ORO24: BUILDING THROUGH THE CYCLE

Inside the developer's strategy to navigate Dubai's growth and meet rising demand for mid-market homes

Dubai's property market continues to go from strength to strength, and ORO24 Founder and Chairman Atif Rahman credits the maturity of the UAE economy. With 25 years in business and three Dubai developers built from scratch, he has a proven eye for timing. As ORO24 nears delivery of almost 1,100 units, he shares his vision for the mid-market and the group's next chapter.



Atif Rahman, Founder and Chairman, ORO24

Over the past three years, Dubai's real estate market has remained more resilient than many expected. What factors have challenged the conventional correction narrative?

Predictions of a global economic reboot have been common in the recent past. Whether you look at the yield curve inversion, CPI or PPI data of the Chinese economy, the underperforming GDP in the subcontinent, contraction of the European economy or bruised performances of tech, real estate and commodities stocks in the US, all have indicated economic stress. I think a general perception of Dubai's real estate would have been drawn from comparison with the 2008 Global Financial Crisis. The world is different today, and so is the economic performance. The resilience is a result of the maturity of the UAE economy. The maturity, on the other hand, is a direct result of excellent leadership, infrastructure expansion and regulatory advancements that the country has successfully maintained and achieved. This has not just led to large institutions expanding in or entering the country but also to strong diversity in the MSME sector across several industry verticals. The economies worldwide are now impacted by migration of people and capital; the weaker ones continue to drain, and the attractive and agile nations continue to absorb fresh population, wealth and opportunities. In this comparison, the UAE does stand out by far and, as I have said so many times, the future belongs to the UAE.

You launched ORO24 right after COVID, when capital was cautious. What did starting in a downturn teach you about how to run the company in a boom?

I have spent 25 years building businesses, and my journey has taught me the fine print of setting up successful business operations in India, the UK and the UAE. You can't always time these things, but given a chance, I would prefer starting businesses in a downturn rather than a boom. The capital might be difficult when the economy is going through a lull period, but the opportunity cost is also more feasible. In my experience, the peak of an economic cycle is ideal for businesses to exit and monetize rather than enter.

The journey has been pretty similar in all three of the latest property development businesses that I have built from scratch in Dubai. After having traded real estate, we laid the foundation of ACW in 2006, which was a decent period in Dubai real estate but certainly not a boom time. Then, after exiting, when I was laying the foundation of Danube Properties in January 2014, the real estate industry had just started showing momentum. Similarly, when I was starting ORO24 at the end of 2021, the backdrop was COVID, but the economy was showing strong signs of recovery. I have always focused on building resilient businesses on a strong foundation led by governance and processes, operated by talented individuals. Every single day in business, I believe in the spontaneity of decisions while

keeping foresight on what's to come. I must express that an industry boom does offer top-line increments, but it is also a rather reckless time that demands astute decisions.

Your next handover is around the corner. Could you walk us through the numbers: units, timeline and what delivery at this scale says about your execution model?

It's a very exciting time at ORO24 as we near delivery of almost 1,100 units across three projects, along with a commercial building on Sheikh Zayed Road totaling approximately 1.5 million sq. ft. I must say, it took a lot of planning and strategy to streamline delivery of materials, as the freight forwarding got altered in the last two quarters, further challenged by cost inflation and supply chain deficit. There are some unique features we have packed into these projects for the consumer, enhanced by several upgrades.
The focus is always on enhancing the asset value during the delivery process through material selection and design enhancement to offer a little more than what was originally promised to the consumer. There is tremendous emphasis on lifestyle and nature. I want ORO24 to be remembered as a developer that specializes in delivering quality real estate that makes profit for our customers. We must remember that property development is a multilayered, high-risk business which is impacted by several foreign factors, so planning, process excellence and risk mitigation are key.

Affordable and mid-market housing is where Dubai's supply gap sits, yet ORO24 has built its whole strategy around that segment while much of the market chases luxury. What gave you the conviction to lead there, and how do you see that positioning paying off over the next few years?

Today, ORO24 is an established mid-market real estate developer led by a techno-commercial core competency to build quality real estate across asset classes. Since I pioneered the mid-income segment over the years, it was an obvious choice to focus on the mass market, but with priority on the affluent middle class who wants unique assets with a modern lifestyle. So, you will find many elements of luxury, like golf simulators from ProGolf, top-of-the-line fitness products from TechnoGym, Dolby entertainment systems, white goods from Carrera, custom elevators from OTIS and much more across all our projects. And yes, we will continue to aspire to build luxury assets with similar uniqueness at the right time.
As the population continues to grow, the demand for premium-class mid-income homes will only increase further. I can assure you that at all times in the future, the focus will continue to be on quality rather than volume. This is a careful strategy which keeps us strong, not just financially but also through consumer confidence and brand equity, which are extremely important for me.

Where does the group go from here: new verticals, new geographies or deeper into Dubai? And what would make you say no to an opportunity?

The vision of the group was to establish a turnkey solution for our customers; hence, forward integration has been our prime focus. Technology in real estate continues to be at the forefront of our future strategy, and we have been actively working on it. I strongly believe that the future of real estate revolves not just around how people live in it but also around how real estate is operated. While Dubai and the UAE are at the top of the chart of global economies, the leadership of the country has made it clear that the quest for excellence in the UAE has no finish line. I can sense an evolution of the Dubai real estate market, which will require businesses to deliver greater resilience and innovation. In line with this, my job is to make ORO24 a capable participant in the industry.
Any real estate that is unique, adds value to the community and is planned well for delivery is our cup of tea; everything else we will continue to stay away from.

