NEWS BRIEF #40
SUNDAY 06 October 2013

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REAL ESTATE NEWS

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NAKHEEL SELLS 262 UNITS WORTH AED460 MILLION ON LAUNCH DATE

SUNDAY 29 SEPTEMBER 2013

Nakheel, Dubai-based master developer, on Sunday said it has sold 262 units in Warsan Village, with a combined sales value of Dh460 million.

A Nakheel spokesman said: "As expected, we've seen a healthy initial response - from people from the UAE, GCC, India and China - to our townhouses, which are set to bring a completely new style of living to this already hugely-popular community.

"Many people who bought today are investing in Dubai for the first time; others are first-time customers of Nakheel and most are end-users. We anticipate more interest in this project in the coming days and next week at Cityscape Global."

Hundreds of investors lined up outside Nakheel’s sale office on Sunday to buy units in Warsan Village, a townhouse project being developed near International City.

FB, an investor, who bought units in the project, told Emirates 24|7: "I was waiting in the queue since 6 am in the morning. There were nearly 300 people and I believe some have been in the line since Saturday night."

He informed that starting price for three-bedroom townhouses were at Dh900 per square foot with the down payment being 10 per cent. The rest was payable over three-years and expected date of completion was January 2016.

"Nakheel does not bar investors from selling in the secondary market once they have received the sales contract. I expect to make a five per cent profit from sale," FB said.

Though the company is likely to make an announcement on sales later in the day, investors said that the project was set for sell out.

In the past 18 months, developers have managed to sell off plan with villa and townhouse projects in demand. Last Thursday, Dubai Land Department increased property transfer fee to four per cent from two per cent with the aim to stop flipping in the market.

Warsan Village, set on a 47.5 hectare site on the south-west side of International City, will include an affordable, gated community of 942 townhouses. There will be a recreation centre, mosque and 250 apartments set above a retail plaza with 365 outlets. The three-bedroom town homes span 2,013 square feet and come with a maid's room, three bathrooms, powder room, two balconies, private garden and parking for two cars.

Warsan Village will also have a recreation centre with swimming pool, sports courts and gymnasium; a mosque with car parking; and extensive shaded, green space including a large park with a 1.7 kilometre jogging track.
Nakheel is also building an 18,000 square feet neighbourhood mall, announced earlier this year, next to Warsan Village. The mall will contain a supermarket, convenience stores and a host of cafes and restaurants.

Source: Emirates Business 24/7
EMAAAR PALMA INVESTORS START TO FLIP; SEEK 7% PREMIUM

SUNDAY 29 SEPTEMBER 2013

The doubling of property transfer fee isn’t stopping flippers as investors in Emaar Properties latest Palma project in Arabian Ranches, on Sunday, a day after its launch, have started selling their units in the secondary market, seeking premiums of five to seven per cent.

Property agents posted adverts selling three and five bedroom villas with a five to seven per cent premium on the original price. The agents, who have listed the villas, refused to comment.

Emaar sold three-bed villas for nearly Dh3.5 million while five beds were priced over Dh4.5 million, industry sources told Emirates 24/7. It is understood that the developer still has the 40 per cent payment clause to stop reselling.

In a bid to stop flippers, the Dubai Land Department (DLD) last Thursday increased property registration fee to 4 per cent from 2 per cent.

Effective October 6, the new registration fees covers all property transactions in the emirate of Dubai except for the industrial sector, including warehouses.

DLD Director-General Sultan Butti bin Mejren had said: "The move is aimed to stop quick transactions (flipping) which are unhealthy for the market and result in sudden price increases. The decision has come at the right time... the market has matured and investor confidence is growing. The move is not likely to have any negative impact."

Palma project comprises 121 three- to five-bedroom Spanish-inspired villas in the Arabian Ranches gated community.

In August, Standard Chartered said that despite prices soaring Dubai’s property market is not heading towards another crash with market now more sustainable, being influenced by an improved economy rather than speculation that will not repeat the same boom-and-bust cycle of 2008. Earlier, the International Monetary Fund said that Dubai might need to intervene in its property market to prevent another boom-and-bust cycle.

Source: Emirates Business 24/7

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DAMAC LAUNCHES BRANDED RESIDENCES TOWER IN RIYADH

MONDAY 30 SEPTEMBER 2013

Luxury private developer, Damac Properties, said on Monday it has launched a Paramount Hotels & Resorts-branded serviced residences tower in the heart of Riyadh in Saudi Arabia.

The move comes close on the heels of the company's launch of two Paramount Hotels & Resorts-branded projects in Dubai, including a luxury hotel and residences project in the Burj Khalifa area and Paramount Hotel Jumeriah Waterfront just off Shaikh Zayed Road.

The Saudi project, meanwhile, is located strategically on Riyadh’s King Fahd Road, overlooking Kingdom Tower, Damac said in a statement, adding that the 215 units of luxury serviced residences are available in studios, one, two and three-bedroom residences, with a 932 square metre penthouse on the top floors.

"Damac Towers by Paramount Hotels & Resorts, Riyadh, will reflect the Hollywood glamour and California cool lifestyle and will include a spa, high-end restaurants and five-star hotel servicing,” the company stated.

Both projects are currently under construction and set to be completed in 2016. Damac further said that investors can also enter their unit into a rental pool, fully managed by Damac Maison, the luxury hospitality division of Damac Properties, and earn rental returns on their residence.

“We have seen a huge response from Saudis interested in the projects we are collaborating on in Dubai and we are delighted that we can bring the Paramount Hotels & Resorts brand to Saudi Arabia and offer the same high standard of luxury living,” Ziad El Chaar, Managing Director of Damac Properties, said in a statement.

Source: Gulf News
DUBAI PROPERTY DEALS AT AED5.1BN

TUESDAY 01 OCTOBER 2013

Total real estate transactions touched Dh5.1 billion on Sunday, Dubai Land Department (DLD) data reveals.

The rush was expected as investors; sellers in particular, look to save two per cent in transfer fees on the first day of business after the DLD announced doubling of the fee on September 26 to four per cent from two per cent.

The value of daily transactions was the highest in 52 years of the department's history.

Total land deals registered were Dh2 billion, while apartments and villas registered were worth Dh1.7 billion.

Mortgages on land and apartment/villas were Dh515.5 million and Dh904.8 million, respectively, Land Department data showed.

Palm Jumeirah was the most active area with transactions crossing Dh640 million followed by Al Nahda first with Dh120 million.

The new registration fee, effective October 6, covers all property transactions in the emirate of Dubai except for the industrial sector, including warehouses.

DLD Director-General Sultan Butti bin Mejren has said: "The move is aimed to stop quick transactions (flipping) which are unhealthy for the market and result in sudden price increases."

"The decision has come at the right time. The market has matured and investor confidence is growing. The move is not likely to have any negative impact."

Craig Plumb, Head of Research Mena, Jones Lang LaSalle, believes that though it is bad news for individual investors - an extra two per cent on the purchase price - it is good news for the overall market as it will hopefully reduce the level of speculative activity.

"It would be good if a skidding scale were introduced, whereby the tax decreases the longer you own the property," Plumb stated.

Knight Frank, a UK-based real estate consultancy, said that though a bitter pill to swallow for property buyers in Dubai, the two per cent increase in property transfer fees isn't likely to slow down the growth momentum in the market.

"Given that there wasn't any forward guidance provided, investor confidence may take a hit in the short-term. Indeed, it may be taken as a sign that the market is vulnerable to sudden interventionist policy.

"However, we think that once the market has adjusted to this development, it is likely to be business as usual," Khawar Khan, Research Manager, Knight Frank, said.

Source: Emirates 24/7

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DUBAI RENT RISES, LATEST UPDATE: INTERNATIONAL CITY, MARINA, MIRDIF... WHICH IS CHEAPEST NOW?

WEDNESDAY 02 OCTOBER 2013

Average rents for apartments in International City jumped 35 per cent year-on-year, beating upscale communities such as Downtown Dubai and Dubai Marina, according to a new report.

Among villa communities, springs is the clear winner, registering a 34 per cent increase in the last one year, Asteco report reveals

Overall, apartment and villa rents are below Q3 2008 levels by 38 per cent and 31 per cent, respectively.

But, recovery is well under way with a year-on-year growth of 23 per cent for apartments and 19 per cent for villas, the Dubai-based real estate consultancy said in its latest report.

In the apartment segment, average rents for one-bed units in International City hit a high of Dh32,500 per annum in Q3 2013 compared to Dh23,000 pa in Q3 2012.

Rates for two-beds raised to Dh50,000 pa from Dh38,000 pa.

However, compared to the peak rates of Q3 2008, rents were still lower by 52 per cent. One- and two-bed units were being leased for Dh70,000 and Dh92,500 pa, respectively, at that time.

The second highest rental increase among apartments was witnessed in Jumeirah Lakes Towers (JLT) with average rents rising 28 per cent in past 12 months.

One-bed units are now available for Dh62,500 pa in Q3 2013, compared to Dh50,000 pa in Q3 2012.

Rents for two- and three-bed apartments now stand at Dh85,000 pa (Dh70,000 pa) and Dh120,000 pa (Dh95,000 pa).

In 2008, Asteco states rents for one-, two- and three bed units stood at Dh110,000 pa, Dh160,000 pa and Dh210,000 pa.

Dubai Marina took the third place. The master development, termed the tallest block in the world by UK-based consultancy EC Harris, saw 25 per cent rise in the past one year.

Currently, average rents for one-bed units is Dh80,000 pa (it was Dh70,000 pa in Q3 2012).

Two- and three-bed apartments are now being rented on average at Dh112,500 pa (Dh90,000 pa) and Dh150,000 pa (Dh125,000 pa), respectively.

Lease rates in Dubai Marina are still 36 per cent below the highs of Q3 2008. One-, two- and three-bed units were then leased for Dh130,000 pa, Dh180,000 pa and Dh245,000 pa, respectively.
Mirdif follows Springs

Among villa communities, the three bedroom Springs villas jumped by 34 per cent to Dh165,000 pa in Q3 2013 compared to Dh125,000 in Q3 2012. Rents remained 36 per cent below Q3 2008 rates.

Mirdif came in second, rising 31 per cent year-on-year. Average rents for three-bed units were at Dh120,000 pa compared to Dh90,000 pa in Q3 2012. Four and five-bed units were being rented for Dh145,000 pa and Dh170,000 pa.

Palm Jumeirah and Arabian Ranches saw 16 per cent and 17 per cent increase year-on-year, but were still 10 per cent and 28 per cent below average rents achieved in Q3 2008.

