

# Investalk 2017 Q1

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## HEALTHY GROWTH

GOVERNMENT AND PRIVATE SECTOR JOIN HANDS TO CREATE  
WORLD-CLASS HEALTHCARE INFRASTRUCTURE IN THE UAE



دبي للاستثمار  
DUBAI INVESTMENTS



Dr Rashid Abdulla Al  
Haji, General Manager of  
Properties Investment

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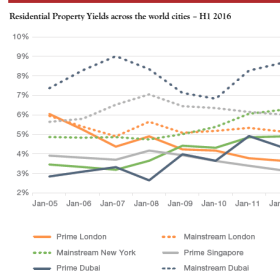
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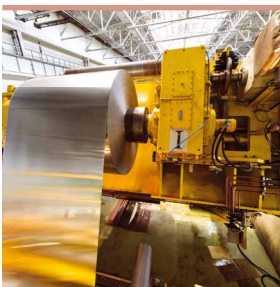
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UAE's leadership has designated 2017 as the Year of Giving – with a strong focus on helping others, promoting philanthropy and humanitarian work to support the underprivileged and vulnerable. The country's leadership has called upon both the public and private sectors to play their roles in achieving the strategic objectives across the six pillars, ranging from CSR, volunteerism, serving the nation, humanitarian projects, legislation on charity and role of media. This is aimed at fostering love and care through a realisation that UAE as a nation embraces others, helps when and where it can and always has the desire and ability to be a force for good.

From the company's side, Dubai Investments has always believed in utilising its expertise, reputation and brand presence in supporting the community in a sustainable manner across all spheres. Since its inception 21 years ago, Dubai Investments has implemented a holistic approach to doing business, one that benefits all relevant stakeholders and the

community at large. As a corporate or as individuals, as UAE nationals or as expatriates, employees of Dubai Investments and its subsidiaries have consistently lent a helping hand in programs on humanitarian support, community philanthropy, environment sustainability, social responsibility, volunteer work or nation building. The corporate ethos at Dubai Investments is to play a responsible role in the society and the company resolves to take this community outreach to the next level with concerted initiatives and programs.

Having said this, the company's giving and sharing philosophy is not limited to 2017 alone. Neither is the company looking at limiting its support to just financial assistance to institutions or initiatives. Dubai Investments believes that CSR is about doing good business and creatively addressing significant issues that face business and society, and not just feeling good. Sustainability, CSR, environment and charity initiatives have a greater focus and long-term pledge at Dubai Investments, where each employee, individually and collectively, is committed to make a difference to the world around us!

Thank you so much for your support!

**Khalid Bin Kalban**

**Managing Director and Chief Executive Officer**

## COVER STORY



# Healthy Growth

Government and private sector join hands to create world-class healthcare infrastructure in the UAE

The UAE healthcare market is definitely on a healthy growth trajectory. The healthcare sector in the country and the Gulf has taken a centre stage amidst a rising prevalence of lifestyle-related diseases and increased investments from the government as well as the private sector to cater to the demand for world-class health and medical services.

With a vision to develop international standards of healthcare infrastructure, expertise and services, the UAE government is extensively expanding and upgrading its healthcare systems. The healthcare market in the UAE is projected to reach \$19.5 billion [AED 71.56 billion] in 2020, indicating an annual average growth of 12.7 per cent from 2015, marginally higher than the GCC growth average.

The outpatient and inpatient markets are projected to reach \$12.1 billion and \$7.5 billion respectively in 2020. The country is also likely to see a nearly three per cent annual increase in the number of hospital beds required, presenting a demand of more than 13,800 beds by 2020.

The GCC healthcare market is projected to grow at a Compounded Annual Growth Rate [CAGR] of

12.1 per cent from an estimated \$40.3 billion in 2015 to \$71.3 billion in 2020. An increase in the population and the rising cost of treatment are the primary factors aiding this growth.

## Growth Drivers

The UAE population is expected to grow 2.9 per cent annually between 2015 and 2020 and this is likely to increase the demand for healthcare. Each country in the GCC has devised a long-term strategic plan or vision to expand and upgrade its healthcare system.

UAE is leading the pack, with the five-year health strategy of Abu Dhabi mainly concentrated on e-health and healthcare informatics, in addition to reducing capacity gaps and improving the quality of care. In January 2015, Dubai Health Authority revealed its 10-year healthcare plan that focuses on building a world-class and patient-centric model of care.

Sensing the demand, the government as well as private players have injected multi-billion dollars into the healthcare sector to construct large and specialised healthcare facilities. The GCC region



has nearly 350 hospital projects under various stages of development. There are several initiatives within the GCC healthcare sector that are focused on medical tourism and are likely to not only attract patients from across the world but also reduce the outbound visits of citizens for specialised treatment, thereby aiding the growth of the healthcare sector in the region.

### Trends

Private sector involvement is becoming imperative to meet the rising demand for healthcare as well as to reduce the burden of costs on the government finances. Government policies to increase insurance coverage and provide other infrastructure support as well as financial incentives are drawing investors to the region.

The government of Abu Dhabi has entered into partnerships with major international hospitals. Public hospitals in the UAE such as Sheikh Khalifa General Hospital and Rashid Hospital have handed over their management to the private providers. In 2015, the government of Dubai proposed a new public-private partnership [PPP] law to encourage private sector funding. Such laws and strategies are likely to increase the private sector involvement in UAE's healthcare sector.

Overall, favourable socio-economic factors coupled with the UAE government's focus on adopting a patient-centric model and improving the overall delivery system will continue to drive the growth of the UAE healthcare industry.

