

LUXHABITAT

SECONDARY RESIDENTIAL MARKET PRICES REMAIN STABLE IN Q3

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Dubai's secondary prime residential market's prices remain stable despite a movement of the real estate market towards off-plan.



One of the most expensive apartment transactions was an Armani apartment for AED 9 million

On analysis of data by REIDIN, Luxhabitat reveals that despite underperformance of the secondary prime residential market, the average price per square foot remained flat. According to Luxhabitat, the prime residential market is composed of properties that lie on the high end spectrum of the Dubai residential market. Luxhabitat recognises 12 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, Jumeirah Golf Estates, Jumeirah Islands, Jumeirah Lakes Towers, Palm Jumeirah, The Lakes, Springs and Meadows, & Victory Heights.

As of Q2, the price/sq ft for prime residences are AED 1,441 per sqft. The prices are at similar levels since Q2 2016 around the AED 1,400 per sqft mark.

The total volume of transactions in Q3 2017 was AED 1.9 billion. 63% of the total volume of transactions in Q3 were for apartments, with the Dubai Marina transacting approximately AED 363 million, followed by the Palm Jumeirah (AED 218 million) and Downtown Dubai (AED 160 million).

TOP 5 VILLA TRANSACTIONS in Q3 2017

Development	Price	Average BUA (Built Up Area)
Emirates Hills	95,000,000	22,780
Emirates Hills	60,000,000	19,982
Palm Jumeirah	27,500,000	7,200
Palm Jumeirah	22,500,000	7,294
Emirates Hills	20,000,000	10,588

Source: REIDIN/ Land Department, Luxhabitat Prime Residential Secondary Market Analysis, Oct 2017

In terms of the villa market, the total volume was AED 688 million. 71% of the transactions came from the Emirates Living areas, which includes Emirates Hills, Springs and the Meadows, and The Lakes. The most expensive villa transacted was a 22,780 BUA square feet villa in Emirates Hills for AED 95 million. The Emirates Hills area alone transacted AED 107 million.

TOP 5 APARTMENT TRANSACTIONS in Q3 2017

Development	Price	Average BUA (Built Up Area)
Elite Residence	25,000,000	12,469
Palazzo Versace	15,000,000	5,016
Armani Residence	9,513,888	1,051
Al Bateen	9,000,000	2,945
D1 Tower	7,458,000	6,726

Source: REIDIN/ Land Department, Luxhabitat Prime Residential Secondary Market Analysis, Oct 2017

The apartments market had a total volume of approximately AED 1.2 billion in sales. 50% of the sales were from the Dubai Marina area. "It might be worth mentioning that 2 out of the 3 top apartment transactions were in 'branded developments' (Armani and Palazzo Versace) which continues a trend of increasing demand for globally recognized luxury branded properties." Says Ryan Kasper, Director of Luxury Rentals. One of Luxhabitat's most notable transactions this year included an AED 60 million BVLGARI penthouse.

OBSERVATIONS

LUXHABITAT has observed that since Q4 2016, the demand for luxury residential property has shifted to the off-plan market. The advent of new supply of luxury real estate will soon lead to a readjustment of price points on the secondary market. The market seems to have moved to mostly off-plan.

"New locations such as CityWalk, Bluewaters Island, Bvlgari, Dubai Creek Harbour, and Dubai Hills Estate make both investors and end-users very excited about new stock and the promise of new communities. People are now expecting an upgrade in quality since a lot of the existing stock look a bit aged and the price levels are more or less the same as a new stock when upgraded. End-users need to decide if they need something immediate or not. 80% of the off-plan luxury market are going to investors who are hoping for capital appreciation. Off-plan properties also have the added advantage of flexible payment plans." Says Alexander von-Sayn Wittgenstein, Luxury Sales 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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