TRENDS
UAE REAL ESTATE MARKET REPORT
H2 2019
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The property market witnessed fundamental changes and reforms in 2019. What I admire the most about the UAE’s leadership is their continued commitment to improve and amend regulations to meet market demand. They stay one step ahead and announce key legislative reforms that redefine and evolve the industry.

With over-supply being a serious concern, Dubai’s leadership launched the Higher Real Estate Committee to ensure that new developments add value to the market. I anticipate that this decision will create a level playing field between government-backed developers and smaller, private developers.

The UAE Central Bank revised the 3 percent early settlement fee for mortgages, relaxed the maximum age requirement to repay mortgages, granted 100 percent ownership of non-free zone businesses to foreign investors and offered 10-year Golden visas for investors and professionals, among others.

The Real Estate Regulatory Authority implemented the Mollak system to streamline the payment of service charges. Moreover, real estate companies will now use the Al Etihad Credit Bureau’s scores to assess the financial health of tenants.

All these are common practices in well-established markets and evidence of the maturing of the Dubai real estate market. I believe that these initiatives will cumulatively act as catalysts to boost market confidence and to make Dubai an increasingly attractive destination to live and work.

As a reference and authority on the property sector in the region, Property Finder upholds its responsibility to contribute to improving market standards and best practices very seriously. Sitting on a treasure trove of data, we know it plays an important role in enhancing transparency within the sector. We have embarked on a journey to provide data-driven insights to better inform investors’ property buying decisions. Along with our trusted partners, the Dubai Land Department, we launched Mo’asher, the first official sales price index for Dubai. This will inspire confidence in the factuality of the data.

A combination of all of these factors contributed to an increase in sales transactions last year. Dubai registered a total of 41,988 overall real estate transactions in 2019, an increase of 20 percent compared to 2018. This is an 11-year high for sales transactions, with the Dubai property market growing by 260 percent since 2008.

It is also helpful that Dubai’s real estate market is currently a buyer’s market. Developers are devising innovative payment plans to bring tenants out of the woodwork to become homeowners. Such flexibility on the part of developers is particularly important, with Dubai’s housing market adding 48,729 new units in 2019, which was the highest number of units completed in one year over the last five years. In turn, this impacted sales and rental prices and as a result buying and renting are now much more affordable in Dubai. Dubai sales prices were 14 percent lower, year on year, for villas and 10 percent for apartments in 2019. Dubai rents were 10 percent lower, year on year, for villas and 13 percent for apartments in 2019.

Many first-time home buyers have entered the market as prices are the most affordable they have ever been in Dubai. My advice to those sitting on the fence is that this is a good time to buy and there are lots of different types of properties to choose from. Whether it is ready secondary or off-plan, do your homework on the area, building, developer and what is currently being constructed nearby. Take your time to explore all options, even ones that you never considered before as you may be surprised at what you find.

My message for tenants is to consider renting in newly built areas as developers have a lot of ready stock and are offering incentives such as 12 cheques, months for free, free chiller charges, furnished options, and more. This is also a good time to either renegotiate a lower rent with your landlord or to upgrade to a bigger unit or to move to a different area for the same price.

We now welcome 2020, the year that we’ve all been waiting for since 2013 when Dubai won the bid to host the World Expo; which officially kicks off on October 20 for the duration of six months. This is going to be the first World Expo to be held in the Middle East, Africa, and South Asia. The mega event is expected to be a catalyst for Dubai’s real estate market and the economy as a whole. If only a small percentage of the expected 25 million visitors to the event decide to invest in Dubai property, the scales will quickly begin to tilt in favour of the market.

Let’s brace for an exciting year for the Dubai property market as Expo 2020 puts the emirate on the world stage and offers an opportunity to showcase its wide range of real estate assets to a global audience.

Enjoy reading this edition of Trends.

Michael Lahyani
CEO and Founder
In this issue, we feature some of our clients and prominent industry experts who share their real estate insights.

Richard Waide
Cityscape Asia, Middle East, Africa
Best Brokerage Winner 2019

It is vital for brokers to educate themselves on market trends and be able to impart that knowledge to add value to their clients. The market is as an interesting infusion spot and 2020 could be a big year for the industry. The Dubai market will continue to mature and we will be in a positive price cycle. Greater transparency is needed to allow institutional investors from around the world. My biggest challenge in this industry is finding enough hours in the day but I love the business. I am a subscriber at heart, very competitive, and the thrill of a deal is still what I love the most.

Michael Lunjevich
Partner and Head of Residential Property Practice, Hadel & Partners

I have lived in Dubai for 16+ years. There has been a phenomenal rise in the real estate market growth booster cycle, but there are big finds here. The influence of Dubai is very important to the wider region and every market it is. The biggest challenge in this sector is how to get all stakeholders to work together for the challenge quickly. I love the diversity of the sector between different people and cultures, and there is such a big opportunity right now. I have provided a lot of advice to small and large companies for the long term, things will work all the time.

Imran Ali
Sales Director, Emirates Properties

I joined the Ajman real estate industry in 2007 and have experienced huge changes. Demand has increased every year because the Ajman government is focused on balancing demand and supply. Earlier, the property market included only villa plots and townhouses, but there have been several requirements for plots in the past decade to fulfill expatriates’ demands. The driving engagement projects are located in Emirates City on Sheikh Mohammed bin Zayed Road. Ajman infrastructure has also seen a big change in the past decade. However, the Ajman real estate industry is one of the most vibrant experiences in the UAE. The biggest challenge in Dubai is the real estate industry and the fact that the industry is not only as good as your last sale, and also the paperwork involved being a big one.

Harry Tregoning
Managing Partner, Tregoning Property

I have lived in Dubai for nearly 10 years and love how the city keeps reinvigorating itself. The biggest challenges in the real estate industry are the fact that you are only as good as your last sale, and also the paperwork involved being a big one. On the contrary, I love the scene because it is new and you get to meet so many fascinating clients along the way in the few years. I imagine Dubai real estate to be equally exciting, but it seems, owners and landlords will be paying agents’ commission and not the customers.

Ahmed Alkhoashaibii
CEO, Akco

The biggest change today is the major improvements that have been made to the regulatory environment. People who are buying property in the UAE know that the government is working to protect their money, allowing them to invest with confidence. Many of the markets in the UAE have faced depressed sentiment over the last couple of years. Some of these markets will stabilise in 2020 and return to their upward path by 2021. By 2023, new initiatives such as the Higher Committee for the Real Estate Sector will be fully kicked in, allowing for the supply and demand situation in the market to stabilise.

Safa Bensafi
General Manager, Action Possible Real Estate

I have been in Dubai for 16 years, of which 12 years were in the Dubai real estate sector. Dubai has shaped into a phenomenon for people and businesses from all over the world. It is hard to imagine what Dubai will look like five years from now and how it will continue to fast-paced economy and pace of development. But I am appreciably confident and excited for the next two years. As Expo 2020 will have a massive impact on Dubai’s real estate market.

Paul Christodoulou
CEO, Aquo Properties

I have been in Dubai for more than 12 years now. We face several challenges in the industry today. To start off, I believe that the owners to accept current market prices is first of all. Other challenges include the ratio between supply and demand. I love working in the real estate because it is a dynamic industry where only proactive professionals manage to excel. With property prices stabilizing, the upcoming Expo 2020 and many initiatives introduced by the government, I believe the Dubai real estate market will rise again.

Fintan Flannelly
Sales Director, Flannelly Estate Brokers

Dubai real estate is consistently a topic of conversation amongst friends and colleagues. I believe there is an appetite for tenants to make the shift to owning real estate and the market is right to take the plunge. The future of real estate is difficult to swallow for sellers. It presents a great opportunity for buyers. However, don’t believe customers realise the full range of options in the market. I have clients buying on payment plans that have allowed them to buy a townhouse rather than an apartment. I have had clients buy in more central locations they thought they couldn’t afford. This is the message that needs to be relayed.

Hisham ElAssaad
Director of Sales, Provident Estate

Dubai is expecting over 25 million visitors this year! Expo 2020. We foresee an increase in demand for short-term rentals and residential services. This is what makes the asset class a growing investment proposition. Dubai’s real estate industry is young, dynamic and unstable to experiment. It is this mix that makes every market a chance to excel. However, even in an investor market, there is no sense in comparing to different price points and empty properties get used.

Anna Skigan
Founder and CEO, One21

Short-term rentals is a booming industry worldwide but what has recently started to grow in Dubai and the UAE. Therefore, this is the right time to write about this trend, especially in line with the upcoming Expo 2020. Dubai’s real estate industry, as we are currently in a correction phase, the market has nowhere to go but up. In five years, we will see buyers, better, stronger and the most sustainable city in the world. The biggest change in Dubai so far has been a commerce, sustainability and the environment of PropTech. Commercial real estate is a high industry in Dubai and my biggest challenge is in the later part of the year. I can’t predict one thing I love about this industry, I am extremely passionate about the sector as a whole.

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Mohamed Adel
Sales Manager, Saba AlKhair

I believe the Ajman real estate market has immense potential and in five years time, it will be the third biggest in the UAE. The biggest change in the UAE since the time I have been here is the number of investors in the real estate market. You now have an opportunity to invest with an amount as small as AED 700,000 and earn an annual return of around 25 percent. My biggest challenge has been to earn a good reputation amid all kinds of competition and compete real estate brokers in a strong market like Ajman. What I love the most about my job is earning my clients’ trust.

Leon Wright
Property Sales Consultant, AlBouk & Alkopp

I have lived in Dubai for three years. The biggest change I have noticed in the Dubai property market is an increase in level of government legislation to aid business, investment and living in Dubai. The market is already on a huge end-user trajectory and long that continues in the coming years. The population of Dubai increases steadily each year, bringing more tenants into the market. In 2020, a proportion of these tenants decide to enter the property market and become first-time buyers. There still is, and always will be, an investor element to the market.

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MARKET SNIPPETS
The UAE never ceases to amaze, with new buildings cropping up overnight. The year 2020 will see several high-profile projects being unveiled to the public in the run-up to Expo 2020 in October. Other projects that will open in subsequent years are also guaranteed to dominate the headlines and attract more visitors to the country.

AIN DUBAI
Set to open just ahead of Expo 2020, the Ain Dubai will be the largest ferris wheel in the world, with a height of 250 metres. It is more than 80 metres taller than the current record holder, the 167-metre-high Roller in Las Vegas and it is almost double the height of the world’s third tallest observation wheel, the London Eye, which is 135 metres. Set on Bluewaters Island, the Ain Dubai sits just off Jumeirah Beach Residence. Home to Caesars Palace, Caesars Resort and Caesars Residences, Bluewaters Island is accessible by a bridge from Sheikh Zayed Road, as well as a 15-minute walk via a pedestrian bridge from The Beach in JBR. The position of Ain Dubai means that visitors can get a bird’s eye view of sights such as the Burj Al Arab, Burj Khalifa and the Palm Jumeirah. The wheel will carry 48 passenger capsules with a capacity of 1,900 people.

CITYLAND MALL
Dubai will soon host the world’s first nature-inspired shopping mall near Global Village. Cityland Mall will have a 200,000 sqm Central Park-style botanical garden. Landscaping work in the mall is being done by the same firm that worked on the Dubai Miracle Garden and the Dubai Butterfly Garden. The mall has Dubai’s largest Carrefour, spread across 100,000 sqft, over 75 restaurants and cafes, 10 cinema screens, 350 retail outlets and 50,000 sqm of entertainment space. It can accommodate almost 7,000 shoppers.

EXPO 2020 SITE
One of the biggest in Dubai’s events calendar, Expo 2020 Dubai is the first World Expo to be held in the Middle East, Africa and South Asia region, and the first to be hosted by an Arab nation. The Expo 2020 site spans 4.38 square kilometres and is located in the Dubai South district, close to Al Maktoum International Airport. The site will also have its own metro station, capable of transporting 36,000 passengers per hour. The Expo pavilions will explore the theme of ‘Connecting Minds, Creating the Future’. Al Wasl Plaza sits at the heart of the Expo site and will be the focal point for celebrations from 20th October, 2020, to 10th April, 2021. There are three themed districts named ‘sustainability, mobility and opportunity’. A total of 192 countries have confirmed to participate in Expo 2020 and 25 million people are expected to visit Expo 2020, of which 50 percent are from outside the UAE.

ROYAL ATLANTIS RESORT & RESIDENCES
The AED 5.15 billion Royal Atlantis Resort & Residences is set to impress just as much as its sister hotel, Atlantis, the Palm with 99 swimming pools, including a rooftop infinity pool suspended 96 metres above The Palm on level 22, 6 celebrity chef restaurants and the largest jellyfish tank in the world. On track to open in the third quarter of 2020, it will become one of the most luxurious hotels in Dubai. The property is located on the crescents of the Palm Jumeirah and will include 231 luxury apartments, 693 hotel rooms and 102 suites with some apartments featuring their own gardens and private pools.

ZAYED NATIONAL MUSEUM
One of the most ambitious projects in Abu Dhabi, Zayed National Museum is on track to open in 2021. It will be situated in the Saadiyat Cultural District on Saadiyat Island. A structure dedicated to the late Sheikh Zayed bin Sultan Al Nahya, the UAE’s founder, the museum will also provide a greater understanding of the UAE’s journey from the past to the present day. The museum’s towers are shaped like falcon wings, designed as an ode to Sheikh Zayed’s love of falconry. Zayed National Museum was designed by acclaimed UK architects Foster + Partners. It is the second of three major museums on Saadiyat’s Cultural District. Louvre Abu Dhabi opened in 2017, and the other is the Guggenheim.

THE TOWER AT DUBAI CREEK HARBOUR
Developed by Emaar Properties, the exact height of The Tower is kept under wraps currently. It will be the world’s tallest tower, estimated to soar to around 1,300 metres. This will dwarf the Burj Khalifa which stands at around 828 metres. The Tower is styled after an Arabian minaret. The structure’s metal beams also evoke the image of a blossoming lily flower. It will be the centrepiece of Dubai Harbour Creek, a residential and retail project located on the banks of Dubai Creek. It will feature multiple observation decks and leisure options. The Tower will offer 360 degree views of the city and also provide a VIP Observation Garden Deck to recreate the splendour of the Hanging Gardens of Babylon. Santiago Calatrava Valls is the architect of The Tower. The project is slated for completion in 2023.
A review of how the UAE market has performed in H2 2019. Get a detailed breakdown of how sales prices, rents and yields have fared across emirates.
SUBSTANTIAL INCREASE IN TRANSACTIONS IS NEED OF THE HOUR

2019 saw an unprecedented amount of incoming residential supply

Co-written by: Carla Maria Issa, Senior Research Analyst, Property Finder

We take a look at some of the reasons behind the continuation of declines in prices for the first half of the year, as well as what new trends have emerged for Property Finder’s users as far as where they are searching for their next home. We will provide some insights for how we think the first half of 2020 will fare as we inch closer to Expo 2020.

The Property Landscape in 2019

Dubai’s property market is largely marked by two main factors, the first being an unprecedented amount of incoming residential supply and the second is a continued contraction in sales and rental prices across nearly every community in Dubai, although those declines have slowed. Continued price declines can be attributed in large part to the amount of supply entering the market in both 2018 and also for 2019, which collectively saw the completion of 82,092 residential units, according to Data Finder and information from Meed Projects.

Land sales for the first half of 2019 were also on track for the same time period in 2018, with an increase of 165 more transactions overall.

Transactions for H2 2019

Looking at the full picture of property transactions, the Dubai Land Department reports 41,988 sales transactions for 2019. 18,681 of those were done during the first half of the year, while 23,307 took place during the latter half of the year. Of those transactions, 23,643 were for off-plan properties and 18,345 for secondary properties, lending to a 57 to 43 percent split between off-plan and secondary buying. This is in line with previous years’ trends.

Additionally, 30,158 transactions are attributed to apartment sales, a 16.4 percent increase from the same time period in 2018. 7,630 transactions are attributed to villa and townhouse sales, a 73.9 percent increase from the same time period in 2018. With an increase in the number of villa and townhouse projects reaching completion last year, compounded with the amount of residential supply from 2018, a consistent and substantial increase in transactions will be required in order to absorb the majority of these new units.

For both off-plan sales and secondary sales, the top transacted area was Business Bay with 3,146 sales transactions, a 9.93 percent decline from 2018, followed by Downtown Dubai with 2,816 sales transactions, a 63 percent increase from 2018. Dubai Creek Harbour with 2,492 transactions, a 170 percent increase from 2018, Dubai Hills Estate with 2,372 transactions, a 127 percent increase from 2018, and Dubai South with 2,048 transactions, a 148 percent increase year on year.

Taking a closer look at off-plan sales, the top transacting areas were Dubai Creek Harbour with 2,423 transactions, a 163 percent increase, Downtown Burj Khalifa with 2,088 transactions, an 86 percent increase, Dubai Hills Estate with 1,949 transactions, a 122 percent increase, Dubai South with 1,942 transactions, a 145 percent decrease, and Business Bay with 1,811 transactions, a 27 percent decrease when compared with 2018.

For secondary sales, the top transacted areas were International City with 1,347 transactions, a 79.9 percent decrease, Business Bay had 1,335 transactions, a 33.37 percent decrease, Dubai Marina with 1,280 transactions, a 4.9 percent decrease, Jumeirah Village Circle with 1,108 transactions, a 36.45 percent increase, and Jumeirah Lakes Towers with 851 transactions, an 8 percent decrease, all when compared to 2018.

As for the rental market, declines overall have seen a modest drop when comparing with the trend from months past. The trend of tenants being able to find bargains for everything to lower prices, an increased number of cheques as well as other incentives such as free utilities, are proving popular among renters as well as buyers who are able to still earn a gross average of 5.5 percent.

Overall, rental yields in Dubai are still regarded as being some of the highest around the world. Some communities such as Downtown Dubai and the Palm Jumeirah are as high as 7.6 percent, while more mature communities such as Dubai Marina and Dubai Creek Harbour stand at 6.3 percent, 4.8 percent and 5.3 percent, respectively.

Villa and townhouse gross yields are as high as 7.6 percent for Town Square, an up-and-coming community, and stand at 4.9 percent for a more mature community like Arabian Ranches.

Property Finder Demand Data

Proprietary demand data from Property Finder adds another dimension as it shows what people are searching for and where and that can be somewhat correlated against property price trends. For those looking to buy, statistics from the second half of 2019 shows that the gap between searches between Dubai Marina and Downtown Dubai has shortened, with the former yielding 1 million more searches. The Palm Jumeirah still retains its perennial number three spot, Dubai Hills Estate fourth and Arabian Ranches has been taken over by Jumeirah Village Circle.

For those looking to rent, during the second half of 2019, Dubai Marina, Downtown Dubai, the Palm Jumeirah, Business Bay and Al Barsha made the top five, without much disruption to previous trends. In line with previous years, due to Dubai Marina’s continued popularity, it consistently pulls in around one and a half times the amount of demand as the top searched community, and that trend has continued.

In a past issue, we predicted that Dubai’s upcoming communities such as Dubai Hills Estate and Town Square would see a rise in popularity. In demand trends, Dubai Hills Estate has consistently ranked in the top five since sales began, but Jumeirah Village Circle has crept back in, ranking just after Dubai Hills Estate in the buy category.

Notable completions that we expected in the second half of 2019 was the first phase of the Arabella villas which completed in November, Acacia Apartments in Park Heights with 537 units completed in July, 458 townhouses in Serena Bella Casa completed in September as well as Jenna apartments in Town Square with 658 units.

Other notable completions that were expected in 2019, but have been pushed further out are Phase 1 and 2 of Azizi Victoria, which appears to have been restructured as industry reports are now showing Victoria to be a part of a mega-project within MBR City with a final complete date toward the end of the decade. Additionally, the Wind Tower 1 and 2 in Jumeirah Lakes Towers with 620 apartments
Supply Statistics and Notable Completions
Despite price declines and some uncertainty, developers have continued to complete projects with speed. Some of 2019’s notable handovers include the DT1 tower in Downtown Dubai, which added 130 apartments, 44 villas within Al Sarfa compound by Meraas in Al Sufouh, 512 villas in the Sidra Community, another 1,312 villas in the Maple I and Maple II sub-communities of Dubai Hills Estate, 48 villas in Sobha’s Hartland Estate in Mohammed Bin Rashid City, and 426 apartments in Emaar’s Vida Hills. Within the master planned community of Town Square by Nshama, we noted there were six additional projects that were expected by the end of 2018. In 2019, 579 units in Safi Apartments and 680 additional units in Zahra Breeze were completed. Damac Maison in Business Bay added 1,200 units, while on the other end of town, Mag 5 added 924 apartments in Dubai South, in the southwestern part of the city, Town Square continued to see the completion of a few thousands units, as did Jumeirah Village Circle with the long awaited Five and the Zaya Hameni Tower, both luxury developments that have attracted a lot of attention in the market.

Overall, the communities that saw the most supply added were Jumeirah Village Circle, MBR City, Dubai South, Town Square and Business Bay, which comprises about 40 percent of the total residential supply added for the year.

Data Finder found a total of 20,978 residential units completed in the first half of 2019 and an additional 27,751 completed for the second half of the year. In our last issue, we noted that there were an additional 38,424 residential units within 152 projects that had at least an 85 percent completion status and were scheduled to complete by the end of the year, of those units, 73 percent of them reached completion. The additional 10,675 units have been pushed to 2020, in addition to the supply already slated for this year. Increased residential supply is good for residents as they will continue to have more leeway to negotiate prices in the rental market.

H2 2019 Review and 2020 Insights
Looking back at 2019, the supply story continued to dominate the news as did the increased amount of transactions. Due to the Dubai government’s agility in rendering new policies to navigate through an otherwise difficult economic climate, new residency visa schemes were announced in May 2018 and are being issued. According to the General Directorate of Residency and Foreign Affairs, at least 400 visas, or “golden cards” have been issued and there were plans to issue an additional 6,800 by the end of 2019, although there has not been another update.

