

# PW

## Property Weekly



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# Sharjah opens its realty market to foreigners

Expats can now own property in the emirate on long-term leases

By Rachel MacArthur  
**Special to PW**

**T**here's good news for property buyers in the UAE: Sharjah is opening up its real estate market to investors of all nationalities.

For the first time, non-Arab expatriates can purchase land or property in the emirate on a leasehold basis thanks to a resolution by the Sharjah Executive Council, which states that foreign investors have the right to own property in Sharjah for up to 100 years. Previously, only UAE and GCC nationals were allowed to own property in the emirate.

Experts say giving the right to buy property in Sharjah to the more than 200 nationalities in the UAE will

improve the country's overall housing market.

"Sharjah's new property laws are having a positive effect on the UAE market by offering an opportunity to buy in an area that hasn't been catered for until now," says Victoria Garrett, Associate Partner — UAE Residential at Knight Frank.

"Dubai and Abu Dhabi do not really offer what one would term affordable housing, which is usually targeted at teachers, nurses or even civil servants.

"The opportunity to buy at that level of the market is great for people looking to be based in the UAE in the medium or long term, and those who would like to have roots here, but previously haven't

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✦ Experts say giving the right to buy property in Sharjah to expats of more than 200 nationalities in the UAE will improve the country's overall housing market



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*with all good wishes for the*  
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✦ A rendering of Tital City

Courtesy of Tital Properties

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been able to afford to get on the property ladder here.”

Adham Saleh, Managing Director of eZayed Real Estate, agrees. “I think this will be beneficial to Sharjah as it will help retain many middle-income earners,” he says. “It will be for those who are living in the emirate and want to continue living there.”

“The factor fuelling the demand for real estate in

Sharjah is, predominantly, high rents in Dubai. Moreover, many expats receive a house allowance, which they would rather use to invest in a property, instead of spending only on rent,” adds Saleh.

**A new start**

Sharjah’s first leasehold project is Tital City, a mixed-use development that will offer housing to 65,000 residents. The Dh2-billion master development belongs to

Tital Properties, a joint venture between Sharjah Asset Management and Eskin Real Estate Development.

At the time of the launch, Shaikh Sultan Bin Ahmad Al Qasimi, Chairman of Tital Properties, said: “Tital City is one of a series of projects that will be implemented by Tital Properties allowing UAE residents to buy property on a 100-year leasehold basis, according to the [various] laws regulating Sharjah’s property market.”

“We all realise the importance of the real estate sector, which greatly contributes to the GDP and economic growth in general. Through Tital City, we aspire to serve the real estate requirements of the emirate and benefit all segments of society. We also aspire to add this integrated model city to Sharjah’s tourist destinations.”

**Beyond expectations**

Haysam Jazairi, Executive Director of Business Development at Tital Properties, says the development will attract



**Shaikh Sultan Bin Ahmad Al Qasimi**  
Chairman, Tital Properties



**Khalifa Al Shaibani**  
Director General, Tital Properties

tract different nationalities. “Buyers will now include those with a UAE residency. It will be a mix of nationalities living here — UAE nationals along with Western, Arab and Asian expats. It will truly cater to everyone.”

Khalifa Al Shaibani, Director General of Tital Properties, adds: “We knew Tital City would be a game changer for Sharjah’s real estate market. That we sold almost

40 per cent of plots in the

first fortnight, however, exceeded our expectations.”

Steven Morgan, CEO of Cluttons Middle East, the real estate consultancy working with Tital, says prices for plots at the development are expected to attract first-time buyers. Villa plots start at Dh110 per square foot and commercial and residential building plots at Dh180 per square foot.

“I have rarely seen a development so well planned



**Steven Morgan**  
CEO, Cluttons Middle East

and well timed as Tital City,” says Morgan.

The rental prices of the residential units are also expected to be affordable. Suzanne Eveleigh, Director of Property Management at Cluttons Middle East, says the move is extremely positive for those renting in Sharjah as well.

“If you look at our Sharjah report, rents on apartments have risen by 25 per cent in the past year. This is

because of demand. Rents and sales are driven by demand and a huge lack of supply.

“The beauty of Tital City is that it offers very attractive payment plans. To be able to purchase something as an expat in Sharjah is fantastic. A lot of people have businesses here or have been here from the 1970s, but haven’t had the opportunity to buy.”

Despite the absence of a rent cap system in Sharjah, Eveleigh predicts this will change once more housing becomes available.

“There are some regulations,” she says. “For example, upon first leasing your property, you cannot change the rent for three years. You can change the price every two years thereafter.”

