



# Markaz Real Estate Profile

Asset Management | Investment Banking

January 2023

المركز  
MARKAZ

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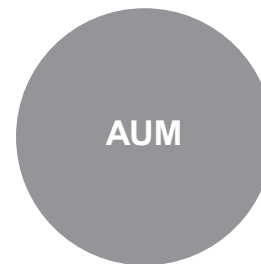
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# Markaz has established a leading presence since its creation in 1974

*A leading asset management and investment banking institution in both Kuwait & region*



**The choice for wealth creation**



**We manage over USD 3.2 billion**



**We build sustainable wealth for our clients and partners through prudent and innovative solutions**



**High net worth individuals, governments, quasi-government institutions, and corporations**

## Our Business Principles

### Client Focus

- Product offerings customized to the client's needs
- Focus on risk diversification

### Innovation

- Focus on quality of returns
- Regularly offering new investment channels

### Controls

- Strict investment guidelines and controls
- Ethical dealings and objective reporting across the firm

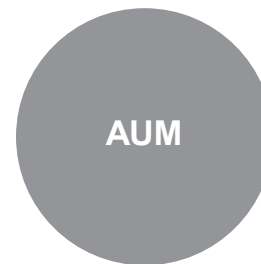
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*A leading asset management and investment banking institution in both Kuwait & region*



**Vision**

**The choice for wealth creation**



**AUM**

**We manage over USD 3.2 billion**



**Mission**

**We build sustainable wealth for our clients and partners through prudent and innovative solutions**



**Clients**

**High net worth individuals, governments, quasi-government institutions, and corporations**

## **Our Business Principles**

### **Client Focus**

- Product offerings customized to the client's needs
- Focus on risk diversification

### **Innovation**

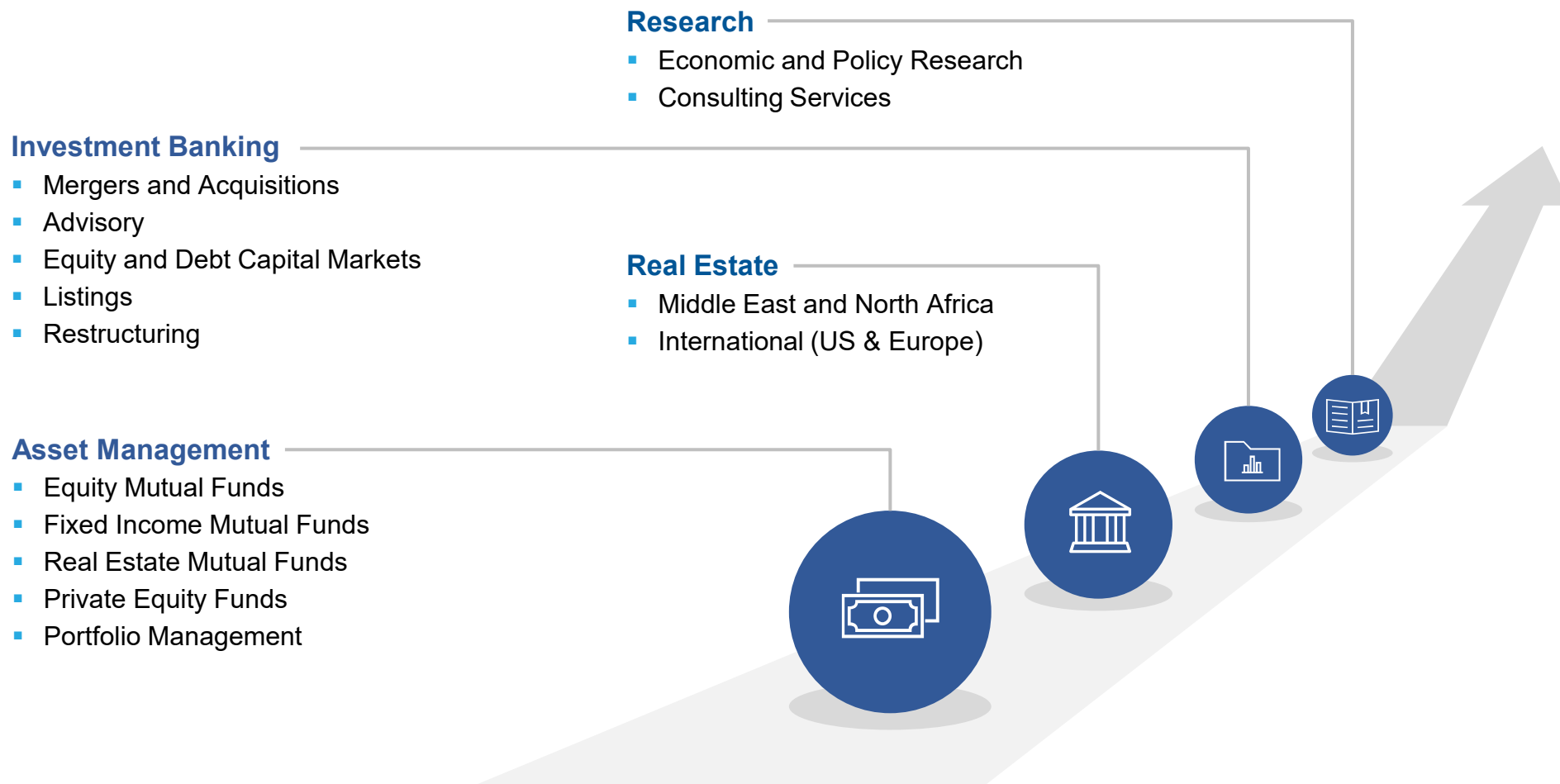
- Focus on quality of returns
- Regularly offering new investment channels

