

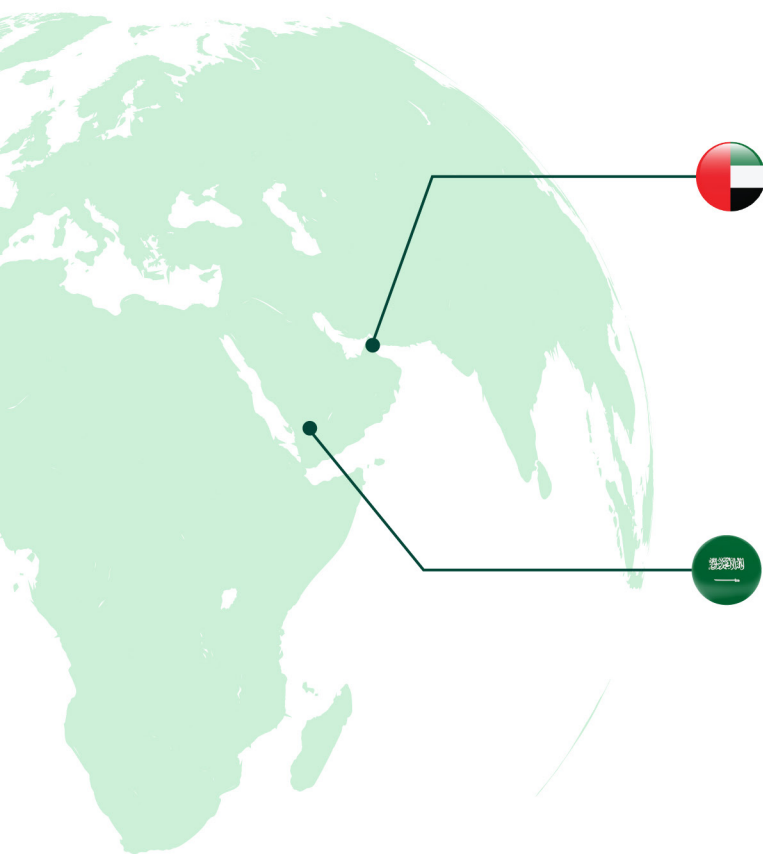


THE NEXT FRONTIER IN REAL ESTATE

From Selling Assets to
Operating Value

Real Estate value creation has traditionally followed a well-defined sequence: securing strategically located land, designing products aligned with market demand, executing construction efficiently, and monetizing developments through strong sales absorption. **This development-centric model remains commercially effective and continues to support expansion across emerging and transitional markets.**

However, the operating landscape is evolving. As projects increasingly take the form of branded communities, mixed-use masterplans, and managed residential environments, the lifecycle of real estate no longer ends at handover. Instead, it extends into the daily experience of residents—shaped by maintenance quality, responsiveness to service requests, communication transparency, and the consistency of community operations. These operational dimensions increasingly influence pricing resilience, reputation, and long-term asset performance.



Across the GCC and wider MENA region, the maturity of customer-centric real estate operations varies significantly between markets. In some markets—most notably **Dubai**—community management and resident experience have already been institutionalized as core components of the real estate operating model. Professional community management platforms, structured service and complaint management processes, and integrated digital resident applications have become standard features across many residential developments in the emirate.



In other parts of the region—particularly in markets where the development cycle has historically prioritized rapid supply expansion, such as **Saudi Arabia**—developers have significantly strengthened their capabilities in land strategy, design, construction management, and commercial execution. Yet the post-handover operating model is still evolving, with growing attention being directed toward the **operational phase that follows delivery**, where resident experience ultimately determines whether trust in the developer and the long-term strength of the brand is reinforced or gradually eroded over time.



I.

Where Developers Continue to Excel

Core Drivers of Real Estate Value

A.

Land Acquisition

From Intuition to Data-Driven Strategy

Strategic land acquisition remains one of the strongest capabilities of real estate developers, but what was once largely driven by intuition and broker networks has increasingly evolved into a data-driven discipline.

The Middle East’s geospatial analytics market is estimated at approximately **USD 5.37 billion in 2026 and projected to reach nearly USD 7.9 billion by 2031**, reflecting growing reliance on spatial analytics, smart city planning tools, and digital infrastructure mapping.

By integrating these inputs early in the planning process, developers can better anticipate future demand rather than simply responding to current market activity.

