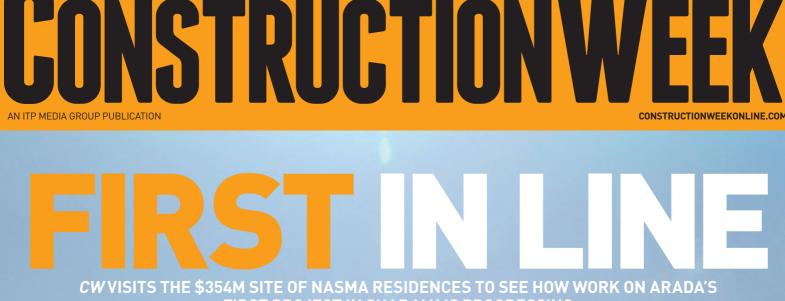
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#### FACE TO FACE CARLOS SALAS Crystal Lagoons' regional leader on breaking records with crystalline pools



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Arabtec's Q1 profit surges by 261%

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# INTELLIGENCE



The UAE's Minister of State and ADNOC's group chief executive officer, HE Dr Sultan Ahmed Al Jaber, spoke at ADNOC's Downstream Investment Forum 2018

# **Project of note:** ADNOC to build \$45bn integrated refining and petrochem complex

bu Dhabi National Oil Company (ADNOC) plans to invest \$44.9bn (AED165bn) in the development of the world's largest integrated refining and petrochemicals complex. The project will be implemented as part of its Ruwais complex expansion programme, under which the entire Abu Dhabi-based complex will be upgraded to boost production volumes.

Construction work will include building one of the world's largest mixed feed crackers, which could increase ADNOC's production capacity by 300%, from the current 43.5 metric tonnes per annum (MTPA) to 14.4mtpa by 2025.

Moreover, a petrochemicals derivatives complex will be built on a 6km<sup>2</sup> plot adjacent, and integrated to, the Ruwais complex. The Ruwais Derivatives Park is expected to boost ADNOC's manufacturing capacity for construction chemicals, detergents, and other substances. The project will also feature a 3.6km<sup>2</sup> conversions facility designed to manufacture packaging materials, coatings, and automotive composites.

The Ruwais plant's expansion will create more than 15,000 jobs and boost the UAE's gross domestic product by 1%, ADNOC said, noting that plans are already at an advanced stage to increase Ruwais' refining output by more 600,000 barrels per day in the next seven years.

ADNOC's expansion plan was unveiled on 13 May, at its Downstream Investment Forum 2018.

The UAE's Minister of State and ADNOC's group chief executive officer, HE Dr Sultan Ahmed Al Jaber, said the oil company's team planned to create a "powerful new downstream engine and springboard for growth" in the UAE.

# Saint-Gobain starts

Saint-Gobain has laid the foundation stone for its first Multi Comfort House in the Middle East. Located in Masdar City, the project will serve as both a Multi Comfort 'experience centre', as well as an office for Saint-Gobain employees.

The project, which will be developed on a 2,200m<sup>2</sup> site that sits next to the Masdar City Eco-Villa, is expected to be completed at the end of 2019.

According to the French firm, it first developed the concept of Multi Comfort construction in 2004. The concept is said to cover "the four dimensions of light, air quality, temperature, and acoustics within the home, as well as tertiary buildings, such as shops, offices and public buildings", based on the philosophy that comfortable built environments boost the happiness and productivity of occupants.

#### **Oman inks deals for** work on UAE project projects worth \$40m

Investment agreements amounting to \$40m (OMR15.4m) have been signed for manufacturing projects in Oman's Salalah Free Zone (SFZ).

The agreements included the development of a plant, valued at \$25m (OMR9.6m), for polyester granules and packing bags, as well as the construction of a \$10m-worth pen manufacturing plant.

A \$5m (OMR1.9m) deal, meanwhile, was signed with Gulf Technology Industries for the development of a plant for packaging and wrapping products.

In addition to the signing of the agreements, the free zone also celebrated the laying of the foundation stone for a plant that will produce 25 tons per annum of curcumin and basic oil extracted from turmeric. The plant is owned by Fortune Bio Organic.

#### Evershine wins \$152m contract for Azizi Riviera

Azizi Developments has awarded a \$152m (AED559m) contract for Phase 4 of its Azizi Riviera project to Evershine Contracting. Construction works on the fourth phase of the project will commence in July 2018, the property developer revealed in a statement.

Under the terms of the contract. Evershine will undertake the construction of 10 towers, half of the total number of buildings comprising Phase 4.

Azizi Developments's chairman, Mirwais Azizi, said: "There is high demand for community-oriented real estate in Dubai. This is why we are progressing quickly with Azizi Riviera, one of our most ambitious projects."



Construction activities on Phase 4 of Azizi Riviera will begin in July 2018.

A \$3.2bn (AED12bn) waterfront community. Azizi Riviera will consist of 69 mid-rise residential buildings, two hotels, and an integrated shopping district. Upon completion, it will boast more than 13,000 residential units

of studios, and one- and two-bedroom units.

Excavation work for Phase 3 started in April 2018, while basement work for Phases 1 and 2 are on track to be completed in Q1 2019.



For up-to-the-minute tenders log on to constructionweekonline.com

#### TOP TENDERS

#### **Rehabilitation of Burhan High** School in Halat Mahish

Country: Saudi Arabia Closes: May 21, 2018 Category: Buildings Issuer: Directorate of Education in Eastern Region

#### Supply and installation of waster desalination plant

Country: Saudi Arabia Closes: May 21, 2018 Category: Power and water Issuer: Directorate of Water in Madinah Monawarah

#### **Refurbishment of training** buildings in fire center

Country: Kuwait Closes: Jun 12, 2018 Category: Buildings Issuer: The Kuwait Fire Service Directorate

#### Restoration. maintenance. and construction works at municipality buildings and facilities in Kuwait

Country: Kuwait Closes: Jul 8, 2018 Category: Buildings Issuer: Municipality of Kuwait

#### **Electrical maintenance in General Authority for Applied Education and Training** colleges and centres (Region 2)

Country: Kuwait Closes: Jul 8, 2018 Category: Power and water Issuer: Public Authority for Applied Education and Training

#### **Construction and** maintenance of mosque buildings in Sura

Country: Kuwait Closes: Jul 15, 2018 Category: Buildings Issuer: Ministry of Islamic Affairs and Awgaf

# FINANCE

#### REVENUE

### Arabtec sees triple-digit Q1 profit growth

Arabtec Group's Q1 2018 net profit has increased by 261% with a company-wide transformation helping to triple year-onyear financial results.

The contstruction giant reported profit of \$17.3m (AED63.6m) in the first quarter of the year, which is more than three times higher than its Q1 2017 net profit, worth \$4.8m (AED17.6m).

The contractor revealved in its financial statement that it had a pipeline worth \$4.35bn (AED16bn) of "tenders submitted, or under preparation" in its primary market, the UAE.

Arabtec's revenue for the quarter came to \$653.4m (AED2.4bn) and its backlog was valued at \$4.4bn (AED16.2bn). The company's Q1 2018 revenue is more than 10% higher than its Q1 2017 revenue, which was worth \$599m (AED2.2bn).

The firm's Q1 2018 wins included 916 Villas in Damac Properties' Akoya Oxygen development, through a contract

Arabtec Group's portfolio in the UAE includes the high-profile Louvre Abu Dhabi museum, which opened last year.

worth \$115.4m (AED424m), and Dubai Municipality's \$118m (AED433m) contract for the DS188 infrastructure project.

Commenting on the results, Arabtec Group's chief executive officer, Hamish Tyrwhitt, said: "[Our] Q1 results reflect the positive impact of various transformation initiatives. In 2018, strengthening governance still remains our key priority through rigorous project and business performance reporting, with a strong emphasis on cash, collection of receivables, and closing-out legacy projects."

#### Acquisition

#### Emirates REIT expands portfolio: Buys Dubai school premises for \$21m

Emirates REIT has acquired French-style school Lycée Français Jean Mermoz for \$20.5m (AED75.3m), raising the value of its education portfolio to \$238m (AED874.2m).

They deal was signed by Equitativa, the manager of Emirates REIT. Under the agreement, Equitativa, on behalf of Emirates REIT, has acquired the Lycée Français Jean Mermoz premises in Al Quoz, Dubai, and will immediately lease it back for an initial period of 27 years. Lycée Français Jean Mermoz

provides French curriculum

education in Dubai and has plans to expand its facilities. The school assigned the interest on the leasehold plot to Emirates REIT, and entered into an *istisna* agreement to fund the implementation of the extension project in two phases.

Construction of the first phase of the extension "will start immediately", Equitativa said in a statement, adding that it will be implemented according to the school operator's specifications and will have a final built-up area of more 21,000m<sup>2</sup>. The overall investment in the project, including the extension, will amount to \$37.6m (AED138m).

Commenting on the development, Equitativa Dubai's chief executive officer, Sylvain Vieujot, said the agreement was similar to those that the business had previously completed, including The Jebel Ali School and British Columbian Canadian School.

"With this new acquisition, we are immediately strengthening Emirates REIT's rental income, offering substantial upside valuation and securing longterm cash flows," he added.



Aldar secured

#### Aldar posts 4% profit hike in Q1 2018

Aldar Properties recorded \$182m (AED668m) as profit during Q1 2018, an increase of 4% from its Q1 2017 net profit of \$175m (AED641m).

