77,903km^2
land area

UAE Property Review

Q1 2015 Report

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Market Highlights Q1 2015

Abu Dhabi

- The first quarter of 2015 recorded stable sales and leasing rates with modest increases in rental rates on specific projects.
- Demand for high-end developments in Investment Areas remained positive with prime projects maintaining 100% occupancy rates.
- A significant increase in demand for affordable units was noted in Q1 2015.

Al Ain

- Q1 2015 witnessed a decline in new demand for residential and office space, however, rental rates remained relatively stable for both sectors.
- The lack of supply for quality retail space was the main reason for continued high rental rates in this sector.
- Villas within new compounds (with facilities) recorded higher volume of transactions compared to lower quality private villas throughout the city.

Dubai

- Average sales values declined during Q1 2015 by approximately 3% and 2%, on average, for villas and apartments respectively.
- Buyer preference focused on more affordable mid-market products as evidenced by the take-up in recent launches targeting this market segment.
- There was a marked decrease in interest from investors from Russia and CIS countries.
- Rental rates for both villas and apartments during the first quarter showed little change with good demand for established communities and affordable products.
- Office values and rental rates remained stable over Q1 2015.
- Enquiry levels from new companies for trade license purposes were strong for smaller office units in addition to several medium to large office space requirements active in the market.

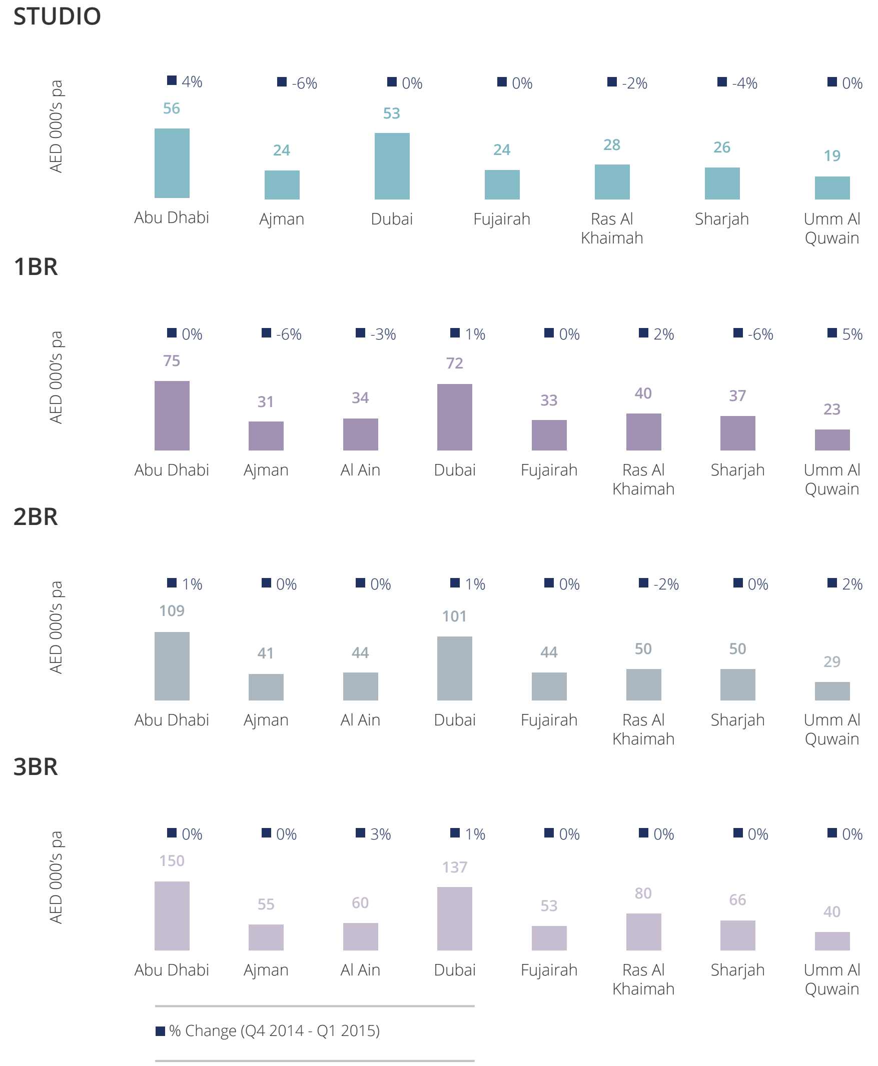
Northern Emirates

- The residential leasing sector in the Northern Emirates remained moderately stable in Q1 2015 with Fujairah observing strong leasing demands for apartments.
- Although sales prices in the Northern Emirates improved over the last few years, especially in Ras Al Khaimah, the number of transactions in Q1 2015 remained low.
- The commercial sector in Sharjah remained stagnant compared with Q4 2014. However, offices in areas such as the Corniche, Mina Road, and Al Wahda witnessed small increases in demand from businesses looking to establish a base in Sharjah.

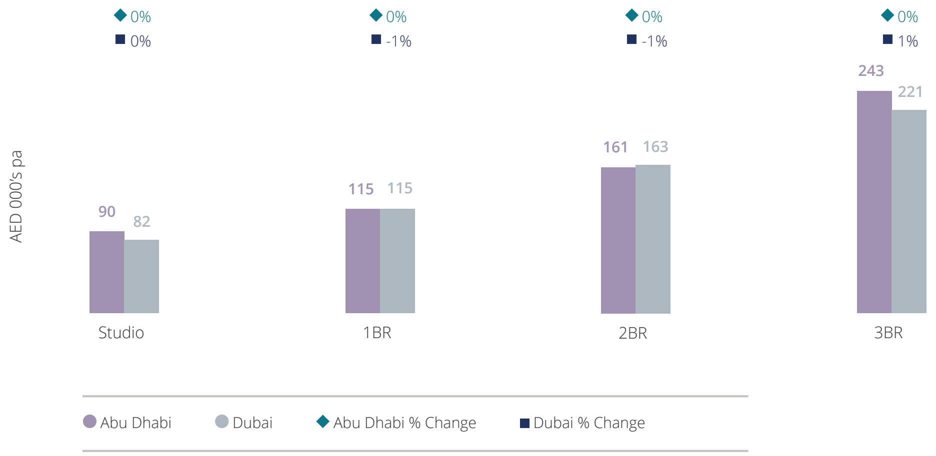
UAE Rental Comparison
Q1 2015

- The bar charts on this page illustrate the average rental rates for lower-end to mid-market apartments, from studio to three bedrooms, along with the percentage change in Q1 2015 across each of the seven emirates.
- Overall, rental rates for these apartment types remained stable throughout the emirates over the quarter, with marginal declines of 3% on average witnessed in Ajman and Sharjah.
- As of Q1 2015, a lower to mid-end 2 bedroom apartment in Abu Dhabi could be leased at an average AED 109,000, whereas Dubai rates started slightly lower, from AED 101,000. In comparison, Sharjah, Umm Al Quwain and Ras Al Khaimah rental rates stand at AED 50,000, AED 29,000 and AED 50,000 respectively for similar-sized apartments.
- Rental rates for prime to high-end segments in Abu Dhabi remained stable. Dubai was also broadly stable with leasing rates falling marginally, by less than 1% compared with the previous quarter. Abu Dhabi therefore consolidated its position as the most expensive place to rent apartments in the UAE.