Some regional developers have already institutionalized more structured approaches to land acquisition and product positioning. In Dubai, **Meteora Developers** integrates demographic analytics, transaction data, and economic indicators into its site-selection strategy. The company has concentrated several recent residential projects within the **Jumeirah Village Circle (JVC)** masterplan, one of Dubai’s fastest-growing residential districts, characterized by strong investor demand and expanding community infrastructure. This targeted positioning has supported solid sales performance across projects in this community, including **East Crest** and **7 Park Central**.



B.

Design & Construction

Institutionalized Design and Construction Execution

Another area of sustained strength lies in design governance and construction execution. Technologies such as **Building Information Modeling (BIM)**, digital coordination platforms, and integrated project delivery frameworks are now embedded within mainstream development workflows. The GCC BIM market was valued at roughly **USD 9.4 billion in 2025**, reflecting strong infrastructure pipelines and large-scale urban development programs.

Regulation is also accelerating adoption. In Saudi Arabia, the **Saudi Contractors Authority** has mandated BIM use for government projects, including major developments such as **NEOM, The Red Sea Project, and Diriyah Gate**. In many cases, BIM is now used beyond 3D modeling—integrating **4D scheduling** and **5D cost planning** to improve coordination and reduce construction conflicts.



C.

Sales

Sales Velocity as the Primary Commercial Driver

Commercial execution remains another defining edge among regional developers. Many organizations are structured around revenue generation, supported by strong capabilities in:



EMAAR

A prominent example is Emaar Properties, which recorded ~USD 22 billion in property sales in 2024, representing a 40% year-on-year increase¹.

TMG

Talaat Moustafa Group (TMG), one of the largest real estate developers in Egypt and an expanding player in Saudi Arabia, recorded EGP 211 billion in contractual real estate sales during the first half of 2025, representing a 59% year-on-year increase EGP², and a total of 382 billion in real estate sales in 2025. Strong demand driven by flagship Egyptian developments such as Madinaty and SouthMed, alongside its regional expansion into Saudi Arabia through the **Banan project in Riyadh**, which generated approximately SAR 7.2 billion in cumulative sales by the end of 2025.

This emphasis on sales velocity is understandable in markets driven by strong investor demand and active off-plan activity. However, it can also lead to structural imbalances. When organizational incentives are heavily weighted toward closing deals, comparatively less attention may be given to nurturing and maintaining the customer relationship after the sale.

As residential developments increasingly operate as master-planned, gated and professionally managed communities, the strategic question shifts **from how quickly units can be sold to how consistently value can be sustained once residents move in.**

¹ Emaar 2025 results: Record \$21.9bn sales, revenue climbs 40% - Arabian Business

² Egypt's Talaat Moustafa Group H1 sales jump 59% to EGP 211bn – Daily News Egypt

II.

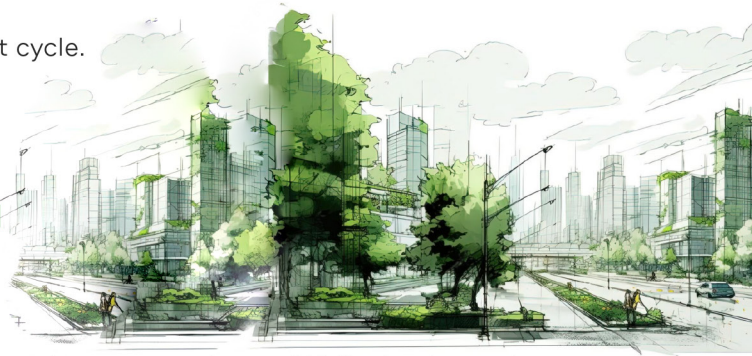
Where Value Begins to Erode

The Post-Handover Operating Gap

A. The Asset Lifecycle Extends Beyond Handover

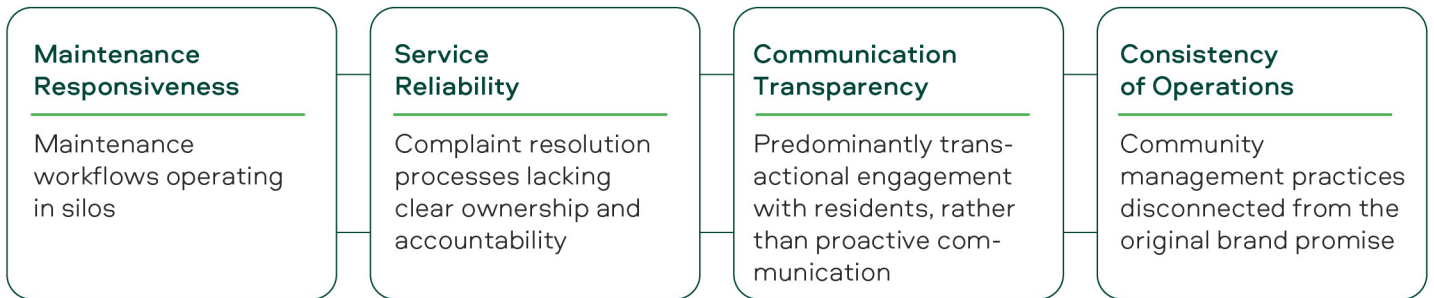
Handover is often treated as the endpoint of the development cycle. In reality, it marks the beginning of operational validation.

