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Work On Dh2b Phoenix Mall To Begin This Year

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Dubai: A massive new development covering eight million square feet on the outskirts of Dubai will help bring more foreign direct investment into the UAE, the developer behind the project said yesterday. Dubai-based real estate firm Meraas Holding will begin construction this year on the Phoenix project, including the Phoenix Mart mall, after agreeing a Dh2 billion investment with Chinese investment company China Longines. The development, which is being built next to Dragon Mart, is scheduled for completion within two years, **Sina Al Kazim**, Meraas Holding's chief business development officer, said yesterday.

"It is a Dh2 billion investments with 70 per cent coming from the Chinese government and 30 per cent put up by China Longines. We have signed a build-operate-transfer [BOT] agreement, which means they will operate the mall for 30 years before transferring the project to Meraas Holding," Al Kazim said. "We have been active in securing foreign direct investment into Dubai. We have visited many different areas of the US, China and India to secure funds from a range of sectors — including industrial, real estate and recreation — that will help complement Dubai's growing economy," he added.

A Chinese delegation on a visit to the Cityscape Global met this week with His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. The Phoenix project, which also features a five star hotel and car parking facilities, will be three times as large as the existing Dragon Mart complex. The Phoenix Mart mall will comprise 6,000 outlets with the vast majority new brand names from China.

"Many Chinese companies view Dubai as an important logistics hub as well as a good base for the onward distribution of their goods," said Al Kazim. "The mall will operate at a higher level than Dragon Mart and will appeal to expatriates of all nationalities. However, we do expect the majority of the mall's clientele to be Chinese expats," he added.

Matthew Green, head of research and consultancy for the UAE at CB Richard Ellis Middle East, said the project was the "right fit for the right area". "The demographics of the catchment area will fit well with the mall. There would be no point developing a high-end development in that particular location of Dubai," he said. "The retail sector has been performing pretty well; it has not been affected [by the economic downturn] as much as the rest of the market. Most of the big malls, such as Dubai Mall and Mall of the Emirates, are running at 90 per cent occupancy or more. "The Phoenix Mart will cater for a niche market. But it will benefit from its location next to more than 25,000 units at International City and the nearby Silicon Oasis development," he added.