



Dubai Residential

Pas de Deux

Examining the Launch of Palm Jebel Ali*



Executive Summary

- Volume and Value Breakdown

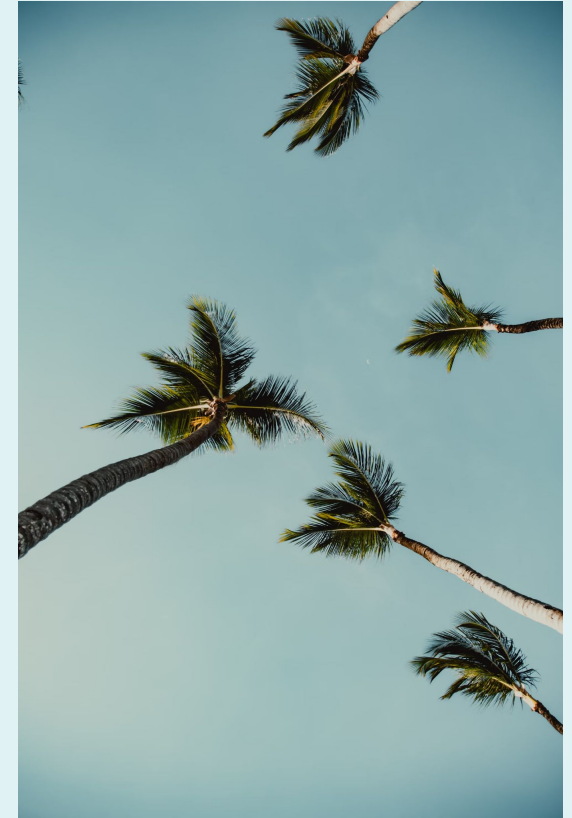
All villas currently commissioned for construction on the Palm Jebel Ali thus far are either five, six or seven bedrooms. Furthermore, all transactions have been in excess of AED 18 million, rising as high as AED 45 million. All of this points to Palm Jebel Ali's place being in the highest echelon of luxury, alongside the likes of Bluewaters Island and Palm Jumeirah.

- Six-Week Comparison

In the 36 days since its launch, 61.8% of all citywide residential sales valued over AED 18M have come from Palm Jebel Ali, netting a total sales value of just over 5.4 billion AED. However, due to the nature of payment plans (given that all transactions have been off-plan thus far) it is estimated that only 20% of the final amounts have been paid, which would suggest that the total value of Palm Jebel Ali sales has been inflated somewhat. This, in turn, suggests that the entirety of the Dubai off plan market is being reported at higher values (the full values of the contracts) rather than at how much cash has actually been paid.

- Citywide Sales Prices Breakdown

Palm Jebel Ali has managed to capture an impressive portion of the ultra-luxury market in Dubai thus far, despite only recently being launched and still being in its infancy, so to speak. Just over 10% of all sales citywide with values over AED 18 million are Palm Jebel Ali transactions. That figure climbs to an even more impressive 14.4% if the bracket is reduced to sales between AED 18 million and AED 25 million.



