



Dubai Residential

The Two Towers

Evaluating the Effects of Landmark Buildings Within Communities

Executive Summary

- **Jumeirah Lake Towers Analysis**

Despite being one of Dubai's (relatively) older communities, sales figures show that there is still a healthy appetite in both the residential and office market in Jumeirah Lake Towers (JLT) over the past 13 and a half months. While average community prices look to be stagnant and possibly declining (if the current short-term trend since August 2024 continues), the emergence of Uptown Tower as a landmark building for the community looks to be a force that will drag the rest of JLT up with it (so to speak).

- **Jumeirah Village Circle Analysis**

Jumeirah Village Circle (JVC) is often touted as one of Dubai's best-performing communities, especially post-COVID. However, its own landmark building in FIVE JVC exhibits the inverse relationship to its community relative to the one we observe with Uptown Tower in JLT, both in terms of sales volumes and prices (again, over the last 13 months). Undoubtedly, this is attributable to a myriad of factors, the most obvious being the age of the building. Nonetheless, it is an interesting example to contrast with Uptown Tower and JLT to highlight the lack of uniformity in the relationship between a community and what is considered to be its landmark building.



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Jumeirah Lake Towers Analysis

"The end of a melody is not its goal."

- Friedrich Nietzsche



JLT Community Sales

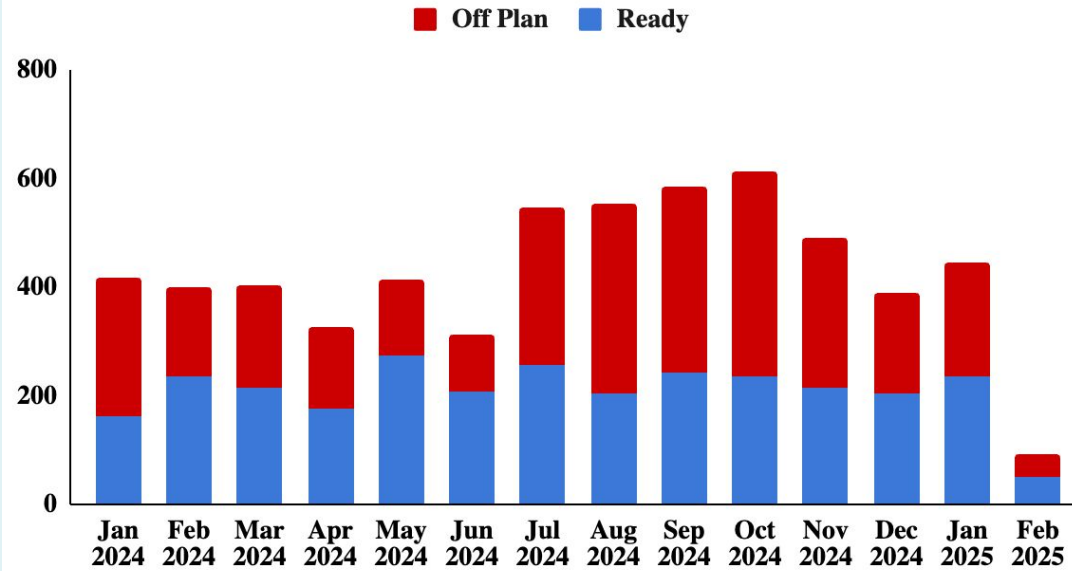
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Looking at JLT apartments, we can see that there is a relatively even split between off plan and ready sales. In the time frame included here (January 2024 to February 2025 so far), off plan sales have the slight edge, constituting 51.44% of all apartment sales within the community.

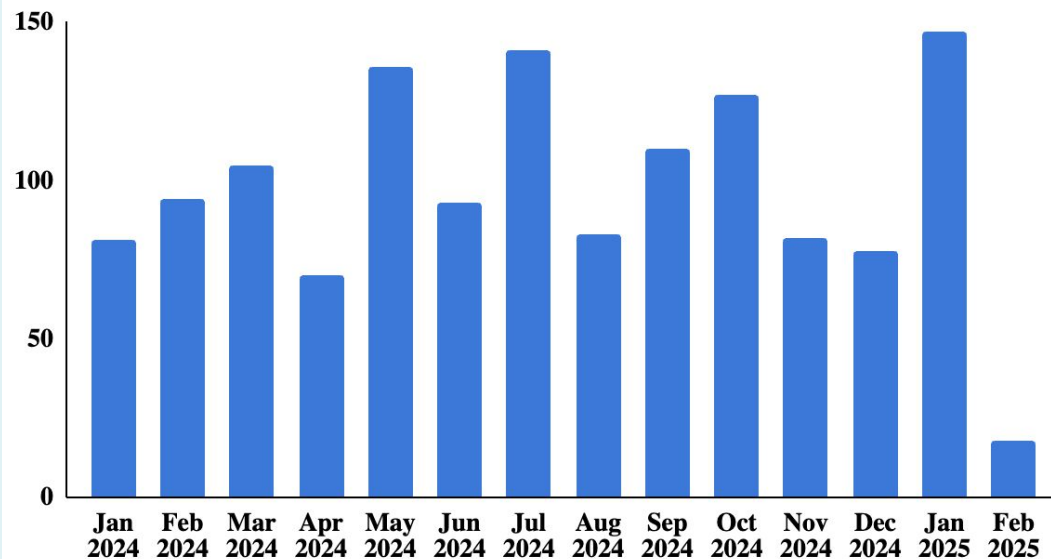
JLT offices sales have demonstrated that there is still healthy appetite for office space in one of Dubai's older communities, even in the face of competition from more modern office-oriented communities like DIFC. Indeed, JLT over the last 13 and a half months has consistently seen in excess of 50 monthly office sales, and averages nearly 104 monthly sales for the time frame included here.