## Dubai Investments: Strategic focus in healthcare sector

Integral to its strategy to consolidate its presence across diversified businesses, Dubai Investments has identified healthcare as a key growth sector, amidst growing market opportunities the industry offers in the UAE and the GCC.

As part of this strategy, Dubai Investments invested 26.75% of the total equity financing in King's College Hospital Healthcare LLC, a joint venture with Al Tayer Group and Ashmore Group Plc. KCH Healthcare is developing the 100-bed King's College Hospital Dubai, a multi-disciplinary hospital in Dubai Hills expected to be ready by Q4 of 2018, and several clinics across Dubai. The King's College Hospital Dubai, first UAE-based hospital to offer liver transplant procedures, will offer four specialties – Paediatrics, Endocrinology, Orthopaedics and Obstetrics and Gynaecology – as well as other acute and general medical services.

Dubai Investments has announced a 230-bed hospital in the Mirdif Hills a mixed-use residential, commercial and retail project being developed by Dubai Investments Real Estate Company [DIRC]. The hospital, to be operated by NMC Healthcare, will offer multiple specialties once operational and easy access and convenience to residents in Mirdif, Al Mizhar, Al Khawaneej and Al Warqa neighbourhood.



Dubai Investments had earlier collaborated with NMC Healthcare to open the NMC Hospital in Dubai Investments Park [DIP] in July 2014. The hospital, equipped with 60 beds and 40 consultations rooms, offers over 25 key specialties coupled with round-the-clock ambulance, pharmacy and emergency services.

Dubai Investments also unveiled plans to launch a healthcare fund sized around AED1 billion, and mandated with acquisition of real estate assets in the healthcare sector. The Fund will be structured to provide cash yield of around 8 percent per annum with attractive IRRs on exit. Dubai Investments is supporting the fund with seed capital of up to 10 per cent.

## INTERVIEW

**Dr Rashid Abdulla Al Haji,  
General Manager of Properties  
Investment**

## Redefining Real Estate sector with pioneering concepts

Properties Investment LLC, established in 2002, is a joint venture owned 70% by Dubai Investments PJSC and 30% by Union Properties and engaged in investment in, and development of, real estate properties. Over the years, Properties Investment has developed iconic projects such as the Green Community – DIP and Courtyard by Marriott in Dubai Investments Park and recently launched the Green Community West DIP – Phase III. In an interview with **INVESTALK**, the General Manager of Properties Investment, **DR RASHID ABDULLA AL HAJI**, speaks about the latest project and the company's future plans. Excerpts:

### **Please provide an overview of Properties Investment's journey and its key projects.**

Since its inception in 2002, Properties Investment has played a pivotal role in the UAE real estate sector. The company has set new benchmarks by launching pioneering residential concepts such as Green Community – DIP. With its quality and delivery standards, Properties Investment has redefined the dynamics of property development in the highly-competitive UAE real estate landscape with projects such as the Courtyard by Marriott and The Market in Dubai Investments Park.

The company has expertise across all phases of the development cycle including sales, development, asset management, property acquisitions, planning and construction. Building on the success of its projects, Properties Investment continues to expand its portfolio and replicate its proven business models through new residential and commercial projects such as Green Community West DIP – Phase III, which has been designed in line with market requirements and customers' needs.



Dr Rashid Abdulla Al Haji, General Manager of Properties Investment

### **Can you elaborate on the salient features of Green Community – DIP?**

Green Community – DIP is a pioneering and quality development by Properties Investment, providing a new way of life and setting new standards in a secure community lifestyle with landscaped gardens, stone streets and a relatively traffic-free environment.

The development prides itself on its modern and beautiful surroundings with natural greenery being the key to the peace and tranquility. Green Community – DIP offers residents a unique way of lifestyle, away from the hustle and bustle of the city.

### **Please shed light on the Green Community West DIP – Phase III and its different stages?**

Green Community West DIP – Phase III is envisaged as a natural extension to existing Green Community development, inspired by the design characteristics of the community in terms of theme, connectivity, landscaping as also the look and feel.

The phase comprises 210 townhouses and 16 duplex apartments, besides a café, restaurant and retail units. The construction is going as per schedule, with 76 townhouses in stage 1 to be handed over in the second quarter of 2017. The stage 2 will include 96 townhouses and expected to be handed over by October 2017; while stage 3, comprising 38 townhouses, 16 apartments and retail units, is expected to be completed by end of 2017.

Green Community West DIP – Phase III also includes an expanded Market section, with enhanced commercial and retail options to support the needs of the residents and visitors.

### **What are the benefits on offer to investors of Green Community West DIP – Phase III?**

The Green Community West DIP – Phase III offers investors and end-users an array of townhouses, duplex apartments and retail units, complemented by unmatched amenities and a community lifestyle experience amidst natural surroundings.

Properties Investment is offering post-handover payment plans stretching from two to eight years, directly from the developer to investors in Green Community West DIP – Phase III. These payment options are aimed at facilitating the process for investors without subjecting them to financial burden.

### **How do you analyze the investor response to the Green Community Phase III, and how do you plan to chalk out the strategy on the other stages of the project?**

The fundamentals of the real estate industry remain strong and the growth is sustainable. Properties Investment had evaluated the market scenario before launching the Green Community West DIP – Phase III. The company is committed to future stages of the project completion and handover – and is well positioned to capitalise on the emerging opportunities in the sector.

### **What are the other projects being developed by Properties Investment?**

Properties Investment is planning to develop two new residential buildings within DIP, which will cater to the middle-tier investor segment. The G+4 buildings will have a total of 180-plus

residential units as also retail components. Plans are being finalised on the new project.

