

Sobha Realty expects more Asian buyers

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PROPERTY

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Sobha Realty, the developer building the \$4 billion (Dh14.7bn) Sobha Heartland project in Mohammed bin Rashid City in Dubai, aims to increase its sales more than three times this year to Dh2bn on higher demand from Asian clients.

The company has so far achieved Dh1.3bn in sales and over the next five years is looking to gain Dh3bn per annum. That compares with Dh600 million in sales last year.

"We are doing very well in this market and this year has been great for us ... We should be able to complete our sales target," PNC Menon, Sobha chairman, told *The National*.

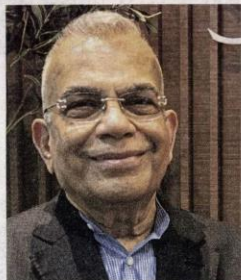
The developer is selling units from its Sobha Heartland project and this week rolled out a new scheme named Creek Vista Reserve, a 743,224-square-metre luxury freehold master development in Mohammed bin Rashid City. The Dh800m project will feature 750 one and two-bedroom apartments and is slated for completion in the first quarter of 2023.

Chinese nationals have been its top buyers, followed by GCC citizens and Indians.

The company opened a marketing office in Shanghai and Beijing this year to capitalise on demand there as ties between the UAE and the second-largest economy in the world strengthen.

Sobha's plans for an initial public offering are still on track

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PNC Menon

with a listing likely in 2022, depending on market conditions, Mr Menon said.

"There are still some parameters which we were supposed to finish and if we were able to finish those parameters by the end of 2021 then we will go public," he said, without revealing further details. The company has not decided on a venue for the listing.

Mr Menon is optimistic about Dubai's property market despite a slowdown due to oversupply and low oil prices.

"As long as the population grows, there will be demand. Dubai is one of the best cities to live in the Middle East and North Africa as well as [for those in] the Indian subcontinent due to excellent infrastructure and friendly measures by the government."

Sobha is financing its projects through a mix of debt and equity and is looking to expand outside the UAE, especially in Europe after recently opening a marketing office in London.

The UAE property market has slowed in the wake of a drop in oil prices that began in 2014, as well as ongoing concerns about an oversupply of properties.

Experts, however, have forecast a recovery as the result of a new immigration regime offering long-term visas for investors, the Dh50 billion Ghadan 21 economic stimulus initiative, Expo 2020 and changes to



A model of \$4bn Sobha Heartland at Cityscape in Dubai
Antonie Robertson / The National

the freehold property law. In a report last month, Dubai real estate listings portal Property Finder said a record number of residential units expected to be ready in the second half of the year, will push Dubai

prices lower making apartments more affordable, which will boost sales in the property market.

A total of 20,978 residential units were completed in the first half of the year, according

to Property Finder estimates. An additional 38,426 residential apartments within 152 projects that have at least an 85 per cent completion status as of July, are scheduled to be delivered by the end of the year.