JLT Apartments Sales Volume

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JLT Office Sales Volume



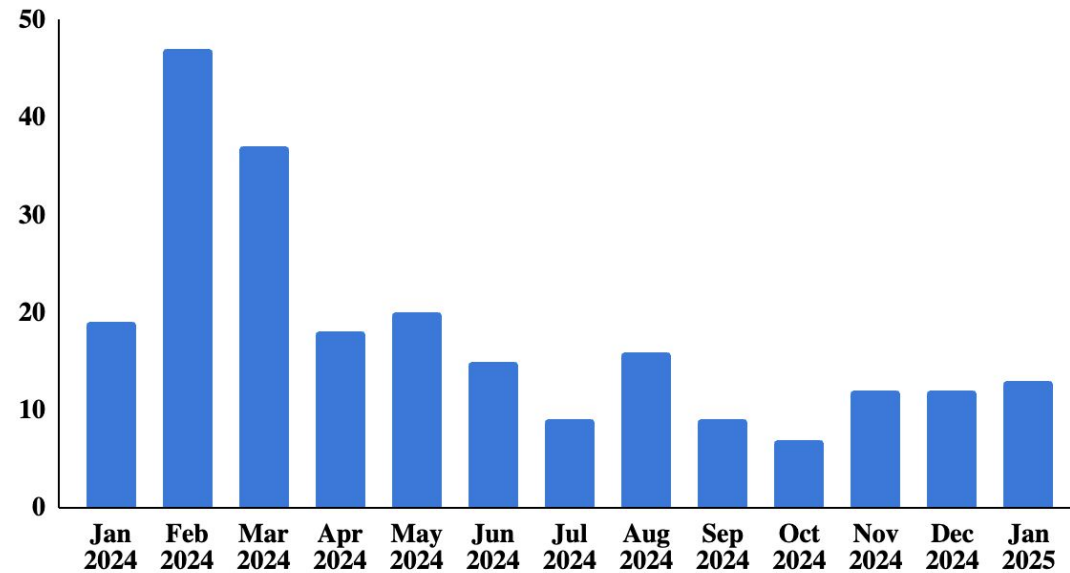
Uptown Tower Sales

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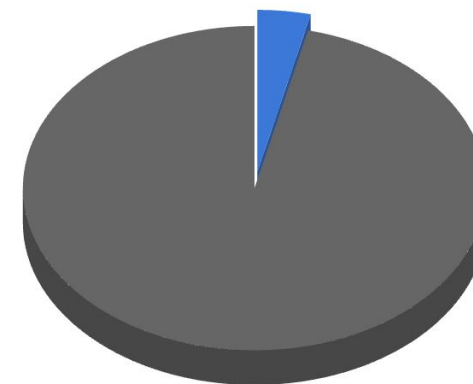
However, much of the impressive sales figures for JLT is likely due to the emergence of newer buildings, and in particular Uptown Tower which has emerged as a new landmark for JLT. Indeed, as the first graph on the right shows, Uptown Tower has seen a drop off in apartment sales following a spike in February and March, but since then has been relatively consistent in terms of its sales volume figures. As we will discuss in the next slide, there is likely a price-related reason for this consistency being in low figures.

As the second chart shows, despite being relatively new, Uptown Tower has already managed to make an impact in the overall office supply for JLT. As of the time of writing, Uptown Tower comprises 3.7% of JLT's community-wide completed office GLA.