Renting a five-bed villa on the Palm was the costliest among the communities with average lease rate being Dh600,000 pa with Jumeirah Islands available for Dh375,000 pa.

Knight Frank earlier reported that Dubai was the best performing rental markets in the world, with rents rising 18.3 per cent in the year to March.

Asteco report goes on to emphasize that the market will continue to record rental growth as economic improvements fuel internal demand as well as result in new arrivals.

*Source: Emirates 24/7*
INVESTORS RUSH FOR NOCS TO SAVE 2% ON DUBAI PROPERTY TRANSFER FEES

WEDNESDAY 02 OCTOBER 2013

Developers in Dubai are working extended hours to cope with their customers, who are seeking no-objection certificates (NOC) and registration documents to complete their property transfer.

The rush is all because Dubai is set to increase the property transfer fee to 4 per cent from 2 per cent, effective Sunday (October 6).

Nakheel, a master developer, said it has extended the customer service and sale centre timings to meet customer requests on getting registration documents.

"Many customers are contacting us for registration documents, following the recent announcement of an increase in property transaction fees," a Nakheel spokesman said.

Besides, the developer said the move was also aimed to meet the increased demand for its Warsan Village units. On day one (Sunday), it sold 262 villas worth over Dh460 million.

The customer services and sales departments will open daily from 8am to 6pm until Thursday, October 3, and from 8am to 6pm on Saturday, October 5, 2013.

A senior official of a publicly listed property development company confirmed to Emirates 24|7 that the number of customers seeking registration documents had raised significantly.

"There is a huge rush of customer to get NOCs and other documents so the transfer can be completed before October 6. We are working overtime to meet their requests," the senior company official said on conditions of anonymity.

On Sunday, the total real estate transactions touched Dh5.1 billion at the Dubai Land Department.

The new registration fee, effective October 6, covers all property transactions in the emirate of Dubai except for the industrial sector, including warehouses.

DLD Director-General Sultan Butti bin Mejren has said: "The move is aimed to stop quick transactions (flipping) which are unhealthy for the market and result in sudden price increases.

"The decision has come at the right time. The market has matured and investor confidence is growing. The move is not likely to have any negative impact."

Source: Emirates 24/7

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DEVELOPER BEHIND NEW THEME PARK CLAIMS DUBAI CAN CHALLENGE FLORIDA

WEDNESDAY 02 OCTOBER 2013

A senior figure at the firm building the world's largest indoor theme park in Dubai says the emirate may soon be as famous for such attractions as the theme park powerhouse of Florida.

Adam Page, vice president of group marketing at IMG Group - the firm behind the huge IMG Worlds of Adventure project in Dubai land’s City of Arabia district - has said the city could soon draw thrill seekers from around the world to try its growing inventory of roller coasters and water parks.

Work is well advanced on the new indoor theme park adjacent to Mohammed bin Zayed Road in Dubai and when it opens next year it will be home to rides designed around themes including Marvel comic superheroes and kids cartoon favourite Ben10.

"I genuinely believe once we have this open and a couple of more entities as well, [Dubai] will be regarded as a theme park capital," he told 7DAYS at The Hotel Show. "At the moment you have Florida, and then Singapore has tried and not been so successful."

The new park will be split into four distinct zones including a Marvel zone, a zone based on characters from Cartoon Network and a ‘Lost Valley- Dinosaur Adventure’ zone.

The UAE already has a major indoor theme park in the shape of Abu Dhabi’s Ferrari World but Page - who previously worked at Ferrari World - believes the new project is an altogether different proposition.

"We are very unique - what we have is awesome brands," he said. He added: "When you are talking Marvel and Cartoon Network you could open up an Iron Man theme park or a Ben10 theme park by them, let alone have all the mix of characters and rides that we have. Mixed with dinosaurs as well - how do we go wrong?"

The huge new park is set to open in 2014.

"We are looking at mid-next year for a soft opening and official opening towards the end of the year," Page said. The structural skeleton of the project (pictured) is visibly taking shape on site with Page noting "it will reduce some of my marketing spend on outdoor advertising when I have the park towering over the highway".

Several rides and attractions are being put together off site, to be shipped in when the huge structure that will hold them is complete - which could be as early as next month. Once complete, the park is designed to serve up to 20,000 people a day. Tourism bosses recently expressed optimism that the huge new attraction could play a key role in attracting more visitors to Dubai in the summer - its air-conditioned activities being impervious to the season's sweltering temperatures.
But as work continues on the park, Page isn't sweating the heat. However, there is something else IMG is taking into account for the park whose comic heroes mean it is sure to be popular with screaming teens.

"The key for us is to make sure the acoustics are lowered down," he explained.

"Otherwise it might be quite a loud park…"

*Source: 7 Days*
NO LETTING OUT VILLAS FOR LESS THAN 12 MONTHS: EMAAR

WEDNESDAY 02 OCTOBER 2013

Dubai-based property developer Emaar has reminded homeowners in one of its communities of the risks associated with short-term letting of houses.

"Short-term letting is classified as any lease drawn up for a period of less than 12 months," Emaar elaborated in its quarterly bulletin to villa owners in The Meadows community, adding that only licensed hotel entities can undertake short-term leasing activities, and that too in buildings specifically designed to accommodate tourists.

In the newsletter, Emaar reminded property owners that those who violate the law will be caught and penalized. "As per the directives of the Department of Economic Development (DED), short-term renting is prohibited unless the unit owner has a licence to do so," the developer noted.

"The practice of short-term letting is solely restricted to hotel establishments, who require a trade licence, which can only be applied to buildings designed for tourists. The licence must also incorporate a company through the Department of Tourism and Commerce Marketing. Short term letting is therefore illegal in residential communities," the newsletter reads.

Some homeowners resort to this practice for financial gains but this can become a nuisance to others who live in the area.

Emirates 24|7 had reported earlier this year about a wild teen rave in The Springs, another of Emaar's villa communities, and how neighbours had to call in police when the party of 50-odd teenagers in a villa went out of control. Read: Teen rave 'rocks' Springs residents in Dubai.

Within a couple of weeks of this website reporting about the incident, Emaar banned 'party-renting' of villas and issued a circular warning residents against the practice. Read: Emaar bans 'party-renting' of Dubai villas after wild teen rave.

Now, the developer has reminded residents in its adjoining villa community of the same. "Whilst a minority of homeowners benefit from such activity, the majority of residents suffers as a consequence," the community service communiqué highlighted, adding this practice should be avoided due to the following reasons.

#1 Security

Short-term tenants pose a security risk to the community as it is often difficult to capture and register their identity. It is important for security reasons to know who is entering and living within the community.

#2 Nuisance

Many short-term lettings accommodate a number of tenants in excess of the legally permitted number of occupants in a single unit. This can result in noise pollution or misuse of parking facilities.
#3 Cost

Short-term tenants place a burden on amenities and this could lead to an increase in community service fee costs for the repair replacement of amenities and common areas.

#4 Non-compliance

Many short-term tenants are unfamiliar with the community rules and often abuse facilities without consideration for others.

#5 Property value

The value of units could be affected if the condition and reputation of the community deteriorates.

Any homeowner found to be violating the rules will be issued with a Notice of Violation, which will attract a penalty of Dh1,000 for each time a violation occurs. Additionally, legal action will be taken against offenders.

The developer also urged residents to report any units where short-term lettings were being undertaken.

Source: Emirates 24/7
NO ENTRY: TENANTS LOCKED OUT OF THEIR APARTMENTS IN DUBAI'S DISCOVERY GARDENS

THURSDAY 03 OCTOBER 2013

Access cards get activated in master community; move aimed to enhance safety and security

Residents of building number 83 and 85 in Discovery Gardens were locked out of their apartments as access control systems on main doors were activated on Tuesday, Emirates 24|7.

Tenants, who returned home from the office in the evening, were not allowed access to their apartments as the main door was locked. Security guards present at entrance did allow tenants to enter the building, but asked them to sign on the visitor logbook.

BJ, a resident of the building, who still hasn't got his access card, told this website: "There has been a notice, which stated activation of access control systems to begin from October 1. We thought they [Nakheel] would delay the move, but when we returned from work on Tuesday we found the doors locked."

He added: "The security guards allowed us access, but we have to sign on a logbook that states we have read the notice."

BJ said he called the property broker following the activation of access cards, but the agent refused to help.

"I called the agent, but he simply asked me to call the landlord. The landlord is a non-UAE resident and so he is least bothered. However, every month he does deposit my rent cheque."

Seven day grace

"There is a grace period of seven days for people to collect their access cards," Rebecca Rees, Corporate Communications Manager, Nakheel, told Emirates 24|7.

She said that Nakheel has been informing owners/tenants to pay or ensure payment of service charge and collection of access cards.

"We have put up notice of activation of access control systems for months now in Discovery Gardens. The move is aimed to enhance safety and security across the community. The activation process will be take place from October till December-end."

Tenants urged Real Estate Regulatory Agency, the regulatory arm of Dubai Land Department, to clarify tenant's right in such situation where the landlord was purposely defaulting on service charges.

"I don't know what to do... the agent has simply washed his hands off... but he is holding my cheques on behalf of the landlord. There needs to be some regulation to protect us [renters]," said Clara, a resident of building no 85.
Nakheel is the master developer of Discovery Gardens, which houses 291 buildings and has over 20,000 units.

The master developer has been requesting tenants to remind their landlords to pay their service charges dues for months and send a final reminder to landlords in July to pay their dues to avoid disruption of services, and/or further legal action, including accessing the building once the main door access control system is activated.

Source: Emirates 24/7
ANOTHER WORLD RECORD: DUBAI TO HAVE WORLD'S LARGEST MANMADE LAGOON

THURSDAY 03 OCTOBER 2013

Crystal Lagoons Corp., the patented technology developer of giant crystalline lagoons, will launch its latest and grandest project to date at Cityscape in Dubai, which starts next week.

Crystal Lagoons has signed a deal to construct the world's largest manmade lagoon, covering 40 hectares, almost four-times bigger than the world's largest existing lagoon, the company said in a media statement today.

The project, once completed, will be entered into the Guinness Book of World Records, it announced. Located in the upscale Mohammed Bin Rashid City - District One residential community, in the heart of Dubai, the lagoon will form an integral part of the $7 billion project.

Mohammed Bin Rashid City - District One is a prestigious joint venture between Dubai-based Meydan Group and Real Estate developer, Sobha Group.

"Caribbean landscapes are no longer exclusive to tropical destinations. Our pioneering concept and state-of-the-art technology, which allows for sustainable, swimmable, turquoise lagoons of unlimited sizes to be built and maintained at low cost anywhere in the world, is proving extremely popular with our growing list of partners across the Middle East," said Kevin P Morgan, CEO, Crystal Lagoons.

