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Middle East

Gulf Billions Offer Hope



WITH THE POLITICAL MAP IN TURMOIL ACROSS THE MENA REGION, IT WOULD BE EXCUSABLE FOR THOSE FROM OUTSIDE THE REGION TO WRITE OFF THE MIDDLE EAST AS A TOTAL 'NO GO AREA' WHEN IT COMES TO RETAIL ACTIVITY. HOW WRONG THEY WOULD BE, AS SIMON THOMSON, FOUNDER OF RETAIL INTERNATIONAL, EXPLAINS.

As they ever were, the Gulf States remain the engine room of new mall development and retail innovation generally. The 'dog days' of the global economic recession are but a bad dream in the likes of the UAE and Qatar, which are now vying for position as No 1 regional shopping centre superpower.

With a drum roll of global media blitz, Dubai once a creek side fishing harbour, then regional city and now a world mega brand in its own right, revealed in early July this year plans for the 'Mall of the World'.

Dubai's newest mega-project will occupy some 48 million square feet, it will comprise the world's largest indoor theme park, which will be covered by a glass dome that will open during the winter months. The development will also house what is claimed to be the largest shopping mall in the world with an area of eight million square feet.

Just a few weeks earlier, Dubai developer Damac revealed plans for another 'street-style' mall modelled on Rodeo Drive in Beverly Hills for its Akoya Drive project. Measuring 1.3km long, the high-end shopping street will be as big as The Walk at Jumeirah Beach Residences, Dubai. The new shopping street will comprise four piazzas, artificial ice-rink, out-door cinema and family entertainments.

And, on Palm Jumeirah a \$325M contract was signed in July for the construction of Nakheel Mall comprising more than 1.1 million square feet of retail space over five levels, offering 300 shops and 4,000 parking lots in three basements. Completion is set for 2016.

Only a few weeks earlier, Nakheel awarded an \$11M design contract for potentially an even larger mall, on Deira Islands, which will have over 2.2 million square feet of



REEM MALL, ABU DHABI
DEVELOPER: KUWAIT'S NATIONAL REAL ESTATE COMPANY

leasable retail space.

Along the Gulf, Abu Dhabi's stalled Reem Mall project was 're-booted' when Kuwait's National Real Estate Company announced the appointment of RTKL as design consultant for the US\$1bn mall comprising 450 stores, 85 restaurants and family entertainment with a projected launch in 2018.

The much vaunted and eagerly anticipated, Yas Mall is scheduled to open in November to coincide with the final race of the 2014 F1 World Championship. Linked to Ferrari World it is set to be one of the world's largest entertainment, leisure and retail destination complexes. Net retail leasable area is reported to be some 2.53 million square feet. To augment its regular line up, Chaloub Group will be launching the 'region's largest department store experience' comprising 200,000sq ft prime retail space. This will be competing with a 'new concept' House of Fraser department store spanning some 110,000sq ft.

Meanwhile in Qatar, leasing continues apace at Doha Festival City. With 2.7 million square feet GLA, over 550 shops and parking for 8,500 cars it will be one of the nation's largest retail and leisure destination centres when fully completed in 2016.

Joining Festival City in the 'footfall frenzy' will be the upcoming Mall of Qatar. Costing some \$900M to provide 2.1 million square feet of retail leasable space on three levels, four major anchors and IMAX cinema will make it one of Qatar's largest shopping and entertainment destinations with over 400 stores. Completion is due for Q3 2015.

Al Futtaim Group, having masterminded 'Festival City' as a brand from the original project in Dubai in 2005 is now gathering momentum in rolling out the concept across the MENA region. Last year it opened the 1.7 million square foot Cairo Festival City and the first phase in Doha is already complete. The Group is now ready to take on the challenge of Saudi Arabia with a signing of a pact with Riyadh-based Kayannat Real Estate Company to build a \$1.6bn super-regional mall in the Al Diriyah district to the west of Riyadh. The 2.7 million square foot Al Diriyah Festival City mall will include an IKEA anchor store, a 500-room luxury hotel amongst other familiar features.

Perhaps the dominant super-mall in the region outside The Gulf in the development phase is Mall of Egypt, located in 6th October District in the western part of Greater Cairo. UAE-based Majid Al Futtaim is masterminding the project along the lines of its well-liked regional super-mall format based on the hugely successful Mall of the Emirates, Dubai. Advertised to open in 2015, despite the turmoil in Egypt of the recent past, the mall will comprise some 1.75 million square feet, featuring around 400 shops, 17-screen cinema complex, family entertainment centre, 50 food and beverage outlets and parking for 6,500 cars. A ski park will be the USP in this instance.

It is to be hoped that with so much investment being channelled into the creation of such grand retail emporiums, and supported by exponential retail spending, that when the time comes to rebuild the likes of Gaza, Baghdad, Homs, Damascus and even the towns of Eastern Ukraine, that funds will be equally so readily available.

Simon Thomson is a consultant and commentator on the global retail and shopping centre development industry. More at retailinternational.co.uk.



AKOYA DRIVE, DUBAI
DEVELOPER: DAMAC



YAS ISLAND MALL, ABU DHABI
DEVELOPER: ALDAR



DUBAI FESTIVAL CITY, QATAR
DEVELOPER: AL FUTTAIM GROUP REAL ESTATE

MALL OF THE WORLD, DUBAI
DEVELOPER: DUBAI HOLDING