
Construction projects worth USD 657 billion in UAE still active - Survey

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Arabian Business reported that some 1,845 projects worth a combined USD 657 billion are still active in the UAE.

The study of the civil construction industry in the country, which showed 69% of the total projects were ongoing split the market into 4 sectors Commercial and Retail, Education and Healthcare, Leisure and Entertainment and Residential.

Mr Emil Rademeyer director of Proleads said that "Throughout our research in each sector we found a number of common issues. Over two thirds of projects are still active, new projects starting have slowed and projects completing are accelerating and cash flow is declining."

The survey showed that the largest of the sectors by number of projects as well as by budget is the commercial and civil sector. The total market consisted of 829 projects valued at USD 412 billion. The residential sector was valued at USD 312 billion. The rate that projects were being cancelled has accelerated over the course of the year although the largest proportion of projects, were still in progress. Projects classified within the leisure and entertainment sector amounted to more than USD 233 billion spread across 445 projects, while education and healthcare has almost 700 projects worth USD 57 billion.

Mr Rademeyer said that "So although the overall situation looks stable, unless investment for new projects is found the size of the real estate industry will shrink and its overall shelf life will be reduced."

He said that in terms of projects currently under construction, the report found Dubai had the larger share of the market compared to neighbors Abu Dhabi. This view is supported further when looking at the scheduled completion dates with the bulk of the Dubai projects coming to a close during 2010 and 2011 and Abu Dhabi in 2012 and 2013."

(Sourced from Arabian Business)

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