

The Wealth Report City Series

DUBAI EDITION.

The local perspective on prime property and lifestyle



Welcome to the Dubai Edition

Lord Andrew Hay

Global Head of Residential

ANDREW.HAY@KNIGHTFRANK.COM

+44 20 7861 1071

Welcome to the Dubai Edition of *The Wealth Report*, Knight Frank’s annual thought-leadership publication for our UHNW clients and their advisors.

Dubai’s rising global standing is undoubted, and was confirmed by the Bureau International des Expositions’ decision to award the World Expo 2020 to Dubai, making it the first city in the Middle East to receive this accolade. This publication not only builds on the research and insight Knight Frank provides every year in *The Wealth Report*, but also affords a deeper, more localised focus on the issues that matter to investors, both domestic and overseas. It confirms recent market trajectories and investment drivers, but also forecasts future trends in and attractions of this leading Middle Eastern destination.

Knight Frank’s growing market strength in Dubai means we are able to provide a comprehensive view of the economy, investment opportunities, lifestyle and the residential market in what is considered by many to be a critical global city.

Our Dubai-based research team provides a detailed view of where Dubai sits in the world ranking of prime residential markets, examining some of

the factors – such as relative affordability, ownership costs and the influence of currency fluctuations – that make it so attractive to wealthy residents from across the United Arab Emirates, the wider Asian region and even further afield. Findings from previous editions of *The Wealth Report* have confirmed that lifestyle is a critical issue driving investment into residential markets globally. We consider place-making, architecture, art, health, sport and the flourishing food scene in Dubai to provide a rounded view of the opportunities it offers to residents, investors and visitors.

We have also assembled an impressive array of experts, who help untangle the latest developments in three critical areas for residential buyers: residency permits, taxation, and school and university options.

Wherever you are based, or have invested in the past, I hope you enjoy the Dubai Edition. I am sure you will find it an invaluable aid to your investment decisions as you plan for the future.

Our residential and commercial property teams are available to discuss your requirements, whether in Dubai or any of the key global markets we cover via our worldwide network of offices.

Contents

01

Briefing

The UAE is now ranked 21 out of 190 countries in the World Bank’s Ease of Doing Business index. Why is the country fast making its way up the list?
→ page 02

02

Living

From fine dining to world-class entertainment, art to getting active, we look at why Dubai is climbing the ranks of cities attracting High-Net-Worth Individuals
→ page 16

03

Insight

What are the big things to consider when setting up home in Dubai? Our three experts on immigration, tax and finance, and education cover the need-to-know basics
→ page 30

NOW AVAILABLE

The definitive analysis on global wealth and investment trends



KNIGHTFRANK.COM/WEALTHREPORT



FLIGHT TIMES TO DUBAI

- 1 Riyadh = 1hr 45 mins
- 2 Delhi = 3hrs 50 mins
- 3 Frankfurt = 6hrs 10 mins
- 4 Bangkok = 6hrs 40 mins
- 5 London = 6hrs 45 mins
- 6 Singapore = 7hrs 25 mins
- 7 Hong Kong = 9hrs 0 mins
- 8 Cape Town = 9hrs 35 mins
- 9 Shanghai = 10hrs 10 mins
- 10 Tokyo = 11hrs 50 mins
- 11 New York = 12hrs 30 mins
- 12 Sydney = 14hrs 20 mins
- 13 Los Angeles = 16hrs 0 mins

Source: Sabre



ANDREA MANZATI

TAIMUR KHAN
SENIOR ANALYST

One to watch

Dubai's residential market has moved through a number of phases over the past five years. Strong price growth was replaced by price falls, but the latest data points to a recovery in demand and the beginning of a new pricing cycle.

While annual growth rates averaged 14.4% between 2012 and 2014, the market experienced a slowdown from the beginning of 2015 – with prime prices falling 5% in 2017.

This shift in performance occurred largely due to the introduction of a range of mortgage regulations (loan-to-value caps and the introduction of debt-burden ratios) in October 2013 that were designed to ensure long-term market stability and to discourage property speculation.

An additional factor that contributed to prices softening was over-optimistic

new build delivery. A high volume of new supply, notwithstanding Dubai's population growing 76% over the past 10 years, outpaced demand.

Currency has also been a factor. Between June 2014 and January 2016, the Emirati dirham (which is pegged to the US dollar) appreciated by 21% against its global peers, which made property more expensive for international buyers.

Despite recent price falls, average prime prices in Dubai as at Q4 2017 were still 6% higher compared with the same period in 2012. There were tentative signs of a recovery in the prime market in 2017, with transaction volumes in Q2 and Q3 2017 recording increases of 6.6% and 5.7% respectively – the first consecutive annual increases since Q2 2013. In the final quarter of 2017 transaction volumes fell

1.2% year-on-end. Established prime areas such as Emirates Hills, The Lakes, Palm Jumeirah and Downtown Dubai have continued to attract occupier and investor interest. We expect demand in these areas to strengthen, underpinned by infrastructure investments.

Examples include Nakheel Mall and amenities such as restaurants and entertainment facilities, as well as the expansion of Dubai Mall and other projects that will enhance connectivity around the Downtown area.

The proximity of these locations to the new developments being prepared for Expo 2020 should help to underpin a gradual price recovery in prime residential markets. We expect this will be spurred by the weaker Emirati dirham, which depreciated by 6.8% in 2017.

Key topics

01

Prime prospects

With excellent investment opportunities on offer in Dubai and stabilising property prices, it is a wise time to enter the market
→ page 04

02

Growing up

The emirate's population has grown rapidly in the past decade, and as it continues, so too does the economy in general
→ page 06

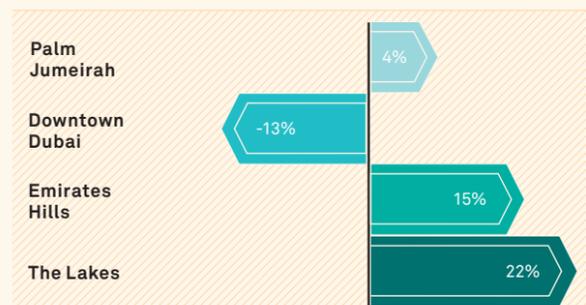
03

A city on the move

His Excellency Mohammed Al Shaibani talks Dubai's future innovations as it strives to become the world's smartest city
→ page 10

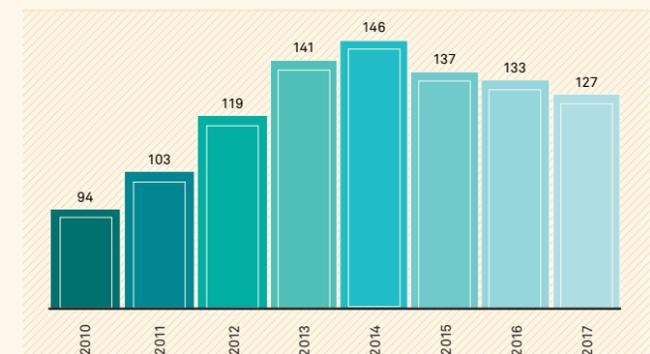
CUMULATIVE PRIME PROPERTY PRICE CHANGE

Q4 2012 – Q4 2017 for the key four submarkets in Dubai



DUBAI PRIME RESIDENTIAL PRICE INDEX 2010-2017

Data to Q4 2017



Source: Knight Frank Research/REIDIN

Prime prospects

Dubai has rapidly emerged as the leading gateway city in the Middle East, acting as a hub between Europe and Asia



GETTY IMAGES/TOBIAS JO

Dubai's strategic location, the availability of an independent judicial system and regulator and rapidly improving infrastructure has helped the emirate become the dominant regional business location. These factors have contributed to the UAE being ranked 21 out of 190 countries in the World Bank's Ease of Doing Business index.

As we note earlier in this report, Dubai's residential market has experienced headwinds in recent years, driven by lower oil prices, global economic uncertainty, the stronger US dollar (which has fed through to the dollar-pegged

dirham) and the introduction of stringent mortgage regulations. Despite the recent slowing in market performance, if we take a longer-term view, the emirate has experienced strong growth.

Over the five-year period to Q4 2017, prime prices in Dubai have risen 6.1%.

Whilst Beijing (85.7%), Vancouver (67.0%) and Sydney (61.5%) have seen strong price performance over this period, Dubai's performance sits in line with other key global hub cities, such as London (6.3%) and Hong Kong (6.2%), with New York (16.8%) seeing the most significant price growth in this category.

In the five years to Q4 2017, the Knight Frank Prime Global Cities Index has recorded annual average growth rates of 4.6%; Dubai's prime market recorded annual average growth rates of 3.7% over the same time period.

Despite this long-term performance, Dubai remains relatively affordable on a global basis. Knight Frank has analysed the amount of prime residential property that US\$1M will buy in key cities around the world, with Monaco offering 16 square metres, followed by Hong Kong at 22, New York at 25 and London at 28 square metres.

PRIME GLOBAL CITIES INDEX

Prime residential cumulative price performance Q4 2012 - Q4 2017

Country	Location	2013	2014	2015	2016	2017
	Beijing	17.1%	16.5%	37.4%	74.2%	85.7%
	Dubai	20.2%	18.2%	15.8%	9.4%	6.1%
	Hong Kong	-2.2%	0.6%	-3.1%	-1.0%	6.2%
	London	7.7%	13.2%	14.3%	7.1%	6.3%
	Moscow*	10.0%	22.3%	37.4%	11.7%	-0.9%
	New York	6.1%	7.4%	10.2%	11.7%	16.8%
	Paris	-6.7%	-10.0%	-11.9%	-10.9%	-0.2%
	Singapore	15.7%	-3.0%	-5.0%	-1.7%	3.8%
	Sydney	3.5%	15.6%	33.4%	45.8%	61.5%
	Vancouver	5.3%	13.2%	40.9%	61.4%	67.0%

Note: *Provisional. Source: Knight Frank

CURRENCY MATTERS

Prime Dubai residential price change allowing for market and currency movements

Annual change to Q4 2017

Prime Dubai	-5.0%
Chinese renminbi	-10.9%
Euro	-16.5%
Indian rupee	-10.7%
Pakistani rupee	0.7%
Russian rouble	-10.4%
British pound	-13.1%

Source: Knight Frank

For the same budget, Dubai offers a generous 138 square metres of prime property. Many key global residential markets have experienced rapid reform of property taxation over recent years, with additional purchase taxes and levies directed at foreign buyers. Dubai has no such additional levies and operates as an income and capital tax-free system, encouraging buyers from an increasingly diverse range of countries. Alongside ownership costs and taxation, movements in global currency markets are an increasingly important consideration for international investors, especially as the rate of price appreciation slows in some key global markets. We have calculated the adjustment in value for key international investors purchasing prime property in Dubai by combining changes in prime residential prices with currency movements over one and five years.