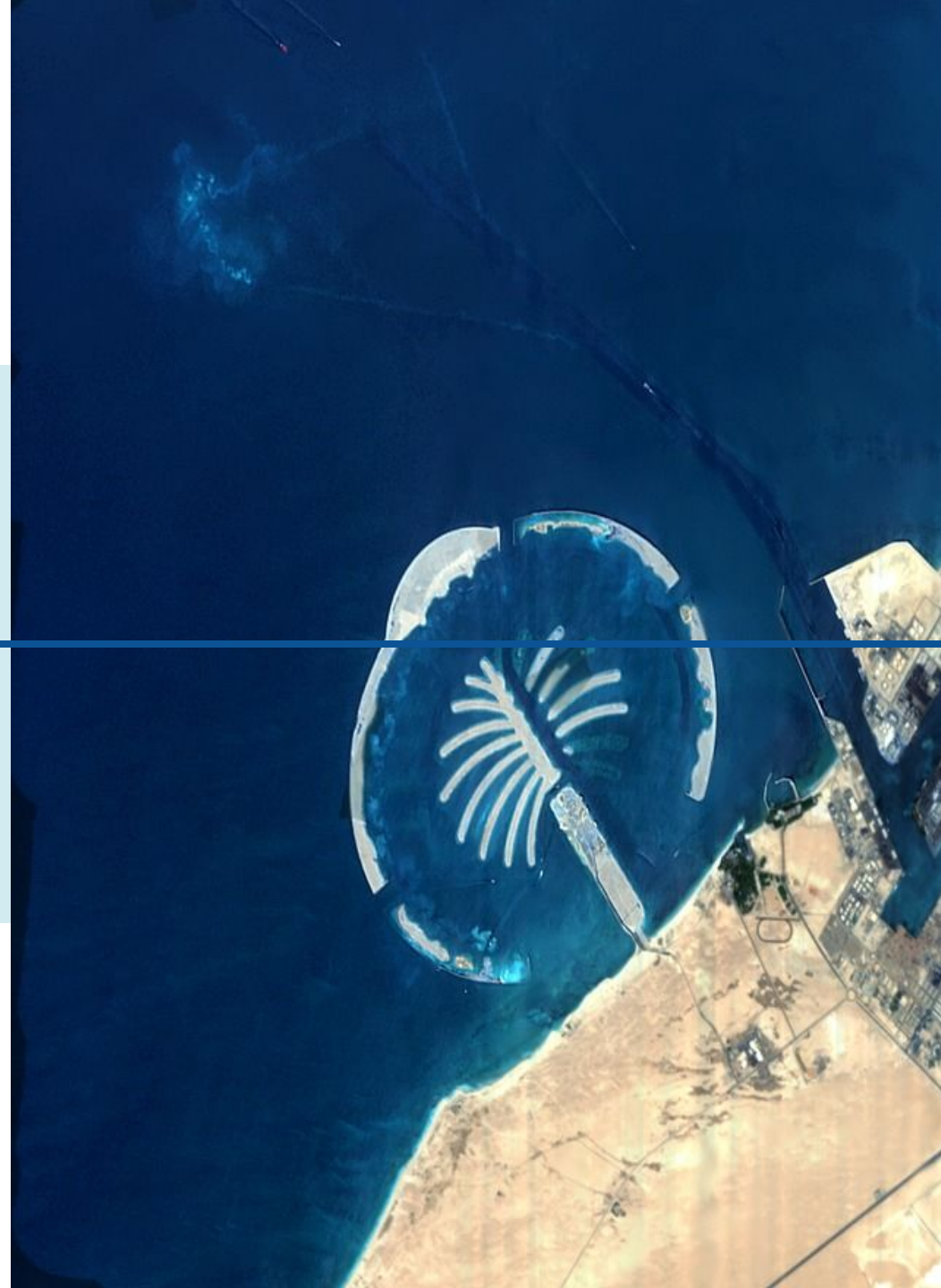
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Volume and Value Breakdown

