

DUBAI REAL ESTATE

2024 MARKET REPORT

CONTENT:

- Past, Present & Future
- Context, Vision, Objectives
- Economy, Innovation, Financials
- Areas, Lifestyle, Activities
- Profitability, Process, Tips
- International Reports & Graphs



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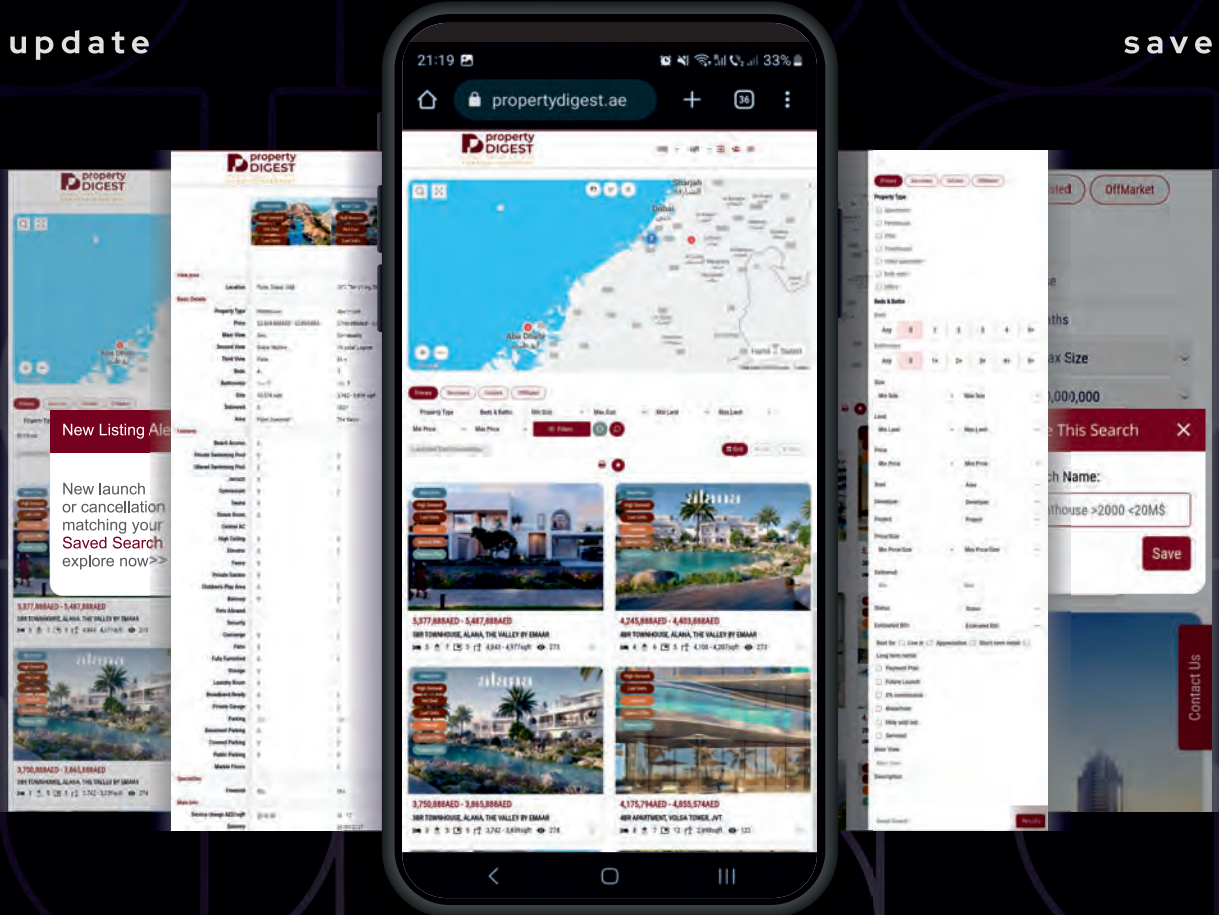
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The guide you're about to read is dedicated to Dubai's property market. But it's not just about the guide...



There's a lot more to it. Searching for the perfect property is not an easy task. As an international buyer, you'll do most of the groundwork remotely. So you'll have to rely on what little information you find online, and might have difficulties understanding the pros & cons of a certain property. Plus, you might be interested in several areas and an ultra-specialized agent won't be able to help you in this case, when you require a broad vision, someone to present you all the opportunities.

That's where we come in. Property Digest helps you discover, compare, and purchase your dream property for personal use or a profitable investment. You can easily explore with no pressure through structured, accurate, and comparable information, from differences in areas, lifestyles, and taxes, to property management, rental costs, and yields.

Our listings represent a well-curated and constantly updated inventory by our real-estate experts. No misleading or duplicate content. But that's not all. We know very well that once you find your property, you will need local specialists - a lawyer, a tax specialist, or a property manager. That's why we take care of the entire process, from searching properties up until you get your keys, and actually way beyond that. You'll have a network of independently rated professionals to rely on when you need them.

Visit the platform for more information.

Some of the thoughts you might be having about buying a property include:

- **HOW** to protect yourself from inflation
- **WHERE** and **WHEN** is the best time to invest
- purely a **PROPERTIES INVESTMENT** or **SECOND HOME**
- **WHAT** makes a particular property valuable as opposed to others.

Find answers to all your questions and a checklist of all the scenarios and things to consider.



Dubai's population has passed over

3.6

million inhabitants and it is forecasted to reach **7 million** by **2040**.

How Property Digest can help:

- Curated and Updated Inventory
- Identify the best properties on the market through an advanced filtration system
- Research processes and proprietary quality control system
- Deep Market Analytics
- Tools & reports to sustain the decision-making process
- High-Quality Knowledge
- Digital, comprehensive content about quality emerging areas & prime locations to help investors make informed decisions
- Verified Property Consultants and verified professional

WHY DUBAI? SAFETY AND GEOPOLITICAL STABILITY

Political neutrality has turned Dubai into the Switzerland of the Middle East in terms of wealth storage, with a significant percentage being invested in real estate products.

The Government of Dubai has effectively managed the pandemic and post-pandemic situation by simplifying the process of obtaining residency. It also introduced attractive tax policies that encouraged foreign investments and

tourism. Due to the high inflation on a global scale, Dubai properties have become even more attractive for those interested in less volatile investments or those who wish to diversify their portfolios. Also, since the start of the war in Ukraine, the UAE neutrality position it as a real heaven for everyone across the world.

Dubai has one of the lowest crime rates in the world, for both violent and nonviolent crimes, due to the strict implementation of the law and police control. In fact, it is constantly voted as one of the 10 safest places in the world for solo female travelers.

Muslim citizens do adhere to religious laws, but Dubai's openness toward Western culture is reflected in the preferential treatment of foreign residents and investors (e.g.



A SOLID GROWTH PLAN

Dubai is the financial center of the Middle East. As one of the 7 United Arab Emirates, it gives its name to the city known for its superlatives: the tallest building, the biggest shopping mall, the biggest artificial island, the largest private airline company, the longest indoor ski slope in the world, and many more. Dubai's population has almost reached 3.6 million people (from 2.6 million in 2016) and is expected to grow to 7 million by 2040. Under 12% of the population is indigenous, with the remaining 88% divided between Europeans, Americans, Asians, and Africans. From a small fishing village about 60 years ago, Dubai has rapidly become a major international trading hub and a major

transportation hub for passengers and cargo. In December 1971, the United Arab Emirates emerged from the British protectorate and became an independent state.

Since 1833, the Royal Family of the Maktoum dynasty has ruled over Dubai. Mohammed bin Rashid Al Maktoum is the ruler of Dubai, as well as the vice president and prime minister of the UAE, and a firm supporter of the current vision of economic, tourism, and real estate development since the early 1990s. Dubai's development accelerated with the discovery and exploitation of the local oil deposits, starting in the 60s. However, oil is not part of the long-term vision. Dubai does not have as many resources as the neighboring emirate, Abu Dhabi, and oil is not considered sustainable. In fact, oil revenues have been on a downward slope, contributing, by 2018, to only 1% of the local GDP.

REAL ESTATE PRICE EVOLUTION

Property prices are now starting to rise over the 2008 and 2015 levels. Dubai had a period of massive growth between 2002 and 2008 when mega projects such as Palm Jumeirah, the World Islands, and Dubailand were started. Then, the financial crisis of 2008 led to the collapse of the market, and many projects were canceled or put on hold.

As the economy recovered, in the following years projects resumed - real estate was entering a new period of spectacular growth. Between 2012 and 2014, prices rose by an average of 21.5% a year. However, the market could not

absorb the impressive stock of units in such a short period of time. Prices began to stall by 2014 and then fall significantly over the next 6 years, also due to the Qatari political crisis. And then, the Covid-19 pandemic came, and with it, the largest economic decline in the last 34 years, yet for a very short period of time. Cumulatively, between 2015 and 2020, prices decreased by 37%.

In 2020, after the first pandemic wave, the UAE economy grew by 5.9% (compared to 1.7% in 2019), and the real estate market entered again into a period of steady growth.

In June 2021, property sales increased by 173.5% compared to the previous year, reaching over 6,000 units sold in one month only, the highest monthly volume in eight years.

In total, in 2021 more than 84,000 transactions, totaling AED 300 billion (approx. USD 82 billion), were made. Compared to 2020, the volume of transactions increased by 66.3%, and the value of transactions increased by 72%. 40.6% of these transactions are new constructions, with 40.4% being off-plan.

The value of residential properties has started to rise again – by 10% at the end of 2021, as a result of measures taken by the government. Growth continued throughout 2022. In September 2022, transactions reached a new record of USD6,6B or AED 24.3B, a 49.7% increase from the same month in 2021.

Dubai is an ever-expanding market, with a coherent development plan for the upcoming

50
years.

By the end of 2022, all Dubai real estate transactions had reached a new high of AED 528 billion (approximately USD 144 billion) with 122,658 transactions, up 76.5% from the previous year.

During 2023, the trends could only continue the ascent and the **TOTAL RESIDENTIAL SALES COMPARED TO 2022:**

+ 44,2% growth in volume

+ 66,3% growth in value

Off-plan home sales increased by 57.38 percent last year, totaling nearly 68,200 deals valued at over AED 159 billion. As compared to the off-plan sales in 2022, these figures show a 69.35% rise in value.

Sales of 47,600 units, grew by 28.3%, totaling AED 117.4 billion in deals, a corresponding increase in the value of **ready properties** of 62.32%.

The luxury real estate market increased again 91% in value and 92.4% in volume.

There were around 99,300 apartment units sold for a total value of almost AED 200 billion, accounting for a higher percentage of the total value of transactions. As compared to 2022, these deals showed a rise of around 50%.

Compared to 2022, villa sales increased by 28%, with 16,600 units selling for a total of AED 80 billion. Sales of villas in the pre-construction phase rose by 28.5%, while sales of completed villas by 27.4%.

The luxury real estate market grew by

91%

in value and 92.4% in volume.

More than 13,400 pieces of land were sold, with a total market value of AED 128 billion, up 35.6% from 2021.