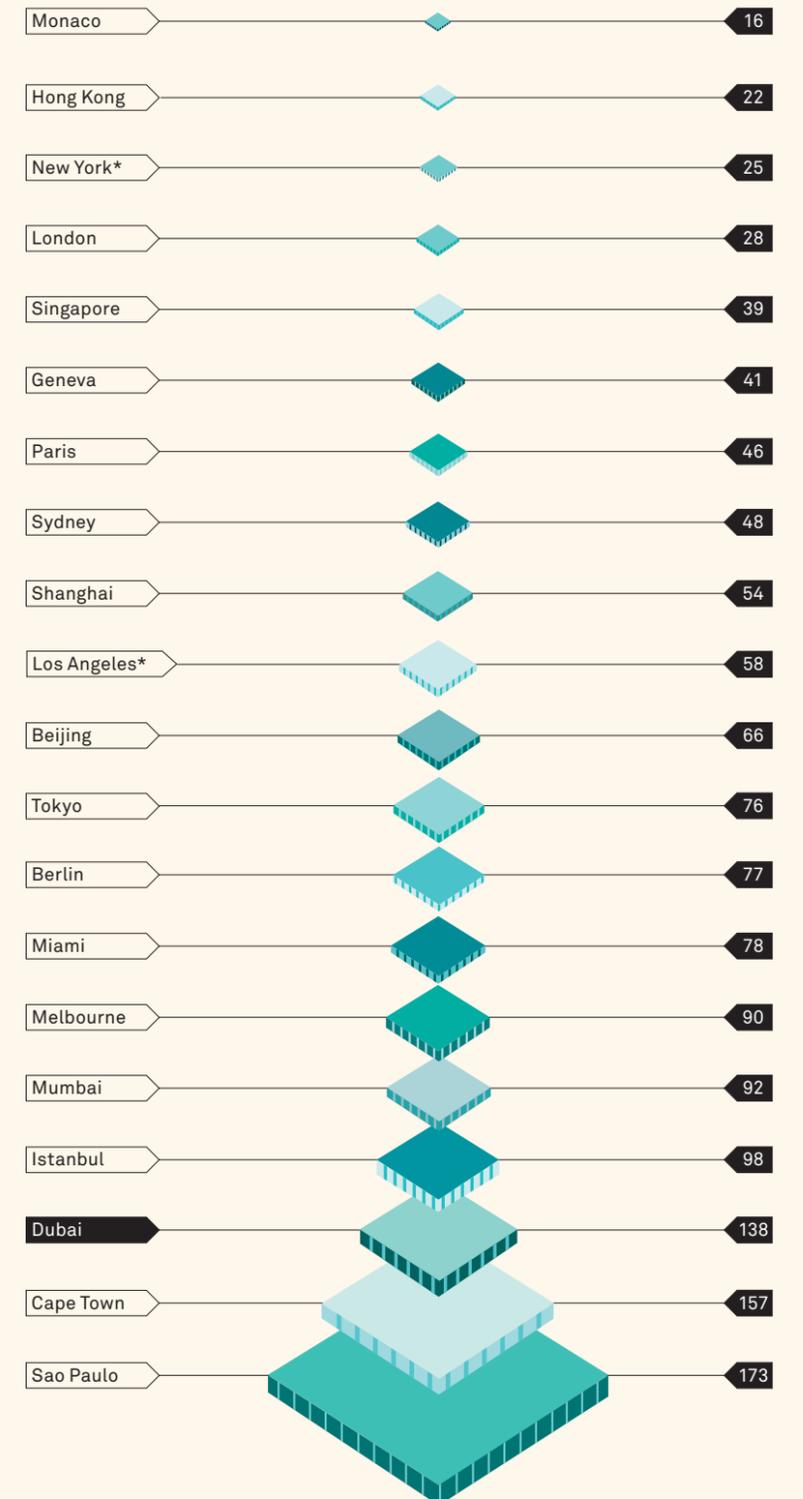
For Russian rouble-denominated buyers the effective price of prime residential property in Dubai has fallen by 10.4% in the year to Q4 2017. For those buying with Indian rupees or euros, prices have fallen by 10.7% and 16.5% respectively over the same period.

Shifts in currency have helped to generate strong capital growth for investors. Rouble-denominated buyers who bought prime property in Dubai in Q4 2012 and sold in Q4 2017 would have seen a 101% return and sterling-denominated buyers a 27% return.

With the US dollar, which the dirham is pegged against, recording declines of 6.8% year-to-date in 2017, despite the strong fundamentals of the US economy – the current period offers an attractive time for investors to enter the market.

THE NUMBER OF SQUARE METRES US\$1M WILL BUY IN...

Based on prime residential prices as at Q4 2017



Notes: * New developments only. Based on exchange rate at 31 December 2017. Source: Knight Frank Research, Douglas Elliman, Ken Corporation.

Growing up

Dubai's economic performance is the key driver for residential market performance, and the current cycle looks set to see growth accelerate into 2018

Dubai's gross domestic product (GDP) increased by 1.7% in 2017, a decline from the 3.0% experienced in 2016. Lower oil prices, higher interest rates and a strong US dollar have driven the slowdown.

As the economy adjusts to the new norm in oil prices and diversifies in line with Vision 2021 (the emirate's diversification strategy, which aims to transition the economy from its dependency on only a few economic sectors to a knowledge-based, logistics, manufacturing, and industrial-based economy), 2017 saw the slowdown in GDP growth bottom out and it is expected to strengthen in 2018 (forecast 3.3%).

The strength of the US dollar since May 2014 has proved to be a challenge

◆◆
DIFC's success has not gone unnoticed, and for the first time in its history, in September 2017 DIFC was ranked among the top 10 global financial centres
 ◆◆

for Dubai's economy. However, despite interest rate hikes by the Federal Reserve, the dollar (to which the dirham is pegged) depreciated rapidly by 6.8% in 2017. This marks the largest annual decline since 2003. Given Dubai's reliance on foreign consumer spending, this is likely to provide a boost to economic growth and may encourage firms to resume capital expenditure.

Dubai's rapid growth in population – up 76% in the decade to 2016 with the expectation of an additional 15% hike by 2026, has helped propel economic growth. Just over 90% of Dubai's population is foreign born.

In the decade to 2016, Dubai saw employment growth of 66%, with employment in financial and business



GETTY IMAGES/ENYO MANZANO

EUROPEAN COMPANIES WITH DUBAI OFFICES
Standard Chartered Bank
HSBC
Unilever
Siemens
US COMPANIES WITH DUBAI OFFICES
Mastercard
Facebook
Snap Inc.
Amazon
ASIAN COMPANIES WITH DUBAI OFFICES
Samsung
Sony
Bank of China
Mitsubishi UFJ Financial Group



GALLERY STOCK

Above The Dubai Metro
 Below The Dubai skyline
 is most impressive at night

services growing over 220% over this time. The Dubai International Financial Centre (DIFC) and its offering of an independent judicial system and regulator aided this expansion.

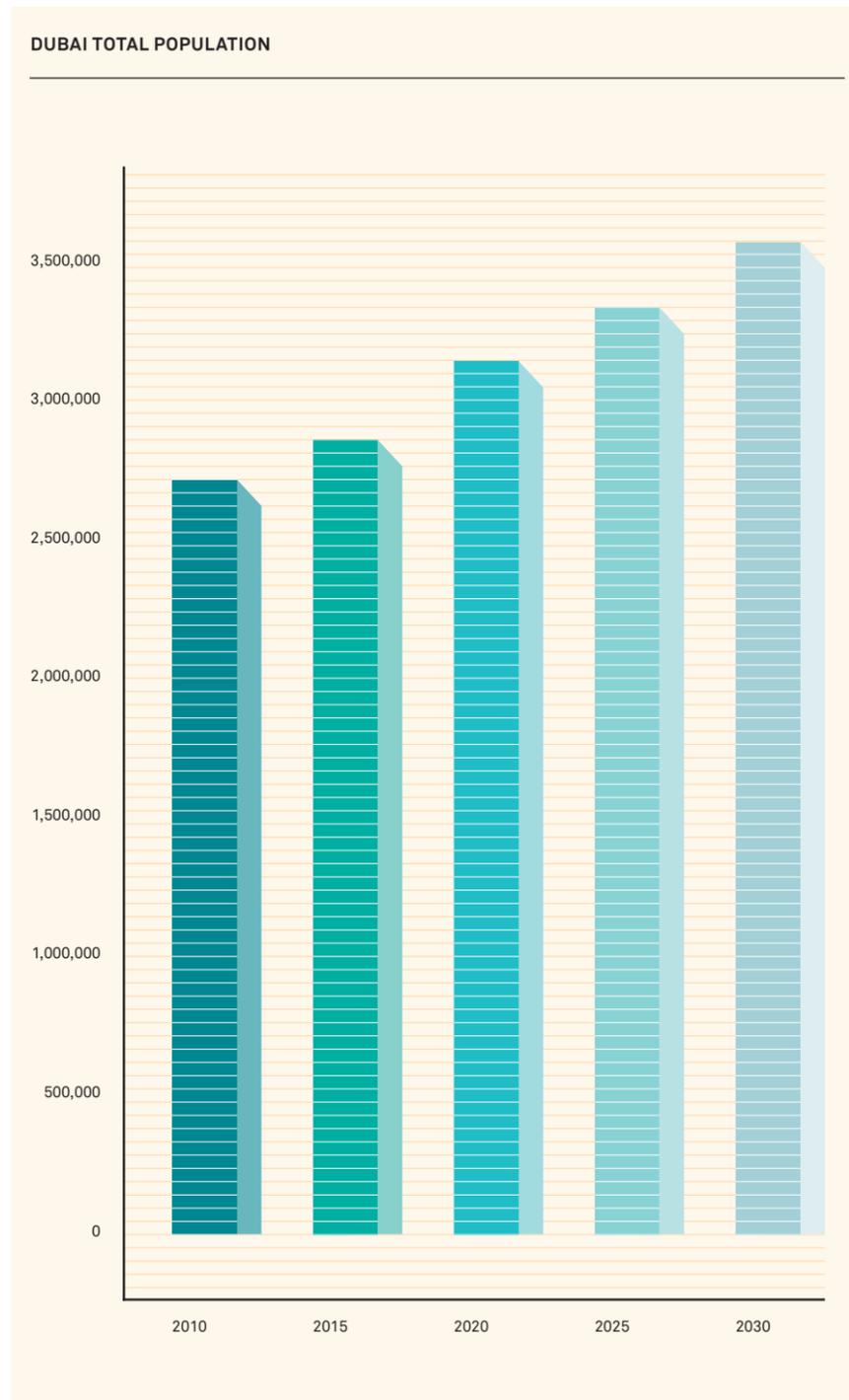
DIFC's success has not gone unnoticed, and for the first time in its history, in September 2017 DIFC was ranked among the top 10 global financial centres in *The Banker's* International Financial Centre rankings.

Finance and business services growth has been joined in recent years by an expansion in public services, transportation, industry and information technology, in line with Vision 2021.

Forecasts by Oxford Economics indicate that while the financial and business services sector will continue to grow, it will be outpaced by the other sectors, most noticeably by information technology.

International firms from a range of sectors have recently resumed leasing commercial space in Dubai. Those firms setting up their regional headquarters in Dubai include architect Foster + Partners and technology firms such as Amazon, Facebook and Snap Inc. Other household names include Tesla, Coca-Cola and Adidas.

The rapid pace of growth in both population and employment has already had a significant influence on the demand dynamics for both commercial and residential property. This trend is set to continue.



Source: Oxford Economics

As the city's business district grows into Dubai South to accommodate the industrial, logistics and manufacturing strategy, occupiers from Dubai Airport Free Zone (DAFZA) are likely to expand their operations to Al Maktoum International Airport, the city's new hub airport and Airport Free Zone. Emirates Airline has already committed to moving its operations to Al Maktoum by 2025. The proximity of the airport to Jebel Ali port will also be a significant attraction for occupiers.

Dubai South, home to the Expo 2020 site, is likely to provide residential properties and amenities to support a population of roughly one million residents. This area will be connected via the extension of the existing metro Red Line from Nakheel Harbour and Tower Station to the Expo 2020 site.

Importantly, the extension will also provide public transport access to existing communities such as Discovery Gardens, Al Furjan, Jumeirah Golf Estates and Dubai Investments Park.

Agents of affluence

Dubai's appeal as a safe-haven location in the wider region and the city's growth as a leading financial and business centre has meant wealth creation has flourished over the last decade

According to data from New World Wealth, Ultra High-Net-Worth Individuals (UHNWIs), defined as individuals with assets of US\$30m+, living in Dubai increased by 12% between 2015 and 2016. This growth outpaces other global financial hubs such as New York (6%), London (-5%), Hong Kong (6%), Singapore (6%) and Tokyo (6%).