RENTAL RATE COMPARISON - Q1 2015
LOW-END TO MID-MARKET PROPERTIES



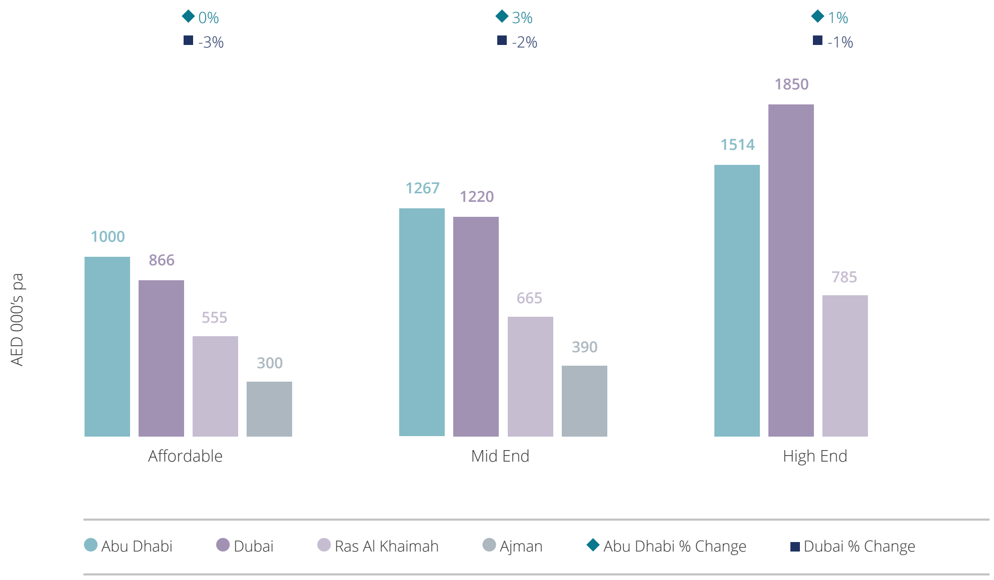
AVERAGE HIGH END AND LUXURY RENT COMPARISON
Q1 2015



UAE Sales Price Comparison
Q1 2015

- Overall Abu Dhabi apartment sales prices increased by 1% on average, with 3% growth witnessed since last quarter for mid-end properties, whilst sales prices remained stable in Ras Al Khaimah and Ajman – despite only few transactions completing. In comparison, Dubai saw a 2% reduction of sales prices on average Q1 2015.
- Abu Dhabi continues to lack affordable apartments for freehold ownership, with the only development in this segment being Reef Downtown, where prices started from approximately AED 1,000 per square foot, which made it nearly 15% more expensive than comparable communities in Dubai.
- Northern Emirates are significantly cheaper as Ajman sold properties from as low as AED300 per square foot, whereas the recently launched Al Rayyan development in Sharjah sold at an average rate from AED 700 per square foot.
- In the high end segment, however, Dubai remained the most expensive place in the UAE, as it has been able to attract international and local buyers through better established property ownership laws and generally more high-end options available in highly sought after communities such as Dubai Marina, Downtown Dubai and Palm Jumeirah to name a few. Rates in these aforementioned areas stand at approximately AED1,850 on average, compared with AED 1,514 per square foot in Abu Dhabi for similar high-end properties and less than AED 800 per square foot in Ras Al Khaimah, where apartments, even those qualified as high-end, have lower specification standards.

AVERAGE HIGH END AND LUXURY RENT COMPARISON
Q1 2015



Abu Dhabi Q1 2015
Highlights

- The overall residential market remained stable in Q1 2015 as rental rates for specific projects increased by an average of 3%. Premium units continued to enjoy the strongest demand with high occupancy rates for most of the prime and high-end developments.
- Sales transactions, especially for villas, remained limited due to the shortage of quality stock available for sale and a continued divide in price expectations between purchaser and vendor.
- Aldar announced the sale of 283 villa land plots for their new project, Al Merief, located in Khalifa City which sold out to UAE Nationals.
- Further project announcements are anticipated during 2015, from both large master developers and sub-developers.
- The Hidd Al Saadiyat project, reached a significant milestone in construction and continues to witness a robust demand. Phase 1 of Hidd Al Saadiyat, comprising 488 villas, is expected to be handed over during the course of 2017.

	Sales	Leasing
RESIDENTIAL KEY TRENDS	• Sales rates remained relatively stable during Q1 2015, after witnessing a significant level of growth during 2014. • Demand continued for affordable and mid-market products.	• Q1 2015 saw rental rates remain stable overall, with a slight increase recorded in some developments. • Prime and high-end residential projects that achieved the highest rental rates during 2014 witnessed limited growth in Q1 2015.
TRANSACTION ACTIVITY	• Transaction levels remained robust in Investment Areas, in particular Reem Island. • However, in some master-planned developments, transaction levels remained relatively low, which reflected a continuous gap between the purchaser's appetite for property and the vendor's price expectations.	• Demand for quality units remained high in Abu Dhabi, and Q1 2015 witnessed a high level of transactional activity especially for one and two bedroom apartments. • The demand for affordable units significantly increased in Q1 2015.
POPULAR DEVELOPMENTS / AREAS	• Projects in Investment Areas such as Saadiyat Island, Reem Island and Al Raha Beach continued to be the most popular development areas. The Hidd Al Saadiyat, which is currently under construction, offers luxurious villas and has reinforced the attractiveness of Saadiyat Island to purchasers.	• Popular areas in Abu Dhabi are quality driven. Mid to high-end buildings in Investment Areas and within Abu Dhabi City attracted high demand and continued to achieve high occupancy rates.
OFFICES	• Q1 2015 saw a decrease in interest from stakeholders to invest in small office space in Abu Dhabi. • The available towers offering office space for sale are Infinity Tower and Sky Tower on Reem Island, whilst the upcoming ADDAX Tower at City of Lights will provide significant additional stock to this sector.	• Rental rates for fitted Grade A office space recorded the highest increase in the office market. However, rental rates for lower grade space remained moderately stable. • The limited supply of Grade A office space is reflected by the increase in rental rates witnessed in Q1 2015 and this is expected to continue throughout the year.

Quarterly Change Q1 2015

Rental Rates

+1% Apartments

0% Villas

+7% Grade A Offices

Sales Prices

+1% Apartments

0% Villas

Abu Dhabi Rental Rates Q1 2015

Apartments

- Apartment rental rates remained broadly stable in Q1 2015, with a modest price increase witnessed in projects where rental levels were stable during the latter half of 2014.
- Budget constraints saw demand for small affordable apartments increase in Q1 2015 as rentals for medium sized apartments were no longer affordable.

Apartments Rental Rates Q1 2015 (AED 000's pa)		Studio		1BR		2BR		3BR		% Change	
		Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Prime Properties											
Abu Dhabi Island		-	-	100	145	140	200	180	350	0	8
Investment Areas		85	105	125	150	160	200	230	280	0	3
High End Properties											
Abu Dhabi Island	Central Abu Dhabi	-	-	-	-	130	155	160	185	0	4
	Corniche	-	-	-	-	130	170	185	300	0	5
	Khalidiya / Bateen	85	100	100	135	135	185	175	250	0	4
Investment Areas	Al Raha Beach	-	-	100	125	135	175	170	230	1	3
	Marina Square	70	85	90	105	130	150	165	185	0	7
	Shams Abu Dhabi	90	100	105	120	130	175	175	210	0	3
	Saadiyat Beach	-	-	115	120	170	180	195	225	0	14
Mid & Low End Properties											
Abu Dhabi Island	Central Abu Dhabi	40	50	60	70	70	90	85	145	1	2
	Corniche	40	45	60	75	75	100	75	155	2	2
	Khalidiya / Bateen	40	45	60	75	75	100	75	140	2	2
Investment Areas	Al Reef	60	65	75	80	90	110	115	140	0	0
Off Island	Khalifa & MBZ City	30	45	40	55	50	80	60	100	0	-4

Villas

- The supply of new villas entering the market was limited and therefore rental rates remained stable in Q1 2015. Nevertheless, rates during Q1 2015 were 3% to 8% higher than rates in Q1 2014.
- Affordable villas in master-planned projects continued to prove popular. For example, a four bedroom villa in Al Reef could be leased for AED 155,000 per annum, whereas a three bedroom villa in Hydra Village was fetching AED 95,000 per annum.

