### THE AREC LETTER

Quarterly Newsletter issued by Action Real Estate Company (kscc)

Issue No. 5—October 2010





#### **GM Message**

As many occasions passed by the previous quarter; I would like to wish you all blessed and happy days...

And through this new issuance of the newsletter; you will be exposed for the latest news on the group level.

Moreover, I would like to announce the formal opening of Sahari Mall, one of the sophisticated projects of AREC, which is located in Jahra.

Thank you & best regards,

Rawaf I. Bourisli, Architect

#### Flash News

The Soft Opening of Sahari Mall was during the last days of Ramadan, while the official opening ceremony is scheduled to take place during the 4<sup>th</sup> week of Oct'10. Pages 2,3





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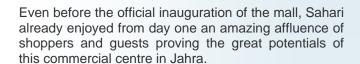
By: Joe Weberhofer, Operation & Marketing Dept.

For the 3<sup>rd</sup> Quarter of 2010, from 1<sup>st</sup>-Jul-10 to 30<sup>th</sup>-Sep-10, our portfolio witnessed an interesting flow of new tenants as per the following:

Property Name	Tenant
Naseem Complex	Noora Badi Athshan Al Enizi
Waha Mall	Faisal Ibrahim Al Othman Gen Trad.
Sahari Mall	A&K Medical Group W.L.L.
Mahboula 8 Bldgs.	Salwa Mejren Khalil Eisa Al Najem
Jahra 111	Khaled Moh. Aziz Diyab
Waha Mall	Dahham Hamad Assaf Al Enizi
Shayma Tower	Action Hotel Co.
Omniya Centre	Maam Co. for General Building Contracting
WBC - KFTZ	Real Estate Solutions
Waha Mall	Kuwait Telecom Co.
Omniya Centre	Damas National Group for Gen Trad.
Jahra 111	Kizhakkel Mathew Manjula



On the other hand, Sahari Mall saw a soft opening during the last days of Ramadan, while the official opening ceremony is scheduled to take place during the 4<sup>th</sup> week of Oct'10.



Finally, it is worth mentioning that *Action Hotels Co.* signed off a lease agreement for 6 floors in Shayma Tower to run a serviced office concept from Regus International.









#### Inside look of Sahari Mall









Dedication: to Operation dept. team for their efforts in making this project comes true, and for Mr. Bilal Saleh for his remarkable help in providing the latest news for AREC newsletter readers....







# Sister Company Profile - Action Hotels Company

Action Hotels, a subsidiary of AGH, is one of the fastest Action Hotels has already completed 4 hotels and is degrowing and most innovative hotel development compa- veloping 10 more, with the ultimate goal of delivering nies in the Middle East. The company specializes in the more than 2,500 rooms throughout the Middle East and development of 3 and 4-star hotels in partnership with the Australia. global operators Accor and IHG through their ibis, Novotel and Holiday Inn Brands across locations including Kuwait, Bahrain, Oman, the United Arab Emirates, Jordan and Australia.









\* Ibis Glen Waverley, Melbourne, Australia

Room 155, official opening Dec 2010

#### \* Ibis Amman, Jordan

Room 157, official opening October 2009

\* Ibis Muscat Al Khuwayr, Oman

Room 171, official opening October 2009



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## **Action Hotels Company**





\* Ibis Salmiya, Kuwait

Rooms 175, official opening March 2008

\* <u>Ibis Sharq, Kuwait</u> (interior view) Rooms 160, official opening October 2010

#### Hotels Under Construction

Rooms Opening

Ibis Seef, Bahrain 304 2011

Staybridge Al Seef, Bahrain 130 2012

Holiday Inn Seeb, Muscat, Oman 180 2012

Ibis Sharjah, UAE 161 2011

#### Projects

	Rooms	Opening
lbis Sohar, Om an	160	2011
Novotel Brisbane, Australia	250	2012
Holiday Inn Seef, Bahrain	210	2012
Novotel Mina Abdullah, Kuwait	175	2012
Rawdath Serviced-Apartments, Abu Dhabi, UAE	130	2012
lbis Ras El Khaim ah, UAE	182	2012

\* <u>IBIS Seef, Bahrain</u> Rooms 304, Offecial Opening 2011



by Shane McGinley, Arabian Business Magazine

ntil the opening of the first Ibis s hotel at Dubai's World Trade and Convention Centre in 2003, budget travellers to Dubai basically had two choices: take a gamble on an unknown hotel or stump up and pay above line for luxury а

In recent years, the hotel landscape in the Gulf has changed dramatically and a plethora of budget hoteliers have entered the The report said a big factor in the growth market.

