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ISRAELI FDI IN THE DUBAI REAL ESTATE MARKET:

MOTIVES AND BARRIERS

by

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ABSTRACT

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This research examines the attractiveness of the Dubai real estate market among Israeli physical persons, following the authorization of the Israel–UAE peace agreement in [2020], and maps the motives and barriers that might promote or restrain their integration into the Dubai immovables market in the subsequent years, 2021–2025. Eight months after the signing of the 'Abraham Accords', an anonymous internet-mediated questionnaire was administered to gather primary standardized data from a sample consisting of 201 adult Israeli nationals ($N = 201$). The empirical results show that prospective Israeli FDI in the Dubai real estate market between 2021 and 2025 is influenced by seven motives (the Israel–UAE tax treaty preventing double taxation, the absence of personal income tax in the UAE, the UAE non-imposition of corporate tax, the high number of tourists visiting this particular region of the UAE, the expected expansion of Dubai's economy, the anticipated increase in real estate values in the Emirate of Dubai, and the diversification of investments) and 11 barriers (potential political instability between Israel and the UAE, government restrictions on foreign ownership of property and land, discriminatory treatment at the governmental or civil levels, travel restrictions, potential low returns on real estate investments, unfavourable regulatory and legal frameworks, macroeconomic instability, designated free trade zones, bureaucracy, exchange rate volatility, and differences in business mentality). Overall, the sample was dominated by subjects who were extremely unlikely to invest in plots or any properties designated for industrial, commercial, or residential purposes in the Emirate of Dubai over the years 2021 to 2025. Due to time and resource constraints, the research exclusively investigated the Dubai real estate market, and thus its conclusions may not be suitable for other emirates or for the entire UAE.

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CHAPTER I:

INTRODUCTION

The introductory chapter provides a preliminary overview of the research subject by placing it within the broad boundaries of the appropriate existing field of knowledge. Consequently, it clarifies the background and core aspects of the thesis and addresses the degree of importance of this particular project and the question of why this dissertation is novel. Moreover, it outlines the research motivation and hypothesis and justifies the potential contribution of this academic investigation to the research community and to the existing professional and academic literature.

1.1. Introduction

Foreign direct investment (FDI), a unique multinational capital investment strategy, is a field of knowledge of great interest to many theorists and researchers. Since the concept was first outlined, interregional and intercontinental capital flow under the definition of FDI has been recognized worldwide, both by the business sector and by research and academic institutions, as an effective alternative with reliable capabilities to contribute to the strengthening, stabilizing, and shaping of emerging and developing economies, as well as of developed countries around the globe.

Historically, the conceptual roots of FDI are found in classical and neoclassical theories of international trade and international investment. The concept of FDI has only been differentiated from other international investment strategies since the early 1960s, and

has led to the formation of a new autonomous research field (Ietto-Gillies, 2012). FDI is a distinct international investment strategy that is embodied in the direct investment of financial resources in business operations in foreign markets (International Monetary Fund, 1993). In comparison to other cross-border investment strategies—for instance, government bonds or foreign portfolio investment (FPI)—FDI is direct, in the sense that it requires the establishment of the investor's active and significant ongoing managerial involvement in the investment (OECD, 2008).

This research is driven by the historic peace agreement signed between the State of Israel (Israel) and the United Arab Emirates (UAE) mediated by the United States (US), dated Tuesday, September 15th, 2020. The Israel–UAE peace agreement, officially known as the 'Abraham Accords Peace Agreement: Treaty of Peace, Diplomatic Relations and Full Normalization Between the United Arab Emirates and the State of Israel' (The United Arab Emirates & the State of Israel, 2020), is of great importance for both sides and for the Middle East as a whole. As its name implies, this remarkable peace agreement regulates peace, normalisation of relations, and full diplomatic engagement between these two countries, which were not recognized by each other but had been defined as enemy states for about fifty years.

The regulation of international relations between the two countries makes the UAE the third Arab state to recognize the existence of Israel, as well as the Israeli nation and the Jewish people living in Israel and around the world (Beaumont, 1997; Beri, 1979). Among all the understandings and commitments enshrined in the Israel–UAE peace agreement, for

instance, co-existence, respect, peace, freedom of movement, and stability, this academic investigation is triggered by clause number five of the agreement. This clause, which is defined as ‘Cooperation and Agreements in Other Spheres’, stipulates that both parties shall leverage the peace achieved in favour of establishing commercial ties, as well as encouraging cooperation in the areas of finance and investment, innovation, trade and, economic relations, tourism, and civil aviation (The United Arab Emirates & the State of Israel, 2020).

This thesis proposes that the establishment of diplomatic relations among Israel and the UAE may lead, in addition to other outcomes, to extensive financial cooperation in terms of inward and outward capital flow under the principles of FDI. In alignment with empirical evidence demonstrating that the real estate industry is a significant engine for any economy, meaning an essential market segment making up more than half of the global economic wealth (Rybak & Shapoval, 2011), this research was constructed to focus on trade ties reflected in FDI in the real estate industry.

Practically, the research was designed to explore the factors potentially motivating and encouraging the engagement of Israeli physical persons acting as individual direct investors under the definition of FDI, exclusively by establishing business activities in the form of acquisitions of plots or properties for residential, commercial, or industrial purposes available in the Dubai real estate market. At the same time, considering economic factors as well as cultural implications, the thesis seeks to extract and classify anticipated

risks that may affect or eliminate the potential extent of engagement of Israeli physical persons acting as individual direct investors in the Emirate of Dubai.

This dissertation is of great importance since its objectives lie in gaps in the existing academic and professional literature, which were presumably caused by the absence of relations between Israel and the UAE. Apart from contributing to the field of FDI knowledge as a whole, the thesis has great potential to make a valuable contribution to the literature in the field of FDI in the real estate industry. Moreover, a successful investigation of its research questions may constitute a breakthrough in the study of the economic relationship between Israel and the UAE, in the context of the Israel–UAE peace agreement.

The following sections are intended to describe the dilemma to be investigated by this academic research. To underline the importance of addressing the problem identified by the academic literature and professional community, it defines the gap between the current situation and the desired situation, which constitutes the motivation for this thesis. Finally, based on exposing the academic gap, it formulates the research questions that serve as guidelines for this project.

1.2. Research problem

An interdisciplinary investigation of the available literature in the field of FDI in general, and in the real estate industry in particular, reveals that the academic literature, professional knowledge, and databases that have been accumulated so far on this subject

are rich and diverse. Moreover, many researchers have studied this field of knowledge from different perspectives over the years, applying it to various industries and business activities on the one hand and to different economies and countries on the other.

Ideally, sources of information and analysis concerning the study of economic involvement, of any kind, between Israel and the UAE over the years should be extensive. With an emphasis on FDI, it is expected that trends of cooperation, or the inward and outward flows of financial resources under the definition of FDI, between the two countries be thoroughly researched and monitored. Moreover, it is also presumed that international secondary databases, which often constitute the basis of many studies concerning FDI, such as those that collect statistics on inward and outward FDI flows worldwide, can provide continuous and reliable information on the case of Israel and the UAE.

However, the ideal situation described does not correspond to the current situation, constituting the problem that the present research seeks to address. Due to the absence of official peace between Israel and the UAE, which had neither recognized each other nor maintained any diplomatic relations until recently, research on economic engagement between these Middle Eastern economies is deficient. Although the two countries stand out separately at the regional and international levels in terms of economic performance and FDI, the lack of peaceful relations has most likely eliminated any possibility of economic cooperation between them for political reasons and presumably also for ideological motives. More precisely, the gap between the desired situation and reality is supported by the absence of any empirical evidence or detection of inward or outward financial

involvement, in the sense of FDI, between Israel and the UAE between 2006 and 2018 (OECD, 2012; OECD, 2013; OECD, 2014; OECD, 2019; OECD, 2020).

Interestingly, almost the same trend is reflected in the flow of FDI between Israel and Egypt and Jordan, the only two Arab countries that had recognized its existence before the UAE. Despite more than 40 years of peace between Israel and Egypt (Beri, 1979) and more than 25 years of peace between Israel and Jordan (Beaumont, 1997), and given the fact that all three countries share a land border, almost no inward or outward flow of FDI was detected between 2006 and 2018 (OECD, 2012; OECD, 2013; OECD, 2014; OECD, 2019; OECD, 2020).

The dissertation is limited, and examining the potential inward or outward capital flows of FDI between Israel and the UAE in all areas of life and industries is beyond its scope. Therefore, it focuses on Israeli FDI in the Dubai real estate industry, a highly preferred investment destination over foreign direct real estate investors (Dahan, 2018; Dubai FDI Monitor, 2021; Falade-Obalade & Dubey, 2014; Government of Dubai & Dubai Statistics Center, 2021; Joghee et al., 2020). The research's determination to focus on real estate activities is supported by statistical findings indicating that in recent years the real estate industry has been ranked as the third-largest business sector, in terms of popularity, among direct real estate investors originating in Israel (Israel Central Bureau of Statistics, 2020b). At the same time, during the ten years between 2007 and 2016, real estate activities of various kinds were among the top three main investment destinations for foreign direct investors deciding to integrate into the UAE economy by executing capital investments

under the definition of FDI in the local real estate industry (UAE Federal Competitiveness and Statistics Authority, 2016).

In practice, the historic Israel–UAE peace agreement dated Tuesday, September 15th, 2020 (The United Arab Emirates & The State of Israel, 2020), establishes the justification for this thesis. This project implies that the formal settlement of diplomatic relations between Israel and the UAE may lead, among other things, to significant economic cooperation and to the establishment of a bilateral flow channel of financial resources in the form of FDI. Hence, it can be concluded that there is a substantial need for a better and more in-depth understanding of the potential determinants and obstacles which may characterize the possible entry of Israeli physical persons acting as individual direct investors into the Dubai real estate market against the background of the Israel–UAE peace agreement.

1.3. Research purpose

By implementing a unique case study, this research strives to be innovative and to contribute to expanding the existing knowledge and findings on its subject, while attempting to bridge gaps in the available literature. This exploratory dissertation was driven by the historic Israel–UAE peace agreement (The United Arab Emirates & The State of Israel, 2020), the legal ground for inevitable economic cooperation between Israel and the UAE. Given that the research was conducted shortly after the formation of diplomatic ties between the two countries, the thesis identifies a gap in the literature and the difficulty of locating significant professional and scientific literature, in the context of FDI, that

investigates the subjects of Israel and the UAE. Consequently, the principal purpose of the dissertation is to establish an initial foundation of knowledge regarding the motives and barriers which might influence the prospective entry of Israeli physical persons into the Dubai real estate market in the foreseeable future, from 2021 to 2025.

1.4. Research questions

In line with the nature and primary purpose of the research, the thesis sets two precise exploratory questions concerning the central research problem:

> **Research Question No. 1**: What factors might motivate Israeli physical persons to invest in buildings and land in the Dubai real estate market in the period from 2021 to 2025?
>
> **Research Question No. 2**: What circumstances might deter Israeli physical persons from investing in immovables in the Dubai real estate market in the period from 2021 and 2025?

1.5. Research hypotheses

Even though this investigation of the phenomenon in question is still in its early phases, namely, comprehensively reviewing the wide range of factual findings and observations collected in different industrial and geographical contexts worldwide, the research predicts a relationship between numerous motives or barriers and the prospective entry of Israeli physical persons into the Dubai real estate market. Operatively, to scientifically reconcile the research questions, the thesis tests the following hypotheses:

H_1: The prospective entry of Israeli physical persons into the Dubai real estate market is influenced by specific motives.

H_2 (null hypothesis): The prospective entry of Israeli physical persons into the Dubai real estate market is not influenced by specific motives.

H_3: The prospective entry of Israeli physical persons into the Dubai real estate market is influenced by specific barriers.

H_4 (null hypothesis): The prospective entry of Israeli physical persons into the Dubai real estate market is not influenced by specific barriers.

1.6. Summary

The principal aim of the research is to examine the possible integration of Israeli physical persons acting as individual direct real estate investors into the Dubai immovables market under the historic Israel–UAE peace agreement. In practice, the thesis seeks to investigate the motives and risks that may influence the decision-making process of direct Israeli real estate investors concerning whether to enter the Dubai real estate market by acquiring properties under the definition of FDI.

The dissertation focuses on four concise, predetermined objectives which, if met, will indicate that the research is adequately executed: (1) to assess the attractiveness of the Dubai real estate market among prospective direct Israeli real estate investors, (2) to investigate the factors that might motivate Israeli physical persons to invest in immovables in the Dubai real estate market, (3) to explore the circumstances that might deter Israeli

physical persons from investing in buildings and land in the Dubai real estate market, and (4) to further expand the academic and professional literature in the field of FDI, thereby constituting a breakthrough in the study of direct Israeli real estate investments in the Emirate of Dubai.

The following chapter will establish an extensive and tangible framework to explain why this thesis is relevant by methodically reviewing the existing relevant academic and professional literature and critically highlighting its deficiencies.

CHAPTER II:

LITERATURE REVIEW

The literature review chapter lays an essential foundation of relevant information to position the research within the boundaries of the broad field of knowledge on FDI. Along with a general summary of existing knowledge, it highlights gaps in the academic and professional literature that constitute support for the thesis. To demonstrate the main areas of interest related to the research topic, it reviews the key definitions and core theories of FDI. Furthermore, in alignment with the research focus on foreign direct real estate investment, it examines global FDI trends in the real estate industry as well as empirical analyses of the dominant determinants and obstacles experienced by direct real estate investors. Finally, to provide a better understanding of the chosen case study, it discusses historical, demographic, and economic characteristics of Israel and the UAE and outlines the principles of the historic Israel–UAE peace agreement.

2.1. Fundamental definitions of Foreign Direct Investment

FDI is a unique international investment strategy that is reflected in the direct investment of financial resources in overseas business activities. The most common definition of FDI suggests that international capital movement, in the form of investment, may be considered as a direct investment when an investor, a resident of a particular economy, establishes business activities or invests in income-producing assets located and operating in a different economy foreign to that of the investor (International Monetary Fund, 2009).

Unlike other cross-border investment strategies such as government bonds or foreign portfolio investments, where the investor has no intention of accumulating managerial capabilities or influence over the investment but only benefits from its financial returns, FDI directly involves the establishment of a long-term and significant direct ownership and involvement relationship between the investor and the investment. Such an interest is attained in the case of incorporated entities when the direct investor holds at least 10% or more of the voting power or ordinary shares and, in the case of unincorporated entities, when the direct investor holds the equivalent degree of ownership and managerial capacity (OECD, 2008).

As for the identity of the direct investor, it should be noted that the existing theoretical framework does not differentiate between incorporated and unincorporated entities but in fact recognizes both forms equally as potential direct investors. Accordingly, direct investment may be conducted by physical persons acting as individual investors, groups of associated individuals, incorporated or unincorporated public or private organizations, governments or governmental authorities, international institutions, or social enterprises (International Monetary Fund, 1993). In line with standard terminology, it should be noted that incorporated entities that initiate and maintain FDI, and hence own and control a business activity in at least one or more foreign markets in parallel with their activities in the domestic market, are considered multinational enterprises (OECD, 2008).

Furthermore, global business expansion in terms of FDI may be classified into three types: (1) horizontal FDI, which is reflected in the establishment of business activities

abroad that are identical to the business activities carried out by the investor domestically; (2) vertical FDI, which occurs when the investment is directed at a specific element related to the investor's activity, such as raw materials needed in its production process or its access to market share; and (3) conglomerate FDI, which is identified with the investor's entry into a new market entirely different from its area of expertise (Caves, 1971). In this sense, it has been observed that business activities under the definition of FDI may be established across a wide range of industries and commercial sectors, including insurance, construction, trade and finance, services, real estate, research and development, and others (International Monetary Fund, 1993).

Having laid down the fundamental terminological foundations that characterize the field of FDI research, it should be remembered that the critical element of FDI is its control and management aspect. Accordingly, regardless of the business domain of activity, FDI is an active and not passive investment strategy, meaning that the investor is expected to be involved in the management of the investment on an ongoing basis (Marandu & Ditshweu, 2018).

2.2. International investments in a classical and neoclassical era: Foreign Direct Investment origins

In the existing academic and professional literature, the most common arguments for explaining international trade, motives for cross-continental investments, and the flow of capital overseas were initially based primarily on classical and neoclassical international trade theories (Ietto-Gillies, 2012). This section provides an overview of classical attempts

to explain foreign investment—not to be confused with the term FDI, which did not exist at the time—followed by the neoclassical ones, including the contributions of Adam Smith (1776), David Ricardo (1821), Eli Heckscher (1919), and Bertil Ohlin (1933).

Adam Smith's theory of absolute advantage, from 1776, is one of the earliest attempts to explain and to classify the motives for international economic and commercial engagement. The classical economist promoted the idea that every economic unit should identify its absolute advantage in the production of specific goods or services and specialize in their production while strengthening international trade. In other words, an economic unit should export products when it enjoys the absolute advantage of their production compared to another unit but, at the same time, should import goods when it does not have the absolute advantage over their production (Smith, 2010).

Smith's work was challenged in 1817 by the economist David Ricardo, who opposed the idea of absolute advantage and introduced the theory of comparative advantage in international trade. Ricardo rejected the assumption that international trade should be exclusively based on the principle of absolute advantage, arguing that a commercial engagement between two economic units is favourable and profitable, even when one unit can produce goods or services more efficiently than the other. Notably, Ricardo argued that it is not the absolute advantage that influences trade and investment but the comparative advantage, which is related to the degree of difficulty with which each economic unit may produce different products (Ricardo, 1821).

Overall, classical trade theories emphasise specialization in production, based on differences in production costs. Against this background, the question of why a particular country might produce goods and services at different production costs has been identified as the starting point of the neoclassical trade approach (Ietto-Gillies, 2012). According to the assumption of Heckscher (1919) and Ohlin (1933), known as the Heckscher-Ohlin model or the 2x2x2 model (two countries, two production factors, two products), differences in production costs reflect the volume of production factors, defined as labour and capital, which exist in high quantities in some countries compared to others. Hence, based on a perfect market view, it is expected that countries endowed with labour over financial resources will focus on labour-based production, and economic units that are endowed with capital over labour will focus on capital-based production. In practice, this approach emphasises bilateral profit for the two economic units by trade in their products (Ohlin, 1933).

With all due respect to the classical and neoclassical trade theories, Ietto-Gillies (2012) has emphasised that they cannot interpret and evaluate the concept of FDI. Scholars have repeatedly claimed that these paradigms have failed to differentiate between different types of foreign investment, such as portfolio investments and direct investments. Moreover, Denisia (2010) has indicated that perceptions of the market as characterized by perfect competition are unrealistic and in fact eliminate any possibility of the emergence of FDI.

2.3. Key theories of Foreign Direct Investment

FDI is a broad and rich field of knowledge that is continuously expanding. However, while the definition of FDI seems settled and straightforward, it is challenging to present a single theory that explains this unique phenomenon as well as the motivations for its direct global business expansion. Hence, one must rely on a wide range of theories, models, and practical frameworks that may explain this cross-border investment strategy. Despite the diversity, it has been pointed out that the common denominator among researchers and theorists studying FDI is the assumption that under perfect market circumstances, FDI will no longer be relevant (Kindleberger, 1969).

Historically, the concept of FDI evolved as an independent field of research only since the 1960s, and it originated in research on international trade and foreign investment. It is commonly argued that FDI theories primarily reflect theoretical attempts to address and transcend the limitations of neoclassical international trade theories, which did not differentiate between different foreign investment strategies such as FDI (Ietto-Gillies, 2012).

In order to provide a better understanding of FDI, the following subsections thoroughly define the most common theories and empirical models that have been developed over the years and which have turned this specific foreign investment strategy into an autonomous field of knowledge.

2.3.1. The industrial organization hypothesis

A breakthrough in the study of FDI occurred in 1960 with Stephen Hymer's doctoral dissertation (Nayyar, 2014). Hymer, a Canadian economist, is considered a pioneer in the study of FDI and founded the first, most innovative theory of international operations under the circumstances of the imperfect market (Dunning & Pitelis, 2008). Hymer is credited with introducing and defining, for the first time, the concept and foundations of FDI, and with distinguishing FDI as a unique foreign investment strategy differing from other foreign investment methods (Ietto-Gillies, 2012).

Hymer proposed to dichotomously differentiate between FDI and other types of foreign investment, for instance, FPI, based on the motives and distinct implications that underlie these types of investments (Yamin, 2000). His work argues that the element of control and administration over the investment is the crucial aspect separating FDI from other foreign investment. Strictly speaking, Hymer stated that FDI entitles, and even obliges, the direct investor to control the business activity conducted overseas (Hymer, 1960), as opposed to FPIs, which are considered passive investments that do not require or even allow any intervention on the part of the foreign investor (Marandu & Ditshweu, 2018).

Hymer's approach was ground-breaking, not only because it opened up a new field of knowledge but also because it radically challenged the neoclassical theories that were prevalent at the time (Denisia, 2010). In contrast to neoclassical theories, which had mostly justified overseas capital movement due to different production costs or differences in yield

rates (Makoni, 2015), Hymer, in a revolutionary way, argued that FDI is not driven by the pursuit of reduced-cost production of services or goods in foreign locations. Rather, it involves many additional expenses, which are directly related to the remote management element of the business activity, as well as costs that may arise from environmental discrepancies such as language differences, cultural gaps, different legal frameworks, or discriminatory attitudes in the host country (Hymer, 1960).

Despite its high costs, Hymer believed that FDI is driven by the failures and imperfections in the domestic market structure due to oligopolistic market conditions, which force local firms to improve their market power and maximize their profits. Hymer identified two main motives that may encourage FDI: the weakening of domestic-specific benefits and the identification of assets in foreign markets, whose utilization may lead to an increased competitive advantage; and its strengthening of control and market power through the removal of foreign conflicts, by acquiring direct control over foreign activities operated by competitors (Hymer, 1960).

2.3.2. The internalization hypothesis

Internalization, as opposed to externalization, is a widely used interdisciplinary term which may be subject to many interpretations. In the sense of FDI, ‘internalization’ may refer to a process in which MNEs prefer to replace market transactions with intra-organizational transactions (Henisz, 2003). Namely, the internalization hypothesis justifies FDI and business expansion at the global level, based on the argument that in some cases

firms would prefer to internalize, rather than outsource, the production of specific products or services in order to retain certain advantages at the enterprise level (Moosa, 2002).

Historically, the internalization approach was developed by Buckley and Casson in 1976, against the background of Coase's work (Coase, 1937). The two theorists were motivated to assess the determinants of a particular firm's establishing or acquiring of manufacturing activities in foreign territories. In alignment with the industrial organization hypothesis, Buckley and Casson supported the assumption that the ground for global business expansion, as well as for FDI, is characterized by imperfect market conditions. Nonetheless, they emphasised failures within the intermediate goods market and the knowledge market, also known as the research and development market (Buckley & Casson, 1976).

More specifically, it has been suggested that under imperfect market circumstances, firms may overcome market failures, as well as elements of uncertainty or high transaction costs, by creating internal markets reflected in the acquisition or establishment of direct control-based foreign business ventures. Paying attention to the decision-making process as to whether to internalize, Buckley and Casson (1976) have stated that the reasons for internalization over externalization may fit into one or more of the following four categories: industry-specific factors, region-specific factors, nation-specific factors, and firm-specific factors (Buckley & Casson, 1976).

Despite the dominant position of the internalization hypothesis in the study of FDI, it has suffered criticism. Over the years, some have argued that this view is too general and

lacks empirical foundations (Rugman, 1980), and others have challenged the assumption that the motives for internalization are based exclusively on unreliable trading environments or market failures (Petrochilos, 1989).

2.3.3. The location hypothesis

The location hypothesis, as its name implies, holds that firms may execute FDI due to the presence of various advantages and tangible or intangible valuable assets in foreign markets, the utilization of which may contribute significantly to their profitability, primarily by reducing production costs. According to this perception, differences related to location may appear as a result of the lack of cross-border mobility of certain manufacturing factors. However, it should be noted that location-based advantages are subjective, in the sense that they should be directly related to the nature of the firm's production line. Hence, it is not possible to name a single location-based advantage but rather a variety of benefits that may be found in foreign territories around the globe (Marandu & Ditshweu, 2018).

When considering location-based differences, most cases highlight contradictory characteristics related to human resources and the labour market, natural resources, and raw materials. In this sense, a frequent location-based advantage that may attract FDI is the low-cost of labour in low-wage foreign markets as compared to the firm's domestic market. Based on this assumption, the expected FDI flow direction is one-sided, from high-wage countries to low-wage countries in order to ensure low production costs (Moosa, 2002). In contrast, Wheeler and Mody (1990) have observed that in cases where the principle of

quality is critical, for instance, in business activities in the fields of technology or research and development, this assumption is unlikely to be met since the expected level of quality is debatable (Wheeler & Mody, 1990).

Furthermore, as mentioned above, other location-based advantages that may encourage FDI and the establishment of enterprises abroad, versus domestic business expansion, are related to natural resources and raw materials. Practically, countries that enjoy high volumes of such goods may be attractive destinations for FDI, especially for firms that require such supplies for their production lines. Consequently, in order to gain proximity to these commodities and reduce their costs, firms may acquire direct ownership of foreign enterprises engaged producing these goods or may establish foreign production lines near the locations of these valuable sources of production (Bitzenis & Szamosi, 2009).

2.3.4. The eclectic theory of international production

The eclectic theory was developed by John Dunning in 1977 and mainly refers to the identification of motives for business expansion using the FDI strategy, as compared to other alternatives (Moosa, 2002). Dunning's contribution is highly valued among the research community to this day, and his work is considered a milestone in the study of FDI (Ietto-Gillies, 2012). Moreover, empirical evidence has identified this theory as the most widely used in the study of FDI and multinational operations over the years (Paul & Feliciano-Cestero, 2020). Some see this theory as a combination of the industrial organization, internalization, and location hypotheses discussed above (Moosa, 2002).

Innovatively, Dunning set three conditions that should be assessed by firms considering whether to carry out FDI or, preferably, to avoid global business expansion. The three-stage model, which is widely known as the OLI framework, consists of ownership advantages (O), location advantages (L), and internalization advantages (I). FDI will be favourable for an organization when the OLI advantages are met as follows: (1) the firm holds an ownership advantage, which is reflected not necessarily in tangible possessions but rather in intangible assets, for instance, access to natural resources, knowledge, or significant market power; (2) the firm has critically evaluated the location advantages that provide support for overseas business enlargement over domestic expansion; and finally, (3) the firm has determined whether it is more profitable to focus on in-house production by internalizing its ownership advantages or to externalize them by selling or leasing them to foreign entities (Dunning, 1977).

In his later development of the OLI framework, Dunning distinguished between four types of incentives which may motivate FDI: resource-seeking, market-seeking, efficiency-seeking, and asset-seeking FDI (Dunning, 2000). According to Dunning's framework, FDI may be driven by the search for resources that are available in overseas territories, such as natural resources, human resources, or knowledge, the exploitation of which is to the advantage of the direct investor. Additionally, such investments may be driven by the search for additional markets that may be more attractive, or less utilized and developed, compared to the domestic market from which the direct investor originates. The third incentive for FDI is related to the search for efficiencies, which are mainly reflected in terms of economic and commercial efficiencies. Lastly, Dunning's fourth factor is related

to the search for strategic assets. Such assets may be realised by the acquisition or occupation of physical or human assets located in foreign economies, leading to an advantage over domestic and foreign competitors alike (Dunning & Lundan, 2008).

2.3.5. The product life cycle hypothesis

The product life cycle model was developed by Raymond Vernon in 1966, in light of massive growth in American business activities overseas after World War II. According to Vernon's ideology, all products are subjected to a four-step process: introduction, growth, maturity, and decline (Vernon, 1966). This approach has gained tremendous popularity in the study of FDI determinants, based on its claim that firms take steps toward FDI at some point in the life cycle of the product they first introduced, specifically when the product reaches the maturity and standardization stages (Denisia, 2010).

According to this assumption, an innovative product tends to be developed domestically, close to its target audiences and its production and development units. Conversely, as time passes and product awareness becomes high, the product reaches the maturity stage in its life cycle, which is reflected in increasing demand outside the domestic market. To meet foreign demand and face competition, the local firm begins to expand its activities in high-income countries, using export and FDI strategies. Finally, as the product and its production specifications become public domain and no longer the exclusive property of the inventing firm, production costs become a dominant element. As a result, increased FDI in developing economies is to be expected as firms search for attractive

production costs in their attempts to maintain competitive positions against domestic and foreign rivals (Vernon, 1966).

Numerous empirical studies have confirmed the product life cycle approach. Evidence has shown that due to differences in production costs, high levels of competitiveness, and increases in FDI, the country where an innovative product was developed will eventually no longer be the primary source of its production and export but will instead become an importer of it (Agarwal, 1980).

Petrochilos (1989) has argued that although this hypothesis may be beneficial in interpreting FDI trends and determinants, it may be particularly relevant for products and services of a highly technological nature. Moreover, criticism of the product life cycle model was, surprisingly, levelled by its founder. Vernon (1979) argued that the product life cycle model might be inapplicable in some cases, due to changes in the international environment. While the approach was developed at a time when the US enjoyed leadership in research and development as well as innovation, over time the gaps between it and other industrialized countries have noticeably narrowed.

2.3.6. The oligopolistic reactions hypothesis

Knickerbocker (1973) offered a behavioural perspective for explaining FDI, and the pursuit of expanding overseas business activities, from an oligopolistic orientation. The theorist argued that firms operating under oligopolistic market circumstances tend to replicate behaviour patterns and procedures adopted by their peers and that, in the context

of FDI, a firm's decision to invest in a particular foreign territory may challenge rivals to invest in the same country or other foreign strategic territories in order to preserve their market shares and oligopolistic strength.

Lall and Streeten (1977) stressed that an oligopolistic market structure does not allow one player to ignore the other. Correspondingly, the establishment of overseas business activity may be construed as a violation of the status quo and of the oligopolistic hierarchy, which requires competitors to respond quickly and to align with the newly established behavioural trend. Furthermore, Knickerbocker (1973) found that the higher the level of industrial centralization, the greater the oligopolistic reactions concerning FDI.

This approach has been criticized for not sufficiently identifying the various determinants that may lead, in the first place, to cross-border business expansion in the form of FDI. In other words, it has been argued that the hypothesis does not adequately address the set of motives which may lead the first firm, in the oligopolistic environment, to decide to engage in FDI (Agarwal, 1980).

2.4. Advantages and adverse implications of Foreign Direct Investment

Given the tremendous academic attention to the study of FDI throughout the years, various schools of thought have credited this cross-border investment strategy with many positive outcomes but also with considerable negative implications. Despite this, based on the contributions of many theorists, entrepreneurs, and financial experts, a coherent and unequivocal agreement cannot be obtained as to whether FDI has a better or worse impact

on the host economy, the domestic economy, or the global economy, together or separately (Helpman et al., 2004).

Focusing on the benefits attributed to FDI, it is noticeable that its essential advantage lies in strengthening the host country by directing financial resources toward its economy (MacDougall, 1960). Other positive consequences are exchanging technology, increasing competitiveness, improving infrastructure, strengthening international relations, creating additional income through the national taxation system, and raising the reputation of the host nation (Blomstrom & Kokko, 1999).

Moreover, incorporated entities such as MNEs, or even physical persons acting as individual direct investors under the definition of FDI, often contribute to reducing the unemployment rate in the host country by creating many new vacancies for the local workforce or by establishing collaborations and partnerships with local service providers and experts (Ietto-Gillies, 2012). For instance, a diverse study of the Vietnamese tourism sector identified a positive influence of foreign direct investors on the local population's seasonal employment, even in rural areas that normally offer lower employment rates (Haley & Haley, 1997). Similarly, the results of a study in the Gambia suggest that foreign-owned hotel chains did create a higher probability of hiring more locals and of using local suppliers in their activities (Davidson & Sahli, 2014).

In contrast, considerable empirical evidence has associated FDI with adverse outcomes on the international economy in general and on the host economy in particular. It has been demonstrated that multinational business activities, and especially the

integration of direct investors in foreign economies, may lead to fundamental changes in the domestic market structure, to the extent of creating a monopolistic market structure. Furthermore, unwanted and threatening outcomes of FDI may include exporting profits to the direct investor's country of origin, influencing the culture negatively, harming employment conditions (Blomstrom & Kokko, 1999), and weakening the power of local companies by taking over a large market share (Blomstrom & Kokko, 1998).

2.5. Foreign Direct Investment in the real estate industry: Trends, determinants, and obstacles

The immovables industry is a highly desirable investment destination among direct investors worldwide, and as a result, foreign direct real estate investment is a rich and continuously expanding field of research. Aside from researching the inward and outward flow trends of foreign direct real estate investments among different economies worldwide, many researchers have focused on identifying the determinants of and obstacles to FDI in this specific industry.

To provide a better understanding of the real estate industry in general, and foreign direct real estate investments in particular, this section defines the core characteristics of the real estate market as well as the various types of assets traded within this business sector. Furthermore, it reviews prominent empirical evidence related to the identification of the primary determinants in the decision-making process of foreign direct real estate investors regarding investment location selection, and the obstacles and risks to which direct investors in this industry are subject.

2.5.1. The core characteristics of the real estate industry

The real estate industry has been highlighted as an important market segment for any economy, as it comprises more than half of the global economic wealth (Rybak & Shapoval, 2011). At a simplistic level, the real estate market may be defined as a business arena in which immovables are traded, usually in the form of sale-purchase transactions or lease transactions (Maier & Herath, 2009). Unlike various business activities, the real estate industry is unique in that the traded product is both of immovable and of a high demand nature (Case et al., 2000).

The demand for real estate of any kind is very high, since ownership of real estate is often associated with stability and wealth; in some cases, gaining ownership of real estate is perceived as one of the most significant accomplishments of any physical person or legal entity (Carter, 2011). Moreover, it has been observed that the extensive preoccupation with real estate may be construed as a vital need for individuals and for incorporated entities, whose existence mostly depends on the real estate industry (Fonseca et al., 2018). Hence, the possession of real estate by permanent ownership, whether for personal use or investment purposes and attained by acquisition or by temporary ownership through lease, is an economic activity experienced by almost all members of the community (Carter, 2011).

The types of immovables that are traded worldwide in the real estate industry are diverse. However, it is often customary to distinguish between three major market segments within the real estate industry: (1) commercial real estate, which describes

properties intended to serve business purposes, such as offices, shopping complexes, street shops, accommodation buildings, and hotels; (2) industrial real estate, which refers to properties dedicated to manufacturing purposes, for instance, factories, and distribution and logistics parks; and (3) residential real estate, which, as its name implies, includes properties designed to serve housing purposes, such as single-family homes and apartments (Fonseca et al., 2018).

2.5.2. Foreign Direct Investment in the context of the real estate industry

The real estate industry has been a site of many studies of FDI. In fact, the academic and professional literature on FDI examining the real estate market in all its segments has evolved significantly over the years, applying a variety of case studies and hypotheses, time intervals, population types, and practical tools. In recent decades, scholars have observed that the real estate industry has taken significant steps toward globalization, liberalization, and the removal of barriers, and this has led, among other things, to a sharp rise in FDI in many countries. Moreover, as Bardhan and Kroll (2007) have noted, FDI in the real estate industry no longer focuses solely on developed markets—for instance, North America or Europe—but is also directed to real estate markets in developing countries.

In line with the focus of the thesis on foreign direct real estate investments carried out exclusively by physical persons acting as individual direct investors rather than by incorporated entities, it is vital to emphasise that besides FDI business investments in commercial, industrial, or residential real estate, private investment as reflected in direct residential real estate investment is a significant area of interest in the study of FDI.

Practically, although it is considered a non-business and private investment, it has been recognized under the definition of FDI. Strictly speaking, regulations have required that properties intended for residential purposes and held by non-residents (physical persons acting as individual direct investors), whether for personal use or purposes, be considered as FDIs, provided that the ownership conditions underlying the concept of FDI are fulfilled (International Monetary Fund, 1993).

The empirical evidence regarding the advantages and adverse implications of FDI in the real estate industry is often contradictory. For instance, the prevailing hypothesis that massive FDI in the real estate industry may lead to substantial economic leverage in the host country, both in the real estate market and in related sectors through the injection of significant financial resources into the economy (Fereidouni & Masron, 2013), has often been confirmed (Fung et al., 2010; Nguyen, 2011). However, others have rejected this assumption by concluding that there is no considerable correlation between FDI in the real estate industry and the economic prosperity of a particular country, either in the short run or in the long run (Gholipour et al., 2014).

Another area of debate is reflected in the various attempts to examine the correlation between foreign direct real estate investments and fluctuations in immovables prices. This hypothesis results from the repeated association of FDI in the real estate industry with significant increases in property prices (He et al., 2011). This phenomenon has even been flagged, by some political leaders around the globe, as a matter of social and economic importance requiring constant supervision and decent legislation (Hui & Chan,

2014). However, empirical attempts designed to indicate a correlation between FDI and rising real estate prices have been disputed. While some studies have proved a link between these two variables (Agnew & Lyons, 2018; He et al., 2011; Rodríguez & Bustillo, 2010), others have rejected this claim, instead demonstrating that FDI in the real estate industry has no real ability to cause dramatic changes in immovables prices (Gholipour et al., 2014).

2.5.3. Determinants and obstacles of foreign direct real estate investments

As the recognition of FDI in the real estate industry has intensified, more and more researchers have sought to identify the motives behind such investments. Consequently, the determinants and incentives for FDI in general, as well as in the real estate industry, have been extensively examined in recent decades. Besides the examination of the motives underlying FDI, many have also explored the obstacles and risks to which direct investors are subject. In practice, the academic literature suggests that the selection of one real estate industry over another is not a random choice but a rational decision, subject to a set of determinants and considerations concerning potential FDI barriers.

