



Al Barari Villa Acacia, Dubailand



Luxury properties and the market

Every property market has its ups and downs and this topic will always feature highly in discussion wherever property investment is so prevalent. We are always interested in monitoring property prices in an effort to establish a trend and gather an element of a prediction for the market. In such a new market, with a level of development rarely seen anywhere in the world, any form of prediction is hard to make. The 'news' is full of facts and figures that are often conflicting, each trying to convince you either that there is plenty of growth left in the market or that prices have peaked. What we strongly believe is that the Dubai property market can no longer be looked at as a whole when discussing prices.

Over recent weeks local agents have been reporting that prices in certain villa areas have definitely stabilised if not dropped by anything up to 10 per cent. If this is the case then it is interesting to try to analyse "why?". We believe that there are a number of contributing factors. A stabilisation or small correction in prices such as this is not necessarily a bad thing for the market.

If we take the Arabian Ranches for instance, prices have increased significantly since the launch of phase 1, Saheel. Subsequent phases of this popular area have followed in producing some of the best returns on capital in Dubai for investors. The demand for villas in this project escalated throughout 2005 and 2006 and supply of completed properties was limited, thus pushing up prices. Mirador was delivered late last year, with Al Mahra and Terra Nova following in early 2007. This increase in supply offers investors and home buyers choice, which was previously not available. The majority of the remaining phases of the Arabian Ranches villas are due for handover at some point throughout 2007, leading to further supply. Supply and demand is one of the largest contributing factors to property prices, so with this in mind perhaps we should view this as prices finding their natural level rather than any form of downturn.

Another factor that has to be taken into consideration is that investors and home owners now have the ability to capitalise on their profits in their existing property; to purchase villas within other projects. A number of our staff members did this with their properties in the Arabian Ranches, exchanging these for villas in the Victory Heights project at Dubai Sports City. In a more mature market this will often happen, home owners will aspire to own bigger or better homes or simply look to replicate some of the growth experienced from their first property by buying



By Helen Tatham and Pauline Leale

off-plan for a second time. The first people that bought villas in Dubai were restricted in their choice to the Arabian Ranches, Meadows, Springs, Emirates Hills or Palm Jumeirah. That choice must have now increased 10 fold.

With the increase in availability of new projects, location starts to play a much bigger part in our decisions on where to live. We know of people that will not buy in certain parts of Dubai because the travelling time to and from work, school and friends is simply more than they are happy with. As the city grows and 'New Dubai' starts to emerge from the sand, location will continue to play an increasing part in investor's decisions and thus property prices.

We have not found a slowdown in the amount of interest in local property. From our own experience there appears to be an increasing number of end users looking for a place to live. One particular segment of the market that is definitely not slowing down is the truly luxury properties. Dubai continues to attract wealthy investors from around the world, not to mention our home grown millionaires. Whilst price conscious, these investors can be less price sensitive, with other considerations taking priority when looking for a suitable property.

Quality of the end product is often of utmost importance. Developers of these luxury properties are now focusing on high end interiors; and with internationally renowned interior designers such as Philippe Starck working on projects in Dubai, these properties are set to be truly world class. Discerning home buyers will enjoy fixtures and fittings supplied by well known, high-end manufacturers to make sure that their property is fit to be classified as luxurious.

Exclusivity is often a big consideration for these investors. If one is spending considerable sums it is expected that the area is fully secure first and foremost. Whether they

are celebrities, sportspeople, members of royalty or just successful business people they undoubtedly don't want all and sundry wandering past their homes and peering through their windows. Security within these projects will be tighter than just requiring a polite wave at a half asleep guard to open the barrier.

Facilities are often managed by internationally known professional companies. For example Angsana Spa the sister company of Banyan Tree has recently been appointed to manage the facilities and amenities of the Acacia Avenues project, offering residents services akin to a five star members club. Facilities across the different projects are wide ranging and can include spas, private dining, helicopter pads, use of a Rolls Royce, boutique shops and much more.

New projects that we would class as being worthy of the 'luxury' tag include:

- villas at Al Barari, Dubailand
- villas and apartments at Acacia Avenues, Al Suffouh
- 2apartments in Palazzo Versace, Cultural Village, Dubai Creek
- apartments at Pentominium, Dubai Marina
- apartments in D1, Cultural Village, Dubai Creek
- apartments at G Tower, City of Arabia, Dubailand

Whether you are seeking a studio apartment with a limited budget or a AED 20 million villa, our recommendation always remains the same: to seek proper advice on what is available and what suits your own personal circumstances. Look at what is available as a completed property versus buying off-plan. Your agent should spend time guiding you through all of your options in order to narrow down to the most suitable.

In love with Dubai?



Want a part of it?

Dubai is recognised by residents, holiday makers, investors, the media, and business analysts as a fantastic place to live and consequently a great place to invest in property.

The property market has gone from strength to strength, and well planned developments offer a wide selection of superbly designed apartments and villas as well as lucrative commercial investments.

If you would like to be a part of this success then call our award winning team - they will listen to your individual needs and give you comprehensive, professional property advice.



DUBAI
LUXURY HOMES

www.dubailuxuryhomes.com Tel: +971 4 303 9300

COMMERCIAL · RESIDENTIAL · INVESTMENT