



Building A Dream

Yasser bin Faisal Al-Sharif, CEO of Jabal Omar Development Company, is leading the creation of one of the largest real estate projects in Makkah. Finding the investment for such an ambitious development is no easy task, but having had an “inspiring” year in 2017, the CEO is looking ahead with confidence.

The area surrounding the Grand Mosque in Makkah is currently awash with cranes and construction, as the holy city invests heavily in expansion to enable it to cater to the growing demand for space from the increasing number of annual holy pilgrims. Launched in 2011, the expansion is estimated to be costing over \$26 billion, and when complete the Mosque will be able to accommodate over 1.6 million worshippers.

Within walking distance of this unprecedented transformation, is arguably one of the largest real estate developments in the region. The expansive Jabal Omar project covers 230,000 square meters, and when complete will house malls, residentials and luxury hotels including those operated by the Conrad, the Hyatt Regency and the Four Seasons.

Founded in 2007 to create this iconic development, the Jabal Omar Development Company is today one of the world’s biggest public companies according to FORBES, with a reported market cap of \$16.9 billion in May 2017. The CEO leading the project, Yasser bin Faisal Al-Sharif, arrived at the helm with an impressive background. Having previously held senior positions in various multinationals in Saudi Arabia, his extensive academic and professional experience in finance and risk management is helping him to lead JODC’s operations with confidence. “Risk is our friend,” he says. “As long as we charge good enough premiums.” We spoke to the leader about what has been a busy year, as well as his future plans.

2017 was an eventful year for Jabal Omar. What were some of your stand out milestones?

It was indeed an eventful year, starting with the completion of Jabal Omar Hilton (our fifth hotel to be opened by a five star international operator), and ending with the launch of the largest publicly-offered real estate fund in the market so far. It has been a successful and inspiring year that opened the door to future growth and expansion. Then came the birth of our new subsidiary companies, forming a strong and diverse platform model.

A key success factor has been establishing a strong financial model, which includes sustainability and management of risk as well as financial growth. We also leveraged the Alinman Fund in 2017, which led to an early payment of a SAR 4 billion loan and a major debt reduction.

We started the launch of new subsidiaries in various sectors, which has led to the setup of two affiliated companies so far, with more coming down the pipeline. The first affiliate, owned by Jabaal Omar, will operate in hotels and assets management. The second will manage shopping malls.

We are particularly proud of the agreement we signed with Foster + Partners to design an

iconic building to house the first luxury hotel and residential tower next to the Grand Mosque, operated by the Four Seasons hotel. We have also signed with other internationally-recognized operators, such as the Address, ShangriLa, Four Seasons, JW Marriott and Jumeirah to operate additional hotels.

Jabal Omar encompasses hotels, retail and residences in Makkah. How does it add value to the Kingdom's economy and how is it helping the government's reform plan?

As well as being a great contributor to the economy of Makkah and a creator of jobs for Saudi citizens, Jabal Omar is a strong supporter of and believer in the country's strategic and comprehensive plan to develop the Hajj and the Umrah, to allow the largest number of Muslims possible to enter and to help accommodate and facilitate their journeys.

The largest expansion of the Grand Mosque is underway in Islamic history. The plan as per the country's vision includes increasing the capacity to 30 million pilgrims and Umrah visitors in the coming years. Our projects seek to serve these pilgrims and visitors to the Grand Mosque by not only accommodating them in our hotels or apartments, but also introducing them to the Islamic and Saudi heritage through our state of the art museum, as well as our extensive heritage programs and projects.

Are you seeing a strong growth in interest from investors for this project?

The demand from local investors is evidently substantial. We have noticed a huge demand from local investors across a wide range of products, such as debt and investment products, or for their own personal use.

We have also witnessed an increasing interest from various international markets, which will eventually open up the market to Muslims around the globe. This will have a huge impact on increasing investment and the development of the Kingdom.

Why is the Jabal Omar project a good investment?

Due to our unique position in the market, our studies have shown that the value will appreciate and provide a new safe haven for investors from local and international markets. The combined effects of the 2030 vision, the popularity of Hajj and Umrah, and the completion of the Grand Mosque expansion, will increase demand from Muslim visitors, and with increased demand comes increased supply.

What are your future plans to develop your hospitality portfolio? Would you ever extend your projects beyond Makkah and Medina?

Our goal is to create a unique experience through a collection of global operators to meet the different tastes of local and international visitors. Our focus remains in Makkah and Madina, however Jabal Omar will expand with its subsidiaries and strategic partners.

What is your main focus? Is it residential, retail or hospitality?

Our aim is to introduce synergy between our products and services to enhance visitors' experiences. We focus on delivering an exceptional customer journey through offering a lifestyle experience rather than individual products and services.

JODC is reportedly setting up a real estate fund. How does this help the

company?

Jabal Omar is continually searching for different ways to maintain financial sustainability, create value and sustain growth. One of the best ways to achieve this is to structure various setups of real estate funds. The proceeds from which will fund future growth and expansion.

Reports have also indicated that JODC is planning to sell bonds to fund future expansion. Could you please elaborate on this and when is the bond issuance expected?

We are diversifying our funding sources and optimizing our capital structure. We believe this will be the first project in Makkah tapping into the International Sukuk Capital Market, which is extraordinary. We will give international investors an opportunity to gain exposure to the Makkah market.

What growth do you expect to see in the coming year for JODC?

Organic growth in both operations and expansions is what we are aiming for. Whether it is through merger or acquisition, either way the creation of value is what Jabal Omar is pursuing through partners, customers and shareholders.

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