

AREC TIMES

Quarterly Newsletter issued by Action Real Estate Company

Issue No. 8— July 2011



G.M. Message

Dear All,

Summer is here and your shades should be out ..

On behalf of AREC management, I would like to extend an early greetings for the arrival of the Holy month of Ramadan.

In addition, I wish a nice summer vacation for those who are taking their summer leaves.

Please enjoy reading this issue.

Thank you & best regards,

Rawaf I. Bourisli, Architect



Inside...

- **AREC Operational News**
- **Interview**
- **AHC news**
- **IBIS Hotels News**
- **And more**

Ramadan Festival of 2011 will be held in Sahari Mall in Jahra

More info will be launched soon ..





Operational News for the 2nd Quarter of 2011

By: Joe Weberhofer—Operations & Marketing Manager

In the previous quarter (Jan-Feb-Mar'11) the Residential Segment was the most dynamic, but for the second quarter (Apr-May-Jun'11) it took the back seat as the Office Space and Retail segments were by far more active.

The full list of new leases recorded during the 2nd Q is as follows:

Property	Unit	Tenant
Maha Centre	F 15 First Floor	Adel Hasan Faleh Al Azma
Maha Centre	F 14 - First Floor	Iqbal Nayef Omar Al Shammari
Shayma Tower	Units 3,4 BF	Al Mayouf Int'l Gen Trad & Cont Co.
Shayma Tower	3F B (3,4)	Al Sahiya Combined Gen Trad Co.
Shayma Tower	2F A (1)	Aslaa Co. for Selling & Buying Scrap Works
Shayma Tower	2F A (2)	Gulf Dynamic Gen Trad & Cont Co.
Shayma Tower	4F A (1,2)	Khaled Rashid Eid Al Rashidi
Shayma Tower	2F A (2)	Sheikh Mubarak Mohammad Sabah Al Sabah
Shayma Tower	4F B (3,4)	Nasser Bourisli
Waha Mall	21 M	Khaled Awad Doudan Alshammari
Jahra Bldg. Plot 103	Apart. 22 6th floor	Mansour Khalaf Al Orf
Jahra Bldg. Plot 111	Apartment 23	Basim Ali C.T.
Naseem Complex	22 M	Abdulmohsen Onaizan Mohammad Al Busairi
Naseem Complex	23 M	Abdulmohsen Onaizan Mohammad Al Busairi
Naseem Complex	1 M	Ahmad Latif Sallal Al Enizi
Naseem Complex	21 M	Amal Thuwaini Ajel Hathal
Naseem Complex	17 M	Dawood Abdullah Hajeh Mohammad
Naseem Complex	21 M	Jassem Muteb Naif Al Shimmari
Naseem Complex	24 M	Tareq Hamad Ali Al Arifan
Omniya Centre	8 D - GF	Action Franchising Gen Trad & Cont Co.
Omniya Centre	20 M1	Mona Hamood Khaled Al Farhan
Shuwaikh Indus. Plot	4 G	Ghazi Khaled Jabr Alenzi
Waha Mall	47 G	Faisal Abdul Rezzaq Al Kazimi
Waha Mall	24 - 25 G	Mohammad Abdullah Ali Al Jumah
Waha Mall	31 G	Sumer Projects Management Co.

From a property point of view and type of leases, the 2nd Q of 2011 had the following profile:

Property	Type	Area
Maha Centre	Office Space	22
Maha Centre	Office Space	35
Shayma Tower	Office Space	43.2
Shayma Tower	Office Space	138
Shayma Tower	Office Space	64
Shayma Tower	Office Space	67
Shayma Tower	Office Space	132
Shayma Tower	Office Space	67
Shayma Tower	Office Space	139
Waha Mall	Office Space	120.29
Naseem Complex	Retail	12.675
Naseem Complex	Retail	12.09
Naseem Complex	Retail	12.09
Naseem Complex	Retail	12.675
Naseem Complex	Retail	12
Naseem Complex	Retail	12.675
Naseem Complex	Retail	16.275
Omniya Centre	Retail	29.25
Omniya Centre	Retail	41.2
Shuwaikh Indus. Plot	Retail	26.64
Waha Mall	Retail	120.29
Waha Mall	Retail	258.19
Waha Mall	Retail	120.29
Jahra Bldg. Plot 103	Residential	99.45
Jahra Bldg. Plot 111	Residential	52.52
Totals:		1,665.800

