

THE ADVANTAGES OF INVESTING IN DUBAI

ON RECORD

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LOOK THROUGH any newspaper and you will find an article about Dubai's attraction for investors. This is partly because of the sun, sand and rental returns, but there are many more reasons why investors should consider working in such a dynamic city.

One reason is that Dubai has a stable economic environment. Developments such as the Dubai Multi-commodities Centre and Dubai International Financial Centre have encouraged investors, who consider such developments a step towards a more stable and secure economy. Themed free zones where there is no corporate tax and no trade barriers have also encouraged investors. This has led to a rise in the number of businesses set up in the last 12 months and has encouraged more people to move to Dubai.

During the last 12 months, the business registration division at the Department of Economic Development issued more than 11,500 licences. This shows a considerable rise in the number of commercial, professional and industrial businesses and explains the strong demand for commercial space in the city.

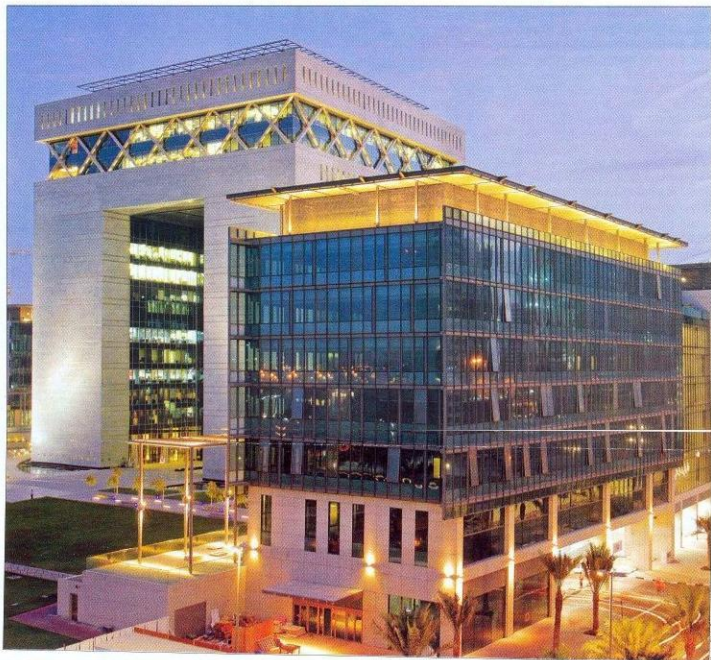
This space is unfortunately limited, and many business areas such as Bur Dubai and Al Garhoud have become fully occupied. This has led to a greater demand for space and has caused a 30 per cent rise in rents in the last 12 months. Despite this rise the price of commercial space has remained stable due to the opening of new projects and competition among developers.

Demand for commercial space in the city has led to new trends in real estate. One trend seems to be that companies are moving to free zones to take advantage of the exclusion from import, export and income tax.

These companies are also given three-year residence visas for employees, which can be renewed. Another trend is that some companies are setting up offices for senior employees in expensive areas while the offices for general and administrative members are set in less expensive areas.

Some companies save this expense by putting senior members and general staff in the same offices. Yet another trend is that some companies are setting up offices in low-rise office buildings which are less expensive and more quickly built than large tower building designated for offices.

These trends show that many compa-



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nies are running their businesses at lower costs, especially since property here is sold for lower prices than similar properties in other international commercial hubs.

Moreover, businesses are provided with advanced telecommunications as well as competitive energy costs, and a geographically strategic location.

Dubai presents its residents with a well-regulated work environment. Locations such as Media City and the Dubai International Financial Centre have been set up to facilitate new businesses and provide companies with no foreign exchange controls, trade barriers or quotas. Similarly, there are no taxes or restrictions on capital repatriation. These are strong incentives for investors as well as established companies...

Investors should also consider Dubai because the city is an important trading

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and commercial centre in the Middle East and Asia. The UAE is a principal member of the World Trade Organization and Dubai is one of the most important re-export centres in the world.

This gives investors the chance to become involved in the regional market and make use of the city's exceptional land, sea and air cargo services. Many investors have been encouraged by the stable state of the economy and, more importantly, the tax-free environment and low unemployment rate.

The government also takes an inter-

est in property development and the expansion of the economy and has moved away from the region's traditional dependence on oil to develop its trade and tourism industries.

Dubai is now one of the leading tourist destinations in the world and has an excellent range of hotels and restaurants as well as an airport that connects over 140 destinations.

These are excellent reasons for any investor to come to Dubai.

The writer is the Managing Director of Halcon Real Estate