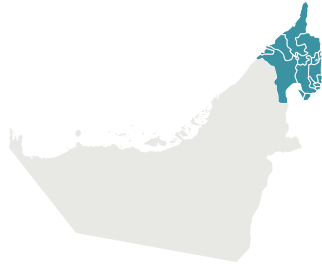


Property Review



Northern Emirates

2015 Cityscape Edition



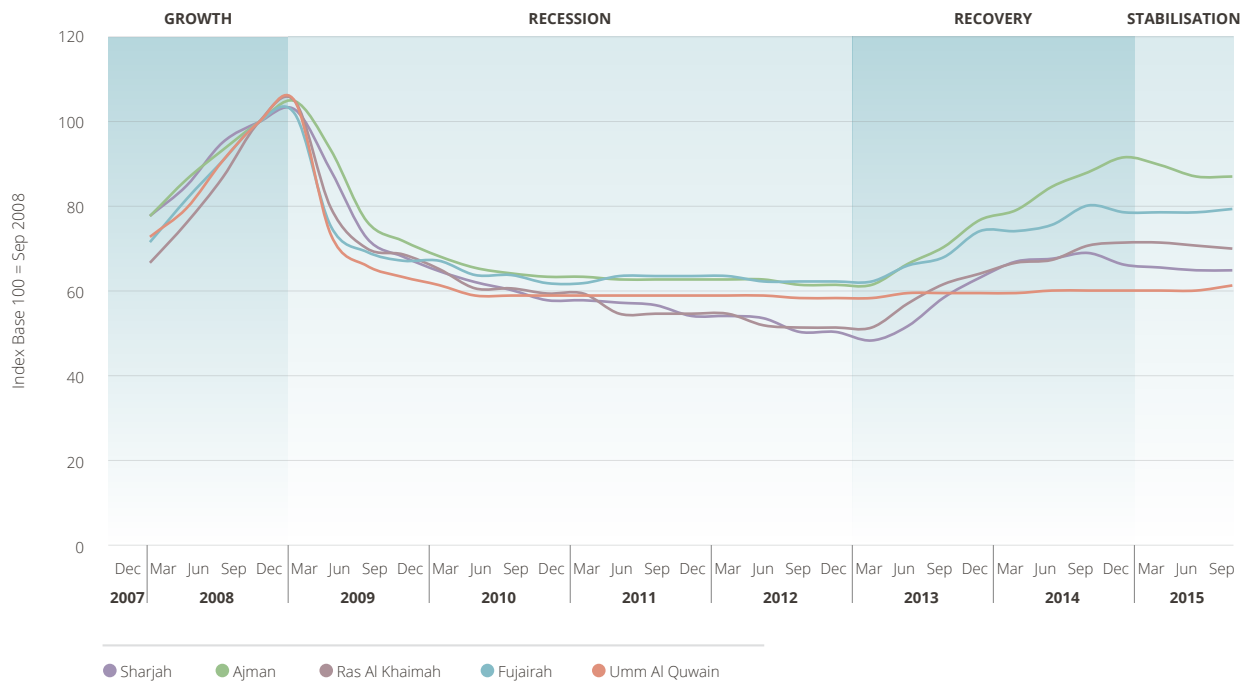
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Northern Emirates Q3 2015

Highlights

- Apartment rental rates in the Northern Emirates saw minimal changes during the quarter. Rents in Ajman, Umm Al Quwain and Sharjah remained stable, whereas in Ras Al Khaimah rental rates declined by 1% over the quarter, on average.
- With substantial improvement works ongoing in Sharjah, such as road connectivity and also the creation of additional tourist and resident attractions, Sharjah is expected to become an increasingly attractive place to live over the next few years, which could help uplift its profile and encourage more residents to live there for the lifestyle and not only for budget considerations.

