CHINA'S DEVELOPMENT - WHAT INSIGHTS FOR MENA REGION?
Once a depleted backwater, China is now the most significant rival to the United States, former rural towns have swollen into a metropolis's of over 10 million inhabitants.

China was just recovering from decades of political and economic turbulence. There had been progress in rural areas, however more than three-quarters of the population still lived in poverty.

Before China became the industrial giant it is today, they addressed the question; how could China catch up with the West?
The government of China first began significantly focusing on real estate development in 1981 and commenced a series of sweeping policy changes to facilitate simplified regulatory systems and witnessed a ‘Renaissance’ in development seeing rapid and unparalleled urbanisation and population movements.
REAL ESTATE DRIVES THE VISION

With the onset of the Global Financial Crisis in 2008, new regulations were introduced by the State, which resulted in a boom across the residential real estate sector in particular.

During this period, 2008 to 2012, residential real estate prices grew steadily, however from 2013 to 2015 austerity measures were introduced by the Chinese government leading to a slowing of real estate growth.

The Chinese economy has grown so fast and for so long now that it is easy to forget how unlikely this transformation into a global powerhouse was, and how much of its emergence was born out of desperation.
LESSONS TO SUSTAIN THE VISION

China’s leaders drew lessons from its past, the state needed to embrace “controlled reform” to survive and modernise by tapping into a wave of globalisation and emerged as the world’s factory.

Similar initiatives have been & are underway in both UAE & Saudi Arabia and it is clear to all observers that a desire to reframe the kingdom as a regional powerhouse of education & learning, arts & culture, tourism, nature & environment, industry & commerce and real estate development are key factors in facilitating this.
This demand was for both residential property in urban areas and community regeneration, both have parallels the UAE and in the development plans for the Saudi Arabia.

Today around 60% of the Chinese population live in urban areas similar to Saudi Arabia at around 50%-55% and higher in the UAE.

Around 60% of the China’s economic output is through the private sector, it employs over 80% of the work force in cities and generates 90 percent of all new jobs.

Saudi Arabia has a significant and growing population, a nation commencing an exciting new era in its history, with a desire to grow and develop. It has a government wishing to support through multiple initiatives for development across multiple sectors of the economy as was the case in China, leading to improved incomes and quality of life.

As people earn higher incomes, the desire for personal improvement increases, leading to community and residential growth, regeneration which in the case of China needed to be fulfilled in a relatively short time.
To accommodate this huge migration, China has and is investing billions of dollars into massive infrastructure projects. China's high-speed rail network, the largest in the world, has changed the way its people move.

From highways that span the continent, to the largest wind power plant in the world, huge airports, to new cities in the desert, China is showing what it really means to do mega and giga-projects, with long-term planning at its centre.

Often these mega-projects are triggered by phased mixed-use developments, centred around integrated Transit Oriented Developments (TOD’S) such as the LWK+Partners ‘Grand Canal City Comprehensive Transportation Hub’ in Shenzhen.

This offers both transport infrastructures to draw private investment across industries and sectors and population density to allow sustainable economic and societal growth and integration.
Some of these success stories include The Macau New Urban Zone, a 4.5-square-kilometer land reclamation project in Macau, China.

One of the largest reclamations in Macau’s history, it will add 12% to the city’s land area. Starting in 2018, the site will be reserved mostly for public housing and civic projects and public spaces, divided up into five zones.

A more recent mega-project is Xiongan New Area, a redevelopment project planned for Hebei, China. Initially, the city will cover nearly 64 square kilometres, but will reach about 128 square kilometres, three times the size of Manhattan Island.

As with NEOM in Saudi Arabia, China plans to spend around $322 Billion by 2030 on its own giga-project and encourage 42 million people from nine-city regions into a megacity in the Pearl River Delta.
CHALLENGES, CONTEXT & RELEVANCE

There have however been well documented projects that remind us that China’s rapid development is often accompanied by the challenges of contextual relevance.

What other countries have done in centuries, China is doing in decades, this has posed serious questions.

The Three Gorges Dam, for instance, the world’s largest hydroelectric dam, has left problematic and unforeseen environmental outcomes.

The towns of Yujiapu, near Tianjin, and Tianducheng, close to Shanghai are replicas of Manhattan and of Paris respectively, were hastily planned, designed, and constructed and are now abandoned.

It is however important to remember two things, these aren’t all failures. These projects serve to act as vital case studies in a rapidly moving environment and provide valuable lessons learnt.

Secondly, challenges aren’t all uniquely Chinese problems and are worth pondering in any rapid development and urbanisation context.
It is now prevalent across the Chinese real estate industry that best practice and pragmatic project economics are carefully integrated in the development of large scale or city scale master plans.

Examples such LWK+Partners ‘Chengdu Renmin North Road CBD’ are planned with horizontally and vertically integrated infrastructure solutions.

It encompasses expandability, smart city solutions, contextual urban planning and place making overlays, all sitting comfortable beside societal, cultural and governmental requirements to facilitate commercially successful outcomes.
China is not the only country that has successfully absorbed the demands of State rule with the needs of free markets.

But it has done so for longer, at scale and with more proven results than any other.

Many commentators doubted that innovation could take place under Chinese system. They were proved wrong.

China is now is less worried about catching up to the West, it is comfortable in its own skin. Instead, it wonders how to pull ahead on its own terms.
Saudi Arabia might, in the future be unrecognisable to its founders, but its past, heritage, natural beauty and people will hold a powerful allure.

Tourism is a big industry, it forms a powerful cornerstone in its future development along with the impressive cultural, educational and societal initiatives.

The world thought it would change China, but Saudi Arabia’s ambition, drive for success could be so spectacular that it might change the region much in the way China has changed the world.
THANK YOU