

Al Mal Capital REIT Acquires First Educational Asset in 2021

Two school campuses of Al Shola Private Schools in Ajman leased back to the operator on a long-term basis for management and operation

Dubai, UAE, November 22nd, 2021 – Al Mal Capital REIT, the first REIT listed on DFM, and managed by Al Mal Capital PSC, a subsidiary of Dubai Investments PJSC, announced the acquisition of two school campuses of Al Shola Private Schools in Ajman, UAE for AED 300 million pursuant to a sale and leaseback transaction. Accordingly, the school campuses have been leased back to the operator for a long-term period on a triple net basis for management and operation.

The two acquired schools, part of the Al Shola Group, are almost identical in with a total land area of approximately 300,000 Sq. ft and a built-up area of approximately 495,800 Sq.ft. The current student enrollment stands at 3,350 students with a total capacity to accommodate up to 4,300 students. Al Mal Capital was advised by Al Tamimi & Co (Legal) and CBRE (Valuation).

“The acquisition of these schools is part of the investment mandate of Al Mal Capital REIT to acquire income-generating real estate assets with a strong focus on education and healthcare sectors. The acquisition marks our first transaction this year and is a very optimistic move in terms of channelising the resources in line with the mandate of the REIT. Al Mal Capital REIT’s structure and operating model is designed to provide a steady income, long term capital appreciation and diversification benefits to the REIT’s stakeholders. With the educational sector bolstering and attracting significant interest in the investment landscape, these acquisitions are positioned to generate cash flows enabling incremental monetisation of the investment through consistent dividends”, said Naser Al Nabulsi, Vice Chairman and CEO of Al Mal Capital.

"Al Shola Group will strive to capitalize on the opportunities in the sector and will continue to pursue a growth-focused strategy aimed at enhancing and maintaining the infrastructure while strengthening the student portfolio and ratio. We are confident that Al Mal Capital REIT backed by the long track record of Al Mal Capital’s diversified and multi-line investments and coupled with an experienced and dedicated management team, will help to facilitate fair returns for both parties”, said Abdallah Omran, Chairman of the Board of Directors of Al Shola Group.

Ibrahim Barakeh, Vice Chairman of the Board of Directors and General Manager of Al Shola Schools, said, “This agreement aims to provide more financial efficiency for the group of schools ensuring the cash flows necessary for proper operation, as well as to provide the necessary support towards enhancing the quality of education coupled with qualified human competencies, modern technologies and other parameters that facilitate good education to the students in the UAE. The schools will continue to be run by the current administration and on the same premises and foundations that has positioned it to the ranks of the leading educational institutions in the country”.

Al Shola Group, founded in 1983, currently operates 5 schools (3 in Sharjah and 2 in Ajman) with a total current number of students of circa 10,700 and a total capacity of almost 13,250 students. The Group is considered a landmark educational institution having contributed to educating generations of promising young men and women in the UAE.

Al Mal Capital REIT is a closed-ended real estate investment trust, listed on the Dubai Financial Market and managed by Al Mal Capital, founded in 2005 as a leading investment advisory and asset management firm regulated by SCA, and a subsidiary of Dubai Investments PJSC. The Investment Team of Al Mal Capital are working diligently to ensure the highest standards in execution and diligence as part of its mission to deliver the best returns to its investors and stakeholders.

ENDS