

THE AREC LETTER

Quarterly Newsletter issued by Action Real Estate Company

Issue No. 7— April 2011



Kuwait has celebrated the 50th National Day and the 20th Liberation Day and the 5th Anniversary of His Highness the Amir's assumption to power in February 2011.

AREC staff took an active part in celebrating the festivals throughout the country.



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G.M. Message

Dear All,

I welcome you to this issue of AREC newsletter.

I thank everybody for their contribution and was very happy to see that more materials are being contributed from our sister companies.

I wish you a happy reading, and please send us your comments if you have any.

Moreover, I would like to welcome all the new members to the AREC family.

Thank you & best regards,

Rawaf I. Bourisli, Architect



Operational News for the 1st Quarter of 2011

By: Joe Weberhofer—Operations & Marketing Manager

The Residential segment of our portfolio was the most dynamic of all segments, registering the highest number of new leases, from both area and monetary basis.

The full list of new leases recorded during the 1st Q is as follows:

Property Name	Tenant
Jahra Bldg. Plot 111	Ahmad Abdulrahman Mohammad
Maha Centre	Sorouh Al Sharq Est.
Mahboula Camp 2	KDL for Contracting Co. K.S.C.C.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 2	ASMACS General Trading Co.
Mahboula Camp 1	Mobile Telecom Co. (ZAIN)
Naseem Complex	Dagash Falah Abdullah Alhajraf
Omniya Centre	Luai Abdulrazaq Abdullah Saeb
Omniya Centre	Tahani Khalil Husain Mirza
Omniya Centre	Hasad Al Khaleej GTC Co.
Shayma Tower	Leaders Group for Consulting & Training
Shayma Tower	Jamal Ibrahim Abdullah Alahu
Shayma Tower	Bilal Adel Abdul Jabeen
Shayma Tower	Action Business Center Co.
Shayma Tower	Dareen Khaled Abdulrahmand Almojil
Shayma Tower	Commercial Total Solutions
Shayma Tower	Berthin GTC Co.
Star Mall 13	Nawaf Salem Mohammad Al Ajmi
Waha Mall	Freight Systems Co.
Waha Mall	Fatma Ahmad Mohammad Ahmad
Waha Mall	Unique Word Gen Trad & Cont. Co.
Waha Mall	Nawras Int'l Gen Trad Co.
Waha Mall	Enkay Express Co. for Cargo
WBC - KFTZ	Hard Flash Co.

From a property point of view and type of leases, the 1st Q of 2011 had the following profile:

Property Name	Area (m ²)	Tenant
Mahboula Camp 2	2,758	Residential
Waha Mall	258.19	Retail
WBC - KFTZ	145	Office
Shayma Tower	239.87	Office
Waha Mall	102.47	Retail
Maha Centre	35	Office
Star Mall 13	3932.7	Retail
Mahboula Camp 2	2,644	Residential
Mahboula Camp 2	2,644	Residential
Mahboula Camp 2	2,758	Residential
Mahboula Camp 2	2038.5	Residential
Mahboula Camp 2	2038.5	Residential
Mahboula Camp 1	40	Residential
Shayma Tower	72.58	Office
Shayma Tower	42.1875	Office
Waha Mall	417.12	Office
Shayma Tower	1367	Office
Omniya Centre	70.80	Retail
Omniya Centre	110.20	Retail
Shayma Tower	43.5375	Office
Jahra Bldg. Plot 111	52.52	Residential
Shayma Tower	74.22	Office
Omniya Centre	73.70	Retail
Waha Mall	138.77	Office
Shayma Tower	271	Office
Waha Mall	138.30	Retail
Naseem Complex	12	Retail
Total SQM:	22,518	