The new lagoon with its expansive beaches will be a core amenity within Mohammed Bin Rashid City - District One's 47m sq ft of freehold land. The development will feature residences, parklands, waterways, a shopping and dining pavilion and large recreational spaces creating one of the lowest density developments in the heart of any global city.

"Dubai gives us an outstanding strategic position in the Middle East, and the opportunity to participate in a world-class development that adds prestige to our current project portfolio," Morgan added.

Mohammed Bin Rashid City (MBRC) is a planned mixed-use development containing four components; family tourism, retail, the arts and entrepreneurship and innovation. One interesting feature will be a public park larger than Hyde Park in London.

Crystal Lagoons' global portfolio of 250 projects located in 50 countries includes five high-profile Middle East based developments. The company has completed two lagoons in the popular Egyptian resort of Sharm El Sheikh - including currently the world's largest lagoon at 12 hectares - and another completed project in Jordan, along with two other projects under development in Oman and the UAE.

"As the only company in the world offering this concept and technology, we continue to expand globally and revolutionize the real estate market by partnering with international developers and resort operators to improve overall sales prices, velocity, and project densities. Based on our track record in the Middle East, we have proven that our technology can add value to a top destination, making beachfront real estate a reality anywhere in the world," said Morgan.
The company is currently in discussions for a number of exciting new tourism projects in Saudi Arabia, Qatar, the UAE and Egypt, and Morgan emphasizes the region's attractiveness as investment in tourism infrastructure continues to outpace other global markets.

Crystal Lagoons' portfolio of regional projects also includes the completed 4.29-hectare Dead Sea Lagoon in Jordan, a project developed in partnership with Turath for Tourism & Real Estate Projects, and the under development 4-hectare lagoon located within the new Barka Resort in Oman.

The Alargan-developed resort is situated 50 kilometres west of the capital, Muscat, and the lagoon has become the focal point of the community, which also offers three hotels, serviced apartments, villas, townhouses, apartments and a souk.

With the announcement of its new Dubai project, Crystal Lagoons is also on the way to securing its third Guinness World Records' title for the world's largest swimming pool, building on the success of its San Alfonso del Mar, Chile, and Sharm El Sheik, Egypt, locations.

Cityscape Global 2013 takes place from October 8-10, 2013, at the Dubai International Convention and Exhibition Centre.

Source: Emirates 24/7
DUBAI SET TO BECOME ITS OWN ISLAND

THURSDAY 03 OCTOBER 2013

Few residents of Bur Dubai could ever imagine that one fine morning they would awaken as islanders.

But that’s precisely what lies in store in a few years as the final shovel of dirt is removed to complete the new Dubai Canal, extending the Dubai Creek from Al Shindagha all the way to Jumeirah, morphing the area into a new man-made island surrounded by water.

The Dh2 billion canal projects was launched on Wednesday by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, an initiative that is expected to boost the Dubai bid for World Expo 2012.

The three-kilometre long canal will start from Business Bay, cutting under Shaikh Zayed Road, Al Wasl Road and Jumeirah Beach Road before it merges with the Gulf waters along Dubai’s shoreline.

Being the heart of Dubai and one of the oldest parts of the city, the area is a mix of commercial hubs and residential neighbourhoods, which unlike other parts of the city, haven’t seen much change for years.

Man-made islands are not new to Dubai and neither are mega projects unheard of in the city. Known for its biggest, largest and tallest projects that have helped the city to stay ahead of other metropolis in the region, residents feel this ambitious project will further add to the charm of the city that continues to reinvent itself.

Good reason for longtime inhabitants to be excited.

Emirati media professional Fatima Arbabi lives in a part of Jumeirah which will definitely benefit from the new development.

“It’s a brilliant project and I congratulate all the people who are part of it for coming up with such a wonderful idea. Dubai is known for its brilliance in infrastructure, one can appreciate this more when we go to other parts of the world. I’m proud that I’m part of such a blessed city,” said Fatima, who lives in Jumeirah, just a stone’s throw away from the canal site.

Once the canal is ready, Fatima’s house will be a waterfront property, which she feels will bring positive lifestyle changes.

“I’m glad that I will be an inhabitant of an island with an exotic waterfront facing my home, can’t ask for anything more.”

Another Emirati, Baqer Abdul Wahed, who lives in Al Wasl area just a few blocks away from where the canal will flow, is confident the canal will inject new life into the neighbourhood.

“This project will be good for Dubai in general and for the residents of Jumeirah and neighbouring areas in particular. Living standards will improve and the area will with bustle with new life and activities. Dubai believes in continuously reinventing itself and offering its people new experiences, I’m sure this project will prove to be another masterstroke,” said Baqer Abdul Wahed, an Emirati who lives in Al Wasl area, just a few blocks away from where the canal will flow.
Wahed, who works with Dubai Public Prosecution, believes the project will benefit future generations in an area targeted for a major facelift.

The canal, along with the other leisure and commercial developments that will be part of the mega project being undertaken by Roads and Transport Authority (RTA), is expected to be ready in three years, following which the adjoining areas would turn into prime locations.

Sajjad Abdullah, who works as an airside assistant at Dubai International Airport, has lived in Dubai all his life.

“All these years I have lived in Karama and I have great memories of the place. I have virtually seen Dubai grow with me and how it has transformed into a world class city. I think with this canal project, the heart of Dubai that is Bur Dubai which hasn’t changed much for years, will be transformed,” he said.

He confided that the idea of living on an exotic Island has always appealed to him.

“It is going to be an island that will at the same time represent the heritage of Dubai along with the new cosmopolitan feel of the city ... a place which offers world class facilities while at the same time you’re not missing out on the old world charm,” said Abdullah.

Source: Gulf News

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SHOW VILLAS IN MOHAMMED BIN RASHID CITY DISTRICT ONE NEARING COMPLETION

THURSDAY 03 OCTOBER 2013

Meydan Sobha, the developer of Dh21 billion Mohammed Bin Rashid City-District One, said it is making rapid progress with the construction of its show village.

The Show village, which will act as a unique showcase of the development, is already approximately 80 per cent complete and when finished will comprise nine Show villas, a demonstration of the world-leading Crystal Lagoon feature, extensive landscaping and a bespoke sales centre.

District One is an exclusive residential destination situated in a prime location in the heart of Dubai, a mere 2.9 kilometres from the Burj Khalifa. The expansive development is just five minutes from the entertainment and financial centres of the city, but it will be one of the lowest density residential developments in any international city, with over 65 per cent of its 1,100 acres dedicated to open and green space.

Launched by Meydan Sobha, an equally owned joint venture between Meydan Group LLC and Sobha Developers Ltd, the project, which will be delivered in four phases, will be completed in approximately seven years.

The nine actual villas in the show village will offer buyers a preview of what their future life of luxury will look like as they will be identical in every respect to the homes that residents will be able to buy. One of the unique selling propositions of District One will be the world's biggest manmade lagoon, which is being constructed by globally renowned Crystal Lagoons, and the Show Village will also include a portion of the actual lagoon built using the same technology.

Commenting on the development, Saeed Humaid Al Tayer, Chairman and CEO of Meydan Group said: "Mohammed Bin Rashid City-District One is poised to become a monumental destination in Dubai, offering a residential development in the heart of the city that is currently unique to anything else in the region. The development also includes various attraction points ranging from parks, man-made beaches and the largest Crystal lagoon in the world to sports fields with cycling tracks, an equestrian club and shopping & dinner promenade with an array of restaurants. With master planning, aesthetic design and build of the highest quality, the show villas' completion provides customers with the ability to physically experience their future lifestyle in a true and meaningful manner."

Prospective buyers in District One will have the option of distinct villa styles and a vast array of floor plans, ranging from four to eight bedrooms. The project embodies a lifestyle that blends luxury with natural beauty and nouvelle residential.

"With a three-decade-long pedigree of developing and constructing lifestyle destinations, District One will be the jewel in Sobha's crown," said PNC Menon, Founder and Chairman of Sobha Group. "We expect to complete the nine villas by November. Our partnership with Meydan will enable us to deliver expertise, choice and quality to an entirely new community in the heart of Dubai."
In addition to the stunning villas themselves and the vast lagoon, District One will also deliver a phenomenal range of features and activities including parks, manmade beaches, canals, water sports, and even an equestrian club with riding trails. The development will also feature a promenade with a wide selection of stores, restaurants, cafes, lively bistros and entertainment options.

*Source: Emirates 24/7*

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DEVELOPERS LOOK TO RIDE THE DUBAI CANAL SURGE

FRIDAY 04 OCTOBER 2013

It pays to have a canal run through your development and over turn into waterfront properties. Dubai’s developers with projects or plots located strategically across the stretch of “Dubai Canal” are certainly looking to ride the value gains from the newly announced water body.

By taking up much of the canal when it finally starts taking shape, Business Bay becomes an obvious beneficiary. The master-development had been building up steam in terms of tapping investor interest; but there was a two-tier structure in terms of the demand patterns. The Executive Towers were doing quite well and obviously benefiting from fronting on to Shaikh Zayed Road. But some of the recently completed projects are stilling to get some traction going with prospective investors.

The Dubai Canal — expected to cost a substantial Dh2 billion — could be just what the doctors ordered. “Waterfront areas are a value addition and important indicator to the beauty of any city in the world — the canal will add six kilometres to Dubai’s waterfront which gives an additional edge to be one of the world’s best cities backed with uniquely constructed bridges, shopping and entertainment centres, luxurious marinas and world-class hotels,” said Mahdi Amjad, executive chairman and CEO at Omniyat Properties.

“In terms of hospitality [investment] play, there is huge demand in the marketplace; Dubai is phenomenal in tourism and it is a major motivator for large investors. Look at what Dubai has done in tourism — growing from 1 million to 10 million tourists now, which gives you belief in the Vision 2020.”

Wider imprint

The canal project as such is a revival of the creek extension plans Dubai has had for some years now and even featured in the original master plan for Business Bay. Even earlier, Dubai has used the water element to create a premium feel for its developments, with Dubai and the Palm being the early beneficiaries as did JBR. The new project will leave a wider imprint.

“The new canal will have a similar role to play not only to the areas it covers — including Business Bay, Shaikh Zayed Road, Al Wasi and Jumeirah — but also to the wider emirate and give a shot in the arm to a variety of sectors including tourism, transportation, retail and shopping,” said Amjad.

Time will tell whether developers will rush to market with projects on this stretch. At Cityscape next week, Meydan will be announcing plans for a new decidedly upscale tower on Shaikh Zayed Road. Others could do the same.