The man who claims to have led the midscale march to the Middle East and brought about change and choice for the consumer is HE Sheikh Mubarak Al Abdullah Al Mubarak Al Sabah, chairman of Ac-Kuwait. tion Hotels i n

"[Budget] has been a buzzword for a few years. We at Action Hotels were one of the first in the region to identify this sector before many other people. We were established in the majority of the markets in a very short period of time," Sheikh Mubarak proudly. s a y s

As he stands in the Madinat Jumeirah hotel in Dubai for his photo shoot, the afternoon sun catches the top of the Burj Al Arab hotel. While the seven-star luxury hotel has enjoyed ten years as Dubai's number one iconic landmark, he points out that the high end market is not to everyone's pallet in the changing global environ- business ment w e n o w live

According to Sheikh Mubarak, the economy hotel sector led the global hospitality sector by six percentage points last year. He cites World Tourism Organisation data that the economic climate drove demand for economy hotels by as much as sixteen "I have always had a passion for developpercent i n 2 0 0 9 .

"Of course, it is a very large growth market and there is more intra-Gulf travel because of the proliferation of more airlines. More travel means cheaper travel and people want cheap accommodation, relatively speaking," he says.

But which comes first, the budget airline or the budget hotel? Like any chicken and egg scenario, it is difficult to pry apart the chronology. Either way, the Middle East now has both and the indicators are that the market is still in the early stages and there is still a lot of potential growth in both

Euromonitor International's 2010 Middle East hotel report stated that the Middle East and North Africa was one of the best performing regions, registering a six percent rise in business travel, compared to a global decline of seven percent.

of midscale hotels in the region was the successful introduction of low cost airlines, such as flydubai and Air Arabia. This market accounts for only around six percent of the market and is forecast to see strong growth over the next few years. The midscale market will be the obvious big winner from this, believes Sheikh Mubarak.

"Business class air travel has experienced at least a six percent down turn, in the past year. Meanwhile, intraregional travel is growing, and this accounts for more than 70 percent of the room occupancy in Dubai and Bahrain, for

"That means there is definitely going to be a requirement for well located, affordable hotels which are catered for the leisure and market." hе

It was while he was studying in the UK that Sheikh Mubarak had his light bulb moment about the potential for growth in the midmarket in the Middle East.

ment. When I was doing my PhD in Cambridge I had some land in Kuwait and I and personable proactive service at true decided I wanted to do something different. In the UK I saw the growth of Ryanair and Easyjet and the budget hotels and I thought this was an interesting area."

He got in contact with Accor, which manages the Ibis and Novotel brands and Inter-Continental Hotels Group (IHG), which manages the Holiday Inn stable of brands.

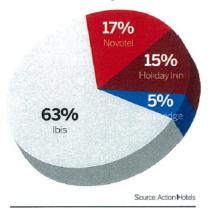
"Our regional strategy is to cement a leading position in the



^2012 will see Action Hotels ramping up its growth plans, with seven more properties due to take shape.

economy hotel segment. We are ahead of the race. The Ibis, Holiday Inn and Novotel

#### Action Hotels portfolio



flags sit perfectly in this lodging gap for business travellers and tourists who 'travel differently' and want a comfortable room value rates."

The group's first hotel opening was the Ibis Salmiya in Kuwait in March 2008 and in 2009 the Ibis Amman in Jordan and Ibis Muscat Al Khuwayr in Oman followed. In September the Ibis Sharq in Kuwait is due to come on stream and next year the Ibis Seef in Bahrain, Ibis Sharjah in the UAE, Ibis Sohar in Oman will open their doors. 2012 will see the company ramping up ers. its growth plans, with seven more "It is still challenging, it is maybe more properties due to take shape. "We are challenging in some markets where growing more than everyone else but they will not take this theme, but so far we are doing much better than the it is doing ok as most of our clients are sector in general and I think in the re- business executives who want a good cession more and more people will use bed, well located and at the right price our units as they are on tight budgets," and that is what we offer."