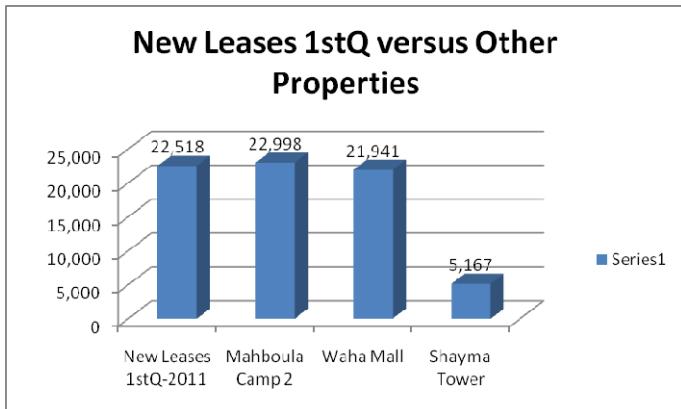
22,518 m² of new leases were recorded during the 1st Quarter of 2011.

Just to have a better understanding of the size of new leases during 1st Q let us do some comparison as follows:

- 22,518 m² of new leases represents 98% of all the leasable area in Mahboula Camp .
- 22,518 m² of new leases represents 102% of all the leasable area in Waha Mall
- 22,518 m² represents 181% of all the leasable area in Waves Business Centre. (almost like leasing two times the size of Waves Business Centre)
- 22,518 m² of new leases represent 435% of all leasable area in Shayma Tower.



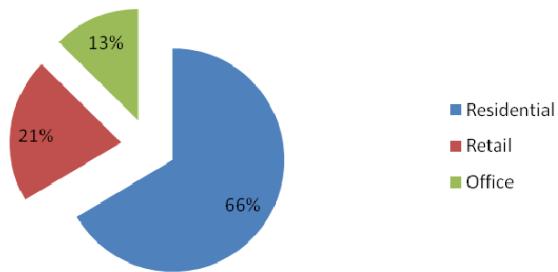
Mahboula Buildings (2)



From the point of view of lease purpose or type, the profile for the 1st Q of 2011 was as follows:

Star Mall 13

New Leases (1st Quarter-2011)



The Residential Sector alone represented 66% of all new leases, 21% went to the retail sector and 13% to the of-



Shayma Tower

From a property wise, Mahboula Camp 2 was the most prolific standing at 66% followed by Star Mall 13 and Shayma Tower with 17.46% and 9.37% of new leases respectively.



Regus Business Centre project Shayma Tower, Kuwait City

Action Real Estate jointly with Byblos Business Centre Holdings SAL is forming a joint venture for the set-up, ownership and operation of a corporate business centre to be managed by Regus in Kuwait City.

Action Group Holdings (K.S.C.C.) ("AGH") is a leading privately owned Kuwait based holding company established in 1998. Under the leadership of His Excellency Sheikh Mubarak A. M. Al Sabah, the group invests actively in the local and MENA regional capital markets based on the underlying belief in the long term potential these economies can offer. With financial interests in both private and public companies, the Group also invests significantly in alternative assets such as real estate and private equity, (www.actionkuwait.com).

Action Real Estate is one of Kuwait leading Real Estate Companies. AREC stands for Excellence, Innovation and quality and is a strong commitment to the operational strength of the Real Estate industry throughout the GCC region. Since the inception of the company, its focus has been to diversify its portfolio in line with maintaining a healthy pipeline of future developments, (www.actionrealestateco.com).

Project overview

- The proposed project is to set-up, own and operate a corporate business centre, managed and branded by Regus International under the Regus core Brand in Shayma Tower
- A joint venture between Action Real estate (51% of equity capital) & Byblos Business Centre Holdings SAL (49% of equity capital)
- The centre is proposed to be leased by the JV entity and Managed by Regus under the terms of a management agreement entered with Regus Business Centre Trading FZCO on 13 July 2010 for a first unit in the State of Kuwait.