“Once residents move in, their evaluation shifts from design quality to lived experience”



Precisely where organizational integration is often weakest, exposing structural gaps. While developers have significantly refined their ability to design and market the promise—through architecture, specifications, and branding—fewer have institutionalized the operational systems required to consistently deliver on it.

This gap typically manifests across four critical dimensions:



B. Service Failure as Trust-Defining Moments

In post-handover environments, service failures are often treated as isolated operational issues. **In reality, they function as trust-defining moments.**

A 2025 report by the UK Housing Ombudsman highlights that **poor communication remains one of the primary drivers of complaint escalation**, with transparency and responsiveness often shaping resident perception more strongly than the issue itself.

These breakdowns extend beyond inconvenience. Residents experience the asset and its operator as a single, unified promise—**meaning operational shortcomings quickly translate into brand perception.**

Importantly, **trust erosion is rarely driven by a single major failure.** More often, it accumulates through repeated friction points that gradually reshape resident sentiment over time.

C.

Operational Performance as a Driver of Market Value

The financial consequences of weak post-handover operations are rarely immediate, but they are measurable through leading indicators such as:



Emerging evidence shows that **resident satisfaction and sentiment increasingly influence housing price outcomes**, reinforcing the direct link between operational performance and asset valuation.

Across the GCC, regulators are also strengthening oversight of post-handover performance. Formal complaint mechanisms for real estate disputes and reporting channels for service failures are becoming more institutionalized.

“ This signals a broader shift: post-handover experience is no longer purely operational—it is increasingly tied to regulatory credibility, brand equity, and long-term market value. ”

III.

The Developer Value Model Is Evolving

A.

From Transactional Development to Lifecycle Value Creation

The transformation underway in real estate does not replace development-led value creation—it expands its economic logic.



The traditional model

was designed for markets where value was realized primarily through transactional margins and capital recycling.



A broader model is now emerging

Within this framework, asset performance is evaluated across the **full operational lifecycle** rather than solely at the point of sale. Increasingly, long-term value is shaped by how well a community performs once residents move in. **Sustained occupancy and resident retention** become critical indicators of asset stability, particularly within professionally managed residential portfolios. For example, **Dubai Residential REIT** reported **portfolio-wide occupancy** of approximately **98% in the first half of 2025³**, reflecting strong tenant demand across its residential assets.

³ Dubai Residential REIT Delivers AED 622 million H1 2025 Net Profit1, up 10% Year-on-Year Driven by Strong Occupancy and Operating Performance – Dubai Residential

At the same time, **recurring operational revenue** is becoming an increasingly important performance driver. In 2024, recurring income streams—including leasing, property management, hospitality, and retail operations—accounted for **26% of Emaar’s total revenue**⁴, highlighting how real estate platforms are gradually diversifying beyond development sales.

Resident satisfaction and brand reputation are also playing an increasingly important role in shaping demand for future developments. Developers that consistently deliver strong service quality often benefit from repeat buyers and sustained interest across project phases.

Regulatory frameworks are reinforcing this shift. **In Dubai, the Real Estate Violation System (RVS)** and Dubai Land Department enable residents to report developer violations and operational issues. **In Saudi Arabia, the Real Estate General Authority** oversees licensing, compliance monitoring, and complaint resolution across the sector.

“**Emaar Development**, for instance, reported a customer satisfaction score of **93.4% in 2024**⁴, underscoring the link between operational excellence and long-term demand.”

B. Where Operational Excellence Is Becoming a Core Value Driver

The move toward service-led value creation is particularly evident in asset classes where **operations are inseparable from the product itself**.

1. Branded Residences and Hospitality-Led Living

Branded residences illustrate how service delivery increasingly defines real estate value. In these developments, the **brand promise extends beyond physical design into the ongoing resident experience**.

The Middle East has emerged as one of the fastest-growing global markets for branded residences, with Dubai positioned alongside cities such as Miami and New York as a leading hub.