Uptown Tower Apartment Sales Volume REIDIN

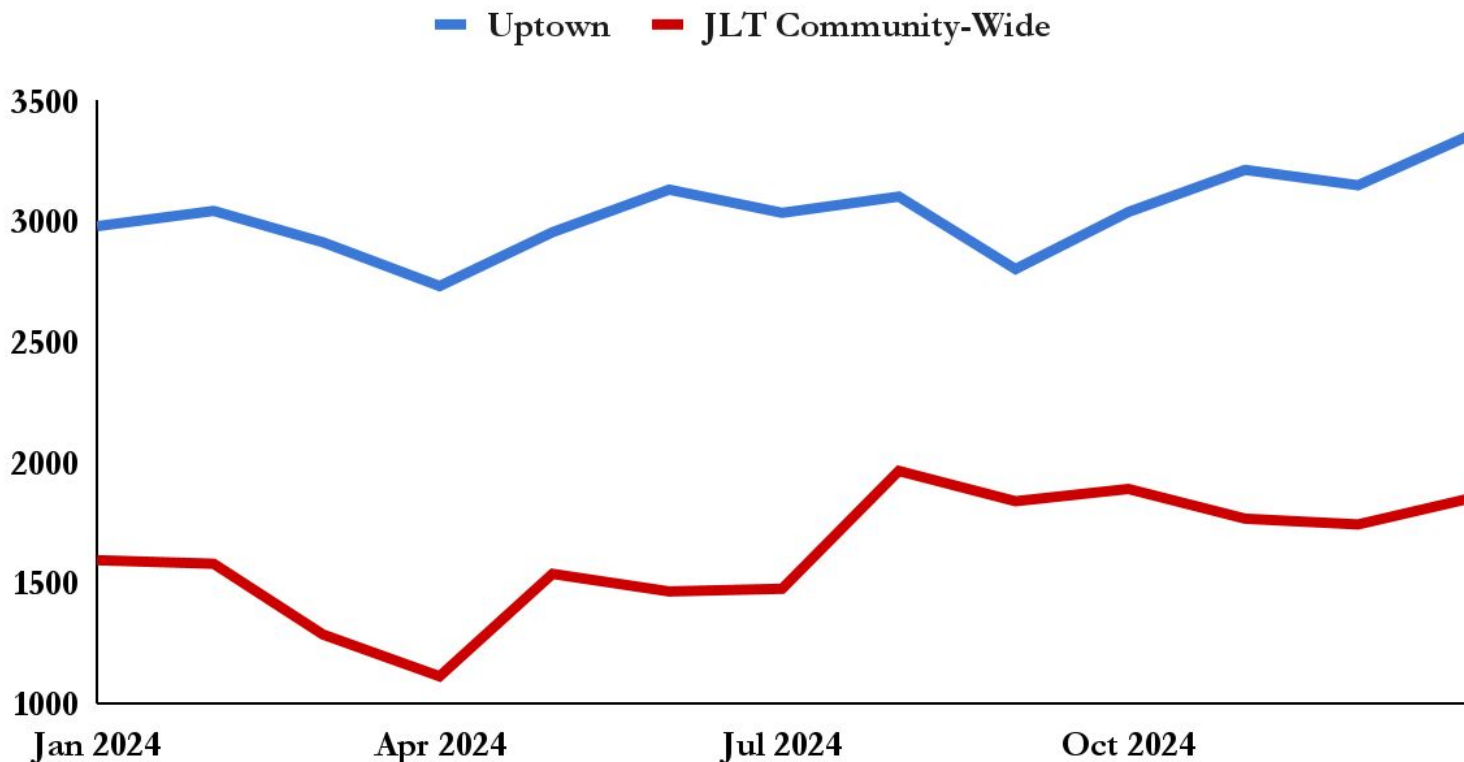


JLT Completed Office GLA Supply



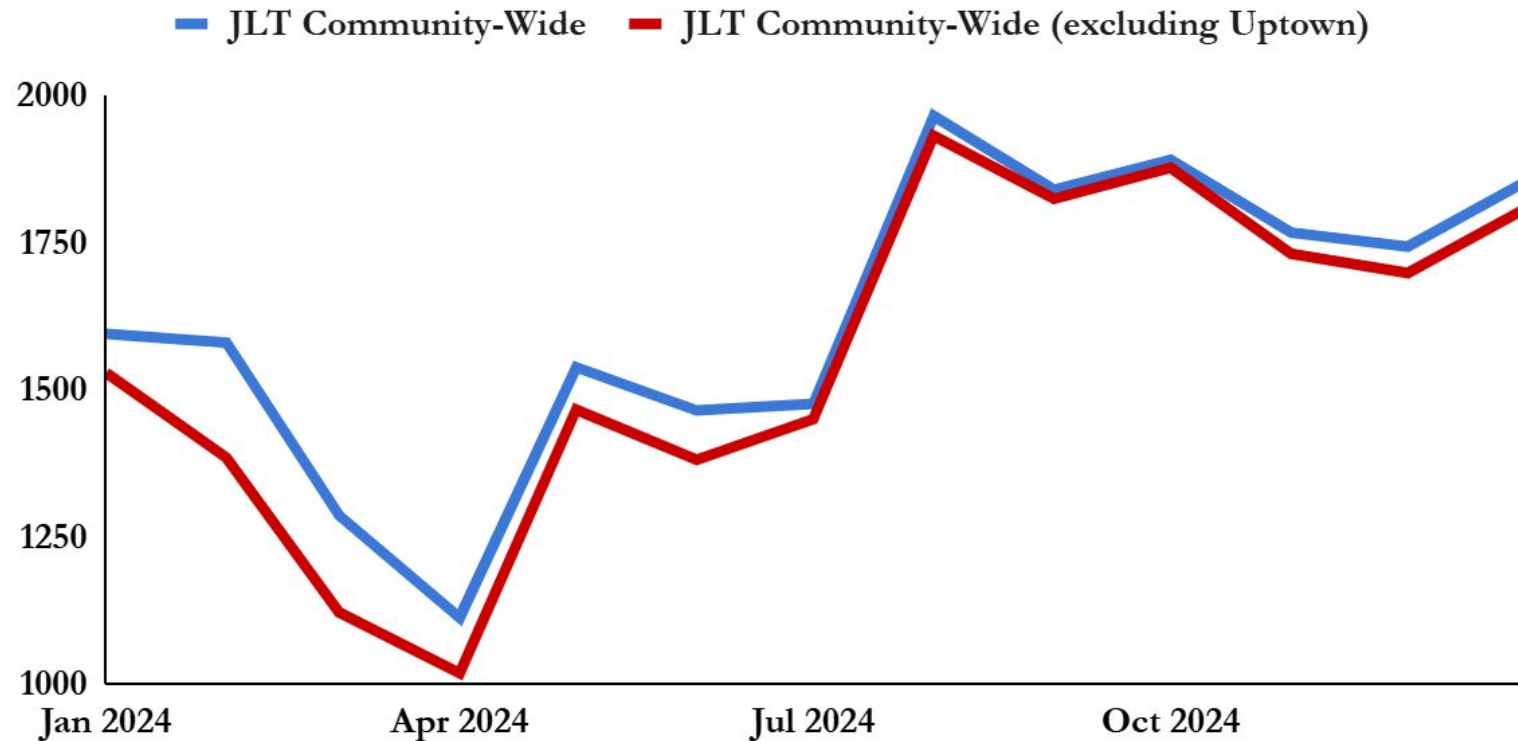
● Uptown Tower ● Rest of JLT

Uptown Tower vs JLT Average Apartment Sales Price



As mentioned in the previous slide, there is a reason that Uptown Tower's apartment sales have been consistent but low, which is likely the one demonstrated in the chart above. For the time frame included, Uptown Tower