

ANALYSIS: HOW WILL CATERPILLAR'S JOB CUTS AFFECT THE MIDDLE EAST?

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“Given the demand experienced since we opened for sales [in May 2015], we anticipate that we will have sold all remaining Serenia Residences units by end of Q4 this year.”

Kareem Derbas, CEO, Palma Holding.





Serenia Residences is situated at Palm Jumeirah Crescent.

Neha Bhatia unveils the nitty-gritty of Palma Development's \$408m Serenia Residences project at Palm Jumeirah Crescent

Chances are most readers from the GCC have, at some point in the last five years, visited or vacationed at Palm Jumeirah in Dubai. Nakheel's man-made island, the construction of which began in 2001, quite literally changed Dubai's landscape.

Today, the development is renowned for its frequent appearances in satellite images of Earth taken by space stations and astronauts. Closer home, Palm Jumeirah is also famous for the numerous luxury hotel brands it is home to.

However, investor interest in Palm Jumeirah is yet to wane, despite the impact of fluctuating oil prices across the world. Analysing the activity underway at the island, it appears developers are yet to turn sceptical about Palm Jumeirah's value as both a construction haven and real estate hotspot.

One such developer is Dubai-based Palma Development, a subsidiary of Palma Holding and Banian. The firm is currently developing Serenia Residences at Palm Jumeirah Crescent, a gated community touted as the first residential-only community on the island's arch.

Serenia Residences was valued at \$408m (AED1.5bn) when it was launched in May 2015.

The 850,000sqf luxury development comprises 250 units of one- to four-bedroom apartments, spanning between 900sqf to 5,500sqf. The largest penthouse suite at Serenia Residences covers 15,000sqf.

All homes were, at the time of their launch, priced between \$544,551 (AED2m)

and \$9.8m (AED36m), the latter being the Presidential Penthouse's value.

Construction work currently underway on site involves excavation activities. This has followed the completion of enabling, shoring, and piling for the project.

Basel Chakour, project manager at Palma Development, tells *Construction Week* about the machinery used so far in the construction programme.

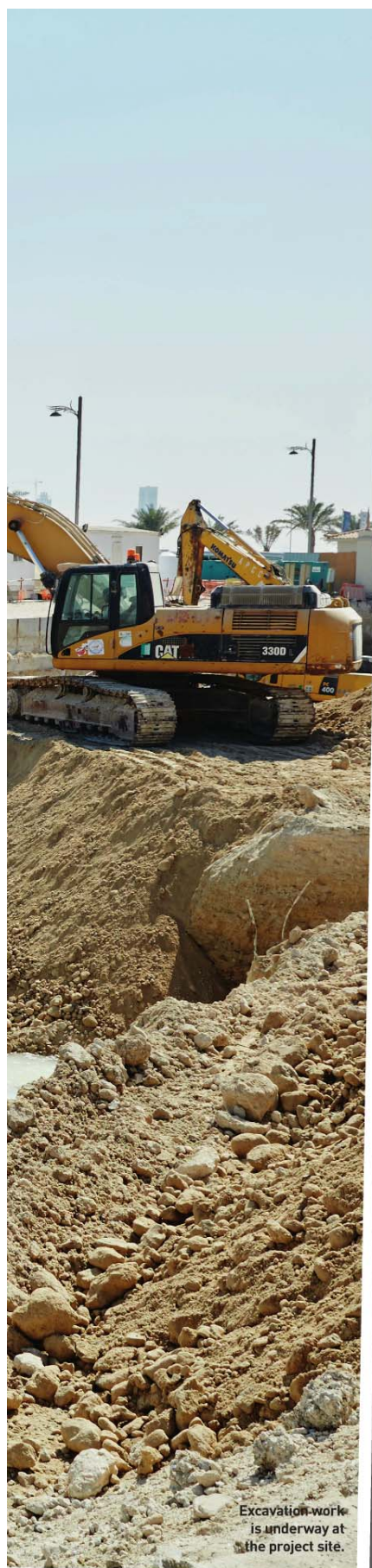
"Most machines have been demobilised from site, since we've already completed enabling activities," he says.

"We now have three or four excavators and one rig on site. We had four rigs when we were working on piling, but we've demobilised those since completion, and have one left now to carry out piling for tower cranes. There are also huge numbers of trucks on site to take the sand away."

Perhaps the greatest challenge for APCC, the contractor appointed for enabling and excavation works on Serenia Residences, has been the logistics of the job.

All excavated sand has to be discharged at Palm Deira [Deira Island], which is situated at least 40km from the project site. The situation is compounded by the road design at the crescent, which offers only one lane in each direction.

"Because of traffic to the Palm [Jumeirah], all logistics work has to take place at night, so it's quite challenging to plan the movement of heavy vehicles," Chakour explains. "We cannot discharge the material from trucks during the day,



Excavation work is underway at the project site.

SITE VISIT

and all the excavation material has to be discharged at Palm Deira. We have around 10 hours each night to dispatch a huge amount of sand. Consequently, we have a big fleet of around 50 trucks to dispatch the sand on site.