In Saudi Arabia, serviced apartments and hospitality-led residential formats account for more than half of accommodation establishments. The market is estimated at approximately USD 640 million, driven by demand from expatriates, corporate travelers, and long-stay residents seeking a blend of residential space and hotel-style services. **Examples include Marriott Executive Apartments Riyadh Convention Center and Fraser Suites Riyadh**, both offering fully serviced, long-stay living solutions.



A similar evolution is taking shape in Egypt, particularly in tourism-driven destinations such as the North Coast and Red Sea. **Developments like Silversands by ORA are incorporating hospitality-led operating models**, enabling rental management programs while delivering hotel-grade services to residents and investors alike.



⁴ INTEGRATED ANNUAL REPORT 2024 – EMAAR Development

2. The Rise of Professional Community Management

The growing importance of operations is also reflected in the emergence of professional community management platforms.



1.2 million

residents

58

master communities

381

jointly owned properties

~1.35 billion square feet

of residential area



A comparable approach can be seen in **Egypt**, where large developers increasingly rely on dedicated management platforms to operate their communities: **SODIC** manages residential compounds through its property and facility management arm **Edara**, which provides integrated services including maintenance, landscaping, security, and building operations across the company's developments. Edara employs **more than 3,000 professionals** delivering operational services designed to preserve asset value and support the daily needs of residents in **Eastown, Vilette, and SODIC East**.



Similarly, **Talaat Moustafa Group (TMG)** manages large integrated communities such as **Madinaty and Al-Rehab**, two of the largest residential developments in Egypt. These projects function as self-contained urban environments incorporating schools, healthcare facilities, retail areas, parks, and transportation services that require continuous operational management to support the daily lives of residents and maintain long-term property values.



Professional property management is also expanding in the commercial real estate sector. For example, **Marakez** develops and manages **Mall of Arabia in Cairo** which remains one of Egypt's largest shopping centers, illustrating how integrated asset management supports the long-term performance of large retail environments. The company serves as the **developer, owner, leasing agent, and managing agent** for the mall, which includes more than **500 retail outlets** alongside **entertainment and dining facilities**.



IV.

Designing a Customer-Centric Real Estate Operating Model



Shift 1: Align the Organization to the Resident Journey

A customer-centric real estate platform begins with a simple principle: **in a lived asset, no function is truly back-office.**

Across residential and mixed-use developments, residents and tenants experience the asset as a continuous journey. For residents, this lifecycle spans discovery, purchase or leasing, move-in and onboarding, daily living, and ultimately resale or renewal. For tenants, particularly in retail and office environments, the journey includes leasing negotiations, fit-out, day-to-day operations, customer footfall dynamics, and lease renewal.

Leading developers are increasingly embedding digital platforms to support this end-to-end experience.

“Emaar Development’s Emaar One, for example, serves more than 74,000 residents, enabling service requests, maintenance tracking, payments, and community communication through a unified interface.”

However, digital enablement alone is insufficient. Delivering a seamless experience depends on strong internal operational governance. This includes:

Clear ownership of resident and tenant touchpoints

Defined escalation and resolution processes

Coordination across leasing, facilities management, customer service, and community management

When these functions operate in silos, service delivery becomes fragmented—directly impacting resident satisfaction and tenant retention.

By contrast, developers that institutionalize integrated governance models are better positioned to deliver consistent maintenance, responsive service, and transparent communication across the full lifecycle of the asset.

B.

Shift 2: Reframe Outsourcing as a Customer Experience Decision

Outsourcing is not inherently at odds with customer-centric operations. The risk emerges when cost efficiency becomes the primary decision criterion for functions that directly shape resident trust.

Post-handover, residents and tenants interact far more frequently with operational staff—security personnel, maintenance teams, call centers, and front-desk representatives—than with the developer itself. These touch-points effectively become the face of the brand.

Outsourcing can enhance efficiency and scalability, particularly in areas such as facilities management, security, maintenance, and customer support. However, decisions should be evaluated through a broader, experience-led lens.

Key considerations include:

Customer and Brand Impact

Can third-party providers consistently meet expected service standards, responsiveness, and communication quality?

Total Cost of Ownership

Beyond immediate savings, what are the longer-term costs related to oversight, coordination, retraining, and operational risk over a 3–5 year horizon?

Market Capability

Does the local vendor ecosystem have the depth and quality required to deliver at scale?

Strategic Criticality

Does the function directly influence brand perception, resident satisfaction, or tenant relationships?

