



UK MAIN TARGET FOR GCC PROPERTY INVESTORS

Middle Eastern property buyers are looking for good value overseas investments but remain cautious with their money, according to wealth managers. The UK is of particular interest and OPP is aware of a number of investors from Saudi Arabia and the UAE looking to take advantage of reduced prices and overall market stability in London.

“The UK remains our main focus,” said David Swan, managing director of advisory company WW Advisors, which was set up earlier this year to deal with funds from GCC states looking to invest in European property. “It has the largest real estate market in Europe and it has the most transparency at the moment.”

Jonathan Bridges, mortgage manager for Dubai-based IFA network Global Eye, reported a similar interest for both investment and lifestyle reasons. “Our investors are looking mainly at office and retail developments in the UK but they are also buying residential property in the prime central London, which they see as a safe investment to get a stake in the market and as a holiday home,” he said. “Temperatures in Dubai can become unbearable in the summer and Britain’s cooler climate offers a way to escape the heat.”

However, buyers are waiting for the right investment, said Bridges. “Prices have come down considerably in London but everyone wants a bargain and people are prepared to wait until the price is right rather than buy for the sake of it.”

Swan also stressed that buyers were still being cautious. “Sovereign wealth funds are well managed with good corporate governance – it’s not easy capital,” he said. “Investors in the Middle East are much better advised than people give them credit for.”

New markets

Emerging markets are also a target for the region’s property investors. Qatari Diar, the property investment company controlled by Qatar’s sovereign wealth fund, last month announced a joint venture with Cuba to build a luxury island resort hotel and spa. “Cuba offers a good market that we look for a strong presence in; therefore, these agreements give us the opportunity to invest in Cuba’s emerging tourism and economy,” said Qatari Diar’s CEO, Ghanim bin Saad Al Saad.

The FTSE Group recently launched a Shariah-compliant index to encourage Muslim investment in Thailand, including those from the Middle East. “The index allows domestic and international investors to invest in accordance with Islamic principles,” said Jonathan Cooper, managing director for Middle East and Africa at FTSE Group. He also noted that many Middle Eastern buyers were looking for investments closer to home and diversifying by spreading capital across the region.