

# UAE FIRM BULLISH ABOUT REALTY MARKET IN MEDIUM TO LONG TERM

The ups and downs of the real estate market are not uncommon anywhere. The foundation of the real estate market of UAE however is fundamentally strong, based on the country's sound, economic, legal and social framework; its first-class infrastructure; and effective regulations. There is no income tax on the real estate capital gain or the rental income. Most importantly, the national strategy 2030 of the country is well planned to accelerate the multi-dimensional growth and development of the sector.

This was stated by  
**Bilal Amanullah Moti MRICS**,  
Managing Director, Windmills Real Estate Valuation Services, during an exclusive interview with **Inayat-ur-Rahman** of **The Gulf Today**.

*The full interview:*

**Q: Can you tell us briefly about Windmills and its operations in the UAE?**

A: Windmills provides valuation (and advisory services) across all Emirates based on Rera and International (RICS) Standards. We have been experienced in valuing thousands of assets related to real estate, plant, machinery, heavy/ auto/marine equipment, and businesses in GCC, with a market value over Dhs50 billion.

Our major clients are banks, developers, insurance companies, public listed companies, family groups and private companies.

**Q: What is Windmills' unique selling proposition?**

A: In general, our business is pillarized by ethics, prudence, results

and service. Among our specific competitive servicing propositions are our over 50 years of asset-based lending, investment and chartered valuation experience; a central valuation solution for real estate, machinery, equipment, and business assets; an international, well qualified, experienced and multilingual team, access to extensive relationships to source primary information, and 'no conflict of interest' based practice.

**Q: Why did you choose the UAE for offering your services?**

A: I am principally inspired by the statement of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, that "Dubai will never settle for anything less than the first place", and the ensuing results of impeccable growth and development over the last 25 years.

UAE is a global leader with regard to safety, discipline, internationalism, and enterprising character. It is very stable from economic, social, regulatory, and legal perspectives, which are the main considerations for investment and people to settle here. Its oil and gas, banking, real estate/construction, trading, hospitality, tourism, transport, events and conferences, and retail segments are distinguished globally.

Geographically, UAE's global connectivity is extraordinary. It offers a large international market of more than 2 billion Asian, Arab and African people, and millions of businesses to us within a 4-hour flight journey.

Travelling from and to the country is convenient and economical. English is widely spoken. These are the key reasons why most of the international conferences and events are organised in UAE, and it is home to more than 200 nationalities.

I found setting up a business here easy. The free zones do not demand local sponsors. What I am the most delighted about is that we do not have to pay income tax on the company or individual level. Finally, for our valuation and advisory services, the UAE is a sizeable, international and a professional market.

**Q: Where do you see the UAE in the coming 10 years?**

A: The UAE is expected to be the most advanced, regulated, and comfortable country to work and live in 10 years. I foresee 12 million people living here by 2027. MEED forecasts GDP growth of 4-5% from 2017-2020.

The UAE appears to be committed to a convenient, efficient and technologically advanced infrastructure. I believe that the country will further exceed the infrastructural standards of the highly developed countries in the coming years.

I also believe that there will be a considerable expansion in the industrial manufacturing and service segments of the country, especially Aerospace, Maritime, Aluminium, Fabricated Metals, Pharmaceuticals, Food and Beverages, and Machinery and Equipment. The Dubai Industrial Strategy has identified 75 initiatives to transform Dubai into a global platform for industries based on knowledge, innovation and sustainability. The strategy is projected to generate additional Dhs160 billion by 2030. All this should also encourage more global corporate head offices to move here.

**Q: How important is Expo 2020 event for UAE, and what about after the Expo?**

A: Expo is the largest global business concept. It brings countries, companies, people, products, services and innovations of all sizes and nature together from all over the world at one place.

Thanks to the extensive arrangements being made, Expo 2020 will be the highest profile commercial event ever to happen in the UAE and GCC. It is likely to deliver business connectivity to millions of people. It is a one-off opportunity of its kind for us to personally showcase our products and services to an international audience, experience the same from others, and make international affiliations.

