



RAS AL KHAIMAH: TOURISM AND REAL ESTATE INVESTMENT DESTINATION

Ras Al Khaimah is quickly becoming a top destination for savvy investors from around the world. From luxury resorts and high-end residential properties to adventurous outdoor activities and historical landmarks, there's something for everyone in Ras Al Khaimah. So why should you consider investing in this up-and-coming destination? Let us find out the many reasons why Ras Al Khaimah should be at the top of your list for your next big investment.

Economic Landscape

Ras Al Khaimah's economy is one of the fastest-growing in the United Arab Emirates. The Emirate is home to a diverse range of industries, including manufacturing, services, and tourism. Ras Al Khaimah has an estimated population of 0.4 million and a GDP of about USD 11 billion. Per capita GDP is around USD28,500. The Emirate's strategic location between East and West has made it a hub for international trade, and its proximity to Dubai has also contributed to its economic growth.

Ras Al Khaimah is strategically located at the crossroads of East and West, with easy access to the Indian Ocean, the Persian Gulf, and the Arabian Gulf. This location has made it an important center for trade and commerce throughout history. Additionally, its proximity to major markets such as Asia, Europe, and Africa, as well as its modern port facilities and transportation infrastructure, make it an ideal location for businesses looking to expand globally. The emirate's strategic location also offers easy access to natural resources, including oil and gas, minerals, and agricultural land.

Moreover, Ras Al Khaimah has a conducive business climate. Firstly, the government has implemented various policies and initiatives to support business growth and attract foreign investment. Secondly, the emirate has a stable political environment, low crime rates, and a well-regulated business environment, which gives investors the needed confidence and security. Thirdly, the emirate offers many business incentives such as tax exemptions, support, and other benefits to companies operating in the free zones.

Investment Potential

Ras Al Khaimah's growing economy, thriving tourism industry, and booming real estate sector make it an attractive destination for investment. The Emirate offers a range of investment opportunities, from high-end residential and commercial properties to manufacturing and tourism. As there is a rise in the demand for real estate, it is plausible that the cost of properties will increase too. The anticipation is that there will be an upsurge in the demand for rental properties, which may result in a rise in rental returns for investors.

The \$2.5bn Wynn integrated gaming resort and hotel, which was announced in early 2022, has certainly strengthened Ras Al Khaimah's standing as a key real estate and tourism hub in the area. However, this is merely one aspect of the emirate's potential development. In 2022, numerous weighty investments have been made by major UAE developers, including, Aldar, Dubai Investments, and Abu Dhabi International Hotels, which demonstrates the overall attractiveness of the market. This addition to the island highlights Ras Al Khaimah's position as a popular location for both international and regional investors.

For Ras Al Khaimah to further hold onto this positive momentum and meet its promise of investment, it is necessary to invest in infrastructure like roads, cost-effective housing, education, medical services, and utilities that are related to new projects. Its government has been working to create a business-friendly environment, with favorable tax policies and streamlined regulations. These efforts have paid off, as Ras Al Khaimah is rapidly becoming a hub for entrepreneurship and innovation.



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Initiatives and Projects

The government of Ras Al Khaimah has been investing heavily in initiatives designed to boost the tourism and real estate sectors of the economy. The emirate is striving to become the regional front-runner in sustainable tourism by 2025 through its new sustainability approach called Balanced Tourism. To achieve this goal, the tourism authority plans to grant over 20 tourism certifications to businesses in the first year, with the aim of receiving the globally acknowledged "Sustainable Tourism Destination" certificate by 2023.

The Emirate of Ras Al Khaimah has revealed the establishment of [RAK Digital Assets Oasis](#), which is the first ever free zone designed exclusively for digital asset firms. The purpose of RAK Digital Assets Oasis is to cater to companies engaged in the handling of virtual and digital assets such as metaverse, blockchain, gaming, NFTs, DAOs, DApp, and other web3 activities. The leadership of Ras Al Khaimah aims to promote innovation and support entrepreneurs, which is reflected in the Emirate's reputation as a global innovation hub.

The competitiveness and sustainability of the economy of Ras Al Khaimah is greatly influenced by the government's emphasis on energy efficiency and the use of renewable energy. The [RAK Energy Efficiency and Renewables Strategy 2040](#) aim to achieve a 30% reduction in electricity consumption, 20% reduction in water consumption, and 20% renewable energy mix by 2040. The UNFCCC's commitment to mitigating climate change is supported by this strategy, which is already being implemented through various programs and initiatives that align with federal strategies.

