC Economic Agreement and the terms of the GCC Supreme Council Resolution adopted in December 2015.

Respectively, those instruments emphasised the importance of strengthening cooperation between GCC member states in all fields, sought to advance GCC economic integration and take steps towards economic unity, and resolved to establish a "unified legal framework" for the introduction of VAT, that is, a general tax on consumption.

That broad context underlines the economic and fiscal importance of the introduction of VAT to the Gulf.

Some features of the GCC UAVAT are common to VATs the world over: for example, the application of the tax to goods and services (save those which are exempt), the right of deduction (of input tax from output tax), the rates of tax (standard and 0 per cent), rules about what is a taxable supply and the place of supply, obligations imposed on taxable persons to register, to hold the required documents and properly to account. The GCC UAVAT also contains transitional provisions for long-term supply contracts under which some supplies are made before, and others after, VAT implementation.

The first surprise is that the GCC UAVAT is more unitary than might have been anticipated. The essential structure for the introduction of VAT in the Gulf is well known. The GCC UAVAT is an overarching supra-national instrument, below which each member state will enact its own VAT tax law and subordinate legislation, the so-called "local law". Given the constitutional position of the GCC in relation to its component member states, the GCC UAVAT might have been expected to be purely a soft law/power measure. It has more "bite" than that.

So much is clear from definitions provided at the outset. The "unified GCC" nature of "the Agreement" and of "the tax" is emphasised. There is also repeated reference, in the singular, to the "GCC Territory". The GCC UAVAT is premised on an indivisibility, which will provide cohesion and promote harmonisation and uniformity of approach across the whole GCC. Definitions of the GCC "Common Customs Law", and "the Ministerial Committee" (ie, the Financial and Economic Cooperation Committee of the GCC Member States") are included.

Source: The National
SHARJAH’S ARADA LAUNCHES SECOND ROUND OF VILLA SALES

Wednesday, May 10, 2017

The Sharjah developer Arada has launched the second phase of sales at its first community-themed project, the Arada Residences. This phase will also include five-bedroom villa units. The first round attained a sold out status ahead of expectations.

“We see this as a strong indication of investor confidence in Sharjah itself, largely thanks to the government’s efforts to encourage more urban communities with large green spaces,” said Shaikh Sultan Bin Ahmad Al Qasimi, Chairman.

While Phase 1 is scheduled for completion in late 2018, Nasma Residences will feature more than 800 homes delivered over four phases. The units range from 1,500 square feet to 4,400, and start from Dh995,000.

Location

The developer also confirmed that construction on the community's shopping centre — Nasma Square and with a built-up of 6,500 square feet — will begin in July. The overall site takes up 5 million square feet.

The location is in the heart of what developers are calling the “new Sharjah”. It is at the intersection of Emirates Road Highway 611 and Maliha Road, and adjacent to the under construction Tilal City, Tilal Mall and the new Sharjah Convention Centre.

Source: Gulf News

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JAWAHER SAADIYAT CONSTRUCTION ON SCHEDULE

Wednesday, May 10, 2017

The Tourism Development & Investment Company (TDIC), master developer of major tourism, cultural and residential destinations in Abu Dhabi, announced on Tuesday that the construction of Jawaher Saadiyat, the latest gated residential community within the Saadiyat Beach District, is more than 22 per cent complete, with ongoing works progressing within schedule.

The project was awarded in July of last year following a competitive tendering process. Scheduled for delivery in the latter half of 2018, prospective buyers can secure their units through an initial 2.5 per cent deposit, with villa and town house prices ranging from Dh5.1 million to Dh17.8 million.

Source: Gulf News

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MAG GETS BACK INTO UPSCALE WAYS

Wednesday, May 10, 2017

After having focused on its budget home launches in Dubai South, the developer MAG is back to creating more upscale investments. For this it has launched the MAG 318 and MAG 230 for the Downtown and Dubailand respectively, each backed by a 35/65 payment plan.

“We are giving customers fresh residential opportunities in two important areas of the city,” said Talal Moafaq Al Gaddah, CEO of the property division. “One that is already popular and home to some of Dubai’s best-loved destinations, and one that will become one of the most spectacular urban masterplans in the region.”

The Dubailand property has been earmarked for the City of Arabia cluster, a mixed-use destination that will have its own monorail system. “While our Group has been building its affordable housing offering with developments like MAG 5, we are (now) presenting a more high-end proposition,” said Al Gaddah.

The Downtown high-rise will have the usual mix of upscale studios, one- and two-bedroom apartments to Downtown Dubai.

The developer also believes the 35/65 payment split will be handy in convincing buyers.

Source: Gulf News

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Mid-Market Property in Dubai Could Come Under Pressure

Wednesday, May 10, 2017

In a departure from recent forecasts on Dubai residential property, the rating agency Fitch reckons that it will be the mid-market and lower properties that will see price and rental declines. And that higher end properties will show “resilience”.

Performance is likely to be “fragmented”, Fitch adds. But since the second half of last year, local developers have been ramping up launches of mid-market homes and taking these to locations further away from the city centre or more established locations. Average prices on these were steadily brought well below Dh800 a square foot. It is a trend that is now playing in Abu Dhabi as well with Aldar offering studios from Dh450,000 and roping in first-time buyers in the process.

According to Fitch, the chances of a near-term shock for the property sector remains remote. “We believe many of Dubai’s master-developers have significantly reduced their debt compared to pre-crisis levels, giving them more flexibility to weather market cyclical,” it said.

“And the authorities have taken action to reduce risk.”

Also on the plus side, Fitch notes that mortgage based transactions in Dubai now make up 50 per cent of transactions, and for the first time since 2012. But they are still some way off from the 2011 peak of 65 per cent.

**Key challenge**

“Residential and commercial real estate supply is likely to accelerate after 2017 in preparation for Expo 2020 and the ability of the market to absorb this new supply will be a key challenge,” the Fitch update notes. “More than 56,000 residential units are due to be completed in the next 24 months — but projects could be delayed or cancelled, reducing the pipeline.”

