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MESSAGE FROM THE CEO

Although the summer months in the United Arab Emirates tend to be a bit slow, it was business as usual for the UAE government as it carried out its humanitarian initiatives. During the holy month of Ramadan, the government ensured that 32,000 meals were distributed to labourers across Dubai and Umm Al Quwain, as part of the Their Suhoor On Us initiative by the Community Development Authority (CDA) Youth Council. Another important initiative was the Dubai Cares Back to School campaign for Volunteer Emirates, wherein 500 volunteers from the UAE packed school kits to be sent to children affected by the Syrian crisis, in time for the new school year. Also on the global front, the UAE Embassy in Pakistan, through the Mohammad Bin Rashid Al Maktoum Foundation, launched the second phase of its Ramadan parcel distribution project to assist under-privileged families in Islamabad and neighbouring areas.

In the July-August issue of Realopedia Magazine, we feature the emirate of Sharjah, an emerging global city ranked in the top ten worldwide for its logistical and infrastructure capabilities. Additionally, we take a look at new government legislation allowing for a 10-year visa with foreign ownership of companies, as well as an array of mega projects that will secure Sharjah's position as an important investment and lifestyle destination.

With Eid Al Adha soon upon us, we wish our Muslim readers happiness and prosperity on the occasion of the annual pilgrimage.


Happy reading!

Warm regards,

Laura Choueri
Founder and CEO, Realopedia

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An aerial photograph of Sharjah, United Arab Emirates, showing a dense skyline of modern skyscrapers along the coast. In the foreground, there is a large, ornate building complex with domes and arches, likely a government or cultural institution. A body of water is visible on the left, with a bridge crossing it. The overall scene is a blend of modern urban development and traditional architecture.

*A foothold
in the past...
and look to
the future*

FEATURE STORY

Sharjah

Sharjah is the third largest emirate in the United Arab Emirates and is known as the cultural capital, a symbol of traditional and national values. Historically, the economy was based on trading, fishing and agriculture. In the 17th century, trading with the British put Sharjah on the global map as an important trading port. In the 19th century, Sharjah became an important link between Europe and Asia. Since the discovery of oil in 1971, Sharjah has achieved impressive growth and development. Ranked among the top ten future global cities, Sharjah is an established hub in the region for trade, with world-class logistical and infrastructure facilities.

Sharjah economy

The four largest sectors contributing to Sharjah's economy are real estate and business services, the manufacturing sector, the mining, quarrying, and energy sectors, and wholesale and retail trade. Sharjah enjoys economic stability and registered a compounded annual growth rate (CAGR) of 6% from 2008 to 2010 with economic growth reported to be growing at 3.5%. GDP growth in 2016 was estimated at around 2%. The emirate's economic stability is due to it having a high level of diversification in the region, a strong manufacturing presence, and an abundance of small and medium-sized enterprises. In addition to well-developed infrastructure facilities, the emirate is the only GCC hub with direct access to the Gulf and the Indian Ocean, offering a gateway to 160 countries. Tourism in Sharjah accounts for 10% of the UAE's tourism industry, which is a central component of the country's plan for a diversified economy. Due to this diversification, the Emirate is seeing a boom that has been attracting investments from businesspeople globally, making the Emirate a premium investment destination for tourism and trade. Moreover, Sharjah's economy has seen unprecedented growth due to investor-friendly policies and the expansion of economic free zones.

Government investment and economic outlook

The emirate of Sharjah's public budget of AED 22.1 billion (US\$ 6 billion) for the fiscal year 2018, an increase of 6% from 2017, is slated to meet the government's strategic objective across economic, social, scientific and cultural spheres, including increasing investment in infrastructure. The budget aims to stimulate the economy, support economic growth and ensure financial stability. Economic development for developing key



Sharjah

economic sectors including tourism, healthcare, energy, manufacturing and industry and real estate has been allocated 44%, an increase of 7% from 2017; 24% has been allocated for infrastructure investment, which is an increase of 3% from 2017 spending; and 23% for the social development sector, an increase of 6% from the previous year to provide the best services, support and assistance to citizens and residents of the emirate.