The Abu Dhabi developer recorded \$408.4m (AED1.5bn) in revenue and \$194.7m (AED715m) in gross profit during Q1 2018, when it also entered a strategic alliance with Dubai developer Emaar to work on an \$8.1bn (AED30bn) pipeline of projects.

Chief executive officer of Aldar, Talal Al Dhiyebi, said the business had started the year strongly, following its "historic partnership with Emaar to develop the next era of iconic real estate destinations".

Aldar completed delivery of its Ansam and Al Hadeel properties during the quarter; started the handover of its Nareel Island and Al Merief land plots; and awarded the main contract, valued at \$353.9m (AED1.3bn), for its Water's Edge project, to Trojan General Contracting. Al Hassan reported a \$4.9m

A full-year loss of **\$69m** was reported in 2017

#### Oman's Al Hassan posts \$5m Q1 loss

Oman's Al Hassan Engineering remains in the red after a \$4.9m (OMR1.9m) loss in the same quarter that its Abu Dhabi subsidiary filed for liquidation.

The Omani contractor is in the red as a result of financial losses incurred on two undisclosed projects in Q1 2018, the company said in a trading update.

Al Hassan said its profitability was negatively affected by "inadequate liquidity". The firm's quarterly loss comes after the its board of directors decided to "discontinue UAE operations", leading its Abu Dhabi subsidiary to file for liquidation this April.

The business acknowledged the "disruption" faced by the business in the UAE, but added that its quarterly loss will not affect the net worth of the business.

Al Hassan said it received \$20.8m (OMR8m) from clients in Q1 2018, which was used to make "critical payments" to move numerous construction projects forward, helping to minimise the negative effects of a "liquidity crisis".

#### Eshraq reports \$2m net profit for Q1 2018

Abu Dhabi developer Eshraq Properties has completed a financial turnaround, posting net profit of \$2.1m (AED7.75m) for Q1 2018. The figure is an improvement over Q1 2017's net loss, worth \$258,633 (AED950,000).

The developer said its projects in Dubai and Abu Dhabi were progressing within budget, with shoring works for its Marine Rise development on Reem Island entering the final stages of work. Eshraq said the project could be delivered during Q2 2020.

In a financial update, the company said it would appoint a contractor for its project in Dubai's Jumeirah Village Circle, and award a design contract for its Gateway project in the Maqta area of Abu Dhabi, by the end of Q2 2018.

Commenting on the results, Eshraq Properties' chairman, Jassim Alseddiqi, said: "We are very proud of Eshraq's turnaround and remarkable performance over the past 12 months. The results show a [...] return to profitability compared to [Q1 2017]."



New projects in the offing such as the Tower Dubai are a timely reminder of the uptick in the projects market more generally following more subdued activity over the past couple of years associated with the correction to the oil price.

The increase in activity has been accompanied by alternative ways of financing these projects, including contractor-financing and the rise in prominence of export credit finance, including UK Export Credit Finance, which has been used on a number of projects in the UAE and in the region more widely.

Taking the UK export credit finance model as an example, this works by facilitating finance for exporters and supports loans to overseas buyers. This works by UKEF's partnership with banks who will lend the money to the foreign entity for the purchase at usually 80-85% of the project cost on the condition that a minimum of 20 percent will be awarded to the UK company. This arrangement allows exporting customers to secure and deliver overseas contracts and is an alternative means to finance projects in the region.

There are other export credit finance agencies involved in export credit work which are listed and promoted by the Organisation for Economic Cooperation and Development (OECD). Given the increase in project opportunities, we can perhaps expect to see alternative finance agencies taking a proactive role and promoting alternative means of financing infrastructure projects in the region through 2018 and beyond.



# ROUND UP

#### FUNDING

# **Contractors continue to face payment delays**

Infrastructure project contractors in the Middle East are expected to face payment delays this year, with clients said to be struggling to pay up on time.

A report by financial advisor PwC Middle East found that the region's "governments and industries continue to face challenges and pressure to perform and deliver 'more for less' on social and economic infrastructure projects, despite an increase in oil prices compared to 2016". PwC found that for contractors, the spending slowdown in 2017 caused "increased pressure on an industry that was already thinly capitalised".

Funding constraints on capital projects impacted those at the end of the food chain, with contractors reporting that the biggest challenge they face in 2018 was "payment delays by clients, with availability of funding coming second". Additionally, decision-making by clients about factors such as scope changes, was also an external challenge for contractors, 33% of the 95-strong base surveyed on this topic revealed. Delayed payments from clients was a major issue according to more than half of the contractors surveyed.

PwC found that margins are also facing pressure, in large part as a result of "cost inflation for labour, materials, and equipment". However, 30% of the 95 respondents that answered this set of questions said their margins had improved over the past year.

"This may indicate a divergence where better-performing contractors have been able to benefit from failed rivals leaving the market, while others that are more leveraged, particularly smaller organisations, have seen their margins shrink," PwC said in a statement.



PwC said late payments was a major issue facing contractors.

"There is no reason to accept shortcomings [...] wherever fire protection is required."

**BOB GLENDENNING,** Sherwin-Williams



"I think proper ductwork and insulation can lead to meaningful savings [for building managers]."

In Quotes



"We are in a market transition right now, where real estate and technology are colliding."

**DARRELL SMITH** Google







"A foward-looking retrofit strategy enables building owners to stay ahead of the game in the GCC."

**SOUGATA NANDI,** 3e Advisory



#### **Around the GCC**

#### Dubai Cruise Terminal approved

Dubai Cruise Terminal will become the centre of maritime tourism in the emirate, with HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, backing the project. Dubai is working with US-based cruise operator, Carnival Corporation, to scale up maritime tourism in the emirate. The project will have the capacity to accommodate six cruise liners simultaneously and is slated to launch in October 2020. It is part of the multiphase 1.8km<sup>2</sup> Dubai Harbour development.

#### 2. KUWAIT

#### Report sent to corruption body

Kuwait's Minister of State for Housing Affairs, Jinan Boushehri, has referred a report on alleged housing unit allocation violations to the Kuwait Anti-Corruption Authority (Nazaha). The violations reportedly occurred in the South Khaitan area of Kuwait City. A government committee probed four alleged violations and warned sanctions may be imposed on two unnamed individuals - an executive and a manager - according to Kuwait's state news agency, KUNA.

#### 3. SAUDI ARABIA Alwaleed to buy New York Plaza

Saudi Prince Alwaleed bin Talal could buy the Plaza Hotel in New York. Kingdom Holding Company, owned by Al-Waleed, and US-based Ashkenazy Acquisition have exercised their right of first refusal to match a \$600m offer to buy the 20-storey Plaza Hotel. The luxury building's purchase could halt another group's agreement to buy the property, a source with knowledge of the matter said, according to a Bloomberg report.

#### <mark>4. BAHRAIN</mark> First five-star retreat to be built

Al Sahel Resort Company will develop a five-star resort on the southwest coast of Bahrain. The resort will have a 1.25km coastline and an "out-ofthe-city" location, making it the country's first fivestar retreat, according to the Bahrain News Agency.

#### 5. OMAN Duqm Airport terminal at 96%

The passenger terminal at Oman's Dugm Airport is expected to commence operations in the second half of 2018, with construction already 96% complete. Oman's Minister of Transport and Communication. Ahmed bin Mohammed Al-Futaisi, said commercial operation would start this year after a final agreement with the ministry's partners had been made. The airport has been designed to manage around 500,000 visitors per annum.

Slow but steady Despite business challenges, the UAE's MEP contractors are optimistic about growth [representational image].

> YEAR THAT THE UAE'S MEP SECTOR WOULD EXPAND BY 20% IN 2018, BUT THE GROWTH IS YET

TO MATERIALISE

# Cautious optimism

Projections made last year of a 20% growth in the UAE's MEP sector have yet to materialise, but local industry leaders appear optimistic about the future, **Fatima de la Cerna** reports

he UAE's mechanical, electrical, and plumbing (MEP) sector is yet to meet growth expectations, despite a rise in the number of contracts being put out to tender, according to BK Gulf's general manager, Chris Barry.

Speaking at the fourth edition of the MEP UAE Conference, in a panel titled 'Preparing for Positive Growth', Barry noted that projections made last year of a 20% growth in the country's MEP sector have yet to materialise.

"20% was sort of [touted] at the end of last year [in terms of] how the growth of the market would go," said Barry. "What we've seen in the first [few] months of this year is an increase in the jobs being tendered, but those tenders have not become awards."

He explained that converting tenders into awards tends to be a "long, drawnout process" that involves protracted negotiations and discussions focused on value engineering: "There has been a large number of tenders, but [growth-wise], I don't think we're anywhere near 20%."

Semco MEP's vice president for general management, Subhash Pritmani, echoed Barry's observation, not only calling the 20% predicted growth "a mirage", but also pointing out that while the figure is supposed to represent the UAE market, most projects are, in fact, mostly based in Dubai.

"In the other emirates, [the numbers are] negligible," Pritmani said, adding that with cash flow continuing to be a major issue, MEP companies need to be more discerning when it comes to taking on work: "Sometimes, in the excitement to take a job, MEP contractors [...] land in difficulty. This is the time to look at things in an objective manner [instead of] getting emotional."

Pritmani said it only takes one mistake by a main contractor to hurt the supply chain, "so at this point in time, every MEP contractor should be very careful".

Describing the current cash flow situation in the industry as a "crisis in the MEP sector", Azzam Messaykeh, chief executive officer of Faisal Jassim Group, said that transparency could help mitigate liquidity problems: "In this time of transition, the most important thing is transparency. When you're taking on a job, as an MEP contractor or supplier, it's important to sit [with the rest of the team] and be transparent.

