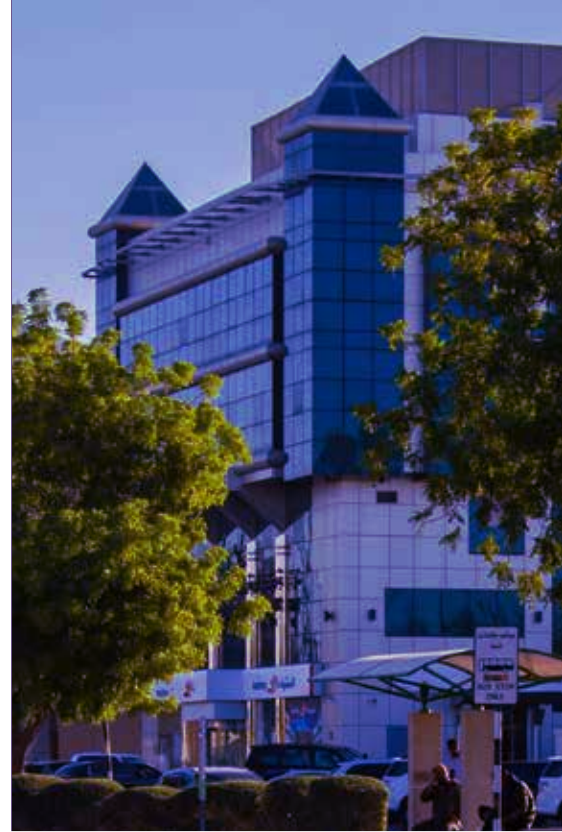


UAE Property Review 2015 Cityscape Edition



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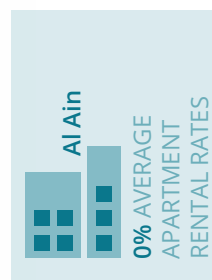
28 Oxford Economics

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Market Highlights Q3 2015

Abu Dhabi

- Abu Dhabi's residential rental and sales rates remained stable this summer, however, the overall market has continued on a positive growth trend since early 2013.
- Market activity all over Abu Dhabi was relatively slow during the summer except for Khalifa City, which saw an increase in demand for residential property, especially villas.
- The handover of the first phase of the Hydra Avenue development at City of Lights, on Reem Island, commenced in July as the first to be delivered within the master planned community. None of the remaining under-construction towers in the area are scheduled to be handed over this year.
- Office rental rates, overall, remained stable in the summer, with a significant slowdown in activity over the last quarter.
- Having recorded a significant increase over the last few months, the summer saw no further rental increases. However, with new supply levels limited, especially for high and prime residential units, we do not expect the market to see rental rates softening in this category for the next few months.



Dubai

- A general slowdown in the number of residential transactions on the secondary market was evident during the summer months, as sellers and buyers had different price expectations. Newly launched properties, however, did well provided that either the price or payment plan was reasonable, or an attractive return / incentive scheme was offered.
- Whilst overall average prices throughout Dubai showed no change with the previous quarter, there were significant disparities between areas, with several areas under- or out performing the rest of the market.
- For instance, IMPZ showed a 3% quarter-on-quarter growth, whereas Dubai Marina and Jumeirah Beach Residences recorded a decline of close to 10% over the quarter.
- Transaction levels in the commercial sector improved with a number of enquiries and deals closing for both the sale and leasing markets.



Al Ain

- Al Ain's real estate activity was slow and the overall market was relatively stable throughout Q3 2015.
- Demand for affordable residential units remained high for the first three quarters of 2015 with villa units remaining in high demand.

Northern Emirates

- The summer months in the Northern Emirates were characterised by limited change in residential rental rates.
- Rental rates in Sharjah's commercial sector remained stable over the quarter due to a lack of demand from existing tenants to expand or move to a new location. At the same time, there appeared to be no demand from new companies to set up in the Emirate and, as a result, vacancy levels remained high, even in the city's best towers.