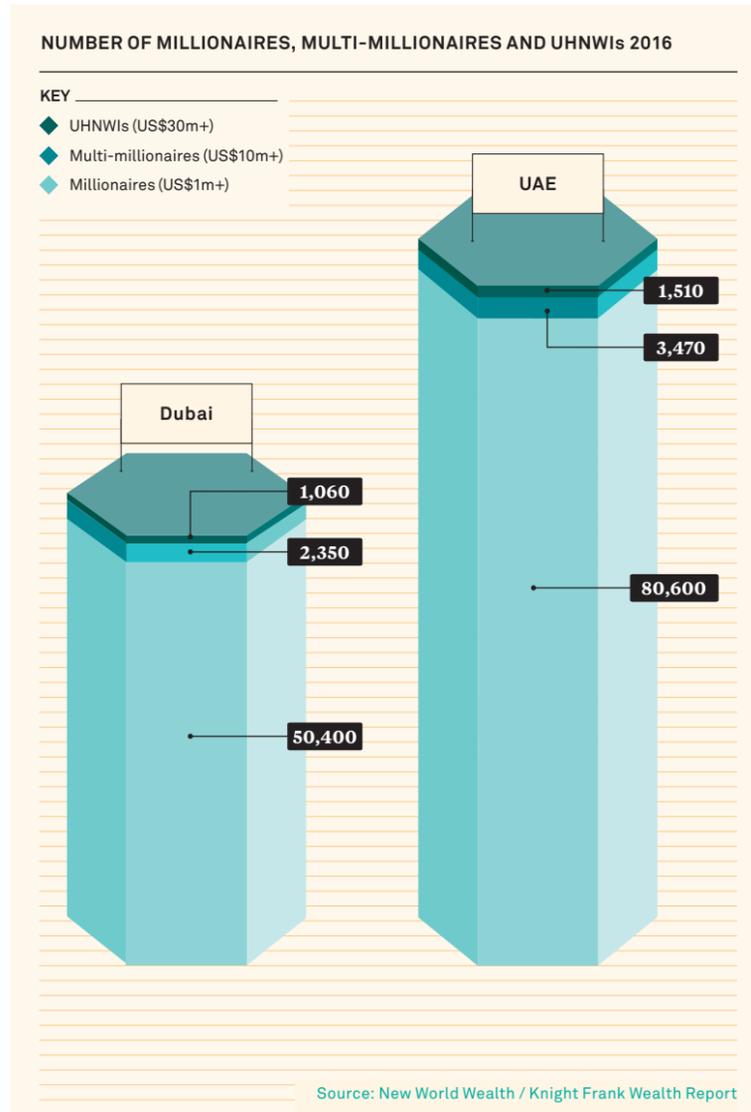
Globally, the number of UHNWIs is expected to grow by 42% between 2016 and 2026. Dubai currently ranks as the 25th largest city by number of UHNWIs. In the 10 years to 2026, Dubai's UHNWI population is expected to grow by 60%. Overall, Dubai also hosts the highest concentration of millionaires, multi-millionaires (\$10m+) and UHNWIs for any Middle Eastern city and accounts for 63% of the UAE's wealthy residents.

The UAE has continued to diversify its foreign trade partners, particularly with those in the Far East and South Asia where economic growth is forecast to outpace the global average. China is a prime example of this extended focus and bilateral trade relations continue to deepen. In 2016, the Dubai Investment Development Agency and Invest Shanghai signed a memorandum of understanding at 'Dubai Week' in China and DIFC Courts signed an agreement with Shanghai High People's Court to foster closer co-operation and reinforce commercial links for more secure trade between the two regions. As a result of this continued co-operation, over 4,200 companies have already set up a base in the UAE, using it as a gateway for the Middle East, Africa and Europe.

These trends should help to underpin future wealth creation in Dubai given that over the past 10 years the number of UHNWIs in China has grown by 281% and forecasts indicate that by 2026 there will be further growth of 140%.



The UAE has continued to diversify its foreign trade partners, particularly with those in the Far East and South Asia



SHUTTERSTOCK



Left DIFC, home to more than 1,750 active registered companies *Opposite page* Yachts at the man-made Dubai Marina



Dubai has set itself apart from other locations in the Middle East as an international destination and a gateway to the Gulf States



Growing in stature

We spoke to David Awit, Wealth-X's Senior Director for the Middle East, who shared his thoughts on the outlook for future wealth creation in Dubai and where that growth will lead

It is clear from economic forecasts that Dubai will be a growth engine for future wealth creation, but from which sectors will the future wealthy come?

Dubai has set itself apart from other locations in the Middle East as an international destination and a gateway to the Gulf States. When you consider future wealth creation in Dubai, it's important to remember that 90% of the city's population are expats – not only from the US and the UK, but also from other countries in the region such as Turkey and Lebanon. The city is noted for its confluence of ideas and cultures and the emirate is open to funding a lot

of different kinds of business that will continue to help Dubai, and the UAE, flourish. Dubai's low-tax culture also makes it an attractive location for start-ups. The most notable sectors for wealth creation are likely to be retail, manufacturing, logistics and real estate.

What is Dubai's future role within the region as a wealth hub?

While Dubai's growing influence as a financial centre has only just started to reach India, it can certainly be felt as far west as Morocco, as well as north into Eastern Europe. Aided by its position at the forefront of Islamic finance, Dubai is a key hub within the Gulf region. The Dubai International Financial Centre (DIFC) recently launched a new academy that will partner with global business schools and universities to help foster their goal for the region to be a home to more than 1,000 financial firms, with an increased workforce in DIFC-registered companies of over 50,000,

with a combined balance sheet of in excess of US\$400bn by 2024.

Will Dubai extend its influence globally?

At its core, Dubai has always been a financial centre that attracts new investments, particularly in property development and tourism. Dubai is unique in its approach to capitalising on property investment by appealing to major retailers – especially high-end brands. This centre of luxury real estate and retail sets the trend for the region, and the process feeds into other sectors too. Dubai is becoming a leading consumption centre for fashion, which will, in turn, mean trends from here will influence behaviour in Paris, New York and Milan. Global brands need to understand the difference in consumer style in this region to effectively tap into the market, and this diversification allows brands to use Dubai as their entry to market as the region continues to evolve as an international destination.

A city on the move

Thanks to its growth, vision and positivity, Dubai is going places says His Excellency Mohammed Al Shaibani, CEO of the Investment Corporation of Dubai

Anyone who's been to the emirate of Dubai will tell you the same thing: the city is like a futuristic mirage in the desert. But alongside its audacious architecture and world-class entertainment, the driving force for this modernity is in its vision.

In line with 'Dubai Plan 2021' – a comprehensive framework to position Dubai as one of the best places to live and work in the world – the vision of Dubai is to reinforce its position as a global city, a leading tourist destination and the preferred business centre of the Middle East.

Dubai has seen exponential growth over the past two decades in terms of economy and population – a trend that is only set to continue.

"Dubai is a future city in the true sense of the word," says His Excellency Mohammed Al Shaibani. "Slowing down is not an option as we always aim to be the best at whatever we do."

A prime example of this is the home-grown Emirates Airline – which demonstrates how improving transport options can bring a city into the global spotlight. From humble beginnings in 1985 with just two leased planes, Emirates now serves over 150 destinations on six continents with a modern fleet of 259 wide-body aircraft, with orders of 76 additional aircraft placed in 2017 alone. His Excellency indicates the emirate intends to use this as a building block.

"A major driver for us is improving our facilities," he explains. "As the emirate ramps up infrastructure spending to finance work for Expo 2020, Dubai has



His Excellency Mohammed Al Shaibani

approved its biggest ever budget for 2018." Investment in infrastructure is a priority for the city, with 43% of the annual budget allocated to this sector. But it doesn't stop there – "ensuring that Dubai remains attractive not only in its offering of connectivity and ease of doing business, but also in providing cutting-edge technology is a priority for us. Effectively, our focus is on innovation that advances humanity," says His Excellency. "Our ambition for Dubai is to be a hub for innovation and education." Expo 2020 is part of the city's growing focus on

technology as Dubai strives to become the world's smartest city by 2021.

It appears the emirate is on track – as at Q1 2017, 24.3% of foreign direct investment in Dubai was attributed to technology, supporting the 300 global ICT firms already in operation. "Dubai is very keen to incubate new innovations and advance technological research breakthroughs," His Excellency states. "I am personally very excited about this, so we are increasingly investing in funds that support new initiatives which push the limits of technological research."

◆ ◆
We are increasingly investing in funds that support new initiatives which push the limits of technological research
 ◆ ◆



Emirates Airline has helped connect Dubai to major global destinations



Atlantis, The Palm

◆ ◆
We are continuously working on building our society from the inside. So, alongside commercial investment, we will be spending to empower social development and community
 ◆ ◆

Alongside encouraging its future, Dubai is also embracing its past by building on the trading skills that are in the city's DNA. "I believe Dubai's future is rooted in its past and heritage," says His Excellency. "Trade will once more take centre stage as the main economic sector for Dubai – we strengthen the past to build on a strong future."

One project embracing this ethos is the Deira Enrichment Project. "This project aims to upgrade the historic area of Deira, the original hub for trade and commerce for this region. You could say that we are continuing to do what our forefathers did in Deira, as well as Bur Dubai, only on a much bigger scale, of course, as we reinforce Dubai's position as a trade hub and financial centre for the world."

But aside from enhancing the lives of residents practically, His Excellency is also keen for the city to improve socially. The aim? For Dubai to become the happiest city in the world. "For us, happiness and tolerance are not just

words de rigueur," he says. "We are continuously working on building our society from the inside. So, alongside commercial investment, we will be spending to empower social development and community."

And it is not just Dubai, the whole of the country is committed to this cause. In 2016, the UAE appointed its first Minister of Happiness, whose mission is to create an environment in which people feel empowered. Advances in infrastructure, education, employment, healthcare, innovation, and living in safe and secure surroundings, are all key conditions to ensuring the happiness of all of Dubai's residents.

"Dubai is a true melting pot, so we are introducing policies that will encourage people to accept each other in all their difference," he continues. "I believe that in togetherness lies the formula to a more complete society, which we can build and preserve for the future."

FUTURE ICON



One and only

Dubai's skyline is transforming thanks to its latest grand design, One Za'abeel, featuring the world's largest cantilever

With lofty asymmetric towers and imposing glass skyscrapers reflecting the deep blue of the desert sky, Dubai is a majestic monument to the modern age.

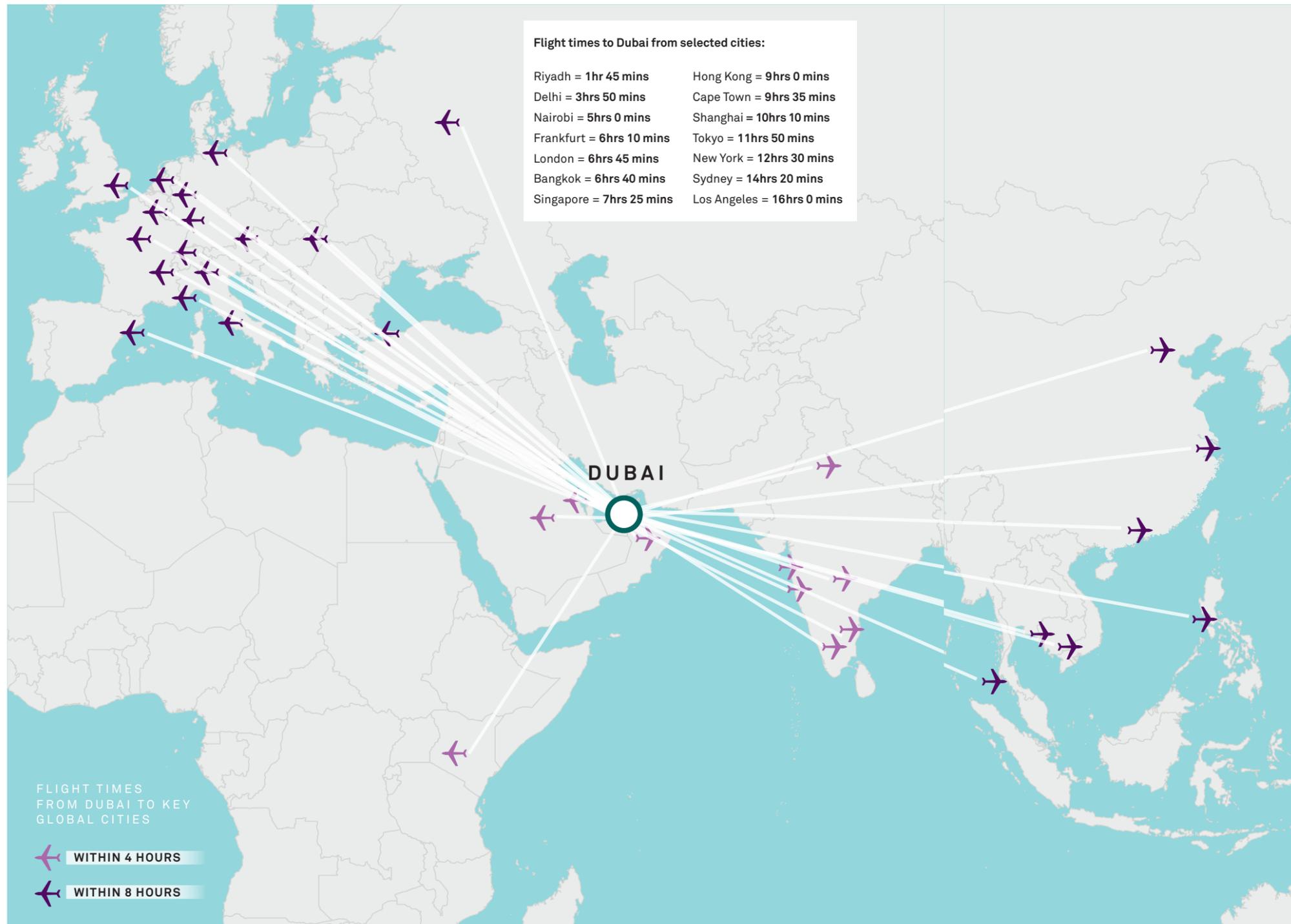
And now real estate developer Ithra Dubai is adding a new chapter to the story of this famous skyline with a stunning new mixed-use development, One Za'abeel. Consisting of two towers linked by its 210m panoramic sky concourse, the development will stand proudly between the old and new business districts of the city.