APARTMENT RENTAL MOVEMENT, SEP 2008 = BASE 100



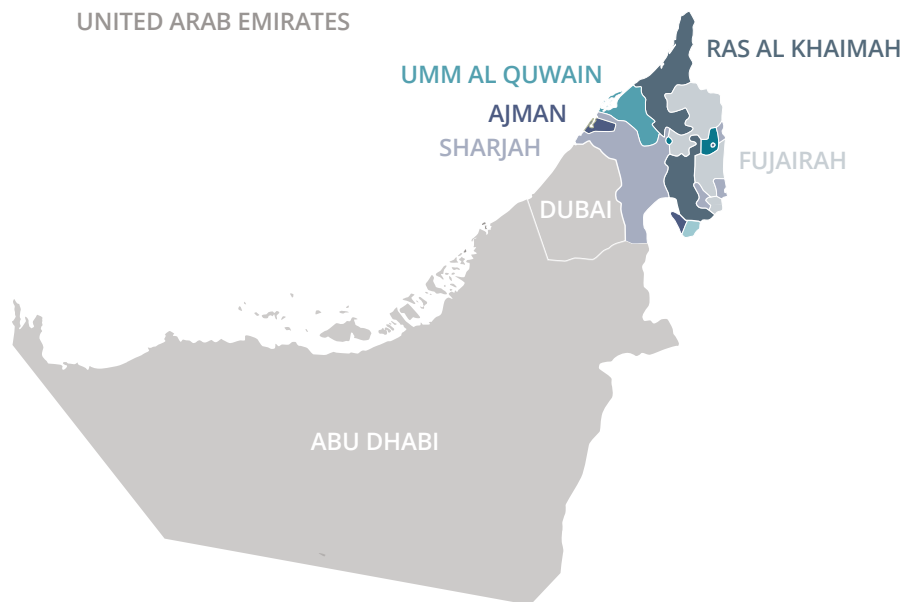
+4% APARTMENT ANNUAL RENTAL GROWTH



Northern Emirates
Apartment rental rates were 4% higher than in Q3 2014.

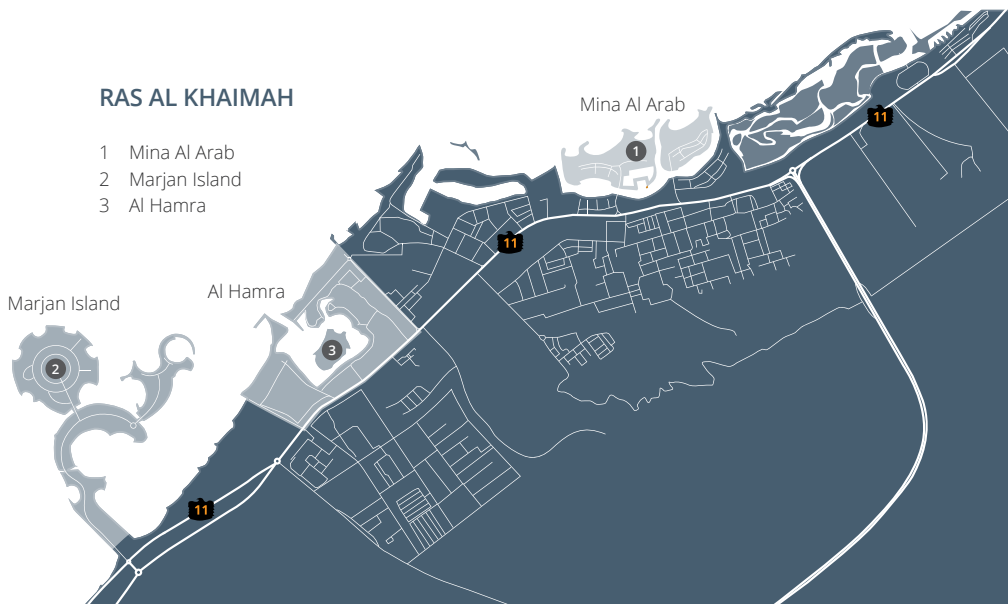
Northern Emirates Area Map

UNITED ARAB EMIRATES



RAS AL KHAIMAH

- 1 Mina Al Arab
- 2 Marjan Island
- 3 Al Hamra



Arabian Gulf

SHARJAH

- 1 Abu Shagara
- 2 Al Khan
- 3 Al Majaz
- 4 Al Nahda
- 5 Al Qasimiyah
- 6 Al Taawun
- 7 Al Wahda
- 8 Corniche / Buhaira
- 9 Khaledia
- 10 King Faisal & King Abdul Aziz Streets



