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From projects to portfolios:

Rethinking partnerships and private-sector participation in GCC real estate



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EXECUTIVE SUMMARY

Across the GCC, governments and national champions are delivering one of the world's largest real estate development pipelines, much of it scheduled for completion before the end of the decade[1]. As this pipeline matures, funding becomes only part of the challenge. Sponsors will also need to decide which private partners to bring in, and when.

Answering that question calls for disciplined progression. Sponsors first need clarity on what they want partnership to achieve, whether that is releasing public capital, accessing specialized capabilities, validating the business case, or deepening the local market. They then need to make each opportunity investable, with clearly defined roles, risk allocated to the party best placed to manage it, and a bankable technical and financial feasibility. From there, opportunities can be packaged around scale, target returns, and timing, so that each is matched to the partner most likely to commit.

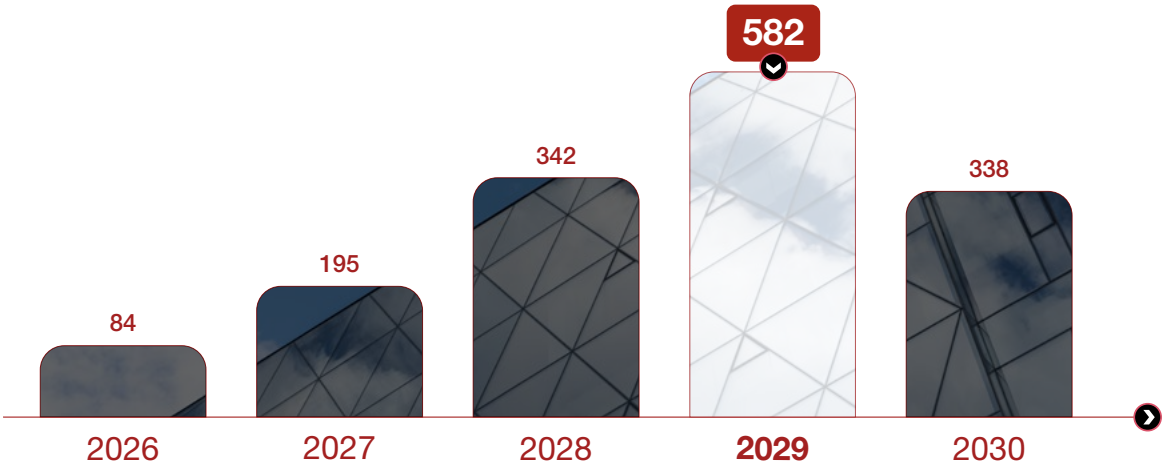
Yet getting individual transactions right is no longer enough. As portfolios grow, opportunities compete for the same finite pool of credible partners and capital, and a project that is ready to launch may still be poorly timed. The sponsors best placed to turn ambition into reality will manage partnership at the portfolio level. They will sequence launches against market capacity, guided by a single, regularly refreshed view of their portfolio.

THE GCC REAL ESTATE BOOM

Gulf Cooperation Council (GCC)[1] real estate is entering a new phase.

Governments and national champions have built an ambitious development pipeline that includes new cities; mixed-use destinations; residential communities; and hospitality, retail, office, leisure, and other commercial projects. According to MEED, around US$1.5 trillion of real estate projects (see Exhibit 1) are under development or planned for completion by 2030[2].

EXHIBIT 1
Awarded and planned real estate projects in the GCC (US$bn)



Note: Uses scheduled project completion dates and includes only core real estate projects (mixed-use, residential, commercial, retail, leisure and hospitality)
Source: MEED

NEW CHALLENGES, CHANGING ROLES

The next challenge is more than how to fund that considerable pipeline. It is how to bring private capital and capability into it at the right time. Large real estate programs require funding over many years, at the same time that governments are financing infrastructure and other strategic priorities. Bringing private capital into suitable opportunities can preserve sponsor capacity for the areas where public funding creates the greatest strategic value, while adding specialized development and operating capabilities.[3]

Government authorities and national champions will continue to play central roles, although those roles vary by project. An authority may provide land and infrastructure and set development controls. A national champion may act as master developer on one project, direct developer on another project, and long-term asset owner on a third. The same national champion can therefore play several roles across its portfolio.