According to Bashar Al Natoor, Global Head of Islamic Finance at Fitch Ratings, “Office rentals will also remain under pressure, although they are still below the pre-crisis peak and little new space will become available in the near term.”

“We expect retail property to face similar pressures to residential and office space from currency depreciation, which makes Dubai a more expensive shopping destination, and from the reduced purchasing power of visitors from neighbouring countries due to low oil prices. The potential introduction of VAT in 2018 could create a further challenge for large retailers in Dubai.”

*Source: Gulf News*
LAND DEPARTMENT EYES CHANGES TO FREE ZONE LEASE REGISTRATION

Wednesday, May 10, 2017

The Dubai Land Department is preparing an action plan to regulate lease registrations in the emirate's freehold and free zone areas. This will be routed through the agency's Rental Affairs Sector.

Dubai Investments Park has signed for the new processes, which will be implemented in phases and include updating relevant data for all properties under DIP jurisdiction and registered in the Land Department's Ejari system.

The Rental Affairs Sector is working with other developers as well to coordinate the implementation of the new plan, which promises to provide “ease of service to customers”, according to the government entity.

Rental procedures

Recently, the Land Department has taken on multiple initiatives in updating the city's rental procedures. It first brought out a unified contract for leasing residential properties and then announced that it is working on plans for a new rental law that will take into account different property categories.

Hamdan Al Madhani, Director of the Rental Relations Regulatory Department, said: “Exchange [of] best practices will help us to achieve strategic objectives and shared goals, while ensuring that we adhere to the regulations in place at our respective departments.”

Source: Gulf News

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AZIZI DIGS IN DEEP AT THE MEYDAN DEVELOPMENT

Wednesday, May 10, 2017

Azizi Developments sure has taken a liking to the Meydan precinct ... so much so it went ahead and bought 180 plots there in one go.

These plots are being “amalgamated” into 76 buildings, ranging between ground plus six-storey (G+6) to G+9 structures. The developer is now working on a suitable timeline for the full-fledged off-plan sales launch.

“These buildings will be closest to the mall and racecourse ... the (Meydan One) mall project was very much a necessity in creating sufficient push for the Meydan location,” said Farhad Azizi, CEO.

“It helps that Meydan is one location in the middle of the city and still virtually untapped. It's so close to Downtown and Shaikh Zayed Road.”

The Meydan investments came through just when Azizi was mulling strategies to expand on its current land bank.

“We were even considering land in Abu Dhabi, Sharjah and Ajman,” the CEO said. “That's when the Meydan possibility came before us and we took six plots, smaller ones next to Meydan Hotel.

“We started getting more comfortable with the master-developer and then upgraded our association into a strategic partnership.

“We have received the initial approval on the concept. It's an almost self-contained destination, with some commercial and three hotels. We are now in discussion on how many stars these hotels should be, whether we need a five-star or not.”

The Meydan district itself is part of a sprawling MBR (Mohammad Bin Rashid) City, comprising 11 districts and “going all the way to Bab Al Shams”. The recent launch of construction at the mall site has indeed garnered a lot of developer and investor attention. According to market sources, there has been a spike in level of enquiries for properties there, including for projects that are complete or very near the finish line.

Contracts

Azizi is not waiting around to kick-start construction. It has already awarded Dh1 billion worth of contracts for the main works on-site. As to the launch of sales, “It would be after summer — that's a better time,” Azizi said. “We are already informing a lot of clients about the project, which will have units between 500-2,000 square feet and going up to 4,000 square feet for the duplexes.

And what would the price range be? “We need to look at the prevailing market price and depending on what the situation is can undercut to sell quickly. Or sell at the prevailing price,” the CEO added. It's an exercise we are planning right now.

“Every building has been contracted out separately ... that's as per the Dubai Municipality project mandate where every building is treated as a separate entity.

“As a developer it helps me as well — if any one building project has a problem, the others will not be affected. Each of these has a construction timeline of 12-18 months.

“We got contractors for the first and second phases and discussion are on for those to handle three and four. It's good to have alternative contractors available if you need to build something to a different time frame.”
The developer already has a full book in terms of projects. The combined sales value of ongoing and handed over projects is valued at just under Dh20 billion, with the handed over component being around Dh2 billion.

Construction is key

Of its project on the Palm, Azizi said: “We had three plots that were amalgamated into two. Sales started slow and then picked up when construction progress was there for all to see.

“As far as I am concerned, construction is key. We changed the contractor on the second and now the work is progressing. And when potential buyers saw work happening, sales picked up.”

On whether it plans to tap the debt markets for its current projects, Azizi said: “The Azizi Group has been helpful with the funding needs for the development activities. And a lot of the land was acquired in 2007 before the financial crisis.

“The good thing about that is a lot of the land we own is already paid for. In 2013, we had 20 plots that were fully paid and the only thing needed was the start-up funds. When we focused on construction, sales came by itself. In case sales are down, the Group is there to fund.

“If we need to look for outside support, we have overdraft facilities and can use them when needed. There may a time when we need bridge financing ... some of the local banks have been very positive to that.”

Source: Gulf News
MAF BREAKS GROUND ON NEW SHARJAH MALL AS VAT STAYS TOP OF MIND

Tuesday, May 09, 2017

Majid Al Futtaim has broken ground on its latest project, the City Centre Al Zahia mall, which will be located in Sharjah.

Occupying a 136,200 square metre plot within the master planned Al Zahia community, the new mall is being developed by Sharjah Holding, a partnership between the Government of Sharjah and Majid Al Futtaim Properties.

It is expected to open in 2020, and will serve a trade area of more than 1.9 million people by that time, according to a Majid Al Futtaim statement.

City Centre Al Zahia is expected to offer a mix of over 360 retail brands, anchored by a 15,100 square metre Carrefour Hypermarket, in addition to leisure options including VOX Cinemas, and a 2,350 square metre Magic Planet offering.

While the new mall was the news of the day, most journalists at the groundbreaking ceremony focused on what the upcoming value added tax (VAT) could mean for mall developers.