Construction of the landmark project, which was designed by Japanese architects Nikken Sekkei, is already underway and is due to be completed in 2020 as part of the city's long-term development plan.

"Our aim is to not only add another beautiful feature to Dubai's skyline," says Issam Galadari, Director and CEO of Ithra Dubai. "One Za'abeel will add value to Dubai and its inhabitants. It presents a new kind of sustainable development for residents, tenants and visitors of Dubai alike that revolves around offering an elevated lifestyle."

The towers will seamlessly fuse luxury residences and an ultra-luxury hotel with offices and retail areas. Suspended 100m above the ground, the dramatic 210m panoramic sky concourse is the world's largest cantilever and will house restaurants and bars, event space and an observation deck.

For Galadari, the 480,000 sq m project is a beacon of prosperity, symbolising the ambitious and pioneering spirit of Dubai: "With its remarkable scale, form and function, One Za'abeel will resonate the world over as the symbol of a prosperous Dubai."



Connecting flights

Already among the busiest in the world, and aiming to welcome over 100 million passengers by 2020, Dubai's airports are key to linking the emirate to global markets says Flora Harley, Knight Frank Senior Research Analyst

◆◆
From Dubai you can access a third of the world within four hours, and two-thirds of the world within eight hours
 ◆◆

Dubai has emerged as a critical global gateway city. Its geographic position means it is uniquely well placed to act as a hub for accessing Asia, the Middle East and Africa – all key future economic growth centres.

Within a four-hour flight time, Dubai is able to access 10 leading global cities, including Riyadh and Delhi. A further 24 key cities, including London, Singapore and Frankfurt, are located within eight hours' flight time.

The growth in the passenger numbers through Dubai International Airport placed the airport as the third busiest in the world in 2016, when over 83 million passengers transited through the airport, an increase of 7.2% on 2015. The annual passenger numbers are expected to reach 100 million by 2020, with even more to transit through the new Al Maktoum International Airport, which will be able to handle over 220 million passengers once completed.

As the infographic below shows, Dubai's growing prominence as a business and luxury destination is confirmed. The city is placed 11th in the world in terms of the number of inbound and outbound first and business class passengers, according to most recent data.

As of 2016, the top cities connected with Dubai are London and Riyadh. Further afield the top destination for North America is New York, ninth overall, for Africa is Nairobi, 33rd, for Oceania is Sydney, 34th and for South America is Sao Paulo, 51st.

More evidence of Dubai's growth as a wealth centre is provided by the 2017 edition of *The Wealth Report*, which states that private jet traffic to and from Europe and the US has increased 29% over the five years to 2016. In 2016 there were 959 private jet flights into the United Arab Emirates, primarily from Europe, and 3,150 flights that originated in Dubai flying to the US and Europe.



Trading stories

Taimur Khan, Senior Analyst, looks at the strong trade links between Dubai and China and, in particular, what the increase in Chinese interest means to the emirate's economy

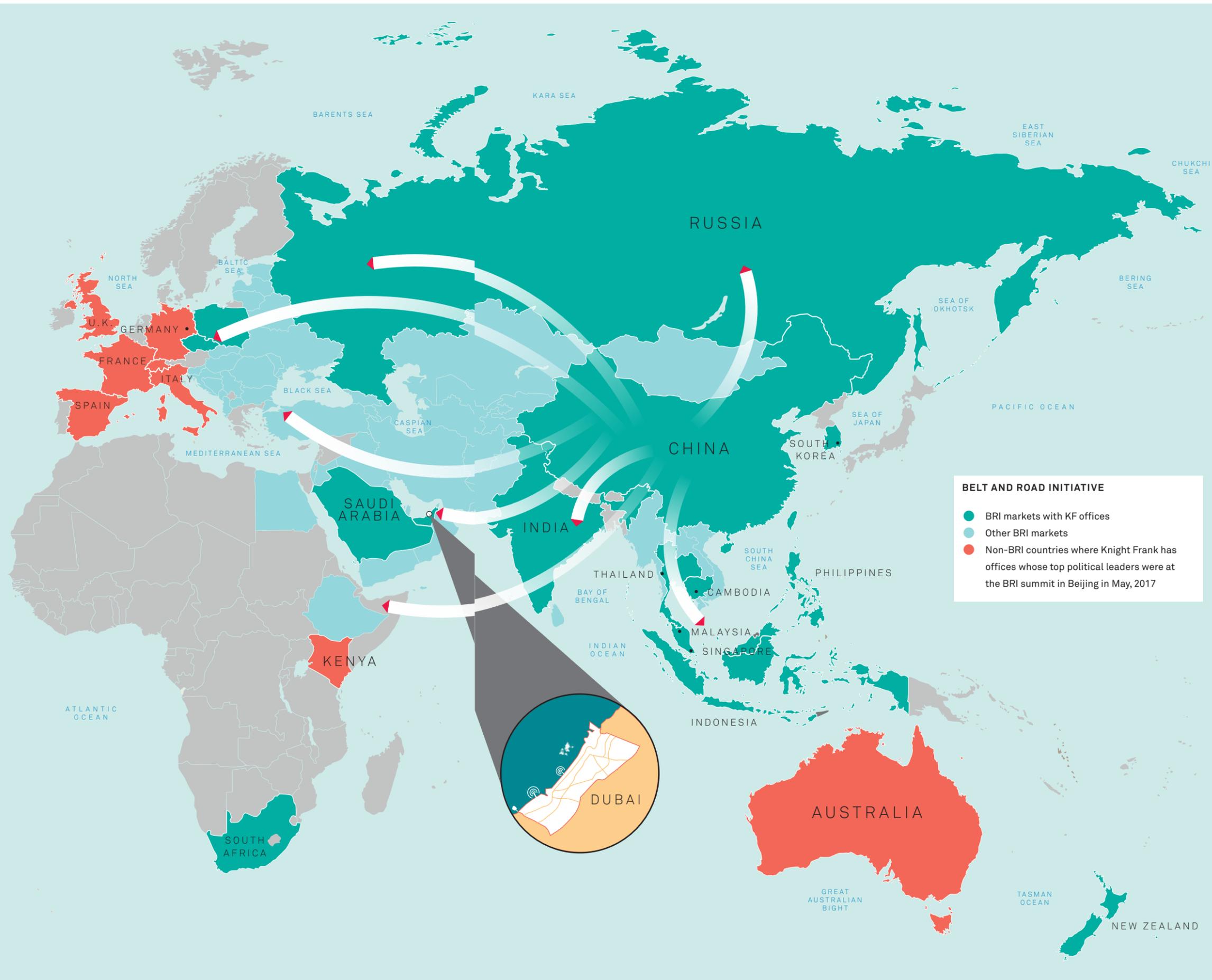
China and the UAE's partnership is not a new story, with Beijing and Abu Dhabi first establishing a formal diplomatic partnership in 1984. In recent years, both have continued to strengthen their bilateral relations, with these efforts resulting in China becoming one of the UAE's major trading partners. And with further integration planned, we expect the relationship to flourish in the future.

Over 4,200 Chinese firms have set up base in the UAE, and a focal point for Chinese investment has been the UAE's most populous emirate – Dubai. The signing of a memorandum of understanding at Dubai Week in China is a case in point, with the two countries looking to enhance trade and investment cooperation. Non-oil trade levels between the two now surpass those that Dubai has with India, the USA, Saudi Arabia and Switzerland. Dubai International Financial Centre has played a central role in this success story; the offering of independent regulators and judicial systems has already attracted many of China's leading financial firms, especially with an agreement signed with the Shanghai High People's Court to foster further close cooperation and reinforce commercial links for more secure trade.

Increased trade has also paved the way for an increase in tourism and real estate investment. The number of Chinese tourists increased by 49% in the year to Q3 2017. In the first six months of 2017, Chinese investors registered as the fourth most active real estate investors in Dubai, up from sixth in the same period in 2016.

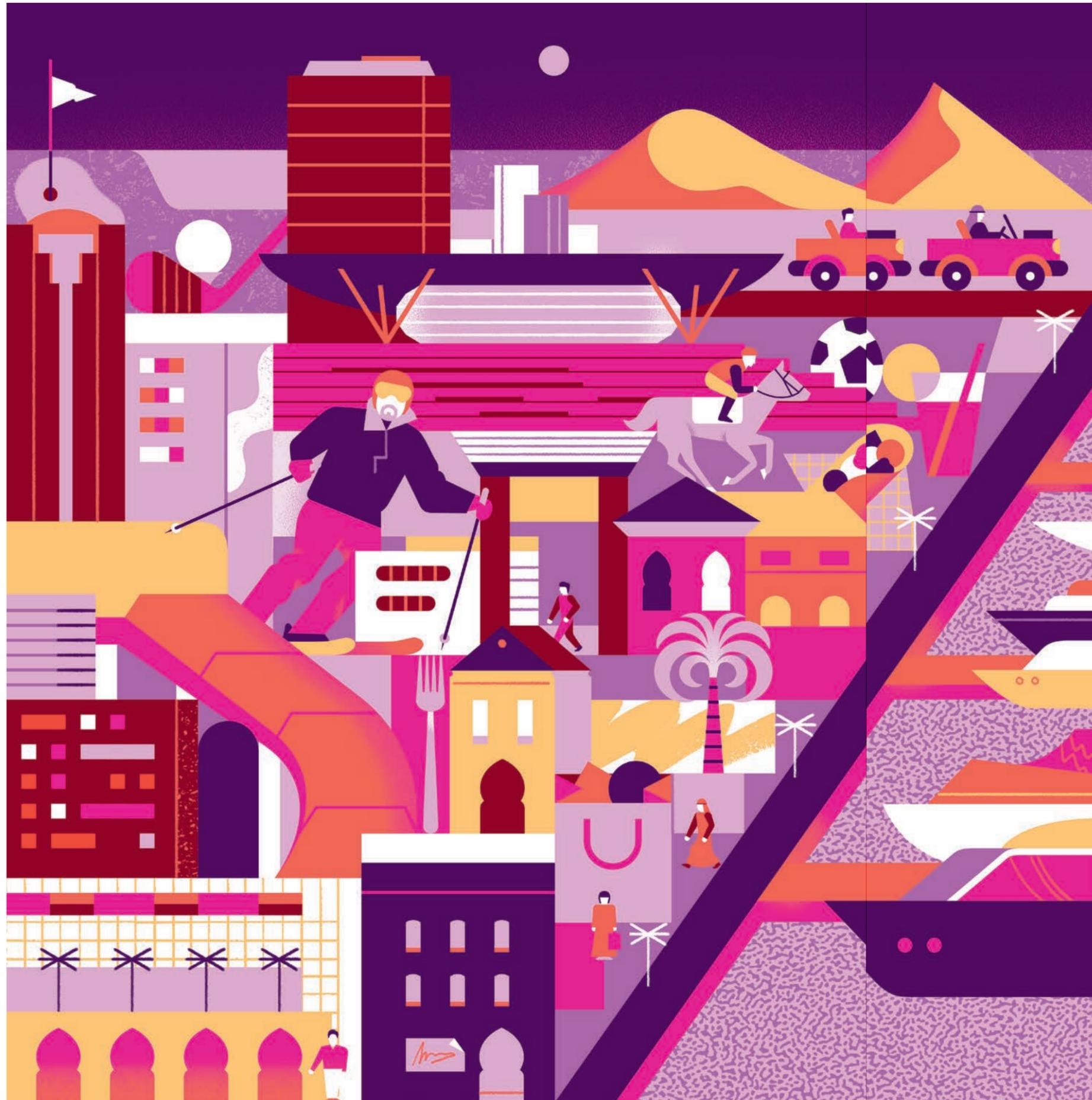
The ties between China and the UAE are expected to grow further in the coming years as Dubai strengthens its position as a global hub for trade, travel and investment ahead of the Dubai Expo 2020, hence creating more opportunities for Chinese businesses to use Dubai as a platform for growth and expansion.