The number of new homes provided by Dubai's real estate developers reached a record high of 50,000 in 2016, surpassing the 35,500 units built in the market in 2008. More than 103,000 dwelling units are in the planning or building stages right now. About one-fourths (26,000 units) of these dwellings will be ready for occupancy in 2024. In addition, the most developed districts in Dubai for flats, include Business Bay, Dubai Marina, JVC, DCH, and Downtown Dubai.

Damac Lagoons, Meydan, Dubai South, D2, JGE, and Dubai Hills were highlighted as some of the best places to buy a villa or a townhouse.

VISION AND A 50-YEAR PLAN

All residential projects are built according to an urban master plan made by the Emirate of Dubai. This plan includes investing in:

- Infrastructure EG: 300 km new metro line that connects all communities
- Green areas and parks covering 60-70% of free spaces
- 400% increase in the beach area
- Schools, commercial spaces, and cultural hubs
- The Loop, a 93 km climate-controlled suspended ring for cycling and pedestrian, connects most areas of Dubai.

Even more, the recently declared goal of the government is to double the economy by 2033. Ambitious, yes! Impossible? No, if there is a vision, desire, and commitment for growth.

Public policies are focused on attracting and integrating tourists, residents, and investors. In the wake of Expo 2020 alone, the population has increased by 700,000 new residents, and it's planned to double up to 2040.

A CATALYST FOR INNOVATION AND INVESTMENT COP28

Beyond attracting world wide attention, tourism and investments, **COP 28** was a proof of Dubai's strategic strength – an opportunity to show the world that the emirate's development plans are undoubtedly serious and ambitious.

The focus will be on investing in education and technology, and a social goal – building a state for future generations based on ethical values, tolerance, and social cohesion. The UAE also announced plans to build the first human settlement on Mars by 2117.



Dubai is not only a financial center but also an important scientific and technological hub. The 50-year master plan aims to strengthen the country's reputation and economy, and diversify imports and exports that do not rely on oil.



0%
is the VAT for
residential properties
except for commercial
or financial products
such as hotel rooms,
where VAT is 5%.

Real estate investments are protected

State-imposed regulations are in place to protect real estate investments, such as:

- a mandatory escrow account
- regulated dispute resolution system
- resale options after payment of at least 30% of the price
- the reimbursement of the down payment if the property surfaces are not compliant or in case the project is delayed or stopped.

What's an escrow account?

Until delivery, the developer's cash withdrawals are verified by the government in direct connection with the construction stages. This aspect is regulated and supervised by DLD (Dubai Land Department). Execution stages and money withdrawals are public in the Rest Dubai app.

Dubai has just scraped the
minimum AED 2M required
investment for

**GOLDEN
VISA**

fresh info, for details contact
your property couturier.

Favorable social environment

Dubai is probably the most cosmopolitan city in the world. 88% of its residents are expatriates from over 180 nationalities across Asia, Africa, Europe, and the Americas.

Residency. Golden Visa. Citizenship

Residency can be obtained for investments of over AED 750,000 (approx. EUR 185,000), employee visas, investor visas, and partner visas. They are granted for 2-3 years and can be renewed easily. Golden Visas granted based on investments, starting with AED 2,000,000 you can get a Golden Visa 5-10 years. A long-term residency visa, the Golden visa grants access to the United Arab Emirates (UAE) and its special perks for international talents who choose to live, work, or study there. The Golden visa is available to investors, entrepreneurs, scientists, exceptional students and graduates, and humanitarian pioneers and frontline heroes. Learn more about the Golden Visa, including eligibility conditions and perks, and where to go online to submit an application.

The United Arab Emirates (UAE) expanded its citizenship program for non-Arabs in 2021. In order to boost the state's economy, it is essential that investors, healthcare professionals, scientists, and other extraordinary people be drawn to the area.



Multiple financial benefits of acquisition in Dubai:

- VAT is 0% for residential properties except for commercial or financial products such as hotel rooms, where VAT is 5%.
- Standard equipment of apartments in Dubai usually includes a furnished kitchen, in some cases also equipped, and the wardrobes in the hall and bedrooms, and bathrooms.
- Parking is included in apartment prices.
- Purchase payment plans is usually carried out with only 40-60% of the price, fair for the duration of construction until delivery, and the price difference can be easily mortgaged (up to 60% for

Easy to obtain tax residency

Tax residency can be obtained for investments of over AED 750,000 (approx. EUR 185,000) and a minimum period of six months lived in Dubai in the first year.

The perfect holiday destination for the winter period

For those chasing summer all year round, European winter is the perfect time to visit Dubai, as between October and April, temperatures are excellent (20-35 degrees C). And for the rest of the year, Dubai is the perfect travel hub being extremely well connected to top world-renowned leisure destinations in 4-6 hours flight range.

Best time to visit:

November to March

Hottest Month: July

Coldest Month: January

Days of sun per year: 340

Water temperature: between 20.9 °C (69.6 °F) in January and 32.8 °C (91.0 °F) in August

Weather events: occasional dust storms during summer and thunderstorms in winter.



Initial plan of Dubai growth it has new dimension. Still to be conformed.

non-residents) locally and also paid from the collected rent.

- No income taxes are charged in Dubai and investors who have obtained their tax residency practically do not pay any tax on these incomes ((except in the USA, where the IRS is a different story). Even with the new corporate taxation system, real estate investments are protected.



With the courtesy of @MagicDubai.ae

MAIN AREAS

MID-SEGMENT- SUPERIOR & PREMIUM

Business Bay

Dubai's business hub was inspired by the Manhattan district of New York. This area hosts many offices, hotels, and residential buildings for expats. It is directly connected by foot to Dubai Downtown, and in about 2-3 km on the canal's promenade, you can reach the beaches of Jumeirah. The area is approaching the last stages of construction and is already almost fully inhabited.

Services, including shopping centers and restaurants, have been developed around the communities located here. Today, you can find here the most popular restaurants, based on online reviews and ratings.

Downtown

This area is complete from the real estate development perspective and sold out. It is framed around the major landmarks Burj Khalifa, Dancing Fountains, Dubai Mall, and the Boulevard. It is one of the areas with good returns for short-term rentals. Due to the interconnection between Business Bay and Downtown, many projects in the Business Bay Area are promoted as Downtown.

Dubai Marina

Dubai Marina is a tourist area with very good short-term rental yields, sold out and with extremely low chances to get something new in the area due to lack of land.

Palm Jumeirah

A luxury area that predominantly hosts hotels, villas, and residential apartments. Not to be confused with Jumeirah



Village Circle or Jumeirah Lake Towers, neighborhoods with a similar name but a different profile.

Emaar Beachfront

Is one of the most prominent communities, located between Palm Jumeirah and Dubai Marina here the last buildings are sold out before even reaching the market.

MIDDLE AND MIDDLE-SUPERIOR SEGMENTS

Dubai Creek Harbor

The master developer of this area is Emaar, and the first mixed-use phase is completed offering the best sunset views of Dubai skyline, great connectivity to DXD airport, and will host the next tallest building in the world also the next largest mall of the world.

Meydan City and Mohammed Bin Rashid (MBR) City

Meydan and MBR City are the largest development areas currently in

Dubai has one of the lowest crime rates in the world, for both violent and nonviolent crimes, due to the strict implementation of the law and police control. In fact, it was recently voted as one of the 10 safest places in the world for female solo travelers. Muslim citizens do adhere to religious laws, but Dubai's openness toward Western culture is reflected in the preferential treatment of foreign residents and investors [e.g. alcohol in approved restaurants in residential neighborhoods].

Dubai. Most developers have projects in this area and are foreseen from international schools, the largest Crystal Lagoon, the future mall.

Jumeirah Village Circle (JVC)

Mostly considered a residential area yet with some profitable projects on short-term and long-term rentals. Most of the developed neighborhoods around include villas, and the apartment projects are mid-level in terms of yields and quality.

WEATHER & CLIMATE

Dubai has a subtropical desert climate, with temperatures above 38°C (100 °F) during the day and just a few sandstorms in summer, cooler daytimes 25°C (72°F), and low rainfall in winter.

Its impressive indoor infrastructure has established Dubai as an all-year-round destination, but the 8 to 10 hours of sunshine per day also make it a great choice for outdoor activities during the pleasant winter months.

INVESTOR'S CHEAT SHEET

Average property prices and details up to date:

Apartment:

	OFF PLAN	RESALE
Age	only NEW	OLD & NEW
Areas	Remote - Prime	Remote - Prime
Quality	Low - Premium	Low - Premium
Special Features	Branded Serviced Ultra Luxury	Upgrades have no resale value
Price	USD 410,000	USD 300,000
Price/sqft	USD 517/sqft	USD 334/sqft
VS 2023	+0.4%	+6.2%
VS 2014	+92.9%	+18.9%



Villa & Townhouse:

	OFF PLAN	RESALE
Age	only NEW	OLD & NEW
Areas	Remote	Remote - Prime
Quality	Low - Premium	Low - Premium
Special Features	Branded Serviced	Larger size Upgraded Better location
Price	USD 954,000	USD 736,000
Price/sqft	USD 310/sqft	USD 315/sqft
VS 2023	-2.1%	+35.5%
VS 2014	-8.7%	+70.3%



EDUCATION OPPORTUNITIES

A probably less known benefit of Dubai is the great educational opportunities for children and teenagers in Dubai. It should come as no surprise, as education is one of the pillars of Dubai's long-term master plan.

KDHA stands for The Knowledge and Human Development Authority and it is the authority that monitors and establishes requirements for private schools in Dubai. According to the KDHA, Dubai has 17 schools rated as Outstanding. 16 of these follow a UK curriculum, and 1 the French curriculum. Schools rated as outstanding, according to the last report for 2019-2020:

- Dubai British School
- Emirates Hills
- Dubai College
- Dubai English Speaking College
- Dubai English Speaking School
- GEMS Dubai American Academy
- GEMS Jumeirah Primary School
- GEMS Modern Academy
- GEMS Royal Dubai School
- GEMS Wellington International School
- Horizon English School
- Jumeirah College
- Jumeirah English Speaking School

- Jumeirah English Speaking School Arabian Ranches
- Kings School Al Barsha
- Kings School Dubai
- Lycee Francais International Georges Pompidou Primary
- Repton School

Dubai also has one of the highest numbers of international schools in the world.

CULTURE & LIFESTYLE

Dubai is highly rated for: **Outdoors, Landmarks, and Nightlife**

Outdoors: Dubai is known for its amazing outdoor activities in the winter months. From sports to child-friendly locations and camping sites, there is something for everyone, even snow lovers!

Red dunes ATV Sandsurf, Desert Safari, Camel Rides, Barbecue Stargazing Camping, Kitesurfing Parks, Hot Air Balloon Rides, 4x4 Dune Bashing Rides, Beaches

Indoor Theme & Amusement Parks:

Ferrari World (in Abu Dhabi), Legoland Ski Dubai

Landmarks: Palm Jumeirah, Burj Khalifa, Dubai Mall, Dubai Opera, Burj Al Arab, Jumeirah Mosque, The Dubai Fountain, Al Fahidi Quarter, The Dubai Frame. Dubai is synonym with mind-bending, modern architecture.