Villas Rental Rates Q1 2015 (AED 000's pa)		2BR		3BR		4BR		5BR		% Change	
		Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Abu Dhabi Island	Khalidiya / Bateen	-	-	170	220	200	250	255	300	0	3
	Mushrif / Karama / Manaseer	-	-	160	180	170	200	210	300	0	0
Investment Areas	Al Raha Beach	-	-	240	260	210	300	310	330	0	0
	Al Reef	110	130	125	145	155	165	180	200	0	2
	Hydra Village	75	80	85	95	-	-	-	-	0	-1
	Saadiyat Island	-	-	290	300	310	350	350	850	0	3
Off Island	Al Raha Gardens	-	-	160	220	185	300	250	330	0	8
	Golf Gardens	-	-	220	230	240	280	300	350	0	3
	Khalifa City	-	-	115	150	140	160	170	185	0	4

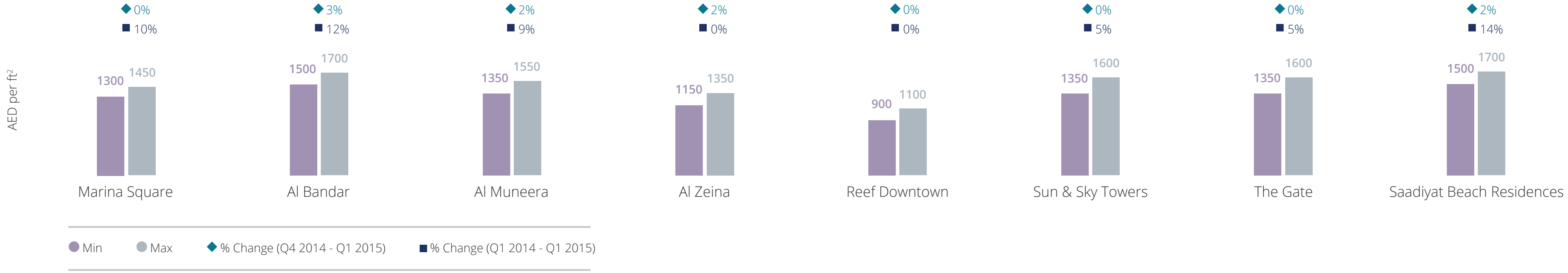
Offices

- Rental rates for Grade A office space increased by 6% to 8% due to limited supply, especially of fitted and efficient space in new buildings.
- As a result, better quality Grade B space recorded an increase in enquiries during Q1 2015. However, rental rates have not responded with increases due to the high volumes of vacant space.

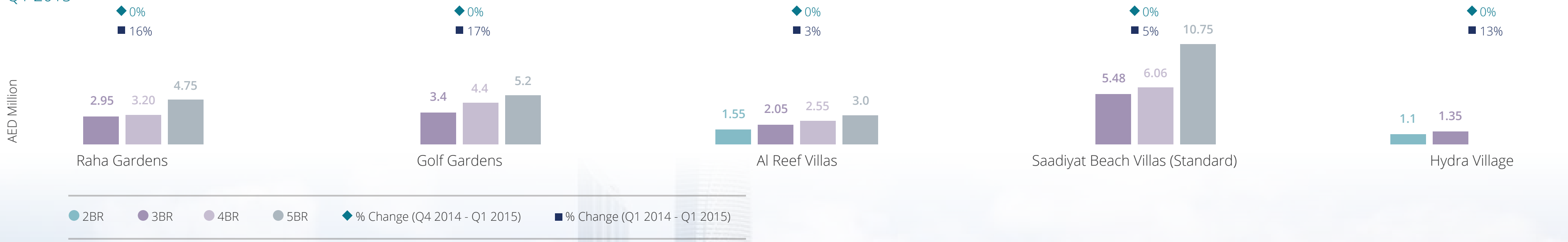
Office Rental Rates Q1 2015 (AED per Sq m pa)				% Change			
				Q4 2014 - Q1 2015		Q1 2014 - Q1 2015	
		Grade B	Grade A	Grade B	Grade A	Grade B	Grade A
Recent Build	Fitted	750	1,750	0	6	-6	6
	Shell & Core	700	1,350	0	8	0	13
		Min	Max	Min	Max	Min	Max
Older Stock	Good	700	1,000	0	0	0	0
	Typical Building	650	800	0	0	0	0
	Low Quality Building	600	700	0	0	0	0

Abu Dhabi Sales Prices
Q1 2015

APARTMENT SALES PRICES
Q1 2015



VILLA SALES PRICES
Q1 2015



Abu Dhabi Area & Rent Affordability Map

The following map highlights some of Abu Dhabi's most popular residential areas, in terms of their affordability for rent or sale.

1 Al Bandar – Raha Beach
2 Al Bateen Wharf
3 Al Gurm
4 Al Maqtaa
5 Al Muneera – Al Raha Beach
6 Al Nahyan Camp
7 Al Raha Gardens
8 Al Rayanna
9 Al Reef
10 Al Zeina – Al Raha Beach
11 Baniyas
12 Bateen Airport Area
13 Bateen Area
14 Bawabat Al Sharq
15 Capital District (ADNEC)
16 CBD / Tourist Club Area
17 Corniche
18 Danet Abu Dhabi
19 Eastern Mangroves
20 Golf Gardens
21 Hydra Village
22 Khalidia / Al Hosn / Al Manhal
23 Khalifa City A
24 Khalifa City B
25 Maryah Island
26 MBZ City
27 Mina
28 Mushrif / Karama / Manaseer / Muroor
29 Officer's City
30 Rawdhat Abu Dhabi
31 Reem Island - Marina Square
32 Reem Island – Najmat Abu Dhabi
33 Reem Island – rest of Shams Abu Dhabi
34 Reem Island – The Gate District
35 Rihan Heights
36 Saadiyat Beach District
37 The Hills

Note: *Area classification by affordability is provided for indicative purposes only as most areas in Abu Dhabi offer various types of residential units, from affordable to high end. As such, the map colour coding takes into account the most prevalent type of product and exceptions of a lower and / or higher price could be available.*

Dubai Q1 2015
Highlights

- The trend witnessed in the second half of 2014 continued during Q1 2015; transaction levels slowed and prices softened in selected areas whilst buyers looked for value-for-money projects specifically in completed or close-to-completed developments.
- Despite property prices and rentals close to Q1 2014 levels, Dubai remained unaffordable to many and therefore Dubai Municipality and developers shifted their attention to target the underrepresented affordable segment.
- For instance, Dubai Municipality announced the allocation of over 100 hectares of land in Muhaisnah 4 and Al Quoz 3 and 4 to developers to build housing affordable to rent for those earning between AED 3,000 and AED 10,000 per month.
- Similarly, other projects were launched during Q1 2015 including 1,000 three and four bedroom townhouses at Zahra and Hayat in the new Town Square master-planned development by Nshama, located south of Dubai Bypass Road. This highlights the continuous expansion of the city further inland as developers target the more affordable segments of the market, with Damac having led this trend with the Akoya Oxygen project.