During 2nd Quarter of 2011, 1,665.8 m2 of space has been leased as per the following breakdown:

Property	Area	%
Shayma Tower	650.2	39%
Naseem Complex	90.48	5%
Maha Centre	57	3%
Waha Mall	619.06	37%
Omniya Centre	70.45	4%
Jahra 103	99.45	6%
Jahra 111	52.52	3%
Shuwaikh Ind. Plot	26.64	2%
Totals:	1,665.8	100%

As we can see from above table, Shayma Tower was by far the most dynamic property during the 2nd Quarter of 2011, followed in a distant 2nd place by Naseem Complex representing 5% of all new leases.

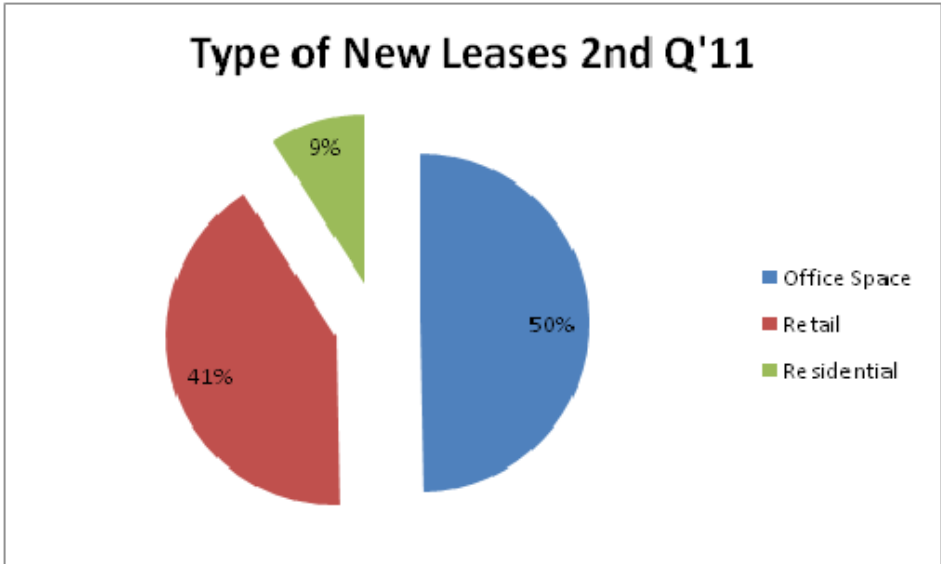
Waha Mall representing 37% was not considered as it is truly not a new lease but a simple lessee name change.

From the Type of New Leases, the table is as follows:

Type of New Leases	Area	%
Office Space	827.49	50%
Retail	686.34	41%
Residential	151.97	9%
Totals:	1665.8	100%



Clearly the Office segment was by far the most active during the 2nd Q of 2011 representing ½ m2 of each m2 leased during Apr-May-Jun'11.



Finally we want to mention that thanks to the vision of Eng. Rawaf Bourisli, we have for the first time ventured into the possibility of generating new revenues for AREC's operations, by participating in a bid to run a full Property Management Module for Al Othman Complex.

Even if the final outcome of the bid is not favourable, the very fact of being part of the bid and being an active and serious contestant is a very positive fact from our point of view, as it is a clear sign of our strength and commitment to solidify our corporate growth and market share.





Taking Action To Adapt

Action Hotels chairman **His Excellency Sheikh Mubarak Al Abdulla Al Mubarak Al Sabah** explains why operators need to be flexible to meet Middle East-specific market needs ([Interview published by Hotelier Middle East Magazine, Louise Oakley](#))

■ You have four hotels currently under construction; what can we expect from these properties?