Gaith Shocair, Chief Executive Officer for shopping malls at Majid Al Futtaim Properties, said that the impact of value added tax (VAT) was “of course top of mind for everyone,” but that its impact would not be severe.

“What happens when VAT is introduced is that there's a short term impact as people begin to absorb VAT in their pockets, and then it normalises,” Shocair said.

He went on to point out that the VAT regime that has been proposed will not be as impactful as other countries, making the transition easier.

“This regime we're talking about is still at the 5 per cent rate, so it's not at a level that is going to impact consumers like you would see in other economies where it is at 15 per cent, or 20 per cent,” Shocair said.

Continuing on the topic of VAT, Shocair noted that it was important to understand how the regime would be implemented with respect to foreign tourists.

“The indications are that there will be rebates available, much like any VAT regime elsewhere, so that shouldn't impact visitors to the emirates,” he said.

Shocair stressed again the proposed rate level of VAT, which he described as “very manageable.”

“We'll have to wait and see how it's absorbed. Whether it's through retailer pricing, or shared with consumers,” he said.

The CEO said that he hadn't received any requests from his tenants to amend the terms of their commercial leases, seeking to share the cost of VAT with their landlord.

“The short answer is no. We haven't received those kinds of signals or demands,” he said.

Taking a philosophical approach to the issue of oversupply and a potential decline in rental rates, Shocair was sanguine as he remarked that in a free market, there would be winners and losers.

For the losers, he said it would be “hard times.”
“We have to wait and see if the market can absorb the kind of supply that comes in. The more important thing than the amount of supply, is when that supply comes in,” Shocair said.

Shocair added that the retail market in the UAE was a case of “survival of the fittest.”

*Source: Gulf News*
NAKHEEL RELEASES TENDER FOR DH670M RIU RESORT

Tuesday, May 09, 2017

Nakheel and Spanish hospitality group RIU Hotels and Resorts have released a construction tender for an 800-room beachfront resort and water park on Nakheel's Deira Islands.

The resort, with an investment value of Dh670 million, is due for delivery in the fourth quarter of 2019, Nakheel said in a statement on Tuesday.

It's intended as a mid-scale, family-oriented, all-inclusive destination, and will feature seven F&B outlets, three swimming pools, a fitness complex, children's club and water park.

Nakheel has already awarded more than Dh7 billion worth of contracts at Deira Islands. Planned attractions close to the RIU resort include Deira Mall, Deira Islands Night Souk and Deira Boulevard.

The joint venture forms part of Nakheel's Dh5 billion hospitality expansion programme, due to deliver 5,800 new hotel rooms and apartments in line with Dubai Government’s tourism targets for 2021.

RIU, Spain's second largest tourism chain by revenues, operates nearly 100 hotels, with around 45,000 rooms between them, in 19 countries.

Deira Islands, which a projected population of 250,000, is expected to create 80,000 jobs. It will add 40km of coastline to Dubai, including 20km of beaches.

Source: Gulf News

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NEXT STEPS IN THE SAUDI OVERHAUL PLAN

PUT MORE FOCUS ON GROWTH

Wednesday, May 10, 2017

Saudi authorities will put more focus on efforts to revive economic growth and don’t expect the drop in oil prices to affect plans to balance the budget by 2020, according to a senior official.

The coming steps in the National Transformation Program will see the government spending on hundreds of initiatives related to the plan, which seeks to repair public finances and bolster the non-oil economy, Mohammad Al Tuwaijri, the vice minister for economy and planning, said.

In an interview on Tuesday, the former CEO of HSBC Holdings Plc in the Middle East laid out details on economic growth, borrowing plans and the programme to sell stakes in state entities. He also said that while officials are committed to the plan’s objectives, it’s “natural for us to basically take a U-turn here and there, or shift some of those decisions from time to time,” referring to last month’s reversal of a decision to cut the bonuses and some allowances of state employees.

Deputy Crown Prince Mohammad Bin Salman is leading an effort to transform the Saudi economy on a scale that is unprecedented among major energy exporters, as the plunge in oil prices squeezes state coffers. The first stage saw an austerity drive that included reducing subsidies and temporarily trimming the wage bill. That has led to rare public grumbling among some citizens and, more privately, from companies reliant on government spending.

Al Tuwaijri, who also heads the finance committee of a powerful economic council chaired by Prince Mohammed, said policymakers have never lost sight of the eventual targets of the post-oil blueprint.

Stimulate growth

“We will stimulate this economy, we will grow it down the road,” he said. Asked whether the plan now includes a bigger focus on capital spending, he said “Yes. But the focus will be on National Transformation Program. Within the programme there are 700-plus initiatives, and some of these initiatives require a lot of spending.”

The government is also committed to large infrastructure projects, including the Riyadh Metro and the new airport in Jeddah, he said. Finance Minister Mohammad Al Jadaan said last month that plans to start a four-year 200 billion riyal (Dh195.8 billion) economic stimulus were also in their final stages.

The International Monetary Fund expects Saudi economic growth to slow to 0.4 per cent this year, the least since 2009. The oil sector is expected to contract as the kingdom and other Opec members cut output to boost prices, according to IMF estimates.

Al Tuwaijri played down the impact of the drop in oil prices, which dipped below $50 this month, on the plan to balance the budget.

He said the scenario shared publicly takes into account “our ability to execute a good percentage of our plans with oil stabilising at current levels.” Another is “very optimistic” and a third is “more of an Armageddon,” he said.

The government is “still comfortable and committed to balance the budget” by 2020, he said.
Optimism

Saudi authorities also have a more optimistic economic outlook than the IMF. While they also see the non-oil GDP as the main driver, they expect overall growth to exceed 1 per cent in 2017, according to Abdul Aziz Al Rasheed, the deputy minister for economic affairs.

Prince Mohammad, in a rare televised interview last week, said authorities plan to invest at least half of the cash generated from the planned stake sale of oil giant Saudi Aramco domestically to develop industries such as mining and defence. He also said that reversing the decision to cut allowances was a result of better-than-expected non-oil revenue in the first quarter, rather than public discontent.