	Sales	Leasing
RESIDENTIAL KEY TRENDS	• A general slowdown was witnessed in Q1 2015 in Dubai, both in the number of transactions as well as values, specifically for lower quality properties. • Value-for-money has become more important than property prestige, especially as buyers from Russia and CIS countries were considerably fewer than last year. • Buyers from the GCC, specifically Saudi and the UAE have, however, shown positive levels of interest for reasonably priced properties, which included off-plan projects mainly for investment purposes.	• Apartment rental rates remained stable compared with the previous quarter. Overall, there was no movement recorded throughout the market despite adjustments in select areas. • The strong tenant movement witnessed over the last two years, especially for the affordable segments of the market, levelled off in Q1 2015 as most tenants chose to renew their rental contracts rather than relocate.
TRANSACTION ACTIVITY	• Overall, transaction and enquiry levels decreased in Q1 2015, most notably for off-plan properties in prime locations such as Dubai Marina, as interest shifted to cheaper properties in secondary locations. • According to Reidin data, the number of transactions for completed apartment properties were down by 12%, whereas those for completed villas were down by 35% compared with Q1 2014.	• Enquiry levels declined; however, a relative balance between supply and demand was observed as a small amount of new stock was delivered.
POPULAR DEVELOPMENTS / AREAS	• Q1 2015 recorded a shift in investor appetite with demand moving away from off-plan to completed properties. • The popular units for sale in Dubai Marina and Downtown Dubai were those properties offering good views at reasonable prices. • Off-plan properties witnessed low levels of demand, especially the high price point products; whereas affordable properties such as Reef Residence in Jumeirah Village Circle witnessed good levels of take-up. • Similarly, townhouses at the Town Square development were in demand with prices starting as low as AED 1 million for a 3BR townhouse.	• High-end apartments in Dubai Marina and Downtown Dubai remained popular. Secondary locations such as Dubai Sports City, in addition, attracted good levels of demand from middle-income residents due to the master community becoming better established. • Demand for villas in Jumeirah & Umm Suqeim remained strong due to limited supply. This led to an increase in interest for villas in Al Barsha as an alternative option, as it is in proximity to schools and central parts of Dubai.
OFFICES	• No significant changes in the office sales sector were recorded during Q1 2015. Business Bay and Jumeirah Lake Towers remained by far the most transacted communities, which represented over 80% of all office transactions.	• Similar to Q4 2014, most transactions were completed for small offices for companies establishing in Dubai.

Quarterly Change Q1 2015

	Apartments	Villas	Offices
Rents Rates	0%	-2%	1%
Sales Prices	-2%	-3%	0%

Projects Announced: Town Square: 1,000 townhouses near Dubai Bypass Road
Acacia Heights: 479 apartments at Mohammed Bin Rashid City
Reef Residences: 378 apartments in Jumeirah Village Circle

Dubai Residential Rental Rates
Q1 2015

Apartments

- Rental rates, on average, remained unchanged in Q1 2015, however, certain adjustments, either upwards or downwards, were witnessed across select areas, with less desirable properties lowering their asking rates to attract tenants.
- Some increases were witnessed in newer communities, such as Jumeirah Village and Dubai Sports City, as these areas are better established and vacancy levels are low.

Villas

- Villa rental rates were down by 2%, on average, due to low demand for more expensive properties and properties located further afield from the city.
- Traditionally popular areas such as Jumeirah and Umm Suqeim have benefit from stable demand and as a result have low to zero vacancy rates.

Apartment Rental Rates - Q1 2015 (AED 000's pa)	Studio		1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Business Bay	60	80	70	110	120	150	170	190	-1	-1
Deira	35	55	45	80	65	100	90	140	-8	-10
DIFC	75	90	100	130	150	210	170	300	2	14
Discovery Gardens	45	55	65	75	79	80			0	-4
Downtown Dubai	75	95	95	135	150	200	200	290	0	5
Dubai Marina	65	85	85	135	125	185	145	275	-2	3
Greens	65	85	80	95	120	160	160	190	1	4
International City	32	38	42	55	60	68			2	-5
JBR	80	95	100	135	125	180	165	240	0	8
Jumeirah Lakes Towers	60	80	80	100	115	150	145	190	1	3
Jumeirah Village	45	60	60	75	90	115	125	150	4	4
Palm Jumeirah	85	115	125	175	150	255	190	380	0	16
Sheikh Zayed Road	75	80	110	120	140	170	180	220	0	2

Villa Rental Rates Q1 2015 (AED 000's pa)	2BR		3BR		4BR		5BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Arabian Ranches	145	185	170	250	250	325	265	400	-3	-5
Victory Heights			170	200	200	280	280	370	-1	-1
Jumeirah Park			200	260	280	320	300	360	1	6
Jumeirah Village	140	170	145	180	160	220	170	230	3	8
Meadows			230	250	250	300	260	290	-4	0
Mirdif			120	150	140	170	150	200	1	-7
Palm Jumeirah			330	380	380	650	440	1,100	5	5
Springs	120	140	165	210					-3	-1

Dubai Residential Sales Prices Q1 2015

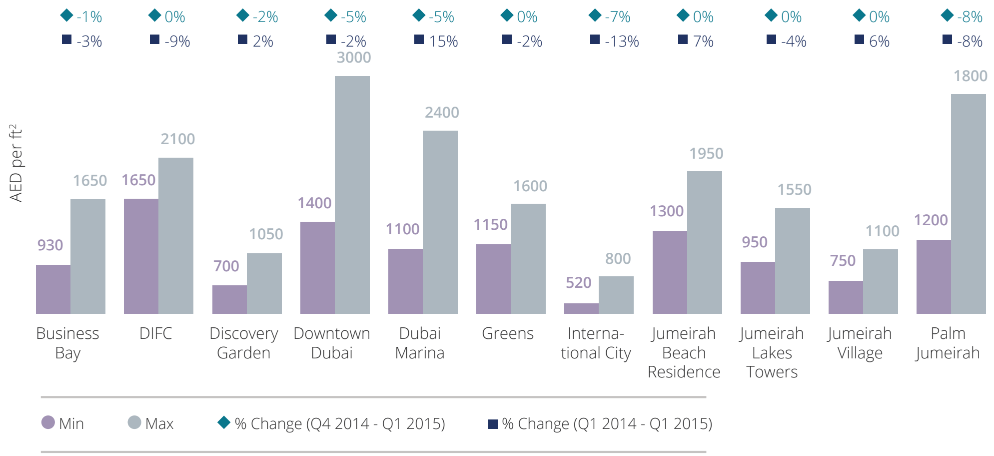
Apartments

- During the first quarter of 2015, Asteco noted a willingness from sellers of premium properties to reduce their asking rates. However, with limited demand for this segment, transactions remained limited.
- In Dubai Marina, buyers preferred completed properties; off-plan projects such as Marina Arcade, Sparkle Tower, and Marina Gate saw a relatively subdued level of interest despite being priced lower than completed properties. We do, however, expect interest to gather momentum as the towers near completion.
- Reef Residences, an off-plan project at Jumeirah Village Circle, sold particularly well, selling over 100 units since its launch in Q1 2015. Prices started from AED 450,000 for a studio unit. Buyers were predominantly from the GCC and many were UAE Nationals. Completion of the project is anticipated for the end of 2017.