We currently have an airport hotel, which is in the northern part of the city of Muscat. It's going to be the first Holiday Inn in Oman, and it is a very good brand catering for business and leisure and the local domestic market. That will be opening Q1 2012 with 178 rooms with suites, and it comes with an office building next door which we are looking at using for some themed F&B outlets to cater for the local tourism market.

The capital is expanding quite rapidly and they are up scaling the airport and doubling its capacity, so we have a very good position for the Holiday Inn there.

The next one we have is Ibis in Bahrain, currently about 318 keys of rooms and apartments, which is rare because Ibis hotels usually just have rooms. We did a modular approach here where we eliminated one of the rooms and used it as a sitting room. Then we basically can sell it as a one-bedroom suite or two-bedroom apartment. And that's very important because most of the clientele in Bahrain are from the GCC and families from the Eastern Province. In a way we are changing the brand standards slightly to cater for the local market, and this is very important in the hotel industry.

This will be a dry hotel also, there's going to be no alcohol there, which is also very unusual for a hotel designed to cater for the holiday market. That's something we need to point out and stress in our Ibis in Bahrain. That also will be opening in the latter part of 2012.

We also have a project in Brisbane, until now we haven't chosen an operator but most probably it will be a mid-scale operator, in the CBD district just in front of the casino.

Queensland is one of the fastest growing states in Australia, not only because of the GDP growth and raw materials being extracted, but it is also the sun state of Australia.

It has very reliable weather throughout the year, and the temperature is favorable for people who want to go on holiday or even retire and live there. And I think we have a very good location in a city where for the last 10, 15 years there have been no new build hotels. This will be a very big winner in my view.

The fourth property is a Staybridge Suites; this is a building we already

“ IN A WAY WE ARE CHANGING THE BRAND STANDARDS SLIGHTLY TO CATER FOR THE LOCAL MARKET AND THIS IS VERY IMPORTANT IN THE HOTEL INDUSTRY ”

have that we are converting into a serviced apartment. This will be the second Staybridge in the UAE after Yas Island in Abu Dhabi, and will be the first IHG flag in Ras Al Khaimah.

We thought there was added value to put in a long-stay property because of the local market — businesses and industries in Ras Al Khaimah require some sort of product which is not lei-

sure-based. Most of the products in Ras Al Khaimah are leisure — they cater to foreigners or local residents in the UAE who go on weekends away etc, or for people who come on vacation. This is mainly catering for medium or long-stay business people and families who want to stay there for a week, a month etc. That will open first quarter of 2012.

■ You mentioned that in Bahrain you are altering the ibis brand standards; how important is it that operators are flexible with this issue?

I think they are pretty flexible, I would like to see some more flexibility to cater for the Middle East region. [In Bahrain], we have a pool in the hotel. I went to Ibis in Morocco, all of them have pools you know. The Ibis in Jakarta has apartments, I went and looked at the brochure and found that out. The market here requires apartments, so you'd better do it.

Of course we need to differentiate the wood from the trees; we can't ask a three-star hotel to be a five-star hotel, that's abnormal. [For example we can't have] the room service element because we know it will increase cost etc. I'm not against that or else I should have gone for a four-star rather than a three-star property. The important element that needs to be looked into, especially in the Middle East, is issues to do with families and trying to cater for them, especially large families.

In our part of the world, they come by car and they're used to bell boy service. We've introduced this in Kuwait now. The mentality is you must have a bell boy. There weren't any mini bars and we insisted on having them in our hotels.

We're not going to make money out of mini bars but the weather is hot, if you want to get a cold drink at night that's one reason to have them, and another is that a lot of people have problems with medication, they need to keep it in the fridge. It's not a mini bar, it's a mini fridge.

These are the small issues, it's the fine detail that matters. The devil is in the detail.

■ **Will this flexible approach be needed to grow the midscale market?**

You cannot be everything to everybody, but there are some issues where you need to improvise with the local market. The average family size here is different from Europe [6.5 people per family in KSA]; and the brand is different here from Europe.

That's led us to move towards not only midscale hotels but branded serviced apartments, because we appreciate that in this region people tend to want to stay long-term in apartments. The average cost of a three-bedroom apartment is cheaper sometimes than a four-star room or two rooms.