The project is scheduled to be completed and be operational by June 2011. Works started on 7 April 2011

Property location

The proposed Regus Business centre will be located on floors 10-14 of Shayma Tower in Kuwait City. Shayma Tower adopted the latest technologies of smart building with special structured wiring to enable tenants to remotely control or setup an array of automated electronic devices by entering a single command around communications, entertainment, security, convenience, and information systems. Moreover, Shayma Tower translates the

commitment of AREC towards the environment and ecology system via a proper isolation from heat and sound pollution reducing the use of air conditioning moreover the glass structure of the tower helps saving power in lighting.



Recent Site Photos:



Sample Photos of Regus Business Centres



Regus is the WORLD'S LEADING PROVIDER OF FLEXIBLE WORKPLACES

Regus is the world's largest provider of innovative workplace solutions, offering the widest range of products and services that allow individuals and companies to work however, wherever, and whenever they need to.

Regus operates over 1000 business centres across 450 cities in 80 countries. Products and services include fully furnished, equipped and staffed offices, world-class business support services, meeting conference and training facilities and the largest network of public videoconference rooms all serving over 500,000 clients. Regus also supports the growing trend of mobile and home working. Supporting workers at home and on the road, with services such as Virtual Office and Virtual PA providing dedicated business addresses as their business base as well as mail and call handling services.

Companies of all sizes use Regus solutions to reduce costs and remove the burden of property ownership and management and to have a workplace to suit however they want to work. Clients such as Google, GlaxoSmithKline, and Nokia join thousands of growing small and medium businesses that benefit from outsourcing their office and workplace needs to Regus, allowing them to focus on their core business.

- **1000 business center locations, in 350 cities, across 75 countries**
- **15.5 million sq ft of office space under lease**
- **World-renowned, market leading brands**
- **Unrivalled and consistent range of products and services**
- **Secured contracts with more than 100,000 companies**
- **Headquarters in Dallas, Texas and London, UK**
- **Employ more than 4,000 people worldwide**
- **Annual revenues of \$1.4 billion**
- **Market capital of \$2 billion**
- **FTSE 250 listed company (RGU)**

* * * * *



In Horizon...

New Development of Jahra 21 Mall



Jahra 21 project is located in the Old market area in block 21; a very vital commercial area, the mall should be built up over a space of (5) plots, theme of the mall is modern design commercial complex.

The building is composed of three (3) levels, Basement, Ground Floor and First Floor. Each level is designed to be a shopping mall area. The elevation of the building is made of Alucobond cladding with a combination of glass from inside and outside. The parking space of the mall is located in front of the building .

The construction works are scheduled to start in May 2011, and the expected completions date is in May 2012.

The assigned main contractor for Jahra 21 project is AREC's sister company; **Kuwait Dynamics Limited (KDL)**.

KDL is a Kuwaiti Registered Limited Liability Company. Kuwait Dynamics Limited provides its clients with world class support in the following areas:

- **Program Management**
- **Project/Construction Management**
- **Military Forces Support**
- **Support Services**
- **Administrative Services**



Profile of the Issue

For every issue of the newsletter, one of the most interesting profiles will be presented



For this quarter; the profile of this issue is for Mr. Alain Debare, General Manager (Action Hotels Company)

Mr. **Debare** joined Action Hotels in February 2008, bringing with him a strong grounding in hospitality, and sound knowledge of hotel operations. His passion for hospitality began at an early age – in fact, from the age of 15, Alain knew that he would manage a hotel before he was 35. A seemingly unconventional career choice after having grown up with a father who is an Engineer and a mother who is a Doctor; but perhaps it can also be attributed to his youth being spent in Abu Dhabi, surrounded by the construction of some of the world's most beautiful palaces.

Nonetheless, Alain's interest in hospitality was cemented during years of schooling in France, during which he spent a number of summer holidays working in a hotel. Alain ultimately enrolled at the Institut Paul Bocuse in Ecully, France.

Upon his graduation with a degree in International Hotel Management, Alain began his world travels by starting his first international assignment as a Management Trainee at the Mandarin Oriental in Hong Kong. He returned to Paris in 1996 as the Assistant F&B Manager at the Hilton Sufren during the refurbishment of the hotel rooms and dining outlets, where he discovered his passion for Operations and Management.