These factors provide a strong platform for the Belt and Road Initiative, China's 2013 revival of the Silk Road, which aims to provide mutually beneficial trade deals and infrastructure projects for both China and the participating countries, to succeed.



BELT AND ROAD INITIATIVE

- BRI markets with KF offices
- Other BRI markets
- Non-BRI countries where Knight Frank has offices whose top political leaders were at the BRI summit in Beijing in May, 2017



ANDREA MANZATTI

Key topics

01

2020 Vision

As Dubai prepares for Expo 2020, its development is attracting even more foreign investment, cementing its identity as a world-class city
→ page 18

02

A palace fit for royalty

The Palm's latest residential development, the landmark Royal Atlantis, is on the cutting edge of modern living, but brings ancient elegance to the fore
→ page 22

03

Taste of Dubai

It may be in a desert, but the emirate is home to some of the best dining in the world, and attracts many high-profile global chefs to its kitchens
→ page 26

Dubai: a place to call home

Dubai is unfolding before our eyes in real time. But rather than as a symbol of unrestrained development, the emirate has become an eminently liveable city.

The Mercer Quality of Living survey 2017, which ranks 231 of the world's biggest cities according to safety, infrastructure, politics, economy, health, education and other factors, placed Dubai top for quality of life in the Middle East and Africa. Dubai came 74th worldwide, having risen a place since 2016, and 51st for city infrastructure. This success is supported by results from the Economist Intelligence Unit's Global Liveability Ranking, on which Dubai is listed as the best place to live in the Middle East and North Africa, currently 74th out of 140 cities worldwide.

According to the report, Dubai has also enjoyed the second biggest improvement in liveability of any city in the world over the past five years – an impressive 4.6% rise in its position.

In fact, the emirate isn't just liveable. *Lonely Planet* recently listed Dubai's Business Bay as one of the coolest neighbourhoods in the world, listing its long promenade, farmer's market, low-key restaurants and plans for hotels, cafés and boutiques as reasons to include it alongside New York City's Sunset Park and The Triangle in Lisbon.

To prove what these surveys and indexes say, over the following pages, we explore Dubai's most creative corners to find out just how much the emirate has to offer its residents.

2020 Vision

Dubai is fast becoming the home of choice for high-flying global citizens, and for good reason. Development is well under way to further showcase the benefits during the Expo 2020 Dubai

CATHERINE MOYE
INTERNATIONAL PROPERTY JOURNALIST

For a city lying within a desert, Dubai has proved to be among the most fertile modern metropolises. The energy and confidence of its soaring skyline, dynamic business quarter and elegant lifestyle districts are encapsulated by the 150m-high fountain in Downtown Dubai.

In realising its vision of becoming the Middle East's first truly global city, Dubai has faced many challenges, from desalinating seawater to provide a water supply, to weathering the 2008 global financial crisis. Now respected publications and international bodies are acknowledging Dubai's status as a world-class city.

In the Economist Intelligence Unit's recent Global Liveability Report, which



GETTY IMAGES/AIQING WANG

Dubai Metro will receive a 15km extension in preparation for Expo 2020

ranks 140 cities according to their quality of life based on factors including stability, healthcare, culture and the environment, Dubai was one of the world's most improved cities in the last five years. This will come as no surprise to the 217 nationalities who, according to Dubai Land Department, invested in its property market in the 18 months to June 2017, making it the world's most diverse city in those terms.

Similarly, the Mercer Quality of Living Survey, aimed at governments

and major companies who assign employees overseas, placed Dubai at the top of its list for cities across the Middle East and Africa.

It is certainly more accommodating to Western lifestyles than other Gulf cities but it is also a geographical meeting place. Dubai's location at an air route crossroads between Asia, Africa, Europe and India has helped make it a global hub and top tourist destination.

Dubai Airport welcomed 83.6 million passengers in 2016, making it the world's third busiest. With parts of Africa and the Indian sub-continent under five hours' flight away, Dubai has a catchment of over two billion people. Dubai's strategic location means a third of the world is accessible within four hours and two-thirds of the world within eight hours. As a result, wealthy individuals are increasingly looking to visit or buy homes there. Fittingly, passengers can often see the emblematic Palm Jumeirah offshore residential development as their plane comes in to land.

Dubai's government has invested considerable resources into creating a city that comprises many separate neighbourhoods. Downtown Dubai boasts the world's tallest building, the Burj Khalifa, and its largest mall, the Dubai Mall. There you can take a break from perusing its 120 luxury stores to go diving with sharks in the aquarium. If sharks are a bit primeval for one's taste, there are high-culture offerings at the state-of-the-art Dubai Opera. The Al Fahidi Historical District's traditional souks and dhows full of nuts and spices



JOZEF SEDMAK/ALAMY

Dubai's modern skyline

on its Creek are an exotic spectacle. As for glitz, glam and great people-watching, spots are just about everywhere, from the Nikki Beach club house, to the Palm Jumeirah's restaurants and the farmer's market in the Business Bay.

All this matches the image many people have when they think about Dubai: an ultra-modern city where futuristic skyscrapers tower over the Gulf's blue waters and boutiques in marbled shopping malls full of opulent merchandise. However, some residents believe the delights just outside Dubai are what really lift its standing in the lifestyle rankings.

Around 45 minutes' drive outside the city you will find the Dubai Desert Conservation Reserve. Here, over 225 square kilometres of pristine desert, dotted with tamarisk and mimosa trees,

are host to several species of falcon, gazelle and Arabian cats. There is a historic Bedouin camp within the reserve, or you can stay overnight at a modern 'spa-oasis'. Elsewhere in the desert there are jeep safaris and quad-biking, but one of the more unusual excursions combines balloon trips with falconry displays. Passengers watch from above while the raptors hunt.

Although Dubai's upward trajectory on the world's 'liveable cities' rankings will come as no surprise to anyone who lives there, perhaps the emirate's greatest single source of pride and sense of achievement so far was the Bureau International des Expositions' decision to award the Expo 2020 to Dubai, making it the first city in the Middle East and Africa to receive such an accolade. Unsurprising for a city that has

showcased some of the world's greatest architectural and engineering feats within the last decade, no expense has been spared in building a fitting stage to showcase Dubai's many technological innovations. The 438-hectare site on the south-western edge of Dubai, near the new Al Maktoum International Airport and Jebel Ali Port, features three separate pavilions symbolising opportunity, sustainability and mobility, with an 'innovation pods' thematic zone.

Designed by the global design, architecture and engineering firm HOK, the Dubai World Expo is predicted to attract some 25 million visitors to the city and wider UAE.

As producing the world's biggest and best is something of a forte for Dubai, the chances are its World Expo could also eclipse all those that have gone before it.

◆ ◆
Dubai's government has invested considerable resources into creating a city that comprises many separate neighbourhoods. Downtown Dubai boasts the world's tallest building
◆ ◆



SHUTTERSTOCK

Taking to the skies is one of the many ways for visitors to enjoy the Dubai desert

Placemaking Deira

Dubai's historic centre has a strong economic drive, and as the emirate continues to develop, so too does this quarter and its communities

JONATHAN BELL
EDITOR-AT-LARGE, WALLPAPER*

Dubai's growth has been staggering, signified by a skyline and cityscape that defines architectural modernity. It's a place that seems to have been built for dramatic time-lapses, breathtaking drone footage and countless Instagram streams – a destination for business and pleasure for the entire world. Yet modern Dubai had modest beginnings. Thanks to the merchants, sailing fleet and the spaces and people that came together to trade and exchange, Dubai played a historic role in the trading that shaped the culture and economy of the Persian Gulf. Deira is one of the city's historic and dynamic hearts, a creekside district that retains its character and economic drive, with dense store-filled souks run by families who have been trading here for generations.

Trade is still the engine of the modern city. Dubai's modern status can be traced to the vision of the late Sheikh Rashid bin Saeed Al Maktoum. As the port that bears his name, Port Rashid, neared completion in the late 1960s, he instructed his architects to quadruple the number of anchorages. It was a far-sighted move, for the port's trade grew enormously throughout the 1970s and 1980s, helping to set the UAE on the road to prosperity. Now, more than ever, Dubai's history and heritage must be enhanced.

Deira is set to play a key role in the Dubai 2021 plan. Some 30% of Dubai's established trading locations can be found here, but now there must be room for growth. Ithra Dubai's approach places a great emphasis on the value of placemaking, the art of building communities through the careful combination of infrastructure – places to live, work, study, play and relax.

Ithra Dubai's Deira Enrichment Project aims to develop Deira, the vibrant cornerstone of Dubai's trading legacy.



◆ ◆
Deira is set to play a key role in the 2021 plan. Some 30% of Dubai's established trading locations can be found here, but now there must be room for growth
◆ ◆



PAUL MARTIN/ALAMY

The expansion of Deira towards the Waterfront is a tribute to the tradition of trade in the country. The development will expand the Deira Souk to become the centrepiece of the district and will create a bustling hub of life that will add to the already rich tapestry woven by communities past and present. The area will boast a plethora of retail spaces, from shop fronts to storage areas – ultimately enhancing the workflow process. The development will also offer a strip of restaurants and retail stores along the creek, which will create a bustling promenade, the first of its kind in Deira, featuring a range of hotels, catering to business travellers and city dwellers.

As part of the wider Deira Enrichment Project, The Waterfront Market, already in operation, is enhancing the fresh food shopping experience and establishing an environment for local fishermen, butchers, and vegetable and dry goods traders to grow and thrive.

Dubai is determined to emphasise and enhance its heritage, for those who originally settled on the banks of the creek have been integral to the life of the city ever since.

Today, Deira contributes around 10% to Dubai's GDP. The Deira Enrichment Project will expand available retail space and storage, weaving in better transport integration, new public plazas, leisure facilities, restaurants and hotels, and some of the best-placed waterfront apartments in the city. The result will be a walkable, sustainable and culturally cohesive neighbourhood that can bring even more to the city's economic life.

Ultimately, cargo will move through Deira – which will be integral to the growing city, without compromising its heritage or the character of nearby traditional neighbourhoods such as Al Shindagha and Al Ras – once again transforming this historic neighbourhood into a key trading hub for the city, a destination for visitors from around the world and a desirable place to live and work.

By revitalising Deira, Ithra Dubai is demonstrating the power of placemaking, showing respect for heritage and tradition and a true understanding of the shape of the modern city.