Al Tuwaijri said the reversal won't affect public finances. But authorities “may have to think of funding part of that decision, the reversal, locally,” he said. “And that is again being discussed and we know the size of that funding.”

Tapping market

The kingdom may raise about 70 billion riyals ($18.7 billion) in domestic debt this year and tap international bond markets again. It raised $9 billion from its debut sukuk sale in April. And while Al Tuwaijri said in December the target was to raise as much as $15 billion overall globally this year, he said on Tuesday the size of the second issuance will depend on pricing and demand from investors.

There is also a plan to raise billions of dollars from the sale of state assets, potentially starting this year with the Saline Water Conversion Corp, one of four power generation companies under Saudi Electricity Co, as well as grain silos and sports clubs, he said.

“These are in a very advanced stage, not only financial advisers hired, but we have appetite secured,” he said. Depending on interest, the government could sell majority stakes in the companies, he said.

“The government is going to be open-minded around setting a precedent,” he said.

Source: Gulf News

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DUBAI PRIVATE SECTOR GAINS MOMENTUM IN Q2 2017

Wednesday, May 10, 2017

The private sector in the Emirate of Dubai gained momentum by the beginning of Q2 2017 as business conditions improved in key platforms, according to the latest Emirates NBD Dubai Economy Tracker Index.

The index is a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy. The data cited by the index showed that wholesale and retail, travel and tourism and construction remained the best performing sub-sectors monitored by the survey, witnessing the fastest growth rate in 26 months.

The rapid growth reflects the robust resilience of the emirate’s economy and supports its growing focus on infrastructure investments in the build up to Expo 2020 Dubai, according to Khatija Haque Head of MENA research at Emirates NBD.

Source: Emirates Business 24/7
EMAAAR BRINGS NEW DUBAI LANDMARK WITH ICONIC ‘SKY BRIDGE’

Thursday, May 11, 2017

Dubai now has a new architectural landmark: Emaar Properties today accomplished the challenging engineering feat of designing, constructing and lifting an iconic Sky Bridge that links the new Address Sky View hotel with the Address Residences Sky View in Downtown Dubai.

Rising at a height of over 220 metres, the 85-metre-long Sky Bridge, with a height of 22 metres and maximum width of 30 metres, has three storeys and will feature eight units of luxurious Sky Collection Duplexes, a 70-metre-long infinity pool that overlooks Burj Khalifa and The Dubai Fountain, and other amenities.

Billed to be a new touristic attraction that also adds economic value, the Sky Bridge is fabricated using 4,500 tonnes of structural steel, and was lifted in position using Strand Jacking Technology, customised for the project. A team of global experts from five different entities worked on the project that was completed in around 365 days by over 300 professionals and skilled workers.

Mohamed Alabbar, Chairman of Emaar Properties, said: “Building and lifting the Sky Bridge is the result of the hard work and collaboration of some of the best international experts in the field, who addressed various challenges through their innovative and creative approach. They have accomplished a remarkable engineering feat that will serve as a referral point in modern construction. Sky Bridge is an added value to Downtown Dubai, and contributes to the pride of our nation.”

The unique Sky Bridge addressed several design challenges given the extensive loads of steel and concrete, as well as the loads related to the infinity pool, pool deck and façade, it needed. The ambient temperature difference was also considered during the design stage to ensure that it suits the region’s climate. A steel frame with three levels was designed to hold the huge loads transferred to the core walls of the two towers it links.

To address the construction challenges, the main body of the bridge was divided into five elements, each weighing over 400 tonnes each. The fifth element is the MEGA truss in the middle that has a total weight of over 1,500 tonnes. High capacity cranes, not commonly used in the region, were deployed to lift the huge weights. Special high-capacity hydraulic jacks were also imported from Switzerland.

Another challenge was designing eight custom-made Boom and Derrick systems that had to be assembled at level 50 – about 200 meters high – on both towers. Laser technology was deployed for precise leveling.

To execute the seamless lifting of the Sky Bridge, each element was assembled on ground. They were then lifted using the Strand Jacking Technology over a period of four months from November 2016 to February 2017. The MEGA truss, the heaviest component, was lifted to the height of 220 metres using the high-capacity hydraulic jacks and cables.

The Sky Bridge has undergone extensive fire proofing and other safety and security tests. Each component was elaborately tested to ensure the highest standards of quality and durability. The infinity pool was designed taking into consideration the maximum comfort level of residents.

Given the proximity to Burj Khalifa Metro Station and the Metro Link, elaborate safety measures were put in place, and a clearly structured logistics plan was followed through close cooperation with the government authorities.
The super-lifting of the Sky Bridge also required tremendous planning, team work and technological perfection, especially given wind speeds of up to 80 km/hour. Each element had to be precisely lifted and erected while addressing all the required safety considerations.

A hotel, residential and serviced apartment complex linked directly to The Dubai Mall Metro station through a travellator, the 60-floor Address Sky View towers are 260 meters high, and offers spectacular 360 degree views of Downtown Dubai and the city. The launch of homes and serviced residences in the development has gained overwhelming customer response.

Designed by Skidmore, Owings and Merrill, the architects of Burj Khalifa, Address Sky View has 169 luxurious hotel rooms on 12 levels with amenities including restaurants, lounges, a world-class event venue, meeting rooms, three pools including a rooftop pool and a spa. Address Residences Sky View has 551 exceptional serviced residences that are fully furnished with floor-to-ceiling windows, offering stunning views.

A dedicated lobby for Address Residences Sky View welcomes residents and guests with warmth and elegance, as distinct materials and textures, including wood, glass, stone and beautiful leathers with soft lighting, evoke a sense of luxury.

*Source: Emirates Business 24/7*

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One of Dubai’s largest real estate brokerages has teamed up with major developers to launch a new website for off-plan property sales in the emirate.

Dubai residential real estate firm, Allsopp & Allsopp, said in a statement that it is working with Azizi Developments, Deyaar, Nshama, Select Group, Ellington Properties, Emaar, Dubai Properties, Damac Properties, Sobha Developers, Swiss Property, Al Sharq Investment, Nakheel, Omniyat, and Meraas on the new portal.

