

Saudi Retail Strengthened

SAUDI ARABIA PRESENTS A WEALTH OF OPPORTUNITY, AS THE ECONOMIC POWERHOUSE BEHIND THE RETAIL MARKET IN THE GCC REGION, CONTINUES TO EMBRACE INTERNATIONAL RETAIL OPERATORS. HERE, RLI LOOKS AT JUST SOME OF THE KEY SHOPPING CENTRE PROJECTS CURRENTLY ONGOING IN THE COUNTRY.

VOYAGER Saudi Arabia

KINGDOM CITY MALL, JEDDAH
DEVELOPER: JEDDAH ECONOMIC COMPANY



Economic prosperity, robust GDP growth and a decrease in unemployment, are all contributing to a boost in the amount of disposable income for Saudi households. However, geopolitical instability continues to exert pressure on both the economy and the retail sector, whilst a slump in oil prices continues to take its toll.

According to a report published by McKinsey, the retail sector in Saudi Arabia has the potential to double its productivity in the next 15 years and generate up to 800,000 additional jobs for Saudi nationals. Additionally, its GDP contribution could grow by as much as \$100bn.

According to the BMI Research 'Saudi Arabia Retail Report', large shopping malls, such as Jeddah's Mall of Arabia, are catering to increasing levels of interest in international brands. There are also numerous initiatives in the public and private sector to promote the country as a key market for international retailers seeking to enter or expand into the Middle East. Indeed, evolving consumption patterns are already attracting a number of large retailers as well as local operators who are executing expansion strategies.

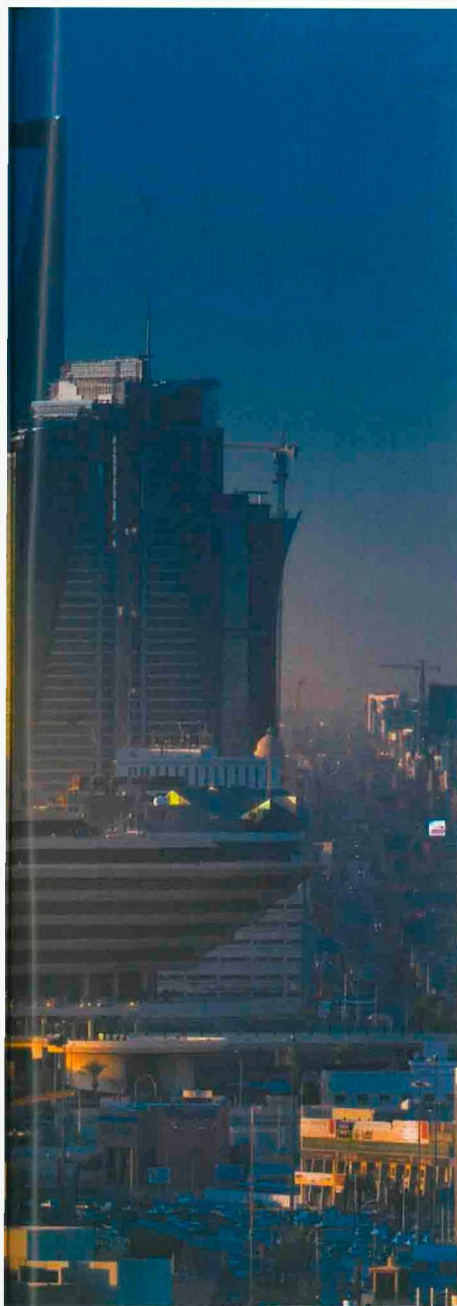
The report suggests that Saudi Arabia's retail market retains positive

growth prospects. The expansion of retail opportunities will rely on both rising household income and expanding total population (a growth of 1.7 million before the end of 2019). It is also important to note that the local population exhibits highly diverse spending patterns: not only luxury retailers but also large mid-range networks are tapping into exceptional demand. The youth population, the most brand- and quality-conscious group, will be driving spending growth across all sub-sectors.

Indeed, Arabian Centres, a major developer, owner and operator of shopping malls in Saudi Arabia, has launched a campaign to promote the Kingdom as a prime market for organic growth for international retailers seeking to enter or expand into the Middle East.