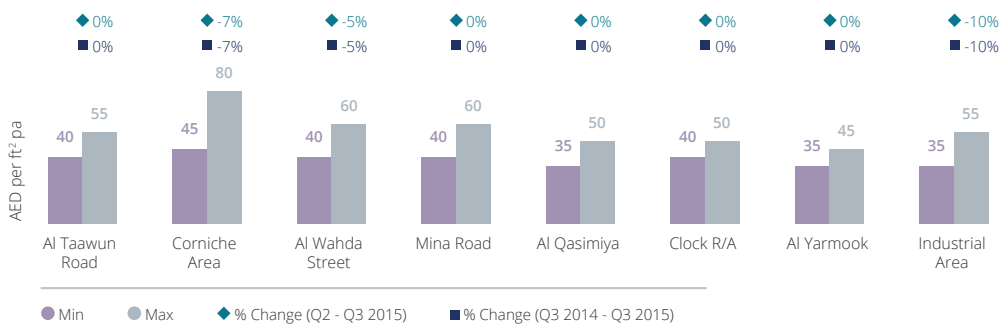
Northern Emirates Rental Rates

Q3 2015

Sharjah

- Apartment rental rates in Sharjah saw no growth during the quarter. Some areas such as Al Majaz, Al Qasimiya and Al Khan, however, recorded a marginal decline as few buildings completed construction and landlords were more competitive by offering one month rent free. This highlights a concern at reducing vacancy levels, which will also favour existing tenants as they come into a stronger negotiating position when renewing current contracts.
- The Sharjah Transportation Authority started an AED 11.4 million roadwork project in the City Centre vicinity, which is expected to reach completion by the end of the year and lead to improved traffic conditions for both Sharjah and Ajman residents commuting to Dubai.
- Sharjah's tourism sector is also developing rapidly with a new five-star Majlis Grand Mercure Sharjah Resort announced recently. The resort will be constructed over an area of 12,000 square meters on the Sharjah Corniche and will comprise a total of 234 rooms. In addition to this project, there are several other initiatives such as the expansion of Majaz Waterfront and the construction of Noor Island which are underway. These projects are consistent with Sharjah Commerce and Tourist Industry's (SCTDA) objective to attract 10 million tourists to Sharjah by 2021. The SCTDA's objective will ultimately enhance the city's overall attractiveness to residents in the medium to long term.
- The Al Zahia Community is nearing completion as 51 villas were handed over, and another 197 units are expected to reach completion by Q2 2016. The project is available on a freehold basis to GCC Nationals whereas Arab expatriates may purchase the properties on a 100-year leasehold basis.

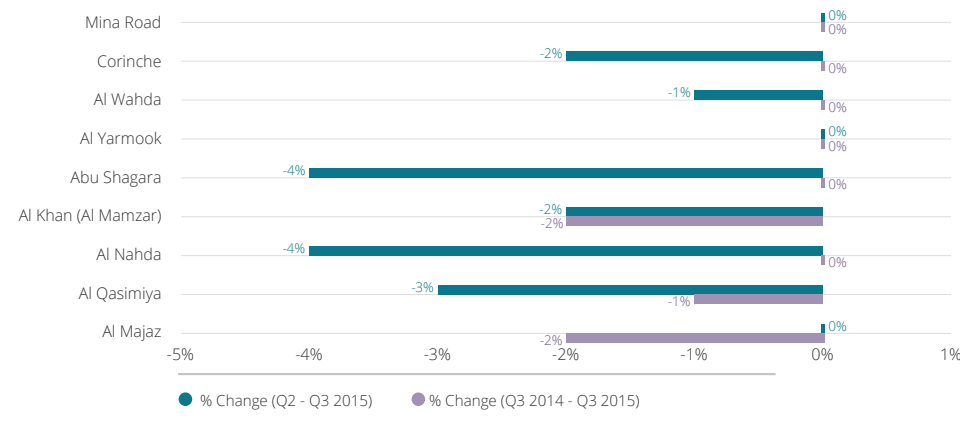
OFFICE RENTAL RATES



SHARJAH APARTMENT RENTAL RATES

Apartment Rental Rates (AED 000's pa)	Studio		1BR		2BR		3BR	
	Min	Max	Min	Max	Min	Max	Min	Max
Al Majaz	25	35	35	45	40	70	50	85
Al Qasimiya	24	28	30	36	38	45	48	65
Al Nahda	30	35	37	43	45	65	55	85
Al Khan (Al Mamzar)	25	35	35	42	45	60	60	85
Abu Shagara	22	28	28	35	36	46	48	60
Al Yarmook	15	22	24	28	23	32	40	55
Al Wahda	22	32	28	50	48	65	45	85
Corniche	25	35	40	50	48	80	60	95
Mina Road	20	28	28	40	32	45	45	60

SHARJAH APARTMENT RENTAL RATES MOVEMENT BY AREA



Ajman

- Apartment rental rates in Ajman were 3% higher compared with the same period last year, but remained stable over the last three months. The increase over the year was due to the release of new and better quality supply, such as Ajman Pearl in 2015, rather than an increase in rental rates of existing buildings. As such, a mid-quality three- bedroom apartment was rented out for a maximum of AED 65,000 per annum in Q3 2015, whereas last year, the best available standard property was leased for a maximum of AED 55,000.
- The G+38 Lavender Tower was handed over in April 2015 and was the first tower in Emirates City ready for occupation. Emirates City is a five million square feet freehold community located south of Sheikh Mohammed Bin Zayed Road (E311). Rental take-up at Lavender Tower was strong, with most one-bedroom units leased out and a few two- and three-bedroom units were still available. The strong take-up was due to the offering being newer than other developments in Ajman, good connectivity to Dubai (due to proximity to E311 and E611 highways), and lower rental rates that averaged at AED 30,000, AED 36,000 and AED 48,000 for one-, two- and three-bedroom apartments respectively. From an investment perspective, units were available from as low as AED 325 per square foot for cash buyers and AED 360 per square foot with a payment plan of 50% upon signing and 50% due in installments over the next 18 months. With service charge estimated at AED 5 per square foot, the net yields average at close to 7.9% for a one-bedroom unit.