The company is also working on expanding The Market shopping arcade next to the Green Community – DIP. Additional 200 retail units will be developed across 65,000 square feet as part of the expansion. These will also include new food courts, cinemas and parking to complement the existing choice of attractions.

### **What does the future have in store for Properties Investment?**

With a clearly-defined growth road map, Properties Investment differentiates itself with amazing projects and investment opportunities to customers, investors and the wider community. Simultaneously, the company continues to diversify its revenue streams through asset management, and other aspects of the development and investment cycle including acquisitions, sourcing opportunities, leasing, administration & management of properties.

Capitalising on the strong fundamentals and expertise of its strategic partners – Dubai Investments and Union Properties, Properties Investment is set to play a key role in the property development and management sphere in the years to come.

#### **PI PROJECT PORTFOLIO**

- Green Community, Dubai Investments Park
- Courtyard by Marriott, DIP
- The Market
- Green Community West DIP-Phase III





## UAE NEWS



### UAE banking sector tops in Gulf with assets worth US\$711 billion

The UAE's banking sector came first on the list of the banking sectors in terms of asset volume in the GCC region, with a total value of about US\$711 billion, over (AED 2.61 trillion) in 2016, according to statistics from the Central Bank of the UAE, issued at the end of 2016.

This reflects the extent of the sector's importance, experts and analysts said. The Saudi Arabia banking sector came second, with a total asset value of \$602 billion, while the banking sector of Qatar came in third place with \$349 billion, followed by Kuwait with \$198 billion, Bahrain with \$193 billion and finally Oman with around \$70 billion.

In terms of banks with the largest assets, the anticipated merger between the National Bank of Abu Dhabi and First Gulf Bank came in the second place with around \$183 billion, while the Qatar National Bank took first place with around \$198 billion.



The merger between the National Bank of Abu Dhabi and First Gulf Bank took the lead in terms of capital stock, whose value reached \$26.6 billion, followed by the Qatar National Bank with around \$16.5 billion, Emirates NBD with \$14.7 billion, the National Commercial Bank of Saudi Arabia with \$14.1 billion and the National Bank of Kuwait with \$9.5 billion.

- Wam

### UAE economy expected to grow by 4% in 2017

The UAE economy will achieve a growth rate of between 3.5 to 4 per cent during 2017 amid activity and intensity of the performance of vital economic sector, said Sultan bin Saeed Al Mansouri, UAE Minister of Economy.

He mentioned that this growth will be spurred by the country's growing investment attractiveness, with a view to achieve numerous accomplishments in national economic indicators.

Al Mansouri said that projects which were announced as part of the UAE Vision 2021 would



maintain the strength of the national economy growth.

He added that the oil sector contributes around 30 per cent of the country's total local production, as it witnesses a current price stabilisation, while expecting a growth in local non-oil products by 3.7 percent this year.

- Wam



## UAE launches National Year of Giving Strategy

Under the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the UAE government has launched the National Strategy for the Year of Giving, declared by the UAE President His Highness Sheikh Khalifa bin Zayed Al Nahyan.

The strategy, the largest of its kind on a national level, aims to promote philanthropic and humanitarian work across the public and private sectors, and place giving at the heart of the national agenda.

With the aim of instilling a culture of giving across the UAE and institutionalising charity efforts, the National Strategy for the Year of Giving is a major step towards promoting and sustaining philanthropy and humanitarian work in the UAE. In addition, it intends to ensure that private sector companies contribute their fair share to the development of the country.

The National Strategy has launched a total of 1,000 government-backed initiatives – each with a specific agenda and timeframe – with the goal of establishing a comprehensive giving framework that will boost the levels of happiness, stability and well-being.



### The strategy comprises six pillars:

- Engage private companies in development projects as part of their CSR.
- Promote the spirit of volunteerism through specialised volunteering.
- Enhance the desire to serve the nation through individual responsibility.
- Development of humanitarian organisations.
- Establish a comprehensive legislative framework on charity work.
- Leverage the role of media in supporting the Year of Giving.

- Wam

## Expo 2020 Dubai to serve world a Taste of UAE

Expo 2020 Dubai has launched a search for producers of authentic Emirati and regional products including dates, Arabian coffee and sweets, chocolate and spices, which will form part of a warm, mouth-watering welcome offered to Expo's millions of visitors from around the world.

This is the second of up to 40 licensed product categories put out to tender by Expo. Licensed food products will be sold at select outlets across the UAE, including dedicated Expo retail stores that are expected to open in 2018, as well as the Expo 2020 Dubai site.



**إكسبو 2020**  
**دبي، الإمارات العربية المتحدة**  
**DUBAI, UNITED ARAB EMIRATES**

The tendering process to become a licensed-food producer at Expo 2020 is fully online and open to businesses of any size from anywhere in the world.

- Wam

## GROWTH

### Al Mal Capital appoints top executives

Al Mal Capital PSC has announced the appointment of top executives to drive its business growth and expand its portfolio across existing and new sectors and geographies. The Company has appointed Sanjay Vig as Managing Director – Corporate Advisory & Direct Investments and Charles Monchau as Head of Investment Management.



## GROWTH



### DI divests Marmum Dairy, United Sales Partners

Dubai Investments PJSC announced that Dubai Investments Industries [DII] has divested its 100% stake in Marmum Dairy Farm and its distribution unit United Sales Partners LLC [USP] to UAE-based Elite Agro LLC, a subsidiary of Emirates Advanced Investments Group LLC.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments PJSC, said: "Dubai Investments acquired Marmum Dairy Farm in 1996, and established USP in 1999 and these investments were well timed as the company capitalised on the rapid growth of the food sector in the region.