Overall GDP growth in the United Arab Emirates is expected to recover to 2.5% in 2018. Oil production capacity is expected to increase and the strength of the non-oil economy will boost prospects ahead of Dubai's hosting Expo 2020, which is expected to draw in 25 million visitors, thereby boosting private consumption and services exports. This will no doubt have a favourable impact on Sharjah's economy as well.

Sharjah real estate and investment opportunities

Sharjah has long been a popular destination for affordable living and continues to retain its appeal and attractiveness for households that have been priced out of rising rents and home prices in Dubai, or those who are seeking a more family-oriented lifestyle. To this end, Sharjah's large-scale community projects aim to transform the Emirate into a lifestyle destination. Yet Sharjah Investment and Development Authority's (Shurooq) goal is to become less dependent on the market conditions in Dubai by launching projects that cater to the diverse lifestyle requirements of residents, whilst improving the emirate's economic performance.

The government of Sharjah announced major changes to property ownership legislation in 2014 which opened up the local property market to all nationalities, allowing non-Arab expatriates to purchase property in select residential leasehold developments. With a view to stimulating demand and increasing foreign investment in Sharjah's real estate market, recent legislation in Sharjah allows non-Arabs without a UAE residency visa to purchase property on a 100-year renewable land lease. The new laws are expected to boost residential development and lifestyle and retail projects. The new legislation will stimulate demand, develop the private sector, strengthen the economy and create a favourable environment for business growth and investment. Moreover, the UAE Cabinet's decision in May 2018 to permit a 10-year visa

allowing 100 per cent foreign ownership of companies in the UAE to attract investors and skilled professionals to the country is another step to diversifying the economy away from oil. This will attract more FDI as well as reinvigorate residential housing markets.

Real estate projects under way

Sharjah has allocated almost a quarter of its budget this year for infrastructure development to support real estate projects by the Sharjah Investment and Development Authority (Shurooq), with a view to making Sharjah a more competitive real estate market. There are a number of major developments under way in Sharjah that will offer the local community a new level of living and lifestyle experiences, which will in turn boost the economy and increase investment in the emirate. Shurooq has unveiled three ground-breaking real estate projects, Maryam Island, Kalba Waterfront and Palace Al Khan, valued at AED 2.7 billion (US \$734 m.).



Maryam Island

Maryam Island

Set for completion at end 2019, Maryam Island, a mixed-use waterside development to be located between Al Khan Lagoon and Al Mamzar in Downtown Sharjah, will feature premium five- and four-star hotels with restaurants, cafes and retail outlets spread along the waterfront. Maryam Island will house uniquely designed villages which will offer accommodation and holiday packages. Residents and visitors will have access to high-end service amenities and world-class facilities, including a spa, a fitness club, a swimming pool and a children's play area.



Kalba Waterfront

Kalba Waterfront

Kalba Waterfront will be constructed within the Kalba Eco-Tourism Project. Bordering Kalba's stunning lagoon which is surrounded by mangroves, the project will feature a mall which will house retail outlets and shops on both sides, indoor and outdoor dining, with stunning views overlooking the mangrove-lined lagoon. Residents and tourists will be able to enjoy an array of amenities such as promenades on either side of the waterfront and a family entertainment centre, as well as a children's play area and park around the lagoon. This development will be completed in 2019.

Palace Al Khan

Overlooking the Arabian Sea, Palace Al Khan, a five-star luxury seaside hotel, is the first luxury waterfront resort in the heart of Sharjah city with natural views and green landscapes. Residents will have a unique opportunity to experience the heritage of the region by living in a pearling village in Sharjah's history. The project is set for completion in 2020.



Palace Al Khan



Sharjah Beachfront Development

Sharjah Beachfront Development

The Sharjah Beachfront Development is slated to be one of the most popular leisure destinations in the emirate, in line with the emirate's strategic plan to turn the city's beachfront into a world-class tourist destination. The beachfront project will run parallel to al Montazah Road and will create 3.3 kilometres of pedestrian areas, landscaping, sports facilities and public services. The first phases of the project are expected to be delivered in Q3 2018.

