

LUXHABITAT

Q3 Report - Jumeirah emerges as a top area in Dubai's prime residential market

DUBAI, 18TH OCT 2018



An Emirates Hills home sold for AED 90 million this past quarter

An overall analysis of the Dubai residential market in Q3 2018 revealed that **over 1,247 villas and 5,121 apartments were transacted within the second quarter of the year** in the overall residential market. Volume of transactions in the secondary market during **Q3 2018** was **AED 16.9 billion**, compared to **AED 12.1 billion** in **Q2 2018**, according to analysis by Luxhabitat based on data by Property Monitor.

OFF-PLAN MARKET

Off-plan transaction volumes dropped almost 29% from the previous quarter to AED 4.5 billion. Overall, there's a significant drop over the past two quarters. However, the opening of the off-plan market in Jumeirah in Madinat Jumeirah, Jumeira Bay, Port de la Mer and other areas has led it to become the top selling area in Q3, with over AED1.3 billion in sales and over 152 units sold. It's also worth noting that there's still a healthy market for off-plan, with about 60% of the total sales in the Dubai residential market being derived from off-plan. Brigitte Tenbergen, Associate Director at Luxhabitat comments, "Jumeirah has traditionally been a leasehold area, complete with plots and villas, mostly owned by GCC nationals and rented by well to do expats. With the launch of freehold projects like Port de La Mer and Madinat Jumeirah Living, it holds a lot of promise for the Dubai real estate residential market to pick up. There's been an overwhelming demand for apartments in these projects. These projects also have a relatively reasonable price tag and have been a major success. I look forward to more off-plan releases this quarter."

PRIME RESIDENTIAL MARKET

According to Luxhabitat's analysis, **the prime residential market in Q3 2018 totalled AED 8.7 billion**, which is 13.9% lesser than the previous quarter, which indicates a healthy real estate market that has quite a few opportunities in the off-plan market. 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 14 key areas that form part of this classification; the areas are Al Barari, Arabian Ranches, Downtown Dubai, Dubai Marina, Dubai Creek Harbour, 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 top 3 areas in terms of sales volume were Jumeirah (AED 1.3 billion), Downtown Dubai (AED 1.2 billion) and Mohammed bin Rashid city (AED 1.06 billion). Dubai Creek Harbour as a new area has also received healthy sales volumes of AED 655 million this quarter (funnily, with all properties ending with 888- a lucky Chinese number, indicating the nature of the investors in the area). These numbers are comparable with Dubai Marina, which received a sales volume of AED 662 million.

5 BEST PRIME RESIDENTIAL AREAS IN TERMS OF SALES VOLUME

Area	Price/sqft	Sales Volume
Jumeirah	1,727	1,346,362,598
Downtown Dubai	2,340	1,269,870,831
Mohammed bin Rashid city	1,210	1,061,242,554
Business Bay	1,654	839,416,027
Palm Jumeirah	2,267	729,206,456

Source: Luxhabitat x Property Monitor Analysis, Oct 2018

TOP 10 RESIDENTIAL TRANSACTIONS

Development	Price	Average BUA (Built Up Area)
Emirates Hills Villas	90,000,000	-
Downtown Burj Khalifa	47,500,000	33,570
Palm Jumeirah villa	34,250,000	-
Palm Jumeirah villa	32,000,000	14,999
Burj Khalifa	30,000,000	14,927
Palm Jumeirah	30,000,000	-
Emirates Hills Villas	30,000,000	12,055
Palm Jumeirah	28,000,000	26,603
Bulgari Resort and Residences	27,550,000	13,396
Fronde C, Palm Jumeirah	25,000,000	17,243

Source: Luxhabitat x Property Monitor Analysis, Oct 2018

RENTALS MARKET**TOP 5 PRIME RESIDENTIAL AREAS BASED ON RENTAL YIELDS**

Area	Average price/sqft (AED)	Average gross rental yield (%)
Jumeirah Lake Towers	1,170	7.52
DIFC	1,743	6.29
Dubai Marina	1,590	6.22
Jumeirah	1,727	5.79
Business Bay	1,654	5.72

Source: Luxhabitat x Property Monitor Analysis, Oct 2018

Ryan Kasper, Luxury Rentals Director at Luxhabitat comments, "This quarter has seen a continued drop in rental prices throughout Dubai's prime residential areas. However, landlords are using more creative means by which to maintain their rental returns and lure in tenants. This includes offering a 13-month rental contracts, renovating and upgrading older properties, as well as more owners furnishing and renting their properties on a short-term basis. Demand for high-end luxury properties (renting on average for over AED 400,000) has been maintained and is expected to continue throughout the next quarter."

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 2017 had an average property transaction of AED5.7M. We are 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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