With a successful diversification strategy as part of its business, the companies attracted a lot of strategic interest. The overall impact of this exit on Dubai Investments income statement resulted in gain of AED 186 million."

He added: "The divestment in Marmum and USP is part of the company's strategy to continuously create value for its stakeholders. The sale to Elite Agro will enable Marmum and USP to reach next level of growth given the synergy of their businesses."

## GROWTH



### **DIP grows with 100 new companies, 33% surge in warehouses' lease area**

Dubai Investments Park [DIP] is fast emerging as the preferred destination for businesses and residents alike, in view of its proximity to Dubai World Central, Dubai South and the Expo 2020 site.

An indication to this is the increase in the number of tenants and sub-tenants in DIP, with over 100 new companies either leasing or sub-leasing premises in the 2,300-hectare business park. Similarly, the total area leased by the existing companies during 2016 has also increased by 33 per cent – from approximately 6.5 million square feet to 9 million square feet, particularly in warehouse storage spaces.

The total number of companies within DIP is over 4,600, covering the entire spectrum of industries – from medium to light industrial units in aluminium, steel manufacturing, chemicals, pharmaceuticals, textiles, plastics, oil & gas, construction, building materials and contracting sectors. During the year, DIP also witnessed a surge in subleasing of labour and accommodation rooms from 16,000 to 21,000 rooms. The increased capacity will help accommodate 84,000 labourers compared to 68,000 labourers earlier.

Reflecting its growing pre-eminence and surging

demand, DIP has also announced the opening of a new 114-room 4-star Fortune Park boutique hotel to cater to the business and leisure travellers. The new hotel is part of the plan to open eight new hotels and serviced apartments in the next three to four years in DIP. To be built by individual investors, the hotels and apartments will be of various star categories.

The new hotels will perfectly complement the growth of DIP as a city-within-a-city. It will also provide a major boost to the hospitality sector as Dubai expects to attract as many as 25 million visitors during Expo 2020, including 17.5 million overseas tourists. The Emirate will require an additional 45,000 hotel rooms to match the rising demand by 2020 and an investment of nearly \$7.1 billion is expected in hotel projects.

The growth of DIP comes amidst increased accessibility to and out of the business park, with the opening of the new Al Houdh Interchange, built by Dubai Roads & Transport Authority. With the new interchange, DIP enjoys easy access from Sheikh Mohammed Bin Zayed Road [north as well as south], as also from Jebel Ali port thus ensuring hassle-free movement in and out of the park.



## GROWTH

## MODUL University Dubai students team up for Microsoft Imagine Cup

MODUL University Dubai has announced that its students are collaborating for the Microsoft Imagine Cup UAE 2017, Microsoft's premier student technology competition conducted worldwide.

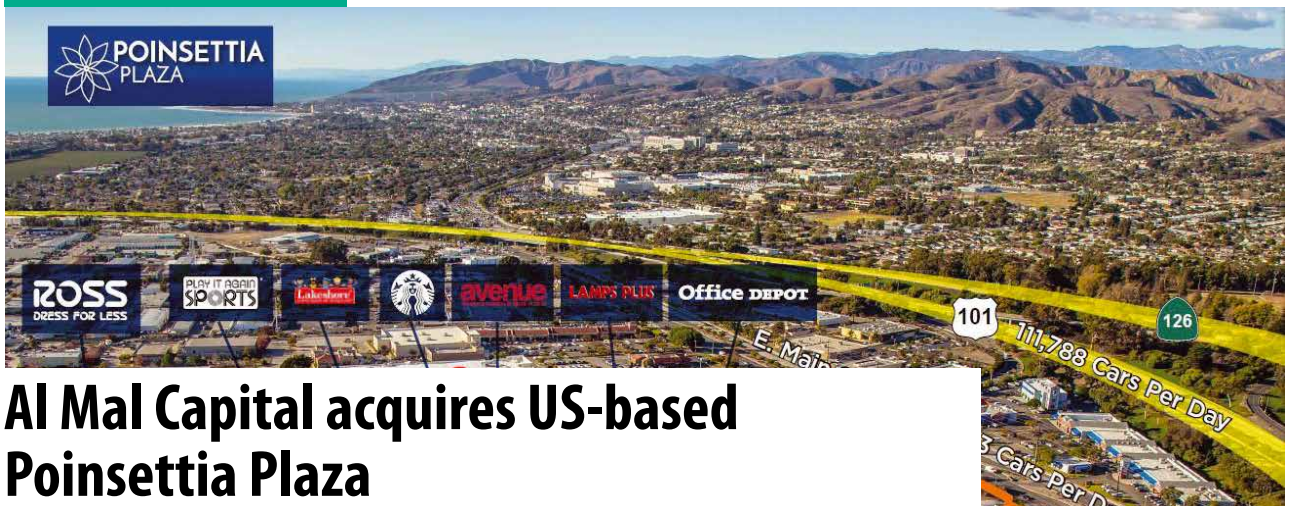
As part of its participation, seven MODUL University Dubai students across three teams have come together to develop apps using Internet of Things, Big Data, Block Chain, Machine Learning and other technologies for the Microsoft Imagine Cup – to make everything smarter, be it in hospitality, services, gateway payments, transportation, retail and entertainment.



The entries, showcased under the Smart City category, will be submitted to Microsoft Imagine Cup jury. The first place winner will be awarded \$15,000, second place winner \$10,000 and third place winner \$7,000. The submitted solutions should run on the Azure cloud and demonstrate the potential for digital transformation.

The winner at the UAE level competition will proceed to the Middle East and Africa stage, and a total of six teams from the region will qualify for the worldwide finals in Seattle, Washington – the home of Microsoft, for the Imagine Cup trophy and cash prize of \$100,000.

