



Highlights

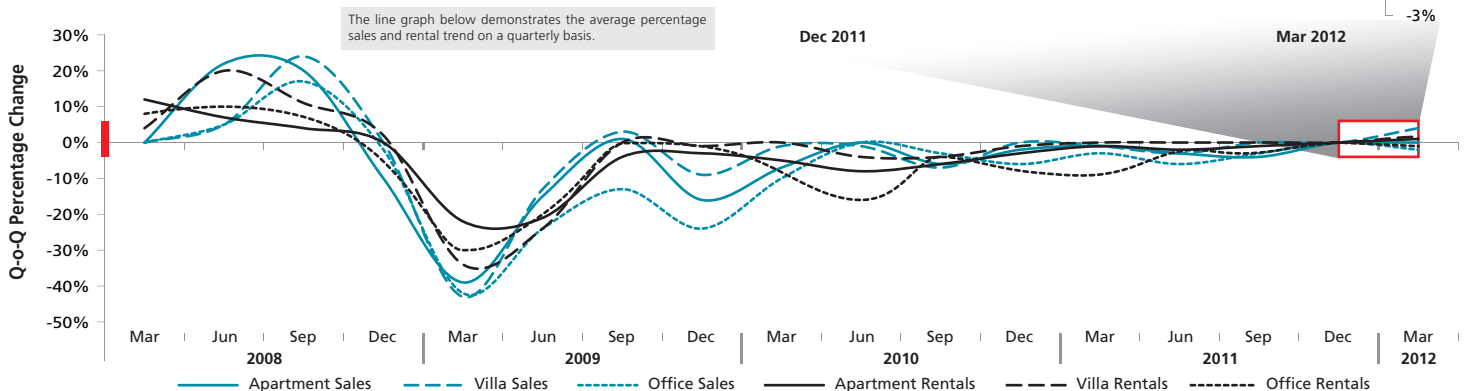
Residential

- Rental rates for apartments and villas remained broadly stable in Q1 2012, with only a few fluctuations in select areas.
- Asteco has noticed a lower number of listings for certain unit types in established locations such as Downtown Dubai and Green Community with limited or no stock impending, which has resulted in higher asking rents. We believe this to be a sign of quality developments slowly reaching full occupancy, especially for dwellings which are low in numbers.
- Although rental rates for several areas have seen marginal increases, these are often offset by incentives such as rent-free periods, no agency fee, free utilities, etc.
- Overall, rental rates for apartments and villas rose by 1% on average.
- Apartment sales prices remained relatively stable with some increases in Palm Jumeirah and the Greens, both popular areas among executives and families.
- Discovery Gardens, however, experienced further declines due to the large amount of supply, low rental rates and high service charges.
- Sales prices for villas fared positively, rising by 4% on average compared to last quarter. The rise is predominantly driven by increased acquisitions from owner-occupiers in areas such as Arabian Ranches, Emirates Living and Jumeirah Village.

Commercial

- Pending and upcoming supply has resulted in office rental rates across various locations in Dubai contracting by 1% despite healthy enquiry and transaction levels.
- Bur Dubai has seen some marginal declines of 6% due to continuous consolidations. It should be noted, however, that popular business districts with limited commercial space fare well and generally achieve high occupancy rates.
- Interestingly, rental rates in Downtown Jebel Ali's 'The Galleries' by Limitless have increased as a result of occupancy reaching 75% across the three Grade A commercial towers, with more leases being finalised. In addition, the developer is offering both free zone and non-free zone licenses.
- Office sales prices experienced marginal declines of 2% on average as a result of low transaction activity in areas such as Business Bay and DIFC which contracted by 7 and 6% respectively.
- In contrast to the residential sector, which seems to be stabilising/recovering, the commercial market still has a long way to go as oversupply will continue to adversely affect rates.

Real Estate Monitor



With over 25 years' experience in the Middle East, Asteco's Professional Services team brings together a group of the Gulf's leading real estate experts.

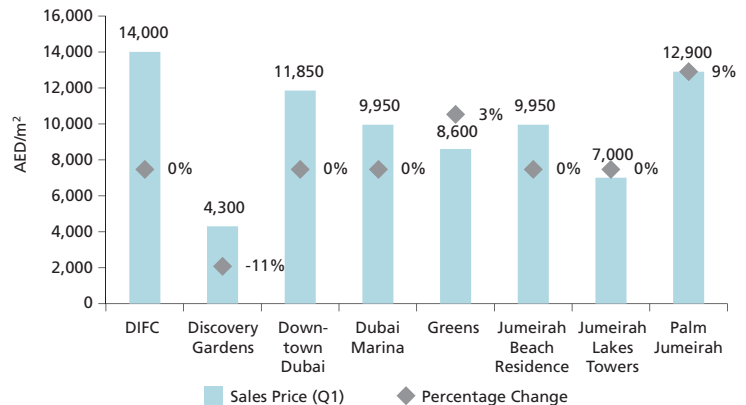
Asteco's network of offices in Abu Dhabi, Al Ain, Dubai, Northern Emirates, Qatar, Bahrain and Jordan not only provides a deep understanding of local markets but also enables us to undertake large instructions where we can quickly apply resources to meet the client's requirements.