Raj Real Estate last year announced the construction of a \$320M (SAR1.2bn) office, shopping, and dining complex in 2016. Spanning 13.7ha in the kingdom's capital, Riyadh Walk will also include a 650m facade.

A joint venture agreement has been signed between Raj Real Estate Company and Baseel Properties to develop the lifestyle centre, which will be similar to The Grove in Los Angeles, allowing residents and visitors to enjoy an open-air mall experience. A boutique hotel, offices, recreational and



AL NAKHEEL MALL, RIYADH
DEVELOPER: ARABIAN CENTRES REAL ESTATE

see the opening of the mall, ski slope, one hotel and serviced apartment building as well as other general infrastructures. Once completed the development will provide a landscaped and green environment for both local residents and tourists to live, work and play.

In east Riyadh, Majid Al Futtaim plans to expand the region's largest mall network by building City Center Ishbiliyah. The mall will be Saudi Arabia's first city centre mall, which is an international award-winning brand with 13 malls located across the MENA region. It will cover over 100,000sq m of GLA and will feature 250 stores, a 9,000sq m Carrefour hypermarket, a foodcourt and an entertainment complex inclusive of Magic Planet.

UK-based design firm Benoy is currently involved in a number of projects in the Kingdom. Most recently, Riyadh Park, where it has been appointed by Asala Holdings as Chief Design Architect. Incorporating an innovative, external 'Retail Boulevard', Riyadh Park is a new luxury retail and leisure development in the Saudi capital.

Also in Riyadh, Alidara Real Estate's Business Gate is a result of a singular vision to assist and alleviate the issues surrounding business and businessmen. The Gate is an

'all-under-one roof' concept which adheres to its ideals of creating a healthy and progressive.

Alidara is also responsible for Al Nakhla Plaza, part of the larger 325,000sq m Al Nakhla residential project. Al Nakhla Plaza has everything to meet consumers' needs and desires, from shopping centres to malls and a gigantic hypermarket, world famous haute couture, a chain of renowned restaurants and cafes.

Developed by Arabian Centres, Mall of Arabia Riyadh will be the crown jewel of the country's leading mall development company. The 163,000sq m development will feature over 300 stores, a five-star hotel with direct walking access to the mall, upscale residential complex and the latest in digital technology and an exclusive customer service proposition. In addition to the most complete high street retail offering,

Mall of Arabia Riyadh will host an unrivalled premium and luxury mall featuring some of the worlds' most desired brands. Situated in the most prime area of the city, North West, the development is at the centre of Riyadh's infrastructure development, featuring upscale housing, educational facilities and the Diplomatic Quarter, and includes the most affluent districts of

cultural areas, and a walking area have also been incorporated in the project's design.

Majid Al Futtaim is to invest SR14bn in two Riyadh mall projects. The company has announced plans to develop two new landmark shopping malls in Riyadh, which will see a series of luxury international fashion brands, as well as unique entertainment and leisure experiences come to the Kingdom for the first time at Mall of Saudi and City Center Ishbiliyah.

The two new developments will bring the total number of Majid Al Futtaim-owned and operated malls to more than 20 across the MENA region and will help to continue the company's rich heritage of launching many of the world's most sought after brands into new markets.

In north Riyadh, Majid Al Futtaim plans to build the Mall of Saudi, the Kingdom's largest and first fully-integrated lifestyle destination, with a total land area of over 866,000sq m. The development plan also includes 300,000sq m of shops, restaurants and entertainment areas, prime residential units, offices and showroom space, luxury hotels, serviced apartment buildings and other public amenities.

The first phase of development at Mall of Saudi, which is set to commence by mid-2017 and be completed by 2022, will



RIYADH PARK, SAUDI ARABIA
DEVELOPER: ASALA HOLDINGS



GRAND MALL - AL JUBAIL
DEVELOPER: AL OTHAIM

Riyadh. With its opening scheduled for 2018, Mall of Arabia, Riyadh is set to become the new destination for the region.