## GROWTH



## Al Mal Capital acquires US-based Poinsettia Plaza

Al Mal Capital PSC has announced the acquisition of Poinsettia Plaza – the 153,000 square foot neighbourhood shopping centre located in Ventura, California.

The transaction, executed through Al Mal Direct Investments, builds on the company's investments in private companies and real estate assets in the region and beyond. The Poinsettia Plaza acquisition is the second investment for Al Mal Capital in US real estate. The first was in a

residential complex in Louisiana comprising 290 apartments, which the company exited in 2015 for an IRR of 16%.

Poinsettia Plaza is anchored by tenants such as Ross, Petco, Starbucks, Office Depot, Coffee Bean, FedEx, among many others. The forward strategy is to complete capital improvement to the exterior of the property and proactively increase occupancy to achieve an increase in yield and realise capital gains upon exit.



## GROWTH

### Lite-Tech opens first-of-its-kind LED manufacturing unit

Lite-Tech Industries has inaugurated the first-of-its-kind complete LED fixtures manufacturing unit in the region, reinforcing its leadership in the energy-efficient LED lighting segment.

This manufacturing unit was inaugurated in the presence of Chairman of the Board of Directors of Lite-Tech Industries, Abdulaziz Bin Yagub Al Serkal, Board members of Masharie & Philips and company officials.

Lite-Tech Industries, which has 23 years' expertise in the sector, also announced that the new facility at its factory in Ras Al Khor Industrial Area in Dubai will manufacture nearly 400,000 LED fixtures in the first year. Built with an investment of AED 3 million, the company plans to scale up its capacity to nearly 600,000 LED fixtures by 2019.

With the new capabilities, Lite-Tech will manufacture customised LED chips and components and assemble them in various printed circuit boards and fixtures for both indoor and outdoor applications across the entire span of verticals – from industrial to commercial to



retail to world-class quality standards, in the UAE.

The LED luminaires from Lite-Tech lead up to 85% savings, compared to traditional conventional incandescent and fluorescent bulbs. The new line offers 100% locally-made LED luminaires including down lights, panel lights, spot lights, cove lights and ceiling lights in indoor segment and high bays, flood lights and street lights in outdoor segment. Customers now can have a product with warranty of up to 7 years and 100% peace of mind for quality & performance and security of investments.

The new facility comes amidst growing market for the LED segment, surging by approximately 10% year-on-year. Regionally, LED takes up about 20% to 30% of the lighting industry, but it is still way below the global average of approximately 70% market share it enjoys.

## PROJECTS

### DII concludes investments in projects worth AED 1.1 billion

Dubai Investments Industries [DII] has concluded investments in various projects of total estimated value of AED 1.1 billion across diversified sectors as part of its strategic expansion plans in the last two years.

DII's investments include AED 185 million in King's College Hospital Healthcare LLC [total project value AED 700 million], AED 110 million in Emirates Aluminium Rolling LLC (Emiroll) in KIZAD, Abu Dhabi [total project value AED 370 million] and AED 30 million in MODUL University Dubai [total project



value AED 32 million], targeting promising growth sectors such as healthcare, aluminium and education, identified as strategic in the UAE Vision 2021 and Dubai Industrial Strategy.

The strategic investments for DII, which currently has nine companies under its portfolio spanning construction and building materials, steel,

healthcare, education and IT services, are part of its vision to foray into diversified business sectors to boost its overall market leadership.

DII also announced that it is closely targeting investments in high-definition security, surveillance solutions & automation systems, Information Technology services, niche construction materials with Leadership in Energy and Environment Design certification and standards and studying opportunities in downstream plastics and polymers sectors.

DII has 30% equity stake in Emiroll, to be set up in Khalifa Industrial Zone Abu Dhabi [KIZAD] in a joint venture with DUBAL Holding and Singapore-based MARS. The total project value of Emiroll is approximately AED 370 million and once operational, the plant will manufacture 65,000 tonnes of aluminium coils per annum for applications in

downstream industries. DII is looking for growth opportunities in the downstream industries sector.

DII holds 26.75% stake in King's College Hospital Healthcare LLC. The total project value is estimated at AED 700 million, and includes a 100-bed King's College Hospital in Dubai Hills expected to be ready by 2018 in addition to a number of clinics across Dubai. The other partners in the project are Al Tayer Group and London-based Ashmore Group Plc.

DII holds 90% stake in MODUL University Dubai, Austria-based private university specialised in tourism and hospitality management courses. The University, set up with a total project value of AED 32 million, operates a 25,000 square feet campus at One JLT, Dubai. DACH Advisory holds the remaining 10% stake in the entity.



LABTEC LLC has won projects worth AED 11 million in the UAE and Eritrea to supply and installation of laboratory furniture and fire-rated doors.

The new projects won by LABTEC include an AED 6.6 million contract for supply and installation of fire-rated doors in the AED 6.6 million ANWA by Omniyat Tower in Dubai Maritime City and an AED 1.3 million supply and installation of fire-rated doors for a three-star hotel in Al Jaddaf, Dubai.

LABTEC has also won AED 1.04 million contract from Al Taweelah Alumina, an Emirates Global Aluminium [EGA] project to construct a Greenfield alumina refinery in Khalifa Industrial Zone Abu Dhabi for laboratory furniture and fume cupboards; and a Letter of Intent from United Nations Development Programme [UNDP] for a AED 2.88 million contract in Eritrea, Africa.