“The Canal project is such an innovative one as it crosses Shaikh Zayed Road and passes across the Safa Park, Al Wasi Road, and Jumeirah to touch the Arabian Gulf,” said Tanzeel Gader, CEO of Flash Properties. As much as it is important to Jumeirah, Al Wasi and Sheikh Zayed Road, this project increases the value of the Business Bay area significantly.”
Investment flows

Dubai stands a chance of pulling in some sizable investment flows into real estate if it plays its cards right, according to market sources. CBRE, the property consultancy, estimates Asian institutional investors have more than $150 billion that could go into realty in the next five years alone.

“Dubai’s strategic location and its rapidly developing real estate market is gaining strong investor appetite from Asia, specifically from China, Malaysia and South Korea,” said Nick Maclean, managing director, CBRE Middle East.

During the past 12 months we have witnessed a significant increase in enquiry levels particularly focused on Dubai income producing assets, driven by an expectation of further growth in rental and capital values.”

Source: Gulf News
DUBAI PROPERTY: OPTIMISM VS CAUTION

TUESDAY 01 OCTOBER 2013

As property prices continue to surge in Dubai and as a 30-day countdown begins to Expo 2020 vote in November, there appears to be two opposing perceptions about the future of the real estate sector in the emirate. On one side, we have seen some stakeholders of the sector, presenting a very optimistic outlook with the expectation that property prices will continue to rise due to improved regulations and demographics, continued economic growth and rising investor confidence. On the other side, a few voices are warning of another impending “housing opiate” that is fueled by speculative flipping and are calling for caution.

Consequently, such opposing perceptions have been reflected on the buyers and sellers as one can easily notice today a growing gap between owners with a “buy and hold policy”, and potential buyers who are wary with a watchful eye on the market.

Dubai’s government: cautious optimism

The most important stakeholder in the property sector, the government of Dubai, has demonstrated “cautious optimism” on the subject, and this is exactly what Dubai needs. A balanced approach in dealing with this vital sector is imperative to the stabilisation process of the property market.

Since 2008, the Dubai Land Department has taken a major leap in demonstrating its commitment to improve and strengthen the sector, with its new policies and laws that aim to protect real estate investors, define responsibilities of developers in terms of transparency, create an attractive environment for investment and more. Many initiatives were launched, such as the establishment of Dubai Property Court, the Rental Disputes Settlement Centre, which would speed up the settlement processes for disputes between landlords and tenants, and more recently, the increase in transfer fees to 4 percent, which will surely limit property flipping and lead to further stabilization of the property sector.

One concern that might result out of these types of government measures is over-regulation in a short period of time, which might restrain growth in the sector. Other stakeholders in the sector might need time to understand and fully adapt to such laws and policies, but it seems that the UAE Central Bank and government of Dubai are well aware of this, as certain regulatory decisions have been delayed, such as the anticipated mortgage cap.

Stakeholder’s responsibilities

Other stakeholders including banks, developers, brokers, and investors, also have a crucial role in the implementation of new government policies and initiatives as well as contributing in raising awareness. At the end of the day, we are all in the same boat and none of us wants to see a repeat of 2007-2008. The objective is one, to have more sustainable and healthier growth cycles in the real estate market.

Source: Arabian Business

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HONG KONG DEVELOPER CHUN WO HANDS OVER REEM ISLAND PROJECT

MONDAY 30 SEPTEMBER 2013

The Hong-Kong listed contractor and developer Chun Wo Holdings has handed over its first residential project on Abu Dhabi’s Reem Island.

The company said it had completed Reem Diamond, a 10-storey development that features one-bedroom apartments to three-bedroom duplexes. At the very top of the building is an infinity sky pool.

Chun Wo is one of the largest construction and development companies in East Asia.

The delivery of units comes amid a rise in values for property located on Al Reem Island.

Confidence levels have improved as prices in neighbouring Dubai have increased steadily since early 2012,” Asteco said in a recent report. “Asking prices in Abu Dhabi have risen rapidly during the last few months as distressed sellers exited the market and specific developments were faced with good demand levels.”

In November, the company announced that it planned to develop “Le Cube”, a 30-storey, 200,000 square foot development as it was making headway on Reem Diamond.

Chun Wo’s spending in the emirate comes as it moves its focus away from mainland China as a result of government measures in China to cool off the property market.

The Abu Dhabi real estate industry is going from strength to strength,” said Anthony Poon, the director of property development at Chun Wo Development Holdings. Over the past 15 years, Chun Wo has created and managed developments in Hong Kong, the People’s Republic of China and Vietnam. In 2007, it started operations in Abu Dhabi.

Source: The National

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DUBAI OFFERS TAX REPRIEVE TO DEVELOP MID-MARKET HOTELS

MONDAY 30 SEPTEMBER 2013

Dubai plans to give new mid-market hotels a municipal tax reprieve in an effort to meet demand for such properties.

The eligible hotels will be exempted from the 10 per cent municipality fee levied on the daily room rate.

We don’t have enough mid-range hotels in this market,” said Steven Miller, the senior vice president of business development at the Dubai-based Indian construction major Shapoorji Pallonji International.

A group of people needs luxury, not all. And even when you have disposable income you travel differently as a couple than when you travel with children.”

Investors in new mid-range hotels will receive the tax waiver if the construction permit is granted between October 1 this year and December 2017.

The move is expected to boost Dubai’s supply of three-star and four-star properties.

A number of hotel properties are either under construction or in the planning stages in Dubai,” said Helal Saeed Almarri, the director general of Dubai’s Department of Tourism and Commerce Marketing (DTCM). “This incentive has been designed to bring those properties to market sooner.”

With the waiver, DTCM is also seeking to attract the growing number of travellers from China, the subcontinent and Africa.

Dubai, which aims to draw 20 million visitors annually by 2020, has some of the highest average room rates in the world. Last month – which was considered a lull season because of Ramadan and the Eid celebrations – the average daily room rate touched US$228.99 in Dubai, according to Hot Stats Mena from TRI Consulting.

In more mature hotel markets, such as the United States and Europe, mid-scale and budget accommodation comprises more than half of the market’s bedroom stock.

But in Dubai, five-star hotels dominate; they have a market share exceeding 60 per cent and about a 50 per cent of pipeline supply.

However, for every person who could afford to stay at a five-star hotel, there were probably more 100 who could not, said Jonathan Wall, the assistant director of property advisory at Deloitte and Touche Middle East, in July.

There is therefore a significant gap in the hospitality and tourism market that is currently not being catered for, and Dubai hoteliers will need to start focusing less on five-star hotel accommodation and more on mid-scale and budget accommodation in order to realise Dubai’s tourism growth vision,” Mr Wall said.

He added that companies, especially small and medium-sized companies for which luxury hotel accommodation can constitute a significant cost burden, were expected to welcome the development of budget hotels.
It is also likely to encourage additional stopovers by transit tourists for whom the option becomes more affordable,” Mr. Wall said.

Even so, the effect of more budget hotels is unlikely to put pressure on the high room rates here.

The introduction of mid-scale and budget accommodation to the market in significant room numbers, combined with the five-star hotel development pipeline, may have a dampening effect on the four-star and five-star hotel rates,” Mr. Hall said. “However, given development time scales, we are unlikely to reach this position in the short term.”

Source: The National
BIG WAGE RISES FOR ARABTEC WORKERS

MONDAY 30 SEPTEMBER 2013

Thousands of Arabtec Holding workers in the UAE have had their wages hiked by an average of 20 per cent, it has been reported.

Analysts said the pay increase for the 36,000 workers would affect company earnings by up to a quarter.

Stock of Arabtec, the UAE’s largest construction company, yesterday closed down 1.13 per cent at Dh2.62.

The move was part of the Government’s effort to provide an “exemplary work environment to workers” as well as ensuring conditions for labourers were in line with the UAE’s own economic development, according to the Wam news agency late on Sunday quoting an Arabtec official.

Arabtec was not available for further comment. It was not clear if the pay rise applied to all its UAE-based workers or only unskilled labourers who are estimated to earn from Dh650 to Dh1,200 a month.

Arabtec’s workforce has hit the headlines on several occasions in recent months.

In May, workers from Bangladesh, India and Pakistan refused to leave their accommodation in Abu Dhabi and Dubai, asking management for their Dh350 monthly food allowance to be paid with their salaries, rather than the company providing them with three daily meals. In a separate incident, police were called to the company’s Saadiyat Construction Village in August after a dispute over the key to a kitchen escalated into a mass brawl.

A regional construction boom has enabled Arabtec to expand its geographic reach outside its UAE base and widen its building expertise into new areas such as offshore oil and gas installations. The company snapped up Dh7.3 billion in new orders during the first half of the year, taking its total backlog to Dh24.4bn, a 42 per cent rise on a year earlier.

Last week Arabtec launched a joint venture with the engineering arm of the South Korean conglomerate Samsung to expand into more complex engineering and “big ticket” infrastructure work around the Middle East and North Africa.

Raising staff wages was important as workers formed the “backbone” of the company, Hani Hirzallah, personnel manager at Arabtec, said in a statement broadcast by Abu Dhabi TV Channel and reported by Wam.

Some labourers have complained of not benefiting from Arabtec’s success. More than 460 workers involved in the four-day strike in May quit their jobs rather than return to work. Arabtec then helped them return to their home countries.

Nishit Lakhotia, the head of research at Bahrain-based Securities and Investment Company (Sico), said the pay hike could shave about Dh70 million off annual earnings.
With 36,000 labourers benefiting from this increment, we are looking at 20-25 per cent of Arabtec’s earnings being reduced out a quarter,” he said. “This will increase operating costs, and as a result impact their bottom line.”

Sico plans to revise down its profit estimate for next year of Dh340m. It expects earnings to reach Dh288m this year.

Another analyst, who asked to remain anonymous, said although the pay rise would help to minimise the risk of future worker unrest, most earnings’ forecasts already factored in an assumption that Arabtec would be able to manage labour issues when it executed projects.

Conditions for labourers in the Arabian Gulf are a topic has frequently come under the spotlight. Last month, the UK newspaper The Guardian reported that 44 Nepalese workers died between June 4 and August 8 working on projects in Qatar in preparation for the Fifa World Cup 2022.

Arabtec’s stock has risen by more than 40 per cent in the year to date on the Dubai Financial Market.

*Source: The National*

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TDIC PLACES LUXURY APARTMENTS FOR SALE IN SECOND PHASE OF SAADIYAT BEACH RESIDENCES

MONDAY 30 SEPTEMBER 2013

The master developer of Saadiyat Island, Tourism Development & Investment Company (TDIC), has placed 70 apartments for sale from the second phase of its Saadiyat Beach Residences project.