Expo 2020 should not be seen as the end of UAE's international ambitions. It is a part of the long-term development process. I am sure that even before Expo 2020 is completed, we will hear about a stream of new events planned for in the country.

**Q: What are your views about the UAE real estate market and its sustainability in the long run?**

A: I am bullish about the real estate market of UAE in the long term. My reasons are:

First, real estate is the reflection of a country's stability. The UAE is sound from economic, legal and social perspectives.

Second, being a home for 200 nationalities forming more than 85% of its population, and thousands of local and international businesses operating here for decades, the UAE is a well-known investment market globally.

Third, the UAE offers a first-class infrastructure for business and living. Its development agenda ahead is phenomenal. Its overall growth history is a strong foundation for forthcoming accelerated performance.

Fourth, the real estate sector here is well-regulated.

Fifth, there is an effective and protective legal system that governs leasehold and freehold properties.

Sixth, the properties being built in UAE are of superior quality on the international standards.

Seventh, there is sufficient and competitive financing available from many financial institutions to the sector at competitive rates.

Eighth, the property prices at present are relatively lower than the peaks seen, and compare well with those of the developed countries of the world. Ninth, developers are offering affordable properties now, and attractive payment terms to the investors. Finally, the rental yield of the properties in the UAE are still one of the best in the world.

**Q: How good is the regulatory framework of the real estate market and valuations in the UAE?**

A: The UAE is a well legislated real estate market. Its Land Departments and Municipalities have done an impressive job from the rules and regulations development point of view in a very short time frame.

They have been propelling frequent investors education programmes, professional policies and practices, and effective dispute resolutions; and therefore, aware-

ness, transparency and trust to the stakeholders. Whether it is property ownership, project development or tenancy contracts, all are documented and controlled.

The strategic plan of Dubai Land Department for 2021 is to excel on market efficiency, smart operation, and sustainable performance.

Valuation regulations are equally effective in the UAE. It is mandatory for all valuers in Dubai to be professionally competent, experienced, and qualified by RERA. Valuation companies in Dubai are supposed to carry out valuations as per RERA standards, and report them to the regulatory authority with necessary details on the monthly basis.

**Q: Why are independent and professional valuations necessary?**

A: Valuation of a property to the financial decision is like blood to the body. It is a professional market opinion.

Valuers are mandated to apply ethics, competency, objectivity and disclosure. In addition to providing the clients with an estimated market value of the property, valuations also highlight commercial and documentary details about the property in relation with the market practices, and most importantly, the underlying assumptions to arrive at the estimated value of the property. I recommend all real estate stakeholders to take property valuation seriously. An independent valuation by a professional entity, while making property financing, investment, insurance, portfolio management, or financial reporting related decisions, is highly advised. It will help secure sufficient knowledge and visibility about the property vis-à-vis the current market, and make prudent financial decisions.

Bilal Amanullah Moti MRICS is the Managing Director of Windmills Real Estate Valuation Services LLC. He clarifies that the above article in entirety represents his personal opinion only, and should not be considered as an investment recommendation. Investors are however advised to make their investment or other financial decisions independently.

**Face that MATTERS**



**Bilal Amanullah Moti MRICS**

## PROFILE

Bilal Amanullah Moti MRICS is the Managing Director of Windmills Real Estate Valuation Services LLC.

He is a result-oriented financial services professional and a chartered MRICS valuer, with proven achievements and experience in the banking, asset management, brokerage and valuation services in GCC, Asia and Europe. He holds a strong academic background [MBA, Banking Diploma], professional association with RICS and linguistic skills. He carries an extensive governance and management exposure as Board and/or

Management Committee Member of ABN AMRO Bank Netherlands, Bank Muscat Oman, AlBilad Investment Company Saudi Arabia, Silbank Pakistan, Arif Habib Ltd. Pakistan, and SKM Lanka Sri Lanka. Bilal has a proven leadership skills to independently develop strategies and business plans, and drive execution to accomplish planned objectives. He has managed sizeable organisations internationally in terms of clients, services, employees, organisation network, alliances, technology and processes. Bilal possesses 32 years of international business, financial and operations management experience. The banking experience encompasses Institutional, Corporate and Investment Banking with leading international banks.