Museums

Dubai Museum, Al Fahidi Fort Museum of Illusions, OliOli Etihad Museum, Museum of the Future.

Food: The local cuisine is based on meat, fish, and rice, with fragrant spices and condiments. The best local dishes to try are: Stuffed Camel, Shawarma, Al Harees, Mehalabiya, Ghouzi, Matchbous, Esh Hasarya.

But being such a cosmopolite city, Dubai is also home to some of the best fine dining experiences.



Under
12%
of the population is indigenous, with the remaining 88% divided between Europeans, Americans, Asians, and Africans.

From a small fishing village about 60 years ago, Dubai has rapidly become a major international trading hub and a major transportation hub for passengers and cargo.



The value of residential properties has started to rise again - by

10%

at the end of 2021, as a result of measures taken by the government.

Michelin star restaurants in Dubai in 2022:

Il Ristorante - Nick Romito STAY by Yannick Alleno
11 Woodfire Tasca by Jose Avillez Armani Ristorante Hakkasan Dubai
Hoseki Ossiano Al Muntaha Torno Subito Tresind Studio

Events: Dubai World Cup (horse races), Dubai Duty Free Tennis Championship, Dubai Jazz Festival, Dubai Shopping Festival, Dubai Design Week.

Nightlife: Bars and clubs can stay open until 3 AM. Weekends are the busiest, which in Dubai was Friday and Saturday. Now they have changed to Saturday and Sunday. Bar 44 BLU Dubai Boudoir Barasti, Catwalk Laguna Beach Lounge, Soho Garden DXB

Golf: Emirates Golf Club, Jumeirah Golf Club, Trump Golf Club, Dubai Hills Golf Club, Dubai Creek Golf Club

Hidden Gems: Arabian Tea House, Dubai Creek Harbour Sunset, Flamingo Sanctuary, Dubai Creek Park, La Mer, Al Sofouh Beach, Crystal Lagoon, Madinat Jumeirah Souq.

YIELDS IN DUBAI: MODERATE TO GOOD

Long-term rental gross: 5-8% / year

Short-term rental gross: 8-15% *

* for the units bought at launch

Expected Capital growth:

Varies depending on the location, exclusivity and unicity of the project, number of the units, views and floor of the units. Generally, we can speak about a few categories based on appreciation from launch to completion:

- Residential communities 10-25%
- Prime location 20-40%
- Ultra prime location 40-60%
- Exceptions: 100-200%

Property management costs:

- 5% long term rentals
- 15-25% short term rentals + utilities.

Payment options available

Primary market, new units from the developers

- Payment plan: most of the developers are offering payment plans with

20-34% downpayment, and the difference during the construction period and at the handover. There are not many options available with post-handover payment plan. Check on the platform the new payment plan matcher, an unique tool to help you choosing the best property based on your cashflow.

- Cash: Only some of the developers accept cash, conditional on amounts and anti-money laundering policies.
- Credit cards/Debit cards: All of the developers accept card payments, usually up to a specific percentage of the total property value. This can vary from developer to developer.
- Crypto: Some developers accept direct crypto payments. Most of the time is done through 3rd party crypto exchanges and also comes with its own risks and extra commission.
- Bank transfer: All the developers accept bank transfers on the ESCROW account. All ESCROW accounts should be in the name of the project.
- Cheques: Only from local banks. Mainly used for post-handover payment plan and pre-launches.
- Bank mortgages: 40-60% of the total value for nor residents, at the completion of the project

Secondary market

- Manager's Cheque: issued by a local bank and blocking the money when it issues the cheque, mandatory in secondary market transactions.
- Conveyance Agency: if the secondary market buyer, doesn't have a local

Property Digest helps you discover, compare, and purchase your dream property for personal use or a profitable investment.

bank account he needs to transfer the money into an ESCROW account opened by a Conveyance Agency and this agency will issue the manager's cheques required for a transaction.

- Cashing the cheques: the seller needs to cash out the cheques only.
- Tax Residency: (subject to living in Dubai 186 days per year)

WHAT YOU SHOULD KNOW BEFORE BUYING

1. Choosing the right area is extremely important

And not due to safety concerns. If the neighborhood lacks the amenities the end users desire, this will most likely impact the property's value and rental income. Also, if the projects are chosen in areas where they become "shadowed" by future construction, that can also decrease their value.

Location. Location. Location + View. View. View!

2. New markets as emerging areas have a high rate of growth

The large volume of constructions means they are sometimes difficult to absorb by the market. This has already happened in the past. However, we believe that this is no longer the case today, considering the current geopolitical situation and inflationary economic context.

3. Service charges are relatively high

Between 4-8 AED/sqft per year for villas and 11-50 AED/sqft per year for apartments. Yet they include all the benefits of a well-maintained property: security, greenery, gym, pool, and many other facilities depending on the project and developer.

4. Beware of promotions of unrealistic returns

From our estimates, the maximum gross return is 8-17% for short-term rentals and 4-9% for long-term. The highest rate you will have it in ultra-prime, for purchases made at the launch.

Please take into consideration the specifics of the area; Usually, if it's a residential community, it cannot deliver better returns on short-term rentals than long-term rentals, although it's true that there are also some exceptions.

5. High fees for currency exchange

If, you don't know how things are working and with whom to deal. But there's an option to bypass it by making the payment in US dollars. Because of the international oil deal, the US dollar has a fixed exchange rate of 3.67 AED. There are also 3rd party platforms that can assist with better transfers rate and currency exchange.

HOW TO PURCHASE. ACQUISITION PROCESS

- A reservation contract is concluded for a percentage of the price of the apartment, generally between 2 and 10% of the price.
- A 4% fee is payable to Dubai Land Department (DLD) for the registration of a provisional title known as OQOOD. This title will be retained until the full payment of the property.

- The advance is paid in full according to the offer agreed with the developer.
- A Sales Purchase Agreement is signed - directly between the buyer and the developer. The SPA can be transmitted until the full payment of the advance or after, for some developers
- The SPA is a standard contract, which was previously negotiated by the developer with DLD, the government authority that regulates real estate transactions.
- The amounts paid by the customers go to an escrow account, from which the developer can access the money depending on the stage of the project. This way the buyer has a guarantee that the money will be returned if the developer does not deliver the project.

- An acceptance of the property, required by law, is made before delivery (handover & snagging). Thus, the buyer is invited by the developer to evaluate and negotiate the finishing works (if the construction does not comply with the promised quality)
- The title OQOOD can be obtained remotely and will be delivered by courier as well as digitally. To obtain this title, the client is asked to pay a processing fee/knowledge fee, which can vary between 1000 and 3500 AED.
- Following all those steps, a Title Deed is received - the final property title that demonstrates the integral ownership of the real estate.

Payment methods

- Card + POS or payment links for booking or small installments
- Bank transfer of any kind + Revolut + our suggested 3rd party partners
- Cheques-for secondary market
- Crypto exchange-Commission between 2-5% depending on the exchange method: cash or manager's cheque. Usually, a manager's cheque is the method requested by developers, but also the most expensive in terms of commission.

Acquisition costs

The process of buying a property is relatively inexpensive in Dubai, between 5 and 9% of the property price: 4% DLD, money transfer and cheques, other fees and commission.

In Dubai no VAT is paid for the purchase of a residential property. In the case of commercial properties. VAT is 5%. Also, no taxes are paid on rental income. For the purchase of new property, most real estate agencies do not charge commissions, although there can be some exceptions.

1. Brokers' fees are usually between 1 and 5 percent, depending on the property and broker's prestige.
2. There is also a 4% tax to the Dubai Land Department related to the registration of the property in the equivalent register of a Land Registry. In some cases, this fee can be partially or totally subsidized by the developer.
3. The OQOOD Title's - processing fee is - 1000-3500 AED.
4. Property reservation fee - a small percentage (5 to 10) of the value of the property, or a fixed amount (from 35.000 AED). Later on, it will be deducted from the advance when signing the promise of purchase.
5. "Expression of Interest" - applicable in particular situations, at pre-launches, and private offers from developers. The buyer is paying a predetermined amount as a deposit to the developer. As a result, he is registered on the waiting list for when a new project is launched. It gives the buyer priority access to the special launch offer.
6. Bank fees or crypto exchange fees depending on the chosen payment method.

Brokers' fees
are usually

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For the purchase of new property, most real estate agencies do not charge commissions, although there can be some exceptions.

7. Conveyance agency fees, mainly for secondary market transactions. 1,5-2% of the total value of the property.

Financing by mortgage loans

Mortgage loans can be obtained for properties that are completed or in a stage close to completion. What you cannot finance is the amount paid as a down payment for purchasing an off-plan project. Customers can choose between fixed or variable rates. Variable rates are only available through a complicated financing process. Extensive documentation and a complete banking assessment are provided. Interest rates start at 4.5% for fixed-rate products, over a period between 3 and 5 years. Variable-rate products start at 4%, but they require extensive documentation for income compared to the fixed-rate loans that are granted without supporting income documents. There are 20 lenders on the Dubai mortgage market and several types of products you can choose from. A verified tax adviser from our network will assist buyers with the entire process.

Yield from rent

Yield from rent in Dubai is now moderate to good. Since properties are now selling for a price of USD4400 to USD6000 per square meter and rising, yields are no longer sky-high in Dubai, but renting is still a profitable business. And properties in Dubai remain among the most affordable in the world.

Long-term rental is the most common, simple, and easy to carry out. Gross yields are between 4 and 8.5%, depending on the project, area, surface, and views. Net returns decrease by an average of 2%, influenced by several costs, as described in the special section below. A real target net return is 3% to 7% for the optimistic scenario. For long-term rentals, the recommended investment is a studio or 1 bedroom unit.

A surprising phenomenon that is not common in other cities is that smaller apartments are cheaper than medium or large ones. So, if a 90 sq. m. apartment would sell for USD 1150 per square meter, than a 70 sq. m. apartment or smaller could bring a yield of up to 7%.

Short-term rentals

For short-term rentals, the recommended investment is 2 or 3-bedroom units. For smaller units, the investment can be affected by the competition from the hotel market.

Dubai is the second metropolis with the most 5* hotels, after London. And number one in branded residences. For short-term rentals, gross estimated yields in the market reach 17-18 %/year. In order to maximize the results, during the off-season periods (April-September), medium-term rentals are offered to new employees who are waiting for residency and cannot rent long-term.



PROPERTY MANAGEMENT

What do you have to pay for?

Service charge/maintenance for the company that manages the building it is on average 1% of the property price per year. This includes all costs for the maintenance and proper functioning of common spaces, cleaning, employees, etc. Costs may differ, depending on the available facilities. According to local practices, this cost is paid by the owner for both long-term and short-term rental. In some cases, your building may have a Homeowner Association that will manage and maintain the common areas. Since Homeowner Associations are non-profit organizations, consisting of all the property owners in the building, this means lower maintenance costs for owners.

Utility costs

The highest cost is for air conditioning, which in the off-season, the months of April and October, it reaches significant values. For some projects, air conditioning is included in the service charge and paid by the owner. For others, it is included in the DEWA or billed separately and paid by the tenant.