In an effort to alleviate concerns around the amount of supply and the rate at which projects are reaching completion, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, issued a statement establishing a real estate committee comprised of industry leaders and professionals to oversee these developments and help to create a balance between supply and demand as 2020 nears.
In partnership with Dubai Land Department, Property Finder is proud to present Dubai’s first and the only official House Price Index “Mo’asher”

- Track how Dubai property prices perform every month
- Learn more about transactions, gross yields and more
- Monitor performance of villas and apartments
- Use accurate data to make better-informed decisions

Download the latest edition of Mo’asher from datafinder.ae/moasher
## APARTMENT

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<th>6-month change*</th>
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<th>H2 2019</th>
<th>6-month change*</th>
<th>Median Sales Price per sqft (AED)</th>
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## VILLA / TOWNHOUSE

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<th>H2 2019</th>
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## PRICE TRENDS

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae
## PRICE TREND ANALYSIS

### ABU DHABI

#### Median Annual Rental Price (AED)

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>H2 2019</th>
<th>6-month change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajman Downtown</td>
<td>26,000</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Al Bateen</td>
<td>125,000</td>
<td></td>
</tr>
<tr>
<td>Al Ghadeer</td>
<td>43,000</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Al Reem Island</td>
<td>1,014</td>
<td>0.4%</td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>125,000</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Al Reef</td>
<td>70,000</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Al Taawun</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>145,000</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Yas Island</td>
<td>106,000</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Mina Al Arab</td>
<td>36,000</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

#### Median Sales Price per sqft (AED)

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>H2 2019</th>
<th>6-month change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Ghadeer</td>
<td>781</td>
<td>3.3%</td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>933</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Al Reem Island</td>
<td>628</td>
<td>1.5%</td>
</tr>
<tr>
<td>Al Taawun</td>
<td>1,358</td>
<td></td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>896</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Yas Island</td>
<td>815</td>
<td></td>
</tr>
</tbody>
</table>

### NORTHERN EMIRATES

#### Median Annual Rental Price (AED)

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>H2 2019</th>
<th>6-month change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Ghadeer</td>
<td>815</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>1,215</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Al Reem Island</td>
<td>697</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Al Taawun</td>
<td>1,455</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>1,281</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Mina Al Arab</td>
<td>800</td>
<td></td>
</tr>
</tbody>
</table>

#### Median Sales Price per sqft (AED)

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>H2 2019</th>
<th>6-month change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Ghadeer</td>
<td>815</td>
<td></td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>933</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Al Reem Island</td>
<td>628</td>
<td>1.5%</td>
</tr>
<tr>
<td>Al Taawun</td>
<td>1,358</td>
<td></td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>896</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Mina Al Arab</td>
<td>815</td>
<td></td>
</tr>
</tbody>
</table>

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

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“–” means no change

*6-month change H1 2019
<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>RENT</th>
<th>SALE</th>
<th>GROSS YIELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>International City</td>
<td>35,000</td>
<td>330,000</td>
<td>10.6%</td>
</tr>
<tr>
<td>Discovery Gardens</td>
<td>41,500</td>
<td>480,000</td>
<td>8.6%</td>
</tr>
<tr>
<td>Al Barsha</td>
<td>68,000</td>
<td>850,000</td>
<td>8.0%</td>
</tr>
<tr>
<td>Barsha Heights (TeCom)</td>
<td>75,000</td>
<td>950,000</td>
<td>8.0%</td>
</tr>
<tr>
<td>Dubai Sports City</td>
<td>45,000</td>
<td>580,000</td>
<td>7.8%</td>
</tr>
<tr>
<td>DAMAC Hills (Akoya by DAMAC)</td>
<td>60,000</td>
<td>777,000</td>
<td>7.7%</td>
</tr>
<tr>
<td>Jumeirah Village Circle</td>
<td>52,000</td>
<td>680,000</td>
<td>7.6%</td>
</tr>
<tr>
<td>Jumeirah Lakes Towers</td>
<td>70,000</td>
<td>925,000</td>
<td>7.6%</td>
</tr>
<tr>
<td>Al Khail Heights</td>
<td>50,000</td>
<td>675,000</td>
<td>7.4%</td>
</tr>
<tr>
<td>Jumeirah Village Triangle</td>
<td>50,000</td>
<td>675,000</td>
<td>7.4%</td>
</tr>
<tr>
<td>Town Square</td>
<td>58,000</td>
<td>800,000</td>
<td>7.3%</td>
</tr>
<tr>
<td>Arjan</td>
<td>50,000</td>
<td>699,000</td>
<td>7.2%</td>
</tr>
<tr>
<td>Al Furjan</td>
<td>60,000</td>
<td>911,000</td>
<td>6.6%</td>
</tr>
<tr>
<td>Business Bay</td>
<td>85,000</td>
<td>1,296,000</td>
<td>6.6%</td>
</tr>
<tr>
<td>Motor City</td>
<td>75,000</td>
<td>1,194,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>Dubai Marina</td>
<td>100,000</td>
<td>1,600,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>City Walk</td>
<td>169,999</td>
<td>3,000,000</td>
<td>5.7%</td>
</tr>
<tr>
<td>Palm Jumeirah</td>
<td>141,600</td>
<td>2,649,500</td>
<td>5.3%</td>
</tr>
<tr>
<td>Downtown Dubai</td>
<td>115,000</td>
<td>2,390,000</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
# Rental Yields

## Abu Dhabi

### Apartment

<table>
<thead>
<tr>
<th>Community</th>
<th>Rent</th>
<th>Sale</th>
<th>Gross Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Reef</td>
<td>70,000</td>
<td>800,000</td>
<td>8.8%</td>
</tr>
<tr>
<td>Al Ghadeer</td>
<td>43,000</td>
<td>550,000</td>
<td>7.8%</td>
</tr>
<tr>
<td>Yas Island</td>
<td>106,000</td>
<td>1,479,080</td>
<td>7.2%</td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>125,000</td>
<td>1,850,000</td>
<td>6.8%</td>
</tr>
<tr>
<td>Al Reem Island</td>
<td>80,000</td>
<td>1,200,000</td>
<td>6.7%</td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>145,000</td>
<td>2,500,000</td>
<td>5.8%</td>
</tr>
<tr>
<td>Al Bateen</td>
<td>125,000</td>
<td>3,600,000</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

### Villa / Townhouse

<table>
<thead>
<tr>
<th>Community</th>
<th>Rent</th>
<th>Sale</th>
<th>Gross Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Ghadeer</td>
<td>85,000</td>
<td>1,240,000</td>
<td>6.9%</td>
</tr>
<tr>
<td>Al Reef</td>
<td>105,000</td>
<td>1,640,000</td>
<td>6.4%</td>
</tr>
<tr>
<td>Al Raha Beach</td>
<td>256,000</td>
<td>4,195,000</td>
<td>6.1%</td>
</tr>
<tr>
<td>Yas Island</td>
<td>210,000</td>
<td>4,250,000</td>
<td>4.9%</td>
</tr>
<tr>
<td>Saadiyat Island</td>
<td>390,000</td>
<td>8,500,000</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

### Northern Emirates

### Apartment

<table>
<thead>
<tr>
<th>Community</th>
<th>Rent</th>
<th>Sale</th>
<th>Gross Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emirates City</td>
<td>21,000</td>
<td>200,000</td>
<td>10.5%</td>
</tr>
<tr>
<td>Ajman Downtown</td>
<td>26,000</td>
<td>300,000</td>
<td>8.7%</td>
</tr>
<tr>
<td>Al Hamra Village</td>
<td>33,500</td>
<td>420,000</td>
<td>8.0%</td>
</tr>
<tr>
<td>Mina Al Arab</td>
<td>36,000</td>
<td>600,000</td>
<td>6.0%</td>
</tr>
<tr>
<td>Al Majaz</td>
<td>38,000</td>
<td>800,000</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

### Villa / Townhouse

<table>
<thead>
<tr>
<th>Community</th>
<th>Rent</th>
<th>Sale</th>
<th>Gross Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Hamra Village</td>
<td>76,000</td>
<td>1,200,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>Mina Al Arab</td>
<td>90,000</td>
<td>1,900,000</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Sales prices based on listing data

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae
DUBAI SALES TRANSACTION DATA

We have collected transactional data from the Dubai Land Department, in partnership with whom we launched the Dubai Sales Price Index or Mo’asher. Below is a comparison of the volume of residential, commercial and land sales transactions in 2019 and how they compare with the number of deals in 2018.

TOTAL SALES TRANSACTIONS 2018 VS 2019

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018</th>
<th>2019</th>
<th>CHANGE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment</td>
<td>25,906</td>
<td>30,158</td>
<td>16.41%</td>
</tr>
<tr>
<td>Villa / Townhouse</td>
<td>4,386</td>
<td>7,630</td>
<td>73.96%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,356</td>
<td>1,602</td>
<td>18.14%</td>
</tr>
<tr>
<td>Other Land</td>
<td>3,313</td>
<td>2,598</td>
<td>-21.58%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34,961</td>
<td>41,988</td>
<td></td>
</tr>
</tbody>
</table>

“...41,988 sales transactions for 2019. There was a 60 to 40 percent split between off-plan and secondary buying. Villas and townhouses were the best-performing asset class in 2019, with a 74 percent increase in volume compared to 2018. There was an increase in the number of villa and townhouse projects reaching completion last year. Also, affordable off-plan villa launches in communities such as Cherrywoods and Arabian Ranches 3 drove up transactions. Post-handover payments have made off-plan purchasing extremely attractive for those wishing to invest, with low down payments and further fee waivers offered by developers to attract buyers.”

Overal Transaction Volume

APARTMENTS

VILLAS AND TOWNHOUSES

Numbers represent transaction volume
Here is a snapshot of residential sales prices in Dubai communities that saw the most transactions. We compare how prices fared year on year.

**H2-2019 AVERAGE PRICE AND Y-o-Y COMPARISON**

<table>
<thead>
<tr>
<th>Area</th>
<th>Price in H2-2019</th>
<th>Price in H2-2018</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubai Marina</td>
<td>AED 1,645,405</td>
<td>AED 1,239,301</td>
<td>33%</td>
</tr>
<tr>
<td>Jumeirah Village Circle</td>
<td>AED 723,977</td>
<td>AED 676,916</td>
<td>7%</td>
</tr>
<tr>
<td>Business Bay</td>
<td>AED 1,272,766</td>
<td>AED 2,333,579</td>
<td>-45%</td>
</tr>
<tr>
<td>Downtown Dubai</td>
<td>AED 2,234,381</td>
<td>AED 1,272,766</td>
<td>75%</td>
</tr>
<tr>
<td>Dubai Creek Harbour</td>
<td>AED 1,540,871</td>
<td>AED 1,950,769</td>
<td>-21%</td>
</tr>
<tr>
<td>Dubai South</td>
<td>AED 1,192,779</td>
<td>AED 1,089,151</td>
<td>9%</td>
</tr>
<tr>
<td>Serena</td>
<td>AED 1,711,068</td>
<td>AED 1,721,033</td>
<td>-1%</td>
</tr>
<tr>
<td>Arabian Ranches 3</td>
<td>AED 1,454,378</td>
<td>AED 1,442,905</td>
<td>0.8%</td>
</tr>
<tr>
<td>Cherrywoods</td>
<td>AED 1,772,281</td>
<td>AED 1,499,096</td>
<td>25%</td>
</tr>
<tr>
<td>Villanova</td>
<td>AED 1,424,905</td>
<td>AED 1,499,096</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group. For a more detailed trends analysis, please visit datafinder.ae.
THE MARKET

Market stakeholders share their views on key trends to watch out for, plus data support market trends for buy and rent.
### APARTMENT Sale

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le Reve</td>
<td>Dubai Marina</td>
<td>705,000</td>
</tr>
<tr>
<td>Volante</td>
<td>Business Bay</td>
<td>655,000</td>
</tr>
<tr>
<td>Residence 22</td>
<td>Business Bay</td>
<td>555,000</td>
</tr>
<tr>
<td>Studio One</td>
<td>Dubai Marina</td>
<td>531,500</td>
</tr>
<tr>
<td>Jumeirah Bay Island</td>
<td>Jumeirah</td>
<td>502,000</td>
</tr>
<tr>
<td>Burj Khalifa</td>
<td>Downtown Dubai</td>
<td>4,762</td>
</tr>
<tr>
<td>The Address, Dubai Mall</td>
<td>Downtown Dubai</td>
<td>4,152</td>
</tr>
<tr>
<td>One Palm Jumeirah</td>
<td>Palm Jumeirah</td>
<td>4,383</td>
</tr>
<tr>
<td>Mansion 1, The Alef Residences</td>
<td>Palm Jumeirah</td>
<td>5,436</td>
</tr>
<tr>
<td>Il Primo, Opera District</td>
<td>Downtown Dubai</td>
<td>3,708</td>
</tr>
</tbody>
</table>

### APARTMENT Rent

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le Reve</td>
<td>Dubai Marina</td>
<td>705,000</td>
</tr>
<tr>
<td>Volante</td>
<td>Business Bay</td>
<td>655,000</td>
</tr>
<tr>
<td>Residence 22</td>
<td>Business Bay</td>
<td>555,000</td>
</tr>
<tr>
<td>Studio One</td>
<td>Dubai Marina</td>
<td>531,500</td>
</tr>
<tr>
<td>Jumeirah Bay Island</td>
<td>Jumeirah</td>
<td>502,000</td>
</tr>
</tbody>
</table>

### VILLA / TOWNHOUSE

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Asking Price per sqft (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden Homes</td>
<td>Palm Jumeirah</td>
<td>6,786</td>
</tr>
<tr>
<td>District One</td>
<td>Mohammed Bin Rashid City</td>
<td>3,937</td>
</tr>
<tr>
<td>Emirates Hills Villas</td>
<td>Emirates Hills</td>
<td>3,596</td>
</tr>
<tr>
<td>Signature Villas</td>
<td>Palm Jumeirah</td>
<td>2,821</td>
</tr>
<tr>
<td>Al Barari Villas</td>
<td>Al Barari</td>
<td>2,297</td>
</tr>
</tbody>
</table>

### VILLA / TOWNHOUSE

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Asking Price per sqft (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden Homes</td>
<td>Palm Jumeirah</td>
<td>6,786</td>
</tr>
<tr>
<td>District One</td>
<td>Mohammed Bin Rashid City</td>
<td>3,937</td>
</tr>
<tr>
<td>Emirates Hills Villas</td>
<td>Emirates Hills</td>
<td>3,596</td>
</tr>
<tr>
<td>Signature Villas</td>
<td>Palm Jumeirah</td>
<td>2,821</td>
</tr>
<tr>
<td>Al Barari Villas</td>
<td>Al Barari</td>
<td>2,297</td>
</tr>
</tbody>
</table>

### VILLA / TOWNHOUSE Rent

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector R</td>
<td>Emirates Hills</td>
<td>1,140,000</td>
</tr>
<tr>
<td>Sector P</td>
<td>Emirates Hills</td>
<td>1,110,000</td>
</tr>
<tr>
<td>The Crescent</td>
<td>Palm Jumeirah</td>
<td>798,500</td>
</tr>
<tr>
<td>Sector E</td>
<td>Emirates Hills</td>
<td>753,298</td>
</tr>
<tr>
<td>Signature Villas</td>
<td>Palm Jumeirah</td>
<td>604,500</td>
</tr>
</tbody>
</table>
## Amongst the 5 most expensive places to splurge on in Abu Dhabi based on asking prices.

### APARTMENT

<table>
<thead>
<tr>
<th>Location</th>
<th>Median Asking Price per sqft (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mamsha Al Saadiyat, Saadiyat Island</td>
<td>1,948</td>
</tr>
<tr>
<td>The Gate Tower 2, Shams Abu Dhabi, Al Reem Island</td>
<td>2,573</td>
</tr>
<tr>
<td>Al Manara, Al Bandar, Al Raha Beach</td>
<td>1,570</td>
</tr>
<tr>
<td>Marina Heights, Marina Square, Al Reem Island</td>
<td>1,046</td>
</tr>
<tr>
<td>Sky Tower, Shams Abu Dhabi, Al Reem Island</td>
<td>1,238</td>
</tr>
</tbody>
</table>

### VILLA / TOWNHOUSE

<table>
<thead>
<tr>
<th>Location</th>
<th>Median Asking Price per sqft (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurai Island, Nurai Island</td>
<td>2,673</td>
</tr>
<tr>
<td>HIDD Al Saadiyat, Saadiyat Island</td>
<td>2,539</td>
</tr>
<tr>
<td>Jawaher Saadiyat, Saadiyat Island</td>
<td>2,702</td>
</tr>
<tr>
<td>Corniche Al Qurm, Al Qurm</td>
<td>1,402</td>
</tr>
<tr>
<td>Al Gurm Resort, Al Gurm</td>
<td>1,367</td>
</tr>
</tbody>
</table>

### APARTMENT

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Annual Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hills Abu Dhabi, Al Maqtaa</td>
<td>410,000</td>
</tr>
<tr>
<td>Saadiyat Cultural District, Saadiyat Island</td>
<td>390,000</td>
</tr>
<tr>
<td>Saadiyat Beach, Saadiyat Island</td>
<td>350,000</td>
</tr>
<tr>
<td>Four Seasons Hotel, Al Maryah Island</td>
<td>325,000</td>
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<tr>
<td>Capital Plaza, Corniche Road</td>
<td>320,000</td>
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</table>

### VILLA / TOWNHOUSE

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Annual Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIDD Al Saadiyat, Saadiyat Island</td>
<td>950,000</td>
</tr>
<tr>
<td>St. Regis, Saadiyat Beach, Saadiyat Island</td>
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<tr>
<td>Al Bateen Villas, Al Bateen</td>
<td>650,000</td>
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<tr>
<td>Al Muneera Island Villas, Al Muneera</td>
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<tr>
<td>Royal Marina Villas, Marina Village</td>
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</table>

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group. For a more detailed trends analysis, please visit datafinder.ae
## Apartment Sale

### Average Annual Asking Price (AED)

<table>
<thead>
<tr>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citadines Metro Central Hotel Apartments, Barsha Heights</td>
<td>17,500</td>
</tr>
<tr>
<td>MAG 5 Dubai South</td>
<td>20,400</td>
</tr>
<tr>
<td>Persia Cluster International City</td>
<td>24,800</td>
</tr>
<tr>
<td>Morocco Cluster International City</td>
<td>26,700</td>
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<tr>
<td>Emirates Cluster International City</td>
<td>28,600</td>
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</table>

## Apartment Rent

### Average Annual Asking Price (AED)

<table>
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<tr>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citadines Metro Central Hotel Apartments, Barsha Heights</td>
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<tr>
<td>Morocco Cluster International City</td>
<td>26,700</td>
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<tr>
<td>Emirates Cluster International City</td>
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</table>

## Villa / Townhouse Sale

### Median Asking Price per sqft (AED)

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<tr>
<th>Location</th>
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<tr>
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<tr>
<td>Morocco Cluster International City</td>
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<tr>
<td>Greece Cluster International City</td>
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<tr>
<td>Italy Cluster International City</td>
<td>469</td>
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<tr>
<td>Persia Cluster International City</td>
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## Villa / Townhouse Rent

### Average Annual Asking Price (AED)

<table>
<thead>
<tr>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Hail Deira</td>
<td>46,000</td>
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<tr>
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<tr>
<td>Hor Al Anz Deira</td>
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<tr>
<td>Al Souk Al Kabeer Bur Dubai</td>
<td>52,400</td>
</tr>
<tr>
<td>Al Waha Villas Dubai</td>
<td>82,300</td>
</tr>
</tbody>
</table>

Amongst the 5 most affordable places in Dubai based on asking prices.

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group. For a more detailed trends analysis, please visit datafinder.ae
### APARTMENT (SALE)

<table>
<thead>
<tr>
<th>Building</th>
<th>Area</th>
<th>Median Asking Price per sqft (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Gate</td>
<td>Masdar City</td>
<td>880</td>
</tr>
<tr>
<td>Al Waha</td>
<td>Al Ghadeer</td>
<td>608</td>
</tr>
<tr>
<td>Al Khaleej Village</td>
<td>Al Ghadeer</td>
<td>658</td>
</tr>
<tr>
<td>Al Maryah Vista</td>
<td>Al Maryah Island</td>
<td>856</td>
</tr>
<tr>
<td>Oasis Residence</td>
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</table>

### APARTMENT (RENT)

<table>
<thead>
<tr>
<th>Building</th>
<th>Area</th>
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</thead>
<tbody>
<tr>
<td>Al Dhafra Building</td>
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</tr>
<tr>
<td>Madinat Zayed Tower</td>
<td>Muroor Area</td>
<td>22,790</td>
</tr>
<tr>
<td>Liwa Village</td>
<td>Al Ghadeer</td>
<td>26,500</td>
</tr>
<tr>
<td>Khalifa City B</td>
<td>Khalifa City</td>
<td>27,900</td>
</tr>
<tr>
<td>Officers City</td>
<td>Abu Dhabi Gate City</td>
<td>31,000</td>
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### VILLA / TOWNHOUSE (SALE)

<table>
<thead>
<tr>
<th>Building</th>
<th>Area</th>
<th>Median Asking Price per sqft (AED)</th>
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</thead>
<tbody>
<tr>
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<td>398</td>
</tr>
<tr>
<td>Al Khaleej Village</td>
<td>Al Ghadeer</td>
<td>631</td>
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<tr>
<td>Arabian Style</td>
<td>Al Reef Villas</td>
<td>546</td>
</tr>
<tr>
<td>Al Ghadeer</td>
<td></td>
<td>808</td>
</tr>
<tr>
<td>The Gate</td>
<td>Masdar City</td>
<td>508</td>
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### VILLA / TOWNHOUSE (RENT)

<table>
<thead>
<tr>
<th>Building</th>
<th>Area</th>
<th>Average Annual Asking Price (AED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 7</td>
<td>Hydra Village</td>
<td>72,800</td>
</tr>
<tr>
<td>Zone 4</td>
<td>Hydra Village</td>
<td>78,900</td>
</tr>
<tr>
<td>Manazel Al Reef 2</td>
<td>Al Samha</td>
<td>80,700</td>
</tr>
<tr>
<td>Shams Abu Dhabi</td>
<td>Al Reem Island</td>
<td>85,125</td>
</tr>
<tr>
<td>Mohamed Bin Zayed City Villas</td>
<td>Mohamed Bin Zayed City</td>
<td>93,750</td>
</tr>
</tbody>
</table>

Amongst the 5 most affordable places in Abu Dhabi based on asking prices.

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group. For a more detailed trends analysis, please visit datafinder.ae
WHAT CAN DUBAI LEARN FROM PREVIOUS EXPOS?

The number of foreign visitors is a good indicator of the event’s economic impact.

The upcoming year has quite a bit on offer; a couple of key nations will hopefully have a more progressive leadership by this time next year, and no, I am not referring to Bolivia or Taiwan. Additionally, the World Expo, the first to be held in the Middle East, will open in October and there is no better time to showcase Dubai and all of its advancements. In order to put this particular event in context, it is important to see how other cities have fared.

All of the world expositions, also referred to as world fairs, occur under the mandate of the Bureau International des Expositions (BIE). The BIE also organises specialised expositions, which occur in between World Expositions. Dating back to 1851, when the first World Exposition was held in the United Kingdom and Ireland, a total of 69 other expositions have taken place around the world. The United States has held the most expositions (12), with France coming in second, hosting nine events. Numerous others have been held in other Western European countries and increasingly in some Eastern European destinations such as Bulgaria and Hungary. Since the 1970s, Eastern Asia has held eight expositions. Japan (4), South Korea (3) and China (1). Most of these have been specialised expositions which occur every two years and have a different theme.

World expositions and tourism

The Expos are important mostly because they are expected to rake in far more than the amount expended to host the show. Between an increased amount of tourists and the expected investments that should follow, what was once an opportunity to showcase culture has now grown into an important numbers game.

Generating tourism is one indicator for success. The number of foreign visitors is a good indicator of the economic impact the expositions have. Japan’s most recent World Exposition in 2005 saw 22 million visitors, of which approximately 880,000 were foreign tourists.

In 2015, Milan hosted the last World Exposition attracting 20 million visitors, 5 million of which came from outside the country. Although this exposition had aimed to attract 30 percent of foreign visitors, reaching 25 percent was a welcome statistic. Overall, Italy is the world’s third most visited country with over 60 million tourists per year and approximately 75 percent of Milan’s Expo visitors were either Italian citizens or day visitors.

The proportion of foreign visitors to the total number of visitors and the host country’s population is an interesting indicator of the economic impact the expositions have. Many cities go to great lengths to host the event in hopes that putting itself on the world’s stage will garner greater amounts of foreign direct investment (FDI) and investment overall as well as contribute tourism spending for the hospitality sector.

Problematically, the turnout for some expos falls short of predictions. Toward the 2000 Hanover World Exposition, Germany invested $1.6 billion and predicted 40 million visitors. In the first six weeks of the six-month event, only 3 million visitors had come. In turn, the event’s managers had to lay off workers and slash ticket prices in a bid to ramp up the visitor count. By the end, only 16.1 million visitors had come through the doors, leaving the city saddled with a debt burden that ran as high as $600 million, one third of the total investment.