"If there is an issue, [talk about it] because the worst thing is when communication between the supplier and contractor stops." "CASH SHOULD NOT EVEN BE SOMETHING TO DISCUSS. WE SHOULD BE TALKING ABOUT HOW WE CAN BE BETTER AT WHAT WE DO. CLIENTS SHOULD BE FINANCING THEIR PROJECTS. WE ARE JUST PROVIDING A SERVICE."

PLAFOND



Faisal Jassim's Messaykeh urged MEP contractors to make sure that communication channels with developers and main contractors stay open during the duration of a project, emphasising that the execution of a job should be everyone's focus, with payment being a given.

Raising a similar point, the managing director of Plafond, Dimitri Papakonstantinou, commented: "Cash should not even be something to discuss. We should be talking about how we can be better at what we do."

Ideally, MEP contractors should not have to worry about the financing of a project, he said, adding: "Clients should be financing their projects, because they are the ones developing them. We are just providing a service."

#### WE HAVE A CLAUSE IN THE CONTRACT [THAT] ALLOWS US] TO SLOW DOWN DUE TO LACK OF PAYMENT. IF YOU DON'T PAY US, WE SLOW DOWN. WE INVITE THE ENTIRE MEP MARKET TO [INCLUDE A DETERMINATION CLAUSE]."

#### RAMY BOUFARHAT, JLW MIDDLE EAST

Papakonstantinou, observing that there's "a much simpler way of doing things", revealed that even though his company has had no trouble when it comes to getting monthly payments for projects, it has "a lot of cash tied up in variations".

"Going forward, there are [contract] clauses that we will request," Papakonstantinou added. "[And] we'll have to walk away from certain projects."

However, not all MEP leaders are concerned about their market prospects. James L Williams (JLW) Middle East, unlike other MEP companies operating in the UAE market, is having a good year, according to the firm's chief operating officer, Ramy Boufarhat.

"I don't think there's a massive growth in the construction industry at the moment, but [the MEP] industry is getting smaller," he explained.

"There are some players that have [folded] or decided to leave this region. The market has become consolidated, so for us there is growth. We see what's happening as positive - cash flow is positive."

The decreasing number of players in the MEP contracting market is not the only reason behind JLW's positive performance, said Boufarhat, revealing that the company has set up clauses in project contracts designed to protect the firm from paymentrelated issues.

He elaborated: "We have a clause in the contract [that allows us] to slow down due to lack of payment. If you don't pay us, we slow down."

JLW also includes a determination clause that helps the company escalate claims, said Boufarhat, adding: "We invite the entire MEP market to do the same."



**MEP SPECIAL TECH TO DRIVE MEP IN 2018 BURAK KIZILHAN** 

Burak Kizilhan, chief executive officer of AE-Arma Elektropanc, believes technology tools - such as 'smart' systems and Internet of Things (IoT) - are the key to success for the Middle East's MEP contractors in 2018. Watch the 28 January, 2018 episode here: youtu.be/QUk1F9U8EH8

#### PODCAST



#### S01E01 ONSITE

#### DISPUTE RESOLUTION IN THE MIDDLE EAST

16 April, 2018

Challenging market conditions and poor contract structuring are driving up demand for dispute resolution services in the region. In the inaugural episode of *Construction Week Viewpoint*, the CW team explores the major causes that lead to construction disputes in the Middle East, and how the situation can be improved in the months to come.

HEAR IT NOW soundcloud.com/constructionweek/ episode-1-dispute-resolution

# CONSTRUCTION WEEK VIEWPOINT

HEAR FROM THE *CW* TEAM ON SOUNDCLOUD EACH Monday at noon (gst)



#### S01E02 BUSINESS

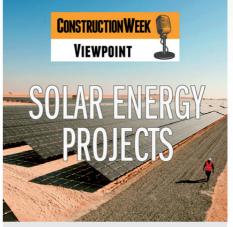
#### ABU DHABI'S TOURISM DRIVE

23 April, 2018

Abu Dhabi wants to become a global hub for tourism, and this ambition has fuelled development of cultural, entertainment, and hospitality projects. In the second episode of the *Construction Week Viewpoint* podcast on SoundCloud, Abu Dhabi's economic transformation, and its efforts to encourage tourism, are explored in a 10-minute chat.

#### **HEAR IT NOW**

soundcloud.com/constructionweek/
episode-2-transforming-abu-dhabi



#### S01E03 TECHNOLOGY

MIDDLE EAST'S SOLAR PUSH

30 April, 2018

Saudi Arabia and the UAE may be the region's largest investors in clean energy, but they are not the only ones in the Middle East bringing solar energy projects to the fore. In the third episode of the *Construction Week Viewpoint*, the rise of solar projects, and the need to facilitate these developments with infrastructure investment is discussed by the *CW* team.

HEAR IT NOW soundcloud.com/constructionweek/ episode-3-solar-energy-projects



#### S01E04 ARCHITECTURE / DESIGN

THE FUTURE OF FAÇADES

7 May, 2018

Companies in the Gulf are exploring how façades can contribute to net zero energy buildings that consume only as much energy as they generate. In Episode 4 of *Construction Week Viewpoint*, the future of façades in GCC construction is discussed, as building developers, owners, and tenants seek energy-efficient structures in the Gulf.

HEAR IT NOW soundcloud.com/constructionweek/ episode-4-future-of-facades



#### S01E05 ONSITE

#### ON-SITE HEALTH AND SAFETY

14 May, 2018

Major accidents and fatalities have "drastically decreased" on construction sites in Dubai, the director of health, safety, and environment (HSE) at the Dubai Creative Clusters Authority (DCCA), Ahmad Al Sumaiti, recently told *Construction Week*. Tune in to Episode 5 of *Construction Week Viewpoint* 

to learn more about the UAE's construction HSE achievements.

HEAR IT NOW soundcloud.com/constructionweek/ episode-5-health-safety

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#### S01E06 BUSINESS

CW SKILLS GAP SURVEY 2018

21 May, 2018

Construction Week's Skills Gap Survey 2018 found that 72% of regional construction professionals believe their colleagues struggle to efficiently fulfil their tasks. Stay tuned for Episode 6 of Construction Week Viewpoint – which will be published on Monday, 21 May – to learn more about the skills gaps faced by regional employers.

COMING SOON ON CONSTRUCTION WEEK VIEWPOINT soundcloud.com/constructionweek/

#### YOUTUBE

# NOW PL YING

THE LATEST FROM CONSTRUCTION WEEK'S YOUTUBE CHANNEL



#### S02E01 CONSTRUCTION **WEEK IN FOCUS**

#### **RECRUITMENT OUTLOOK: SUMMER 2018**

Construction recruitment is assumed to be sluggish during the summer, but that might be about to change this year. In the Season 2 premiere of Construction Week In Focus, CWs editor and deputy editor explore what job-hunters and employers can look forward to in the months to come.

WATCH THE VIDEO HERE youtu.be/YQvaSQ9dao4

#### **CW**SPECIAL THE EDUCATION SERIES WITH AUS

**CHAPTER 3: DEVELOPING** TOMORROW'S LEADERS

Chapter 3 of Construction Week's The Education Series - a collection of three video interviews with Dr Richard T Schoephoerster, professor and dean of engineering at the UAE's American University of Sharjah - reveals details of the school's initiatives to encourage construction leadership.

WATCH THE VIDEO HERE youtu.be/DJnmlZon 04

# TOTAL VIEWS 191,540

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THE EDUCATION

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#### YOUTUBE



#### www.youtube.com/c/constructionweekonlinecom





#### S01E12 CONSTRUCTION WEEK IN FOCUS

#### INDIA AND THE UAE'S CONSTRUCTION TIES

India and the UAE enjoy strong cultural and commercial ties, and this relationship has also proven beneficial for the construction sectors in both countries. In the 12<sup>th</sup> episode of *Construction Week In Focus*, *CW*s editor and deputy editor explore what lies ahead for both markets.

WATCH THE VIDEO HERE youtu.be/AdAWy8v\_5q8

#### INTERVIEW CHERIYAN ALEX, NATIONAL PILING

HOW TO GROW YOUR BUSINESS BY 15%

National Piling's chief executive officer, Cheriyan Alex, tells *Construction Week* how he plans to expand the geotechnical and foundation contracting company's revenue by 15% in 2018. Visit **constructionweekonline.com** to read more about the Alex's growth strategies.

WATCH THE VIDEO HERE youtu.be/8hdVV-RsR4M

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#### CAREERS

#### BUILDING MENA.COM

## *Oro JOB OF THE WEEK* Project director | El Seif, Saudi Arabia



Riyadh, Saudi Arabia
 Project management
 Full time

El Seif is hiring a project director in Riyadh, who will be responsible for a specified project, and will need to develop adequate work systems and procedures to ensure efficient project implementation. The successful candidate will also bear the responsibility for the delivery, profitability, and quality of the project's outcome by overseeing and managing all policies and procedures related to the project's operations.

The project director will assist in the preparation of the project budget; the approval of subcontractors, tenders, purchase orders, and materials submittal; as well as control payments to various subcontractors involved in the project.

Technical responsibility will cover leading the development of methods, procedures, and plans for the project. This includes functions such as construction, procurement, administration, health and safety, and supervising the implementation of these work functions. El Seif needs someone with 12 years' experience, of which at least seven years were in a managerial position. For more information, visit **www.buildingmena.com**.