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Apartment Rental Rates and Percentage Change (Q4 2011-Q1 2012)

Development	Average Rental Rates (AED/pa)				Q-o-Q Change (%)
	Studio	1 BR	2 BR	3 BR	
Discovery Gardens	25,000	38,000	53,000	n/a	0
Downtown Dubai	50,000	70,000	110,000	160,000	5
Dubai Marina	40,000	62,500	80,000	115,000	0
International City	16,000	23,000	38,000	n/a	0
Jumeirah Beach Residence	55,000	70,000	90,000	115,000	4
Jumeirah Lakes Towers	35,000	45,000	65,000	90,000	3
Palm Jumeirah	n/a	90,000	120,000	170,000	0
Sheikh Zayed Road	50,000	67,500	100,000	120,000	0

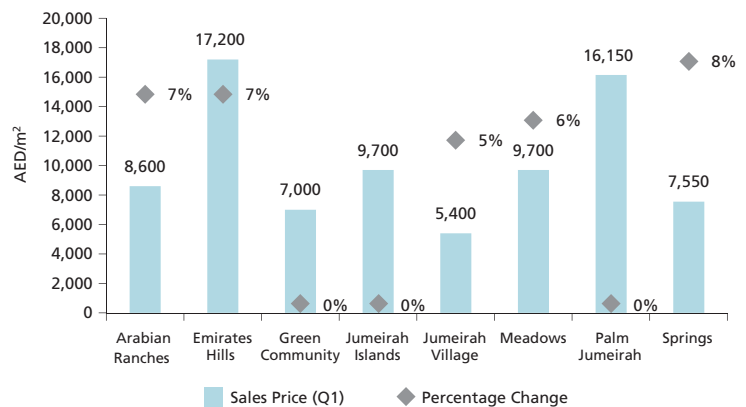
Apartment Sales Prices and Percentage Change (Q4 2011-Q1 2012)



Villa Rental Rates and Percentage Change (Q4 2011-Q1 2012)

Development	Average Rental Rate (AED/pa)				Q-o-Q Change (%)
	2 BR	3 BR	4 BR	5 BR	
Arabian Ranches	100,000	125,000	175,000	250,000	2
Green Community	n/a	180,000	195,000	210,000	3
Jumeirah	105,000	140,000	160,000	200,000	0
Jumeirah Islands	n/a	n/a	270,000	300,000	0
Meadows	n/a	185,000	210,000	230,000	3
Mirdif	60,000	80,000	105,000	125,000	0
Palm Jumeirah	n/a	275,000	315,000	450,000	0
Springs	80,000	105,000	n/a	n/a	0

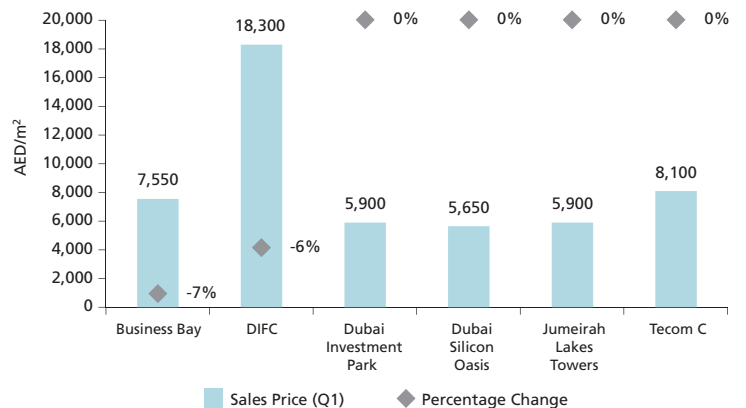
Villa Sales Prices and Percentage Change (Q4 2011-Q1 2012)



Office Rental Rates and Percentage Change (Q4 2011-Q1 2012)

Development	Average Gross Rental Rate (AED/m²/pa)		Q-o-Q Change (%)
	Q4 2011	Q1 2012	
Bur Dubai	915	915	-6
Business Bay	810	810	0
DIFC	2,370	2,370	0
Dubai Internet City	1,345	1,345	0
Dubai Investment Park	430	430	0
Jumeirah Lakes Towers	535	535	0
Sheikh Zayed Road	1,500	1,500	0
Tecom C	650	650	0

Office Sales Prices and Percentage Change (Q4 2011-Q1 2012)



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