

LUXHABITAT

Dubai's secondary residential market sees renewed interest in Q2 2018

DUBAI, 18TH JULY 2018



A villa in Palm Jumeirah sold for AED 40 million this past quarter

An overall analysis of the Dubai residential market in Q2 2018 revealed that **secondary residential market transactions remained relatively stable. Over 1,400 villas and 6,652 apartments were transacted within the second quarter of the year** in the overall residential market. Volume of transactions in the secondary market during **Q2 2018** was **AED 12.1 billion**, compared to **AED 14.4 billion** in **Q1 2018**, according to analysis by Luxhabitat based on data by Property Monitor. In contrast, the prime residential market moved up this quarter by 1%.

OFF-PLAN MARKET

In comparison, the off-plan market activity for residential transactions has continued to stabilise, with a few new launches during this period. Off-plan transaction volumes and no. of transactions dropped almost 28% from the previous quarter to AED 5.8 billion. The total number of units scheduled to be completed in 2018 is 80,000, according to Property Monitor; with over 2,000 units being delivered in each of the following areas: Downtown Dubai, Business Bay, Mohammed bin Rashid city and Jumeirah Village Circle.

PRIME RESIDENTIAL MARKET

According to Luxhabitat's analysis, **the prime residential market in Q2 2018 totalled AED 3.5 billion**. Secondary villa sales volumes were double off-plan sales this quarter, continuing on the trend from the last two quarters. Luxhabitat defines the prime residential market as a residential market composed of properties that lie on the high end spectrum of the Dubai residential market. Luxhabitat recognises 13 key areas that form part of this classification; the areas are Al Barari, Arabian Ranches, Downtown Dubai, Dubai Marina, Emirates Hills, Jumeirah, Jumeirah Beach Residence, Mohammed bin Rashid city, Jumeirah Golf Estates, Jumeirah Islands, Jumeirah Lakes Towers, Palm Jumeirah, The Lakes, Meadows, & Victory Heights.

The three top performing areas in the overall market as per sales volume were Business Bay (AED 2.3 billion), Mohammed bin Rashid city (AED 1.9 billion) and Dubai Marina (AED 1.2 billion).

5 BEST PRIME RESIDENTIAL AREAS IN TERMS OF GROSS RENTAL YIELD

Area	Average gross rental yield (%)
Jumeirah Village Circle	7.96
Jumeirah Lake Towers	7.52
Emirates Living	7.15
DIFC	6.22
Dubai Marina	6.00

Source: Luxhabitat x Property Monitor Analysis, July 2018

TOP 5 VILLA TRANSACTIONS

Development	Price	Average Plot size
Fronds, Palm Jumeirah	40,000,000	14,451
Fronds, Palm Jumeirah	24,563,400	13,406
Jumeirah Bay island	21,800,000	13,698
Fronds, Palm Jumeirah	20,000,000	13,404
Al Barsha villa	20,000,000	11,097

Source: Luxhabitat x Property Monitor Analysis, July 2018

TOP 5 APARTMENT TRANSACTIONS

Development	Price	Average BUA (Built Up Area)
Il Primo	43,098,888	11,550
The One at Palm Jumeirah	31,500,000	9,223
Bulgari Resorts & Residences	24,993,,000	7,085
Jumeirah 1 apartment	24,500,000	11,159
The One at Palm Jumeirah	22,363,500	7,162

Source: Luxhabitat x Property Monitor Research, July 2018

RENTALS MARKET

“Overall the second quarter has seen a notable number of new residents to Dubai commencing their property search over the hot and hectic Ramadan/summer season. Existing tenants are more commonly staying cool renegotiating with their current landlords for reduced rental prices and more favourable payment terms.

While rental prices continue to significantly decrease throughout Dubai, a considerable demand for high-end, luxury rental properties has spiked. This in turn has sparked a trend among landlords who are reinvesting and upgrading their properties to compete with the many new and modern developments recently handed over.

So far this year has reinforced that Dubai remains one of the most active and versatile rental markets in the world. Going forward this year, we anticipate stabilizing rental prices as we continue to adjust to the conditions of a maturing market (which should come as positive news for everyone).” Says Ryan Kasper, Luxury Rentals Director at Luxhabitat.

About LUXHABITAT

LUXHABITAT is Dubai’s only high-end real estate company focused on marketing, selling and designing the most important real estate properties in the region. The company is focused on properties above AED5M and in 2014 had an average property transaction of AED14M. The company is focused in sourcing the best quality properties in premium residential areas such as Emirates Hills, Palm Jumeirah, Al Barari, Jumeirah Islands, Jumeirah Golf Estates, Meadows, Lakes and Arabian Ranches; and also, the best apartments and penthouses in upscale buildings such as Le Reve, Index Tower, Six Towers, Burj Khalifa, The Address Hotels, among others. For more information, visit its award-winning website at www.luxhabitat.ae

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