The company is currently negotiating projects to supply fire-rated doors and wardrobes for a number

of projects in Dubai, with total contract value exceeding AED 28 million. The ISO-9001 certified LABTEC, which operates an 8,000 square metre facility in Sharjah, is also eyeing expansion in Kenya amidst surging demand for laboratory furniture solutions.

The Company has also supplied to a number of projects in Africa, including Arba Minch, Ethiopia worth AED 3.36 million – completed in 2016, Ostuka Pharmaceutical in Egypt [AED 500,000] -completed in 2016], EVA Pharmaceuticals in Egypt [AED930,000 – completed in 2016] and in advanced negotiations for hospital and university projects in Ethiopia and other parts of Africa.

LABTEC has also finalised plans to supply the Forest Stewardship Certification [FSC] products in the GCC as part of its green building concepts.

## PROJECTS



### Green Community West DIP – Phase III to hand over 76 townhouses in Q2

Properties Investment LLC [PI] has announced that the Green Community West Dubai Investments Park – Phase III is progressing as per schedule, with 76 townhouses in stage 1 to be handed over in the second quarter of 2017.

The Green Community West DIP – Phase III, covering an area of 1.48 million square feet and a natural extension of the Green Community development, comprises a total of 210 townhouses, including 122 four-bedroom and 88 three-bedroom townhouses, 16 duplex apartments, retail units, recreational centres, swimming pools, squash court and landscaped areas.

The project progress and details were unveiled at a special event in the presence of Khalid Bin Kalban, Chairman of Properties Investment and Managing Director & CEO of Dubai Investments PJSC. Exciting payment plans spanning two years to eight years are also on offer directly from the developer.

The project's stage 2 will include 96 townhouses and is expected to be handed over by October 2017; and the stage 3, comprising 38 townhouses, 16 apartments and retail units, is expected to be completed by end of 2017. The total built-up area of the project is 1.01 million square feet and sellable area is 976,718 square feet.

Khalid Bin Kalban said: "The fundamental drivers of UAE's real estate sectors are strong, with investor confidence and interest on the rise. Concurrently, Dubai's growing reputation as the business and leisure hub, coupled with the anticipated demand for Expo 2020, are expected to catapult the Emirate's real estate sector in the coming months. Amidst these trends, Properties Investment's Green Community project offers an unmatched investment opportunity."

He added: "Since its inception, Properties Investment has set new benchmarks in establishing pioneering residential concepts such as Green Community with unparalleled quality standards. The Company is aiming to continue its solid legacy through the Green Community West DIP – Phase III, with its townhouses and duplex apartments offering robust opportunities to both end-users and investors."

Green Community West DIP – Phase III will also include an expanded Market section, with enhanced commercial and retail options to support the needs of the residents and visitors, added Kalban.

Dewan Architects and Engineers are the lead consultants and Shapoorji Pallonji Mideast LLC are the main contractors of the Green Community West DIP – Phase III project.





## EXHIBITIONS



## Emirates Insolaire panels to be installed on Dubai buildings soon

The coloured solar panels and photovoltaics from Emirates Insolaire LLC will soon dress up buildings across Dubai as the Emirate is fast moving towards a sustainable future powered by renewable energy sources.

Emirates Insolaire also announced that discussions with different authorities and companies across Dubai are in final stages on installing the panels in buildings. For the first time in history, photovoltaic panels from Emirates Insolaire can be adapted to any façade without compromising on the design and aesthetics of the building.

The solar panels from Emirates Insolaire also offer high efficiency in generating energy from solar power, with each photovoltaic module capable of generating 170 to 190 watts per square meter for roof installation or 110 to 130 watts per square meter for façade installation.

Emirates Insolaire showcased the Kromatix™ technology at Solar Middle East exhibition at Dubai World Trade Centre in February. Over 140 exhibitors from 85 countries participated in the exhibition.

## EXHIBITIONS



## Emirates Insolaire showcases solar panel technology at WFES

Dubai Investments PJSC is targeting a strong growth in the booming solar energy market through Emirates Insolaire LLC.

Emirates Insolaire LLC showcased the world's first coloured solar panel technology, including the sustainable solar panels, photovoltaic modules and solar thermal collectors at the World Future Energy

Summit [WFES] 2017 in Abu Dhabi at ADNEC in January. The company is witnessing surging interest for its solar panels amidst rising awareness towards a sustainable future.

Emirates Insolaire, committed to growth across the region, North and South Americas, plans to introduce new solar products by mid-2017.



## EVENTS

### Dubai Investments breaks ground on 'Mirdif Hills' project

Dubai Investments PJSC marked the groundbreaking of the Mirdif Hills project, being developed by Dubai Investments Real Estate Company [DIRC] in January.

The AED 3 billion Mirdif Hills, the only freehold project in Mirdif now, is a mixed-use residential, commercial and retail development spread across 3.9 million square feet and equipped with 1,054 apartments – a mix of studio, one, two, three-bedroom apartments and duplex units, a four-star hotel with 116 rooms & 128 serviced apartments and a 230-bed hospital.

The groundbreaking ceremony was held onsite in the presence of Khalid Bin Kalban, Managing Director and CEO of Dubai Investments and Chairman of DIRC, Obaid Al Salami, General Manager of DIRC, company officials and representatives from the project contractors and consultants.

Khalid Bin Kalban said: "The sales of Mirdif Hills, launched in December, received phenomenal response from investors and end users, which is a great endorsement of not only the project features but also of Dubai Investments and DIRC's track record. The Janayen and Nasayem Avenues were launched for sales in the first stage. With the



groundbreaking ceremony, the Company is looking forward to driving the project to completion within the set timeframe."

Being constructed in two phases, Mirdif Hills is expected to be completed from the Q4 of 2018.