### **Controls**

- Strict investment guidelines and controls
- Ethical dealings and objective reporting across the firm

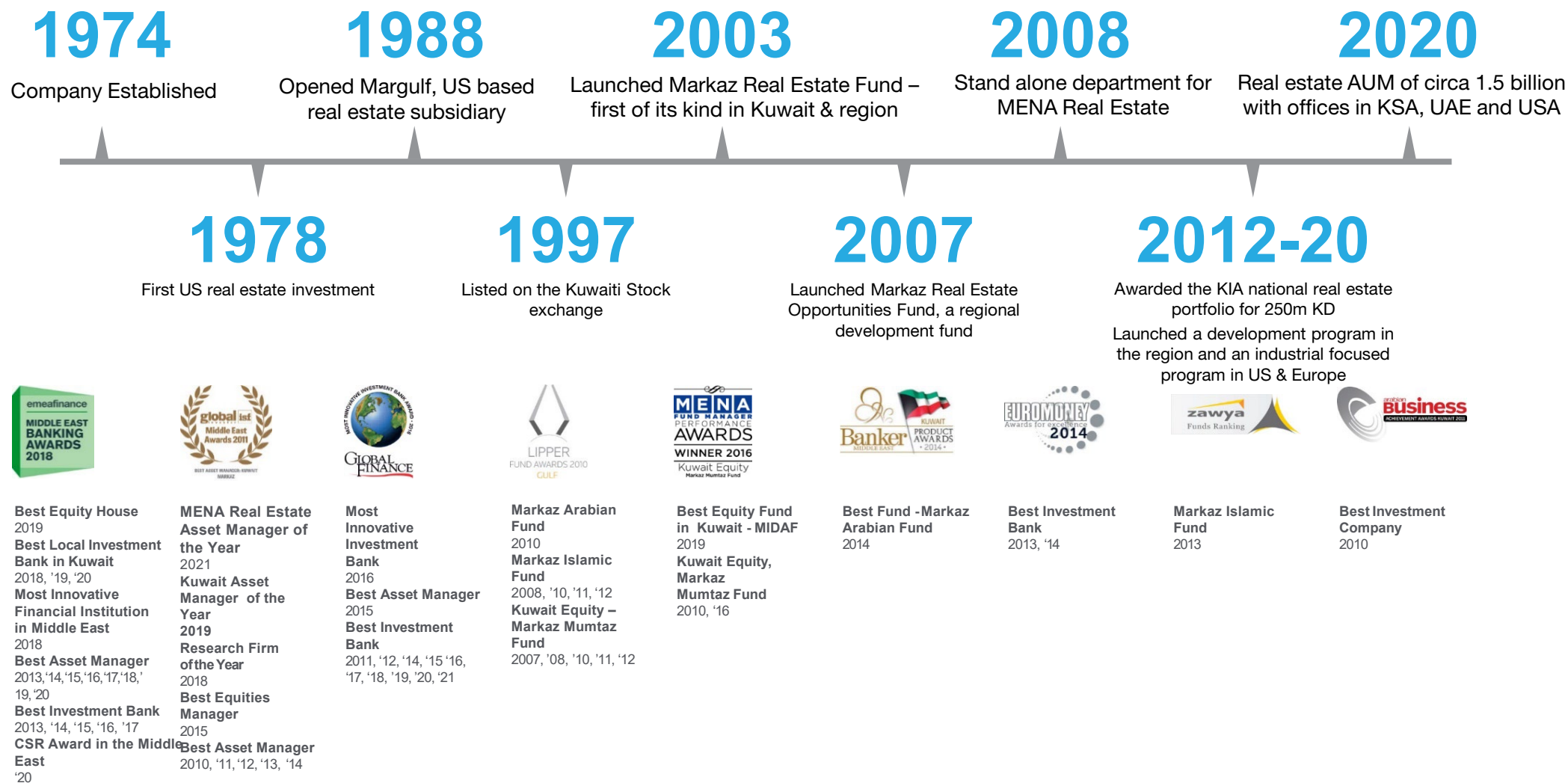
# We cater to our client base through a diverse set of offerings

