

'If you can afford to build, people will come'

Property Weekly SPOKE TO SVEN GADE, DIRECTOR AND HEAD OF CONSULTING AT PKF THE CONSULTING HOUSE

Sven Gade has been at PKF The Consulting House for almost a year. In his capacity as Director and Head of Consulting he brings vast regional experience, gained through 12 years of 'Big Four' Consulting and most recently with Middle East Strategy Advisors before making the switch to PKF.

The company started off as The Consulting House in Dubai Media City in 2003 and obtained the brand name of the international hotel advisory, accounting and auditing firm PKF in 2005 to provide business advice, research, analysis and management consulting to the hotel and property sectors. The mandate for this specific office extends to developers, commercial and residential opportunities in the GCC and beyond. PKF Dubai is different to its London counterpart in as much that it not only focuses on hospitality but also on real estate strategising.

Gade certainly knows his sector, which is increasingly demands from the market advisory services in the development and management of entire mixed-use ventures. He lists his secret for a successful consultancy — the 11 strong-team is deliberately multi-national and has extensive experience gained over the years and 12 languages spoken among the nine nationalities.

In a chat with *Property Weekly* he discusses the development strategies of the individual GCC countries, Dubai's future and more.

There is a lot happening across the region. Which are your favourite picks?

There is a luxury golf island project in Umm Al Quwain. A huge real estate development company is being launched in Saudi Arabia — Aqarat Real Estate. There are exciting projects in Ajman such as the Ajman Gate and Emirates City.

We will hear soon about a massive development plan for Salalah in Oman. I cannot say anything yet, but it will be fantastic and interesting news within the next year to put Salalah as the latest tourism destination in the market. Salalah has nice weather throughout the summer attracting the entire GCC population which cannot afford to get away. Musandam is another destination to watch as the 'Norway of the Middle East'.

Are there major differences in the developmental strategies within the GCC?

There is for example a law in Oman prescribing a maximum of eight storeys per building in the entire country (exceptions are granted in some cases).

Oman realised that they have the space to build wide rather than high. Dubai is on the opposite extreme — it is all about density as it squeezes as much as into a square metre as it possibly can.

And of course Dubai works on a completely different growth pattern, take the tourism figure target of 15 million in Dubai, Oman's is only 1.5 million. Dubai is the kind of development that is all about impressive buildings, that is what Dubai lives by and what tourists come to see here.

Oman is declared as a sustainable and eco-tourism

destination and that reflects in the real estate development as well. Oman is also very clearly positioning itself as complementary rather than competitive compared with Abu Dhabi and Dubai. Everybody is going to do a little bit of what Dubai does but will have to find their own unique position.

What will happen in the other emirates in the UAE?

Abu Dhabi which is coming up very strongly now does not have to build that high although they also want their share of iconic developments. North Ajman is developing densely as they are space restricted; Umm Al Quwain and Ras Al Khaimah start to fan out with a lot more diversity, mountains, agriculture etc. in contrast to Dubai where you only have sand and beach and sea as a basis and have to develop artificial attractions.

What is the mantra followed by other countries in the region?

Qatar is not much of a tourism destination yet, it is mainly business focused. They will have a lot of activity due to the Asian Games but there will not be billions of resorts like we have in Dubai. And of course they are land restricted — that is why they have to do reclamation to build into the sea.

Qatar is a bit like Abu Dhabi, the real money comes out of oil and gas. Qatar, like Dubai, follows what we call supply led demand. If you can afford to build, people will come. The Asian Games will probably do for Qatar what Emirates airline and others have done for Dubai in terms of marketing.

Bahrain is focusing on the financial trade rather than tourism, so it is a different ballpark all together. A lot of towers and land reclamation, but they are now also looking to streamline their tourism offer.

It appears however, that everybody is trying to do some kind of sea reclamation project because that looks fantastic. In my view that is more marketing and making statements than anything else and the trend has been started here.

What about Saudi Arabia?

Saudi Arabia obviously has a completely different reason for real estate and tourism development than the rest of the GCC. It is religious tourism, and the real estate in-

dustry is linked closely to the oil industry and demographics. A lot of housing developments try and provide the population of Saudi Arabia with what they have not got yet.

If you cross to the Jeddah side, they have started some pretty big developments. It is very much defined by its own requirements while Dubai is defined by what the world wants to see.

Kuwait in a way had their demand developing primarily out of something negative — wars. But they have made the best of it. The hotel occupancy levels they have enjoyed over the last five years are largely because of Iraq, people did not want to stay in Baghdad so they just stayed in Kuwait and flew in and out.

They are jumping on the bandwagon but



