

Property Review



Northern Emirates

Q1 2015 Report



Rental rates throughout Northern Emirates remained stable in Q1 2015. However the introduction of new ownership law in Sharjah opened up a new window for developers and buyers in the sales market.



Celebrating 30 Years in the Middle East.

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.

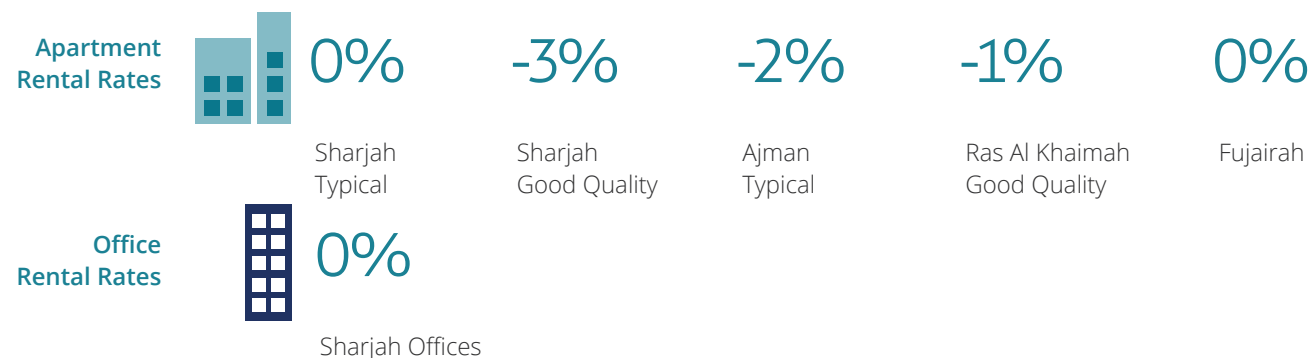


+4% APARTMENT ANNUAL RENTAL GROWTH

Northern Emirates
Apartment rental rates were 4% higher than in Q1 2014.

	Sales	Leasing
RESIDENTIAL KEY TRENDS	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Office rental rates remained stable with little or no transactions concluding in the last three months.

Quarterly Change Q1 2015



Northern Emirates Rental Rates

Q1 2015

Sharjah - Apartments

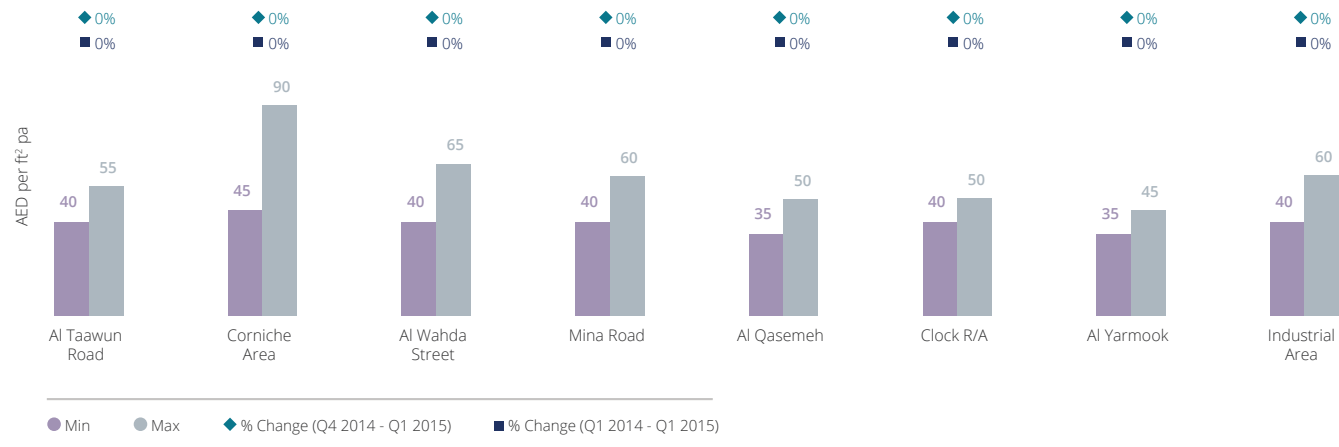
Apartment Rental Rates - Q1 2015 (AED 000's pa)	Studio		1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014- Q1 2015	Q1 2014- Q1 2015
	Al Majaz	25	38	35	45	40	65	60	90	-1
Al Qasimiah	22	28	35	40	40	50	46	70	0	17
Al Nahda	27	35	37	45	50	60	65	85	-1	21
Al Khan (Al Mamzar)	25	35	38	45	45	60	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