*Our main activities are Asset Management, Investment Banking, Real Estate & Research*



# A journey of over 46 years of wealth creation and sustainable growth

*Continuous launch of innovative, award winning and market leading products*



# Real Estate Overview

# We manage circa USD 1.5 billion of real estate regionally & globally

*A dedicated team of professionals with a hands on management approach*

## Our Services

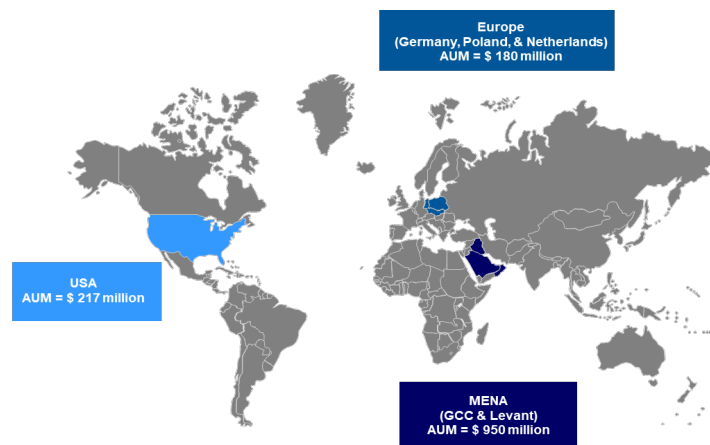
Real Estate  
Asset Management

Real Estate  
Development

Real Estate  
Advisory

Property  
Management

## Our Markets



## Our Pillars

Proven Processes

Strong Governance

Leadership in new  
products

Analytical decision  
making

## Size

AUM ≈ USD 1.5 bln

MENA, USA & Europe

## Product Types

Funds (Mutual Funds & PE Funds)

Discretionary and Non Discretionary  
Portfolios

## Flagship Products

Markaz Real Estate Fund

Development Program  
(MENA, USA & Europe)