Sharjah Waterfront City

Another important development is Sharjah Waterfront City, the third-largest mixed-use project in the Middle East. This project will span eight islands built over 60 million sq. ft. along the waterfront.

Sharjah continues to foster innovation and change whilst working towards sustainable developments for future generations, making the emirate a lifestyle destination. With its investor-friendly legislation, economic diversification and a multitude of mega projects under way, the emirate of Sharjah is truly a future global city offering an array of investment opportunities.



Sharjah Waterfront City

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UAE's New Regulations on Foreign Ownership



The UAE has announced new legislation that gives investors, including those who invest, 100 percent ownership in some business sectors in the UAE. Furthermore, one of the business sectors, Tilal City, now does not require investors to have a visa in order to invest in businesses, according to older legislation that was enacted in 2017. Other business sectors have not yet been mentioned. The new legislation, which was supposed to take effect earlier this year is not expected to take effect until the end of 2018.

The new legislation will have an excellent long-term effect, making the UAE even more progressive than it already is. Not all of the specifics regarding the new legislation have been released, so the specific business sectors, other than Sharjah and Tilal City are unknown.

According to Sultan Al Mansoori, the Economy Minister, the new legislation will free up many areas of investment, including real estate developments, the manufacturing industry, pharmaceuticals and the services sector. The legislation's final draft is before the Cabinet.

Dramatic Increase in Foreign Direct Investment

In 2017, the UAE Commercial Companies Law was passed allowing investors and developers in Sharjah to buy property without a residency visa. This legislation gave the city's market a significant step up by making the ability to invest easier and with significantly lower risk. Even without the 2017 legislation, foreign

direct investment increased by 15 percent – about AED 1 billion, thanks to transparency, information, competitive advantage and government support. With the new legislation that is expected to be in place by the end of 2018, the foreign direct investment is expected to see another dramatic increase.

Stability, Safety and Long-Term Visibility

According to Phillippe Yvergniaux, the director of the International Cooperation, Business France, foreign investors want stability, safety and long-term visibility. The new legislation now provides for that by allowing 100 percent ownership.

Sharjah also has three of the 47 free zones in the UAE for business owners, which encourages venture capitalists to invest. Sharjah's free zones include Hamriya Free Zone Authority, Sharjah Airport Free Zone Authority and the USA Regional Trade Center Free Zone. The city offers security, political stability, low labor and energy costs, and low custom duties.

Details of the complete legislation have not been released as of yet, though the legislation is expected to be enforced at the end of 2018. Known changes include:

- Waiver of corporate taxes;
- 100 repatriation of profits and revenue;
- Exemption from personal taxes;
- Long-term lease options;
- Less documentation;
- Faster incorporation; and
- 100 percent free transfer of funds.

Additional details regarding the legislation will be available after it goes through the final review.

Past Legislation

Though investors expected the new law to amend the limit of 49 percent ownership of companies that are incorporated locally, it did not. If the company is incorporated in a free zone, foreign investors may own 100 percent. Also, if the company is a public joint stock company, there is not a 51 percent UAE ownership, but there is a 51 percent GCC stake-holding requirement. Investors are hoping the new rules and regulations will nullify the ownership requirements.

With the combination of past legislation, free zones in Sharjah and the new legislation, real estate investors will find it easier and more lucrative to invest in the UAE. Investors and developers will have a longer period to allow their projects to bring in cash flow from rentals, thus allowing the properties to go into equity prior to the sale of the development or project.

Visit Realopedia

To learn more about investing in the UAE and the pertinent legislation, visit Realopedia. You will be able to connect with other professionals necessary to do business in the UAE, learn more about the UAE's free zones and keep up with new legislation that makes investing in the country stable for the long term.