The flats, which have one to four bedrooms, go on the market today. Prices start at Dh1.4 million.

Our decision to release apartments for sale at Saadiyat Beach Residences for the first time has been driven by the high demand that our residences have seen,” said Ahmed Al Fahim, the executive director of marketing, communications, sales and leasing at TDIC.

We saw similar demand earlier this year for Saadiyat Beach Villas’ third phase, where 80 per cent of the newly launched off-plan project was sold in a period just under four months.

We believe that our high-quality products are very desirable today because they offer an investment opportunity that will appreciate and promise high returns in the future.”

Earlier this year, TDIC sold 285 apartments — the entire first phase of the Saadiyat Beach Residences project — to a joint venture of the United States-based property investor Pramerica and Mubadala, Abu Dhabi’s state investment fund.

Under the terms of the sale, the property is subject to a five-year leaseback to TDIC, which will continue to manage the leasing.

A Tasweek report yesterday named Saadiyat Beach as one of the higher-end areas in Abu Dhabi where the best deals can be found. Other areas include Raha Beach, Al Bandar and Al Bateen.

The report shows a spike in residential rates in the capital during the third quarter, the first since the market downturn in 2008.

In Dubai, land and property sales rose 67 per cent in the same period, according to the report.

Source: The National
NAKHEEL AND AL-FUTTAIM STAMP
BIGGER RETAIL FOOTPRINT

MONDAY 30 SEPTEMBER 2013

Nakheel will issue a tender tomorrow to build a Dh2.5 billion shopping centre on Dubai’s Palm Jumeirah. Ground preparation and piling work has already begun at the site of Nakheel Mall, 418,000 square metre retail dining and entertainment complex.

Due to open in 2016, the mall will feature 200 stores, a nine-screen cinema, six medical clinics and a 4,200 sq metres supermarket. There will be five floors, three parking levels with 4,000 spaces plus a 1,000 sq metres indoor garden and a 180-metre high viewing deck with panoramic views of Palm and the Dubai skyline.

The entire complex covers an area about the size of 40 football pitches, so it is a huge destination development which will enhance the Palm,” said Rebecca Rees, a spokeswoman for Nakheel.

The tender for the mall will run until November 27 and the Dubai developer is expected to award the contract by the end of the year, with construction work beginning in early 2014. The project also includes a five-star, 50-storey hotel. However, tomorrow’s tender does not include the property and a separate contract will be awarded for it at a later date.

Progress was also being made on another Nakheel project on the Palm, said Ms Rees.

The ground preparation work for The Pointe, which is our other dining and entertainment destination on the Palm, is already under way,” she added.

Meanwhile, Al-Futtaim, another Dubai developer, is to build a “super regional mall” in Muscat that will become the Oman capital’s largest retail, leisure and entertainment complex when complete.

The company has signed a memorandum of understanding with Oman Tourism Development Company (Omran) and the Omani National Investment Funds Company to develop and manage the project.

Al-Futtaim’s vice chairman, Omar Al Futtaim, said the project was a significant milestone in the company’s operations in the country, where it has had a presence for the past 40 years.

The creation of major retail hubs is crucial towards the development of tourism as it helps destinations attract both regional and domestic traffic and this agreement today lays the foundations upon which Muscat can enhance its future tourism product and enrich the city’s retail landscape,” he said.

This super regional mall is designed to inject a new impetus in the local job market both in the short and in the longer terms and upon its completion it aspires to meet the increasingly discerning retail and entertainment needs of rapidly growing middle income Omanis while helping the country attract more cross-border, intraregional and international visitors,” the company said.

The mall, which will be located adjacent to the proposed Oman Convention and Exhibition Centre, will feature Muscat’s first Ikea store in addition to other brands such as Marks & Spencer and Toys ‘R’ Us.
During its development phases, the project will create many new employment opportunities for Omanis and upon completion it will have the potential of becoming a key long-term employer for the sultanate’s career seekers across a variety of sectors, from retail, marketing, sales, to catering and entertainment,” said Nasser bin Khamis Al Jashmi, the chairman of Omran.

Source: The National

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MIDDLE EAST HOTELS HOOKING UP TO SOCIAL MEDIA TO BOOK MORE BUSINESS

MONDAY 30 SEPTEMBER 2013

Hoteliers and hospitality providers across the Middle East and North Africa (Mena) region are increasingly using social media to attract visitors.

About 40 per cent of hotel bookings in Dubai are made online, according to an industry report conducted by The Hotel Show at the Dubai International Convention and Exhibition Centre.

About 80 per cent of hotels report direct, tangible results from their increased use of social media and digital marketing in the past year.

Hotels in the region are beginning to show greater interest in digital systems for a variety of uses, from improved ways of online booking as well as brand marketing in a cost-effective way,” said Alexander Barder, the regional director of business development at Sabre Hospitality Solutions.

Increased use of advanced digital systems can also result in more efficiency for revenue management as well as in house communication,” he said.

Social channels such as Facebook, Twitter and TripAdvisor enable hoteliers to market their properties and services directly to potential customers.

Online travel bookings in the region are expected to reach US$15.8 billion next year as travellers become more comfortable with buying flights and holidays online.

Interest in UAE accommodations on TripAdvisor has increased 15 per cent year on year,” said Dan Cross, territory manager of Mena at TripAdvisor for Business. “Hoteliers can monitor their online reputation, respond to reviews and make use of our widgets to showcase their property’s TripAdvisor content on their own sites.”

According to TripAdvisor the UAE is attracting an increase in traveller interest on the site from inbound markets such as the United States, Australia and the United Kingdom.

Globally we have experienced great interest and growth from the hospitality industry but not yet within the Mena region,” said Walid Driss, the client partner at Facebook Middle East.

As with any innovation it takes time to adopt new technologies …but we are looking forward to support the industry and its digital growth as we work to establish our local presence further.”

Source: The National
F1 RACE WEEK TO REV UP PROFITS FOR ABU DHABI’S HOSPITALITY SECTOR

MONDAY 30 SEPTEMBER 2013

Abu Dhabi’s hospitality industry is set to benefit from the increased tourism numbers driven by next month’s Abu Dhabi Grand Prix.

Already accommodation at the Yas Viceroy, the world’s only hotel that straddles a Formula One race track, is sold out for the race week from November 1 to 3.

Thanks to improved aviation connectivity, the number of tourists visiting the capital has been increasing. In the eight months to August, Abu Dhabi welcomed some 10.8 million passengers, a 12 per cent rise on the same period last year.

At the Yas Viceroy, tables at its four restaurants that have views of the race track are also fully booked for breakfast, lunch and dinner.

While the hotel would not reveal how much the race week contributes to its annual revenue, it accounts for more revenue than any other comparable period over the year.

It’s like my wedding day,” said Anton Bawab, the regional president of the Los Angeles-based Viceroy Hotel Group. “I am in my best suit, standing at the door from 7am receiving guests.”

A four-night package during the F1 race week at the 499-room hotel for a deluxe room costs Dh5,200 a night. A deluxe suite costs Dh15,000 a night, the Yas grand suite Dh18,000, and the marina executive suite Dh22,000.

The hotel’s room rates this month start at Dh600 a night for a deluxe room, Dh1,000 for a deluxe suite, Dh1,200 for the Yas grand suite, and about Dh1,500 at the marina executive suite.

As with the Yas Viceroy, other hotels in Abu Dhabi, including Radisson Blu and Crowne Plaza Yas Island, are also sold out.

According to Rashid Aboobacker, a senior consultant at Tri Hospitality Consulting, occupancy and average room rates for hotels on Yas Island are typically the highest in November, much of it because of the grand prix.

Average monthly occupancy in November went up to nearly 80 per cent last year, over 15 percentage points more than the average annual occupancy for these hotels,” Mr. Aboobacker said.

He said some of the major events at the Abu Dhabi National Exhibitions Centre and other venues in the city were viewed as having a strong impact on hotels’ occupancy and room rates.

However, it is hard to compare with Yas Island, as this island destination virtually functions as a unique sub-market due to its location,” Mr. Aboobacker said.
Mubadala, Abu Dhabi’s investment firm, shares equal ownership of the Viceroy Hotel Group with a Malaysian investor. Aldar Properties, based in Abu Dhabi, owns the land on which the Yas Viceroy is located.

The hotel is also partnering international lifestyle companies to attract guests to next month’s race week.

One of them is The Podium Lounge, based in Singapore, which will oversee post-race entertainment at the hotel’s second-floor lounge.

The cost for booking tables at the lounge start at Dh500 and can rise up to Dh50,000 for the ultra-exclusive parties.

The Italian Cavalli Caffè, associated with the designer Roberto Cavalli, will operate the second lounge at the hotel. Collectively, the lounges can accommodate about 1,000 people.

The Viceroy Hotel Group, which has its sole regional hotel in Abu Dhabi, will open its Istanbul property next year. It is also looking to expand in Saudi Arabia, Oman and Qatar.

*Source: The National*
DH2BN EXTENSION OF DEIRA MALL AIMS TO CREATE A COVENT GARDEN IN DUBAI

TUESDAY 01 OCTOBER 2013

A Dh2 billion project to almost double the retail space at Dubai’s oldest mall was unveiled yesterday.

Al Ghurair Centre in Deira opened in 1981, many years before the so-called destination malls that have helped to put Dubai on the map.

Before the extension opened, the mall featured a retail area totaling 480,000 square feet, with about 220 stores, 20 food and beverage outlets and an eight-screen cinema.

The expansion project has added a food court, family entertainment centre featuring an ice rink, indoor rollercoaster and other rides in addition to more than 130 new stores. These include Marks & Spencer, Mango, Iconic, Omega, Cortefiel and Calzedonia, bringing the total retail area to more than 850,000 sq ft.

The reality is the mall is the oldest mall in Dubai and at one point in time it was the place, the pioneering shopping mall in the city, which is now full of shopping malls,” said David Thurling, the vice president of malls for Al Ghurair Properties.

Al Ghurair Centre for quite some time lost some of its relevancy to the new kids on the block. So what we are doing is making it relevant again and making it relevant in a way which I think is unique. We are simply not trying to replicate the tried and trusted formula, which let’s be honest, every shopping mall has,” he added.

The mall intends to create a district around the shopping centre and space for street theatre, art and music, which will give a different feel to rival malls, said Mr. Thurling. “In many ways, the centre will build on the inherent vibrancy of the surrounding streets to create a bustling experience similar to places like Greenwich Village in New York or Covent Garden in London,” said Mr. Thurling.

Over time he hopes that Al Ghurair Centre will become a tourist attraction renowned for its street festivals, public art pieces and ongoing community-driven activities.