# A prudent & tested investment approach across different markets

## *Investments driven by market dynamics and fundamental analysis*



# Strong leadership with a combined experience of over 100 years

*Executives with vast experience covering the entire real estate value chain*



**Ali Khalil**  
Chief Executive Officer  
30+ years of experience



**Bassam Al Othman**  
MD - Real Estate, MENA  
25+ years of experience



**Sami Shabshab**  
President Mar-Gulf  
MD Real Estate, International  
25+ years of experience



**Milad Elia**  
EVP Real Estate, MENA  
15+ years of experience



**Sadon Al Sabt**  
SVP Real Estate – Europe  
10+ years of experience

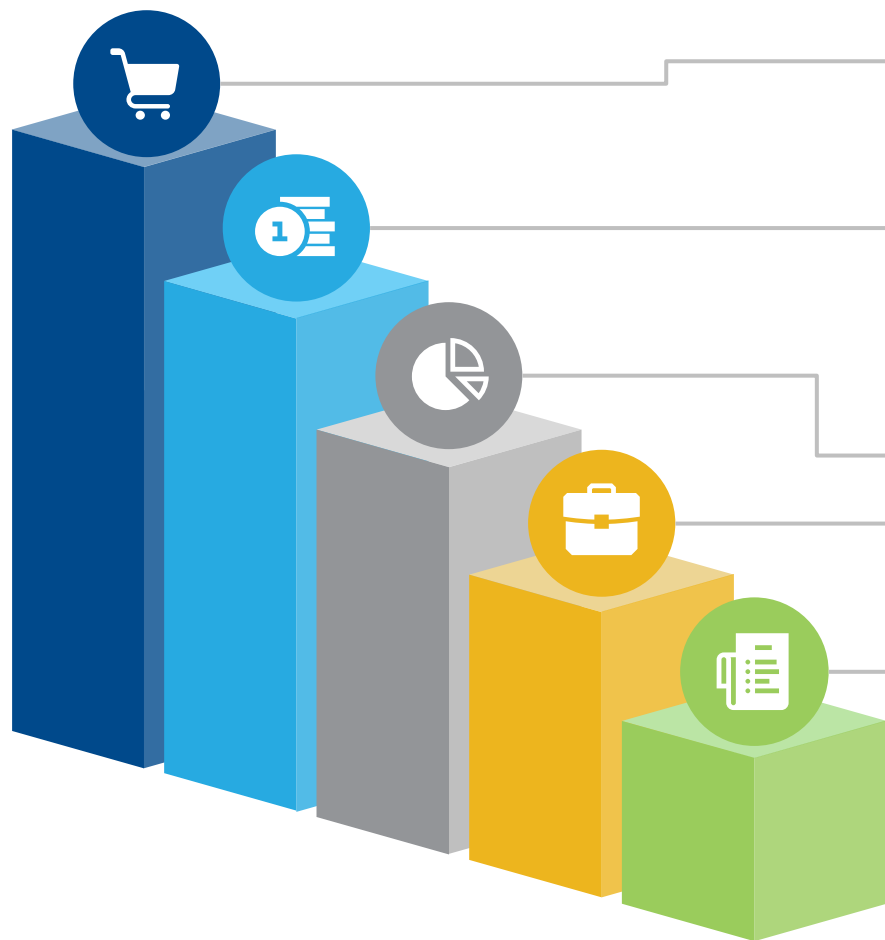


**Alexander Salamoun**  
SVP Post Acquisition  
12+ years of experience

# Regional Funds and Portfolios

# Managing real estate funds and portfolios in Kuwait and GCC

*Currently manage two funds with a total size of USD 280 million and tailor-made portfolios including the 800m USD National Real estate portfolio for the Kuwait Investment Authority*



