

# Dubai: onwards and outwards



Dubai-Square, at Dubai Creek Harbour

The UAE's mega-developers are keeping up the pace in Dubai, while also investing in ambitious projects throughout the Gulf and North Africa. Meanwhile, beyond Dubai, leisure is opening up new opportunities, writes **Graham Parker**

**C**ULTURAL and economic forces mean that the retail sector in the Gulf region has been at the forefront of innovation, embracing mixed use and incorporating leisure into schemes ahead of other, more developed markets. Emaar's Dubai Mall attracts 70 million shoppers annually and Mall of the Emirates in Dubai, developed and owned by Majid Al Futtaim (MAF) Properties, is not far behind at

50 million annual visitors, all from the United Arab Emirates (UAE) nine million-resident population and eight million tourists. Clearly, these are major elements of the region's infrastructure.

To put these in context, Craig Plumb, JLL's head of research for MENA, says Dubai is undoubtedly the leading retail location within the region. The emirate has 3.39 million sq m of retail malls, which puts it ahead of other major cities, such as Abu Dhabi

(2.62 million sq m), Jeddah (1.21 million sq m) and Riyadh (1.17million sq m). "On an international scale, Dubai has approximately twice as much retail space per capita as London, indicating its reputation as a major international retail hub," Plumb says.

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Dubai-based Nick Maclean, managing director of CBRE's Middle East office, explains why Emiratis have taken the mall experience to heart: "Retail plays a much bigger social function in this region: because of the weather, malls are places where people go to spend a whole day. Shopping in itself is a leisure pursuit."

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And that applies not just to residents but to tourists too, with up to 10% of all shopping in the region's malls being duty free. "Because of the time spent in the malls, F&B [food and beverage] is much more prominent," Maclean adds. "And malls have been forced to innovate to stand out in a competitive market." He cites Dubai Mall as an example, where owner Emaar has introduced a zoo, an ice rink and an aquarium to satisfy shoppers' thirst for novelty. And he predicts that the new Meydan One Mall will take this to an even higher level: "The retail element is relatively small, but a larger proportion of the footprint will be given over to entertainment," he says. Meydan One Mall broke ground in March 2017 and, reflecting its importance to the Dubai economy, the event was hosted by



Meydan One's development reflects a new focus on leisure within Dubai malls.

the emirate's ruler, Sheikh Mohammed bin Rashid Al Maktoum. On opening in 2020, the scheme promises to redefine shopping, leisure and entertainment destinations with 620 retail units, including two major department stores and a 12,000 sq m hypermarket. The mall will also feature more than 100 F&B outlets, a 21-screen cinema and a food court hosting an additional 20 outlets.

Meydan chairman Saeed Humaid Al Tayer says: "In our vision for Meydan One, we have brought together all the wonders of a retail and leisure experience into one space, making this the number-one destination for the UAE and, indeed, the Middle East. With construction now under way, Meydan One Mall is scheduled to be completed by 2020, in line with phase one of the Meydan One mega-development."

High-end luxury brands will have a specially designated shopping strip in the mall's 400-metre long Central Canyon. Meanwhile, a retractable skylight measuring 160 metres by 100 metres will set Meydan One Mall apart from other retail des-

tinations, offering al fresco dining and shopping to its visitors. The largest dancing-water fountain in the world — measuring 380 metres in length — will be just one of Meydan One's attractions. Another highlight will be a one-kilometre indoor ski slope, which will ensure the mall becomes a popular destination for the region's skiing and snowboarding enthusiasts. In addition, a 23,500 sq m multi-purpose sports facility will host indoor events from football and cricket to basketball and tennis. This will be complemented by outdoor sports, including football pitches, mountain biking, walking and running trails, a skateboard park and a BMX park.

CBRE's Maclean believes retail standards in Dubai are among the highest in the world. "Dubai's residents and expats are among the most travelled people globally," he says. "Their expectations are high, so mall owners have to give them a reason to stay and spend." With this in mind, Emaar has just opened a new phase at its Dubai Mall. The 100,000 sq m Fashion Avenue extension will add 150

new brands to the offer.

Maclean believes the high-end tenant mix of Fashion Avenue will help Emaar achieve its goal of welcoming more than 100 million visitors to Dubai Mall in the next three to four years. "Retail has been very profitable in the region, but performance has declined over recent years and it's reverting to the global norm," he adds. "As a result, landlords are having to make their malls glitzier and offer added facilities."