has commanded a 95.38% price premium (on average) relative to JLT's community-wide average sales price. Especially noteworthy is the fact that Uptown Tower's prices are trending upwards, having risen by 12.97% over the past 13 months, while JLT's overall community-wide prices have actually declined by 5.57% since their 13-month peak in August 2024.

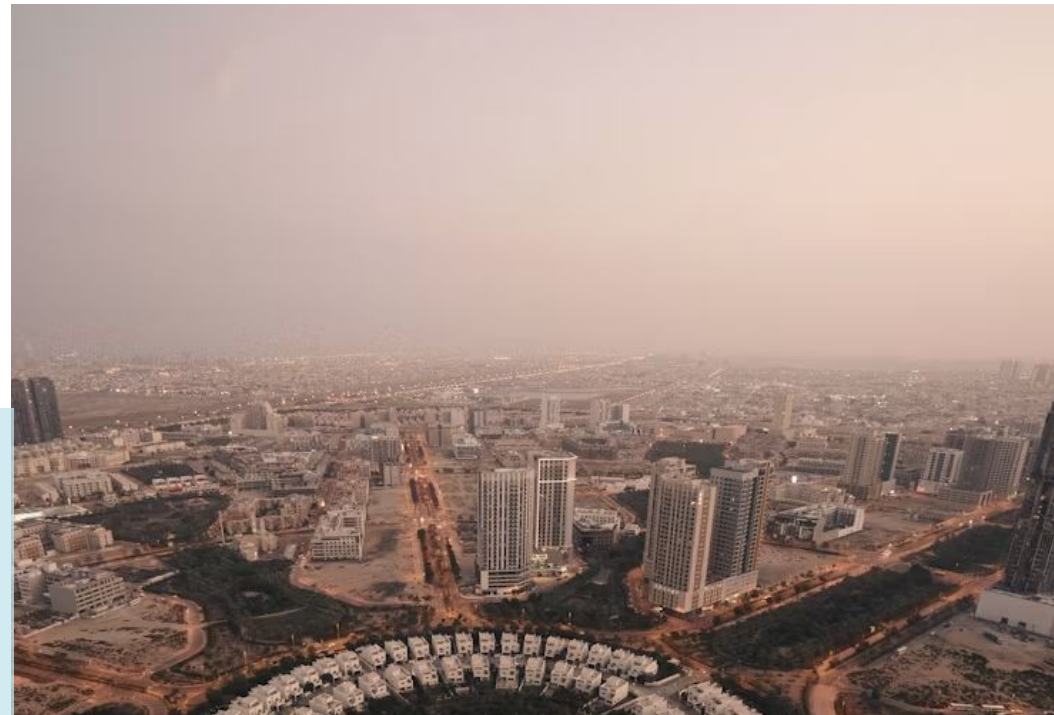
JLT Apartments Sales Price (AED/SqFt) - With and Without Uptown Tower