Market or economy size has often been credited as a significant determinant in the selection of the direct investment location. It has been found that direct investors originating in the United Kingdom, Japan, and Canada, who invested in the American real estate industry between 1980 and 1989, preferred to direct their investments to states with large economies (Gerlowski et al., 1994). It is reasonable to assume that such a tendency would arise from an expectation of possible value growth, since the quantity of foreign investment in real estate, according to past studies, would be considerably influenced by

the anticipated increase in the value of immovables (Rodríguez & Bustillo, 2010). For instance, data from the Chinese market has demonstrated that a preponderance of foreign investments was made in developing regions since their value was believed to rise the most over time (Hui & Chan, 2014). As per similar findings from other research conducted on numerous European international investors, FDI activities are more likely to be made in properties with higher expected long-term returns (Falkenbach, 2009).

Another vital factor for new or prospective foreign direct investors, which includes examining desirable market conditions, is the strategy of investment diversification. Theorists contend that diversifying investments internationally is a decent strategy that decreases risk and boosts stability because not all economies are growing at the same rate or moving in the same direction. Investments made at the same time in several nations or economic areas are therefore safer than many activities in a single country, since one economy might grow while a counterpart shrinks at the same time (Vos, 1993). Existing research, however, has typically shown unfavourable results regarding the relevance of investment diversification as an FDI incentive. Studies in Shanghai (Zhu et al., 2006) and Europe (Falkenbach, 2009) have revealed that this factor only modestly impacted whether investors would be encouraged to participate in these real estate markets.

Following the discussion of investment activity diversification, the topic of penetration into a new market arises as a similarly important and often equalized notion. To study this determinant, it is worth returning to a previously mentioned study of the Chinese real estate industry in which the researchers proposed that penetration into a new

market ranked rather highly in the significance of a possible investment decision (Zhu et al., 2006). A different study produced similar results, demonstrating that foreign investors entered Eastern and Central Europe in an effort to grow into new markets (Kersan-Skabic & Orlic, 2007).

Aside from the volume of the economy, studies have shown that economic growth, and expectation of future economic prosperity, constitute significant determinants for FDI in the real estate industry in a particular country (Hines, 2001). For instance, numerous real estate investors in Europe have identified the prospect of economic growth as one of the main factors motivating investment (Falkenbach, 2009). The possibility of a country's growth in the near future was also shown to be one of the most important drivers of FDI in an analysis that examined the influence of several predictors on FDI in OECD countries between 1980 and 2003 (Ramasamy & Yeung, 2010). Similarly, a comparative study in China, in which researchers aimed to test differences in the coastal and inland investment activities, found that foreign investors were highly motivated by potential economic growth in those regions (Hui & Chan, 2014).

Having reviewed the importance of current and expected economic prosperity on a given market as a determinant of FDI, it is advantageous to explore currency strength and exchange rate volatility as measures of economic health. This factor is crucial in describing the economic state of any given region; however, it is equivocal in terms of being a predictor of FDI activities. Studies have demonstrated that currency strength is a key factor in direct investors' decisions to favour one country over another (Hines, 2001).

Furthermore, academic evidence suggests that the exchange rate can hinder possible FDI activities. Iranian research found that, in addition to the price of crude oil, one of the main barriers to FDI between 1980 and 2006 was currency rate volatility (Sharifi-Renani & Mirfatah, 2012). Contrastingly, previously addressed research conducted in the Chinese real estate market found that currency rate does not influence possible decisions by foreign direct investors, who instead give priority to numerous other factors (Zhu et al., 2006). Moreover, a study focusing on 18 OECD countries found only weak support for the claim that exchange rate volatility has a negative impact on FDI (Crowley & Lee, 2003). Similarly, research on the Japanese real estate market revealed that the factor mentioned did not influence FDI operations (Kiyota & Urata, 2004), and a study in Western Africa highlighted exchange rate volatility as a non-significant predictor of FDI (Osinubi & Amaghionyeodiwe, 2009).

The examination of economic factors that hinder, promote, or are irrelevant to FDI around the world cannot be completed without a thorough exploration of the role of taxation in this matter. Nations worldwide have utilized corporate tax rates to encourage investment. Examples of this include Germany's 2008 tax reform, Sweden's 2013 company tax cut, and Obama's 2012 update to the US tax law (Dobbins & Jacob, 2016). A study originally designed to determine whether prior investments encourage additional FDI flows has emphasised the relevance of the adverse relationship between FDI and corporation tax (Sato, 2012). Similarly, a fundamental study in the US market discovered that taxation had a significant negative effect on FDI among the investors from Canada, the United Kingdom, and Japan, suggesting that high taxes often drive away possible investors.

Moreover, it highlighted that taxation policy, which is applied differently in various states in the US, has played a significant deterrent role for direct investors (Gerlowski et al., 1994). In addition, a comparative investigation between overseas-owned and domestic companies conducted in Germany suggested that reduced corporate tax obligations resulted in a sharp rise in the real estate investments of domestic companies (Dobbins & Jacob, 2016). Finally, the results of studies on the Chinese and European real estate markets mentioned earlier reinforce the notion that high company taxes have a detrimental influence on FDI (Falkenbach, 2009; Zhu et al., 2006).

Having thoroughly addressed the academic evidence of the effect of corporate tax on FDI, it is worthwhile to elaborate on the role of personal income tax in this framework. Personal income tax has been determined to have a detrimental effect on FDI flows in non-OECD nations (Esteller-Moré et al., 2020). Furthermore, it has been demonstrated that high taxes have discouraged FDI from reaching the Greek economy (Pantelidis & Nikolopoulos, 2008). Ultimately, the results of the previously mentioned fundamental studies in China and Europe correspond with these notions (Falkenbach, 2009; Zhu et al., 2006).

To exhaust the discussion of the economic determinants of FDI, it is crucial to review the factor of the host country's macroeconomic stability. For instance, a study conducted across Middle Eastern and North African (MENA) countries identified the index of macroeconomic instability as a successful predictor of FDI inflows in the region (Chan & Gemayel, 2003). This concept is linked to the results of a previous investigation into investment relations between Europe and MENA countries, which found macroeconomic

instability to be a significant deterrent of future FDI (Chenaf-Nicet & Rougier, 2016). Moreover, research demonstrating the relevance of the relationship between macroeconomic stability and FDI indicated that a country's macroeconomic characteristics must increase over a specified threshold for FDI to have a favourable influence on its economy (Gbakou et al., 2008).

The topic of macroeconomic situation leads to the next vital part of the literature review's discussion of FDI determinants and deterrents, which is political climate. The results of a study conducted in Sub-Saharan Africa, where levels of political instability have been high for generations, suggest that there is a strong negative correlation between political instability and FDI flows in the region (Williams, 2017). Generally, it is argued that bilateral investment treaties have a substantial impact on all types of overseas investments (Jandhyala et al., 2011). It has been demonstrated that the existence of regional trade agreements and international conventions plays a crucial role in the selection of one economy over another by direct investors (Hines, 2001). In fact, it has been proven that foreign investment in the US economy has risen with every new bilateral agreement signed between the US and other economies at the end of twentieth century (Blonigen & Davies, 2004).

Empirical findings from the geographical area on which the present thesis focuses, the Middle East, collected between 2003 and 2009, are consistent with the other motives mentioned so far. Systematic classification of the dominant determinants for foreign direct real estate investment among eight different economies located in North Africa and the

Middle East, with an emphasis on commercial real estate, has found that countries with demonstrated economic prosperity, high standards of living, and high levels of education have benefited from higher volumes of investments. Moreover, the presence, or rather the absence, of terrorism and violence has been identified as a significant factor for direct investors in Algeria, Egypt, Morocco, Qatar, Saudi Arabia, Tunisia, Turkey, and the UAE. This finding was also used to explain why some countries attract more foreign investors than others. Hence, political instability is the most significant obstacle for direct investors and may even lead to the elimination of FDI in the region (Salem & Baum, 2016).

Consequently, political instability, military or civil disputes, or opposition to co-existence at the international level can significantly affect inter-community financial interference in general, and FDI in particular, in the real estate industry and other markets. Studies have revealed that while war may eliminate FDI, ceasefires may lead to sharp growth in the levels of foreign direct investor interest in the recovering economy (Joshi & Quinn, 2018). Moreover, others have shown that FDI may help to build peace (Nor & Masron, 2018) and support economic strengthening among post-conflict countries (Bussmann, 2010).

In cases of possible remnants of generational indifference and boycott, it is worthwhile to discuss the notion of prejudice, which can be expressed in two ways: prejudice as a product of judgement that drives away FDI and prejudice as discriminatory treatment, on governmental or civil levels, in the host country. It is not unreasonable to assume that such a sensitive issue as FDI market selection process decisions will be

inflicted with possible consequences of discrimination. The results of research carried out across 49 developing countries proved that inward FDI flows are strongly negatively related to discriminatory policies directed against foreign citizens. Moreover, Reiter and Steensma (2010) found that FDI inward flows are more frequent when levels of corruption are low. Similarly, a previously discussed study found that the absence of transparency and high level of bribery and corruption in both public and private sectors may significantly deter direct investors from a particular industry (Hines, 2001).

As an intricate business phenomenon, FDI reflects various aspects of possible legal policies that take place in host or home countries. In light of these qualities, FDI-oriented policies have been introduced even in the world's strongest economies, for example, in the US. Considering FDI to be a significantly influential factor on a country's economy, the USA has implemented specific regulatory and legal frameworks that have encouraged a great source of financial flow into the country (Sauvant, 2009). Apart from the great impact of land and real estate owning legislations, supportive intellectual property laws have been said to considerably improve a country's capacity to draw FDI (Maskus, 2000). Finally, Biglaiser and Staats (2010) have proved that Latin American countries began to draw more foreign investments upon beginning to regulate their legal systems and strengthen their property rights.

The topic of restrictive legislation is leading the research into cumbersome bureaucracy, another possibly significant FDI deterrent. Tiresome bureaucratic procedures may drive away foreign direct investors when it comes to their decisions on whether to

invest in a specific region. This notion has been supported by previous research conducted on the Chinese FDI environment, where FDI rates rose significantly once administrative effectiveness had been improved (Dees, 1998). Similarly, a more recent study describes sub-Saharan Africa as a region with extremely unfavourable business conditions, including time-consuming bureaucratic procedures, which it suggests are the reason why the region is unable to attract more FDI and boost local economies (Nketiah-Amponsah & Sarpong, 2020). Another important factor consistently associated with unpleasant or seemingly unnecessary bureaucratic procedures is travel restrictions. When deciding whether to invest in a state, the ability to travel there is essential. It has been shown one government independently enforcing a visa requirement on individuals of the other nation without the other country's implementing a comparable restriction might decrease bilateral trade and FDI by up to 19% and 25% percent, respectively. If nationals of both countries need visas, the impacts on trade and FDI are larger (Neumayer, 2011).

Having considered economic, political, and regulatory aspects that encourage or deter FDI, it is worthwhile to map out less-analytical, factual conditions that affect the FDI market selection process. These conditions are the location of the possible investment, its proximity to the investor's home country, and the climatic conditions of the region. Japanese FDI in the Canadian real estate industry between 1985 and 1993 is a striking example of how the distance between the investor's home country and the target country affects FDI. Unexpectedly, Edgington (1996) observed that location preferences among Japanese direct investors were not affected by considerations of the size of the city or region. Therefore, financial resources were hardly directed to the real estate industry in

Toronto, the largest city in Canada. In contrast, geographical proximity and convenient access routes were identified as more significant factors.

A wide variety of more recent research has showed similar results. Empirical research has demonstrated that geographic distance significantly reduces FDI flow (Bi et al., 2020) and that a smaller physical distance between the investor's home country and the desired FDI location increases the likelihood of investment, with an emphasis on the nations nearby (Cooke & Lin, 2012). Generally, distance considerations have been highlighted as a competitive advantage that promotes FDI (Bitzenis & Žugić, 2014; Zhu et al., 2006). Moreover, the sustainability of the investment was previously hindered by the physical distance's relation to higher expenses (Fageda, 2017). Rodríguez and Bustillo (2010) have observed that potential investors in Spain must acknowledge the distance between their home country and Spain, and they highlighted transportation costs as a potential barrier to an investment's success. Contrastingly, other research shows that the aspect of geographical proximity is more equivocal than it seems. According an aforementioned study that reviewed investment plans from different European nations, geographic proximity impacted investment intentions but did not show a significant influence (Falkenbach, 2009).

Climatic conditions are another factual condition for prospective FDI. The climate of a given territory can be considered among its resources, even though it cannot be traded. Depending on the investor's background and investment intention, an economic activity may benefit from specific climate trends in the future. This connects climatic conditions to

one of the main justifications for FDI, which is the resource-seeking strategy used by direct investors (Dunning, 1993), and which may also be significant for commercial real estate, though it has been proven to be especially suited for residential constructions (Clayton et al., 2021). Since individuals prefer to reside in places with liveable and familiar temperatures, the impact of climate on real estate values has grown over the past decade as the topic has drawn more attention (Semenenko & Yoo, 2019).

Geographical proximity and climatic conditions often lead to another factor motivating FDI, tourism. The correlation between FDI in real estate and tourism has been supported by further empirical evidence. An examination of the critical determinants of FDI in the Spanish real estate industry between 1990 and 2007 concluded that the high volume of FDI in the Spanish immovables market at the time is explained by the high volume of tourism, along with competitive real estate prices, expected capital gains, and proximity. Moreover, it has been suggested that the typical direct investor in Spain is a single investor from a high-income country, in many cases a former Spanish tourist, who is taking advantage of the low real estate costs to generate additional income (Rodríguez & Bustillo, 2010). Likewise, a previously discussed study on Japanese-Canadian FDI interactions indicates that tourist-agglomerated areas are more attractive to investors than are large cities (Edgington, 1996). Lastly, a diversified study conducted among 19 OECD countries over a decade (1999-2008) found that tourism agglomeration is a significant motive for FDI in real estate (Gholipour & Masron, 2011).

In contrast, contemporary empirical evidence collected in the United Kingdom has demonstrated an insignificant statistical relationship between foreign direct real estate investments and tourism. Instead, its analysis of the determinants attracting direct investors to the United Kingdom real estate industry, with an emphasis on the British capital of London, revealed a significant statistical relationship between foreign direct real estate investments and variables such as the GDP rate, property prices and land availability, wage level, and interest rate. The study also offers insights into the identity of the typical direct real estate investor in London. It has been found that most investors are entrepreneurs looking to invest in income-producing real estate, rather than in real estate for personal use or holiday properties (Poon, 2017).

The empirical literature reveals immigration prospects to be another feature of tourism motivating FDI. Various studies have shown that immigration prospects, or 'residential tourism,' as it is described as in some articles, are a motivating factor for foreign direct investors to concentrate their activities abroad. For instance, a real estate market study in Australia hypothesised that Asian investors would acquire Australian real estate for the purpose of immigrating (Wong et al., 2017). The pursuit of the Portuguese 'Golden Visa' by investors of Chinese descent is another example. A survey found that many Chinese direct investors expressed a desire to reside in Portugal in order to provide for their families via country's favourable economic, educational, and social circumstances (Gaspar & Ampudia de Haro, 2020). However, Poon's (2017) United Kingdom survey found that most investors are entrepreneurs looking to invest in income-producing real estate rather than in personal-use real estate or holiday properties.

Having thoroughly reviewed the tourism and immigration opportunities as motivators of FDI, it is worthwhile to shift the discussion to the topic of cultural similarities. Researchers from several fields have investigated the impact of culture on international investments. For instance, cultural similarities have been shown to be essential for progressing negotiations and concluding bilateral agreements. Examples of these cultural links include speaking the same language, sharing a common history, or participating in comparable international organizations (Jandhyala et al., 2011). A clear illustration of cultural similarities playing an important role in driving FDI is the trend by which Australian entrepreneurs invested significantly in the UK in the late twentieth century. The authors of that research suggest that the trend was a consequence of the UK and Australia sharing cultural aspects: both countries are members of the Commonwealth and have English as their official language, and Australia was once a British colony (Edwards & Buckley, 1998). Conflictingly, other research has shown the business climate in the UK to differ significantly from that of Australia, which has presented significant difficulties for the Australian investors (Fenwick et al., 2003).

In addition to the role of cultural disparities in FDI, general differences in business mentality are an additional obstacle for potential investors. As highlighted above, differences in business mindsets might jeopardize the profitability of foreign investments, even when two countries share a variety of cultural similarities (Fenwick et al., 2003). This theory has been supported by research indicating that shared business mindsets encourage FDI and, on other hand, that business strategy and environment disparities can hinder potential investment (Folfas, 2011; Vlachos et al., 2018).

Differences not only in business mentality but also in interpersonal aspects such as language and religion are crucial factors when considering overseas investments. According to data from the Spanish hospitality sector, countries with larger, informal institutional disparities typically have fewer international hotels (Fernando et al., 2020). Furthermore, Dolansky and Alon (2008) have demonstrated that Japanese investors tend to consider religious diversity when deciding which economies to invest in. While religious differences can potentially lead to moral and social obstacles, language differences can be detrimental on a more practical level, challenging possible investors to lead their businesses as fluently and proficiently as they lead their activities in their home countries. According to the literature, the expenses that arise due to linguistic barriers in the administrative and bureaucratic fields significantly increase the difficulty of FDI (Welch et al., 2001). Similar arguments have been supported in more recent research, which has found that language is a crucial component of any activity and has the power to influence organisational transformation processes, information interchange, competitive activities, global coordination, and intra-corporate value generation (Luo & Shenkar, 2017).

Furthermore, a wide variety of studies has indicated that large FDI flows are agglomerated in linguistically similar or identical regions. For instance, a survey of US investors exposed the significance of a common language for foreign investments (Goldberg et al., 2005). Likewise, a study assessing the importance of common language in FDI and trade found language to be a significant predictor of FDI (Oh et al., 2011). Hejazi and Ma (2011) found a similar indication across a diversified sample of thirty OECD countries, showing that English is an advantage if spoken in the potential host country of

FDI. Lastly, a more recent study found that language was associated with a higher amount of FDI across a timeframe of twelve years (Ly et al., 2018). According to a corporate-based study, a common language is key to effective communication within a cooperative environment; therefore, a high number of potential investors identify it as a dramatically important factor for FDI location, highlighting the minimization of expenses when business activity is led in a common language (Konara & Wei, 2014).

The final factor that deserves attention, in addition to economic, political, legal and cultural aspects, is the subjective reputation of the potential host country. A country's reputation may significantly influence the amount of FDI it receives. Companies that invest in nations with, for example, high rates of human rights violations, may suffer poor reputations and consumer unhappiness resulting from globalisation and enhanced international marketplace openness (Blanton & Apodaca, 2007). More precisely, a study that tested the notion that international enterprises tend to choose undemocratic states for expansion indicated that this concept was not proven by the results. Harms and Ursprung (2002) found that countries affording individual freedom and access to basic human rights attracted more FDI. Likewise, in a study that tested whether the level of respect for human rights in developing countries is linked to higher levels of FDI, the authors found that such states benefited from higher FDI levels than did countries characterized by abusive human rights practices (Blanton & Blanton, 2007). In addition, Busse's (2004) study testing the relation between FDI, in the form of multinational corporations, and child labour showed that corporations tend to avoid countries with high levels of child labour.

2.6. Foreign Direct Investment in the UAE: The Emirate of Dubai

FDI activities in the UAE are governed by federal law in Decree No. 19 of 2018. Foreign nationals who initiate investment ventures in the UAE are subject to this legislation, which permits non-Emirati entrepreneurs to obtain indefinite ownership of companies and economic activities under strict conditions and in authorized industries only. In the UAE Ministry of Economy, two branches currently focus on the regulation and monitoring of FDI, the Foreign Direct Investment Unit and the Foreign Direct Investment Committee (The United Arab Emirates' Government, 2021b). Since 2020, the UAE Cabinet has regulated 122 economic activities that are permitted for FDI within the agriculture, manufacturing, and services sectors (Resolution No. 16 of 2020 Concerning the Determination of the Positive List of Economic Sectors and Activities Eligible for Foreign Direct Investment and Percentage of their Ownership, 2020), and has prohibited other economic activities and industries, such as the petroleum industry, the military sector, the banking industry, and the insurance sector (The United Arab Emirates' Government, 2021a).

According to recent statistical findings, in 2019, the UAE was identified as a remarkably desirable destination among foreign direct investors, becoming the largest receiving economy of FDI funds in the West Asian region with a cash flow of more than 14 billion USD. For the UAE economy, this is a growth of one-third compared to 2018, mainly due to significant transactions in the oil and gas sector. Moreover, in 2018 and 2019, the UAE ranked 19th in home economies of the FDI outflows index (UNCTAD, 2020).

With consistent flows of $20 billion in 2021, the UAE continued to be the leading FDI recipient in the West Asia region (UNTCAD, 2022). Various studies have highlighted the high-end and modern technological trends in UAE's infrastructure as developing the country's reputation (Mohammed et al., 2020; Shareef & Abu-Hijleh, 2020).

This thesis's focus on the Dubai real estate industry, and its emphasis on FDI, is supported by many records indicating growth and prosperity. In practice, existing evidence demonstrates a steady positive growth trend over the ten years between 2007 and 2016, in the volume of capital deposited in real estate activities in the UAE economy. Real estate activities have remained among the three most preferred investment destinations for direct investors in the UAE during this time interval, alongside notable investments in the financial and insurance sectors, as well as the wholesale and retail trade and the repair of vehicles and motorcycles (UAE Federal Competitiveness and Statistics Authority, 2016). The UAE's high GDP rate and trade openness were determined to be significant determinants for attracting FDI into the UAE economy, according to empirical evidence obtained between 2001 and 2018, whereas factors like exchange rate and inflation were only found to be of minor value (Supriani & Fianto, 2020).

Having addressed FDI activity in the UAE generally, it is essential to draw attention to the Emirate of Dubai, which is the second-largest emirate of the seven territories composing the UAE Federation and its hub of regional commerce (Ulrichsen, 2016). In 2021, over 600 FDI projects were announced in the Emirate of Dubai, an increase of 36% from the previous year. With over 400 greenfield FDI projects, the Emirate of Dubai rose

to the top spot in the world, from third place the previous year, in terms of the attractiveness of subsidiary projects in 2021. Further information indicated that the number of jobs created by FDI ventures in the Emirate of Dubai enhanced dramatically in 2021 relative to 2020, rising by 36% from 18,500 to 25,000 positions. Moreover, figures from 2021 indicate that the UK has become the leading source country, with a 27% share of the total FDI capital inflows, followed by the US, France, Germany, and India. Finally, the food and accommodation services sector dominated the top five industries in 2021, with a significant share of 28% of the total FDI capital spent in the Emirate of Dubai, followed by residential property construction, electricity generation, ventures management, data hosting and processing, and comparable activities (Dubai FDI Monitor, 2021).

Dubai's economy is greatly driven by its real estate industry, with this sector contributing up to 22.5% of Dubai's GDP, the biggest contribution from a single economic segment (Falade-Obalade & Dubey, 2014). For instance, in 2021, the overall capital utilized in real estate transactions in the Emirate of Dubai reached nearly 300 million AED (Government of Dubai & Dubai Statistics Center, 2021). Dahan (2018) found that the real estate market in Dubai, which is perceived as a safe investment destination due to its sustained growth, is one of the most popular and preferred among foreign direct investors. In addition, it was demonstrated that foreign direct real estate investors who have been integrated into the immovables industry in the capital of the Emirate of Dubai have benefited from steady gains due to business activities in the real estate market. Furthermore, it was highlighted that although foreign investors typically exhibit risk-averse behaviour, as they believe losses are more damaging than the absence of rewards, Dubai's

booming economy has encouraged foreign direct real estate investors to make riskier decisions (Joghee et al., 2020).

The Emirate of Dubai made history in 2000 when it launched the first free-trade zone in the Gulf region (Delimatsis, 2021). The 23 free economic zones established in the Emirate of Dubai have proved to be effective (The United Arab Emirates' Government, 2022b). Clusters in the Emirate of Dubai are special economic zones (SEZs), which have been the ultimate base for economic diversification for decades, promoting the area for FDI. SEZs in the Emirate of Dubai offer high-end amenities, streamlined administrative processes, tax benefits, and other favourable treatment, transforming them into zones free of barriers that disturb the rest of the economy (Delimatsis, 2021). Furthermore, international commerce, commercial prospects, and foreign investment inflows have expanded as a result of favourable financial legislation and tax policies (i.e., few taxes and many free zones) applied in the area (Mosteanu, 2019).

Economic clusters and autonomous trade zones are argued to boost the economy of the Emirate of Dubai and to have played a significant role in its development. According to research exploring Dubai's economic diversification, Dubai was the first city in the UAE to significantly open up to inward FDI and labour, which has resulted in great benefits for the city and its investors. The development of free zones and economic clusters has transformed the city into a regional and worldwide hub for several multinational enterprises (Mishrif & Kapetanovic, 2018). Previous evidence has suggested that the main catalyst for the region's economic development and prosperity is FDI (Bagaeen, 2007).

Al-Saleh's (2018) theoretical research has identified the success of the cluster system in the Emirate of Dubai as based on attraction, branding, and state-led development (the ABS model). The author has established, based on a study of a substantial collection of interviews and media resources, that the three ABS concepts were the most likely causes of Dubai's economic success in terms of FDI. Precisely, they found that attraction to the Emirate of Dubai was driven by the government-subsidized infrastructure and the overall reputation of the region. In terms of branding, the Emirate of Dubai has become the home of renowned, heavily marketed luxury brands that have helped to lure more interest and investment to the region. Lastly, the presence of state-led development is more than vivid in the economic development of the Emirate of Dubai, providing even more desirable conditions for potential investors.

Despite the great reputation of the UAE, which attracts many foreign direct investors, the country is often criticized for its policies. According to Amnesty International (n.d.), the UAE government arbitrarily detains individuals after they have served their prison terms, treats inmates or immigrants from Africa cruelly, secretly monitors citizens, commits other violations against human rights, and restricts the expression of public opinion by imprisoning individuals. Amnesty International argues that the UAE government often applies discriminatory policies against foreign and local citizens.

Given that a large portion of the UAE's population consists of immigrants, foreign employees, and investors, the population of immigrants and foreign nationals is the topic of extensive academic research in the field of human rights. Studies show that the

elementary human rights of foreign employees in the UAE are being violated, including through debt bondage and unreasonable working hours. Many foreign workers in the UAE experience health issues due to their difficult working conditions (Sonmez et al., 2011). Practically, the working and living situations of less-privileged foreign nationals have in the past sparked several protests and drawn attention from the government and international society (De Bel-Air, 2015).

However, violations of human rights in the UAE affect people of all nationalities, including Emirati citizens. According to studies, the state's general public is subject to unauthorized video surveillance and governmental control of its internet presence, regardless of nationality and citizenship (Ziadah, 2021). In addition, studies indicate that the UAE government frequently spies on and controls its population through social media (Shires, 2021).

2.7. Israel-United Arab Emirates relations

Despite many similarities between Israel and the UAE, no diplomatic relations existed between these two Middle Eastern countries for about 50 years, from the unification of the seven emirates in the Persian Gulf into an independent federation in 1971 (Ulrichsen, 2016) through August 2020. Those five decades were marked by hostility, ignorance, and the participation of the UAE in the Arab League boycott of Israel, ending with the achievement of the historic Israel–UAE peace agreement, formally known as the 'Abraham Accords Peace Agreement: Treaty of Peace, Diplomatic Relations and Full Normalization

Between the United Arab Emirates and the State of Israel,' dated Tuesday, September 15th, 2020 (The United Arab Emirates & The State of Israel, 2020).

The subsequent subsections provide a historical and economic overview of Israel and the UAE. They also detail the diplomatic relations between Israel and the UAE throughout the years and the principles of the historic Israel–UAE peace agreement, which form the basis for the research and its hypotheses concerning potential economic engagements between the two countries in the form of FDI.

2.7.1. Demographic and economic overview

A cautious overview of Israel and the UAE may indicate some similarities in historical and demographic perspectives between these two Middle Eastern countries located on the Asian continent. For instance, in addition to their geographical similarity, both countries are considered young, and both gained independence from British rule. More precisely, Israel attained independence in 1948 (Cohen et al., 2008), and the UAE gained sovereignty 23 years later in 1971 (Ulrichsen, 2016). In terms of population volume and identity, Israel is home to a predominantly Jewish population (United States Department of State, 2019a), and the UAE population is mostly composed of foreign workers and immigrants, the majority of whom are Muslim (United States Department of State, 2019b). Moreover, the two countries are currently home to an almost identical volume of residents. Population registries indicate that Israel has about 9 million inhabitants (The World Bank, 2020b), while the UAE has about 10 million residents (The World Bank, 2020a).

In terms of social characteristics and managerial values, the research suggests that the UAE is a much more collectivistic society, while Israel exposes more evident individualism (Ralston, et al., 2012). In terms of sociolinguistics, UAE's official language is Arabic (The United Arab Emirates' Government, 2022a), while the majority of the Israeli population speaks Hebrew. Nevertheless, since a fifth of the entire population in Israel speaks Arabic, a proposition has been passed into law making Arabic an auxiliary language (The Knesset, 2018).

In the context of economic strength and financial performance, international indices for assessing economies suggest that both the Israeli and the UAE economies are considered to be thriving and developing at the regional and global levels (UNCTAD, 2020) and have been associated with many economic achievements over the years. In practice, both are ranked highly in the gross domestic product (GDP) index: out of 203 countries and territories, the UAE is ranked 29th and Israel 31st (The World Bank, 2020c). Furthermore, the two economies occupy the first two places in the economic freedom index at the regional level, with the UAE first and Israel second (Heritage Foundation, 2022).

Moreover, both countries welcome a high number of tourists yearly, with the UAE leading significantly (Government of Dubai & Dubai Statistics Center, 2022a; Israel Central Bureau of Statistics, 2020f). There is a vast discrepancy in the immigrant population between the regions. Dubai is estimated to have close to three and a half million non-Emarati residents and Israel only one immigrant per thousand citizens (Government of Dubai & Dubai Statistic Center, 2022; Israel Central Bureau of Statistics, 2020e).

Addressing the FDI trends and performance of these two countries reveals a bilateral pattern of inward and outward capital flow, in the form of FDI, among many business sectors in the Israeli economy (Israel Central Bureau of Statistics, 2020b) and in the UAE economy (UAE Federal Competitiveness and Statistics Authority, 2016). In other words, while each country individually constitutes an attractive target for many foreign direct investors and is home to many diversified FDIs establishments, many residents, whether individuals or incorporated entities, still choose to direct capital beyond the country's physical borders and to invest in foreign economies within the framework of FDI.

A recent observation of inward and outward trends in capital flow in the form of FDI, in the case of the Israeli economy, reveals that between 2017 and 2019, the Israeli economy benefited from an inward cash flow of FDI funds estimated at more than 55 million USD (16 million, 21 million, and 18 million USD in 2017, 2018, and 2019, respectively). Conversely, given outward trends of capital flow in the form of FDI, the Israeli economy was a source of more than 21 million USD between 2017 and 2019. More precisely, Israeli residents, incorporated and unincorporated entities alike, invested more than 7 million USD abroad in 2017, approximately 6 million USD in 2018 and about 8 million USD in 2019 (Bank of Israel, 2020). Returning to the dissertation's focus on foreign direct real estate investments, it stands out that real estate activities were identified as the third-most popular FDI industry among investors originating in Israel between 2016 and 2018, followed by the financial services industry and the petroleum products, chemicals, and pharmaceuticals manufacturing sector (Israel Central Bureau of Statistics, 2020b).

Even though Israel and the UAE, separately, are popular sources and destinations for FDI and are the basis of many studies, no empirical evidence has focused on cross-examination of financial involvement for FDI in general, or for FDI in the real estate industry in particular, between these two countries. Secondary statistical sources of information, which are widely used in the study of FDI, have not yet revealed any economic engagement in the context of FDI between the two countries. According to international databases, between the years 2006 and 2018, no inward or outward flow of FDI between Israel and the UAE was detected. In other words, economic involvement in the form of FDI between the two countries was equal to zero (OECD, 2012; OECD, 2013; OECD, 2014; OECD, 2019; OECD, 2020).

2.7.2. Abraham Accords

Diplomatic relations between Israel and the UAE are historically divided into two periods of time. The first period begins in 1971, when the UAE gained sovereignty from the British Mandate, and ends in 2020 (Ulrichsen, 2016). In adopting the ideology of the Arab world, UAE refused until 2020 to recognize the existence of Israel. Moreover, the UAE denied the right of the Jewish people over the Land of Israel and strongly opposed the United Nations General Assembly resolution regarding the determination of Israel's geographical boundaries upon the end of the British Mandate in the region (General Assembly of the United Nations, 1947). Another expression of hostile relations on the part of the UAE towards Israel is reflected in its participation in the Arab League boycott of Israel (Losman, 1972).

After five decades of no international relations, a new era in the Middle East began with the achievement of a historic peace agreement between Israel and the UAE. The historic Israel–UAE peace agreement, officially named the 'Abraham Accords Peace Agreement: Treaty of Peace, Diplomatic Relations and Full Normalization Between the United Arab Emirates and the State of Israel', was launched on Thursday, August 13th, 2020, and as its name implies, regulated full official peace between Israel and the UAE (Israel Prime Minister's Office, 2020). Close to the time of the signing of the peace agreement between Israel and the UAE, the UAE's Ministry of Tolerance officially recognized the local Jewish population. According to estimates, about 3,000 Jews are living across the seven Emirates. As of 2020, Dubai had two operating synagogues, a Jewish Community Centre, and a Jewish religious school (Menachem Zoufalá et al., 2021).

Following successful mediation by the US, the peace agreement was sealed about a month after the public announcement of peace between Israel and the UAE, on Tuesday, September 15th, 2020, in a formal ceremony held at the White House, the official residence of the American president in Washington, DC. The Israel–UAE peace agreement was physically and officially signed by the ninth Israeli Prime Minister, Benjamin Netanyahu and UAE Minister of Foreign Affairs and International Cooperation, Abdullah bin Zayed Al Nahyan, with the 45th president of the US, Donald Trump, in the role of witness (The United Arab Emirates & The State of Israel, 2020).

The Israel–UAE peace agreement is the milestone that distinguishes the two periods of time characterizing diplomatic relations between the countries so far. While this peace

agreement is of great significance for the two countries involved, it is of still greater importance and influence in the Middle East and in the history of peaceful relations between Israel and the Arab world. In practice, this ground-breaking event makes the UAE the third Arab state to recognize and establish official relations with Israel, following the Israel-Egypt Peace Treaty of 1979 (Beri, 1979) and the Israel-Jordan Peace Treaty of 1994 (Beaumont, 1997).

The commitments enshrined in the Israel–UAE peace agreement are diverse and cover diverse areas of life. First and foremost, as a demonstration of peace and open diplomatic relations, the agreement regulates the establishment of embassies and consulates in both countries, as well as the exchange of ambassadors and diplomatic corps. Moreover, the agreement emphasises that understanding between the two countries will be reflected in the strengthening of their trade and investment ties in the areas of energy, health, environment, security, and defence. Beyond strengthening international relations, this agreement constitutes the official removal of intangible and physical borders between the two countries. Both parties agreed to open the airspace to direct commercial flights, establish direct telephone and postal services (The United Arab Emirates & The State of Israel, 2020), and bilaterally remove visa requirements for entrance of nationals of both nations (Ministry of Foreign Affairs & International Cooperation, 2021).

Additionally, Israel and the UAE undertook to set an example for other Middle Eastern countries, as well as to act and assist in establishing peace at the regional level by taking all necessary measures to prevent acts of terrorism or hostility towards each other,

maintaining a degree of solidarity and support, preserving mutual understanding, and emphasising values of co-existence, respect, and friendship (The United Arab Emirates & The State of Israel, 2020).

Economic cooperation and commercial ties were recognized by the Israel–UAE peace agreement as necessary conditions for the preservation of peace and the realisation of the potential of each country separately and together. According to clause number five of the agreement, defined as 'Cooperation and Agreements in Other Spheres', the two economies shall work together to leverage the peace achieved in favour of warm trade relations and active economic collaborations. Practically, the agreement stipulates that both parties will deepen bilateral investment relations and give high priority to the conclusion of agreements in the field of finance and investment. In addition, the two countries pledged to build cooperation in the areas of innovation, trade and economy, that is, to allow the free and uninterrupted flow of services and goods while maintaining favourable trade conditions and reducing unnecessary trade barriers. Moreover, Israel and the UAE have taken responsibility for maintaining market integrity and economic stability while fully protecting consumers and investors (The United Arab Emirates & The State of Israel, 2020).

2.8. Summary

This section has laid the theoretical foundations of the research. As outlined, FDI is a coherently defined investment concept referring to a direct investment of capital in an economic activity held abroad. The literature review has demonstrated that the study of

FDI in general, and the study of foreign direct real estate investments in particular, are replete with diverse information and findings. The FDI phenomenon has drawn numerous scholars, who have established theories, models, drivers, and impediments, contending that FDI decisions are not arbitrary but rather are motivated by a rationale. Even though FDI justifications have been extensively studied, the incentives and obstacles vary across different investment environments.

Critically reviewed empirical evidence has revealed that the Emirate of Dubai is a highly sought-after FDI destination among international investors from numerous regions around the globe. However, similar conclusions cannot be drawn based on the existing literature regarding the presence of Israeli direct investors in the Emirate of Dubai. Excessively used records show a persistent pattern of no FDI involvement between Israel and UAE, either unilaterally or bilaterally. Consequently, the thesis has developed a solid foundation for further research of Israeli FDI directed into the Emirate of Dubai. The focus on the relationship between the UAE and Israel is considered based on the formed peace treaty, providing a possibility for exploring of the newly formed relationship between two strong Middle Eastern economies. It is important to conduct in-depth research on both the FDI interaction between the UAE and Israel and the context under discussion, which is FDI determinants and obstacles.

The subsequent chapter determines the practical frameworks and procedures that support the dissertation in reconciling its questions and hypotheses.

