
Rays of recovery - Poll reflects confidence among investors for real estate

Saturday, 03 Oct, 2009

Khaleej Times reported that Regional investors are now more bullish about the real estate sector than they were 6 months ago with many expecting Abu Dhabi, Saudi Arabia and Qatar to be the first to recover in the next 12 months.

Jones Lang Lasalle said that confidence in MENA's real estate sector has improved dramatically since its real estate investor sentiment survey last April.

Mr Ian Ohan head of MENA investment transactions at Jones Lang Middle East said that "Investors feel significantly more positive about the value proposition of Middle Eastern real estate and 2010 is shaping up to be the vintage year for real estate investment in the MENA region. Although they recognize that not all markets have yet bottomed, there is a real sense among investors that the worst is generally behind us."

Mr Ohan said that Dubai has seen the biggest improvement in sentiment with respondents to the Jones Lang Survey recognizing the emirate as the regional leader in terms of long term city competitiveness and infrastructure. Within MENA, investors perceived the United Arab Emirates, particularly Abu Dhabi and Dubai; Saudi Arabia and Qatar to be the strongest performing real estate markets in the next two years. These markets were seen as having the resources to overcome existing challenges as they are cushioned by their oil and gas wealth.

42% of the 225 investors polled said that the UAE is expected to be the strongest performing market when recovery happens with 26% favoring Abu Dhabi over Dubai. Sentiment towards Dubai, though, has improved significantly with 16% expecting the emirate to be strongest performer in the next 12 months compared to only 11% in the survey.

Jones Lang in its report said that "Dubai has received high marks from investors for its achievements including its world class infrastructure, appeal to international corporate occupiers, market openness and quality of life. While short term concerns around liquidity and over supply remain, a return to 2007 pricing will see Dubai enforce its competitiveness as one of the region's leading destinations for investment."

Mr Ohan said that a critical factor for Dubai is the ability of government owned property developer Nakheel to successfully refinance its maturing bonds later this year regarded as a litmus test of the strength of the emirate's property sector and a benchmark for the pricing of regional risk.

(Sourced from khaleejtimes.com)

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