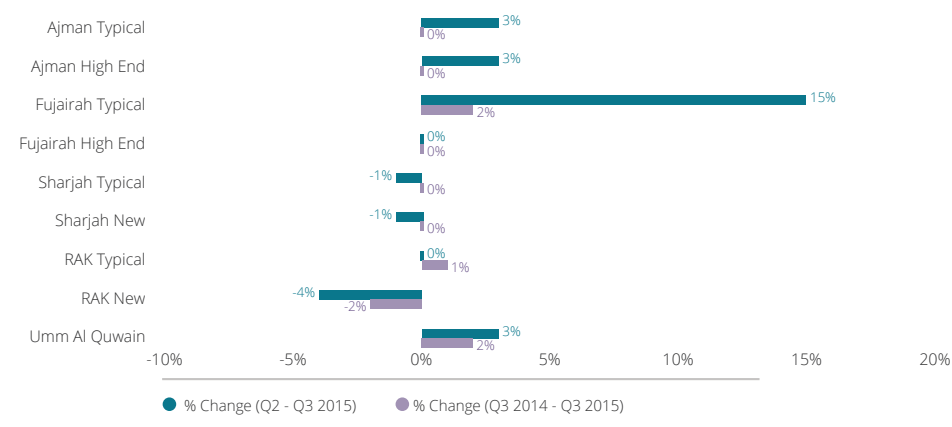
Fujairah, Ras Al Khaimah & Umm Al Quwain

- Rental rates in Fujairah remained broadly stable this quarter. However, it appeared that there was a shortage of high quality units in Fujairah, as the best quality developments in the city are close to full and have a waiting list.
- The Umm Al Quwain apartment market witnessed slight rental increases this quarter, by 2% on average. In addition, it appears that the Mistral Villas by Emaar, delivered in 2013, had good occupancy levels and remained popular. Rental rates in Q3 for a quality three-bedroom villa was AED 120,000, on average. Whilst few facilities are available in Umm Al Quwain itself, the emirate is within a short drive to Ras Al Khaimah's numerous hotels and malls, most notably the Rixos on Marjan Island and the popular Waldorf Astoria Hotel.

NORTHERN EMIRATES APARTMENT RENTAL RATES

Apartment Rental Rates (AED 000's pa)	Studio		1BR		2BR		3BR	
	Min	Max	Min	Max	Min	Max	Min	Max
Ajman Typical	16	22	22	30	25	35	40	45
Ajman New	22	30	26	40	33	45	48	65
Fujairah Typical	18	30	30	40	30	58	45	60
Fujairah High End	-	-	45	55	55	62	75	82
Sharjah Typical	15	28	25	40	23	48	38	65
Sharjah New	22	35	28	50	35	80	45	95
RAK Typical	20	30	25	40	30	50	40	60
RAK New	25	35	35	55	50	65	85	120
Umm Al Quwain	18	20	20	26	28	32	35	45