The announcement comes just weeks after a report which said off-plan sales in Dubai jumped by 45 percent in the first quarter of 2017 compared to the year-earlier period, as incentives and improved payment plans drew more investors.

Real estate consultancy Chestersons said the figures help support Dubai’s improving position as a safe haven for investors.

Allsopp & Allsopp CEO, Lewis Allsopp, said: "Our sense of duty is vital; and by that, I mean we aim to give Dubai investors the ideal available knowledge, so they can make the best possible decisions, as we are already the top buyer and tenant enquiry destination on Dubizzle and Propertyfinder."

He added that the new off-plan portal includes developer videos, Google map locations, floor plans, opening prices and payment plans.

Allsopp said phase 2 of the portal will see the availability of up-to-the minute information of what the developer has for sale, integrating the developer’s live feed of properties to give the investor the opportunity to book the property online by simply paying a reservation fee.

Last month, it was reported that sales of off-plan properties in the UAE are expected to see a temporary downturn after authorities confirmed the new value-added tax (VAT) would be applied to the first sale of a residential property.

In a briefing with tax advisors, the UAE Ministry of Finance said residential property sales and leases would be exempt from VAT, with the exception of the first sale of new residential property. Sales and leases of commercial properties will be taxed at the standard VAT rate.

The UAE has said it will implement VAT from January 1, 2018.

*Source: Arabian Business*
UK REAL ESTATE DROPS 16% ON BREXIT FEARS, GOOD NEWS FOR INVESTORS FROM DUBAI

Monday, 08 May 2017

The value of commercial real estate in the UK has dropped by 16 percent on average since the Brexit referendum in June, according to consultancy JLL.

It said the depreciation of the pound, coupled with a slight drop in capital values, has led UK real estate to be discounted to overseas capital, relative to pricing in June post the UK's vote to leave the European Union (EU).

More recent depreciation since UK prime minister Theresa May triggered Article 50 to start the withdrawal process has spurred increased investment in the UK from Middle East and Asia Pacific investors in particular – even though the UK has seen lower capital inflows from the US and global funds.

Will McKintosh, head of residential at JLL MENA (Middle East and North Africa), said: “In the Middle East, we find that Gulf-based investors and owner-occupiers have always had a tremendous affinity for the UK as a place to invest and to spend time.

“The capital largely flows into London from these potential investors, but there has been increasing interest in cities such as Birmingham and Manchester in the last couple of years.”

Currency movements have not had a strong historic correlation with overall international capital inflow into the UK, but are now part of the reason why the market has experienced a surge in demand of late, JLL said in its research note.

Overall, overseas investors accounted for 48 percent of transactional activity within the UK market in 2015 and a slightly higher 51 percent in 2016, with the increase likely to be due in part to the currency movement, the research added.

Ben Burston, head of UK office and capital markets research at JLL, said: “For many long term investors, sterling depreciation provides an added fillip to the investment case, based on their perception that it will may appreciate once there is more clarity around Brexit and its economic implications, but it is not a case of one-size-fits-all.

“Private investors have responded to the depreciation more than institutions and global asset managers, and as a result they have become a more important driver of market sentiment and pricing.”

Source: Arabian Business
DUBAI PROPERTIES LAUNCHES SALES ON MORE MUDON HOMES

Saturday, 06 May 2017

Dubai Properties has announced the launch of sales of the third edition of the Arabella Townhouses (Arabella 3) in response to high customer demand.

The developer said in a statement that the launch of sales comes in the wake of an "enthusiastic market response" to Arabella 1 and Arabella 2, that were unveiled in 2016.

The entire development – originally launched in 2015 - is located within the Mudon community at Dubailand.

Arabella Townhouses comprise three to five bedroom units in close proximity to the 41-acre Mudon Central Park that offers residents amenities such as a jogging track, cycling track, sports courts, outdoor exercise stations, water features and water play areas. The Al Salam community centre in Mudon also neighbours Arabella 3.

Masood Al Awar, chief commercial officer, Dubai Properties, said: “We are pleased to bring to the market our ever-expanding and exceptional portfolio of futuristic projects, targeted at discerning homeowners and investors looking for outstanding value and lifestyle.”

Source: Arabian Business

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NAKHEEL AWARDS DH1.5BN CONTRACT FOR THE PALM GATEWAY DEVELOPMENT

Saturday, May 13, 2017

Nakheel said on Saturday it selected Indian engineering firm Shapoorji Pallonji Group to execute a Dh1.5 billion construction contract for a residential retail complex on Palm Jumeirah.

The deal is part of Dh12bn worth of contracts expected from the developer this year.

Shapoorji Pallonji Mideast, a part of the Mumbai-based Shapoorji Pallonji Group, is set to start this quarter construction on the three-tower The Palm Gateway development, which will take two and a half years to complete.

"The Palm Gateway contract is among Dh12 billion worth of construction contracts to be awarded by Nakheel this year," Ali Rashid Lootah, the Nakheel chairman, said in a statement.

The Palm Gateway includes 1,265 luxury apartments and duplexes across three towers with the tallest being 285 metres. It will be constructed on top of the existing Palm Monorail terminal, which includes 14 levels of parking spaces. The Palm Monorail would remain operational during the construction of the project. The one to three-bedroom apartments at the complex will be available on lease. The complex will feature 8,600 square feet of retail space.

With The Palm Gateway, Nakheel's residential leasing portfolio will double to about 35,000 units. The other new projects are coming up in Palm Jumeirah, Warsan Village, Jebel Ali Village, Dragon City, Ibn Battuta Mall and Nad Al Sheba.

Dubai's current supply of 477,000 residential units in the first quarter is expected to increase this year, with at least half of the 28,000 units under construction slated for delivery by the end of the year, according to broker JLL. Apartment rents fell 1.1 per cent quarter-on-quarter during the first three months of the year, JLL said.