Generating tourism is one indicator for success. The number of foreign visitors is a good indicator of the economic impact the expositions have.

“According to Ernst and Young, the Expo’s total contribution to GDP from the end of 2013 to December 2031 is expected to be AED 122.6 billion with the three most impacted sectors being: events organisation and business services, construction and restaurants and hotels”

The most visited expo was Shanghai’s 2010 world fair, which cost the Chinese government $49 billion, approximately 8 percent of its annual gross domestic product (GDP) for the same year. For years prior to this exposition, the events had received much criticism for the sheer amount of investment they require, both on the part of the host government as well as the investment spent toward country pavilions by the attending countries.

In another example, the World Exposition held in Seville in 1992 cost Spain $2 billion, which included necessary infrastructure spending as well as spending toward pavilions. Another $10 billion was spent on urban improvements, including the construction of eight new bridges and a high-speed train that takes people from Madrid to Seville in just under three hours.

When Seville’s exposition opened in 1992, the city had 25,000 beds in 3 to 5 star hotels and was expecting well over 50 million tourists. The city invented additional options such as hosting seven chartered Russian river boats that added an additional 2,300 beds as well as an additional 30,000 beds in bed and breakfasts and private homes. Within 45 minutes of the city, there were an additional 19,000 beds and another 22,000 within an hour of the site.

With the city seeing 40 million visitors, the majority of which were day visitors, supplying enough space for visitors to spend the night was not an issue. These numbers could lend some interesting insight toward Dubai’s Expo 2020 in terms of concerns over whether the available hotel supply versus the expected number of visitors will be too much or not enough.

Euler Hermes research found that in the case of Milan’s 2015 Exposition, the wholesale and distribution sector, hotels and catering, transport-related sectors and commercial services sector all saw an increase of between 1.3 percent to 4.2 percent year on year. Foreign direct investment, that is investments from a foreign entity which has at least 10 percent ownership, saw the inflow of €6 billion between February and April 2015, the highest quarterly figure since 2013. The report also notes that many of the businesses did well during the Expo itself, but were expected to face economic difficulties once the event ended. In Milan’s case, it was estimated that one company out of every 10 would be expected to go bankrupt before 2018, with many doing so in 2017, mainly in the construction sector.

When looking at the host city being able to accommodate the increased amount of visitors, STR, an American consultancy that tracks supply and demand for multiple market sectors, took a look at the Shanghai and Milan expos. In 2010, Shanghai had 192,000 available hotel rooms, although many visitors were domestic visitors, as approximately 200 million Chinese live within a two-hour drive of Shanghai. Of the 73 million visitors to the 2010 Expo, approximately 94 percent were domestic. During the Expo, Shanghai saw a 39 percent increase in demand, compared to the same period the year before. The average daily rate (ADR) during Expo 2010 was also 30 percent higher, as hotel operators inevitably increase their rates for the event, and by 2011 their rates declined by 26 percent. 6 years after the Expo, the city added an additional 11,000 new hotel rooms despite demand being flat after the Expo.

CARLA MARIA ISSA
Senior Research Analyst, Property Finder
Some of the positive effects of Shanghai’s Expo were witnessed in the retail and residential property sectors, according to Colliers International. In anticipation of the event, the city remodelled a valuable chunk of riverfront property that previously was a long outdated shipyard and residential block. The property was redeveloped and sold to developers who transformed it into valuable retail and commercial property.

One of the most positive aspects for the city was the infrastructure it gained, including important transportation links and improvements to existing infrastructure such as an additional terminal at Shanghai’s airport. The city has also added numerous cinemas and cultural attractions, all aimed at keeping the Chinese happy and occupied.

On the world’s stage in 2020
The Expo 2020 site represents a microcosm of the larger city around it. Dubai’s infamous “build and they will come” philosophy has generally yielded positive gains in the trade and transport space, helping it to become one of the world’s busiest ports, surpassing historically important trading ports of Rotterdam and Antwerp.

According to Ernst and Young, the Expo’s total contribution to GDP from the end of 2013 to December 2031 is expected to be AED 122.6 billion with the three most impacted sectors being: events organisation and business services (AED 68.9 billion), construction (AED 27 billion) and restaurants and hotels (AED 11.4 billion). The total investment in infrastructure and capital assets during this period is AED 40.1 billion. Of the expected AED 122.6 billion, AED 27.7 billion is expected to be gained in the “pre-Expo” phase of November 2013 through October 2020. The second phase, during Expo, is expected to gain AED 22.7 billion and the legacy/post-Expo phase is expected to earn AED 22.7 billion, with events organisation and business services (AED 54.2 billion), retail (AED 2.5 billion) and restaurants and hotels (AED 2 billion).

Considering the pre-Expo period is quickly drawing to a close, as much as AED 37.7 billion of gross value add (GVA), mostly from construction activities, will have already been absorbed in the economy. In total, AED 53.5 billion will be spent toward the event and the legacy infrastructure itself and the remainder is future anticipated economic activity that is expected as a result of having an increased profile for business and tourism at the global level.

The Dubai Statistics Centre and Dubai Economic Department both predict that 2020 will see 28 million visitors visit Dubai in total. Most reports indicate that 25 million visitors will visit Expo in 2020, which would yield an average of 145,000 visitors per day, every day for the duration of the event. Of the 25 million, 11 million are expected to be domestic visitors and another 14 million from overseas, many of whom will already be holidaying in Dubai and may set their sights on visiting the Expo for the day. Tickets will go on sale in March of 2020 and at that point, analysts will better be able to gauge visitor count due to these presales.

As 2020 begun, the vibe across the city already feels heightened, and I bet that feeling will increase in the months to come. Wintertime in Dubai brings a fresh perspective for residents and with the opening of the Expo in October and one year shy of the country’s 50-year anniversary, there won’t be a more exciting city to be in than Dubai.

Sources: New York Times, Ernst & Young
VERTICAL CITIES: THE BEST SOLUTION FOR FUTURE MEGA CITIES

Building upwards is the answer to overpopulation and rapid urbanisation

From Fritz Lang’s Metropolis (1927) to Ridley Scott’s Blade Runner (1981), modern science fiction has extensively used vertical cities to depict the future of urbanisation. While most of these films use the concept to highlight a grim dystopian future (to support the storyline, of course), owing to the reciprocal relationship between fiction and reality, they also inspire a rather promising solution to the ever-growing threat of rapid urbanisation.

Today, 55 percent of the world’s population lives in cities and this number is expected to reach 75 percent by 2050. This rapid explosion in urban population is exerting tremendous pressure on cities worldwide. More people equate to more homes, and more homes result in the human encroachment of land unless we adopt a conceptual shift in the way we approach urban planning.

As depicted in science fiction, expanding vertically could be a better way forward for urban expansion than spreading out. Still at a conceptual stage, vertical living entails building taller buildings that will eventually encompass all aspects of human life such as living, work, education, healthcare and leisure. While some discount the idea of vertical living as mere fiction, in fact, a growing number of architects, developers and urban planners see it as the most obvious way forward. To evaluate the case for vertical living, we need to consider the need, the advantages and challenges of the concept.

The Need
Cities, which were once nothing but defensive perimeters and warehouses for agriculturally productive and goods, evolved through planning as they became centres for urban activities. Until around the 19th century, cities were mostly characterised by low-rise buildings spread across urban land. However, with the advent of technology and several economic factors, humans began to construct high-rises. Cities eventually became the centre of trade, politics and culture, which resulted in exponential growth of land value. Hence, building upward was the only way forward. However, even with the emergence of multi-storey buildings and skyscrapers, cities continue to expand horizontally, which has led to several problems.

Globally, we are running out of urban space. As we expand our cities, we encroach on forests, swamps, coasts and agricultural land, which leads to irreversible destruction of entire ecosystems. Horizontally planned cities lead to transport inefficiencies such as traffic congestion and environmental pollution resulting from the excessive use of vehicles to get to places. Cities that do not possess additional land to expand lose their potential for growth and economic development.

Contributing as much as 80 percent of the global gross domestic product (GDP), cities and urban areas serve as economic powerhouses that draw people from all corners of the world. Cities across the globe are struggling to meet the infrastructural demands of their unrelenting growth. With global population expected to hit 10 billion by 2050, it is becoming increasingly critical to isolate fact from fiction, factor in the advantages, iron out the quirks and consider a sustainable vertical evolution of urban living.

The Potential
Proponents of vertical urban development believe that building upwards is the answer to overpopulation and rapid urbanisation. Mixed-use, sky-high constructions can offer more space to live and work, without increasing the footprint on the land. In theory, future citizens could live, work and play within the same building, without having to spend time or resources to travel from one place to another. Besides providing a built environment for an ever-growing population, vertical cities will also enable urban planners to redevelop or remodel existing cities with ease.

By developing cities upwards, we can spare land for agricultural use, which will also need to be amped up considering the population explosion. By cutting down on vehicular transport, vertical cities can play a crucial role in reducing our energy consumption. By using predictive analysis, automation and integrated systems to improve energy consumption, use of resources, waste management and recycling, vertical living could significantly improve urban metabolism.

Considering the many advantages, it is easy to see how vertical living may seem like the most obvious answer to the impending challenges that cities across the world are beginning to face. However, there are significant challenges that are, in some cases, interconnected or in sharp contradiction to the advantages that vertical living offers.

The Downside
The concept of vertical living, while promising in many aspects, is loaded with challenges and dead-end questions that need to be answered. For instance, the cost of constructing mile-high skyscrapers increases as you build higher.

While vertical living promises to be an answer to preserving ecosystems in non-urban lands, the environmental impact of creating vertical cities could be severe, considering the exponentially higher energy and water consumption during the construction phase. Moreover, by affecting wind flow and sunlight, vertical cities may be detrimental to flora and fauna of neighbouring areas.

Those on the other side of the argument for vertical living also point out that vertical developments will restrict growth potential for future generations. Additionally, we also need to take into account the fact that vertical structures are built to last a finite number of years, after which they need to be abandoned. By increasing the density of urban population, vertical cities could amplify risks such as disease, crime, vulnerability to disasters and social conflict.

Many argue that the claustrophobia associated with vertical cities could also negatively impact the psychological state of residents. While the flipside to vertical living may paint a dystopian future, they need to be considered so that architects, planners and developers can get around them.

While we may be years away from creating fully self-sufficient vertical cities, there are various present-day examples of cities promoting vertical living. In Sydney, for instance, detached houses will be outnumbered by vertical housing by 2024. In Washington too, vertical living is gaining traction to reduce the commute time between work and home. Developers in the US capital are also cutting down on the size of units to create amenities and shared public spaces within mixed-use buildings. In Singapore, over 80 percent of the population lives in public housing, most of which are high-rises.

Dubai is home to some of the tallest buildings in the world. Seven of the world’s tallest residential towers are situated in one strip at Dubai Marina. The Gulf futurism in architecture, which can be seen most vividly in Dubai, gives us a glimpse of what cities in the future would look like. However, none of the world’s skyscrapers can be considered as vertical cities as they do not meet all the functions of a city.

Our planet offers approximately 24,642,757 square miles or 15.77 billion acres of habitable land, and humans have occupied almost every bit of it. Given the rate at which our population is growing, the concept of vertical cities, which may be still considered as science fiction, will need to be realised. For this, all the stakeholders, including governments, researchers, social scientists, urban planners, environmentalists and civic groups, need to argue the feasibility of vertical developments through research and comprehensive analysis.

The first step is to define the parameters of sustainable vertical cities, followed by long-term vision planning which takes into consideration human, social and environmental values. As humans, we are known for our unique capabilities to adapt and transform with changes in our ecosystem and environment. Like living organisms, cities have continued to evolve through time and changing demographics.

Today, we are inching closer towards a crossroad, from where we may need to change our perception (quite literally) of urban growth. So, until we find other Earth-like planets in our galaxy and beyond to call home, the only way forward may be upward.

“Today, 55 percent of the world’s population lives in cities and this number is expected to reach 75 percent by 2050. This rapid explosion in urban population is exerting tremendous pressure on cities worldwide”

ALI SA JWANI
General Manager - Operations, Damac Properties

* Source: The McKinsey Report

**PPF TRENDS**

#PFTRENDS
SHARJAH BUCKS THE TREND FOR GULF REAL ESTATE MARKETS

Enquiries for properties and transaction numbers have been on the increase for new, modern communities

There is no getting away from the fact that it has been a particularly trying time for the property industry in most parts of the GCC in recent years. There is no one central reason for the poor performance, but really a number of issues that have combined to create a pretty poor environment for the real estate sector.

These have included the fall in oil prices plus the subsequent knock-on effect on government spending and consumer sentiment and a local mortgage cap put in place to prevent the kind of speculative-driven boom we saw prior to 2008. In addition, the rise in the value of the US dollar, the drop in the value of the Russian Rouble and Brexit are just examples of the kind of external macroeconomic issues that have hurt international demand for property, especially here in the UAE.

The biggest problem being faced right now in the UAE is the unbalanced supply and demand position, with a significant pipeline of off-plan homes set to be completed in the next couple of years. However, the introduction of a higher committee in Dubai to regulate supply and demand and oversee urban planning is a huge step in the right direction.

However, amidst the difficulties being faced elsewhere in the Gulf, I would argue that there is one obvious outlier. When it comes to real estate, Sharjah had played a somewhat quieter role as neighbours opened up their markets and embarked on building booms that have transformed cities but also led to some sizeable swings in prices. As a result, Sharjah has built up a reputation for stability and good governance over the course of 15 years, with prices remaining within a steady range, thereby offering plenty of comfort to investors.

For Sharjah, the sea change came in 2014 when the government decided to allow all nationalities to buy property in the emirate, following in the footsteps of some of its neighbours.

“For Sharjah, the sea change came in 2014 when the government decided to allow all nationalities to buy property in the emirate, following in the footsteps of some of its neighbours.”

and ushering in a new generation of developers to set up shop in the city.

Launching our initial project in early 2017, Arada was one of the first of those developers, but we’ve been joined by many more, lured by the favourable supply-and-demand situation. Steadily increasing competition has undoubtedly been great for Sharjah; it has forced the industry to become more efficient and customer-focused, which has of course resulted in better deals for buyers. The net effect has been the creation of well-designed homes in integrated communities, an asset class that is already available elsewhere in the UAE, but at a far more accessible price point in Sharjah.

The sales results have been impressive, with data showing a steady increase in demand for Sharjah property, even as interest elsewhere has declined. Official data from the government regulator of the sector, Sharjah Real Estate Registration Department, showed that the number of transactions had risen by 31.4 percent in the third quarter of 2019, compared to the same period a year earlier. Year to date, AED 18.9 billion has been pumped into Sharjah real estate, already 84 percent of the total investment for 2018.

Not everything has been rosy, however, and Sharjah has certainly not been immune to the difficulties being faced by other markets, with rents and prices across the emirate in general mirroring those of its neighbours and softening slightly this year, especially in inner-city areas.

But the tale is slightly different in what we refer to as “New Sharjah”, a cluster of sites located just outside the city centre, where Arada and some other developers are building their communities. These include Muwaih, a booming district that is located between University City and Sheikh Mohammed bin Zayed Road, and Al Tay, a suburb that will play host to some of Sharjah’s large projects. Research carried out by real estate consultancy Savills in October showed that enquiry levels across these locations rose by 50 percent between the first and second quarter of 2019, with demand expected to continue for the remainder of the year.

However, I would argue that the real reason for the Sharjah property success story was not the decision to open up the market in 2014, or indeed the approach of developers such as Arada. It’s Sharjah itself. What do I mean by that? When it comes to Sharjah, the phrase that I have used most often is ‘a hidden gem’. It has one of the most diversified economies in the Middle East, with no one sector contributing to more than 20 percent of GDP, and the non-oil sector as a whole contributing to 94 percent of gross domestic product.

Government spending reached another record high in 2019, with an AED 25.7 billion budget that is up 10 percent on the previous year. The number of business licences being issued is steadily on the rise, while the emirate is on course to hit its target of 10 million tourists annually by 2021. In addition, Sharjah’s education sector is the envy of many of its peers, and the city is well-known as a cultural capital for the region.

None of these achievements has happened overnight; truly influential institutions and policies take years to develop and cannot be bought on a whim. They are the product of decades of planning by a wide range of government authorities. For example, the American University of Sharjah, which is now ranked as one of the top 20 universities in the Arab world by The Times newspaper, was founded 22 years ago. Similarly, significant investment over the course of many years in Sharjah’s museums and cultural attractions, and more recently hotels, have slowly made the emirate a destination to visit in its own right.

Developers like Arada and others have reaped the benefits from this longstanding investment in a number of key areas, and I would argue that we have now reached a sweet spot in terms of real estate demand, assisted by these ancillary sectors. The changes in legislation that sparked the surge in interest back in 2014 have built on a foundation of stability and good regulation and have allowed companies like Arada to build the kind of communities, destinations and public realm that are now helping to transform Sharjah into a true city for the 21st century.
Dubai’s short-term rental market has seen incredible growth over the past few years. Ever since holiday homes were made legal in 2016, the industry has been booming, with more and more homes coming on the market each day. From solo travellers to large families, there is something for everyone. Owners could be either investors looking to make more money on their property or frequent travellers wanting to make a profit while being away on holiday.

It is worth noting that the growth of this industry is far from over. Dubai is still a long way from catching up with New York or London in the number of Airbnb listings, especially when taking into account the number of tourists per year. For example, London and Dubai are both among the top 5 most visited cities in the world, yet London has more than 10 times the amount of Airbnb listings. It is certain that Dubai still has a long way to go for short-term rental supply to meet demand and for this market to mature.

Since the first World Expo in London in 1851, these international expositions have been used to promote trade, display new technological advances and progress, encourage cultural exchanges and generally showcase countries on an international stage. It is an incredibly exciting moment for Dubai, the UAE and the Middle East as a whole. This is an opportunity for Dubai to shine and show its visitors the city’s potential beyond the six months of the Expo.

The growth of Dubai’s short-term rental market goes hand in hand with the upcoming Expo 2020, being hosted by Dubai. It is documented that the Expo is expected to attract 25 million visitors, of which 14 million are coming from outside for the event. The remaining 11 million is a mix of residents and tourists already coming to Dubai who will visit the Expo anyways.

Since the first World Expo in London in 1851, these international expositions have been used to promote
BRANDED RESIDENCES
MAKE FOR A SAVVY INVESTMENT

They offer higher yields and sales premium, lower operating costs, hassle-free management and a quicker sale than regular properties.

Millennials are driving change in home ownership trends. The demand for short to medium-term accommodation is on the rise. Branded, serviced apartments provide the best of both worlds: the luxury and amenities of a five-star hotel in the comfort and privacy of a home.

Research has shown that yields for serviced residences are typically higher than regular residential properties. Serviced apartments target affluent tourists and/or busy business executives who are content to pay more to enjoy added services and convenience.

Dubai has always been renowned for its exceptional hospitality services and its luxury hotels. It’s no surprise then that the emirate’s residential sector would enhance its offering with serviced residences. These units are exceptional investment options for UAE residents as well as global investors looking for a second home or Class A properties to grow their asset portfolio.

So, what does a buyer look for in a branded residence? It’s a more sophisticated offering that elevates their living experience. Such residential properties incorporate not only great design, but also offer the benefits of lifestyle concierge services, tailored packages and other privileges. The prime location of these properties is another critical factor that guarantees higher occupancy in these branded, serviced residences.

Additional factors that make serviced apartments an attractive choice for investors are ease of sale owing to short-term guests as compared to traditionally rented properties that require a year-long notice to the tenant. Excellent maintenance of the property is also guaranteed as the operator is responsible for ensuring that high standards are met in line with most brand guidelines.

GCC demand for Dubai serviced residences

With less than a year to go for Expo 2020 Dubai, the high visitor number is expected to fuel demand for serviced residences. These units are an attractive alternative for medium to long-staying guests who require premium hospitality features along with the added comfort of a kitchen, living area and bedroom.

Serviced apartments enjoy healthy demand from business travellers, relocating families and GCC families travelling for leisure. They are an excellent way for newcomers to get settled in Dubai as they are usually fully furnished, offer all amenities and often monthly rent payments that include utility bills and cleaning services.

With the recent shift in focus to expand the UAE’s family leisure attractions, the need for serviced apartments is being felt more than ever before. Dubai’s growing number of family-friendly theme parks, outdoor adventures and festivals are attracting more travellers to the region. Typically, larger Arab families prefer the spaciousness of a well-serviced residence to a hotel.

Prime areas

In 2020, Dubai will see a significant new supply of various types of real estate entering the market across different locations; however, tier one developed communities, such as Downtown Dubai, Dubai Marina and the Palm Jumeirah, will continue to be more popular with investors due to high occupancy from end-users.

Waterfront locations, such as the Dubai Marina, where there is a limitation for new supply of serviced branded residences, is also a compelling investment proposition for those that seek high-end living. For instance, Jumeirah Living Marina Gate offers the Jumeirah Group’s luxury hospitality experience to its residents.

Emerging communities in Dubai are also catching up with the trend of introducing branded residences, with developments such as the Banyan Tree Residences Hillside - Dubai in Jumeirah Lakes Towers, Milano Giovanni in Jumeirah Village Circle and Vivanta by Taj The Residences at Jumeirah Lakes Towers to name a few.

World view

According to data from real estate consultancy Savills, there are around 65,000 branded units in the pipeline from over 430 branded projects around the world. This year alone saw the delivery of 9,000 units from 60 projects across 21 countries. The year 2020 will see 70 developments being delivered, as per Savills’ report.

The new supply is in response to the growing demand for quality branded property from people across the globe who don’t want to compromise on their comfort.

Hotel-branded schemes accounted for 86 percent of completed units and 96 percent of the supply pipeline, with leading names like Marriott International and Accor being the market leaders globally.

Investment advantage

The serviced apartment sector has seen a rise in interest from investors who wish to invest in the UAE property sector in a hassle-free structure. Typically, an investor can gain 6.5 percent to 8.5 percent gross yield when they invest in serviced residential units when compared to normal residences.

Besides being superior products in comparison with residential apartments, serviced apartments also benefit from lower operating costs than hotels. The serviced apartment business model is characterised by a lean operating structure, with a limited amount of staff compared to hotels. The lower staff ratio in branded properties also translates into lower operating costs. Serviced apartments also offer guests larger rooms than hotels due to savings in operating costs because of their limited service models.

Moreover, branded residences add the luxury element, giving an added advantage and confidence to wealthy, brand-conscious investors. This demographic looks for brand quality design and services that branded properties generally offer. Reputed names make it attractive, offering well-managed services, thus providing higher capital values and leasing and room rates to investors.

According to Savills’ analysis, the average premium for branded residences over non-branded product stands...
at 35 percent, and can exceed 70 percent in emerging markets.

For the developer and operators, having a branded offering stages their property with greater appeal and value, allowing their product to be more competitive in the marketplace.

Most of these branded residences work on a rental pool agreement. This means the properties are sold to investors with a lease-back option under its rental pool agreement for a fixed duration of time. This model of property investment gives investors attractive returns, along with hassle-free ownership and effortless management.

**Draw of a global hub**

Dubai’s standing as a global hub for tourism and leisure is further driving the demand for serviced residences. Investors in a rental pool arrangement also get to stay in the property for usually one to two weeks. This means it is an attractive investment option even for overseas investors who can use the property as a holiday home. They get the added benefit of hassle-free and profitable opportunity, with booking, maintenance and housekeeping managed through a rental pool.