CHAPTER III:

METHODOLOGY

The methodology chapter systematically demonstrates the actions, strategies, and techniques used to obtain evidence to allow the research questions, hypotheses, and objectives to be adequately reconciled. To support the assessment of the reliability and validity of the thesis, the chapter highlights throughout the justifications for its methodological choices and underlines their limitations while nominating alternative measures applied to handle them properly. The following subsections cover the purpose of the dissertation, the thesis strategy, the research participants, the sampling method, the data collection technique, the data analysis procedures, the research limitations, and the ethical doubts arising from the particular design of the dissertation.

3.1. Overview of the research problem

Although Israel and the UAE are both highly successful in terms of FDI performance, this academic and professional literature has failed to provide sufficient evidence that considers both countries, either before or after the authorization of the Israel–UAE peace agreement (The United Arab Emirates & The State of Israel, 2020). Practically, excessively used databases reveal a continuous dichotomous trend of no unilateral or bilateral economic engagement and strong FDI activities between Israel and the UAE (International Monetary Fund, n.d.; OECD, 2012, 2013, 2014, 2019, 2020; World Bank, n.d.; UNCTAD, n.d.).

The thesis acknowledges that the absence of official diplomatic relations between Israel and the UAE might explain this trend but argues that this might not be the exclusive factor preventing Israeli physical persons from entering the Dubai real estate market. Conversely, the research contends that the alliance between the two countries might not be the only motive encouraging a massive influx of capital from Israel to the Emirate of Dubai. Instead, the dissertation presumes that many other unexplored barriers and motives might restrict or boost, respectively, the prospective entry of Israeli physical persons into the Dubai real estate market.

Consequently, given the beginning of a new era in Israel–UAE ties, the research implies that the formal settlement of diplomatic relations between the countries might lead, among other things, to significant economic cooperation and the establishment of a bilateral flow of FDI resources. Hence, the thesis finds a substantial need to explore the level of attractiveness of the Dubai real estate market among Israeli physical persons, as well as to map the motives and barriers that might promote or restrain the integration of Israeli physical investors into the Dubai real estate market in the coming years, 2021-2025.

In conclusion, clause number five of the agreement provides solid ground for the motivations and hypotheses of this dissertation. This research uses the Israel–UAE peace agreement as a case study of a potential economic engagement, in the form of FDI, to fill gaps in the existing literature which have presumably been caused by the lack of official relations between the two countries so far.

3.2. Operationalization of theoretical constructs

The thesis draws significantly on pre-existing theoretical foundations (Robson, 2002), employing the principles of the deductive research approach (Collis & Hussey, 2013). Consequently, following an in-depth assessment of the available academic and professional literature (Bussmann, 2010; Edgington, 1996; Falkenbach, 2009; Gerlowski et al., 1994; Hines, 2001; Joshi & Quinn, 2018; Nor & Masron, 2018; Poon, 2017; Rodríguez & Bustillo, 2010; Salem & Baum, 2016; Tatoglu & Glaister, 1998; Zhu et al., 2006), as well as an analysis of the applicable official secondary databases and obtainable findings (International Monetary Fund, n.d., OECD, n.d.; World Bank, n.d.; UNCTAD, n.d.), the thesis speculations about the presence of relationships are outlined in three abstract constructs: (1) prospective Israeli FDI in the Dubai real estate market, (2) motives underlying prospective Israeli FDI in the Dubai real estate market, and (3) barriers underlying prospective Israeli FDI in the Dubai real estate market.

To adequately address the research problem and reconcile the dissertation hypotheses, as well as enhance the reliability and validity of the research by ensuring an exclusive focus on the investigation of its core components, as opposed to other irrelevant properties (Saunders et al., 2009), all theoretical concepts examined were operationalized into quantifiable individual measures. Utilizing a wide range of appropriate theories, definitions, and empirical findings, the research established concrete variables, to which discernible statistical indicators were assigned for the sake of analytically assessing the predicted relationships between its theoretical concepts.

The properties of each intangible concept investigated, including the means implemented for its operationalization into specific variables and statistical indicators, are explained in the following subsections.

3.2.1. Prospective Israeli FDI in the Dubai real estate market

The research analysed whether the normalisation of diplomatic relations between Israel and the UAE might result in the admission of Israeli physical persons into the Dubai real estate market, a new FDI destination permitted for Israeli civilians under the historic Israel–UAE peace agreement (The United Arab Emirates & The State of Israel, 2020).

To assess the presumed integration of Israeli physical persons into the Dubai real estate market, under the acquisition of land and buildings according to the definition of FDI (International Monetary Fund, 1993), the thesis operationalized this abstract concept into four distinct measurable indicators. The research established the following set of variables, consistent with the types of immovables traded worldwide (Fonseca et al., 2018), to represent accepted forms of direct real estate investments: (1) residential real estate investment, (2) commercial real estate investment, (3) industrial real estate investment, and (3) land investment.

To statistically evaluate the probability of direct Israeli real estate investments in the Emirate of Dubai during the five years following the conclusion of the research, 2021-2025, the thesis employed a standardized four-level Likert scale (Saunders et al., 2009).

The following values were used to interpret all the indicators examined: 1=Extremely unlikely, 2=Unlikely, 3=Likely, 4=Extremely likely.

3.2.2. Motives underlying prospective Israeli FDI in the Dubai real estate market

The research highlights that certain factors might encourage the prospective entry of Israeli physical persons into the Dubai real estate market. To explore the reasons for such a trend and investigate the possible relationships between the foreseen Israeli integration into the Emirate of Dubai and specific motives, the thesis divided this theoretical concept into 14 quantifiable predictive indicators.

Upon a thorough review of the prevailing academic and professional literature, emphasising the detection of frequent and underutilized incentives underlying FDI, the dissertation designed a set of variables to represent probable motives for Israeli FDI in the Dubai real estate market. Although certain tested variables were borrowed from prior reliable studies, others were uniquely formulated to address the particular needs of the research conducted.

The motives explored in the thesis were formulated as follows: (1) tourism, (2) geographical proximity, (3) climate, (4) immigration, (5) absence of corporate tax, (6) cultural similarities, (7) expected real estate value growth, (8) penetration into a new market, (9) investment diversification strategy, (10) reputation, (11) high volume of

seasonal employees, (12) expected economic growth, (13) absence of personal income tax, and (14) the Israel–UAE double taxation treaty.

To statistically analyse the extent to which each predictive variable (motive) influences the outcome variable (prospective Israeli FDI in the Dubai real estate market over the five years following the conclusion of the research, 2021-2025), the thesis employed a standardized five-level Likert scale (Saunders et al., 2009). The following values were used to interpret all the indicators examined: 1=Not at all encouraging, 2=Slightly encouraging, 3=Moderately encouraging, 4=Very encouraging, 5=Extremely encouraging.

3.2.3. Barriers underlying prospective Israeli FDI in the Dubai real estate market

Despite the motives that might accelerate the entry of Israeli physical persons into the Dubai real estate market, the research speculated that numerous circumstances might restrict or even eliminate prospective Israeli engagement in this particular foreign economy. To examine the conditions that might hinder such a trend and to systematically observe the proposed relationships between specific barriers and the presumed integration of Israeli physical persons in the Emirate of Dubai, the thesis operationalized this intangible construct into 13 measurable predictive indicators.

After extensively examining a wide range of prominent empirical evidence, the dissertation designed a set of variables to represent reasonable barriers to Israeli FDI in the

Dubai real estate market. The research defined exceptional barriers that were particularly relevant to the thesis problem and adopted several variables from previous credible studies. The research distinguished between objective and subjective barriers by establishing two groups of variables. Specifically, the objective variables were set to examine barriers arising from the political, legal, and economic structure of the Emirate of Dubai. In contrast, the subjective variables were designed to examine barriers originating from discrepancies between the two nations concerning the opinions and personal characteristics of the studied populations.

In practice, the thesis examined nine objective barriers: (1) government restrictions on foreign ownership of property and land, (2) potential political instability between Israel and the UAE, (3) exchange rate volatility, (4) potential low return on real estate investments, (5) unfavourable regulatory and legal framework, (6) macroeconomic instability, (7) designated free trade zones, (8) travel restrictions, and (9) bureaucracy. It also examined four subjective barriers: (1) religious differences, (2) differences in business mentality, (3) discriminatory treatment at the governmental or civil level, and (4) language differences.

To statistically measure the level to which each predictive variable (barrier) threatens the outcome variable (prospective Israeli FDI in the Dubai real estate market within the five years following the dissertation's execution, 2021-2025), the thesis employed a standardized five-level Likert scale (Saunders et al., 2009). The following values were used to interpret all the indicators examined: 1=Very low-impact barrier,

2=Low-impact barrier, 3=Moderate-impact barrier, 4=High-impact barrier, 5=Extreme-impact barrier.

3.3. Research design

Following an extensive review of previous comparable analyses (Bitzenis & Szamosi, 2009; Chin et al., 2006; Falkenbach, 2009; Gorynia et al., 2007; Zhu et al., 2006), the thesis found that the survey strategy was most likely to yield consistent and accurate measurement of the hypotheses tested. Accordingly, while preserving a high degree of reliability and validity, a survey was administered to explore the dissertation questions and realise its objectives (Saunders et al., 2009).

As exploratory deductive research based on empirical inference, despite time constraints and restricted resources, the implementation of the survey strategy enabled the collection of a high volume of standardized primary quantitative data. Furthermore, this strategy facilitated comparison and the drawing of precise relationships between the variables studied using various statistical indices and tests.

Beyond conducting a survey, the research also considered the exploitation of compatible secondary databases. However, since the thesis was undertaken near the time of the Israel–UAE peace agreement's authorization (The United Arab Emirates & The State of Israel, 2020), it was unable to discover any available data sets that might aid it. Consequently, the thesis relied solely on the production of primary quantitative evidence using a questionnaire.

Occasionally, studies might combine several qualitative data collection techniques with various quantitative data analysis procedures, or vice versa, within the same investigation (Cameron & Price, 2009). In contrast, given the research objectives and the risks involved in implementing a mixed-methods approach (Bryman, 2006), the research did not opt for such integration. Instead, it employed a single quantitative data collection technique, a self-administered and internet-mediated questionnaire (Saunders et al., 2009), and applied only quantitative data analysis procedures.

3.4. Population and sample

The research population consisted of Israeli physical persons aged 18 and over and with Israeli citizenship, whose legal centre of life was determined to be in Israel (i.e., their domicile, occupation, and principal assets are within Israeli borders). Religion, marital status, country of origin, education, sex, socio-economic affiliation, former experience in domestic or international real estate transactions, and any other aspects were not considered. Moreover, the research population did not include legal entities or incorporated enterprises, as the thesis expressly targeted physical persons.

In an attempt to quantify the volume of the research population, the dissertation used the official data set supplied by the Israel Central Bureau of Statistics. According to the Israeli Population Register, Israel is a permanent home to approximately 9,054,000 inhabitants, of whom 2,985,400 are minors aged 0-17 (Israel Central Bureau of Statistics, 2020c). Foreign workers, temporary residents, diplomats, UN personnel, and overseas nationals who entered Israel without valid permits or through unofficial border crossings

were excluded (Israel Central Bureau of Statistics, 2020d). Hence, the research population—all individuals in the adult population in Israel who might prospectively invest in the Dubai real estate market as physical persons—was estimated to be 6,068,600 subjects.

Limited access to the research population, time restrictions, and a lack of resources constrained the thesis from gathering data from all cases included in the research population. Consequently, due to the large size of the research population, the thesis surveyed two hundred and one subjects ($N = 201$) as a subgroup of the entire population. The research recognized the sample size as a limitation and that a higher number of participants might have produced different outcomes.

3.5. Participant selection

Participants were recruited using a combination of two non-probabilistic sampling methods. The primary sampling method employed was voluntary response sampling, also known as the self-selection sampling technique (Blumberg et al., 2011). Following the principles of this sampling method, the dissertation identified subjects whose traits matched the conditions under which the research population was defined and invited them to contribute voluntarily to the survey. Simultaneously, to enhance the response rate, the research utilized the snowball sampling method (Saunders et al., 2009) as a continuation of the voluntary response sampling, with subjects who had already engaged in the survey being encouraged to recruit additional participants from their acquaintance environments.

To minimize biases and maintain research neutrality, subjects having a direct or indirect affinity for the thesis were excluded from participating in the survey. Furthermore, no reward was offered to any of the participants for their contributions to the dissertation.

The research acknowledges the benefits of probabilistic sampling over non-probabilistic sampling, but it could not afford to perform such sampling since it failed to establish a sampling frame. The thesis relied on non-probabilistic sampling methods because it did not have hypothetical access to all cases included in the research population. Despite being unable to produce an original sampling frame or exploit existing sources for that purpose, the research contends that it could not have achieved better access to the research population. Therefore, sampling method is not a limitation threatening the research outcomes but is rather an inevitable, legitimate alternative.

3.6. Instrumentation

As analytical research, to reconcile the research problem and demonstrate relationships between the variables examined, the dissertation needed primary standardized data suited for statistical analysis (Robson, 2002). Such distinct quantitative data could not be optimally obtained utilizing data collection techniques consisting of a high volume of open-ended questions but rather, the opposite. Consequently, in compliance with the survey strategy implemented, primary data was collected using an anonymous self-administered questionnaire, which is a superior approach for gathering an extensive amount of systematized evidence that can be quantified efficiently (Dillman, 2007).

To stimulate respondents to take part in the survey, maximizing the response rate, the research paid close attention to the visibility and layout of the questionnaire, which was administered electronically (Hewson et al., 2003) using the Google Forms survey administration software. Colours, visual features, and interactive elements such as a progress bar and responsive navigation buttons were exploited to make the questionnaire aesthetically engaging. Additionally, the thesis employed advanced technological techniques to ensure a clear display of all parts of the questionnaire, regardless of the electronic means by which subject accessed the survey (Dillman, 2007).

Furthermore, to hinder respondents from withdrawing from the survey due to the amount of time required to complete it, the dissertation compromised between maintaining a reasonable questionnaire length and collecting all the data needed to meet the thesis objectives by using concise wording covering all aspects of the research (De Vaus, 2002). Additionally, subjects were not obligated to complete the questionnaire within a predefined time interval but could work at their own pace.

The research anticipated that using a foreign language would negatively affect the response rate and probably lead to considerably biased outcomes. Since the research population was dominated by individuals whose native language is Hebrew, the thesis predicted that the formulation of the survey in English might constitute a substantial limitation. In order to address this constraint, the research formulated two parallel questionnaires, one in English (Appendix A: Research Questionnaire-English Version) and the other in Hebrew (Appendix C: Research Questionnaire-Hebrew Version). The research

employed the parallel translation technique to guarantee that the content and structure of the source questionnaire, written in English, and the target questionnaire, written in Hebrew, were identical (Usunier, 1998). The thesis compared four distinct versions of the source questionnaire translated by fluent Hebrew and English speakers before composing the final questionnaire. By applying this procedure, the exact meanings of all words and phrases, including those that could not be translated literally, were preserved.

In terms of the ethical implications associated with personal data collection, all the measurements accumulated by the research were collected electronically and stored securely, online and offline, in digital and physical format within the borders of the European Union. Gender, age, marital status, level of education, personal opinions, and information concerning former overseas real estate transactions were gathered and maintained as personal data. In compliance with the European General Data Protection Regulations (GDPR, 2016), the research refrained from collecting any evidence that might directly or indirectly disclose the identity of any respondent, such as their name, national or international identification number, residential address, phone number, or email address. All data acquired was handled solely for research and statistical purposes, and as public interest information, the entire data set was maintained for an indeterminate duration.

To prevent the submission of multiple responses by the same subject, participants were obligated to authenticate via email address to gain access to the questionnaire. As a result, respondents who successfully filed a single response could not repeat the process. It should be clarified that the research did not have any access to the email addresses of the

research participants. Instead, to maintain absolute anonymity, the authentication of the respondents was carried out beyond the control capability of the research by the survey administration software. Hence, the privacy of the subjects remained confidential.

In response to ethical implications concerning consent, all survey participants were required to provide informed consent before completing the questionnaire. Specifically, respondents were obligated to declare that they had read and understood the information sheet preceding the questionnaire, that their participation in the research was voluntary and unforced, and that they understood that they could withdraw from the survey at any given time without providing a reason. To ensure that all data were obtained by consent, only subjects who completed the consent statement procedure were exposed to the questionnaire and allowed to complete it.

To enhance the validity and reliability of the data obtained, mainly to ensure the collection of accurate and consistent evidence, the research conducted a rigorous pilot test (Fink, 2003). The pilot test lasted 25 days, during which the content quality, structure, and functionality of the questionnaire were evaluated (Cooper & Schindler, 2008). Under the same conditions and means by which the research data were eventually collected, the access hyperlink to the self-administered and internet-mediated questionnaire was activated on Monday, April 12th, 2021 at 10:00 EET and was disabled on Thursday, May 6th, 2021 at 14:00 EET.

In total, 21 questionnaires were completed by academic experts and ordinary respondents. All pilot questionnaires submitted were thoroughly reviewed to identify cases

where instructions or questions were misunderstood or where technical constraints interfered with the completion of the questionnaire or prevented the access to or proper display of all parts of the questionnaire (Bell, 2005). The pilot test revealed primarily technical errors resulting from the survey administration software, as well as needed refinements to the wording of instructions or questions.

To facilitate computerized statistical analysis, all tested variables and all corresponding statistical indicators were coded in advance according to a systematic coding scheme. Practically, each section of the questionnaire was marked by a number between one and five, and each variable was coded according to the section number followed by the variable number, starting from zero in ascending order. All statistical indicators were coded numerically according to the number of predetermined available answers, starting from one. To distinguish variables from statistical indicators, all variables were marked with the letter ‘V’, which stands for the word ‘variable’. To reduce the possibility of biases resulting from the layout or order of the questionnaire, all variables were numbered using an online tool for random distribution of verbal components. In this way, the number of a variable or its position in the questionnaire was meaningless.

In summary, the survey consisted of an introduction sheet and five sections that examined different groups of variables at a time. Overall, the research explored attributes, opinions, and behaviours through 45 precise variables, using four Likert-scale questions, three open-ended questions, three checkbox questions, and nine multiple-choice questions, of which one was a filtering question.

3.6.1. Section no. 1: Demographic analysis

This section focused on producing basic data regarding the personal attributes of the respondents. To establish this elementary acquaintance with the subjects, respondents were asked to answer five compulsory multiple-choice questions. Except for the first question, which allowed participants to define their gender identity by proposing alternative replies using the "other" category, these questions required participants to select a single pre-set response.

Moreover, to prevent participants from encountering irrelevant questions, the last question in this section was defined as a filtering question coded to distinguish between subjects with former experience in overseas real estate transactions and those without such background. In practice, experienced respondents were automatically routed to complete the second section (3.6.2. Section no. 2: Past investments analysis), and inexperienced participants bypassed the second section and were immediately led to complete the third section (3.6.3. Section no. 3: Motives underlying prospective Israeli FDI in the Dubai real estate market).

The variables studied in this section, as well as the statistical indicators used to quantify them, are as follows: **V101**-Gender (1=Male, 2=Female, 3=Other), **V102**-Age (1=18-20, 2=21-29, 3=30-39, 4=40-49, 5=50-59, 6=60-69, 7=Over 70), **V103**-Marital status (1=Single, 2=Married, 3=Divorced, 4=Widowed), **V104**-Education (1=High School, 2=Bachelor's Degree, 3=Master's Degree, 4=Doctorate Degree), **V105**-Previous experience in real estate investments abroad (1=Yes, I have previous experience in real

estate investments abroad, 2= No, I have no previous experience in real estate investments abroad).

3.6.2. Section no. 2: Past investments analysis

This section was designed to obtain supplementary data concerning the past behaviour of the respondents in prior foreign real estate transactions, namely, any finalized real estate investment established outside Israel up to the date the survey was conducted. As mentioned, this part of the questionnaire was defined as an optional section, and therefore not all research participants were obligated to complete it. Instead, only those who claimed to have previously invested in real estate abroad were asked to answer three compulsory checkbox questions and two mandatory multiple-choice questions.

Except for the first three questions, which allowed the documentation of multiple predefined responses depending on the personal experience of each respondent, the remaining questions permitted participants to report only a single predetermined response. As to the second question, regarding the geographical location of any previous investments, the research adopted the World Bank's division of the world into seven geographical regions (APPENDIX B: List of Countries by Regional Classification-English Version, APPENDIX D: List of Countries by Regional Classification-Hebrew Version).

The variables studied in this section, as well as the statistical indicators used to quantify them, are as follows: **V201**-Investment year (1=Before 1949, 2=1950-1959,

3=1960-1969, 4=1970-1979, 5=1980-1989, 6=1990-1999, 7=2000-2009, 8=2010-2019, 9=2020-2021), **V202**-Investment location (1=East Asia & Pacific, 2=Europe & Central Asia, 3=Latin America & Caribbean, 4=Middle East & North Africa, 5=North America, 6=South Asia, 7=Sub-Saharan Africa), **V203**-Property type (1=Residential Real Estate, 2=Commercial Real Estate, 3=Industrial Real Estate, 4=Land), **V204**-Number of transactions (1=One transaction, 2=Two transactions, 3=Three transactions, 4=Four or more transactions), **V205**-Capital invested in EUR (1=Less than 50,000 EUR, 2=50,000–100,000 EUR, 3=100,000–150,000 EUR, 4=150,000–200,000 EUR, 5=200,000–250,000 EUR, 6=250,000–300,000 EUR, 7=300,000–350,000 EUR, 8=350,000–400,000 EUR, 9=400,000–450,000 EUR, 10=450,000–500,000 EUR, 11=More than 500,000 EUR).

3.6.3. Section no. 3: Motives underlying prospective Israeli FDI in the Dubai real estate market

This section was composed to extract essential data for reconciling the first aspect of the research problem, namely, identifying the motives for the potential entry of Israeli physical persons into the Dubai real estate market. To assess the extent to which various factors may favourably influence the potential integration of Israeli physical persons in the Emirate of Dubai, participants were asked to answer a single compulsory Likert question that contained 14 variables. Subjects were instructed to rate each predetermined concrete motive, without exception, according to an identical statistical indicator, a five-level Likert encouragement scale (1=Not at all encouraging, 2=Slightly encouraging, 3=Moderately encouraging, 4=Very encouraging, 5=Extremely encouraging).

To avoid doubt about the existence of additional motives, the research provided the respondents with a non-mandatory open-ended question to detect other unexpected motives not included in the predetermined set of variables. Subjects who decided to complete this question could nominate as many variables as applicable and rate them according to the same statistical indicator. As a rule, variables indicated with a number greater than 14 were external motives proposed by the respondents.

The following are the predefined variables investigated in this section: **V301**-Tourism, **V302**-Geographical proximity, **V303**-Climate, **V304**-Immigration, **V305**-Absence of corporate tax, **V306**-Cultural similarities, **V307**-Expected real estate value growth in the UAE, **V308**-Penetration into a new market, **V309**-Investment diversification strategy, **V310**-Reputation, **V311**-High volume of seasonal employees, **V312**-Expected economic growth in the UAE, **V313**-Absence of personal income tax, and **V314**- Israel–UAE double taxation treaty.

3.6.4. Section no. 4: Barriers underlying prospective Israeli FDI in the Dubai real estate market

This section was designated to acquire critical data for resolving the second component of the research problem, namely, identifying the barriers that might restrict Israeli physical persons from entering the Dubai real estate market. To assess the extent to which various circumstances might have an unfavourable influence on the prospective integration of Israeli physical persons in the Emirate of Dubai, participants were asked to answer a single compulsory Likert question that contained 13 variables. Subjects were

required to rate each preestablished barrier, without exception, according to an identical statistical indicator, a five-level Likert influence scale (1=Very low-impact barrier, 2=Low-impact barrier, 3=Moderate-impact barrier, 4=High-impact barrier, 5=Extreme-impact barrier).

To eliminate any uncertainty concerning the presence of further barriers, the research provided the respondents with a non-mandatory open-ended opportunity to disclose unanticipated circumstances not included in the predefined list of variables. Subjects who opted to complete this question were free to list as many factors as they wished and to rate them using the same statistical indicator. As a rule, variables indicated with a number greater than 13 were external barriers highlighted by the respondents.

The following are the predefined variables investigated in this section: **V401**-Religious differences, **V402**-Government restrictions on foreign ownership of property and land, **V403**-Potential political instability between Israel and the UAE, **V404**-Differences in business mentality, **V405**-Bureaucracy, **V406**-Discriminatory treatment at the governmental or civil level, **V407**- Exchange rate volatility, **V408**-Language differences, **V409**-Potential low returns on real estate investments in the UAE, **V410**-Unfavourable regulatory and legal framework, **V411**-Macroeconomic instability, **V412**-Designated free trade zones, **V413**-Travel restrictions.

3.6.5. Section no. 5: Prospective Israeli FDI in the Dubai real estate market

The fifth and last component of the questionnaire was constructed to analyse the possible behaviour of the respondents in prospective real estate investments in the Dubai real estate market. This section evaluated the influence of all motives and barriers studied on the potential economic engagement of Israeli physical persons in the Emirate of Dubai. To obtain a sense of what a direct Israeli real estate investment in the Emirate of Dubai between 2021 and 2025—a reasonable time interval of five years from the date the research was conducted—might look like, respondents were asked to answer two Likert questions, two multiple-choice questions, and a single open-ended question, all compulsory.

More precisely, subjects were instructed to report the type of real estate they would consider acquiring, as well as their preferred form of investment in terms of investor identity. Moreover, information was gathered regarding the amount of capital they would be willing to deposit in the Emirate of Dubai and the annual return they would expect from such real estate investment.

The variables studied in this section, and the statistical indicators used to quantify them, are as follows: **V501**-The role of the peace agreement (1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree), **V502**-Probability of future Residential Real Estate, **V503**-Probability of future Commercial Real Estate, **V504**-Probability of future Industrial Real Estate, **V505**-Probability of future land (1=Extremely unlikely, 2=Unlikely, 3=Likely, 4=Extremely likely), **V506**-Investor Identity (1=Foreign legal entity, 2=Domestic legal entity, 3=Physical Person, 4=Not sure); **V507**-

Capital to be invested in EUR (1=Less than 50,000 EUR, 2=50,000–100,000 EUR, 3=100,000–150,000 EUR, 4=150,000–200,000 EUR, 5=200,000–250,000 EUR, 6=250,000–300,000 EUR, 7=300,000–350,000 EUR, 8=350,000–400,000 EUR, 9=400,000–450,000 EUR, 10=450,000–500,000 EUR, 11=More than 500,000 EUR, 12=Unaware of real estate prices in the Emirate of Dubai), **V508**-Expected annual return (numerically open-ended question, expressed in percentages).

3.7. Data collection procedure

The thesis was planned to be cross-sectional, meaning that the dissertation examined a particular phenomenon over a specified time frame, due to a shortage of resources and time (Smith et al., 2008). In practice, based on a single round of data collection, the research captured the extent to which certain motives and barriers might encourage or restrict, respectively, the prospective entry of Israeli physical persons into the Dubai real estate market.

The data gathering procedure started 11 days after the pilot test was finalized and lasted four months. Specifically, the access hyperlink to the anonymous self-administered and internet-mediated questionnaire was activated on Monday, May 17th, 2021 at 10:00 EET and was disabled on Friday, September 17th, 2021 at 14:00 EET. To promote awareness of the survey and recruit eligible respondents to contribute to the research, the questionnaire was advertised across a wide range of social media platforms in which the target population of the research could be efficiently located. To enhance the response rate, the questionnaire was systematically republished every seven days.

For the sake of good order, it should be clarified that the Hebrew version of the questionnaire (Appendix C: Research Questionnaire-Hebrew Version), and not the equivalent version formulated in English (Appendix A: Research Questionnaire-English Version), was the one administered.

3.8. Data analysis

The data obtained during the research were not processed immediately upon completion of the data collection procedure. Instead, each questionnaire was reviewed manually to identify outliers, inconsistent responses, and absent information. Furthermore, during the validation process, the research extracted all the external responses proposed by the subjects throughout the questionnaire and framed them as individual variables. Afterwards, the validated data were inputted into the statistical analysis software SPSS, the exclusive software through which the thesis data was analysed. The final data set was checked twice to guarantee that all evidence was recorded accurately and consistently.

To grant meaning to the raw data collected by the survey, that is, to convert the evidence found into valuable knowledge from which trends and conclusions might be drawn, the research processed and analysed the data on two levels. In line with the thesis design, the research included only quantitative data analysis procedures, including univariate investigations and bivariate correlation analysis.

3.8.1. Univariate analysis

In the first phase, descriptive statistical indices were used to organize and summarize the whole data set, the responses obtained from the entire research sample. The use of multiple central tendency and dispersion measures established an initial informative meaning for the data. Specifically, through a separate analysis of each variable, the dissertation drew statistical conclusions concerning the attributes and behaviour of each respondent individually and all subjects as a group. In addition, the application of the univariate analysis procedures allowed the mapping of respondents' personal opinions. Consequently, the thesis assessed the degree of influence of each motive or barrier and statistically distinguished between factors with substantial effects versus those with minor impacts.

3.8.2. Bivariate analysis

The research used bivariate analysis procedures to explore proposed relationships between the barriers or motives studied and the prospective entry of Israeli physical persons into the Dubai real estate market. To examine how different motives and barriers influence the foreseen Israeli integration in the Dubai real estate market, the research conducted 27 correlational analyses. Specifically, 14 Pearson's correlation coefficients were computed to investigate the relationships between all motives and four types of investments, and 13 Pearson's correlation coefficients were measured to examine the relationship between all barriers and four types of investments.

The data analysis was conducted in SPSS, employing the following syntax:

CORRELATIONS/VARIABLES=V301_TourismV302_GeographicalProximityV303_ClimateV304_ImmigrationV305_AbsenceOfCorporateTaxV306_CulturalSimilaritiesV307_ExpectedRealEstateValueGrowthInTheUAEV308_PenetrationIntoANewMarketV309_InvestmentDiversificationStrategyV310_ReputationV311_HighVolumeOfSeasonalEmployeesV312_ExpectedEconomicGrowthInTheUAEV313_AbsenceOfPersonalIncomeTaxV314_IsraelUAEoubleTaxationTreatyV502_ProbabilityOfFutureResidentialRealEstateInvestmentV503_ProbabilityOfFutureCommercialRealEstateInvestmentV504_ProbabilityOfFutureIndustrialRealEstateInvestmentV505_ProbabilityOfFutureLandInvestment/PRINT=TWOTAILNOSIGFULL/MISSING=PAIRWISE.

CORRELATIONS/VARIABLES=V401_ReligiousDifferencesV402_GovernmentRestrictionsOnForeignOwnershipOfPropertyAndLandV403_PotentialPoliticalInstabilityBetweenIsraelAndTheUAEV404_DifferencesInBusinessMentalityV405_BureaucracyV406_DiscriminatoryTreatmentAtTheGovernmentalCivilLevelV407_ExchangeRateVolatilityV408_languageDifferencesV409_PotentialLowReturnsOnRealEstateInvestmentsInTheUAEV410_UnfavourableRegulatoryAndLegalFrameworkV411_MacroeconomicInstabilityV412_DesignatedFreeTradeZonesV413_TravelRestrictionsV502_probabilityOfFutureResidentialRealEstateInvestmentV503_ProbabilityOfFutureCommercialRealEstateInvestmentV504_ProbabilityOfFutureIndustrialRealEstateInvestmentV505_ProbabilityOfFutureLandInvestment/PRINT=TWOTAILNOSIGFULL/MISSING=PAIRWISE.

Each correlation's *p*-value was estimated to determine statistical significance. Correlations with *p*-values under .5 were classified as significant. In addition, the relationships were classed by their orientation, with a positive correlation reflecting that a certain motive or barrier was determined to have a favourable influence on a specific investment sector, with an adverse link demonstrating the reverse. The correlations were categorized according to their degree. A correlation under .2 was regarded as weak, a correlation between .2 and .4 as moderate, and a correlation over .4 as substantial (Cohen, 1988).

Using the correlation analysis, the research conclusively determined the influence of each motive and barrier on the prospective entry of the subjects into the Dubai real estate market, statistically distinguished between factors with significant statistical impacts versus those with minor impacts, and supported or contradicted its hypotheses.

3.9. Summary

All the described methodological procedures were carefully compiled into a systematic operational plan designed to address the research questions and achieve the thesis's empirical objectives. In line with the principles of the deductive approach, which relies on existing theoretical findings concerning the motives and barriers underlying FDI, the research formulated a survey to collect consistently and accurately standardized quantitative primary data. Through an anonymous self-administered, internet-mediated questionnaire, the 13 barriers and 14 motives were examined against four forms of accepted real estate transactions. The questionnaire was administered to a non-probabilistic sample

composed of adult Israeli physical persons who might act as potential investors in the Dubai real estate market ($N = 201$).

Ideally, as exploratory research, the thesis would produce ground-breaking initial knowledge regarding the barriers and motives that might characterize prospective Israeli FDI in the Dubai real estate market over the five years following the dissertation, 2021–2025. Specifically, using quantitative univariate and bivariate analyses, the research should confirm or reject its hypotheses for the predicted relationships between the motives and barriers studied and the prospective entry of Israeli physical persons into the Dubai real estate market.

In the next chapter, the statistical findings obtained by the thesis are systematically presented, and the research hypotheses are addressed with the results of the statistical tests performed.

CHAPTER IV:

FINDINGS

The results chapter outlines the evidence obtained from the research and factually presents the findings of the statistical tests employed to resolve the research questions and hypotheses adequately. Overall, the data presentation pattern is progressive and corresponds to the sequence of the thesis problems, starting with the sample structure and demographic characteristics. Upon reporting the data collected concerning previous experience in overseas real estate transactions and the likelihood of Israeli investments in buildings or plots in the Dubai real estate market, each motive and barrier underlying prospective Israeli FDI in the Emirate of Dubai is presented independently. The following subsections appropriately address each of the dissertation hypotheses and indicate whether they are supported or rejected based on the values of the statistical examinations. For an optimal demonstration of proportions, correlations between variables, and the variability of the findings, the thesis incorporates visual components such as graphs, charts, and tables.

The thesis findings were based on the responses of 201 (N = 201) Israeli physical persons aged 18 and above, of whom 50 (n = 50) have prior experience in overseas real estate investments.

4.1. The research sample

As outlined in the methodology chapter, the thesis used an anonymous self-administered, internet-mediated questionnaire to obtain standardized primary data. In a

single four-month round of data collection, the survey was promoted across a variety of social media channels, permitting the target group to be found immediately.

The potential of the thesis to collect data from all instances included in the research population was obstructed by a shortage of resources, limited access to the research population, and time restrictions. Combining the voluntary response sampling method (Blumberg, Cooper, & Schindler, 2011) and the snowball sampling approach (Saunders, Lewis, & Thornhill, 2009), the questionnaire was administered to a non-probabilistic sample composed of Israeli physical persons aged 18 and over, representing potential Israeli direct investors in the Dubai real estate market.

In line with the selection process of participants detailed in the methodology chapter, the thesis recruited 206 subjects, of whom 201 were qualified to contribute to the dissertation. Although all subjects were explicitly identified as adult Israeli nationals possessing Israeli citizenship and residing in Israel, only 201 respondents gave informed consent to complete the self-administered, internet-mediated questionnaire. Therefore, to avoid various ethical consequences arising from the exploitation of data obtained without permission, the participants who did not grant consent were not authorized to access the questionnaire fully, and their contributions to the research were removed from the data set. Consequently, the research sample was composed of 201 individuals ($N = 201$) who met all the threshold conditions.

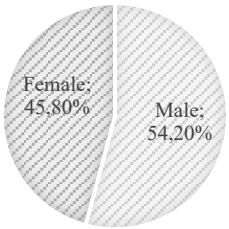
4.2. Demographic analysis

Gender, age, marital status, and level of education were the four demographic parameters investigated. Personal attributes were reported by all subjects ($N = 201$) in the sample, and no missing or invalid data were detected. The research did not apply any filtering mechanism to recruit participants of a particular sex, age, civil status, or educational background, as such manipulations are inconsistent with the purpose and questions of the thesis.

4.2.1. Gender

Figure 1 indicates the minor gender imbalance identified in the sample, with male participants exceeding the number of female respondents. Only 17 volunteers who identified as male tipped the scales from an equal male–female distribution to a male-dominated sample. Hence, male respondents accounted for slightly more than half of the subjects, while female participants constituted less than half of the sample. Other than the two predefined gender segments offered, no other approach to sex definition was proposed by any respondents.

Figure 1
Gender composition of the sample

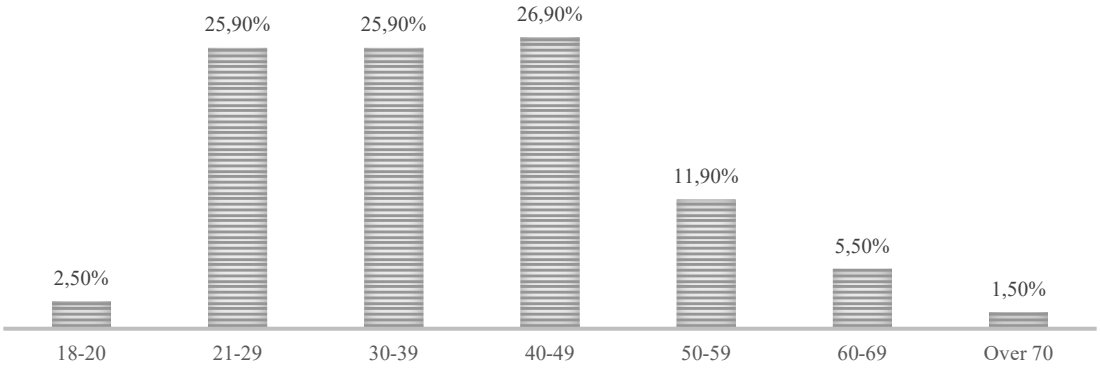


Note. Computed by Author.

4.2.2. Age

Figure 2 shows a notable frequency of adults and middle-aged adults in the sample. Adults aged 21 to 29 years old or 30 to 39 years old constituted over half of all subjects in the survey, while middle-aged adults aged 40 to 49 years old or 50 to 59 years old composed slightly over one-third of all respondents. The remaining participants were 18 to 20 years old or 60 to 69 years old. The proportion of individuals aged 70 years old or older was the most negligible in the sample.