His vision for the company also ex- "has huge potential" but he sees it as tends beyond the Gulf region and Ac- one of the markets which may prove tion Hotels developed the Ibis Glen more elusive. "I have some sort of be-Waverly in Melbourne, Australia in nevolence in terms of whether they will 2008 and plans to open its second embrace these economy hotels or international unit, the Novotel in Bris- not," he adds. bane, next year.

While the hotelier is on-track to open around 2,600 rooms by 2012, he does admit that the model may not be to everyone's taste and some markets may not adapt to it as quickly as oth-

Saudi Arabia is one market he says,

Regardless of the potential, he says one of the major obstacles for hoteliers at the moment is the chronic shortage of lending and a lack of understanding among the banking community of the

hotel sector.

The economic climate has adversely affected our expansion plans... [and] finance with the banks is one issue for sure. The problem is banks do not understand hotels. We are dealing with organisations with an overfunded real estate sector who got burnt by it.

"They don't understand that hotels are not correlated to the real estate market on a long term basis. They are not funding hotels as they are overexposed to real estate. [The hotel sector] is a service business backed by real estate, it

is a very important point," he says with gusto.

The credit crunch has also meant that the banks in the region are less likely to lend to regional operators and are focusing more on their local traditional markets. "It limits our universe and that takes time to develop a relationship with a bank," he sighs.

Action Hotels' base is in Kuwait and while Sheikh Mubarak chose his home market to open his first hotel and has plans to open two more, he believes the Kuwaiti government could do more to develop and nurture its local tourism sector.

"There is limited tourism in Kuwait," he says. "It is a very friendly country and it is very different from the other states in the GCC but it has not moved towards developing [its tourism sector].

While he believes Kuwait is "well placed" geographically to take advantage of the three large emerging markets of Saudi Arabia, Iraq and Iran, he says the Kuwaiti tourism sector is not given enough government support or investment. While it is a political issue, is it down to a lack of motivation by the government? "Unfortunately that is the he says without hesitation. case,"

"We are a very liberal country and no different from any other GCC state, but we are not promoted. The lack of infrastructure is not there to attract tourists to be a hub," he

In May, Dubai-based research company Proleads confirmed this when it reported that Kuwait accounted for only 27, or 5.7 percent, of the 470 active hotel projects in the Gulf. This is compared to 258 in the UAE, 83 in Saudi Arabia and 35 in Bahrain.

A similar report in July by the hospitality research company STR Global found that only twelve percent of hotel rooms in the Middle East currently fall into the midscale or economy segment and only eight percent of those under construction are classed in this category. Therefore, Sheikh Mubarak may claim to have brought the midscale model to the Middle East region but there is still obviously a lot of growth potential in the market.





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. Maher Fayyad, Facilities Dept. Manager (AREC)

Maher Bashir Fayyad joined AREC in August 2007 as a Facility Manager

#### **Previous Professional Experience**

- Senior manager Engineering Division at National Bank Of Kuwait (1998 to 2007)

Design and construction of Stand Alone Branches and within buildings

**Branches Renovations** 

Head Quarter Renovation

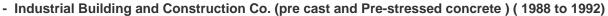
National Bank of Kuwait Children's Hospital at Al sabah Hospital Shuweik Health Area



Chief of Engineers

Project Manager National Housing Authority (NHA) Al Qurain housing

Head of Buttler steel structure- Kuwait



Project Manager design and construct Fahaheel Car Park precast system

Project Engineer design and construct Kinder Garden and elementary school Jahra & Rabya

Project Manager design and construct Four schools (KG, Elementary, Intermediate and Secondary) Qurain

**NBK-IBS** 

**NBK-IBS** 

#### - Al Nisif contracting co. (1986 to 1988)

Project manager construction of Mosque for MPW

Project manager construction of Gas Stations for KMPC

#### - Al Ghanim & Assad Trading and contracting Co. (1983 to 1986)

Head of Estimate, Quoting and contracting department

#### - Building and Construction Co. (Al Qatami) HILTI (1982 to 1983)

Sandwich Panel System -Isowall

HILTI Anchoring System.

