



# Oman market hots up

**Cathy Hawker reports from Oman,  
the latest Middle East market to  
attract property investors**

**T**he little known Sultanate of Oman is the hottest story in the Middle East this year, according to overseas property agents. This large country on the south-east peninsula of the Arabian Gulf has been quietly building up quite a fan base of upmarket European and Asian travellers.

Oman may lack the razzle-dazzle of its near neighbour Dubai, but for many visitors that is one of its main advantages. Now developers are about to unleash a range of properties for overseas buyers in a country that saw price rises of 35 per cent last year.

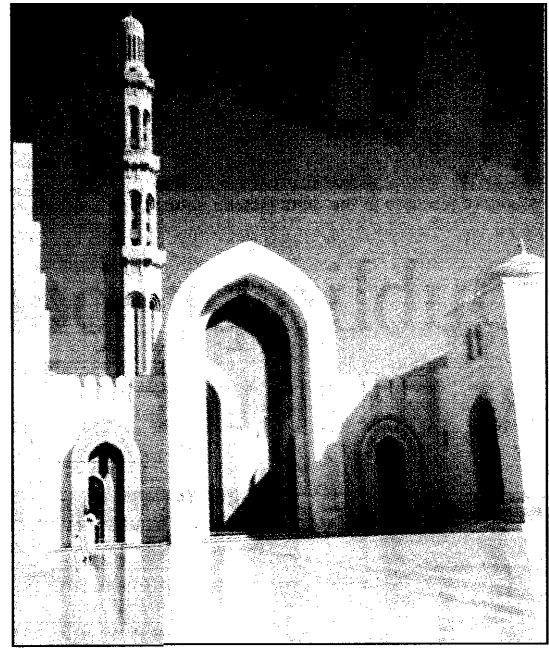
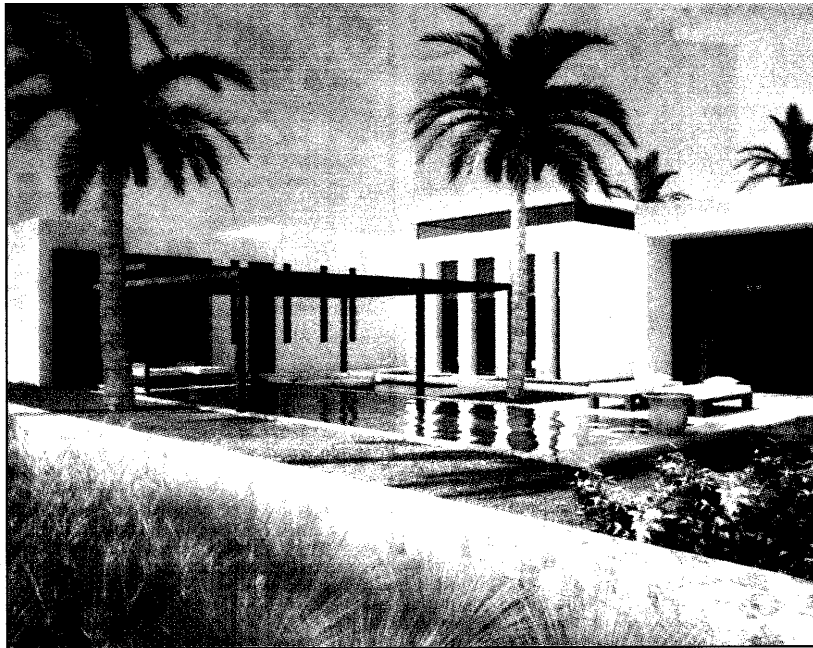
Historically, Oman was an important trading post between Asia and Africa but it was little more than a poor backwater on the modern world stage until oil was discovered in 1967. The present ruler, Sultan Qaboos, came to the throne in 1970 and has spent his new wealth creating a national health service, building schools and roads, and vastly improving the lives of his

subjects. Oman's fortunes have improved rapidly over the past 35 years and it has become one of the more progressive Middle East countries where westerners are warmly welcomed.

Oman was also the first country in the Arabian Gulf to offer freehold property to foreign buyers within clearly defined "touristic developments".

