



3.0 ECONOMICS

Economic Analysis

Market Projections

3.1 ECONOMIC ANALYSIS



Economic development in Al Ain can be accommodated by the versatile G+4 typology that mixes residential, retail and office space into a seamless whole

A well-grounded picture of the projected economic and demographic trends for the next quarter of a century in Al Ain has been essential in the development of this Urban Structure Framework Plan. The population is projected to more than double over this timeframe, 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 given that the largest component of the work force are male guest workers between the ages of 20 and 40. Many of them live with their employers, in villas or on farms, and are not considered “economically active”.

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:

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- Residential: Al Ain will see strong demand for residential units across all sectors of the market as the population grows. There is a projected oversupply of luxury units, and an undersupply of mid/affordable units.
- Office: Al Ain has a limited service sector and a corresponding small demand for office space. This is projected to continue into the foreseeable future.
- Retail: Increasing population and tourism will lead to a growing demand for retail space. Al Ain's ratio of retail square meters per resident is comparatively quite high and will remain so.
- Industrial: The industrial sector will grow with the development of the new High Tech Business Park at the airport, focusing on clean light manufacturing sectors such as computer software and hardware development, and the heavier industrial zone along the truck route, focusing on heavier, dirtier industries like cement manufacturing.
- Hotel: Increased focus on tourism will increase the volume of visits but not the duration. The total number of hotel rooms required is expected to continue to be on the low side for an emerging economy.
- Education: Al Ain has a high ratio of schools per resident, evenly split between government and private schools. A key priority of the Abu Dhabi Government is to grow the universities in the Emirate to retain Emirati students and attract GCC students. This strategy should keep Al Ain in the high segment for tertiary institutions.
- Hospital and Healthcare: Despite its well-regarded hospitals, Al Ain is currently in the low to medium segment of hospital beds per 1,000 people. In order to prevent that ratio from slipping, Al Ain will need to aggressively build more hospital beds as the population grows.
- Recreation: Golf courses have a greater influence on the urban structure than most other recreation facilities. In Al Ain, golf is a popular and growing pass time, but is constrained by the great expense of constructing and maintaining a course in such an arid climate. Only a modest amount of increase in golf courses is foreseen.

3.2 MARKET PROJECTIONS

The growth assumptions for the Al Ain metropolitan area used in this Urban Structure Framework Plan are based on population and economic forecasts and on comparisons to international examples. In each case, an emerging and a growing scenario are projected, along with a suggested scenario, which is both a best estimation and a recommendation.

The following table begins with 2005 Census data, giving an accurate population for Al Ain City and five adjoining rural districts that this plan proposes to become part of the Al Ain urban area over the next twenty-two years. From this and other data, a projection to 2007 has been prepared giving a baseline from which to estimate land use requirements out to the adopted planning horizon of 2030.

2005 - Census Data Population

(for areas shown in diagram 5.1.1 Precincts)

Existing Urban Area

Al Ain City 284,040

Urban Expansion Areas (to 2030)

Al Salamat 10,130

Al Yahar 22,234

Um Ghaffa 7,712

Al Dhaher 9,272

Mezyad 5,582

Total 338,970

2007 - Baseline

- 374,000 residents: 122,000 Emirati, 252,000 Expatriate
- 200,000 annual tourist visits
- 67,049 residential units: 13,203 Emirati, 53,846 Expatriate

	Office Space (‘000 m ²)	Retail Space (‘000 m ²)	Industry Space (‘000 m ²)	Hotel rooms
Baseline	150	460	800	796

2013 - Five Year Projection

- 476,000 residents: 141,000 Emirati, 335,000 Expatriate
- 474,000 annual tourist visits
- 86,792 residential units: 15,254 Emirati, 71,538 Expatriate

	Office Space (‘000 m ²)	Retail Space (‘000 m ²)	Industry Space (‘000 m ²)	Hotel rooms
Emerging	291	169	186	1,554
Growing	729	657	1,371	2,525
Suggested	250	600	1,000	1,800

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2020

- 627,000 residents: 167,000 Emirati, 460,000 Expatriate
- 710,000 annual tourist visits
- 124,290 residential units: 22,584 Emirati, 101,706 Expatriate

	Office Space (‘000 m ²)	Retail Space (‘000 m ²)	Industry Space (‘000 m ²)	Hotel rooms
Emerging	412	248	263	2,481
Growing	1,030	965	1,937	4,032
Suggested	400	800	1,450	2,700

2030

- 1,000,000 residents: 290,000 Emirati, 710,000 Expatriate
- 1,071,000 annual tourist visits
- 202,061 residential units: 41,428 Emirati, 160,633 Expatriate

	Office Space (‘000 m ²)	Retail Space (‘000 m ²)	Industry Space (‘000 m ²)	Hotel rooms
Emerging	612	388	391	4,009
Growing	1,531	1,511	2,881	6,516
Suggested	600	1,100	1,975	4,000