Why real estate is hot property

"Communities such as Palm Jumeirah, Dubai Marina, Downtown Dubai and Jumeirah Village Circle are at the forefront of sales, while established areas like Al Nahda, Dubai Marina, Mirdif, Jumeirah and Jumeirah lead the rental market," says the report.

Based on the comparison of third-quarter prices with the second-quarter Bayut report, suggests moderate declines in average prices per square foot across the board for properties on sale. However, suburban areas such as Dubai Sports City and Dubai Silicon Oasis are gaining traction with investors, and have experienced only minor price decreases. "This is in line with the demand for cost-effective properties, especially from first-time buyers, who made up 66 per cent of the total transactions in the Dubai real estate market for 2018 as per DLD’s findings," the report said.

PNC Meteno, founder and chairman of Sotha Group, said given Dubai’s status as a sought-after commercial and investment hub and the maturing nature of the market, the real estate sector will continue to draw international investors.

"Pro-investor reforms and government funding of major infrastructure projects for Expo 2020 have boosted investor confidence that is tangible in the real estate sector. For investors and end-users there cannot be a more ideal time to buy," Hadeer Al Khan, chief executive officer of Bayut, said.

Dubai Marina is the most popular area for apartment sales, while Palm Jumeirah continues to attract the highest number of buyers and renters for villas. However, some areas have exhibited moderate declines from four to six per cent, with some suburban neighbourhoods such as International City, Dubai Land and Madinat showing stability, said the Bayut report.

Niall McDougall, senior vice-president, Damac Properties, and investors in Dubai come from a variety of social and cultural backgrounds, and their lifestyle requirements are very diverse. "In newer areas like Al Jada, there is an increase in the development of large master communities like Damac Hills and Akoya. The unique proposition of such developments includes tranquility, peaceful surroundings, with easy access to the city centre — and this is a key selling point for a certain section of the customer base. However, premium areas like Business Bay and Dubai Marina are appealing to a very different customer base who prefer the bustling city life, and proximity to the big malls and commercial developments. This is why Bayut has also a large portfolio of residential and hospitality developments in these areas. As a result of market fluctuations, buyers now have the advantage of acquiring prime properties at affordable prices, and as a real estate developer, we have a large and diverse selection of inventory for people to take advantage of during this favourable situation," he said.

In terms of the overall sales, price per square foot for both apartments and villas, compared to the third quarter of 2018, there was a decline of 6.6 per cent from Dh1,358 to Dh1,292, while for villa sales there was a decline of 6.6 per cent from Dh1,348 to Dh1,292.

In terms of ROI, International City maintains the highest ROI of 9.4 per cent for apartments, while the affordable community of Jumeirah Village Circle offers rental yields of 8.8 per cent. Al Nahda and Dubai Marina retain their positions as the most popular areas among potential tenants looking for apartments, and will continue to do so."