Alain was soon offered an opportunity to immerse himself in a new and challenging experience by being posted in Venezuela and learning Spanish while working at the Hilton in Caracas. This was closely followed by an opportunity to become Director of Operations for a Hilton hotel that was to open in Sao Paulo, Brazil.

After spending five years in South America, Alain was called back to Paris and tasked with opening the Hilton Arc de Triomphe, one of the flagship hotels of the Hilton chain. Having completed this challenging task, Alain be-

gan a new assignment as General Manager of the Hilton in Barcelona, having accomplished his goal of becoming a hotel General Manager before the age of 35.

Today, in his capacity as General Manager of AHC, Alain focuses on real estate development and oversees hotel projects from initiation to completion, ensuring that the properties are designed and built to meet operations requirements. He also leads the management of relationships with the hotel operators, and is active in asset management.

Alain is fluent in French, English, Spanish and Portuguese; and when not busy with hotels, he enjoys diving and spending time with his family.





Real estate sales at KD 2bn in 2010...Highest since 2008 crisis

Economic Research NBK -February 2011

Real estate activity closes year of recovery with good month in December

Sales overview

The year 2010 ended with the performance of the real estate sector showing a marked improvement over its activity in 2009. Both the number and value of transactions increased by approximately 50% to reach 6768 and KD 2 billion, respectively.

Importantly, except for the month of September, the total number of monthly real estate transactions has been steadily increasing since June to reach 601 in December. While there has been an improvement across the board, the commercial real estate sub-sector has rebounded particularly well. 12 commercial real estate transactions took place in December totaling KD 62 million, which was the second best performance since 2007. This may portend further improvement in a sub-sector that had lagged behind the recovery seen in the residential/apartments sub-sector in early in 2010.

Sales – residential (mostly villas and land)



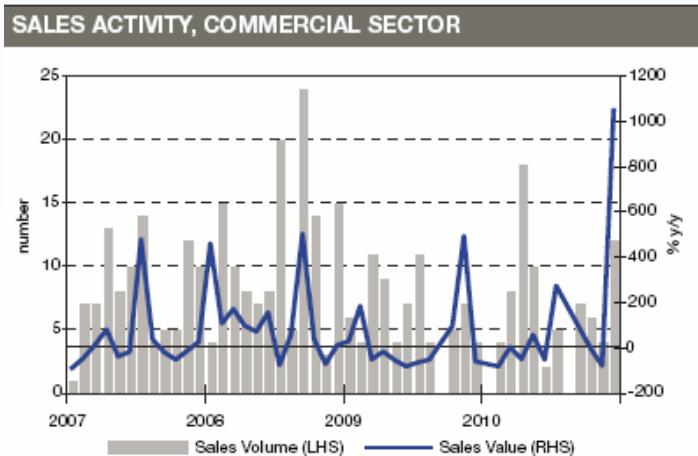
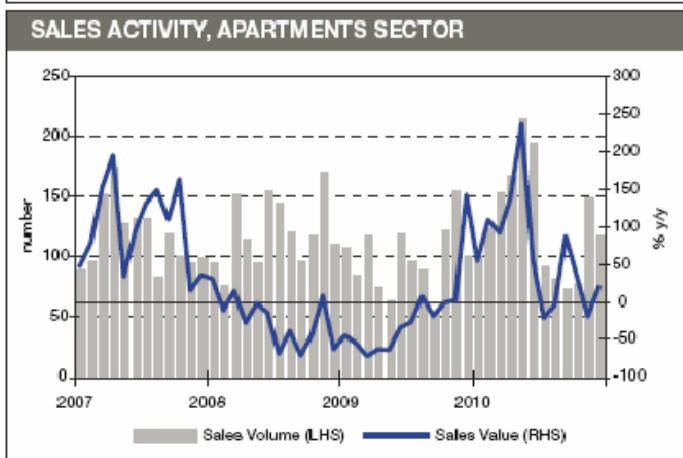
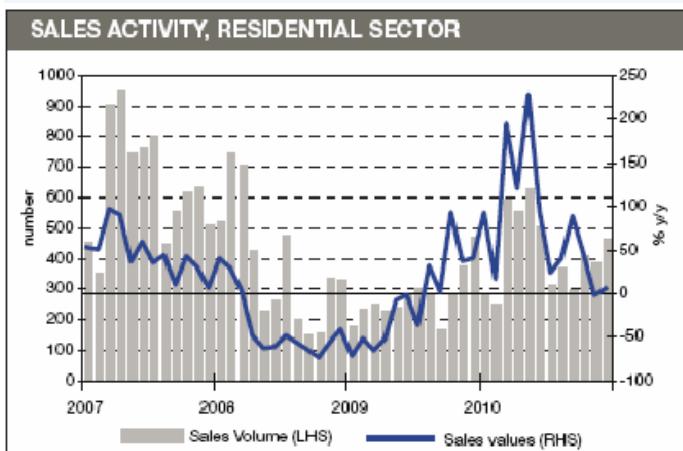
The number of residential units sold in December increased by 21% over the previous month to reach 471. These transactions totaled KD 103 million - also an increase of 21% over November. 2010 ended with both the volume and value of residential real estate sales increasing to a 3-yr high, which would tend to support the notion of an improvement in the fortunes of the real estate sector in 2010.