**“The only limit to our realization of tomorrow
will be our doubts of today.”**

– Franklin D. Roosevelt

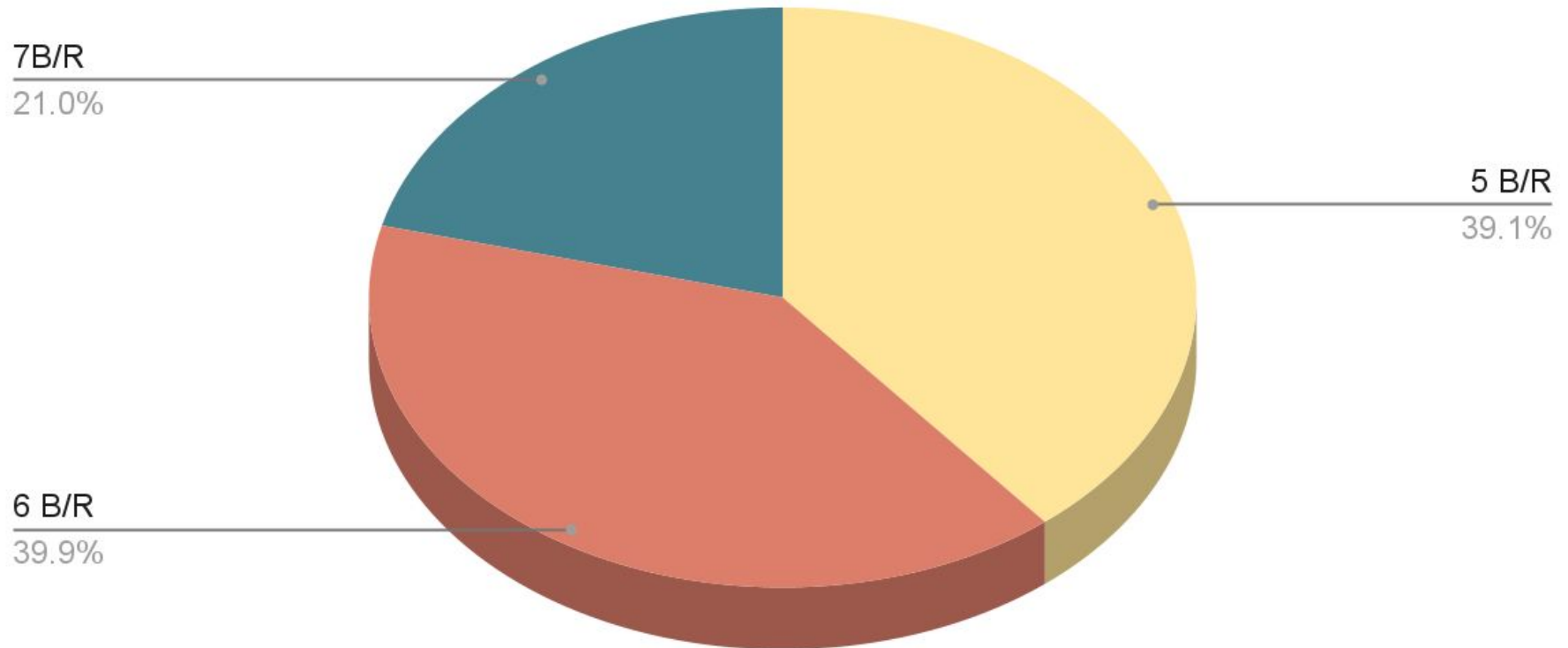


Palm Jebel Ali Villa Type Breakdown

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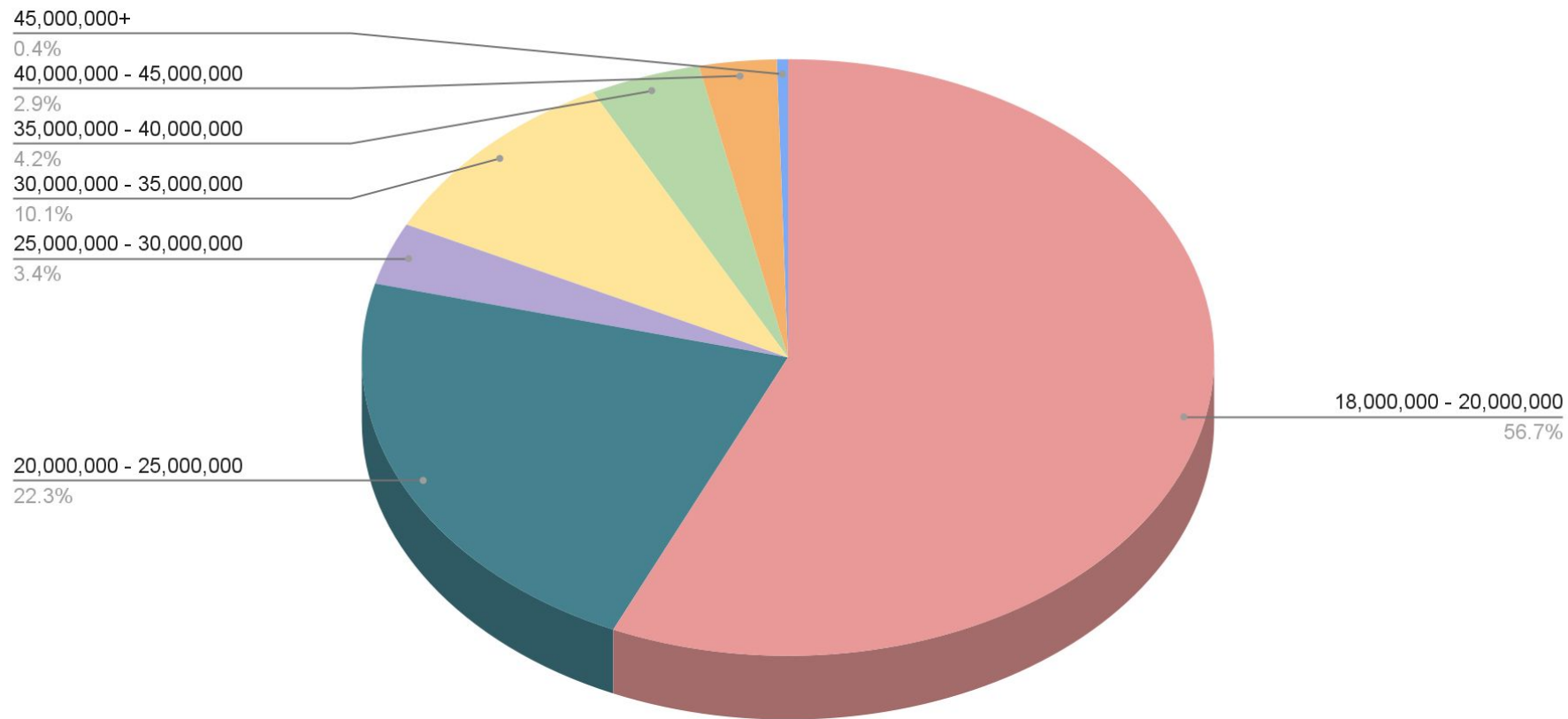
Villa Type Split