Construction Week's 2017 Salary Survey attracted 688 responses from construction professionals, with more than half coming from the UAE

#### 10%

increase in job satisfaction levels year-on-year

#### 52%

said they were planning to change jobs in the next 12 months

#### 86%

of respondents said they expected to remain in the GCC during the 12-month period

# TOP JOBS

## Forensic planner / delay analyst, UAE

Abu Dhabi-based Arabian Construction Company (ACC) is looking for a forensic planner and dalay analyst to join its office in the UAE's capital city.

ACC wants to recruit someone who can review extension of complex change requests and prepare forensic planning, delay, and disruption analysis. The person must have prior experience working with contractors, should be familar with formal dispute proceedings, and be prepared to provide support in areas such as litigation and arbitration. The forensic planner's responsbility also cover development and implementation of dispute avoidance strategies. Apply online at **www.buildingmena.com.** 

#### Engineering manager, Kuwait

Alghanim International wants to hire an engineering manager who will be responsible for enhancing processes and procedures for a range of engineering functions.

The successful candidate will need to create new processes and procedures for large-value engineering, procurement, and construction (EPC) projects in Kuwait. The engineering manager must be able to work in large teams, as they will be responsible for leading various EPC groups. The manager will also need to advise on technical issues related to the design and construction of EPC projects.

A bachelor's degree in mechanical or electrical engineering is required, as is between 15 to 20 years of experience. More information about this job can be found here: www.buildingmena.com.

## **ABOUT BUILDINGMENA.COM**

BuildingMENA is the first and only job portal dedicated to the Middle East and North Africa region's construction and engineering sector. A collaborative venture between *Construction Week* and Taylor Sterling Associates, the easyto-use and highly efficient platform is designed to connect the industry's biggest talent network with key regional employers, both large and small. To learn more about the platform, email **sales@buildingmena.com**.



CAREERS

UILDING MENA.CO



WHAT'S YOUR VIEW? COMMENT ONLINE @ CWMIDDLEEAST

## **Resourcing during Ramadan**

**Marcus Taylor**, managing partner at **Taylor Sterling Associates**, outlines how construction leaders should manage their manpower in the months to come

n 2015, a poll stated that during Ramadan, recruitment remained at a level of 60%, matching the rate recorded throughout the rest of the year.

This huge false positive was based on the number of job advertisements posted online and not on the actual process of sourcing, interviewing, offering, and onboarding candidates.

In my 12 years of industry experience in the GCC, it has become apparent that the level of productivity during the summer and Ramadan periods has been on a steady decline, year after year. So far, I have had only one client who suggested that they would pick up an assignment after Ramadan.

This year has witnessed a larger than usual number of companies implementing strategic measures to ensure they are both stronger and leaner to avoid the impact of a market downturn.

Cost-cutting measures and the stalling of projects has disrupted many of the growth plans of these companies, even with oil prices reaching \$75 per barrel for the first time in nearly half a decade. With this in mind, is now the right time to bring your job search to a halt, or to take recruitment off your list of top priorities? Certainly not. This is the third time in the last 10 years that regional firms have been put in this situation, and if there is anything we've learned, it is to keep the lines out and baited.

Last year, Taylor Sterling concluded an 18-month survey that revealed 76% of placements were passive candidates, of which 80% were top performers. This trend could trigger inevitable cost-cutting redundancies, leading to a large number of skilled workers being presented with an opportunity to target companies with which they see themselves matching.

When the levee inevitably breaks and cost versus value balances out, teams will be required to grow again. There will be a rush to grab the skilled talent and have them onboarded yesterday.

Hopefully, employers will have made proactive efforts this time, as projects begin to come back online. And it must go beyond the headcount – the groundwork will have to have been laid to engage the right individuals, and back-ups should be in place if the top choice falls through.

This proactive approach is more effective for consultancies than contractors, as resources are required on site to create revenue. It is equally important to not overwork the construction managers while searching for support, as you could be left recruiting for two roles if the individual has had enough of working long days in the intense heat.

If you find yourself having to let some people go, then this is one of the best opportunities to build your reputation as a choice employer. I have been involved in redundancy measures twice this year, and have helped the affected find their way back into the market.

The ramifications of such efforts are significant, since job security is an ongoing issue in the global construction industry. A reputation for going that extra mile will make you a top employer of choice, which in itself will reduce the salary expectations of those who are prepared for a long-term commitment with a good company.

#### **TWEET YOUR QUESTIONS**

🗩 @ CWMIDDLEEAST

9 @BUILDINGMENA

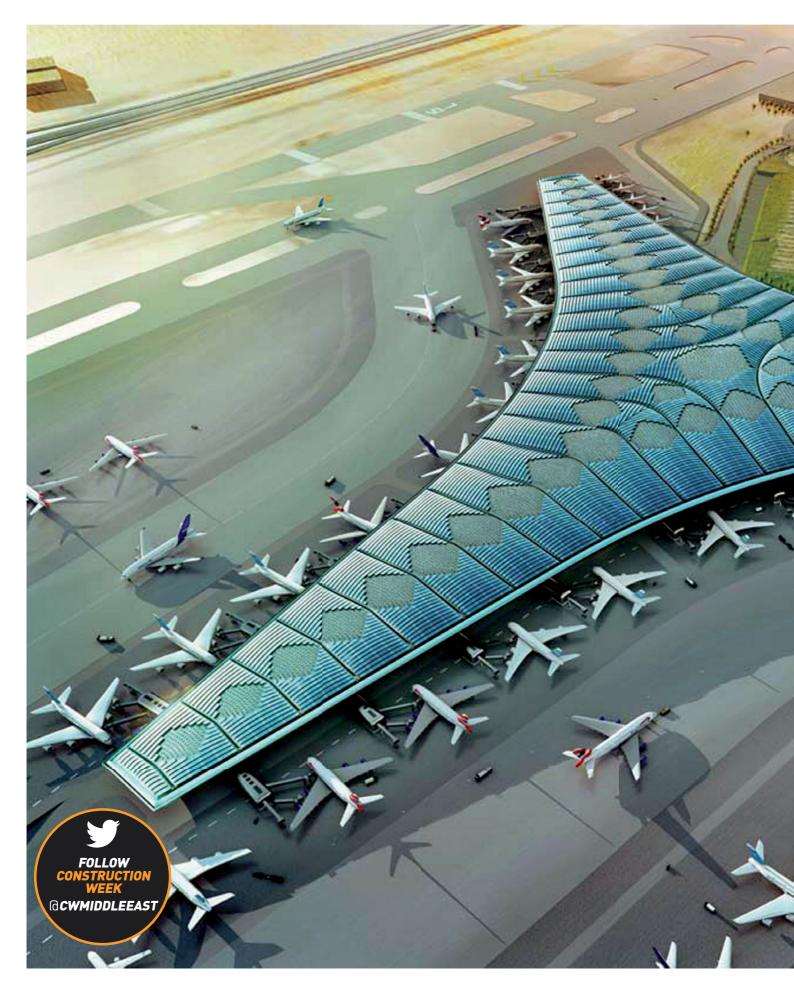
@RECRUITERGULF #TAYLORTALKS

Khaled, Bahrain: I've been verbally offered a job and asked for references, including from my current employer. I don't want to risk my current job. What should I do? Only in exceptional circumstances should

your current employer be contacted prior to you officially accepting the offer. Even then, most employers would view previous employers' references as adequate. Paul, Singapore: I saw a job that I would be perfect for, but it lists Middle East experience as a requirement. Would time in

#### Singapore relate to the GCC?

The answer will likely be positive, but it would depend on the job. If they are looking for someone who can settle into a different culture and its challenges, then your experience would count. Simon, Saudi Arabia: I've recently been brought into our Saudi office on secondment and have a candidate who wants to take a month's leave before joining us. Is this normal? I think a break between jobs is healthy. If you need them on site quickly, then you are perfectly within your rights to ask them to start sooner, and possibly offer a split leave after they have settled in.





WWW.CONSTRUCTIONWEEKONLINE.COM



Mammoet has been contracted by Limak Insaat to carry out the transportation and installation works for the \$4.3bn (KWD1.27bn) new terminal that is being constructed at the Kuwait International Airport. Mammoet will install all precast sections of the terminal's main structure, which consists of 804 concrete elements, each weighing between 200t and 360t. To read more about this story, visit **constructionweekonline.com**.

# NEHA BHATIA

WHATS YOUR VIEW? COMMENT ONLINE @ CWMIDDLEEAST



# **Time to introspect**

The Middle East's construction employers continue to pursue skilled talent and employee loyalty, but are they paying attention to the mental health of their workforce?

s the US observes Mental Health Month 2018 this May, it is worth reviewing whether worker wellbeing initiatives in the Middle East's construction sector are addressing the intangible aspects of employee satisfaction.

Workplace wellness measures – many of which are often tied to internal health, safety, and environment (HSE) programmes – are not uncommon in the regional construction sector. Some outstanding examples of these initiatives are BAM International's Worker Wellness Programme and Carillion Alawi's Tech Safety Initiative, which respectively won top HSE honours at the *Construction Week Awards 2017* and the *Construction Week Oman Awards 2018*.

However, despite its inherently critical nature, onsite wellness is not the only factor that influences employee satisfaction. Dalia Wagdi, a WELL-accredited sustainability consultant at UAE-based AESG, says that outdoor conditions, in addition to office design and maintenance, are crucial to an employee's mental health.

"Policies that can contribute to avoid stress [...include] having employee assistance programmes that refer them to qualified professionals who can assist them with anxiety and depression," Wagdi tells *Construction Week*.