Source: The National

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INDIA INC TO SHORE UP ITS FINANCES

Saturday, May 13, 2017

India Inc is conducting a fire sale of assets as banks struggle under more than US$190 billion in debt amassed through years of corruption, project delays and economic slowdown.

Indian authorities are trying to clean up tens of billions of dollars of bad loans that are weighing on the country's banks and affecting the wider economy.

Corporate India is increasingly resorting to selling assets spanning oil blocks, malls, hotels and coal mines to clear these debts as the Reserve Bank of India (RBI) closes in on lenders.

GMR Group, an infrastructure company based in Bangalore, a few weeks ago revealed it was selling its 51 per cent stake in a road project in Karnataka state to help pay off its debts. The New Delhi-based Jindal Steel and Power is seeking to sell a power plant to trim its debt after eight straight quarters of losses, Bloomberg reported.

Essar Group, another debt-laden company controlled by the billionaire Ruia brothers, agreed last year to sell a 98 per cent interest in its Essar Oil unit to a group led by Russia's Rosneft.

New Delhi this month gave the RBI, under central bank governor Urjit Patel, greater power to deal with the problem of bad loans that banks are grappling with. The finance ministry has estimated that stressed debt in the Indian banking system could amount to more than $190bn.

"The important issue will be to find buyers for these assets," says V K Vijayakumar, the chief investment strategist at Geojit Financial Services. "There will be buyers for the profitable assets. But finding buyers for the loss-making assets would be challenging in the present difficult business environment."

The new powers mean that the RBI now has the ability to direct banks to take action against non-performing loans. Amongst other provisions, the central bank is authorised to order lenders to start bankruptcy proceedings if a company defaults. It can also appoint an authority or panel to advise banks on bad debt.

The objective of this act is that the "status quo can't continue," Arun Jaitley, India's finance minister, said last month after the new steps were announced.

He also said that further measures are in the pipeline to tackle the widespread problem of stressed assets in the country and that these measures would be unveiled in due course.

Nitin Balwani, the dean at IFIM Business School in Bangalore, says that authorities in India have been forced to act on realising it was "no longer feasible to sweep the elephant under the carpet".

"With the RBI and government pressure, the big groups have been trying to limit their exposure to these bad assets and have been selling their operational assets to fund their part of the funding requirements to bring the business back on track."

He says Indian companies "including Essar and Jindal, to name a few, have been working on restructuring their businesses and selling off a few assets to fund their portion of the commitment. Banks have been pushing these corporate houses and with more teeth to RBI, this is expected to gather pace."

The Hindu newspaper reported that Reliance Group, led by billionaire Anil Ambani, is selling off thousands of telecommunications towers, while Jaypee Group is selling off cement and power plants, and GMR Group is also offloading some infrastructure assets.
Babu Sivaprakasam, a partner at Economic Laws Practice in Mumbai, says that "the much-awaited action on defaulters by the government and RBI will likely throw the middle and light weights in a tizzy", but action is necessary given the extent of the problem.

"Distinguishing and treating differently commercial decisions taken in good faith and wilful default and fraudulent practices will bring in much-needed assurance for the banks to be decisive and assist credit off-take as well," he says. "The oversight committees are anticipated to prod the banks by providing the confidence to move forward."

Source: The National

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HONG KONG CURBS LENDING TO DEVELOPERS AS PROPERTY RISKS SOAR

Friday, May 12, 2017

The Hong Kong Monetary Authority tightened limits on bank loans to property developers, as it seeks to contain risks in the city's booming real-estate market.

From June 1, the caps for construction finance will be cut to 40 per cent of site value and 80 per cent of construction cost, with the overall limit reduced to 50 per cent of the expected value of completed properties. For developers with weaker finances, banks should consider deeper cuts, the monetary authority said in a statement on Friday.

Local institutions should set aside an adequate amount of capital for exposures to developers offering high loan-to-value mortgages, it said. Lending by some developers had been "inconsistent" with prudent practices, the HKMA said. Total mortgage loans by major developers amounted to HK$27.6 billion (Dh13 billion, $3.5 billion) as of December 2016, up from HK$14.2 billion six months earlier, the HKMA said.

Hong Kong's property market, the world's least affordable, has been on a tear despite attempts by the city's leaders to cool prices in November by imposing additional taxes. Developers, which unlike banks aren't subject to mortgage loan limits by the HKMA, have been increasingly aggressive in offering funding to buyers, prompting warnings from Hong Kong's de facto central bank that risks are rising.

Last month, the HKMA expressed concern about the riskiness of mortgages with high loan-to-value ratios issued by developers, as some analysts warned that property prices in the city are unsustainable. Analysts including Cusson Leung at JPMorgan Chase & Co. said that any external shocks could trigger tighter liquidity in the city's banking system and increase home buyers' borrowing costs.

Prices of existing homes in Hong Kong have surged to records as buyer demand has remained brisk and developers have lured buyers with incentives and loan offers. Hong Kong's secondary private residential property prices rose 0.5 per cent in the week ended May 7, Centaline Property Agency said on its website Friday, bringing the increase this past year to more than 21 per cent.

The HKMA said Friday that some developers involved in recent land acquisition and development projects relied heavily on debt and banks financing them may in some cases face a “substantially higher level of credit and moral hazard risks.”

Some real estate developers have been aggressively bidding for sites in Hong Kong, HKMA's Deputy Chief Executive Arthur Yuen said in a briefing Friday. Some developers are using high leverage for financing and borrowing from different banks, he said.

In one indication of heated competition for land, nine developers are bidding for a rare commercial project site in central Hong Kong on Murray Road, according to Radio Television Hong Kong.

Source: Gulf News

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SMART DUBAI TO TAKE STEPS TOWARDS SELLING DATA THIS YEAR

Saturday, May 13, 2017

Amid a period of significant change for the government agency, Smart Dubai is set to begin a process of commercialisation in the third quarter of 2017, according to its Director General.

Very soon, Aisha Bin Bishr said, the organisation would take the unusual step to begin monetising the data it has collected throughout Dubai.

