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**Project Title:** Islamic Finance, an Emerging Alternative: An Analysis of the Islamic Finance Industry in the United Kingdom with Special Reference to the Global Financial Crisis of 2008.

**Abstract:**

This study employed a comprehensive empirical analysis in attempt to understand the affects of the recent global financial crisis on the Islamic finance industry in the United Kingdom. Research findings revealed that the Islamic finance industry in the UK was not immune to the adverse affects of the crisis due to heavy concentration in affected sectors such as private equity and real estate. Conversely, due largely to a lack of toxic assets, the Islamic finance industry had been less affected and is in better shape than its conventional counterparts; it will the therefore be in a better position to exploit the upturn of financial markets when they come. Furthermore this study analyzed the contemporary usage of Islamic real estate financing tools, particularly *Murabaha* (cost+markup), *Ijara* (lease), and *Musharakah* (diminishing-partnership). The study findings contribute not only to the greater understanding of the full affects and implications of the global financial crisis but also to a better understanding of an emerging industry, Islamic Finance and Banking.