Furniture costs, are also low in Dubai. In most cases, apartments are sold with kitchen furniture, household appliances, and cabinets included. For long-term rental, it is common for apartments to be leased unfurnished.

The property management fee for long-term rental

Property management is usually calculated according to the rental value of the property, so there is no general fee for all. If the rent is below USD28,000 per year, the property management charge is USD1360. If the rent is over USD28,000, the property management cost is 5% of the rent.

Property management fee short-term rental

For touristic rentals, offers are between 15% and 30% of the rent value.

Unplanned expenses

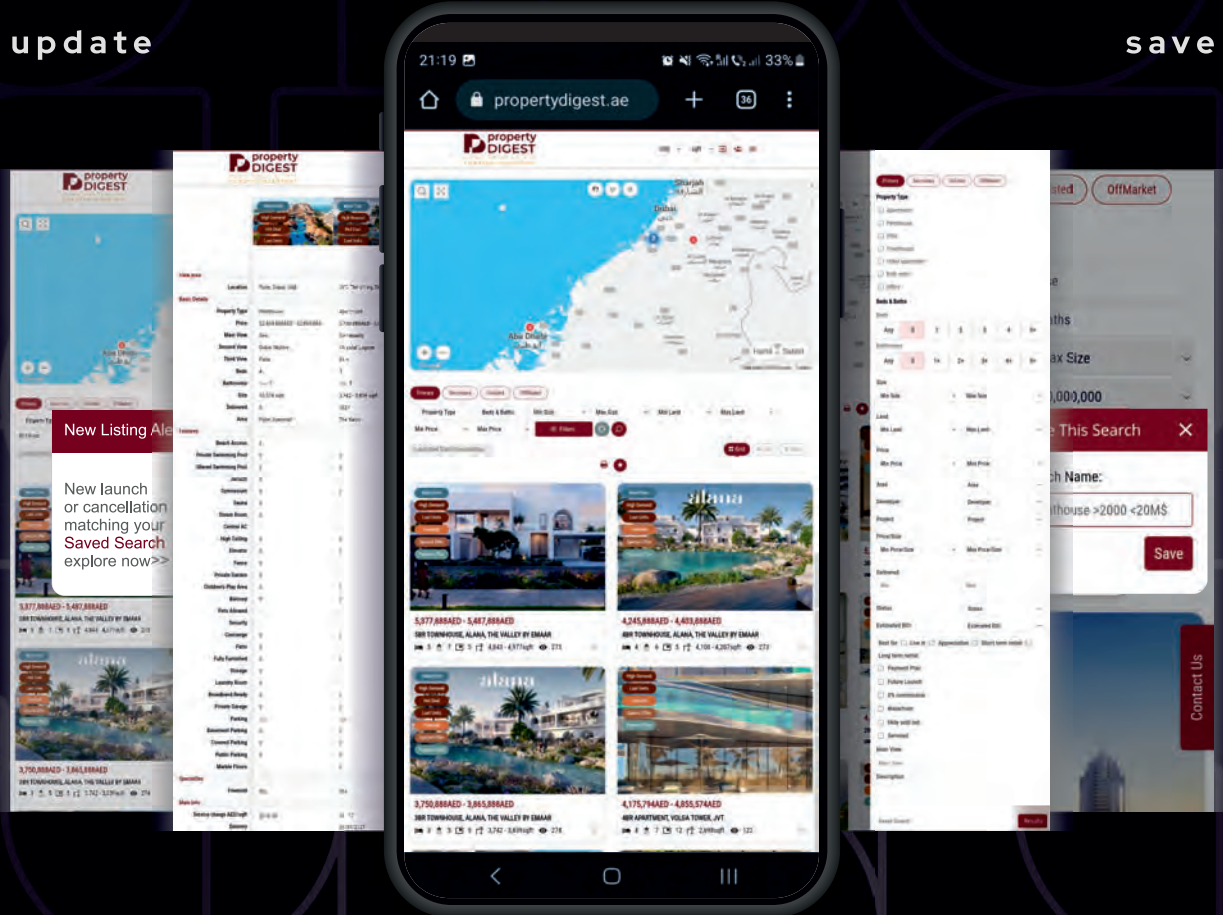
In the case of short-term rentals, there may be renovations, and repair expenses are higher since normal wear and tear is higher for these types of properties. Also, for short-term rentals, owners will need the developer's consent. In the case of "serviced residences", for example, the developer will not grant it for competition reasons in relation to the hotel operator. ■

Discover Ethical Excellence

EXPLORE NOW

Dubai's Curated Real Estate

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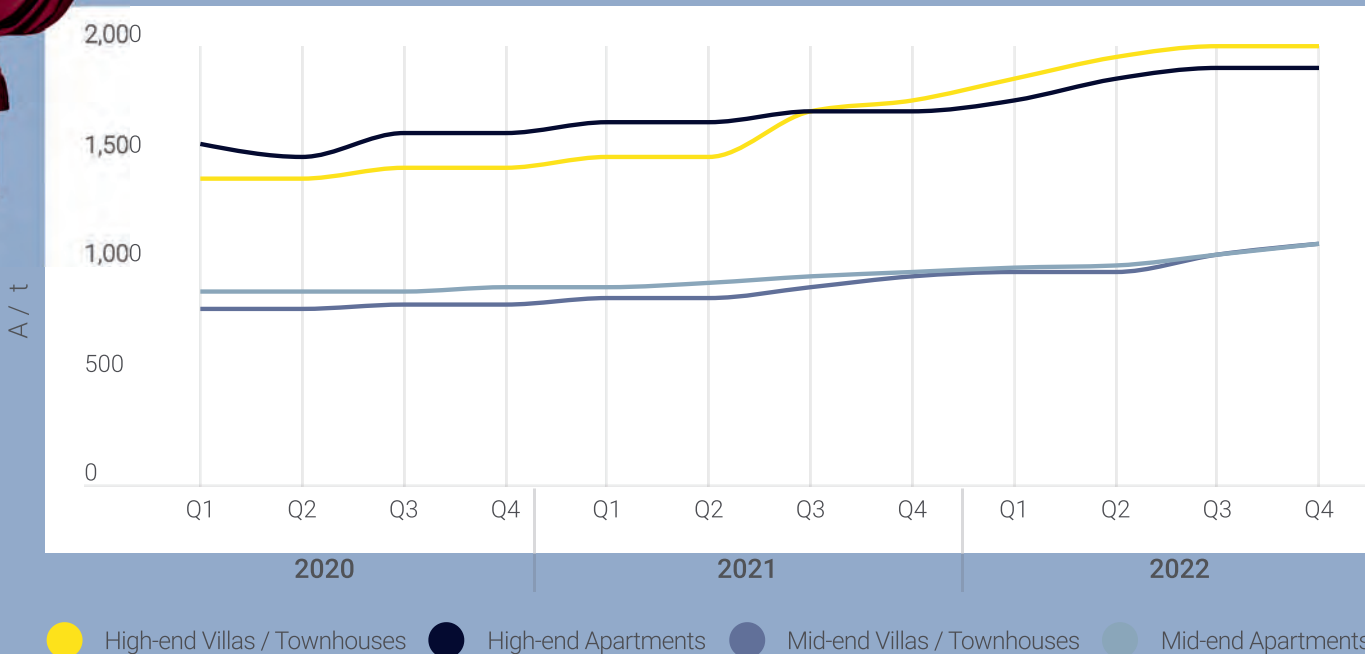
Dubai | Abu Dhabi | Sharjah | Ajman | Ras Al Khaimah

SCAN NOW
to get your
PROPERTY

Featured ON



CAPITAL VALUE TREND



Source: Savills Research 2023

Prime Capital Value Growth Forecasts

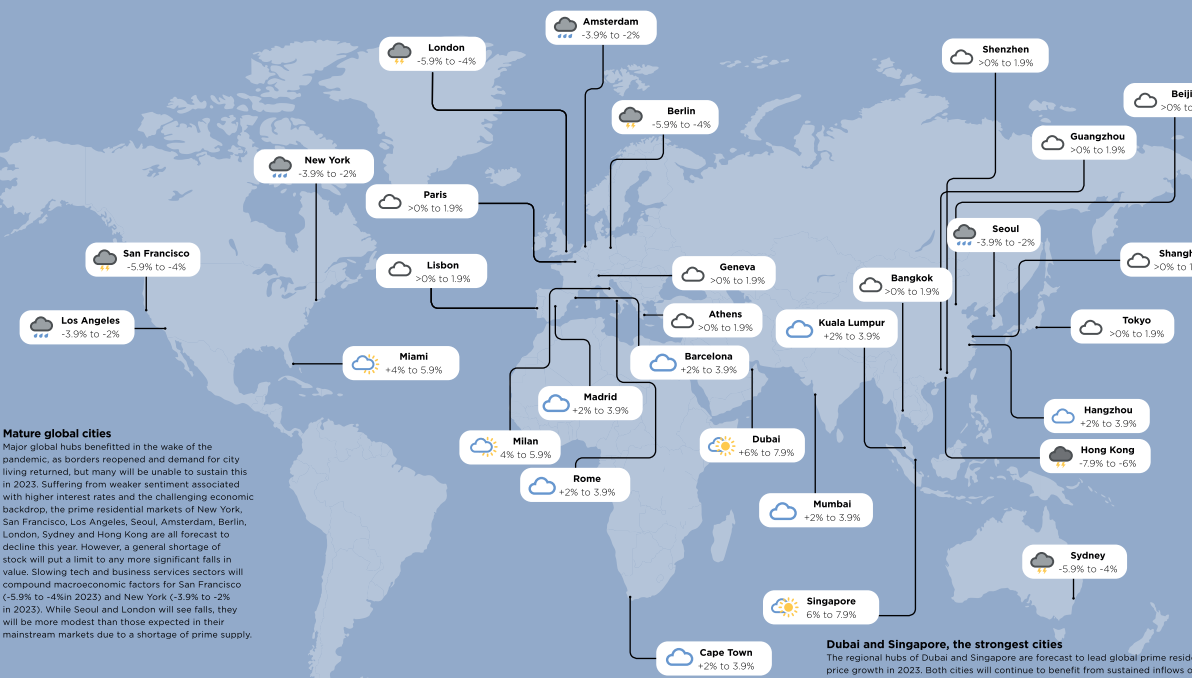
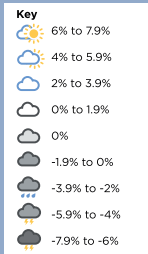
Prime Capital Value Growth Forecasts

Global cities outlook

Following two years of staggering growth, the prime residential markets are set to slow in 2023. Of the 30 major global cities in the index, 17 will record slower capital value growth than in 2022. However, 13 cities are forecast equal or even slightly enhanced growth in 2023 and rental markets will remain a bright spot

Southern Europe growth still positive

Low to modest levels of capital value growth is forecast in the southern European cities of Lisbon, Athens, Rome, Milan, Barcelona and Madrid, where prime property is particularly coveted in times of economic turmoil as a safe haven asset and inflation hedge. Regulations have contributed to low levels of new supply, especially in Barcelona, where new prime projects are now struggling to get built. buoyant rental markets make these cities appealing to investors. Lisbon, a star performer in 2022, looks set to see continued but slower growth, as it attracts a broader base of international buyers in 2023. Southern Europe's top performer in 2022, Milan, is expected to cement its position in 2023, with price growth of between 4% and 5.9%.