We still at the end of the day offer a mix of retail brands that are common in a lot of the malls but because we can’t compete with 1,200 stores at Dubai Mall, we have to try and appeal through different ways.”

Source: The National

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PROPERTY PRICES IN DUBAI AND ABU DHABI RISE FOR 3RD CONSECUTIVE QUARTER

TUESDAY 01 OCTOBER 2013

Home prices and rents in Dubai and Abu Dhabi have continued to rise for the third quarter in a row.

Figures posted by the classified website Dubizzle on Tuesday showed prices rose in the past quarter by up to 29 per cent for a three-bedroom home on Dubai’s Palm Jumeirah, with a 30 per cent increase for a similar unit in Abu Dhabi’s Al Raha Beach.

But market experts have questioned whether the trend can continue, especially in Dubai after an increase in fees for buying new homes.

The Dubai Land Department announced it will double transfer fees for new property from October 6 to 4 per cent of the unit value in a move to curb “flipping”, or selling a newly bought property quickly for a small profit, by speculators.

Analysts say the rule could limit further growth in the market. Buyers are just going to stop buying,” said Mario Volpi, managing director of Prestige Real Estate.

They will eventually say that they’ve had enough and they will start voting with their feet.”

Mr. Volpi said the higher tax should have been limited to people buying to resell a property, not end users – those buying a unit to live in it.

People don’t see why they’ve hit the end users as well as the flippers,” he said. “With this blanket rule they are castigating everyone.”

Ann Boothello, property marketing specialist at Dubizzle, said it remained to be seen if prices would continue to grow in Dubai.

The doubling of the registration fee has taken many aback but has surely come about as a means to cool down the market,” Ms Boothello said.

We expect to see this reflected in our next quarter stats in terms of prices, but the Dubai real estate market auto-adjusts.

Investors here will adjust over a short span of time to the increased fees, despite the initial reaction. It is the end user that will take slightly longer to come around.”

But if Dubai is successful in its bid for Expo 2020, the host of which is due to be revealed next month, it could continue to bolster prices.

We are keen to see how these two factors will reflect in our price stats next quarter,” Ms Boothello said. She said price increases in Abu Dhabi were also fuelled largely by the ruling that employees of government companies and departments must live in the emirate.
Ms Boothello said prices were expected to balance out when about 17,000 new units became available on the market this year. Third-quarter statistics for Dubai were also released on Tuesday by the property-management company Asteco.

They suggest that, compared with the same period last year, villa and apartment prices grew by 26 and 42 per cent.

The largest price rises were in Discovery Gardens, which grew by 75 per cent from last year to Dh700 a square foot.

For villa sales, Jumeirah Village was the standout, increasing by 50 per cent to Dh750 a square foot. Rent also increased by 23 per cent for apartments and 19 per cent for villas.

The traditionally low-cost development International City saw the biggest growth in apartment prices, with rents for one-bedroom flats increasing by 35 per cent. The biggest rent jump for villas was in The Springs – up to 34 per cent for a three-bedroom home.

John Stevens, managing director of Asteco, said he believed trends would continue despite the doubling of registration fees.

I believe it remains to be seen whether the growth in real estate prices seen in recent months will continue at the same rate with these recent changes,” Mr Stevens said.

However, with demand far outstripping supply for property in the residential sector, we believe that the rentals and sales prices will continue to rise.“

Source: The National
MEYDAN LINKS UP WITH INDIAN DEVELOPER ON DUBAI MEGA PROJECT

WEDNESDAY 02 OCTOBER 2013

With just days to go before Cityscape and property prices soaring, Meydan, the private developer behind the world’s largest horse racing complex, and the Indian developer Sobha are gearing up their efforts to market the first phases of a Dh21 billion mega project in Dubai.

The pair which is jointly developing 1,500 luxury villas set in 1,100 acres of parkland around the world’s biggest man-made lagoon, known as District One, is hoping they can take advantage of Dubai’s current property boom to launch an off-plan sales push.

The joint venture partners announced yesterday that they had completed construction of 80 per cent of the nine show villas they will be using to showcase the scheme. Full completion is expected in November.

Further announcements are set to follow in the build-up to the property exhibition as the developers seek to attract interest in the 48-hectare project, which is expected to be completed in about seven years and will be built around a 7 kilometre lagoon to be constructed by the swimming pool technology company Crystal Lagoons.

The project will form the first phase of the planned multibillion dollar Mohammed bin Rashid City project, located between Sheikh Zayed Road, Emirates Road and Al Khail Road, which is slated to comprise a new world’s biggest shopping mall dubbed The Mall of the World and more than 100 hotels.

The MBR City project, which was announced by Sheikh Mohammed bin Rashid, Vice President of the UAE and Ruler of Dubai, last November, represents a revival of a similar Mohammed bin Rashid Gardens project, which was first announced in 2008 but never came off the drawing board because of the global financial crisis.

The 2008 master plan had suggested the Gardens project would cover 74 sq km, and cost US$60bn. Back in the 2008 property boom, Cityscape became known as a show of excess, with investors throwing cheques down on off-plan properties. All that changed when the Dubai property market crashed and the exhibition shrank to a fraction of its boom time size.
But now with villa prices in Dubai up 26 per cent over the past 12 months to the end of September and apartment prices up 42 per cent according to the property broker Asteco, developers are once again gearing up for strong sales.

Mohammed bin Rashid City-District One is poised to become a monumental destination in Dubai, offering a residential development in the heart of the city that is currently unique to anything else in the region,“ said Saeed Humaid Al Tayer, the Meydan chairman and chief executive.

District One will be the jewel in Sobha’s crown,” said PNC Menon, the founder and chairman of Sobha Group.

Source: The National

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30,000 TO LIVE IN NEW ABU DHABI GLOBAL MARKET FREE ZONE

TUESDAY 02 OCTOBER 2013

The capital’s new financial free zone is expected to house 30,000 residents as it aims to have “critical mass” in the second half of next year.

Abu Dhabi Global Market will be a “vibrant 24-hour district that contains the ideal mix of businesses, services and entertainment to fuel Al Maryah as a destination outside of a place to work”, according to an official briefing document.

The Government’s and Abu Dhabi Global Market’s actions will be deliberate, pragmatic and governed by taking the time to put the right foundations in place to ensure a successful outcome,“ the document says.

ADGM is also looking for partners and participants from the international financial community to back its ambitions to become a global financial centre.

One of its aims is to “attract world-class skills and expertise to the emirate through mutually beneficial partnerships with leading foreign investors in a strategically targeted industry,” the briefing document says.

It also wants to “optimise international participation in the ADGM free zone”. There has been speculation that the new market will look for an anchor tenant and business partner from the ranks of the global financial institutions.

The document adds significant detail to plans already announced. On timing, it says the rest of this year will be spent preparing the operating model for implementation along with the associated regulation and regulatory frameworks.

During that time ADGM will deal with applications for participation and partnership in the market and free zone so that by the third and fourth quarter of 2014 the ADGM will have critical mass.”

The broad outline of the market has already been drawn by Abu Dhabi Executive Council after a federal decree in February. It will consist of three bodies – a registrar, a regulator and a courts system – under a five-man board chaired by Ahmed Ali Mohammed Al Sayegh, who is also deputy chairman of Abu Dhabi Media, which publishes The National.

The ADGM document makes it clear that the new free zone on a 114-hectare site on Al Maryah Island will be a fully fledged financial hub. It will include offices and commercial premises as well as residential, hotel and leisure facilities.

The island already houses the prestigious Galleria retail and leisure precinct and the five-star Rosewood Hotel. Coming soon are a Four Seasons Hotel and the Cleveland Clinic.

The ADGM organisation is housed in the building in Sowwah Square intended to be occupied by Abu Dhabi Securities Exchange. Sowwah Square is to be regarded as a “sub brand” in the ADGM initiative.
Two specialist firms advised the Abu Dhabi authorities in the preparation of the ADGM plan. The broking house ADS Securities provided help on financial and trading matters, and the law firm Allen & Overy gave advice on the legal framework of the centre. Both declined to comment yesterday.

ADGM is seen as part of the Abu Dhabi government’s established economic strategy. It will contribute to the emirate’s ongoing economic development and diversification process by accelerating the growth of a key industry and the further establishment of the financial sector”, the briefing document says.

It aims to form a strategic link between financial markets in the Far East and Europe, and specifically “bridge the time gap that occurs during the slowdown of international financial markets between 7am and 11am UAE time”.

It will offer a full range of financial and investment services, from investment, commercial and private banking through to Islamic finance and physical commodities trading.

*Source: The National*

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NAKHEEL LAUNCHES 400 NEW VILLAS AND TOWNHOUSES AT DUBAI’S AL FURJAN

WEDNESDAY 03 OCTOBER 2013

Nakheel is to launch a new phase of nearly 400 new homes at its Al Furjan community in Dubai.

Bookings for the new properties, which are priced from Dh2.85 million for terraced houses and Dh4.56m for villas, will be taken from Sunday.

Construction will take place over the next two years and Nakheel also confirmed that it has awarded a contract worth Dh4m to Al Wasit Roads Contracting to build four new road links between Al Furjan and the E77, which connects the E311 and E11 roads.

Al Furjan is already a vibrant community with more than 800 homes and an upcoming community retail and recreation centre,” said a Nakheel spokesman. “We anticipate a positive response to this new phase, and are gearing up for another busy day on Sunday.”

The developer last week announced that it was selling 942 townhouses at its Warsan Village project located next to International City.

Source: The National

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BIG PENSION FUNDS EYE DUBAI PROPERTY MARKET

THURSDAY 03 OCTOBER 2013

Dubai property is expected to attract a wave of Asian money as big pension funds are forecast to seek US$150 billion in global real estate investments.

CBRE found that Asian institutional investors are looking to invest more than $150bn in property markets around the world over the next five years as they look to increase their exposure to global real estate, with Dubai one of their potential targets.

Dubai’s strategic location between the East and the West, and its rapidly developing real estate market is gaining strong investor appetite from Asia, specifically from China, Malaysia and South Korea,” said Nick Maclean, the managing director of CBRE’s Middle Eastern operation.

During the past 12 months we have witnessed a significant increase in inquiry levels particularly focused on Dubai income producing assets, driven by an expectation of further growth in rental and capital values.”

According to CBRE, low interest rates and poor global stock market performances and a lack of opportunities at home are tempting institutional investors in Asia, which currently allocate an average of around 1.7 per cent of their portfolios to real estate, to increase this level in line with an average of between 6 per cent and 8 per cent for similar organisations in North America and Europe.