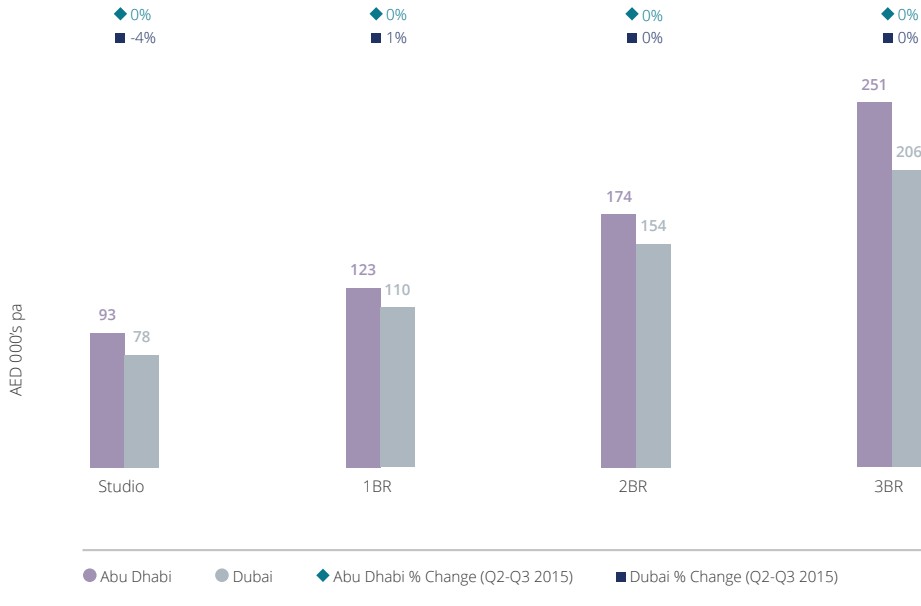
UAE Comparison

Q3 2015

RESIDENTIAL RENTAL RATES

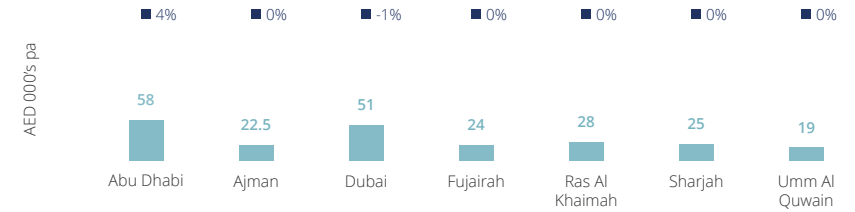
- Whilst apartment rental rates saw minimal changes over the quarter throughout all of the Emirates, Abu Dhabi still continued to achieve the highest rental rates compared with Dubai, Sharjah and the rest of the Northern Emirates. On average, one bedroom apartments at the high end in Abu Dhabi could 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