Sales – investment (mostly apartments)

The number of investment units sold in December executed in one year for at least 10 years, up 30% from 2009. The sector continues to attract interest from investors seeking yield and relative safety.

Sales - commercial

There were twelve sales of commercial property in December. Not only was this an improvement on the four sales registered in the previous month but it was also the largest monthly number recorded since April 2010. These transactions amounted to a combined value of KD 62 million - dwarfing the KD 6 million in commercial real estate receipts



the previous month. With both volumes and values of real estate sales in 2010 increasing to levels just below the highs of 2007-08, the sector may be understood to have rebounded positively from the financial crisis.

Savings and Credit Bank loans

Both the total number and value of SCB loans approved during December showed a slight increase over the previous month. These figures were, however, still down on the same month in 2009. The total number of loans approved stood at 169, down 52% from Dec 2009 levels, and was the second lowest monthly figure in 10 years. An interesting trend developing over the last few years is the increas-

ing share of loans being approved for infrastructure 'additions and renovations', both for private and government use, which has coincided with a noticeable drop in loans for new plot and building development.

The value of loans approved in Dec reached KD 6.4 million, while an improvement over the previous month, was still 30% down on Dec 2009. A dearth of government land made available for distribution and continuing difficulties in securing supplementary bank financing continue to affect the rate of SCB loan approvals - a situation that may improve in 2011 with the government's stated intention to speed up the process of plot allocations.

