

The Peninsula

New city symbolizes Palestine's potential

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Rawabi: In the unlikely setting of the West Bank's biblical landscape, amid stony hills and valleys where sheep and goats bleat under ancient olive trees, an urban planner's dream is taking shape.

A gleaming hi-tech city, with homes for 40,000 residents, cinemas, shopping malls, schools, landscaped walkways, office blocks, a conference centre, restaurants and cafes, is rising on a crest within sight – on a clear day – of the Tel Aviv skyline.

It looks a little like a new Israeli settlement. But the billion-dollar city of Rawabi is the first planned urban centre to be built for Palestinians. And phase one of the development – 600 near-completed apartments – has just sold out, with around 8,000 potential buyers registered for homes yet to be constructed.

The level of interest reflects social and financial shifts in Palestinian society and symbolizes the economic potential of a future state of Palestine. More than half of those who have signed contracts have taken out long-term mortgages and a high proportion are nuclear

families in which the mother works outside the home. A small number are single women who plan to live alone, unusual in Palestinian society. A third of the \$1bn investment in Rawabi has come from the private Palestinian conglomerate Massar International, and the rest from Qatar.

"The risks are extremely high," said Bashar Masri, the chief executive of Massar and the driving force behind Rawabi. "But I wanted to create an impact project, and I wanted to show we can build a great economy and create jobs."

The construction phase of the project has created 8,000-10,000 jobs – one in three workers are women – paying, at the bottom end, 30 percent above the Palestinian minimum wage. But the ambition is for up to 5,000 permanent jobs, mostly in the hi-tech and service industries, to be located in the offices and facilities of the new city when it is complete.

Planning for Rawabi – which means "Hills" – began five years ago, and the ground was broken in 2011. The target market was young middle-class Palestinian families living in chaotic and overcrowded West Bank cities, who would be attracted by modern, streamlined, hi-tech apartments, fabulous views and open spaces, almost every conceivable consumer and leisure facility on the doorstep – and at a price 15-20 percent lower than Ramallah, a few miles to the south.

Seven percent of Rawabi homebuyers so far are single professional women; 11 percent are Christian (compared with two percent of the Palestinian population). A small proportion are buying as investment for rental or future resale; four percent of buyers are Palestinian expatriates. "Young, Internet-savvy, educated English-speakers," was how Ramzi Jaber, Rawabi's commercial manager, described his clientele.

Around half have taken mortgages to finance their new home. The hilltop sales centre houses representatives of Arab banks in glass booths offering long-term loans. "Islamic financing", in which interest payments – forbidden to Muslims – are replaced by service charges, is available. Masri was disappointed that more would-be purchasers had not taken mortgages, saying this was the key to "the sense of security" that home-ownership gives to "all communities". A mortgage education programme was aimed at dispelling apprehension of long-term loans, especially among lower-income families.

Even so, attracting potential homebuyers for the planned 6,000 units has not been difficult; luring international companies to take office and retail space has been more problematic. Some potential takers withdrew

following last November's war in Gaza, according to Masri. "We've not been successful yet," he admitted.

A major deterrent is that Rawabi is situated in territory under Israeli military occupation, a situation that has no clear prospect of changing despite the start of formal peace talks next week. Masri has sought cooperation from the Israeli authorities for the development but it took several years to get permission to build a road to the site that ran for half a kilometre through Area C, the 60 percent of the West Bank under total Israeli military control. Eventually a temporary permit – which requires annual renewal – was granted last year.

Water has been another huge challenge, both for construction and to service the finished buildings. Israel controls almost all water supplies; 600,000 Israeli settlers in the West Bank and East Jerusalem consume almost six times as much water as 2.7 million Palestinians.

Construction in Rawabi halts for a day or more each week because of water shortages. "I spend 70 percent of my time dealing with issues like these," said Masri.

He is also critical of the Palestinian Authority, which has failed to deliver on a pledge to supply Rawabi's infrastructure at a cost of \$150m.

Rawabi's investors have been forced to finance the provision of power, water, sewage, schools and roads, adding 10-12 percent to the cost of a home.

Masri and the Rawabi project have not escaped criticism. The Boycott, Divestment and Sanctions campaign has accused the businessman of helping to "whitewash (Israel's) ongoing occupation, colonization and apartheid against the Palestinian people" by maintaining links with Israeli industry and by consulting Israeli architects and engineers on Rawabi.

Israeli Jews from the nearby settlement of Ateret, which is illegal under international law and likely to be evacuated under any peace deal, complain that Palestinians are building tens of thousands of new homes when the expansion of their colony is constrained by political considerations.

Undeterred by either radical boycotters or Israeli settlers, Masri is optimistic about the future, seeing Rawabi as part of the Palestinian nation-building effort. "I was born and grew up in Nablus at a time when carrying a Palestinian flag on the street was enough to be shot dead (by Israeli soldiers)," he said. "The reason I'm optimistic is that the Palestinian people aren't going anywhere, and eventually they'll give us a state."

From the terrace of the sales centre, he points to a skeletal building and the unfinished penthouse apartment that will eventually become his family's home. "We are still living under military occupation, but we have made this successful," he said.

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