#### Flexible payment plans announced

DIRC also announced easy and flexible payment plans for property purchases in 'Mirdif Hills'. The payment plan includes 30% payment during the construction phase of the project, and the balance 70% payment on handover, making the process easier for buyers with extended payment terms.

As per the plan, a 10 percent down payment is to be made on booking, followed by 5% payment on signing the sale and purchase agreement within the next 30 days, 5% within six months of the booking date, 5% within a year of booking, and 5% within 18 months of the booking date. The balance 70% payment can be made on handover.

## EVENTS

### 'Who Moved My Cheese' workshop deals with change management

A total of 57 employees of Dubai Investments and subsidiaries attended an interactive workshop dealing with change management. The 'Who Moved My Cheese' workshop, held over four days and conducted by life coach Banan Bakkar, illustrated ways to deal with change with the help of illustrative characters, metaphors, stories, role plays, group discussions and simulation games.



This was followed by one-on-one coaching sessions with each participant, which provided insights on how to respond to changes & challenges and transform them into opportunities.

## EVENTS

## MODUL University Dubai hosts Masterclass

MODUL University Dubai held a Masterclass in February on the future developments in Dubai, which was addressed by Fahad Al Gergawi, CEO of Dubai FDI. In his speech, Gergawi highlighted the future initiatives in line with its plans to become a future city, regional gateway and global hub.

The Masterclass is designed to support students in making an informed choice and expanding their horizons on key topics that influence today's competitive world.



## EVENTS



## MODUL University Dubai conducts orientation at Dubai Investments

MODUL University Dubai conducted a familiarisation session for its students at Dubai Investments PJSC as part of their Orientation Week in February. Nearly 60 students participated in the orientation session, which involved welcome address by Mohammed Saeed Al Raqbani, General Manager of Dubai Investments Industries, and Zaid Maleh, Managing Director of MODUL University Dubai.

Academic presentations and an overview of Dubai Investments portfolio & business were also showcased during the session. The Mirdif Hills project by Dubai Investments Real Estate Company was also showcased as part of the session, followed by a site visit to the Green Community West DIP-Phase III show villas in Dubai Investments Park.



## SUPPORT

### Dubai Investments employees walk for education

A total of 63 employees from Dubai Investments PJSC and subsidiaries volunteered their time and took part in the Walk for Education organised by Dubai Cares in February. Dubai Investments supported the annual Walk for Education, aimed at supporting millions of children worldwide who do not have access to education.



## SUPPORT



### Dubai Investments employees volunteer at Al Noor Fun Fair

Employees from Dubai Investments and subsidiaries volunteered and took part in the Hope for Children Family Fun Fair organised by Al Noor Training Centre in February. Activities undertaken by volunteers included setting up the venue,

selling merchandise, managing the food outlets as well as game stalls. Over 4,000 people from various walks of life attended the Fun Fair.

## FINANCIAL VIEWPOINT

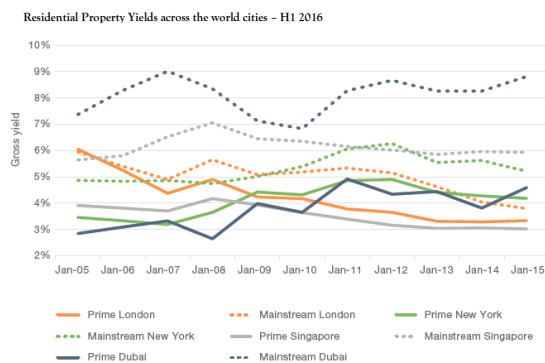
# Real Estate offers competitive yields

In this newsletter, we examine some of the recent trends in Dubai residential and commercial real estate.

After a correction that lasted several quarters, Dubai emerged as one of the few remaining, major investment destinations in the region underpinned by strong fundamentals, robust regulation and increasing infrastructure spending.

Yields are relatively attractive compared to other global cities, especially in the mainstream segment.

Saudi Arabia is the largest investor in Dubai real estate with AED 8b investments, followed by Qatar and Kuwait (AED 2b each), and Oman and Bahrain (AED 1b each).



## I. Residential

The consensus view is that the market is at the bottom of the cycle. Mainstream areas are already marking a steady rise, while the prime areas continue to witness marginal sale price contractions in the range of 1-2% Q-o-Q. The consensus view is that there could still be a softening in the prime segment ahead of an expected uptick in 2017.

While capital values have softened, rentals have been resilient pushing yields higher for both prime and mainstream properties.

Investors eyeing steady yielding assets and scouting for lucrative entry points and bulk deals, can still find an opportunity to capitalise on this trend.

Mainstream properties, such as Discovery Garden, Jumeriah Village, JLT, and The Greens, enjoy high occupancy levels due to their proximity to economic

clusters, which translates to steady gross rental yield to investors.

## II. Commercial

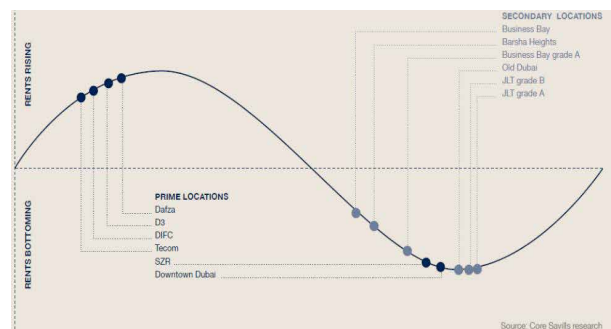
Unlike the residential sector, the Dubai commercial sector follows distinct dynamics - prime and secondary segments are at two different stages of the cycle, maintaining a two-tiered performance.