NORTHERN EMIRATES APARTMENT RENTAL RATES MOVEMENT BY AREA



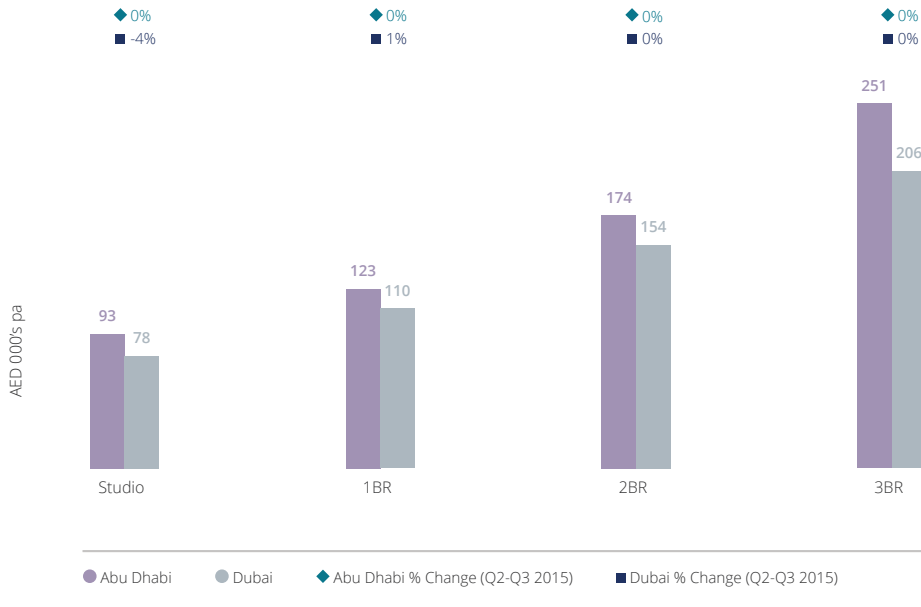
UAE Comparison

Q3 2015

RESIDENTIAL RENTAL RATES

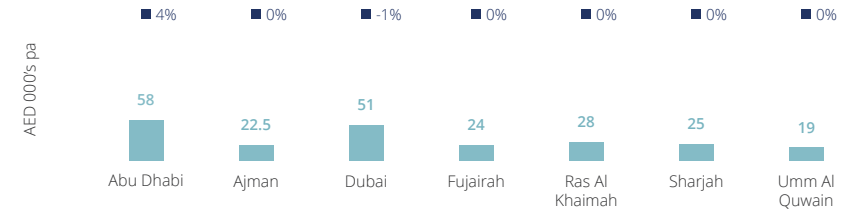
- Whilst apartment rental rates saw minimal changes over the quarter throughout all of the Emirates, Abu Dhabi still continued to achieve the highest rental rates compared with Dubai, Sharjah and the rest of the Northern Emirates. On average, one bedroom apartments at the high end in Abu Dhabi could be let for AED 123,000 per annum, whereas in Dubai the rent stood at approximately AED 110,000 per annum as at Q3 2015.
- Sharjah continues to remain relatively attractive for tenants on a budget as rental rates for comparable affordable to mid-market properties are typically leased for approximately half the price than in Dubai. For instance, a studio in Sharjah was let for AED 26,000 per annum, on average, compared with AED 52,000 in Dubai. As long as this differential remains, Sharjah is expected to retain a number of residents, especially as future road works and efforts to improve the Emirate's attractiveness come to fruition.