Arabian Centres is also launching a major project in the Eastern region of Saudi Arabia. Dhahran Boulevard, a part of the Mall of Dhahran Complex in Al Khobar, is beautifully located in the hub between Dhahran, Al Khobar and Dammam and represents another Arabian Centres flagship retail mall. The 150,250sq m development will be the Rodeo Drive of the Kingdom, a brand new thoroughfare lined with palm trees and water features will be populated by premium retail and dining offers. Planned to open in 2017, together, the Mall of Dhahran and Dhahran Boulevard combine to form one of the largest retail spaces in the GCC with over 300,000sq m of retail space.

The developer has two other projects in Riyadh, Al Malaz Mall and Al Nakheel Mall. The 49,000sq m GLA Al Malaz Mall will be regional in size when it opens in 2016, catering to a mid-market clientele. The two-level mall will be anchored by a Hyperpanda and features a broad mix of retail stores. At 53,000sq m, Al Nakheel Mall showcases one of the most powerful retail mixes in Riyadh, including Marks & Spencer, Zara and Billy Beez Rainforest Adventure to name but a few.

Arabian Centres, the developer, owner and operator of shopping malls in Saudi Arabia, has opened Yasmin Mall in Jeddah. With a total GLA of nearly 60,000sq m, the mall houses 210 retail outlets, including entertainment and leisure options.

Arabian Centres is also currently developing eleven other shopping malls in Saudi Arabia that range in size from 45,000sq m to 165,000sq m, with launches spanning from Riyadh to Dhahran. Once completed by 2018, the new developments will double Arabian Centres' total portfolio to nearly two million square metres of GLA.

Arabian Centres owns and operates four shopping centres in Jeddah. In the Western region, the developer also owns Al Noor Mall in Madinah, Makkah Mall in Makkah, and Jouri Mall in Taif.

Kingdom City Mall is designed to complement the world's tallest building, Kingdom Tower, situated at the heart of Jeddah. Developed by Jeddah Economic Company, the mall will integrate the tower with the wider urban fabric while providing a retail destination consisting of 460,000sq m of retail, leisure and dining facilities.

With the tagline 'A building within a city, a city within a building', the destination is split into four sections: The Valley; The Cocoons; The Snow Park and The Village Water Front with environments ranging from greenery to snow.

Kingdom City Mall will be a commercial catalyst to the existing masterplan and sitting at the foot of what will be the tallest tower in the world, will have attractions that go beyond shopping.

Othaim Real Estate and Investment Company is a specialised company in managing, marketing, organising and operating large commercial malls in Saudi Arabia. It is committed to the latest international standards,



THAKHER CITY, MECCA
DEVELOPER: THAKHER INVESTMENT & REAL ESTATE DEVELOPMENT CO



JEDDAH GATE
DEVELOPER: EMAAR MIDDLE EAST

selecting appropriate locations and attracting international and local agencies. The company currently operates five large commercial malls with total of five million square feet for rent. It also has nine new projects ongoing, including Hafr Albatin, Oneizah, Arar, Hail, Al Jouf, Al Jubail, Al Khafji, Al Qassim and Damman.

Emaar Middle East, a subsidiary of Emaar Properties, is currently developing prime real estate featuring residential, commercial, retail, hospitality and leisure components in Saudi Arabia. Flagship-integrated communities include Jeddah Gate and Al Khobar Lakes, whilst the company is also offering the high-end Emaar Residences at Makkah Clock Tower in the Holy City of Makkah.

Jeddah Gate is located on over 400,000sq m of land in Jeddah's new downtown. Emaar has already handed over homes in Abraj Al Hilal I, the first residential development in Jeddah Gate.

The company has also handed over residences in Al Khobar Lakes, a premier master-planned community in the Eastern Province. The luxury lakefront development, which is set on 2.6 million square metres, will feature over 2,000 private villas with retail and leisure amenities that are ideal for family living.

The Emaar Residences at Makkah Clock Tower, located on the Haram Plaza, offers views of the Holy Kaaba and Haram.