For simplicity, we refer to government authorities and national champions that own or sponsor major real estate developments collectively as sponsors. We refer to developers, operators, and investors participating alongside them as partners. We focus on sponsors and large developers managing multi-project real estate portfolios.

Opportunities have typically been assessed on whether each is investable on its own merits. That test remains essential, but it is no longer sufficient. As portfolios expand, partnership can no longer be considered one transaction at a time.

An opportunity can be ready to go to market and still be poorly timed if the partners it targets are already committed elsewhere, or if several opportunities are competing for the same pool of capital and execution capacity. Given that more than 80 percent of the GCC pipeline is scheduled for completion between 2028 and 2030 (see Exhibit 1), that risk is becoming increasingly relevant.

In our view, sponsors therefore need to shift from managing partnerships transaction by transaction to managing them as part of a wider portfolio and capital strategy, one that considers launch readiness and market capacity together.

A project may have a sound investment case, the right structure, and a credible partner proposition, yet still fail to launch if the market cannot absorb it. The question is no longer simply whether an opportunity is investable, but whether it is the right opportunity, for the right partner, at the right time.

This process is what turns partnership from a series of individual transactions into a portfolio and capital strategy.

FOUR KEY QUESTIONS

Stakeholders must ask four key questions, discussed below:

01 Why does partnership matter now?

What makes a partnership investable? 02

03 How should opportunities be packaged and matched to partners?

How can partnership be scaled across a portfolio? 04

The answers will illuminate the path forward.

WHY DOES PARTNERSHIP MATTER NOW?

Private capital can fund suitable development and operating assets, giving sponsors greater flexibility to allocate their own capital across infrastructure, real estate, and other national priorities, including energy and advanced technology.

Specialized capability is another benefit of partnership. Large real estate portfolios increasingly span asset classes with distinct economics and operating models. Hospitality, retail, office, and leisure projects, residential districts, and mixed-use districts all require different development, commercial, and operational capabilities. Partnership allows a sponsor to retain strategic control while accessing capabilities it does not need to build internally.

A third benefit is market validation. A private developer putting its own capital at risk offers an independent view on cost, timing, positioning, and demand. Operators provide a similar test in which long-term performance depends on the brand, customer proposition, and operating economics. Together, these perspectives provide an external validation of the business case.

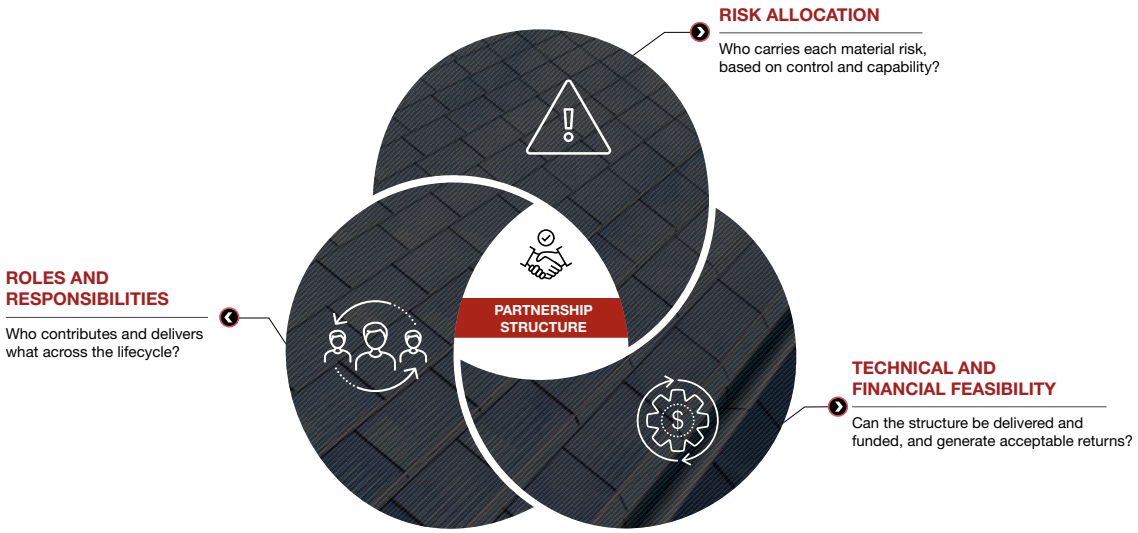
Partnership can also strengthen the wider real estate market. A consistent track record of successful partnerships between sponsors and local developers can give regional and international investors greater confidence in the market. Repeated participation can also help local developers build stronger capabilities and institutional maturity, enabling them to take on larger roles domestically and, over time, expand into regional and international markets.