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Sustainable Real Estate Trends in the Middle East Region



Abu Dhabi and Dubai have been taking steps to encourage investors to use real estate investment trusts (REITs) to help investors create sustainable real estate. Though REITs have been allowed in the United Arab Emirates for about 10 years, they have not been popular in commercial or residential real estate investing. With REITs, investors are able to create sustainable developments that appeal to the newer generations. These trusts also make investing in the area more transparent since information about the development is available to investors. Sustainable real estate transactions included deals between the Abu Dhabi Islamic Bank and Residential REIT, and others. These transactions netted the Emirates NBD REIT a hefty profit, increasing profits 15 percent for the year.

Top Two Most Transparent Markets in the Middle East

The more transparent a country is the better chance for foreign investment. Dubai is still the most transparent city in the Middle East, which creates a hot market for investors. Dubai has a new Open Data Law, which promotes sharing data – that is non-confidential, of course – between the government and private agencies. Additionally, the Dubai Land Development has new measures to help investors access quality real estate data, making it easier for the investors to create sustainable developments.

Standard residential leases have also helped with transparent and sustainable real estate transactions. Finally, Dubai has several green building regulations to help minimize the use of fuel and to help investors remain stable.

Saudi Arabia has become the next most transparent market in the Middle East. The country's open data platform has helped with registering property transactions with the Ministry of Justice, and then those transactions are shared on the Ministry's public website.

With the new transparency, international developers are more willing to invest their money in the Middle East, making the area one of the better places to create residential and commercial developments.

Other Nations in the Middle East

Other nations are also becoming more transparent in real estate transactions. Egypt continues to improve, making it easier for investors, thanks to the newer politics in the region, including requiring registering property title and showing how government housing is allocated.

Iran and Kuwait moved ahead of Iraq and Pakistan in the transparency, making these countries' real estate markets more attainable and easier to make profitable deals. In 2018, investors may do well to choose some of these countries for their investments since it is expected that the real estate market – and profits associated with the market – will continue to improve, due to the increasing popularity of using REITs and the increase in more transparent transactions.

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Finally, you could significantly reduce the issues of finding new investment properties and the professionals you need to work with by visiting Realopedia. Not only will you find properties you are looking for in various countries, but you will find lawyers, title agents, contractors and other professionals you will need to make the transaction a stress-free and successful transaction.



DEVELOPERS - UAE

Eagle Hills



Since its founding in 2014, Eagle Hills has realised an impressive growth plan, which has seen it enter into agreements to support the redevelopment and reinvigoration of a number of cities in Africa, Eastern Europe and the Middle East.