AVERAGE HIGH END AND LUXURY APARTMENT RENT COMPARISON

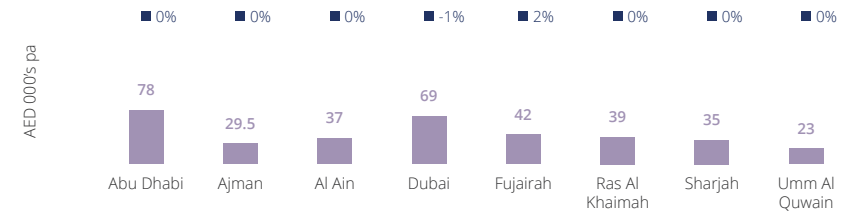


AFFORDABLE TO MID-MARKET APARTMENT RENT COMPARISON

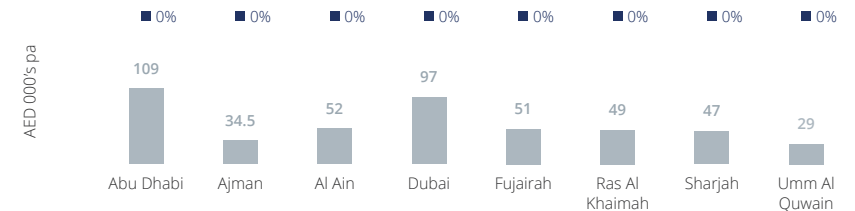
STUDIO



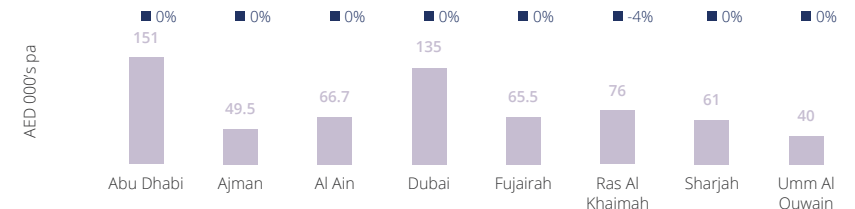
1BR



2BR



3BR

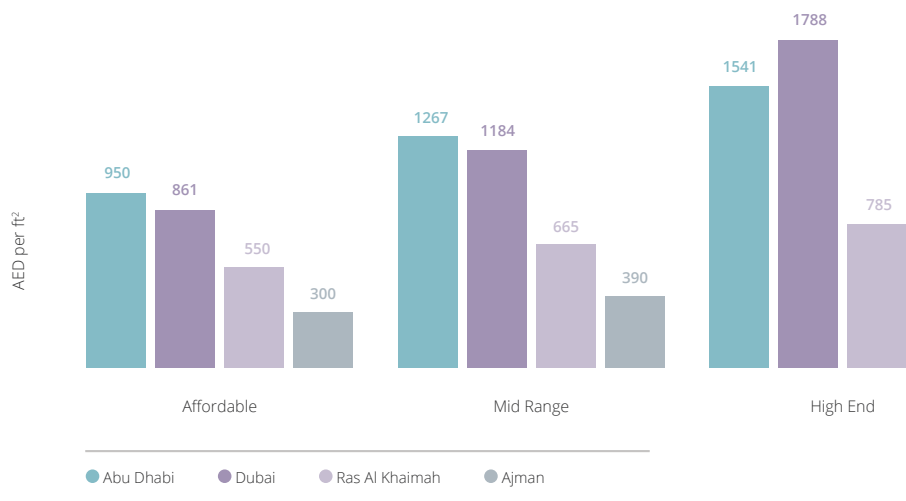


The following charts illustrate average sales prices and office rental rates throughout the various emirates.

APARTMENT SALES PRICE COMPARISON

- Sales prices in Abu Dhabi's only affordable community, Al Reef Downtown, have dropped this quarter in order to be better aligned with buyer's affordable property budgets. Despite this reduction, Abu Dhabi remained a relatively expensive emirate to purchase property for lower income residents as rates reached nearly AED 100 per square foot higher than in neighbouring Dubai.
- With the release of Hydra Avenue on Reem Island, where rates started from as low as AED 1,100 per square foot, mid-end properties in Abu Dhabi have come down by 3% over the quarter, nearly closing the gap with Dubai.
- Ajman is by far the cheapest emirate to purchase property in as cash buyers secured deals at AED 325 per square foot in the recently handed over Lavender Tower in Emirates City.
- Regardless of a minor reduction over the quarter, Dubai remains the most expensive emirate, due to a large selection of premium properties available in areas such as Downtown Dubai, Palm Jumeirah and Dubai Marina.

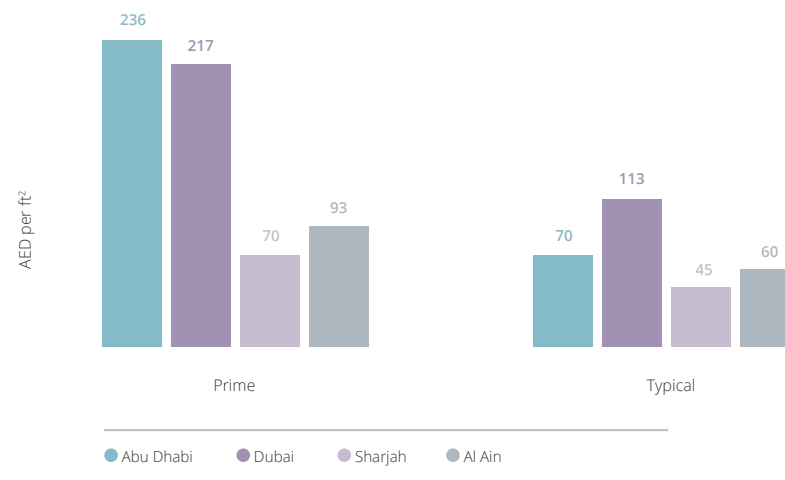
APARTMENT SALES PRICE COMPARISON



OFFICE RENTAL COMPARISON

- Despite Abu Dhabi being the capital of the UAE, the Dubai office sector is, generally speaking, better developed due to a large supply of prime office space highly sought after by large corporations and multinationals, in both free zone and non-free zone areas.
- Abu Dhabi Global Markets has, however, recently announced the free zone status of Al Maryah Island, consequently raising and achieving rates of up to AED 325 per square foot – representing an increase of nearly 50% compared with pre-Free Zone rates. As a result, the average prime office rates in Abu Dhabi now stand at AED 236 per square foot, if including the Free Zone space, higher than in Dubai. Other non-Free Zone Grade A space in the Capital, however, stands at AED 160 per square foot on average.
- Sharjah features no true Grade A office space; whilst Al Ain has seen a recent addition of offices at the Al Ain Stadium development, which are now the best available office space in the city. These offices achieved rates of close to AED 95 per square foot, 35% higher than average rates in the city.

OFFICE RENTAL RATE COMPARISON



Global Outlook August 2015



OXFORD
ECONOMICS

Oil slumps again – good news or bad news?

- Oil prices have dropped from over US\$70 per barrel in May to around US\$54 per barrel to date, the lowest level since March. The available evidence suggests supply factors are important in the latest move which would be positive for world growth. But there is some evidence of demand effects being present too – at least concerns about future demand – so it is not all good news.
- The recent oil price slump has coincided with a further strong rise in global supply, especially from OPEC countries. If oil prices were to remain at around US\$54/barrel until end-2016 our modeling suggests this might add 0.2-0.4% to advanced countries' GDP in 2016. But oil exporters like Russia and Malaysia would be losers, and there are some signs that the oil price fall signals concerns about global growth: other commodities have also seen big price declines and there has been a recent correlation between oil prices and the slumping Chinese stock market.