In 2006, aware that his oil reserves had only another 17 years to run, Qaboos introduced Integrated Tourism Complexes (ITC), sites of at least 50 acres where non-Omanis can buy freehold property and receive Omani residency visas for themselves and their extended family. With no personal tax in Oman, this is an attractive prospect for many nationalities.

There are six substantial ITC projects underway at present. The largest is Al Madina a'Zarqa, known as the Blue City. Covering 32 square kilometres of a site north-west of the international airport at Muscat, this €1.2 billion project is intended to become a fully-



The Malkai development is on a 200-acre site near Barka, 45 minutes from Muscat. Right: Oman is steeped in culture and tradition

integrated city aimed at permanent residents and businesses. Five thousand properties are planned with prices from about €240,000 for a one-bed apartment.

Most ITC projects are based around golf courses or marinas with hotels, spas and a range of property. The Wave, one of the first to launch in 2006 and for sale through Hamptons, will have a 300-berth marina, a golf course, four hotels and 4,000 properties priced from €230,000.

"Oman hasn't had great exposure yet so we feel the investment potential of the early ITC projects are good," said Ian Gladwin of Cluttons, which has had an office in Oman for 20 years. "We have seen this already where investors have realised profits of between 23 and 100 per cent since 2006. The interest in Oman is huge."

Cluttons is selling one of the newest ITC projects to launch, The Malkai. It's also one of the smallest, with 101 four-bedroom villas and 92 two-bedroom suites based on a 200-acre

site near Barka, 45 minutes from Muscat.

At the centre of the project is a 41-room hotel operated by GHM, the company responsible for successful hotels including the Setai in South Beach in Miami and the Datai in Malaysia – so expect a strong Asian design theme with carefully landscaped gardens and top-drawer service when the project opens in 2010.

"Omanis have large plots and gardens and that's what I wanted to create here," said Pankaj Khimji, developer of the Malkai. "Oman represents value for the Middle East and the Malkai will be a first here – a contemporary take on a country club."

Five years ago, Khimji brought the Chedi to Oman, a beautiful five-star hotel that has strong occupancy levels of 80 per cent and a loyal and classy clientele. Facilities at the Malkai will be even more comprehensive, including a nine-hole "desert oasis" golf course designed by Gary Player, a large spa,

beach club and children's club.

The design aims to combine Omani style with Asian influences including asymmetric walls, full height windows and clean, square lines. Custom-made furnishings are all included in the sale price.

These are large, luxurious villas with 500 square metres of internal space and plots of 2,000 square metres. The pools will be 15 metres square and the grounds will be landscaped with ponds. Prices of phase one villas start at \$3.6 million, about €2.25 million at current exchange rates. The two-bedroom suites due to be released in phase two are priced at \$1.3 million to \$1.8 million (€812,000 to €1.1 million).

"The profile of buyers and visitors to Oman generally is high-end," said Gladwin. "Guests at five-star hotels and spas today seem to look for remote and beautiful locations and that suits Oman very well. The image of Oman is key, and the sultan's plans to contain development in the ITC projects mean

he is containing urban sprawl and protecting the local market for the indigenous people."

No residential property is allowed to be over three storeys high and the sultan has made clear that, while Dubai might have expanded vertically, Oman has the space and the intention to expand horizontally.

With price rises last year of about 35 per cent, the signs are positive but the Omani property market is untested. No one has moved in to an ITC project yet – the first properties at the Wave are due to be handed over later this year – and with so many new projects underway, the strains on the country's infrastructure will be intense.

But as a country with a long history – Omani civilisation goes back thousands of years – and with stunning natural geography that ranges from desert dunes to 1,300 kilometres of coastline to 3,000 metre high mountains, Oman looks to have longevity.

**Factfile**

- Stamp duty is 3 per cent in Oman, and there is no personal tax.
- Buyers of ITC projects receive residency visas in Oman for themselves and their family.
- Owners at The Malkai can place their property into the hotel rental pool.
- Oman Air flies six times weekly from London Gatwick to Muscat, while British Airways flies daily from London Heathrow to Muscat via Abu Dhabi. Details at [www.omanair.aero](http://www.omanair.aero) and [www.ba.com](http://www.ba.com).

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