REAL ESTATE SALES & SCB HOUSING LOANS							
Real Estate Sales	Monthly Avg.		Oct	Nov	Dec	% M/M	% Y/Y
	2008	2009	2010	2010	2010		
Sales Values (mn KD)	156.2	108.7	180.1	143.6	236.4	64.6	44.0
Residential Property	74.8	55.5	89.2	84.9	103.0	21.3	4.6
Apartments	56.7	36.9	51.9	53.1	71.3	34.4	18.3
Commercial	24.7	16.3	39.0	5.7	62.1	993.7	1044.0
Number of Transactions	514	382	496	542	601	10.9	3.3
Residential Property	381	277	412	388	471	21.4	-1.1
Apartments	121	100	78	150	118	-21.3	15.7
Commercial	11	6	6	4	12	200.0	200.0
Average Transaction Size (000 KD)	320.3	281.2	363.1	265.0	393.3	48.4	39.4
Residential Property	203.3	199.3	216.6	218.8	218.6	-0.1	5.7
Apartments	477.2	373.3	665.1	353.7	604.2	70.8	2.3
Commercial	2563.4	2880.6	6503.3	1420.0	5176.7	264.6	281.3
SCB Housing Loans							
SCB Housing Loans	Monthly Avg.		Oct	Nov	Dec	% M/ M	% Y/Y
	2008	2009	2010	2010	2010		
Value of Approved Loans (mn KD)	15.0	13.5	6.9	6.3	6.4	2.0	-30.7
New Construction	10.2	8.0	2.4	1.7	2.0	17.3	-43.6
Purchase of Existing Homes	3.2	3.9	3.2	3.2	3.0	-6.0	-22.4
Additions & Renovations	1.5	1.6	1.3	1.4	1.4	1.5	-23.0
Number of Approved Loans	412	371	205	168	169	0.6	-52.3
New Construction	195	126	42	28	36	28.6	-41.9
Purchase of Existing Homes	89	77	76	72	61	-15.3	-22.8
Additions & Renovations	128	167	87	68	72	5.9	-66.2
Value of Disbursed Loans (mn KD)	12.1	12.8	10.6	8.3	10.2	22.2	-26.9
New Construction	7.0	7.8	5.2	4.1	5.2	29.0	-35.7
Purchase of Existing Homes	3.6	3.3	3.4	2.8	3.2	14.2	-14.2
Additions & Renovations	1.5	1.6	2.0	1.4	1.7	18.6	-15.0

A fool thinks himself to be wise, but a wise man knows himself to be a fool.

Answers

- 'B' (Bee)
- 1, 2, 3
- 11 o'clock
- stairs

William Shakespeare

It is not what we eat but what we digest that makes us strong; not what we gain but what we save that makes us rich; not what we read but what we remember that makes us learned; and not what we profess but what we practice that gives us integrity.

Francis Bacon





MEED Honors Supreme Winners Of 'Quality Awards For Projects' At Gala Ceremony 'Burj Khalifa' Bags Award for 'MEED GCC Project of the Year'

Source: [www.middleastevents.com](http://www.middleeastevents.com)

MEED, the Middle East's premier business intelligence provider, held a gala awards ceremony to recognize top projects across eight different categories at the first MEED Quality Awards for Projects, an independently-judged excellence recognition competition for projects completed in the GCC.

Held on 22 March at the Ritz-Carlton, Dubai International Financial Centre (DIFC), the glittering awards ceremony was attended by key government officials and representatives from leading private sector enterprises in the region.

The gas desulphurization refinery in Bahrain topped the list for the 'Oil and Gas' category whereas Qatar's Mesaieed-A IPP won the 'Power' category. Al Ghubrah-5 in Oman and the GPIC carbon dioxide recovery plant in Bahrain emerged winners in the 'Water Reuse' and 'Sustainable Project' categories respectively. Kuwait National Library was selected for the 'Social Project of the Year' award that was sponsored by AME info.

Projects from the UAE took away the maximum awards with five distinctions.

Burj Khalifa was the undisputed winner in the 'Building Project of the Year' category sponsored by Techno Middle East, while the 'Transport Project of the Year' sponsored by Cadillac was picked up Dubai Metro Red Line.

'Ferrari Experience' won the leisure and tourism category for the UAE. Additionally, the Sheikh Zayed bin Sultan Al Nahyan Mosque in Abu Dhabi received a special award titled the 'MEED Editors Outstanding Achievement for Culture Award', while 'MEED Editors Outstanding Achievement Award for Heritage' went to the 'Revitalization of the Old Souq of Dubai' project.

Edmund O'Sullivan, Chairman, MEED Quality Awards for Projects, said: "The 32 projects that were nominated for the GCC Awards have gone through a rigorous selection process at the national level. Each project was undoubtedly the result of a significant amount of planning and collective effort on behalf of the teams that have created them. The entries demonstrated an immense amount of maturity and each of them answers a specific need within the country where it exists."