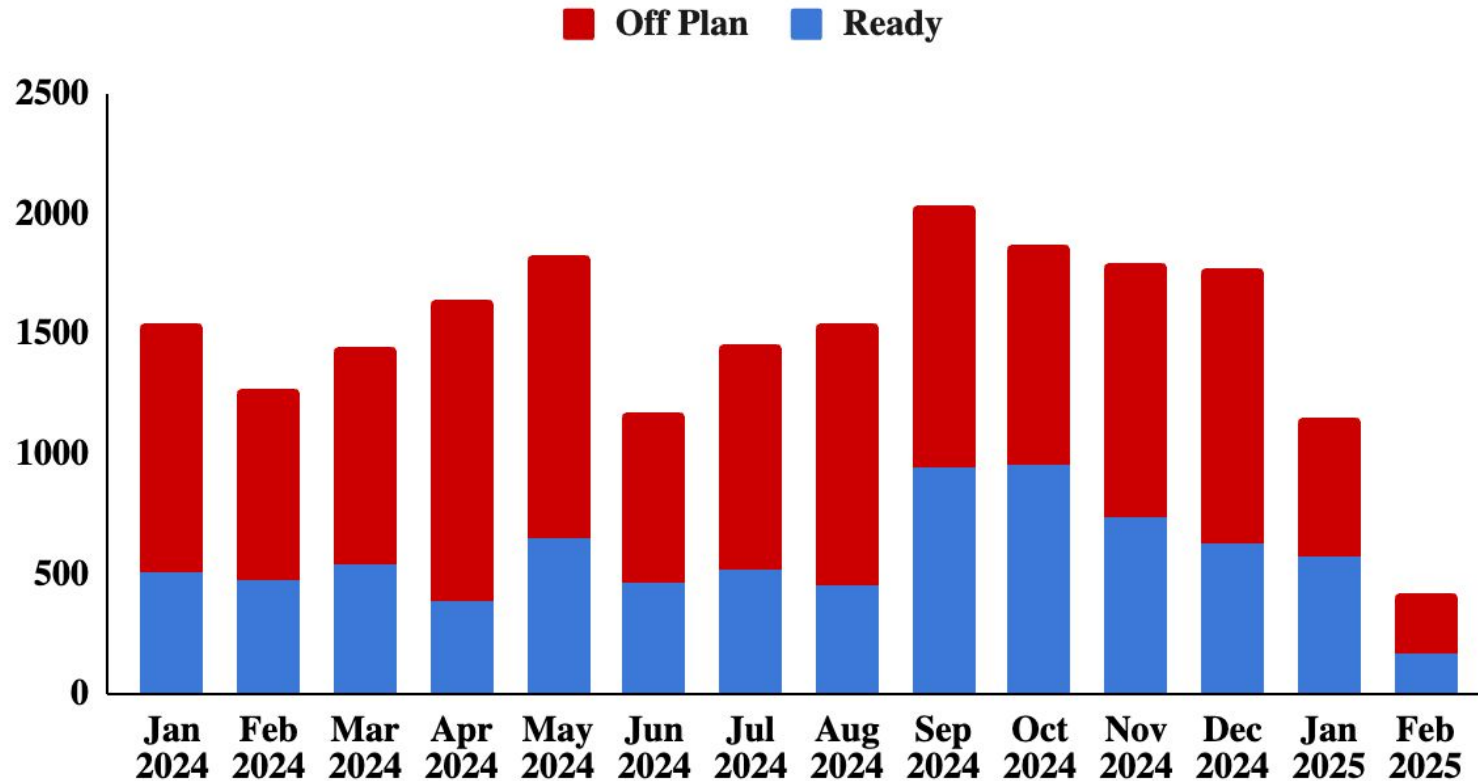
As the chart above shows, Uptown Tower is clearly having an uplifting effect on the community-wide average sales prices of JLT apartments. On average, over the past 13 months, JLT's community-wide average sales price is 5.06% lower if Uptown Tower's data is excluded. While this might not seem all that significant, it is worth noting that Uptown Tower only makes up 3.91% of JLT's community-wide sales volume for the period.