Looking at the breakdown of the types of villas that have been sold thus far, six and five bedroom options seem to be the most popular, while seven bedroom villas make up the rest of the sales volume. No projects under five bedrooms have been commissioned as of yet, putting Palm Jebel Ali in the same uppermost echelon of luxury alongside Bluewaters Island and Palm Jumeirah.

Palm Jebel Ali Sales Price Brackets

Price Ranges (Palm Jebel Ali Sales)



More than half of the sales thus far have been in the 18 million to 20 million AED range. Transactions have gone as high as 46 million AED, proving again that Palm Jebel Ali looks to be the newest addition to Dubai's array of ultra-luxury communities.

36-Day Comparison

"The value of an idea lies in the using of it."

- Thomas Edison

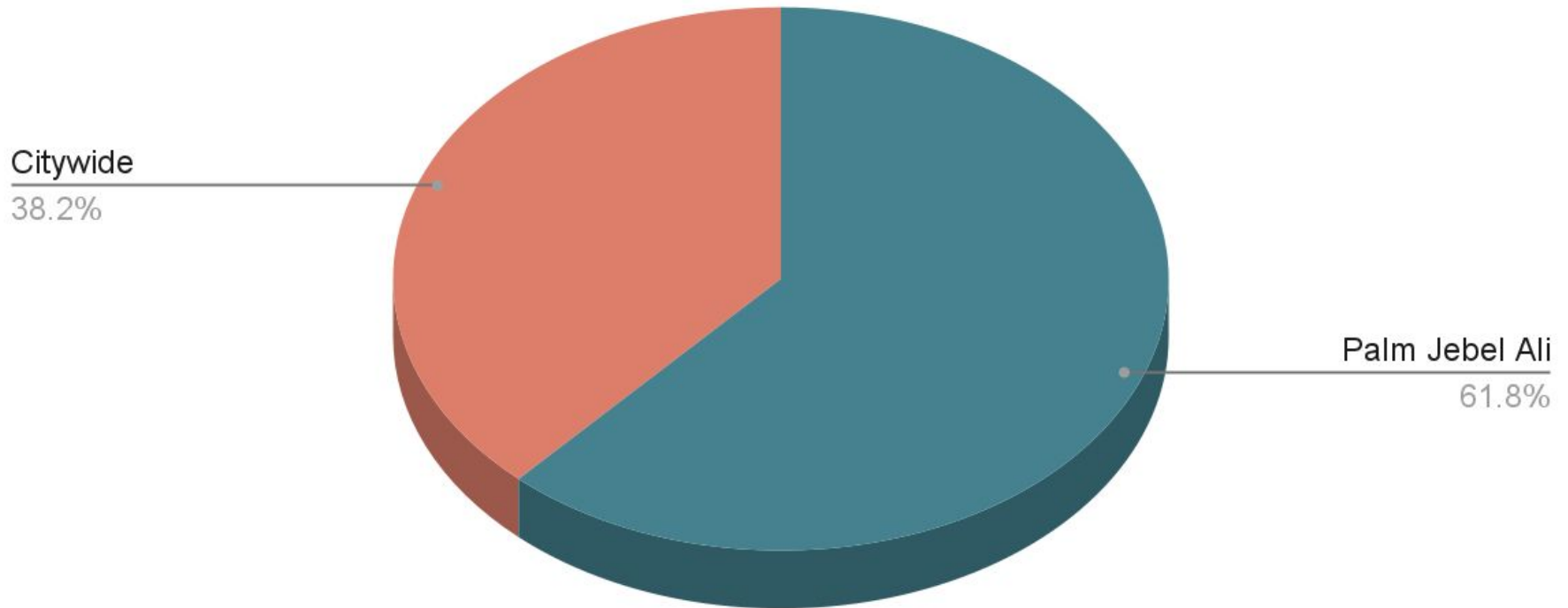


36-Day Volume Comparison

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Palm Jebel Ali as a Proportion of all Citywide Sales Over AED 18M Since its Launch



