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The trapped estate

Why Gulf family real estate belongs in the capital markets

By **Mika Toivola** — Founder, Crosspoint

Across the Gulf, some of the best-located real estate portfolios in the world are also among the least liquid. They sit inside family holding companies — assembled over decades, held privately, financed conservatively if at all, and rarely valued by anyone but their owners. The buildings are world-class. The way they are owned belongs to another era.

I have spent more than twenty-five years on the finance side of Gulf real estate — as a group CFO taking developers through sukuk issuances, credit ratings, REIT spin-offs and IPO-readiness. From that seat, one pattern is hard to unsee: the private family portfolio and the public capital market are two worlds that ought to be connected, and mostly aren't. Closing that gap is, to my mind, the single largest untapped value opportunity in Gulf finance today.

The cost of holding privately

A privately held portfolio carries costs that rarely appear on any statement. Its value is trapped — you cannot spend a building. It is usually concentrated in one market, often one city, with all the risk that implies. It has no external price discovery, so its worth is an estimate rather than a fact. Its balance sheet is typically under-leveraged, with expensive equity doing work that cheaper capital-markets debt could do. And it puts quiet strain on succession: a folder of title deeds is one of the hardest things to divide fairly across a growing next generation.

None of this is a failure of the families. It is simply how wealth was built here — directly, prudently, and before the tools to do otherwise existed.

What has changed

Those tools exist now. Vision 2030 and its Emirati counterparts have deepened the region's capital markets faster than most expected: an active sukuk market, a growing roster of REITs, and a live IPO pipeline across Tadawul, ADX, DFM and Nasdaq Dubai. Regulation has matured in parallel — the DFSA, ADGM and Saudi CMA now offer credible, internationally recognised frameworks for regulated funds. Rating agencies and international banks are comfortable in the region in a way they were not fifteen years ago. And a large pool of global institutional and ESG-mandated capital is actively looking for rated, governed, income-generating Gulf exposure — capital that cannot easily buy a private family building, but can buy a unit in a listed fund.

The infrastructure to institutionalise family real estate is in place. What is usually missing is the bridge.

From title deed to traded unit

That bridge is a sequence, and each step stands on its own. A family can consolidate its assets into a single regulated vehicle with genuine governance. It can professionalise and diversify that vehicle — improving cashflows, adding ESG certification, spreading beyond a single market. It can earn an investment-grade credit rating. It can then raise capital-markets debt — sukuk or bonds — against the rated portfolio, releasing liquidity without selling anything. And, when the moment is right, it can list.

The important part is that each step is optional and adds value on its own. A family can stop at 'rated and financed' and never go public; another can carry through to a listed REIT. What every step has in common is that it converts opacity into transparency and illiquidity into access — while the family keeps its assets, its income, and a seat at the head of the table. Done properly, this is not a loss of control. It is the addition of an institution around what the family already owns.

Why now, specifically

Three things make this a live conversation rather than a someday one. The rate shock of 2022–23, which paused so much real-estate financing, is easing; as the cost of capital falls, the arithmetic of rated, listed real estate turns sharply positive again. Regional listings are at record levels, with international investors allocating to the Gulf in size. And succession is arriving in real time — founding-generation portfolios are passing to the next generation now, and a governed, valued, partly-liquid structure is a far easier inheritance than a stack of deeds.

Windows in capital markets do not stay open indefinitely. The families that build the structure while the market is receptive will set the template — and the pricing — for those who follow.

The honest caveats

This is not for every portfolio, and part of good advice is saying so. It needs scale — enough that a rated vehicle makes economic sense. It needs genuinely income-generating assets, not land banks. And it needs a family willing to accept institutional governance and disclosure. It is also sensitive to timing: the same rate and currency moves that make it compelling can, at the wrong moment, make it wait. I have seen a well-designed structure held back by exactly that, and being honest about when not to proceed is as much a part of this work as the design itself.

But for the family groups that fit — and there are many across the GCC — the prize is real: liquidity without loss of control, a cleaner succession, access to global capital, and an asset base finally valued by the market rather than guessed at.

> **The Gulf spent a generation building extraordinary real estate. The next step is to let the capital markets recognise what it is worth.**

Mika Toivola is the founder of Crosspoint, a corporate finance and capital-markets advisory practice in Dubai. He has led international sukuk programmes, credit ratings across all four major agencies, and REIT and IPO-readiness mandates, and advises family offices and holding groups on the pathway from private portfolio to listed fund.