Mature global cities

Major global hubs benefitted in the wake of the pandemic, as borders reopened and demand for city living returned, but many will be unable to sustain this in 2023. Suffering from weaker sentiment associated with higher interest rates and the challenging economic backdrop, the prime residential markets of New York, San Francisco, Los Angeles, Seoul, Amsterdam, Berlin, London, Sydney and Hong Kong are all forecast to decline this year. However, a general shortage of stock will put a limit to any more significant falls in value. Slowing tech and business services sectors will compound macroeconomic factors for San Francisco (-5.9% to -4% in 2023) and New York (-3.9% to -2% in 2023). While Seoul and London will see falls, they will be more modest than those expected in their mainstream markets due to a shortage of prime supply.

Challenges in China

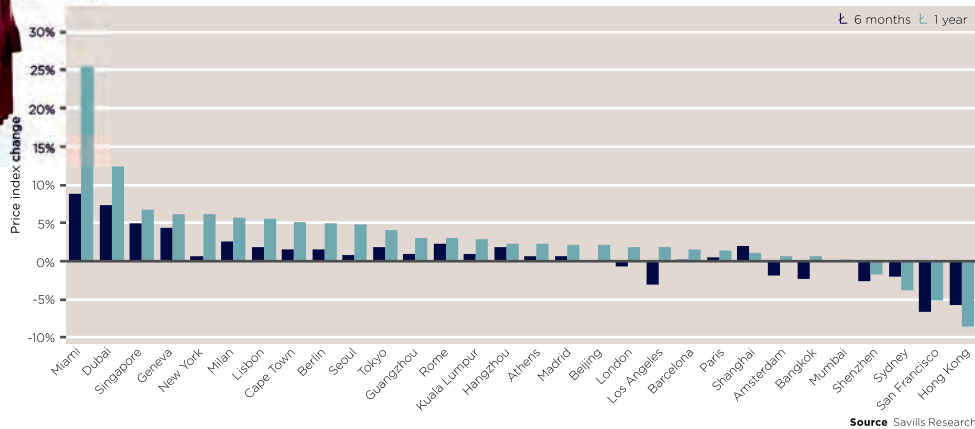
Chinese cities will have a difficult start to the year, as the country transitions away from its Zero Covid policy. Transaction volumes hit new lows last year and the developer debt and real estate financing clampdown, coupled with the economic slowdown, have hit sentiment. Nevertheless, growth of up to 3.9% is forecast in the five mainland Chinese cities we monitor, which is comparable to 2022 levels. Global macro conditions and a weaker demand from mainland China will have a big impact on Hong Kong's prime residential market, with falls of between -7.9% and -6% expected. Despite this, it will remain the world's most expensive prime residential market.

Dubai and Singapore, the strongest cities

The regional hubs of Dubai and Singapore are forecast to lead global prime residential price growth in 2023. Both cities will continue to benefit from sustained inflows of high-net-worth individuals, but are not immune to higher interest rates and wider economic headwinds. Dubai's forecast prime price growth of between 6% and 7.9% in 2023, for example, is lower than the 12.4% growth it recorded in 2022. Similarly, Singapore's predicted prime capital value growth of between 4% and 5.9%, driven by a lack of supply at the top end of the market, is a downgrade on the 25.4% growth it recorded last year.

Source: Savills Research 2023

Prime residential capital value growth to December 2022



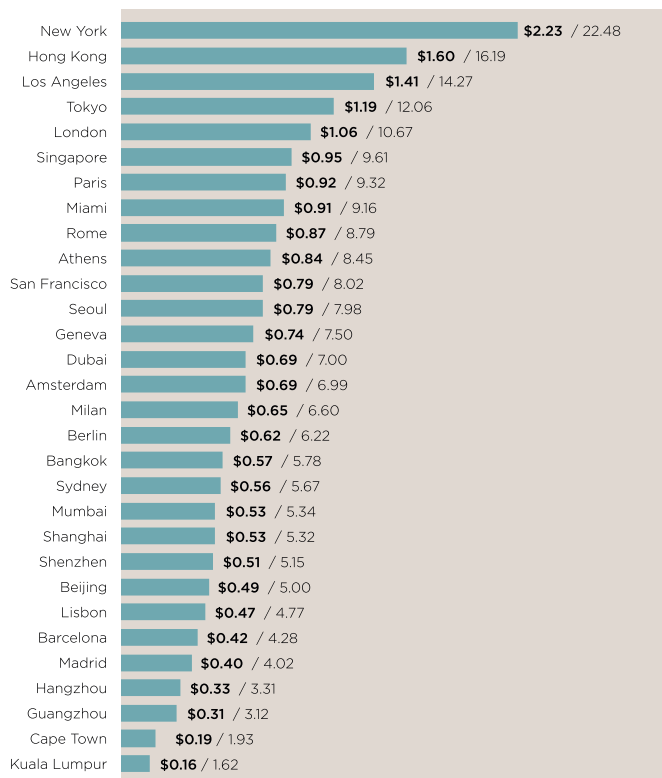
Prime residential capital values around the world

City	Prime capital value Dec 2022 (US\$ psf)	Prime capital value Dec 2022 (psm)
Hong Kong	\$4,070	41,100
New York	\$2,680	27,100
Geneva	\$2,350	23,700
Shanghai	\$2,060	20,800
Tokyo	\$1,950	19,700
London	\$1,820	18,400
Singapore	\$1,780	18,000
Seoul	\$1,760	17,700
Sydney	\$1,720	17,400
Shenzhen	\$1,670	16,900
Los Angeles	\$1,570	15,900
Paris	\$1,550	15,600
Beijing	\$1,520	15,400
San Francisco	\$1,500	15,200
Guangzhou	\$1,480	15,000
Milan	\$1,450	14,600
Miami	\$1,440	14,500
Rome	\$1,330	13,400
Lisbon	\$1,280	12,900
Hangzhou	\$1,260	12,700
Berlin	\$1,160	11,700
Athens	\$1,070	10,800
Mumbai	\$1,040	10,500
Amsterdam	\$970	9,700
Bangkok	\$810	8,100
Dubai	\$730	7,300
Madrid	\$710	7,100
Barcelona	\$650	6,500
Kuala Lumpur	\$270	2,700
Cape Town	\$260	2,600

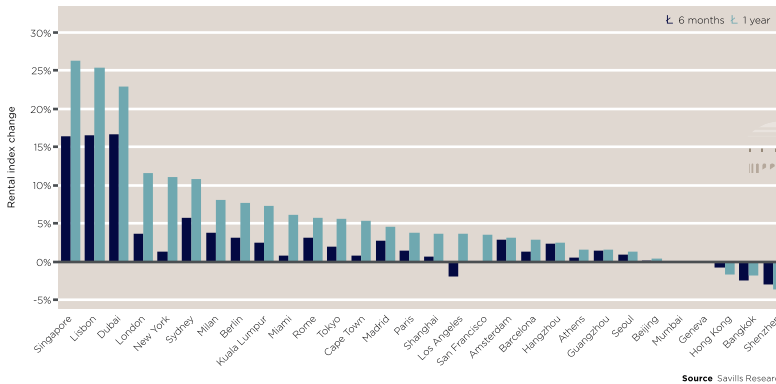
Source Savills Research

Where do rents currently stand?