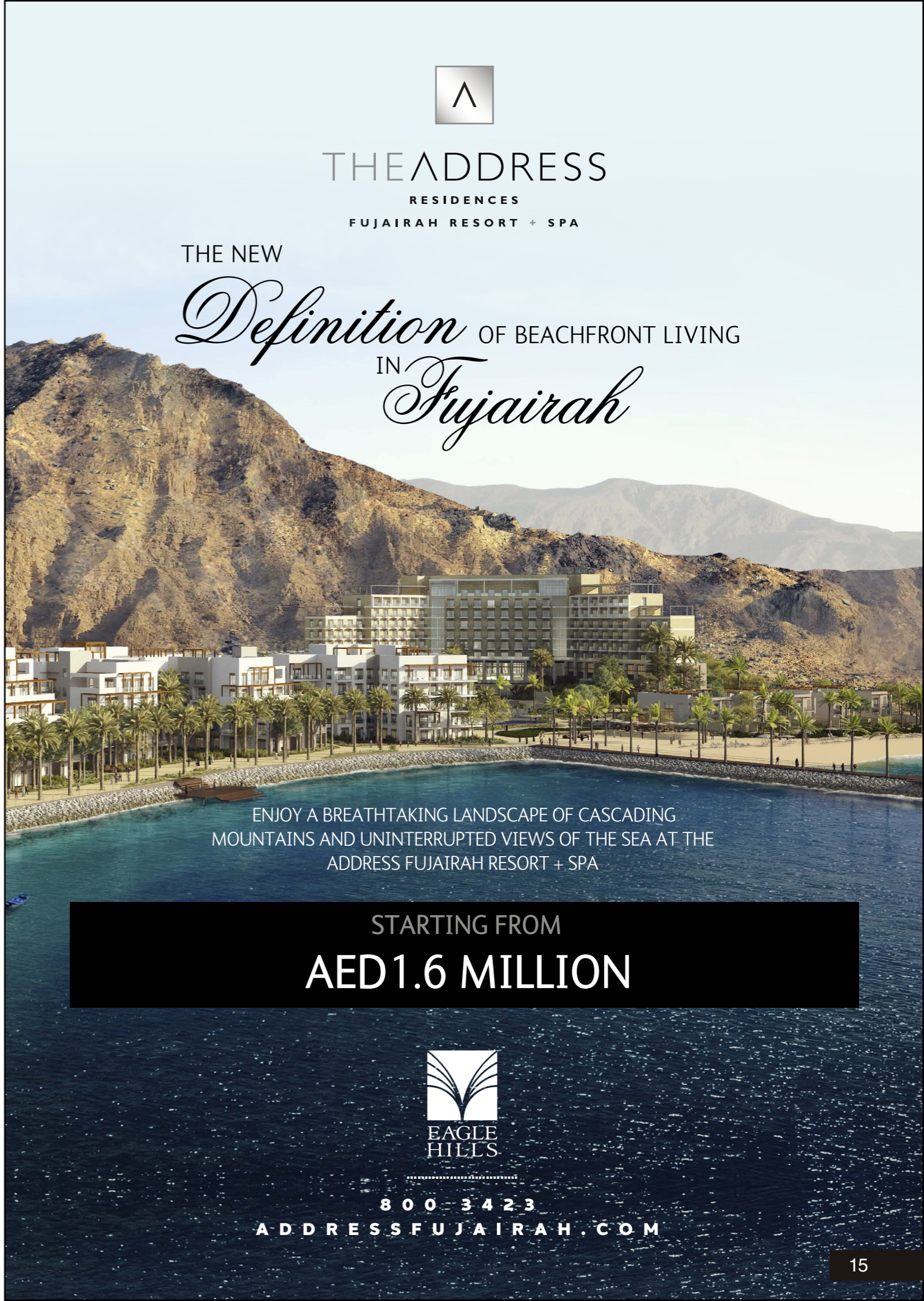
As an Abu Dhabi-based private real estate investment and development company, Eagle Hills has so far achieved a number of significant milestones, with more ambitious plans to be unveiled, including the debut of several ground-breaking new projects from its operations in Serbia, Bahrain, Jordan, Morocco, Oman, and the United Arab Emirates.

Mission

To be the global provider of quality lifestyle communities and leading iconic destinations in emerging countries, providing sustainable economic growth.

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To become the world's most admired real estate company through developing integrated communities that provide smart innovation, high quality products and services.



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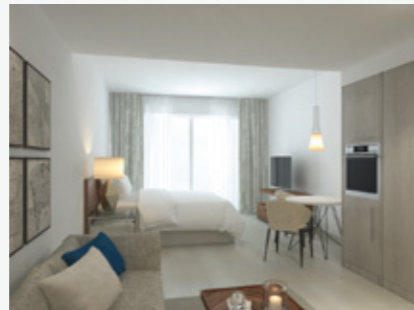
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Teresa King Kinney | CEO
MIAMI Association of REALTORS®

I believe Realopedia will be the platform for real estate that will attract capital and investors, that we were not able to attract traditionally. And in this regard, we are also looking for real estate agents worldwide to be our ambassadors, to be our voice of Dubai. I think if we want 10 times investors than we have today, we need to use Realopedia as the face to the international investors. We have enough focusing on traditional markets and investors. Let's get out of the box. Technology makes things faster and cheaper. This is the way forward.

Mahmoud Al Burai | CEO | Dubai Real Estate Institute – Dubai Land Department

Realopedia is the next generation platform for real estate professionals. In an ever shrinking world one must be constantly expanding their reach to stay competitive. Realopedia offers the perfect place to do that. It provides a unique ecosystem where fruitful relationships can be built in residential, commercial and investment real estate.

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