# REAL ESTATE TRENDS

## Presented by 4SiGHT

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# GLOBAL INFLUX

Dubai's real estate market is on the brink of its fourth growth cycle, building on three previous cycles.

Initially fueled by regional investors, the market has evolved to attract a diverse global investor base. The upcoming cycle is driven by a new wave of international investors from Europe, Australia, North America, Turkey, and Iran, as reported by *Khaleej Times*. These investors are drawn to Dubai's high returns, tax-free environment, and stable investment climate amidst rising taxes and economic challenges in their home countries.

Notably, Chinese investors are set to replace Russians as a dominant force due to strong economic and political ties with Dubai. The market also continues to attract traditional investors from India and Pakistan, ensuring a diverse and steady inflow of capital.

A significant shift is seen in the investor mindset, with many showing a long-term commitment to Dubai.

*"We are witnessing an increasing number of investors who are not just buying properties for investment purposes but are also planning to make Dubai their long-term home."*

*- Farhad Azizi, CEO of Azizi Developments*

# Key Insights


### Global Economic Shifts

Investors from Europe, Australia, and North America are increasingly drawn to Dubai for its higher returns and favorable tax conditions.

### Market Stability

The forthcoming growth cycle is anticipated to be stable, with a balanced correction before renewed growth, highlighting the market's maturation.

### Long Term Stay Intention

Many investors are not just looking at short-term gains but are considering long-term residence, driven by Dubai’s attractive lifestyle and stable environment.

## So what?

It is vital for developers to tailor marketing strategies to leverage cultural and economic ties with key investor nations. As Dubai holds focus on sustainable development, new projects should be aligned with sustainable growth to maintain investor confidence.

# DUBAI'S LUXURY CRAZE

The branded residence market in Dubai is experiencing a strategic expansion, capturing the interest of 69% of global high-net-worth individuals (HNWIs) in 2024, up from 59% in 2023. This trend is particularly pronounced among non-GCC HNWIs, with 83% expressing interest.

Managed by prestigious brands such as Ritz Carlton, Bulgari, and Four Seasons, these residences offer unparalleled luxury, security, and investment potential.

Branded residences in Dubai command a premium of 86% over other properties, with top luxury units reaching prices of up to Dh16,283 per square foot. This demand is primarily driven by international investors, including European and American HNWIs.

One of the key defining features of the emirate's third freehold residential market cycle has been the increase in the number of purchases by genuine end users, or those looking for a second home, or holiday home. And this trend is playing out in the city's branded residential market as well.

*"The exciting thing about this format is that buyers of non-hospitality branded residences are able to 'live the brand' 24/7 with the furniture and decor designed by the brand, with exciting amenities and hospitality partnerships which would be in the same positioning of the brand, and also includes tailor-made services and members-only benefits."*

*-Lars Jung-Larsen, partner – luxury brands, MENA*

# Key Insights

### Enhanced Value Proposition

Offering properties that provide not just luxury living but also a robust value proposition; this includes superior amenities, prime locations, and high investment returns.

### Branding Differentiation

The association with global luxury brands significantly elevates the marketability and perceived value of properties.

### Global Buyer Appeal

Developers should consider international marketing strategies and tailor offerings to meet the expectations of a diverse, global clientele.

### So what?

Highlighting premium features, security, and world-class amenities in marketing materials which are specially tailored to international investors, to capitalize on this trend

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# BALANCING ACT

Dubai and Abu Dhabi are experiencing a surge in demand for short-term rental properties, driven by a steady influx of tourists and business travelers throughout the year. Riyadh, on the other hand, has commenced with promoting the capital city as a growing weekend leisure market.

However, recent developments in cities like Barcelona serve as a cautionary tale. According to *Telegraph*, Barcelona has implemented stringent regulations, including a ban on many Airbnb listings, in response to soaring rental prices and housing shortages exacerbated by short-term rentals. This regulatory response underscores the importance of balancing the benefits of short-term rentals with the need to maintain housing affordability and availability for residents.