Acquisitions by Asian investors outside the region have grown from $2bn in 2008 to almost $9bn in 2012, focused on Europe, North America and Australia.

Traditionally, unlike other world cities, office blocks in the UAE are owned by private investors as global institutional investors have in the past shied away from a market they consider to be too risky. But that may change as the risk appetite of some investor’s increases.

Investors from around the world are watching to see whether Dubai is set to be the centre of a second property bubble as rates of property speculation in the emirate rise.

House prices in Dubai are growing at an apparently unsustainable rate and could face a correction over the coming 12 months, Jones Lang LaSalle said yesterday.

The report found that house prices in the emirate rose by an average of 17.9 per cent over the year to the end of August, while it estimates that population and employment growth increased by just 5 per cent over the same period.

The broker said the figures suggested a strong increase in the amount of property speculation in the emirate – one of the key factors blamed for the crash of 2008-2009 when prices eventually fell by as much as 60 per cent in some areas.

Such rates of [price] increase cannot be supported by the fundamentals alone and suggest that speculative activity has increased,” the report said.

It added that Dubai Land Department data showed 80 per cent of property sales made during the first half of this year were to cash buyers and were made without mortgages.
There is a danger that these cash purchasers may be short term speculators seeking to flip their units for a short-term capital gain in the same way as in the previous boom period,” the report warned.

In April police were called to Emaar's sales office to quell unruly crowds jostling to buy off-plan villas, and in July the IMF warned that house prices in the UAE were rising too quickly, increasing the risk of a new bubble.

However, Jones Lang LaSalle concluded that although current price increases were unsustainable, it did not believe that property prices in Dubai were set for another crash. It said this was because there was currently more existing property in Dubai and the market was less dependent on pre-sales and better regulated.

While we believe the Dubai market is currently seeing prices increase at an unsustainable rate, this does not represent another bubble,” Jones Lang LaSalle said.

Source: The National

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LUMPY M&A DEALS UNLIKELY TO BOOST 2014 ACTIVITY IN MIDDLE EAST

SATURDAY 05 OCTOBER 2013

A large increase in targeted mergers and acquisitions in the first nine months of 2013 does not herald a sustained increase of Middle Eastern deals in 2014 and beyond, according to Merger market.

Africa and Middle East-targeted mergers and acquisitions announced in the first nine months reached US$51.6 billion, matching the annual total for 2012, according to Merger market’s Q1-Q3 2013 M&A Round-Up, published last week. This year is forecast to be the first since 2007 in which there was M&A activity worth more than $10bn each quarter, according to the report.

However, the rise in regional M&A activity is largely attributed to just three large deals, namely the merger of Aldar Properties and Sorouh Real Estate, the merger of Dubai Aluminium (Dubal) and Emirates Aluminium (Emal), and Etisalat’s potential acquisition of a 53 per cent stake in Maroc Telecom from Vivendi Telecom.

These three deals account for 42.8 per cent of M&A activity for the year, and should be seen as the exception rather than the rule, said Lucia Dore, the head of GCC and the Middle East for Merger market.

These deals are not indicative of what’s going to happen,” she said. “They have all been government-inspired deals, and there aren’t many mergers of such a scale that are likely to happen going forward.”

Regional M&A activity has largely dried up since the three larger deals were announced, she said. “Corporate financings are going on, but there doesn’t seem to be too many deals going on right now.”

Middle East deals in the short to medium term are likely to be concentrated in relatively stable markets such as the UAE, Saudi Arabia and Oman, with the information and communications technology sector likely to experience a number of smaller deals, said Miss Dore.

The $7.5bn merger of Dubal and Emal is the largest deal of the year so far in the Middle East and Africa, according to Merger market. The merger, announced in June, will create the world’s fifth-largest aluminium producer with an enterprise value of $15bn.

The joint venture expects to add 2,000 new jobs by 2020 and estimates that a further 6,000 indirect jobs will be created by a growing aluminium sector in the country.

Etisalat is the sole bidder for Vivendi’s 53 per cent stake in Maroc Telecom, tabling a binding offer of €3.9bn (Dh19.37bn) in July. The only other interested party, Qatar’s Ooredoo, withdrew from the bidding process in June.

The UAE telecoms company last month announced that talks with the French conglomerate have been extended until the end of October.

Source: The National

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WORK RESTARTS ON BUILDING DH1.9BN JEBEL ALI CONVENTION CENTRE

TUESDAY 01 OCTOBER 2013

Construction work is set to restart on a Dh1.9 billion convention centre development in Jebel Ali that was stalled following the global financial crisis.

It comes amid improving property sentiment and hopes of a successful bid to host the Expo 2020 earmarked for a nearby site.

Habtoor Leighton Group (HLG) said yesterday it had won a Dh275 million order to build the next phase of the Jafza One convention centre complex.

This sends out the right message,“ said Mario Volpi, the managing director of Prestige Real Estate. “With the Expo, all that area would be completely redeveloped.”

The joint venture contractor made the disclosure in a regulatory filing to the Australian Securities Exchange.

Several Dubai construction projects delayed in the aftermath of the financial crisis are being restarted as confidence returns to the property market and property prices climb.

The Jebel Ali Free Zone is also benefiting from growth in trade and logistics. More than 150 companies have set up in the business park this year, bringing the total number operating there to 7,000. Dubai is one of four cities competing to host the Expo 2020.

The Jebel Ali Free Zone is located close to the proposed Expo site and could emerge as a big winner from a successful Dubai bid.

With more than 200 nationalities calling Dubai home, it is the most eligible venue for such a significant event,” Ibrahim Al Janahi, deputy chief executive of Economic Zones World, said last month. The HLG contract covers the interior fit-out of one of the twin commercial towers on the site.

The contractor first started work on the convention centre site in 2007, when the property market was booming. The development also comprised a hotel and associated exhibition and recreation facilities.

Now HLG hopes to “reach an agreement regarding completion of the remaining elements of the convention centre later this year”, said Jose Antonio Lopez-Monis, the chief executive of HLG.

The planned convention centre in Jebel Ali could provide an alternative venue for event organisers currently using the vast Dubai International Convention and Exhibition Centre, home to shows such as The Big 5 construction exhibition and next week’s Cityscape event.

Source: The National

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NO COLD CALLS OR FACE FINES, DUBAI REGULATOR WARNS PROPERTY BROKERS

TUESDAY 01 OCTOBER 2013

Dubai’s property brokers who are looking to make a quick deal have been warned against cold-calling potential clients as property prices in the city surge.

The Real Estate Regulatory Agency (Rera) of the Dubai Land Department yesterday issued an official letter to all of the city’s registered real estate brokers, reminding them that direct telemarketing violates its rules.

Rera’s Real Estate Inspection division said it had been inundated with complaints from homeowners in recent months as property prices in Dubai continue to rise steadily.

The warning comes as the property broker Asteco reported that average apartment prices in Dubai rose 42 per cent over the 12 months to the end of September and villa prices rose 26 per cent.

Rera has made contact with all real estate offices in Dubai asking them to refrain from such annoying tactics as direct telemarketing, as they do not provide any benefits for the sector,” said Yousef Al Hashmi, the senior director of Rera’s licensing department.

Rera told brokers that anyone not adhering to the rules faced fines under its 2006 regulation 85.

According to Asteco data, apartment prices climbed the fastest in Discovery Gardens, where they now stand 75 per cent higher than the previous year at Dh700 per square foot.

Prices at Jumeirah Lakes Towers increased 46 per cent over the same period at Dh950 per sq ft.

However, the glitzy area around Burj Khalifa, Downtown Dubai, remains the most expensive in the city, with prices averaging Dh1,700 per sq ft.

Jumeirah Village was the neighbourhood that recorded the biggest increase in villa prices, with prices per sq ft doubling over the year to Dh750. It was followed by Jumeirah Islands, where prices per sq ft rose 30 per cent to Dh1,300, and The Springs, where they rose 25 per cent to Dh1,000.

Palm Jumeirah remained the most expensive location for villas: prices stood at Dh2,000 per sq ft – almost double that of any other freehold area of Dubai.

However, Asteco said despite the rapid increases, property prices in Dubai remained on average 42 per cent below their September 2008 peak levels and looked set to remain below them for the foreseeable future.

It said apartments in Jumeirah Beach Residences remained 32 per cent below their peak, while flats in The Greens are 33 per cent lower.

Source: The National

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A PROGRESSIVE STEP IN RENTAL DISPUTE RESOLUTION

WEIDENSDAY 02 OCTOBER 2013

His Highness Sheikh Mohammad bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, issued Decree No. 26/2013 establishing the Rental Disputes Resolution Centre. The Centre aims to provide a specialised judicial framework to deal with rental disputes and to improve the resolution thereof through a simple and expeditious mechanism.

Finding an efficient mechanism to resolve rental disputes in Dubai go back to the ‘70s when a committee was formed in Dubai Municipality. The logic behind a quasi-judicial committee outside of the Court’s framework was that the market for rentals was governed by norms that required special knowledge that the regular courts may not necessarily possess. In addition, it was thought that delays associated with the court system would damage the real estate market, which could not afford having properties vacant or not generate income pending a court ruling.

The initial jurisdiction of the Rent Committee was confined to evacuation orders, which required swift decisions and actions. The decisions of the Rent Committee enjoyed judicial force and were as such enforced by the courts. There was no recourse to appeal or any sort of opposition as promptness was the main drive for the Committee.

However, its role expanded with time to cover any claim relating to rents and not merely evacuation cases. This meant it had to deal with legal issues that in some cases were complex and beyond the layman expertise of its members.

An added element was that the Committee worked in a vacuum of proper written proceedings and rules, which was a source of confusion for the parties dealing with it. With the real estate boom of the past decade, the number of cases the Committee had to deal with exploded and despite the increase in members and extended working hours, it was simply unable to cope with the volume of cases before it. In addition, the rise in the level of legal complexity led the Committee, composed fully of laymen, to struggle in dealing with these cases in spite of the sincere efforts and good intentions of its members.

So what is new in Decree No 26? The starting point is the jurisdiction is wide enough to capture all disputes relating to rents. However, it excludes rental disputes arising in free zones that have courts or special committees to deal with them (in a reference to the DIFC), those arising out of financial leasing and long leases, which are governed by Law No. 7 of 2006 in respect of Real Estate Registration.

The major development in the Decree is that the Centre is presided by a judge and all committees has a judge as a member in addition to two laymen members. Thus, the formation of the committees preserves the expertise that rent disputes require while adding a legal element that the previous ones lacked. The Centre has four divisions: for Conciliation and Settlement, First Instance, Appeal and Execution.