In Saudi Arabia, which is the biggest GCC market travel-wise, the biggest customer requirement is the serviced apartments; they don't want a hotel room. And that is why we're building the Staybridge property quite a lot.

■ **Are you looking at developing any properties in Saudi Arabia?**

We're looking at it, but in the current circumstances we want to focus on what we have now — but yes we are very keen on doing a couple of properties in the medium term, not immediately... but we may do something in the eastern province, probably by the end of this year.

We have a 16 properties' land bank, of which five are open [in Salmiya and Sharq in Kuwait; Muscat, Oman; Amman, Jordan; and Melbourne, Australia] and four are under construction, so we have an internal pipeline which is enough to keep us going; it's very capital intensive and we are focusing on that.

■ **What do you predict will be the strongest markets in 2011?**

This year is generally a tough year unless you're in Du-

bai. Dubai is benefitting a lot from the region, we don't have any hotels yet in Dubai. Kuwait is a strong market, Australia is a very strong market.

“ **THE IMPORTANT ELEMENT THAT NEEDS TO BE LOOKED INTO, ESPECIALLY IN THE MIDDLE EAST, IS ISSUES TO DO WITH FAMILIES AND TRYING TO CATER FOR THEM** ”



Action Hotels chairman His Excellency Sheikh Mubarak Al Abdulla Al Mubarak Al Sabah



Action Hotels Scholarship Program for Hospitality

As part of the AHC Corporate Social Responsibility program, AHC launched a scholarship program in May 2011, with the intention of promoting interest for, and access to careers in the Hospitality industry amongst young Kuwaiti professionals.

This initiative is a timely one, given that that tourism industry in the Middle East will require an additional 1.5 million team members by the years 2020. Currently, there are only around two percent of Bahraini, Omani, Saudi and Kuwaiti nationals employed in the hospitality sector. It is hoped that this scholarship will not only introduce a new career option to Kuwaiti nationals, but also help address this gap in the sector with fresh Kuwaiti talent.

The Action Hotels Scholarship Program for Hospitality will facilitate suitably qualified Kuwaiti professionals in attaining a Master of Science in International Hospitality Management degree at The Emirates Academy of Hospitality Management (EAHM) in Dubai, UAE. This is the first fully accredited Master of Science in International Hospitality Management degree within the region, and is offered in academic association with the Ecole Hôtelière de Lausanne in Switzerland.

The degree is accredited by the Ministry of Higher Education and Scientific Research of the UAE, and is recognized globally by leading Universities and the wider Hospitality Industry. Accreditation by the Ministry of Higher Education in Kuwait is also under process.

The program will develop the knowledge, skills and competence of graduate industry professionals to enable them to function effectively at executive, corporate and senior managerial levels within the contemporary hospitality industry. Upon completion of the Degree, the scholarship recipient will be offered employment with Action Hotels Company or a subsidiary of Action Group Holdings.



Mr. Alain Debare, GM of AHC; were representing the Scholarship program in “The Academy Future” Event which were organized by Kuwait University from 11– 13 July 2011.



In the picture: Mr. Debare displaying AHC profile for Dr. Rashed Al Majedi, Dean of the Faculty of Business Administration Science.

“ ENJOY YOUR SUMMER VACATION IN AMMAN ”

ONLY For AREC Team and relatives

- * Rate per single or double room, per night, with breakfast.
- * Rates is inclusive of all taxes and service charges.
- * Rate Valid till 31/09/2011

49.99

JOD





IBIS Hotels Worldwide

IBIS Kuwait

On April 28th 2011, Ibis Kuwait employees of both Salmiya & Sharq hotels had done concrete actions to celebrate Earth Day showing concern and care for the environment.

In line with the global theme of “Plant for the Planet with Accor” which is part of the Billion Tree project, ibis Kuwait team celebrated Earth Day this year on the 28th of April 2011 by planting 72 trees around the perimeter wall of Ibis Sharq, among its many other activities in sustainable development.

The employees chose to take this action not only to make people be aware of the necessity to care for nature but also to provide a greener shade for ibis Sharq Hotel which is always appreciated by guests.



