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2018

DUBAI WORLD TRADE CENTRE

COMMERCIAL MARKET REPORT

COMPILED BY:

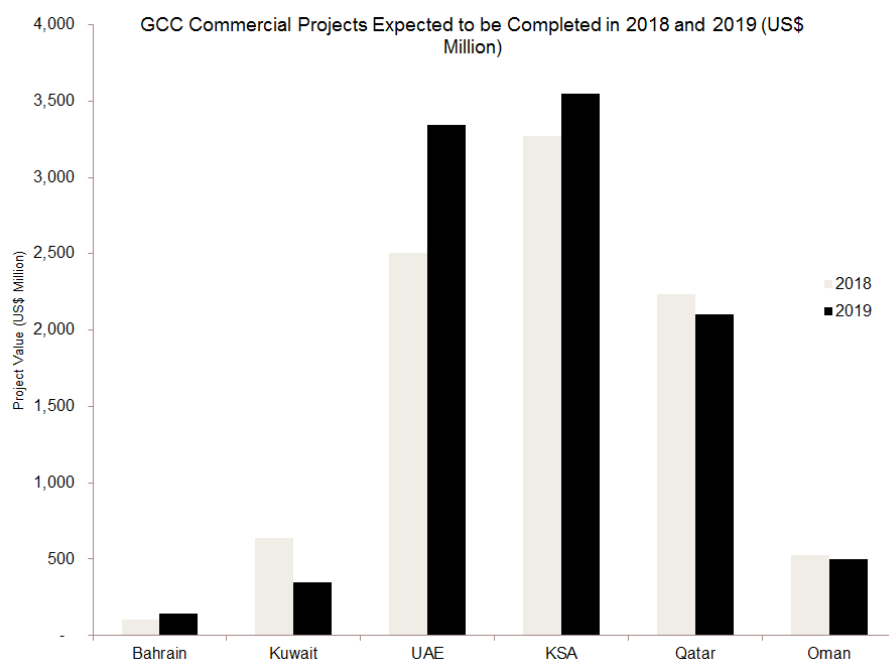


REPORT HIGHLIGHTS

- The total GCC commercial projects expected to be completed is likely to increase from US\$ 9,278 mn in 2018 to US\$ 9,988 mn in 2019.
- The overall GCC interiors and fit-out spend in the commercial sector is expected to increase from US\$ 1,021 mn in 2018 to US\$ 1,099 mn in 2019.
- In 2018, KSA (US\$ 360 mn) is likely to be the highest interior and fit-out spend in this sector followed by the UAE (US\$ 275 mn).
- The highest value commercial building project expected to be completed in 2018 by project value comes from KSA.

The GCC region is a critical commercial hub for international companies doing business throughout the MENA region. As of 27th May 2018, the total GCC commercial projects expected to be completed is likely to increase from US\$ 9,278 mn in 2018 to US\$ 9,988 mn in 2019 (*refer Figure 1*).

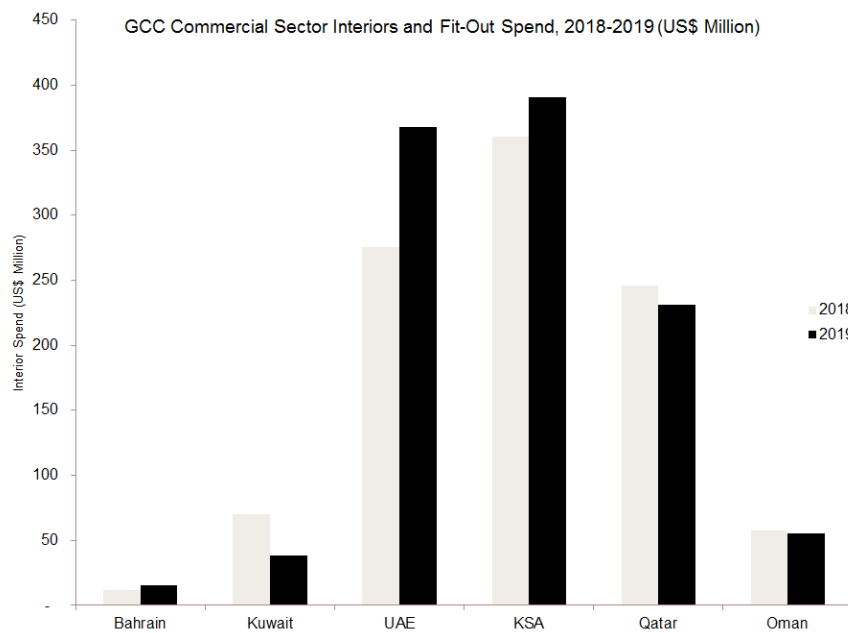
Figure 1: GCC Commercial Sector Projects Expected to be Completed in 2018 and 2019 by Country (US\$ mn)



The commercial interiors contracting and fit-out spend includes investments catering to lighting, furnishings, office partitions, wood flooring and internal wood works and bathroom fittings, which collectively represent 10 to 12% of overall project costs involved in the construction of such premises. The overall GCC interiors and fit-out spend in the commercial sector is expected to increase from US\$ 1,021 mn in 2018 to US\$ 1,099 mn in 2019.

