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Soon construction will begin on thousands of units for Palestine's low-income groups.

Palestine property investors to roll out thousands of units

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One-page article

LONDON // Palestinian investors are unveiling ambitious new plans to roll out thousands of new housing units aimed at a growing demographic of young middle-class professionals. The first projects have been started in the West Bank and if they are successful, Gaza will follow. One of the major backers is the Palestine Investment Fund (PIF), a public investment company formed from the estate of Yasser Arafat, the former president of the Palestinian National Authority, but other financiers include Palestinian businessmen and even investors from the Gulf and the US. The focus on bricks and mortar is important for Palestinian aspirations to nationhood. "We want to see projects on the hilltops other than [Jewish] settlements," Mohammed Mustafa, the chairman of the PIF, told a ground-breaking ceremony in the West Bank city of Jinan last month, according to Reuters. Amaar Real Estate, a property arm of the PIF, last month broke ground on Jinan Neighbourhood, which will include 1,000 housing units. This followed the start to construction of 2,000 low-cost housing units at Reehan, a suburb of Ramallah 10km north of Jerusalem, by another PIF subsidiary, Al-Reehan Real Estate Investment. PIF aims to develop 30,000 housing units in different areas across the Palestinian Territories in the next 10 years as part of its National Affordable Housing Programme. With a total investment estimated to exceed US\$1.5 billion (Dh5.51bn), the programme will offer Palestinians affordable homes with facilities including schools, health clinics, commercial centres, and places of worship and entertainment. The construction boom faces formidable obstacles. The largest proposed residential project in the West Bank, Rawabi, is waiting on Israeli approval for a land corridor linking it to Ramallah, which lies 9km to the south. "Rawabi lies in Area A, but to access it people have to travel through a small part of Area C, which is controlled by Israel," says Amir Dajani, the deputy managing director of Bayti Real Estate, a joint venture between local entrepreneur Bashar Masri's Massar International and the Gulf property developer Qatari Diar. Bayti was established to start development of the Palestinian property sector, with a mission to create affordable, accessible, family-friendly communities. Rawabi is the first of these. The

new city's 5,000 housing units will provide accommodation for up to 25,000 residents, increasing to 40,000 as new residential and commercial buildings are built. "Estimates suggest there will be an acute shortage of 500,000 apartments over the next 1 years for middle-class professionals, and we're trying to address this," says Mr Dajani. Under the Rawabi plans, residents will have access to schools, health care, financial and professional services, as well as entertainment, shopping and outdoor recreation areas. Construction costs are estimated at more than \$500 million. But its success will depend on the Palestinian Authority being granted full control of the access roads, and for Israel to extend improved water access rights to the development. If all goes to plan, Bayti will have laid the foundations for the 5,000 apartments and housing units by March or April next year, with construction to be completed in between 18 months and two years. "The current plan assumes that their [Israel's] support will be given but if there's no progress then we'll have to take other measures," says Mr Dajani. Bayti has taken a holistic approach, envisaging a series of support projects growing from Rawabi. "We will have a conference centre to attract firms and an industrial park that will breed SMEs (small and medium-sized enterprises)," Mr Dajani says. Developers expect these new housing projects to become the drivers of the new Palestinian economy. Mr Dajani expects Rawabi to create 5,000 jobs in areas such as back office and information and communication technology support services. The focus on technology is central to Rawabi's vision. Given the difficulties of travel in the West Bank, advanced communications systems are vital to keep businesses in touch. Developers are also working closely with financiers to ensure mortgage lending is available to home buyers. The PIF is preparing to launch the Affordable Mortgage and Loan Programme (AMAL), which will provide prospective homeowners with different mortgage options through local banks. "The programme will provide for long-term, affordable mortgages so that monthly outgoings do not exceed \$700," says Mr Dajani. AMAL will administer \$500m of loan capital, half of which will be provided by the US government-backed Overseas Private Investment Corporation (OPIC). OPIC and the PIF are trying to have the mortgages ready in time for the opening of the first units. Another Palestinian property developer, Union Construction and Investment (UCI), has struck a deal with Palestine Mortgage and Housing under which the latter will provide long-term fixed rate loans for new homes built by UCI at two residential developments near Ramallah, where prices will range between \$130,000 and \$300,000. As for Gaza, projects such as the Al-Mashtal neighbourhood, an integrated complex with schools, shopping centres, hotels and a marina, and a UCI-backed tourism and recreational project in Khan Younis are already being planned. @Email:business@thenational.ae

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