“Although there is no rent capping at the moment, the market will soon regulate itself. I hear there are plans to bring in regulations to cap rents in the emirate.”

**To buy or not to buy?**

So is a property in Sharjah really for you? It is a straightforward yes if you have lived in the emirate for a while, and plan to live there for at least five more years. An excellent return on rent is definitely an attractive prospect.

But there is a downside — leasehold property is not usually as good as freehold for long-term value appreciation. Furthermore, some reports suggest that only those with a valid Sharjah residence visa will be able to purchase property. This will alienate those working in Dubai, even though they may be living in Sharjah. However, Tital Properties denies this and says there are no such restrictions, as long as buyers present valid UAE residency visas.

All in all, the benefits far outweigh the cons, says Saleh. “This will really help the diversification of Sharjah’s economy. The emirate is already strong in the education and health sectors, so I believe this new initiative will attract more investment, allowing further growth and attracting more businesses and companies to set up shop in Sharjah.”

“In terms of the overall impact, this is definitely a positive move for the UAE, as it will further stabilise the country’s real estate market. Additional investment and business opportunities in the emirate are beneficial [for the country] too.”

■

# City of value

Haysam Jazairi talks to *PW* about the first project to benefit from the big change in Sharjah’s real estate policy

Last month saw the launch of Sharjah’s first residential project after the emirate opened its real estate to foreign investors. Tital City is a mixed-use development, spread over 25 million sq ft and consisting of five separate zones that have 1,880 plots of land, potentially offering housing to around 65,000 residents.

The Dh2-billion master development belongs to Tital Properties, a joint venture between Sharjah Asset Management and Eskin Real Estate Development. *PW* met Haysam Jazairi, Executive Director of Business Development at Tital Properties, to find out more.

■ **Tell us about Tital City.**

We specialise in land development and our company has been established to create projects such as Tital City, which is the first of its kind in Sharjah. It is divided into five zones, featuring commercial, office and retail areas, as well as residential (apartments and villas). Villa types are semi-detached, detached and town houses.

There’s going to be plenty of greenery, not to mention assigned spaces for schools, mosques, hospitals and clinics. All zones come with their own facilities and services. Additionally, each piece of land in the building area comes with assigned parking. So you have everything you need.

■ **When it comes to real estate, have you implemented any regulations for the buyers?**

We are a land developer and not a real estate developer; however, we do have guide-



lines in place for each zone so that it’s all coherent. There are both architectural and general guidelines — these include specifications, permitted colours and any building codes that have been decided by the local authorities.

It’s essential to enforce the architectural requirements so that you achieve a unified look externally. But inside the buildings or villas, it’s completely up to the buyer.

■ **Why Sharjah?**

We looked at Sharjah as a whole and realised that the emirate comprises a lot of individual buildings; there are no communities as such. So we wanted to introduce something of the kind, with a high-end specification.

Additionally, we wanted to open up opportunities to the smaller investor and owner. It’s important to have something for everyone.

Space is also very important. In Tital City, 45 per cent of the land consists of utilities,



Pictures: Courtesy of Tital Properties

✦ Around 45 per cent of the development will consist of utilities, water features, street lighting and wide roads

water features, street lighting and wide roads. We have made it spacious to accommodate all types of families. We already have interest from institutions wanting to open schools. Plus there will be a mall. Essentially, everything is on your doorstep — from education to health care.

In terms of connections, the community is only 10km from Sharjah International Airport and about 27km from Dubai International Airport.

■ **You mentioned the importance of offering opportunities for smaller investors. What is the minimum plot size available?**

Sizes range from 5,000-14,000 sq ft. Our terms of payment are very attractive; investors have the time to pay right until we deliver the plot.

The response from buyers has been very positive, because even the regular employee is finding that they might be able to afford it.

■ **Will you allow companies to purchase land for bulk staff housing?**

We’re trying to limit it. We’re not stopping it, but we’re trying to limit it. We would rather have individual buyers.

■ **In your opinion, what are the advantages of purchasing a plot of land as opposed to a property?**

Ready-made property comes with a lot of financial add-ons that continue right up to the point you collect your key. With land, you are getting what you paid for right from the beginning, and then it is up to you what you do with your property in terms of the quality and how you want to build it.

It’s do-it-yourself and you have complete control over costs. You are taking it from zero — as long as you follow the guidelines, you can do what you like with it. Two bedrooms, three bedrooms or one massive apartment, it’s up to you.

Once you have the property, you decide whether to live in it, sell it or rent it out. Or you could even live on one floor and rent out the other floors.

— Rachel McArthur/  
Special to *PW*



**Victoria Garrett**  
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**Adham Saleh**  
Managing Director, eZayed Real Estate