

SHARJAH

Zoned out

A new industrial park announced in Sharjah represents a fresh approach to urban planning by city authorities

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THE city of Sharjah has undergone tremendous growth in recent years. As the resident population has expanded and the economy has evolved, new housing areas have enveloped the old industrial area flanking the city centre, creating an awkward and impractical juxtaposition of real estate types and uses.

Sharjah's economy is, on the other hand, widely considered one of the UAE's most robust and well managed, something that has been consistently recognised internationally. With little oil to speak of, entrepreneurship has long been encouraged by the local authorities, and it has thrived. The emirate reportedly has some 45,000 small and medium sized enterprises (SMEs), a sizeable number of whom operate in centrally-located, but increasingly congested, industrial areas, which offer limited scope for expansion.

Recognising the choking effect this situation has on industrial growth prospects, the Sharjah government is undertaking a major urban rezoning programme that it hopes it will give people, and businesses, more breathing space and better infrastructure.

One of the main entities responsible for the rezoning strategy is Sharjah Asset Management (SAM), the government's investment arm. In late October, SAM announced that it would develop "one of the region's largest industrial projects" on a 14 million square feet

parcel of government-owned land, with its eye firmly on attracting existing businesses who have outgrown their homes in the established Industrial Areas 1 to 7.

Al Saja'a Industrial Oasis, as the project is called, will soon start to take shape on one of the main highways connecting Sharjah with the other emirates. Once all stages are complete the project will, says SAM, have 353 real estate and industrial mixed-use plots. Two hundred and twenty of these will be for light industries and 45 for medium-sized industries. There will be 33 retail units and one unit for staff accommodation.

The move into industrial real estate in Sharjah marks something of a departure for SAM, which has some Dhs4 billion (\$1 billion) of real estate assets under management, development and control, along with holdings in sectors as diverse as oil and gas, banking, cement, aviation, telecoms and agriculture.

"Sharjah Asset Management was originally established as a facility manager for existing assets," Gregg Downer, SAM's chief real estate officer, tells *The Gulf*. "However, the government identified that we had wider skillsets, so we've moved from idea creation to planning and delivery of physical projects. Part of our mandate is to assist in business growth by providing competitively priced assets. Al Saja'a Industrial Oasis is an excellent opportunity to do this on a very strategic site."

Strategic it certainly is. Located on



Sharjah has grown rapidly in recent years. Al Saja'a (inset) could be an attractive relocation option for industries

The 14 million square feet Al Saja'a Industrial Oasis will have 353 real estate and industrial mixed-use plots

E611, a key north-south arterial route through the UAE, the park is within easy reach of Hamriyah Free Zone and Port, Sharjah's international airport (the Middle East's third largest airfreight hub in terms of cargo tonnage) as well as Dubai and Abu Dhabi.

"We are aligned with government objectives to revitalise Sharjah's urban areas, which grew very quickly, and rezone traditional industrial areas," says Downer, who joined SAM in February 2014.

Al Saja'a Industrial Oasis was launched to the market on 28 October 2015 at an event attended by almost

400 people, including industrial facility owners and representatives from local authorities. Downer says the response was positive.

"About 100 people expressed interest in Stage 1," Downer explains, referring to the 55-plot first stage which is expected to be handed over to tenants by the end of next October.

One of SAM's principal roles in the marketing and development of Al Saja'a is master planning. Downer says, in this respect, SAM works with Sharjah's town planning authority, providing a level of comfort to companies that any relocation will be smooth. Transparency, he adds, is vital at every stage of the process.

Another goal for the park, he says, is to create a true community. SAM has collaborated closely with renowned international urban planning consultants Khatib & Alami to work out configurations and offer market intelligence for the site, which will be built

by Ajman-based Darwish Engineering Emirates and which will include recreational areas for workers. As part of the total support package for tenants, Downer says his team hopes to persuade government departments to open offices in the park to assist businesses operating there.

"The true value of this project is the thought processes behind it," Downer suggests of the art of master planning. "We're thinking differently. We're thinking about communities."

Ten minutes up the road, a massive new mixed use residential project has also just been unveiled in the market. Downer anticipates that many of the people working at Al Saja'a Industrial Oasis could one day live at the Dhs2.4 billion Tilal City, an 'affordable' real estate project being developed by SAM's sister company Tilal Properties. Such a concept is highly indicative of the joined up thinking now taking place in Sharjah's real estate sector



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under SAM's direction.

For now, it is time for the earthmovers and excavators to get to work on the Al Saja'a site. A lot of work lies ahead to ensure the project is delivered on time and to the highest specifications.

"There is a learned opinion that we are doing best in class, and it is about achieving the best outcome for our projects," says Downer. Environmental elements have been integrated into the design - any surface water runoff is channelled to adjacent farmland, for example. Provisions of power and gas have, he confirms, been assured at project completion.

When that time comes, Al Saja'a is expected to inject fresh impetus to Sharjah's economy, which Downer describes as "extremely robust and well managed".

"It is a big small town. The government is very accessible. All in all Sharjah is an excellent option in which to do business."

Sharjah's measured economic approach was praised by ratings agency Moody's in February this year. Strong government finances and what it called "a very strong fiscal and government debt position" were highlighted. The emirate also issued a \$750 million *sukuk* last year, its first ever Islamic bond, which was more than 10 times oversubscribed.

"There is an underlying level of sustainability and balance [in Sharjah]," says Downer.

For projects like Al Saja'a and the tenants that will relocate from old industrial areas, such a considered long-term government approach can only be a good thing. ■