Jumeirah Village Circle Analysis

**“Patience is the strength of the weak,
impatience is the weakness of the strong.”**
– Immanuel Kant

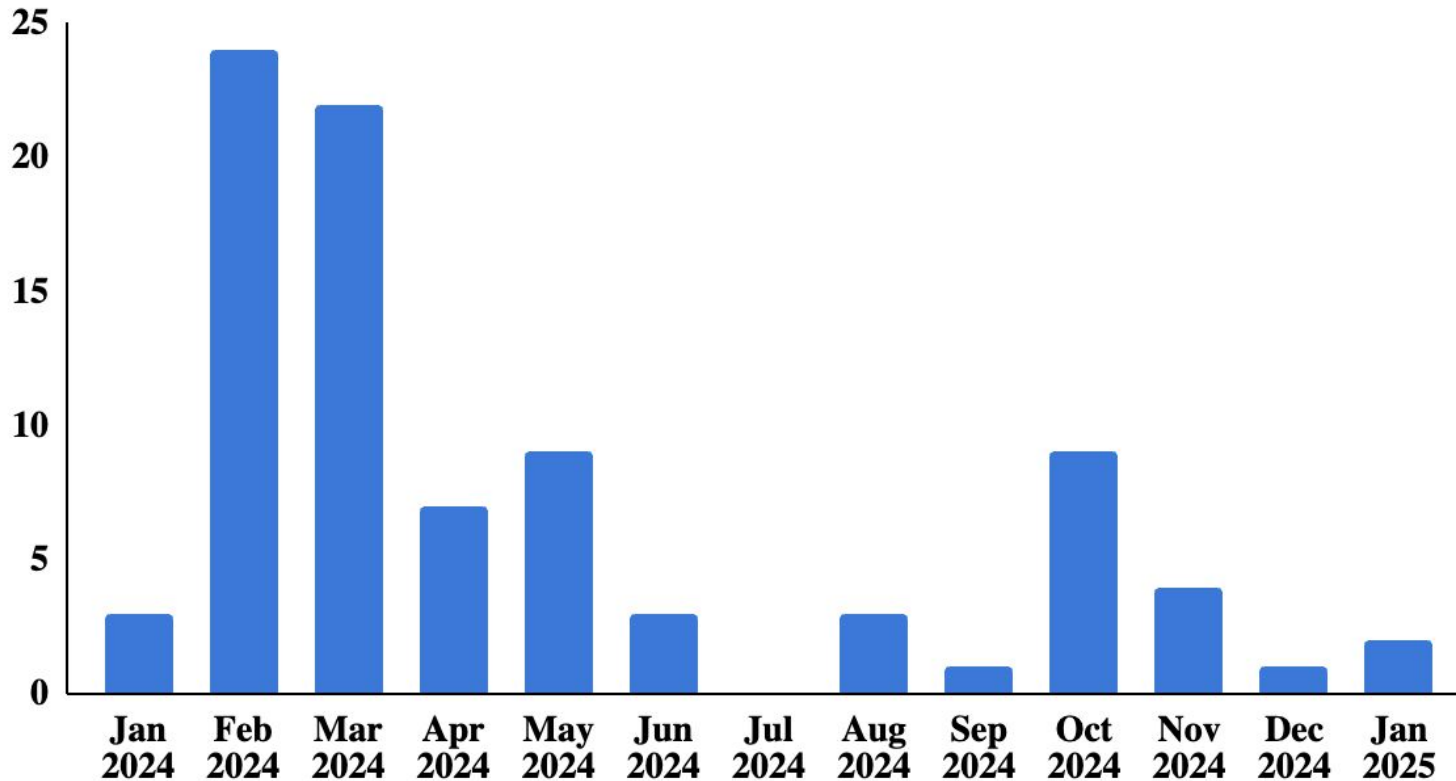


JVC Apartments Sales Volume



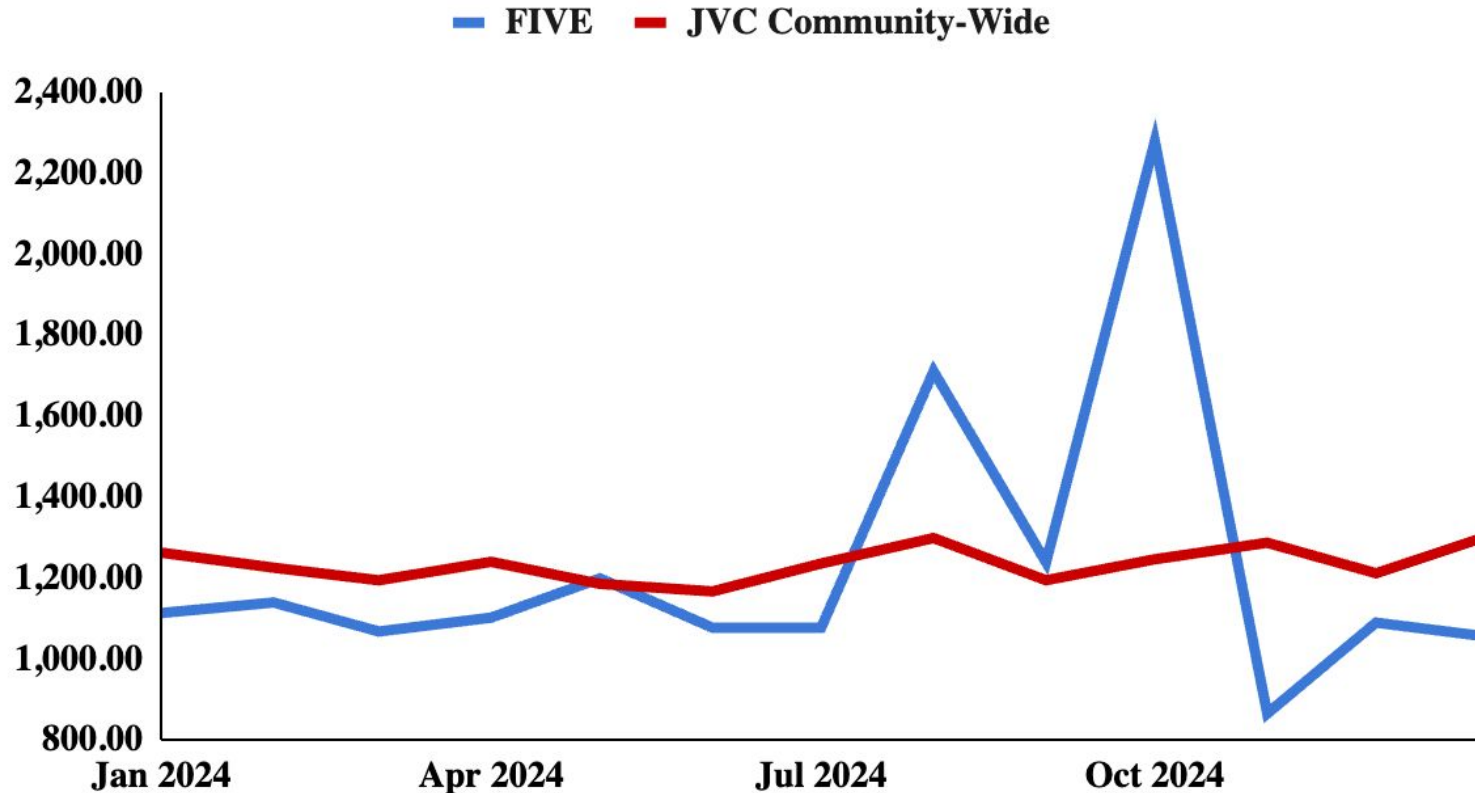
Unlike JLT, JVC is an example of a community wherein residential sales are far more skewed towards off plan than ready. In fact, for the thirteen and a half month considered here, off plan sales constituted 61.78% of all apartment sales in JVC, with their lowest month (proportionately) coming in October 2024 where they accounted for 49.17% of community-wide apartment sales.