## Funds & Portfolios

We currently manage funds & portfolios across Kuwait & the GCC:

- Markaz Real Estate Fund “MREF”
- Markaz Gulf Real Estate Fund “MGREF”
- KIA National Real Estate Portfolio
- Client tailored portfolios

## Total Assets

The total combined assets of the funds is circa USD 280 million with MREF assets standing at circa USD 220 million.

## Markets

The funds are invested across key markets in the GCC:

- MREF is invested across the investment (residential) & commercial sectors in Kuwait.
- MGREF is invested across UAE (residential), KSA (commercial) & Kuwait (industrial).

## Transactions

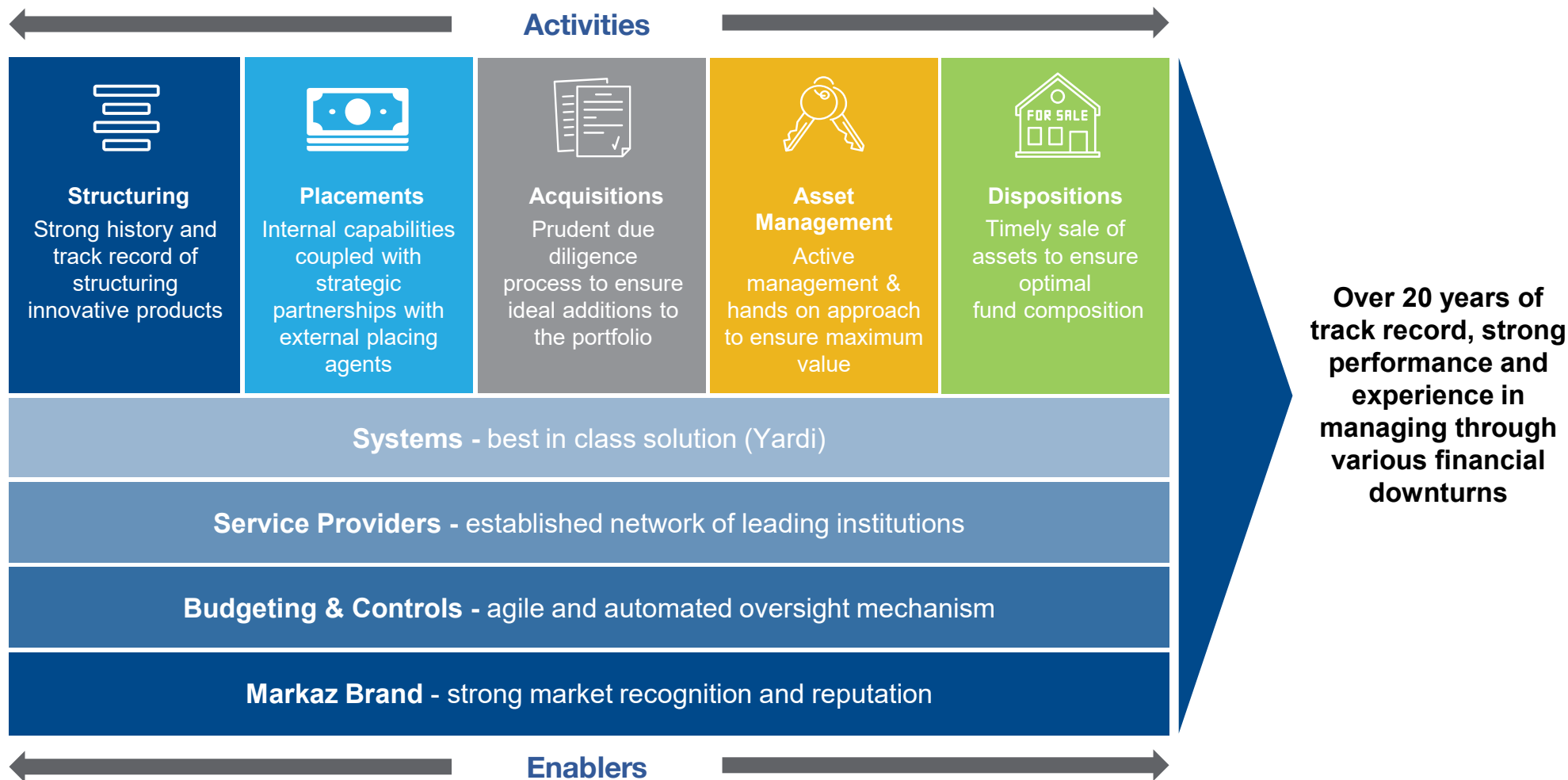
We have conducted over 60 (buy/sell) transactions over the history of the funds and remain an active participant in the respective markets.