Real Estate Industry

The real estate industry in Ras Al Khaimah is also thriving, with a number of high-end residential and commercial properties available for investment. The Emirate has seen a surge in demand for luxury properties in recent years, as more investors look to take advantage of its growing economy and natural beauty. Ras Al Khaimah Municipality reports that there was a significant surge in demand for commercial units, commercial and residential lands, and touristic lands in the first half of 2022. This indicates an increasing interest in commercial real estate activity in the emirate.

One of the most popular areas for real estate investment in Ras Al Khaimah is the Al Marjan Island development. This stunning man-made island is home to a range of luxury properties, including high-end apartments and villas with spectacular views of the surrounding coastline. The island is also home to a number of hotels and resorts, making it an attractive destination for both tourists and residents. In addition to Al Marjan Island, there are a number of other areas in Ras Al Khaimah that are popular for real estate investment. These include the Mina Al Arab development, which is located on the waterfront and features a range of residential and commercial properties, and the Al Hamra Village development, which is a gated community with a range of amenities and services.

In 2023, the real estate market in Ras Al Khaimah is expected to experience increased activity due to efforts to diversify the region's economy, indicating a potential resurgence in the area. Investor confidence is on the rise, leading to a notable increase in contract awards. A number of other accomplishments have been achieved by Ras Al Khaimah, including:

- More than AED4bn worth of land and property transactions were recorded in the first half of 2022, a 45 percent year-on-year increase,
- High-profile investments by firms such as Wynn Resorts, Aldar Properties, and Dubai Investments (Danah Bay project),
- Al Hamra's strategic plan with an AED1 billion investment development campaign,
- Abu Dhabi National Hotels and Dubai Investments AED1bn worth of resort and residential projects on Al Marjan,
- RAK Properties has announced the new phase of its Bay Residences on Hayat Island in Mina Al Arab,
- Al Hamra releases premium sea-view villas on Falcon Island, and
- Nobu brand was recently announced to be established on Al Marjan Island which will consist of a hotel, 300 luxury residences, and a popular Japanese restaurant.

Tourism Industry

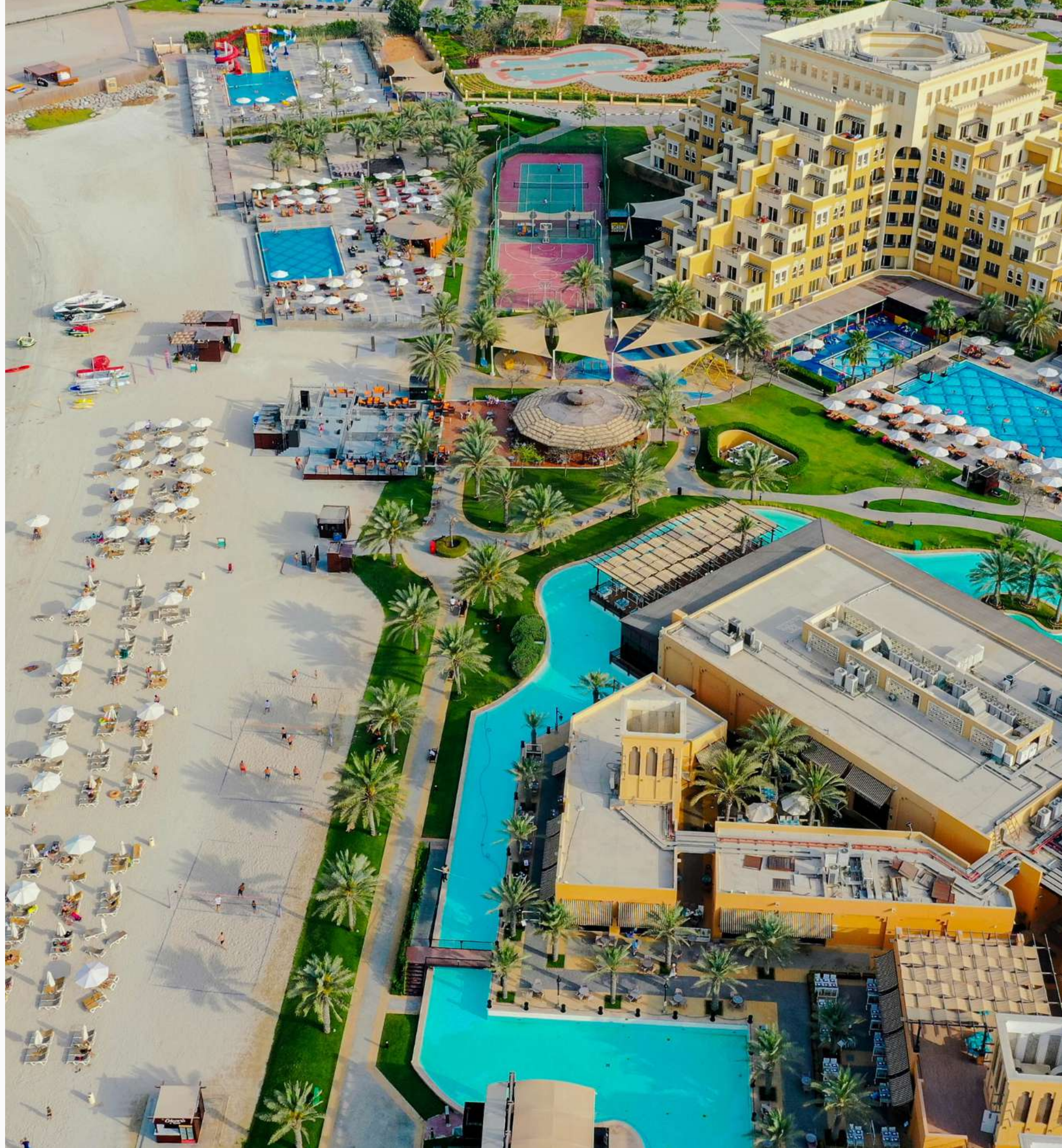
The Emirate is home to a wealth of natural attractions, including the stunning Jebel Jais mountain range, which is the highest peak in the United Arab Emirates. Visitors can enjoy hiking, camping, and other outdoor activities in the mountain range, as well as stunning views of the surrounding landscape. The responsibility of managing the tourism industry of Ras Al Khaimah lies with the [Ras Al Khaimah Tourism Development Authority](#) (RAKTDA), which endeavors to upgrade the tourism infrastructure and establish the destination as a premier choice for both leisure and business travelers. The organization's primary objective is to create opportunities for long-term investments and improve the quality of life of the residents.





