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Robin Lohmann, managing director, ACI

ALTERNATIVE CAPITAL INVEST THE MAKING OF AN INVESTMENT LEGEND

BY SANTHOSH SHYAMSUNDAR

ONE LOOK at the brand ambassadors of Alternative Capital Invest reveals the passion and high standards being put into every project they undertake. First is a Formula One legend, who survived a horrific crash – and went on to win the World Championship; the second won the Formula One World Championship a record seven times, taking Ferrari to new heights; the third, won the Wimbledon Championship as a 17-year-old wunderkind. They are Niki Lauda, Michael Schumacher and Boris Becker

One thing common about the three ACI brand ambassadors, who in their time had the world at their feet, is the high level of excellence they brought into their sport. Lauda, Becker and Schumacher are true symbols of determination and dedication, which endeared to millions of fans across the globe. ACI, by bringing these legends to Dubai, is setting itself a challenge – of creating an investment legend.

“Dubai enjoys a global reputation as an economic hub and is an excellent location for investment.”

Alternative Capital Invest (ACI) Group is one of Germany's leading providers of investment solutions, mainly in the fields of asset management, structured finance, risk management and real estate. Given the monumental economic boom and exponential growth in the Middle East markets, Alternative Capital Invest started operations in Dubai, in 2004. In the space of three years, ACI has established itself as a real estate investment firm with a solid following of investors both locally and internationally.

ACI was founded as a family entity in Germany and the success of the group

has evolved through generations. The father and son team of Uwe Lohmann and Robin Lohmann have already injected an impressive investment of more than one billion Dirhams into the property projects in Dubai, in areas such as Jumeirah Lakes Towers, Business Bay and City of Arabia.

Robin Lohmann, managing director of ACI, has enormous experience in the capital market, having previously worked in investment banking with Merrill Lynch, Goldman Sachs and JP Morgan. Lohmann

visited Dubai in 2004 to find out more about the opportunities DIFC (Dubai International Financial Center) had to offer; the idea then was to get into wealth management in the region. It didn't take long for Lohmann to realise that the big and best investment opportunities in the region is in the property sector. ACI was soon into the business of investing in properties and real estate projects. ACI's thousands of elite investors in Europe know it too well that Robin Lohmann is a very astute businessman they can trust their money with.



Niki Lauda

Victory Bay
Location: Business Bay



BUSINESS BAY PROJECT

Business Bay is a central business district under construction in Downtown Dubai, United Arab Emirates. It is also adjacent to the iconic Burj Dubai, the tallest building in the world, which is still gaining height. The project features numerous skyscrapers located in an area where the Dubai Creek has been dredged and extended. The Business Bay is estimated to have more than 230 buildings, attracting commercial and residential developments. Business Bay, developed by Dubai Properties, extends from Ras Al Khor to Sheikh Zayed Road. On the Creek side, Business Bay is adjacent to the Dubai Festival Centre, and not too far away from the Dubai International Airport.

VICTORY BAY

Victory Bay is a state-of-the-art, 20-storey, x-shaped freehold office tower that creates unique office layouts with maximum efficiency. Offering 75,702 sq. metres of floor space, Victory Bay provides tenants an extensive range of services and facilities, to ensure that business runs smoothly and is an enjoyable experience.

The Tower's blue structural glazing that encases the floor to ceiling glass façade ensures the building offers an abundance of natural light across all office space, and magnificent views of Business Bay and as far as the Arabian Gulf.

Q SAMI TOWER

'Q' Sami Tower provides the best working environment where modernity meets elegance. To keep one's business moving with the time, the tower features state of the art VOIP technology, wireless internet technology as well as intelligent fully intergraded management systems.

The 'Q' Sami Tower offers a successful lifestyle equipped with every amenity needed to make business a real pleasure. Top range recreational facilities at the 'Q' Sami Tower, including state of the art leisure facilities and retail shops, provide the end-user with a positive and healthy work environment.

Q Sami Tower
Location: Business Bay



Since their arrival in Dubai, ACI has kept pace with the breakneck speed at which the real estate market has been growing. *INVESTOR'S UAE* caught up with Robin Lohmann to find out more about ACI's fantastic success story.

Lohmann doesn't come across as a regular property developer; he sounds more like an investment banker. "This is a good place to make money," says Lohmann, with the assuredness of an international banker who knows his game. Dubai itself has been the main advantage, "When you compare Dubai with the rest of the international markets, it is a little bit easier to make money here than anywhere else. Moreover, compared to America or Europe there are no taxes here."

Robin Lohmann credits his dad for teaching him the most valuable lesson: "Location means everything in the real

Asset Management
will be a big issue
in the near future in
Dubai and the region.

estate business.' In this case, Dubai has proven to be the magic location, where ACI hit gold. "Dubai enjoys a global reputation as an economic hub and is an excellent location for investment. As the development of Dubai continues building on its ruler's promises and further foreign direct investment fuels that growth, the city and its offerings becomes more and more attractive."

Over the last three years their business in Dubai has grown exponentially, Lohmann confirms to us that the success has been astounding, "This year we did a turnover of over three billion Dirhams. Markets are rising, the prices are raising... end of the day investors get to make good money. No developer would develop if he is not making money out of it."