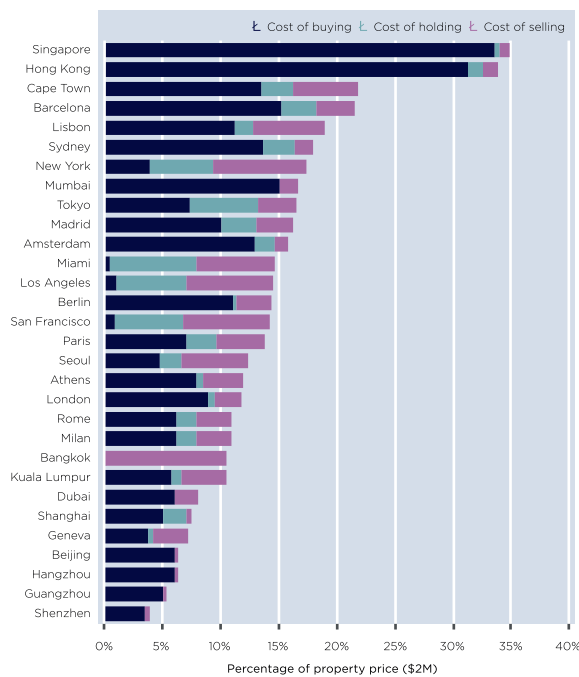
Weekly rent comparison December 2022



Prime residential rental value growth to December 2022

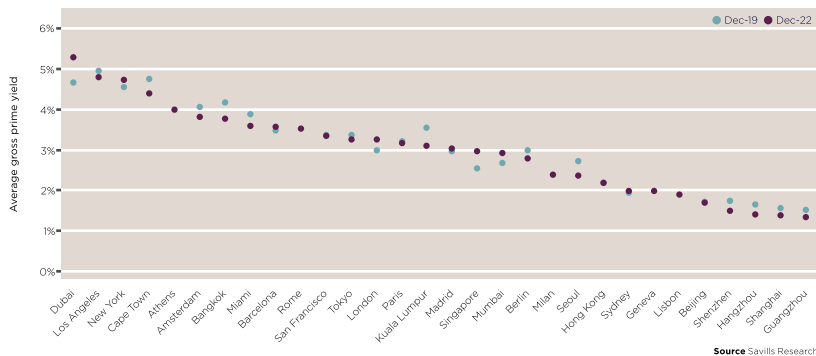


Cost of buying, owning and selling a US\$2 million residential property

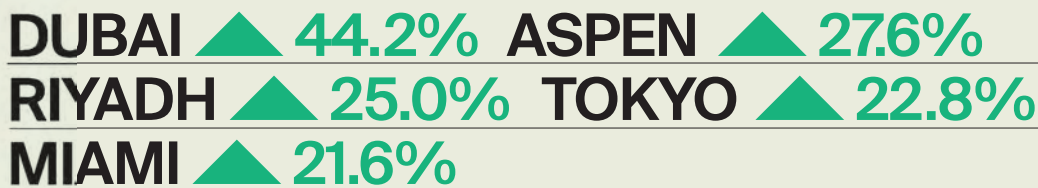


Average prime residential yields by city

December 2022 compared to December 2019



ANNUAL CHANGE IN LUXURY RESIDENTIAL PRICES IN 2022: GLOBAL TOP 5



AVERAGE ANNUAL CHANGE BY MARKET TYPE

CITY ▲ 4.2%

- TOP 5
 DUBAI
 RIYADH
 TOKYO
 MIAMI
 PRAGUE

SUN ▲ 8.4%

- TOP 5
 DUBAI
 MIAMI
 ALGARVE
 BAHAMAS
 ATHENS

SKI ▲ 8.3%

- TOP 5
 ASPEN
 ST MORITZ
 VERBIER
 GSTAAD
 VAL DISÈRE

AVERAGE ANNUAL CHANGE BY WORLD REGION

AMERICAS ▲ 7.0%

- TOP 5
 ASPEN
 MIAMI
 BAHAMAS
 HAMPTONS
 MUSTIQUE

EMEA ▲ 6.5%

- TOP 5
 DUBAI
 RIYADH
 PRAGUE
 ALGARVE
 ATHENS

ASIA-PACIFIC ▲ 0.4%

- TOP 5
 TOKYO
 MUMBAI
 PHUKET
 BANGKOK
 GOLD COAST

1. ▲ 44.2%	DUBAI
2. ▲ 27.6%	ASPEN
3. ▲ 25.0%	RIYADH
4. ▲ 22.8%	TOKYO
5. ▲ 21.6%	MIAMI
6. ▲ 16.3%	PRAGUE
7. ▲ 15.3%	ALGARVE
8. ▲ 15.0%	BAHAMAS
9. ▲ 13.0%	ATHENS
10. ▲ 12.7%	PORTO
11. ▲ 12.7%	HAMPTONS
=12. ▲ 12.0%	SARDINIA
=12. ▲ 12.0%	MUSTIQUE
=12. ▲ 12.0%	ST BARTS
=12. ▲ 12.0%	PROVENCE
16. ▲ 10.5%	ZURICH
=17. ▲ 10.0%	ST MORITZ
=17. ▲ 10.0%	CAYMAN ISLANDS
=17. ▲ 10.0%	CANNES
=17. ▲ 10.0%	VERBIER
21. ▲ 9.3%	SAN DIEGO
22. ▲ 9.0%	ST TROPEZ
23. ▲ 8.9%	JERSEY
24. ▲ 8.5%	AMSTERDAM
25. ▲ 8.3%	BOSTON
=26. ▲ 8.0%	EDINBURGH
=26. ▲ 8.0%	LUCCA
=26. ▲ 8.0%	SAINT-JEAN-CAP-FERRAT
=26. ▲ 8.0%	LAKE COMO
30. ▲ 7.9%	LOS ANGELES
31. ▲ 7.3%	CAPE TOWN
32. ▲ 7.1%	MARBELLA
33. ▲ 7.0%	BARCELONA
34. ▲ 6.8%	DUBLIN

35. ▲ 6.6%	MEXICO CITY
36. ▲ 6.5%	GSTAAD
37. ▲ 6.4%	MUMBAI
38. ▲ 6.3%	PHUKET
39. ▲ 6.2%	PARIS
=40. ▲ 6.0%	LISBON
=40. ▲ 6.0%	FLORENCE
=40. ▲ 6.0%	MADRID
=40. ▲ 6.0%	VAL DISÈRE
44. ▲ 5.8%	BANGKOK
45. ▲ 5.7%	MALLORCA
46. ▲ 5.4%	BRUSSELS
47. ▲ 5.1%	SÃO PAULO
=48. ▲ 5.0%	HOUSTON
=48. ▲ 5.0%	BARBADOS
=48. ▲ 5.0%	BRITISH VIRGIN ISLANDS
=48. ▲ 5.0%	ROME
=48. ▲ 5.0%	COURCHEVEL
53. ▲ 4.5%	JEDDAH
=54. ▲ 4.1%	TORONTO
=54. ▲ 4.1%	GOLD COAST
=56. ▲ 4.0%	MEGÈVE
=56. ▲ 4.0%	VENICE
58. ▲ 3.9%	SINGAPORE
=59. ▲ 3.8%	BEIJING
=59. ▲ 3.8%	NAIROBI
61. ▲ 3.5%	MELBOURNE
62. ▲ 3.5%	CYPRUS
=63. ▲ 3.0%	CHAMONIX
=63. ▲ 3.0%	GENEVA
=63. ▲ 3.0%	BENGALURU
66. ▲ 2.8%	SHANGHAI
67. ▲ 2.7%	NEW YORK
=68. ▲ 2.5%	BERLIN

=68. ▲ 2.5%	MILAN
=68. ▲ 2.5%	OXFORD
=68. ▲ 2.5%	MÉRIBEL
72. ▲ 2.4%	BUCHAREST
73. ▲ 2.2%	RIO DE JANEIRO
74. ▲ 1.9%	VIENNA
75. ▲ 1.5%	LONDON
76. ▲ 1.3%	PERTH
77. ▲ 1.2%	DELHI
78. ▲ 1.1%	SYDNEY
79. ▲ 0.9%	JAKARTA
80. ▲ 0.8%	MARRAKESH
81. ▲ 0.7%	SAN FRANCISCO
82. ▲ 0.2%	BRISBANE
83. ▲ 0.1%	KUALA LUMPUR
=84. ■ 0.0%	IBIZA
=84. ■ 0.0%	LAUSANNE
86. ▼ -0.4%	GUANGZHOU
=87. ▼ -0.7%	HAWAII
=87. ▼ -0.7%	TAIPEI
=89. ▼ -1.6%	MANILA
=89. ▼ -1.6%	HONG KONG
91. ▼ -2.4%	OSLO
92. ▼ -3.8%	MONACO
93. ▼ -4.6%	SEOUL
94. ▼ -6.9%	SHENZHEN
95. ▼ -7.4%	VANCOUVER
96. ▼ -7.7%	STOCKHOLM
97. ▼ -9.8%	BUENOS AIRES
98. ▼ -10.6%	FRANKFURT
99. ▼ -19.0%	AUCKLAND
100. ▼ -23.7%	WELLINGTON

Sources: All data comes from Knight Franks global network with the exception of Boston, Los Angeles, Miami, San Diego, San Francisco (S&P CoreLogic Case-Shiller); Frankfurt (Ziegert Research & ImmobilienScout 24); Hawaii (Hawaii Life); Jersey (States of Jersey); New York (StreetEasy); Mexico (Sociedad Hipotecaria Federal); Oslo (Advokat Ek, Oslo); São Paulo and Rio de Janeiro (Fundação Instituto de Pesquisas Econômicas); Stockholm (Svensk Mäklarstatistik AB); Toronto (Toronto Real Estate Board); Vancouver (Vancouver Real Estate Board); Tokyo (Ken Corporation)
 Notes: Price changes are measured in local currency and correspond to the period between 31 December 2021 and 31 December 2022 unless otherwise stated. Algarve, Amsterdam, Athens, Brussels, Buenos Aires, Cyprus, Jersey, Mallorca, Marbella, Marrakesh, Mexico City, Prague, Riyadh and Toronto to Q3 2022. Boston, Los Angeles, Miami, San Diego and San Francisco to October 2022. Tokyo relates to all properties above ¥ 100m

Bang for your buck

Seeking value or simply interested in which city is the most expensive in the world? Our PIRI pagoda calculates how far US\$1 million will stretch when it comes to prime residential property

Monaco holds on to its title as the most expensive residential market globally. However, in 2022, the strong currency rewarded the US dollar-based buyer with two extra square metres for their money compared with a year ago.

New York (33 sq m) has leapfrogged London (34 sq m), again due to the strength of the greenback, making it the third priciest city, although the two cities along with Singapore (34 sq m) are pretty evenly tied.

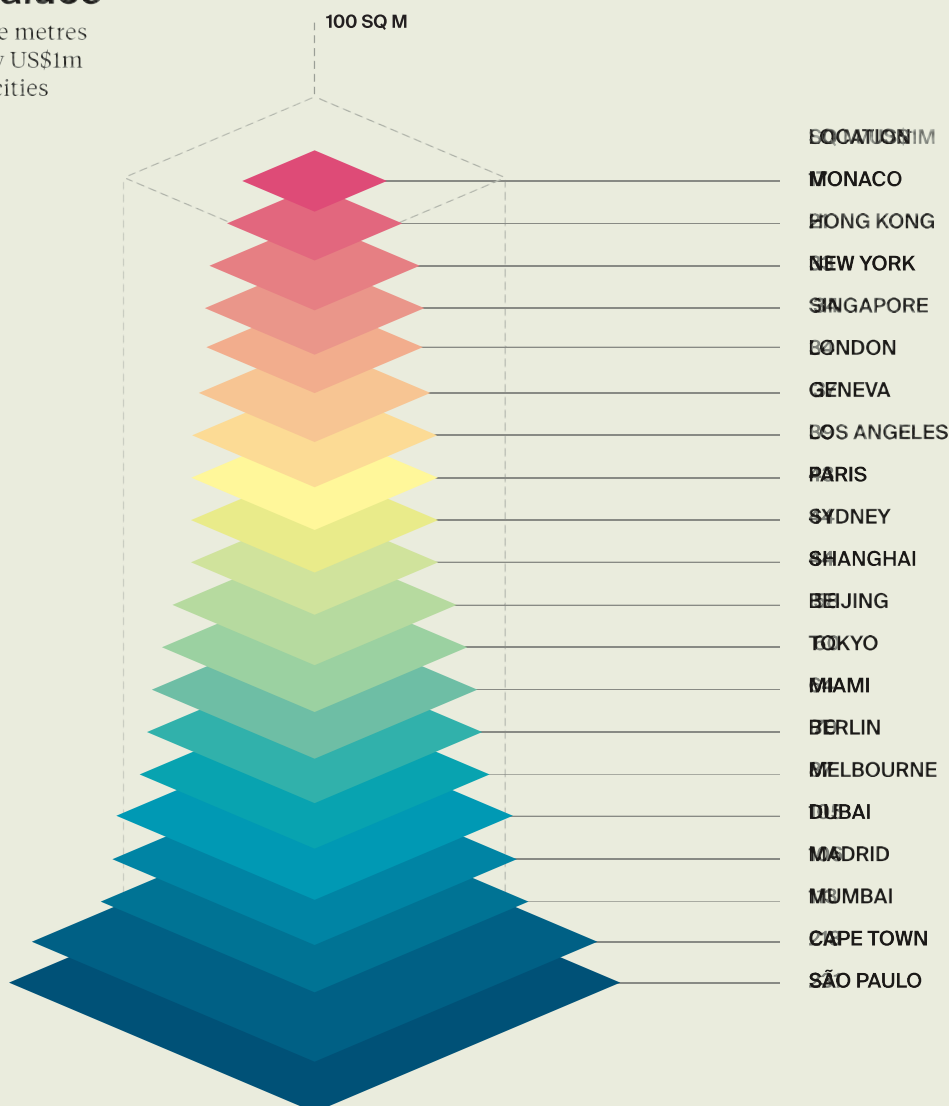
Dubai's 44% annual price growth may conjure up notions of lofty prices, but values are rising from a low base. Here, US\$1 million buys 105 sq m, five times as much space as in Hong Kong.

For real value, head to Cape Town or São Paulo where the same budget bestows more than 200 sq m.

Sources: Knight Frank Research, Douglas Elliman, Ken Corporation
 Note: Exchange rate as at 30 December 2022

Relative values

How many square metres of prime property US\$1m buys in selected cities



Where next?

Kate Everett-Allen assesses what lies ahead for the worlds top residential markets and the trends set to shape their performance

The tide is turning, and property markets are recalibrating, as homeowners take stock of the changing macroeconomic landscape.

