

LUXHABITAT

Prime residential market soars by 22% in 2019

DUBAI, 9th FEB 2020



The most expensive unit sold was a District One villa for AED 90 million *(Picture for illustrative purposes only)*

Over 1,454 villas and 16,522 apartments were transacted in 2019 in the overall prime residential 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 certain key areas that form part of this classification; the areas are Al Barari, Arabian Ranches, Downtown Dubai, Dubai Marina, Emirates Hills, Jumeirah, Jumeirah Beach Residence, Jumeirah Bay, Mohammed bin Rashid city, Jumeirah Golf Estates, Jumeirah Islands, Jumeirah Lakes Towers, Palm Jumeirah, The Lakes, Meadows, & Victory Heights. The volume of transactions for the overall prime market has grown by **22% to AED 42.3 billion** from **AED 34.4 billion** in 2018.

The average price per square foot in the overall prime residential market went down by 3.72%. Currently, the average price per square foot in the overall prime market for villas is AED 1,348 per square foot and for apartments is AED 1,736 per square foot.

The top 3 areas in terms of sales volume in the overall prime residential area were Mohammed bin Rashid (MBR) City (AED 8 billion), Downtown Dubai (AED 7.9 billion) and Dubai Creek Harbour (AED 4.2 billion). Areas that have received higher volume of sales include Dubai Harbour & Bluewaters Island, Jumeirah Lake Towers (JLT), Jumeirah Golf Estates & the Palm Jumeirah also received higher sales volumes since last year.

SECONDARY PRIME MARKET

Volume of transactions in the secondary prime market slightly dropped to **AED 19.3 billion** from **AED 19.5 billion** in **2018**, according to analysis by Luxhabitat based on data by Property Monitor. The three most popular areas for the secondary market were MBR city (AED 3.8 billion), Downtown Dubai (AED 3.1 billion) and Palm Jumeirah (AED 2.7 billion). 66% of overall prime villa transactions took place on the secondary market.

OFF-PLAN PRIME MARKET

Prime off-plan registration volumes almost doubled in transaction volume from 2018 to 2019. It reported an increase from AED 14.7 billion in 2018 to over 20 billion in 2019, making it a 42% increase in transaction volume. There was a 38% increase in number of units sold & an average price per transaction recorded at AED 1,761 per square foot. The average price for a prime off-plan villa is AED 4.1 million & for an apartment is 2.5 million.

5 BEST PRIME RESIDENTIAL AREAS IN TERMS OF SALES VOLUME

Area	Sales Volume
Mohammed bin Rashid city	8,016,144,947
Downtown Dubai	7,935,915,605
Dubai Creek Harbour	4,249,841,056
Business Bay	3,596,619,509
Dubai Marina	3,081,117,130

Source: Luxhabitat x Property Monitor Analysis, Jan 2020

TOP 10 RESIDENTIAL TRANSACTIONS TO DATE

Development	Price	Average BUA (Built Up Area)
District One Villa, MBR City	90,000,000	-
One, Palm Jumeirah penthouse	74,000,000	24,018
Emirates Hills – Sector V	64,000,000	17,800
Il Primo, Downtown Dubai	63,412,100	33,594
Dubai Hills Grove, Dubai Hills	60,000,000	15,951
FronD J Villa, Palm Jumeirah	51,000,000	9,000
Umm Suqeim Villas	50,000,000	22,500
FronD D Villa, Palm Jumeirah	47,500,000	9,167
Emirates Hills Villa- Sector L	45,000,000	40,876
Il Primo, Downtown Dubai	43,552,888	11,407

Source: Luxhabitat x Property Monitor Analysis, Jan 2020

OUTLOOK FOR 2020

Luxury Sales Director, Andrew Cleator shares his input on what to expect in 2020. “Similar to 2019, it will continue to be very much a buyer’s market with tempting opportunities abound for both end users and seasoned investors alike. In addition, this year I predict a growing hunger from local, regional and international institutional funds and REIT investment vehicles looking for larger or multiple asset acquisitions. We could even witness an increase in real estate “tokenization” purchases as block chain technology becomes more relevant to the industry, especially from investor interest in the Far East. For sure, the new longer term resident visa options and recently announced tourist visa’s in combination with the long awaited Expo and lower local interest rates following recent cuts in the federal reserve rates should all blend together nicely to create a healthy real estate appetite. The Expo alone is

expected to bolster total visitor numbers to around a massive 25 million this year. I expect another tenant's year with continued downward pressure on rents to due to the even higher than last year's number of newly completed units to hit the market. As a result of the oversupply threat, developers will have certainly had their wings clipped when it comes to new off-plan launches. This year we should see the larger conglomerate developers focus more on their under construction master communities with units still in the pipeline; Dubai Hills Estate and Dubai Creek Harbour to name a couple."

To view more perspectives, have a look at what other real estate experts have to say about the real estate market in 2020 [here](#).

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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