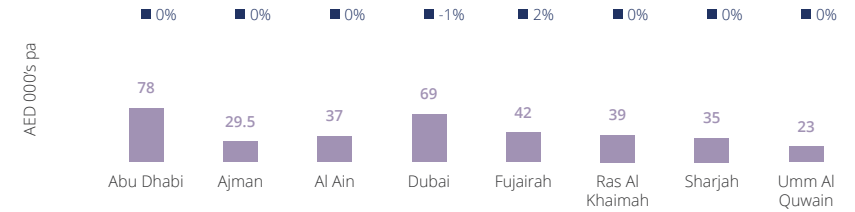


AFFORDABLE TO MID-MARKET APARTMENT RENT COMPARISON

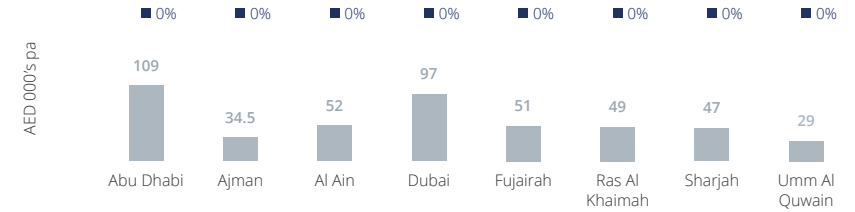
STUDIO



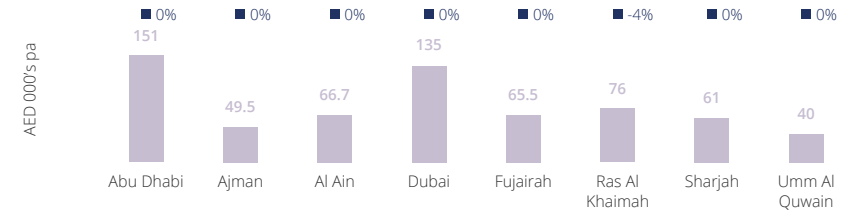
1BR



2BR



3BR

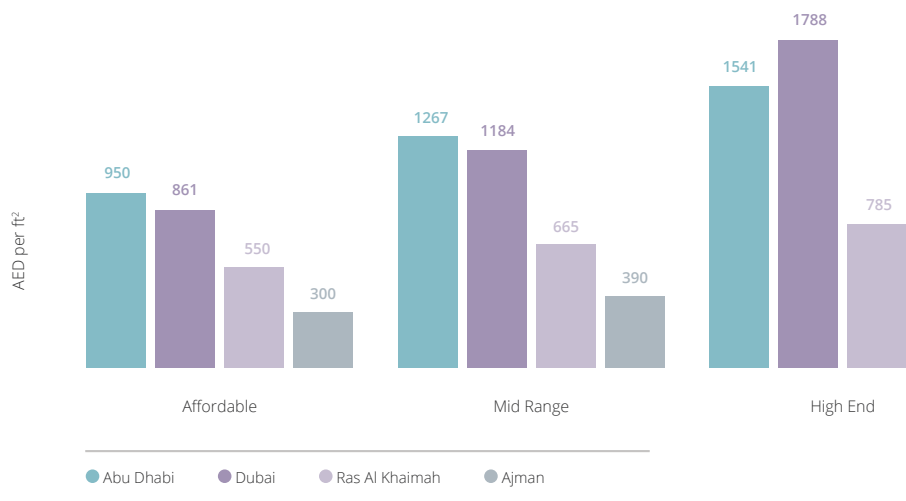


The following charts illustrate average sales prices and office rental rates throughout the various emirates.

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.