Figure 2
Age composition of the sample



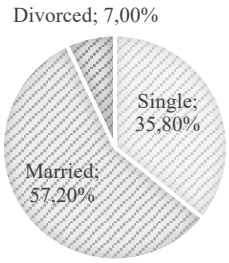
Note. Computed by Author.

4.2.3. Civil status

As demonstrated in Figure 3, research participants were grouped into only three marital status classifications, although four categories were initially proposed. The majority of the subjects in the survey reported being married, nearly one-third of the

participants indicated being single, and the remaining individuals stated they were divorced. No respondent declared being widowed.

Figure 3
Civil composition of the sample

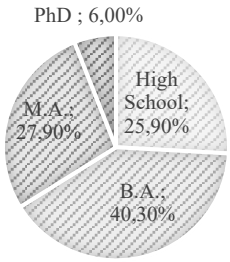


Note. Computed by Author.

4.2.4. Education

The highest level of qualification attained by the participants in the sample ranged from high school education to PhD credentials, as shown in Figure 4. It is evident that the majority of the participants were highly educated, since bachelor's and master's degrees were obtained by slightly over two-thirds of all participants in the research. One-fourth of respondents reported that their academic path had ended in high school, with their highest level of education acquired being a high school diploma. Only a tiny proportion of participants had completed a doctoral degree.

Figure 4
Educational composition of the sample



Note. Computed by Author.

4.2.5. Summary

Based on the geographical mapping of the survey participants, it can be concluded that the research sample (N = 201) contained representatives of all gender segments, age groups, and educational backgrounds examined. Overall, men and women were represented approximately evenly in the sample, with most participants being highly educated married adults aged 21 to 59 years old. Civil status was the only demographic variable in which not all predetermined representations were reflected in the sample, since no participant identified as a widower.

4.3. Past investments assessment

Subjects with no prior experience in direct overseas real estate investments dominated the sample. Compared to over three-fourths of all participants who reported that they had never acquired ownership of buildings or land outside of Israel (75.1%), only roughly one-fourth of respondents indicated that they had been involved in at least one international real estate transaction (24.9%). Accordingly, the subsample containing only

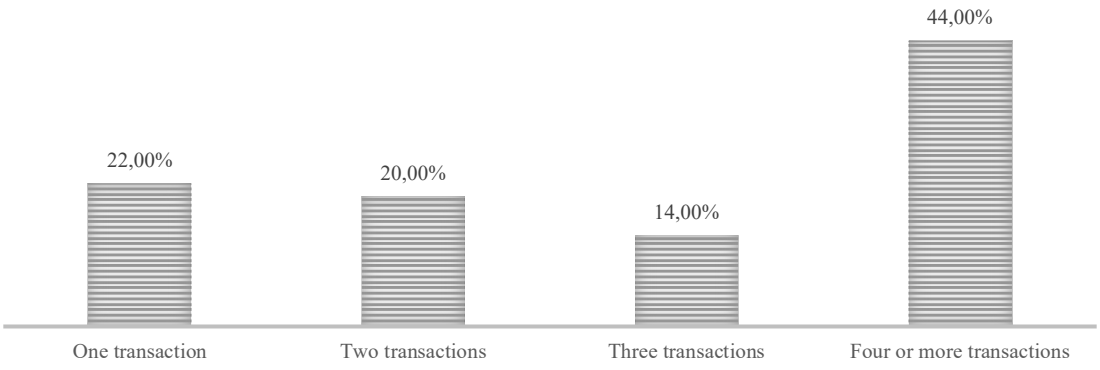
experienced respondents was composed of 50 participants who had completed at least one real estate investment outside of Israel (n = 50). No missing or invalid data were identified.

The five criteria employed in this thesis to examine the behavioural patterns of individuals who claimed to have previously invested in foreign real estate were the markets, number of transactions, years, geographical locations, types of real estate, and total capital invested.

4.3.1. Extent of experience

As shown in Figure 5, nearly half of all experienced respondents in the survey had gained their expertise in foreign real estate investments through four or more previous transactions. The remaining skilled direct real estate investors in the sample had previously invested in overseas plots and buildings once, twice, or three times.

Figure 5
Total number of prior real estate transactions



Note. Computed by Author.

4.3.2. Investment year

As demonstrated in Figure 6, prior foreign real estate transactions were recorded under only five predefined time intervals, although nine categories were initially proposed. Over three-fourths of all experienced respondents had invested in overseas real estate throughout the 2010s and within the two years preceding the research, 2020 and 2021. A limited proportion of participants reported that they had invested in properties located in other countries during the 1970s, the 1990s, or the 2000s. No skilled direct real estate investor in the sample had obtained foreign ownership of land or buildings outside Israel, before 1949 or during the 1950s, 1960s, or 1980s. Furthermore, respondents who had executed real estate investments formed outside of Israel over several decades were not observed in the sample.

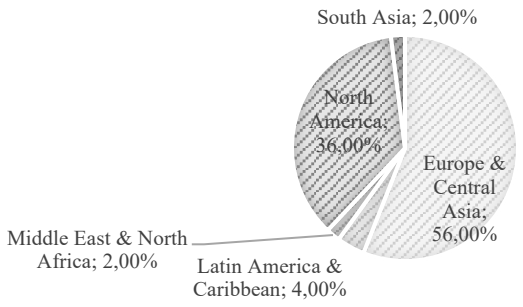
Figure 6
Execution year of prior real estate transactions

Note. Computed by Author.

4.3.3. Investment location

As defined in the methodology chapter, the research adopted the World Bank's geographic mapping of the world into seven geographical regions, of which only five were represented in the sample (APPENDIX B: List of Countries by Regional Classification-English Version, APPENDIX D: List of Countries by Regional Classification-Hebrew Version). As shown in Figure 7, Europe and Central Asia were the most frequent destinations for previous overseas real estate transactions among the experienced respondents in the sample, followed by North America. A negligible proportion of subjects reported acquiring ownership of plots and buildings in Latin America and the Caribbean, the Middle East and North Africa, or South Asia. Prior real estate investments in East Asia and the Pacific, and sub-Saharan Africa were not mentioned by any participant. Moreover, no respondent reported investments across multiple geographic territories.

Figure 7
Geographical location of prior real estate transactions

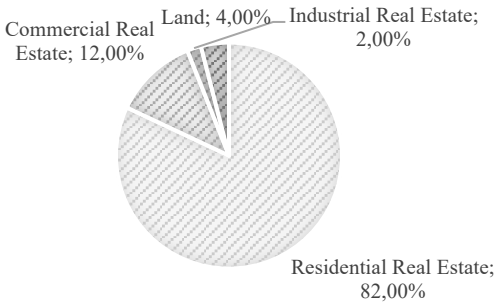


Note. Computed by Author.

4.3.4. Investment object

Figure 8 shows a significant prevalence of a particular type of real estate transaction across all other types of investments examined. Residential real estate was the previous investment object of more than three-fourths of all experienced respondents in the sample. Only a tiny proportion of subjects reported that they had previously invested in commercial real estate or land in another country. Industrial real estate was the least-desired type of property, with only a single skilled direct real estate investor reporting a previous investment in such an asset in a foreign real estate market. In addition, no subject reported previous real estate investments in multiple immovables segments.

Figure 8
Preferred type of prior real estate transactions



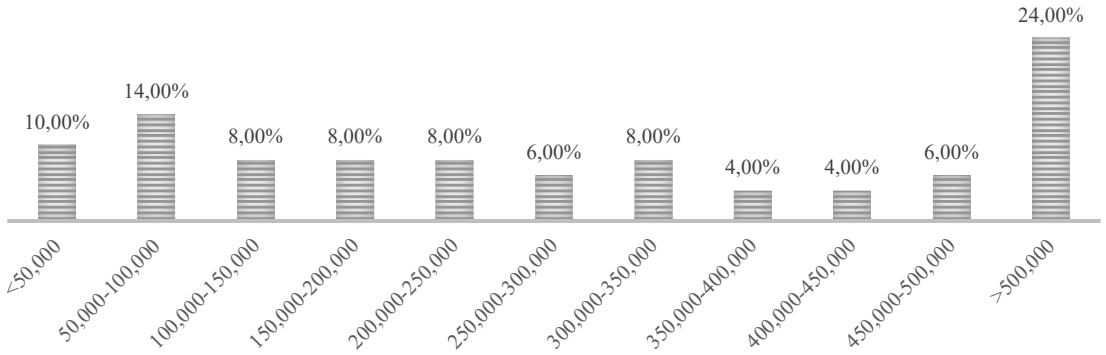
Note. Computed by Author.

4.3.5. Total capital invested

The total capital invested in overseas immovables by the experienced survey subjects ranged from less than 50,000 euros to over half a million euros, as shown in Figure 9. The majority of the subjects in the sample had invested more than half a million euros

in real estate in the past, which is consistent with Figure 5, according to which most participants were involved in four or more international real estate transactions.

Figure 9
Total capital invested (EUR) in previous real estate transactions



Note. Computed by Author.

4.3.6. Summary

The results presented in this section are based on the contributions of 50 (n = 50) respondents out of all the research participants (N = 201) who stated prior experience in overseas real estate investments. Overall, the sample was composed of representatives of all studied categories of real estate, transaction volumes, and investment amounts. However, not all year intervals or geographical areas considered were reflected in the sample. Moreover, the investment portfolio of the skilled direct real estate investors in the thesis is coherent, as no respondents who reported several international real estate investments across multiple decades, continents, or different real estate sectors were observed in the sample. It can be concluded that the majority of the experienced participants studied were involved in four or more residential real estate transactions

totalling over half a million euros and taking place in Europe and Central Asia or North America during the 2010s.

4.4. Prospective Israeli FDI in the Dubai real estate market

Nearly two-thirds of all subjects in the survey moderately (46.3%) or substantially (16.4%) predicted that the Israel–UAE peace agreement might result in a high volume of Israeli real estate investments in the Dubai real estate market. Contrastingly, only a tiny fraction of respondents disagreed (8.5%) or strongly disagreed (7%) with this claim. The remaining participants (21.9%) maintained a neutral stance, neither supporting nor rejecting the proposed link between the settlement of relations between the two countries and investment potential.

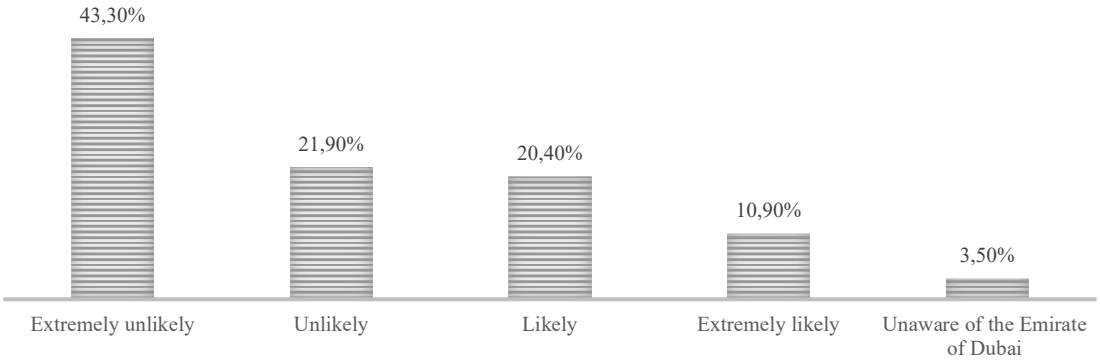
The five measures utilized in this research to explore what a prospective Israeli investment in buildings or plots in the Emirate of Dubai might look like during the years 2021 and 2025 were likelihood of Israeli FDI in the Dubai real estate market, preferred real estate type, investor identity, total capital expected to be invested, and desired annual return. The potential behaviour patterns were reported by all research participants (N = 201), and no missing or invalid data were revealed.

4.4.1. The likelihood of Israeli FDI in the Dubai real estate market

Figure 10 indicates a considerable prevalence of respondents reluctant to enter the Dubai real estate market versus those motivated to acquire such experience. Over half of all individuals in the survey reported it improbable or highly doubtful that they would

consider investing in the Dubai real estate market over the half decade following the research. Contrastingly, roughly one-third of research participants demonstrated moderate to high interest in properties located in the Emirate of Dubai, where they expected to invest in buildings or plots between 2021 and 2025. Only a negligible proportion of individuals in the sample were unaware of the Emirate of Dubai.

Figure 10
The likelihood of Israeli FDI in the Dubai real estate market



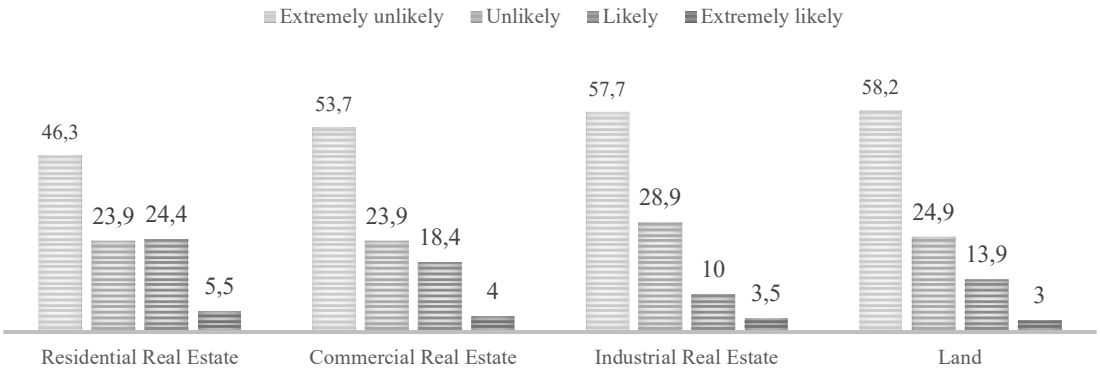
Note. Computed by Author.

4.4.2. Preferred real estate type

Figure 11 illustrates the rare probability of Israeli engagement in all four real estate sectors examined, corresponding to the conclusions obtained regarding the general weak likelihood of Israeli FDI in the Dubai real estate market (Figure 10). Specifically, most subjects in the sample stated that within five years of the research, it was questionable or highly improbable that they would consider investing in plots or any properties designated for industrial, commercial, or residential purposes in the Dubai real estate market. Approximately one-fourth of respondents expressed moderate interest in the residential and

commercial real estate markets in the Emirate of Dubai and that they were likely to invest in such properties. However, plots of land, followed by industrial real estate, were the least desired types of assets, as a limited proportion of all participants indicated moderate willingness to invest in such immovables. A negligible fraction of all participants were particularly interested in investing in plots or industrial, commercial and residential real estate located in the Emirate of Dubai.

Figure 11
Preferred real estate type



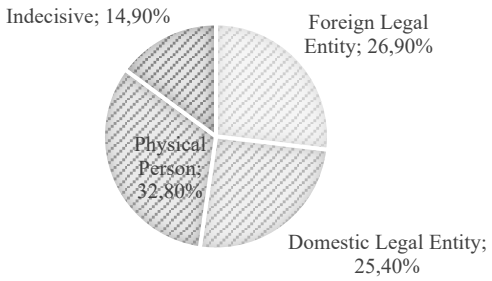
Note. Computed by Author.

4.4.3. Investor identity

As shown in Figure 12, nearly one-third of all survey participants stated that if they were considering conducting a real estate investment in the Dubai immovables market, they would prefer to do so privately as a physical person. A comparable proportion of respondents reported that they would prefer to invest on behalf of a foreign juridical entity or under a domestic legal establishment. A limited percentage of individuals were uncertain whether to operate as a nonhuman juridical corporation or a single natural person in the

Dubai real estate market, due to a lack of acquaintance with the legal framework governing the UAE and the Emirate of Dubai.

Figure 12
Investor Identity



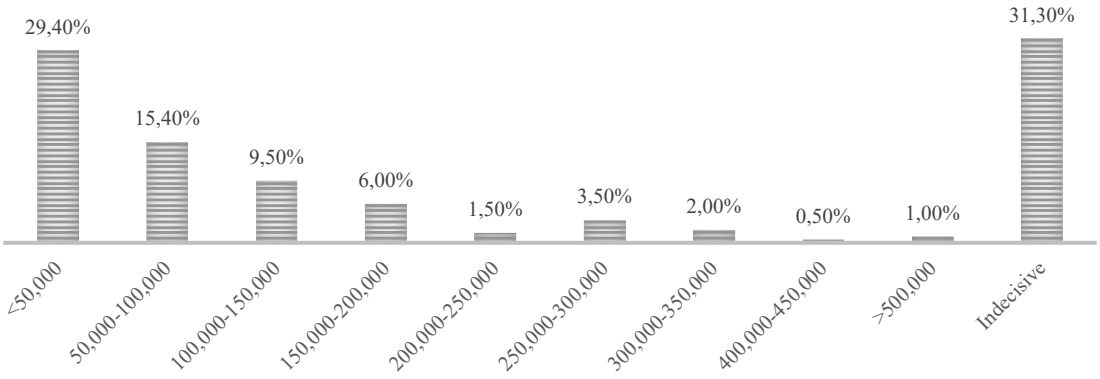
Note. Computed by Author.

4.4.4. Total capital expected to be invested in the Dubai real estate market

As demonstrated in Figure 13, the total capital expected to be invested by potential Israeli direct real estate investors in the Dubai immovables market between 2021 to 2025 ranged from less than 50,000 euros to over half a million euros. Significantly, roughly one-third of all survey participants were incapable of estimating the amount of capital they were willing to invest in the Dubai real estate market over the half-decade following the research, as they were unaware of the prices of land and buildings in the Emirate of Dubai. It should be noted that only ten out of the 12 predefined values were reflected in the sample, as no subject indicated prospective investments ranging from 350,000 to 400,000 euros or 450,000 to 500,000 euros.

Figure 13

Total capital (EUR) expected to be invested in the Dubai real estate market (2021-2025)



Note. Computed by Author.

4.4.5. Annual return

The yearly return participants anticipated to gain from prospective investments in plots or other assets appointed for industrial, commercial, or residential purposes in the Dubai immovables market between 2021 and 2025 varied from 2% to 50%, with a mean value of 11.76% and a standard deviation of 9.6%. The most frequent values of forecasted annual yield were 5% (indicated by 25 participants), 8% (mentioned by 26 subjects), and 10% (stated by 43 respondents).

4.4.6. Summary

Although approximately two-thirds of all research participants projected that the settlement of diplomatic relations between Israel and the UAE could lead to numerous Israeli FDIs in the Dubai real estate market, subjects who were not particularly interested in investing in plots of land or any immovables constructed for commercial, industrial or

residential uses in the Emirate of Dubai between 2021 and 2025 dominated the sample. However, according to the results of the sample ($N = 201$), the potential direct Israeli real estate investor is either unaware of real estate prices in the Emirate of Dubai or is willing to spend less than 50,000 euros on residential real estate as a natural person in exchange for an annual return of 10%.

4.5. Motives underlying prospective Israeli FDI in the Dubai real estate market

This section provides a direct satisfactory answer to the primary research question focusing on the identification of the elements that might motivate Israeli physical persons to invest in buildings and plots in the Emirate of Dubai. It clarifies that all 14 predefined distinct motives were rated by the entire subjects in the sample ($N = 201$), and no missing or invalid data were detected. In addition, it highlights that along with the predetermined motives, the thesis adopted a single external motive suggested by the sample.

In alignment with the predetermined data analysis procedure, each motive was subject to univariate analysis focused on assessing the extent to which it encourages the integration of Israeli physical investors in the Dubai real estate market over the years 2021 and 2025. A five-level Likert encouragement scale, ranging from not at all encouraging to extremely encouraging, was employed to systematically assess the level of influence of each given motive on the projected entry of experienced or inexperienced Israeli physical investors into the Dubai real estate market.

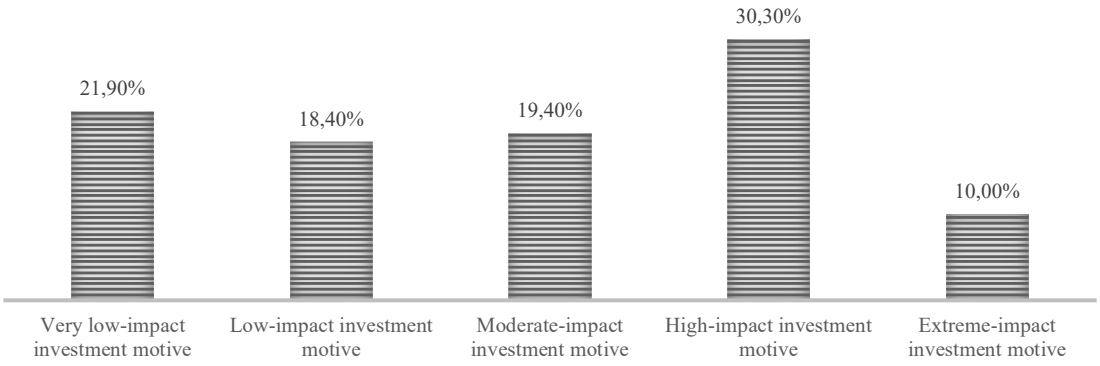
Furthermore, the thesis used correlation analyses to consistently confirm or reject its hypotheses regarding the link between certain motives and prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market. The statistical significance of the correlations is determined by estimating their respective *p*-values; if the *p*-value is less than .5, the correlation is deemed significant. Moreover, the correlations are classified according to their direction (i.e., a positive correlation indicates that a particular motive is found to have a favourable effect on a particular investment object, and a negative correlation indicates the opposite). Lastly, the correlations are classified in terms of strength. A correlation lower than .2 is considered weak, a correlation between .2 and .4 is deemed moderate, and a correlation above .4 is assumed strong (Cohen, 1988).

4.5.1. Tourism

The high volume of tourists in the Emirate of Dubai was ranked as a high-impact investment motive. As illustrated in Figure 14, one in ten survey participants was substantially encouraged to invest in the Dubai real estate market due to the number of travellers visiting this specific territory in the UAE. A comparable fraction of subjects reported that tourism offers a slight-to-moderate incentive for investment in properties in this foreign market. However, only one-fifth of all individuals in the sample were not especially encouraged by the number of visitors in the Emirate of Dubai.

Figure 14

Tourism as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the high volume of tourists in the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 1 illustrates that the number of travellers visiting the Emirate of Dubai was moderately associated with potential residential real estate investment, followed by land, commercial real estate, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the high volume of tourists in the Emirate of Dubai was entirely rejected.

Table 1

Pearson Correlation–Tourism vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Tourism	Pearson Correlation	.360	.330	.247	.335

Sig. (2-tailed)	<.001	<.001	<.001	<.001

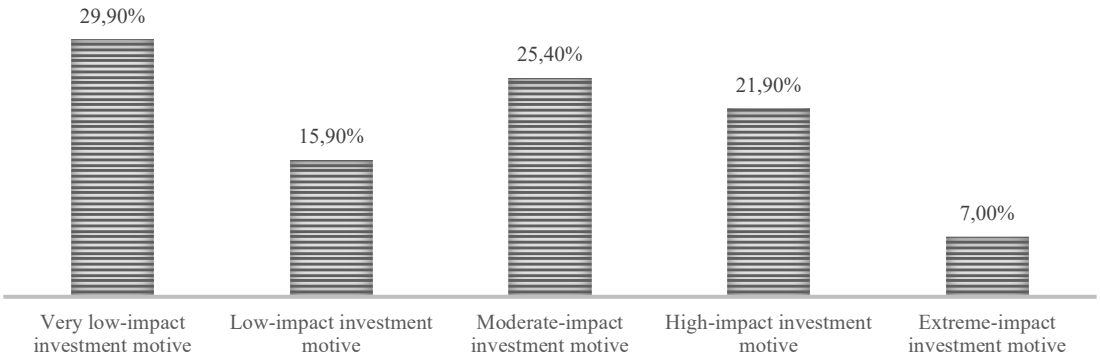
Note. Computed by Author.

4.5.2. Geographical proximity

The geographical proximity of the UAE (the target market), to Israel (the country of origin of the prospective investors in the sample), was rated as a very low-impact investment motive. As shown in Figure 15, while one-fourth of all research subjects were moderately encouraged to invest in the Dubai real estate market due to the physical distance between the two countries, only one in six participants was slightly motivated by this factor. Contrastingly, slightly over one-fifth of all respondents reported that the geographical position of the UAE constitutes a high-impact investment motive, and approximately one-tenth of all participants were substantially stimulated by distance considerations to acquire buildings or plots in the Emirate of Dubai.

Figure 15

Geographical proximity as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the geographical proximity of the UAE to Israel and all types of prospective Israeli investments in the Dubai real estate market were positive, weak-to-moderate in strength, and statistically significant. Table 2 shows that the physical distance between the two countries was moderately linked with potential commercial real estate investment, followed by residential real estate and industrial real estate. Potential investment in land was the only type of real estate transaction that had a weak correlation with the geographical position of the UAE. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the geographical proximity of the UAE to Israel was entirely rejected.

Table 2

Pearson Correlation–Geographical proximity vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Geographical proximity	Pearson Correlation	.275	.318	.233	.193
	Sig. (2-tailed)	<.001	<.001	<.001	.006

Note. Computed by Author.

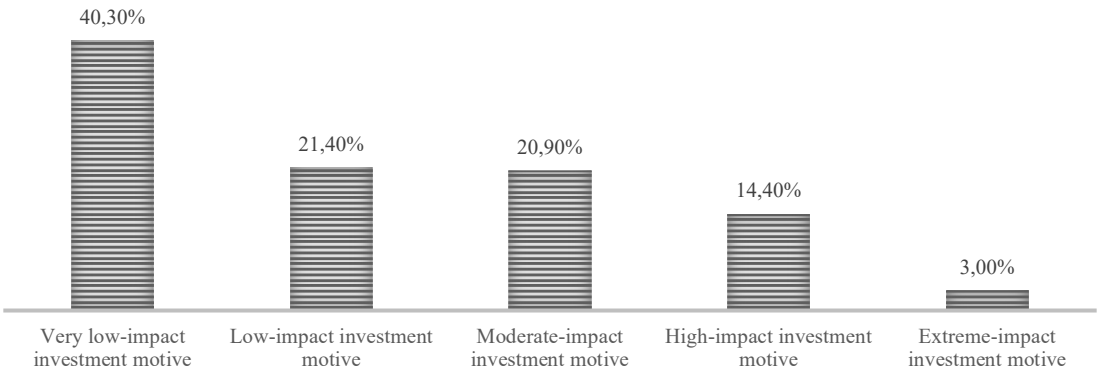
4.5.3. Climate

The climate in the Emirate of Dubai was evaluated as a very low-impact investment motive. As demonstrated in Figure 16, a corresponding fraction of individuals reported that Dubai's weather conditions offer a slight-to-moderate incentive for investment in buildings or land in the Dubai real estate market. Only a minor proportion of all participants were

encouraged or considerably motivated to invest in real estate in the Emirate of Dubai due to its climatic patterns.

Figure 16

Climate as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the climate of the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 3 demonstrates that the climatic patterns in the Emirate of Dubai were moderately correlated with potential residential real estate investment, followed by commercial real estate, land, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the climate in the Emirate of Dubai was entirely rejected.

Table 3

Pearson Correlation–Climate vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

	Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land

Climate	Pearson Correlation	.306	.258	.224	.243
	Sig. (2-tailed)	<.001	<.001	.001	<.001

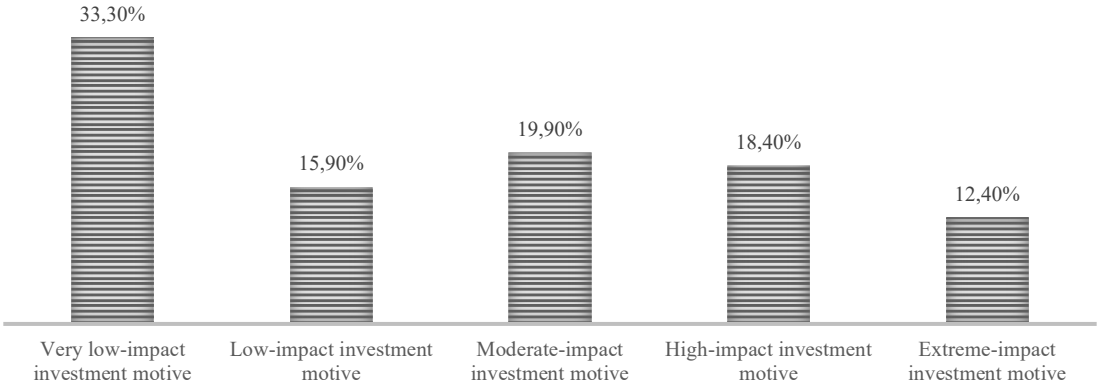
Note. Computed by Author.

4.5.4. Immigration

The opportunity to obtain residency in the UAE through real estate investment was assessed as a very low-impact investment motive. As indicated in Figure 17, nearly an equal number of subjects reported that long-term right of residence in the UAE, granted on an investment basis, offers a slight, moderate, or high incentive to invest in the Dubai real estate market. Only one in eight individuals was substantially encouraged to invest in buildings or plots in the Emirate of Dubai to establish a legal domicile in the UAE.

Figure 17

Immigration as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the opportunity to obtain residency in the UAE through investment and all types of prospective Israeli investments in the Dubai real estate market

were positive, moderate in strength, and statistically significant. Table 4 indicates that immigration to the UAE was moderately associated with potential residential real estate investment, followed by commercial real estate, land, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by obtaining residency in the UAE through investment was entirely rejected.

Table 4
Pearson Correlation–Immigration vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Immigration	Pearson Correlation	.341	.329	.249	.288
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

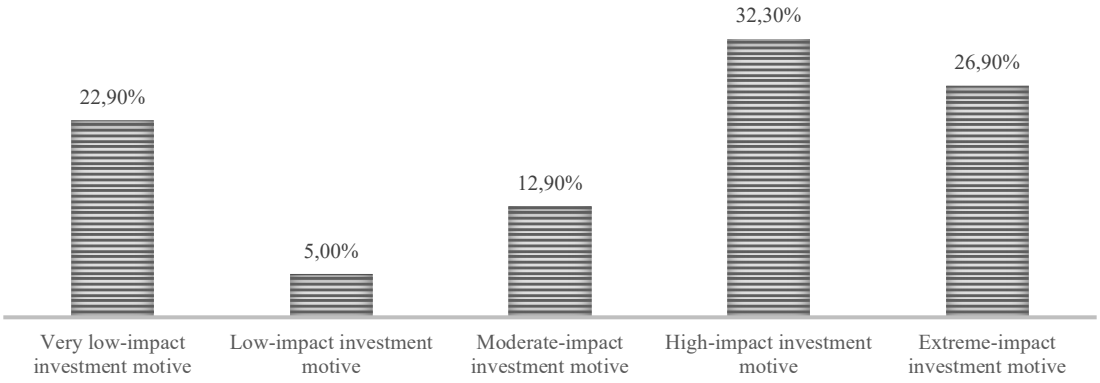
Note. Computed by Author.

4.5.5. Absence of corporate tax

The absence of corporate tax in the UAE was classified as a high-impact investment motive. As outlined in Figure 18, nearly one in four subjects and one in eight respondents were substantially motivated or moderately stimulated, respectively, to enter the Dubai real estate market since the UAE does not impose a corporate tax. The remaining participants were not encouraged at all or were only slightly stimulated to invest in buildings or plots in the Emirate of Dubai due to this tax benefit offered by the UAE government.

Figure 18

Absence of corporate tax as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the absence of corporate tax in the UAE and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 5 outlines that the non-imposition of corporate tax in the UAE was moderately correlated with potential commercial real estate investment, followed by residential real estate, land, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the absence of corporate tax in the UAE was entirely rejected.

Table 5

Pearson Correlation–Corporate tax vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

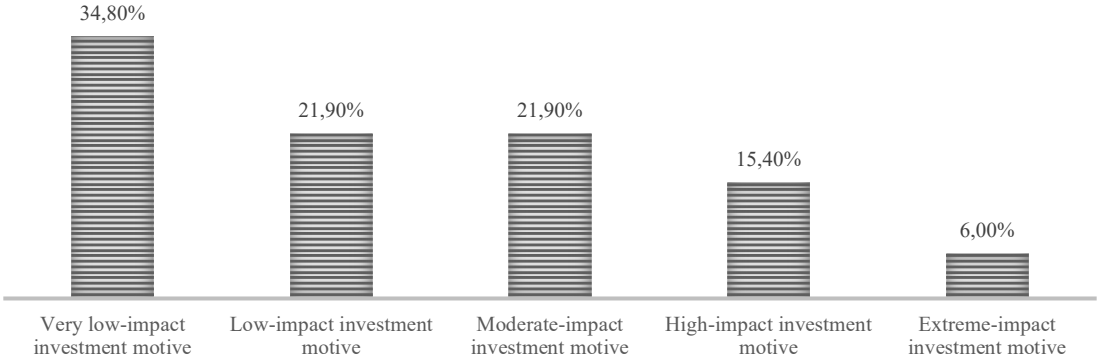
		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Corporate tax	Pearson Correlation	.308	.319	.225	.283
	Sig. (2-tailed)	<.001	<.001	.001	<.001

Note. Computed by Author.

4.5.6. Cultural similarities

Potential cultural similarities between the Israeli and Emirati people were labelled as a very low-impact investment motive. As confirmed in Figure 19, an identical fraction of individuals reported that cultural resemblance between the two nations offers a slight or a moderate incentive to invest in buildings or land in the Emirate of Dubai. Only a tiny proportion of all respondents in the survey was highly encouraged or significantly stimulated to invest in the Dubai real estate market due to cultural similarities.

Figure 19
Cultural similarities as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between potential Israeli–Emirati cultural similarities and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 6 confirms that cultural similarities were moderately linked with potential residential real estate investment, followed by land, commercial real estate, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real

estate, or land in the Dubai real estate market is not influenced by potential cultural similarities between the Israeli and Emirati people was entirely rejected.

Table 6
Pearson Correlation–Cultural similarities vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Cultural similarities	Pearson Correlation	.365	.298	.289	.299
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

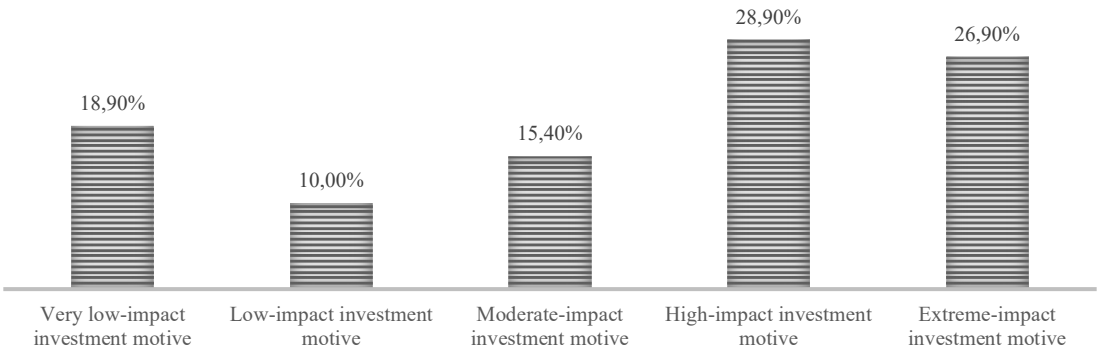
Note. Computed by Author.

4.5.7. Expected real estate value growth

The expected real estate value growth in the Emirate of Dubai was described as a high-impact investment motive. As presented in Figure 20, nearly one in four respondents were exceptionally motivated to invest in the Dubai real estate market due to the projected increase in the value of buildings and land. The remaining subjects in the sample were only stimulated to a low, slight, or medium degree by the anticipated rising immovables value.

Figure 20

Expected real estate value growth as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the expected real estate value growth in the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 7 shows that the anticipated immovables value rise in the Emirate of Dubai was moderately correlated with potential residential and commercial real estate investment, followed by land, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the expected real estate value growth in the Emirate of Dubai was entirely rejected.

Table 7

Pearson Correlation–Real estate value growth vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

	Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Pearson Correlation	.319	.319	.234	.285

Real estate value growth	Sig. (2-tailed)	<.001	<.001	<.001	<.001

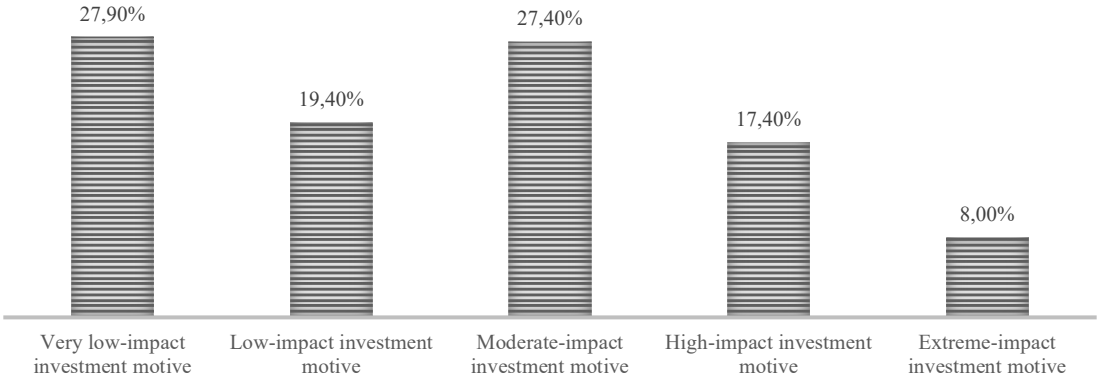
Note. Computed by Author.

4.5.8. Penetration into a new market

Nearly an equal number of respondents in the survey defined penetration into a new market as a very low-impact investment motive or as a moderate-impact investment incentive. As proven in Figure 21, under one-fifth of all subjects were highly encouraged to invest in buildings or plots in the Dubai real estate market due to the exploitation of a foreign market, and a smaller percentage of participants were substantially stimulated. The remaining individuals were encouraged to a low extent by the opportunity of exploring a new overseas real estate market.