## AMAZON PLANS TO BUILD SECOND, 'EQUAL' HEADQUARTERS OUTSIDE SEATTLE

**SEATTLE:** Amazon.com has outgrown Seattle. The e-commerce giant, which employs about 40,000 people in the city after a hiring boom and urban build-out with little precedent in modern American history, is searching for a second home.

The company in an early morning news release on Thursday announced it was seeking to place a second headquarters somewhere in North America. The online retailer said it planned to spend upward of \$5 billion on the new corporate campus, and house as many as 50,000 employees there.

The new headquarters will "be a full equal" to Amazon's Seattle home, chief executive Jeff Bezos said. "We're excited to find a second home."

Amazon plans to hire new executives and groups to locate in that headquarters, and also give senior leaders the option of placing teams in one or both headquarters. Employees currently working in Seattle, Amazon said, may have an opportunity to choose to work from the new headquarters.

Plans for a new headquarters, which Amazon is calling HQ2, seems to chart expectations for more rapid growth at a company that was already likely the second largest employer in the U.S.

After sealing the \$13.5 billion purchase of Whole Foods Market, and its 87,000 employees, last month, the combined workforce likely totaled 469,000, trailing only Wal-Mart and its 2.3 million employees.

About 40,000 Amazonians work across 8.1 million square feet of office space in the company's sprawling Seattle campus, and Amazon is on track to grow that physical footprint by half in the next five years.

The public search for a new headquarters will likely spark a bidding war among states and cities eager for a piece of one of America's fastest-growing companies.

An eight-page request for proposal Amazon posted online Thursday said incentives offered to offset building and operating costs "will be significant factors in the decision-making process."

Packages of goodies given to companies that promise jobs have come a long way since Chicago snagged formerly Seattle-based Boeing's headquarters in 2001 with tax breaks worth up to \$60 million.

When General Electric agreed to move its headquarters from suburban Connecticut to Boston last year, the pot was sweetened by up to \$145 million in incentives.

And subsidies to keep or expand manufacturing work in states have added up to billions in tax breaks



Amazon CEO Jeff Bezos poses at an event in Seattle.

for the likes of aluminum maker Alcoa, General Motors, Intel, and, in Washington, the package offered to Boeing in exchange for a commitment to build the 777x airliner in the state.

Measured by expected direct employment, Amazon's scale dwarfs those projects.

The company listed other criteria on its wish list, including an urban or suburban core in a metropolitan area with more than a

million people, a highly educated workforce and a "stable and business-friendly environment."

Amazon isn't picky about whether to build or buy. It said it would field proposals for sites that include 500,000 square feet of space in the first phase, or new construction on a plot of 100 acres or more. Plans may eventually incorporate up to 8 million square feet of office space.

Speed appears to be a priority. The company asked interested

municipalities to offer their best guess at the timeline Amazon could expect for permitting and other considerations to be completed as part of the proposals it is requesting by Oct. 19. Amazon expects to announce a decision next year, and start work on the first phase of a new campus by 2019.

"We encourage cities to think big and be creative," the company said.

Dollar Shave Club founder and Chief Executive Michael Dubin

began using an app this year to track the time he spent on different tasks.

The finding: Organizational issues were eating up his day. Since consumer products giant Unilever spent \$1 billion a year ago to buy Dollar Shave Club in the biggest startup acquisition in Los Angeles County history, Dubin has pored over organizational charts, new marketing ideas and big hiring decisions to set up his

discount razor seller to take on bigger goals. Unilever bought into the idea that Dollar Shave Club could sell more lucrative products than razors and that it could win over consumers abroad. But the initial results of what's expected to be a multi-year transition — Act Two, as Dubin calls it — have been underwhelming, according to two sources familiar with the company but unauthorized to discuss it.

Agencies