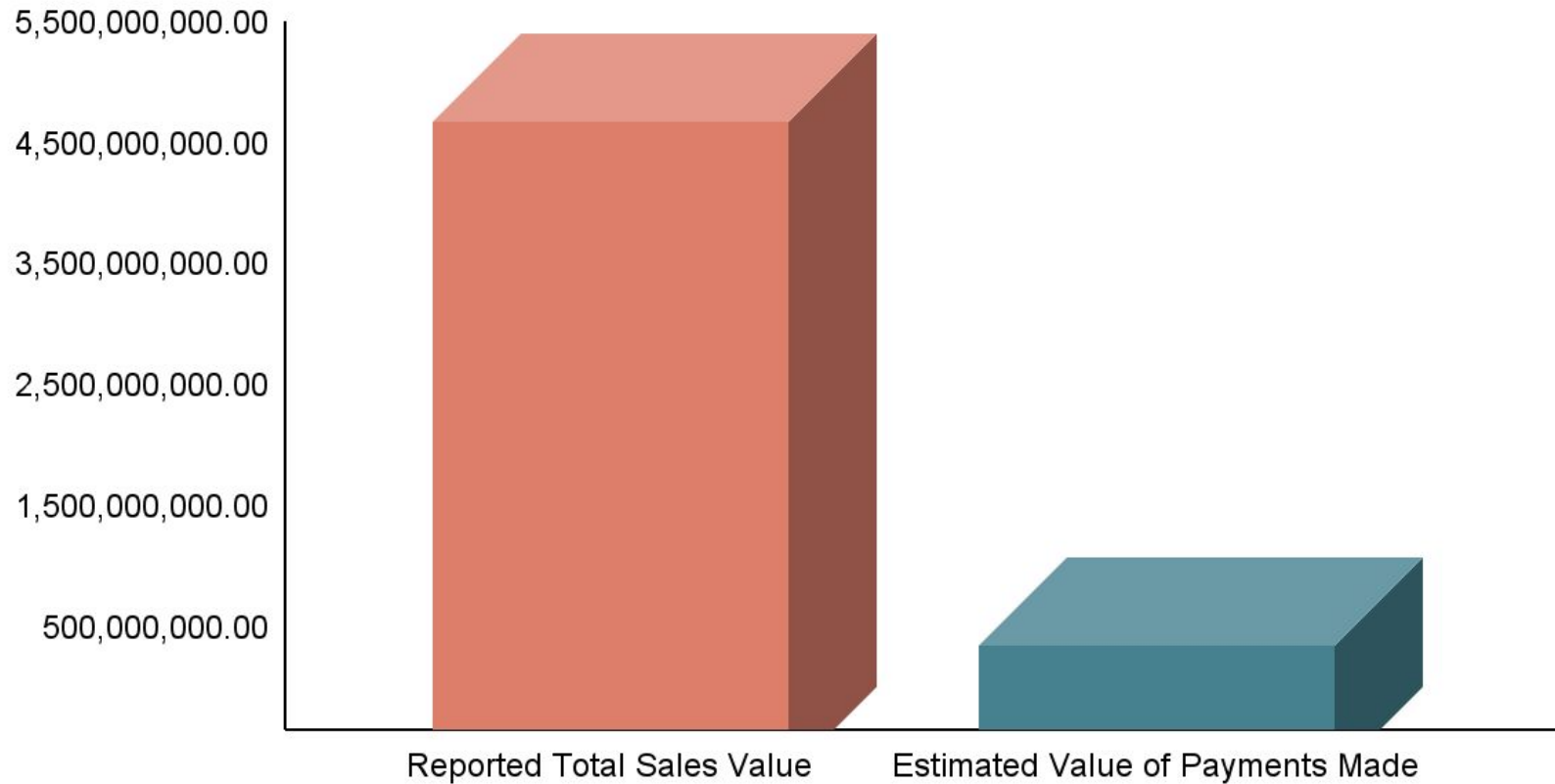
In the 36 days since its launch, Palm Jebel Ali has accounted for over 61% of all citywide residential sales valued over AED 18 million, clearly demonstrating the insatiable demand for Palm Jebel Ali while sales and price performance in older luxury communities has seen quarterly downturns.