"Ascertaining the GCC-wide winners across eight different categories was a difficult decision with projects closely contending for the top spot. To ensure a fair judgment, best practices and bias-free procedures were used while evaluating the first Quality Awards for Projects at the GCC level."

The award is aimed at promoting integrity and best practices across the GCC region in project management besides recognizing outstanding construction, engineering, sustainable development, architecture, construction and economic and social planning. Each of these was a key criterion that the winners had to meet.

The MEED Quality Awards for Projects are supported by the Bahrain Society of Engineers, Kuwait Society of Engineers, Oman Society of Engineers, Qatar Society of Engineers, Saudi Council of Engineers and the Engineers Society (UAE).





IBIS Kuwait Awards Top Corporate Accounts

2010 was a very good year for ibis Salmiya and also a good start for ibis Sharq. This success was largely contributed by the corporate accounts who trusted our products and excellent customer services of our team.

Boosting up this trend, the Management held an event on the 30th of March 2011 where Top 35 corporate accounts of 2010 were recognized and thanked for their business partnership with ibis Kuwait by awarding them with plaques and certificates and treating them to sumptuous dinner buffet at Ibis Sharq Open Restaurant. These companies who have patronized ibis Kuwait generously helped increase our Hotel Rooms Revenue and also increased our F&B sales.



Ibis Hotels Kuwait GM, Mr. Bruno Debray, Hotel Manager, Mr. Nasrat Rassem awarded Top 35 Corporate Accounts with Sales Executive, Dina Zahran.

The occasion started at 7:30pm, Lady guests in this event were welcomed by our Associates with red roses and all attendees were warmly welcomed by the ibis team. Wide array of mouth-watering dinner buffet prepared by the Kitchen Team followed right after the awarding ceremonies.

The event was well attended by press media coming from all daily newspapers and magazines. It was a night of corporate networking, meeting and introducing top execs from different companies, smiling on camera where press photographers were all over the place taking shots. Journalists interviewed both ibis GM, **Mr. Bruno Debray** and the ibis Sharq's Hotel Manager, **Mr. Nasrat Rassem**.

The next day, media publicities were all over the country and it surely created a deeper sense of awareness for the corporate worlds that ibis Kuwait indeed takes care of their clienteles and that they are highly satisfied with the Hotel's facilities and services / value for money.



Dash of Laughter .. LoOoL





Creations ...

BY: Rawaf I. Bourisli

** May 2003 ... The shown minaret is for a sand town mosque in Morocco on the road to the city of Fas.*



*June 2001 ... San Gimignano **

Tuscany, Italy

A view of the eastern side of the city showing the House where the Italian poet; Folgóre da San Gimignano was born



** June 2001 ... San Gimignano **

Tuscany, Italy

A view for the vally to the gothic village of San Gimignano in Tuscany .

The town is featured in the novel by E. M. Forster, "where angels fear to tread"



Employee of the Quarter

The EOQ award for the 1st quarter of the year 2011 goes to Mr. Nazir Salih

Nazir is working in the Facilities Department as Secretary of Facilities Manager, and had joined AREC in June 2008.



Eng. Maher Fayyad, Facilities Manager had justified his nomination for Nazir as follow:

"Nazir is one of the professional employees in the facilities department; he shows constant dedication toward his duties & responsibilities, He is instrumental in thinking of new or different ways to do his job in order to be done in an ideal way and timely manner.

Nazir is a very friendly and cooperative with supervisors and other fellow employees; he is capable of coordinating all the daily routine of the facilities department to get work in order and keeping the department functional. He can work without supervision and yet achieve a positive output... "



ON BOARD....

AREC Management would like to introduce it's new family members:

Anwar Khalifa

Mr. Anwar had joined AREC in December 26th 2010, in the position of "Legal Consultant".



Anwar has a very long journey of experience in the Law field started from Cairo since 1989 after the graduation from Mansoura University in Egypt.

The journey of experience is a total of 20 years.



