

Pakistanis among top 10 investors in Dubai's property sector

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DUBAI: The UAE will remain an investment hub for Pakistanis who consider the Emirate second home and see huge potential to expand their businesses in the region, top executives and businessmen said.

Speaking to Khaleej Times, officials and corporates said investors from Pakistan would continue to invest in the UAE's real estate, automobile, retails, SMEs and other sectors despite the Pakistan government's efforts to bring back Dh550.5 billion (\$150 billion) worth of liquid and immovable assets held by its citizens overseas.

Pakistan Business Council President Ahmed Shaikhani said many Pakistanis are based in the UAE for more than 35 years and now the second generation has been investing billions of dirhams in real estate and automobile sectors.

"Pakistanis are among top 10 investors in Dubai real estate including industries in free zone as well as mainland. In fact, Pakistanis are among the first to initiate exports of fresh fruits and vegetables to the Middle East via UAE. There are a large number of Pakistani professionals in many other sectors including accounting and finance," he added.

According to Sultan Butti bin Mejren, director general of the Dubai Land Department, Pakistani investments exceeded Dh57 billion through 46,058 real estate investments made by 32,083 investors in the past 10 years.

"This positions Pakistani investors among the highest investing foreign nationalities in Dubai's real estate sector. This underscores the attractiveness of the investment options that Dubai offers Pakistani investors, especially when it comes to high return on investment and the preservation of real estate rights," Bin Mejren said in a statement to Khaleej Times.

He added Pakistani investors have discovered many unique opportunities in Dubai's real estate market, including the safe environment it offers for living, working and tourism, which reflects Dubai Land Department's efforts "to position Dubai as the world's premier real estate destination and a byword for innovation, trust and happiness".

Pakistan's newly-elected government has formed a committee to retrieve ill-gotten wealth stashed abroad and has decided to target Switzerland, the UK and UAE in the first phase. The list of the Pakistani citizens will be shared with the governments of these countries to ascertain their assets held in foreign countries. According to AF Ferguson estimates, Pakistani nationals hold Dh550.5 billion (\$150 billion) worth of

assets abroad. Around 2,750 undisclosed properties are held by Pakistanis nationals in the UAE. Pakistan government had given amnesty to its citizens holding assets abroad till July 31, 2018. Atif Rahman, director and partner of Danube Properties, said Pakistanis attracted towards UAE real estate due emirates' open and transparent economy. "In Dubai, the real estate sector is well regulated and every dirham invested is accounted for in escrow accounts. Each of the real estate transaction is recorded well with Dubai Land Department and Real Estate Regulatory Agency. The transparent, accountable and sound regulatory environment helps attract investment in real estate, in addition to the freedom of movement of capital, goods, services and people - are very crucial in attracting investment, be it in real estate or in business or industrial development. Another vital factor in increasing investment in real estate is also due to high return on investment," he added.

Danube, one of the leading privately-owned property developers, has hosted roadshows in Pakistan. It conducted roadshows in Lahore and Karachi in December 2017 and another one will be held next month in Karachi.

He disclosed that Pakistanis usually invest more in apartments and townhouses. However, depending on the lifestyle and the level of wealth, they also invest and live in villas.

Commenting on any concern about Pakistan government's efforts to bring back illegally-stashed money abroad, he said Pakistani investors should not worry about their investment in the UAE, as long as the sources of funds are good. "I think the government is after illegally obtained money, not the clean money".

Pakistani expatriates are one of the largest buyers of properties in Dubai and the second largest among the non-GCC investors. "We have our fair share of that amongst our clientele," he further added. Shaikhani said 7,000 Pakistani expats around the world including those living in Britain, UAE, Europe and the US own Rs1,100 billion worth properties in Dubai. "Almost 1.4 million Pakistanis live in UAE and around 3.5 million in the Middle East. Due to non-availability of freehold status in other Middle East countries and very high tax-free rent returns offered in UAE, Dubai is the major attraction to invest in real estate. Also, plenty of investment options in property, easy ownership transfers, strong rental income without tax and higher appreciation in rental returns are the key factor of investment in real estate of Dubai by Pakistanis," Shaikhani added.