"It's one of the challenges we're facing, and it's a bottleneck of sorts for excavation work, because no matter how much you excavate, you still have to move it from here," Chakour adds.

Structural construction is expected to begin once a main contractor is appointed for the project. Serenia's team is due to announce the chosen firm in November 2015. Chakour says Palma's priority while tendering and selecting a contractor will depend on the company's project repertoire, and whether it has previously worked at Palm Jumeirah.

"All logistical challenges on the project will be co-ordinated with the main contractor," Chakour says.

"We're trying to [push for] contractors with previous experience on the Palm, since they've worked here before and [are likely to] know the authority's regulations."

Serenia Residences falls under the purview of Trakhees's and Nakheel's regulations, and as such, the Palma team has to work within the guidelines of both while working on the project, situated around hospitality landmarks such as Waldorf Astoria and Anantara Resort and Spa. While Serenia's location has certainly increased its saleability and appeal, it has also hindered the Palma team in terms of construction operations.

"Since we're surrounded by hotels, the [construction] noise has to remain controlled," Chakour says.

"We're [permitted] to work at night by Trakhees and Nakheel, but the hotels prefer we work during the day, so it's about finding the right timing and balance. They've been cooperative for the last six months when we were working on the piles, but let's see how it goes with [structural] construction."

"The same issue is going to [persist] with moving all the materials onto the site, and we're going to have to carry out all the logistics work at night, while building during the day, so that everyone is happy – the authorities and the neighbours," Chakour adds.

On-site labourers have worked two shifts, and jobs carried out at night primarily pertain to project logistics, such as material handling and site arrangement for the next day.



At the project's peak construction phase, Palma expects up to 2,000 labourers on site across the civil, mechanical, electrical, and plumbing (MEP), and other sub-contracting teams.

Serenia's construction duration is "around 22 months", Chakour says. Completion is expected by the end of 2017 or, at the latest, by the first quarter of 2018.

Working on the Serenia project has not been without difficulty, Chakour says.

"It is challenging because there are so many authorities involved," he remarks. Here, Chakour is referring to the role of Nakheel, Trakhees, and government bodies such as Dubai Municipality and Dubai Civil Defense, in the development and construction of Serenia Residences.

Life line: The machines constructing Serenia Residences, Palm Jumeirah Crescent

Type of machinery	Number of units
Crawler crane	4
Rig machine	4
Shovel	3
JCB	2
Vibro hammer	2
Welding machine	5
Generator	2

"It is [not easy] when so many different authorities are involved, especially when it comes to [aspects], such as green building regulations and energy efficiency," Chakour continues, stressing on the use of recycled building materials as mandated by Dubai Green Building Code, released in 2014.

"Buildings must be designed according to the Code's regulations, and power must be at maximum efficiency as well," he says, adding Serenia Residences will incorporate and utilise district cooling facilities.

To meet these requirements, Chakour explains, GAJ Architects was appointed for the project's development alongside Hazel Wong, with Ted Jacob Engineering Group providing engineering design.

"All these standards have been designed [into the project] with extreme care for over a year, and every single detail has been approved by Nakheel, Trakhees, and local authorities, such as Dubai Civil Defense," Chakour beams. "We expect to receive the building permit for the project very soon. It is in the final stages," he adds.

It might appear odd at first glance to develop a residential community amidst the world's best hotel brands, but Palma's decision to develop Serenia Residences



“Because of traffic to the Palm [Jumeirah], all logistics work has to take place at night, so it’s quite challenging to plan the movement of heavy vehicles.”

Basel Chakour, Palma Development.

was driven by exactly that – the absence of residential units on the crescent.

Chakour explains: “All blocks on the crescent are being developed as hotels, and even we had a hotel license for this plot.

“But after studying the market and its demand-supply situation, we noticed that there isn’t a single fully-residential development on the Palm Jumeirah Crescent. They’re all either hotels, hotel apartments, or serviced residences.


“So we decided to go for a 100% freehold residential project to cover that niche,” Chakour adds.

Up to 75% of the project’s plot area is covered by landscaping, which includes a multipurpose recreational room, an infinity pool, a lap pool, a gym, a children’s play area, and a kids’ pool. When complete, Serenia will also offer residents views of the beach and Burj Al Arab.

“The good thing is that even if you’re on ground level, you have a [great] view from your home,” Chakour says. “We’ve designed the project so you have a sea view from wherever you live in the building. You don’t need to be on the top floor for that.

“It’s like living in a five-star hotel,” Chakour proudly continues.

In June 2015, Palma announced it had sold 70% of Serenia’s first phase – comprising the project’s North and West wings – within a month of launch.

At the time, Kareem Derbas, CEO and founding partner of Palma Holding, said: “Given the demand experienced since we opened for sales [in May 2015], we anticipate that we will have sold all remaining Serenia Residences units by end of Q4 this year,” he added. 



Four rig machines have been used at Serenia.



Project completion is expected by Q4 2017.



The beachfront development overlooks Burj Al Arab.