## Experience

We have over 100 years of combined experience in managing real estate, have successfully managed through various real estate cycles and have weathered the financial downturns.

# A comprehensive, scalable & transferable fund infrastructure








*A tested and established operating model with over 20 years of track record*



Flagship Fund - MREF

# MREF is a REIT-like open ended Shariah compliant fund with monthly distributions

*Launched in 2002, MREF includes c.400 investors with a minimum subscription of 100 units (c. USD 400 at current NAV)*

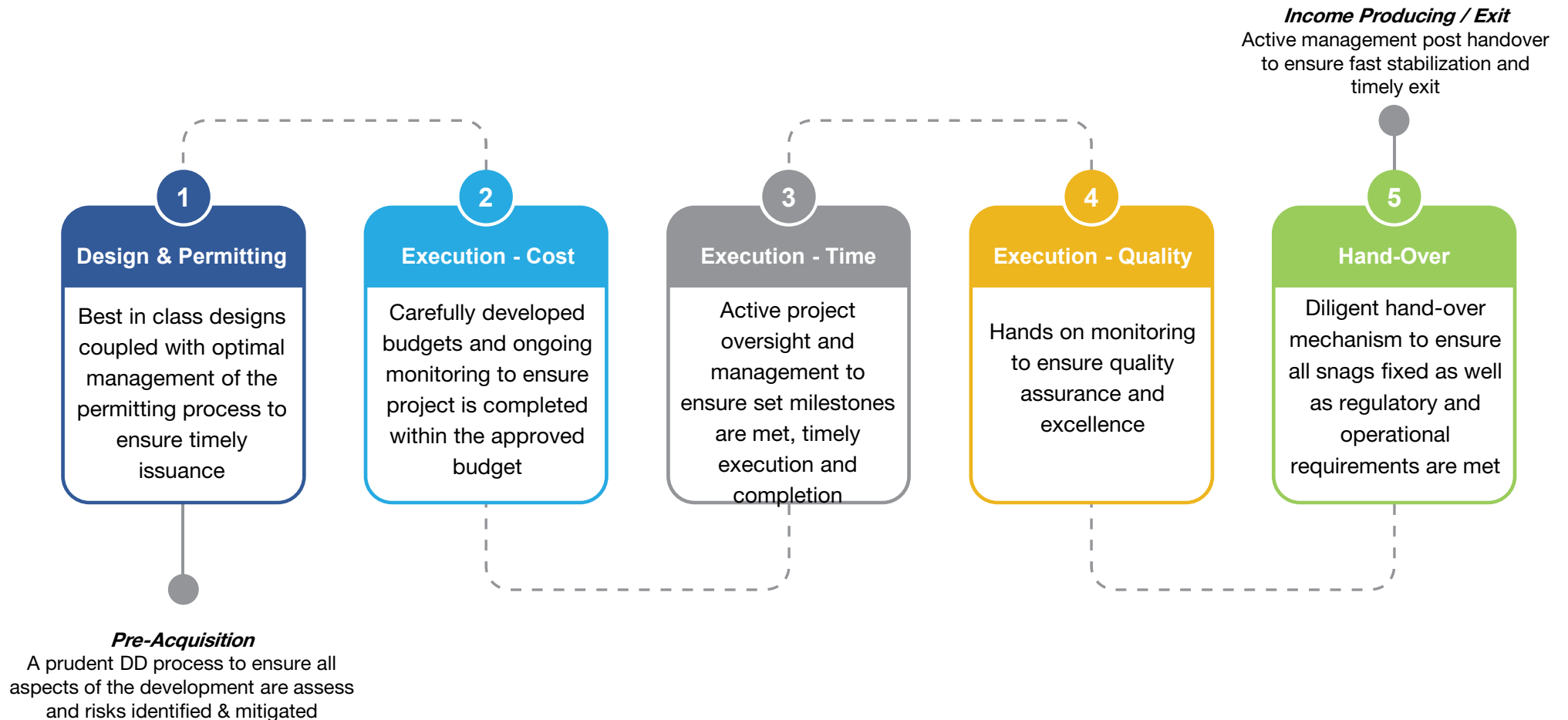
 <b>Fund Description</b>	<p>Markaz Real Estate Fund "MREF", was established in 2003 as a REIT years before legislation was present. It is currently managed as an <b>Shariah Compliant</b> open-ended mutual fund and remains as a best performing and top selling investment with our agent. With the exception of being an un-listed entity, the fund has a <b>REIT-like</b> structure and functions very similarly.</p>
 <b>Fund Distributions</b>	<p>MREF distributes dividends on a <b>monthly</b> basis and the annual average over the life of the fund stood at <b>5.07%</b> as of December 2020. The fund has been able to distribute steadily and consistently since inception without a missing a single month.</p>
 <b>Investor Base</b>	<p>MREF current investor base includes around <b>400</b> retail and institutional investors with a minimum subscription of <b>100 units</b>. Note: minimum subscription of around USD 400 at current NAV)</p>
 <b>Fund Market</b>	<p>MREF is currently fully invested across key real estate sectors in the Kuwait market. Its main investments are across the investment (residential) and commercial sectors.</p>
 <b>Fund Size</b>	<p>MREF has total assets of around <b>USD 220 million</b> spread across <b>17 income generating properties</b> across Kuwait. The funds holds a good proportion of liquid assets (KD 1.5 - KD 2 million) to enhance liquidity.</p>
 <b>Fund Liquidity</b>	<p>MREF allows for <b>monthly</b> subscriptions with <b>two redemption windows per year</b> (6 month intervals from subscription date). Driven by strong cash management and optimal asset allocation the fund has met all redemption request throughout its 17 year history within the regulatory requirements ( 4<sup>th</sup> business day of the month)</p>
 <b>Fund Performance</b>	<p>MREF has built a <b>17 year track record</b> and strong performance by adopting a prudent investment strategy with focus on long term growth and fundamental analysis. The key return metrics are :</p> <ul style="list-style-type: none"><li>▪ <b>Annualize total return (as of Dec 2020) = 6.48%</b></li><li>▪ <b>Average annual cash distributions (as of Dec 2020) = 5.07%</b></li></ul>

Development Activity



# A hands-on approach to our regional real estate development activity

*Successfully completed over 12 projects across the MENA during the past 12 years*



KSA & UAE Presence

# Successfully completed over USD 170 million of transactions in the UAE

*An established presence in UAE through a wholly-owned local subsidiary*



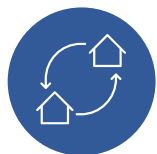
## Local Presence

Markaz established permanent offices in Abu Dhabi in 2011 to better capitalize on the growth of the market and currently employs 5 FTE in addition to the support from the HO in Kuwait



## Deep Market Knowledge

Strong knowledge of the local market and different regions across the UAE driven by the strong team, Markaz's in-house research capabilities and actual investment portfolio in the market



## Established Network

Established network of brokers, contractors and various service providers that is built on years of experience and mutual business relationships



## Development Investments

We are active investors into development projects in the UAE and have successfully completed over USD 140 million of projects



## Income Generating Investments

We are an active investor into income generating properties in the UAE and currently manage 6 income generating properties



## In-house Property Management

We have established an in-house property management function to ensure optimal performance across our properties and maximize values

# Successfully completed over USD 150 million of transactions in the KSA

*An established presence in KSA through a wholly-owned local subsidiary*



## Local Presence

Markaz established permanent offices in Riyadh and Al Khobar in 2005 to better capitalize on the growth of the market and currently employs 5 FTE in addition to the support from the HO in Kuwait



## Deep Market Knowledge

Strong knowledge of the local market and different regions across the KSA driven by the strong team, Markaz's in-house research capabilities and actual investment portfolio in the market



