

ONWARDS TO Oman

The hidden beauty of the Sultanate is finally getting the attention it deserves. Investors should pay attention, says **Ashley Armstrong**

If you think of property opportunities in the Middle East, the chances are you probably think of the crane-speckled cityscapes of Dubai and Abu Dhabi. However, hot on the heels of the Emirates headline grabbers, the Sultanate of Oman is rapidly developing its own reputation as one of the most exciting markets to attract investors and luxury seekers. Termed 'the pearl of the Middle East,' Oman was traditionally a trading point between Persia, India and Africa, until the discovery of oil in 1967 sparked soaring wealth in the country's economy.

A massive surge in property developments in the country has occurred since 2006, when Oman's ruler, Sultan Qaboos, issued a Royal Decree allowing non-Omanis to buy freehold property and receive Omani visas. This came as part of an ongoing campaign to generate investment in areas other than oil, as the government sought to reduce its economic reliance on a resource expected to run out in 17 years.

"The rise in the importance of Oman as a centre for business and tourism has led to the increased development of both commercial and residential property," says Ian Trinder of property company Hamptons International. "The Royal Decree of February 2006 allowing freehold ownership of properties for all nationalities in tourism designated areas, this has provid-

ed excellent opportunities for investment."

Since the Decree a series of large development projects have gone into construction, boosting Oman's international profile and attracting substantial foreign investment. The country has copied its neighbours' mania for developing self-contained metropolises built from the ground-up, with every aspect of lifestyle planned for and in place, catering for an individual's every need - this is luxury living, Gulfstyle.

NEW TARGET

The Royal Decree meant that Integrated Tourism Complexes (ITCs) could be built along the country's picturesque coastal strips, giving most properties stunning ocean views. For instance, The Wave development in Oman's capital city, Muscat, will have a 300-berth marina, a golf course designed by legendary player Greg Norman, four luxury hotels and 4,000 properties priced from €230,000 (£182,000).

Deputy CEO of The Wave, Wael Lawati, says that developers had held back on such leisure developments before the Royal Decree opened the property process up internationally.

"Were these projects launched without freehold we'd have had to rely on a small pool of Omani or GCC nationalities in buying property. Freehold basically means the

Far left: the planned Malkai development in barka. Above: Muscat.

Picture: REX

NEED TO KNOW | OMAN

Oman, which is four hours ahead of the UK, is situated at the toe of the Arabian peninsula, bordered by the United Arab Emirates to the Northwest, Saudi Arabia to the West and Yemen to the South. Flight time from London to Oman's capital Muscat is about 7 hours. The national carrier is Oman Air. Gulf Air, Emirates, Indian Airlines, Air India, British Airways, Lufthansa, KLM and Swiss Air are some of the major airlines that

serve the country. Despite having a substantially larger landmass than the UK, Oman is predominantly a desert country and has a population of just 3m people, living mostly in towns clustered around the mountain ranges in the north and the southeast.

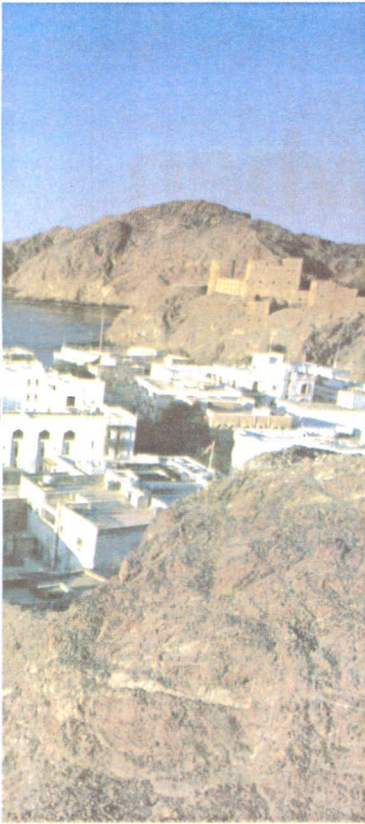
Oman's climate is consistently hot and dry, particularly in the scorching barren interior where summer temperatures can soar to 130°F (54°C). On

the coast, humidity can be high during the summer months. Milder temperatures and a more temperate climate are found in the southern Dhofar region, which experiences heavy monsoon rains between June and September each year. Muscat has an average rainfall of 10cm per year, while temperatures are known to exceed 50°C. Unlike near neighbours Saudi Arabia and Abu Dhabi, Oman's energy

reserves are now beginning to run dry from their peak in the 1970s, and oil in Oman is expected to run out within the next 20 years. Efforts are now underway to diversify the economy into agriculture, tourism and manufacturing.