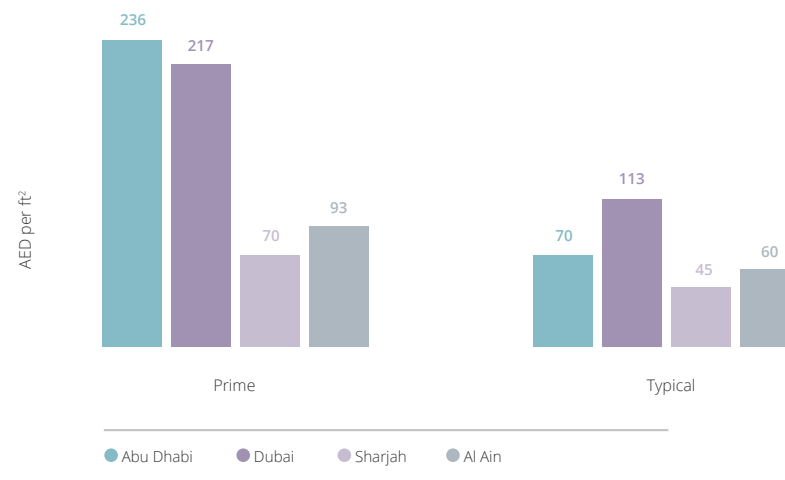
APARTMENT SALES PRICE COMPARISON



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

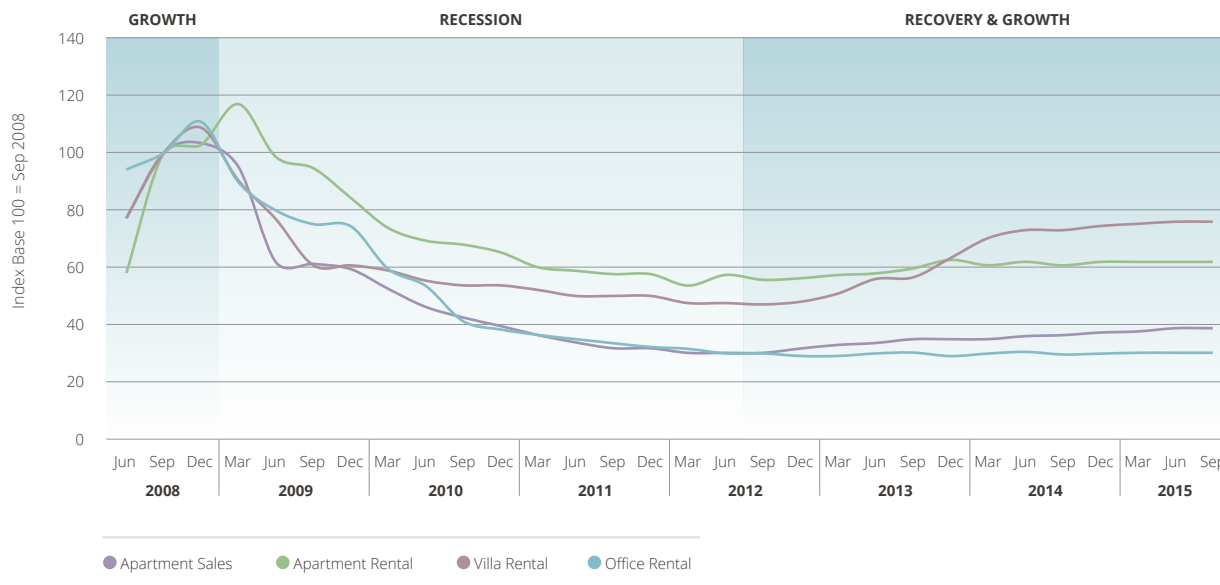


Abu Dhabi Q3 2015

Highlights

- Whilst rental rates and sales prices in Abu Dhabi's residential market saw a fast decline from early 2009 onwards, the market witnessed a significant growth since mid-2012 as apartment and villa rental rates increased by an average of 18% and 9%, respectively, up to Q3 2015.
- The growing confidence and improved sentiment in the Abu Dhabi market in the last two years resulted in a significant growth in rental rates and sales prices; nonetheless, the drop in oil prices began showing its negative effect, reflected by an overall investment slowdown.
- Apartment and villa rental rates recorded a 28% and 16% increase, respectively, compared with their lowest point in Q2 2012. Apartment sales rates, on the other hand, recorded a 55% increase during the same period.
- The office market has been relatively stable since 2013 following a rental rate decrease of 43% compared with its highest recorded rates during early 2009.