The agency will split its data sets, which it gathers from multiple sources including sensors dotted throughout the city, into three distinct categories: raw data; contextual data; and government-only data. The data will be collected via a number of different sources, including through Smart Dubai’s partnership with du, information provided to government agencies, and from public sensors measuring things such as road traffic and footfall.

“This second category, we will put effort into, by adding insights, context or merging it with different data sets. This will be commercialised,” Bin Bishr, Director General of Smart Dubai Office, said in an exclusive interview with Gulf News.

Process to begin in third quarter

“We will start the discussion around monetisation in the third quarter with our partners from government and private sector,” she added.

Privacy concerns and the commercialisation of data has been one of the most polarising technology issues of the past decade.

Responding to the suggestion that citizens might be concerned with this move, Bin Bishr said: “This part, actually, we are starting the discussions around now. There is a full privacy policy to cover this component.”

She added that “very soon, you will see a disclaimer coming in any transactions with the government to ask you if you're comfortable sharing your data. Previously we didn't put such a disclaimer, but now we are considering it, and it'll be part of the policies that are coming very soon”.

Private sector likes the idea

According to Okan Geray, Strategy Planning Consultant, Smart Dubai Office, the private sector is not against commercialisation.

Dubai’s smart government initiative, in its consultations with the private sector, has sought to understand their views on open data in addition to monetised data.

“Interestingly, the private sector is not against commercialisation. They see the value. We weren't sure, to be honest, we thought they would push for openly-available data,” Geray said.

But it makes sense that they would be interested, he added, since this is “value added data”.

Majid Al Futtaim, Emirates, and Emaar are already on board, according to Bin Bishr.

A sign of the times?

At a time when the UAE is attempting to diversify its economy and reduce its reliance on oil, Dubai is increasingly looking for ways to finance new initiatives and projects without taxation.
However, Geray countered that whilst this move towards monetisation did have huge financial savings behind it, which would “enable Smart Dubai to have a financial impact”, it wasn’t driven by economic burdens.

“Those global fiscal pressures are in the background for everybody, I think, but if we can divert savings to new innovations, it will have a positive impact on the economy” he added.

**Wanted: Data scientists**

As part of the new strategy, Bin Bishr said that Smart Dubai “will provide data scientists as a service, in addition to providing our platform, our tools, and our Blockchain as a service, for use by the private sector”.

She noted that these services would probably come online in early 2018, and that Smart Dubai was in the process of hiring data scientists for these projects.

“No that we have all this data, we said ‘let’s turn it in to a service, and productise it, so that the private sector can use it,’” Geray said.

“This is the direction we are going in the next three years,” he added.

**The next big thing?**

We are no longer living in knowledge economy, according to Bin Bishr. We are now living in a data economy.

With companies like Uber and Amazon being lured to Dubai, the emirate has set its sights on becoming a global hub for technology.

The government entity wants in on the action now.

“We want to leverage such industries here in Dubai, and that is why we made Smart Dubai. It’s why we are introducing new laws, and it’s why we built this platform,” Bin Bishr said.

Paperless government not just about headlines, Dh16 billion in savings expected

In a wide-ranging interview, Smart Dubai’s senior leadership outlined their vision for multiple technological advances, including a paperless government.

The emirate is attempting to achieve 100 per cent digitisation of all government services by 2021, Smart Dubai announced in April 2017.

“The financial savings are in the order of tens of billions of dirhams, both for businesses, and for the government, by our estimates,” according to Aisha Bin Bishr, Director General of Smart Dubai.

Smart Dubai also estimates 34 million trips to and from government offices will be saved over five years, saving money, time, and emissions.

“We estimate that roughly Dh16 billion will be saved, and half a million tonnes of carbon dioxide emissions,” Bin Bishr said.

She added that the measure will cut down congestion too.

The move comes at a time when Smart Dubai is attempting to turn its conceptual work into something more impactful. Both Bin Bishr and her chief strategist, Okan Geray, repeatedly refer to a paperless government having an impact.

This is not just about putting services online for the sake of it, Bin Bishr said.

“We need to make sure people actually use it, to have an impact on their lives,” she added.

*Source: Gulf News*
SHARJAH’S SECOND EXPO BEATS EXPECTATIONS

Saturday, May 13, 2017

Sharjah's second Consumer Electronics Fashion (CEF) The Big Shopper expo has beaten all expectations of the organisers and participating retailers.

Antoine Georges, managing director of Dome Exhibitions, organisers of the event, told Gulf News that the second Sharjah event was a big success, similar to the first one held in December last year.

“We targeted about 75,000 visitors but achieved more footfalls, but the final numbers will only be known two days later,” he said.

The curtains fell on the four-day event taking place at Expo Centre Sharjah on Saturday.

Organisers were expecting a footfall of 75,000 and Dh40 million in sales value before the start of the event.

Jacob Varghese, organiser of the CEF, said that he expected both the footfall and sales figures to cross the target by the end of the event due to ample free parking at the venue and repeated purchases from customers.

He said that most of the participating retailers have agreed to take part in the third edition of the event, which is expected to be held from November 29 to December 2, and some retailers have agreed to double their spaces.

Initial expectations

The key retailers who took part this year are Sharaf DG, Jashanmal, Sun & Sand Sports, Grand Stores, Xpressions, Home Style, Smart Baby, Iconic, Hello Kitty, and brands such as Nine West, Levis, Nautica and New Balance.

“Our initial expectations were that an event is Sharjah will not attract such a big crowd and we were not prepared for such a big crowd. I was surprised from the first day itself. We shifted more stocks every day to the event from our warehouse to meet the demand," Rajesh Panjabi, chief operating officer at Home Style.

He said that the event was well organised and buyers came from all parts of the Northern Emirates.

Panjabi said that they are keen to take part in the next edition of the show and is keen to double the space provided if the organisers allotted it.

CEF organiser Varghese said that the event was focused on the needs of consumers based in Sharjah and the Northern Emirates as the concept here is to integrate the buying pattern and trends that will work and benefit the consumer.