#### **Academic Qualifications**

Graduated from University of Mississippi as B.S. in Civil of Engineering with honor 1982

#### Professional Memberships & Affiliations

National Deans List

Member of Alpha Delta Organization (Math. Group)

Member of Kuwaiti Society of Engineers

Member of Jordanian Society of Engineers

#### **Training courses**

Project Management
 Management
 MBK- IBS
 writing and Reporting
 Team work skills

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By: Eng. Ibrahim Abu daqer, Deputy GM of KMIX

The last quarter of the year had left some good things for KMIX to continue to persevere to cope up with the current competitive market. Two of the On Hand Big Projects of KMIX are Bayan Palace and Kazma Swimming Pools which will run through late 2011.

Bayan Palace Project (AL HANI FOR CONSTRUCTIONS CO.)







 The Kazma Swimming Pools Project (AL EMARAT AL JADEDAH CO.)







Aiming to get more big projects in the near future, KMIX has continuously evaluate and update machinery capacity. Though, at present, KMIX has more than enough equipments to further productions, it is but appropriate that we continue to compete with additional new equipments and innovative marketing strategies.

## Congratulations

KMIX & AREC family would like to congratulate Mr. Faisal Al-Qadiri for the newest member of his family.... Shieka Al-Qadiri, we welcome you to your new world :)

# Ramadan 2010 Ghabka

During Ramadan Holy Month 2010, under the honor of H.E sheikh Mubarak Al Sabah; Action Group Holding – HR Dept. had organized a charming "Ghabka Event" for all the subsidiaries staff on 21 of August 2010 in Hilton Hotel.

With the melodies of the Eastern Oud play, colleagues had spent great time exchanging Ramadan greetings and personal news.

On behalf of all employees; I would like thank AGH- HR Dept. team for organizing such event...

>Sheikh Mubarak is middling AGH companies managers







Ms. Dania , Ms. Maka & Ms. Manal

>KDL Team



^Lausanne Team

>AREC Team



**^Bronzia Team** 





**^KMIX Team** 

^AGH Team



## Gulf Projects 2 September 2010: Bahrain market continues to grow

Only Iraq has grown faster over the past year as the total value of projects in the Gulf falls By Richard Thompson, MEED

the week to 1 September.

The figure represents a drop index is down 16 per cent Like the previous week the slight decline in the Gulf Pro- The worst performing country jects Index is the result of sev- was Iran, where the value eral major projects in the GCC of projects fell by 0.92 per reaching completion or being cent. This was a result of placed on hold, combined with two projects - the \$2.6bn the traditional lull for the sum- IGAT 7 Gas Trunkline mer and Ramadan when few project and the \$350m new projects are launched.

The best performing country four projects being on was Bahrain. The kingdom's hold. project market grew by 0.59 per cent during the week with The UAE continued to the launch of four new pro- decline, falling 0.1 per jects.

With the exception of Iraq, kets, Kuwait, Saudi Arawhich has grown by 103.9 per bia, and Iraq remained cent since last year, Bahrain flat.

The total value of major pro- has been the region's best iects planned or under way in performing market. It has the Gulf fell to \$2.928 trillion in grown 25.7 per cent with \$15.62bn of new projects since the 31 August 2009.

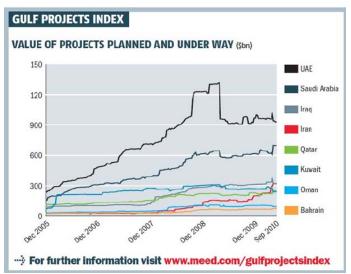
in MEED's Gulf Projects Index Only two other countries reof about 0.1 per cent from the corded positive growth, Oman previous week's figure of with an increase of 0.27 per \$2.931 trillion. During the cent and Qatar with a rise of same period, the GCC market 0.04 per cent. These markets remained almost flat at \$2.29 grew because of two new protrillion. Compared with 2009, jects launching in Oman and the Gulf index is now down one new project, the \$100m 11.7 per cent and the GCC Mesaieed Natural Gas Liquids Support Campus, in Qatar.

