

How Danube Created A Niche In A Saturated Market

Atif Rahman, Director and Partner of Danube Properties, has built the affordable luxury developer into a formidable brand in the U.A.E.'s real estate market. Both his approach, and Danube's, is built from life-long passion and common sense.

My biggest pride is the product. That is where the story starts," says Atif Rahman, as we stroll through Danube Properties' impressive offices, past pool tables, massage chairs and vast hanging lights, to take a seat in the Director's comfortable open-plan space surrounded by property designs and notable awards.

Rahman has good reason to be proud. Having been personally chosen by Danube founder, Rizwan Sajan, to build the real estate arm of the business from scratch just 4.5 years ago, today Danube Properties boasts a portfolio worth \$3.7 billion. "It's an amazing figure, I feel nervous every day," he laughs.

He has little reason to feel nervous. As a temporary flux causes rents to drop across the U.A.E., Danube Properties continues to sell-out its units. According to Rahman, in the last 12 months Danube has delivered and sold \$327 million of property and recorded around 10% year-on-year growth.

Its latest development—Lawnz—a gated residential community in International City featuring 1,032 apartments across four blocks, launched in the height of summer in late-June this year, and sold out in three days. Rahman reveals that even before the launch he already had 17 cheques in front of him from potential buyers interested in the real estate—and the value of the cheques were more than the inventory he had available.

Across the portfolio, other projects such as Glamz and Starz are underway and on schedule. However, some small unforeseen delays are to be expected. For example, the Starz development was on hold for a little while after excavation uncovered a cavity five meters beyond the soil bed, but after Rahman spent time studying methods of soil improvement and establishing a solution, the project is making up for lost time. Miraclz too lost some time as extra structural studies were employed for the high-rise project—incredibly the Director says it is now on track to achieve a new floor every ten days.

Rahman's love for his job goes well beyond selling property. His knowledge of the construction industry, building materials and processes comes from a life-long passion handed down to him by his grandfather, who was a chief engineer in India while Rahman was growing up.

"He had built everything from roads to stadiums to infrastructure. He taught me construction from a very early age. He used to tell me, before engineering and technology, construction is about common sense. Never do construction from the head, do it from the heart," Rahman remembers. Despite graduating from BIT Mesra, India, with a degree in

computer science, Rahman found his way back to the building business. “My heart is in construction, I can’t live without it,” he says. “When you do it passionately there is fun—with all the stress and site worries you have, you enjoy it and you become addicted to it.”

Today that passion is evident in the way he approaches his projects. Before even buying a plot of land, Rahman says he goes to the plot—often in the very early hours of the morning—and drives around 20 or 30 times to get a feel for the space and imagine what he could build there. He produces his own commercial, financial and technical feasibility reports. He envisions the style, look and feel of a new community which is not left to the architects—the Director himself decides what gets delivered, based on the location. He shaped Bayz, for example, in a specific way to ensure enviable Business Bay views from every apartment. One side of the building faces Downtown and the other Meydan, with both sides connected by naturally-lit corridors. The one thing Danube will never build is a plain square block.

“We’re not trying to do something out of this world. We’re just creating a more livable space—somewhere people will love to spend their time and live their lives,” Rahman explains. “That’s how we look at property—how will the person feel staying there.”

Danube Properties has long found its niche delivering affordable luxury in a market awash with highly-priced communities. The developer has made its big money focusing on making it possible for those in low-to-mid income ranges to enjoy the kind of finishes and facilities associated with the high-end market.

It has been done by keeping costs down by excelling at modular design and thereby eliminating waste. Rather than designing 20 different types of apartment per development, the team design no more than four, which are symmetrical and identical. So, although the manufacturer may be producing 5,000 doors, there are only four styles, enabling mass production in the factory and creating significant economies of scale. All this means that the properties remain affordable through technical cost savings—not by removing the swimming pool or reducing the quality of construction.

Rahman also likes to keep abreast of what the competition is doing. “I love iPhones—I have a file,” he confides as he leans over and shows me a notes page listing other businesses and the mistakes he thinks they’ve made along the way. “I try to learn from them, what made them fail. Are we exposed to that? This all leads to how you continuously educate yourself on what not to do,” he explains. “No-one is bigger than the market, and the market is made by the consumer.”

He considers that failure often comes down to two big errors: venturing into a business with no know-how, followed by a lack of governance. “It’s simple, we should know our business,” he says. “That’s why once we take a decision we are extremely fast, but until that time we are slow and easy and very traditional in our approach.”

It is a winning approach, supported by an understanding and respect for Danube’s key consumer segments. Rahman instructs his team to stay away from aggressive hard-sell tactics with potential customers. “If they have the money and we have confidence in our product, they will come and buy from us,” he reasons.

Looking ahead and the Director is both optimistic and realistic. The markets are frequently changing he admits, the important thing is to remain dynamic, be cautious and not

overstretch. However, if Danube Properties continues to expand at its standard rapid rate, Rahman has ensured it is well prepared.

“The ‘Z’ in our names was just a coincidence—the chairman named the first one and then we stuck to it,” he reveals. “But today I have trademark registered 20 more names on top of what we already have.

“Dubai is one of the most attractive places to do construction. We are ready for the future.”

<https://forbesmiddleeast.com/how-danube-created-a-niche-in-a-saturated-market>