Branded residences are also a product for savvy investors who reside in Dubai and want to benefit from high returns. Even end-users gain from this product as it offers ample space of an apartment but with the added advantage of bespoke services like housekeeping and amenities such as a health club. Several branded projects also offer guaranteed returns to investors.
More steps need to be taken to stimulate demand for real estate

There has been a lot of talk about Dubai’s property market suffering from oversupply, and the Dubai government has recently formed the Higher Real Estate Planning Committee tasked with moderating approvals for new developments, which is a sign that oversupply is recognised and steps are being taken to address supply dynamics.

Right now, prices are low and there is an abundance of properties available. Dubai is the most attractive investment hub in the region and investors can enjoy tax-free returns. However, this has not translated into an influx of investors wanting to capitalise on this unique opportunity.

This is because supply is only part of the equation for market performance. A large part is also attributable to demand. There has been demand side stimulus such as extended visas, streamlined processes and fee moratoriums regarding property investments. However, it has largely been developers themselves stimulating demand through longer payment plans, service charge waivers, additional benefits packages and other innovative sales techniques such as lease-to-own and so on.

However, such measures have not turned the market yet. So, the question arises, what other ammunition is there with the supply side aspirations of developers in Dubai?

Overseas investors – nice to have or necessity?

On a recent trip abroad, the children of a close friend came up with the idea of making lemonade and selling it to make money. When we explained that they would need to put a stand out in the front of the house to sell it, one of the children innocently asked: “Why? We can sell it to our family, so we don’t need a stand.”

I was tasked with answering that question and as I explained to the child that to truly increase the wealth of the household requires them to sell lemonade to people outside the household, it occurred to me that this same fundamental principle applies on a much bigger scale to the Dubai property market. If only people within Dubai invest, this circulates money but it does not expand the collective wealth. This highlights the importance of foreign direct investment (FDI) to the region which was recognised recently when several high-profile regional stakeholders discussed FDI at the 18th Arab Businessmen and Investors Conference.

The local market can only generate so much organic internal growth. The current oversupply has shown that this internal market is not capable of absorbing the current supply, and accordingly it is a necessity to attract new investors to the Dubai property market.

More certainty

Investing in real estate is a long-term play and requires significant money to be tied up in an illiquid investment for a long period of time. To do this, investors need certainty that the same rules, laws and principles that apply at the time they make decisions to invest will continue to apply throughout the term of the investment.

This is especially the case when entering a foreign market, and many stakeholders have expressed a need for greater certainty of regulation and enforceability of legal rights regarding property investments. For example, the recent release of the new Jointly Owned Property (JOP) Law repealed the 2007 JOP Law. The 2007 JOP Law was a good law but not widely enforced and some will say the new JOP law was a necessity because the previous law wasn’t working, however, others might argue this was due to lack of enforcement and the new JOP law has changed the playing field significantly. The new JOP law may ultimately turn out to be great for the market but it does not change the optics that the rules can change significantly and this creates uncertainty.

Bank accounts

Investments are only good if they generate returns, and bank accounts are a necessity of life, not least because of anti-money laundering concerns, to collect those returns and pay operational costs, as well as to repatriate or reinvest profits.

Foreign investors can face problems opening local bank accounts in the UAE. Many banks only allow citizens or residents with a visa and Emirates ID to open fully-functional bank accounts. There are limited options for non-residents to open accounts and they will not be issued a cheque book, which is a logistical issue given local market practice is still heavily dependent on cheques. Some banks will also not entertain special purpose companies such as Jafza offshore companies who have no other business presence in the UAE aside from owning real estate. Without a relationship with a bank, cash investors are unable to tender payments for real estate due to the size of the investment and local requirements for payments to be by manager’s cheques.

The issue of empowering non-residents to open fully-functional accounts without going through the process and expense of getting a visa, and also to allow non-resident companies to open accounts is an easy issue to fix. However, a fix is needed within the banks’ processes to allow this to happen and to encourage foreign investors to invest.

Mortgage finance

Bank finance for non-residents can be very hard to come by. Even residents are subject to mortgage caps and the UAE Central Bank imposed LTV (loan-to-value) ratios. This, in turn, makes the UAE’s property market less appealing if only cashed-up foreign investors have an easy entry to the market. This takes a significant portion of the foreign investors out of the running even if they would love to invest in Dubai.

It is prudent fiscal policy for the Central Bank to limit the degree of exposure local banks have to the real estate market. However, without viable alternative sources of finance, such as finance houses, mezzanine funds and perhaps even foreign domiciled banks, then the combination of LTV restrictions and restrictive finance offerings for foreign investors is having a negative impact on demand.

I believe, that in spite of the softened market, there remains a strong demand for access to cash secured by bricks and mortar that would fall outside the regulated lending criteria and current local bank lending policies. However, there remain hurdles for this part of the market because such lenders cannot presently perfect security through registered mortgages.

Wider flexibility on property ownership structures

Some of the most prolific and deep-pocketed property investors face significant hurdles when seeking to invest in the UAE. Foreign companies, foreign real estate investment trusts, family trusts, sovereign funds and other high-net-worth groups with complex ultimate ownership structures can face significant hurdles when seeking to register real estate interests in the UAE.

Investors who routinely use such companies for investment purposes represent a significant proportion of investors in most mature jurisdictions. Therefore, paving the way for easier investment for such entities in the UAE and recognition of complex structures for registration purposes may increase the appeal of Dubai to such investors.
In addition, the insistence of some free zones to require investors wanting to let their properties do so through the authority for a fee, or to obtain specific asset management licences for further fees is also an added cost which low authority for a fee, or to obtain specific asset management licenses for further fees is also an added cost which low -

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due to security of payment. Putting an investor under deterrent to potential investors without adding any direct 

criminal liability for cheques


The local real estate market still depends heavily on cheques for payment of rent and for sales made with prolonged payment plans. Sellers prefer future payments to be made by way of post-dated cheques so they have the option of raising criminal complaints and fast track civil proceedings against defaulters. In recent years, the UAE has softened its stance on bounce cheques, with fines being levied rather than jail time for dishonoured cheques of lower amounts, and a new insolvency law will likely allow debtors to suspend criminal proceedings in certain circumstances.

Nonetheless, investors can risk criminal liability for cash flow issues, which is not a threat investors face in many other countries that Dubai is competing with for the inv

vestor dollar. Criminal penalties can therefore serve as a deterrent to potential investors without adding any direct benefit for security of payment. Putting an investor under 

criminal penalty does little to improve his ability to repay, and ordinarily a security interest in the property would provide a better remedy. However, attachments over property can be notoriously difficult to obtain, and getting a remedy through the civil courts can take years and cost hundreds of thousands of dirhams in unrecoverable costs. Faster and more cost-effective legal recourse might provide faster and more effective civil remedies, which might ultimately render criminal processes redundant except in the most severe of situations.

Criminalising a default has seen defaulters flee the country to avoid imprisonment, which ultimately means the investor is lost to the economy and collection of the debt is made far more difficult. Providing a mechanism to allow defaulters to remain in the UAE to work through tough times and restructure or pay off debts may reduce the level of bad debt and also ensure investors continue to contribute to the wider economy.

Faster and more effective legal relief

As discussed above, civil remedies can take years and generally legal costs for lawyer’s fees are not recoverable. This can potentially lead to people hiding behind the cost and time to enforce legal recovery to flout the law or extract unfair compromises, and many good cases are not resolved simply because a complainant cannot fund the litigation costs. The expansion of the small claims courts principle utilised in the DIFC and the inclusion of similar 

principle in the Dubai Courts, operated in English which is the predominant business language, might go a long way to alleviate some of these issues. In addition, a revamp of legal cost awards and the benchmarking of legal costs at rates that reflect market reality might also deter respondents with poor cases from defending them frivolously.

Permanent residency

The first point to make is that permanent residency is very different to citizenship. There have been recent moves to promote the so called “golden 10 year visa”, which is a great move. However, a recent Gulf News insert advertising citizenship and permanent residency in countries like Canada, Australia, the UK and Caribbean countries, was enlightening. In almost all the testimonials, people talked about moving to these destinations to provide greater certainty and a more permanent base for their families.

This suggested that some people, some of them talented people, don’t see the UAE as a permanent base for their families. While a 10-year visa is a great development, it does not necessarily provide a true long-term solution for families.

Conclusion

Oversupply is certainly an issue high on the agenda in Dubai. However, quick solutions for property market downturns are very hard to find, and short-term fixes usually only bring short-term relief. If we only fix the supply issue, then we are missing a tremendous opportunity to also stimulate demand and create positive growth. Since real estate investing is a long-term investment product, it requires a more holistic long-term solution to provide more sustained long-term growth.

There are, as discussed above, plenty of opportunities to provide sustainable solutions for almost all parts of the investment cycle (such as buying, holding, maintaining, divesting and also dispute resolution). For example, allowing more diversified ownership structures, especially trusts, and empowering those entities and foreign investors to open and operate bank accounts in the UAE ought to be low hanging fruit. Allowing entities that are not regulated by the central bank to take a security interest in property, or to register caveats to protect their rights ought to also be relatively simple to implement.

However, longer term solutions with wider socio-economic impact, such as permanent residency, new faster small claims courts and removing the criminality of bounced cheques, will likely take longer to work their way through the system, and if they do become a reality, then the future of the Dubai real estate market could be very bright indeed.
DEMAND PATTERNS

Get insights into the most popular communities across Dubai, Abu Dhabi and the Northern Emirates based on Property Finder user searches. Community Specialists share their expertise on areas they specialise in.

MOST SEARCHED COMMUNITIES DUBAI p.60

MOST SEARCHED COMMUNITIES ABU DHABI p.62

MOST SEARCHED COMMUNITIES NORTHERN EMIRATES p.64

COMMUNITY SPOTLIGHT DUBAI p.66

COMMUNITY SPOTLIGHT ABU DHABI p.76

COMMUNITY SPOTLIGHT NORTHERN EMIRATES p.82
MOST SEARCHED COMMUNITIES

FOR RENT
Dubai Marina
Downtown Dubai
Business Bay

FOR SALE
Dubai Marina
Downtown Dubai
Palm Jumeirah

APARTMENT
FOR RENT
Jumeirah
Arabian Ranches
Umm Suqeim

FOR SALE
Palm Jumeirah
Arabian Ranches
Dubai Hills Estate

VILLA / TOWNHOUSE

FOR RENT
Dubai Marina
Downtown Dubai

FOR SALE
Dubai Marina
Downtown Dubai
Palm Jumeirah

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae

Visit the Building Review section in Property Finder to read over 1,500 reviews, or to write one instead. Here’s what residents have to say about some of the most popular buildings in Dubai.

4.8/5 “Least crowded. Best view. Grand lobby, most front positioned building of the 6, so great Marina views. For some reason, it is the most desirable of all six buildings in Emaar 6.”
– Al Anbar Tower
Dubai Marina

4.6/5 “Love the fact that I am within walking distance to the beach, Marina Mall, Metro and supermarket. Easy access to Sheikh Zayed Road which avoids all traffic. Very well-maintained building with super helpful management.”
– Silverene Tower B
Dubai Marina

4.5/5 “Well-maintained building with a strong community of residents. Amazing pool and Canal access. A lot of restaurants are coming up around the building.”
– Churchill Residency Tower
Business Bay

4.2/5 “Best for families. Very convenient. Plenty of shops, parking behind the building, easy access.”
– Golden Mile 4
Palm Jumeirah

4.1/5 “The swimming pool and facilities are very nice. Staff and security are great. Can get extremely noisy on lower floors because of cars and construction workers.”
– Standpoint Tower 1
Downtown Dubai
I have been staying here since 2010. I left for two years to stay in a villa. I returned as this building is amazing on all counts, thanks to the management and staff.”

— Vision Twin Towers, Al Najda Street

“High class with great amenities, friendly staff and security, Great location and marvellous view”

— The Wave, Reem Island

“The island building is family-friendly with big pools, nice playgrounds. Kids love it. Gyms renewed every 3 years. There is a mini Carrefour, Costa and a few restaurants by the beach. It’s one of the best compounds in Abu Dhabi.”

— Al Muneera, Al Raha Beach
This is the best place to live in Ajman. It is close to the Sharjah-Dubai Road. It’s a new building with all the best facilities and amenities available. Close to schools, city, malls, City Centre and in a peaceful and quiet area. You really feel you are living in paradise.

4.4/5

Paradise Lakes Tower B9

Ajman

Check out the Building Reviews section on propertyfinder.ae

Most Searched Communities

NORTHERN EMIRATES

FOR RENT

Al Nahda
Muwaileh
Al Majaz

FOR SALE

Ajman Downtown
Al Hamra Village
Al Khan

FOR RENT

Al Rawda
Al Hamra Village
Mina Al Arab

FOR SALE

Al Mwaihat
Al Rawda
Mina Al Arab

Find the Right Building

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae
Who better than our carefully selected community specialist to offer some inside information on what it is to live in a neighbourhood? We have asked agents who specialise in a community to throw some light on buying and renting patterns in the chosen area.

DEMAND PATTERNS

AL BARSHA

One of the earliest communities in ‘New Dubai’, Al Barsha is known for a number of factors, with convenient location topping the list. Al Barsha, popularly known as Barsha, consists of different sub-communities such as Barsha 1, 2 and 3 and South 1, 2 and 3, collectively making it one of the largest communities in Dubai.

Barsha has access to all of Dubai’s arterial roads, with Sheikh Zayed Road on one side, Umm Suqeim, Mohammed Bin Zayed Road and Hessa Street on the other, and Al Khal Road passing through and dividing Barsha South from the rest.

Barsha is primarily made up of residential buildings, with a concentration of apartments, hotels and hotel apartments in Al Barsha 1 and villas scattered in the rest of the community. Calling it just a residential community is, however, not fair as the district is also home to popular tourist attractions such as Mall of the Emirates and Dubai Miracle Garden. The Dubai Biotechnology and Research Park is also located here and once fully functional, it will add to the popularity of Barsha.

WHO LIVES HERE?

“new”
“brand new”

65% APARTMENT VS 35% VILLA

28% FAMILY 31% SINGLE 41% COUPLE

TOP SEARCHED KEYWORDS

Frequently Asked Questions

Q: Are expatriates permitted to own property in Al Barsha?
A: All of Barsha South is freehold and allows foreigners to own property. Al Barsha 1 is not freehold except for Murad Tower. Vincitore Palacio, La Rosa, Meraki Genesis, Green Diamond One and Samana Greens are some popular freehold developments in Barsha.

Q: Is Barsha pet-friendly?
A: Yes, Al Barsha is a pet-friendly community. Residents living in villas are allowed to have pets. Most apartment buildings, with a few exceptions, also let residents have pets.

Q: How good is Al Barsha’s Metro connectivity?
A: Al Barsha is serviced by two Metro stations: Mall of the Emirates and Sharaf D06.

Q: Is chiller free in Al Barsha apartment buildings?
A: There is no blanket policy for chiller fees in Al Barsha. In most old buildings, the owner pays chiller charges, while in new buildings, the tenants have to pay the fees.

Q: What is the average rental yield in Al Barsha?
A: This varies between sub-communities; the range is between 5 to 8 percent.

COMMUNITY SPOTLIGHT

Safura Abasniya
General Manager,
Aston Pearl Real Estate

Safura’s team has been dealing in Barsha 1 since 2007. Her rental team closes between five to six rental contracts per month in Al Barsha.

The community is a popular choice for families as a number of renowned schools are located in the area, not to mention good medical facilities, parks and retail options. Al Barsha houses an eclectic mix of expats and locals, creating a cosmopolitan atmosphere that is synonymous with Dubai.

Accommodation options in the apartment segment range from small studios to large four bedrooms, whereas for villas, there is ample choice to suit any family size. If you’re looking for a large space to set up a swimming pool or a barbecue area, you’re guaranteed to find it in Al Barsha villas.

Al Barsha is also a popular destination with tourists, thanks to a wide range of hotels ranging from affordable to 5-star. Connectivity with the Dubai Metro is an advantage for residents and adds to the footfall of hotels and shopping malls here.

Emiratis and GCC nationals are allowed to buy a property in Al Barsha. However, there are a few freehold buildings where people of other nationalities can also purchase property.

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Al Furjan mostly offers apartments. Villas and townhouses make up a smaller percentage, and are currently being built by independent developers while residential buildings are still being constructed.

People renting villas are mostly family-oriented and are looking for a serene community for their children to enjoy. They don’t want to endure the hassle currently caused by construction in Al Furjan. Those residents would rather move to Jumeirah Park, which is a more structured community.

Singles or couples renting for a year or two can manage with the construction-related hassle for that period. Especially because it comes with a good price and strategic location, while families will look elsewhere.

On the other hand, people with average salaries, let’s say between AED 8,000 to AED 20,000 per month, are looking for an affordable living solution, which Al Furjan provides.

Being located near the Expo 2020 site and Jebel Ali, Al Furjan is popular among residents working in those areas.

WHO LIVES HERE?

I would say that the number of families moving to Al Furjan is slowly increasing. Families prefer mature communities where children have plenty of playing areas and other amenities and facilities. So when the ongoing construction is complete, we should see more families living here. Considering that good schools are located in the area, including the Winchester School in The Gardens and Arbor School in Al Furjan, the number of families will surely increase in time.

Singles and couples, on the other hand, prefer this area because it is well-priced and very well-connected with the recently built Al Wasl Road and Al Asayel Street improvement project. With the Metro line due to be functional in May 2020, it will become even more popular among those using public transport to commute. In addition, expats who work in Abu Dhabi, but prefer to live in Dubai, choose Al Furjan due to its convenient location.

“The brand new “chiller free”

Considering that Al Furjan is a new community, and still mainly under construction, it is no wonder that “brand-new” is among the most searched keywords. Especially since many residents move to Al Furjan from older nearby areas, such as Discovery Gardens, mostly because in Al Furjan, they can get a brand-new unit at an affordable price and with free chiller.

In today’s market, buyers are smart and price-driven, and they know what they can get for their budget. They are willing to compromise on the location or amenities if in return they get to live in a brand-new unit with chiller-free rent.

In 2020, with the new Metro line being released, and new projects launched, Al Furjan will become appealing to a larger number of residents because this area will have a lot to offer.

Paul Christodoulou
CEO, AQUA Properties

AQUA Properties has specialised in Al Furjan for the past four years. The agency rents on average eight units a month and sells around two a month.
Because of the affordability of many of the apartments in Al Sufouh, the searches are pretty even but the compounds also remain popular. Major owner Arenco has reduced their rent by 20 percent for villas in the last quarter, which is the first adjustment in rents they have made for over five years in this area.

Because of Al Sufouh’s convenient location and proximity to so many work areas, the beach and good transport links (Sheikh Zayed Road, Metro and Tram stations), it attracts single professionals as well as families. The families tend to target the compounds which are greener while the other demographics aim to live in the apartments.

The most searched community and buildings are both villas, but these communities are also popular. The sleek looking Acacia Avenue villas always attract attention as does the green, safe gated community of Arenco Villas.

These keywords are relevant to the new apartments. For instance, a 2-bedroom apartment in Cloud 9 (open for two years) can be rented for AED 63,000. There is due to be a new development opening by Al Wasl in the next year and its proximity to Wellington will certainly make it popular. Al Sufouh is a fantastic area which offers great value for money and something for most tastes and budgets. Al Nakheel Villas is a gated community with a sports and social club, tennis and an on-site nursery. They remain busy at the cheaper end for villas while Acacia Villas cater to the higher end.

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae
City Walk is a high-end, modern, low-rise and the only freehold community in Jumeirah.

City Walk Residences comprises 34 buildings built over 13 plots. Every building has a designated retail area on the ground level, therefore all amenities are just a few steps away. You can find supermarkets, pharmacies, coffee shops, boutiques, restaurants, nurseries, mosques and hotels on your doorstep. Each building also has a designated pool, gym, concierge, 24-hour security, children’s playgrounds, and parking for residents and guests.

Other prominent landmarks within walking distance are Al Khazzan Park, Valiant Clinic, the Coca Cola Arena which hosts concerts and events, and the City Walk mall, with plenty of retail shops, a cinema and entertainment options for kids and adults.

The standard of City Walk apartments is very high end, European look. Floor-to-ceiling windows ensure the contemporary and elegant. The open kitchen/living room and same contractors, so there is no best or worst building in City Walk. It purely depends on the client’s criteria, for instance: building location, building finish, etc. The most preferred building is potentially Building 1 (quartz residence) due to its building location, building finish, etc. The most preferred building is Building 1 (quartz residence) due to its location and style of furnishing.

Q: Which is the best building in City Walk?
A: All buildings are made by the same developer and same contractors, so there is no best or worst building in City Walk. It purely depends on the client’s criteria, for instance: building location, building finish, etc. The most preferred building is potentially Building 1 (quartz residence) due to its location and style of furnishing.

Q: How old is the oldest building (or how new is the newest building)?
A: The oldest building or first building was handed over in City Walk in July 2017. The newest building is one-and-a-half years old. We don’t have any brand new apartments in City Walk.

Q: Which finish is better?
A: There are two styles of finishes in City Walk: light wood and dark wood. However, the choice is very subjective and depends on client’s preferences. The light wood finish is more minimal in style while the dark wood finish is more elegant. However, the quality of both finishes is the same.

Frequently Asked Questions

The sales price per sqft in City Walk ranges from AED 1,500 to AED 1,750 (depending on the building location, unit layout, view and which floor it is located).

- The smallest unit is a 1-bedroom apartment with a size of 965 sqft (with a price of AED 1.5 million).
- The biggest unit is a 4-bedroom penthouse with a size of 7,380 sqft (with a price of AED 13 million).

Buyers are usually end-users, although rental demand is much higher than sales demand. Even though City Walk prices have dropped (both rental and sales) in the past three years, they still haven’t dropped as much as the rest of Dubai because of the very high demand in this project.

Good to know

- The apartments are not chiller free. Chiller charges are based on consumption.
- City Walk is not a pet-friendly community.
- For investors, the net annual return on investment (RoI) is between 4 to 6 percent.
- The service charge in City Walk is AED 21.3 per sqft (including the terrace area).
- It is a very family-friendly community. Residents are usually young families. However, there are couples or single residents as well who usually rent/buy 1-bed apartments.
- Majority of residents in City Walk work in D3, DIFC, Downtown and Airport Freezone.

Senior Property Consultant, Driven Properties

Neena has specialised in City Walk for almost four years. She has sold and rented nearly 400 units in the community.

Location

- 10-minute drive to the public beach
- 5 minutes to DIFC
- 5 to 10 minutes to D3
- 12 minutes to Dubai International Airport
- 5 minutes to Dubai Mall
- 3 minutes to Sheikh Zayed Road

Neena Dordevic
Senior Property Consultant, Driven Properties

Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group. For more detailed trends analysis, please visit datafinder.ae
Jumeirah Lakes Towers (JLT) is a tenant and buyers’ haven with competitive pricing and a location which is highly desirable. The community is perfect for renters who have recently moved to the city as JLT is heavily connected with multiple transport links, including the ever-popular Dubai Metro.

Leon Wright, Property Sales Consultant, Allsopp & Allsopp

Family vs single-friendly
JLT is a community which truly caters to most applicants. I work with a lot of couples and small families looking to be close to Dubai Marina and surrounding areas and connected to the city easily. Cluster O to W are very popular, with most of the 2-bedroom apartments in the community offering a maids room which is the perfect addition for a small family. The quality of the buildings is high and there are parks for kids to play. The community as a whole is highly sought-after by pet lovers. For singles, there are studio apartments in abundance and tenants often work in JLT, which makes the community highly convenient.

