

PROPERTY DEVELOPMENT

Dubai developer to construct new \$11-billion city in Russia

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DUBAI, UNITED ARAB EMIRATES -- A Dubai-based developer announced yesterday that it plans to build a new Russian city on 17,800 hectares near Moscow.

The project, dubbed Great Domodedovo, was described by developer **Limitless LLC** as "one of the largest projects planned by an international developer anywhere in the world today."

An \$11-billion (U.S.) investment in the project's first 3,035-hectare phase will be made in partnership with Russian investment and development company, **Coalco Corp.**, according to a written statement by Limitless.

Limitless is the real estate development subsidiary of **Dubai World**, the holding company that also operates ports giant DP World, which was forced this spring by the U.S. Congress to sell operations it had acquired in six U.S. ports.

Dubai's fast-growing developers have launched previous projects to develop entire cities from scratch. Dubai-based **Emaar Properties**, the Middle East's largest developer, announced plans earlier this year to build King Abdullah Economic City, a new Red Sea port in Saudi Arabia.

In Russia, Great Domodedovo will be a full-fledged city with residential, commercial and employment units as well as educational, recreational and entertainment facilities, the statement said.

Both Russia and Gulf emirates like Dubai are reaping enormous energy revenues that are fuelling audacious investment schemes. Dubai, where forests of skyscrapers are under construction, is considered by many the fastest growing city in the world.

Russian vacationers and investors have flocked to the United Arab Emirates in recent years, and there are growing trade ties and numerous direct flights between the two countries.

With Gulf markets all but saturated by new projects, Dubai companies have been investing in developing markets in the Mideast and South Asian countries and beyond, including China, Egypt, Syria, India and Pakistan.

"Russia is an extremely attractive market due to active economic development and high potential for large-scale real estate projects," Dubai World chairman Sultan Ahmed Bin Sulayem said.

Construction on the initial 150,000 residential units along with commercial space is expected to start late next year.

Limitless said Great Domodedovo will be a mixed community of low-rise and high-rise buildings, some of which will be developed as Russian government-mandated affordable housing.