Figure 21

Penetration into a new market as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the desire to take advantage of a new market and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate-

to-high in strength, and statistically significant. Table 8 proves that the opportunity to explore a new overseas real estate market was substantially associated with potential residential real estate investment and moderately linked with a prospective land investment, followed by commercial real estate, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by a desire to penetrate into a new market was entirely rejected.

Table 8
Pearson Correlation–Penetration into a new market vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Penetration into a new market	Pearson Correlation	.456	.391	.368	.398
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

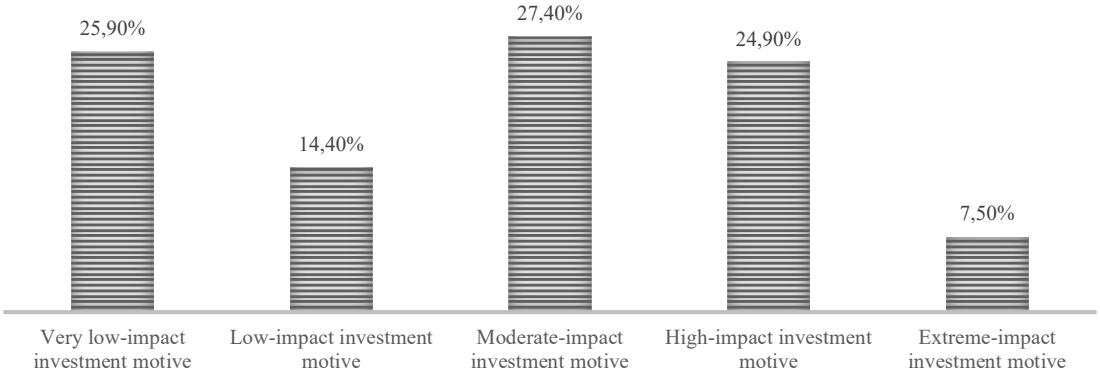
Note. Computed by Author.

4.5.9. Investment diversification strategy

Investment diversification strategy was identified as a moderate-impact investment motive. As highlighted in Figure 22, a nearly identical number of respondents in the survey placed investment diversification strategy as a very low-impact investment incentive or as a high-impact investment motive. Only a tiny proportion of all subjects reported this motive as an exceptionally encouraging ground for entering the Dubai real estate market. The remaining participants were only slightly encouraged to invest in buildings and land in the Emirate of Dubai based on an investment diversification strategy.

Figure 22

Investment diversification strategy as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the investment diversification strategy and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 9 highlights that investment diversification strategy was moderately correlated with potential residential real estate investment, followed by commercial real estate, industrial real estate, and land. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by investment diversification strategy was entirely rejected.

Table 9

Pearson Correlation–Investment diversification strategy vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
	Pearson Correlation	.374	.367	.325	.307

Investment diversification strategy	Sig. (2-tailed)	<.001	<.001	<.001	<.001

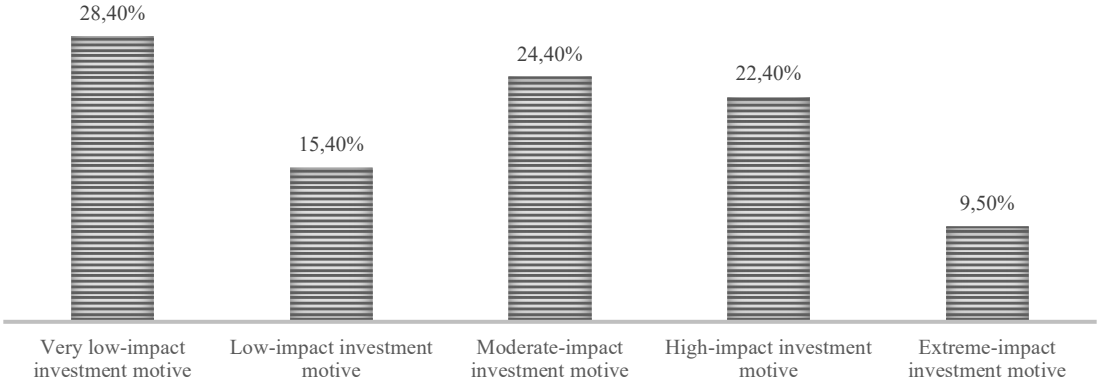
Note. Computed by Author.

4.5.10. Reputation

The reputation of the UAE was valued as a very low-impact investment motive. As disclosed in Figure 23, a comparable fraction of subjects reported that the UAE's reputation offers a moderate to a high incentive for investment in buildings or land. Barely one-tenth of all respondents identified prestige as a considerably motivating reason to enter the Dubai real estate market. The remaining participants were only slightly encouraged to invest in the Emirate of Dubai due to its image.

Figure 23

Reputation as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the reputation of the UAE and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate-to-strong in strength, and statistically significant. Table 10 discloses that the image of the UAE was

substantially correlated with potential residential real estate investment and moderately linked with a prospective land investment, followed by commercial real estate and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the reputation of the UAE was entirely rejected.

Table 10

Pearson Correlation–Reputation vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Reputation	Pearson Correlation	.450	.326	.233	.340
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

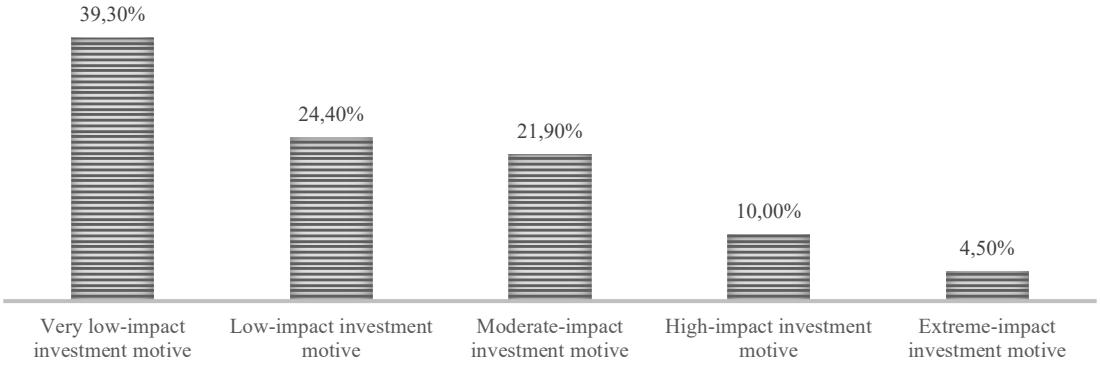
Note. Computed by Author.

4.5.11. High volume of seasonal employees

The high volume of seasonal employees working in the Emirate of Dubai was determined to be a very low-impact investment motive. As confirmed in Figure 24, over two-fifths of all respondents reported that the opportunity to serve a large market segment of foreign workers offers only a slight or a moderate incentive to invest in buildings or plots in the Emirate of Dubai. Only a tiny proportion of all subjects in the survey were highly encouraged or significantly stimulated to invest in the Dubai real estate market due to the number of temporary employees.

Figure 24

High volume of seasonal employees as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the high volume of seasonal employees working in the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate-to-strong in strength, and statistically significant. Table 11 confirms that the opportunity to serve a large market segment of foreign workers in the Emirate of Dubai was substantially linked with a potential land investment and moderately correlated with prospective residential real estate, followed by industrial real estate and commercial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the high volume of seasonal employees in the Emirate of Dubai was entirely rejected.

Table 11

Pearson Correlation–Seasonal employees vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

	Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land

Seasonal employees	Pearson Correlation	.396	.313	.321	.408
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

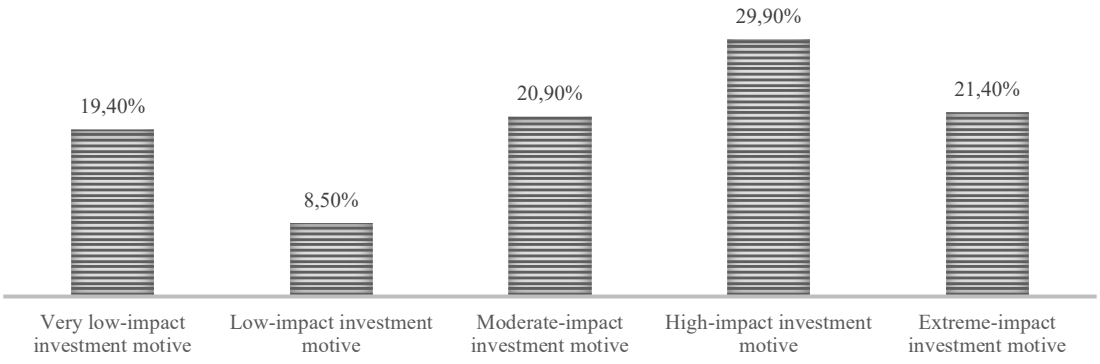
Note. Computed by Author.

4.5.12. Expected economic growth

The expected economic growth of the Emirate of Dubai was identified as a high-impact investment motive. As indicated in Figure 25, nearly an equal number of subjects reported that the foreseen economic increase in the Emirate of Dubai offers a moderate, or contrastingly, a substantial incentive to invest in the Dubai real estate market. Under one-fifth of all survey respondents were not encouraged to invest in buildings or land due to predicted economic developments, and only one in 12 participants were slightly stimulated by this motive.

Figure 25

Expected economic growth as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the expected economic growth in the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 12 indicates that the predicted economic development in the Emirate of Dubai was moderately associated with potential residential real estate investment, followed by commercial real estate, industrial real estate, and land. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the expected economic growth in the Emirate of Dubai was entirely rejected.

Table 12
Pearson Correlation–Economic growth vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Economic growth	Pearson Correlation	.394	.339	.288	.262
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

Note. Computed by Author.

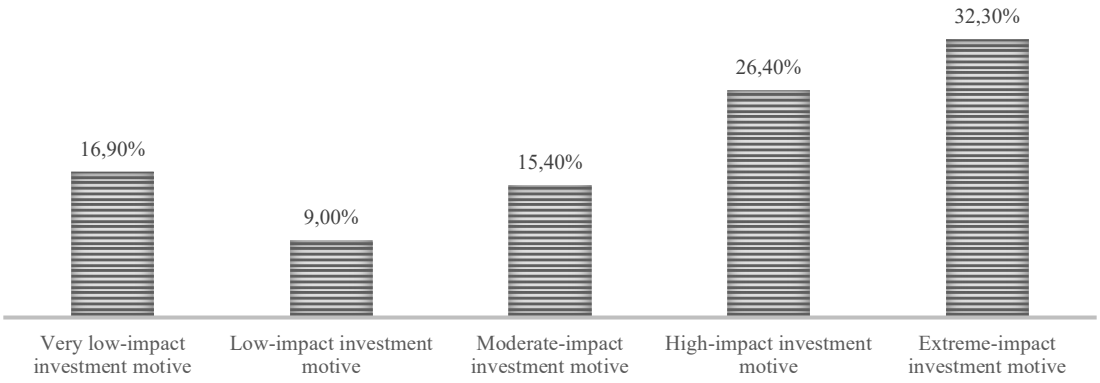
4.5.13. Absence of personal income tax

The absence of personal income tax in UAE was acknowledged as an extreme-impact investment motive. As illustrated in Figure 26, nearly one in four respondents and one in six subjects were highly stimulated or moderately motivated, respectively, to invest in the Dubai real estate market due to the non-imposition of income tax on individuals. The remaining participants were not encouraged at all or were only slightly motivated to invest

in buildings or plots in the Emirate of Dubai due to this tax benefit offered by the UAE government.

Figure 26

Absence of personal income tax as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the absence of personal income tax in the UAE and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 13 illustrates that the fact the UAE does not impose income tax on individuals was moderately associated with potential residential real estate investment, followed by commercial real estate, land, and industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the absence of personal income tax in the UAE was entirely rejected.

Table 13
Pearson Correlation–Personal income tax vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

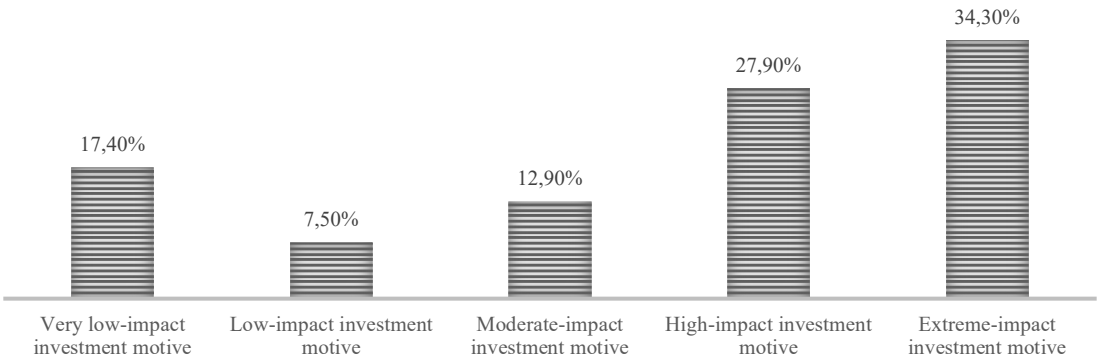
		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Personal income tax	Pearson Correlation	.307	.272	.211	.235
	Sig. (2-tailed)	<.001	<.001	.003	<.001

Note. Computed by Author.

4.5.14. Israel–UAE double taxation treaty

The Israel–UAE tax treaty for the non-imposition of double taxation was identified as an extreme-impact investment motive. As demonstrated in Figure 27, a considerable proportion of the sample was moderately or highly encouraged to engage in the Dubai real estate market due to exemption from dual taxation. Contrastingly, under one-fifth of all individuals in the survey reported that this tax benefit granted by the Israeli and the UAE governments offers only a low or a slight incentive to invest in buildings or plots in the Emirate of Dubai.

Figure 27
Israel–UAE double taxation treaty as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the Israel–UAE double taxation treaty and all types of prospective Israeli investments in the Dubai real estate market were positive, moderate in strength, and statistically significant. Table 14 demonstrates that exemption from dual taxation was moderately linked with potential commercial real estate investment, followed by residential real estate, industrial real estate, and land. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the Israel–UAE double taxation treaty was entirely rejected.

Table 14
Pearson Correlation–Israel–UAE double taxation treaty vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Double taxation treaty	Pearson Correlation	.286	.319	.278	.255
	Sig. (2-tailed)	<.001	<.001	<.001	<.001

Note. Computed by Author.

4.5.15. Motives proposed by the sample

Knowledge of the local language spoken in the UAE, Arabic, was an external motive proposed by the sample. This motive was only reported once, by a single subject (n = 1), and was rated as an extremely encouraging reason to invest in buildings or land in the Dubai real estate market.

4.5.16. Summary

All investment motives examined were statistically linked with prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market over the years 2021 to 2025. The correlations between all 14 motives and all four types of prospective Israeli investments in the Dubai real estate market investigated were positive and statistically significant, without exception, with the strength of the relationships ranging from weak to strong.

Based on the findings obtained, it can be concluded that the non-imposition of personal income tax in the UAE, as well as the Israel–UAE tax treaty for the avoidance of double taxation, are two motives that extremely encouraged the research participants to consider the Dubai real estate market as their next investment destination. Moreover, the high volume of tourists in the UAE, the absence of corporate tax, the expected real estate value growth in the Emirate of Dubai, and the expected economic growth in the UAE as a whole, are the four incentives classified as highly stimulating motives to enter the Dubai real estate market.

Contrastingly, investment diversification strategy was marked as a motive with only a moderate effect. The seven remaining motives, geographical proximity, migration opportunities, cultural similarities, climate, UAE's reputation, high volume of seasonal employees, and penetration into a new market have been labelled as factors that do not exceptionally encourage the acquisition of buildings or plots in the Dubai real estate market between the years 2021 and 2025.

4.6. Barriers underlying prospective Israeli FDI in the Dubai real estate market

This section offers a solution to the secondary research question by mapping the circumstances which might deter Israeli physical persons from investing in immovables in the Emirate of Dubai. All 13 preestablished barriers were evaluated by all sample participants (N = 201), and no missing or invalid data were observed. Moreover, beyond the predefined barriers, the thesis adopted four additional obstacles proposed by the sample.

In accordance with the previously established data analysis method, each obstacle was subjected to a univariate analysis, which focused on evaluating the degree to which it is perceived as a hindrance that threatens the integration of Israeli physical investors in the Dubai real estate market over the years 2021 to 2025. A five-level Likert influence scale, ranging from not at all influential to extremely influential, was utilized to consistently examine the extent to which certain circumstances might harm the prospective engagement of Israeli physical persons in the Emirate of Dubai.

Moreover, the research used correlation analyses to consistently reject or confirm its hypotheses regarding the links between certain barriers and prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market. As mentioned in Section 4.5. Motives underlying prospective Israeli FDI in the Dubai real estate market, the statistical significance of the correlations was determined by estimating their respective p-values; if a p-value is less than .5, the correlation was deemed significant. Furthermore, the correlations were classified

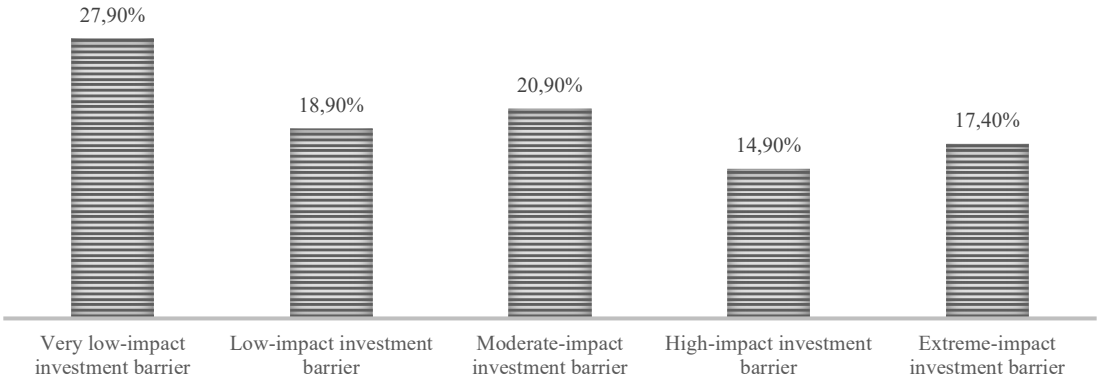
according to their direction (i.e., a negative correlation indicated that a particular barrier was found to have an unfavourable effect on a particular investment object, and a positive correlation indicated the opposite). Lastly, the correlations were classified in terms of strength. A correlation lower than .2 was considered weak, a correlation between .2 and .4 was deemed moderate, and a correlation above .4 was assumed strong (Cohen, 1988).

4.6.1. Religious differences

The dissimilarity between the dominant religion in Israel and the primary religion in the UAE was ranked as a very low-impact investment barrier. As illustrated in Figure 28, nearly two-fifths of all research respondents claimed that religious differences cause only a low to moderate barrier. In comparison, under one-third of all subjects reported that religious contrasts constitute a high or a substantial barrier, restricting the likelihood they will invest in buildings or land in the Emirate of Dubai.

Figure 28

Religious differences as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the dissimilarity between the dominant religions of Israel the UAE and all types of prospective Israeli investments in the Dubai real estate market were negative, weak-to-moderate in strength, and statistically significant. Table 15 illustrates that religious differences were moderately associated with potential commercial real estate investment, followed by residential real estate, and were weakly linked with a prospective industrial real estate investment, followed by land. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by religious differences was entirely rejected.

Table 15
Pearson Correlation–Religious differences vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Religious differences	Pearson Correlation	-.202	-.241	-.196	-.182
	Sig. (2-tailed)	.004	<.001	.005	.010

Note. Computed by Author.

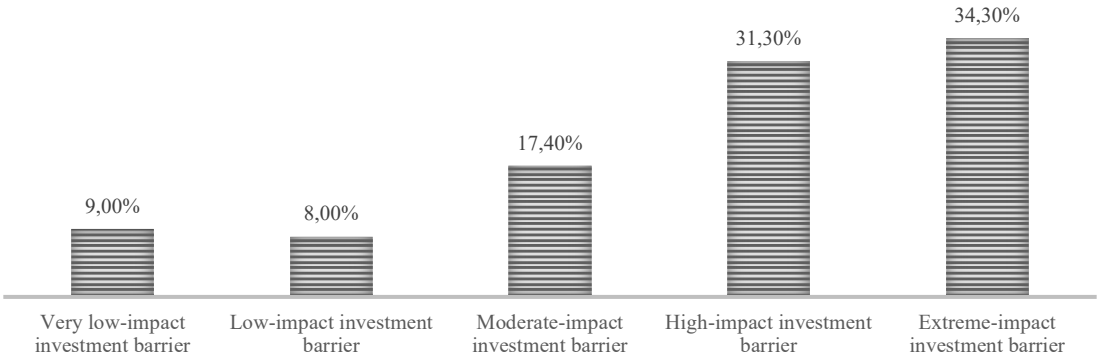
4.6.2. Government restrictions on foreign ownership of property and land

Nearly an equal number of respondents in the survey rated government restrictions on foreign ownership of property and land as a high-impact investment barrier or as an extreme-impact investment barrier. As shown in Figure 29, only a limited proportion of participants observed the inability of foreign nationals to acquire full ownership of land and property in the Emirate of Dubai as a low-impact or a very low-impact barrier,

constraining their willingness to engage in this particular economy. Due to such constraints, the remaining subjects were moderately concerned about entering the Dubai real estate market.

Figure 29

Government restrictions on foreign ownership of property and land as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the government restrictions on foreign ownership of property and land and all types of prospective Israeli investments in the Dubai real estate market were negative, weak-to-moderate in strength, and statistically significant. Table 16 shows that ownership restrictions were moderately linked with a potential land investment, and weakly associated with a prospective residential real estate investment, followed by industrial real estate and commercial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by government restrictions on foreign ownership of property and land was entirely rejected.

Table 16
Pearson Correlation–Ownership restrictions vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

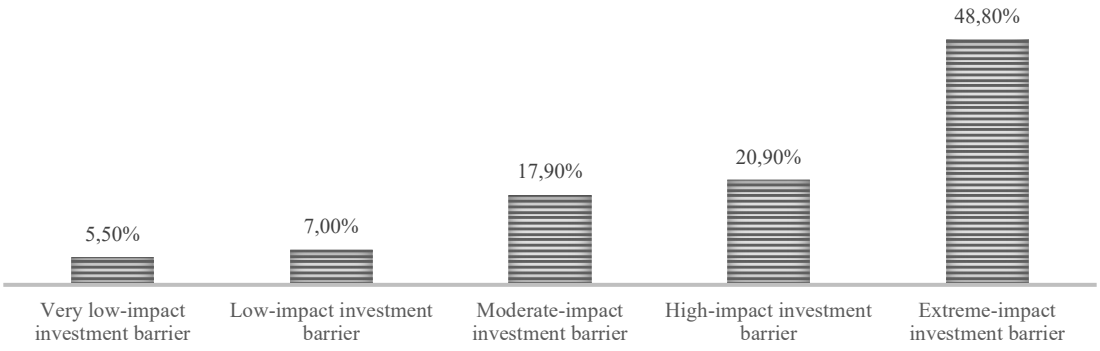
		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Ownership restrictions	Pearson Correlation	-.179	-.145	-.166	-.259
	Sig. (2-tailed)	.011	.040	.018	<.001

Note. Computed by Author.

4.6.3. Potential political instability between Israel and the UAE

Potential political instability between Israel and the UAE was evaluated as an extreme-impact investment barrier. As demonstrated in Figure 30, nearly one in six respondents and one in five subjects were moderately to highly, respectively, deterred from immovables investments in the Dubai real estate market due to the possible deterioration of international relations between the two new allies. Only a negligible fraction of all individuals reported that feasible political tension between the two countries constitutes a low to a very low barrier to their desire to do business in the Emirate of Dubai.

Figure 30
Potential political instability as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between potential political instability between Israel and the UAE and all types of prospective Israeli investments in the Dubai real estate market were negative and weak-to-moderate in strength but not all statistically significant. Table 17 demonstrates that possible political instability was moderately associated with a potential land investment, followed by residential real estate, and weakly correlated with a prospective industrial real estate investment. Potential commercial real estate investment was not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by a potential political instability between Israel and the UAE was partially rejected.

Table 17
Pearson Correlation–Political instability vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Political instability	Pearson Correlation	-.266	-.130	-.176	-.269
	Sig. (2-tailed)	<.001	.066	.012	<.001

Note. Computed by Author.

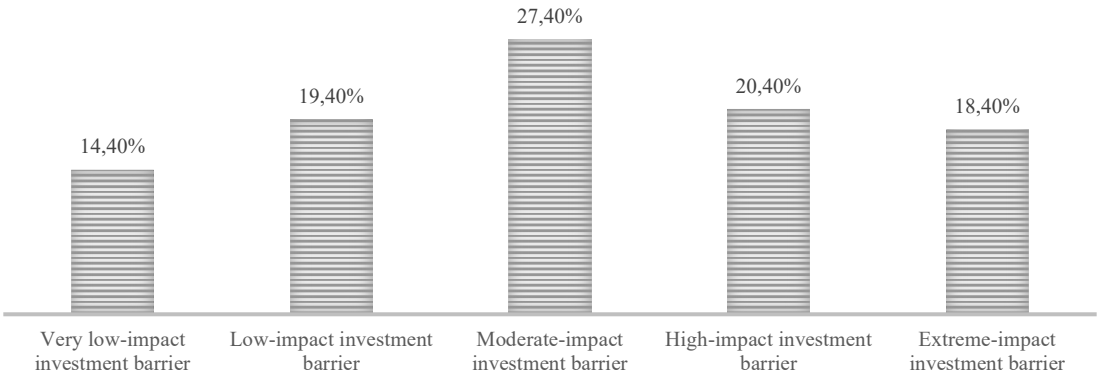
4.6.4. Differences in business mentality

Differences in business mentality between Israeli and Emirati merchants or consumers were labelled as a moderate-impact investment barrier. As indicated in Figure 31, an approximately equal number of respondents saw dissimilarities in business mindset

as a low-impact investment barrier or, contrastingly, as a high-impact investment barrier. As opposed to slightly under one-fifth of all participants who were exceptionally deterred by potential differences in trading patterns, only over one-tenth of all subjects claimed this to be a very low-impact barrier, which does not restrict the likelihood that they will invest in buildings or land in the Emirate of Dubai.

Figure 31

Differences in business mentality as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the potential differences in business mentality between the Israeli and Emirati merchants or consumers and all types of prospective Israeli investments in the Dubai real estate market were negative and weak-to-moderate in strength but not all statistically significant. Table 18 indicates that dissimilarities in business mindset were moderately associated with a potential residential real estate investment, and weakly correlated with a prospective commercial real estate investment, followed by land. A potential industrial real estate investment was not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in

residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by differences in business mentality was partially rejected.

Table 18

Pearson Correlation–Business mentality vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Business mentality	Pearson Correlation	-.212	-.156	-.128	-.144
	Sig. (2-tailed)	.003	.027	.070	.041

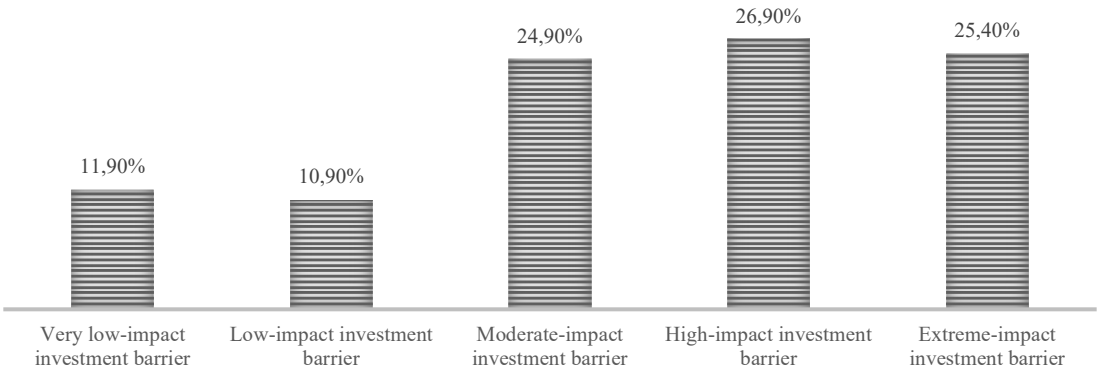
Note. Computed by Author.

4.6.5. Bureaucracy

Nearly an equal number of survey respondents classified bureaucracy as a moderate-impact investment barrier, a high-impact investment barrier, or an extreme-impact investment barrier. As outlined in Figure 32, only a limited proportion of all subjects reported that bureaucracy constitutes a low-impact or a very low-impact barrier, which does not constrain their willingness to engage in this particular economy.

Figure 32

Bureaucracy as a threshold condition in the market selection process



Note. Computed by Author.

Table 19 shows that bureaucracy did not constitute a barrier to prospective Israeli FDI in the Dubai Real Estate Market. All correlation coefficients ranging from .178 (residential real estate) to .901 (industrial real estate) were statistically insignificant. Consequently, the null hypothesis stating that the prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the bureaucracy was accepted.

Table 19

Pearson Correlation–Bureaucracy vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

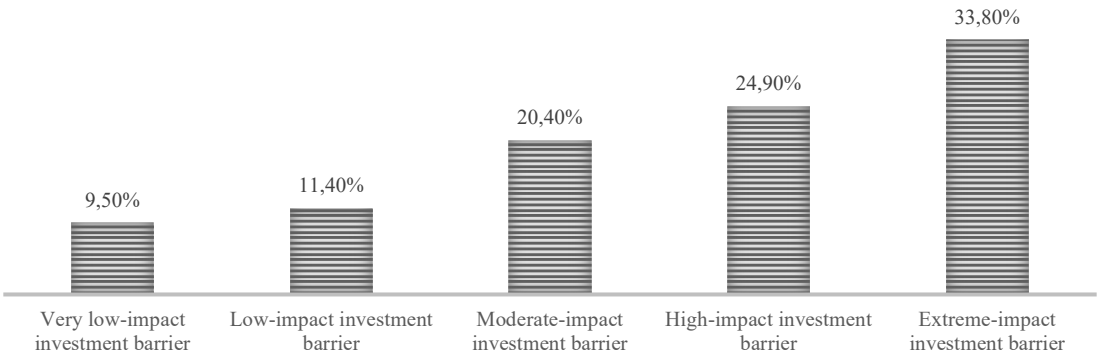
		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Bureaucracy	Pearson Correlation	-.095	-.056	.009	-.087
	Sig. (2-tailed)	.178	.428	.901	.218

Note. Computed by Author.

4.6.6. Discriminatory treatment at the governmental or civil level

Discriminatory treatment at the governmental or civil level was labelled as an extreme-impact investment barrier. As confirmed in Figure 33, nearly one in five respondents and one in four subjects were moderately or highly, respectively, concerned about encountering prejudices and difficulties in cooperating with locals when doing business in the Emirate of Dubai. Only a limited proportion of individuals reported that they do not expect to be victims of discrimination of any kind since they perceived this hindrance as a low to exceptionally low barrier, which does not adversely influence their possible engagement in the Dubai real estate market.

Figure 33
Discriminatory treatment at the governmental or civil level as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between a discriminatory treatment at the governmental or civil level and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 20 confirms that

discrimination was weakly correlated with a potential residential real estate investment, followed by land. Potential industrial real estate investment, followed by commercial real estate, were not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by discriminatory treatment at the governmental or civil level was partially rejected.

Table 20

Pearson Correlation–Discrimination vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Discrimination	Pearson Correlation	-.195	-.119	-.089	-.151
	Sig. (2-tailed)	.005	.093	.208	.033

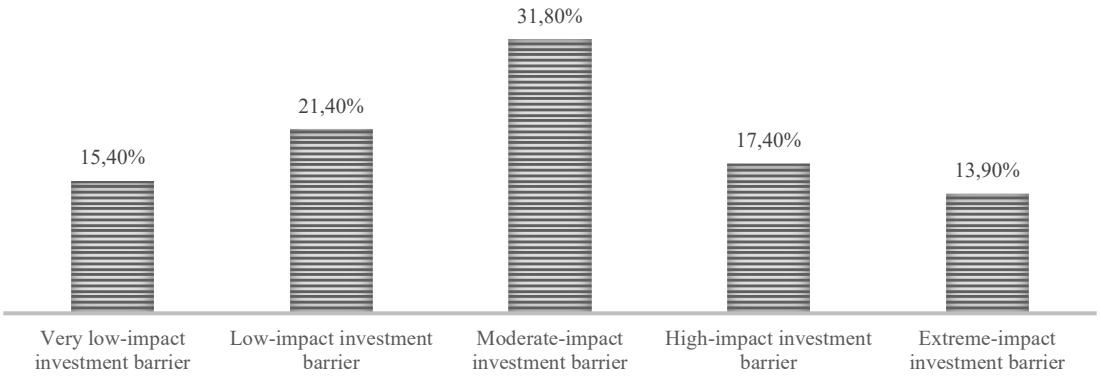
Note. Computed by Author.

4.6.7. Exchange rate volatility

Exchange rate volatility was described as a moderate-impact investment barrier. As presented in Figure 34, a more significant segment of respondents reported that their decision-making process regarding investments in buildings or land in the Emirate of Dubai is affected to a minimal to low extent by currency disparities, compared to those who indicated that exchange rate fluctuation posed a high or substantial barrier for them.

Figure 34

Exchange rate volatility as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between exchange rate volatility and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 21 shows that currency disparities were weakly correlated with a potential land investment. Potential industrial real estate investment, followed by commercial real estate and residential real estate, were not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by exchange rate volatility was partially rejected.

Table 21

Pearson Correlation–Exchange rate volatility vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Currency	Pearson Correlation	-.105	-.127	-.097	-.164
	Sig. (2-tailed)	.137	.072	.170	.020

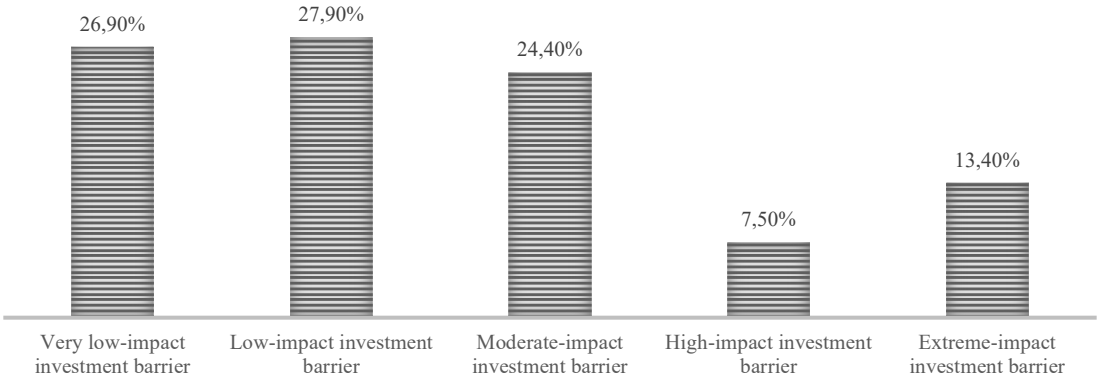
Note. Computed by Author.

4.6.8. Language differences

Nearly equal numbers of respondents in the survey defined the difference between the languages spoken in Israel and in the UAE as a low-impact investment barrier or as an exceptionally low-impact investment obstacle. As proven in Figure 35, approximately one in four participants reported that the impact of language differences on potential real estate investments in the Emirate of Dubai is moderate. Only one-fifth of all subjects expected that communication difficulties resulting from language differences might constitute a high-impact or extreme-impact barrier, constraining their willingness to engage in this particular economy.

Figure 35

Language differences as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between language differences and all types of prospective Israeli investments in the Dubai real estate market were negative, weak-to-moderate in strength, and statistically significant. Table 22 proves that language differences were moderately correlated with potential residential real estate investment, followed by land, and weakly

linked with a prospective commercial real estate investment, followed by industrial real estate. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by language differences was entirely rejected.

Table 22
Pearson Correlation–Language vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Language	Pearson Correlation	-.255	-.185	-.171	-.250
	Sig. (2-tailed)	<.001	.008	.015	<.001

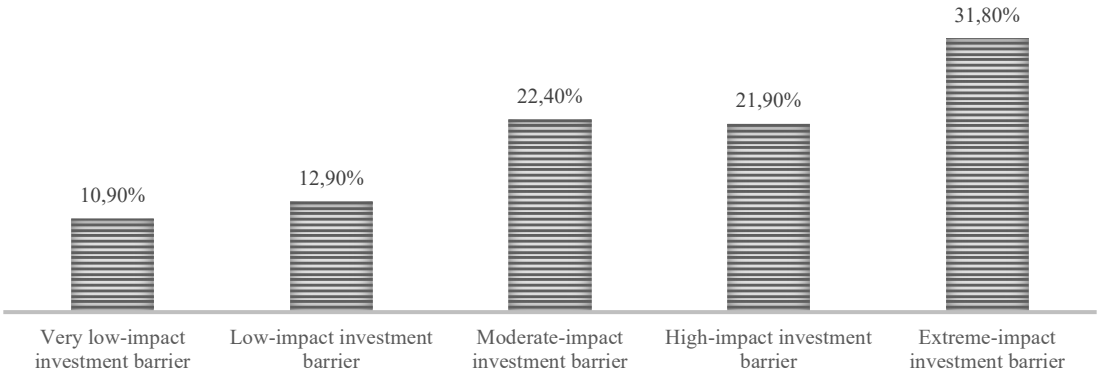
Note. Computed by Author.

4.6.9. Potential low return on real estate investments

Potential low return on real estate investments in the Emirate of Dubai was marked as an extreme-impact investment barrier. As highlighted in Figure 36, a comparable fraction of subjects reported that low return constitutes a moderate or high barrier for investment in buildings or land in this foreign market. Less than one-fourth of all participants were concerned to a minimal or low extent by potential poor return on immovables investments in the Dubai real estate market.