For its next project, Emaar has joined forces with Dubai Holding to develop Dubai Square, a 2.6 million sq m retail, hospitality and residential district at Dubai Creek Harbour. And the developers of Dubai Square are promising to integrate physical and online retail, allowing shoppers to interact with the mall's brands via desktop, mobile or in store.

Emaar Properties chairman Mohamed Alabbar says: "Dubai Square disrupts the traditional mall and retail experience. We are delivering a new destination experience where technology meets the human touch, and retail meets next-generation en-

tainment. With its omnichannel offering, it not only drives in-store retail, but also the on-line engagement of brands with customers.”

**Mohamed Alabbar,**  
Emaar Properties:

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Although Dubai brands itself as the region’s shopping capital, it does not have a monopoly on new development. In Oman, Al Raid Group is about to complete Al Araiimi Boulevard, a new integrated retail and leisure scheme in the coastal suburb of Al Khoud. Providing 147,200 sq m on two levels, the mall will house the biggest food court and the largest glass atrium in Oman.

Al Raid chief executive Sheikh Fahad Abdullah Al Araiimi says that leisure is as important as retail to the scheme’s success. “This world-class shopping and entertainment destination has been carefully designed to completely revolutionise the shopping and leisure experience for the entire family,” he says. “We strongly believe that spending quality time with family and friends is one of life’s great pleasures and, with this philosophy in mind, we have created Al Araiimi Boulevard as an exceptional lifestyle destination to bring people together in enjoyment.”

Dubai-based MAF, whose activities span shopping malls, retail and leisure, says overall revenue



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rose by 13% in the first half of 2018, largely driven by its expansion and diversification efforts. “Our financial results in the first half of the year demonstrate continued growth in the midst of challenging market conditions,” said Alain Bejjani, CEO of MAF Holding, of the results. “Our resilience is strengthened by strategic investments that will future-proof our business and people for the changing world around us.”

During the first half of 2018, MAF inaugurated its first Vox Cinemas multiplex theatre in Saudi Arabia following the lifting of a 35-year ban on cinemas in the Kingdom. The move is part of the group’s plan to open 600 screens in the Kingdom over the coming five years.

MAF also opened its first cinema in Kuwait. New leisure and entertainment locations were added, including three Magic Planet outlets, and the introduction of American Girl to Bahrain and Little Explorers to Saudi Arabia.

The MAF Retail division, meanwhile, added 12 stores, growing its presence to 243 outlets across the Middle East, Africa and Asia. Carrefour signed an agreement with the Egyptian Ministry of International Cooperation and Investment to open up to 100 Carrefour stores in the country. In addition, Carrefour opened its largest distribution centre in the region, which acts as a central receiving and quality-control point, offering customers access to a wider range of products.

The company’s portfolio of malls across the region grew to 23 destinations with the opening of two new shopping centres, My City Centre Al Dhait in the UAE and My City Centre Sur in Oman.

Meanwhile, UAE developers are also looking for opportunities in North Africa. Dubai-based con-

glomerate Al-Futtaim Group last year signed a joint-venture agreement to develop the largest mall in Morocco and one of the biggest in North Africa. The shopping centre is the fourth to be announced by Al-Futtaim in recent years, with all of them to be anchored by Swedish furniture giant IKEA. The others are in Egypt, Oman and Qatar.

The joint venture also includes Marjane Holding, a leading Moroccan retail developer, and Portuguese company Sonae Sierra.

The Moroccan mall will cover 120,000 sq m of retail space across two levels, including a 26,000 sq m IKEA store, an 8,350 sq m Marjane hypermarket, a 10,000 sq m leisure and fun zone, and a 3,400 sq m cinema. It will be built within the new Zenata Eco-City, a government project on the eastern border of Casablanca. Al-Futtaim Group vice-chairman Omar Al-Futtaim describes it as “a major milestone for Al-Futtaim Group”, adding: “With roughly 15% of the country’s total population concentrated in

the immediate catchment area of this development, our investment promises to yield the right returns.”

Also in Morocco, Casa Anfa is taking shape. The Anfa Urbanisation and Development Agency (AUDA) is now developing the new city’s “urban living heart” at the location of the former terminal and the first control tower of the old airport of Anfa. The scheme will feature a number of components dedicated to leisure — including a cinema, bowling alley, ice rink and fitness facilities — as well as a 5,000 sq m hypermarket and basement parking with a minimum capacity of 800 places. Meanwhile, Turkey’s ongoing currency crisis is casting doubt on the viability of new mall development in what has been one of Europe and Asia’s most expansionist markets, with much of the country’s construction programme financed through dollar- and euro-denominated loans that have suddenly become much more expensive.