CULTURE



Street view

An important pillar in any great city is its art scene. In Dubai's case, the infrastructure of the art market has developed greatly over the last 15 years to the point where the scene is flourishing enough to see art pouring out from the galleries and onto the streets

Dubai has seen a large influx of public and street art recently. This has allowed residents and tourists to explore and interact with the city in a more engaged way.

Emaar Boulevard, one of the trendiest areas of Dubai, is home to a collection of impressive pieces of sculpture. From international and regional artists, the works celebrate the identity and heritage of the UAE. Most striking is the surreal sculpture piece *Together* by Syrian artist Lutfi Romhein.

City Walk, one of Dubai's latest restaurant and outdoor retail complexes, invited 15 of the most innovative street artists from around the world to create large scale street art on walls and the sides of buildings. The most breathtaking of these is French Tunisian artist eL Seed's calligraphy-inspired graffiti on the walls of The Green Planet building.

Close to the Satwa district, 2nd of December Street is a historic landmark in Dubai. A total of 16 buildings there have been painted by local and international artists depicting imagery that celebrates local culture. Another historical district, Al Karama has also invited eight international and UAE-based street artists to paint 24 huge murals on the side of 12 apartment buildings and shops. The results include a menagerie of parrots, lions and hawks alongside abstract architectural and topographical works.

Dubai's urban landscape is changing. Whether you're driving or walking through the city, you'll see a fusion of clean glossy surfaces juxtaposed against the textured grittiness of images that tell the stories of the community through public art.

A palace fit for royalty

Dubai's latest luxury landmark resort, The Royal Atlantis, is at the forefront of design. Elie Gamburg, Director at architect Kohn Pedersen Fox (KPF), and lead on design for The Royal Atlantis, talks through the project process

Below One of the pools at The Royal Atlantis Resort Opposite page, left The Royal Atlantis Residences, a future icon

The Royal Atlantis is the new landmark residential development on The Palm, Dubai. The development, which also includes a luxurious resort, combines avant-garde architecture with the finest in traditional artistry.

The architecture firm where I am a director, Kohn Pedersen Fox, was invited to the competition to build The Royal Atlantis in 2013 and the brief we were provided with was, in a word, brief. It was very short considering the size and complexity of the building. They provided direction in terms of the number of apartments, hotel rooms, ballrooms and restaurants, but the crux of the brief came boldly in the first paragraph: design the most iconic building in Dubai.

It's a bit of a tall order, as you can imagine given Dubai's incredible architecture. If there is a shape or a form

or an approach, it's been done in the UAE. Imagine, there has been a twist, a turn, a spiral, there is even a giant disk, so if there is a shape or construct design, we have seen it already. We had to look at turning this brief on its head. To create an iconic form that would not be a flash in the pan design that could be duplicated later on, we decided to create an iconic set of experiences that can't be found anywhere else. In fact, we summarised our concept at the end of our pitch by saying, "you can swim underwater, with a view of the Dubai skyline, 45 storeys in the air" – something completely unique and magical.

To create this set of experiences we had to reconsider resort living and what it is. We quickly realised that no matter if you are living in a resort, you are essentially trapped in a glass box. What we needed to do is make space and make



◆◆
The 2020 iteration is focused on human ingenuity, so The Royal Atlantis makes a fitting focus being as it is on the cutting edge of design, architecture and innovation
 ◆◆

those spaces conducive to living – to bring the outdoors into the experience of living at The Royal Atlantis.

You can identify a lot of buildings with rooftop pools, and hotels or villas with gardens, but you can't identify many vertical high-rise residences that have outdoor living that replicates the experience of an exclusive villa.

Situated as it is on the edge of The Palm, the building also needed to work as a bridge between the classic form of the nearby Atlantis, The Palm Resort and the hyper-modern architecture of Dubai's skyline. It does so by rethinking a hotel's usual double-loaded slab configuration and pulling it apart into a set of stacked blocks, the holes in which we call Sky Courts and the series of cantilever terraces it creates we call Sky Terraces.

The resulting design is 43 storeys high and comprises 795 guest rooms and suites and 231 residences. The structure is reminiscent of both the monumental arches of classical architecture and is also entirely contemporary. As with much of the thought behind the building it also allows space and light into the structure, through which pours sun and sky, becoming part of the design itself. We looked at famous buildings across the world that are known as much for their voids as their form, such as the aqueduct in Segovia, the Eiffel Tower, or even the

Colosseum where the repetition of open spaces creates a form that is really iconic and beautiful.

The other inspiration we looked at was traditional Middle-Eastern architecture such as the Blue Mosque in Istanbul and its surrounding gardens, which gave us strong ideas about how to combine outdoor and indoor living. The gardens are designed to create a cooling microclimate through their use of water and deep-set shady colonnades. The Royal Atlantis wasn't designed to look traditionally Arabic, but we found these time-tested techniques and design features were the best for creating livable outdoor spaces – our Sky Courts – that, with their cool shade and private pools, can be used for most of the year.

We are incredibly proud that The Royal Atlantis has already been honoured by the World Architecture Festival in being nominated for the award for best Future Project – Leisure-Led Developments. The building will launch in 2019 and will be the centrepiece of the 2020 World Expo in Dubai, the annual international exhibition that is being held for the first time in the Middle East. The 2020 iteration is focused on human ingenuity, so The Royal Atlantis makes a fitting focus being as it is on the cutting edge of design, architecture and innovation.

DESIGN



On the map

Dubai Design District was born out of an ever-growing demand for creative thinkers. The initiative is providing a design ecosystem that aims to support emerging local creative talent, working towards an innovation-led economy, says writer for Khaleej Times, Maán Jalal

To say that Dubai has flourished over the past two decades and continues to do so would be an understatement. From tourist attractions, a happening nightlife and a plethora of shopping outlets, it's natural to assume that Dubai is one of the premium shopping capitals of the world. But could it be a future design capital as well? Thanks to one of Dubai's more interesting undertakings, the Dubai Design District (d3), the possibility is definitely on the horizon.

"d3 was established to provide Dubai and the region with a creative community that educates, inspires and nurtures emerging talent," says Mohammad Saeed Al-Shehhi, COO of d3. "Our vision was to take the best parts of all the design districts from around the world and bring them together, here in Dubai."

To put it simply, d3 is a neighbourhood of designers. Its initial concept came from two parties – the consumer and the creator. Locals, expats and tourists had an obvious and growing desire for diverse design options that reflected the identity of Dubai and the region in a more contemporary manner. At the same time, a multicultural populace of design talent had been forming in Dubai as the city developed. It seemed only practical that, as creatives emerged in the city, an infrastructure was developed to nurture this untapped source of talent.



Desert oasis

This corner of the UAE offers the best in East-meets-West culture, entertainment and amenities, with a world-class food scene and investment property market to match

- 1. Atlantis, The Palm
- 2. The Royal Atlantis*
- 3. One&Only The Palm
- 4. One&Only Royal Mirage
- 5. Burj Al Arab
- 6. The Metro
- 7. Emirates Golf Club
- 8. Mall of the Emirates
- 9. IMG Worlds of Adventure
- 10. Meydan Racecourse
- 11. Dubai Opera
- 12. The Dubai Mall
- 13. Dubai Fountain
- 14. Burj Khalifa
- 15. Jumeirah Emirates Towers
- 16. One Za'abeel*
- 17. Desert Safari
- 18. Dubai International Airport
- 19. Gold & Spice Souk
- *Future landmark



Taste of Dubai

Home to top chefs in glittering settings, the emirate's foodie scene is hotting up

STEFAN CHOMKA
EDITOR, RESTAURANT MAGAZINE

Dubai is often referred to as one of the world's leading cities and it's not hard to see why, with its eclectic mix of lifestyles and cultures, almost year-round perfect weather, the wealth and a skyline that more than matches any city.

On the back of this, Dubai has also managed to attract the greatest chefs from across the world, who have opened up restaurants there over the past decade. High-profile names to have made the journey from the UK alone include Gordon Ramsay, Jason Atherton, Giorgio Locatelli, Marco Pierre White and Gary Rhodes, while the roster of top international chefs includes Pierre Gagnaire, Nobuyuki Matsuhisa, Wolfgang Puck and Jean-Georges Vongerichten, to name a few.

And yet, despite such cooking pedigree, the city has struggled to become a true foodie destination, attracting expats taking advantage of its lenient tax laws rather than travelling gastronomes. Dubai's growth may have been meteoric, but its culinary reputation has failed



Nathan Outlaw at Al Mahara offers seafood with a floor-to-ceiling aquarium view

to live up to the height of its skyscrapers. Until now, that is. More recently, the city has started to raise its restaurant game, not only in the chef talent it is attracting but in its infrastructure.

"There's a lot more residential development going on, with an attempt to get people out on the streets and build places where people can eat beyond the big hotels," says Chris Galvin, the Michelin-starred chef behind Demoiselle by Galvin and the just-opened Galvin Dubai, both in City Walk. "The landscape is exciting and the quality of ingredients

has come on in leaps and bounds in the past few years. You can now get hold of some bloody good produce to cook with."

Two-Michelin-starred chef Nathan Outlaw, who opened seafood restaurant Nathan Outlaw at Al Mahara at the Burj Al Arab late last year, also says he has been encouraged by the quality of ingredients in Dubai. "Great fish is central to what we do," he says. "I wasn't convinced the product would be good enough but after visiting Dubai last year I found that it was."

The scale of Dubai's restaurant sector is also likely to come as a surprise to people. Although there is no exact figure on how many restaurants it has, it is believed to be around 12,000 (and could be as high as 16,000) – a huge number given the city's population of 2.8 million. By contrast, Manchester has a similar population and around only 1,700 food establishments while London has 18,000 eateries but a population of more than three times that of Dubai.

The city is also home to around 200 nationalities, with restaurants that cater to every taste. As such, it is a melting pot of cuisines, from Middle Eastern and Mediterranean to French, Japanese and Peruvian, with chefs even experimenting with new fusion foods. Galvin, for example, describes the food at his new restaurant as 'Mediterranean basin', taking influence from Europe, Africa and Asia. "It's the cuisine of the sun," he says.

Dubai also now leads the way in other aspects of the restaurant world. At Stay by



Demoiselle by Galvin serves French cuisine

Yannick Alléno at the One & Only resort at The Palm, the three-Michelin-star chef has placed his pastry kitchen in the dining room to give his desserts prominence. Stay's 'pastry library' enables diners to choose the ingredients for their dessert and watch the pastry chef creating it.

And at The Experience by Reif Othman, a chef's table restaurant above Play, the chef personally cooks and serves a one-off menu tailored to the diners on the night.

The popularity of Dubai's Friday brunch scene has also spread beyond the Persian Gulf. The city's bottomless brunches are legendary and the trend is now firmly established in UK restaurants.

Of course, there is one part of the restaurant scene where Dubai would happily follow rather than lead; Michelin recognition. The city does not yet have a red book of its own, although many believe it is only a matter of time before it does.

"There are certainly a number of restaurants in Dubai that could get a Michelin star," says Galvin. "Its restaurant scene is much more mature than it used to be. Michelin will come to Dubai when it's ready. But as a chef, you've got to be careful what you wish for!"

◆◆
The city has started to raise its restaurant game, not only in the chef talent it is attracting but in its infrastructure

◆◆

INTERVIEW



Epicurian emirate

Adapting to a new food culture has been an exciting adventure for Japanese-fusion pioneer Nobu Matsuhisa

With a premium location and a menu offering Arabian-infused Japanese cuisine, Nobu Dubai quickly became a top recommendation of discerning of restaurant critics.

Part of Nobu's success at Atlantis, The Palm has been aided by embracing Middle Eastern tradition, a fact founder Matsuhisa is quick to recognise. "Nobu Dubai was the first restaurant we opened in the Middle East and that brought new practices and customs," he says. "We've adopted Friday brunch service, which makes Nobu Dubai unique from all our other restaurant locations, where Sunday brunch is common. The majority of our menu is standardised worldwide, but Dubai's religious and cultural customs had a big part in guiding how the menu was adapted. It was a wonderful lesson in learning about a new culture."