When assessed across these dimensions, outsourcing shifts from a cost-reduction exercise to a strategic lever—balancing operational efficiency with long-term brand equity and asset value.

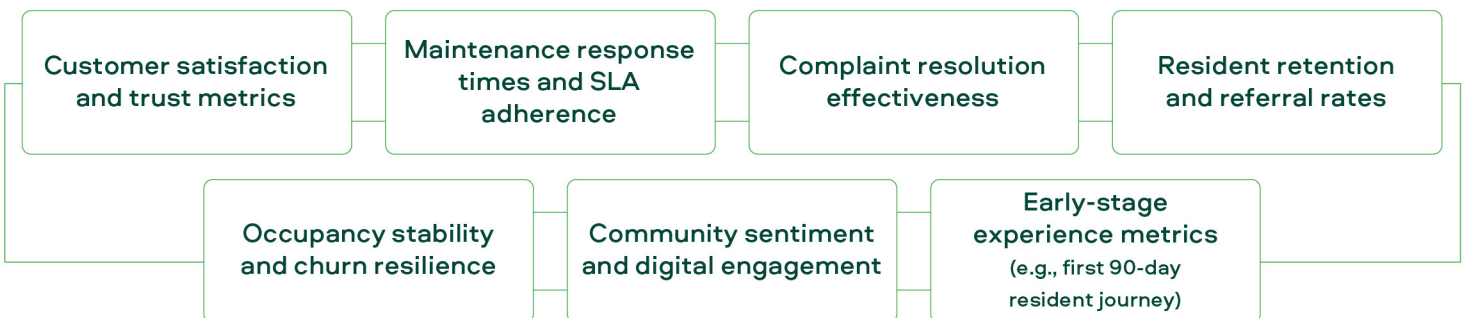
C.

Shift 3: Measure Lifetime Value—Not Just Sales Velocity

Operational transformation requires a parallel shift in measurement. Organizations optimize what they measure. **When KPIs are centered on units sold, booking values, and launch absorption, the system naturally prioritizes transactions over relationships.**

As real estate platforms increasingly depend on recurring income and long-term asset performance, measurement frameworks must evolve accordingly.

A more mature KPI architecture should incorporate:



When lifetime value becomes an explicitly measured outcome—rather than an assumed byproduct—organizational focus shifts toward sustained performance, stronger relationships, and long-term value creation.

Conclusion

The Next Competitive Advantage Will Be Operational

Developers across the GCC and wider MENA region will continue to excel in the fundamentals that have long defined real estate success—land strategy, design quality, construction execution, and commercial performance. However, as residential formats evolve into managed communities, mixed-use environments, branded residences, and institutional portfolios, the nature of value creation is expanding. The resident relationship no longer ends at sale. Instead, operational performance becomes continuously visible—shaping reputation, retention, and long-term pricing resilience.

The next generation of real estate leaders will therefore extend the traditional development model into the living phase of the asset. In this context:



- Maintenance becomes an extension of brand delivery**
- Tenant experience becomes a driver of leasing demand and retention**
- Property management becomes a lever for sustaining footfall and commercial performance**
- Operational reliability becomes a determinant of long-term asset value**
- Complaint handling becomes a trust-management function**
- Community operations become drivers of reputation**
- Customer experience becomes a measurable economic variable**

Across the region, several developers already demonstrate how strong operational ecosystems can sustain performance at scale:



Talaat Moustafa Group (Egypt) – Developer and operator of Madinaty, one of Egypt’s largest integrated cities, spanning approximately 33.6 million m² and designed to accommodate up to 700,000 residents across around 120,000 units. The development functions as a self-contained urban environment, integrating education, healthcare, retail, mobility, and extensive green infrastructure. Its earlier project, Al Rehab, similarly operates as a large-scale master-planned community housing approximately 200,000 residents across 9.9 million m².



Emaar (UAE) – A pioneer of large-scale lifestyle communities such as Downtown Dubai, Dubai Hills Estate, and Arabian Ranches, where residential developments are seamlessly integrated with retail, leisure, education, and healthcare infrastructure. Emaar’s “Emaar One” platform connects residents to maintenance, payments, and community services, embedding operational engagement into daily life. Through its dedicated community management arm, Emaar manages large residential portfolios, coordinating facilities, financial administration, and resident engagement.

These examples illustrate a broader industry shift: Customer-centric real estate is not a hospitality layer added onto development platforms. It is the operational discipline that connects construction to sustained value—and increasingly, it represents the next frontier of competitive advantage in the region’s real estate markets.

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