Saudi Arabia offers a recent example. In 2026, ROSHN Group and TMG Saudi signed a preliminary agreement to form a joint company that will explore a large mixed-use project in Riyadh, with early studies pointing to more than 55,000 residential units. ROSHN contributes its land position and knowledge of the Saudi market, and TMG Saudi brings to the venture experience in delivering large mixed-use developments[4].

WHAT MAKES A PARTNERSHIP INVESTABLE?

An investable partnership relies on three interlinked elements: clear roles and responsibilities, deliberate risk allocation, and bankable technical and financial feasibility (see Exhibit 2).

EXHIBIT 2
An investable partnership relies on three interlinked elements



Source: Strategy& analysis

Roles and responsibilities should be explicit across the full project life cycle, covering land, planning, funding, development, construction, commercialization, operations, ownership, and exit. Each party should be clear on what it contributes, what it is accountable for, and where dependencies sit between sponsor and partner.

Risk allocation should follow control and capability. Each material risk should sit with the party that can influence the outcome and that has the authority to manage it. Land, sponsor-funded infrastructure, and government interfaces may remain with the sponsor. Development, construction, and market risks can sit with the developer where it controls the relevant decisions. Operating performance can sit with the operator where it has sufficient authority over the operating model.
Technical feasibility should confirm that the proposed development can be delivered within the required scope, phasing, infrastructure, and timing constraints. Financial feasibility should establish the capital requirement, funding structure, returns, and attractiveness of the

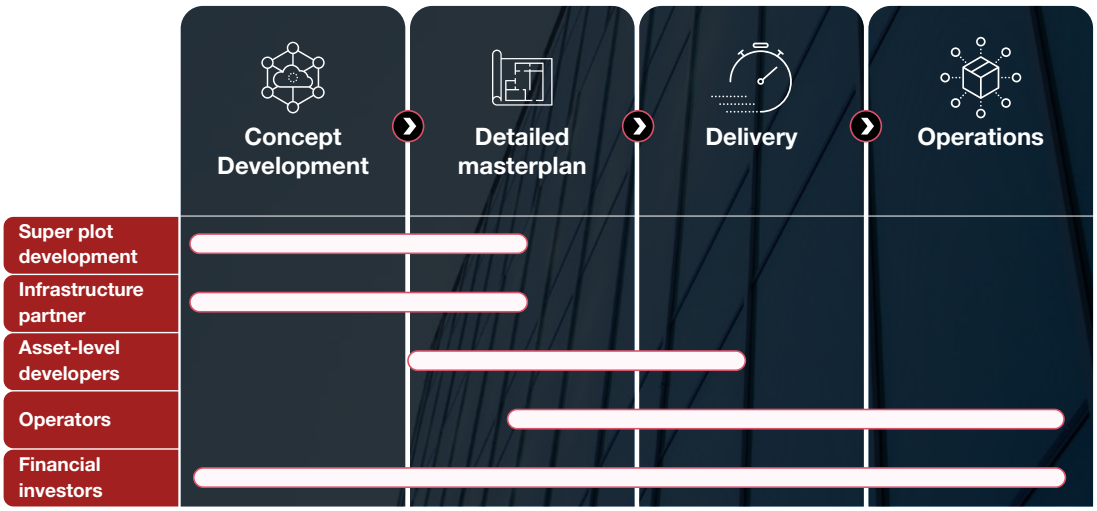
investment case. Any sponsor contribution should be identified and valued explicitly.