Who we are Oxford Economics

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, with regional centres in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Mexico City, Miami, Milan, Paarl - South Africa, Paris, Philadelphia, San Francisco, and Washington DC. We employ over 200 full-time people, including more than 120 professional economists, industry experts and business editors—one of the largest teams of macro economists and thought leadership specialists.

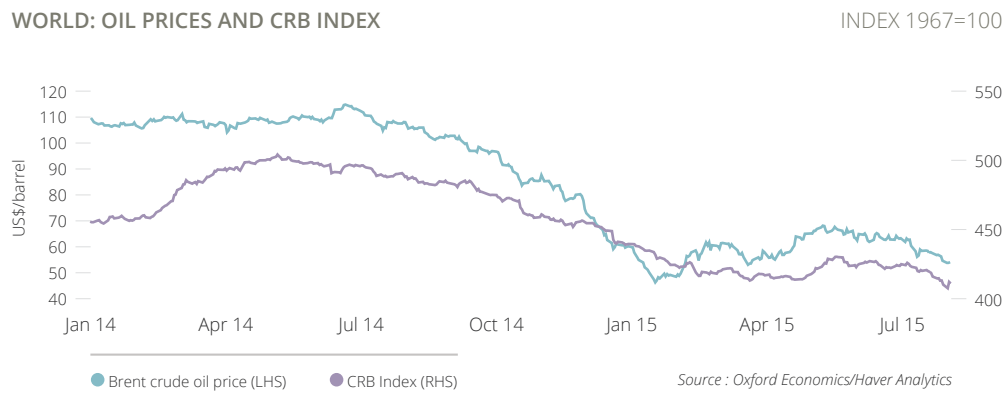
To find out more and request your free trial please contact Paul de Cintra on pdecintra@oxfordeconomics.com

Oil heads back towards US\$50/barrel...

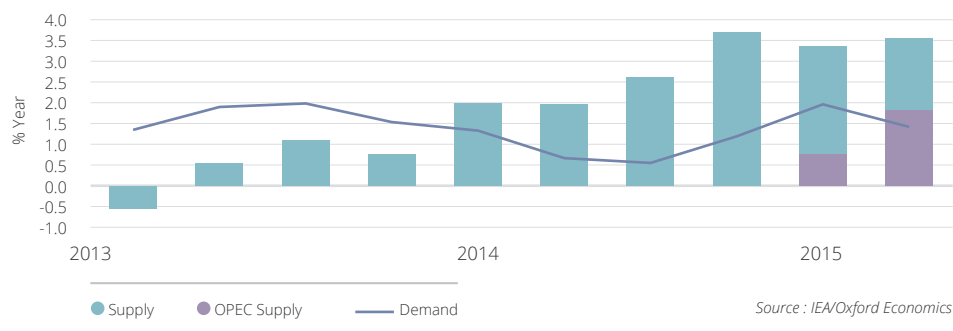
Oil prices are under pressure again. Having risen to almost US\$70/barrel in early May, Brent crude prices have slumped by over 20% to around US\$54/barrel since. Prices are now at their lowest level since March.

The available evidence suggests supply factors have been important in this price slump. Preliminary estimates by the IEA for Q2 suggest world oil supply rose by 3.5% y/y, easily outpacing demand growth of 1.4%. Interestingly, Q2's growth in supply was led by OPEC countries including Saudi Arabia and Iraq. Non-OPEC output, including from the US, has been broadly flat since Q4 2014 suggesting that the expected (negative) supply response to lower prices has started to materialise. But this response has been offset by strong rises in OPEC production. Overall, the IEA's assessment in its July report that the 'oil market was massively oversupplied in Q2 2015, and remains so today' seems valid.