"There is no set standard in the decision that leads to where we open a Nobu," Matsuhisa continues. "More than anything, by opening in a particular city, we hope to bring the Nobu vision and philosophy into the local economy. We look to be inspired by the local ingredients, people and culture and allow these aspects to help us grow in our new environment."

In years gone by, however, Dubai's reputation as a leading culinary destination was yet to be established. "I have seen a great change in Dubai since the time that we opened," Matsuhisa agrees. "More prominent chefs have entered the scene and opened restaurants in many of Dubai's hotels." So what is the reason behind this surge? "The people of Dubai are more interested in different styles of cuisine," says Matsuhisa. "Dubai definitely has a distinct food culture, which is different from other cities."



The sharing table at Stay by Yannick Alléno

An active emirate

With year-round sunshine and top-notch facilities, you can enjoy a raft of sport and leisure activities in Dubai

LARA BRUNT
CONTRIBUTOR, LONELY PLANET DUBAI

Dubai's sun, sea and sand provide the perfect playground for an active lifestyle. Pristine public beaches, such as JBR Beach, offer a host of watersports including parasailing, wakeboarding and banana boating, while Sunset Beach is perfect for stand up paddle boarding in the shadow of the sail-shaped Burj Al Arab. Or try your hand at kite surfing at the aptly named Kite Beach; operators such as Dukite offer lessons and equipment rental.

With calm waters and clear blue skies, sailing and yachting are popular pastimes. Deep-sea fishing is another big draw, with species such as barracuda and king mackerel tempting anglers. If you haven't got your own vessel, there are myriad charter companies such as Xclusive Yachts. If you're looking for underwater adventure,

scuba diving centres such as Prodiver Middle East offer lessons and PADI certification. Experienced divers can explore wrecks such as the Zainab, while even non-certified divers can swim with sharks and rays at Dubai Aquarium & Underwater Zoo and The Lost Chambers Aquarium.

The surrounding desert, meanwhile, is made for off-roading. If you're new to dune bashing, companies such as Emirates Driving Institute offer beginner's courses, while social clubs such as Almost 4x4 Off-Road Club organise weekend drives and camping trips. Or opt for a quintessential desert safari tour, which usually includes sandboarding, camel riding and a meal under the stars.

For hiking and mountain biking, head to the enclave of Hatta, 90 minutes' drive from Dubai. Backed by the craggy Hajar

Mountains, there are marked hiking and biking trails, plus you can hire kayaks and pedalos to cruise the turquoise waters of Hatta Dam.

Dubai may be known as a city of skyscrapers, but there is an increasing emphasis on developing urban green spaces too. Zabeel Park is one of the largest and most popular parks, with sports courts and barbecue areas, while promenades, such as the Palm Jumeirah Boardwalk and Jumeirah Corniche, attract joggers and sunset strollers.

For golfers, the emirate offers challenging courses and great clubhouse facilities. Regular players can tee off at championship courses at Emirates Golf Club or Jumeirah Golf Estates, while beginners can sharpen their skills at The Track, a nine-hole floodlit course that is open for night golf.



GETTY IMAGES



Opposite page Dubai offers the perfect view for some sky diving; *This page, above left* The Lost Chambers Aquarium is just one of Dubai's many impressive underwater attractions *Below* Madinat Jumeirah Talise Spa

Racecourse has a packed calendar of meetings from November to March, culminating in the prestigious Dubai World Cup, held every March.

Family comes first in Arab culture and few cities cater to all ages quite as well as Dubai. Small and big kids alike will love the water slides and lazy river rapids at Aquaventure Waterpark and Wild Wadi, while Aventura is a 375,000-square-foot outdoor adventure park in Mushrif Park with zip-lining, tree-surfing and rope-climbing.

Downhill skiing in a desert? You can do just that at Ski Dubai, a huge indoor slope complete with a colony of king penguins. Equally exotic is the tropical rainforest inside The Green Planet. Built around a huge tree, the bio-dome is home to more than 3,000 plants and animals including toucans and a super-cute sloth.

The emirate is also hoping to rival Orlando with four new theme parks. Dubai Parks & Resorts comprises a trio of parks – Legoland Dubai, Motiongate and Bollywood Parks – and a Legoland-themed waterpark, while the indoor IMG Worlds of Adventure features rides based on Marvel superheroes and dinosaurs.

Sit still in Dubai? Well, now that is practically impossible.

◆ ◆
Family comes first in Arab culture and few cities cater to all ages quite as well as Dubai. Small and big kids alike will love the water slides and lazy river rapids at Aquaventure Waterpark
◆ ◆

Cycling is growing in popularity, thanks to bike-only paths such as Al Qudra, a 30-mile loop around desert dunes, and Nad Al Sheba, a converted camel track near Meydan Racecourse. Other top spots include the new seven-mile path along the Dubai Water Canal.

The Arabian horse plays an important role in Emirati culture and there are a multitude of equestrian experiences to enjoy. Saddle up for a lesson at the Desert Palm Riding School, or partake in a polo match at Dubai Polo & Equestrian Club. If you're keen on horse racing, Meydan



Healthy approach

From pampering spa treatments to the latest fitness trends, wellness in Dubai is on the rise

Dubai is renowned for its sumptuous spas, with a vast range of indulgent experiences to choose from. Alongside hi-tech treatments such as cryotherapy and microneedling, you'll find holistic therapies such as Ayurveda and acupuncture, together with workshops ranging from mindfulness to aura cleansing.

Top picks include the Jumeirah Zabeel Saray hotel's Talise Ottoman Spa, which boasts a spectacular Turkish Hammam and snow room, and the Arabian-inspired Saray Spa at the Marriott Marquis with its relaxing Dead Sea floatation pool and botanical-based treatments. For holistic therapies, try Heart & Soul Spa in the leafy Al Barari neighbourhood, or visit The Oberoi Spa, which specialises in

detoxifying and rejuvenating phytomassopodia treatments, which focus entirely on the feet.

Many big fitness chains are present in Dubai, including Fitness First, Gold's Gym and the ladies-only Curves, while boutique studios offering everything from Pilates to pole dancing are booming. Get your heart rate pumping at Bare, which combines tailored meal plans and CrossFit classes, or try the barre-based workouts at Physique 57. For cult spinning and HIIT classes, there's Flywheel and Barry's Bootcamp, or try a trampolining class at Bounce.

From October to April, take advantage of Dubai's more moderate weather by exercising al fresco. Yoga enthusiasts can swap the studio for the sand during a sunset session with Talise Spa at the Madinat Jumeirah, followed by a dip in its invigorating plunge pool, left, or sign up for SUP (stand up paddle board) yoga on the waters of Palm Jumeirah with SeaYou. Bodybuilders can pump iron at the LA-style Muscle Beach down at JBR (Jumeirah Beach Residence), while cycling fans can try aquaspin at Fairmont The Palm.



ANDREA MANZATI

Key topics

01

Immigration

Just how complex is it to move to Dubai, whether as an employer or employee, and what are the most common visa routes for HNWIs to relocate to the emirate?

→ page 32

02

Tax

Dubai is famed as a tax haven, but there are tax requirements for potential investors, business and property owners worth noting

→ page 33

03

Education

Whatever level of education and curriculum is required, Dubai offers a range of options

→ page 34

Meet the experts

Ranked as the leading place to do business in the UAE, Dubai has attracted many HNWIs to its shores, and with them, their families. Offering not only a sublime climate, but also respected educational options and a favourable tax system, it is easy to see why some choose to stay. This, however, can present new challenges; our experts give their tips on how to navigate immigration, taxation and education for those in the emirate on both a short- and long-term basis.

Murtaza Khan, Partner at international immigration services firm, Fragomen, discusses the routes to remaining in Dubai, despite the lack of permanent residence options, as well as visas required to set up a business, and how to bring family members along.

While the emirate is a tax haven, non-locals need to be aware of the fees that do apply to them, and which industries are affected. Ismael Hajjar, EY MENA Private Client Services Leader, breaks down the system of taxation in Dubai and outlines how to obtain a tax residency certificate.

Furthermore, Dubai is not only a centre for business, but also one for learning, with some 33,000 international students alone. Dominick Ashe, Senior Consultant for Carfax Education Group in the emirate, advises international students and parents to research educational options in-depth before making the move. Ashe gives us his top secondary schools, and outlines which certification options are available.

Smart move

Murtaza Khan, Partner at Fragomen, an international immigration services firm, is responsible for migration solutions throughout the Middle East and North Africa

There are many reasons why high net worth individuals (HNWI) find Dubai appealing. It is a largely tax-free jurisdiction that offers high quality lifestyle choices, housing, education and healthcare. Furthermore, the World Bank's 2017 'ease of doing business' index ranks the UAE top in the Middle East and Africa region and 21st globally.

When moving to Dubai, HNWI must understand that the UAE generally does not grant permanent residence. However, it is possible to live in Dubai long term by obtaining one of the various categories of renewable residence permits. Among the most suitable for HNWI are property-based visas and residence permits sponsored by a company.

Should a HNWI wish to set up a business in Dubai, a formal registration process must be completed. After that, the new company can sponsor the HNWI as either an employee or an investor, depending on its business jurisdiction and other criteria. Sponsorship makes available a residence permit valid for two or three years, after which it is renewable.



◆ ◆
It is important to keep track of residence permit expiry dates to ensure they are renewed in good time. This entails making sure important documents such as trade licenses, establishment cards and signatory registrations are kept up to date as well
 ◆ ◆

HNWI need to decide in which local jurisdiction to establish their business: a free zone or a mainland authority. This is ultimately dictated by the type of enterprise the HNWI intends to carry out.

As an alternative to sponsorship by a business, an individual owning property in Dubai may obtain either a six-month renewable multiple entry visa or a property-based residence

permit. The latter is valid for two years and renewable. Among other criteria, the property must have been purchased for a minimum of AED 1million.

One of the most common immigration issues relates to dependent family members, particularly children. Sons can only be sponsored up to the age of 18, whereas daughters can be sponsored while they remain unmarried. For sons over 18, people can consider solutions such as demonstrating that they are continuing education in the UAE or sponsorship through their university.

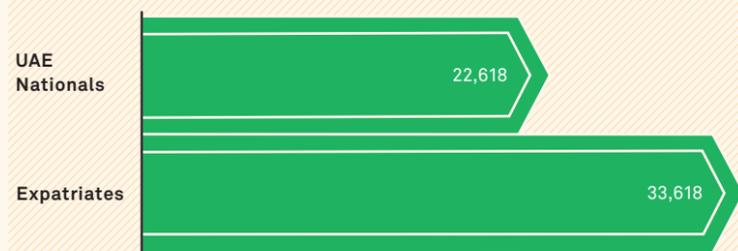
It is important to keep track of residence permit expiry dates to ensure they are renewed in good time. This entails making sure important documents such as trade licenses, establishment cards and signatory registrations are kept up to date as well. You will not be able to renew a residence permit without these.

As a fast-developing economy, the UAE is characterised by frequent changes to the immigration process. It is imperative that HNWI work closely with their professional advisors to ensure they stay on top of any changes to visa or residency permit requirements.

PAUL MACLEOD

STUDENT POPULATION DIVERSITY

UAE nationals and expatriates in HEPS



Source: Dubai Statistics Center – Yearly Population Estimates

Tax talk

Ismael Hajjar, EY MENA Private Client Services Leader, on what prospective residents in Dubai can expect

Non-GCC (Gulf Cooperation Council) expatriates generally come to the UAE either as employees or with significant financial resources and business ties to the region. Some of them often want to create a business here. They come to the UAE because it offers a great quality of life, has great infrastructure and the weather is good for most of the year. This is especially attractive to capital-rich individuals from emerging markets.

To have the right to reside in the UAE, you must obtain a valid residence visa. To obtain a residence visa, you would need an employment contract concluded with a mainland UAE company or a company located in one of Dubai's over 30 'free zones'. These visas generally last two years. You could also obtain a residence visa through an investment in a local real estate property.

