



3.0 ECONOMICS

Economic and
Demographic Analysis

Market Projections

3.1 ECONOMIC AND DEMOGRAPHIC ANALYSIS



Nothing has been more crucial to developing the Urban Structure Framework Plan than a well-grounded picture of the projected economic and demographic trends for the next quarter of a century. Enormous growth is envisioned over this timeframe – between a tripling and quadrupling of the current population – and the Plan must identify how this growth, and accompanying economic expansion, will be manifested in built form.

There are considerable complications in generating accurate projections. The economic growth envisioned does not mirror past growth, either in scale or in business sector. In the absence of a track record, comparisons with other cities worldwide assume greater importance. The size of the diverse expatriate workforce does however limit the effectiveness of direct international comparisons.

The economic projections established by the government's spending priorities in areas such as healthcare, education, tourism and industrial diversification are the core source of the population growth and market projection scenarios outlined in the following section. Per-sector demand is expected as follows:

- Residential: Abu Dhabi will see strong demand for residential units across all sectors of the market as the population grows. Strong governmental and service sectors will lead to a gradual increase in the proportion of white collar workers.

Economics

Plan Abu Dhabi 2030 Urban Structure Framework Plan

- Office: While Abu Dhabi's economy will remain strongly influenced by the energy sector, growth in government, institution and service sector employment will lead to increasing demand for office space as the market matures.
- Retail: Increasing population and tourism will lead to a growing demand for retail space.
- Industrial: The industrial sector will grow with the expansion and relocation of the port area, combined with the development of a significant industrial zone in close proximity to the new port..
- Hotel: Increases in hotel room supply will be essential to accommodate the anticipated growth in both business and leisure guests to Abu Dhabi. The islands will be the primary location for leisure hotel development, while new business hotels will be needed close to the business centers and the airport.
- Golf: Golf development is envisaged in a number of the resort development areas and the creation of a number of courses will help drive golf-related tourism to Abu Dhabi. Golf serves to increase the value and desirability of residential and resort real estate, but the construction and operating costs of such facilities are high in the UAE. Therefore, the level of supply is expected to remain relatively modest.
- Marina: Demand for marina berths is likely to rise as developments on the islands around Abu Dhabi mature, but boating remains an expensive pastime and thus a steady growth rate, in line with population growth, is expected.
- Education: A primary goal of the Abu Dhabi Government's education policy is to create the highest quality, comprehensive system of education that applies world-class standards and expertise to the delivery of education at all levels.
- Hospital and Healthcare: The Government of Abu Dhabi is making significant improvements to the Emirate's healthcare system, expanding capacity and raising standards across the sector. This includes a number of new healthcare institutions and the development of existing facilities.

3.2 MARKET PROJECTIONS

The growth assumptions for the Abu Dhabi metropolitan area used in this Urban Structure Framework Plan are calibrated to the following projections. Suggested estimates of which course the growth will take are indicated, and the Urban Structure Framework Plan has been designed to meet these recommendations.

2007 - Baseline

- 930,000 residents
- 1.8 million annual tourist visits
- ~180,000 residential units

	Office Space (million m ²)	Retail Space (million m ²)	Industry Space (million m ²)	Hotel rooms	Golf courses	Schools	Tertiary Institutions	Hospital beds
Baseline	1.4	0.86	4.0	10,000	3	236	13	2,800

2013 - Five Year Projection

- 1.3 million residents
- 3.3 million annual tourist visits
- 251,000 residential units

	Office Space (million m ²)	Retail Space (million m ²)	Industry Space (million m ²)	Hotel rooms	Golf courses	Schools	Tertiary Institutions	Hospital beds
Emerging	1.8	1.1	1.0	--	9	224	8	3,495
Growing	2.7	2.8	6.5	--	12	357	14	6,311
Suggested	2.5	1.5	6.5	21,000	10	330	25	4,500

2020

- 2.0 million residents
- 4.9 million annual tourist visits
- 411,000 residential units

	Office Space (million m ²)	Retail Space (million m ²)	Industry Space (million m ²)	Hotel rooms	Golf courses	Schools	Tertiary Institutions	Hospital beds
Emerging	3.0	2.0	1.8	--	15	374	14	5,454
Growing	4.5	4.7	11.6	--	20	597	25	9,850
Suggested	3.5	2.5	10.0	49,500	18	450	30	6,500

2030

- 3.1 million residents
- 7.9 million annual tourist visits
- 686,000 residential units

	Office Space (million m ²)	Retail Space (million m ²)	Industry Space (million m ²)	Hotel rooms	Golf courses	Schools	Tertiary Institutions	Hospital beds
Emerging	5.2	3.5	3.3	--	25	637	27	8,418
Growing	7.7	8.5	21.8	--	35	1,017	47	15,201
Suggested	7.5	4.0	15.0	74,500	25	650	40	10,000

