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Majaal gears for expansion

Quality, location and value-added services have played a big role in the company's first-phase success with a varied mix of tenants signing up

Leading real estate developer First Bahrain is poised to develop the second phase of its flagship multi-million-dollar industrial warehousing and logistics project in Bahrain with the first phase well on course to be fully leased on the back of strong demand.

Launched in January this year, Majaal has so far attracted eight tenants who have together taken up more than half of the 12,000 sq m of leasable space available under the first phase at the warehousing and logistics facility.

"We are moving very briskly with new tenants signing up by the week," says Amin Al Arrayed, the general manager of First Bahrain Real Estate Development Company, which operates out of Kuwait and Bahrain.

Located at the prestigious Salman Industrial City in Hidd, the project has attracted a varied mix of reputed tenants, according to Al Arrayed, who is also the managing director of Majaal Warehouse Company.

To date, Majaal's occupants include Al Khaleej Development Company (Tameer), a leading real estate investment, advisory and property developer; Elias Industries, a pump manufacturer with a global client list; Gulf Polytex, a manufacturer of permeable sun shading systems and awnings; Freddy's, an exclusive vehicle leather upholsterer; Fugro, an international engineering services company; a major regional bank and a pharmaceuticals firm, among others.

As First Bahrain's inaugural project, Majaal was conceived specifically to meet the needs of small and medium enterprises (SMEs) by providing flexible, convenient, high quality and secure warehousing and business solutions.

Three-phase development

Covering a sprawling area of 60,000 sq m at the Bahrain Investment Wharf within Salman Industrial



More than half the leasable space in Majaal's first phase has been taken up



Al Arrayed: capitalising on the market's 'flight to quality'

City, Majaal is being developed in three phases at a total cost of \$45 million, with each phase covering 20,000 sq m and offering 12,000 sq m of leasable space.

In addition to the warehousing spaces, units are complemented with a range of value-added services including round-the-clock security, state-of-the-art information and communication technology (ICT) provisions, and assistance on efficient design and use of spaces, which are available from as little as 250 sq m.

"Our business model is focused on the SME sector and our leases typically range between 250 and 1,000 sq m," says Al Arrayed, adding that First Bahrain's stakeholders have been "quite happy with the uptake on the project this far".

With nearly half of the first phase leased in just nine months, Al Arrayed attributes Majaal's quality, location and value-added services as the reasons for its success.

"Top institutions are increasingly looking for warehousing solutions which are safe and secure, and free from the risk of fire hazards," says Al Arrayed, adding that though Majaal may be more expensive than other warehousing stock in the market, it has been built to "very high specifications which is reflected in its price structure".

"Today, there is a flight to quality in the market," he continues. "Whether in offices, warehouses or homes, people expect and demand higher quality while, more importantly, industry and government regulations now incorporate Grade A specifications

"It is a great honour to be able to facilitate foreign direct investment in Bahrain, which will surely lead to local job creation and increased prosperity for the country" - Al Arrayed

for projects. The sub-standard is no longer acceptable and we should see demand continue to grow for quality warehousing."

Majaal's prime location, meanwhile, has also been its strong selling point. "We are literally at the doorstep of the Khalifa Bin Salman Port and the airport with easy access to the Sheikh Khalifa Bin Salman and Sitra highways," explains Al Arrayed. "It's a central and strategic location."

Flexible leasing solutions in terms of space, professional facilities management and other value-added services - from building mezzanine floors to renting forklifts onsite - are the other factors that make Majaal an unbeatable proposition, he adds.

Though potential tenants have to undergo a rigorous screening process, Al Arrayed expects Majaal to be fully leased by early next year because of strong local and regional interest. "We are being very selective as we want to have the right mix and quality of tenancy."

Industry-best practice

Following the success of the first phase, First Bahrain is now gearing to launch work on the second,

Date with top expo

As the key logistics sponsor at the upcoming Gulf Industry Fair in Bahrain, Majaal will showcase its distinctive development and state-of-the-art warehousing solutions to the thousands of industry professionals who are expected to visit the annual exhibition.

Organised by Hilal Conferences and Exhibitions (HCE) and now in its fourth edition, the Gulf Industry Fair (GIF) will be held at the Bahrain International Convention and Exhibition Centre from February 8 to 10, 2011.



Majaal's business model focuses on the SME sector and units come with value-added services

again using industry-best practice. Al Arrayed expects to put this phase to tender in early 2011 with construction taking approximately 12 months to complete.

The new phase will cater to companies seeking higher ceilings, raised flooring and docking bays to support easy loading and off-loading of large trucks.

Al Arrayed is delighted by the success of Majaal which he says was carefully conceived under First Bahrain's demand-driven investment philosophy, which in turn is aligned with the Bahrain government's Economic Vision 2030.

He is pleased that Majaal is also fulfilling First Bahrain's goals of facilitating new investment into Bahrain by attracting such tenants as Elias Industries and Gulf Polytex, which both represent foreign direct investment (FDI) into the kingdom.

"It is a great honour to be able to facilitate foreign direct investment in Bahrain, which will surely lead to local job creation and increased prosperity for the country," Al Arrayed says.

Also, First Bahrain is in the market for the right reasons, he points out. "We identify a real need in the market and address it, rather than just looking for quick returns. The market dictates what projects we

put our money in, and industry currently makes the most sense."

Looking ahead

With a diverse land bank under its belt including 22,000 sq m of prime property in Seef, First Bahrain is now looking at other commercial and residential projects in Bahrain including a \$50-million mixed-use development in Janabiya, while keeping its eyes open across the rest of the Gulf with a view to developing the Majaal brand.

"Anyone who wants to do anything of significance has to think regionally, and we would like to see Majaal's franchise extend across the Gulf, particularly in Saudi Arabia and Oman, once we find the right partner who's able and willing to take on our vision."

However, in keeping with its vision and guided by the principles of Shari'ah, First Bahrain will base whatever projects it undertakes on tangible rather than speculative demand, vows Al Arrayed.

"We are long-term investors who remain committed to the operational success of a project rather than seeking mere capital appreciation. First Bahrain is dedicated to creating projects of enduring value across the GCC. It's about making things work," he concludes.

"Our business model is focused on the SME sector and our leases typically range between 500 and 1,000 sq m" - Al Arrayed