FIVE JVC Apartment Sales Volume



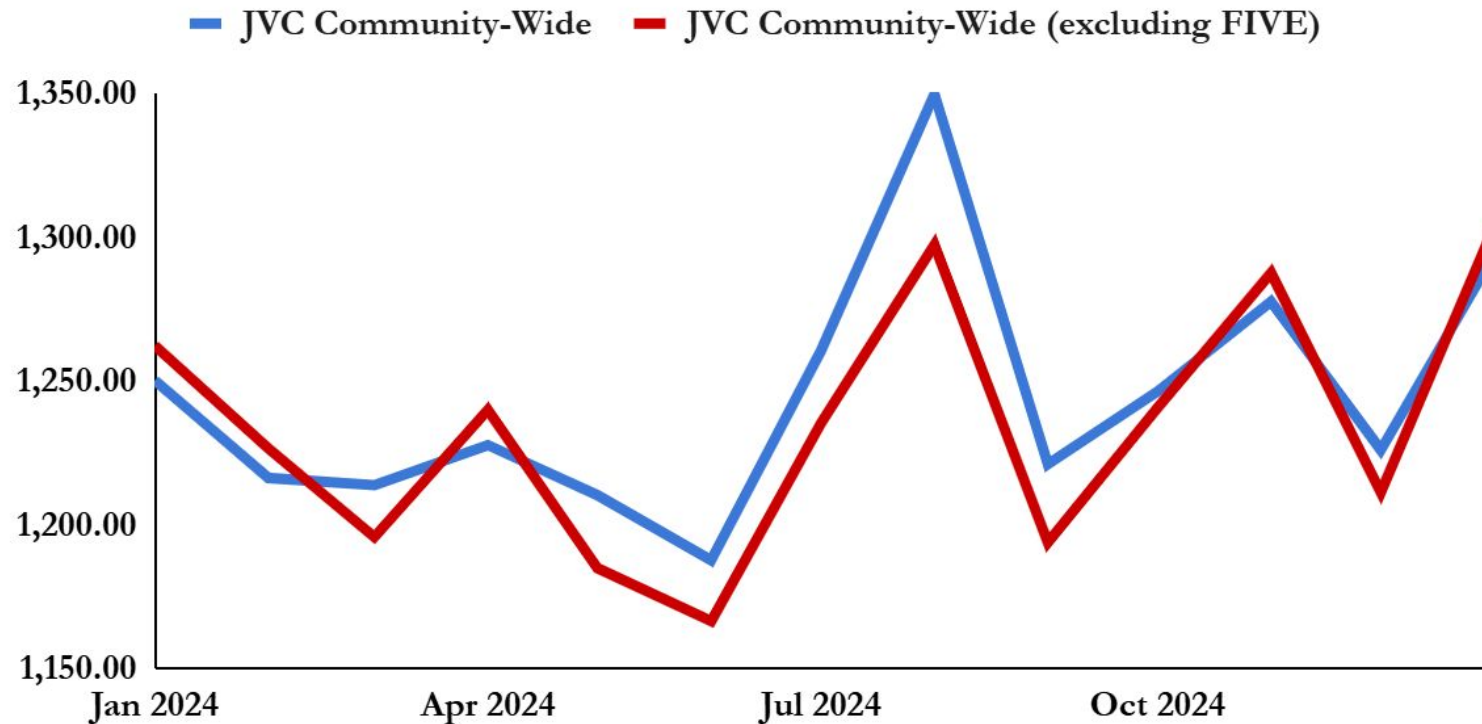
JVC also has a landmark tower in FIVE. Although the exact nature of the building's composition is slightly different (in that FIVE is split between apartments and hotel rooms while Uptown is split between apartments and offices), the two are comparable in their landmark status, as well as the fact that they have a significant quantity of apartments available. While FIVE also saw the spike in sales in February and March that Uptown did, that is where the similarities end - FIVE's sales have been highly inconsistent, and the building has not had a single month with over 10 sales since March 2024.

FIVE JVC vs JVC Community-Wide Average Apartment Prices



Also seen in the graph above here is that FIVE's sales prices have not been consistently higher or lower than the general JVC community-wide prices to a significant extent. There is no discernable relationship between FIVE's and JVC's prices that can clearly be determined over the past thirteen months in the same way that can be ascertained for Uptown and JLT.

JVC Apartments Sales Price (AED/SqFt) - With and Without FIVE



The graph above only further highlights the point made in the previous slide. Over the past 13 months, there is virtually no difference between JVC's community wide prices with and without the inclusion of FIVE's sales data. Taking an average of the monthly discrepancies between the two nets a difference of less than 1%, proving that FIVE has tended to generally sell closely around JVC's community average price.

Conclusions

Jumeirah Lake Towers Analysis

JLT, despite being one of Dubai's older and more established communities, has seen healthy demand for both residential as well as office offerings over the past thirteen and a half months, even in the face of competition from newer communities. However, the emergence of Uptown Tower looks to be a shot of adrenaline for a community that may potentially be stagnating (based on the declining trend in apartment prices since August 2024).

Jumeirah Village Circle Analysis

By contrast, JVC has been an incontrovertible success story, especially post-COVID, and has been arguably Dubai's best performing community (certainly so in the mid-market). However, this success does not seem to be attributable to its own landmark in FIVE JVC - at least, not over the last 13 months. While overall (average) community apartment sales prices have increased by 13 months over the period, FIVE JVC's prices have actually declined by 5.27% over the same timeframe.

Over the past 13 months, Uptown Tower's monthly average sales price (in AED per square foot) has exceeded JLT's community-wide prices by an average of 90.7%. By contrast, FIVE's prices have been 0.28% lower than JVC's community wide average prices.

Conclusion

The two towers in JLT's Uptown and JVC's FIVE serve to highlight two polar opposite examples of the effects a landmark building can have on its community's performance. Uptown Tower looks to expand upon JLT's variety of residential and office offerings, perhaps catering more towards the premium end of the market. By contrast, FIVE JVC looks to be indistinguishable from the community around it, having its prices closely oscillating around the community average and turning out inconsistent monthly sales. No doubt some of this discrepancy is due to the newer nature of Uptown Dubai, which inevitably grants it an *a priori* price premium. Nonetheless, the two examples serve to underscore the point that while a landmark building *can* be a major (or *the* major perhaps, although it is too soon to say for Uptown) contributor to its community's success, this does not necessarily have to be the case. In fact, the true value within a given community's offerings may lie elsewhere, in places less scrutinized.



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