Research from Colliers International found that, at the mid-

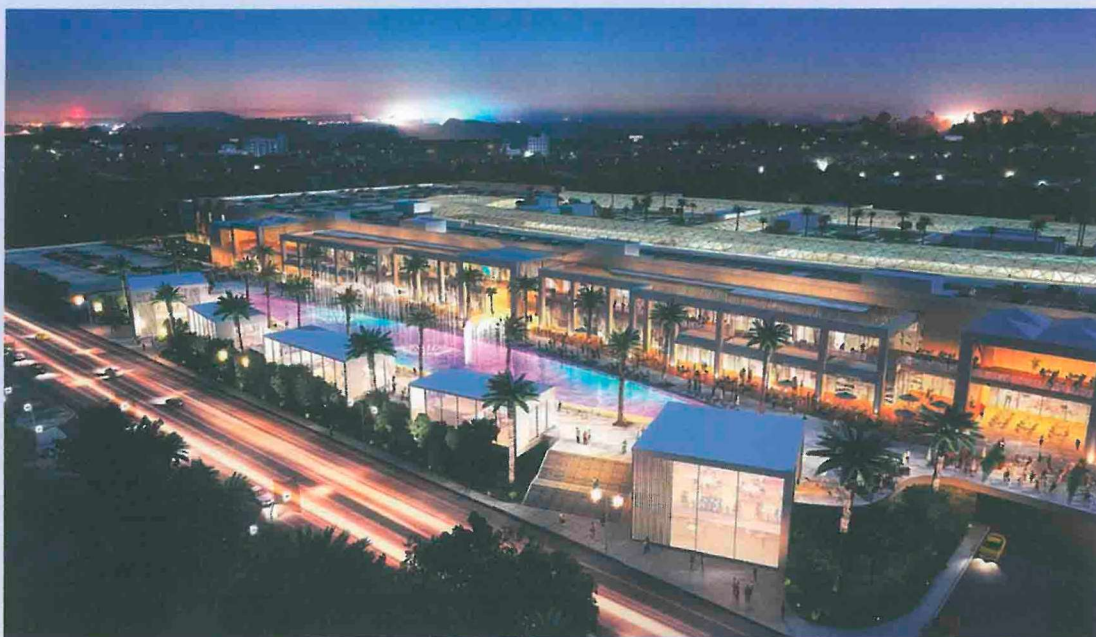


MAF is to open a series of VOX Cinemas in Saudi Arabia.

point of 2018, Turkey’s stock of shopping-centre space had grown to 12,331,925 sq m across 396 schemes. This represents a 5% rise in just six months. Colliers calculates another 660,000 sq m of leasable space will be added to the current stock by the end of 2018. And with 65 new shopping centres set to open in 30 provinces by the end of 2020, the total leasable area will reach 14,372,000 sq m. However, against this backdrop of increasing supply, Colliers notes that pedestrian traffic is

declining, partly reflecting the increased penetration of online retail and partly as a result of the impact of inflation on shoppers’ spending power.

At the same time, a number of global brands, faced with the crippling cost of importing their stock, have withdrawn from the Turkish market. Colliers cites foreign brands such as C&A, Debenhams, Douglas, Esse, GNC, La Senza, River Island and Top Shop as examples. Colliers forecasts that Turkish developers will react by upping their exposure to F&B and leisure to counter reduced retailer demand and to provide new reasons for shoppers to visit their malls. Both the United Brand Association of Turkey and Istanbul Apparel Exporters’ Association will be at MAPIC promoting both opportunities within Turkey and Turkish exports.



The leisure-led Al Araiimi Boulevard will open in Oman.

**CONFERENCES & EVENTS AT MAPIC**

**DESTINATION: MIDDLE EAST**  
Wednesday 14 November - 14.30-15.30  
Conference Room 2 - Palais -1

**DESTINATION: AFRICA**  
Thursday 15 November - 15.30-16.30  
Conference Room 2 - Palais -1

**DESTINATION: TURKEY**  
Thursday 15 November - 16.30-17.30  
Conference Room 2 - Palais -1