Most-searched community and most-searched building
Lake Almas West is a community which has become increasingly popular this year. This is the area within the community which has attracted tenants and buyers with extremely attractive prices. You can rent a studio from AED 30,000 and buy from AED 400,000. Lake Almas West has also seen the launch of MAG MBL tower which offers apartments ranging from AED 900,000 for sale.

Lake Terrace is a highly sought-after tower by both tenants and buyers. The building is situated directly in front of the Metro and has top quality facilities such as a gym and pool. You can buy a studio apartment for as low as AED 600,000.
Families prefer to live on Corniche Road since the area has an abundance of schools, supermarkets, clinics and hospitals, and the beach is just a few minutes away. There are also several parks in the neighbourhood and the area is pedestrian-friendly as well. The community attracts high-income couples as well since it houses several popular restaurants and cafes. The Mall World Trade Centre is a resident favourite for shopping and recreation. If you have visitors, take them to Emirates Palace and Qasr Al Watan in the vicinity.

These statistics come as no surprise because Corniche Road doesn’t offer any freehold properties. However, there are a variety of properties in different specifications available for rent in the area. With the majority of properties offering views of the Corniche, this is a highly sought-after area to live in Abu Dhabi.

Most buildings on Corniche Road are high-rise apartment towers, while villas are few and far between. Apartment options range from studios to larger 4-bedroom units. Those with views of the Corniche cost a premium to rent. The buildings on Corniche Road are mostly high-end, considering the waterfront location and views of the Arabian Gulf. The Nation Towers are a prominent landmark in the area.

The nerve centre of the city, the Corniche Road is one of the most popular areas to live in the UAE capital. Think sea views, walks on the beach, picnics in the park, strolls on the beachfront promenade and more.
Villa residents in MBZ City are water babies. They love to entertain guests and increasingly search for homes with a private pool.

The spacious villas are ideal for large families seeking value for money accommodation. It is a family-friendly community that houses good educational institutes, a public park, supermarkets, hospitals and clinics. The presence of a small shopping centre (Mazyad Mall) in the neighbourhood enhances the community’s appeal. Mazyad Mall is the perfect place to secure a good bargain and is anchored by value retailer LuLu. Residents also have Daima Mall within a short driving distance.

This community is one of the most popular areas for affordable villa living in Abu Dhabi. There are only a few buildings that offer apartment living. Given its proximity to Musaffah, the area was heavily industrial at one point, but is now starting to become more residential. The proximity to Dubai also adds to this community’s appeal.

The majority of residents choose to rent in MBZ City since only UAE and GCC nationals can purchase property here. This community was not named in the list of designated investment zones announced by the government last year.

Commonly referred to as MBZ City, this area located on the outskirts of Abu Dhabi is one of the most popular communities to rent villas in the UAE capital. Proximity to Dubai also enhances its appeal among residents.

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Since Muroor is not a freehold area as yet, a vast majority of residents have no option but to rent in this community.

Al Muroor mainly comprises mid and high-rise apartment towers. There are also a few villas in separate compounds, mainly for families.

This is a much sought-after building for singles who are keen to rent a studio or 1-bedroom apartment. The tower offers units at affordable rents.

With Muroor also housing several commercial buildings, parking can be hard to come by. In 2018, the government introduced the Mawaqif paid parking in Muroor, which previously had plenty of free parking spaces. Buildings or compounds that offer free parking spaces are, therefore, much sought-after.

This is one of the best areas for singles to rent affordable property in the city centre since it is conveniently located from Downtown Abu Dhabi where most offices are based. Muroor also houses educational facilities, medical care providers, supermarkets and entertainment spots for families with kids.

Al Muroor residents have the privilege of staying in the centre of Abu Dhabi, yet away from the hustle and bustle of city life. It offers villas in compounds and affordable apartments for mid-income families.
Most of our clients are now looking for new properties and Al Khan includes several new buildings that were delivered in 2019, such as Abu Khamseen Tower 3 on Al Khan Street.

The majority of searches in Al Khan are centred on Asas Tower due to its strategic location. It easily connects with Sharjah’s city centre as well as the road leading to Dubai. It also stands out from other buildings in the area in terms of high build quality and luxury finishing.

Couples and singles prefer to live here owing to the new daily Dubai-Sharjah Ferry from Al Khan which takes the hassle out of commuting for those working in the neighbouring emirate. Families enjoy the scenic walkway facing the Al Khan Lagoon.

Al Khan comes second after Al Nahda in terms of searches for rental units in Sharjah. It has a unique advantage of being both close to Dubai and Sharjah’s city centre.

The main reason for this is because Al Khan offers limited villas for rent with limited facilities. Al Khan predominantly consists of buildings and towers. That’s why there are more opportunities to live in apartments in Al Khan.

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Khaled has worked in Sharjah since 2004 and focused on Al Khan since 2007. His firm has developed several projects in Al Khan such as Al Marwa Tower 3 and Bukhameen Tower 3. The company also manages several residential buildings in Al Khan.
Al Rawda is a peaceful location and its attractive rental prices make it a perfect choice for tenants. The community offers various options of villas and apartments for rent. As apartments in Al Rawda are available only for rent and not for sale, it’s not strange to see more tenants active in the area than buyers.

Al Rawda 2 is the most searched community among the three communities of Al Rawda 1, 2 and 3. This is because of its location and the availability of several villa and building options there. Al Rawda 2 is also one of the most beautiful communities in Ajman and strategically located on Sheikh Ammar Bin Humaid Road and Hamidiya Road.

Buyers today are very clever as they know investing in freehold areas is similar to buying gold for the following reasons:

- You own the land forever, not just for 99 years.
- You do not have to pay any yearly charges or maintenance fees.
- If you are buying for the sake of investment, it gives you a good opportunity to earn more profit.

Al Rawda mostly comprises villas. Tenants can rent a 5-bedroom, G+1 villa with two big halls and a spacious courtyard for an attractive annual price of AED 65,000. Even for buyers, Al Rawda offers competitive options, with down payments starting from AED 200,000 only and monthly installments starting from AED 4,000. You can buy a spacious home in Al Rawda for almost half the price compared to other areas.

Mohamed Adel has been dealing in Al Rawda properties for almost five years. He has sold more than 30 villas in the community. He has also rented 25 villas in Al Rawda.
Emirates City is one of the earliest communities in Ajman that is currently growing fast and offers affordable living in a flourishing residential district which houses over 9,000 residences, including studios, one, and two-bedroom apartments. It is located midway between Dubai and the Northern Emirates, and accessible from two major highways (311 and 611) as well as from inside the city of Ajman.

Emirates City has been an excellent choice both for real estate investment and personal use. The price and quality of units make it suitable for all. There are many affordable units set to be completed soon. When they become available, we expect sales activity in the secondary market to increase next year. The affordable housing segment is experiencing strong demand in Ajman, mainly in Emirates City, as properties priced below AED 400,000 dominated transactions during the first half of 2019, according to latest data.

There are 10 buildings spread across Paradise Lake Towers. Four towers are ready to be occupied. For the remaining towers, the developer has off-plan properties for sale at affordable installments. These towers are likely to be ready in less than a year.

Sales and leasing demand for smaller, affordable units will continue to outweigh demand for larger properties in Ajman due to a growing young population, higher percentage of bachelors and small families, and greater yields for investors.

WHO LIVES HERE?

The community is inclusive and houses mostly singles and families. People from all nationalities reside here.

Imran Ali
Sales Director, Emirates Properties
Imran has 13 years of experience dealing in Emirates City. He has sold more than 1,000 units in Emirates City and rented approximately the same number of properties in the community.
An analysis of the commercial trends in the UAE’s office, retail and warehouse markets and why you should invest.
6 REASONS TO INVEST IN COMMERCIAL REAL ESTATE

This asset class is a win-win for investors since it offers higher yields, longer leases and more scope for capital appreciation.

Thomas Jefferson said, “With great risk comes great reward”. This rings true for investing in commercial real estate since the benefits are many. Real estate in general is a great investment vehicle. Both commercial and residential real estate investments can have a tremendous effect on your net worth, but the former offers better potential to earn high income in the present as well as future returns. When looking at the asset’s potential for capital appreciation, there is a list of rewards that tilt the scales in favour of commercial real estate.

But what exactly is commercial real estate? Some would narrow it down to just offices or retail, but to give you a complete definition, commercial real estate is any non-residential property used for commercial purposes which brings or has the potential to bring income. This can be classified into multiple categories and in Dubai, this includes malls, community centres, shops, single offices, office buildings, warehouse compounds, labour camps, plots of land for mixed and commercial use, and industrial parks.

Having ownership in this real estate asset class provides big opportunities. Commercial real estate provides sites for companies to carry out daily operations and cater to their customers while the owners generate an income. These investments offer a win-win for investors. Let’s take a deeper look at some of my top reasons to invest in this asset class.

1. Limited stock
Over the past few years, there has been a popular trend of investing in off-plan residential properties. Every second day, developers are launching residential projects. According to Data Finder statistics, there were 73 residential projects launched in 2019 and 263 residential developments were handed over. Choices of residential off-plan and ready properties are readily available for investors and end-users while commercial properties are far less in number. Having less opportunities in commercial real estate gives investors a sense of prestige as these units are limited and, therefore, more exclusive in nature.

2. Higher returns
Commercial real estate is a lucrative form of investment. It offers a stable and attractive source of income for owners compared to the returns yielded by residential properties. The value of these assets may fluctuate from time to time, but in Dubai, this has shown to consistently go up in the long run. The valuation of a commercial property is based on the revenue it generates. The more income a property generates, the more it is worth. Commercial real estate investors often own large-scale assets; more space equals more tenants, which translates into higher income. This is crucial for any investor looking to diversify their portfolio.

3. Quicker capital appreciation
The higher cash flow a commercial property generates, the higher its value will be, unlike that of residential real estate which is largely influenced by comparable properties. As I discussed above, there are far less commercial real estate units available in Dubai than residential. With the right mix of tenants, investors could see an increase in their asset value at a much faster rate. Other reasons that can contribute to an increase in asset value are leases where the tenant is responsible for the fit-out costs as well as maintenance costs.

4. Provision of triple net leases
While triple net leases vary from case to case, they are advantageous for commercial real estate investors in Dubai. With this lease category, the tenant handles most property expenses, including service charges, taxes, facilities maintenance and insurance, while the investor pays the bare minimum. Big companies (for example, a labour camp rented out for staff accommodation, a building for single use by a company, a big hospital leasing a compound, etc.) usually sign this lease. There are a variety of net leases, including a gross lease, land lease and modified net lease that investors can adopt; but a triple net lease is particularly beneficial.

5. Longer, flexible lease terms
In comparison with residential tenancy contracts, commercial real estate leases are longer, with more flexible structures in place. Residential leases in Dubai are typically signed for 12 months, while a commercial lease lasts for three to five years. There are even cases of commercial leases being signed for 10 or even 25 years (the longest lease I have signed with my investors and clients). These leases are not uncommon. A long-term lease on a commercial asset ensures you have a lower vacancy rate as well as steady cash flow.

6. Benefit of qualified tenants
Commercial tenants tend to be businesses, corporations, big brands, schools, hospitals, factories, among others. Before leasing the asset, an investor tends to do due diligence on the client, which includes understanding the tenant profile, company identity and financial capacity. Since commercial leases are backed by a larger company, they are more likely to maintain the property and respect lease terms, while this is not always the case with residential properties. Having qualified tenants who make an effort to upkeep the premises they occupy is ideal for investors.

Whether you are looking to diversify your portfolio, save for retirement or leave a legacy for your children, it is clear why commercial real estate is the best vehicle for property investment. Savvy real estate investors know that it is of utmost importance to evaluate all pros and cons before making their investment decisions. I hope these six points will help you identify profitable long-term commercial real estate investments.

“Since commercial leases are backed by a larger company, they are more likely to maintain the property and respect lease terms.”

ANGELA GEGG
Commercial Director, Provident Real Estate

Thomas Jefferson said, “With great risk comes great reward”. This rings true for investing in commercial real estate since the benefits are many. Real estate in general is a great investment vehicle. Both commercial and residential real estate investments can have a tremendous effect on your net worth, but the former offers better potential to earn high income in the present as well as future returns. When looking at the asset’s potential for capital appreciation, there is a list of rewards that tilt the scales in favour of commercial real estate.
“In Dubai, Business Bay, an area that comes under the Department of Economic Development, is one of the most sought-after onshore locations. The area’s accessibility and proximity to key business hubs is a major factor for it being a widely preferred location to set up a business and have an office in Dubai. Business Bay is also close to Downtown Dubai and DIFC and has access to all major highways. Whatever type of business you may have, having a workspace for your employees and clients helps facilitate and foster rapid growth for more professional and development opportunities.”

“Choosing the right office space is more important than you think. In both Abu Dhabi and Dubai, there is a clear indication of which areas are popular in terms of enquiries and listings, but the question is why. Abu Dhabi’s Mussafah, an industrial area which comprises clustered grids distributed in an orderly sequence, is in the lead for both enquiries and listings. Rental offices here are often furnished and available with outdoor branding, which makes it a prime location for a business setup.”

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<th>Location</th>
<th>% of Total Enquiries</th>
<th>% of Total Listings</th>
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<td>Muroor Area</td>
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<tr>
<td>Corniche Road</td>
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<td>7%</td>
</tr>
<tr>
<td>Al Khalidiya</td>
<td>6%</td>
<td>10%</td>
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Based on the number of enquiries and listings (properties listed on Property Finder from July - Dec’19). Commercial commentary provided by Angela Gregg, Commercial Director, Provident Real Estate Dubai - licensed by Cornell University in Commercial Real Estate.
“There has always been steady and consistent demand for retail requirements in the UAE, with owners and tenants alike reaping the benefits. Jumeirah Lakes Towers (JLT), Business Bay and Dubai Marina account for the most retail listings and enquiries. JLT has an eclectic retail mix and it has seen strong demand for retail opportunities not only due to its location but also because the freezone facilitates the licensing process with a simplified e-application process. Business Bay and Marina are both onshore areas but equally popular for retail.”

“In Abu Dhabi, Mussafah, which is close to the mainland and referred to as the capital’s industrial district, has become increasingly popular after the construction of Mussafah Bridge. Mohammed Bin Zayed City and Al Reem Island are also popular and boast retail outlets ranging from food outlets to electronics stores, and luxury specialists to discount stores.”

<table>
<thead>
<tr>
<th>Location</th>
<th>% of Total Listings</th>
<th>% of Total Enquiries</th>
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<tbody>
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<td>Jumeirah Lakes Towers</td>
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<tr>
<td>Al Khalidiya</td>
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Data powered by Data Finder, the real estate insights and data platform under the Property Finder Group.

For a more detailed trends analysis, please visit datafinder.ae

Commercial commentary provided by Angela Gregg, Commercial Director, Provident Real Estate Dubai - licensed by Cornell University in Commercial Real Estate.
COMMERCIAL MARKET ANALYSIS

ENQUIRIES AND LISTINGS

<table>
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<th>Location</th>
<th>% of Total Enquiries</th>
<th>% of Total Listings</th>
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<tr>
<td>Sharjah</td>
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<tr>
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</tr>
<tr>
<td>Al Sajaa</td>
<td>6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

“In Dubai, Al Quoz is popular, leading in both listings and enquiries. Al Quoz is a prime industrial area with four sub-communities, and is particularly known for its warehouse spaces, compounds, galleries, restaurants, automotive shops and central kitchens. In particular, the area’s popularity has increased due to Alserkal Avenue, which has become Dubai’s prominent arts and culture district.”

“When looking at the figures for the Northern Emirates and Dubai, it’s imperative to consider why certain areas enjoy more demand than others. Sharjah takes the lead in the Northern Emirates, accounting for a whopping 60 percent of total enquiries and 32 percent of total listings. Sharjah is considered an industrial base and is ideal for logistics. It has a strategic location between Europe and the Far East and is the only GCC hub with direct access to the Gulf and Indian Ocean. This contributes to the growing popularity of this emirate.”

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AGENT SPOTLIGHT

A look all the winners who scooped up the Property Finder Real Estate Awards 2019, a roundup of Outstanding Agent Award winners in H2 2019 and property experts discuss what it takes to be successful in this market.
Property Finder hosted its annual Real Estate Awards at the Armani Hotel, Burj Khalifa, on 27th November, 2019. This black tie event honours the outstanding contributions and lifetime achievements of real estate professionals across the UAE who are dedicated to the advancement of the industry.

The sixth edition of the Property Finder Real Estate Awards received more nominations than ever, with one in four agencies in the UAE applying. Nominees were in contention for the best real estate brokerage, best agent and best developer awards. Over 450 of the industry’s who’s who and senior government officials attended the awards, which featured 11 categories in 2019.

New categories were added to reward the achievements of brokerages and agents operating in Abu Dhabi and the Northern Emirates. The evening created a huge buzz both in the press and social media, where content has already been seen close to a million times.

**BEST BROKERAGE**
The brokerage that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings and demonstrable success.

1st place: Betterhomes
2nd place: Allsopp & Allsopp
3rd place: Driven Properties

“I like the fact that everybody has taken on board what we’re trying to do. We’re extremely proud and happy. I am over the moon!”

Aron Lomax
Managing Partner, Treo Homes

**BEST BOUTIQUE BROKERAGE**
The SME brokerage, defined as fewer than 25 agents and one office, that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings and demonstrable success.

1st place: Treo Homes
2nd place: House Hunters Real Estate
3rd place: LuxuryProperty.com

“Be true to yourself. Don’t try to be someone you are not. We all have our own niches. Be the best you can be.”

Richard Waind
Group Managing Director, Betterhomes

**UAE BEST AGENT**
The agent that shows their commitment to the betterment of the industry through a professional work ethic, high-quality listings and demonstrable success, additionally supported by feedback from customers, colleagues and peers.

1st place: Darren Murphy – Allsopp & Allsopp
2nd place: Gil Van Gelder – Espace Real Estate
3rd place: Fintan Flannelly – Exclusive Links Real Estate

“There’s no magic formula. Work hard, be honest, have integrity. If you say something, do it. It’s as simple as that.”

Darren Murphy
Branch Director, Allsopp & Allsopp

**HIGHEST LEAD-SCORING BROKERAGE**
The brokerage that receives the highest volume of leads via Property Finder.

1st place: Allsopp & Allsopp
2nd place: Betterhomes
3rd place: Driven Properties

“Property Finder is a great marketing tool with great features. We’re investing so much in Property Finder.”

Lewis Allsopp
CEO, Allsopp & Allsopp

Property Finder is a great marketing tool with great features. We’re investing so much in Property Finder.”

Lewis Allsopp
CEO, Allsopp & Allsopp
"This Award will show that we’ve evolved and continue to evolve every year. To win this Award three years in a row is really special. I think it shows that we’re continually adapting, evolving and improving as a company."

David Stevens
Sales and Leasing Manager,
Hunt and Harris Real Estate

MOST OUTSTANDING NORTHERN EMIRATES BROKERAGE
The brokerage in the Northern Emirates that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings and demonstrable success.

Winner: Hunt and Harris Real Estate

"Tenants, landlords, buyers and sellers want you to keep showing them the same value and love that you did to the first person [client] you had."

Tanveer Rattan
Hunt and Harris Real Estate

MOST OUTSTANDING NORTHERN EMIRATES AGENT
The Northern Emirates-based agent award that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings, and demonstrable success, additionally supported by feedback from customers, colleagues and peers.

Winner: Tanveer Rattan
Hunt and Harris Real Estate

BEST DEVELOPER
The developer that stands out from its competitors with a unique brand positioning and offering.

Winner: Aldar Properties

"If you don’t take care of your clients and customers, someone else will. So, our management always reminds us of the importance of our clients and how we have to continuously take care of them."

Samer Haddad
Senior Vice-President and Head of Dubai and International Markets, Aldar Properties

BEST NEW DEVELOPMENT
The completed development that stands out from its competitors with a unique brand positioning and offering.

Winner: Marina Gate 2 by Select Group

MOST OUTSTANDING ABU DHABI AGENT
The Abu Dhabi-based agent award that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings, and demonstrable success, additionally supported by feedback from customers, colleagues and peers.

Winner: Andrew Covill – Henry Wiltshire International

“In 2019, we’ve tried to pick the best from 2018, replicate it and keep going. The market continues to be challenging. We work with that and look for opportunities.”

Andrew Covill
Owner and Director,
Henry Wiltshire International

The Abu Dhabi-based agent award that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings, and demonstrable success, additionally supported by feedback from customers, colleagues and peers.

Winner: Andrew Covill – Henry Wiltshire International

MOST OUTSTANDING ABU DHABI BROKERAGE
The brokerage in Abu Dhabi that shows their commitment to the betterment of the industry through professional staff with exceptional service, high-quality listings, and demonstrable success.

Winner: Henry Wiltshire International

“We have handed over Marina Gate 2, the project we won the Award for. We also recently handed over Studio One in Dubai Marina.”

Setareh Tofighi
Sales Manager, Select Group
THE LEAGUE OF OUTSTANDING AGENTS

The Outstanding Agent Award is our monthly initiative that recognises and honours the stellar achievements of the best real estate agents in the UAE market. This initiative helps leading agents to stand apart from industry peers and increase public awareness of the success of their efforts and share their winning formula. Here are the featured award winners for the first half of 2019. They discuss their strengths for clinching deals and also share tips for their peers.

DUBAI

JULY 2019
Ayaz Butt
Landsmith Real Estate
General Manager
Specialises in Business Bay, Dubai Hills Estate, Emirates Hills.

“Why should clients give me a call? First, I always follow up with them. Secondly, I value my clients and give them a quick answer. Quick reactions are key in our job.”

AUGUST 2019
Nada Hassan
Three60 Real Estate
Sales and Leasing Executive
Specialises in Al Reem Island, Saadiyat Island, Reemahd Abu Dhabi.

“My standout quality is the top-notch customer service I provide. All my clients will vouch for this. I also offer complete transparency in all my transactions with clients. My knowledge and experience spanning over a decade also come in handy during deal-making.”

SEPTMBER 2019
Jade Norris
Dacha Real Estate
Dubai Hills Estate Specialist
Specialises in Dubai Hills Estate, Dubai Sports City, Arabian Ranches 2.

“I love property and what I do. It is a passion and so much more than a job to me. When you love what you do, it comes across in so many different ways and makes you stand out.”

OCTOBER 2019
Jason Hayes
LuxuryProperty.com
Founder & CEO
Specialises in Dubai Marina, Dubai Hills Estate, Jumeirah Golf Estates.

“I work on the basis of being a leader in my respective markets – through hard work and dedication. I am recognised as being a true luxury property expert. This expertise is my differential and that coupled with good old-fashioned honest brokerage is why clients should call me.”

NOVEMBER 2019
Olivia Manalad Ocsan
SIKK Properties
Property Sales Consultant
Specialises in Al Reem Island, Al Raha Beach, Yas Island.

“I am always responsive to all my clients and available to them at any time of the day, even on holidays. That is the kind of commitment I have shown to my clients.”

DECEMBER 2019
Slava Shidlovskiy
Ranches, Jumeirah Village Triangle
Senior Property Consultant
Specialises in Jumeirah Lakes Towers, DIFC.

“The most important factor is my personal connection with clients, owners, landlords, buyers and tenants. It is consistent and I never lose contact with them. I always assure that I deliver quality service and after-sale service to my clients.”

November 2019
Nicoleta Morarescu
JNM Specialists Real Estate
Operations Manager
Specialises in Jumeirah Lakes Towers, DIFC.

“Negotiation skills and timely communication are most important because they allow an agent to be productive and work with greater efficiency. Customers return to you for your professionalism.”

