

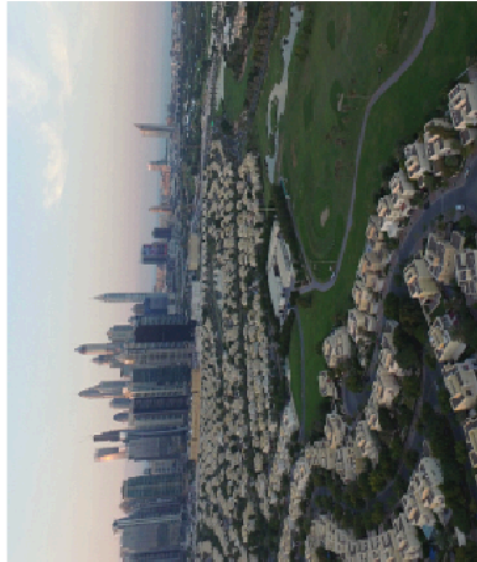
# REDEFINING TRUE LUXURY PROPERTY

## HOW DUBAI COMPETES IN A GLOBAL MARKETPLACE OF ELITE BUYER

Dubai's luxury lifestyle has always attracted the ultra-rich. As a convenient, world-centric hub geographically, a well-regulated base to do business from, and a melting pot of international people and opportunities, it's especially important for real estate professionals to understand what Dubai represents to a truly global population, and this is pronounced even more so amongst Dubai's jet-setting elite.

High-net-worth individuals more than any other profile, will have homes, businesses, currencies and investments diversified globally, and a Dubai home will be chosen in the context of the non-UAE alternatives, likely weighed against the very best of what the rest of the world has to offer.

A luxury home purchase for the ultra-rich in Dubai will probably be a family home rather than a pure investment, and while value is important, the wealthiest individuals will have experienced internationally the highest level of finish, materials, home management systems and convenient built-in lifestyle components. The experienced property buyer uses a far keener eye for their own home, and the little details count.



Sally Ann Chahal  
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While they may hit the desired size and location, not all of Dubai's luxury properties will meet this international gold standard, and older villas or penthouses will need to have been renovated, often gutted and re-imagined, to compete with the alternatives in the world's other high profile cities. An expansive natural or skyline view often features high on the Dubai wish-list, alongside large plots well set up for entertainment, with privacy and security, and crucially, villas must be located in a convenient super prime community.

Dubai's wealthy elite are far more likely to be up to date on world property trends, and equally likely to have a qualified opinion on what represents value in Dubai. While luxury property sales have been stable over the last 18 months, it's fair to say that the pacey off-plan market has had a significant impact on secondary market perceptions, i.e. ready homes, especially in terms of price and/or the tradeoff between value and quality or age. New builds in certain prime areas are focused on finish and well-thought-out floor plans, and so older homes in Dubai's best established areas, like Emirates Living or the Palm, need to have been renovated with both taste and wisdom, or offer enough value to allow a new owner to take that task on reasonably.



### Everyday luxury

For the following clearly defined reasons, the more modest end of the luxury market, for example larger detached Haitian houses in The Lakes and Meadows, and the parades of beach front homes on the Palm Jumeirah have faced some extraordinary pricing challenges in the last year, but this also leaves seller expectations in these mature areas more rational, well placing the communities for an uptick in sales pace in the coming year.

The frankly huge volume of off-plan sales in wider placed new developments in 2017 has been a fairly heavy domestic factor which has protracted the turning of a corner and what was beginning to feel like a modest recovery of the secondary market in prime areas. With transaction volumes still up year on year and a heavy demand and interest in the developed areas, it's clear that, with the right pricing, these communities remain truly relevant in the consumer market. Due to the best spots being favoured for early development, Dubai's first wave of build will always have the advantage of location, location, location.

As developers front load pricing in the most prime off-plan new developments, the price chasm between expensive pending unfinished stock, and the softening to lower values of homes which are ready and in settled communities is favouring a swing back towards the older areas. As long as homeowners have insulated their property value from perceived aging by undertaking well executed, tasteful contemporary upgrading and good care and maintenance, they are still very much in demand.

It is interesting to note that eagle-eyed investors have already spotted the opportunity in this disparity, and while there remains a margin to acquire an older home at a good price, add value and turn it around fresh and re-purposed, they will surely take it. Expect to see a revitalisation in Dubai's most well-loved prime communities, which puts the quality of these homes back in contention.