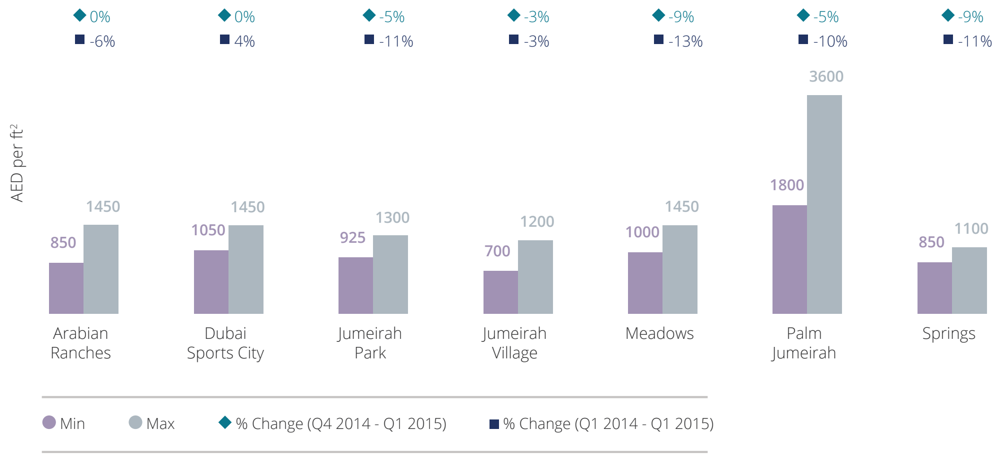
Villas

- The number of villa transactions was down by 35% compared with the same period last year. Furthermore, relatively stable prices were observed at Arabian Ranches and Dubai Sports City.
- Despite remaining popular in terms of the number of transactions, prices at the Meadows and Springs dropped by 9% compared with the previous quarter. This was due to new supply available in Dubai for both completed and off-plan projects.
- Palm Jumeirah saw prices decline in Q1 2015 due to fewer premium property buyers, whereas Al Furjan and Jumeirah Park also declined by 7% and 5% respectively due to the large volume of properties currently for sale.

APARTMENT SALES PRICES
Q1 2015



VILLA SALES PRICES
Q1 2015



Dubai Office Sector
Q1 2015

Leasing

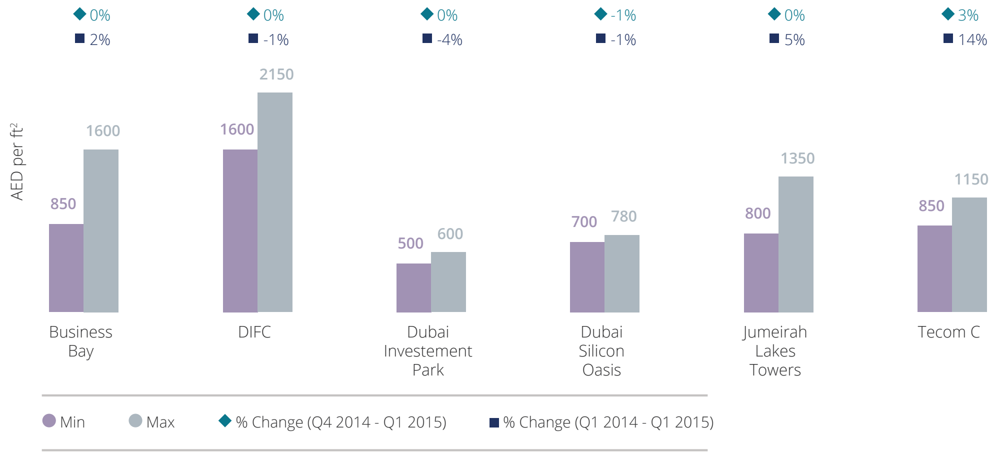
- Overall, the office sector remained stable in Q1 2015. With several deals completing for both large (> 5,000 Sqft) and small units, which typically are used by small new companies to obtain trade licenses.

Office Rental Rates Q1 2015 (AED 000's per Sqft pa)	Min	Max	% Change Q4 2014-Q4 2015	% Change Q1 2014-Q1 2015
Bur Dubai	85	135	5	13
Business Bay	70	130	-2	-11
DIFC	160	300	-2	2
Dubai Internet City	155	220	1	10
Dubai Investment Park	50	80	0	13
Jumeirah Lakes Towers	65	130	3	-9
Sheikh Zayed Road	90	270	0	0
Tecom C	80	120	0	8

Sales

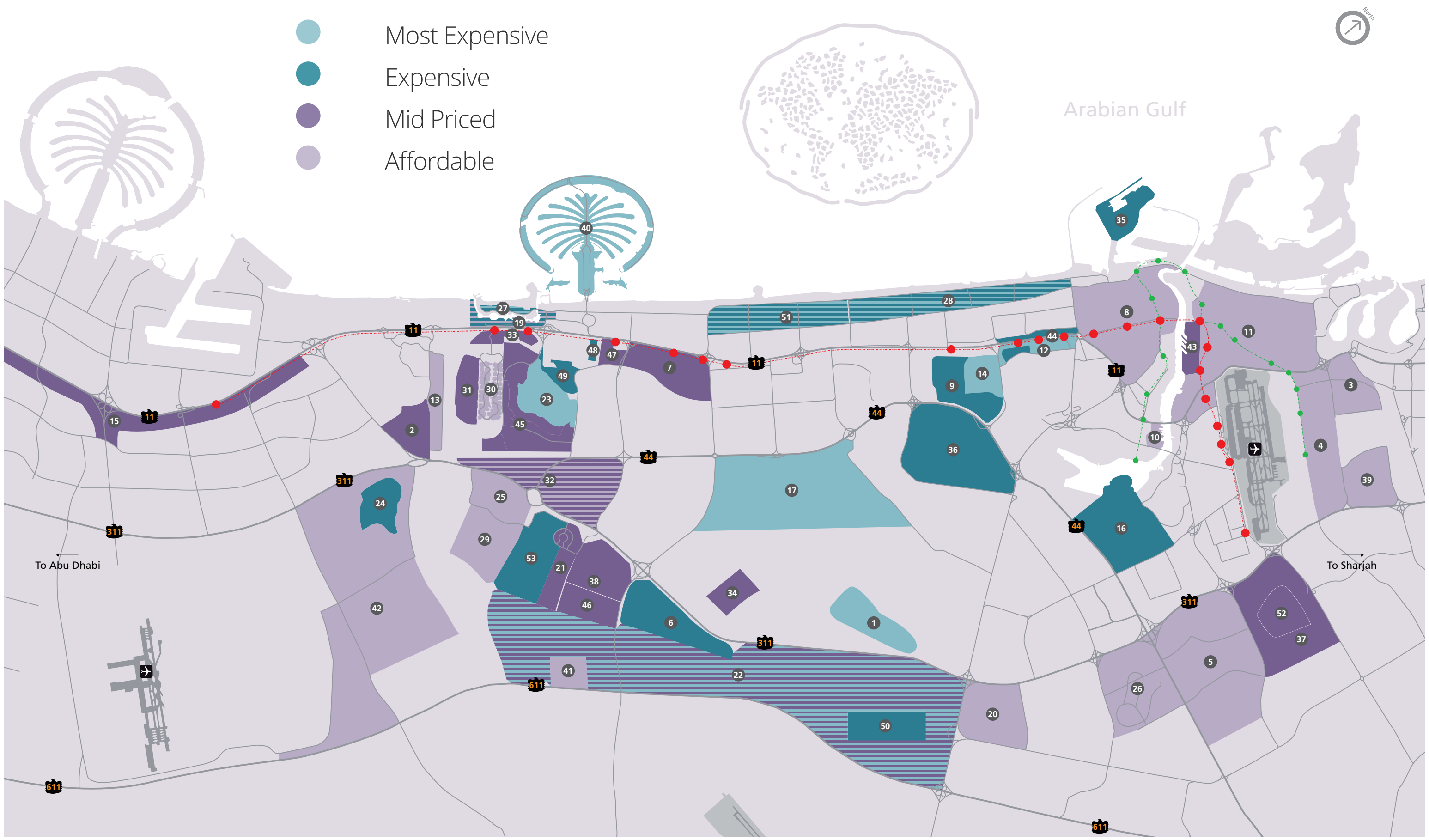
- Office sales transaction in Dubai are relatively limited with Business Bay and Jumeirah Lake Towers being the most transacted areas. Large amounts of space in these localities are widely available, of varying degrees of quality.