Six-Week Value Comparison

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Palm Jebel Ali Reported Total Sales Value vs. Estimated Value of Payments Made



Palm Jebel Ali's 238 sales so far have netted a reported total sales value in excess of 5.4 billion AED. However, this does not account for the fact that all sales thus far have been off-plan, meaning that only a portion of the full contract amounts have been paid. The graph above illustrates the difference in the reported total value and the estimated actual value of payments that have been made thus far.*

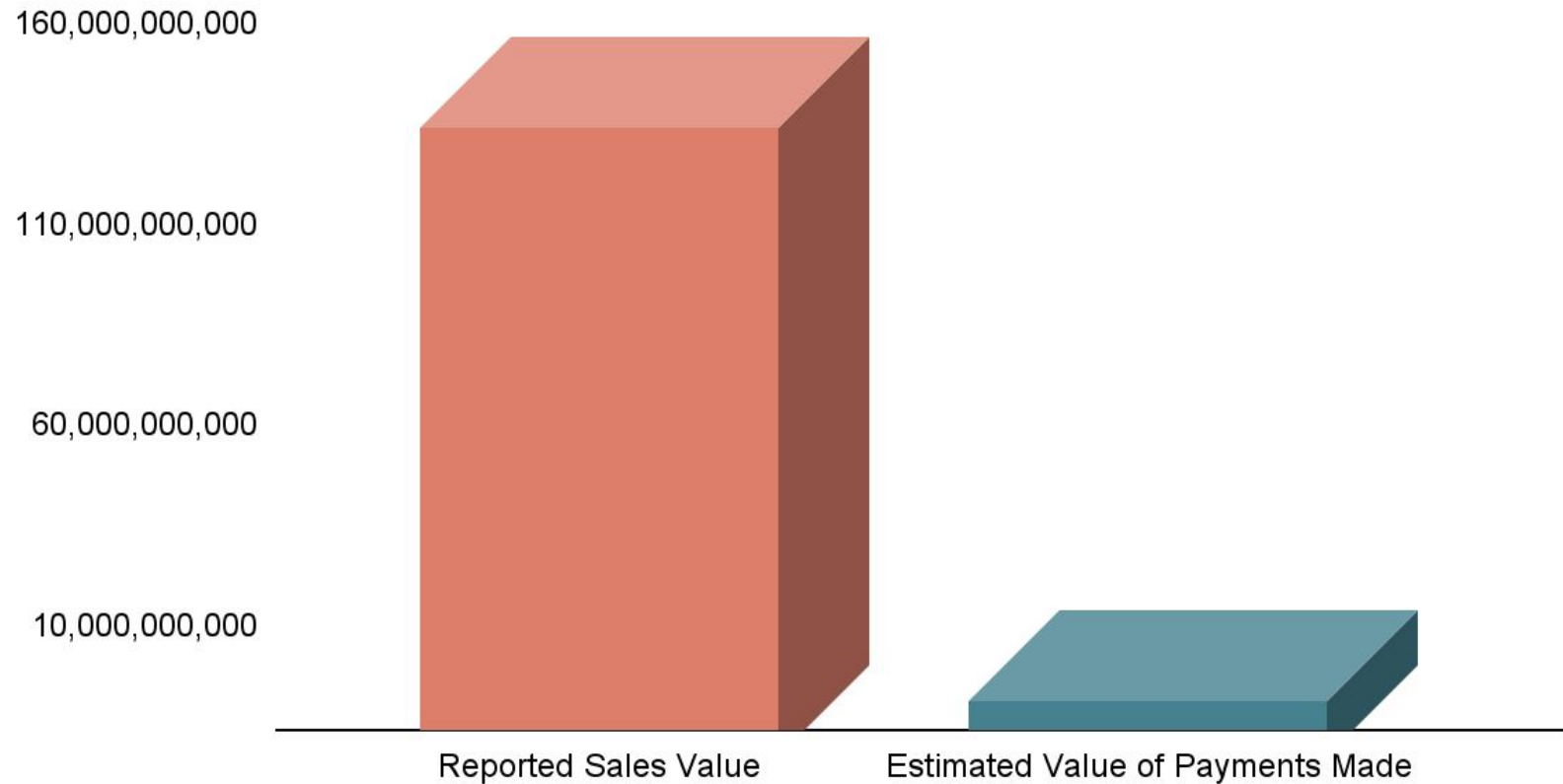
*Data sourced from GCP

Citywide Off Plan Discrepancy

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Citywide Off Plan Reported Total Sales Value vs. Estimated Value of Payments Made



This is likely the practice across Dubai's off plan market. The graph above shows the difference between the total citywide reported sales value (likely the full amounts of the contracts) and the estimated value of the cash that has actually been paid thus far.*

*Data sourced from GCP

Citywide Sales Prices Breakdown

“The secret to change is to focus all of your energy, not on fighting the old, but on building the new.”