Construction companies in the Middle East must commit their resources to such plans, especially as market conditions continue to challenge regional executives. Mid- to senior-level professionals "consistently [encounter] a great deal of onsite and offsite pressures", according to Aaron Chehab, chief commercial officer at KBW Investments. The "deadline-oriented" construction sector comes with "significant budgetary considerations and often, limited resources", all of which may contribute to work stress, Chehab tells *Construction Week*.

"Long hours of work, coupled with the aggressive, male-dominated environment, can have an impact on individuals, causing excessive and needless stress, leading to anxiety. Considering the commercial, safety, and programming pressures exerted on a daily basis, companies operating in the construction industry definitely need to take all of this into consideration."

Given the construction sector's more conspicuous and time-sensitive challenges, mental health may not be the top priority for some HSE or human resources leaders in the Middle East. Some may choose to criticise this approach, but we are likely to see more positive and long-lasting effects if construction companies commit to finding ways in which the abstract elements of employee welfare can be enhanced.

While managing one's mental health is an immensely private task, the world's best employers are those that ensure work stress does not cause – or compound – their workforce's mental health concerns. Support systems are important in an industry as competitive, complex, and people-reliant as ours – the Middle East's construction leaders must champion the creation of these essential groups.



"While managing one's mental health is an immensely private task, the world's best employers are those that ensure work stress does not cause – or compound – their workforce's mental health concerns."

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## **CIAN FARAH**

WHAT'S YOUR VIEW? COMMENT ONLINE @ CWMIDDLEEAST

# Think green

Credentials like LEED may seem costly to some, but developers can deploy alternate measures to ensure that their buildings are environment-friendly

o far in 2018, we have witnessed ready units transactions rising by 24%, with off-plan transactions falling by 32%, indicating that end users are more active than investors in the market. With a materialisation rate of 40% expected, the overall residential supply in 2018 could reach 40,000-45,000 units.

Although supply has outpaced demand and yields have reduced, the current average of 7-8% is still attractive when compared to global markets, and Dubai continues to be seen as a safe haven in the Middle East for investors, as evidenced by the 12,547 secondary market transfers and 24,964 off-plan sales transactions registered by Dubai Land Department in 2017.

The hospitality landscape is also changing, with the growth of short-term letting offerings competing with traditional hotels. In addition, the supply growth of serviced apartments has outstripped hotels in recent years, with a compound annual growth rate of 14.3% in the past 10 years, versus a 10.1% growth in the number of hotel rooms.

These alternatives are expected to grow as budget-sensitive tourists seek better deals. In response, Aurora has decided to create a building in downtown Jebel Ali that will cater to this segment. It will feature 112 studios, in addition to one- and two-bedroom units, with similar amenities as a hotel, and is expected to open in 2020.

The UAE Energy Plan 2050 aims to cut carbon dioxide emissions by 70%, increase the contribution of clean energy in the total energy mix to 50%, and improve energy efficiency

by 40% by 2050, all of which is expected to result in savings worth approximately \$191bn (AED700bn).

According to HE Dr Thani bin Ahmed Al Zeyoudi, the UAE's Minister of Climate Change and Environment, the country has a leading role in adopting and disseminating solutions to help achieve the concept of sustainability across all sectors, in line with the UAE 2021 vision.

Globally, the built environment accounts for 60% of worldwide resource consumption and 35% of greenhouse gas emissions associated with energy, producing about 50% of waste and consuming 12% of water resources. Up to 80% of the electricity consumed by the UAE's buildings is for essentials such as air-conditioning. Given the past four decades of unprecedented urban and cultural development in the UAE, as well as exponential population growth, there is an urgent need to follow more sustainable methods in the country's building and construction sectors.

Developing nearly zero-energy buildings to save energy and cutting consumption is an important step in this regard. If LEED certification and other sustainability credentials seem costly, then developers can engage in a number of activities to gain cost-reduction benefits. The UAE's wise leadership has also developed long-term national strategies such as the National Plan for Climate Change 2017-2050 and the Green Agenda 2030 to ensure the country is moving towards green growth. Laws and regulations for green buildings, specific standards for machinery, and a tariff system have been established to ensure the effective use of resources. As a result, the UAE now ranks among the top 10 countries other than the USA in terms of the number of buildings with LEED certifications.

Apart from the standard systems of introducing solar panels, utilising grey water systems for reuse of irrigation or sanitary water, and using LED lights, Aurora also uses sanitary ware items that are environmentfriendly, which can reduce water usage by as much as 30%.

Waste management is another important area. A construction waste management plan (CWMP) can help to minimise the quantity of construction waste and debris bound for landfill disposal and incinerators, thus maximising the materials that can be used or recycled, and ultimately, recovered. For example, while working on our Hyati Residence project, we successfully managed to divert 75% of all waste generated as a result of development works.

The fact remains that renewable energy solutions are becoming more economical. In addition, water conservation is gaining importance every day. The construction industry has a huge impact on our environment, and we can make a substantial impact on local ecological conditions by reducing consumption and implementing sustainable practices across our industry.

Cian Farah is the chief executive officer of UAE-based Aurora Real Estate.

3

# **MAKINGA SPLASH**

Crystal Lagoons' regional director, **Carlos Salas**, says the company plans to reshape the Middle East's built environment by developing inexpensive crystalline lagoons in the heart of the desert

#### WORDS BY OSCAR ROUSSEAU PHOTOGRAPHY BY AJITH NARENDRA

Arabian deserts to the centre of an urban metropolis. The lagoons use 100 times fewer chemicals than traditional swimming pools, consuming 98% less energy than regular filtration systems.

Crystal Lagoons' regional director for the Middle East, Carlos Salas, tells *Construction Week* that his team hopes to "revolutionise" the market by allowing developers to bring Caribbean-style crystalline waters to projects without significant investment.

Crystal Lagoons is based in the US, and has 16 international offices. Salas leads operations in the Middle East between offices in the UAE and Egypt, and describes the business as a "technology and innovation company" rather than an artificial lagoon developer. This definition is helped along by Crystal Lagoons licensing its patented technology to hundreds of global developers. The strategy is already paying dividends, with Crystal Lagoons registering strong interest from developers in the Middle East and North Africa (MENA).

MENA "keeps growing" for Crystal Lagoons, says Salas, who has his eye on four markets this year: the UAE, Saudi Arabia, Egypt, and Jordan. In Egypt, Salas explains, Crystal Lagoons made significant progress in 2017 after signing contracts with local developers Azha, Arco, Tatweer Misr, and Ein Hills. While the North African country may not at first glance be an obvious choice for luxury amenities such as man-made lagoons, Salas explains that Egypt was the first MENA country to bring the crystalline lagoons to the region in 2010, and remains a crucial market for Crystal Lagoons today.

"Egypt is a surprisingly big market for us and our numbers are quite huge in the country because our lagoon amenity has been able to enter big gated community projects," says Salas. Crystal Lagoons is sitting on a \$20bn pipeline of 14 projects stretching from Egypt's North Coast to the Red Sea, and "very soon", even New Cairo, the regional head reveals.

ି **CWMIDDLEEAST** 

#### **"MOST OF OUR PROJECTS IN EGYPT ARE IN** THE LUXURY SEGMENT IN THE NORTH COAST, WHICH HAS SEEN HEAVY INVESTMENT IN REAL ESTATE DUE TO [CURRENCY] DEVALUATION."

Salas says the Egyptian property market is mature enough to buy and fully optimise the company's high-end technology, since the lagoons are cheap to build and maintain, which means costs needn't be passed on to residents: "The beauty

of our lagoon technology is that has very low construction and maintenance costs.

"Even our projects in South America are targeted THE SIZE OF THE LAGOON towards middle-class buyers. Even in markets such as Mexico, Argentina, and Egypt - which are not places of high

average income like Dubai or the US - our projects have a high rate of penetration.

"Most of our projects in Egypt are in the luxury segment in the North Coast, which has seen heavy investment in real estate due to the devaluation of the Egyptian pound. However, there are also projects in Egypt that are [targeted towards] middleincome buyers."

The company's projects in Egypt include a 12.5ha lagoon to be built for the Citystars Sharm El Sheikh development. In 2015, this lagoon won a Guinness World Record for the largest man-made lagoon on the

planet. However, this record will be eclipsed by the lagoon in the Mohammed Bin Rashid Al Maktoum City - District One residential development in Dubai, which will be four times larger than Sharm El Sheikh's. While a deadline hasn't been set for the project, it remains

Crystal Lagoons' most important project in the UAE. Phase 1 is complete and work is already under way for Phase 2, with the project due to be completed in association with Meydan Group and Indian development giant, Sobha Group.

The company's other notable projects in the Gulf include the largest man-made lagoon in Saudi Arabia for the \$4bn (SAR15bn) Prince Sultan Cultural Centre

### THE TECHNOLOGY BEHIND IT ALL

TO BE BUILT IN DUBAI'S DISTRICTONE

Low construction and maintenance costs, the ability to use any water source, and low water consumption are among the factors that Salas says could benefit the Middle East's real estate developers.

Crystal Lagoons' man-made lagoons can be filled with fresh, salt, or brackish water, depending on what is naturally abundant or readily available. The system is water-efficient, and can compensate for water loss caused by evaporation through a closed-circuit system. Rainwater can be caught and filtered to refill the system. A pulsebased disinfection system is used to pump a small quantity of microbicides into the water, removing the need to use

cleaning products such as chlorine. Up to 100 times fewer chemicals than those used to keep traditional swimming pools clean need to be used for cleaning.