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The tourism industry in Ras Al Khaimah is growing fast, with a number of luxury resorts and hotels opening in recent years. The government has been investing heavily in the industry, with a focus on promoting sustainable tourism and eco-friendly practices that helped attract a growing number of visitors to the Emirate, making it an attractive destination for tourism investment. RAKTDA [reported](#) that the number of overnight arrivals in Ras Al Khaimah reached a record of 1.13 million in 2022. Visitor numbers in 2022 surpass those in 2019 pre-pandemic, with the highest number ever. Aside from its record-high visitors, RAKTDA has also documented various tourism achievements which include:



- Announced the largest foreign direct tourism investment project in partnership with Wynn Resorts, Marjan and RAK Hospitality Holding,
- Intercontinental Hotels Group (IHG), Mövenpick and Radisson brands entered the destination for the first time, marking a 17% annual growth in hotel supply to over 8,000 keys,
- 40% increase in international visitors driven by 90+ roadshows, trade fairs, workshops, and media events across 24 markets,
- Recognition in Time magazine as one of the World's Greatest Places of 2022 and CNN Travel's best destinations to visit in 2023,
- Opened new attractions, including Jais Sledder, and the longest-developed hiking trails in the Emirate,
- Achieved a visitor satisfaction score (NPS) of over 80% – far above the industry average of 51,
- Hosted over 50 events including the prestigious Global Citizen Forum, the 15th edition of the Ras Al Khaimah Half Marathon, the Arab Aviation Summit, DP World Tour, and secured the 2023 Minifootball (WMF) World Cup for the first time in the UAE,
- Two Guinness World Record titles at the New Year's Eve fireworks and drone display, and
- RAKTDA was named one of the Top 10 Great Places to Work in the Middle East in 2022.

Conclusion

Without a doubt, the UAE is a major economic player in the Middle East and its dynamic and vibrant economy has solidified investor confidence. 2023 is the year for many to take advantage of the great opportunities across the various emirates with the potential for high returns. The UAE is also well-positioned to remain an attractive investment destination in the years ahead.

To provide a balanced view, there is no investment without risk and any prudent investor would ensure that they have a thorough understanding of the legal and regulatory landscape, potential economic and political risks, and cultural and language barriers. While the UAE has an advanced legal system and is committed to maintaining a stable political environment, potential investors should be aware that the legislative landscape is quite dynamic and differs in nuanced regards from their home countries. It is therefore recommended that interested investors find an experienced trusted advisor who can help them understand the potential risks and navigate any hurdles in setting up a business or second home in the UAE. An investor that makes informed decisions regarding their investment in the UAE will be able to mitigate foreseeable risks.

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