## Established Network

Established network of brokers, contractors and various service providers that is built on years of experience and mutual business relationships



## Development Investments

We are active investors into development projects in the KSA and have successfully developed over USD 100 million of projects



## Income Generating Investments

We are an active investor into income generating properties in the KSA and currently manage 4 income generating properties (2 residential and 2 commercial)



## In-house Property Management

We have established an in-house property management function to ensure optimal performance across our properties and maximize values

# KSA Developments



## Al Rihab Development - Riyadh

- Residential compound consisting of 144 residential units (32 villas and 112 apartments)
- Development cost ≈ \$ 38 million
- Completion Date = November 2018
- Status = Stabilized



## Bandariyah Pearl Development - Al Khobar

- Residential development consisting of 82 apartments
- Development cost ≈ \$ 16 million
- Completion Date = February 2016
- Status = Stabilized ★★★★★



## Al Nawras - Al Khobar

- Residential development consisting of 54 villas
- Development cost ≈ \$ 17 million
- Completion Date = 2014
- Status = Exited ★★★★★

# UAE Developments



## Board Walk Development - Abu Dhabi

- Residential development consisting of 35 apartments
- Development cost ≈ \$ 20 million
- Completion Date = October 2016
- Status = Stabilized



## Parkside Development - Abu Dhabi

- Residential development consisting of 165 apartments
- Development cost ≈ \$ 55 million
- Completion Date = October 2019
- Status = Stabilized ★★★★★



## Vezul Tower - Dubai

- Residential development consisting of 149 apartments
- Development cost ≈ \$ 57 million
- Completion Date = October 2019
- Status = Under stabilization ★★★★★

# Kuwait Developments



## Al Nada Tower - Kuwait

- Residential compound consisting of 75 apartments
- Development cost ≈ \$ 45 million
- Completion Date = November 2019
- Status = Under stabilization



## Al Maha Tower - Kuwait

- Residential development consisting of 59 apartments
- Development cost ≈ \$ 35 million
- Completion Date = February 2016
- Status = Stabilized

# Beirut Developments



## Clemenceau - Beirut

- Residential compound consisting of 34 apartments
- Development cost ≈ \$ 57 million
- Completion Date = November 2018
- Status = Exited



## Convivium VII - Beirut

- Residential development consisting of 34 apartments
- Development cost ≈ \$ 2 million
- Completion Date = February 2014
- Status = Exited



International Development Program

# Launched an industrial focused development program in USA & Europe

*Completed over 25 TRANSACTIONS for a total value of USD 620 million during the past 7 years*



**An active and ongoing program that is witnessing unprecedented success and growth**

Launched in the US in 2013  
Launched in Europe in 2019

Over 20 successful projects & growing

Balanced Growth Approach

# Key International Developments

amazon.com®



## Amazon BTS Program - Germany

- 4 industrial assets develop for amazon across various locations in Germany
- Development cost ≈ \$ 105 million
- Completion Date = Ongoing (3 out of 4 completed)
- Status = Partial Exit

## RWC BTS - USA

- Industrial asset built for a manufacturing company in the US
- Development cost ≈ \$ 22 million
- Completion Date = October 2021
- Status = Under Construction

## Industrial Development Program - USA + Europe

- Over 20 industrial developments across various markets in USA & Europe
- Cumulative Development cost ≈ \$ 500 million