OCTOBER 2019
Hitesh Bhaktani
Hitesh Bhaktani Driven Properties
Sales Manager
Specialises in Downtown Dubai, Dubai Hills Estate, Meadows.

“What sets me apart from other agents is living in the area I specialise in. I offer full flexibility to view apartments and villas even after working hours and can provide honest inside product knowledge due to living in Dubai Hills Estate. I know the best aspects of the community and have a deep and comprehensive understanding of the entire development.”

November 2019
Khalid Shafazad
Al Nahda Real Estate
Senior Leasing Executive
Specialises in Musharekh, Al Taawun, Sharjah Industrial Area.

“Negotiation skills and timely communication are most important because they allow an agent to be productive and work with greater efficiency. Customers return to you for your professionalism.”

NOVEMBER 2019
Al Nahda Real Estate
Sales Agent
Specialises in Al Reem Island, Saadiyat Island.

“I believe in sales through service and I have built my reputation on this ethos. A broker’s day never finishes and always being available to buyers and sellers is what makes you successful.”

DECEMBER 2019
Ismah Al Tal
Smart Concept Real Estate
Sales Manager
Specialises in Al Reem Island, Yas Island, Al Reef specialist.

“I believe in customer service. Whether it is a project or a role. You must have full knowledge of the areas you specialise in to understand the customer’s needs. You must also be knowledgeable about financing, listing and digital marketing to keep up with market trends.”

NORTHERN EMIRATES

JULY 2019
Waqaq Nasir
Al Miraj Real Estate
Sales Agent
Specialises in Al Ain Downtown, Al Naaimiyah, Emirates City.

“Why should clients give me a call? First, I always follow up with them. Secondly, I value my clients and give them a quick answer. Quick reactions are key in our job.”

SEPTEMBER 2019
Mohamed Hiliyel
YAS Properties
Customer Relationship Officer
Specialises in Al Marina Island, Al Nahheel, Khuzam.

“Negotiation skills and timely communication are most important because they allow an agent to be productive and work with greater efficiency. Customers return to you for your professionalism.”

OCTOBER 2019
Saqib Wani
EnSky Real Estate LLC
Senior Manager
Specialises in Al Reef, Saadiyat Island, Al Raha Beach.

“For me, the most important thing about my work is to gain my clients’ trust. Being present with my clients and gaining their trust assure me that I am doing my job properly and this drives me to work harder.”

November 2019
Ahmad Abusinaineh
Gravity Real Estate
Sales Director
Specialises in Saadiyat Island, Yas Island, Al Raha Golf Cardenas.

“I have many years of experience in the real estate market, excellent customer service skills and honesty. I give the best customer service possible.”

November 2019
Bayut Real Estate
Sales Agent
Specialises in Al Mwaihat, Al Rawda, Ajman Uptown.

“Negotiation skills and timely communication are most important because they allow an agent to be productive and work with greater efficiency. Customers return to you for your professionalism.”

DECEMBER 2019
Nada Hassan
Three60 Real Estate
Sales and Leasing Executive
Specialises in Al Reem Island, Saadiyat Island, Reemahd Abu Dhabi.

“I am well aware of the products in the market and I always complete a transaction with patience and transparency. Because of all this, I think any audience should give me a call when seeking a property in Abu Dhabi.”

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Do you have what it takes to win? We want to hear from you! Share your success with us by visiting propertyfinder.ae/league
GREEN SHOTS OF RECOVERY EMERGE

Rate of price decline slows across the UAE

On the face of it, 2019 offered more of the same for beleaguered landlords, property owners and brokers as prices continued their six-year downward trend across much of the Emirates. New supply continued to hit the market and H2 2019 saw a record number of new properties delivered, creating even more choice for tenants and bringing rents down further.

But beneath the headlines of falling prices, there are the green shoots of recovery and there is growing sentiment that we have hit the bottom in terms of prices. H2 2019 saw for the most part a considerable decrease in the rate of price declines, and crucially a stark increase in transactions as buyers began to take advantage of the value to be found in today’s market.

Sales Prices

According to Data Finder, advertised prices continued to decline in most areas in H2, but the rate of decline slowed sharply as buyer appetite increased and the willingness of sellers to drop prices further neared its limit.

“By far, the busiest sector is the sub AED 1 million market, with investors and end-users picking up incredible deals for rental investment and occupation”

Other than in Sharjah, where prices were effectively flat, the Northern Emirates continued to experience substantial falls in advertised villa prices, with Ras Al Khaimah dropping -5.05 percent* and Ajman -5.86 percent. Both saw a very slight slowing in the rate of fall but not enough to give too much room for optimism. However, apartments in the Northern Emirates fared better, with price declines slowing from a rate of -6.2 percent in H1 in Ras Al Khaimah to -5.19 percent and from -3.9 percent to -1.61 percent in Ajman. Apartment prices in Sharjah fell by -1.31 percent in H2 which was in line with falls in H1.

There was positive news in Dubai as advertised price falls here also slowed in the second half of the year. Villa prices fell the furthest at a rate of -3.17 percent, down from a rate of -4.3 percent in H1, the falls largely due to the increased number of affordable villas coming to the market in the newer communities. Apartments fared even better in Dubai with prices falling -1.07 percent, down from -3.9 percent in H1, which is consistent with the increase in demand and transaction activity that we have seen in this sector over the last six months.

However, the shining light of price recovery was in the capital, Abu Dhabi, where we saw advertised prices for apartments flattening; a vast improvement on a fall of -4.4 percent in H1. There was even better news for villas with an increase of 5 percent recorded for advertised prices, largely due to higher value off-plan inventory hitting the market. It is important to take this with a hint of caution, as villas in Yas Island and Al Raha recorded price falls during this period. However, it is a positive statement and a sign that the changes to foreign ownership announced in Abu Dhabi in April last year are having a positive impact.

Rentals

Rental Prices

Asking prices for rentals have also continued to fall and at a faster rate than sales prices in many places. In the face of large-scale supply, this is not a surprise as rental prices are a direct result of the supply and demand for homes to occupy in today’s market, while off-plan buyers are hedging against population and rental demand in the future.

Rents for Dubai apartments had been relatively flat in H1, but prices fell by -2.38 percent in H2 as 17,000 new units entered this sector. While Dubai rental demand is increasingly supported by migration from the Northern Emirates, demand has not been able to keep up with handovers and landlords are having to be increasingly flexible to attract and retain quality tenants. The falls were particularly pronounced in areas of high new unit delivery such as Town Square, Jumeirah Village Circle and Downtown, which were the top three communities for new handovers and all saw prices fall by over 10 percent. Dubai villa rents also fell, but at a slower rate in H2 as more apartment tenants turned their eye to villa living. In Abu Dhabi, apartment rental prices were flat, but Al Raha, Al Reem and Yas Island saw modest price falls. Villas in the capital did not fare so well with prices dropping by -2.86 percent, faster than they did in H1 when they dropped -2.1 percent.

Dubai Transactions

The most positive signs of market recovery in H2 were witnessed in Dubai’s transaction numbers. By mid-October, unit sales in Dubai had outstripped those in 2018 and we finished the year with 41,988 transactions, up by 20 percent from 34,961 in 2018, and the highest since 2008.

It is clear that buyer activity and sentiment have improved drastically over the last 12 months. At Betterhomes, we saw new buyer registrations increase by 35 percent in H1, but it was in H2 that many of those buyers started to commit and we saw the transactions increase. Speaking to buyers, we realised that the reason for this increase in appetite is clear: the value found in today’s market is extremely attractive.

Like in most real estate recoveries, early signs of increased activity are focused at the very top and the bottom of the market. By far, the busiest sector is the sub AED1 million market, with investors and end-users picking up incredible deals for rental investment and occupation. Entry prices and down payments at this level are far more affordable, and yields can still reach 8 percent to 10 percent for the right deal, so it is little surprise that 58 percent of all transactions in 2019 were for units under AED1 million and 51 percent of all sales were for studios and 1-bed apartments.

Who is buying these units? There have been many reports of increased activity from end-users and residents, and undoubtedly we have experienced an increase in enquiries from local end-users. With prices where they...

*Rental price changes quoted are relating to median price per sq foot
currently are, for residents with a long-term view of their time in the UAE, it makes sense to buy rather than pay ‘dead money’ in rent. However, it is clear that investors still dominate the market. At Betterhomes, 71 percent of successful buyers identified themselves as an investor rather than an end-user in H2. Cash is king and the ability to move quickly to pick up bargains at the bottom of the market is key to a successful investment strategy as well-priced units are moving quickly. We have also seen an increase in demand at the very top. Dubai and the UAE have long been a favourite place for the super wealthy to own second homes and it is in the luxury sector that we have seen the biggest price falls in absolute terms. The Dubai luxury market is looking extremely attractive in comparison to other luxury destinations and long-term visas linked to investments over AED5 million and AED10 million have further helped demand. There have been a number of notable sales in Emirates Hills and other luxury communities, and the total number of 6-bedroom and 7-bedroom villas sold was 162, up from 104 in 2018.

Off-plan vs Secondary

Off-plan sales continued to dominate the market in 2019, accounting for 58 percent of all transactions in H2. The sale of affordable off-plan villas was particularly acute, with The Valley, Arabian Ranches III and Dubai South leading the way. While off-plan property was traditionally offered at a reduced price to entice investors to lock up their funds during build, off-plan buyers today are willing to pay a premium against secondary market value. Post-handover payments and the mortgage cap have made off-plan purchasing extremely attractive for those wishing to invest, with low down payments and further fee waivers offered by developers to attract buyers. Today’s off-plan buyer is also hedging against today’s oversupply and betting on the population of tomorrow, predicting that deliveries in 2021 and 2022 will be lower than we have seen in pre-Expo 2018 and 2019, giving potentially better rental returns than can be found with ready units today. Government Policy

We saw a raft of new government policies in 2019 which is starting to have a positive impact. Visa reform is encouraging inward investment and giving residents greater certainty over their stay in the Emirates. New ownership laws in Abu Dhabi are increasingly giving expats the confidence to invest and the new Higher Committee for Real Estate Planning announced in September will look to balance future supply and demand. Law 6, 2019, gave power back to home owner associations and Mollak was launched to give transparency to service charges. Most recently, we have heard the announcement of five-year tourist visas for all nationalities which will help cement Dubai’s position as a leader in global business and tourism.

As of yet, there has been no word on any change to the 25 percent mortgage cap (35 percent for purchases over AED5 million) which many commentators blame for the sluggish secondary market. I believe end-user homeownership creates long term stability, and I would support a sensible relaxation of the cap to help families and first-time buyers on to the market. However, I understand the caution needed to avoid overburdening the government and banks with debt liabilities from a potentially transient expat population. While off-plan sales are leading policy decisions until current inventory is taken up, I suspect a softening of the position is unlikely in 2020, but if this were to happen, it would release a huge amount of pent-up demand.

The Expo Effect

The Expo has already had a huge impact on the UAE property market. From the hyper-inflation of prices in 2014 after the announcement of Dubai 2020 in Paris, to the increased delivery rates of units we are seeing today as developers strive to hit their pre-Expo deadlines, the event has played a role in the peaks and troughs of the market over the last six years. But I am a firm believer in the positive impact that Expo will bring. Early in 2020, we are seeing a big increase in demand for residential and commercial inventory for Expo-related activities.

During the Expo, we can expect many millions of visitors to our shores. Some will just pass through but many of those visitors will invest while they are here. As residents, we can expect a truly wonderful six months where the best of what the UAE has to offer will be on show. The positive uplift to the population will itself have a positive impact on the economy and our market.

But the question remains, post Expo, will the uplift in population and economic activity be able to outweigh the inevitable outward migration we will see once the Expo is over? We are now entering the stabilisation phase as increased demand starts to flatten out prices. It is likely that prices across Dubai and Abu Dhabi will stabilise in 2020, before recovering sometime in 2021 and 2022 as delivery rates of new supply start to fall. Finally, it is important as an industry that we remember that for the majority of clients, both buyers and tenants, a property is a home, not just an investment. I am a firm believer that Dubai and the UAE remains the best place to make a home and will continue to attract residents and investors from around the world. The tolerance, amazing lifestyle and the entrepreneurial spirit on offer will ensure the next decade is another 10 years of growth and success, and the real estate sector will continue to play a leading role in the Emirates’ story.
BUYERS ARE AT THEIR ACTIVE BEST NOW

Positive energy in the market owing to attractive prices and Expo momentum

We cannot hide from what has happened in the Dubai property market over the past five years in terms of a price correction. But I have a strong feeling that we may now have hit the bottom of the market.

We are almost five weeks into the new year as I write this and I think this is the most active I have seen buyers in the market for a long time. Buyer registrations in January were up 65 percent compared to a year ago and I believe it is so because we are in the year of the Expo and prices are so attractive. There is real positive energy in the market at the moment, coming after record transactions registered by the Dubai Land Department in November and the whole of 2019.

There may still be price declines in certain communities which may contain older properties or very high supply but the core, sought-after villa areas are going to start seeing their prices go up.

“If you are renting a house in Dubai today, plan to be here for at least three years and have the down payment available, then you should certainly buy property now”

We have already seen this happen in the new year in my specialist area of Jumeirah Golf Estates. We simply do not have the stock to feed the demand and consequently we are seeing buyers having no option than to pay more money.

I would advise anybody who is renting a house in Dubai today that if you plan to be here for at least three years and have the down payment available, then you should certainly buy property now.

I bought a villa in Jumeirah Golf Estates for AED3 million and it is now probably worth AED2.8 million. But it cost me AED200,000 a year to rent the same villa and I have been here for two years now.

So, technically even though the property value has dropped, I have not lost compared to the amount I was wasting on rent.

The best thing about owning your property is that you can make it your own and never have to worry about the landlord getting back to you or refusing to pay for any maintenance issues.

My favourite quote in real estate is: “Don’t wait to buy real estate, buy real estate and wait”. It is true, even more so today as any prospective buyer will be purchasing at a time when property prices are so low. So my message to you is to buy property now.

Despite the current loss in value of my property in Jumeirah Golf Estates, buying was the best decision my family made. We now know the property is ours and as long as we have the holding power, the up cycle will always come back.

What does it take to be a successful agent?

I get asked this question all the time as if I have some sort of magic formula but sadly there is none. It is a combination of many factors.

Work Hard: This may seem obvious, but I mean really hard. This is a 24/7 job, so you need to be ready and available to respond to a client at any time as you can lose a client in a matter of seconds. Today, we live in a world where customers want immediate answers and action.

Be Knowledgeable: Know your product inside out and upside down so no question is left unanswered. Your customer is making one of the biggest transactions they will ever make, so they need to trust you and your advice implicitly.

Be Yourself: This sounds ridiculous, but it is probably the most important factor. I live and work within Jumeirah Golf Estates. Every piece of advice or any offer I ever make is always straight from the heart and is the complete truth. Even before I lived in JGE, I maintained the same ethic. I advise every client as if they are a family member. Any agent with a short-term mindset will never reach the top.

Award Win

Winning Property Finder’s ‘UAE Best Agent of the Year Award’ in 2019 for the third time in four years has been the biggest win for me yet. It was a year where we welcomed the first new addition to our family, so to juggle that and keep at the top of my game took a lot of hard work and digging deep along the way. Somehow, I managed to break the company record for the third successive year.

Due to my previous wins, I felt that despite my best efforts, Property Finder would give the award to somebody new last year. But the fact that the judges didn’t is so amazing and demonstrates the credibility of this award. There is no politics involved. It is awarded to a candidate the judges unconditionally believe is the best. The agent who wins this award in 2020 will be truly deserving. It should be the aspiration of all agents within the market to win this coveted award.
NOW IS AS GOOD AS IT GETS TO BUY PROPERTY

Many buyer enquiries are coming for new communities and buildings

2019 saw the Dubai Land Department report an 11-year high in transactions with 41,988 units transacted, which represented a 20 percent growth year on year (source: Data Finder). While 56.3 percent of these transactions came from the off-plan market, there was renewed confidence in the secondary market which is indicative of the realisation that there has never been as good a time to invest or buy a home in Dubai.

While we are only a few weeks into 2020, this is a trend that looks set to continue. Business has been brisk in the opening weeks of the year with an increase in the volume of rental transactions and steady increase in buyer enquiries. Many of these enquiries are coming for new communities and buildings that have been recently handed over and newly available.

We are also experiencing a significant movement of young couples and families from the apartment market into the townhouse/villa segment. Popular townhouse communities that represent good value for money are found in Dubai Hills Estate and further along Al Qudra Road in Damac Hills, Arabella, Town Square, Mira Oasis and Serena off Emirates Road. These communities are resulting in a shift from some of the more traditional locations and moving out into the heart of Dubai Land where they have a choice of new homes with better amenities, space for a family to grow and enjoy a better quality of life.

The increase of supply in the market is a result of the off-plan boom in 2016 and 2017 and set to continue throughout 2020 and into 2021. While these communities offer great opportunities for some, it also presents challenges for owners who bought off-plan and have seen prices fall since they purchased. Hanovers are on the increase and with that, there has been a downward pressure on prices.

One concern of particular note is there is a rise in the inability of some owners to make their final payment to developers. This can be a result of a change in the owner’s circumstances and/or a dependency on bank finance to make the final payment based on the original price. There have been many cases where independent bank valuations report a value considerably less than the original purchase price. Until now, there has not been a solution, however, in recent weeks, Mortgage Finder released a product that specifically caters for such cases, which is welcome.

Today’s successful agent is one who is prepared to work twice as hard for their clients than ever before, whether they are acting for a buyer, seller, tenant or landlord. This is undoubtedly a challenging market and there is still competition across the board. However, it is also a market full of opportunity and I believe the successful agent today is the one who has a positive outlook and mindset. Clients today don’t want a broker who churns out doom and gloom, they want a knowledgeable agent, an agent who listens to them, an agent who understands them, an agent who provides solutions and most importantly an honest agent who will give them the best advice and who can deliver on their promise.

Business has been brisk in the opening weeks of the year with an increase in the volume of rental transactions and steady increase in buyer enquiries.

I was delighted to have been shortlisted in the prestigious category of Property Finder Agent of the Year along with some of the best in the business. To have received third place was a fantastic recognition of the work I have done since I arrived in Dubai with my wife and daughter in 2015. When asked how I differentiate myself from others, the answer will sound like a cliché. I am genuine, know what I stand for and value my relationship with my clients more than any transaction.

Real estate is my chosen profession, albeit I took an indirect route having completed an Accounting and Finance Degree with a view to being an accountant! For me, this is not a job, I genuinely enjoy what I do and look forward to each day. I think long term and always put my client’s needs above my own. My relationship with my clients last long after the deal is done, in fact this is only the starting point.

I am proud to say that I have clients who bought off-plan with me in 2016 who have stayed loyal to me to the point of renting or reselling their property and investing further. I provide a complete property life-cycle service that many agents neglect and therefore are always chasing new business. I have managed to build my reputation on repeat and referral business and as we prepare for the next wave of millennial buyers, I have worked to grow my personal brand on various social media platforms.

While the Property Finder Award doesn’t put money in the bank or give rise to complacency, this recognition from Dubai’s leading property portal further motivates me to raise my game to another level. The award sits proudly on my home office desk. 2020 – the best is yet to come!

Trends for 2020

• A migration by apartment residents to new townhouse communities which offer value for money and space for growing families.
• A shift from older tired apartment buildings to new buildings with higher quality and contemporary finishes.
• Steady demand for older properties in prime established communities which offer good value and/or good transport links (Arabian Ranches, Victory Heights, Springs, Jumeirah Lakes Towers and Dubai Marina).
• Older/poorly maintained buildings will experience an increase in periods of vacancy as people shift to new properties. This will result in rents/prices falling and as a result the demographic in the building will change.
• Private developers will now offer ready properties that they didn’t sell off-plan, giving buyers peace of mind insofar as they can inspect before buying and suitable for finance buyers.
• Smaller developers will offer longer post-hand over payment plans as they compete with big developers in the primary market.
• More landlords will explore the option of short-term letting/Airbnb especially as we get closer to Expo 2020.
• Landlords reinvesting in their properties to reduce periods of vacancy / increase their salability – upgrades to bathrooms and kitchens will be big business in 2020!
AGENT TALK

In December 2019, we asked real estate agents to gauge how the housing market performed in H2 2019 and what lies ahead for 2020.

1. How did average sale prices perform in H2 2019? **Apartments**

- Decreased by more than 10 percent: 48%
- Decreased by more than 5 percent: 60%
- Remained the same: 14%
- Increased by more than 10 percent: 0%
- Increased by more than 5 percent: 0%

2. How did average sale prices perform in H2 2019? **Villas / Townhouses**

- Decreased by more than 10 percent: 60%
- Decreased by more than 5 percent: 33%
- Remained the same: 7%
- Increased by more than 10 percent: 0%
- Increased by more than 5 percent: 0%

3. How did average rental prices perform in H2 2019? **Apartments**

- Decreased by more than 10 percent: 48%
- Decreased by more than 5 percent: 36%
- Remained the same: 14%
- Increased by more than 10 percent: 0%
- Increased by more than 5 percent: 0%


- Decreased by more than 10 percent: 48%
- Decreased by more than 5 percent: 38%
- Remained the same: 14%
- Increased by more than 10 percent: 0%
- Increased by more than 5 percent: 0%

5. How do you expect property sale prices to perform in H1 2020? **Apartments**

- Decreased by more than 10 percent: 7%
- Decreased by more than 5 percent: 26%
- Remained the same: 48%
- Increased by more than 10 percent: 7%
- Increased by more than 5 percent: 12%

6. How do you expect property sale prices to perform in H1 2020? **Villas / Townhouses**

- Decreased by more than 10 percent: 10%
- Decreased by more than 5 percent: 24%
- Remained the same: 45%
- Increased by more than 10 percent: 5%
- Increased by more than 5 percent: 14%

*42 real estate agents contributed to this survey.*
How do you expect property rents to perform in H1 2020? **Apartments**

- Decreased by more than 10 percent: 17%
- Decreased by more than 5 percent: 26%
- Remained the same: 40%
- Increased by more than 10 percent: 12%
- Increased by more than 5 percent: 5%

How do you expect property rents to perform in H1 2020? **Villas / Townhouses**

- Decreased by more than 10 percent: 16%
- Decreased by more than 5 percent: 29%
- Remained the same: 43%
- Increased by more than 10 percent: 12%
- Increased by more than 5 percent: 2%

How do you expect new buyer enquiries to perform in H1 2020?

- Increase: 62%
- Decrease: 21%
- Remained the same: 17%

How do you expect seller instructions to perform in H1 2020?

- Increase: 56%
- Decrease: 17%
- Remained the same: 33%

Should landlords continue to offer more incentives to attract tenants in H1 2020?

- YES: 90%
- NO: 10%

In further proof of a buyer’s market, agents unanimously agreed that both house sales prices and rents for all unit types reduced by more than 10 percent in H2 2019. A majority expect similar market conditions to continue in H1 2020, attributing it to the oversupply. However, optimism abounds about new buyer enquiries and seller instructions.
Industry experts discuss new technologies disrupting the property market. Learn more about Property Finder’s innovative products that ease the user’s property search experience.

