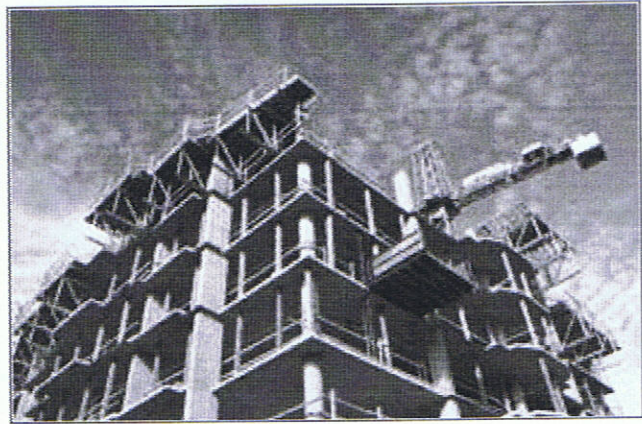


Nakheel pushes forward with property roll out despite stoppage rumours

Dubai master developer Nakheel has announced the upcoming delivery of a number of units as it continues reprioritising projects to deal with the downturn in the emirate's real estate market.



Nakheel last week announced that construction on 1,042 homes in the Manarah District in Badrah, The Waterfront, were 40% complete, with handover expected by the end of the year.

The announcement may have been timed to counter rumours that the Waterfront development had been put on hold due to current financial constraints.

The company announced that much of the major infrastructural work for the first stage of Manarah was nearing completion.

Reportedly, 75% of the networks necessary to provide drinking water and 80% of the sewage and storm drain network are in place.

Two thirds of the telecommunications network is also said to be ready.

The company is also pushing ahead with work on its Al Furjan development, which is to be located between the Discovery Gardens and Jebel Ali Village communities. However, although work on the first phase of the project is underway, the developer has said that sales of the next phases, comprising approximately half of the total 4,000 units, will be put on hold until the market is ready.

Nakheel is also working with the Gulf Lender Network in an effort to aid investors in accessing liquidity and financing their homes.

Site development tour

Last week, Nakheel invited property owners to tour the site of its upcoming developments to see how building work was progressing. A total of 1,910 investors visited the Al Furjan, Jumeirah Village, where 2,200 units are to be delivered this year, Jumeirah Islands and Jumeirah Park (where 900 homes will be handed over in 2009) communities.

The master developer has suffered a number of layoffs due to its exposure to the current financial crisis. Over 500 employees were laid off in Q4 2008. Its management teams across projects are also said to have been merged, with people now working across The Waterfront and the Palm Jebel Ali, and the senior management from the Palm Deira overseeing the World development.

The group has also had to put a number of high profile projects 'on hold' as it struggles to cope with the current lack of liquidity in the market. Foremost among these are the mile-high tower, which the company unveiled amidst great fanfare at Cityscape Dubai in October; the Trump Tower and Hotel, which was to have been the flagship development on the Palm Jumeirah; Nakheel Harbour and Towers; and the Forbidden City project, units in which were still being advertised for sale at the end of Q4 2008.

A report by Landmark Advisory predicted that residential properties in the emirate could see price drops of up to 50% as more units come onto the market, speculators pull out, and investors find it increasingly difficult to access liquidity as banks tighten lending conditions.

See also: