



Dubai Residential

From a Different Point of View

Examining the Price Premium of Views

Executive Summary

- **Community Trends**

This report focuses on Downtown Dubai and Palm Jumeirah as two communities that contribute significantly to Dubai's ready property market (in terms of transaction volume). Further, these are two communities with the most clear-cut definitions of what constitutes a "premium view" - in the case of Downtown Dubai, this is a view of the Burj Khalifa, and in Palm Jumeirah it is a view of the sea. As such, we should expect to see the price premium placed on views best demonstrated here.

- **Intra-Building Analysis**

To see this phenomenon in action on a more granular level, we also examine the differences within buildings that have multiple views available and have seen a significant transaction volume this year. This gives us an idea of where the effect is more or less pronounced. There are some factors that as of yet are not easily quantifiable or are not recorded *en masse* that complicate this analysis (in the sense that they may explain some anomalous trends where standard view units seem to sell for more than their premium view counterparts); such factors include renovations and improvements.



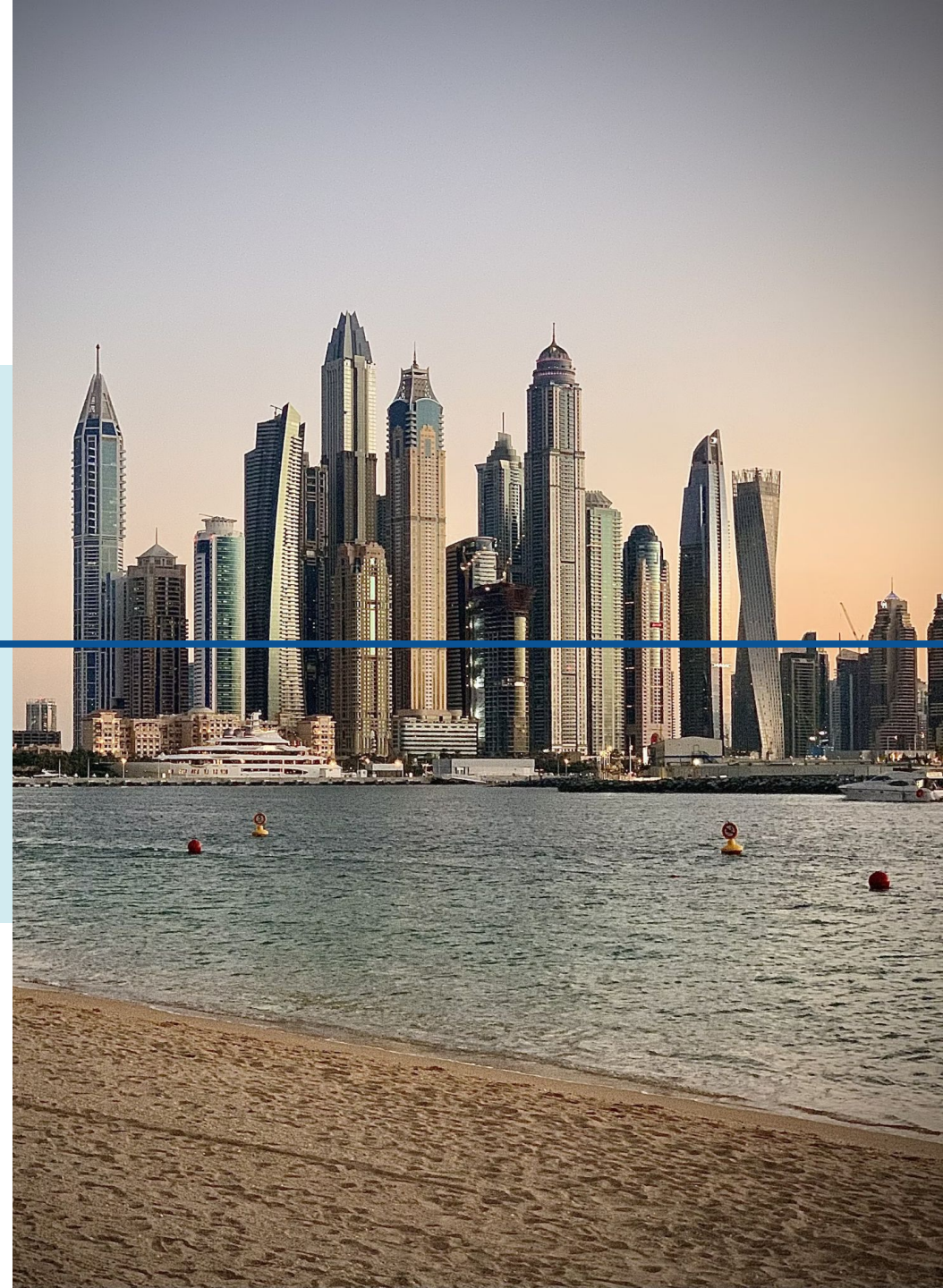
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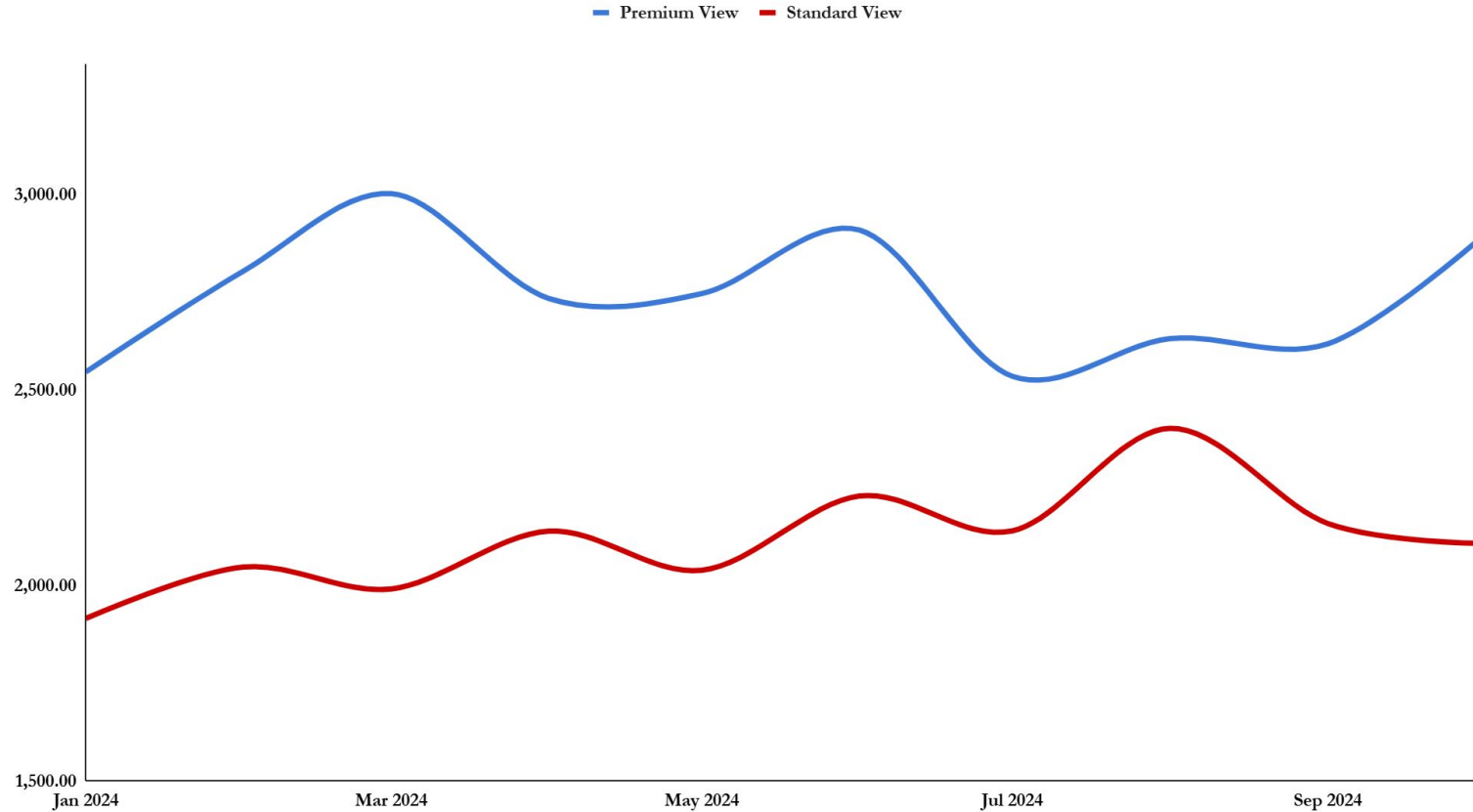
Community Trends

"People are not disturbed by things, but the view they take of them."

– Epictetus

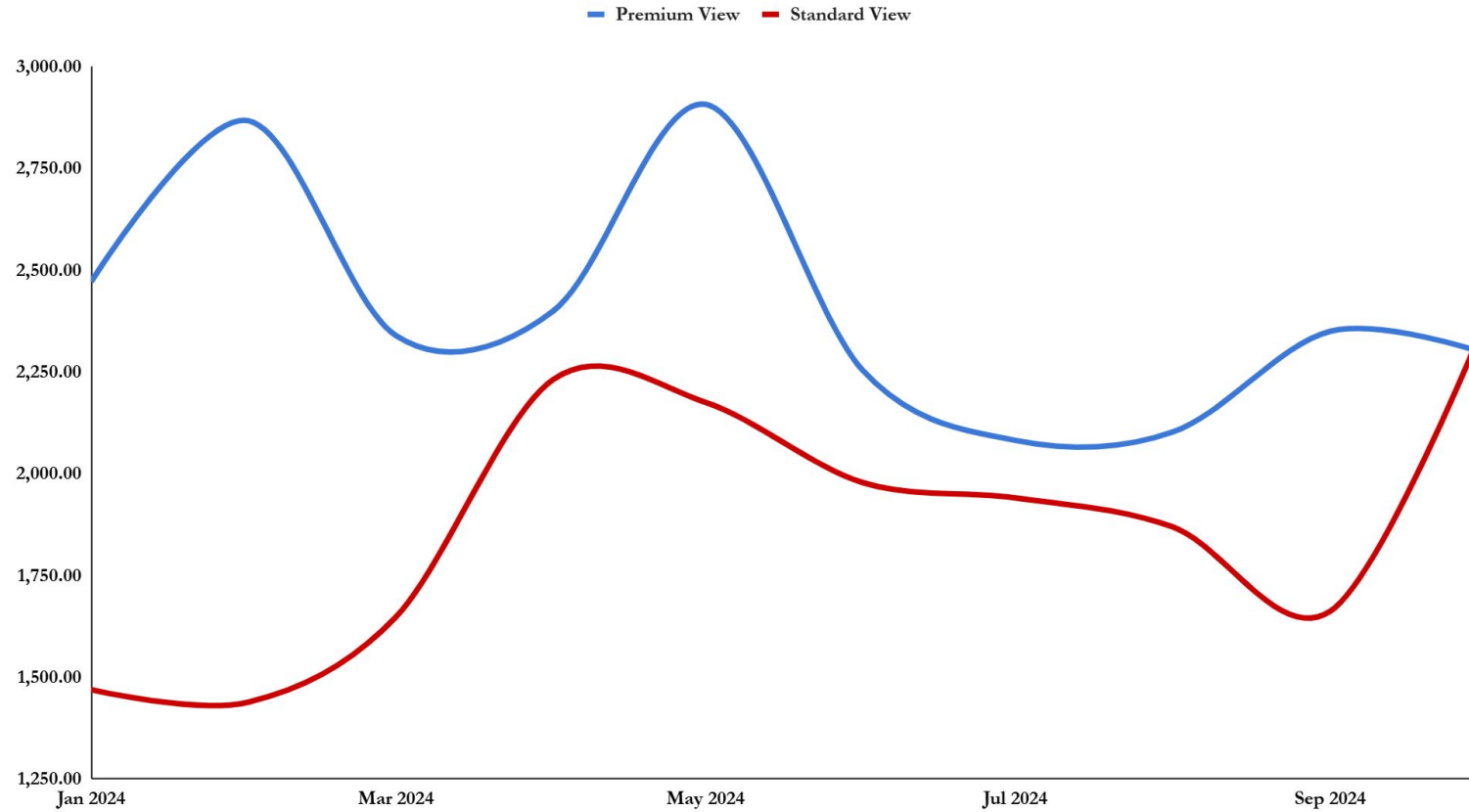


Downtown Dubai Premium View and Standard View AED/SqFt 2024 YTD



As the graph above shows, there exists a clear premium for units with a “Premium View,” in Downtown Dubai in 2024. While this premium has fluctuated over the course of the year, premium view units in Downtown Dubai have sold for 30% more on average in 2024 so far.

Palm Jumeirah Premium View and Standard View AED/SqFt 2024 YTD



Despite the most recent data showing that there is no price premium for views, the overall record in Palm Jumeirah this year shows that units with a premium view have sold for 32.33% more on average.

Downtown Dubai Intra-Building Analysis

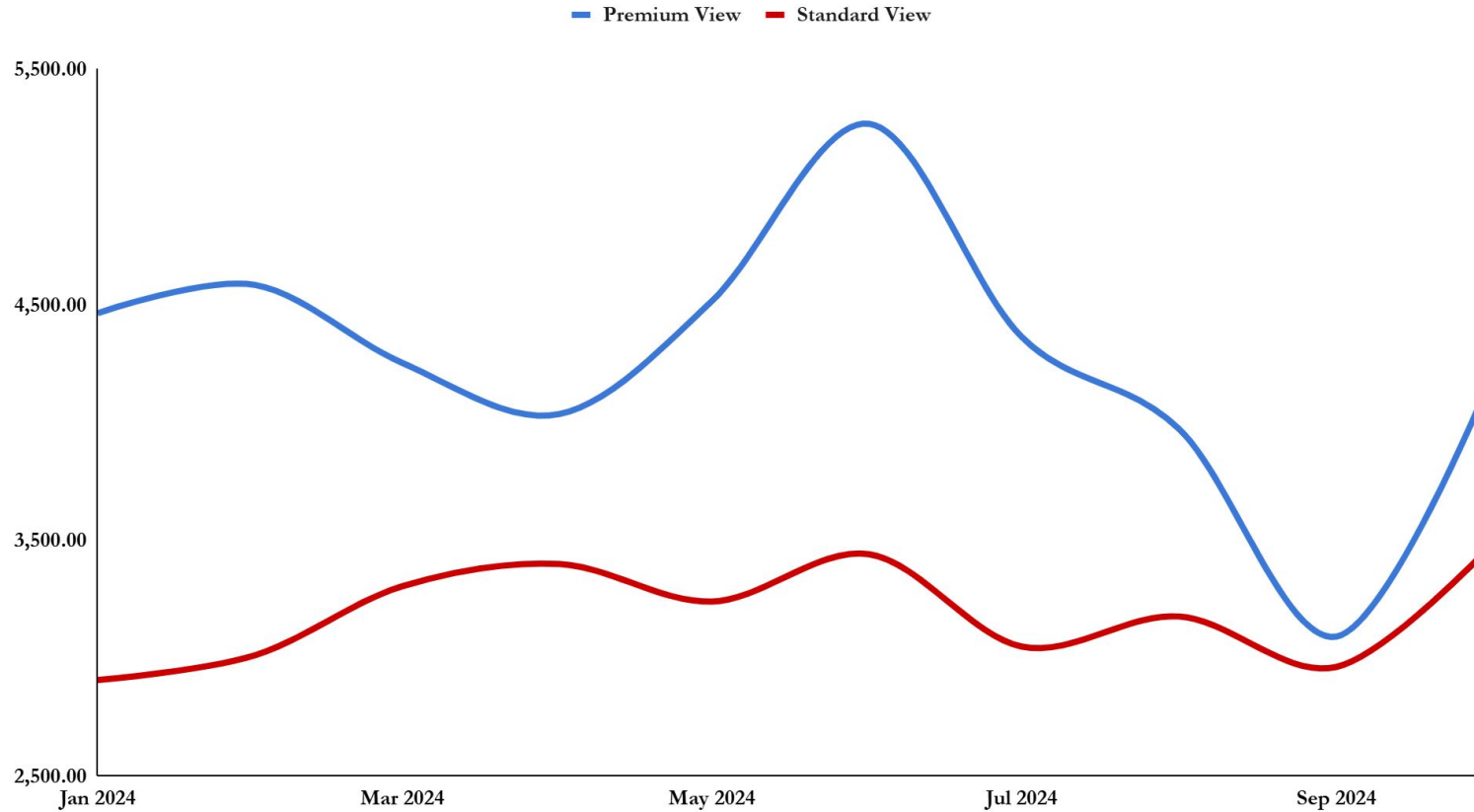
**“Just think how it would be if everyone else
looked at things as you do - what would the
world be like?”**

- F. Scott Fitzgerald



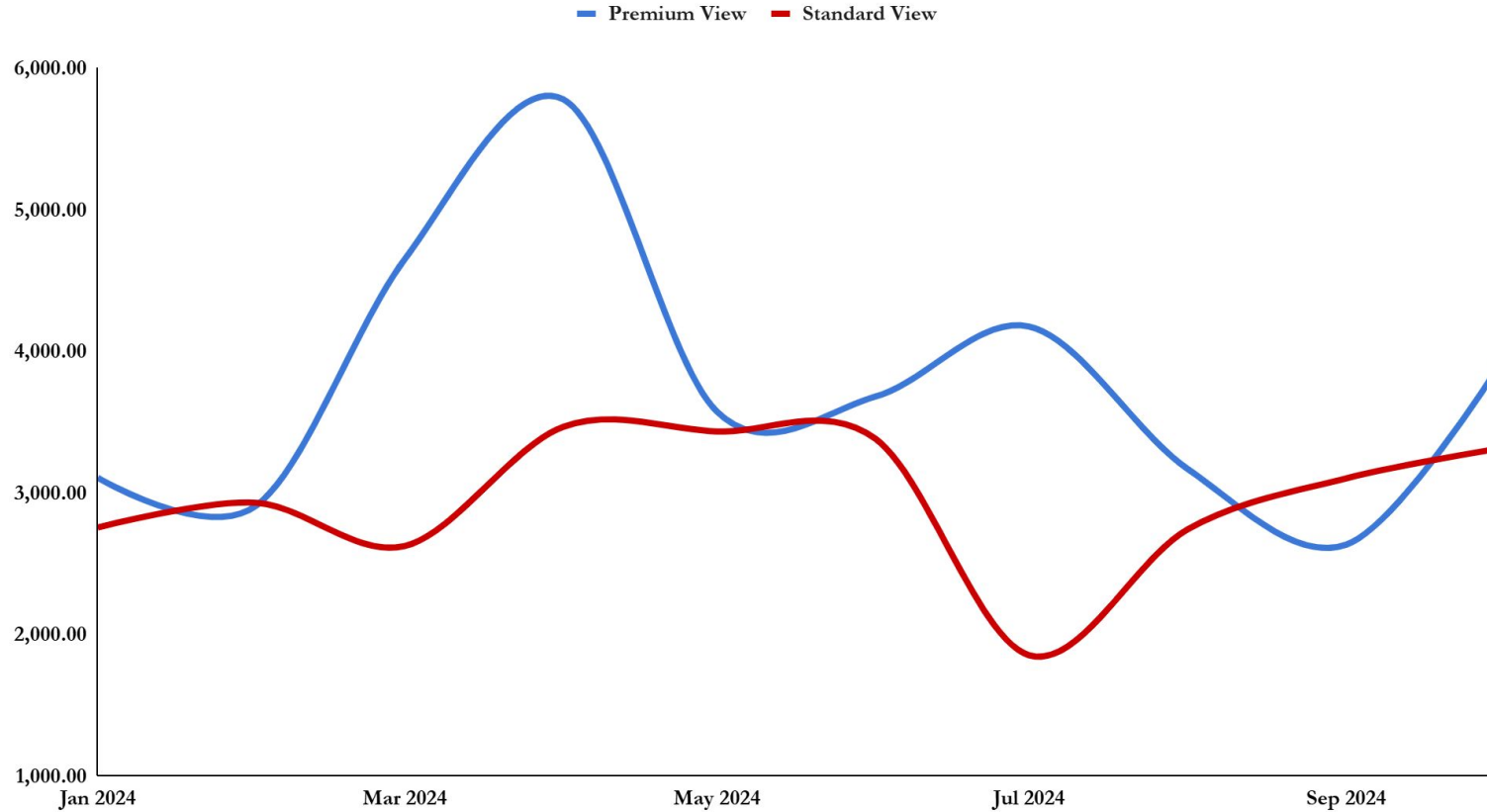
The Address Residence Dubai Opera

Premium View and Standard View AED/SqFt (The Address Residence Dubai Opera)



Moving now to intra-building view comparisons, we can see that premium units in The Address Residence Dubai Opera have commanded a consistent price premium in 2024. On average, premium view units have sold for 33.81% more than their standard view counterparts.

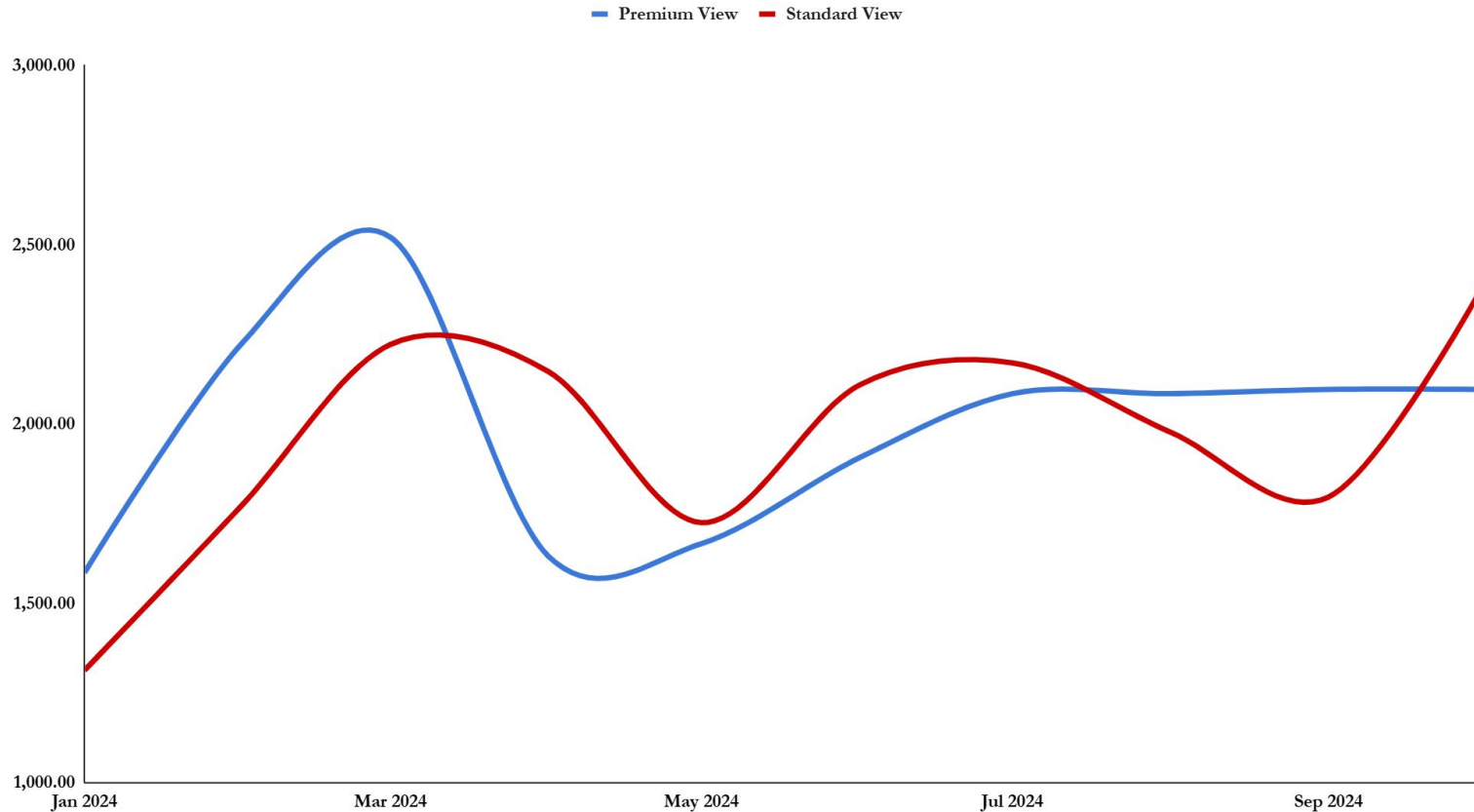
Premium View and Standard View AED/SqFt (The Address BLVD)



Standard view units in The Address BLVD have displayed an impressive price performance, managing to keep up with their premium view counterparts at times. Despite this, the average price premium for the year has still been 31.25% in favor of the premium view units.

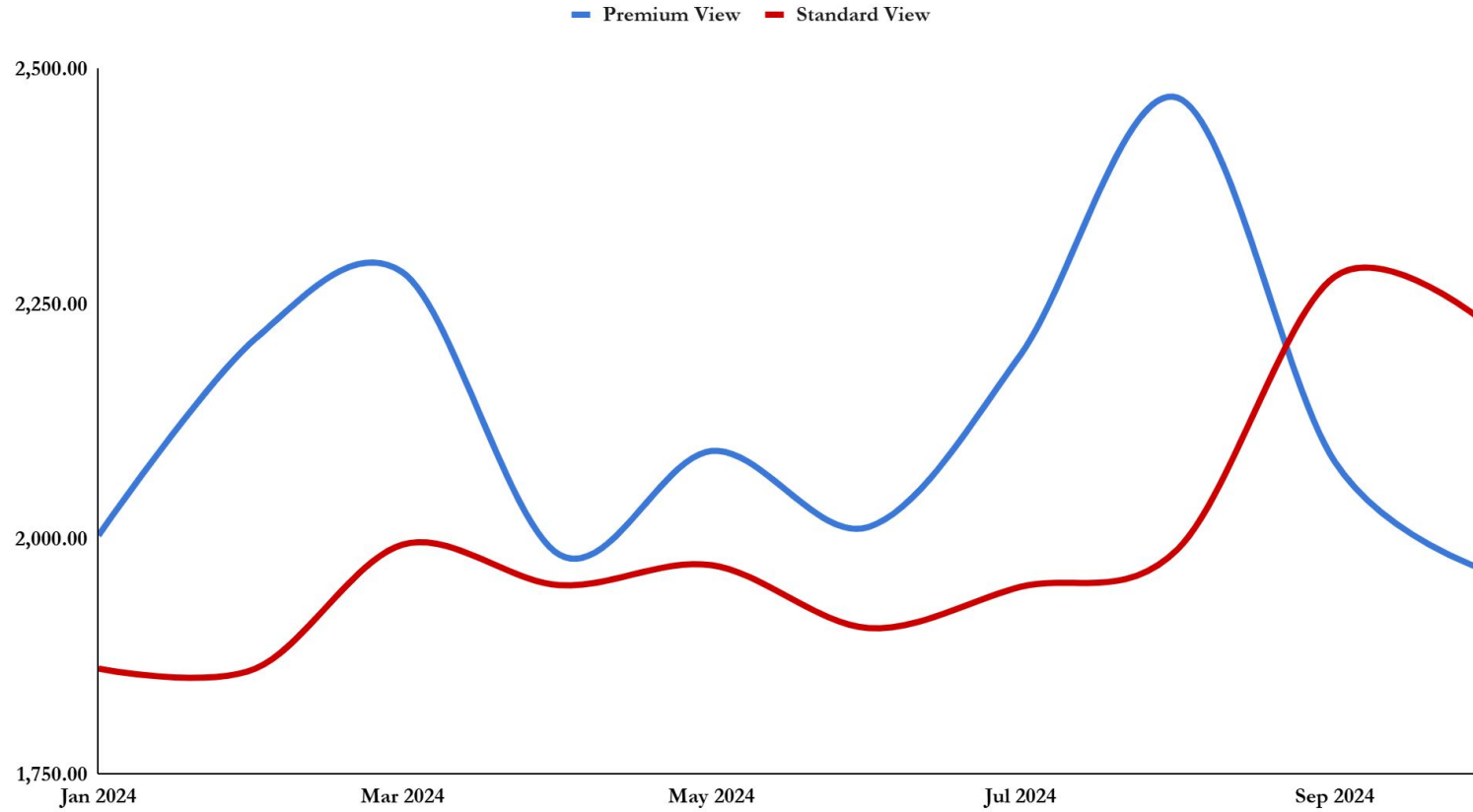
29 Burj Boulevard Tower 2

Premium View and Standard View AED/SqFt (29 Burj Boulevard Tower 2)



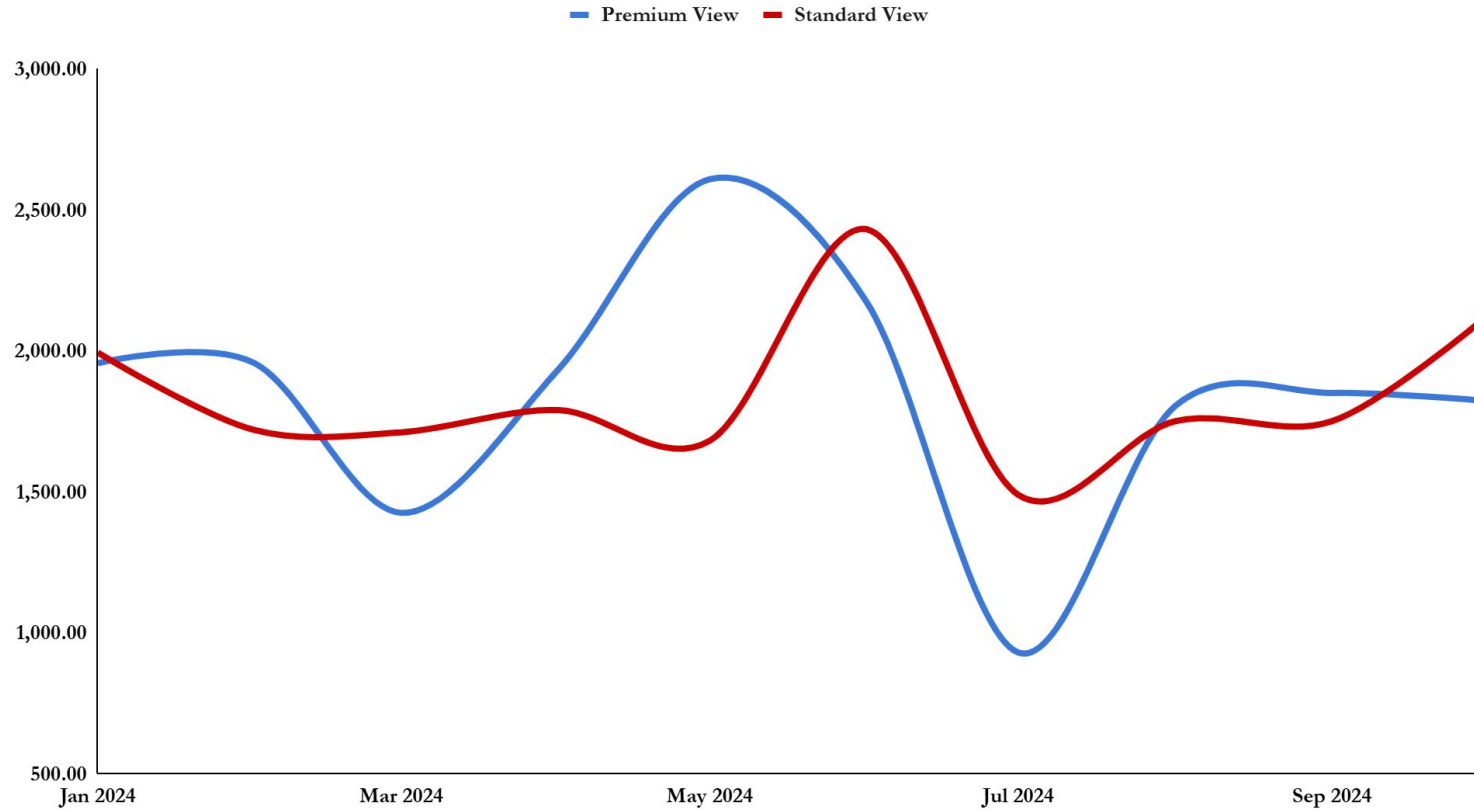
A similar story is true of the prices in 29 Burj Boulevard Tower 2, where a drop in demand for premium units likely has narrowed the gap in prices. Nonetheless, the average premium for the year is still 2.91% in favor of the premium view units. This is the kind of trend where we might expect the (as of yet unquantified) effect of renovations to account for the lack of a clear premium.

Premium View and Standard View AED/SqFt (BLVD Heights)



There has been a clear premium for views in BLVD heights up until September this year. Despite the subversion in the last two months for which data is available, the overall average view premium for BLVD heights in 2024 is 7.08%.

Premium View and Standard View AED/SqFt (Boulevard Central)

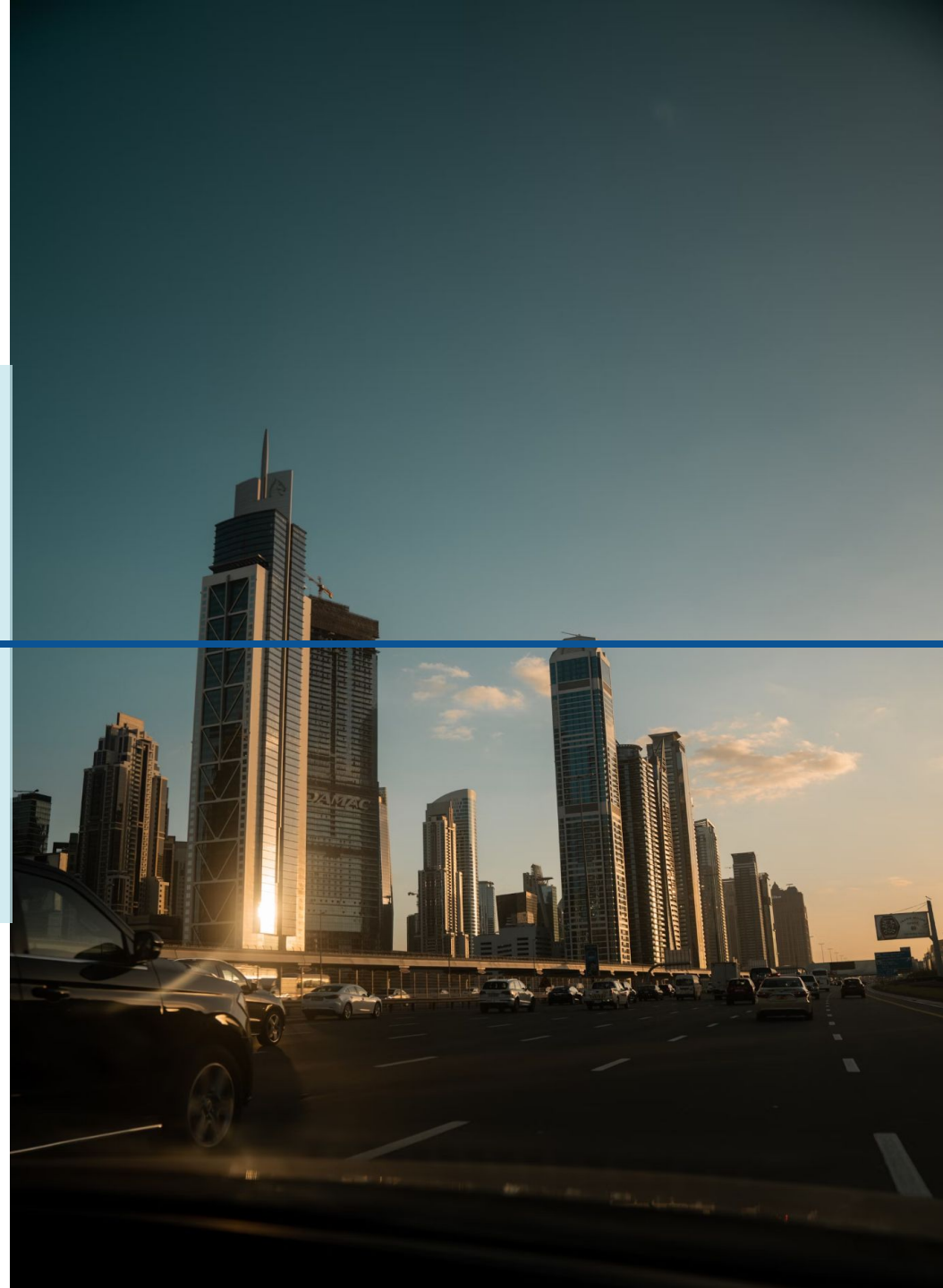


Boulevard Central's price data this year suggests that there has not been any clear price premium. Indeed, the average price differential is only 0.53% in favor of premium view units.

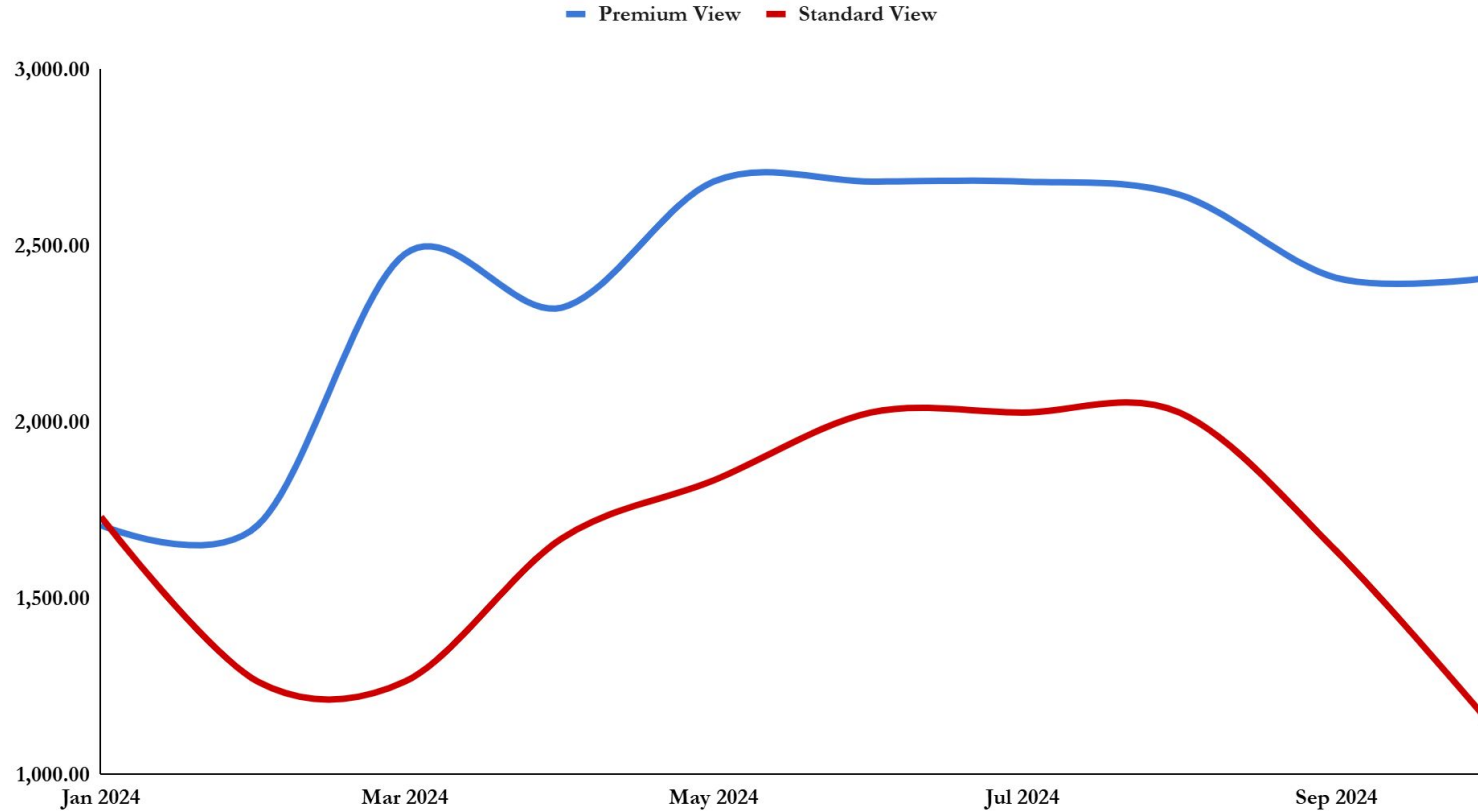
Palm Jumeirah Intra-Building Analysis

**“The optimist sees the donut, the pessimist sees
the hole.”**

– Oscar Wilde



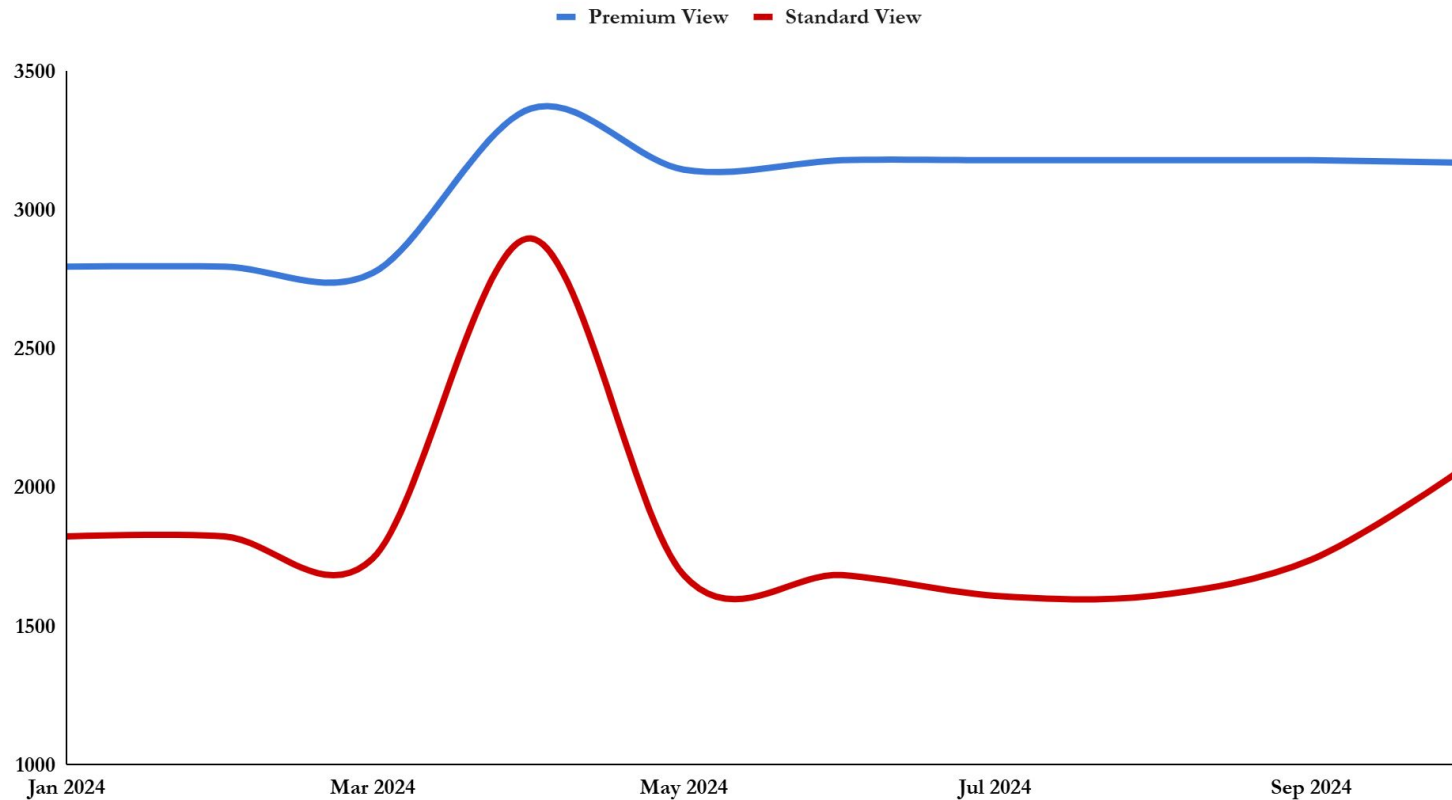
Premium View and Standard View AED/SqFt (Shoreline - Msalli)



Shoreline Msalli is an extreme example of the price premium placed on views in action. While prices at the start of the year were close to parity, they have since diverged dramatically such that the average differential for the year has been 46.7%, and currently (i.e. for the month of October) sits at 109.22%.

The Fairmont Palm North Residences

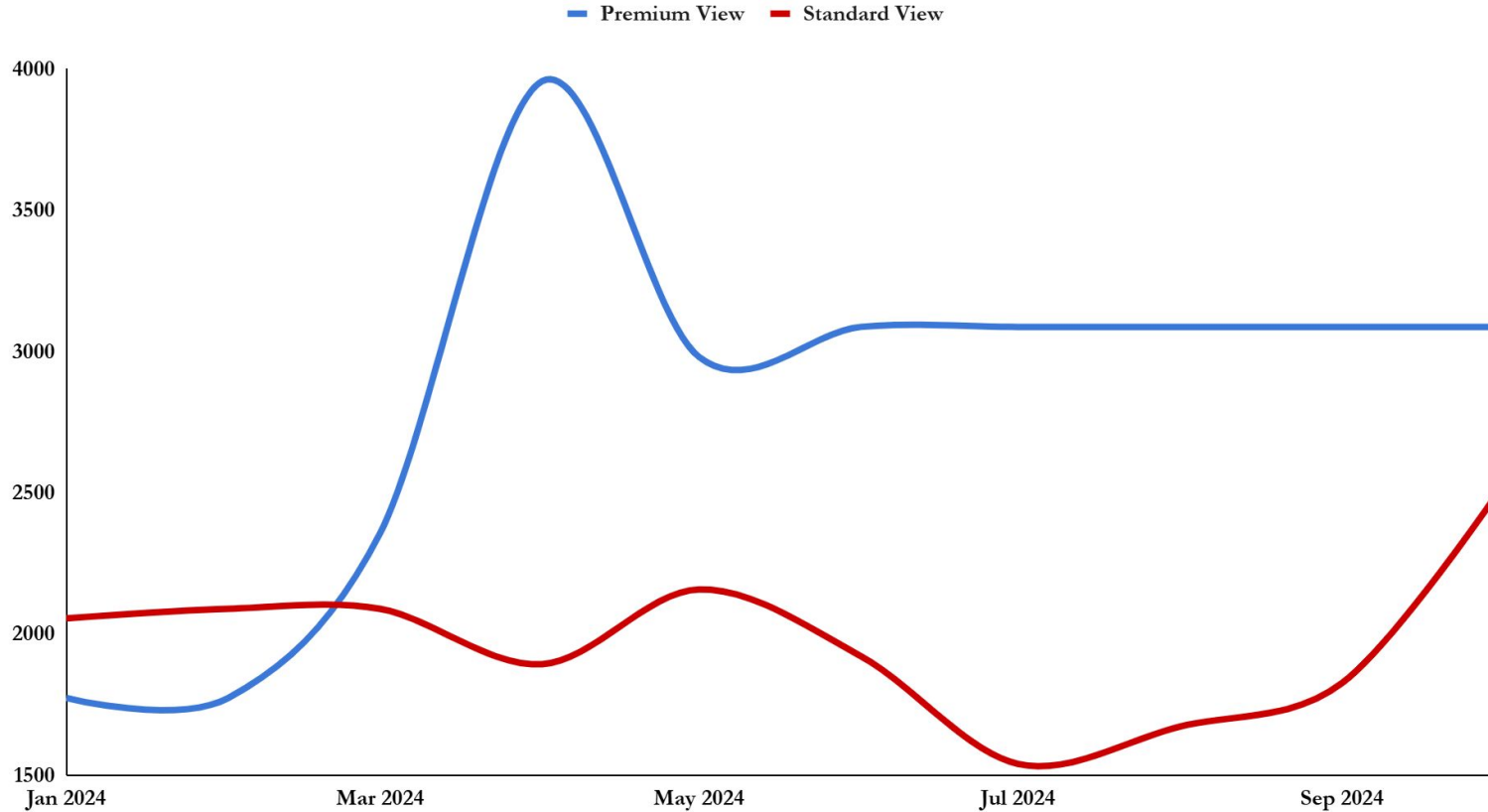
Premium View and Standard View AED/SqFt (The Fairmont Palm North Residences)



A similar story is true of prices in The Fairmont Palm North Residences, albeit even more so. Premium units have sold for 68.83% more on average here, with the price premium rising as high as 97.51% in across July and August.

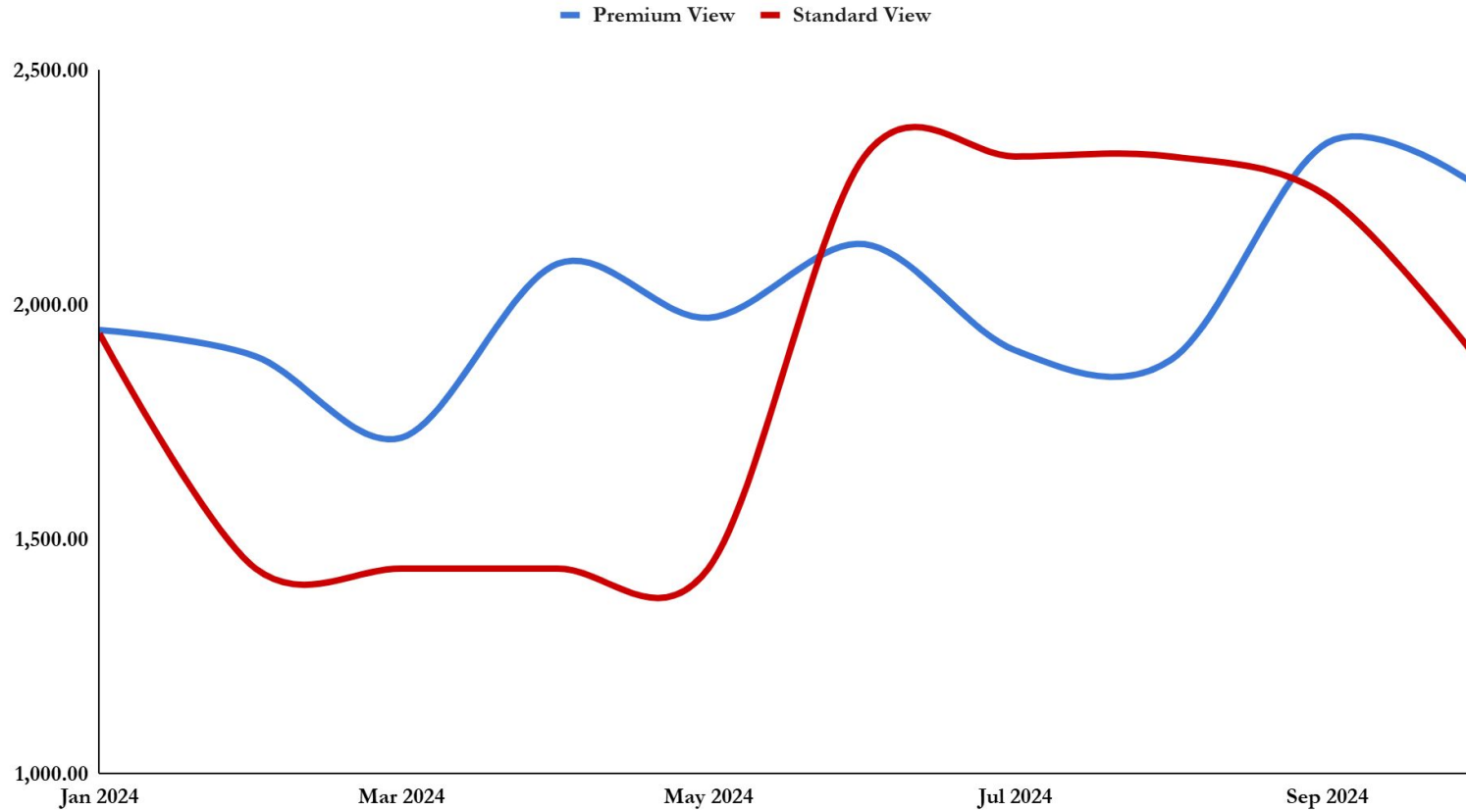
The Fairmont Palm South Residences

Premium View and Standard View AED/SqFt (The Fairmont Palm South Residences)



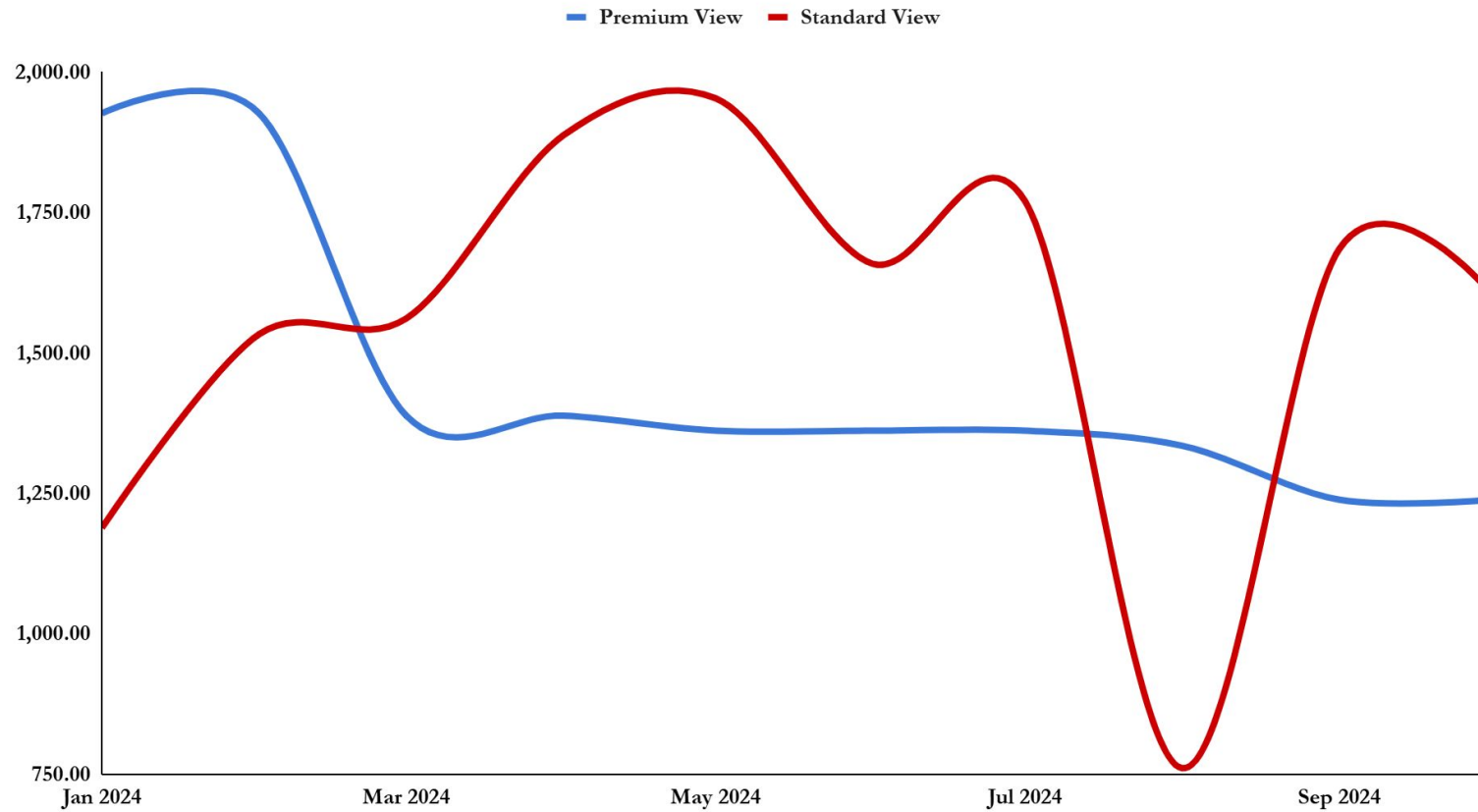
Fittingly, The Fairmont Palm South Residences also exhibits a clear price premium. Despite beginning the year with standard units selling for more, the average price premium for the year has been 47%, and nearly reached 110% in April.

Premium View and Standard View AED/SqFt (Anantara Residences)



Anantara Residences saw prices for standard view units surge between June and August, but still netted a price premium of 11.37% for premium view units across the year.

Premium View and Standard View AED/SqFt (Balqis Residence)



Balqis Residence is Palm Jumeirah's equivalent to Downtown Dubai's Boulevard Central; an exception whose data suggests that there is virtually no price premium. The average price differential this year has been 0.51% in favor of the premium view units, but this is likely due to the price crash for standard view units in August.

Conclusions

Community Trends

At the community level, Downtown Dubai has seen premium view units sell for 30% more on average this year. Palm Jumeirah has exhibited a slightly higher price premium of 32.33%, likely owing to some of its constituent properties demonstrating higher intra-building price differentials.

Intra-Building Analysis

Looking at intra-building price differentials for buildings that have multiple views reveals a mixed bag. While in the aggregate there does exist a price premium for views, this has fluctuated at the individual building level in a way that does not show up in the community-level data.

Conclusion

On balance, the majority of the data suggests that there is a price premium placed on views in Downtown Dubai and Palm Jumeirah. Being that these are two communities that contribute significantly to Dubai's overall property market, it stands to reason that the trends observed here should, for the most part, hold in other communities. Instances of subversion from the general trend can be attributed to data anomalies, market inefficiencies and renovations (which stems from the current inability to see the age of a build accurately reflected in the data). As this analysis becomes more widespread and the data improves, we can expect these factors be controlled for to allow for a greater explication of this phenomenon.

Palm Jumeirah has tended to see more dramatic price premiums than Downtown Dubai, with monthly average price differentials rising as high as 109.23% in the most extreme case (The Fairmont Palm South Residences in April).

This year, Palm Jumeirah and Downtown Dubai have been responsible for a combined 5,681 ready sales, which alone accounts for 7.6% of Dubai's ready property market.



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purpose.”**

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