



The Monthly Real Estate Report

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Al Mazaya: The role of exhibitions as a platform for supporting the regional real estate sector needs to be reinforced



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Current economic climate ideal for medium and long-term real estate investment



Real estate exhibitions have been one of the key incentives driving economic activities around the world, as they help market and promote a wide range of a country's other product and service sectors. This includes both domestic and international activities related to innovative real estate products, as well as products that target a specific demographic.



Exhibition success criteria varies from the number of new exhibitors, size of exhibits and number of visitors, on the one hand, to the number and values of completed deals, the nature of their concentration, and new projects and ideas showcased, on the other. The only constant in this data is that exhibitions should maintain their capacity to provide a large variety of investment opportunities. This will consequently help to keep these exhibitions as a key source for identifying real estate and other investment prospects – across the world.





Increasing financial, economic and political pressures in the GCC countries have had a tangible impact on the pace and feasibility of real estate activities and their ability to achieve their basic targets. Al Mazaya's Report noted an increase and continuity of activities and events last year and this year, with many pre-set targets achieved. This was most notable within the tourism-related exhibitions, events and conferences.

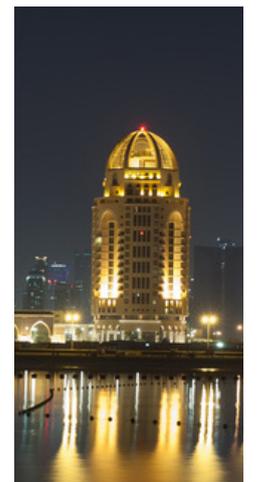


In this regard, Al Mazaya Holding Company's Weekly Real Estate Report has highlighted the role of these events in providing opportunities for all interested parties, including buyers and investors, to identify new projects. Exhibitions also open up channels of communication for cooperation and joint action in case of economic crises, in addition to being a useful platform for the exchange of knowledge and expertise.



Of MICE and Real Estate...

Typically, real estate exhibitions witness high demand from visitors and acquire the largest share of trade and executed deal values, within the MICE industry. Their impact on the activation of other sectors, in their respective local economies, is also well documented. Of course, the impact of real estate exhibitions evolves and progresses over time and according to prevailing economic conditions. The level of competition, similarity and repetition of events has led many first-class development companies to organise more bespoke and specialised foreign exhibitions for their outstanding real estate products, so as to promote them directly in their target markets. These activities have gained momentum recently and are expected to increase, in the coming years.



The positive role these events generate augments when economic pressures in certain countries and other markets enjoy increased purchasing capabilities and a desire to search for foreign investment opportunities.



Dubai

The concept and content of these activities, in the region, has been best reflected in the success achieved by the Emirate of Dubai, which is now renowned – internationally – as a host city for many exhibitions, across many industry sectors. With a packed exhibition schedule, throughout the year, the city embraces a large number of local and international exhibitions and other events, currently amounting to an annual number of 93; an average of 1.79 events per week.



Dubai has also succeeded in gathering hundreds of real estate development companies from all over the world to offer and regularly showcase their real estate projects to developers and investors. In addition to international MICE events, there are many domestic real estate exhibitions directed to different investor segments. Some of them aim to boost collaboration between Dubai and other cities, with others lending focus to ancillary industries connected to real estate, like interior design and decoration.



Turkey

Al Mazaya's Report confirms that real estate activities and events have increased since the beginning of the current year, with competition tough among GCC countries keen to attract investors and investments to their real estate projects. The CityScape exhibition brand bears witness to this and recently expanded into the Turkish market, with the participation of 67 companies from different countries. Many of these companies were from the UAE, Saudi Arabia, Qatar and Kuwait. This exhibition has received interest from a large number of investors and local and international real estate companies and aims to motivate investors from Gulf countries to increase their stake in other projects, in Turkey. The exhibition has proven successful in generating exclusive opportunities for Gulf investors in the Turkish real estate market, which is characterised by its diversity of project sizes and uses.



Gulf-based investments in Turkey reached 30 per cent of the total foreign investment into the country, in 2015, with the country's real estate market continuing to attract evermore high-end foreign investors. This is backed up by direct government involvement in developing infrastructure and placing real estate development among its core priorities for economic development.

Abu Dhabi

In the same context, Al Mazaya's Report has indicated that the UAE capital is getting ready to host Cityscape Abu Dhabi next April, during which a large number of new real estate projects are expected to be announced – both within the emirate and for the UAE in general. A large number of officials, decision makers, investors and real estate developers, as well as financial institutions are expected to attend.



The exhibition will constitute a serious chance to review a great number of real estate projects in Abu Dhabi and internationally. Moreover, this exhibition will be a forum for investors, developers, and experts in the fields of real estate, finance and economics. The importance of this event lies in testing current and anticipated performance indicators, mainly relating to the effects of low oil prices and spending rates, as well as testing actual growth indicators. Challenges related to funding and declining levels of real estate market liquidity will also be on the agenda. Current corrections being observed are seen as an indication of the market's flexibility, maturity and ability to provide greater investment opportunities directly connected with the development of real estate sector and end user investments.



Conclusion

Al Mazaya's Report concludes that regional and international property markets require exhibitors and sector pioneers to make fundamental changes and introduce alternative strategic initiatives to encourage future investments. There is also a need to develop, package and introduce increasingly sophisticated investment models for investors. Al Mazaya's Report emphasised the need to avoid repeating ideas for products and to continually seek to offer new products, particularly in relation to international exhibitions. This will help to achieve the set goals, add tangible economic value to the markets each project serves, and to continue to produce new investment opportunities that maintain investment attractiveness and competitiveness.

