

‘BUILD WHAT THEY WANT - AND THEY WILL BUY IT’, REAL ESTATE EXPERT TELLS DEVELOPERS AT CITYSCAPE ABU DHABI

JLL’S Head of Research Craig Plumb tells industry-shaping conference how UAE capital market will overcome challenges by responding to demand

Abu Dhabi, 17 April 2019 - Market maturity and developers responding to buyer demand are key to the evolution of the UAE capital’s real estate market, according to industry experts at Cityscape Abu Dhabi 2019, which is held under the patronage of His Highness Sheikh Mohamed bin Zayed Al Nahyan Crown Prince of Abu Dhabi, and Deputy Supreme Commander of the UAE Armed Forces, Chairman of the Executive Council.

Running until Thursday 18 April, the 13th edition of the UAE capital’s leading real estate exhibition at Abu Dhabi National Exhibition Centre (ADNEC), features more than 80 leading local and international developers and real estate companies exhibiting dozens of new-to-market developments and real estate solutions.

Running alongside the main exhibition, the industry-defining Cityscape Abu Dhabi Conference brought together a high-profile gathering of industry professionals to examine latest market trends and point the way for the future of real estate in Abu Dhabi.

Craig Plumb, Head of Research, at JLL MENA, the region’s leading financial & professional services firm specialising in real estate was among those who addressed the high-profile conference, during which he outlined how the Abu Dhabi market is responding positively to challenging conditions.

“We are positive about what we can expect to see. Property is a cyclical business and we are in a period of a soft market. However, there’s not a huge amount of new supply expected this year or next,” said Plumb, with the market maturing and developers more conscious about what they are planning and delivering.

“In the residential market, we are looking at about 8,000 units for this year and even less next year, that’s about 3% of existing stock and this is good,” he added. “The market has adjusted and is not just building a huge amount of supply that we saw three to four years ago.”

The leading researcher stressed that the market is currently experiencing a period of lowdown largely because “it has reacted” to what is needed.

“The market has become more affordable, as developers have recognised the sweet spot isn’t super luxury, it’s at the middle market,” adding the leading researcher. “The market is now providing for where the demand is. Developers have recognised that and are delivering a lot more product at that sweet spot.

Abu Dhabi primed to redefine retail

Turning to retail, Plumb said the capital's retail real estate sector is primed for change with the rise of e-commerce resulting in developers engaging in new trends.

“Average retail rents are falling because landlords are responding to tougher market conditions by being much more flexible in their deals. Rental contracts are looking very different now. Trends such as ‘Turn-over only rent’ is becoming are gaining popularity,” said Plumb.

“Pop-up shops are now a thing, with vacant retail space being given for low rent for a short amount of time to new concepts. We are witnessing a redefining of retail with the merging of online and bricks and mortar retail. Look out for more click and collect stores coming up.”

Plumb added that a challenging retail environment could well be a boon for local start-ups, particularly in the F&B space.

“Another big driver of retail here is F&B and entertainment. F&B spending has been growing at 6 per cent per annum recently. It is forecast to slow to 3 or 4 per cent, but it's still growing. That means not only will we get more coffee shops, but we will see more opportunities for local start-ups. We will start to see more of what we call ‘Dinnertainment’ – a mix of F&B, entertainment and retail in the same unit. I think this is a trend we'll start to see more of being used in latent stores and we are aware of a number of new concepts looking to come into this space.”

The thought-leading sessions at the conference and Cityscape Talks series further enhance Cityscape Abu Dhabi's reputation as a key driver for the capital's real estate market, say event organisers.

“The conference perfectly complements the exhibition, providing a tailored platform to bring together the leading lights of the industry and each of the sessions were very well received, exceeding our expectations with the level of delegate engagement and lively discussion,” said Chris Speller, Group Director, Exhibitions, Informa, which organises Cityscape.

Cityscape Abu Dhabi continues today with developers eager to catch final-day investors while the Cityscape Talks, a series of interactive discussions will conclude.

The Conference is sponsored by ADCP, Platinum Plus Conference Sponsor, Provis, Platinum Conference Sponsor, Eltizam, and LWK+Partners Gold Conference Sponsor.

For more information on Cityscape Abu Dhabi visit www.cityscapeabudhabi.com

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**About Cityscape Abu Dhabi:**

Cityscape Abu Dhabi is the leading property investment and development event in the nation's capital bringing together key industry decision makers, local, regional and international investors, homebuyers, developers, government and investment authorities, architects, designers, consultants, and senior industry professionals. The event is renowned for being the barometer of the capital's property sector, responsible for fostering partnerships and creating opportunities that drive development and investment across the country through its exhibition, conference and other content features that take place during the three-day event.

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