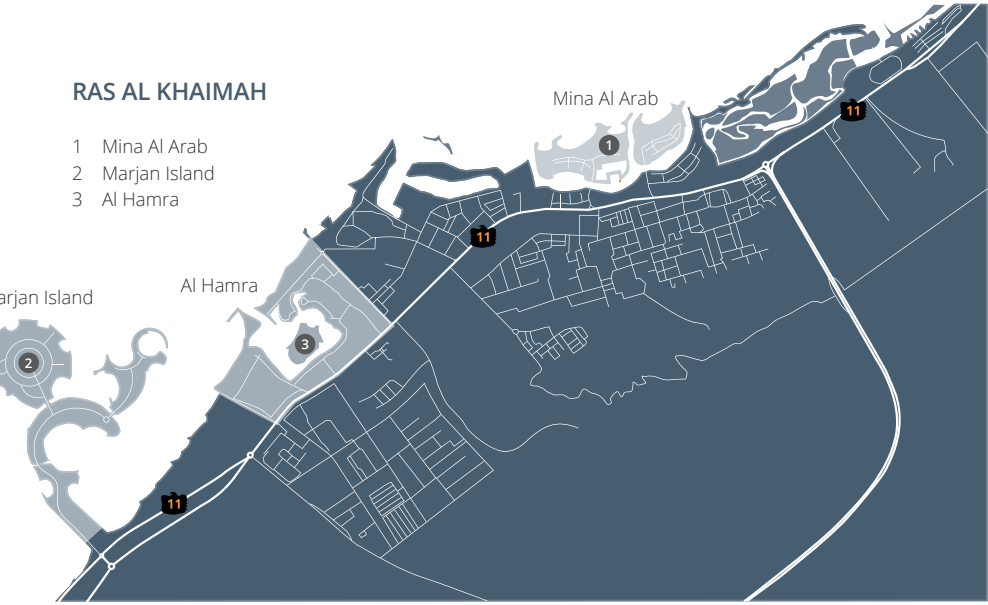
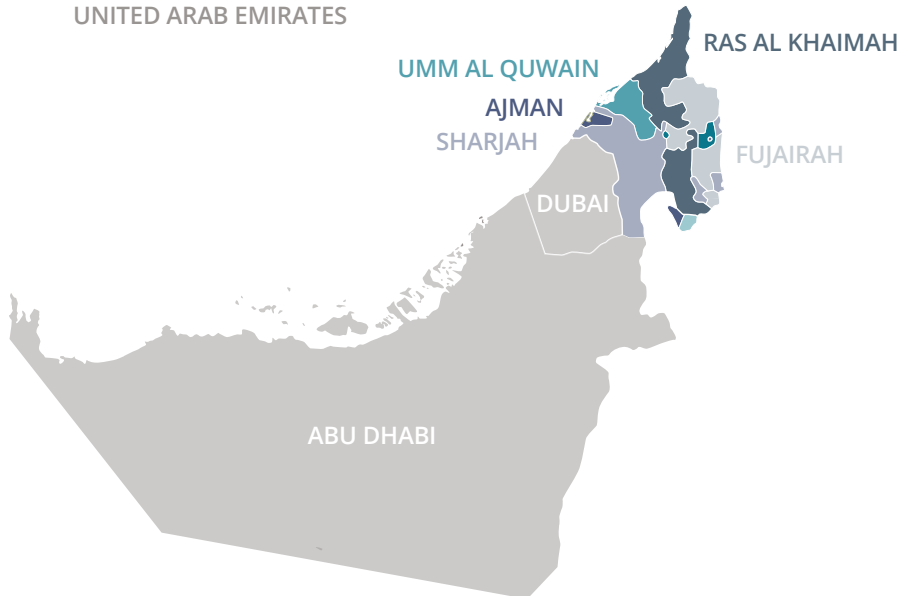
Apartment Rental Rates - Q1 2015 (AED 000's pa)	Studio		1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Min	Max	Q4 2014- Q1 2015	Q1 2014- Q1 2015
	Ajman	20	27	25	37	32	50	45	65	-2
Fujairah	18	30	25	40	30	58	45	60	0	0
Fujairah High End	-	-	45	55	55	62	75	82	0	0
Sharjah Typical	15	30	20	50	23	60	38	80	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





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.

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

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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.



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