> Kashan Power Plant reaching completion, and

cent, while the other mar-

MEED Projects						
Projects planned or underway (\$m)						
	1-Sep-10	25-Aug-10	% change on week	31-Aug	% change of year	
Bahrain	76,527	76,078	0.6	60,906	25.6	
Kuwait	2,39,333	239,333	0	266,994	-10.4	
Oman	94,242	93,992	0.3	93,761	0.5	
Qatar	249,401	249,301	0	212,240	17.5	
Saudi Arabia	697,028	696,928	0	598,054	16.5	
UAE	932,257	933,209	-0.1	923,808	0.9	
GCC total	2,288,788	2,288,841	0	2,155,763	6.2	
Iran	317,847	320,797	-0.9	307,853	3.2	
Iraq	321,851	321,851	0	157,885	103.8	
Gulf total	2,928,486	2,931,489	-0.1	2,621,501	11.7	

Upcoming tender deadlines				
	Client	Contract	Submis sion Date	
Kuwait	Kuwait University	Faculty of arts and education	12 Sep	
Qatar	Qatar Foundation for Education, Science and Social Development	Headquarters building	5 Sep	
Qatar	Qatar Foundation for Education, Science and Social Development	Faculty of Islamic studies	19 Sep	
Saudi Arabia	Saudi Aramco	Shaybah co-generation plant	22 Nov	
UAE	Tourism Development & Investment Company	Louvre Museum main construction	30 Oct	
For further	r information visit <u>www.meed.con</u>	<u>/tenders</u>		



Projects updates this week			
	Project Name	Project Status	
UAE	Khalifa Port & Industrial Zone container terminal	Awarded	
Saudi Arabia	Jubail Oleo Chemical Plant	Study	
Saudi Arabia	Ras al-Zour desalination plant	Awarded	
UAE	Khalifa Port & Industrial Zone infrastructure works	Awarded	
Oman	Sohar Refinery Expansion Project	Planned	
For further information visit http://www.meed.com/meed-projects/			

#### Answers:

- It contains the numbers one to nine in alphabetical order
- Tip both timers over at the same time. When the 2 minute timer runs out drop the eggs in and cooks them until the 5 minute timer runs out



Location: Omniya Center

During the holy month of Ramadan; "Layali Ramadan Festival" had been organized and held in Omniya Centre (Salmiya); one of AREC properties.

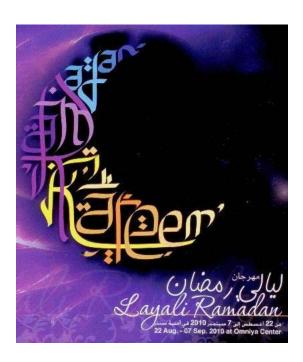
The festival included shopping activities, live fashion show, Art gallery, live musical show, kids activities and more..

The festival was organized by *Livan international company*.

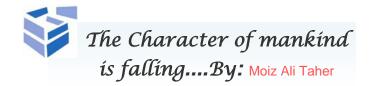








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All faiths preach love and serenity

Manners, respect, kindness & mercy

To allow all of us live in harmony

Because the life is nothing but journey

We are supposed to perform good deeds

Follow the righteous of those who leads

Share the pain when somebody bleeds

Listen to cries when the victim pleads

The world is not the place to stay

All of us are bound to return one day

& leave behind the body made of clay

Why then we engage in awful play

Killings happen in the name of religion

Godly books face threat of humiliation

Defaming men of repute & position

Right to speak is the cruel justification

Values & morals have gone missing

Love is lost while we are progressing

With each passing day it is declining

The Character of mankind is falling

#### The Employee of the Quarter is ..

The EOQ award for the 3<sup>nd</sup> quarter of 2010 goes to Mr. Ahmed Al Sha'lan.

Ahmed is working in the Government Relations Department, and had joined AREC since 2004.

Ahmed's supervisor and manager had justified their nomination to him as follow:



"Ahmad offers a distinguished performance, high customer service, extraordinary team spirit and full attention on the company interest "

Mabroook Abu Saleh





# Quotes By Paulo Coelho

Don't let what you can't do interfere with what you can do.