The resulting partnership model will vary by participant. Developers typically contribute both capital and development expertise and therefore require meaningful influence over development decisions, product positioning, and monetization strategy. Infrastructure investors are generally better suited to clearly defined components with predictable obligations and offtake potential. Operators contribute specialized operational capabilities and are typically rewarded on the basis of operating performance. Financial and institutional investors tend to focus more heavily on capital structure, returns, and exit opportunities. No single partnership model works for all parties.

Timing matters as well (see Exhibit 3). Super plot developers and infrastructure partners may need to engage during planning, while the master plan can still be influenced. Asset-level plot developers and operators may need to enter during detailed design when their requirements affect the asset specifications. Financial investors can participate at different stages and tend to become more relevant as development risk falls. The structure should therefore reflect both the target partner archetypes and the timing of their entry into the project.

EXHIBIT 3

The primary window for engagement varies by partner archetype



Source: Strategy& analysis

RUA AlHaram AlMakki's 2026 collaboration with MRCB provides a current example of early partner engagement. The parties are exploring the development, funding, and delivery framework for a transport-oriented mixed-use development within King Salman Gate, with an indicative gross development value of around SAR21 billion (US$5.6 billion).[5]

Regardless of partner type or stage of engagement, the underlying questions remain consistent: Who is responsible for what, who carries which risk, and how is each party compensated?

HOW SHOULD OPPORTUNITIES BE PACKAGED AND MATCHED TO PARTNERS?

The third key question concerns matchmaking. Once the required partner types are clear, the project needs to be shaped into opportunities the market can realistically fund and deliver. The two major considerations are which partner archetype is best placed to take on each opportunity, and at what stage of the project life cycle that partner can add the most value.

Within this framework, each package should be calibrated across three dimensions:

Scale and funding requirement: Package size determines who can credibly participate. Larger packages suit developers with substantial balance sheets and multi-asset capability, and reduce the number of interfaces that sponsors need to manage, but they narrow the field of potential partners. Smaller packages open the opportunity to a broader range of developers, but they leave the sponsor with more interfaces and greater development complexity. The question is not simply how large a package can be, but how large it should be for the target partner pool.

Target returns: Each package should reflect the return requirements of the partner for which it is intended. In mixed-use developments, some assets may generate lower stand-alone returns while still supporting the broader destination. Where there is a clear economic link, combining those components with stronger-return uses can improve the economics of the package as a whole. The same principle should be considered across the portfolio so that attractive uses are not concentrated in the first releases.

Timing and investment horizon: The package needs to fit the point in the project life cycle at which the target partner is expected to enter. Early packages may need to accommodate greater development risk and longer capital commitment. Later packages can be positioned against stronger evidence of project maturity, opening the opportunity to a different pool of capital. Release timing should therefore reflect both stage-gate readiness and the partner archetype being targeted.

The 50/50 joint venture between Aldar and Expo City Dubai offers one example of a clearly defined package. The partners agreed to develop and own six mixed-use buildings with a gross development value of more than Dhs1.75 billion (US$476 million), combining residential, office, and retail uses. The package sits within the wider Expo City master plan but has its own defined scope, ownership structure, and asset mix.[6]

The result should be a sequenced set of packages, each designed for a defined partner and life-cycle stage, rather than a collection of plots taken to market independently.

HOW CAN PARTNERSHIP BE SCALED ACROSS A PORTFOLIO?

Once a sponsor has several packages to take to market, those packages can no longer be managed as independent transactions. Each draws on a finite pool of partners, capital, and execution capacity. If several opportunities target the same pool at the same time, investor attention can fragment and competitive positioning can weaken. Partnership therefore needs to be managed at the portfolio level.