Across the 25 cities tracked, Knight Franks global research network now expects prime prices to rise by 2% on average in 2023, down only marginally from the 2.7% we predicted in mid-2022.

The slowdown will be far from uniform. Some cities will see annual price growth shift into single digits, while some will see it move into negative territory. Yet 15 of the 25 cities tracked still expect prime prices to increase in 2023, down from 18 a year ago.

Dubai leads the forecast with prime prices forecast to climb 13.5% in 2023, its relative affordability,

broadening global appeal and accessibility a key draw.

The US cities of Miami and Los Angeles occupy second and joint third spots respectively, with both markets still benefiting from the post-pandemic reassessment of lifestyles.

Six of the top ten positions are held by European cities with domestic safe-haven capital flight and strong overseas demand due to the weak euro proving key market drivers.

A NEW CYCLE

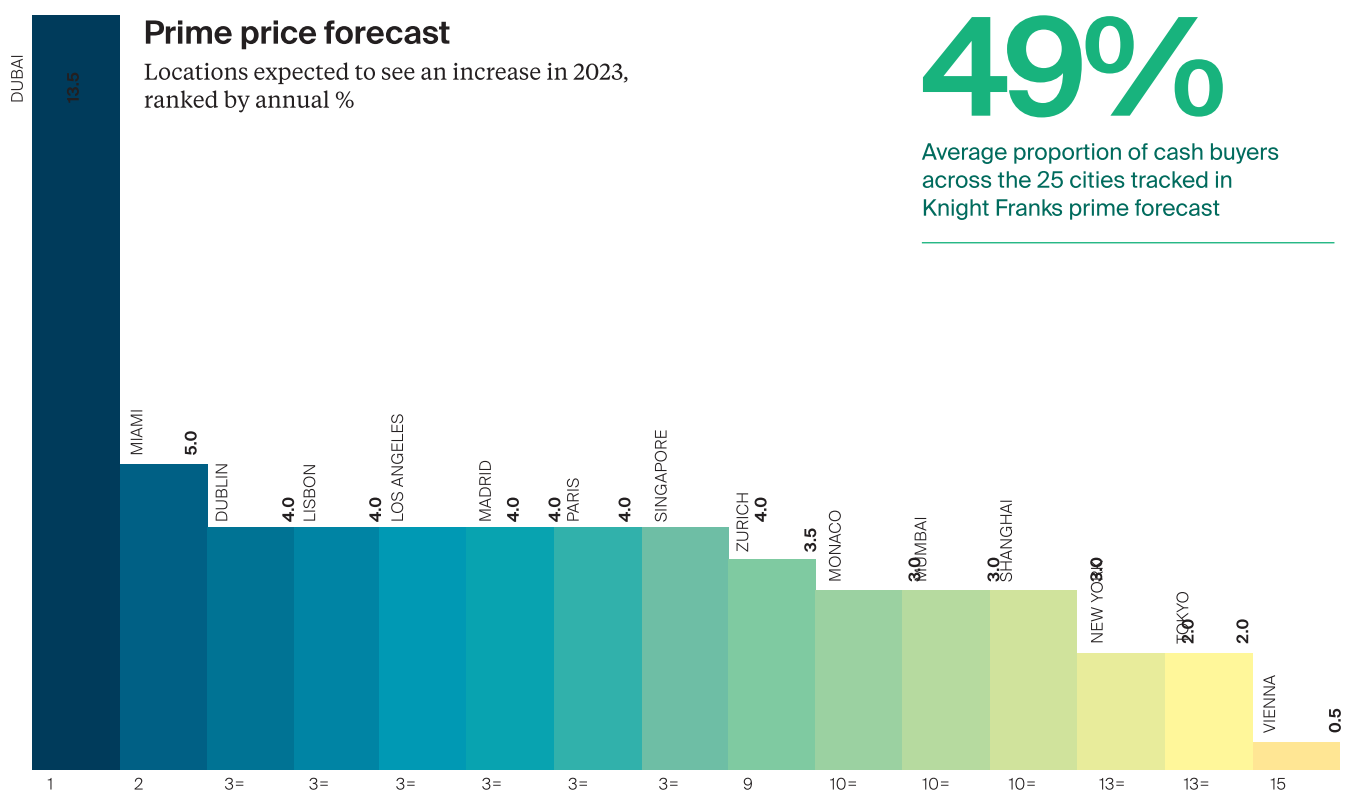
Capital Economics identifies four phases in its anatomy of a housing market slowdown. Buyer sentiment takes a hit first, followed by buyer enquiries. Then developers pull on the brakes and sales weaken before, finally, prices feel the pinch.

Key trends to monitor

1. The performance of prime and mainstream housing markets will detach due to the higher cost of debt.
2. Chinas property market will remain tightly controlled despite the relaxation of developer credit lines.
3. Taxes and regulation will increase.
4. Inventory in the prime sector will remain low as would-be sellers sit tight and construction slows.
5. Interest rate changes will influence currency shifts, presenting risks and opportunities.

Prime price forecast

Locations expected to see an increase in 2023, ranked by annual %



49%

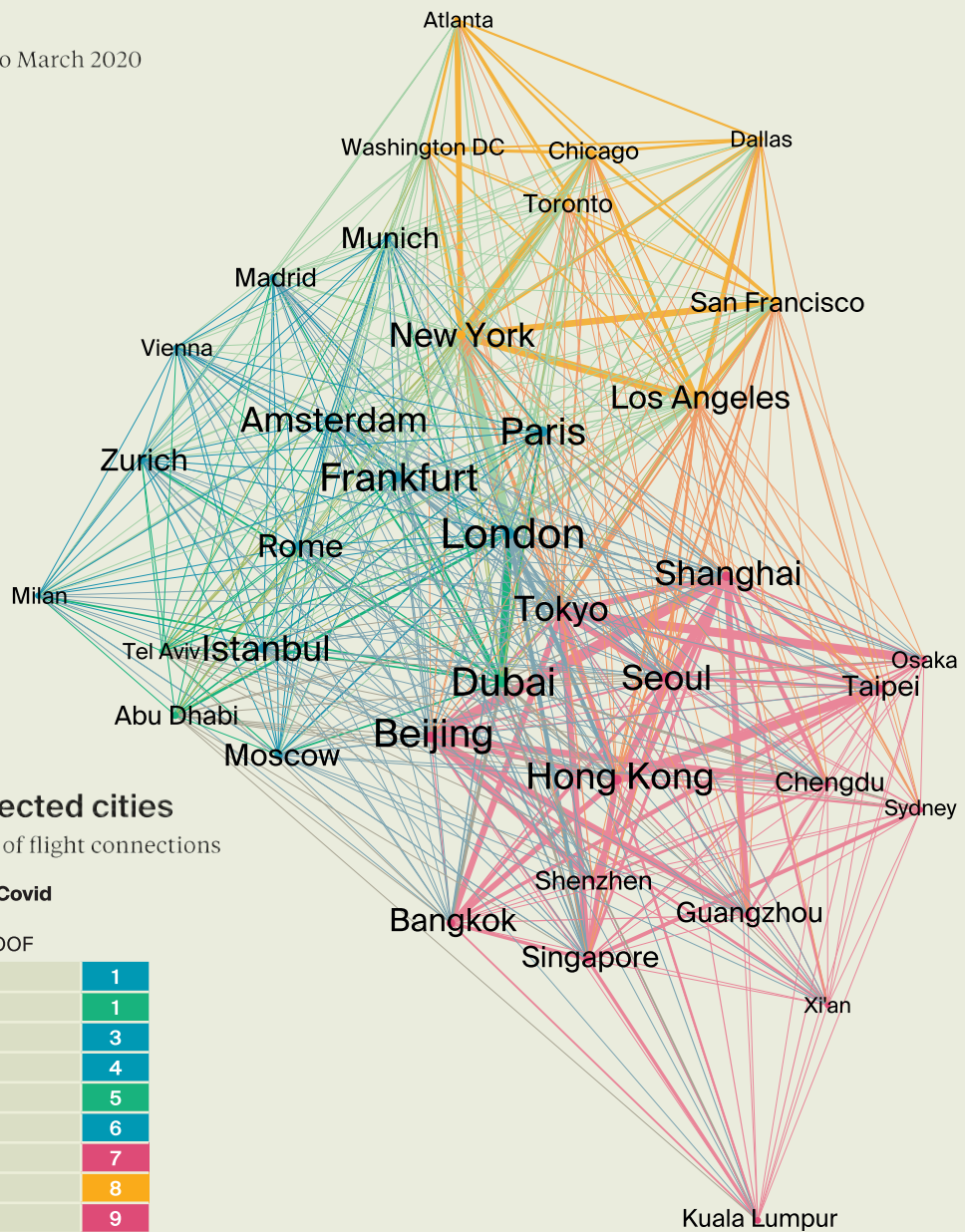
Average proportion of cash buyers across the 25 cities tracked in Knight Franks prime forecast

Sources: Knight Frank Research, Douglas Elliman, Ken Corporation

Go online to download the full 25-city forecast www.knightfrank.com/globalforecast

Crossing borders

Flight connections in the year to March 2020



The worlds most connected cities

Ranked by number and quality of flight connections

Pre-Covid ENOMOMF	Rank	Post-Covid ENOMOOF	Rank
m	1	m	1
c	2	e	1
e	2	g	3
g	4	b	4
r	5	j	5
il	6	r	6
u	7	v	7
v	8	o	8
j	9	u	9
b	10	u	10

Sources: I g tH zjoh'

Source: I g tH zjoh'