Figure 36

Potential low return on real estate investments as a threshold condition in the market selection process



Note. Computed by Author.

Table 23 highlights that potential low return on real estate investments in the Emirate of Dubai did not constitute a barrier to prospective Israeli FDI in the Dubai real estate market. All correlation coefficients ranging from .052 (land) to .965 (commercial real estate) were statistically insignificant. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by potential low return on real estate investments was accepted.

Table 23

Pearson Correlation–Low return vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

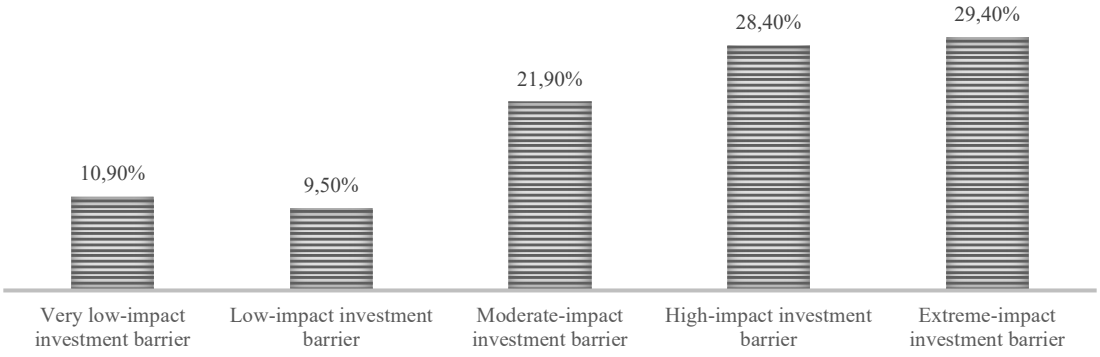
		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Low return	Pearson Correlation	-.079	.003	-.024	-.137
	Sig. (2-tailed)	.266	.965	.737	.052

Note. Computed by Author.

4.6.10. Unfavourable regulatory and legal framework

Nearly an equal number of respondents in the survey identified an unfavourable regulatory and legal framework in the Emirate of Dubai as a high-impact investment barrier or as an extreme-impact investment obstacle. As disclosed in Figure 37, approximately one in five subjects reported that their potential investment in the Dubai real estate market is moderately affected by the regulatory and legal framework in the UAE. The remaining participants did not expect to encounter difficulties arising from the legislative judiciary, or executive branches of the UAE, and their willingness to engage in this particular economy was therefore affected only to a minimal or low extent.

Figure 37
Unfavourable regulatory and legal framework as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between a potential unfavourable regulatory and legal framework in the UAE and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 24 shows that an

unfavourable regulatory and legal framework was weakly correlated with potential land investment. A potential industrial real estate investment, followed by commercial real estate and residential real estate, were not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by potential unfavourable regulatory and legal framework in the UAE was partially rejected.

Table 24
Pearson Correlation–Unfavourable regulatory and legal framework vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Unfavourable regulatory and legal framework	Pearson Correlation	-.081	-.055	-.074	-.155
	Sig. (2-tailed)	.251	.435	.294	.028

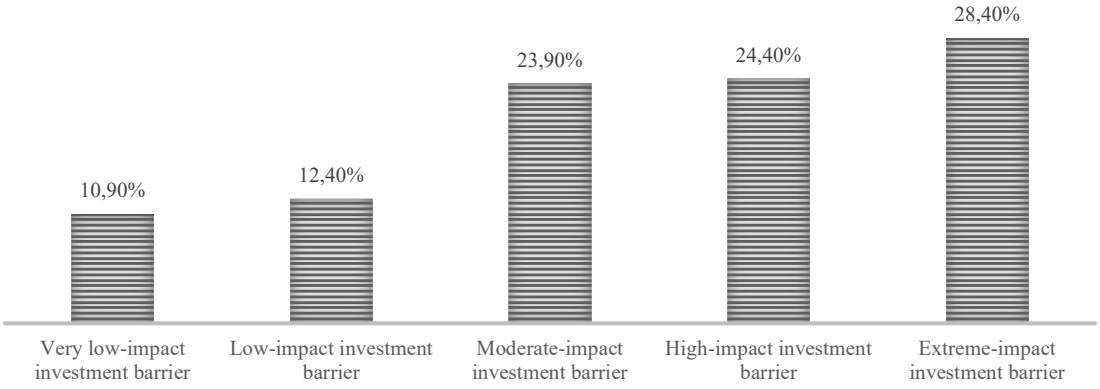
Note. Computed by Author.

4.6.11. Macroeconomic instability

Macroeconomic instability, including unemployment and inflation in the UAE, were determined as an extreme-impact investment barrier. As confirmed in Figure 38, a comparable fraction of all subjects reported that macroeconomic instability constitutes a moderate or high barrier to investment in buildings or land in this foreign market. Only a limited proportion of respondents indicated that they would not at all or only slightly refrain from real estate investments in the Emirate of Dubai due to possible macroeconomic instability.

Figure 38

Macroeconomic instability as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between potential macroeconomic instability in the UAE and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 25 confirms that macroeconomic instability was weakly correlated with potential land investment. Potential industrial real estate investment, followed by commercial real estate and residential real estate, were not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by potential macroeconomic instability in the UAE was partially rejected.

Table 25

Pearson Correlation–Macroeconomic instability vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Macroeconomic instability	Pearson Correlation	-132	-.108	-.077	-.162

	Sig. (2-tailed)	.063	.127	.279	.022

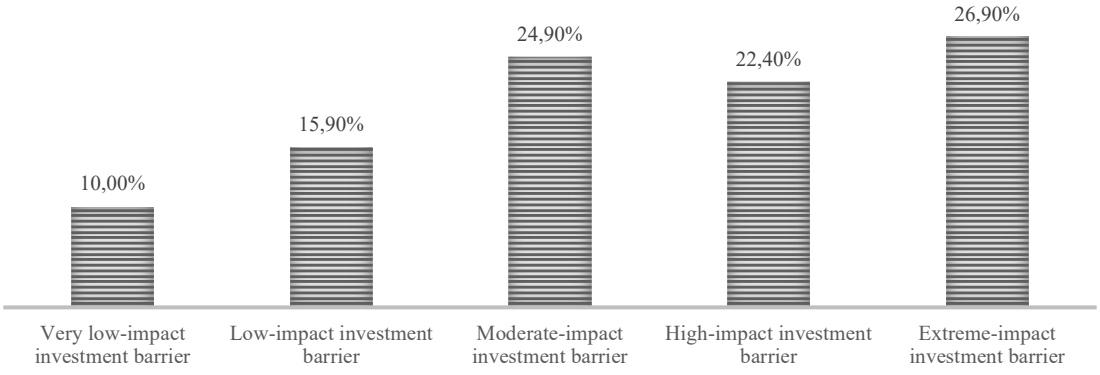
Note. Computed by Author.

4.6.12. Designated free trade zones

Nearly an equal number of respondents in the survey acknowledged the limited number of free trade zones—where foreign nationals can obtain full ownership rights over assets or companies in the Emirate of Dubai—as a moderate investment barrier, or contrastingly, as a substantial investment hindrance. As indicated in Figure 39, approximately one in four subjects reported that their potential investment in the Dubai real estate market is adversely affected to a high degree by the governmental allocation of designated areas where non-UAE citizens can carry out fully controlled business operations. Only a limited fraction of all individuals claimed that the existence of free trade zones constitutes a minimal or low barrier, which does not constrain their willingness to engage in this particular economy.

Figure 39

Designated free trade zones as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between the limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies in the Emirate of Dubai and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 26 indicates that the free trade zones were weakly correlated with potential land investment. Potential industrial real estate investment, followed by commercial real estate and residential real estate, were not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by the limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies in the Emirate of Dubai was partially rejected.

Table 26

Pearson Correlation–Free trade zones vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Free trade zones	Pearson Correlation	-.073	-.006	-.027	-.143
	Sig. (2-tailed)	.302	.934	.702	.043

Note. Computed by Author.

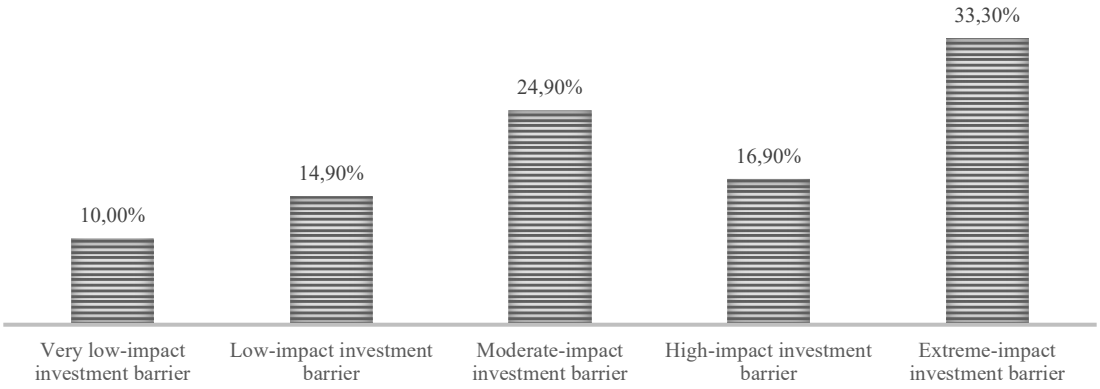
4.6.13. Travel restrictions

Potential travel restrictions were recognized as an extreme-impact investment barrier. As illustrated in Figure 40, over two-fifths of all research respondents reported that they would moderately or highly avoid real estate investments in the Emirate of Dubai due

to travel restrictions concerning Israeli nationals. Only one-fourth of all participants stated that a requirement to obtain an entry permit to visit the UAE constitutes only a minimal to a low barrier, which does not restrict the likelihood they will invest in the Dubai real estate market.

Figure 40

Travel restrictions as a threshold condition in the market selection process



Note. Computed by Author.

The correlations between potential travel restrictions such as visa requirements and all types of prospective Israeli investments in the Dubai real estate market were negative, weak in strength, but not all statistically significant. Table 27 illustrates that travel restrictions were weakly correlated with potential land investment, followed by residential real estate and commercial real estate. Potential industrial real estate investment was not significantly linked with this barrier. Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by potential travel restrictions such as visa requirements was partially rejected.

Table 27
Pearson Correlation–Travel restrictions vs Residential Real Estate Investment, Commercial Real Estate Investment, Industrial Real Estate Investment, Land Investment

		Residential Real Estate	Commercial Real Estate	Industrial Real Estate	Land
Travel restrictions	Pearson Correlation	-.160	-.139	-.111	-.184
	Sig. (2-tailed)	.023	.049	.116	.009

Note. Computed by Author.

4.6.14. Barriers proposed by the sample

A total of twelve participants took the opportunity to propose additional barriers that adversely affect the likelihood that they will invest in the Dubai real estate market in between 2021 and 2025. Global warming (n = 1), absence of democratic rule in the UAE (n = 7), exclusion of women (n = 5), and a distrust of the peace between Israel and the UAE (n = 8) are the four additional obstacles captured by the thesis. All additional constraints were rated as extreme-impact investment barriers, restricting the willingness of the respondents to invest in buildings or land in the Emirate of Dubai. Except for climate change, which was mentioned only once by a single subject, the remaining hindrances were noted by several participants.

4.6.15. Summary

Not all investment barriers tested were statistically associated with prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market over the years 2021 to 2025. Of all 13 barriers studied, three showed statistically significant correlations with all types of prospective Israeli

investments in the Dubai real estate market, eight showed statistically significant associations with only some of the investment objects, and two variables showed no relationship.

The dissimilarity between the dominant religions of Israel and the UAE, government restrictions on foreign ownership of property and land, and language differences are the barriers that showed statistically significant negative correlations for all four types of prospective Israeli investments in the Dubai real estate market, with the strength of the relationships ranging from weak to moderate.

Contrastingly, potential political instability between Israel and the UAE, potential differences in business mentality between Israeli and Emirati merchants or consumers, discriminatory treatment at the governmental or civil level, exchange rate volatility, a potential unfavourable regulatory and legal framework in the UAE, potential macroeconomic instability in the UAE, the limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies in the Emirate of Dubai, and potential travel restrictions such as visa requirements exhibited statistically significant negative correlations with only some types of prospective Israeli investments in the Dubai real estate market, with the strength of the relationships ranging from weak to moderate.

Moreover, although the potential low returns on real estate investments in the Emirate of Dubai was determined to be a barrier with an extremely adverse effect on future investment in the Dubai real estate market, no statistical relationship was found between

this barrier and any of the four types of prospective investments examined. Bureaucracy in the UAE, which has been identified as an obstacle that greatly reduces the chances of Israeli investments in buildings and plots in the Emirate of Dubai, also produced no statistical connection with any of the four investment objects considered.

It may be concluded, based on the findings obtained from ranking the extent to which certain circumstances may limit the potential integration of Israeli physical persons into the Dubai real estate market, that potential Israeli investors in the sample were extremely apprehensive of government restrictions on foreign ownership of property and land, potential political instability between Israel and the UAE, the expectation of encountering discriminatory treatment at the governmental or civil level, macroeconomic instability in the UAE, the limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies, potential travel restrictions, and unfavourable regulatory and legal framework in the Emirate of Dubai.

In contrast, the motivation of the research participants to integrate into the Dubai real estate market was only moderately reduced by business mentality differences and exchange rate volatility. Language differences were considered a barrier with a low adverse effect on the possibility of future real estate investments, and religious differences were defined as a non-obstacle.

4.7. Summary of findings

The findings and conclusions of the research were based on the contributions of 201 ($N = 201$) Israeli physical persons aged 18 and above, of whom 50 ($n = 50$) have prior experience in overseas real estate investments. The sample contained representatives from all gender segments, age groups, and educational backgrounds examined, apart from civil status. Overall, the sample was dominated by subjects who were extremely unlikely to invest in plots or any properties designated for industrial, commercial, or residential purposes in the Emirate of Dubai over the years 2021 and 2025.

All investment motives examined were statistically linked with prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market. Two variables were acknowledged as extremely encouraging of investment motives (absence of personal income tax and Israel–UAE tax treaty for the avoidance of double taxation), four variables were classified as highly encouraging of investment incentives (high volume of tourists, absence of corporate tax, expected real estate value growth, and expected economic growth), a single variable was marked as a moderately encouraging investment motive (investment diversification strategy), and seven variables were labelled as not exceptionally encouraging investment incentives (geographical proximity, migration opportunity, cultural similarities, climate, reputation, high volume of seasonal employees, and penetration into a new market).

In contrast, not all investment barriers tested were statistically associated with prospective Israeli FDI in plots, industrial real estate, commercial real estate, or residential

real estate in the Emirate of Dubai. Eight variables were determined as obstacles reducing investment prospects extremely (government restrictions on foreign ownership of property and land, potential political instability between Israel and the UAE, discriminatory treatment at the governmental or civil level, potential low return on real estate investments, macroeconomic instability in the UAE, limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies, potential travel restrictions, and unfavourable regulatory and legal framework in the Emirate of Dubai), a single variable was identified as a barrier that highly restricts any future investment (bureaucracy), two variables were described as hindrances that moderately threaten prospective integration (differences in business mentality and exchange rate volatility), one variable was defined as an obstruction that slightly affects the market selection process (language differences), and the remaining variable was not perceived as an obstacle (religious differences).

Consequently, the null hypothesis stating that prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market is not influenced by any of the motives studied was entirely rejected. However, since not all barriers were statistically correlated to prospective Israeli FDI in the Dubai real estate market, the null hypothesis concerning the barriers considered was partially denied for eight variables and entirely rejected for three variables but accepted for two variables.

Although the research is confident in the methods and sample, the thesis does not extend its findings to the general population due to the relatively restricted volume of participants from which conclusions can be drawn. The research recognizes the small subject count in the thesis as a limitation and realises that, given a higher number of participants, it might have produced different outcomes.

Besides the sample size constraint, the research acknowledges that the outcomes might have been slightly modified if the work had been conducted over a different time interval, due to two significant *force majeure* events. Firstly, it should be recalled that the research findings may have been influenced by the escalation of the Israeli–Palestinian conflict in May 2021, which is also known as the military operation 'Guardian of the Walls' (IDF, 2021). In alignment with the predetermined data collection policy, responses were recorded over four months, starting Monday, May 17th, 2021 at 10:00 EET, which happened to be the eighth day of the 12-day military confrontation between Israel and Hamas as well as the Palestinian Islamic Jihad. Given that some research data were collected during the military conflict, and some against the background of the military operation, it is speculated that the willingness of Israeli citizens to invest in the UAE, a Muslim-majority foreign country and a new ally of Israel, may have been adversely affected by these armed hostilities.

Secondly, the evidence obtained by the thesis may have been impacted to some extent by the global pandemic of coronavirus disease. It is assumed that a global epidemic is neither an engine for domestic investments nor a ground for overseas transactions.

Therefore, given that the research was conducted entirely under the heavy presence of the COVID-19 pandemic, some of its conclusions might have been different if they had been drawn under different circumstances.

In the following chapter, the findings of the thesis are discussed and analysed in relation to the existing academic and professional literature. In addition, research conclusions are drawn in relation to the two research questions, and implications, as well as recommendations, are considered.

CHAPTER V:

DISCUSSION

In this chapter, the research findings are systematically compared to previous studies examined in the literature review chapter. The thesis outcomes are addressed in the following order: motives affecting the attractiveness of the Dubai real estate market, motives not affecting the attractiveness of the Dubai real estate market, other motives proposed by the sample, barriers affecting the attractiveness of the Dubai real estate market, barriers not affecting the attractiveness of the Dubai real estate market, and other barriers proposed by the sample. The variables are discussed in the same order as they occur in the findings chapter, not in ascending or descending order of importance.

5.1. Motives affecting the attractiveness of the Dubai real estate market

Motives affecting the attractiveness of the Dubai real estate market are the incentives that were rated by the Israeli investors in the sample as factors that may moderately, highly, or extremely encourage them to invest in buildings and plots in the Emirate of Dubai between the years 2021 and 2025. The seven predefined variables that have been identified as effective incentives are discussed in the subsections below and cross-referenced with existing studies.

5.1.1. Tourism

There has been debate in the literature about the significance of tourism in the selection of the appropriate FDI market by investors. On the one hand, evidence collected

in Canada (Edgington, 1996), 19 OECD nations (Japan, South Korea, Czech Republic, Hungary, Poland, Slovakia, Mexico, USA, Austria, Denmark, Finland, France, Germany, Greece, Netherlands, Spain, Sweden, Turkey, United Kingdom; Gholipour & Masron, 2011), and Spain (Rodríguez & Bustillo, 2010), suggests that foreign investors traveling to a particular country for tourism purposes are more likely to invest in the economy they are visiting than in others. However, research on the London real estate market has demonstrated that this is not always the case. Poon's study (2017) showed that investors purchase real estate in London not to own a vacation house for themselves—as may be the case in, for instance, Spain (Rodríguez & Bustillo, 2010)—but rather to realise financial gains or as a long-term investment. Therefore, because tourism had little impact on the London market, it was not a major predictor of real estate investments in this study.

In this survey, investors were divided according to how promising they found Dubai's tourism-related aspects. Roughly the same fraction of investors in the sample deemed tourism to be only slightly or not at all encouraging, on the one side, or very or extremely encouraging, on the other (Figure 14). Furthermore, correlation analyses showed that it was a moderately important factor for all four types of real estate, with industrial real estate having the lowest correlation (Table 1). This is logical, as industrial buildings and tourism have very little in common. Contrastingly, residential properties may be greatly affected by tourism as they may be rented out to visitors to the Emirate of Dubai, and commercial properties may also benefit from high yield upon offering services to tourists.

The high stimulus received by the potential Israeli real estate investors due to tourism in the Emirate of Dubai might be explained by Hymer's theory (1960). The substantial disparity between the number of tourists visiting Israel (Israel Central Bureau of Statistics, 2020f) and the volume of visitors coming to the Emirate of Dubai might be interpreted as a failure within the Israeli market (Government of Dubai & Dubai Statistics Center, 2022a), which is what encourages FDI. It is speculated that the high tourist traffic in the Emirate of Dubai was perceived by the respondents as an advantage, making the real estate market in Dubai more attractive than the Israeli immovables market.

According to Dunning's hypothesis (2000), research participants may be classified as market seekers who attempt to exploit a specific advantage in overseas foreign markets. The data indicate that the majority of survey participants were encouraged to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 in order to serve the local market, with an emphasis on the rapidly developing tourism industry in this particular Emirate.

According to the research, the tourist industry is a significant driver of feature Israeli investment in the Dubai real estate market, particularly in the commercial and residential real estate sectors. Investors who enjoy visiting the Emirate of Dubai as tourists themselves are perhaps more inclined to be interested in investing there. Sellers who wish to market their homes to Israeli investors visiting the Emirate of Dubai as tourists may find this information to be helpful.

5.1.2. Absence of corporate tax

Corporate tax rate reduction policies have been used by many nations all over the world as a measure to attract investments. Obama's 2012 revision of the US tax code, Sweden's 2013 corporate tax cut, and Germany's 2008 tax reform are examples of this (Dobbins & Jacob, 2016). The reasoning behind these measures is straightforward: if investors have a choice of several nations in which to invest, they will more frequently select those where they can pay a lower corporate tax rate. According to this logic, an abundance of studies has demonstrated that reduced corporate taxes attract investors and that taxation is frequently among the most important motivators of investor behaviour (Dobbins & Jacob, 2016; Falkenbach, 2009; Gerlowski et al., 1994; Sato, 2012; Zhu et al., 2006; de Mooij & Ederveen, 2008). Therefore, it was predicted that the non-imposition of corporate tax by the UAE would be a major draw for Israeli investors who would prefer to invest in the Dubai real estate market on behalf of a domestic legal entity.

The findings of this thesis unequivocally confirm this expectation. Nearly 60% of survey participants considered the absence of corporate tax in the UAE as a highly or extremely encouraging aspect of investing in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 18). Contrastingly, under a quarter of all respondents indicated it was not encouraging at all. The correlation analyses also revealed a favourable association between investor' opinions on the significance of no corporate tax and their intention to invest in all four types of real estate (Table 5). Commercial real estate had the strongest correlation, with residential real estate just behind. Industrial real estate

had the lowest association, showing that this tax incentive granted by the UAE government is less significant for these kinds of buildings.

It has long been claimed that the UAE must find other sources of income aside from oil to sustain its elevated living standards once the oil is gone. Embracing foreign investors and entrepreneurs has been suggested as one of the strategies to achieve this (Farzin, 1993). Thus, the UAE has refused to implement a corporate tax in order to encourage investors from all over the world (Mosteanu, 2019). The findings of this dissertation further demonstrate the effectiveness of this incentive for foreign investors in the real estate industry, particularly in the commercial and residential real estate sectors.

5.1.3. Expected real estate value growth

Israeli investors in the sample were highly motivated to engage in the Dubai real estate market between the years 2021 and 2025 by the anticipated increase in property value (Figure 20). Only a minority (18.9%) did not consider the predicted value growth to be as encouraging, and a vast majority (55.8%) considered it as highly or extremely encouraging. It follows that the potential for increased real estate worth is a significant and powerful motivator. The findings of the correlation analyses indicate that there are strong correlations between all four types of real estate investment and how promising investors find the predicted real estate value growth to be (Table 7). Residential and commercial real estate have stronger relationships than do the other two. This may be a consequence of the fact that, compared to plots and industrial real estate, these two kinds of assets may be anticipated to increase further in value in the future.

According to earlier studies, the amount of foreign investment in real estate depends significantly on the predicted rise in immovables value (Rodríguez & Bustillo, 2010). For instance, evidence from the Chinese market revealed that the majority of foreign investments are made in regions still under development since it is anticipated that their worth will increase the greatest (Hui & Chan, 2014). Similarly, another study indicated that investments are more likely to be made in properties with greater predicted long-term yield (Falkenbach, 2009)

All these findings, along with those from this research, may be simply explained by high returns on investments being something that investors always aim for. In the case of the Emirate of Dubai, immovables prices in the Dubai real estate market are growing and are expected to increase further (Dahan, 2018). Therefore, from the standpoint of maximizing profits, investors who are aware of this fact will probably be encouraged to invest in this economy over others. It is evident that the Israeli investors in the sample were aware of the anticipated immovables value rise in the Emirate of Dubai since a sizable portion (71.2%) of surveyed investors reported that expected real estate value growth would motivate them to invest.

5.1.4. Investment diversification strategy

International investment diversification, according to theorists, is a valid investment strategy that lowers risk and increases stability (Vos, 1993). This results from the reality that not all economies are developing equally quickly and in similar directions. Thus, simultaneous investments in several countries or economic regions are safer than are

numerous transactions in a single economy, as one economy might expand as its equivalent declines.

However, prior research on the significance of investment diversification as an FDI motive has largely produced unfavourable findings. Studies conducted in Europe (Falkenbach, 2009) and Shanghai (Zhu et al., 2006) have revealed that investment diversification had only a minimal effect on whether investors would be stimulated to engage in these real estate markets. Investors probably did not regard this incentive as being essential, given the existence of more crucial considerations when deliberating whether to carry out an investment in a specific market.

The findings of this thesis are consistent with those of earlier studies, with as few as 7.5% of surveyed Israeli investors being extremely encouraged to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 based on an investment diversification strategy (Figure 22). On the other hand, nearly 26% considered investment diversification to be not encouraging at all, and the majority (27.4%) deemed it to be a moderately encouraging factor. Thus, it seems likely that investment diversification strategy is somewhat relevant as an FDI motive in general but not specifically in the case of the Emirate of Dubai.

The correlation analyses do demonstrate strong relationships between the degree to which investors are motivated by investment diversification strategy to invest in each of the four types of real estate (Table 9). The correlations are strongest for potential residential real estate investment, followed by commercial real estate. Consequently, those who are

highly encouraged to invest due to their investment diversification strategy are indeed likely to invest in the Dubai real estate market, but there are not many of them in this research.

5.1.5. Absence of personal income tax

Like the previously mentioned corporate tax, personal income tax may also be a crucial factor for investors to consider when determining which nation to invest in. Since the UAE does not impose a personal income tax, it is reasonable to assume that investors will be tempted to invest in such an economy to avoid paying higher taxes as compared to other countries. This reasoning is supported by prior empirical data showing that nations with lower personal income tax attract more FDI (Esteller-Moré et al., 2020). For instance, Pantelidis and Nikolopoulos (2008) have demonstrated that higher taxation discourages FDI in Greece.

The non-imposition of income tax on individuals in the UAE was also considered to be a significant factor motivating Israelis to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025, as demonstrated by the thesis and in agreement with research findings regarding the significance of the UAE's lack of corporate tax (Figure 26). Contrastingly, just under one in six participants considered the fact that the UAE does not impose income tax on individuals to be not encouraging at all.

Furthermore, although the connections were not particularly strong, correlation tests revealed significant links between the absence of personal income tax in the UAE and

each of the four real estate categories examined, while potential residential real estate investment was highest (Table 13). These research outcomes are consistent with existing findings which further demonstrate that taxation policies in general, and personal income tax policies in particular, affect FDI and the market selection process (Esteller-Moré et al., 2020; Falkenbach, 2009; Pantelidis & Nikolopoulos, 2008; Zhu et al., 2006).

5.1.6. Israel–UAE double taxation treaty

The Israel–UAE double taxation treaty, which was signed on Monday, May 31st, 2021, was the first treaty signed between the two countries after the conclusion of the peace agreement. The international agreement applies to income tax, corporate tax, capital gains tax, and Israeli-imposed tax on earnings from the sale of real estate, as well as corporate and income taxes enforced in the UAE. To promote bilateral cross-border commerce and investment, income and/or profits made by a physical or legal resident of one of the contracting states may only be subject to taxes in the other contracting state. Income originating from immovable property, incorporated commercial operations, international shipping, air transport, dividends, interest, royalties, capital gains, salaries, directors' fees, and pensions are the core sources of earnings anchored by the treaty (The Government of the State of Israel & The Government of the United Arab Emirates, 2021).

Overseas investments of any kind are significantly influenced by bilateral investment treaties (Jandhyala et al., 2011). Practically, evidence has suggested that each new bilateral agreement signed between the US and other economies between 1966 and 1992 increased foreign investment in the American economy (Blonigen & Davies, 2004).

Therefore, it was predicted that Israeli investors would take advantage of the Israel–UAE tax treaty for the non-imposition of double taxation by being highly motivated to invest in buildings and plots in the Dubai real estate market.

In reconciliation with the thesis hypothesis, the research findings demonstrated that nearly one in three participants reported being extremely encouraged to invest in real estate in the Emirate of Dubai due to the exemption from dual taxation (Figure 27). Contrastingly, only approximately one in six respondents were not encouraged at all by this tax benefit. The correlation analyses revealed that connections between motivation to invest in real estate and opinions on how encouraging the double taxation treaty is are low (Table 14). This indicates that even participants who were not highly eager to invest in the Dubai real estate market found this aspect to be motivating. The perceived importance of the double taxation agreement is most closely associated with potential commercial real estate investments, which may be a consequence of how the tax agreement impacts various business sectors. In any event, the tax treaty is the motivation that received the greatest proportion of 'very encouraging' responses, indicating that it is unquestionably pertinent and that it should be more highly promoted because it is an important motivator for all Israeli investors.

5.1.7. Expected economic growth

One of the most significant predictors of FDI incentives, according to prior research, is present and anticipated economic growth (Hines, 2001). For instance, various real estate investors in Europe have identified anticipated economic expansion as a primary

driving force behind investing (Falkenbach, 2009). Likewise, a study investigating the impacts of numerous determinants of FDI in OECD nations between 1980 and 2003 discovered that one of the most significant drivers of overseas investment was the likelihood of a country's growth in the foreseeable future (Ramasamy & Yeung, 2010). Similar results were also discovered in China (Hui & Chan, 2014) and the US (Moshirian & Pham, 2000).

The findings of the dissertation are consistent with earlier research, since at least one in two Israeli investors in the sample were highly or extremely motivated to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 due to their expectations of its economic growth (Figure 25). However, although the majority appears to perceive future economic expansion in the Emirate of Dubai as a powerful motivator of investment, a non-negligible minority of survey participants did not find it at all encouraging (19.4%).

The correlation tests Illustrated that expected economic growth is significant for potential residential and commercial real estate investment but less so for prospective industrial real estate investment or land acquisition (Table 12). Investors in the sample reasonably believed that commercial and residential real estate will be most affected by economic growth, as Dubai's expected economic expansion is anticipated to be concentrated in the services sector, which includes travel and accommodation, and less in the industrial and agricultural sectors. This expectation is supported by the effort made by the Dubai government to promote the Emirate of Dubai as a desirable travel and business

destination for expats, entrepreneurs, and tourists from around the world (Government of Dubai, 2019).

5.2. Motives not affecting the attractiveness of the Dubai real estate market

Incentives not affecting the attractiveness of the Dubai real estate market are those regarded by the Israeli investors in the sample as slightly or not at all encouraging them to invest in plots and buildings in the Emirate of Dubai between the years 2021 and 2025. In the subsections that follow, the seven pre-set factors that have been determined to be ineffective stimulants are examined in relation to previous research.

5.2.1. Geographical proximity

The findings of this thesis indicated that the geographical proximity of the Emirate of Dubai to Israel does not encourage sample participants to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 7). Nearly 29% of potential investors in the survey implied that proximity was very encouraging or extremely motivating, which is likely because the UAE and Israel are not neighbouring but are instead situated over two thousand kilometres apart. Furthermore, the correlation tests demonstrated that the geographic closeness of the investors in the sample to the target market was significant, with those who perceived it to be more encouraging being more willing to invest (Table 2). This was especially true for commercial real estate, followed by residential and industrial real estate. Planning to invest in plots was the least affected by the physical distance between the two countries.

The dissertation shows that the geographical proximity of the UAE to Israel is rated as a more significant motivation for Israeli investments in the Dubai real estate market. Previous empirical evidence has shown that FDI flow is greatly decreased by geographic distance (Bi et al., 2020) and that a reduced physical distance between the investor's country of origin and the target FDI location increases the probability of investment, with an emphasis on neighbouring countries (Cooke & Lin, 2012). Moreover, distance considerations have been identified as a competitive advantage that boosts FDI (Bitzenis & Žugić, 2014), and convenient access routes have been identified as substantial factors in the investment location selection process (Edgington, 1996; Zhu et al., 2006).

The survey outcomes confirm that, although most investors did not regard the UAE's proximity to Israel as particularly attractive, it still constitutes a relevant consideration. Other investigations have come to similar conclusions. For instance, Edgington (1996) discovered that over the years 1985 to 1993, Japanese real estate investors in Canada concentrated primarily on the west coast of Canada rather than on the country's major metropolis, Toronto, for proximity and accessibility reasons. Furthermore, in alignment with the research findings, a study examining the investment plans of investors from various European countries (Denmark, Germany, Finland, etc.) showed that geographical closeness was a factor affecting investment plans but was not among the most crucial factors (Falkenbach, 2009). Finally, physical distance has been previously linked to increased costs that endanger an investment's sustainability (Fageda, 2017). Rodríguez and Bustillo (2010) have observed that prospective investors in Spain considered the distance

between their home country and Spain when contemplating investments and identified transportation charges as a potential obstacle to the investment's profitability.

All these studies, when considered collectively, support the conclusions of the thesis which demonstrates that geographical proximity is a relevant stimulate for Israeli investments in buildings and plots in the Dubai real estate market between the years 2021 and 2025 but not the primary factor in predicting investment motivation. Therefore, Israeli investors might not be principally driven by geographical proximity to invest in the Dubai real estate market

5.2.2. Climate

Recent years have seen a significant increase in the importance of climate change on long-term investments. Today, when evaluating where to invest, investors must be cautious of future climatic changes that might have detrimental impacts on certain geographical regions. This caution has been found to be particularly appropriate for residential buildings; however, it might also be significant for commercial real estate (Clayton et al., 2021). In the past decade, as the subject has received greater attention, the significance of climate for real estate values has increased since people desire to live in cities with climates that are liveable and familiar to them (Semenenko & Yoo, 2019).

Due to the extreme heat and arid environment of the Emirate of Dubai, experts and urban planners are always seeking advanced construction and design solutions to reduce the temperature (Mohammed et al., 2020; Shareef & Abu-Hijleh, 2020). The findings of

the thesis support the hypothesis that climate may cause investors to reconsider investing in a particular real estate market (Figure 16). Over 60% of Israeli investors in the sample were only slightly or not at all encouraged by Dubai's climate to invest in buildings and plots in its real estate market between the years 2021 and 2025. The correlation tests provided more evidence in favour of earlier conclusions, with residential real estate demonstrating the strongest relationships, followed by commercial real estate (Table 3).

Contrastingly, climate conditions might be perceived as among a given area's resources. Even though they cannot be traded, certain climatic patterns may be profitable resources for the future development of a corporation or economic activity. The approach of resource-seeking employed by a direct investor is a primary reason for FDI, according to Dunning (1993). The similarities between weather conditions in Israel and in the UAE may explain why Israeli investors in the sample did not perceive climate as a unique resource worthy of exploitation.

5.2.3. Immigration

Numerous studies have demonstrated that immigration opportunities, or 'residential tourism', as it is referred to in some research papers, is a factor that motivates foreign direct investors to focus their operations overseas. For instance, a real estate market analysis in Australia hypothesised that Asian nationals would invest in Australian properties with the intention of relocating there (Wong et al., 2017). Similarly, the chase of the Portuguese 'Golden Visa' by investors of Chinese origin is another example of how immigration opportunities attract foreign investors to certain economies or economic areas

over others. According to the report, a significant number of Chinese direct investors stated a desire to settle in Portugal to provide for their families due to its favourable economic, educational, and social conditions (Gaspar & Ampudia de Haro, 2020).

Compared to previous findings, the possibility of migrating to the UAE and establishing residency in the Emirate of Dubai has been identified as another weak motive, as nearly half of all Israeli investors in the sample identified this as only slightly or not at all motivating (Figure 17). The possibility of immigration had the greatest impact on the residential real estate sector, which may indicate that Israelis who would like to move to Dubai themselves are more motivated by this aspect. However, there may not be many of them, as only 12% of investors in the sample found this motivator to be extremely encouraging. Commercial real estate investment had the second-highest correlation, which is logical given that people who invest in commercial buildings may benefit more from obtaining residency status, which enables them to spend more time in the country to handle their commercial activities (Table 4).

The research indicated that the prospect of immigration stimulates Israeli investors, given that the Emirate of Dubai is estimated to have close to three and a half million foreign residents, constituting a significant majority of the population of Dubai and of the UAE in general (Government of Dubai & Dubai Statistic Center, 2022b). The moderate migration trend in Israel in recent years—less than one immigrant per thousand inhabitants (Israel Central Bureau of Statistics, 2020a; Israel Central Bureau of Statistics, 2020e)—may explain the lack of encouragement that Israeli investors in the sample received from the

possibility of relocating to the UAE through investment in buildings and plots in the Dubai real estate market between the years 2021 and 2025. Moreover, it is also conceivable that conducting the research close to the date of the settlement of diplomatic relations between the two countries adversely affected the interpretation of immigration as an investment motive, as perhaps Israelis need more time to explore the UAE and become familiar with the Emirate of Dubai before considering immigration.

5.2.4. Cultural similarities

According to the findings of the thesis, cultural similarities between the Israeli and Emirati people did not provide the Israeli investors in the sample with significant motivation to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 19). In fact, over half of all respondents reported that this aspect was either not encouraging at all or only slightly encouraging. However, it was found to be relevant, particularly in the residential real estate sector, since participants who found the cultural overlaps between the two nations to be more encouraging were also more stimulated to invest (Table 6). This pattern is sensible since individuals often prefer to inhabit areas where the local culture is not drastically different from their own. The fact that residential properties are frequently utilized for their owner' own periodic visits may help to explain the strong correlation between cultural resemblance and potential residential real estate investment.