The issue can arise at various tiers. A government authority or national champion may have several major projects competing for similar capital and capability. A developer can face the same challenge in multiple investment packages within a single development. In all cases, the question is the same: Which opportunities should go to market, and when?

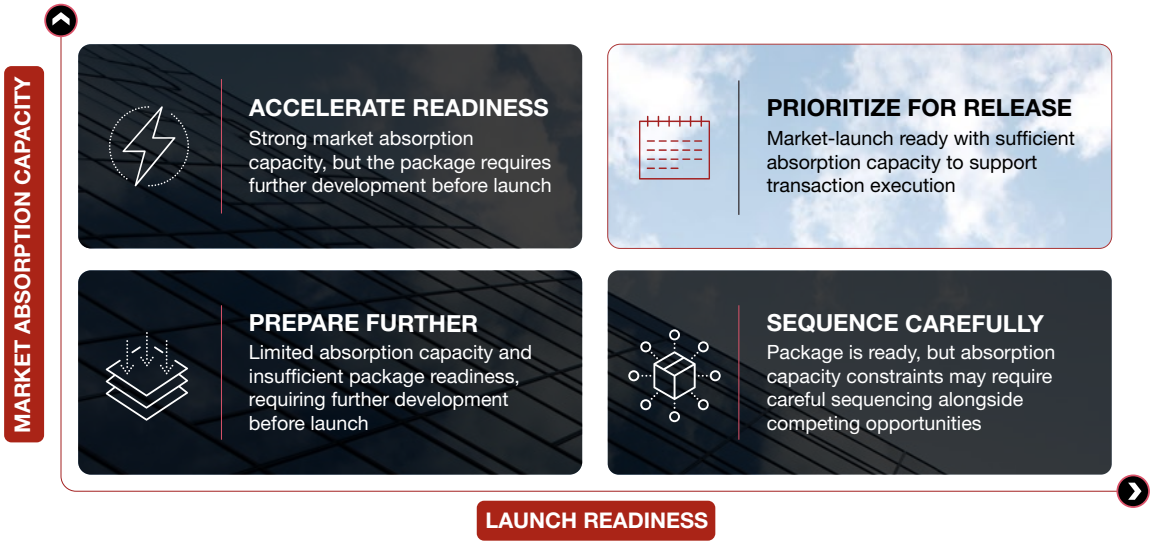
The starting point for answering that question is to get one consolidated view of the partnership pipeline. Each package should be mapped against the partner archetype it requires, its capital requirement, its stage of development, and its market readiness. This shows where opportunities are competing for the same partner pool and where the portfolio may be asking the market to absorb too much at once.

The pipeline then needs to be tested against market capacity. Aggregate liquidity alone is not enough. The more useful question is whether enough credible partners have both the capital and the execution capacity to take on the specific opportunities being released. That assessment should inform package size and release timing.

In our view, one of the most important portfolio decisions is to consider package readiness and market capacity together. A package may be ready to launch and still be poorly timed if the relevant partner pool is already stretched. Equally, the market may have capacity for an opportunity that is not yet developed enough for credible engagement (see Exhibit 4).

EXHIBIT 4

Portfolio release should reflect both package readiness and the market's absorption capacity



Source: Strategy& analysis

Applied across the full pipeline, the matrix shown in Exhibit 4 helps sponsors distinguish among packages that should proceed, those that need further development, and those that are ready but should wait for market capacity. It provides a common basis for deciding not only whether an opportunity is investable, but also whether now is the right time to take it to market.

Launch readiness reflects the tests set out earlier: roles and risks are agreed upon, the project is bankable, and the package is shaped around a target partner archetype and the appropriate entry window.

Market capacity is harder to gauge and should be assessed for each partner type and ticket size. The starting point is how many credible partners could realistically take on an opportunity of that type and scale, and how much capacity they still have once existing commitments are considered. This should include the sponsor's own earlier releases, as well as other opportunities in the market competing for the same partners.