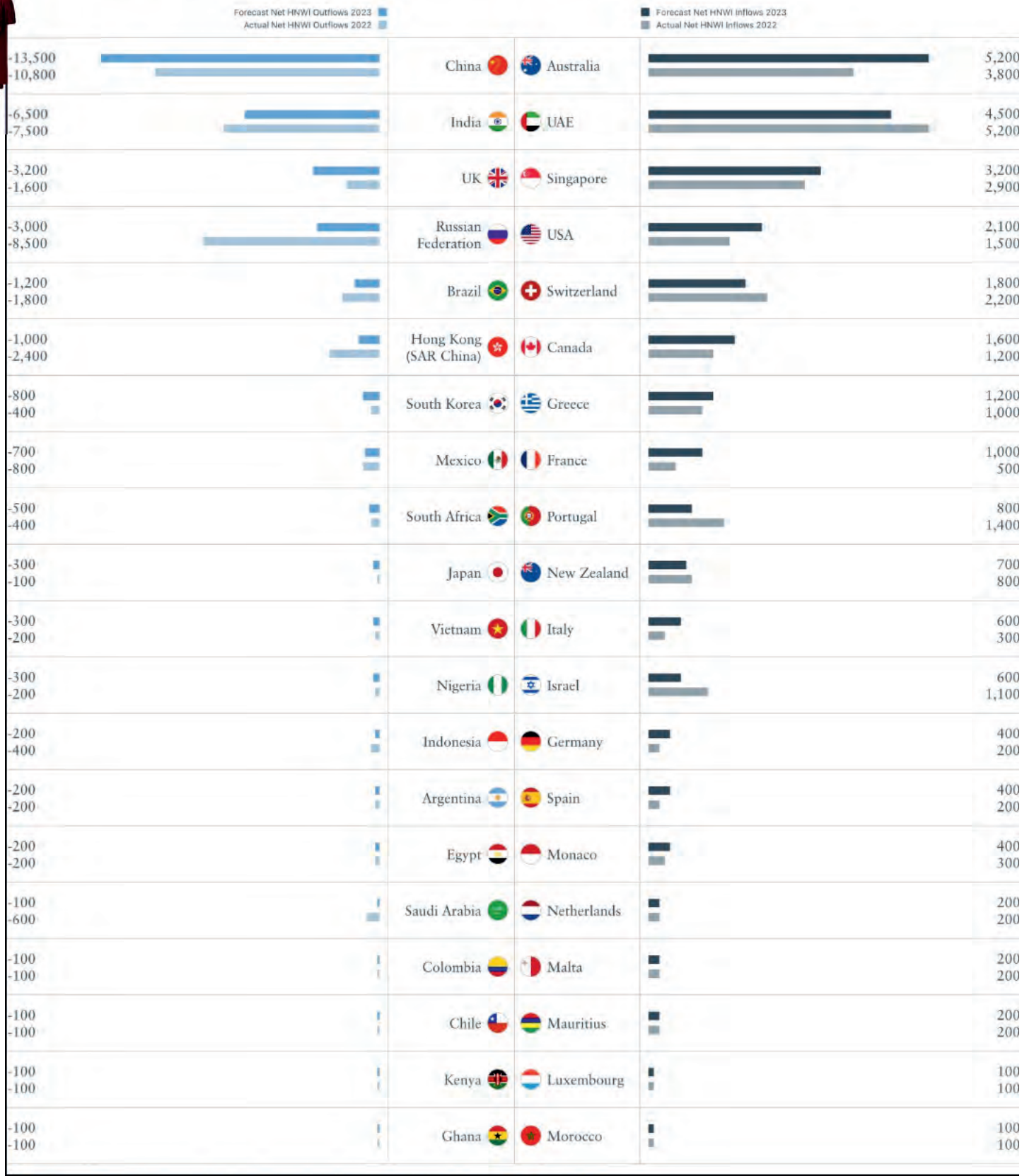
Connections

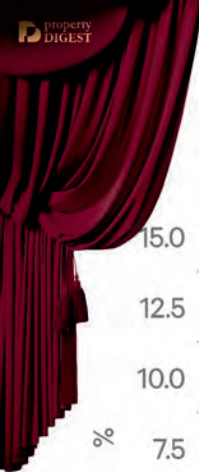
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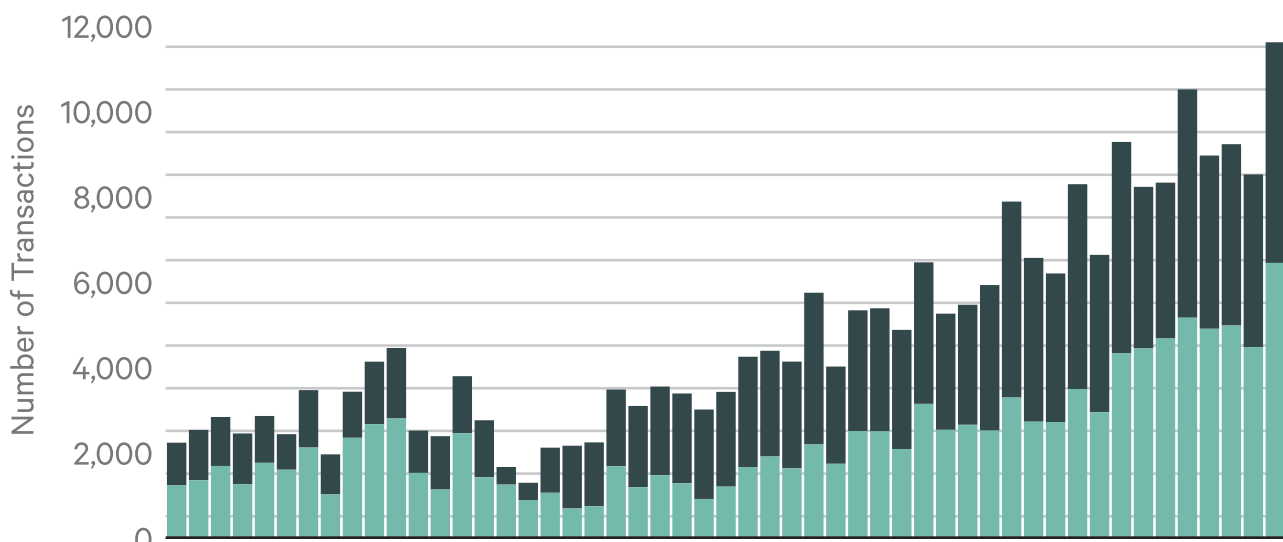
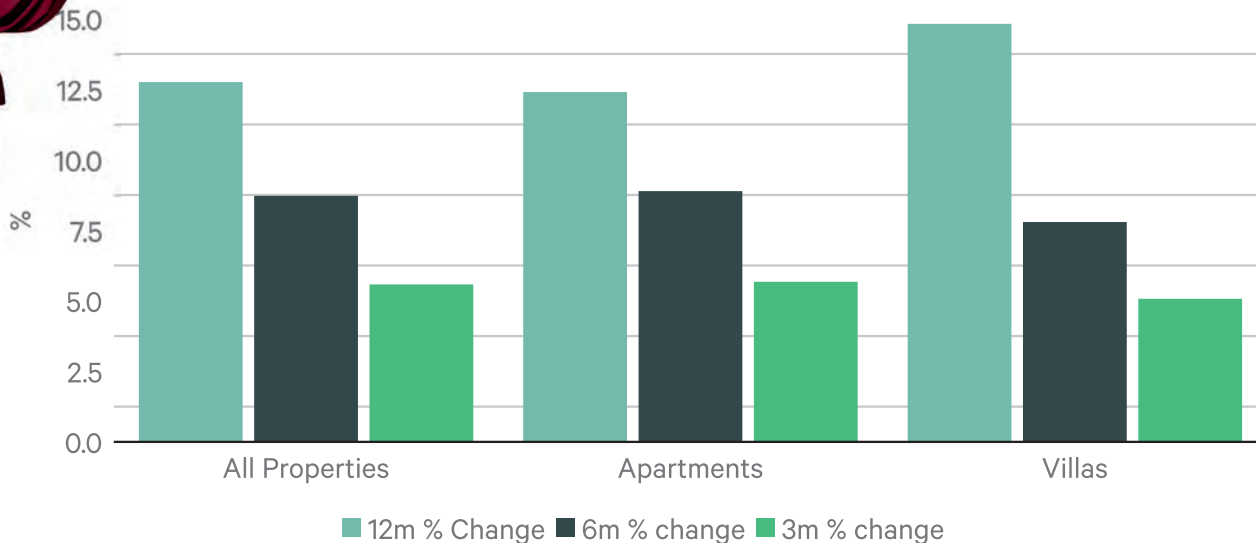
The pandemic undoubtedly redrew the map of global connectivity. Using data on flight connections to and from the worlds 100 biggest airport hubs, our Analytics team was able to analyse and visualise this shift. We took two views to understand this: first, a simple count of connections to other airports; and second, an assessment of the quality of these links, i.e. a link to an airport with high onward connections scores higher than an airport with

Henley Private Wealth Migration Dashboard 2023





Dubai, Residential Price Performance, % Change to March 2023

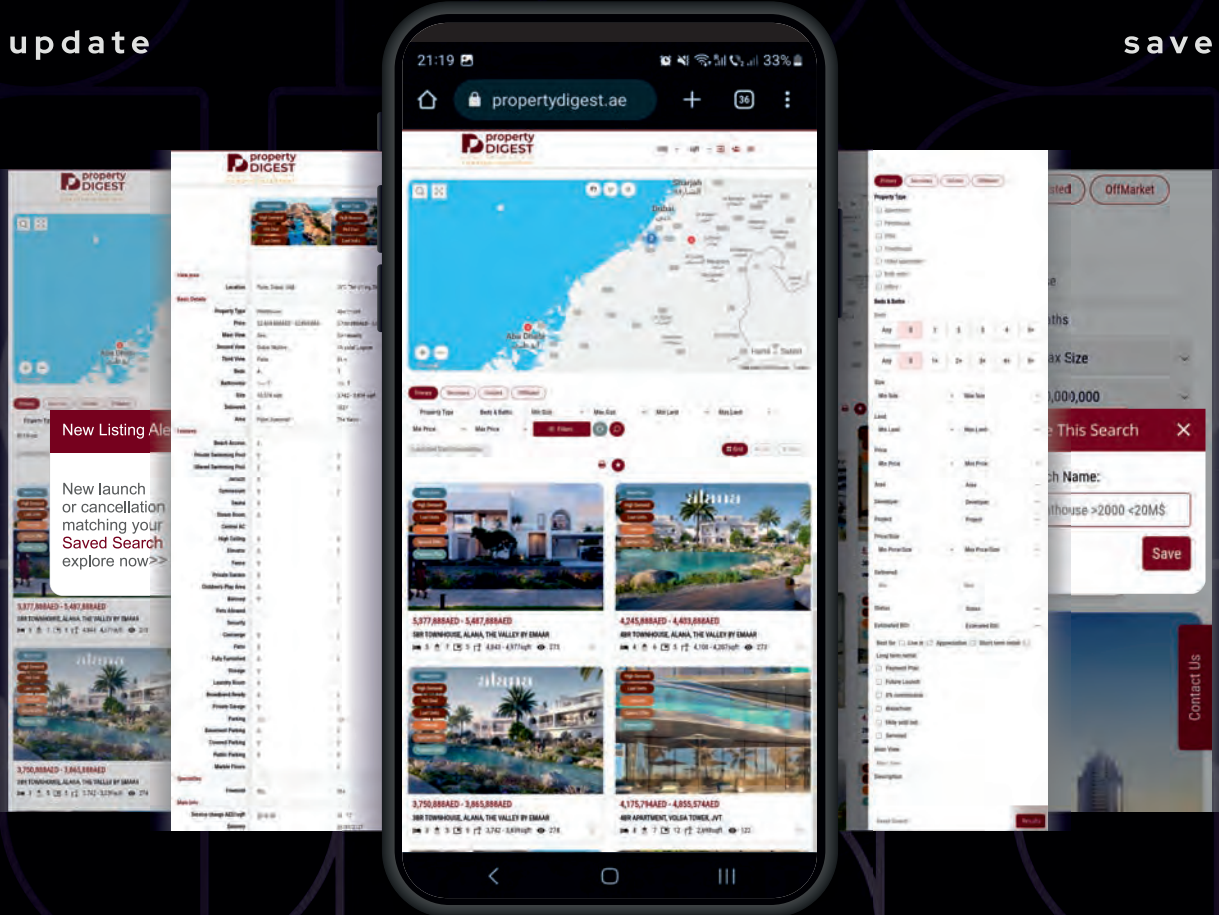


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