The other interesting development is that the decisions of the committees are subject to appeal, a process that the previous ones did not have and which attracted a lot of criticism. The appeal committees are an indication that appeals have more legal elements that require consideration. In an attempt to strike a balance between the requirements of justice and the seriousness of appeals, the...
Decree requires for the admittance of an appeal, the judgment debtor must deposit 50 per cent of the decreed amount with the Centre.

The Decree provides that claims where the value thereof is less than Dh100,000 are final and not subject to appeal except in cases of evacuation, lack of jurisdiction, where the parties were not properly summoned or where forged documents were presented. It is most likely that parties to disputes will lodge appeals based on the many exceptions that the Decree allows which will render in effect the threshold impractical.

The Decree requires that committees render decisions within 30 days of the file being referred to them. However, this period can be extended indefinitely, which is most likely to happen in the majority of cases.

There is no doubt that it is a major development in resolving rental disputes in Dubai. The ultimate extent of success of this mechanism will depend on how efficiently it will be implemented.

Source: Gulf News

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RERA WARNS DUBAI BROKERS: STOP UNWARRANTED SMS, PHONE-CALLS OR FACE LEGAL ACTION

TUESDAY 02 OCTOBER 2013

Real estate brokers in Dubai have been told to stop sending SMSes or making unsolicited calls to property owners not listed with them, according to a Real Estate Regulatory Agency (Rera) circular.

The circular, issued recently, states: “All real estate brokers are not allowed to SMS or call property owners if their properties are not listed by the owner for sale or rent as per the used templates by the real estate offices.”

It adds: “If you don’t obey this, legal action will be taken.”

This website has reported earlier that brokers who are found to have misled investors, co-operated with unlicensed brokers or made phone calls to promote/advertise a project, can face fines of Dh50,000. The fine increases to Dh100,000 for repeated violations.

Rera reiterated the warning today, October 1, asking real estate brokers to stop telemarketing.

The agency said it had received numerous complaints from property owners and developers who have been contacted by third parties promoting their marketing services, despite the properties often not being displayed for sale.

"We have made contact with all real estate offices in Dubai asking them to refrain from such annoying tactics as direct telemarketing, as they do not provide any benefits for the sector;” said Yousef Al Hashmi, Senior Director, Licensing Department, Rera.

“We have reiterated that all real estate brokers and agents should abide by the clear set of governing rules and legislation for the promotion and marketing of real estate properties by using existing methods that have been established by the agency.”

Sultan Al Suwaidi, Head of Permits and Inspections, Rera, said contacting property owners directly in order to offer sales and marketing services is not only a breach of the guidelines from Rera, it goes against the whole ethos of the profession.

Real estate brokers are allowed to place advertisements promoting their own services and can also promote projects that have been pre-approved with the developer, owner or landlord.

“When advertising their services on-line, every real estate office is required to include their unique registration number, which must be placed on all communication documents,” he added.

Source: Emirates 24/7

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DUBAI MARINA: 'TALLEST BLOCK IN THE WORLD'

MONDAY 01 OCTOBER 2013

The Middle East is outstripping the West in terms of ‘megatall’ buildings with Dubai beating China, having already built three of the world’s tallest buildings including Burj Khalifa, the world’s tallest tower, according to a new report.

In a report titled ‘Megatall: What does it take?’ EC Harris refers to Dubai Marina being home to 14 out of the 20 current tallest buildings in the emirate as the “tallest block in the world.”

Dubai is also home to Princess Tower (414 metres), the world’s highest residential tower, JW Marriott Marquis (355 metres), the world’s highest hotel, and Cayan Tower, formerly known as Infinity Tower, the world’s tallest tower with a 90-degree twist.

Emporis data reveals that Dubai has 1,881 tall buildings of which 856 exist, 627 are planned, 355 under construction, 42 un-built and one demolished. Overall, there are 909 high-rises and 448 skyscrapers.

EC Harris says, “Four out of 10 of the world’s tallest buildings are currently located in China, Asia’s economic powerhouse, but Dubai is storming ahead with three of the world’s four tallest buildings to be built there alongside the current tallest building in the world; the Burj Khalifa.”

The one-kilometre-high Kingdom Tower, Saudi Arabia, is currently under construction and is due for completion in 2019. The tower will dominate the world’s “megatall” towers and will be just over three times the size of The Shard – the UK’s tallest building.

“Within the next decade, the trend of building ‘megatall’ towers – those which reach more than 600 metres high – is likely to increase, particularly in the Middle East,” the report revealed.

Referring to the Council on Tall Buildings and Urban Habitat data, EC Harris said that until a few years ago such of buildings were not even in existence, but now over 10 “megatall” buildings will be built across the world by 2020.

“Interestingly all of these buildings exist in either the Middle East or Asia. The tallest building under construction outside of these regions is the One World Trade Centre, in New York, which will stand at 540 metres.”

EC Harris report states four main reasons for the shift of ‘megatall’ towers from the West to the East. They are:

Planning governance: In mature markets (specifically the West), planning governance has had a significant impact in controlling the height of buildings. Many mature cities want to protect the view of their skyline. In contrast, the Middle East has a much more relaxed planning regime, which is enabling this shift.

Land value + the economy: The report points to a direct link with economic growth (GDP) and where tall buildings are constructed. The emerging markets, typically in the Middle East and Asia, land values are low and the economy outlook has been promising. In contrast the Western market land values are particularly high with little GDP growth.
Population increase: In heavily populated cities land is scarce and valued greatly. As a consequence, these cities that have a high population rate have more demand for tall buildings. The population rate across Asia is huge and the land is scarce, therefore the need to build tall is a necessity in the East.

Demand for recognition and prestige: New emerging markets continue to command recognition and as a result society demands new developments and infrastructure. As countries in the East build more iconic and tall buildings, prestige and recognition follows. These tall constructions often anchor other developments and infrastructure and encourage new value to be created in the surrounding areas.

The report goes on to cite Burj Khalifa to be a significantly high valued piece of real estate.

“As a result this was made the centerpiece of a new business and residential district in Dubai and consequently a premium is charged for properties in the area, specifically for those with clear views of the skyscraper,” the report reveals.

Terry Tommason, Head of Property, and Middle East at EC Harris, states: “The construction market in the Middle East has continually shown this tenacity and expertise in the last decade or so, which, combined with its economic growth, is why it is now taking the lead in outstripping the West in terms of ‘megatall’ buildings.

“With the Kingdom Tower in Saudi Arabia due for completion in the next six years and economies in the Middle East continuing to grow, there is no sign of this trend toward the ‘megatall’ slowing.”

Source: Emirates 24/7

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DUBAI PROPERTY OWNER PAYS DH53,000 TO BUY JLT PARKING

SUNDAY 06 OCTOBER 2013

A property owner has paid Dh53,000 to buy a parking space in a tower in the Jumeirah Lakes Towers (JLT) master community.

RB, who requested only his initials be used, told Emirates 24|7 that he paid Dh53,000 to buy a parking space in August to get a no-objection certificate (NOC) for the title deed from the developer.

“I tried to convince the developer to issue the NOC, but he insisted that I buy a parking space.”

In 2012, this website reported that a developer refused to issue a NOC to the owner unless he bought a parking space.

“I didn’t have Dh40,000 to buy a parking bay last year, but I decided to buy it now by taking a personal loan. The developer hiked the price by 32 per cent and did not negotiate,” RB said.

However, despite buying the parking space, the developer has still not issued him the NOC, RB claims.

“No reason has been given for the delay. I keep on following up with them, but they aren’t giving any concrete answer,” he claims.

Parking barriers

Dubai Multi-Commodities Centre (DMCC), master developer of JLT, commenced activation of parking barriers in September 2012 with 16 clusters now covered.

This website reported then that in an email sent to a JLT resident, DMCC said the centre was finalising a solution and would issue JLT parking permits for those who require additional parking spaces.

The centre states that parking barriers have been activated to ensure that those people who have purchased the right to exclusive use of parking garages can park their vehicles, sell or lease their spaces.

“Any owner or tenant who has not acquired parking rights is advised to contact their tower developer, owners association, or landlord as soon as possible to avoid any inconvenience.”

Currently, there are free visitor parking bays and street level parking spaces available across the community. DMCC has emphasised there are plenty of parking spaces available for residents, office workers and visitors.

Source: Emirates 24/7

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2-MONTH 'RENT-FREE' OFFER FOR JEBEL ALI VILLAGE VILLAS

WEDNESDAY 02 OCTOBER 2013

Nakheel, Dubai-based master developer, is offering a two-month rent-free period to renters willing to pay annual rent in a single cheque for villas at Jebel Ali Village.

Rents for two-bed villas range between Dh125,000 and Dh130,000 pa; three beds are Dh130,000 to Dh135,000 pa; four beds Dh135,000 to Dh140,000 pa; five beds Dh140,000 and 145,000 pa while six beds are priced at Dh155,000 and Dh160,000 pa. The rates include service charges.

A Nakheel customer service officer said that the maximum number of installments would be two with a five per cent discount being offered on singe cheque payment.

Rent-free periods had become a norm two years back when landlords were desperate for renters, but now they are no more to be heard of.

The 290 two- to six-bedroom homes have been refurbished at the cost of Dh50.5 million.

“We are restoring one of Dubai’s oldest and most treasured residential areas, much to the delight of the community’s previous tenants. Many people who lived at Jebel Ali Village before our renovations began have even asked to move back to their original villa or street,” a Nakheel spokesman said.

Jebel Ali Village was built in 1977 to provide accommodation to expatriates who are working on the construction of Jebel Ali Port. Certain parts of the existing village such as the Jebel Ali Recreational Club and the mosque were retained with the central park being expanded to 12 hectares.

Source: Emirates 24/7

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With 28 years of Middle East experience, Asteco’s Valuation & Advisory Services team brings together a group of the Gulf’s leading real estate experts.

Asteco’s network of offices in Abu Dhabi, Al Ain, Dubai, Northern Emirates, Qatar, Jordan and the Kingdom of Saudi Arabia not only provides a deep understanding of the local markets but also enables us to undertake large instructions where we can quickly apply resources to meet clients requirements.

Our breadth of experience across all the main property sectors is underpinned by our sales, leasing and investment teams transacting in the market and a wealth of research that supports our decision making.

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**VALUATION & ADVISORY**

Our professional advisory services are conducted by suitably qualified personnel all of whom have had extensive real estate experience within the Middle East and internationally.

Our valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) and International Valuation Standards (IVS) and are undertaken by appropriately qualified valuers with extensive local experience.

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- Market Research
- Valuation Services

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**SALES MANAGEMENT**

Our Sales Management services are comprehensive and encompass everything required for the successful completion and handover of units to individual unit owners.