Oman is ruled by the long-serving sultan, Qaboos Bin Said Al-Said, who ascended the throne in 1970, when he overthrew his father's regime. Under his governance, the country's educa-

tion system expanded from a mere three schools in 1970, to more than 1000 state schools today. The traditional Gulf lifestyle is more closely followed in Oman than its more glamorous neighbours in the UAE. Less conservative than Saudi Arabia, women wear brightly coloured dresses called abayas while men wear long dishdashas and the Khanjar, Oman's famously curved knife, on public holidays.



world is our oyster: we can sell property to people of any nationality around the world. It means that we can now target people who have traditionally not looked at Oman as a residential destination, primarily because it was not an option."

GREAT VALUE

For prospective buyers, the figures for properties at The Wave back up Oman's claims to being an investment hot spot: in March 2006 a three bed villa there cost £240,000, and by March this year had risen to £470,000. According to Alex Upson of investment estate agents Cluttons, a continuing rise of 10 to 20 per cent over the next 12 months is likely.

While prices are rising quickly, Oman is still great value compared to its neighbours: whereas a square foot of property space in Dubai goes for roughly £200, in Oman it will cost only £114.

Oman's largest development, the Al Madina a'Zarqa, is known as The Blue City. Covering 32 sq km, this €1.2bn (£950m) project is intended to become a fully integrated city aimed at permanent residents and businesses. Five thousand properties are planned with prices from

The Sultan of Oman issued a royal decree in 2006 that opened up the property market.

Picture: REUTERS

about €240,000 (£190,000) for a one bed apartment.

Oman's taste for luxury has really exceeded itself with the planned development in Barka, the Malkai. Essentially, the Malkai will be a live-in country club for those who wish to have a ready-made community lifestyle, packaged alongside the most high-end comforts. A two-bed villa in The Malkai will come completely furnished with landscaped gardens and private pool, costing around £1.5m.

FIRST SLICE OF LUXURY

"It's a lot like living in a giant hotel, but the property belongs to you, complete with the advantage of enjoying an immaculate level of service, with bespoke furnishings individual to your villa," says Alex Upson of Cluttons. Owners placing such properties in the GHM rental market can expect a projected ten per cent profit and still enjoy the property 60 days a year.

Oman has also overtaken its neighbours in terms of ecological and environmental concerns. Planning permission for new developments must undergo rigorous checks and the Sultanate of Oman implements national legislation to ensure development proceeds in accordance with the

The advantages of choosing Oman also lie in the country's beauty, which includes 1,700km of unspoilt white sand along the Indian Ocean

principles of sustainability. Unlike Dubai and Abu Dhabi, where the competition is on for buildings to be as high and as grand as possible, Omani developments tend to be low-rise white buildings, in keeping with the heritage and culture of the country.

Oman's first slice of luxury developments are scheduled to start coming to completion in 2010. As with luxury developments elsewhere in the world, units in Oman's new

mega-resorts are being released in phases, including off-plan opportunities.

And for those looking to live there, life should be pretty good too. It's been to the Oman's advantage that, due to its oil concerns, a thriving expatriate community existed before the 2006 decree, allowing a social culture to develop along with an effective infrastructure to support it. Tim Murphy, managing director of IP Global Ltd, which specialises in emerging property markets, believes Oman has the potential to make a better lifestyle prospect than its more established neighbours.

CONSIDERED APPROACH

"Because Dubai has grown so quickly they haven't had time to develop any sort of real expat culture over there, whereas in Oman they've been there forever. At the moment it's a small market, but I think if you're looking to relocate yourself to the Middle East, Oman is a good option.

"It's got the beaches, the marina, it's small but it's got a little bit more charm to it than anywhere else."

The advantages of choosing the "sleeping giant" also lie in the country's scenic beauty. Despite the rest of the Emirates resembling a dustbowl, Oman benefits from 1,700km of unspoilt white sand along the Indian Ocean. The Indian Ocean's temperature is slightly cooler than the Gulf, hosting bountiful sea life, coral reefs and regular dolphin sightings, making it a popular diving spot. The Western Hajar mountains also provide a dramatic backdrop for Omani development, while Salalah, lying in Oman's southern Dhofur region, known for its stunning sea views, jagged cliffs and mountains, and its Frankincense trail is protected as a World Heritage Site.

With its more considered architectural approach, beautiful coastlines and scenery and gleaming investment prospects, Oman is perhaps the connoisseur's choice for those looking to make the most of the booming property markets in the Gulf states.

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