*“We need housing supply to grow so that people do not have to move out of the city and so that housing prices do not rise and start to fall.”*

*-Mayor Jaume Collboni*

# Key Insights

### Regulatory Intervention

Balancing the economic benefits of short-term rentals with the need to maintain housing stability and affordability for local residents. Effective regulatory measures can help achieve this balance, ensuring sustainable growth.

### Economic Drivers

In UAE, the short-term rental market is significantly boosting the local economy by attracting international tourists and business travelers.

## So what?

By adopting proactive regulatory frameworks that support sustainable growth in short-term rentals while addressing potential drawbacks, developers can foster a vibrant market that meets both tourist demand and local housing needs

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# ENTICING EUROPE'S ELITE

Dubai's top real estate developers are increasingly targeting Europe's affluent elite through exclusive events held in prestigious locations such as France, Monaco, and Italy. These events, as reported by Arabian Business, serve as a strategic platform for showcasing Dubai's luxurious properties and lifestyle benefits.

By hosting these high-profile gatherings, developers aim to attract high-net-worth individuals (HNWIs) and celebrities, highlighting the unique advantages of investing in Dubai real estate.

The campaigns emphasize not only the opulence and exclusivity of Dubai properties but also the broader lifestyle benefits, including tax incentives, ease of travel, and access to world-class amenities.

This approach makes Dubai an attractive destination for affluent European investors.

*"We're not just selling properties; we're selling a lifestyle that offers unparalleled luxury and convenience."*

*-Dubai Real estate developer*

# Key Insights

## High Profile Targeting

A targeted marketing strategy aimed at capturing the attention of HNWIs and celebrities. This leverages the prestige and allure of these locations to enhance the appeal of Dubai's real estate offerings.

## Comprehensive Lifestyle

The emphasis on lifestyle benefits, such as tax incentives and travel ease, alongside luxury amenities, reflects a holistic marketing approach.

## International Appeal

Dubai developers are tapping into a significant pool of potential investors who seek both investment opportunities and lifestyle enhancements.

## So what?

It's crucial to understand the preferences and expectations of European luxury buyers, offering bespoke services and exclusive incentives to secure investments and strengthen Dubai's position as a global hub for luxury real estate.

# ENHANCED BUYER INCENTIVE

In Dubai's competitive real estate market, firms are intensifying efforts to attract customers by offering innovative incentives.

According to Arabian Business, real estate companies are providing a wide range of perks, from free chocolates upon signing leases to custom-designed homes tailored to individual preferences. Additionally, Gulf News reports that some firms are offering shares in broker commissions on off-plan sales, further enhancing the appeal for potential buyers.

This trend reflects a shift towards personalized customer experiences and value-added perks aimed at standing out in a crowded marketplace. By offering these unique incentives, developers not only add value but also create memorable experiences for their clients.

*“We believe in adding value to our customers' experiences, and these incentives are a reflection of that commitment.”*

*-Ali Rashid Lootah, Chairman- Nakheel*

# Key Insights

## Personalised Experience

Continue to invest in personalized customer experiences, such as custom-designed homes and tailored incentives. These efforts can enhance customer satisfaction and loyalty, leading to long-term relationships and repeat business.

## Memorable Experience

Aim to create memorable experiences for their clients through thoughtful and unique incentives. These experiences can leave a lasting impression and encourage word-of-mouth referrals, , further enhancing the developer's reputation and market reach.

## So what?

By continuously innovating and offering personalized experiences, understanding the evolving target consumer needs is crucial for real estate developers to tailor their offerings effectively.

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# Our tools to help real estate developers

### 4SIGHT Competitive Intelligence

A syndicated product where we leverage our broker network to get you quick intelligence on the latest launches in the real estate sector (presently focusing on Dubai & Abu Dhabi)

### 4SIGHT Location analytics

Gathering location intelligence before launch for an in-depth understanding of launches by competition, unit inventory, pricing, amenities/services offered, etc.

### 4SIGHT Home clinics

Holistic research program to improve/optimize proposed communities and fine-tuning the targeting & pricing strategies.

The program provides early indictors on how consumers (future property intenders) could react to a future property launch

For more information, contact info@4sight-global.com

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