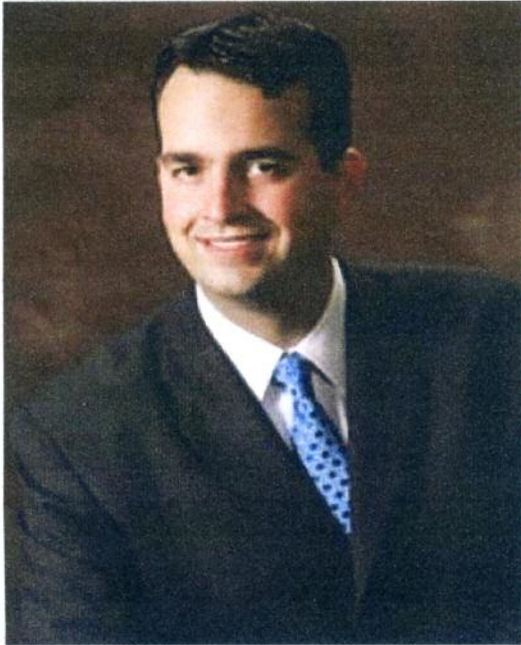


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Green Building Surge in the Middle East Poses Opportunities and Risks for Businesses

Press Release

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In recent years, the Middle East has emerged as a center for monumental buildings. Dubai is currently building the world's tallest - the Burj Dubai - while Saudi Arabia, Kuwait, Bahrain and Qatar consider building rival towers over the coming decade.

Although attention-grabbing, these developments also cause enormous environmental impact. It is estimated that buildings worldwide use 42 percent of the world's energy and are responsible for 40 percent of greenhouse gas emissions.

Despite the current economic downturn, countries around the world--including the Middle East--are embracing green building design to help address environmental concerns.

Green developments in the Middle East

Many Gulf countries are introducing green building regulations and guidelines that govern the design and operation of all new buildings. Dubai World, the investment arm of the Dubai Government, has recently adopted the US LEED Green Building Certification scheme as a requirement for all its developments.

Additionally, in the UAE, the Emirates Green Building Council will soon be developing a specific UAE LEED version to guide future developments. Bahrain, Qatar and Oman are all moving towards green building design as well.

These green initiatives have been triggered by numerous international organizations with Middle East operations bringing their environmental policies and standards into the region. In the UAE, international businesses that have adopted green initiatives include Grand Hyatt and HSBC. UAE companies following their example include TECOM Investments and Zabeel Properties with other local and international organizations likely to follow in the near future.

Given the harsh desert climate of the Arabian Peninsula, some experts question whether buildings in the Middle East can really go green. Nonetheless, green investing is growing in the region. Currently under construction, Masdar City in Abu Dhabi plans to be the world's first zero-waste and carbon-neutral city, utilizing green and alternative energy not only in buildings but in the entire city's infrastructure.

New green buildings, but what about the old ones?

While green buildings are becoming the norm in new Middle Eastern construction, converting older buildings to green technology presents daunting challenges. While elsewhere, many old architectural symbols such as New York's Empire State Building are going green, it is yet to be witnessed whether the Middle East would take on the significant task of converting its old buildings to green. However, while installing energy efficient and renewable technologies in old buildings presents developers technical challenges and increased expenditure, the long-term advantages often outweigh the initial expense.

In the current economic environment, owners and developers are realizing that green buildings offer a good investment. Green buildings have higher market values because they are cheaper and more efficient to maintain. Also, by going green owners can expect an increase in occupancy. Given the growing demand for green building space in both the public and private sectors in the Middle East, owners and landlords are coming under increasing pressure to think green when selling or leasing their properties.