Prime segment rentals have risen steadily due to limited supply and strong demand from blue chip international tenants seeking Grade-A quality build.

The secondary segment is oversupplied with a large inventory of Grade-B strata buildings, offering discounted rents and partial fit-outs to compete.

The demand for single-owned Grade A stock has been outstripping supply for the last few years, causing some large corporates to seek out built-to-suit premises or pre-lease Grade A buildings nearing completion. This trend is likely to continue throughout 2017.

Dubai's Commercial Real Estate Cycle



## III. Conclusion

Investment in Dubai real estate offers competitive yields for investors compared to other major cities globally.

The residential sector in prime locations, especially Jumeirah and Downtown will offer a high degree of capital protection with reasonable gross yields of around 4-5%. Mainstream locations however could prove to be the more attractive segment for investors with a greater risk appetite. Those investors should expect to be rewarded with yields of around the 8% mark.

The commercial sector in prime locations, especially DIFC and D3 offer attractive yields of around 6% and are expected to maintain a positive outlook over the next 3 years. Secondary locations on the other hand are arguably less attractive due to competing oversupply.



## SUSTAINABILITY



### Dubai Investments joins forces with subsidiaries to support environment, community & Year of Giving

As part of its continuous efforts and initiatives to implement sustainable strategies, Dubai Investments PJSC organised a training session in February for 'Sustainability Champions' from Dubai Investments and its subsidiaries under the theme 'For a better partnership within the Dubai Investments family.'

The session served as internal training and orientation program for Dubai Investments and its subsidiaries and discussed various concepts of sustainability, corporate social responsibility and innovation. The aim of the session was to realise the shared benefits of the United Nations Sustainable Development Goals 2030 initiative, linking society, environment, companies and employees to further the UAE Vision 2021 and fulfill the objectives of the UAE's 'Year of Giving' initiative for 2017.

A total of 16 'Sustainability Champions' took part in the orientation session, which included employees from Dubai Investments, Dubai Investments Park, Dubai Investments Industries, Masharie, Dubai Investments Real Estate Company, Emicool, Emirates Float Glass, Lumiglass Industries, Al Taif Investment, TechSource and Emirates Extruded Polystyrene.

Khalid bin Kalban, Managing Director and CEO of Dubai Investments, said: "Dubai Investments is committed to the cause of sustainability across its operations, performance and projects. The Company has always implemented industry-best standards in the domain and also issued a new strategy for Smart Sustainability that recognises specific objectives for sustainable initiatives in the country in line with government's vision."

Kalban added: "Dubai Investments puts significant emphasis on environmental and social issues and handles them with utmost responsibility. This includes support of the Smart Dubai vision to produce clean energy and reducing carbon emissions, ensuring the safety of employees, serving the society through volunteering efforts and giving back to the communities where it operates. Dubai Investments and its subsidiaries are committed to United Nations Sustainable Development Goals 2030 and UAE Vision 2021; and look forward to launch volunteer and social programs that allow the company to meaningfully engage with the community throughout the Year of Giving."

## SUSTAINABILITY

### DI employees take steps towards healthy lifestyle

Dubai Investments employees logged over 12.58 million steps as part of the Step Challenge in November-December 2016 as part of its special initiative to encourage healthy lifestyle. All employees were given a fitness band to help them track the number of steps taken every day.

Over 90 employees signed up for the challenge. Taha Muallim was declared the winner in the men's



category with over 1,180,980 steps during the 30-day period, while Jeremy Tandiana was the winner among the females with 423,848 steps!

## PRODUCTS

### Switchable Privacy Glass



Dubai Investment's subsidiary Saudi American Glass LLC supplies Electrically Switchable Glasses, which offers Instant Privacy to all users. With the glasses, at the flick of a switch, the glass can become opaque from transparent and vice-versa.

Ideal for hotel bathrooms to ensure privacy, the switchable privacy glasses – the only product of its kind – are highly functional and can also be used in hospitals, particularly in examination rooms and also in offices – board rooms, conference rooms, front entrances etc to offer added security and confidentiality. This transformation to opaque and

back again can be triggered from a range of wall switches, remote controls, movement sensors, light sensors or timers, depending on each customer's individual needs.

Saudi American Glass are the sole Gulf regional representatives of Smartglass International, who are one of the world's leaders in the technology of Electrically Switchable Glasses with a long and successful track record in the field. Numerous variations of privacy switchable glass can be supplied including colour tinted, fire rated, double glazed, curved and shaped privacy glass.

For the last 20 years, innovation has been at the core of all product launches at Dubai Investments. Aimed at driving value to its stakeholders, Dubai Investments unveiled a number of product innovations – which have set new benchmarks across sectors. The products have been driven by pioneering technologies and the latest knowhow across specific industries, to deliver optimum value.

## DI GALLERY

The Green Community West DIP – Phase III project was unveiled at a special event in January. The event was attended by top management of Dubai Investments & subsidiaries and media. The show villas were also open for public viewing.



Khalid Bin Kalban was honoured by Imam Malik College for Sharia & Law for Dubai Investments' support to the Islamic Economy Forum, held in Dubai in March.

Lite-Tech Industries inaugurated the first-of-its-kind complete LED fixtures manufacturing unit in the region in December, in the presence of Board members of Masharie & Philips. The facility will manufacture nearly 400,000 LED fixtures in the first year.



Khalid Bin Kalban received Sanchuan Tian, Executive Vice-President of China State Construction Engineering Corporation Middle East LLC [CSCEC], and Huang Chuping, Executive DGM – Building Division of the company, in March. CSCEC are the contractors for Mirdif Hills. The Chinese officials handed over a memento to Kalban.