-Benjamin Franklin

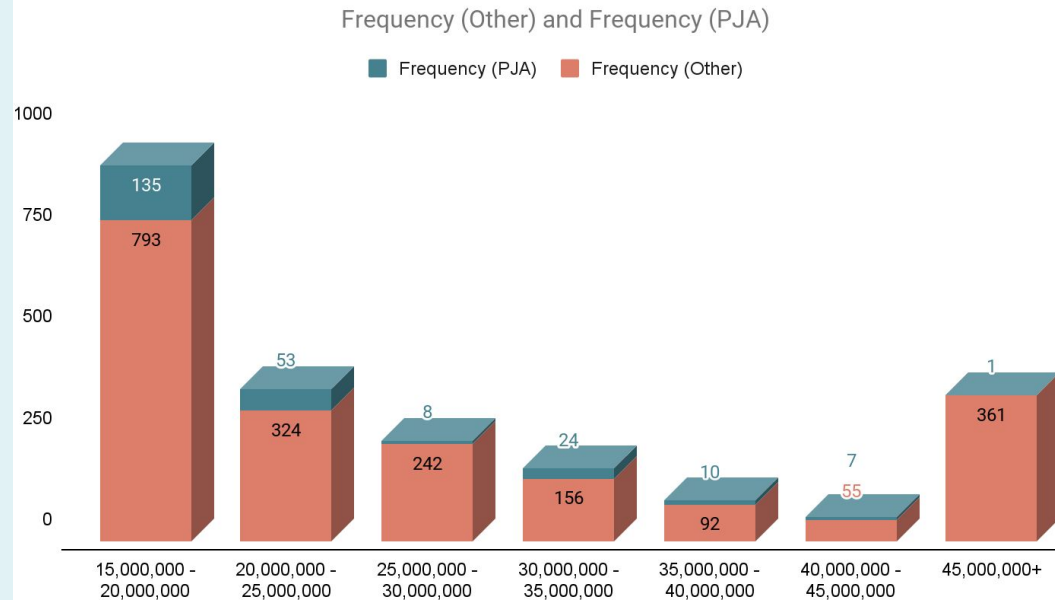
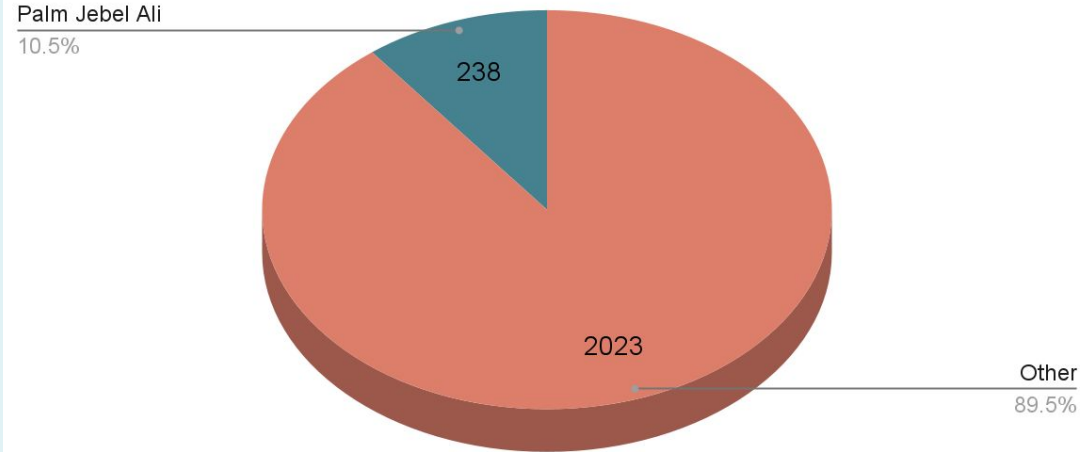


Broader Price Brackets



Palm Jebel Ali's 238 sales so far are responsible for 10.5% of all sales across Dubai with a total value in excess of 18 million AED this year. It is impressive to see how Palm Jebel Ali has managed to capture such a large portion of sales above this threshold, especially as sales across other luxury communities have seen quarterly downticks in sales.