He said discounts of up to 75 per cent on select categories and bundle offers paid off well.

Mohammad Noufal, from Fujairah, said that he came back a second day after seeing the big discounts on top brands.

No parking issues

“CEF is a mix of electronics, fashion and lifestyle, which is good for the family. Me, my wife and my two kids bought what we wanted, so no issues in the family. There were ample spaces for car parking also which is a big issue if an event is held in Dubai,” he said.
Shiraj Moideen, an Ajman resident, said that he bought a 65-inch TV for one-third of the original price, trolley bags and some pair of shoes.

“He had been here last time also and saved a lot. As I am going on vacation for Ramadan, it is not only a good hunting ground but also saves money and time,” he added.

The organiser said that they will be adding health and fitness equipment in the third event to expand the categories.

Source: Gulf News
THE WORLD ECONOMIC ORDER HAS BEEN TURNED INSIDE OUT

Thursday, May 11, 2017

Slowly but surely, a bruised and battered global economy now appears to be shaking off its deep post-crisis malaise.

If the International Monetary Fund's latest forecasts are borne out — an iffy proposition, to be sure — the nearly 3.6 per cent average annual growth in world GDP expected over the 2017-18 period would represent a modest uptick from the 3.2 per cent pace of the past two years. Fully a decade after the Great Financial Crisis, global growth is finally returning to its 3.5 per cent post-1980 trend.

But this round trip hardly signals that the world is back to normal. On the contrary, the overhyped idea of a "new normal" for the world economy overlooks an extraordinary transformation in the global growth dynamic over the past nine years.

At the margin, the recent improvement has been concentrated in the advanced economies, where GDP growth is now expected to average 2 per cent over 2017-18 — a meaningful pickup from the unprecedentedly anaemic 1.1 per cent average growth of the preceding nine years. Relative strength in the US (2.4 per cent) is expected to be offset by weakness in both Europe (1.7 per cent) and of course Japan (0.9 per cent).

However, annual growth in the advanced economies is expected to remain considerably below the longer-term trend of 2.9 per cent recorded during the 1980-2007 period.

By contrast, the developing world keeps chugging along at a much faster pace. Although the average growth rate expected for these economies over 2017-18, at 4.6 per cent, is about half a percentage point lower than during the preceding nine years, they would still be expanding at more than twice the pace of the developed world.

Unsurprisingly (at least to those of us who never bought into the Chinese hard-landing scenario), strength in the developing world is expected to be concentrated in China (6.4 per cent) and India (7.5 per cent), with growth lagging in Latin America (1.5 per cent) and Russia (1.4 per cent).

This persistent divergence between developed and developing economies has now reached a critical point. From 1980 to 2007, the advanced economies accounted for an average of 59 per cent of world GDP (measured in terms of purchasing power parity), whereas the combined share of developing and emerging economies was 41 per cent. That was then.

According to the IMF's latest forecast, those shares will completely reverse by 2018: 41 per cent for the advanced economies and 59 per cent for the developing world.

The pendulum of world economic growth has swung dramatically from the so-called advanced countries to the emerging and developing economies.

New? Absolutely. Normal? Not even close. It is a stunning development, one that raises at least three fundamental questions about our understanding of macroeconomics:

First, isn't it time to rethink the role of monetary policy? The anaemic recovery in the developed world has occurred against the backdrop of the most dramatic monetary easing in history — eight years of policy interest rates near the zero bound and enormous liquidity injections from vastly expanded central bank balance-sheets.
Yet these unconventional policies have had only a limited impact on real economic activity, middle-class jobs, and wages. Instead, the excess liquidity spilt over into financial markets, sustaining upward pressure on asset prices and producing outsized returns for wealthy investors. Like it or not, monetary policy has become an instrument of mounting inequality.

Second, has the developing world finally broken free of its long-standing dependence on the developed world? I have long argued that claims of such a “decoupling” were spurious, given the persistence of export-led growth in poorer countries, which tethers their economies to external demand in richer countries. But the facts now speak otherwise.

Growth in global trade slowed to a 3 per cent average pace over the 2008-16 post-crisis period — half the 6 per cent norm from 1980 to 2016. Yet, over the same period, GDP growth in the developing economies barely skipped a beat.

This attests to a developing world that is now far less dependent on the global trade cycle and more reliant on internal demand.

Finally, has China played a disproportionate role in reshaping the world economy? Chinese rebalancing suggests that this may well be the case. Historically, China's hugely successful export-led growth strategy, together with the rapid growth of China-centric global supply chains, was the major reason why I never bought the decoupling story. Yet the export share of Chinese GDP tumbled from 35 per cent in 2007 to 20 per cent in 2015, while its share of global output surged from 11 per cent to 17 per cent during this period.

China, the world's largest exporter, may well be in the vanguard of global decoupling.

This hints at an even more powerful trend: the rapid transformation of China's industrial structure. China's tertiary sector (services) has gone from 43 per cent of GDP in 2007 to 52 per cent in 2016, whereas the share of the secondary sector (manufacturing and construction) has fallen from 47 per cent to 40 per cent over the same period. While the private consumption share of aggregate demand increased more slowly, largely owing to high precautionary saving (which reflects gaps in the social safety net), there are grounds for optimism on this front as well.

Indeed, the explosive growth of Chinese e-commerce points to a shortcut toward a newly vibrant consumer culture that was unavailable to today's advanced economies at a similar stage of development. In the annals of structural change, where shifts tend to be glacial, China's evolution is a sprint.

All of this speaks to a radically different world than that which prevailed before the Great Financial Crisis — a world that raises profound questions about the efficacy of monetary policy, development strategies, and the role of China.

While some healing of an $80 trillion global economy is now evident, progress needs to be seen through a different lens than used in past cycles. A world turned inside out, with new dynamism in the developing world far eclipsing lingering malaise in the advanced economies, is new — but hardly normal.

— Project Syndicate, 2017

The writer, a faculty member at Yale University and former Chairman of Morgan Stanley Asia, is the author of “Unbalanced: The Codependency of America and China”.

Source: Gulf News

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