*Annex*

*Track Record (Development Projects)*

# Industrial Developments

#	Project Name	Market	Type	Started	Exited	Cost	Size
1	Westport 15 & 16	Texas , USA	Industrial	1994	1999	\$3,100,000	6,503 sq.m
2	Doerr Lane	Texas , USA	Industrial	2014	2017	\$11,500,000	19,868 sq.m
3	Parc Post	Nevada , USA	Industrial	2015	2017	\$15,400,000	15,262 sq.m
4	DFW Industrial	Texas , USA	Industrial	2016	2018	\$19,700,000	24,113 sq.m
5	Carson	California , USA	Self-storage	2017	2018	\$12,250,000	6,469 sq.m
6	Parc Pinnacle	Arizona , USA	Industrial	2017	2018	\$26,801,367	28,971 sq.m
7	West Palm Beach	Florida , USA	Self-storage	2017	-	\$16,269,746	10,973 sq.m
8	Longley	Reno , USA	Industrial	2018	2020	\$23,409,658	25,174 sq.m
9	Parc Santa Fe	Denver , USA	Industrial	2018	2019	\$40,046,402	32,021 sq.m
10	Parc Germann	Arizona , USA	Industrial	2018	2020	\$22,057,212	20,885 sq.m
11	Stockton	California , USA	Industrial	2018	2020	\$36,308,686	38,983 sq.m
12	Parc Wroclaw	Poland, Europe	Industrial	2018	2020	\$29,397,291	45,611 sq.m
13	Ridgefield	Washington , USA	Industrial	2019	-	\$12,885,852	10,908 sq.m
14	Wroclaw North II	Poland, Europe	Industrial	2019	2021	\$35,949,074	63,470 sq.m
15	Amazon 1 - Build to Suit	Germany, Europe	Industrial	2019	2021	\$28,517,986	10,267 sq.m
16	Amazon 2 - Build to Suit	Germany, Europe	Industrial	2020	2021	\$17,071,645	7,432 sq.m
17	Amazon 3 - Build to Suit	Germany, Europe	Industrial	2020	2021	\$28,039,003	8,700 sq.m
18	RWC - Build to Suit	Alabama , USA	Industrial	2020	-	\$21,864,000	27,871 sq.m
19	Voerde	Germany, Europe	Industrial	2020	-	\$60,498,000	66,801 sq.m
20	Venlo South	Netherlands, Europe	Industrial	2020	-	\$22,855,255	23,624 sq.m
21	Fairfield	California , USA	Industrial	2020	-	\$61,548,849	38,925 sq.m
22	Amazon 4 - Built to Suit	Germany, Europe	Industrial	2020	-	\$31,003,205	6,944 sq.m
23	Poznan City	Poland, Europe	Industrial	2021	-	\$24,482,860	36,239 sq.m
24	City East	Netherlands, Europe	Industrial	2021	-	\$28,317,017	23,152 sq.m
<b>Sub Total - Industrial Development</b>						<b>\$629,273,108</b>	<b>599,167 sq.m</b>

# Commercial Developments

#	Project Name	Market	Type	Started	Exited	Cost	Size
1	Lake Fairfax 4 & 8	Virginia , USA	Office	1995	1996	\$1,400,000	17,651 sq.m
2	Pacifica Court	California , USA	Office	1999	2006	\$18,000,000	9,941 sq.m
3	Umm Al Summaq	Jordan , MENA	Office	2008	2018	\$3,400,000	3,114 sq.m
4	Freeport 9	Texas , USA	Office	2013	2015	\$20,800,000	14,272 sq.m
5	Legacy - Dominion	Texas , USA	Office	2013	2016	\$14,600,000	8,570 sq.m
6	Lakeside	Texas , USA	Office	2014	2016	\$12,800,000	7,522 sq.m
7	Parkwood Granite	Texas , USA	Office	2014	2016	\$14,200,000	7,513 sq.m
8	Tyler Build-to-Suit	Texas , USA	Office	2016	2016	\$14,800,000	7,522 sq.m
9	Freeport 10	Texas , USA	Office	2017	2019	\$19,583,881	10,452 sq.m
<b>Sub Total - Office Development</b>						<b>\$119,583,881</b>	<b>86,557 sq.m</b>

# Residential Developments

#	Project Name	Market	Type	Started	Exited	Cost	Size
1	Corbanc Condos	Oregon , USA	Residential	1988	1996	\$4,300,000	50 units
2	Convivium VII	Lebanon , MENA	Residential	2008	2017	\$2,200,000	34 units
3	Clemenceau	Lebanon , MENA	Residential	2008	2020	\$57,000,000	34 units
4	Umm Al Summaq	Jordan , MENA	Residential	2008	2012	\$1,584,000	35 units
5	Durrat Al Nawras	KSA , MENA	Residential	2010	2014	\$16,953,883	54 units
6	Haci Mimi	Istanbul, Turkey	Residential	2011	-	\$14,100,000	33 units
7	Al Maha Tower	Kuwait , MENA	Residential	2012	-	\$35,000,000	59 units
8	Boardwalk	Abu Dhabi , MENA	Residential	2012	-	\$20,500,000	35 units
9	Rawabi Pearl	Khobar, KSA	Residential	2012	-	\$16,000,000	82 units
10	Parkside Towers	Abu Dhabi , MENA	Residential	2014	-	\$55,000,000	165 units
11	Vezul Tower	Dubai , MENA	Residential	2014	-	\$57,000,000	149 units
12	Nada Tower	Kuwait , MENA	Residential	2015	-	\$45,000,000	75 units
13	Rihab Pearl	Riyadh , MENA	Residential	2015	-	\$38,000,000	144 units
14	Alta Fillmore	Arizona , USA	Residential	2015	2017	\$39,900,000	230 units
15	Alta Warehouse	Arizona , USA	Residential	2019	-	\$58,793,917	300 units
<b>Sub Total - Residential Development</b>						<b>\$461,331,800</b>	<b>1,479 units</b>

# Thank you.



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