Water treatment is managed by cloud-connected injectors and sensors controlled by a Crystal Lagoons international control centre, which monitors water levels across the company's portfolio of lagoons.

This filtration system is said to use approximately 2% of the energy consumed by conventional swimming pools. Moreover, it uses 30 times less water than a golf course and half of the water required to irrigate a park of the same size.



megaproject in Jeddah. Crystal Lagoons is also in talks with an undisclosed number of Jordanian developers to promote the establishment of lagoons in Aqaba and the country's Dead Sea region.

The artificial lagoon manufacturer is currently pushing two concepts in Egypt, Jordan, UAE, and Saudi Arabia: public access lagoons, and floating lagoons. The former is a pay-as-you-go product that Salas says will lead to a "revolution" in entertainment complexes by making beaches available anywhere in the world. Salas says the idea could be introduced at a host of venues, including university campuses, Olympic-sized sporting arenas, shopping centres, and racing tracks.

Retail, leisure, water and amusement parks are the market segments that Salas says hold the most potential for Crystal Lagoons in the Middle East: "In the leisure segment, we feel we can help by bringing the beach lifestyle to the golf course. Golfers would be able to bring their whole family to the beach for the day whilst they go off and enjoy an 18-hole round of golf.

"We also want to move into the water and theme park segment because we believe there is a gap in the market. People are looking for experiences where they can participate in water sports, especially the

#### FACE TO FACE





**"THE BEAUTY OF OUR LAGOON TECHNOLOGY IS THAT IT HAS A VERY LOW CONSTRUCTION AND MAINTENANCE COST [FOR EVERYONE INVOLVED IN IT]."**  millennial generation. Dubai has developed great water projects along the Palm Jumeirah, but we can actually build the same projects inland in every destination in the world.

"We're talking to a lot of people about this, I can't reveal names at this stage but these are strategic conversations. Hopefully we will sign our first [public access lagoon] soon."

In conjunction to public access lagoons, the business is pushing the floating

concept and has held "preliminary conversations" with third parties about rolling them out.

While Salas is unable to disclose details of the discussions at this stage, he is extremely confident that the companies will put money behind the concept.

"In 2018, we expect to sign contracts in Saudi, the UAE, and Egypt," he says. "And because of the low cost of construction involved in these lagoons, the developments will pay off much more quickly [than similar man-made lagoon projects]."

For a company that broke the world record for the world's largest man-made lagoon – and is now working to break its own record – the MENA region appears to be staying true to Salas' words: it just keeps growing. From the biggest manmade lagoon in Saudi Arabia to increasing the number of lagoons in Jordan and the UAE, the list of projects goes on for Crystal Lagoons, proving that that MENA developers are noticing the benefits of man-made lagoons.

With Salas and his team powering through the region, Caribbean-style waters could very soon be coming to local deserts and urban metropolises.



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Demonstrating its confidence in the Sharjah property market, Arada chose the emirate as the site of its inaugural project, the \$354m-worth **Nasma Residences** community development, due to be completed in end-2019



#### "IT'S A CHALLENGE TO DESIGN IN SHARJAH, BECAUSE IT HAS A STRONG CULTURE."

ELIE MRAD, ARCADIA MIDDLE EAST

hen *Construction Week* interviewed the group chief executive officer of KBW Investments, Ahmed AlKhoshaibi, in April 2017, not even two months had passed since Nasma Residences was launched. At the time, however, the project's road infrastructure had already been completed, and all 107 units comprising Phase 1 of the five-phase development had been sold.

The latter was achieved in less than a month, making Nasma one of the fastestselling residential projects in Sharjah, and establishing Arada – a partnership enterprise jointly formed in January 2017 by Saudi Arabia's KBW Investments and the UAE's Basma Group – as a significant new presence in the UAE property market.

"Arada may be a start-up, but it's a strong start-up," AlKhoshaibi said during the interview. "Name another start-up that sold out its first phase – or any phase, for that matter – in a month."

Having hit the ground running on its inaugural project, Arada is keeping the development of Nasma Residences moving at a rapid pace in order to meet its Q4 2019 completion date target. Enabling works commenced in September 2017, with the main contract for Phase 1 awarded to Intermass Engineering & Contracting. The contractor began construction of the project's first phase in January this year.

In February, Intermass was awarded one of the two contracts for Phase 2. The second was awarded to Klampfer Middle East, a Sharjah-headquartered company founded by KBW Investments and Basma Group. Construction of Phase 2 started in March.

Arada is currently in the tendering process for the Phase 3 main contract, which it plans to award in July. It is also expecting Arcadia Middle East – the designer of the project's residential units and another KBW Investments-Basma Group joint venture – to complete the design of Phases 4 and 5 by the end of this month. All three phases are due to start construction this year. Khatib & Alami, meanwhile, has completed all infrastructure design.





Arada says it is in the process of choosing a contractor and consultant for the utilities-related infrastructure at Nasma Residences, which will include sewage and electricity facilities, as well as updates to the road network.

Giving *Construction Week* a tour of the project site, Mohammad Moussalli, director of development at Arada, says that 490 units of the approximately 800 villas and

townhouses comprising the master-planned community have been purchased: "We plan to sell [all the units] within this year."

He goes on to note that progress on Phase 1 has crossed the 25% mark, with structural works done for 20% of the units, and mechanical, electrical, and plumbing (MEP) and finishing activities now being implemented. Phase 2, meanwhile, is 5% complete. Construction activities on Nasma



are expected to peak in Q1 and Q2 2019, taking the number of workers on site from the current 300 to 1,000-1,500.

Occupying 46.5ha of land in Sharjah's Al Tay area, Nasma Residences is located on Emirates Road and is close to the new Sharjah Convention Centre – a detail that is said to differentiate the project from

other residential developments in the emirate.

"What sets this project apart from everything in Sharjah are three things, one [of which] is location," explains Moussalli. "[It's] away from the traffic and is accessible to everyone in the

northern emirates. It offers ease of access to Dubai, and is almost halfway to Abu Dhabi."

The project's amenities are also a selling point, he adds, saying that Arada's goal is to provide residents with a sense of community and ensure that they have everything they need within the development. These amenities include a community centre, a mosque, a GEMS school, and a 6,600m<sup>2</sup> shopping mall called Nasma Square.

The community centre, also designed by Arcadia Middle East, will feature a medical centre, a pharmacy, a nursery, a club house, and an anchor store, as well as restaurants and cafés. Moreover, green spaces like public parks will account for 40% of the development.

Moussalli continues: "You'll have everything you need [in close proximity]. You will even be able to go on foot to the

mosque, the school, the community centre, and the huge parks we are providing. We are providing all that at a price that is [affordable] for residents and locals."

> The price of a two-bedroom townhouse at Nasma starts from \$272,257 (AED1m), according to Arada, revealing that the majority of its buyers so

far has been Emiratis, followed by other Arab nationals and South Asians.

Offering his perspective on what makes Arada's debut project different, Elie Mrad, head of architectural division at Arcadia Middle East, tells *Construction Week* that Nasma Residences has been designed with Sharjah's culture in mind.

He elaborates: "It's a challenge to design in Sharjah, because it has a strong culture. We have to understand that culture, so we did a lot of research and listened to the salespeople – to the way they sell and the feedback [they received] from the



SITE VISIT

#### **ALL ABOUT SHARJAH**

Underscoring its confidence in the Sharjah property market, Arada launched its second project in the emirate only months after unveiling Nasma Residences. Covering 220ha of land, the Aljada master-planned destination will rank among Sharjah's largest real estate developments upon completion in 2025. The project, like Nasma Residences, will be delivered in phases, with Phase 1 to be handed over at the end of 2019.

Aljada will feature stand-alone and semi-detached villas, townhouses, lofts, and apartments, as well as open spaces and community amenities, such as schools, healthcare clinics, and mosques.

Enabling works on the project started in April this year, with a ground-breaking ceremony held to celebrate the occasion. In attendance at the event were HE Sheikh Sultan bin Ahmed Al Qasimi and HRH Prince Khaled bin Alwaleed bin Talal, respectively chairman and vice chairman of Arada.

customers – and then implemented [what we learned] in our design."

One cultural element that Arcadia factors into its work for Nasma is the issue of privacy, says Mrad, revealing that the firm addresses it by coming up with designs that will allow residents to welcome guests into their living room while still keeping areas like the kitchen private, or let them exit the house without passing by the living room.

800 APPROXIMATE NUMBER OF RESIDENTIAL UNITS WITHIN ARADA'S NASMA PROJECT Arada says it has sold 490 units of Nasma Residences so far.



as a community will be energy-efficient, Moussalli explains: "The main concern now for most people is the efficiency of the air conditioning [equipment] and the water and power usage, so everything we will put into our [units] will help reduce water and power consumption." He notes that for cooling, the developer is still deliberating over two options: standard direct expansion (DX) and variable refrigerant flow (VRF) systems.

"We will see which is more feasible for us and for the end users, because when it comes to efficiency and power load, there's not much difference between the two at this stage," he explains. "People think that VRF [technology] offers more power savings, but in the end, it will depend on the design. You can [install] VRF

systems, but they might not work efficiently in your [property], so you might as well use DX."

Arcadia, for its part, tries to introduce as much natural lighting and ventilation into the design of the project's residential

units, in addition to being careful with their orientation, says Mrad: "Most [of the units] face north to [avoid] the intense heat of the sun. With units facing south, we try [...] to orient all windows and openings to the north."