Instead of preaching the importance of happiness, be happy and people will follow your example.

Love your enemy. But don't forget he is not your friend.

Everything that happens once can never happen again. But



everything that happens twice will surely happen a third time.

you are what you do, and not what you think you should do.



Father: I want you to marry a girl of my choice.

Son: "I will choose my bride!"

Father: "but the girl is Bill Gates' daughter"

Son: "well, in this case...OK"

Next day

**Father approaches Bill Gates** 

Father: "I have a husband for your daughter

Bill Gates: but my daughter is too young to marry

Father: but this young man is a vice-president of the

World Bank

Bill Gates: Ah, in that case... OK

Finally father goes to see the president of the world bank

**Father:** I have a young man to be recommended as vice presidents

President: but I already have more vice-president than I

need

Father: but this young man is Bill Gates's son-in law

President: Ah, in that case...OK!!!

This is how business is done!!

Horal: even if you have nothing, you can get anything. But your attitude & approach should be posi-

tive



#### Simple Tips to Maintain Positive Approach in Life

A positive approach in life is indispensable to your success. It opens all doors to a better and a glorious future, creating a strong niche for the growth and development of your own personality. By Jennie Gandhi

The power of positive thinking or optimism is commendable that can manifest the truth of reality and can also pave path to success. No factor can over-rate the power it beholds with regards to personal growth and development including emotional, social, and spiritual.

Optimism is a silent word buried deep in our heads and hearts. When we ignore the negativities and start living in our present, this silent voice starts echoing within us. It tells us that no worry, no depression, no anxiety, and no fear are bigger than the truth of life that is uncertain. The silent voice echoes the words of soul that loses confidence, self-respect, and charm in life when wallowing in despair. Believe in the word, just one moment in optimism will give a new spark to brighten the days ahead.

There are many ways to live life with optimism and maintain that positive approach in life. Here are some of the easy and simple tips to help you change your outlook and maintain a positive attitude throughout your life:

Always stay in the present. Accepting this approach in life is
the toughest task but once achieved trust it will transform
your entire life. When you are busy with the present day
activities you tend to lose focus on dreadful past that worries
you and also the uncertain future that leaves you in confusion. Live in the present.

Have faith in your credentials, abilities, and capabilities. Selfconfidence in one factor that improves your outlook towards life and helps you cultivate positive attitude. When you are confident about yourself, you are sure that nothing wrong will ever happen and you live to the belief happily.



- Always treat failures as stepping stones in life. Don't let failures drop you down but learn from them and use them to climb the ladder to success. Try and find out opportunities in problems that are manifested in your life and use them to your advantage.
- Don't let negative energy surround you. Always stay away from emotions of anger, guilt, anguish, and sadness. If at any point of time you are trapped into any of these feelings, immediately go and pour out in any possible way you can. Share with your friends, talk to your parents, or lean on your closed one. Don't ever let them build a home in your heart. Alternatively, learn through philosophy or psychology simpler and better ways to deal with such emotions.

A girl was having a tough day and had stretched herself out on the couch to do a bit of what she thought to be well-deserved complaining and s e I f - p i t y i n g .

She moaned to her mom and brother, "Nobody loves me ... the whole world hates me!"

Her brother, busily occupied playing a game, hardly looked up at her and passed on this encouraging word: "That's not true, Mary. Some people don't even know you."

A new client meets a famous lawyer.

Client: Can you tell me how much do you charge?

Lawyer: I charge \$200 to answer three questions!

Client: Well that's a bit steep, isn't

Lawyer: Yes it is, and what's your

third question?

Man: my wife is too good. She can talk on any subject for hours.

Friend : Ahh!!! My wife is bet-

ter,

She does not even need a subject to talk about.

# To figure... Pull the Trigger



What is special about the number 854917632?

Using these 2 timers how can you boil the egg for exactly 3 minutes?

Suppose you want to cook an egg for exactly 3 minutes. You have only a 5 minutes hourglass timer and Answers are some where ... Google the pages a 2 minutes timer.



## **Managing Editor**

#### Suha Al Jurf

For contributions:

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