RESIDENTIAL & OFFICE PRICE MOVEMENT, SEP 2008 = BASE 100



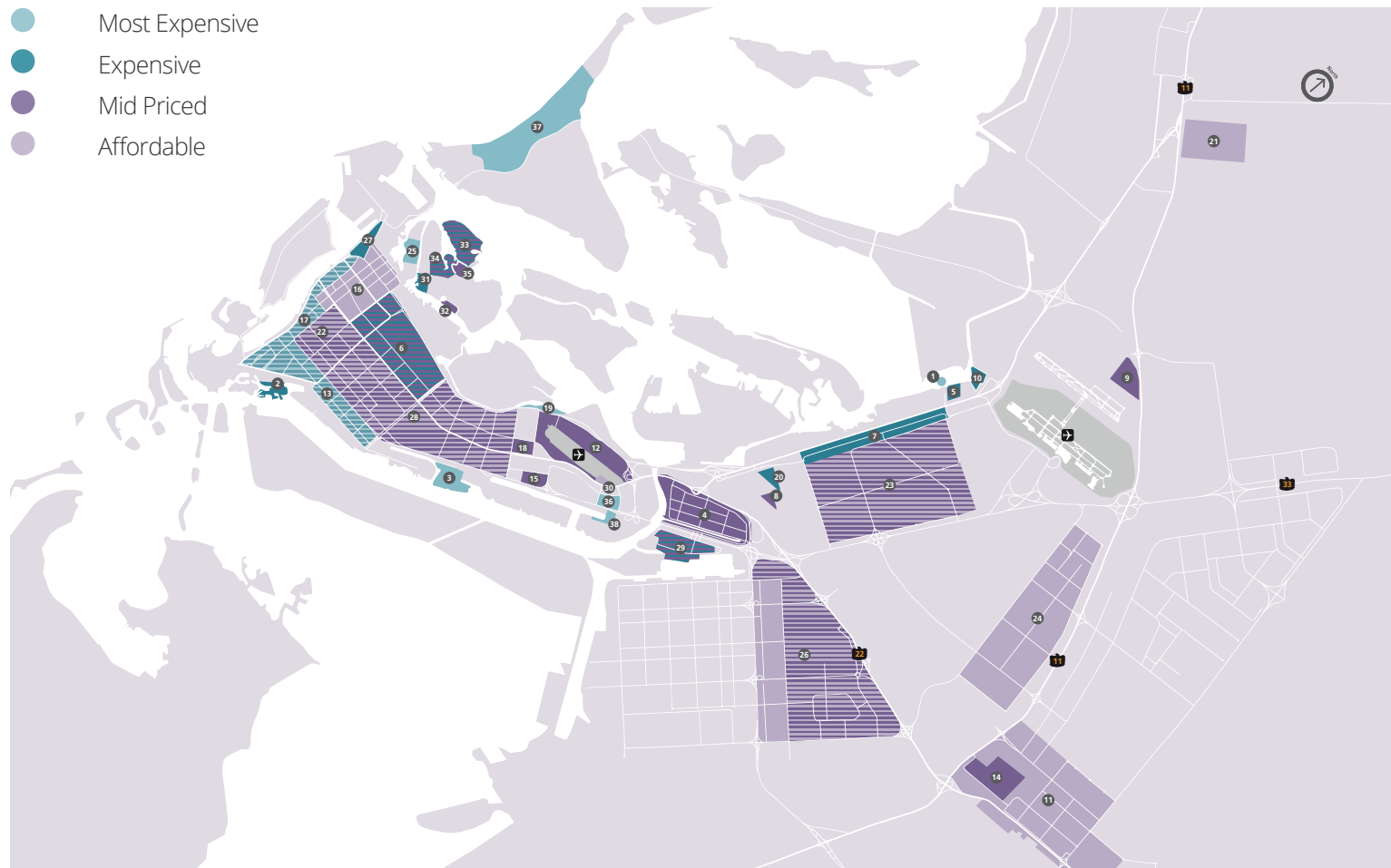
+4% APARTMENT ANNUAL SALES PRICE GROWTH

Abu Dhabi
Apartment sales prices up by 4% since Q3 2014.

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 Banyas
- 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 – City of Lights
- 35 Reem Island – The Gate District
- 36 Rihan Heights
- 37 Saadiyat Beach District
- 38 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.

Abu Dhabi

Rental Rates

Q3 2015

Apartments



- Although apartment rental rates remained stable during Q3 2015; they recorded a 7% increase, on average, since Q3 2014 whilst prime units achieved increases of up to 10% over the period.
- Market activity was relatively slow over the last three months, however, high quality units in all Investment Areas still recorded strong demand with Saadiyat Island remaining one of the most sought after locations, followed by the mixed-use communities on Reem Island and Al Raha Beach, which offered slightly more affordable units. At the same time, prime apartment buildings located on the Corniche with premium rates achieved close to full occupancy.
- The handing over of Hydra Avenue – phase one, which included three towers, commenced in July 2015; this will increase the supply to the area by an additional 906 apartment units. Initially, this could lead to a compression of asking rates as new landlords aim to attract tenants rapidly. However, with no major supply expected to enter the market before 2016, rates are likely to stabilise quickly.