Moreover, to "sustain and maintain" the spaces between villas and maximise their use, the consultancy is turning them into



#### NASMA IN NUMBERS

\$354m – Value of the project 46.5ha – Total size of the development 25% – Construction progress on Phase 1 5% – Construction progress on Phase 2 300 – Approximate number of workers on site 1,000-1,500 – Number of workers on site during peak construction

He clarifies, however, THAT IS MADE UP OF that Nasma units come in a variety of layouts, in consideration of buyers coming

from different cultural backgrounds: "We have some [that feature] open kitchens. I call it a multi-cultural design solution."

AREA WITHIN NASMA

GREEN AND

PUBLIC SPACES

Sustainability has also been а major consideration in the project's development, with Arada and the Sharjah Electricity and Water Authority (SEWA) working closely to make sure that Nasma



cul-de-sacs that residents can use either as a car park or as a playground for children.

"We are also exploring the potential of using electric cars, especially near the community centre," he says. "And we comply with the green building code of Dubai, because we want our buildings to address [the needs] of all end users and not just those from Sharjah."

This emphasis on diversity when it comes to the buyers of Nasma Residences is not surprising and, indeed, reflects the growth of the property market in Sharjah, an emirate that HE Sheikh Sultan bin Ahmed Al Qasimi, chairman of both Arada and Basma Group, has described as a "secure and sought-after destination", one that is indeed attracting

#### "EVERYONE IS NOW RUSHING [INTO SHARJAH] TO DEVELOP NEW AREAS."

MOHAMMAD MOUSSALLI, ARADA

an increasing number of investors and real estate developers.

Arada, says Moussalli, has had a hand in the growth of the Sharjah market: "When we launched Nasma, we expected the project to succeed. But to be one of the fastest-selling projects in Sharjah? That's [another] thing.

"We are also working closely with the authorities, because change begins

with not only the buyers but also the authorities [that are behind] the regulations and legislation. Of course, the direction comes from the ruler. If [HH Dr Sheikh Sultan bin Mohammed Al Qasimi, Supreme Council Member and Ruler of Sharjah] hadn't taken the decision to expand [the market] and bring in investors to Sharjah, none of this would have happened."

Developers weren't always as open to the idea of building in Sharjah as they are at the

moment, recalls Moussalli: "[Many] of the large developers in Dubai weren't brave enough to come and take that step, but we were. We [saw] that Sharjah was a place that can grow, and [we were] willing to take the challenge."

Having decided to take the challenge, as Moussalli

phrased it, Arada proceeded to engage with government bodies like SEWA and Sharjah Municipality. This collaboration has yielded positive results, with Nasma Residences getting the required support from the agencies concerned, and Arada, in turn, contributing to the Sharjah community.

"I believe change has already come to Sharjah," says Moussalli. "Everyone is now rushing [into the emirate] to develop new areas and bring in new ideas."





#### **EVENTS**

# LEADING INTO The future

**Construction Week: Leaders in Construction UAE Summit 2018** is set to bring together leaders and experts from across the Emirates' vast construction sector



he Construction Week: Leaders in Construction UAE Summit 2018 has firmly established itself as the country's pioneering conference for the construction sector. Professionals that want to stay abreast of industry developments and gain insights into future industry trends continue to stand by the conference, the ninth iteration of which will be held in Dubai on **12 September, 2018**.

Last year's summit saw more than 200 decision-makers and delegates from across the Middle East gather in Dubai, with representation from the Gulf's most prominent and high-profile developers, contractors, consultants, legal specialists, and suppliers.

The conference, which paved the way for engaging discussion about the UAE construction industry's key opportunities and challenges during the year ahead, was also the ideal platform for our partners to expand their networks and build new relationships.

"The *Construction Week*: Leaders in Construction UAE Summit 2017 is the highlight of the regional construction industry's networking and knowledgesharing events," Craig Beeson, the chief executive officer of Sanctum Consult, said. Meanwhile, Emad Jaber, managing partner of Lacasa, added: "Lacasa is a strong advocate of the transference of knowledge across all construction-related industries.

"Having taken part in the summit in 2015, we saw a great value in the event in terms of the diverse topics discussed as well as the valuable insights provided by prominent industry leaders."

*Construction Week* events also provide our commercial partners with the ideal platform to showcase their products and services in front of the Middle East's most senior industry professionals.



To participate in this year's conference, contact Louby Maktari at **louby. maktari@itp.com**. For sponsorship enquiries, please contact Construction Week's sales director, Mark Palmer, at **mark.palmer@itp.com**. For a comprehensive list of upcoming industry conferences and events, visit **www.constructionweekonline.com**.



# **SOCIAL INPACT**

Social infrastrcture projects support economic stability in the GCC, but what health, education, transport, and entertainment projects are the UAE and Saudi Arabia working on to acheive their longterm diversification? **Oscar Rousseau** reports he UAE and Saudi Arabia continue to make significant investments in social infrastructure projects, and both countries want to capture the socioeconomic benefits derived from building more schools, hospitals, transport networks, and places of entertainment. After all, social infrastructure projects offer the benefit of both social and economic growth.

Among the busiest segments for social infrastructure expansion in both countries is entertainment, with the public and private sectors collaborating on these schemes in Saudi Arabia and the UAE. For instance, in the latter country, Abu Dhabi City Municipality signed \$24m (AED87m) contracts with property developers and investors this January, to build social infrastructure projects in the emirate. Saudi and the UAE continue to invest in social infrastructure projects [representational image].



Numerous projects are similarly under way in Saudi Arabia, the most notable of which is the kingdom's plan to build up to 100 cinemas by 2030. The country is complementing its cinema construction with the 334km<sup>2</sup> Qiddiya entertainment city, as well as the Six Flags theme park, which is set to open in 2020.

Another market segment that has seen high levels of activity is education. Saudi's private sector will finance the construction and operation of 1,600 schools in the country, it was announced this February. The initiative is part of a public-private partnership (PPP) between the Saudi government and construction contractors to build and manage kindergartens and primary, intermediate, and secondary schools in Jeddah and Mecca.

In the UAE, Godwin Austen Johnson (GAJ) announced this April that it would deliver architecture, interior design, and mechanical, engineering, and plumbing (MEP) work for the Arcadia Secondary School project, which will house 800 pupils. The new building will be next door to Arcadia Preparatory School in Jumeirah Village Triangle, Dubai, which GAJ designed.

In January 2018, the Rochester Beyo Institute of Technology revealed a \$136m (AED500m) new campus in Dubai's are mal Silicon Oasis. Spanning 129,000m², Sau it will accommodate 4,000 students and will be built in two phases, the first of which is set for a 2019 handover, and will cost \$54m (AED200m). Phase 2 will start in 2023, and cost \$82m (AED300m) to build.

Dubai also expects to have an extra 12 private hospitals built by 2020, according to the Dubai Health Authority. One project nearing completion is the Mediclinic Parkview Hospital in Dubai, which contractor ASGC said was on track for completion on Q4 2018. Plans to build the Al Reem Hospital and Rehabilitation Centre in Abu Dhabi, located on the city's Reem Island have been outlined too. German firm Vamed will build the hospital over multiple phases, the first of which is set for a Q4 2019 handover. Meanwhile, Saudi is home to one of the most prominent medical projects in the GCC – the Security Forces Medical Centre in Riyadh. The \$7bn (SAR26.3bn) project has been described as the biggest medical investment in the Gulf, and will provide medical care to four million nationals.

Beyond the traditional social infra schemes, transport projects are making headway in the UAE and Saudi Arabia. This April, Aldar

Properties and Hyperloop Transportation Technologies signed a memorandum of understanding to develop an urban centre within Aldar's Seih Al Sdeirah land bank. The agreement could spur the

development of the world's first commercial hyperloop system.

In the same month, Virgin Hyperloop One teamed up with Dubai port operator, DP World, to create DP World Cargospeed, a company aimed at transforming the cargo industry. At the time, Branson said it was likely that hyperloop travel would also be rolled out in Saudi Arabia "quite soon".

With the Gulf's largest countries pursuing their long-term economic diversification goals, it is likely that their social infrastructure schemes will continue to evolve in the years to come.





CONSTRUCTION WEEK IN FOCUS BUILDING SAUDI 16 April, 2018

S01E09

Construction Week explores Saudi Arabia's investments in new project categories, and reviews whether contractors are equipped to build these developments in the kingdom. Watch the discussion here: youtube.com/ watch?v=sflpdLDz-Wc

# PROJECT UPDATE

**ON SITE** *CW* provides a collection of its most recent site and plant visits to keep you up-to-date with project progress

AN AN

WANT TO UPDATE YOUR PROJECT'S PROGRESS, OR HAVE IT INCLUDED HERE? Email the editor: neha.bhatia@itp.com



1/JBR Location Dubai, UAE

Visited May 2018 There has been much talk about Dubai Properties' \$272.2m (AED1bn) 1/JBR project, a 46-storey luxury residential building under construction off the coast alongside Jumeirah Beach Residences (JBR). The building of 1/JBR is moving at a rapid pace – at the time of *CW*'s site visit, the project team was completing one floor of the building every week. Core walls had been cast as far up as the 15<sup>th</sup> floor, and slabs had been cast to the 13<sup>th</sup> floor. Block work was also progressing up to the ninth floor, and finishing work was being carried out on the basement and podium levels.