In 2018, KSA (US\$ 360 mn) is likely to be the highest interior and fit-out spend in this sector followed by the UAE (US\$ 275 mn). In line with the Saudi Vision 2030, the private sector's contribution to KSA's economy is expected to increase, which is likely to stimulate the demand for office space in the future. According to *Colliers International*, largely-driven by a millennial workforce, there is a growing emphasis on the provision and design of public realms, workplace interconnectedness, smart offices, architecture and branding in KSA.

Figure 2: GCC Commercial Interiors and Fit-Out Spend by Country (US\$ Million), 2018-2019



Note: Figures are as of 27th May 2018. Source: Ventures ONSITE Project Intelligence Platform: www.venturesonsite.com

According to the *Harvard Business Review*, office surroundings are a statement of a business' core values. Office interior design plays a crucial role in creating a productive work environment and the design of working spaces should be in line with changes in working practices. In the coming months, commercial interior design will include promoting eco-friendly designs wherein commercial spaces need to be energy efficient and aesthetically pleasing.

An important feature of sustainable interior fit-out is the use of energy efficient technology to cut energy costs while improving the office environment. Green offices are characterised by the use of natural light, which is known to have a beneficial impact on employees' sense of well-being.

According to UAE's *Summertown Interiors*, a key trend witnessed, which has become increasingly important (especially in Dubai), is the custom tailored fit-out solutions for companies that include activity-based working areas, and integrated technology for a more agile workforce. Activity-based working interior designs are enabling employees' space to concentrate on a complex task alone, or collaborate in small teams.

Biophilic design will be used more in commercial spaces in 2018 and 2019. By incorporating natural elements like plants, water features and natural lighting into the office space can boost productivity. Several research studies have recently demonstrated the various benefits of incorporating greenery into office design on employees' physical and psychological health.

Major Projects in the Commercial Sector

The following table represents the list of top commercial projects expected to be completed in 2018 and 2019 across the GCC.

Table 1: Major GCC commercial building projects expected to be completed in 2018 by project value (US\$ million)

PROJECT NAME	NET VALUE (US\$ MN)	COUNTRY
Courts and Judicial Facilities	326	KSA
Arabsat Headquarter in Riyadh	266	KSA
Ministry of Education Headquarters	266	Kuwait
HSBC Headquarters in Downtown Dubai	250	UAE
One Central (1 Central) on Sheikh Zayed Road - Office Towers (C2 & C4)	196	UAE
National Bank of Kuwait HQ in Sharq	179	Kuwait
EKFC Expansion - Phase 3	164	UAE
Sabah Al Ahmad City - Public Buildings in Area D	155	Kuwait
Ministry of Finance Complex - Al Jahra	153	Kuwait
Corporate Building for Energy City Qatar - Plot H-01	139	Qatar

Source: Ventures ONSITE Project Intelligence Platform: www.venturesonsite.com

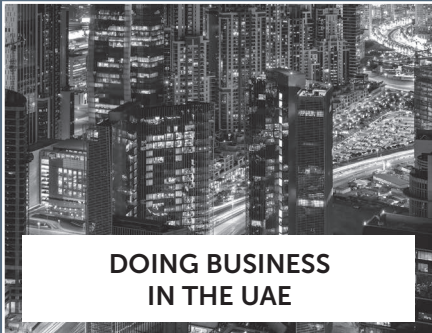
Table 2: Major GCC commercial building projects expected to be completed in 2019 by project value (US\$ million)

PROJECT NAME	NET VALUE (US\$ MN)	COUNTRY
Dubai Trade Centre Jebel Ali (Expo 2020) - Theme Districts	599	UAE
ICD Brookfield Place in Dubai International Financial Center (DIFC)	408.4	UAE
Passports and Expatriate Affairs Department Building in Al Noaim	206	Qatar
Development of Commercial Berth Zone 1 & 2 at Duqm Port	205	Oman
Dubai Trade Centre Jebel Ali (Expo 2020) - Al Wasl Plaza / Pavilion	200	UAE
Dubai Trade Centre Jebel Ali (Expo 2020) - Mobility Pavilion	200	UAE
Dubai Trade Centre Jebel Ali (Expo 2020) - Sustainability Pavilion	200	UAE
SABIC Headquarters in Jubail Industrial City	200	KSA
The e18hteen in Lusail - COM 18	185	Qatar
Saba Tower 4 in Jumeirah Lake Towers - Plot No. BB3	181	UAE

Source: Ventures ONSITE Project Intelligence Platform: www.venturesonsite.com

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