Once the residence visa is obtained, you would have to visit the UAE at least

once every six months to keep the residence visa valid. As long as the latter is valid, you should technically be treated as UAE resident for tax purposes. Neither citizens nor expatriate residents are taxed on income derived from UAE sources and there is no inheritance or gift tax in the UAE. However, being UAE tax resident does not mean that you would automatically cease to be resident in other countries where you have personal or business interests as tax residence rules are different in every jurisdiction. Furthermore, in practice, the UAE Ministry of Finance is monitoring people's 'day count' and other ties maintained with the UAE before issuing tax residency certificates. These certificates are important to confirm your UAE tax residence position in case of inquiry by a foreign tax authority.

Value added tax (VAT) was introduced from 1 January 2018 at a standard rate

FEES/TAXES APPLYING TO PURCHASE AND SALE OF REAL ESTATE IN DUBAI

No Objection Certificate (NOC) fees

Between AED 500 and AED 5,000

Real Estate Agent's commission

Usually 2% of purchase

Transfer fees

4% of the purchase price plus admin fees

Mortgage registration fees (if applicable)

0.25% of the registered loan amount

Service charges

For the individual property

Value Added Tax (VAT):

Commercial real estate transactions and leases are subject to VAT at a rate of 5%. Residential real estate transactions and leases are exempt, with the exception of the first supply, which can be zero-rated under conditions.

Source: EY

of 5%. Organisations have prepared for this, particularly because for most it is the first time they have had to report tax obligations in the UAE. VAT applies to commercial real estate transactions and leases at the standard rate of 5%. Residential real estate transactions are exempt from VAT with the exception of the first supply of a newly-constructed residential property, which will be zero rated (i.e. subject to VAT at a rate of 0%) under certain conditions. Leases in relation to residential properties are exempt from VAT. Being exempt does not mean that VAT should not be considered, as expenses in relation to the property, such as electricity bills or real estate fees, would be subject to VAT.

As for property taxes, there is a transfer fee, which is like a stamp duty and amounts to 4% in Dubai, typically split 2% each way between buyer and seller.

The clients that our Private Client Services team serves are typically families from the Middle East region (in particular, Gulf Cooperation Council (GCC) or Levant countries) but increasingly also from outside the region. Most are citizens of the world, who are constantly travelling and have personal and business ties with many countries around the globe. They generally own assets in various jurisdictions. In collaboration with our local offices around the world, we advise them on how to structure the ownership of those assets and protect them for generations.



Learning curve

Dominick Ashe is Senior Consultant in Dubai for Carfax Education Group, an international consultancy that advises and supports individuals and institutions seeking academic excellence



RANKING OF UNIVERSITIES IN DUBAI	
1	London Business School
2	Heriot-Watt University
3	British University in Dubai
4	Cass Business School
5	Alliance Manchester Business School
6	Zayed University
7	University of Strathclyde Business School
8	American University in Dubai
9	University of Dubai
10	Hult International Business School

Source: Carfax Education

Dubai's large and growing education industry is as complex as it is diverse. It's hard to navigate until you've been there for quite some time and expats should research it in depth before arriving.

The Dubai government aims to raise educational standards to the level of good British, American or Swiss independent schools and invests heavily in education. Right now, however, the standard of teaching on offer is not up to that of, say, a leading UK public or top US prep school. Even so, parents can pay similar or even slightly higher fees than for a top British independent school. From a practical point of view, schools in Dubai are larger than in the UK, often with over 1,000 students, and class sizes are larger. They also tend to be very diverse, with more than 60 nationalities making up the student population. Consequently, around 15 different

curricula are taught in various schools, including UK, US, Indian, International Baccalaureate (IB) – although 60% of schools teach the UK or US curriculum.

As it is not that well established, there aren't many trusted schools here with long-standing reputations – certainly no Etons or Harrows. An exception would be Dubai College, which not only has an excellent reputation but – unlike many Dubai schools that teach mixed curricula, for example doing GCSE then switching to the IB diploma – does GCSE and A-levels. However, Dubai College and the other top-tier institutions, namely Jumeirah English Speaking School (JESS), which does the IB, and Jumeirah College, are very difficult to get into. Dubai College in particular has a long waiting list and very high academic standards. Families whose children cannot get into one of these three

schools will look elsewhere, especially at the newly established institutions.

As so many new schools open in Dubai each year the educational scene is fluid and hard to navigate. In 2016-2017, 15 new schools opened, taking about 6,000 pupils. They include North London Collegiate school, a top girls' school in the UK, although co-ed here.

The new schools tend to have excellent facilities and be more fashionable, so people suddenly move their children into them even though they are usually very expensive. Many are run as commercial ventures and can suffer from high teacher turnover. This means some struggle to provide the right level of education, which in turn causes parents to move their children elsewhere or wait it out until a place in a better school becomes available. It's called 'parking' and is very common in Dubai.

PAUL MACLEOD

The Dubai government aims to raise educational standards to the level of good British, American or Swiss independent schools and invests heavily in education



Zayed University in Dubai

Another reason for swapping is that some schools are fine up to GCSE level, but then switch to the IB, which doesn't suit a lot of people. Not that many schools offer A-levels. In the UK, the education is much more structured, with very clear entry points and a feeder system up to university via exams like A-levels. In Dubai, you really need to take expert advice and plan ahead.

For particularly academic or gifted pupils, there may be no option but to look overseas for the high standard of education that they require, usually in the UK or the US. Others switch out of the Dubai system and go for full home schooling, which is a growing business for us. Depending on what clients want, this either takes place in our Dubai offices or in their home. Carfax also provides home tutoring, which complements the teaching children are receiving in their existing schools.

A lot of families coming into Dubai have young children, so the greatest pressure within the education space is at the lower level: getting your child in at reception or primary school. It's even harder than at secondary level, partially because by then some students will have moved to the UK or US for a better quality of education, creating more vacancies.

At the other end of the educational spectrum, there are only a few universities in Dubai, but none are in the highest academic tier. Most of our clients will be aspiring to send their children to universities overseas, mostly to the UK and the US.

INDICATIVE TUITION FEES

Secondary schools	Indicative tuition fees (AED)
North London Collegiate School Dubai	115,000–130,000 P.A.
GEMS World Academy Dubai	92,732–111,813 P.A.
Repton School Dubai	85,867–103,325 P.A.
Kings' School Al Barsha	82,569–97,798 P.A.
Kent College Dubai	86,000–98,000 P.A.
Nord Anglia International School Dubai	82,880–94,000 P.A.
Jumeirah English Speaking School	80,847–91,950 P.A.
Dubai College	80,808–91,503 P.A.
GEMS Wellington International School	74,764–93,658 P.A.
American School of Dubai	81,360 P.A.

Source: Carfax Education

DUBAI SECONDARY SCHOOLS

Top ranking
1 Dubai College
2 Jumeirah English Speaking School
3 American School of Dubai
4 Jumeirah College
5 Lycée Français International Georges Pompidou
6 Nord Anglia International School Dubai
7 Dubai English Speaking College
8 GEMS Wellington International School
9 Safa Community School
10 Repton School

Source: Carfax Education



A city to truly live in: sustainability and quality of life are drawing people to Dubai

Liam Bailey
Global Head of Research
liam.bailey@knightfrank.com
+44 20 7861 5133

Arguably, no city has seen such a rapid transformation as Dubai. The speed of growth and expansion in the built environment has brought challenges; property market cycles are certainly more volatile than in other more established cities. However, every cycle helps create a more mature investment environment.

The opportunities arising from this growth are immense. The task of accommodating a 76% population growth over a decade opens huge investment prospects across residential, industrial, retail, offices and leisure.

The focus on growth has been shifting towards a focus on quality of life. This trend opens up a significant opportunity.

Looking at recent developments, for example at the Dubai International Financial Centre, a focus on walkable neighbourhoods with integrated local retail and restaurant space is creating more sustainable urban patterns.

These initiatives are increasingly allowing residents and visitors to explore the city and enjoy its unique environment without a reliance on cars. It is these developments, along with the investments in public transport, which will propel the next phase of demand by widening the appeal of the city to new residents.

The opportunity is for Dubai not just to provide a model for sustainable development within the Middle East, but also further afield. Experimentation with driverless vehicles and new forms of transport means that Dubai is increasingly being seen as a world leader in urban innovation.

The impact of these investments is already being felt, a fact confirmed by the city's strong showing in The Mercer Quality of Living Survey, the Economist Intelligence Unit's Global Liveability Ranking and *Lonely Planet's* eponymous cool neighbourhood listing.

The fact that quality of life scores keep rising, alongside stellar population growth, points to the fact that Dubai has got many things right – few cities could manage both at the same time. Keeping both on track is the key to Dubai's future success.

The Dubai Edition

COMMISSIONED BY
INVESTMENT CORPORATION
OF DUBAI

WRITTEN BY
KNIGHT FRANK RESEARCH

DESIGNED BY
SHOW MEDIA
show.london

Definitions

UHNWI
We use UHNWI as an abbreviation for ultra-high-net-worth individual – someone with a net worth of over US\$30m, excluding their primary residence.

PRIME PROPERTY
The most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias in terms of buyer profile.

Unless stated, all references to dollars or \$ refer to US dollars

Knight Frank
GLOBAL HEAD
OF RESEARCH
LIAM BAILEY

SENIOR ANALYST
UAE
TAIMUR KHAN

HEAD OF MIDDLE
EAST RESIDENTIAL
MARIA MORRIS

Show Media
ART DIRECTOR
JULIA ALLEN

DESIGNERS
LINDA ELANDER
INDIA SCRIMGEOUR

PICTURE EDITORS
LEO GODDARD
NIKKI McCLARRON

CHIEF COPY EDITOR
HOLLY QUAYLE

COPY EDITORS
POLLY DENNISON
LUCY FRITH
CERI THOMAS

PROJECT MANAGER
GEMMA LATHAM

Portrait photography
PAUL MACLEOD

Illustration
ANDREA MANZATI
ELEN WINATA

Residential Property Enquiries

MATTHEW COOKE
ASSOCIATE PARTNER
+971 50 6138 350
matthew.cooke@me.knightfrank.com

Disclaimer

The Dubai Edition (The Wealth Report, © Knight Frank LLP 2018) is produced for general interest only; it is not definitive and is not intended to give advice. It must not be relied upon in any way. Although we believe that high standards have been used in the preparation of the information, analysis and views presented in *The Dubai Edition*, no responsibility or liability whatsoever can be accepted by Knight Frank for the contents. We make no express or implied warranty or guarantee of the accuracy of any of the contents. As far as applicable laws allow, we do not accept responsibility for errors, inaccuracies or omissions, nor for loss or damage that may result directly or indirectly from reliance on or use of its contents. *The Dubai Edition* does not necessarily reflect the view of Knight Frank in any respect. Information may have been provided by others without verification. Readers should not take or omit to take any action as a result of information in *The Dubai Edition*.

Reproduction of this report in whole or in part is not permitted without the prior written approval of Knight Frank LLP. In preparing *The Dubai Edition*, Knight Frank does not imply or establish any client, advisory, financial or professional relationship. Through *The Dubai*

Edition, neither Knight Frank nor any other person is providing advisory, financial or other services. In particular, Knight Frank LLP is not authorised by the Financial Services Authority to undertake regulated activities (other than limited insurance intermediation activity in connection with property management).

Knight Frank LLP also trades as Knight Frank. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London W1U 8AN, where you may look at a list of members' names.

The Dubai Edition is compiled from information contributed by various sources, including Knight Frank LLP, its direct UK subsidiaries and a network of separate and independent overseas entities or practices offering property services. Together, these are generally known as 'the Knight Frank global network'. Each entity or practice in the Knight Frank global network is a distinct and separate legal entity. Its ownership and management is distinct from that of any other entity or practice, whether operating under the name Knight Frank or otherwise.

In any event, no entity or practice operating under the name Knight Frank (including Knight Frank LLP) is liable for the acts or omissions of any other entity or practice. Nor does it act as an agent for or have any authority (whether actual, apparent, implied or otherwise) to represent, bind or oblige in any way any other entity or practice that operates under the name Knight Frank (including Knight Frank LLP). Where applicable, references to Knight Frank include the Knight Frank global network.

