



Alpha1Estates: Makkah-Madinah Real Estate Index near doubles in 2013

January 4, 2014 / 3 Rabi'ul Awwal 1435: Global real estate advisory firm Alpha1Estates International said on January 4, 2014, and in the new Islamic year of 1435, that its real estate index for Makkah and Madinah nearly doubled in 2013, reflecting the current boom in the Holy Cities for developers and their investors.

The Ihsan al-Haramain Index, the first index to solely track Saudi-listed companies involved in real estate development in Makkah and Madinah, shows the double-digit growth in stock prices real estate developers in the Holy Cities.

‘The Ihsan al-Haramain Index jumped by 47 percent this year, near doubling its 26 percent performance in 2012, slightly out-performing by 4 percent the TASI average of all stocks of the Tadawul (Saudi Stock Exchange) Real Estate Development Index,’ said Mr Malik al-Alawi, Chairman of Alpha1Estates International.

‘Makkah real estate stocks jumped by 48 percent, similar to Madinah at 46 percent – but there was both a Makkah-focused and a Madinah focused real estate stock this year which saw a jump of nearly 60 percent, giving a clear message about the sector.’

Despite current gains, Alpha1Estates has proposed five critical pieces of legislation that focus on globalising the sector to non-Saudi Muslims, which will lead to greater investments, prosperity and quality of life in the Holy Cities.

Real estate investment in Makkah and Madinah accounts for 40% of total real estate investments in the Kingdom, standing at over \$120 billion over the next decade.

Alpha1Estates International launched in 2006 to become the world's first company to market Saudi Arabian property globally and also the first company to market property in both Makkah and Madinah. In subsequent years, it has launched the world's first bespoke real estate consultancy programme and joint-investment fund focused on the Holy Cities.

On 17 April 2013, in the Holy City of Madinah, Mr Malik, Chairman of Alpha1Estates, addressed a group of international political and business leaders on the topic of corporate governance at the 7th World Islamic Economic Forum (WIFE) Roundtable, held under the patronage of HRH Prince Faisal bin Salman, Governor of Madinah, organised with the Madinah Institute of Leadership and Entrepreneurship (MILE) and supported by Knowledge Economic City (KEC).

From 25-26 November 2013, the management of Alpha1Estates attended the Global Islamic Economy Summit 2013 in Dubai, held under the patronage of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

On 5 December, and in his first ever interview as the Chairman of Alpha1Corp, parent company for Alpha1Estates, Mr Malik gave an interview to Xinhua, China’s official state

news agency, about politics, economics and society in the modern Middle East.
http://news.xinhuanet.com/english/africa/2013-12/05/c_132941915.htm

The political leadership of both Emirates of Makkah and Madinah changed this year. The Custodian of the Two Holy Mosques, HRH King Abdullah bin Abdulaziz Al-Saud, in January 2013 appointed HRH Prince Faisal bin Salman as the Governor of Madinah, succeeding HRH Prince Abdulaziz bin Majid. The management of Alpha1Estates met with HRH Prince Abdulaziz bin Majid at the Governor's Place in Madinah in June 2008. In December 2013, HRH King Abdullah appointed HRH Prince Mishaal bin Abdullah as the Governor of Makkah, succeeding HRH Prince Khaled Al-Faisal who became Saudi Arabia's new Education Minister. The management of Alpha1Estates worked with the Office of HRH Prince Khaled Al-Faisal from 2010-2012 for the Jeddah Economic Forum.

Both the Holy Mosques in Makkah and Madinah are currently undergoing expansion, with the surrounding infrastructure also being developed. The need for hotels in both Holy Cities is critical. Madinah, designated as the Islamic Cultural Capital 2013, requires 500 new hotels over the next five years to fulfill the expected 1 million visitors per month expected upon the completion of the expansion work. Madinah has nine x 5-Star hotels, 11 x 4-Star hotels and 44 x 3-Star hotels out of 60 hotels. Makkah, in contrast, has 13 x 5-Star hotels, eight x 4-Star, 62 x 3-Star and 64 x 2-Star hotels out of 147 hotels.

Land prices in the Holy Cities are the most expensive in the world, ranging from between 500,000-1.5 million Saudi Riyals (USD \$133,000 to \$400,000) in 2012 in Makkah to possibly hit 2 million Saudi Riyals (USD \$533,240) in 2013, whilst in Madinah's central area, The price of a square meter in the Central Area has reached 270,000 Saudi Riyals (USD \$72,000).

In 2013, over 11 million Muslim pilgrims from 140 countries visited the Holy Cities annually for Hajj and Umrah, contributing over 60 billion Saudi riyals (\$16 billion), the second-most lucrative source of the Kingdom's revenue after oil.

Expatriates form 40 percent of the Makkah's population, and the Holy City currently accounts for 11 percent of the Kingdom's GDP.

ABOUT ALPHA1ESTATES INTERNATIONAL

Alpha1Estates International is a global real estate advisory firm headquartered in the United Kingdom. It primarily focuses on emerging real estate markets. The company has advised on some of the Middle East's most prestigious real estate projects, working with the largest developers. Please visit www.alpha1estates.com

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