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Farhad Azizi, Azizi Developments

CONSTRUCTION SOFTWARE IS A WIN-WIN FOR DEVELOPERS AND END-USERS  p.122
Suhail Arfath, Autodesk

APPLYING DATA SCIENCE TO PROPERTY PRICE ESTIMATION  p.124
Dina Mohammad-Laity, Property Finder

PROPERTY PORTALS REDESIGNED  p.126
Rose Marsh, Property Finder

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Liam Orange, Property Finder
WHY REAL ESTATE PLAYERS SHOULD EMBRACE PROPTECH

It offers a seamless experience to customers and more efficient transactions for brokerages

At a time when the world is progressing and embracing technological innovations in all sectors, the UAE is leading by example. From healthcare to transport, the country has embraced the latest technological innovations across all sectors. Among all, the real estate sector has seen the most seismic changes—the processes of buying property, construction, maintenance, sales and mortgage issuance have all changed significantly over the past few years. Technology has seeped into every process of real estate.

What is PropTech?

PropTech is a portmanteau of the words property and technology and used to describe the wave of technological innovations shaping real estate markets across the world. It started taking precedence in the early 2000’s as PropTech 1.0, is now well into phase 2.0 and evolving over the years for its 3.0 iteration where it will witness further changes. PropTech is no longer just an idea. It is as real as the integration into the mainstream real estate market. PropTech 1.0, is now well into phase 2.0 and evolving over the years for its 3.0 iteration where it will witness further changes. PropTech 1.0, is now well into phase 2.0 and evolving over the years for its 3.0 iteration where it will witness further changes.

Why real estate players therefore need to lead the way

“The only expected challenge for PropTech will be posed by consumers, who might take time to understand and adapt to it. Developers and other industry players therefore need to lead the way”

End-user benefits

Investors are utilising property technology to make well-informed, data-driven decisions. Looking at it from a wider perspective, PropTech acts as a crucial tool for the real estate sector to exhibit what Dubai has to offer. Beyond its role in the construction industry, where technologies such as 3D printing are already a reality, PropTech can also help elevate the real estate customer experience. It makes information available at the click of a button without the need to visit real estate brokerages and offers more variety of properties to choose from. It offers property buyers another dimension and important insights into the sector—the 3D viewing of units and more comprehensive lists of properties that are customised to their specific needs are just two of the many benefits that the technology will bring about.

PropTech uses technology such as virtual reality, automated payment systems, digitised, cryptographic property-related transaction platforms, detailed online property listings, targeted real estate marketing, and much more. The aim is to create a seamless experience for customers while also making property investment accessible and manageable for everyone.

Brokerage benefits

Buyers and renters are more aware, empowered and educated in their decision-making processes now than ever before. Property technology also entails substantial benefits for real estate brokers, granting them more time, improved quality of listings, efficient transactions and ease of processes. The technology will help tackle consumer behaviour through tools that can explain changing consumer preferences. It will also allow agents to better utilise their time to provide more transparent and convenient customer service.

The UAE: A home for PropTech

With PropTech taking over the property landscape, the UAE is innovating and modernising, thanks to the country’s ability to embrace evolving technologies. This is panning the way for disruptive innovations. Dubai is moving towards its goal of becoming a smart city and PropTech has a major role to play. Changing the dynamics of the UAE property market, the technology is making waves for all the right reasons.

With a supportive leadership, upcoming events like Expo 2020 and the new freehold and visa-related reforms, Dubai has the potential to serve as a launchpad for PropTech penetration. Several tech startups continue to make the emirate home in order to tap the lucrative real estate market. The UAE has already seen a huge evolution in its real estate industry. Till just a decade ago, property investors were required to do a lot of manual paper work whereas today, with innovative property technology, they can access all relevant information online with just a single click. There needs to be more awareness of how to integrate property technology solutions into the very fabric of real estate. It is only after we fully understand its benefits, limitations and uses that we can unlock its full potential to develop the real estate sector. The only expected challenge for PropTech will be posed by consumers, who might take time to understand and adapt to it. Developers and other industry players therefore need to lead the way.

With time, the concept of PropTech will emerge as even more of a game-changer for the UAE real estate market and the world as a whole.
CONSTRUCTION SOFTWARE IS A WIN–WIN FOR DEVELOPERS AND END–USERS

It results in time and cost savings and eases the decision-making process for buyers

The means of designing, making and using things is radically changing and technology is the catalyst of this change. The building industry is not an exception. Today, we see three major technology–driven disruptions catalysing a new era for the building design and construction industry:

- Changes in the means of production – How owners plan, design, create and ultimately operate buildings and infrastructure assets
- Changes in the nature of demand of owners and occupants – Developers are expected to deliver higher quality, on-budget, responsive and high-performing buildings. Decision making of buyers and investors have changed and the criteria used in the past are not relevant anymore.
- Changes in products – As assets, equipment and building systems become increasingly complex, they allow valuable data–driven insights that allow occupants to have more environmental, economic and social control over the lifecycle of buildings

“Technology is at a point where it has the potential to redefine the decision-making process by creating unique opportunities for developers and end–users to conceptualise, visualise and experience their development or property”

Lately, we are witnessing an ever-increasing number of real estate projects being announced, built and commissioned, thus setting a high tone for the economic growth in the region for coming times ahead. Additionally, this benefits end–users by giving them a vast number of units to choose from. However, from a developer perspective, this scenario brings a lot of pressure. In the past, property buyers would make buying decisions considering very few dimensions such as price, location and potential for return on investment (RoI). Each developer would address these factors with 2D drawings, RoI calculation sheets and a mock-up of the end product.

Today, buyers/investors want to be engaged with throughout the project lifecycle, right from the design stage until handover, to ensure the project is designed considering all their demands, including the lifecycle cost. This means that developers have to be creative and competitive more than ever before to make it easier for buyers/investors to understand how their real estate is designed, built and will be operated in the future from the perspective of quality, cost and sustainability. This is where technologies such as virtual reality and augmented reality come into play to address these challenges.

Traditionally, developers built a unit as per their specifications. Once the property buyer took possession, they renovated it based on their preferences, resulting in money and materials being wasted by both the developer and the owner.

A recent report published by Frost & Sullivan stated that the total waste generated in the GCC is likely to increase from 94 million tonnes in 2015 to 120 million tonnes by 2020. In the GCC, waste composition has predominantly been construction, demolition and municipal. Furthermore, approximately 30 percent of materials are wasted on every construction site.

By giving end–users the ability to experience a property before it is built, developers can make the necessary design and architectural changes beforehand. This helps them to budget accordingly and potentially reduce almost all material wastage at construction sites, resulting in time and cost savings. We believe this experience provided to end–users will become the key differentiator for developers and projects, going forward.

However, the intelligence received need not be restricted to the quantity of construction materials alone. Software such as building information modelling (BIM) can provide exceptional insights on energy cost range, lighting analysis, solar analysis and more to get a holistic approach on a building’s performance. These factors help developers and end–users identify key energy performance drivers such as lighting power density, HVAC systems or glazing to forecast future expenses in maintaining their properties.

Consider two property developers – Developer A and Developer B – offering virtually identical projects in terms of development in the same location for sale. Developer A lists their unit for AED 1,000,000/- and Developer B lists their property for AED 1,200,000/-. Given that all things are virtually identical, customers would most certainly choose Developer A’s offering as it is AED 200,000/- cheaper. However, if we could predict the project’s lifetime cost, would things change?

For example, if the end–user is looking to sell the property after 10 years and the intuitive software was able to predict that the operating costs (energy, maintenance, etc.) for Developer A is AED 500,000/- and for Developer B is AED 100,000/- for that duration, then the total cost of the respective projects increases. The new cost, taking into consideration the intent to sell the property after a decade, to buy from Developer A is now AED 1,500,000/- and from Developer B is AED 1,300,000/-, making the latter more attractive in this scenario.

Technology is at a point where it has the potential to redefine the decision–making process by creating unique opportunities for developers and end–users to conceptualise, visualise and experience their development or property. The most important element of intuitive software is its ability to provide individuals with everything required – be it costs, sustainability and more – to make an informed decision about their purchase, therefore saving time, money and ensuring nothing ever goes to waste.
The Property Finder Home Value Estimator aims to create a helpful range for a consumer to use instead of just a point estimate. This is a tough element, because we have to blend mathematical rigour with consumer utility - there’s no point in creating a range of AED 1 million to AED 3 million on a AED 2 million estimate; it’s just not useful for anyone. By using a technique called ‘Live Data Prototyping’, we mixed qualitative research with an approach called ‘random forests’ to enable us to generate a valuation range that would be both accurate and informative.

**To the future**

We’re continuing with the development of the value estimation models in 2020, expanding to cover villas as well as apartments. Soon, we plan to launch a suite of estimation models in 2020, expanding to cover villas as well as apartments. Soon, we plan to launch a suite of models based on various approaches, some aimed at the finance industry, others aim to support consumers’ understanding of the real estate market.

**Defining ‘value’ with data**

These types of models come in all shapes and sizes (and degrees of complexity). Approaches can be as simple as a weighted average of properties with basic attributes, or can take the ‘repeat sale’ method which tracks a property over its lifetime.

The Property Finder estimator goes a step further, by decomposing the attributes of a listing into their own features and how important each feature is to the model. We do analyze the attributes of a listing into their own features and how important each feature is to the model.

Aside from our exclusive 2GIS partnership, a large part of the power of the Property Finder Home Value Estimator is the sheer volume of data we have available. With terabytes of historical property listing, descriptions and images data, we are able to leverage our unique position in the market to solve the automated valuation problem by being able to predict the value of properties not currently on the market.

**Let’s be realistic…**

Property value estimation is hard, and can often come down to personal taste. Economists and Syrian philosophers will note that an asset is worth whatever someone is willing to pay for it. Therefore, we’ve tried to capture value to the best of our abilities, but we acknowledge that we’ll never be exactly spot-on due to personal taste and idiosyncrasies at the micro level.

That’s why the second part of the Home Value Estimator aims to create a helpful range for a consumer to use instead of just a point estimate. This is a tough element, because we have to blend mathematical rigour with consumer utility - there’s no point in creating a range of AED 1 million to AED 3 million on a AED 2 million estimate; it’s just not useful for anyone. By using a technique called ‘Live Data Prototyping’, we mixed qualitative research with an approach called ‘random forests’ to enable us to generate a valuation range that would be both accurate and informative.

**Approaching value estimation from this highly quantitative approach yields a lot of new discoveries.** For example, we have quantified the value of being an extra step closer to a Metro station, and that walking distance matters more for smaller apartments. We’ve learnt the value of trees and parks, as well as how a new fancy restaurant opening in your neighbourhood can impact your property’s value. Watch out for deep dives into these topics in future Trends editions, or on the Property Finder blog.

We’ve also confirmed that if we know anything, it’s that we know nothing without our clients. Agent input in value estimation is more valuable than ever before and we can’t wait to continue iterating this model in parallel with our clients, as the tools we create contribute to their business performance. A strong belief of the Home Value Estimator team is that this is a supporting tool for agencies, and shouldn’t be used as a replacement for a professional valuation.

**APPlying Data Science to Property Price Estimation**

Property Finder’s new Home Value Estimator tool generates a valuation range that is both accurate and informative. "How much is this property worth?" - the (multi) million dirham, somewhat subjective question in the market these days. Having a one-stop shop to value a property could be intensely helpful for buyers, renters and agents alike, especially for overseas buyers or those less au fait with the market.

You may be familiar with the idea of an automated valuation model (AVM), as portals across the globe use these to tempt visitors to their websites - Redfin, Trulia, Zoopla and most famous of all, Zillow. All strive to decompose the value of a property to help bring knowledge to consumers. Now, in a regional first, Property Finder is proud to share the Middle East’s first ever AVM-inspired product backed by a property portal.

An AVM is a data product that takes a range of inputs and aims to predict the price of a property at a given time using statistical techniques. The output might be an exact number, or a range that your property value falls in.

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The Property Finder estimator goes a step further, by decomposing the attributes of a listing into their own features and how important each feature is to the model. We do a part of this by leveraging our exclusive agreement with 2GIS - the region’s leading provider of geo-data. This allows us to capture value to the best of our abilities, but we acknowledge that we’ll never be exactly spot-on due to personal taste and idiosyncrasies at the micro level.

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**What did we learn?**

Approaching value estimation from this highly quantitative approach yields a lot of new discoveries. For example, we have quantified the value of being an extra step closer to a Metro station, and that walking distance matters more for smaller apartments. We’ve learnt the value of trees and parks, as well as how a new fancy restaurant opening in your neighbourhood can impact your property’s value. Watch out for deep dives into these topics in future Trends editions, or on the Property Finder blog.

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Technology makes it easy to build products for the modern property seeker

Anyone who has worked in a marketplace environment will understand the relative complexity of managing two sets of customer needs. In a functioning marketplace, these needs are well-aligned and growth is driven through the enablement of both customer segments. For example, in the property portal model, you have brokerages who need customers to sell or rent properties, and it is their quality content that the portal uses to acquire consumers who are then converted into customers for the brokerages.

At Property Finder, we are lucky to have easy access to a broad spectrum of clients with deep industry knowledge, many of whom help drive ideation for our client-side products, as well as some of our consumer products. However, understanding the millions of consumers who visit our portal each month and how we can help them to more easily find the perfect property can be more difficult. In this article, I’ll offer insights into how we do this at Property Finder, along with some of the key learnings from our consumer discovery efforts and how we’ve leveraged new technologies to act on these insights.

The new needs - how consumer sentiment and expectations have changed

I have worked in Consumer Product for many years now and have learnt and adopted several valuable techniques for gaining a greater understanding of consumer needs, from ‘persona development’ and ‘sentiment surveys’ to ‘diary studies’ and ‘user interviews’. There are many great books on this topic, including Inspired by Marty Cagan, Testing New Business Ideas by Bland and Osterwalder, and The Build Trap by Melissa Peri, if you want to find out more.

We regularly adopt many of these discovery techniques to understand our consumers, and WhatsApp enquires is a brilliant example of how an insight on consumer behaviour (mobile users are extremely active in the evening hours), is met with a desire from both the consumer and the business to engage in a social way.

In 2019, we’ve used data partnerships, location services and user-generated content to answer more of our consumers’ key questions”

“Our automatically-linked floor plans, being rolled out across our UAE listings, are a fantastic example of how additional listing information can drive consumer insight and conversion.

Geolocation Technologies: 2015 and Map Search
Location plays a huge role in the property selection process, both at a macro level (“which communities meet my personal and financial requirements?”) and a micro level (“is the property near a noisy road, bar or construction site?”), as well as whether the property has easy access to main roads and transport links? (“what amenities are close to the property?”). In the UAE, more than any other market we operate in, the property map plays a critical role in a consumer’s journey with us. In addition to this, we now have over 10 percent of our mobile searches being completed using our Map Search. There are some extremely exciting technology companies operating across the Middle East in the Geographic Information System (or GIS) space. 2GIS are a great example of this, whose detailed map of the UAE offers a floor-by-floor view of The Dubai Mall and who power some of the geographic information on, for example, our property maps.

Therefore, our research tells us consumers are more keen to buy, and that they have greater market confidence. Yet, unfortunately, the picture is more complex than this. Through our research, we’ve identified over 40 unique questions that buyers and renters are likely to ask during their search, and we believe it is our duty to either answer them, or enable brokers to effectively answer them.

Data Partnerships: Smart Dubai and Zomato
Data partnerships are an extremely effective way of meeting the information needs of consumers at scale. Redfin’s Public Records are a brilliant example of a property portal leveraging data partnerships to provide detailed information to consumers. It would be an almost impossible task for Redfin to collect this level of detail for each listing across all of the counties and states in the USA but through data partnerships, they are able to collate and provide this information to consumers.

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In 2019, we’ve used data partnerships, location services and UGC to answer more of our consumers’ key questions. In 2019, we’ve taken considerable steps towards meeting the information needs of consumers at scale. Redfin’s Public Records are a brilliant example of a property portal leveraging data partnerships to provide detailed information to consumers. It would be an almost impossible task for Redfin to collect this level of detail for each listing across all of the counties and states in the USA but through data partnerships, they are able to collate and provide this information to consumers.

In 2019, we’ve used data partnerships, location services and User-Generated Content (UGC): Building Reviews and Community Guides
A buyer once told me that before he bought in The Greens, he spent several weekends in the neighbourhood talking to locals. He wanted to get the hidden intel only real residents can give. And he was right - there are certain pieces of information that are most readily acquired from a community’s experts - its residents - such as the most-coveted unit type in the community, access to guest parking, issues with community services, and so on. While data partnerships have allowed us to provide property information at scale, we believe there are some pieces of information that are most effectively provided by real people. That’s why we’ve made our Building Reviews a central part of our property listing pages, and why our Community Guides are made up almost entirely of content created by residents of each community.

In 2019, we’ve used data partnerships, location services and UGC to answer more of our consumers’ key questions. In 2020, we plan to go even further.[1] Our best-in-class in-house technology team makes acting on new opportunities ever easier – the key for us now is to ensure we use technology to address the current and most important needs of our consumers and business.
WHY IT PAYS TO HAVE AN EXCLUSIVE LISTING

It offers the best opportunity for an agent to convert a listing into commission.

In an open market with no limit to the number of brokers that can list a single property, the experience for buyers and sellers is more frustrating than it needs to be.

Some sellers believe that engaging several brokers will lead to greater exposure, a quicker sale and a higher price – but this is usually not the case. Intense competition to close sales can lead to unethical behaviour from some brokers, where there is no incentive to achieve the best outcome for the seller.

The reality is that the same buyer will return to the property with various brokers, who will then only deal with the broker advertising the lowest price.

At Property Finder, we believe that listing a property exclusively with a licensed brokerage is the best approach for sellers and holds the key to a more professional real estate market in the UAE.

“From a buyer’s perspective, they only have to deal with one agency regarding this property, reducing lost time and unnecessary frustration from being shown the same property multiple times.”

What is an exclusive instruction?
An exclusive instruction is where the owner(s) of the property has entered into a contract with a licensed real estate agency, whereby the chosen agency has the exclusive right to advertise the property and will be the exclusive representative of the seller to close the deal.

Why does this benefit buyers?
From a buyer’s perspective, they only have to deal with one agency regarding this property, reducing lost time and unnecessary frustration from being shown the same property multiple times.

Simply put, brokers will prioritise enquiries from exclusive listings over non-exclusive listings. Their incentive to sell is much greater, which translates to faster response times and the highest degree of professionalism.

What are the benefits of listing exclusively for landlords?
An exclusive instruction gives landlords the best chance of transacting quickly, at the highest price, with the least amount of hassle. Landlords have peace of mind in building a relationship with one qualified agent, knowing they will put in maximum effort to move the property rather than have five agents doing the bare minimum.

It is also worth remembering that most agents have many listings on the market at one time. An exclusive instruction will ensure that an agent prioritises yours above non-exclusive listings, which significantly enhances the chance of a result.

Exclusive agents are not prevented from working with other brokerage companies to source a buyer or renter, which effectively opens up access to all property seekers in the market. This is at no additional cost to the property seeker or landlord as the two agencies will privately agree to the commission being split.

What’s in it for the brokers?
It is important that the agent feels that their hard work has a high chance of being rewarded. An exclusive instruction offers the best opportunity to convert a listing into commission. In contrast, where a property is listed with five other agents, then the agent will feel that they have a lower chance of being rewarded for his/her efforts.

To summarise
At Property Finder, we are focused on improving the real estate market as a whole and provide mutual benefit for property seekers, landlords and agencies. As a landlord, consider the benefits that an exclusive instruction will offer you. If you’d like to talk about products or know more about what we are building, please feel free to reach out to me at liam@propertyfinder.ae.
An overview of the most searched areas for sale, exciting projects in the pipeline and key investment facts for our overseas markets of Bahrain, Qatar, Saudi Arabia, Morocco, Lebanon and Egypt.
Besides the UAE, we have a market-leading presence in six other key MENA markets. We examine top trends shaping the real estate market and top projects to watch out for in Bahrain, Qatar, Saudi Arabia, Egypt, Lebanon and Morocco.
FOCUS ON SAUDI ARABIA

We have rounded up some of the exciting projects coming up in Saudi Arabia.

RED SEA PROJECT

One of the giga-projects announced by the Crown Prince in 2017, the ultra-luxury and environment-friendly destination is being created around one of the world’s hidden natural treasures. The Red Sea Project will set new standards in sustainable development and redefine the world of luxury tourism with an aim to position the Kingdom on the global tourism map. The foundation was laid in the third quarter of 2019 and completion of the first phase is slated to be in the fourth quarter of 2022, which will see the development of the airport, port, hotels, luxury housing, transportation and the completion of facilities and infrastructure. The Public Investment Fund will inject initial investments into the project and pave the way to partnerships with leading international companies. The Red Sea Project will contribute to a qualitative shift in the concept of tourism and hospitality. Heritage sites will be restored and equipped on a scientific basis to be ready for visitors.

AMAALA: THE MIDDLE EAST’S RIVIERA

The Amaala project is another global destination that aims to focus on ultra-luxury “wellness tourism” and the arts, alongside other Red Sea mega-projects. Amaala will sit alongside Neom and the Red Sea Project as part of a giga-projects investment portfolio, which will establish a unique “tourism ecosystem,” supporting economic diversification and creating high-value job opportunities. Amaala will not only include extraordinary architecture and unprecedented luxury in hotels, private villas and a quaint retail village, but also an arts academy that will foster the growth and development of young artists from Saudi Arabia and the region. Amaala will promote cultural conservation, ecological preservation and sustainability.

NEOM

The centrepiece of Saudi Arabia’s Vision 2030 economic diversification programme, Neom is among the kingdom’s most globally renowned projects. To be completed in 2025, Neom will cost Saudi Arabia’s Public Investment Fund $500 billion plus millions in foreign investment. In January 2019, Saudi Arabia set up a company, also called Neom, to be the driving force behind the building effort. In 2017, Neom hired three of the world’s largest consultancy firms, McKinsey & Co, Boston Consulting and Oliver Wyman, to advise it. Neom will incorporate several unique features such as cloud seeding technology to make artificial clouds, classes taught by holographic teachers, a ‘Jurassic Park’ like island for tourists with robotic dinosaurs, flying taxis, a giant artificial moon and glow-in-the-dark sand on its beaches. Some progress has already been made. The Neom Airport is nearly finished and has already been registered as an official international airport. The Saudi government is already hosting events at the site of Neom to generate investment and media attention.