SHARJAH WATERFRONT CITY Location Sharjah, UAE

Visited March 2018 A mixed-use, master-planned community, Sharjah Waterfront City is being developed by Sharjah Oasis Real Estate Company for an estimated cost of \$6.8bn (AED25bn). The project has a total land area covering more than 557.4ha and consists of eight interconnected islands, which the developer hopes will eventually become home to more than 60,000 residents. At the time of *Construction Week*'s site visit, construction activity was largely concentrated on Sun Island, where Tech Construction, a subsidiary of Tech Group, was in the process of building 295 precast villas.



ONE PALM Location Dubai, UAE

Visited February 2018 Dubai-based developer, Omniyat, is building the One Palm residential project on Palm Jumeirah. Ground was broken for the 100m-tall tower in 2016, and the 84,541m<sup>2</sup> development will be the tallest residential structure on the manmade island. The project, for which Multiplex is the main contractor, topped out in September 2017. At the time of *CW*'s site visit, 60% completion had been recorded. Designed by New York architect Soma, the building's exterior is a complex scheme of varyingly stacked apartments, resembling a Jenga puzzle. Project completion is due in Q4 2018.

FOLLOW CONSTRUCTION WEEK COMMIDDLEEAST

#### PROJECTS



TOPAZ RESIDENCE 2 Location Dubai, UAE

Visited February 2018 Gulf General Investment Company (GGICO) is developing Topaz Residences Towers. The Dubai Silicon Oasis project spans a total built-up area of 64,839m<sup>2</sup>, and comprises 448 units within three buildings. One of the towers that was under construction at the time of the site visit was Topaz Residence 2, a G+8+R building that includes 200 one-bedroom apartments, with unit sizes ranging from 93m<sup>2</sup> to 111m<sup>2</sup>. At that time, the project was more than 55% complete. The highrise development is being built by Reem Capital Contracting and was designed by Incorporated Consultants.



NOVOTEL SHARJAH EXPO Location Sharjah, UAE

Visited January 2018 The Novotel Sharjah Expo hotel is being developed by an entity called Sharjah Expo Hotel LLC, and Klampfer Middle East (KME) is involved in the project through a designand-build contract. The development vehicle is owned by Basma Group, which awarded KME the hotel's contract, worth almost \$34.6m (AED127m), in 2016. The property's floor plan features 200 units in three categories – standard rooms, club floor rooms, and executive suites – as well as a business centre, food and beverage outlets, and two meeting halls, one of which spans approximately 200m<sup>2</sup>.



MOHAMMED BIN RASHID LIBRARY Location Dubai, UAE

Visited December 2017 The \$272.3m (AED1bn) Mohammed Bin Rashid Library project was unveiled in February 2016 by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, in support of President HH Sheikh Khalifa bin Zayed Al Nahyan's declaration of 2016 as the Year of Reading. Construction of the library commenced in October 2016, with ASGC winning the main contract, valued at \$245m (AED900m). The project's sub-contractors include Al Shafar Steel Engineering, Emirates Beton, and Al Shafar United.



#### ICD BROOKFIELD

PLACE Location Dubai, UAE

Visited November 2017 At the time of *CW*'s visit, the \$408.4m (AED1.5bn) ICD Brookfield Place's (ICDBP) project site was home to the world's largest luffing jib tower crane, the Favelle Favco M2480D. A partnership between Investment Corporation of Dubai (ICD) and Brookfield Property Partners is leading the project's development. Designed by Foster + Partners, ICDBP features 9ha of Grade-A commercial space. The 55-storey building offers column-free units, with floorplates ranging from 1,579m<sup>2</sup> to 2,787m<sup>2</sup>. Multiplex and Ssangyong are working in a joint venture as main contractors.

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#### PROJECTS



GLITZ Location Dubai, UAE

Visited November 2017 Located in Dubai Studio City, Danube's Glitz residences have a combined construction value of \$89.5m (AED328.8m), with the main contracts awarded to Naresco Contracting. EDMAC Engineering was brought in as consultant for all three projects. The main contracts for Glitz Residence 1 and 2 were awarded in July 2015, and the contract for Glitz Residence 3 was awarded in February 2016. Naresco expected to have completed the delivery of all three projects by the end of 2017, since Glitz 1 and 2 were already complete when *Construction Week* visited the site in November.



ALOFT DUBAI CITY CENTRE Location Dubai, UAE

Visited October 2017 Spanning an area of 28,800m<sup>2</sup>, Aloft Dubai City Centre Deira is being built by Majid Al Futtaim. Once complete, this four-star hotel will feature 304 guest rooms and 29 suites, and will be directly connected to Majid Al Futtaim's flagship City Centre Deira mall. At the time of *Construction Week*'s site visit, work was progressing on schedule for a Q1 2018 completion and opening. Wall cladding work was underway and was due to be followed by fit-out and finishing works. Mechanical, electrical, and plumbing works were also ongoing at that time. The hotel is now set to open on 15 June.



THE WAVES Location Dubai, UAE

Visited October 2017 Lootah Real Estate Development is developing The Waves, a mid-rise residential project in Dubai's Al Barsha locality. The 1.6ha project is being built in Al Barsha South's Jumeirah Village Circle neighbourhood, and features two four-storey apartment buildings. Ground was broken on the project in September 2016, and overall completion is due in Q4 2018. OST Constructional Projects is the main contractor for The Waves, while Arif & Bintoak is providing architectural and electromechanical consulting services for the development.



ONE CENTRAL Location Dubai, UAE

Visited September 2017 One Central is a mixed-use master development worth \$2.2bn (AED8bn), which is being developed by Dubai World Trade Centre. The development's commercial component comprises five buildings, each of which will feature four levels of underground parking, integrated retail offerings on the ground level, open-plan office spaces, and access to rooftop gardens. Phase 2 of One Central was 91% complete at the time of *Construction Week*'s visit, and work on Phase 3 – which was awarded to Al-Futtaim Carillion – comprises the Offices 4 and Offices 5 buildings.

FOLLOW CONSTRUCTION WEEK COMMIDDLEEAST

#### PROJECTS



MEERA Location Abu Dhabi, UAE

Visited September 2017 Aldar Properties' \$148.6m, G+27 Meera project boasts a total built-up area of 76,328m<sup>2</sup> and consists of two identical towers, each comprised of 204 apartments. Meera is located at Shams Abu Dhabi and is the developer's inaugural mid-market development. Construction on the project started in August 2016 and is expected to complete in Q3 2018. Fibrex was awarded the main construction package, worth \$70.2m, and Aecom is providing consultancy services. When Construction Week visited the site, mechanical, electrical, and plumbing, and finishing works were under way, and the project was nearing the halfway mark, with the super-structure for Tower 1 already complete, and only one remaining slab to be implemented for Tower 2. Block work had reached Level 20, and Fibrex was proceeding with ceramic, screed, plaster, and ceiling activities, as well as façade work on all of the project's three elevations: glassfibre reinforced concrete, aluminium, and glazing.



MOTORSPORT BUSINESS PARK Location Dubai, UAE Visited September 2017

Motorsport Business Park in Dubai Autodrome is a 12-unit warehouse designed to be a hub for petrolheads. Valued at \$4.3m (AED15.8m) and spanning 5,600m<sup>2</sup>, the project was scheduled for delivery in December 2017, and was developed by Union Properties (UP). The units come in various sizes ranging from 225m<sup>2</sup> to 450m<sup>2</sup>. and all of them had been leased for the project. It was built in one phase, but a second phase that would see two buildings built could be launched in the future. UP awarded the \$3.4m (AED12.5m) main contract for Phase 1 to Multilink Contracting, and Design Housing Engineering acted as the consultant for the Motorsport Business Park project.



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#### EVENTS CALENDAR



#### CONFERENCES & EVENTS



Indian Property Show Date: 21-23 June, 2018 Venue: Dubai, UAE

Middle East Stone Date: 4-6 September, 2018 Venue: Dubai, UAE

Leaders in Construction UAE Date: 12 September, 2018 Venue: Dubai, UAE

#### **Conference News**

CID Awards Date: 19 September, 2018 Venue: Dubai, UAE

Light Middle East Date: 23-25 September, 2018 Venue: Dubai, UAE

Facility Management Expo Date: 23-25 September, 2018 Venue: Dubai, UAE Leaders in Construction Kuwait Date: 17 October, 2018 Venue: Kuwait City, Kuwait

MEP Middle East Awards Date: 7 November, 2018 Venue: Dubai, UAE

*Construction Week* Awards Date: 5 December, 2018 Venue: Dubai, UAE



Now in their 14<sup>th</sup> year, the *Construction Week* Awards are the foremost event celebrating the achievements of the region's construction contractors. The awards, which will be held on 5 December, 2018, seek to recognise and reward individual excellence, corporate prowess, and project success.

Companies are invited to nominate the people, projects, and initiatives of which they are most proud, across a total of 16 categories. Entries will be judged by a large jury of industry peers, a factor which has given the *Construction Week* Awards an independent and credible reputation which sets it apart from other industry awards programmes.

The awards presentation happens at a gala dinner in a five-star venue – an event that has become a great social occasion and essential networking opportunity. Winners will receive a commemorative trophy, plus extensive print and online coverage of their success in *Construction Week*. Nominate yourselves now, to get a chance to win at the best construction industry awards event of 2018.

Visit http://www. constructionweekonline.com/ awards for more information about the awards. For sponsorship enquiries, please contact Tom Martin on +971 4 444 3465 and Mark Palmer on +971 4 444 3398, or drop them an email at tom.martin@itp. com and mark.palmer@itp.



# CONSTRUCTION WEEK LEADERS IN CONSTRUCTION SUMMITUAE

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