

INDUSTRY INSIGHT



Downturn an opportunity for luxury investors

Able buyers of luxury units view economic crises as their chance to purchase

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Special to Properties

Until 2008, property prices were constantly increasing which led to the market being dominated by speculators. However, subsequent to the crisis, demand for property had been predominantly led by end-users as reflected in the quality of facilities, lifestyle offerings and maintenance standards for such homes. Due to Dubai's emergence as a safe zone and laws providing significant protection to investors, investments in Dubai real estate are now driven by long-term investors.

Luxury properties usually get affected during economic downturns by virtue of the greater cash outlay they entail; however, they tend to show more activity as able buyers of luxury properties see economic crises as an opportunity to purchase as prices usually fall. Investors in these properties do not rely on the availability of mortgage financing and normally look to capitalize on depressed property prices to bolster their assets.

Today, Dubai's high-end real estate market is experiencing robust demand where investors can expect good financial returns on their investments. RERA and the Dubai Land Department have also implemented concrete measures guaranteed to boost investor confidence. Furthermore, Dubai has always been known for its one-upmanship, which prompts end-users to want to go in for fancier and upmarket homes matching their status in society.

Investors are now more prudent about their investments and look for medium- to long-term returns. They are interested in properties with developed infrastructure, superior lifestyle offerings, more facilities and better asset management. They are also conscious of developer histories, and normally work with established companies whose financial position and brand image precede them.

Buyers are interested in purchasing luxury properties in well-known locations or developments associated with brand names. The most sought-after addresses in the UAE are in the much talked-about locations driving investments. The list of plush addresses in Dubai includes Emirates Hills, Dubai Marina, Downtown Dubai, Arabian Ranches and Palm Jumeirah.

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