

LUXHABITAT

OFF-PLAN MARKET DOMINATES IN 2017 IN PRIME RESIDENTIAL MARKET

DUBAI, 10TH JAN 2018

Off-plan market dominates the secondary prime residential market in 2017.



One of the most expensive transactions was an Emirates Hills villa worth AED 95 million. Picture for illustrative purposes only.

On analysis of data by REIDIN, Luxhabitat reveals that the prime residential market has an uptick in sales volume this year. The average price per square foot has also marginally increased. 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 key areas that form part of this classification; the areas are Al Barari, Arabian Ranches, Downtown Dubai, Dubai Marina, Emirates Hills, Mohammed bin Rashid City, Dubai Hills, Jumeirah Bay, Bluewaters Island, Jumeirah, Jumeirah Beach Residence, Jumeirah Golf Estates, Jumeirah Islands, Jumeirah Lakes Towers, Palm Jumeirah, The Lakes, Springs and Meadows, & Victory Heights.

There seems to be a sudden dip in transactions for the off-plan residential market in Q2 2017. This is presumably because of the slow-down of new development launches and the Ramadan period.

In 2017, the price/sq ft for prime residences are AED 1,482 per sqft. The prices have shown a definite increase and are now comparable to the same levels as Q4 2015.

The total volume of transactions in 2017 for the secondary prime residential market was AED 13.1 billion, an approximate 10% increase since last year. 82% of the total number of transactions in 2017 were for apartments. The top 3 performing areas were: the Dubai Marina transacting approximately AED 3.34 billion,

followed by the Palm Jumeirah (AED 2.32 billion) and Downtown Dubai (AED 1.54 billion). These three areas alone account for 42% of the secondary prime residential market.

TOP 5 VILLA SECONDARY RESIDENTIAL MARKET TRANSACTIONS in 2017

Development	Price	BUA (Built Up Area)
Emirates Hills	95,000,000	22,780
Emirates Hills	90,000,000	25,812
Palm Jumeirah	84,200,000	7,762
Palm Jumeirah	67,000,000	7,924
Emirates Hills	60,000,000	19,982

Source: REIDIN/ Land Department, Luxhabitat Prime Residential Secondary Market Analysis, Jan 2018

In terms of the villa market, the total volume was AED 4.4 billion. 50% 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 816 million.

TOP 5 APARTMENT RESIDENTIAL SECONDARY MARKET TRANSACTIONS in 2017

Development	Price	BUA (Built Up Area)
Volante	36,000,000	10,806
FIVE Palm Jumeirah	30,000,000	12,291
Le Reve	29,700,000	14,349
Elite Residence	25,000,000	12,469
Burj Khalifa	24,800,000	6,141

Source: REIDIN/ Land Department, Luxhabitat Prime Residential Secondary Market Analysis, Jan 2018

The apartments market had a total volume of approximately AED 13.8 billion in sales.

TOP 5 OFF-PLAN RESIDENTIAL TRANSACTIONS IN 2017

Development	Price	BUA (Built Up Area)
One at Palm Jumeirah	102,000,000	29,994
Palm Jumeirah villa plot	68,812,496	18,916
Palm Jumeirah villa plot	61,472,500	23,347
Bvlgari Residences	60,000,000	12,156
Palm Jumeirah villa plot	44,590,000	17,999

Source: REIDIN/ Land Department, Luxhabitat Prime Residential Secondary Market Analysis, Jan 2018

The total off-plan market for prime residential communities was worth AED 16 billion. Luxhabitat sold the second most expensive penthouse in Dubai at AED 60 million. Downtown Dubai sold the most in terms of off-plan (AED 5.8 billion), followed by the new communities of Dubai Creek Harbour (AED 2.9 billion) and Mohammed bin Rashid city inclusive of Dubai Hills (AED 2.7 billion).

OBSERVATIONS

Associate Director, Brigitte Tenbergen enunciates the popularity of off-plan properties in the prime residential market. "I have experienced a strong demand in off plan- especially in the higher segment and mostly situated on the beachfront." Says Tenbergen. "Most of these developments will be handed over in 2018 or mid 2019 and all have show apartments which makes the choice very easy. The existing developments are getting "tired" and clients are looking for modern, contemporary design and open spaces with great views and good quality."

Sally Ann Ghai, Associate Director at Luxhabitat says the sentiment seems positive for an improvement in sales volume during 2018, with high buyer interest and engagement. "Sellers, having had a tough year up against the high level of off plan sales, have accepted reality and adjusted prices accordingly to signpost their serious intention to sell. However, buyers should not take this signal of reasonableness as an invitation to charge in with even further low ball offers on already softened prices. Sellers have responded to market data that the end-user market in Dubai has undertaken a permanent correction. Buyers should not interpret the reasonable pricing now appearing as a crash market portend, but rather a considered response to concrete sales data by reasonable sellers. Buyers should be thankful that the market has responded to their accusations of price stubbornness, and appreciate they can now acquire a home at a relative bargain in 2018." Said Ghai.

For the rental markets, Rentals Director Ryan Kasper added, "Rental prices for prime properties have followed similar trends of the general market. Most luxury apartment and villa prices have remained relatively stable, although we have witnessed a longer marketing period between tenants, and more flexibility in payment terms among landlords."

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, Mohammed bin Rashid city, Dubai Hills, 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

WWW.LUXHABITAT.AE

For further press information, images or to arrange interviews please contact Aneesha Rai

E: ar@luxhabitat.ae | M +971 50 42 60 432 | T +971 4 432 79 72

Follow us on twitter: [@luxhabitat](https://twitter.com/luxhabitat)