

Real Estate, Hotels & Leisure in Focus

by Tara Marlow - t.marlow@tamimi.com - Dubai International Financial Centre

May 2018

It has been a busy year for our growing team of lawyers advising and helping our clients operating in the world of real estate, hotels and leisure.

Regionally, the hotel industry continues to expand, with the continuous opening of new properties, the introduction of new brands and the launch of new on-trend concepts for the ever-changing leisure consumer. Some markets continue to mature and stabilise and some remain in growth phase, but without a doubt, the Middle East hotel and leisure environment continues to spoil its customers and patrons with ever-increasing choice, variety, sophistication and entertainment.

In the world of Real Estate, the Middle East region remains home to many very exciting legal, regulatory and physical developments.

In Bahrain, we are very proud to have advised on the [drafting and development of new regulations governing the real estate sector in Bahrain](#), which have been created and adopted in conjunction with the establishment and launch of Bahrain's new Real Estate Regulatory Authority.

In Egypt, a number of [upcoming mega-projects](#) have us quite excited, and we have taken a look at these, together with the impact of the new Investment Law in this special Law Update edition.

We have also covered in this edition, an [overview of Saudi Arabia's fast evolving real estate legal and regulatory framework](#), as the Kingdom works towards implementing Vision 2030.

Back in Dubai, market conditions remain a little challenging, with the retail sector particularly suffering. [The introduction of VAT](#) at the beginning of this year has also created some downward pressure in its transitional phase, particularly on commercial landlords needing to keep rents competitive in a soft market. However, Dubai's outlook remains fundamentally robust as it continues to establish itself as the regional hub for business and a global tourist destination. Both [Expo 2020](#), and the recent approval by the UAE Cabinet to (in certain sectors) grant expat professionals with residency of up to 10 years, and to allow 100% ownership of UAE companies outside of freezones, are likely to provide a boost to the market, with the latter hopefully stimulating demand and encouraging longer-term occupation and investment.

The Dubai Land Department ("Department") remains mindful of the challenges ahead, with talks of a number of initiatives currently in the pipeline. It is hoped that the Department's initiatives will lead to new policies and regulations designed to boost market growth. We believe that this is particularly the case for real estate funds and REITS where the intervention of the Department and the creation of a new legal framework to accommodate more sophisticated types of investment vehicles would be greatly applauded and well-received. We understand from our discussions with the Department that this is currently at the top of their agenda, and we are expecting the issue of a new REIT law in the short-term.

I cannot close my thoughts without some commentary on Dubai's continued desire to position itself at the cutting edge of innovation, particularly in the real estate sector. For example, and as we have looked at more closely in this special edition, the Department is currently exploring the use of [blockchain technology](#) and other [digital initiatives](#) to radically improve the efficiency of the

conveyancing process and land registry practices. Additionally, the practicalities of closing out a real estate transaction has become more transparent and easier to navigate.

Transparency and investor confidence remain a priority and we were honoured last year to have partnered with the Department to produce a guide to real estate laws and practice in Dubai entitled "[Know Your Rights – For Real Estate Investors in Dubai](#)". We are working with other governments and land departments within the region on similar initiatives, and look forward to another active and stimulating 12 months ahead.

With a growing team of [15 specialist real estate and hotels lawyers](#) advising across the Middle East region, we are fortunate and grateful to remain at the forefront of innovation and development, and to support the region's continued growth in these key investment areas.

We are well-placed to assist our clients in bringing their goals to fruition and would be delighted to hear from you with your thoughts on the market generally, so don't hesitate to get in touch!

We hope you enjoy the article selection that we have prepared in this special edition. If there is anything in particular that we can help you with or upon which you would like more information, please do let us know.