

"A MARKET WHERE solid institutional relationships are essential"

by Simona Storchi

□ "An expanding market that must be approached with solid institutional backing" is how architect Michele Franzina describes the Saudi Arabian real estate sector. After completing the design for a building in the economic capital Jeddah and gaining local accreditation, he is in no doubt about the potential of the market and the best way of establishing a presence.

How did you begin working in Saudi Arabia?

We took part in an institutional mission organised by Fiera di Pesaro and were the only firm of architects present. The delegation met with various Saudi buyers and operators, including a real estate development company which was impressed by our client portfolio and projects. A few weeks later I was back in Jeddah to finalise the design of a 9,000 square metre commercial, office and service apartment project. Now that the project has been completed, we are in contact with another development company.

Would this have been possible without institutional backing?

Relationships are very important in the Saudi market. Without contacts it's very difficult to gain a foothold and meet the right people. Saudis are very cautious and tend to prefer institutional channels. It's important not to confuse the Saudi real estate

Michele Franzina, an architect who works in Saudi Arabia, discusses the potential and characteristics of the real estate market

market and business approach in general with that of the UAE or Qatar.

In Saudi Arabia the trade associations, local administrations and institutions all play a key role as facilitators and mediators.



Michele Franzina

Are Italian products appreciated in Saudi Arabia?

Saudis have grown more westernised in their tastes in recent years and the classic Arab styles are gradually being replaced by more sober designs. Members of the ruling class are educated in the west and have worked in large cities in the UK and the USA. Marble has always been the most popular material but is now being replaced by ceramic tiles. Porcelain in particular is appreciated for the expressive freedom it offers. Italians are renowned for their design expertise, creativity and excellence in all aspects of aesthetics and product innovation. Although Saudi buildings are often designed in a typically Italian style, this does not necessarily translate into the purchase of Italian goods given that the choice of suppliers and products is mostly

determined by price.

What attitude do Saudis have towards the choice of products and suppliers?

Saudis have a great deal of trust in the Italian professionals they work with, although they always perform scrupulous preliminary checks.

Suppliers are subjected to an even stricter selection process. This includes a request for credentials and assurances relating to various aspects of the business, followed by a visit to the production facilities. This long and meticulous process is concluded by intense price negotiations.

Would you advise ceramic companies to invest in this market?

Yes, it's a market with a high level of liquidity that offers great potential for Italians working in the real estate sector. But it's important not to confuse it with the UAE. Companies should not attempt to approach the Saudi market on their own but should look for institutional support in both the initial and follow-up phases.

simona.storchi@gmail.com