Mr. Bruno Debray & Mr. Nasrat Rassem with the hotel staff





IBIS Amman / Jordan

Earth Day

On 21st of April **Ibis Amman** team had celebrated the Earth Day by blood donation in co-operation with blood bank in Amman.

The hotel staff had wear T-shirts Carrying the Earth Guest Day Logo & Blood Donation in Co-operation with Blood Bank



Kuwaiti Students Dinner at IBIS Amman

Under the auspices of His Excellency Ambassador of Kuwaiti in Jordan and in presence of Mr. Alain Debare (GM/ Action Hotel) and Mr. Oliver Hick (Vice President Operations Accor ME) & Mr. Yasser Bahaa the hotel GM, Action Hotels Company had invited the Kuwaiti students in Jordan for a gala dinner at Ibis Amman Hotel as part of the communication process with the institutions of civil society and to support them

Awards were distributed from the hotel management to the students during the gala dinner



In the Picture from left: Mr. Yasser Bahaa (GM of ibis Amman), His Excellency Ambassador of Kuwait, Dr. Hamad Saleh, Mr. Salem Abu Hadida, Mr. Alain Debare (GM of Action Hotels Co.)



WARRIORS TO WALL R I D E - M a p a fundraising event from Xian to Beijing

In May 2011, **Guy Marinucci, General Manager of Ibis Glen Waverley** – one of the hotels in the Action Hotels portfolio, and fifteen other Accor hotel General Managers took up the Le Kids (lè, • means happy in Chinese) Warriors to the Wall charity ride, with the goal of improving educational experiences for needy children and helping to lift their spirits. The group embarked upon the challenge after raising \$5,000 through their own networks in order to participate. Action Hotels also contributed to this worthwhile cause.

The five day cycling event covered over 500 kilometers from the city of Xi'an to Tiananmen Square in Beijing. During the five-day endurance ride, the cyclists also visited a number of world heritage sites as well as a few well-known Chinese attractions including the ancient Terra-cotta Warriors and the Juyongguan Great Wall.

Chung To, Founder of Chi Heng Foundation, the beneficiary of the funds raised by LeKids event said "Accor is a visionary partner of Chi Heng, pioneering in the development of innovative CSR and community based programs which includes this LeKids event. I am touched by the high spirits of the bikers who are not cyclists but hotel General Managers and whom have come from diverse geographic locations to help improve the lives of these special children in China. The event demonstrates Accor's concern for underprivileged elements in the community and improving the lives of those who need it most. My heartfelt gratitude goes to the riders who have invested so much physically and emotionally into this amazing event and to Accor for leading the way in enabling this innovative and worthy fundraising initiative.

The cycling campaign also gained support from sponsors from both China and abroad. Beyond Accor, the initiator of the event, 11 other companies have contributed to the charity ride this year, including Alcatel-Lucent, Air Aroma, Cathay Pacific, Coca-Cola, Johnson Diversey, BOC Shanghai, Swire Travel, Ecolab, China Unicom, Dragonair, and Air China.

All funds raised from the event will be directly and fully allocated to Chi Heng Foundation . The proceeds raised from the five-day campaign will be able to fund scholarships for children who have been deprived of education opportunities mainly due to Aids-caused poverty.

For more information on LeKids visit www.lekids.org

www.actionrealestateco.com





For every issue of the newsletter, one of the most interesting profiles will be presented

For this quarter; the profile of this issue is for Eng. Satya Prakash..

Eng. Prakash joined AREC in June 2005 as PMC Manager. Worked for different projects in Kuwait till late 2007. Keeping in pace the Global development started in early 2006, The group expanded the activities in other GCC countries. In late 2007, Mr. Prakash was transferred to AREC – Oman Branch, office in Muscat, as PMC Manager. He has successfully completed the construction and Handing over of IBIS –Muscat hotel. This hotel is in operation from Oct. 2009 and is one of the prime property of the group in GCC countries. Presently he managing the construction activities of Holiday Inn Hotel in Muscat. Incidentally this is the First Holiday Inn project for Group under the operator IHG Hotels. This property is schedule for operation in Late 2012.