Numerous studies have addressed the role of culture in overseas investments. In particular, Jandhyala et al. (2011) investigated how the creation of bilateral investment

treaties greatly helps the flow of investments between countries or trade regions. They demonstrated that, among other things, cultural similarities are crucial for advancing discussions and signing bilateral agreement. Speaking the same language, having shared history, and belonging to comparable international organizations are examples of these cultural connections.

The discovery that Australian companies invested primarily in the UK in the 1990s, as they share all the mentioned cultural aspects—English language, colonial history, and status as Commonwealth members—is a straightforward illustration of how cultural similarities positively affect foreign direct investments (Edwards & Buckley, 1998). Companies may opt to do so since they consider the risk to be minimal and feel that the business cultures of the two nations are comparable due to overall cultural similarities. However, a later investigation revealed that this perspective could be deceptive, as the business environment in the UK was very unlike from that in Australia, causing substantial challenges for the Australian investors (Fenwick et al., 2003).

The absence of motivation expressed by Israeli investors towards the UAE may result from several circumstances. Perhaps the Israeli investors in the sample realise that cultural similarities do not inevitably translate into business environment similarities. Contrastingly, it is also conceivable that the two nations are not sufficiently similar in terms of religious affiliation and language. Consequently, it is likely that the survey participants may not consider the two cultures as being sufficiently similar to constitute a solid motive for investment.

5.2.5. Penetration into a new market

In Shanghai, penetration into a new market ranked third in importance for entering the market, just behind the market's potential and a company's development plan, according to a prior survey of the Chinese real estate industry (Zhu et al., 2006). Another study yielded similar findings, showing that foreign investors chose to engage in Eastern and Central Europe due to a desire to expand into unfamiliar markets (Kersan-Skabic & Orlic, 2007). Contrastingly, according to the survey, the percentage of Israeli investors in the sample who were encouraged to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025, as a result of a new market penetration strategy, was relatively low (25.4%; Figure 21). The majority of those surveyed reported that the opportunity of exploring a new overseas real estate market was either not at all encouraging (27.9%) or only slightly motivating (19.4%).

However, the results of the correlation analysis revealed that this opinion strongly predicts whether they will actually be motivated to invest in the Dubai real estate market (Table 8). The greatest relationship found in the research is the correlation between the desire to take advantage of a new market and potential residential real estate investment (r = .456). Therefore, investors are likely to be encouraged to invest in the Dubai real estate market, particularly residential real estate, if they view penetration into the new market as a very positive feature. Moreover, the correlation coefficients for the motivation for investing in the remaining three types of real estate are relatively high as well (between .368 and .398).

5.2.6. Reputation

The volume of FDI a nation receives may be substantially impacted by its reputation. Due to globalization and increased world marketplace transparency, companies that invest in countries with, for example, high rates of human rights violations, may suffer negative images and customer dissatisfaction (Blanton & Apodaca, 2007). In contrast, at the governmental level, nations with greater civil liberties and political freedoms typically attract more FDI (Blanton & Blanton, 2007; Busse, 2004; Harms & Ursprung, 2002). Consequently, businesses and government officials must exercise caution to avoid upsetting the general public.

In this research, the majority of investors considered that the reputation of the UAE is not encouraging at all (28.4%) for investing in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 23). However, many of them also deemed it to be moderately (24.4%), highly (22.4%), or even extremely (9.5%) encouraging. As a result, it appears that there were differences of opinion among Israeli investors in the sample about how encouraging the UAE's image is. It is difficult to determine if this is a result of their perception that the UAE has a poor reputation or because they disregard it as a potential incentive. The findings of the correlation tests demonstrate the high importance of this factor (the second-highest correlation coefficient in the thesis, (r = .45), particularly for residential real estate, where those investors who found the reputation encouraging were more likely to be motivated to invest (Table 10). On the other hand, reputation was significantly less relevant for industrial real estate (r = .23).

Given that the two nations have settled diplomatic relations only recently, after years of disregard, it is reasonable to assume that the image of the UAE in the eyes of the Israeli public is being challenged for a variety of objective and subjective reasons. Thus, those who view the country's traits favourably will undoubtedly be more inclined to invest in it than those who do not. With respect to the findings of this thesis, it is quite probable that as time passes and the nations become more accustomed to one another and the image will alter as well.

5.2.7. High volume of seasonal employees

Numerous studies have demonstrated that FDI has a favourable impact on the host economy's labour market, as such establishments are particularly conducive to the development of many vacancies and the reduction of the unemployment rate (Davidson & Sahli, 2014; Haley & Haley, 1997; Ietto-Gillies, 2012). However, the study of the motivations of foreign investors to invest in a particular economy due to the presence of many seasonal workers in it is deficient.

The findings of the thesis indicate that the large number of seasonal employees working in the Emirate of Dubai was not a significant motivation for Israeli investors in the sample to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 24). Nearly 65% of all Israeli investors in the survey reported that the massive presence of temporary workers in the Emirate of Dubai is not encouraging at all or only slightly encouraging. Contrastingly, only nine respondents in the entire sample

were substantially encouraged to engage in the Dubai real estate market, considering the number of seasonal employees in the Emirate of Dubai

The relationship between this factor and real estate investment motivation was the strongest for potential land investment and residential real estate (Table 11). It is possible that the high fluctuation of workers in the Emirate of Dubai deters the stability of residential and agricultural (land) investments. For instance, it may be quite beneficial to own residential properties and rent them to seasonal employees during certain times of the year, but if they are vacant for the rest of the year, they incur additional maintenance costs. Considering that commercial and industrial real estate do not rely on seasonal workers and that they generate more revenue from locals and visitors than from temporary employees, this may not be as important.

It is conceivable that the negligible encouragement received for the survey participants by this factor was caused by the fact that they did not interpret it in the same manner as the thesis did. According to the research, a large community of foreign employees translates into a sizable community of customers, which is an opportunity to serve an additional sizable market segment. Furthermore, since no prior studies have properly looked at this subject, this may make an excellent subject for future research.

5.3. Motives proposed by the sample

The sample suggested proficiency in Arabic, the official language spoken in the UAE (The United Arab Emirates' Government, 2022a), as a further justification to invest

in buildings or land in the Dubai real estate market between the years 2021 and 2025. This rationale was nominated as an extremely encouraging aspect by a single participant in the entire sample. As previously outlined, it is extremely advantageous for investors to be able to interact with those in the target market effortlessly (Goldberg et al., 2005; Hejazi & Ma, 2011; Jandhyala et al., 2011; Konara & Wei, 2014; Luo & Shenkar, 2017; Ly et al., 2018; Oh et al., 2011; Welch et al., 2001). Consequently, it is important to highlight that an Israeli investor who speaks Arabic will consider this to be a significant motivator when considering investing in Arabic-speaking nations such as the UAE.

5.4. Barriers affecting the attractiveness of the Dubai real estate market

Barriers affecting the attractiveness of the Dubai real estate market are the obstacles that were evaluated by the Israeli investors in the sample as elements that may moderately, highly, or extremely restrict the likelihood that they will invest in buildings and plots in the Emirate of Dubai between the years 2021 and 2025. The eleven predefined variables deemed to be threatening obstacles will be covered in the following subsections, with comparisons to previous research.

5.4.1. Government restrictions on foreign ownership of property and land

The research findings indicate that the second largest barrier to Israeli investment in the Dubai real estate market between the years 2021 to 2025 is the government's limitations on foreign ownership of land and property (Figure 29). Over 65% of Israeli investors in the sample indicated that this factor was either a high-impact or an extreme-

impact barrier to their investment, and as few as 17% identified it as a low-impact or a very low-impact barrier. Correlational analysis further supported the research hypothesis, since it was demonstrated that land ownership had the strongest connections while ownership of residential, commercial, or industrial real estate had slightly lower correlations (Table 16). That is, participants who considered this characteristic to be quite restrictive were therefore considerably less likely to be inspired to participate in the Dubai real estate market, particularly in the land sector.

Given that every property, regardless of its type, is located on a specific plot of land, it is unsurprising that conditional ownership rights in the Emirate of Dubai would constrain participant' willingness to engage in this economy. Moreover, the concern of Israeli investors in the sample is justified since regulations regarding foreign ownership of land and properties in the UAE are complex, subject to many legislative amendments, and varying frequently from emirate to emirate. For instance, foreign nationals and corporations are not permitted to possess real estate in the Emirate of Sharjah but are permitted to use it for a period of no more than 100 years after registering their usufruct with the Sharjah Real Estate Registration Department. In contrast, since 2005, foreign nationals have not been allowed to own land in the Emirate of Abu Dhabi, but a 2019 legislative amendment allowed foreigners to own real estate in nine defined investment areas. In the Emirate of Dubai, the government has designated land plots where non-UAE nationals can acquire usufruct rights, freehold ownership rights over property, or leasehold rights for a limited period not exceeding 99 years, as part of laws enacted in 2006. If there are no modifications in the legislation or the beneficiary's civil status in the UAE,

ownership of the acquired property unit reverts to the freeholder at the conclusion of the lease period (The United Arab Emirates' Government, 2021a).

It is advised that the UAE government and the decision makers in each emirate consider legislative amendments to enable foreign nationals to hold unconditional ownership rights for land and buildings. It could be that allocating more free areas where foreign nationals are allowed to obtain full ownership of immovables, or on the other hand, abolishing this policy and opening up the market entirely to foreign citizens, may increase FDI in the country's real estate industry.

5.4.2. Potential political instability between Israel and the UAE

According to Middle Eastern research done between 2003 and 2009, political stability may be the single most critical factor driving FDI (Salem & Baum, 2016). For instance, research conducted in sub-Saharan Africa, where political unrest has been widespread for decades, has found a substantial negative association between political fluctuation and FDI flows in the area (Williams, 2017).

The results of the thesis indicate that opinions are not split but rather strongly tilt toward considering the two nations' political unrest as a significant impediment to investment. In fact, the research found that this is the largest barrier to Israeli investment in the Dubai real estate market (Figure 30). Nearly 70% of survey participants reported that they would refrain from investing in buildings and plots in the Emirate of Dubai due to a possible deterioration of international relations between the two new allies. Contrastingly,

only 11 cases in the entire sample reported that future political instability does not constitute any obstacle for them.

Based on these outcomes, it is clear that Israeli investors in the sample are not entirely convinced that the relations between the two countries are stable, despite new efforts by the two countries to bring them closer together. This pattern was also reflected in the correlation tests, which partially supported the research hypothesis (Table 17). The stronger connection for residential real estate and land, where this influence was greatest, further demonstrate this. Interestingly, the desire to engage in commercial real estate in the Emirate of Dubai did not significantly correlate with perceptions of the severity of political unrest between Israel and the UAE as a barrier. Further research is needed to determine why this would be the case.

It is recommended that the governments of the two countries take drastic measures to increase the sense of stability between them. Cooperation in every sector may help to solidify the public perception of the durability of relations between the two countries. Thus, as diplomatic ties between the two nations improve, Israeli investors will be less concerned that potential political unrest between the two countries could harm their investments.

5.4.3. Differences in business mentality

Even when two nations are culturally quite similar, variations in business mindset might threaten the profitability of foreign investments, as evidenced by the study of Australian investors in the UK (Fenwick et al., 2003). Further research has demonstrated

that FDI benefits from comparable business mindsets between nations (Folfas, 2011) and is also hindered by mentality disparities (Vlachos et al., 2018). This is a reasonable tendency since it is simpler to transfer an investor's knowledge and habits from their home nation to the target country if the business culture is comparable, rather to drastically alter their own behaviour. On the other hand, if the target economy has a significantly different corporate culture than their own, it could be difficult for them to adapt, which might result in lost time and effort as well as potential financial losses while they establish themselves in the new setting.

The evidence from the research reinforces the existing findings, since the majority of survey participants noted that cultural differences moderately (27.4%) limit the likelihood of their investing in buildings and plots in the Dubai real estate market between the years 2021 and 2025 (Figure 31). This phenomenon suggests that the study's participants do believe there are some distinctions in the business mindsets of the two nations, but that they do not deem them unbridgeable. However, the research hypothesis was only partially supported, as the correlational investigations demonstrated that this barrier is not particularly relevant for the Israeli investors in the sample since the relationships were either weak or non-existent (Table 18).

It is challenging to evaluate what differences in business mentality the respondents in the survey considered, as their answers are not based on solid prior experience in engaging with Emirati merchants or consumers. Overall, a study into the managerial values and mentalities of the two countries has shown that the UAE is a much more collectivistic

society, while Israel is more individualistic (Ralston, et al., 2012). It is perhaps too early to judge, but this insight may contribute to an understanding of possible business differences between the nations; further research is undoubtedly required before making any conclusions or providing specific insights.

5.4.4. Bureaucracy

The results of the thesis indicate that bureaucracy in the UAE is a significant barrier for the Israeli investors in the sample, with over half of all surveyed deeming it a high-impact or an extreme-impact barrier (Figure 32). Only about one in eight participants claimed that bureaucracy does not threaten the prospect of investing in buildings and plots in the Dubai real estate market between the years 2021 and 2025. However, correlational investigations showed that genuine motivation to invest in any of the four real estate sectors is unaffected by one's perception of the size of the obstacle posed by bureaucracy (Table 19). This may be explained by the fact that the Israeli investors in the sample are likely accustomed to bureaucracy. Thus, even if they find bureaucracy annoying, they are aware that it can be resolved with time and effort, and that it does not have any impact on actual motivation for investment.

Previous research has demonstrated that cumbersome bureaucracy may adversely affect FDI. For instance, China's FDI rates surged once its administrative effectiveness was enhanced in 1986 (Dees, 1998). Similarly, research identified sub-Saharan Africa as having severely unfavourable business circumstances, including lengthy bureaucratic procedures, and claimed that these characteristics are the cause of the region's inability to draw more

FDI and strengthen its local economies (Nketiah-Amponsah & Sarpong, 2020). However, in this dissertation, contrary evidence emerged to refute the research hypothesis. The desire of Israeli investors to invest in residential real estate, commercial real estate, industrial real estate, or plots in the Emirate of Dubai was not been influenced by bureaucracy.

Moreover, it should be emphasised that the concern of Israeli investors in the sample is subjective and unjustified, as it relates to investor' expectations of encountering bureaucracy when making an investment in the Dubai real estate market; no response was based on past bureaucratic experience. However, since bureaucracy is considered a potential barrier, it is recommended that the Dubai government keep implementing tools to reduce bureaucracy in order to help foreign investors integrate easily into the local business environment. The use of electronic resources offering clear and transparent guidance to companies and citizens, the availability of information in the Hebrew language, and even the establishment of a unique government branch specializing in assisting investors originating from Israel, can all be effective measures to minimize bureaucracy in favour of increasing Israeli investments.

5.4.5. Discriminatory treatment at the governmental or civil level

Extensive research that examined 49 developing nations showed that discriminatory policies against people of other countries had a considerable negative impact on the inflow of FDI (Reiter & Steensma, 2010). The UAE government appears to practice extensive discrimination, according to Amnesty International: arbitrarily detaining individuals after they have served their prison terms, treating inmates or immigrants from

Africa cruelly, restricting the expression of public opinion by imprisoning individuals, secretly monitoring citizens, and committing other offenses against human rights (Amnesty International, n.d.; De Bel-Air, 2015; Shires, 2021; Sonmez et al., 2011; Ziadah, 2021).

The findings of this thesis demonstrate that nearly every second respondent in the sample was fearful of encountering prejudices and having trouble working with locals when conducting business in the Emirate of Dubai (Figure 33). Only 19 cases in the entire sample did not anticipate becoming the target of discrimination of any type, perceiving this aspect as an exceptionally low barrier that does not negatively affect their potential participation in the Dubai real estate market between the years 2021 and 2025.

However, the research's null hypothesis was only partially rejected (Table 20). The correlational analyses revealed that the strength of the correlation between the perceived importance of this barrier and participants' investment desire was either low or not significant. The strongest link was found for residential properties, indicating that Israeli investors in the sample were more inclined to invest in other types of real estate than in residential, where they might themselves eventually live. This may be a reasonable outcome of the concern that, if they bought residential property and moved to the Emirate of Dubai temporarily or permanently, they could face prejudice in their daily life. This would suggest that even though Dubai's Jewish minority has been more noticeable in recent years (Menachem Zoufalá et al., 2021), it is still a relatively tiny minority, and Jews might require more time to feel less discriminated against and more like equal members of Dubai society.

The fact that diplomatic relations between the two countries are still in the early stages may help to explain why the Israeli respondents in the sample were concerned about the probability of prejudice and discrimination. It is advised that the government of Dubai in particular, and the UAE government in general, take this concern seriously and develop a special strategy to welcome foreign investors originating in Israel. Moreover, diverse and accelerated collaborations between the governments of the two countries may also instil a sense of security and faith in the long run.

5.4.6. Exchange rate volatility

The findings of this thesis suggest that Israeli investors in the sample view exchange rate fluctuation as a moderate-impact investment barrier (31.8%; Figure 34). Compared to those who stated that exchange rate fluctuation posed a high or substantial barrier for them, a larger percentage of respondents reported that their decision-making process regarding investments in buildings and plots in the Dubai real estate market between the years 2021 and 2025 is affected by currency disparities to a minimal or low extent.

Consequently, the findings of the research suggest that, while not necessarily an insurmountable barrier, exchange rate volatility is probably something to consider (Table 21). Given that it only significantly correlated with land investments and that the correlation was relatively weak, the findings of the correlational tests demonstrated that it is not a very relevant component in determining investor FDI motivation. This barrier appears to exist, yet investors do not find it extremely significant; hence, the null hypothesis has only been partially refuted.

Previous research has suggested that FDI may be significantly hindered by exchange rate volatility. According to a study conducted in Iran, aside from the price of crude oil, currency rate volatility was one of the major obstacles to FDI between 1980 and 2006 (Sharifi-Renani & Mirfatah, 2012). Contrastingly, several extensive studies have also demonstrated that the impact of exchange rate fluctuation on FDI may be negligible or even non-existent (Crowley & Lee, 2003; Kiyota & Urata, 2004; Osinubi & Amaghionyeodiwe, 2009). The results of the research thus appear to corroborate this line of research, suggesting that other, much stronger factors are more important and more impactful.

Moreover, given the fact that the thesis was conducted near the date of the signing of the peace agreement between the two countries, it is conceivable that the minimal familiarity of Israeli investors in the sample with the currency used in the UAE influenced their interpretation of this barrier. It may be that physical use of the currency and longer acquaintance with its fluctuations would lead to different results.

5.4.7. Potential low return on real estate investments

Return on investment (ROI) is an important measure in the business arena, especially among real estate investors. This ratio allows investors to factually assess the profitability of a potential real estate investment before undertaking any transaction. Depending on the investor's objectives, mathematically, capital yield measures the ratio between the capital gain (the selling price less the acquisition price and potential taxes) compared to the transaction value, and rental yield represents the annual profit from the

property's usage fees as a percentage of the property's value, that is, the total annual rent divided by the property's value, including taxes and associated costs.

As mentioned above under the heading 'Motives affecting the attractiveness of the Dubai real estate market', one of the main factors influencing Israeli investor' desire to enter the Dubai real estate market is the expected real estate value growth, that is, the expectation to obtain high capital/rental return on real estate investments (Figure 36). It was therefore unsurprising that they considered one of the largest obstacles to be the possibility of receiving low returns on their real estate investments. Almost one in two Israeli investors in the sample reported that the likelihood of their investing in buildings and plots in the Dubai real estate market between the years 2021 and 2025 significantly reduced due to potential low return on real estate investments.

However, the research hypothesis was entirely rejected by the correlation tests (Table 23). Specifically, the thesis failed to demonstrate significant correlations between this factor and actual motivation to invest in any of the four examined real estate sectors. Therefore, the motivation expressed by the Israeli investors in the sample to become engaged in the Dubai real estate market was not affected by the extent to which they perceived the potential for a low return on real estate investments.

It is possible that the investors' surveyed simply do not expect low returns on their investments, given that the literature and past market practice primarily demonstrate that the Dubai real estate market is expanding (Dahan, 2018) and that the investors themselves find the expected real estate value growth in the Emirate of Dubai to be encouraging.

Instead, they determined that if the investments produced low returns, a considerable barrier would be created by the projected low yield on investments.

5.4.8. Unfavourable regulatory and legal framework

It appears that adverse legal and regulatory frameworks have detrimental impacts on FDI (Figure 37). Even strong economic powers like the USA have specialized regulatory and legal structures that permit the earning of foreign investments, since FDI can have significant impacts on their economies (Sauvant, 2009). Maskus (2000) has stated that supportive legislation concerning intellectual property may significantly increase a nation's ability to attract FDI. For instance, once Latin American nations began to regulate their legal systems and improve their property rights, they began to attract an increasing number of international investments (Biglaiser & Staats, 2010). Therefore, it would be expected that Israeli investors in the sample would be severely discouraged from investing in the Dubai real estate market if they found the regulatory and legal framework of the UAE to be unfavourable.

The findings of the research are consistent with previous evidence. Over half of all Israeli investors in the sample expected that dealing with the UAE's legislative, judiciary, and executive branches would be challenging, which considerably decreased their desire to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025. Only one in ten investors in the sample believed that this aspect had a very low impact.

The research's null hypothesis was only partially rejected, as the correlation studies showed only a link between the motivation of investors in the research to invest in plots in the Emirate of Dubai and the extent to which they perceived the regulatory and legal framework in the UAE to be challenging (Table 24). Such a pattern suggests that both investors who intend to invest in industrial, commercial, or residential real estate and those who do not view the aspect as influential. However, individuals who view this element as more restrictive when it comes to land are less inclined to invest, which may be related to consideration of Sharjah's ban on foreigners owning land (The United Arab Emirates' Government, 2021a). Although there is no clear link between the restriction imposed in the Emirate of Sharjah and the current policy in the Emirate of Dubai, the fact that it applies to one area in the UAE may give investors reason to believe that it will eventually apply to other emirates as well.

It is advised that the UAE Federal Government and the Government of Dubai maintain their relentless efforts to strengthen their regulatory and legal systems for the advantage of international investors. Facilitating foreign investors and legislative amendments, particularly regarding conditional ownership rights, may be implemented to increase the attractiveness of the UAE as a destination for foreign investment.

5.4.9. Macroeconomic instability

According to the thesis's findings, the UAE's macroeconomic volatility is regarded as a significant obstacle, with over 50% of Israeli investors in the sample indicating that it significantly impairs their likelihood to invest in buildings and plots in the Dubai real estate

market between the years 2021 and 2025 (Figure 38). This suggests that participants believe the UAE to be an economically unstable nation and that this volatility affects their motivation to invest. This was expected, as it is true in any country in the world.

The research hypothesis was only partially supported (Table 25). According to correlational analyses, the only investments that relate to one's perception of the significance of this barrier are those in plots. Although the correlation was modest, participants who believed that macroeconomic instability was a significant obstacle were more reluctant to invest in land. Given the findings of the thesis, it is challenging to determine with certainty whether this is because participants believe land resources to be more affected by macroeconomic variables. Future research should examine this topic in greater detail.

The results of the dissertation reinforce existing findings, since macroeconomic stability has been found to be a desirable condition for foreign investors. For instance, research conducted across the Middle East and North Africa has shown that the region's FDI could be accurately predicted using a measure of macroeconomic stability or instability (Chan & Gemayel, 2003). Similar findings were observed when examining the relationship between investments from Europe and the Middle East or North Africa (Chenaf-Nicet & Rougier, 2016). Finally, a study finding that a country's macroeconomic parameters must rise above a particular level for FDI to have a beneficial impact on its economy demonstrated the significance of the link between macroeconomic stability and

FDI. That is, a country's macroeconomy must not be too unstable if FDI is to be effective in boosting its economy (Gbakou et al., 2008).

Consequently, to attract more international investors and have those investments maximize their influence on the country's economic growth, it is crucial that the UAE in general, and the Emirate of Dubai in particular, enhance their macroeconomic parameters such as inflation, GDP, and unemployment. It is difficult to draw conclusions about the sources the survey respondents used to build their opinions on the macroeconomic instability of the UAE. However, the findings of the thesis do prove that increasing awareness and accessibility of information is necessary to gain the trust of Israeli investors.

5.4.10. Designated free trade zones

As has already been noted, in the UAE in general and in the Emirate of Dubai in particular, there are limited free trade zones where foreigners are permitted to obtain full ownership rights over tangible and intangible assets (The United Arab Emirates' Government, 2022b). As a result, foreign investors are more limited than usual in their choices, and it has been speculated that this may harm their motivation to become engaged in this specific market compared to other economies.

In alignment with research expectations, it was discovered that nearly one of two respondents in the sample were highly discouraged to invest in buildings and plots in the Dubai real estate market between the years 2021 and 2025 due to the government's designation of specific areas where non-UAE citizens can conduct fully controlled business

operations (Figure 39). However, as land was the only real estate sector for which a correlation was noted, one's judgment of the barrier's significance has no impact on one's motivation to invest (Table 26). Furthermore, it should be noted that the identified correlation was extremely weak, suggesting that there may be a tendency for investors who deemed the existence of designated free trade zones as an obstacle to be less likely to invest in the Dubai real estate market but that this connection is not very noticeable.

Consequently, the research hypothesis was only partially supported. It is evident that although investors may believe trade zones to constitute a barrier to investing in the UAE, the trade zones would not prevent them from doing so if they had any intention to. There have been no prior studies examining the effects of Dubai's free trade zones on real estate FDI; thus, more in-depth study of this subject will be helpful in the future.

5.4.11. Travel restrictions

The ability to visit a country is crucial when considering whether to invest in it. It has been demonstrated that in the event that one government unilaterally imposes a visa requirement on citizens of another country without the other country imposing a similar restriction, it might reduce bilateral commerce and FDI by up to 19% and 25%, respectively. The effect on commerce and FDI is greater if both nations demand visas from citizens of the other country (Neumayer, 2011).

The findings of the thesis do not challenge previous studies, since the majority (50.2%) of Israeli investors in the sample reported that they would highly avoid real estate

investments in the Emirate of Dubai between the years 2021 and 2025 in case entry restrictions are imposed (Figure 40). The correlation tests partially supported the research hypothesis, as a weak link was found between the survey participant' opinions on the importance of travel restrictions and the desire to invest in three of the four real estate sectors examined (Table 27). Industrial real estate was the only potential investment for which the association was not statistically significant. Although the correlations are weak, they show that investors are less inclined to invest in the Dubai real estate market if they see visa requirements and other travel restrictions as significant impediments.

Throughout the data collection process, Israeli citizens were obliged hold a tourist visa in order to be allowed to enter the UAE territory. Only a month later, all Israeli passport holders were granted an exemption from the need to present a valid tourist visa upon entering the UAE (Ministry of Foreign Affairs & International Cooperation, 2021). The survey's findings reinforce that if the UAE alters its policy in the future and imposes entry sanctions on Israeli citizens, the nation may suffer significantly from a decline in the volume of Israeli FDI in the country, since such limitations have been identified as extremely threatening.

5.5. Barriers not affecting the attractiveness of the Dubai real estate market

Barriers not affecting the attractiveness of the Dubai real estate market are the impediments considered by the Israeli investors in the sample as causes that slightly or do not at all reduce the likelihood that they will invest in buildings and plots in the Emirate of Dubai between the years 2021 to 2025. The two pre-set challenges that were determined to

be negligible obstructions are reviewed, along with a comparison to prior research in the following subsections.

5.5.1. Religious differences

The possibility of trade between nations may be obstructed by religious differences, as there may be significant discrepancies in their moral standards and social beliefs. Evidence from the Spanish hospitality industry has demonstrated that the presence of foreign hotels is less common in nations with greater informal institutional differences (Fernando et al., 2020). Moreover, it has been established that investors of Japanese descent consider religious diversity to be a significant concern when determining in what economy to become engaged (Dolansky & Alon, 2008).

Unexpectedly, the findings of the thesis proved otherwise (Figure 28). The vast majority of survey participants (27.9%) did not perceive the dissimilarity between the dominant religion in Israel, Judaism (United States Department of State, 2019a), and the primary religion in the UAE, Islam (United States Department of State, 2019b), as a barrier restricting their likelihood to invest in buildings and plots in the Dubai real estate market over the years 2021 and 2025. However, the remaining responses were distributed across the categories rather evenly, demonstrating that only one in six respondents opposed FDI in the Emirate of Dubai because of religious dilemmas.

The correlational analyses indicate that, in all four sectors, the incentive to invest in real estate was influenced by opinions on the extent to which religious differences

constitute a hindrance (Table 15). Thus, participants who believed that religious differences are a greater barrier were less likely to be motivated to invest in the Dubai real estate market, especially in commercial buildings and plots. This pattern may be explained by the possibility that religious distinctions may be the most permeable and threatening in the commercial environment.

5.5.2. Language differences

The complexity of investing abroad is increased by the high administrative and transaction expenses brought on by linguistic barriers between the investor's home country and the target country (Luo & Shenkar, 2017; Welch et al., 2001). Numerous studies have shown that FDI is primarily directed at nations that speak the same language as the investor's country, or at least a linguistically comparable language (Goldberg et al., 2005; Hejazi & Ma, 2011; Konara & Wei, 2014; Ly et al., 2018; Oh et al., 2011). Due to the necessity of communicating with several entities outside one's border—including managers, sales representatives, consumers, authorities, and the general public—the similarity of the languages makes operating a business much simpler and less expensive (Konara & Wei, 2014).

The results of the thesis unexpectedly provided contrary evidence (Figure 35). The Israeli investors in the sample did not attach much importance to the difference between the languages spoken in Israel and in the UAE. The majority of those surveyed claimed that there is only a minor (54.8%) effect of linguistic variations on potential real estate investments in the Emirate of Dubai between the years 2021 and 2025, while only 27 cases

in the whole sample considered it an extreme-impact barrier. This is probably because Israel is surrounded by Arabic-speaking nations and because, until 2018, Arabic was one of its native tongues. Since then, however, the Jewish nation-state bill has been passed into law, making Arabic an auxiliary language that is still used by a fifth of the population (The Knesset, 2018).

However, the correlation analysis showed that individuals who do believe communication difficulties resulting from language differences to be an issue are considerably less inclined to invest in the Emirate of Dubai, particularly in residential real estate and plots (Table 22). This segment of Israeli investors in the sample may negative opinions about the UAE and does not wish to adapt to the country's language.

5.6. Barriers proposed by the sample

Out of all the subjects in the sample, 12 exercised the ability to nominate further obstacles that would make it less likely for them to engage in the Dubai real estate market between 2021 and 2025. The four external extreme-impact investment challenges identified by the survey included global warming, the absence of democratic government in the UAE, the marginalization of women, and mistrust of the peace agreement between Israel and the UAE. Except for climate change, which was brought up only once by a single respondent, the other obstacles were proposed by a number of participants.

The participant who expressed concern about global warming clearly fears the climate change that is occurring and its significant effects on the real estate market. Given

that Dubai's climate is already arid and hot, the expectation that further regional climate change will have an adverse impact on the local real estate market is reasonable. Furthermore, as has been discussed already, the absence of democratic rule in the UAE was another negative factor deterring investors from investing due to fear that their investments will be mistreated and thus fall in value (Blanton & Apodaca, 2007; Blanton & Blanton, 2007; Busse, 2004; Harms & Ursprung, 2002). These participants clearly already consider the UAE a nation lacking in democratic government, which increases the likelihood that they would be discouraged from executing investments there.

The exclusion of women in the Emirate of Dubai was proposed to be detrimental to investment, particularly for female investors who may anticipate discrimination. This hypothesis ties into the overall unfavourable reputation that the UAE has among more liberal investors who view gender equality as one of the cornerstones of a free and equitable society (Amnesty International, n.d.). Finally, it can be concluded that those who oppose the peace between Israel and the UAE had perhaps been more severely impacted by previous confrontations between the two nations and believed that the newly formed diplomatic ties are mainly based on false premises. Therefore, future investment in the Emirate of Dubai will undoubtedly suffer because of the lengthy history of hostility between the two nations, and it will certainly take more time for Israeli investors to feel confident enough in the stability of the relationship between Israel and the UAE to commit their capital to it.

5.7. Summary

Overall, the thesis identified that potential Israeli engagement in the Dubai real estate market in the period between 2021 and 2025 is favourably influenced by seven incentives and adversely challenged by 11 barriers. Cross-discussion between the findings of the thesis and the existing academic and professional literature confirm that this research is well positioned in the existing knowledge in the field, since the discussion has revealed agreements, and occasionally reasonable contradictions, between its outcomes and previous studies.

The following chapter examines in further detail the dissertation conclusions in relation to the research questions, hypotheses, and objectives.

CHAPTER VI:

GEENERAL CONCLUSION

In this chapter, the overall thesis conclusions are extracted according to the sequence of the research questions and hypotheses. Following this, implications and useful practical advice for resolving concerns brought up by the research are considered, and lastly, the limitations of this dissertation and recommendations for future research are emphasised.

6.1. Conclusions

The historic Israel–UAE peace treaty, which established the legal foundation for future economic cooperation between these two countries, served as the impetus for this cross-sectional exploratory research. The research failed to identify any valuable professional or scientific literature on FDI in the Dubai real estate market by Israeli investors, due to the very recent establishment of diplomatic relations between the two nations. Accordingly, the fundamental target of this thesis was to build a foundation of expertise concerning the motivations and hazards affecting Israeli direct real estate investor' potential entry into the Dubai real estate market in the period between 2021 and 2025 by purchasing properties under the definition of FDI. While it emphasises that goal of this dissertation was to observe results quickly, a more prolonged time frame would likely yield identical outcomes.

Employing an anonymous, self-administered, and internet-mediated questionnaire, the thesis explored the Dubai real estate market through the willingness of Israeli investors to invest in it, in terms of the motives and obstacles relevant to them. Through the investigation of 14 motives and 13 obstacles, the two postulated research questions were addressed. To better understand how Israeli investors weigh different variables when determining whether to engage in the Dubai real estate market between the years 2021 and 2025, the responses to these research questions have been summarized and integrated. The research conclusions are based on replies from 201 ($N = 201$) Israeli physical persons aged 18 or older, of whom 50 ($n = 50$) have past experience in overseas real estate transactions.

Overall, the thesis met its objectives and purpose by providing unambiguous answers to its questions and resolving its hypotheses. The research adequately evaluated how appealing the Dubai real estate market is to potential Israeli direct real estate investors in the sample, explored potential driving forces behind Israeli investors in the Dubai real estate industry, examined factors that would discourage Israeli investors from purchasing buildings or land in the Dubai real estate market, further contributed to the enlargement of the professional and academic literature in the field of FDI, and constituted a breakthrough in the study of direct Israeli real estate investments in the Emirate of Dubai in the background of the Israel–UAE peace agreement.

6.1.1. What factors might motivate Israeli physical persons to invest in buildings and land in the Dubai real estate market in the period between the years 2021 and 2025?

The prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is influenced by the following motives, in descending order: (1) the Israel–UAE tax treaty preventing double taxation, (2) the absence of personal income tax in the UAE, (3) the non-imposition of corporate tax, (4) the high number of tourists visiting this particular regain of the UAE, (5) the foreseen expansion of Dubai's economy, (6) the anticipated increase in the value of the real estate in the Emirate of Dubai, and (7) the diversification of investments.

Contrastingly, the prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is not influenced by the following motives, in descending order: (1) climate, (2) the high volume of seasonal employees in the Emirate of Dubai, (3) cultural similarities, (4) immigration (5) geographical proximity, (6) reputation, or (7) penetration into a new market.

Out of all 14 investigated motives, six stood out as the most relevant: corporate tax exemption, the projected increase in real estate value in the Emirate of Dubai, the predicted economic expansion in the UAE, the non-application of personal income tax, the double taxation avoidance agreement between Israel and the UAE, and the large number of travellers to the Emirate of Dubai. In essence, this indicates that the Emirate of Dubai's favourable tax regime and business environment are highly stimulating to the research

participants since tax policies and economic development are the most important elements motivating the Israeli investors in the sample to engage in this particular foreign economy. Furthermore, the research findings prove that the UAE–Israel tax pact successfully encouraged Israeli investors to enter the Dubai real estate market.

Despite only weakly encouraging Israeli engagement in the Dubai real estate market, penetration into a new market, the UAE's reputation, and a large number of seasonal low-cost workers in the Emirate of Dubai were still demonstrated to be extremely significant to the potential investors in the sample, and they had substantial associations with investment motivation. Thus, investors who found these qualities motivating were extremely likely to invest, suggesting that Dubai authorities and marketers could make use of these factors to accelerate inward FDI. By highlighting the Emirate of Dubai's strong image and attractive market, one may persuade investors who had not previously viewed these aspects favourably to start investing in this particular region.

The remaining stimuli, including geographical proximity, climate, immigration, and cultural similarities, were not encouraging at all, except for the investment diversification strategy, which was moderately encouraging. Although some variables, such as physical distance and weather, are hardly ever altered, these potential incentives point to certain adjustments that the Dubai government must consider to attract more Israeli FDI. They represent the gaps in Israeli real estate investor' investing motives, and it is likely best to handle them as such while emphasising the previously mentioned advantages.

Concerning the null hypothesis, the bivariate analyses yielded findings that entirely reject this hypothesis since all investment incentives explored were statistically associated with prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market over the years 2021 to 2025.

6.1.2. What circumstances might deter Israeli physical persons from investing in immovables in the Dubai real estate market in the period between the years 2021 to 2025?

The prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is influenced by the following barriers, in descending order: (1) potential political instability between Israel and the UAE, (2) government restrictions on foreign ownership of property and land, (3) discriminatory treatment at the governmental or civil level, (4) travel restrictions, (5) potential low return on real estate investments, (6) unfavourable regulatory and legal framework, (7) macroeconomic instability, (8) designated free trade zones, (9) bureaucracy, (10) exchange rate volatility, and (11) differences in business mentality.