Dubai Sales Transactions Valued at AED 18M+

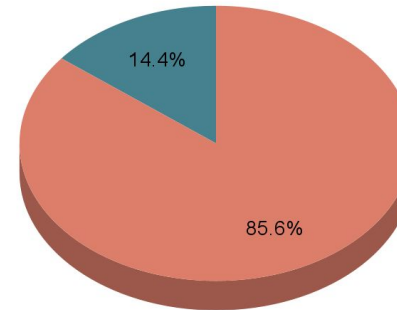


Broader Price Brackets Sales Volume

If we broaden the price brackets, this initial performance remains impressive. Nearly 15% of all sales across Dubai this year whose valuation falls between 18 and 25 million AED have come from Palm Jebel Ali. The market share diminishes in the higher price brackets, but nonetheless, these strong opening sales numbers demonstrate that there is still demand for new luxury projects in Dubai, even as sales across older luxury communities have slightly declined.

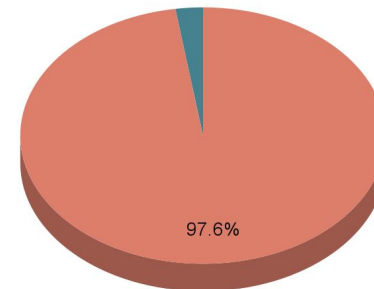
18M-25M Citywide Sales

Other PJA



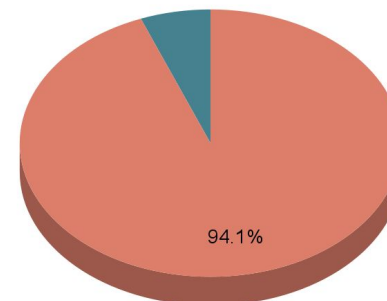
25M-30M Citywide Sales

Other PJA



30M+ Citywide Sales

Other PJA



Conclusions

- **Volume and Value Breakdown**

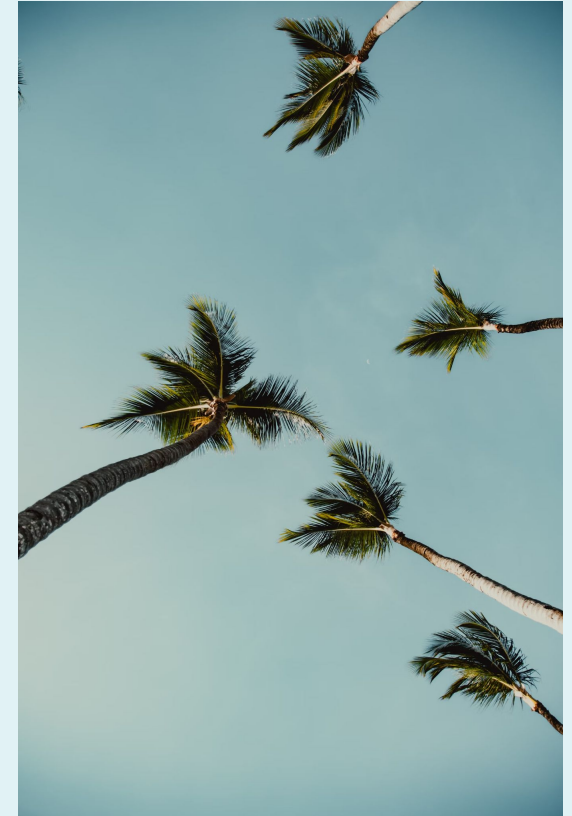
A cursory glance at the composition of Palm Jebel Ali's transactions so far reveals that it will presumably join the likes of Palm Jumeirah and Bluewaters Island in the highest class of Dubai's luxury residential offerings. All transactions have been either five, six or seven bedroom villas in excess of AED 18 million, reaching as high as 45 million.

- **36-Day Comparison**

In its first 36 days, Palm Jebel Ali has been able to account for nearly two-thirds of all residential transactions valued over AED 18 million . Only 20% of the final cash amounts have been paid thus far, meaning that the actual total sales value is closer to 1 billion AED rather than the 5.4 billion that is being reported. This highlights the importance of looking at how much cash has actually been paid rather than the full contract amounts when analyzing off plan sales, as the differential can be drastic.

- **Citywide Sales Prices Breakdown**

More than 10% of all sales citywide with values over AED 18 million have come from Palm Jebel Ali. This is likely due in large part to the declining sales seen in the luxury communities that typically see heavier volumes (i.e. Palm Jumeirah and Dubai Marina), which makes Palm Jebel Ali's strong debut all the more impressive.





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