During his career spanning 34 years, as civil engineering professional, Mr. Prakash has developed a vast experience in different fields of civil engineering such as Project Management, Cost and time control, Value Engineering, Claims settlement, Coordination with different type of consultants and Operators of International repute.

Before joining this group, he has worked closely with the portfolio of internationally reputable consultancy and project management organizations in UAE Oman Bahrain and Kuwait. He has experience in multi discipline projects, Commercial and residential buildings, Mix use projects, Hotels and Resorts, Group housings and similar.

Academic Qualifications

B.E. - Bachelor of Engineering- Civil Engineering (1975) Bangalore, Karnataka, India.

M.E. - Master of Engineering- Civil Engineering (1977) Indian Institute of Science, Bangalore, Karnataka, India.

Professional Membership and Trainings

Member of Kuwait Society of Engineers

Undergone training in ISO-9000 for Total quality management

Undergone training in Value Engineering Program

Undergone training in Project Planning and Programming

Undergone training in Cost analysis and cost control.

Other Interests/Activities:

Mr. Prakash in personnel capacity is engaged in development of real estate properties in his home town Bangalore in India.

playing Golf during spare time.





Farewell Party



On June 10th, 2011 AREC had a farewell party for the former employee Polina Nageshwara , whom worked in AREC for 4 years since 2007 as waiter.

Accidently, that day was Nagesh birthday as well.

AREC wishes Nagesh all the best and success.





In this occasion , AREC staff had gathered to goodbye Nagesh and to celebrate his birthday





Employee of the Quarter

The EOQ award for the 2nd quarter of the year 2011 goes to Mr. Praveen Victor...

Victor is working in AREC since June 2007 as Waiter.

Ms. Suha Al Jurf, Assistant HR Manager had justified her nomination for Victor as follow:

“ Victor had presented an unexpected devotion and professionalism in his work.

During very critical times; Victor has proven a great capability for handling work stress and challenging requirements against his routine assignments.

Nevertheless, reliability and accountability were starred in his performance lately “



ON BOARD....



AREC Management would like to introduce it's new family members:

Tamam Arbid

Ms. Tamam has joined AREC in April 10th 2011, in the capacity of PR & Marketing Officer.

Tamam is holding a bachelor degree in Business Administration from Beirut Arab University in Lebanon, and has a very interesting career history of 12 years in sales and marketing .



Abdulaziz Abu Hadida

Mr. Abdulaziz has joined AREC in April 5th 2011, in the capacity of Business development Officer.

Abdulaziz had graduated from Kuwait University in 2009 holding a bachelor degree in Business Administration & Finance.



AREC wishes the new joiners all luck and success..

Welcome On Board..



THE LENS TALK

As Summer season represent Holidays, we share the personal experience of where we've been..

Let the lens talk

Eng. Rawaf had visited Thailand in last December 2010



Phuket



Wat Arun Temple



Ms. Suha had visited Istanbul, Turkey in May 2011.

Dolmabahce Palace



Blue Mosque



Mr. Romeo had visited Hongkong, China in June 2011.





Moiz Ali Taher 20 July



Bilal Saleh 14 August



Wael Abd. 28 August



Hassan Karama 1 Sep



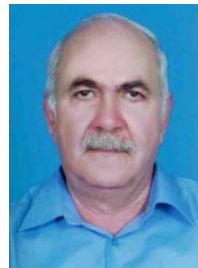
Manzor Zaien 9 Sep



Naim Abu Sharkh 11 Sep



George Sarkis 12 Sep



Abdulaziz Abu Hadida 25 Sep



Congratulations

AREC Family congratulates Mrs. Maja Magdelinic for her wedding which was in June 2011, wishing her all happiness and joy in her future life.

Mrs. Magdelinic is the Technical Assistant to GM of Action Hotels Company.



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Suha Al Jurf

Assistant HR Manager

For contributions;

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Quotes of the Issue



“In a gentle word you can shake the world”

Mahatma Gandhi

“Nobody succeeds beyond his wildest expectations unless he or she begin with some wild expectations”

Ralph charell

“The sight of achievement is the greatest gift a human being could offer others”

Ayn Rand