Lohmann doesn't believe the real estate boom in Dubai is going to last for a

very long time. "The property market right now is quite stable, but I don't believe it can remain stable for another five years. You cannot compare Dubai with London, New York or Frankfurt; I believe Singapore is quite comparable when concerning the taxes, size etc.... If you look at the market appreciation between Dubai and Singapore, the real estate price in Singapore is double of Dubai."

As a company strategy, ACI have been developing projects solely in master developments. Lohmann explains the strategy, "Master developments do not only create unique and sophisticated environments from start to end but also create trust and support for developers such as us and our clientele. In most of these master developments, improving the surroundings by individual developers is usually limited. Some developers exhibit their support to the surrounding by going for extreme structures, landscaping, or decoration. Staying true to our German roots, we have adopted a more conservative approach to the area-development."

"Being simple and efficient are our goals. In order to do so we look into ways for energy conservation, maximisation of common area usage, and investigating and familiarising with environment-friendly construction techniques. We believe area-development in the long term is a much significant way of taking part in the bright future of Dubai."

ACI believes developments shall not only be restricted to business, special importance is given to area-development in all their projects. "For our first project Jumeirah lakes tower was a well thought out plan. When we chose JLT, there was a huge demand for residential units, and we could have chosen a project in either Dubai Marina or JLT."

ACI visualised a potential demand for mixed-use developments (commercial and residential), which are available in JLT and not in Dubai Marina, Lohmann thinks that is one reason Dubai Star is doing so well in the market. He

adds, "JLT as a development is well thought out in the sense that all of the buildings will be ready at the same time as mandated by the master developer DMCCA, rather than coming on line at different times and forcing some people to live in a construction site."

In every property business decision ACI makes, the importance of location is never lost, Lohmann explains, "Our other three projects are in Business Bay. We chose a location next to

“People who have invested in the stock market and burnt their fingers went back to the property market.”

Sheikh Zayed Road because Business Bay is such a huge development with 270 or 280 buildings in the entire development." He adds, "Our location next to a main artery is invaluable as access to the building will be easier."

ACI is thinking ahead and preparing

of the challenges Dubai could face in the future, "Wings of Arabia project's energy conservation via glass covered top structure Dubai Star Tower's large common areas for the community to share, and our Q-Sami Tower's anticipated eco-concrete structure will be great examples for the future life in Dubai."

Lohmann has worked in the capital markets of New York, London and Frankfurt. Given his background as an investment banker and a businessman, he understands the need for combining retail and residential space. "Time spent between work and home creates lack of efficiency and precious personal time spent during transportation. Encouraging investors and especially end-users to own their residences and commercial units within the same building gives a great opportunity to create more efficiency at work and more free-time at home."

But, then, Lohmann is not too enthused with the idea of having recreational facilities in business towers – a feature too common in Dubai. He says, in his experience of travelling and



Michael Schumacher

working around the world, he hasn't seen it anywhere other than in Dubai. "I don't want to have an office space where people start to think... what do I do first – swimming, going to the health club or sunbathing? Work should always come first," says Lohmann, revealing that world-renowned German value of discipline.

Having said that, Lohmann understands the extreme importance for ACI to respect and embrace the local culture while planning its developments, especially in the residential properties. "We have put it as a priority to satisfy the needs of Islamic life style. Therefore in all of our health clubs we separate the

male and female gymnasiums, pools, and other recreational facilities. This is our way of showing our respect to our clients as well as to our surroundings."

It becomes too obvious where Lohmann's expertise is as he starts talking about investments and doing business in Dubai. "I welcome the government's move to implement the Escrow law. Personally, I would like to see the law to be simplified a little. Europe is an over-regulated, over-controlled market, which is blocking development in some ways. From our experiences in Europe, even so in Germany, it is very clear that too much of regulations

are not good for business." He is of the view that it is essential and critical that Dubai lives up to the promise of business-friendly environment to foreign investors, to achieve the state's long-term goals and dreams.

Lohmann also believes there is a lot to be done in Dubai to sustain the economic miracle, "Asset Management will be a big issue in the near future in Dubai and the region. Over here people are happy when the stocks go up; and when it goes down they are in a fix - because they don't have an exit to stop the loss."

He follows it up with words of wisdom of an investment banker who has studied the global financial markets in fine detail, "If I make an investment in stocks and if it is going in the wrong direction, I have to make it right. If the investment is going in the right direction, I need to mix it. If you don't realise the profit and if you get greedy - you will end up with a loss."

Lohmann spells out his case for good asset managers to move in to Dubai, "At the end of the day, the stock market is just paper. And what you have as an account balance today may not be there tomorrow as long as you don't close your position. This stock market, in the period between 2004 and 2007 has behaved like crazy, going up and down - and sadly going down more."

The yo-yo stock market has been a blessing in disguise to the property market in Dubai, Lohmann confirms, "People who have invested in the stock market and burnt their fingers went back to the property market. Even if you are not able to make 300 per cent profit, the property market has remained steady and grown in one direction, which is upwards."

A glowing example of Lohmann's vision for his company can be seen in the signing of ace Formula One legend, Niki Lauda, as a brand ambassador. For a company that thinks it will be a patron of sustainability, its investors can rest assured that ACI is on the right track.



Boris Becker