OFFICE SALES PRICES
Q1 2015



Dubai Area & Rent Affordability Map

1 Al Barari
2 Al Furjan
3 Al Nahda
4 Al Qusais
5 Al Warqaa
6 Arabian Ranches
7 Barsha
8 Bur Dubai
9 Business Bay
10 Culture Village
11 Deira
12 DIFC
13 Discovery Gardens
14 Downtown Dubai
15 Downtown Jebel Ali
16 Dubai Creek
17 Dubai Hills
18 Dubai Investment Park
19 Dubai Marina
20 Dubai Silicon Oasis
21 Dubai Sports City
22 Dubailand
23 Emirates Hills
24 Green Community
25 IMPZ
26 International City
27 JBR
28 Jumeirah
29 Jumeirah Golf Estates
30 Jumeirah Islands
31 Jumeirah Park
32 Jumeirah Village
33 Jumeirah Lakes Towers
34 Living Legends
35 Maritime City
36 Meydan
37 Mirdif
38 MotorCity
39 Muhaisnah
40 Palm Jumeirah
41 Remraam
42 Residential City
43 Rigga Al Buteen
44 Sheikh Zayed Road
45 Springs / Meadows
46 Studio City
47 Tecom C
48 The Greens
49 The Lakes
50 The Villa
51 Umm Suqeim
52 Uptown Mirdiff
53 Victory Heights



Note: *Area classification by affordability is provided for indicative purposes only as many areas in Dubai offer various types of residential units, from affordable to high end. As such, the map colour coding takes into account the most prevalent type of product and exceptions of a lower and / or higher price could be available.*

Northern Emirates 2015

Highlights

- Overall rental rates in the Northern Emirates remained stable in Q1 2015. However, marginal declines were observed in Ajman, Sharjah, and to a lesser extent in Ras Al Khaimah.
- With significant government investments in Fujairah to drive economic activity, specifically the Fujairah Port and Free Zone, demand levels have increased, which has led to considerable real estate development activity, most notably in the Shariya area to the north of the city. Most of the apartments in the area consist of studios, 1 bedroom, and 2 bedroom units. Rental rates range from AED 20,000 for a studio and AED 38,000 for a 2 bedroom unit. Over 250 units are forecasted for completion during the course of 2015 in this area alone, and similar figures are anticipated for 2016.
- At the upper end of the scale, Fujairah also offered high quality accommodation at the Al Jaber Tower and Al Rostamani Tower. These towers offered large, high quality apartments, and some units have sea views. Facilities include a swimming pool, gym, squash courts, and underground parking. The rental rate for a 3 bedroom unit in one of these towers was from AED 85,000 per annum, and a 2 bedroom unit was from AED 60,000. However, given the popularity of these developments, occupancy levels were high.

	Sales	Leasing
RESIDENTIAL KEY TRENDS	• With the change in property ownership laws in Sharjah, developers are eyeing the emirate as a destination for the development of more affordable accommodation for expatriates. • The first apartments available on a 100-year leasehold basis for all nationalities were announced in February at the Al Rayyan mixed-use development located in the Al Nahda area, close to the Dubai border. The project, due for completion in Q2 2016, includes 504 high quality apartments, an office tower and a mall. A 2 bedroom apartment was launched at approximately AED 1 million, dependent upon the unit's configuration.	• Ras Al Khaimah and Fujairah witnessed good levels of demand driven by local economic activity from the ports & free zones, which has led to a constant development of new properties. • In comparison, Sharjah and Ajman have seen a reduction in demand as rental rates in Dubai have stabilised.
TRANSACTION ACTIVITY	• Since the introduction of Sharjah's ownership law, there has been healthy level of interest, however, the price point has proven very sensitive and the critical factor in whether transactions completed or not.	• Lease transactions slowed due to the decrease in the number of tenant migrations from Dubai. • There has been a good level of transaction activity in Fujairah driven by the Port & Free Zone, especially for affordable to mid-end apartments.
POPULAR DEVELOPMENTS / AREAS	• Tilal City, which offered plots of land for development in Q4 2014, attracted considerable interest from both developers and end-users seeking to build their own villas despite being located relatively far inland. Villa plots have nearly sold out as prices started from as low as AED 30 per square foot on the land area. • Villas in Mina Al Arab and Al Hamra in Ras Al Khaimah continued to be popular with expatriate buyers due to its good value for money.	• In Sharjah, popular areas such as Corniche, Al Nahda, Majaz and Abu Shagara continued to enjoy high occupancy levels in better quality buildings. • In Fujairah, the new residential apartments in the Shariya area are proving popular, representing an improvement on existing supply. • Al Jaber Towers remains the most upscale development in Fujairah and has a low vacancy rate.
OFFICES	n/a	• Office rental rates remained stable with little or no transactions concluding in the last three months.

Quarterly Change Q1 2015

Apartment Rental Rates

Sharjah Typical	Sharjah Good Quality	Ajman Typical	Ras Al Khaimah Good Quality	Fujairah
0%	-3%	-2%	-1%	0%

Office Rental Rates

Sharjah Offices
0%

Northern Emirates Rental Rates
Q1 2015

Sharjah - Apartments

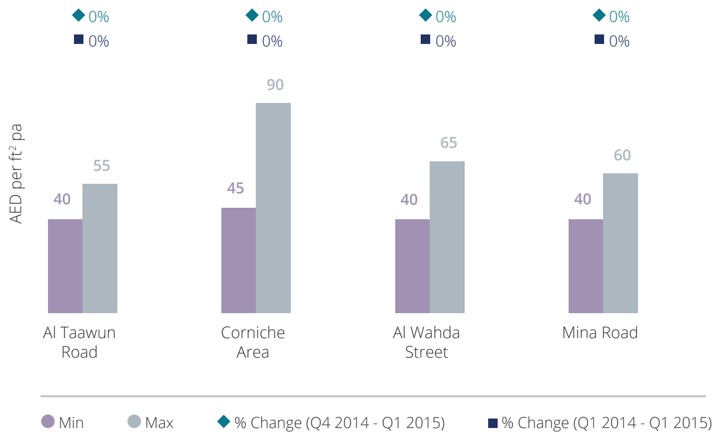
Apartment Rental Rates - Q1 2015 (AED 000's pa)	Studio		1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Al Majaz	25	38	35	45	40	65	60	90	-1	28
Al Qasimiah	22	28	35	40	40	50	46	70	0	17
Al Nahda	27	35	37	45	50	60	65	85	-1	21
Al Khan (Al Mamzar)	25	35	38	45	45	60	70	85	-1	31
Abu Shagara	22	30	30	38	35	48	45	60	-1	22
Al Yarmook	18	20	20	25	23	32	40	55	0	14
Al Wahda	22	32	28	50	35	65	45	90	0	12
Corniche	25	35	45	50	50	80	60	100	0	26
Mina Road	20	28	28	40	32	45	45	60	0	15