Amaal Saad Aly

Mrs. Amaal has joined AREC on January 3rd 2011, in the position of Receptionist/Secretary.

Amaal is holding a bachelor degree in Commerce from Cairo University, and has total 10 years of experience in Administrative field.

AREC wishes the new joiners all luck and success..

Welcome On Board..



AREC' Valentine :)

Roses were always a symbol of expressing true feelings;..

In AREC we embrace love feelings toward each other as one big family... during the valentine day we take the opportunity to emphasize on that.



Hala & Shayma



Suha & Sarah



Nesreen, Fatma, Dania & Kamal

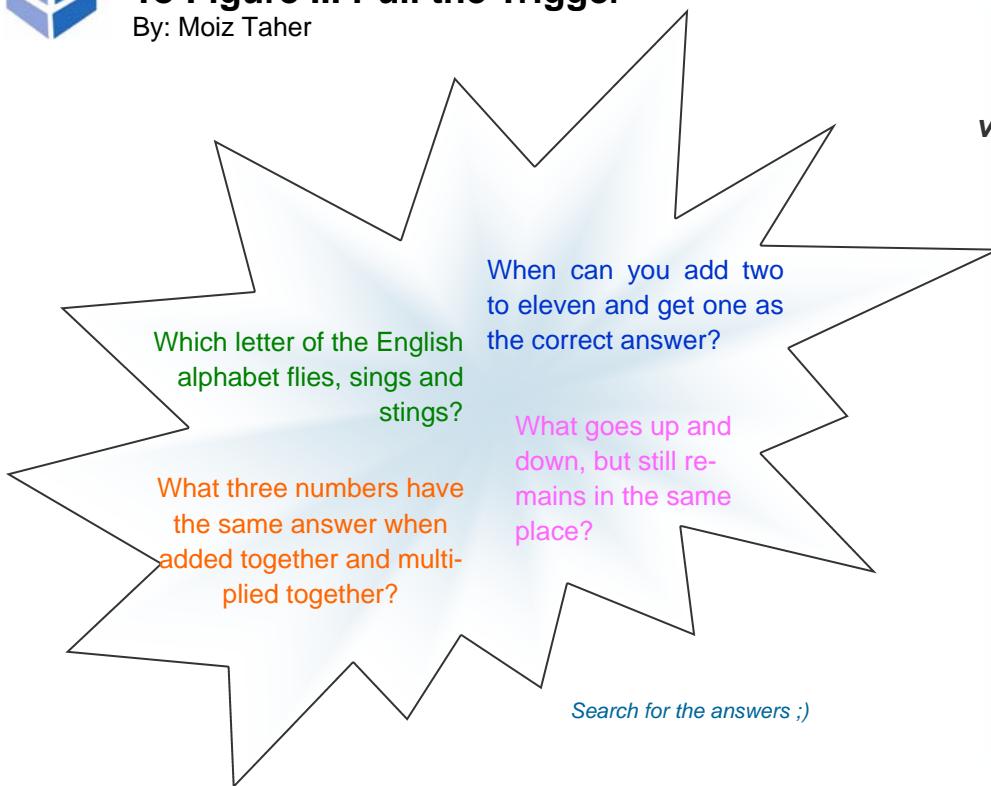


Amaal, Reem & Suha



To Figure ... Pull the Trigger

By: Moiz Taher



Special thanks to

Mr. Joe Weberhofer for his valuable contributions and for everyone else :)

Managing Editor

Suha Al Jurf

For contributions;

Contact us

via email:

suha@actionkuwait.com

★HAPPY★ BIRTHDAY!



Ana Lhea Zuniga 21 April



Amaal Saed 2 June



Polina Nageshwara 10 June



Romeo Jr. Rellata 08 June



Flash News

AREC Website'
[\(\[www.actionrealestateco.com\]\(http://www.actionrealestateco.com\)\)](http://www.actionrealestateco.com)

is under updating process and soon it will be launched back ..