Contrastingly, the prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is not influenced by the following barriers, in descending order: (1) language differences, and (2) religious differences.

Based on these variables, it appears that the two largest barriers for the Israeli investors in the sample looking to enter the Dubai real estate market are practical

investment restrictions and political concerns with the UAE about human rights and bilateral relations with Israel. Potential low returns on real estate investments are an exception to that rule, but as previously noted, the participants most likely understood this question to mean whether they would be discouraged from investing if they knew in advance that they would receive low returns. Moreover, despite restricting Israeli integration in the Dubai real estate market, bureaucracy and potential low return on real estate investments were the only variables that had no association with investment motivation.

The remaining barriers are blatant signs that the Israeli investors surveyed disapprove of the human rights situation in the UAE and are highly suspicious of the present treaty between Israel and the UAE. This is further supported by the fact that when asked to nominate any additional barriers, numerous participants responded that they were sceptical of the two countries' current state of peace, that they did not like how women were excluded, and that there is no democratic government in the UAE.

Variations in business mindset and currency rate volatility were among the moderately significant barriers. These nuances appear to be minor quibbles that do not seriously disturb investors. Since these barriers make the investments a little more difficult but not impossible or risky, they could be simpler to overcome than the previously mentioned factors. Furthermore, they are not something that the UAE can readily regulate, therefore they cannot be a future improvement target.

Finally, religious differences and language barriers were deemed weak by the participants. Given that Arabic is widely spoken in Israel and that there are many competent interpreters available, this element probably does not substantially impact whether Israeli and Emirati entrepreneurs can successfully collaborate. Unexpectedly, the sample's only external justification for investing in properties or land in the Dubai real estate market was proficiency in the native language spoken in the UAE.

When reconciling the research hypotheses concerning the effects of certain barriers on Israeli physical individual' prospective engagement in the Dubai real estate market between the years 2021 and 2025, the univariate and bivariate analysis findings slightly bias the research conclusions. Unlike the dichotomous rejection of the null hypothesis regarding the noninfluence of several motives on Israeli physical individual' potential participation in the Dubai real estate market, only some investment barriers investigated were statistically linked with prospective Israeli FDI in residential real estate, commercial real estate, industrial real estate, or land in the Dubai real estate market over the years 2021 to 2025.

According to the correlation analyses, the prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is influenced by the following barriers: (1) dissimilarity between the dominant religion in Israel and the primary religion in the UAE, (2) government restrictions on foreign ownership of property and land, (3) language differences, (4) potential political instability between Israel and the UAE, (5) potential differences in business mentality between the Israeli and Emirati

merchants or consumers, (6) discriminatory treatment at the governmental or civil level, (7) exchange rate volatility, (8) potential unfavourable regulatory and legal frameworks in the UAE, (9) potential macroeconomic instability in the UAE, (10) the limited number of free trade zones where foreign nationals can obtain full ownership rights over assets or companies in the Emirate of Dubai, and (11) potential travel restrictions such as visa requirements.

Contrastingly, according to the correlation analyses, the prospective entry of Israeli physical persons into the Dubai real estate market between the years 2021 and 2025 is not influenced by the following barriers: (1) potential low return on real estate investments in the Emirate of Dubai and (2) bureaucracy.

6.2. Implications and applications

The thesis's most important finding is that political structural issues in the Emirate of Dubai have significant roles in encouraging and hindering Israeli investment. On the one hand, permissive tax laws and economic expansion are the main drivers, but human rights concerns and Israel's tense relationship with the UAE are the main impediments. This indicates that the level of control that Dubai authorities have over the flow of foreign investments is very high. Consequently, the current tax incentives offered should be maintained, and perhaps even expanded, to allow foreigners to acquire real estate outside of the current restrictions, if they wish to boost the volume of inward FDI. Although the present restrictions, in the form of defined free trade zones, do not appear to be significant

barriers, they still exist and may discourage some potential investors from investing in this economy.

On the other hand, if the Emirate of Dubai wishes to avoid scaring away potential investors, it needs to concentrate on quickly modifying several of its regulations, starting with its reputation. Investors pay close attention to a country's reputation as shareholders and consumers do not wish to do business with corporations headquartered in or associated with nations known for violating human rights. There is little doubt that the UAE's robust economy and welcoming tax laws have been adequate to draw foreign investment thus far, but there may be a limit to how much economic development can be created while investors turn a blind eye to human rights concerns. Furthermore, improving the situation in this manner would certainly draw in more people, including investors, tourists, traders, and workers. Therefore, if Dubai wants to keep its status as a commercial and tourist hub, the government must promote and implement a policy of equal rights with an emphasis on foreign workers and citizens, and reduce the extent of government interference in the everyday lives of citizens and residents in terms of freedom of choice, mobility, and expression.

Diplomatic relations between Israel and the UAE seem to be progressing presently. Although many investors in the sample are still not persuaded, the two countries' ties are still improving, and some investors are already eager to grasp the opportunity to enter a recently opened market. Religious, geographical, and cultural divides between the two nations do exist, but they can and must be bridged to promote regional peace and economic

prosperity. Investors could incur losses and are extremely likely to be deterred from investing again in this specific foreign economy if a dispute were to arise between the two countries, even if the bilateral relationship improves again. Therefore, it is highly recommended for the leaders of the two countries to raise awareness of and to deepen further their international relations, in all fields, and instil a secure and warm atmosphere between the nations. Moreover, it is crucial for Dubai governors and marketers to highlight that the economy is growing and that there are solid grounds for anticipating continue to grow, raising the value of immovables in the process.

It could be a simpler to tackle the second significant category of challenges. Bureaucracy, investment-related legal frameworks, restrictions on foreign ownership of assets, and similar issues are relatively simple to modify and could encourage many investors to consider entering the Dubai real estate market. Currently, there are significant barriers, which are probably caused by the market's constraints and practical challenges. Since other markets may be equally profitable but less complex than Dubai, it is no wonder that investors are unlikely to choose to invest there. However, investors would undoubtedly be more interested in investing if given greater freedom. Therefore, before confronting the major concerns affecting bilateral ties, bureaucracy may be the first and fastest challenge to solve in order for the Dubai government to attract more FDI.

There are smaller-scale consequences of the study in addition to these broad results. One implication is that even if most investors in the sample see certain characteristics as more or less inspiring or discouraging, a minority may still feel the opposite way about

them. High correlations were frequently observed in these situations; for instance, most investors were not inspired by cultural similarities, but those who were stimulated were very inclined to invest. This suggests that various investor types may have varied levels of motivation to engage in a given market, depending on whether they are interested in certain characteristics of the target market. These investor subgroups may be crucial for focused marketing since they may have views that differ from the majority but in a way that is advantageous for Dubai's continued development.

6.3. Limitations and recommendations for future research

Although the research has revealed unique and vital information regarding the Dubai real estate market and variables that influence Israeli investor' motivation to enter it, it also has several considerable shortcomings, which are discussed in this section.

The first weakness of the thesis is that the survey format did not allow for high precision in determining the reasons behind participant' responses. For instance, the research has no means of knowing how each participant perceives the UAE's reputation, even when they judge this motive as an inspiration. Some respondents could indicate they lack motivation but consider the UAE to have a great reputation, while others could be unmotivated since they believed the UAE has a negative image. In this case, interpretation is complicated by the fact that several of the other questions also contained ambiguity of a similar nature.

While the survey questions could have been formulated more precisely to avoid ambiguity, this constraint is frequently present in survey procedures, and it is seldom straightforward to understand exactly why a participant answered a question in a particular manner without applying qualitative approaches. Therefore, even with improved wording, this limitation would be present, as it is an inherent aspect of surveys. This restriction was accepted since using a quantitative technique allowed results from a sample ($N = 201$) to be cautiously applied to the research population. This selection was made deeming it more significant to understand, with a little less precision, what Israeli investors consider to be the most and least important factors when deciding whether to invest in Dubai's real estate market, as opposed to fully understanding the opinions of a small number of investors, as qualitative research would.

However, given that this quantitative research has compiled the most crucial components, it is advised that future researchers perform a qualitative investigation to determine precisely why investors find certain characteristics to be troublesome or inspiring. It is recommended to further explore the opinions of Israeli investors towards UAE policies, investment possibilities, future expectations, bilateral links between Israel and the UAE, and other elements that deemed crucial in the thesis. Moreover, it is recommended to examine UAE laws and regulations, including a thorough study of the motivations behind the development of each policy, its success or failure in achieving its goals, and any unintended effects. Lastly, it is advised to interview experts from both economies to learn the strongest approaches to resolving these problems and enhancing

these attributes. A highly thorough and precise picture of the situation may be constructed by considering all of these factors and the findings of the thesis.

The thesis's use of a simple correlational design rather than the development of more intricate statistical models—that could directly compare the relative weighting of each of the drivers and inhibitors in determining an investor's willingness to invest in the Dubai real estate market—is a second limitation. However, this was also a consequence of the nature of the research: by utilizing a multiple regression analysis, or other multivariate statistical procedures, it would be compared to how much thinking that a factor is encouraging or not affects motivation to invest. These analyses were not conducted since the view of whether certain aspects are motivating or discouraging was instead the focus of this dissertation. The additional information provided by the correlational analyses was adequate but only supplementary, with descriptive statistics providing most of the necessary details.

A final limitation of the thesis is that its research is cross-sectional. While it accurately reflected the participant' attitudes at the time the survey was completed, this viewpoint may change because of future geopolitical or other events. It would be prudent to ascertain how investor' attitudes change in response to changes in the UAE's system and its bilateral ties with Israel and other nations. However, conducting a longitudinal analysis was beyond the scope and resources available for the thesis.

Conclusively, the current analysis lays a solid groundwork for future inquiries into Israeli FDI in the Dubai real estate market. Additional research might take the following

paths: (1) to understand precisely why the variables identified in this dissertation are crucial for the participants, (2) to comprehend the ideal course of action for the Dubai government, other Emirates, and/or the entire UAE government in order to consider the context of FDI motives and barriers, and (3) to further explore factors whose impacts on investment remained unclear in the thesis by using further quantitative and qualitative techniques, including the existence of designated free trade zones, macroeconomic instability, and the high volume of seasonal low-cost employees.

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APPENDIX A:

Research Questionnaire-English Version

Would you invest in the Dubai real estate market?

Dear participant,

This questionnaire aims to extract information regarding the level of interest of Israeli physical persons in real estate investments in the Emirate of Dubai over the years 2021 and 2025, following the Israel-UAE peace agreement. The study focuses on identifying the factors that may motivate the entry of Israeli physical persons into the Dubai real estate market and the barriers that may limit such a trend.

This questionnaire is entirely anonymous - no respondents can be identified based on the information provided. All the information provided will be kept confidential.

It should take around five to eight minutes to complete the questionnaire. Please take the survey at a time when you are not likely to be interrupted. Please do not disregard the issues presented, even if you believe they do not directly apply to your case.

Thank you!

Roi Sharon | Roisharon@outlook.com
DBA student, Swiss School of Business and Management Geneva (SSBM)

*Required

Consent Form

1. **Are you over the age of 18?** *

   Mark only one oval.

   ◯ Yes
   ◯ No

2. **Are you an Israeli citizen?** *

   Mark only one oval.

   ◯ Yes
   ◯ No

3. **By checking the "Yes" box, I express my full consent to participate in this study anonymously. I declare that I have read and understood the information sheet above. I realize that my participation is entirely voluntary and that I am free to withdraw at any time without giving a reason.** *

Mark only one oval.

- ◯ Yes *Skip to question 4*
- ◯ No *Skip to section 7 (**Thank you!**)*

Section No. 1: Demographic Analysis

4. **Gender** *

Mark only one oval.

- ◯ Male
- ◯ Female
- ◯ Other: _____

5. **Age** *

Mark only one oval.

- ◯ 18-20
- ◯ 21-29
- ◯ 30-39
- ◯ 40-49
- ◯ 50-59
- ◯ 60-69
- ◯ Over 70

6. **Marital Status** *

Mark only one oval.

- ◯ Single
- ◯ Married
- ◯ Divorced
- ◯ Widowed

7. **Education** *

Mark only one oval.

- ◯ High School
- ◯ Bachelor's Degree
- ◯ Master's Degree
- ◯ Doctorate Degree

8. **Have you previously invested in overseas real estate?** *

Mark only one oval.

- ◯ Yes *Skip to question 9*
- ◯ No *Skip to question 14*

Section No. 2: Past Investments Analysis

9. **In what time frame did you invest in overseas real estate? You may select more than one answer, if applicable** *

Tick all that apply.

- [ ] Before 1949
- [ ] 1950-1959
- [ ] 1960-1969
- [ ] 1970-1979
- [ ] 1980-1989
- [ ] 1990-1999
- [ ] 2000-2009
- [ ] 2010-2019
- [ ] 2020-2021

10. **In which geographic area did you invest?** Click here to view the list of countries by regional classification. **You may select more than one answer, if applicable** *

Tick all that apply.

- [ ] East Asia & Pacific
- [ ] Europe & Central Asia
- [ ] Latin America & Caribbean
- [ ] The Middle East & North Africa
- [ ] North America
- [ ] South Asia
- [ ] Sub-Saharan Africa

11. **What type of real estate have you invested in? You may select more than one answer, if applicable** *

Tick all that apply.

- [ ] Residential Real Estate
- [ ] Commercial Real Estate
- [ ] Industrial Real Estate
- [ ] Land

12. **How many overseas real estate transactions have you made?** *

Mark only one oval per row.

	One transaction	Two transactions	Three transactions	Four or more transactions
Transactions	◯	◯	◯	◯

13. **What is the total capital you have invested in overseas real estate transactions? Estimated in EUR** *

Mark only one oval.

- ◯ Less than 50,000 EUR
- ◯ 50,000-100,000 EUR
- ◯ 100,000-150,000 EUR
- ◯ 150,000-200,000 EUR
- ◯ 200,000-250,000 EUR
- ◯ 250,000-300,000 EUR
- ◯ 300,000-350,000 EUR
- ◯ 350,000-400,000 EUR
- ◯ 400,000-450,000 EUR
- ◯ 450,000-500,000 EUR
- ◯ More than 500,000 EUR

Section No. 3: Motives Underlying Prospective Israeli FDI in the Dubai Real Estate Market

14. **Below is a list of potential incentives that may entice foreign investors to undertake economic activities in the Emirate of Dubai. To what extent might each of the following aspects encourage you to invest in the Dubai real estate market between 2021 and 2025?** *

Mark only one oval per row.

	Not at all encouraging	Slightly encouraging	Moderately encouraging	Very encouraging	Extremely encouraging
Tourism in the Emirate of Dubai	◯	◯	◯	◯	◯
The geographical proximity of the UAE to Israel	◯	◯	◯	◯	◯
The climate in the Emirate of Dubai	◯	◯	◯	◯	◯
Immigration to the Emirate of Dubai	◯	◯	◯	◯	◯
Absence of corporate tax	◯	◯	◯	◯	◯
Cultural similarities	◯	◯	◯	◯	◯
Expected real estate value growth in the Emirate of Dubai	◯	◯	◯	◯	◯
Penetration into a new market	◯	◯	◯	◯	◯
Investment diversification strategy	◯	◯	◯	◯	◯
UAE reputation	◯	◯	◯	◯	◯
	◯	◯	◯	◯	◯

The high volume of seasonal foreign workers in the Emirate of Dubai					
Expected economic growth in the Emirate of Dubai	⬭	⬭	⬭	⬭	⬭
Absence of individuals income tax	⬭	⬭	⬭	⬭	⬭
Double taxation convention between Israel and the UAE	⬭	⬭	⬭	⬭	⬭

15. **Other motives? Nominate and indicate the level of encouragement (1-Not at all encouraging, 2-Slightly encouraging, 3-Moderately encouraging, 4-Very encouraging, 5-Extremely encouraging)**

Section No. 4: Barriers Underlying Prospective Israeli FDI in the Dubai Real Estate Market

16. **Below is a list of potential barriers that a foreign investor may encounter before, during, or after conducting a real estate transaction in the Emirate of Dubai. To what extent do you consider each of the following aspects a potential barrier that could adversely affect the possibility that you will invest in the Dubai real estate market between 2021 and 2025?** *

Mark only one oval per row.

	Very low-impact barrier	Low-impact barrier	Moderate-impact barrier	High-impact barrier	Extreme-impact barrier
Religious differences	◯	◯	◯	◯	◯
Government restrictions on foreign ownership of property and land	◯	◯	◯	◯	◯
Potential political instability between Israel and the UAE	◯	◯	◯	◯	◯
Differences in business mentality	◯	◯	◯	◯	◯
Bureaucracy	◯	◯	◯	◯	◯
Discriminatory treatment at the governmental/civil level	◯	◯	◯	◯	◯
Exchange rate volatility	◯	◯	◯	◯	◯
Language differences	◯	◯	◯	◯	◯
Potential low returns on real estate investments	◯	◯	◯	◯	◯
Unfavourable regulatory and legal framework	◯	◯	◯	◯	◯

Macroeconomic instability (Unemployment, Inflation)					
A limited number of free trade zones where foreigners can obtain 100% ownership right over assets/companies					
Travel restrictions such as visa requirements					

17. **Other barriers? Nominate and indicate the level of influence (1-Very low-impact barrier, 2-Low-impact barrier, 3-Moderate-impact barrier, 4-High-impact barrier, 5-Extreme-impact barrier)**

Section No. 5: Prospective Israeli FDI in the Dubai Real Estate Market

18. **Do you agree with the following statement? The Israel-UAE peace agreement may lead to a high volume of Israeli real estate investments in the Emirate of Dubai.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

19. **Is it likely that within the next five (5) years, 2021 and 2025, you would consider investing in one of the following types of real estate in the Emirate of Dubai?** *

Mark only one oval per row.

	Extremely unlikely	Unlikely	Likely	Extremely likely
Residential Real Estate	◯	◯	◯	◯
Commercial Real Estate	◯	◯	◯	◯
Industrial Real Estate	◯	◯	◯	◯
Land	◯	◯	◯	◯

20. **If you were about to carry out a real estate investment in the Emirate of Dubai, would you prefer to do it on behalf of a legal entity or privately as a physical person?** *

Mark only one oval.

- ◯ I would invest using a foreign legal entity.
- ◯ I would invest using a domestic legal entity.
- ◯ I would invest privately as a physical person.
- ◯ I still need to gather more information to decide on the identity of the investor.

21. **What amount of capital would you consider investing in the Dubai real estate market? Estimated in EUR.** *

Mark only one oval.

- ◯ Less than 50,000 EUR
- ◯ 50,000-100,000 EUR
- ◯ 100,000-150,000 EUR
- ◯ 150,000-200,000 EUR
- ◯ 200,000-250,000 EUR
- ◯ 250,000-300,000 EUR
- ◯ 300,000-350,000 EUR
- ◯ 350,000-400,000 EUR
- ◯ 400,000-450,000 EUR
- ◯ 450,000-500,000 EUR
- ◯ More than 500,000 EUR
- ◯ Unaware of real estate prices in the Emirate of Dubai

22. **Please indicate the annual return in % (percentage) you would expect from real estate investments in the Emirate of Dubai. (Example: ...%)** *

Thank you!

Send an email to Roisharon@outlook.com if you have any questions

APPENDIX B:

List of Countries by Regional Classification-English Version

The thesis adopted the definition of the World Bank regarding the division of the world into seven (7) geographical regions. Below is the list of countries according to regional classification.

1. **East Asia & Pacific**: American Samoa, Australia, Brunei Darussalam, Cambodia, China, Fiji, French Polynesia, Guam, Hong Kong Special Administrative Region of China, Indonesia, Japan, Kiribati, Democratic People's Republic of Korea, Korea, Rep., Lao People's Democratic Republic, Macao Special administrative region, Malaysia, Marshall Islands, Federated States of Micronesia., Mongolia, Myanmar, Nauru, New Caledonia, New Zealand, Northern Mariana Islands, Palau, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu, Vietnam.
2. **Europe & Central Asia**: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Channel Islands, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Georgia, Germany, Gibraltar, Greece, Greenland, Hungary, Iceland, Ireland, Isle of Man, Italy, Kazakhstan, Kosovo, Kyrgyz Republic, Latvia, Liechtenstein, Lithuania, Luxembourg, Moldova, Monaco, Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia, Slovak Republic, Slovenia, Spain,

Sweden, Switzerland, Tajikistan, Turkiye, Turkmenistan, Ukraine, United Kingdom, Uzbekistan.

3. **Latin America & Caribbean**: Antigua and Barbuda, Argentina, Aruba, The Bahamas, Barbados, Belize, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Sint Maarten (Dutch Part), St. Kitts and Nevis, St. Lucia, St. Martin (French Part), St. Vincent and The Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela, Virgin Islands (U.S.).
4. **Middle East & North Africa**: Algeria, Bahrain, Djibouti, Arab Republic of Egypt, Islamic Republic of Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates, West Bank and Gaza, Republic of Yemen.
5. **North America**: Bermuda, Canada, United States.
6. **South Asia**: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.
7. **Sub-Saharan Africa**: Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of the Congo, Cote D'ivoire, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone,

Somalia, South Africa, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

APPENDIX C:

Research Questionnaire-Hebrew Version

האם הייתה משקיע בשוק הנדל"ן בדובאי?

משתתף יקר,

שאלון זה נועד לחלץ מידע בנוגע לרמת העניין של משקיעים ישראלים פרטיים בהשקעות נדל"ן באמירות דובאי במהלך השנים 2021 עד 2025, בעקבות הסכם השלום בין ישראל לאיחוד האמירויות. המחקר מתמקד בזיהוי הגורמים העשויים להניע את כניסתם של משקיעים ישראלים פרטיים לשוק הנדל"ן בדובאי והחסמים העשויים להגביל מגמה כזו.

שאלון זה הנו אנונימי לחלוטין - לא ניתן לזהות נשאלים על סמך המידע שנמסר. כל המידע שנמסר יישמר חסוי.

מילוי השאלון אמור לקחת כחמש עד שמונה דקות. אנא מלא את הסקר בזמן שבו אינך צפוי להיות נתון להפרעות. אנא אל תתעלם מהנושאים המוצגים, גם אם הנך סבור שהם אינם חלים ישירות על המקרה שלך.

* השאלון מנוסח בלשון זכר אך פונה לשני המינים.

תודה!

רועי שרון | Roisharon@outlook.com
סטודנט לתואר DBA, בית הספר השוויצרי לעסקים וניהול ז'נבה (SSBM)

* חובה

טופס הסכמה

1. **האם הנך מעל גיל 18?***

סימון אליפסה אחת בלבד.

- כן
- לא

2. **האם הנך אזרח ישראלי?***

סימון אליפסה אחת בלבד.

- כן
- לא

3. **על ידי סימון התיבה "כן", אני מביע את הסכמתי המלאה להשתתף במחקר זה בעילום שם. אני מצהיר שקראתי והבנתי את דף המידע לעיל. אני מבין שהשתתפותי היא התנדבותית לחלוטין ושאני חופשי לפרוש בכל עת מבלי לתת סיבה.** *

סימון אליפסה אחת בלבד.

- כן *דילוג לשאלה 4*
- לא ***תודה**** *(דילוג לקטע 7 !)*

סעיף מס' 1: ניתוח דמוגרפי

4. **מגדר** *

סימון אליפסה אחת בלבד.

- זכר
- נקבה
- אחר: _____

5. **גיל** *

סימון אליפסה אחת בלבד.

- 18-20
- 21-29
- 30-39
- 40-49
- 50-59
- 60-69
- 70 ומעלה

6. מצב משפחתי*

סימון אליפסה אחת בלבד.

- רווק
- נשוי
- גרוש
- אלמן

7. **השכלה***

סימון אליפסה אחת בלבד.

- השכלה תיכונית
- תואר ראשון
- תואר שני
- תואר דוקטורט

8. האם השקעת בעבר בנדל"ן בחו"ל?*

סימון אליפסה אחת בלבד.

- כן *דילוג לשאלה 9*
- לא *דילוג לשאלה 14*

סעיף מס' 2: ניתוח השקעות עבר

9. **באיזה טווח זמנים השקעת בנדל"ן בחו"ל? ניתן לבחור יותר מתשובה אחת, אם רלוונטי***

סימון כל האפשרויות המתאימות.

- [ ] לפני 1949
- [ ] 1950-1959
- [ ] 1960-1969
- [ ] 1970-1979
- [ ] 1980-1989
- [ ] 1990-1999
- [ ] 2000-2009
- [ ] 2010-2019
- [ ] 2020-2021

10. * **באיזה אזור גיאוגרפי השקעת? לחץ כאן כדי להציג את רשימת המדינות לפי סיווג אזורי. ניתן לבחור יותר מתשובה אחת, אם רלוונטי**

סימון כל האפשרויות המתאימות.

- [ ] מזרח אסיה והפסיפיק
- [ ] אירופה ומרכז אסיה
- [ ] אמריקה הלטינית והקריביים
- [ ] המזרח התיכון וצפון אפריקה
- [ ] צפון אמריקה
- [ ] דרום אסיה
- [ ] אפריקה שמדרום לסהרה

11. **באיזה סוג נדל"ן השקעת? ניתן לבחור יותר מתשובה אחת, אם רלוונטי***

סימון כל האפשרויות המתאימות.

- [ ] נדל"ן למגורים
- [ ] נדלן מסחרי
- [ ] נדל"ן תעשייתי
- [ ] קרקעות

12. **כמה עסקאות נדל"ן בחו"ל ביצעת?***

יש לסמן אליפסה אחת בלבד בכל שורה.

	ארבע עסקאות או יותר	שלוש עסקאות	שתי עסקאות	עסקה אחת
עסקאות	◯	◯	◯	◯

13. **מהו סך ההון שהשקעת בעסקאות נדל"ן בחו"ל? מוערך באירו (EUR)***

סימון אליפסה אחת בלבד.

- ◯ פחות מ 50,000 אירו
- ◯ 50,000-100,000 אירו
- ◯ 100,000-150,000 אירו
- ◯ 150,000-200,000 אירו
- ◯ 200,000-250,000 אירו
- ◯ 250,000-300,000 אירו
- ◯ 300,000-350,000 אירו
- ◯ 350,000-400,000 אירו
- ◯ 400,000-450,000 אירו
- ◯ 450,000-500,000 אירו
- ◯ יותר מ 500,000 אירו

סעיף מס' 3': מניעים העומדים בבסיס ההשקעות הישירות הזרות הישראליות הפוטנציאליות בשוק הנדל"ן בדובאי

14. * **להלן רשימה של תמריצים פוטנציאליים שעשויים לפתות משקיעים זרים לבצע פעילויות כלכליות באמירות דובאי. באיזו מידה עשוי כל אחד מההיבטים הבאים לעודד אותך להשקיע בשוק הנדל"ן בדובאי בין השנים 2021 עד 2025?**

יש לסמן אליפסה אחת בלבד בכל שורה.

	כלל לא מעודד	מעודד במעט	מעודד במידה	מעודד מאוד	מעודד במיוחד
תיירות באמירות דובאי	⬭	⬭	⬭	⬭	⬭
הקרבה הגיאוגרפית של איחוד האמירויות לישראל	⬭	⬭	⬭	⬭	⬭
האקלים באמירות דובאי	⬭	⬭	⬭	⬭	⬭
הגירה לאמירות דובאי	⬭	⬭	⬭	⬭	⬭
היעדר מס חברות	⬭	⬭	⬭	⬭	⬭
קווי דמיון תרבותיים	⬭	⬭	⬭	⬭	⬭
צפי צמיחת ערך הנדל"ן באמירות דובאי	⬭	⬭	⬭	⬭	⬭
חדירה לשוק חדש	⬭	⬭	⬭	⬭	⬭
אסטרטגיית פיזור השקעות	⬭	⬭	⬭	⬭	⬭
מוניטין של איחוד האמירויות	⬭	⬭	⬭	⬭	⬭
הנפח הגבוה של עובדים זרים עונתיים באמירות דובאי	⬭	⬭	⬭	⬭	⬭
צמיחה כלכלית צפויה באמירות דובאי	⬭	⬭	⬭	⬭	⬭
היעדר מס הכנסה ליחידים	⬭	⬭	⬭	⬭	⬭
אמנת כפל מס בין ישראל לאיחוד האמירויות	⬭	⬭	⬭	⬭	⬭

15. **מניעים אחרים? מנה וציין את רמת העידוד (1-כלל לא מעודד, 2-מעודד במעט, 3-מעודד במידה, 4-מעודד מאוד, 5-מעודד במיוחד)**

סעיף מס' 4: חסמים העומדים בבסיס ההשקעות הישירות הזרות הישראליות הפוטנציאליות בשוק הנדל"ן בדובאי

16. * **להלן רשימה של חסמים פוטנציאליים שמשקיע זר עלול להיתקל בהם לפני, במהלך או לאחר ביצוע עסקת נדל"ן באמירות דובאי. באיזו מידה אתה מחשיב כל אחד מההיבטים הבאים מחסום פוטנציאלי שעלול להשפיע לרעה על האפשרות שתשקיע בשוק הנדל"ן בדובאי בין השנים 2021 עד 2025?**

יש לסמן אליפסה אחת בלבד בכל שורה.

	מחסום בעל השפעה נמוכה מאוד	מחסום בעל השפעה נמוכה	מחסום בעל השפעה בינונית	מחסום בעל השפעה גבוהה	מחסום בעל השפעה קיצונית
הבדלי דת	⬭	⬭	⬭	⬭	⬭
הגבלות ממשלתיות על בעלות זרה על רכוש וקרקע	⬭	⬭	⬭	⬭	⬭
אי יציבות פוליטית אפשרית בין ישראל לאיחוד האמירויות	⬭	⬭	⬭	⬭	⬭
הבדלים במנטליות העסקית	⬭	⬭	⬭	⬭	⬭
בירוקרטיה	⬭	⬭	⬭	⬭	⬭
טיפול מפלה ברמה הממשלתית/אזרחית	⬭	⬭	⬭	⬭	⬭
תנודתיות בשער החליפין	⬭	⬭	⬭	⬭	⬭
הבדלי שפה	⬭	⬭	⬭	⬭	⬭
תשואות נמוכות פוטנציאליות על השקעות נדל"ן	⬭	⬭	⬭	⬭	⬭
מסגרת רגולטורית וחוקית לא חיובית	⬭	⬭	⬭	⬭	⬭
חוסר יציבות מאקרו-כלכלית ((אבטלה, אינפלציה	⬭	⬭	⬭	⬭	⬭
מספר מוגבל של אזורי סחר חופשי שבהם זרים יכולים לקבל 100% זכות	⬭	⬭	⬭	⬭	⬭

בעלות על נכסים/חברות					
הגבלות נסיעה כגון דרישות ויזה					

17. **מחסומים אחרים? מנה וציין את רמת ההשפעה (1-מחסום בעל השפעה נמוכה מאוד, 2-מחסום בעל השפעה נמוכה, 3-מחסום בעל השפעה בינונית, 4-מחסום בעל השפעה גבוהה, 5-מחסום בעל השפעה קיצונית)**

_____

סעיף מס' 5: השקעות ישירות זרות ישראליות עתידיות בשוק הנדל"ן בדובאי

18. * **האם הנך מסכים עם הטענה הבאה? הסכם השלום בין ישראל לאיחוד האמירויות עשוי להוביל להיקף גבוה של השקעות נדל"ן ישראליות באמירות דובאי.**

סימון אליפסה אחת בלבד.

- כלל לא מסכים
- חולק
- לא מסכים ולא חולק
- מסכים
- מסכים מאוד

19. * **האם סביר להניח שבתוך החמש (5) השנים הבאות, 2021 עד 2025, תשקול להשקיע באחד מסוגי הנדל"ן הבאים באמירות דובאי?**

יש לסמן אליפסה אחת בלבד בכל שורה.

	סביר מאוד	סביר	לא סביר	כלל לא סביר
נדל"ן למגורים				
נדלן מסחרי				
נדל"ן תעשייתי				
קרקעות				

20. **אם הייתה עומד לבצע השקעה בנדל"ן באמירות דובאי, האם הייתה מעדיף לעשות זאת מטעם ישות משפטית או באופן פרטי כמשקיע פרטי?** *

סימון אליפסה אחת בלבד.

- הייתי משקיע באמצעות ישות משפטית זרה.
- הייתי משקיע באמצעות ישות משפטית מקומית.
- הייתי משקיע באופן פרטי.
- אני עדיין צריך לאסוף מידע נוסף כדי להחליט על זהות המשקיע.

21. **איזה סכום הון היית שוקל להשקיע בשוק הנדל"ן בדובאי? מוערך באירו (EUR)** *

סימון אליפסה אחת בלבד.

- פחות מ 50,000 אירו
- 50,000-100,000 אירו
- 100,000-150,000 אירו
- 150,000-200,000 אירו
- 200,000-250,000 אירו
- 250,000-300,000 אירו
- 300,000-350,000 אירו
- 350,000-400,000 אירו
- 400,000-450,000 אירו
- 450,000-500,000 אירו
- יותר מ 500,000 אירו
- אינני מודע למחירי הנדל"ן באמירות דובאי

22. **ציין את התשואה השנתית באחוזים (אחוזים) שהיית מצפה מהשקעת נדל"ן באמירות דובאי. (דוגמא: ...%)** *

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תודה!

אם יש לך שאלות כלשהן Roisharon@outlook.com שלח אימייל לכתובת

APPENDIX D:

List of Countries by Regional Classification-Hebrew Version

המחקר אימץ את הגדרת הבנק העולמי לגבי חלוקת העולם לשבעה (7) אזורים גיאוגרפיים. להלן רשימת המדינות לפי סיווג אזורי.

1. **מזרח אסיה והאוקיינוס השקט**: סמואה האמריקאית, אוסטרליה, ברוניי דארוסלם, קמבודיה, סין, פיג'י, פולינזיה הצרפתית, גואם, הונג קונג האזור המנהלי המיוחד של סין, אינדונזיה, יפן, קיריבטי, הרפובליקה העממית הדמוקרטית של קוריאה, קוריאה, נציגות לאו הרפובליקה הדמוקרטית העממית, אזור המינהלי המיוחד של מקאו, מלזיה, איי מרשל, מדינות הפדרציה של מיקרונזיה, מונגוליה, מיאנמר, נאורו, קלדוניה החדשה, ניו זילנד, איי מריאנה הצפוניים, פלאו, פפואה גינאה החדשה, הפיליפינים, סמואה, סינגפור, איי שלמה, תאילנד, טימור-לסטה, טונגה, טובאלו, ונואטו, וייטנאם.

2. **אירופה ומרכז אסיה**: אלבניה, אנדורה, ארמניה, אוסטריה, אזרבייג'ן, בלארוס, בלגיה, בוסניה והרצגובינה, בולגריה, איי התעלה, קרואטיה, קפריסין, צ'כיה, דנמרק, אסטוניה, איי פארו, פינלנד, צרפת, גאורגיה, גרמניה, גיברלטר, יוון, גרינלנד, הונגריה, איסלנד, אירלנד, האי מאן, איטליה, קזחסטן, קוסובו, הרפובליקה הקירגיזית, לטביה, ליכטנשטיין, ליטא, לוקסמבורג, מולדובה, מונקו, מונטנגרו, הולנד, צפון מקדוניה, נורבגיה, פולין, פורטוגל, רומניה, הפדרציה הרוסית, סן מרינו, סרביה, סלובקיה, סלובניה, ספרד, שבדיה, שוויץ, טג'יקיסטן, טורקיה, טורקמניסטן, אוקראינה, בריטניה, אוזבקיסטן.

3. **אמריקה הלטינית והקריביים**: אנטיגואה וברבודה, ארגנטינה, ארובה, איי בהאמה, ברבדוס, בליז, בוליביה, ברזיל, איי הבתולה הבריטיים, איי קיימן, צ'ילה, קולומביה, קוסטה ריקה, קובה, קוראסאו, דומיניקה, הרפובליקה הדומיניקנית, אקוודור, אל סלבדור, גרנדה, גואטמלה, גיאנה, האיטי, הונדורס, ג'מייקה, מקסיקו, ניקרגואה, פנמה, פרגוואי, פרו, פורטו ריקו, סנט מרטן (חלק הולנדי), סנט קיטס ונוויס,

סנט לוסיה, סנט מרטין (חלק צרפתי), סנט וינסנט והגרנדינים, סורינאם, טרינידד וטובגו, איי טורקס וקייקוס, אורוגוואי, ונצואלה, איי הבתולה (ארה"ב).

4. **מזרח תיכון וצפון אפריקה**: אלג'יריה, בחריין, ג'יבוטי, הרפובליקה הערבית של מצרים, הרפובליקה האסלאמית של איראן, עיראק, ישראל, ירדן, כווית, לבנון, לוב, מלטה, מרוקו, עומאן, קטאר, ערב הסעודית, הרפובליקה הערבית הסורית, תוניסיה , איחוד האמירויות הערביות, הגדה המערבית ועזה, הרפובליקה של תימן.

5. **צפון אמריקה**: ברמודה, קנדה, ארצות הברית.

6. **דרום אסיה**: אפגניסטן, בנגלדש, בהוטן, הודו, המלדיביים, נפאל, פקיסטן, סרי לנקה.

7. **אפריקה שמדרום לסהרה**: אנגולה, בנין, בוצואנה, בורקינה פאסו, בורונדי, קאבו ורדה, קמרון, הרפובליקה המרכז אפריקאית, צ'אד, קומורו, הרפובליקה הדמוקרטית של קונגו, הרפובליקה של קונגו, חוף השנהב, גינאה המשוונית, אריתריאה, אסווטיני, אתיופיה, גבון, גמביה, גאנה, גינאה, גינאה-ביסאו, קניה, לסוטו, ליבריה, מדגסקר, מלאווי, מאלי, מאוריטניה, מאוריציוס, מוזמביק, נמיביה, ניז'ר, ניגריה, רואנדה, סאו טומה ופרינסיפה, סנגל, איי סיישל, סיירה לאון, סומליה, דרום אפריקה, דרום סודן, סודן, טנזניה, טוגו, אוגנדה, זמביה, זימבבואה.