Northern Emirates - Apartments

Apartment Rental Rates - Q1 2015 (AED 000's pa)	Studio		1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Ajman	20	27	25	37	32	50	45	65	-2	14
Fujairah	18	30	25	40	30	58	45	60	0	0
Fujairah High End	-	-	45	55	55	62	75	82	0	0
Sharjah Typical	15	30	20	50	23	60	38	80	0	-10
Sharjah New	22	38	28	50	35	80	45	100	-3	4
RAK Typical	20	30	25	40	28	50	40	60	0	7
RAK New	26	36	38	55	50	70	85	135	-1	6
Umm Al Quwain	17	20	19	26	28	30	35	45	1	8

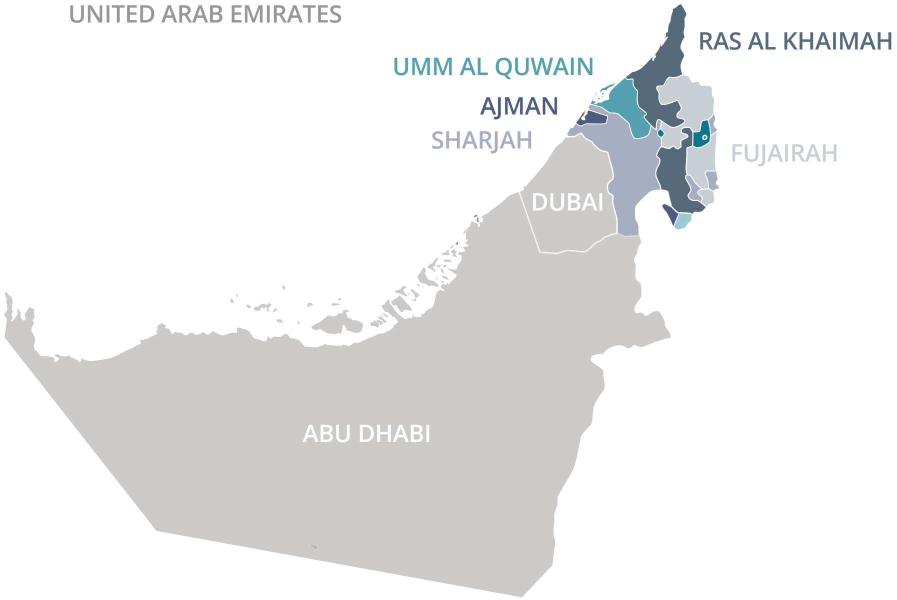
Sharjah - Offices

OFFICE RENTAL RATES
Q1 2015



Northern Emirates Area Map

UNITED ARAB EMIRATES

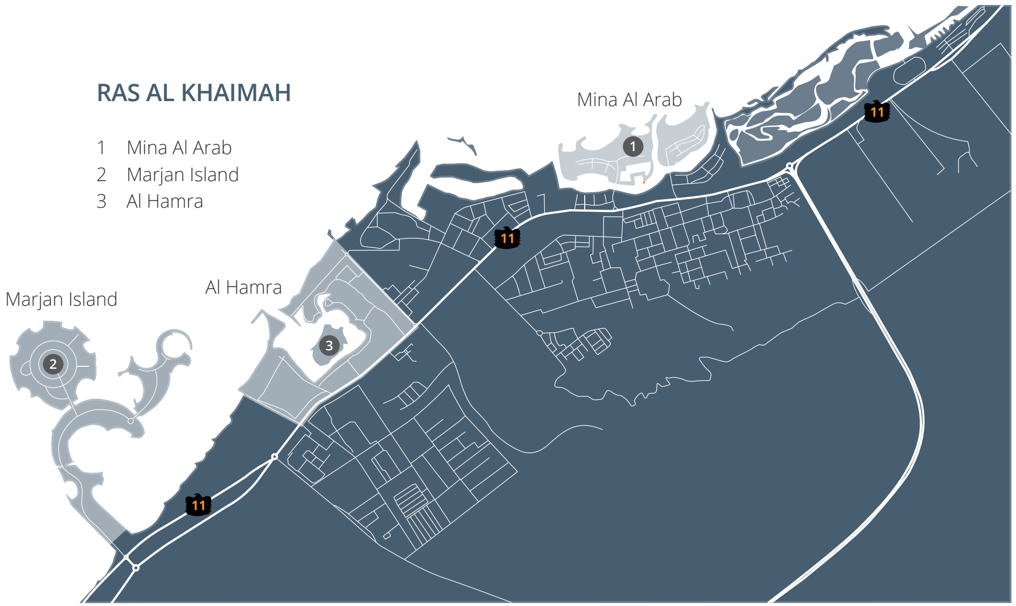


SHARJAH

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

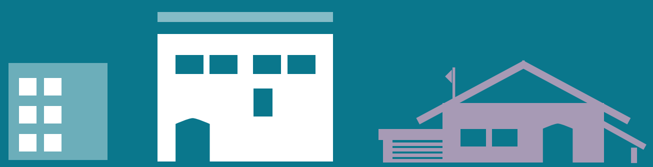
RAS AL KHAIMAH

1 Mina Al Arab
2 Marjan Island
3 Al Hamra



Al Ain 2015
Highlights

- The overall real estate market was relatively stable throughout the first quarter of 2015 despite a slight increase in rental rates of new apartment buildings in Al Ain City.
- Typically the first two quarters of the year represents a low season for almost all property sectors in Al Ain. However, the third quarter is the most active season especially for the residential market.
- Several new mid and high quality residential and commercial projects are expected to be handed over during the next few months and are expected to gain a high level of interest.



	Sales	Leasing
RESIDENTIAL KEY TRENDS	• Apartment rental rates in Al Ain remained moderately stable in Q1 2015 especially in mature buildings. However, newer buildings recorded an average increase of 3%.	• Similar to the apartment sector, villa rental rates also remained stable in Q1 2015.
TRANSACTION ACTIVITY	• Overall, apartment transactions were relatively stable in Q1 2015. • Transaction activity is expected to increase in the third and fourth quarters of this year.	• The volume of transactions for the lease of private villas was stable in the first quarter of 2015. This is expected to increase with the delivery of new developments in the Asharej area close to Tawam Hospital over the next few months.
POPULAR DEVELOPMENTS / AREAS	• The popular areas in Al Ain are Al Jimi and Al Manaseer for residential and Town Center for offices. • New quality supply is expected to be handed over by mid-2015 in the Asharej area making it one of the most sought after areas to live.	• Shaab Al Ashkhar, Falaj Hazza and Al Towaya are the most popular areas for villa developments. • The new Asharej development will include residential apartment and villa units.
OFFICES	• The office market remained generally stable across all areas in Q1 2015. There was a low demand for offices in the industrial areas and a higher demand, comparatively, in the Town Center. • More than 4 buildings have been handed over in Al Ain Town Center during Q1 2015 and several new offices are expected to be handed over in the next few months. • A new development called Al Hili Senaya including offices, residential, and retail components is expected to be handed over this year.	

Quarterly Change Q1 2015

Rental Rates

Apartments +1%

Villas 0%

Offices 0%

Retail 0%

Al Ain Rental Rates
Q1 2015

Rental rates for apartments in older buildings throughout Al Ain remained stable in Q1 2015. New buildings faired better with strong demand, reflected with an average 3% increase in rates, during the first quarter. Landlords increased their asking rates in older residential units, and consequently put pressure on tenants to move to new higher quality developments with better facilities.

