

## Face to Face: Kevin Morgan, Crystal Lagoons

by Gavin Gibbon on Aug 23, 2014



Crystal Lagoons, CEO Kevin Morgan.

**Dubai already has the tallest building, the Burj Khalifa; the biggest shopping mall (Dubai Mall); biggest manmade island (Palm Islands); tallest residential tower (Princess Tower); and the JW Marriott Marquis is the world's tallest hotel.**

The list of world records in the Emirate goes on and on. And by 2018, among no doubt a plethora of others, it will be able to boast at least one more in the shape of the largest manmade lagoon.

Crystal Lagoons has already flooded the pilot lagoon, which encompasses a 1.4ha site within the Mohammed Bin Rashid Al Maktoum City District One residential community. It covers a surface area of 14km<sup>2</sup> with a depth of 2.45m and a perimeter length of 578m. Once fully complete through a series of interconnecting lagoons in 2018, it will cover 40km<sup>2</sup>, almost four times bigger than the world's largest existing lagoon in Egypt's Sharm El Sheikh.

The man tasked with overseeing the company's first project in Dubai is CEO Kevin Morgan, who is confident the development will make a big splash in the Emirate. He said: "I think the ambition of Dubai marries up well with us because it takes someone that really understands that this can be done and that is willing to be ambitious to do the largest one in the world, which is what Dubai has set out to do. It serves us well here with this project because this will be the benchmark for the world when they see it."

The company has developed an eco-friendly and sustainable technology that uses up to 100 times less chemical additives than conventional swimming pool systems and only up to 2% of the energy required for traditional filtration systems.

In addition, it uses up to ten times less water than irrigating an 18-hole golf course and can operate in any type of water, whether salt, fresh or brackish.

Morgan, who has been at the helm of Crystal Lagoons for the last three years, explained: "The technology is a marriage, it's not one single facet. It's a sustainable platform, but there's two main components of it that are

very powerful. One of them is our disinfection system. In a typical sized lagoon we have over 400 injectors that will be treating the water if and when it's necessary.

"And then we marry that disinfection system up with ultrasound. There's ultrasound that is fixed to the sides of the lagoon that emits a frequency into the water and it allows the suspended particles to begin to coagulate into larger particles and it simply sanitises and we remove the sedimentation from the lagoon.

"Therefore, being able to do that, you are avoiding mass filtration. You're not having to circulate that body of water as you would in a traditional swimming pool X number of times a day. So there's massive cost savings associated with that."

A real estate guru for the last 18 years, Morgan revealed that, for the same cost of building one Olympic-sized swimming pool, he can build a 40km<sup>2</sup> crystal lagoon – the equivalent size of 35 Olympic-sized swimming pools.

He said: "It's the simple inventions that you sometimes scratch your head and say 'I wish I'd thought of that'."

However, it hasn't always been plain sailing for the company. Its founder, and current chairman Fernando Fischmann, bought a parcel of land about 60 miles west of Santiago, Chile, in the 1980s. However, development was restricted as it was adjacent to the cold Pacific Ocean.

That's where the concept of developing a technology to replicate the Caribbean seas for a family amenity was born. But his first attempt at filling the lagoon saw it contaminated and that's how it stayed for five years until a sustainable technology was discovered and implemented which left the water in a crystal-clear condition.

Morgan said: "That's the story people don't know, that for five years it was in a very defunct state. You can imagine five years when your own personal investment is tied up in it, your reputation, and things aren't working well, so those five years were very dark years, until it turned."

Morgan, who grew up on a farm in Ohio, USA, then went on to study in London and work in Helsinki before landing a real estate job with Abu Dhabi Government-owned Mubadala, is no stranger to tough times himself, having witnessed first-hand the economic downturn in the Middle East following the financial crash in 2009.

However, he is now happy to be seeing a light at the end of the tunnel.

He said: "I lived in Abu Dhabi from 2006 to 2011 so I was able to see the rise of the real estate boom and unfortunately the downturn as well. Now, clearly, at least the energy seems to be back in the marketplace and I think a very important catalyst for that is the Expo 2020.

"It seems to be putting a big international spotlight on Dubai that for the next four or five years they will continue to see significant growth. I think it's really positive for the UAE in general and it's exciting to be a part of that.

"You have neighbours, Qatar, who are hosting the 2022 World Cup and we're seeing a lot of activity there. And having projects in Egypt although it's been slower there because of the political climate. We do think in the medium term that will still be vast growth there based on population."

And in a bid to take advantage of the region, the company, which is debt-free and employs 75 members of staff between Santiago, Miami and Amsterdam, is set to open up an office in Dubai, understood to be in the Tecom area.

"It is such an important sector for the company now," said Morgan.

"We are very excited about bringing a physical presence to the region, more than just our partners. It's critical to be here."

And it would appear the revolutionary idea of building crystal clear lagoons in the middle of the desert fits perfectly with Dubai's own ability to take on and execute the most adventurous projects.

"In many parts of the world, in a meeting, you can talk about things, but where in the world does it actually get realised?" said Morgan, who is based in a newly- opened office in Florida, USA and is currently looking after the globalisation of the company. "I don't know any other place at least in my experience, that has the ambition that this government has for this country and actually realises something and makes it happen in such a short period of time too.

"I don't see another time in history where people will be able to move here and be a part of something like this."

Crystal Lagoons has a global portfolio of 300 projects located in 60 countries, including eight high-profile Middle East-based developments in Jordan, Oman, Saudi Arabia and the UAE.

According to Morgan, the concept and technology is revolutionising the real estate market worldwide and developers are switching their focus to the lagoons idea rather than the more traditional amenities associated with projects.

He said: "What we have found in the 17 years of operating the company, it has been a transformative real estate tool first and foremost. What it allows the developer to do is to take a certain location that otherwise wouldn't probably have been viable to develop, i.e. the middle of the desert, and make it much more attractive because we've figured out how to bring a water body and a destination waterfront property that increases value to a site that otherwise would never have been able to have done so."

He added: "The biggest challenge that we've seen is that it takes so much land to put a golf course in and developers are usually better off to say, I'm going to do less golf and I'm going to marry it up with a Crystal Lagoon so I can marry up my market wider than just he or she is playing golf for five hours on a weekend and leaving the kids at home. Now you have an amenity whereby you can include the entire family.

"We found that the golf courses are coming after us, saying 'hey, can we be synergistic with you? Can we do a development with you so I check my golf box and I check my amenity box?'

"I don't see it as competition. I see it as a partnership opportunity for golf courses in the region."

Crystal Lagoons also has an industrial applications operation, providing closed-circuit cooling, cooling ponds, water desalination and applications for the mining industry. "We see big growth in the coming years on the industrial side of the business," said Morgan.

However, as far as the future of the lagoons is concerned, despite the potential for 'floating lagoons' on existing bodies of water, he is slightly more candid.

He said: "We don't want to see that number get much bigger because we are, at the heart of it, a technology company that owns intellectual property. We think we can be very effective as a small, nimble company with a global sales force. That's the intention moving forward."

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