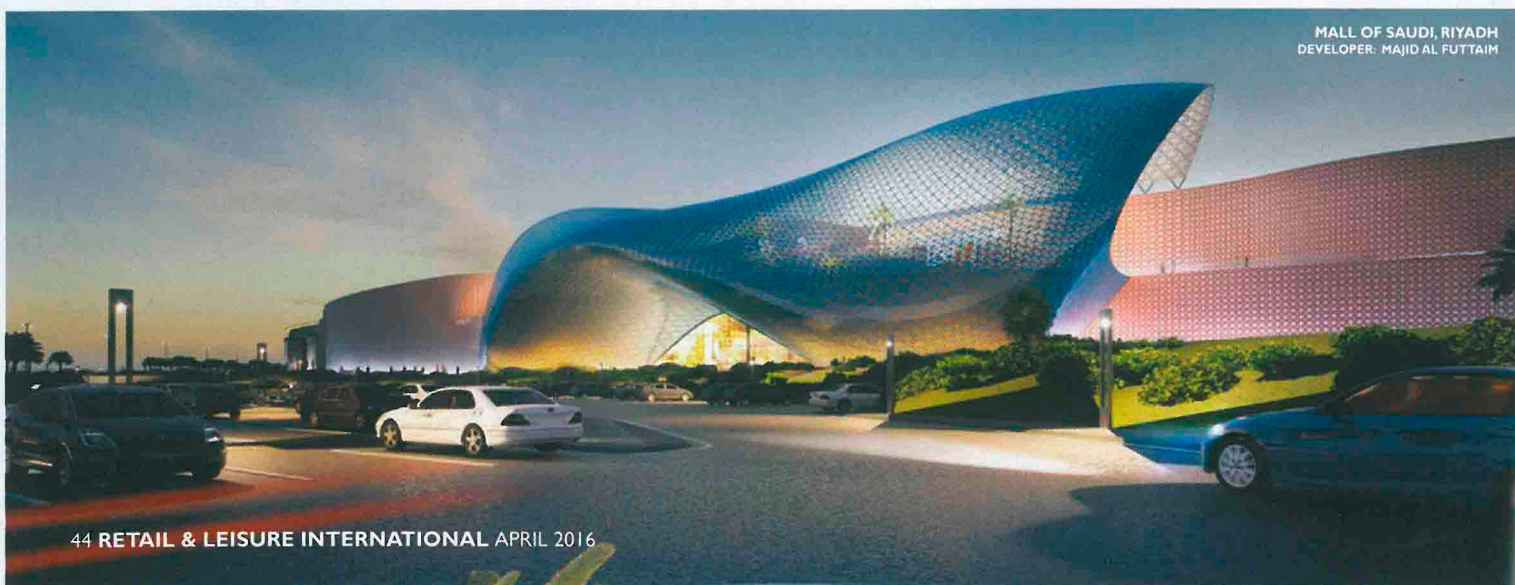
Hamat Property's Panorama Jeddah is one of the most important projects in the Kingdom and is being constructed to the latest

international architectural standards, with 120,000sq m GLA, 460 shops and 3,000 car parking spaces. The project is expected to open in September.

Developed by Asala Holding, Tabuk Park, located on King Fahad Road at the crossroads with Prince Fahad Bin Sultan Road, will include a fashion zone, various international and local retail shops, family-centred entertainment and food and beverage outlets. Introducing a new concept of an external and internal garden has been incorporated into the design bringing a new and varied shopping experience to Tabuk. The project is expected to complete in Q4 2016.

Within 2km of Al Haram in Mecca, Thakher City seeks to create a unique and memorable residential and hospitality based environment. The concept plan enhances the pilgrimage experience; improves vehicular and pedestrian mobility; addresses geotechnical and site accessibility issues; and creates a robust, interconnected open space network.

Developed by Thakher Investment And Real Estate Development Co, the project will accommodate up to 250,000 guests during peak periods, and is based on a unified grid pattern that can house a multitude of different parcels and scenarios as well as subtly orientate guests toward Al Haram at all times. Program elements include The Canyon, Thakher Park, Thakher Plaza, a pedestrian souk, hotels, residential, office, retail, mosques, utilities and public facilities.



MALL OF SAUDI, RIYADH
DEVELOPER: MAJID AL FUTTAIM