WORLD: OIL PRICES AND CRB INDEX



WORLD: OIL SUPPLY AND DEMAND



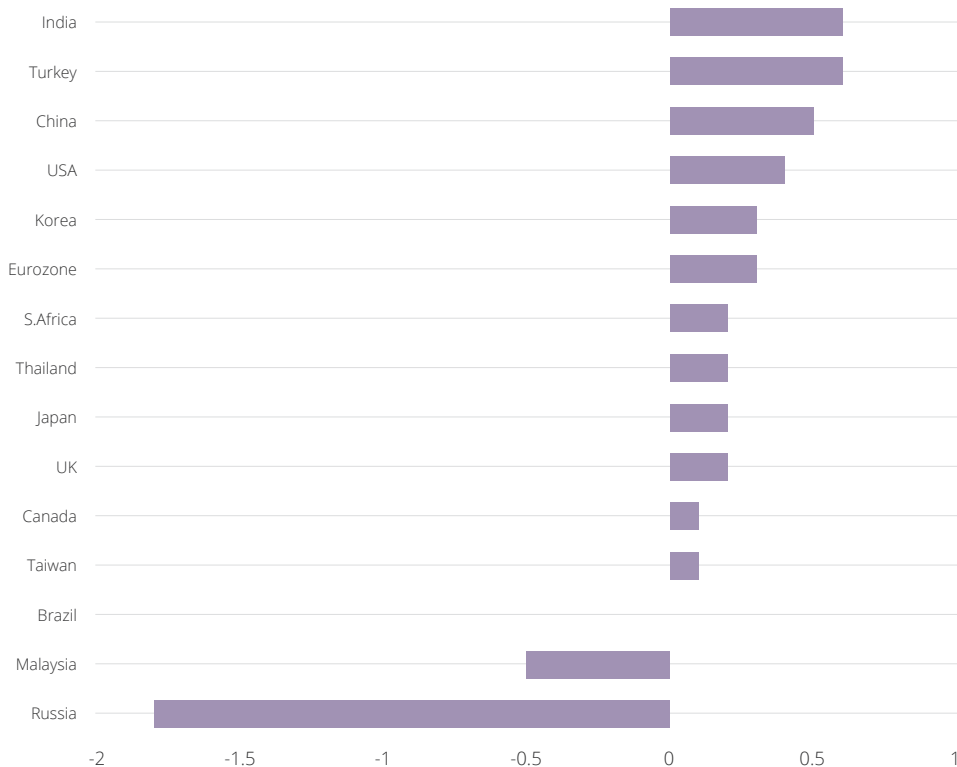
...and this could boost world growth...

A supply-driven drop in world oil prices should be good news for global growth. This is a message we have repeatedly emphasised since prices began to fall in H2 2014, and which is backed up by extensive modeling work using the Oxford Global Economic Model.

Our July baseline forecast has oil prices averaging US\$61.7/barrel in 2015 and US\$68.7/barrel in 2016. If instead prices were to remain flat until the end of 2016 at their current level of around US\$54/barrel, our modeling work suggests this would add 0.2-0.4% to the level of GDP in the advanced economies in 2016, with the US the biggest winner. Some important emerging markets that are sizeable net oil importers would also gain, including China, India and Turkey. Overall world GDP growth would rise to 3.2% next year from 3.0% in our current baseline.

WORLD: GDP EFFECTS OF OIL AT US\$54/B

% DIFFERENCE IN LEVEL OF GDP FROM BASELINE, 2016



Scenario assumes oil price fixed at US\$54/b from Q3 2015 to Q4 2016

Source : Oxford Economics



Celebrating 30 Years in the Middle East.

The Middle East's largest full service real estate consultancy company, Asteco was formed in Dubai in 1985. Over the years, Asteco has gained enormous respect for consistently delivering high quality, professional, value-added services in a transparent manner. It is also widely recognised for its involvement with many of the projects that have defined the landscape and physical infrastructure of the Emirates.

Asteco has an essential combination of local knowledge and international expertise. A deeply established brand, renowned for its application of the latest technological advances, its commitment to transparency, winning strategies and human expertise. Undisputed real estate experts, Asteco represents a significant number of the region's top property owners, developers and investors.

VALUATION & ADVISORY

Our professional advisory services are conducted by suitably qualified personnel all of whom have had extensive real estate experience within the Middle East and internationally.

Our valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) and International Valuation Standards (IVS) and are undertaken by appropriately qualified valuers with extensive local experience.

The Professional Services Asteco conducts throughout the region include:

- Consultancy and Advisory Services
- Market Research
- Valuation Services

SALES

Asteco has established a large regional property sales division with representatives based in the UAE, Qatar and Jordan. Our sales teams have extensive experience in the negotiation and sale of a variety of assets.

LEASING

Asteco has been instrumental in the leasing of many high-profile developments across the GCC.

ASSET MANAGEMENT

Asteco provides comprehensive asset management services to all property owners, whether a single unit (IPM) or a regional mixed use portfolio. Our focus is on maximising value for our Clients.

OWNERS ASSOCIATION

Asteco has the experience, systems, procedures and manuals in place to provide streamlined comprehensive Association Management and Consultancy Services to residential, commercial and mixed use communities throughout the GCC Region.

SALES MANAGEMENT

Our Sales Management services are comprehensive and encompass everything required for the successful completion and handover of units to individual unit owners.

LICENSING

Our brand, network, system and procedures are now available in territories across the MENA region. Our Licensing services currently include Real Estate Brokerage Franchising and associated support services with many of the key elements designed specifically around the franchisee, making it a truly unique and bespoke franchise opportunity.



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2015 Cityscape Edition

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