Apartments

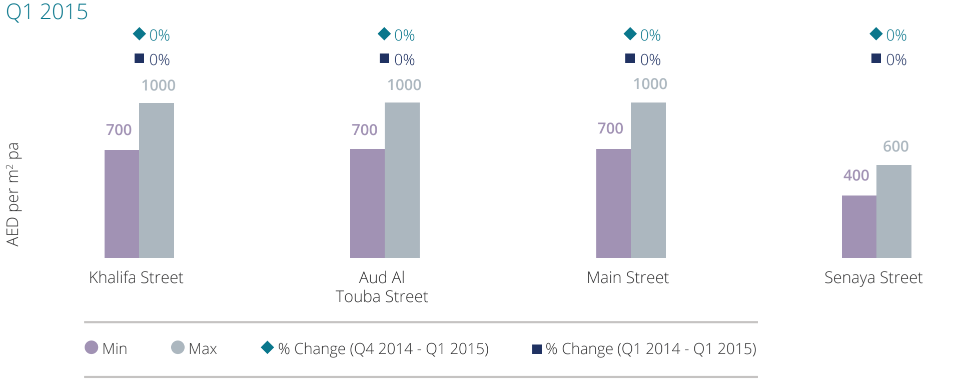
Apartment Rental Rates - Q1 2015 (AED 000's pa)	1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Mature Buildings	31	36	38	48	49	58	0%	9%
New Buildings	34	39	40	50	58	75	3%	6%
Prime Compounds	40	45	55	65	65	90	0%	-

Villas

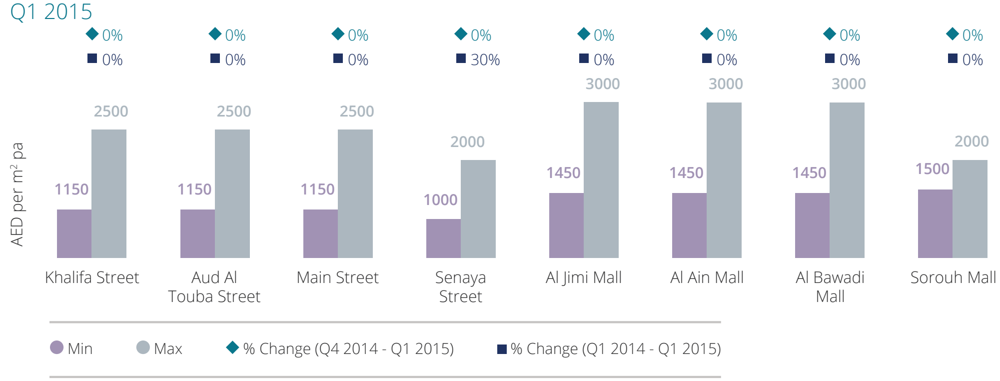
Villa Rental Rates Q1 2015 (AED 000's pa)	3BR		4BR		5BR		% Change	
	Min	Max	Min	Max	Min	Max	Q4 2014-Q1 2015	Q1 2014-Q1 2015
Mature Units								
Town Centre	80	85	90	100	120	130	0	2
Others *	80	85	90	100	120	130	0	2
Zaker	70	80	70	80	100	110	0	4
Al Towaya	75	85	90	100	120	130	0	1
Al Jimi	80	115	90	100	120	130	5	7
Prime Compounds	90	95	110	120	130	140	0	-
New Units	90							
Town Centre	85	90	105	115	140	170	0	1
Others *	85	90	105	115	140	170	0	1
Zaker	75	85	85	110	110	145	0	2
Al Towaya	90	95	105	115	150	170	0	0
Al Jimi	85	90	105	115	140	170	0	1
Prime Compounds	100	110	130	140	160	180	0	-

** Includes Al Khabisi, Al Muwaiji, Al Manasir and Al Masoudi areas*

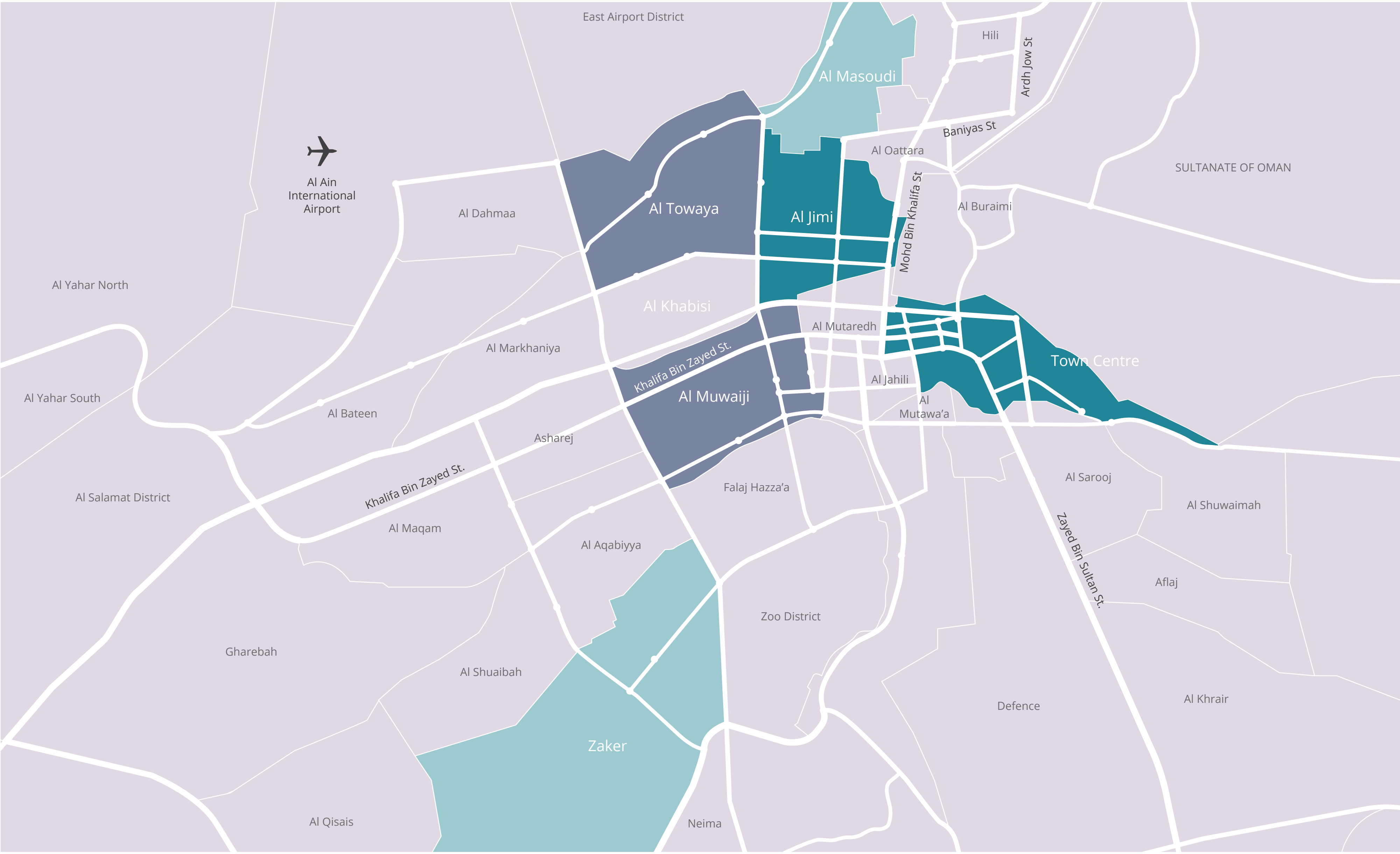
OFFICE RENTAL RATES
Q1 2015



RETAIL RENTAL RATES
Q1 2015



Al Ain Area Map



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UAE Property Review

Q1 2015 Report

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