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Saudi luring top design firms amid Dubai woes

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Architects and engineers are descending on Saudi Arabia, seeking shelter from the busted real estate bubble in Dubai and lured by the resilient construction market in the oil-rich kingdom.

Saudi Arabia needs to "supply 1,000 residential units a day for at least the next five years, and we need strong firms to deliver," said Fahad al-Said, the chief executive of the Riyadh-listed Saudi Real Estate Co, better known as Al Akaria.

Foreign design firms, which generated big fees building skyscrapers, indoor ski slopes and manmade islands in the emirate are scrambling to secure steady business in Saudi as the Dubai's debt woes weigh on the building industry.

Real estate developers in Saudi are preparing for an expansion in infrastructure development on a large scale, and are pulling out all the stops to attract top talent to work on their projects.

"There is no doubt that Saudi presents a great opportunity for architects, and we are seeing a lot more interest from top firms in Europe, the US, Australia and Japan," said Abdulaziz al-Babtain, the lead architect and a regional manager at the Riyadh-based developer Asas Pan Gulf.

Developers in Saudi Arabia are planning to spend \$ 543bn on new real estate projects, according to research by the Dubai-based consultancy Proleads. This stands in stark contrast with the slowdown in property markets elsewhere in the Gulf.

In Riyadh alone, some 300bn Saudi riyals (\$ 80bn) in projects are underway, said Ahmed Assubail, the general director of strategic urban planning at the High Commission for the Development of Arriyadh.

The government plans to spend 26bn riyals for public transportation and a rail network in Riyadh. "Some projects have been delayed last year, but more than 95% are on track," Assubail added.

As concerns mount over the ability of Dubai, the second-largest emirate in the UAE, to service the \$ 80bn of debt built up over the last decade to build real-estate projects and buy assets overseas, foreign firms have been faced with the choice of seeking other markets or shutter their Gulf operations.

"Most of the request are coming out of Saudi, so we are focusing on it," said Thomas Votteler, the operations manager for the Middle East for the German Kling Engineering Consultants.

Votteler, who is based in Abu Dhabi, said the interest from Saudi developers for quality work has helped the firm grow in the region during the downturn, and outperform its European branches.

"You don't have to tell businessmen where the cheese is. They will sniff it out," said al-Said from Al Akaria.

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