JEDDAH TOWER

In Saudi Arabia, the sky is the limit. The 1,000-metre-tall Jeddah Tower will be built at a cost of $1.2 billion. It will be the centrepiece of a $20 billion mixed-use district called the Jeddah Economic City located on the coast of the Red Sea. Its developer, the Jeddah Economic Company, wants the tower and city to enhance Jeddah’s global status as a business, commercial, educational, medical and entertainment hub. Construction progress on Jeddah Tower reached 71 percent early in 2019 and the tower is expected to be completed early this year. The 200-floor-plus building will feature more than 750 residential units, hotel rooms and serviced apartments, in addition to 3,190 parking spots and close to 60 elevators. The Four Seasons Hotels & Resorts will operate the hospitality units within the tower. The tower will be the tallest in the world, a physical manifestation of the ambition behind the Vision 2030 initiative to reduce the kingdom’s reliance on oil by diversifying its economy.
INVEST IN SAUDI ARABIA TODAY

Major draws for property investors and end-users in KSA

- Annual population growth pegged at 1.6% for the next five years
- Shortage of housing stock targeted at low to middle-tier buyers
- Implementation of various urban regeneration initiatives, including mixed-use communities, and ongoing investment in infrastructure
- Acceleration in mortgage lending
- Government efforts to boost home ownership amongst Saudis
- Foreign investments reach up to $230 billion
- The percentage of youth under the age of 25 is almost 50%

Key demand generators

- Most populated cities
- Al Khair district in the North of Riyadh
- Namar District
- East of Riyadh
- Al Dammam / Dahiat King Fahad District
- Al Khobar / Al Aziziya District
- Al Hafof in Al Ahsa / South Area
- Hafr Al Batin / Alfiha District
- Jawharat Al Arous District
- Al Bashair District
- Al Riyadh District
- Crown Prince District 2
- Al Rashidyah District 2

Most populated cities

- Riyadh: 5.1M
- Jeddah: 3.4M
- Makkah: 1.5M
- Eastern Province: 4.9M

DEMAND HOTSPOTS

Crown Prince District 2
Al Rashidah District
Jeddah

Cities offering best rental yields

- Jeddah: 8.03%
- Riyadh: 9.02%

Sources: (1) Invest Saudi, (2) UNCTAD’s World Investment Report 2019, (3) Saudi Ministry of Housing, (4) United Nations

The Saudi Arabia dedicated portal will leverage from Property Finder Group’s long standing reputation in the MENA region

eSimsar, a leading real estate portal in Saudi Arabia, has been renamed as Property Finder. This move came five years after Property Finder acquired eSimsar.com.
eSimsar, which launched in Saudi Arabia in 2010, connects property seekers with only licensed real estate brokers and developers. It ranks among the top property portals in the Kingdom. Its qualitative listings are sought-after by local property seekers.
eSimsar currently operates in three main regions of Saudi Arabia, starting with the Central region. It launched operations in the Western Province and Makkah in 2017 and in the Eastern Province at the end of 2018. The portal attracts around 1 million visitors each month.

This change will allow propertyfinder.sa to get closer to Property Finder Group and widen its access to technology and talents. The company operates in seven other markets, including the UAE, Qatar, Bahrain, Lebanon, Egypt, Morocco and Turkey.

“This name change is part of our strategy to emphasise our strengths and capabilities as a Group. We want to bring Property Finder Saudi Arabia closer to the parent company and help our users identify our brand’s position in the market as the No 1 real estate portal in the MENA region,” said Mahmoud Badawy, Country Manager, Property Finder Saudi Arabia.

“Saudi Arabia is a key market for Property Finder. We truly believe in its potential and want to give it more focus in the future. By integrating with our international technology and product network, we are confident that our users will have a better search journey to find their homes easily. We will continue to put our clients and house hunters at the centre of our innovation and strategy,” Badawy added.

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INVEST IN BAHRAIN TODAY

The introduction of the Real Estate Regulatory Authority (Rera) has made it easier and more transparent for real estate transactions to take place.

The real estate sector in the Kingdom continues to boom, with BHD 553 million worth of off-plan projects being licensed by Rera since its inception.

Bahrain’s economy is projected to grow by 2.7% in 2020.

Bahrain was rated as one of the top countries in the Middle East in the Economic Freedom Index compiled by the Heritage Foundation and the Wall Street Journal.

No taxes imposed on real estate.

Freedom to import and export local and foreign currencies.

Introduction of high-end developments, such as Al Naseem (worth $500 million) and the Hasabi development (worth $1.1 billion), and many more in the real estate market.

GROSS RENTAL YIELD

THE COURTYARD

Located in the heart of Seef District, The Courtyard is a mixed-use development combining urban residential spaces with modern office units. The newly launched 20-storey tower features a gym, along with a rooftop pool and community space on the 20th floor, as well as two floors of flexible offices and 14 floors of apartments. All the residential units will also have direct access to The Courtyard shops and dining areas through a pedestrian bridge that connects both buildings.

HASABI

Hasabi offers a waterfront lifestyle in the south of Bahrain. The 1.5 million square metre development will feature two marinas, a dedicated retail district, an array of restaurants, an entertainment island, as well as a number of recreational spaces. The development will also include 981 villas and 1,500 apartments spread across three areas: Al Jouri, Al Jumana and Al Jiuon, offering a living experience which is ideal for families.

DEMAND HOTSPOTS

1. SAAR
2. AMWAJ ISLANDS
3. AL RIFFA

CURRENT POPULATION

1.68 Million
(2020)

OUTSIDE CITY CENTRE

CITY CENTRE

GROSS RENTAL YIELD

7.4%

As of January 2020

Sources: (1) Real Estate Regulatory Authority, (2) Ministry of Finance and National Economy, (3) 2019 Index of Economic Freedom, (4) Global Property Guide, (5) AME Info

FOCUS ON BAHRAIN

We have rounded up some of the exciting projects coming up in Bahrain.

VILLAMAR

Villamar (at The Harbour) is located in the Bahrain Financial Harbour (BFH) and comprises three twisting towers of 54, 52 and 43 storeys each. The towers will include apartments and hotels. The units will be spread into five elements, namely the three twisting towers, lifestyle apartments, terraced villas, terraced podium and sky villas. The technologically advanced residential complex is spread over 35,900 square metres and includes a health club and spa, swimming pools, gardens and several recreational amenities, as well as a boardwalk featuring cafes, restaurants and retail spaces.

VILLAS

1. SAAR
2. AMWAJ ISLANDS
3. AL RIFFA

APARTMENTS

1. AL JUFFAIR
2. AMWAJ ISLANDS
3. SEEF

F I N A N C E
FOCUS ON QATAR

We have rounded up some of the exciting projects coming up in Qatar.

FLORESTA GARDENS

Home to 10 mid-rise residential towers and 115 villas in three gated compounds, Floresta Gardens located in The Pearl will offer a variety of living options, all designed in a Mediterranean style. The newest precinct of The Pearl spans over 145,967 square metres and will be home to 5,000 residents when it is completed by Q4 2022. It will also include a shopping centre, three gated communities, clubhouses, swimming pools and tennis courts.

THE ST. REGIS MARSA ARABIA

The newest hospitality addition to The Pearl is The St. Regis Marsa Arabia Island, which is an exclusive property development project under the management of The St. Regis brand, equipped with first-class amenities and facilities. Its standalone location offers unparalleled living in the heart of The Pearl, which also includes the brand-new Residences. Once completed in Q3 2021, these luxurious apartments and townhouses will offer an exclusive community lifestyle, combining the best of convenience and luxury.

LUSAIL BOULEVARD

Located in the heart of Lusail, the Boulevard is an upcoming mixed-use development with an area of 250,000 square metres, which will focus on offering prestigious retail options for visitors. Modelled after the famed Champs-Elysees, it will include commercial, retail, medical and entertainment options, hotels, and residential properties, thus creating a new hub in Qatar’s most advanced city yet. It is slated for delivery by 2022.

INVEST IN QATAR TODAY

- Expat-friendly environment, with three-fourths of Qatar’s population being foreigners, according to the Qatar Statistics Authority
- The nationwide real estate price index rose by 1.56% (1.99% inflation-adjusted) during Q2 2019, in contrast to a Y-o-Y decline of 16.6% in Q2 2018, according to the Qatar Central Bank
- In March 2019, Law No. 16 of 2018 became effective, increasing the number of freehold zones in Qatar from 3 to 10
- Foreigners who buy in any of these areas are automatically granted permanent residency, which extends to the owner’s family, for the whole duration of the ownership
- Transfer fees are considered minimal, capped at 0.25% of the property value
- The economy is expected to improve in coming years, with a projected GDP growth of 3.2% in 2020
- Four words: 2022 FIFA World Cup

DEMAND HOTSPOTS

1. THE PEARL
2. AL THUMAMA
3. WEST BAY

CURRENT POPULATION

2,773,885M
(November 2019)

VILLAS

1. THE PEARL
2. AL THUMAMA
3. WEST BAY

APARTMENTS

1. THE PEARL
2. WEST BAY
3. LUSAIL

AVERAGE GROSS RENTAL YIELD

12%

GLOBAL PROPERTY GUIDE

Sources: (1) Global Property Guide (2) Ibid, (3) Ibid, (4) Planning and Statistics Authority
MOHAMMED VI TOWER
The Tallest Building in Africa

In November 2018, the King of Morocco officially launched the Mohammed VI Tower project, slated to be Africa’s tallest tower, in Rabat. Located near the Bouregreg river in Salé, the tower will have 55 storeys and will house a luxury hotel, offices and high-end apartments. The project is expected to be delivered in May 2022.

It is designed to be visible from a distance of 50 kilometres all round. The building consists of a tower set on a podium, to resemble a rocket on its launch pad. Transparent to the north, the south façade of the tower is fitted with photovoltaic panels. The construction of the 250-metre-high building will be carried out by the BMCE Bank Group.

The tower will be the centrepiece of the Bouregreg Valley Development Project, which is itself part of the ‘Rabat City of Light’ project.

ANFA VELODROME

The Anfa Velodrome will be restored and converted into an urban park, which will open its doors in March 2020. This historic place in Casablanca will house sports and leisure areas, a small lake, walking and jogging trails, a playground for children, a skatepark, green areas as well as cafes and restaurants. These changes, however, will not alter the cultural heritage of the site.

HOCEIMA STADIUM

Like Tangier and Tetouan, Al Hoceima will also house a large stadium designed according to FIFA’s standards. The city’s sporting infrastructure will be strengthened with this new complex that will be equipped with modern equipment to host large-scale events in the presence of football icons. The project has been funded with global investment worth 350 million dirhams and is expected to be completed in 2020.

THE MARCHICA PROJECT

Launched in 2012, the Marchica project in Nador involves the construction of seven zones housing residential complexes, luxury hotels and several sports and leisure facilities. The new city of Nador is one of the flagship projects of the largest lagoon in Morocco. This real estate and tourism centre will open its doors this year and will include a hotel offering 32,000 beds. The new town of Nador is built as a village marina and extends over more than 76 hectares.
What draws property investors and end-users to Morocco?

- The current population of Morocco is 36.7 million.
- Various housing options for different social classes:
  - Apartments valued at MAD160,000 (almost AED53,300) for low-income households.
  - Apartments starting from MAD5,000 (approximately AED1,900) per sqm for middle-class households.
- The establishment of 15 new towns across 5,000 hectares by 2020.
- The retail sector is booming with the launch of large shopping centres across cities like Casablanca, Rabat and Kenitra.
- According to the 2018 Africa Investment Index, Morocco is the continent’s leading investment destination.
- Tax cuts for Moroccans living abroad and wishing to transfer their tax residence to the country.

Key demand generators

- According to a study conducted by the Housing Ministry in 2016:
  - Demand for around 1.6 million housing units (villas, apartments, etc.) per year nationwide.
  - 87.5% of housing demand is in urban areas.
  - The Casablanca-Settat region ranks first in terms of national demand with 478,000 housing requests.
  - 30% of the total national demand.
  - Apartments are the most sought-after property type.
  - Apartments represent 54% of housing requests nationally (707,000 requests).
  - 80% of the housing units requested span between 50 and 100 sqm in area.
- The establishment of a common reference system of real estate prices.
- 3% increase Y-o-Y in mortgages between 2018 and 2019 (value of housing loans has reached 213 billion MAD).
- Mortgage interest rate falls from 5.32% in 2018 to 5.22% in 2019.

In addition, the government is also offering the best support possible to credible developers, along with good planning.

Is the market in a bubble?
A frequently asked question in the media is whether the Egyptian real estate market is in a bubble. A bubble is created when there is a strong involvement of banks in the real estate market in financing mortgages, which is not the case in Egypt. It also happens when supply surpasses demand in a market. On the contrary, real estate demand is increasing in Egypt, with a new trend of several young people opting to live alone, causing an increase in demand for small units.

There is also, on average, 800,000 weddings taking place per year in Egypt, resulting in more families who need additional units to live in. Add to this the fact that Egypt’s population is so unevenly distributed, with 100 million occupying only 7 percent of the land. This reflects the tremendous potential for property demand to increase with every passing year.

Overseas demand
The Egyptian government has been taking great efforts to generate more overseas demand for real estate. This is evident from Property Finder data in Egypt, where foreign visitor traffic accounts for up to 15 percent of total traffic to the website. The top five countries for overseas visitor traffic are Saudi Arabia, the United States, the UAE, Kuwait and the United Kingdom.

Even though the devaluation of the Egyptian pound initially caused a slowdown in purchases, it made the Egyptian market attractive for expatriates. The government will continue to focus on attracting and facilitating more demand from overseas Egyptian expats and other investors.
INTERNATIONAL

POPULAR AREAS

When several areas are being developed, some rise to the top immediately while others become popular over time. Areas that are currently doing well are:

New Administrative Capital
Planned for the long haul, this new city will be the biggest in Egypt by the time it’s finished. Authorities are strictly supervising building dimensions in the city. The project will offer jobs to hundreds of thousands of people. It will be one of the most well-planned and biggest real estate projects globally for a new capital under construction.

New Cairo
With cities like 5th Settlement, Katameya and El Rehab emerging among the top compounds to live in Cairo, the authorities are planning to add more facilities in New Cairo to ease the strain on the capital. There will be more transportation options and amenities in New Cairo such as shopping malls, entertainment spots, schools and universities. New Cairo will offer a mix of a vibrant and quiet life. The authorities are now focusing more on the soon-to-be-launched New Capital and surrounding communities.

Maadi
A relatively old city, the beauty of Maadi never fades and it looks and feels like one of the new cities. Not only does Maadi offer great residential and commercial options, it also hosts several new hangouts for the younger generation. The fact that it is closest to the city and the only one mentioned here with access to the subway. Maadi is a mix of both convenience and luxury.

New Mansoura
This city, which is under development, will add a modern touch to an otherwise underdeveloped part of Egypt. Making use of panoramic views of the Nile, this city will conform with modern architectural standards. Featuring high-rises, the project will offer all essential facilities and services. It will also include different housing types: tourism residences, villas, middle-income housing and social housing.

The New Alamein City
Located on the North Coast and set to be the first of its kind in the area, this project is designed to a very high standard. The city is planned to house millions of residents and be an alternative to Cairo. It will also include several business and international trade centres, residential towers and luxurious resorts. There will be hotel towers that will host concerts and other events.

The United Nations Conference on Trade and Development (UNCTAD) data shows that Egypt was the largest recipient of FDI in Africa. The continent escaped the global decline in FDI as investment flow increased by 11% over the previous year, according to UNCTAD’s World Investment Report 2019.

Big difference in currency values: Property prices seem more reasonable in Egypt when compared to foreign countries. For a property worth £150,000 (roughly AED335,000), one can find around 250+ properties for sale on Property Finder. The same price, for instance, will only get you a 45sqm apartment in the UAE.

Young people are increasingly opting to live independently, something that wasn’t common earlier in Egypt. There is an average of 800,000 weddings taking place per year. All this generates demand for more homes.

El Sheikh Zayed
This district has a reputation of being a modern city and a haven for the rich, with its quiet lifestyle and all the conveniences. The area is only going to improve further, with Zed Towers under development along with the Alma project, which is slated for delivery later this year.

INVEST IN EGYPT TODAY

Egypt’s Current population is 100.38 M
c - which translates to 66.9 M RESIDENTS

Egypt has a strategic location, a low-cost and qualified labour force, high tourism potential and a growing population that makes it a strategic market in the region.

The real estate sector in Egypt is one of the most popular internationally and offers the highest return on investment in comparison with other sectors. The real estate sector in Egypt accounts for 33% of the national income.

The property market currently offers flexible payment options amid falling interest rates.

Many developers offer buyers options such as 0% down payment, 0% interest and even extend the installment period up to 10 years. Payment options are becoming more flexible compared to the past few years. This makes prospective buyers consider the affordability of monthly installments, rather than the unit’s total sales price.

The new investment law gives investors and developers preferential treatment, permanent residence, profit-free transactions, building licences and better allocation of real estate projects.

The Central Bank of Egypt is working to ease financing procedures and revise interest rates.

Sources: (1) Central Agency for Public Mobilization and Statistics, (2) Oxford Business Group, (3) Amwal Al Ghad
FOCUS ON LEBANON

We have rounded up some of the exciting projects and trends at play in Lebanon.

DISTRICT//S: A JEWEL IN THE HEART OF BEIRUT

Recyclable content, sustainable living and global recognition: these are some keywords that define District//S. It’s located on the eastern edge of Downtown Beirut and is part of Solidere’s master-plan for the regeneration of the centre of Beirut. The project is contemporary in design with a tribute to the traditional. It is a continuation of Saifi, Solidere’s residential neighbourhood across the street. This project spanning 13,200 square metres was developed by the English firm Allies and Morrison Architects in May 2010 and executed by the Lebanese architectural firm R&K. It offers a neighbourhood experience with fully-serviced townhouses, penthouses, apartments and studios within walking distance of restaurants, art galleries, health and lifestyle facilities, green areas and luxury boutiques. What better words to describe District//S than borrow from the developer themselves: “It’s a jewel of a city within the city.”

PLAN TO RESURRECT ABANDONED EXPO SITE IN TRIPOLI

Known as the ‘Rashid Karameh International Exhibition Centre’, designed by Brazilian modernist Oscar Niemeyer in 1963, the Lebanon International and Permanent Fair has been abandoned since civil war broke out in 1975. Standing unfinished, this one million square metre site comprising 15 buildings, including a domed theatre, an atrium and collective housing, was expected to accommodate more than 2 million visitors a year and considered one of the five largest exhibition centres in the world. In 2006, the complex was added to the World Monuments Fund’s list of the 100 most endangered sites. In 2019, as part of Tripoli’s economic revival plan, an international architecture competition was launched to design a ‘Knowledge Innovation Centre’. The objective was to create a technology and business hub which would foster startups, attract students, young graduates and local and international companies to Tripoli and the neighbouring region. MDDM, a Beirut-based architectural firm, submitted the winning entry by creating a space that “caters to both professional and residential requirements”; they “opted for an architecture that is fully embedded and integrated underground”, minimising conflict with the existing volumes and favouring more green spaces on the ground floor.

INVEST IN LEBANON TODAY

Major draws for property investors and end-users in Lebanon

- Lebanon is a buyer’s real estate market today.
- The percentage of youth under the age of 27 is almost 50%.
- Foreign Direct Investment (FDI) inflows to Lebanon accounted for 5% of GDP, making it the best performer among non-oil economies.
- Foreign investment reaches up to $3 billion.
- More than 70% of foreign investment flows comes in the form of real estate acquisitions.
- Real estate acquisition by foreigners is 29%.
- Real estate acquisition by the Lebanese diaspora is 49.3%.

Key demand generators

- Searches for house rentals are increasing - with an average per capita income of $8,800, most Lebanese people struggle to buy property.
- Falling household sizes drive demand for smaller and affordable units.
- Young demographic profile drives demand towards community, lifestyle-focused developments.
- Lease-to-own options are getting more popular due to the lack of housing loans.

DEMAND HOTSPOTS

1. BAABDAT
2. BROUMMANA
3. DAMOUR

APARTMENTS

1. ACHRAFIEH
2. HAMRA
3. DOWNTOWN

Cities offering highest leads percentage on Property Finder in 2019

- EL METN: 24.01%
- BEIRUT: 50.71%

Building Information Modelling is a highly collaborative process that allows multiple stakeholders and AEC (architecture, engineering, construction) professionals to collaborate on the planning, design and construction of a building within one 3D model.

### 3D Viewing

3D viewing is done by creating an online simulation of an existing property. It is made with the help of still photos, videos or 360-degree panoramas. Thanks to this technology, clients are able to walk through the property as if they were there.

### Mortgage Cap

The mortgage cap limits loan-to-value (LTV) rates for expatriates in the UAE to 75 percent. It was introduced in 2013 to ensure that banks, finance companies and other financial institutions providing mortgage loans to UAE nationals and expatriates do so in accordance with best practice and have control frameworks in place.

### Vertical Living

Vertical living involves building taller buildings that will eventually encompass all aspects of human life such as living, work, education, healthcare and leisure. Building upwards is the answer to overpopulation and rapid urbanisation. Vertical cities will also enable urban planners to redevelop or remodel existing cities with ease.

### Serviced Residences

Serviced residence is the umbrella term for a type of furnished apartment available for short-term or long-term stays, which provides amenities, housekeeping and a range of services for guests and where most utilities are included in the rental price. Serviced apartments offer facilities much like a traditional hotel but with added space, convenience and privacy like home. They have private cooking facilities, larger living/sleeping areas than most standard rooms, and often have access to gyms, restaurants, meeting space, concierges and other hotel-like services.

### Branded Residences

Branded residences are the residential developments that form part of or are adjacent to a hotel with a brand name. The key themes that surround a branded residence are the emphasis on design, high-end facilities and architecture. Advantages of being part of a branded development include top-notch facility management, 24-hour concierge service, security, parking, integrated entertainment systems, laundry and various hotel services.

### Short-Term Rental

Short-term rental describes furnished self-contained apartments that are rented for short periods of time, usually by the month as opposed to annual rentals in the unfurnished apartment rental market. They are considered an alternative to hotels. This industry is considered the most affordable option for month-long stays, and might be 25 to 50 percent cheaper than a hotel room.

### Average Daily Rate

An average daily rate (ADR) is a metric widely used in the hospitality industry to indicate the average room rental per day. Average daily rate is calculated by taking the average revenue earned from rooms and dividing it by the number of rooms sold.

### Leased-to-Own Arrangement

An agreement between an owner and tenant which allows for the option of purchasing a leased item when the lease period expires. A lease-to-own arrangement generally includes a clause with a predetermined time and price for the tenant to make the purchase. In most cases, some or all of the lease payments can be applied toward the purchase.

### Rental Pool

A rental pool is a type of contract that involves a sharing arrangement. Typically, rental pool agreements, the terms of which vary, are commonly associated with real estate. The arrangements resemble timeshares, in that multiple parties divide up use of the property as well as any associated expenses, such as rent and maintenance.

### Oversupply

Oversupply is an excessive amount of a product, in this case real estate. Oversupply results when demand is lower than supply, resulting in a surplus. Simply put, an oversupply is when there is more product for sale than people are prepared to buy.

### Special Purpose Companies

A special purpose company is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.

### Family Trusts

A family trust is a trust established specifically for the benefit of members of a particular family. The purpose of creating a family trust is to protect and manage family assets for current and/or future generations.

### Post-Dated Cheques

A post-dated cheque is one written with a future date to give security to the lender. Postdating a cheque makes sense only if you are certain that the payee will not cash or deposit the cheque before the date appearing on the cheque.

### Insolvency

Insolvency is a term for when an individual or organisation can no longer meet its financial obligations to its lenders as debts become due. Before an insolvent company or person gets involved in insolvency proceedings, it will likely be involved in informal arrangements with creditors, such as setting up alternative payment arrangements. Insolvency can arise from poor cash management, a reduction in cash inflow, or an increase in expenses.
Data is always evolving and at Property Finder, we are constantly researching and launching tools to help support and inform end-users in their house-hunting journey. This resulted in the launch of Data Finder, a real estate data and insights platform under the Property Finder Group. Since the launch, Data Finder has been tasked with processing all the proprietary asking price data available on Property Finder.

On comparing Price Trends Analysis data between this issue of Trends and the previous edition, numbers may vary slightly. This is due to Data Finder refining our in-house proprietary asking price data. Outliers, which tend to skew prices, have therefore now been removed from data in this edition of Trends.

With Property Finder continuing to work on improvements to its data tools, there will be updates in the Price Trends Analysis section in every upcoming issue of Trends. However, it is important to bear in mind that the prices quoted in the issue are all asking prices (the price at which a property is listed for sale or rent; this is different from the actual transacted price), except when highlighted otherwise. We try to present the most accurate property prices but these are not an indication of the current market rates and should not be used for commercial purposes, including pricing, investment decision making or performance measurement.

If you are an agent looking to get more detailed information on prices, refer to Data Finder for more insights.
A home to make it ours

Apartment

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