The assessment should also consider whether debt markets and end-user demand can support the returns required by the package. Market sounding, visibility on partner commitments, and regional pipeline data can help build this picture. As partners commit capital and as new opportunities come to market, capacity will change, so the assessment needs to be refreshed regularly rather than made only at launch.

Portfolio sequencing therefore needs to consider not only when individual packages are ready, but how the available pool of capital and capability will change over the project life cycle.

The strategic partnership between Mubadala and Aldar provides a useful portfolio-level example. In 2024, the two parties set up four joint ventures covering more than Dhs30 billion (US$8.2 billion) of Abu Dhabi real estate. Each was structured around its asset type: a Dhs9 billion (US$2.5 billion) retail platform, about Dhs3 billion (US$817 million) of income-generating assets at Masdar City, Dhs13 billion (US$3.5 billion) of new island developments, and a Dhs5 billion (US$1.4 billion) logistics park.[7]

The lesson is that different packages within the same portfolio may call for different partnership models, capital pools, and investment horizons.
The resulting rolling partnership and capital strategy determines which opportunities come to market, in what sequence, for which partners, and at what stage of maturity. This allows sponsors to manage market capacity deliberately and use the performance of each wave of development to strengthen the next.

CONCLUSION

Private participation is becoming a more important part of how GCC real estate portfolios are funded and delivered. As those portfolios grow, the challenge is no longer simply to create investable opportunities, but to decide which opportunities should come to market, for which partners, and when.

Getting the individual opportunity right remains essential. Roles need to be clear, risk needs to sit with the party best able to manage it, and the economics need to work for both sides. But investability alone is not sufficient. As noted above, a project that is ready to launch may still be poorly timed if the relevant partner pool lacks the capital, capability, or capacity to absorb it.

Sponsors should begin by building one consolidated view of the partnership pipeline. Progress should be visible in a broader pool of credible partners, stronger competitive positioning for released opportunities, a growing share of the development pipeline funded with private capital, and greater ability to recycle sponsor capital into later phases.

Over time, this can deepen the partnership market itself. Local developers and operators build stronger track records, regional and international investors' confidence grows, and sponsors gain more flexibility over how they fund successive phases of development. The shift is from projects to portfolios, and from asking whether a partnership can be done to deciding which partnerships should be done, with whom, and when.

ENDNOTES

[1] The GCC countries are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

[2] MEED projects database, GCC construction projects extract, October 9, 2026. Figure includes projects in core real estate sectors (mixed-use, residential, commercial, retail, leisure, and hospitality) that were not marked as complete and that were scheduled for completion between 2026 and 2030.

[3] Strategy& Middle East, "Rethinking Public Sector Funding: Why Governments Must Embrace a Private Sector Mindset," November 30, 2025 (https://www.strategyand.pwc.com/m1/en/industries/multi-sector-investments/rethinking-public-sector-funding.html).

[4] ROSHN Group, "ROSHN Group and Talaat Moustafa Group Saudi Sign a Preliminary Agreement to Establish a Joint Company to Explore and Develop a Mixed-Use Project in Riyadh," September 19, 2026 (https://www.roshn.sa/news-and-events/press-releases/article-139).

[5] RUA AlHaram AlMakki, "RUA AlHaram AlMakki and MRCB Partner on SAR 21 Billion Development at King Salman Gate in Makkah," September 18, 2026 (https://ruaalharam.com/rua-alharam-almakki-and-mrcb-partner-on-sar-21-billion-development-at-king-salman-gate-in-makkah/).

[6] Aldar, "Aldar Partners with Expo City Dubai to Create Major Mixed-Use Development within New Expo City Master Plan," October 10, 2024 (https://www.aldar.com/en/news-and-media/aldar-partners-with-expo-city-dubai-to-create-major-mixed-use-development).

[7] Aldar, "His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan Inaugurates Aldar and Mubadala Partnership to Develop and Manage Prime Abu Dhabi Real Estate Assets Valued at over AED 30 Billion," September 18, 2024 (https://www.aldar.com/en/news-and-media/aldar-and-mubadala-extend-their-long-standing-strategic-partnership).

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