Apartments Rental Rates (AED 000's pa)		Studio		1BR		2BR		3BR		% Change	
		Min	Max	Min	Max	Min	Max	Min	Max	Q2- Q3 2015	Q3 2014- Q3 2015
Prime Properties											
Abu Dhabi Island		-	-	105	150	140	240	187	360	0	8
Investment Areas		95	105	130	160	160	220	240	300	0	11
High End Properties											
Abu Dhabi Island	Central Abu Dhabi	-	-	-	-	130	160	160	185	0	5
	Corniche	-	-	-	-	130	170	185	300	0	4
	Khalidiya / Bateen	85	100	105	135	150	185	175	250	0	2
Investment Areas	Al Raha Beach	-	-	105	125	145	175	175	230	0	4
	Marina Square	70	85	90	110	130	160	170	190	0	7
	Shams Abu Dhabi	90	100	105	125	132	175	175	210	0	3
	Saadiyat Beach	-	-	120	130	175	185	200	250	0	20
Lower End Properties											
Abu Dhabi Island	Central Abu Dhabi	40	50	60	70	70	100	85	145	0	2
	Corniche	40	45	60	75	75	100	75	155	0	-1
	Khalidiya / Bateen	40	45	60	75	75	100	75	150	0	3
Investment Areas	Al Reef	60	65	75	85	95	110	120	140	0	6
Off Island	Khalifa & MBZ City	30	45	40	55	50	80	60	100	0	0

Villas



- In line with the apartment sector, villa rental rates were stable in Q3 2015, as the majority of prime developments reached their highest rates in 2014, with prime villas on Saadiyat Island and Golf Gardens being the most sought-after products. The lack of quality villa communities continued to be the main factor behind the high rental rates throughout Abu Dhabi.
- Over the last twelve months, villa rental rates continued on their upward trend as Al Raha Gardens increased by 5%, Saadiyat Saint Regis Villas and Al Reef Villas by 4%, and Golf Gardens by 2%. The rental growth was driven by close to full occupancy in all of these communities and, with no new supply expected until 2017, the situation is expected to continue over the next 12 months.
- At the same time, however, demand for older and poorer quality stand alone villas on Abu Dhabi Island has significantly decreased over the last six months as landlords continued to have high rental expectations beyond a perceived fair value, which put pressure on this segment due to strong competition from all the new residential supply delivered in the last two years.
- At the same time, Khalifa City witnessed an increase in demand for villas as the area has become more attractive due to a large number of schools and employment centres relocating in the area.

Villas Rental Rates (AED 000's pa)		2BR		3BR		4BR		5BR		% Change	
		Min	Max	Min	Max	Min	Max	Min	Max	Q2-Q3 2015	Q3 2014-Q3 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
	Nahyan Camp / Muroor	-	-	150	170	190	200	220	300	0	0
Investment Areas	Al Raha Beach	-	-	240	260	210	300	310	330	0	0
	Al Reef	120	130	135	150	162	167	175	200	0	4
	Hydra Village	80	85	90	115	-	-	-	-	0	9
	Saadiyat Island	-	-	290	300	310	350	350	850	0	2
Off Island	Al Raha Gardens	-	-	165	220	190	300	250	330	0	5
	Golf Gardens	-	-	220	230	240	280	300	350	0	3
	Khalifa City	-	-	115	150	140	160	170	185	0	4
	Mohamed Bin Zayed	-	-	100	115	130	150	155	180	0	0

Offices



- Demand for office space remained constant this quarter, as the decline in oil prices started showing an impact on the overall market and slowed down in government spending, affecting all market sectors.
- Office rental rates were stable with relatively high vacancy rates recorded in older office buildings while rental rates ranged from AED 800 to AED 900 per sqm, whereas, fitted office space in new Grade A buildings continued to achieve up to AED 1,900 per sqm.
- With the announcement of Al Maryah Island's Free Zone status, Abu Dhabi Global Markets (ADGM) have raised and achieved rental rates of up to AED 3,500 per sqm higher by close to 50% compared with pre free zone rates.
- Several office buildings are expected to be handed over in the next months. These include the Grade A Al Hilal Bank office building on Al Maryah Island and ADNOC head quarters on the Corniche, which could put some pressure on rental rates especially for poor quality stock as tenants look for improved quality.

Offices (AED per Sqm pa)		Average Rental Rates		% Change	
		From	To	Q2-Q3 2015	Q3 2014-Q3 2015
Prime Office Space (*)		1,600	3,500	34	34
Recent Build	Fitted	750	1600	0	0
	Shell & Core	700	1,350	0	8
Older Stock		700	1,000	0	0
Typical Building		650	800	0	0
Low Quality Building		600	700	0	0

* Includes developments such as Al Maryah Island, Aldar Headquarters, International Tower, Nation Towers, Etihad Towers, Capital Plaza, Capital Gate, etc.

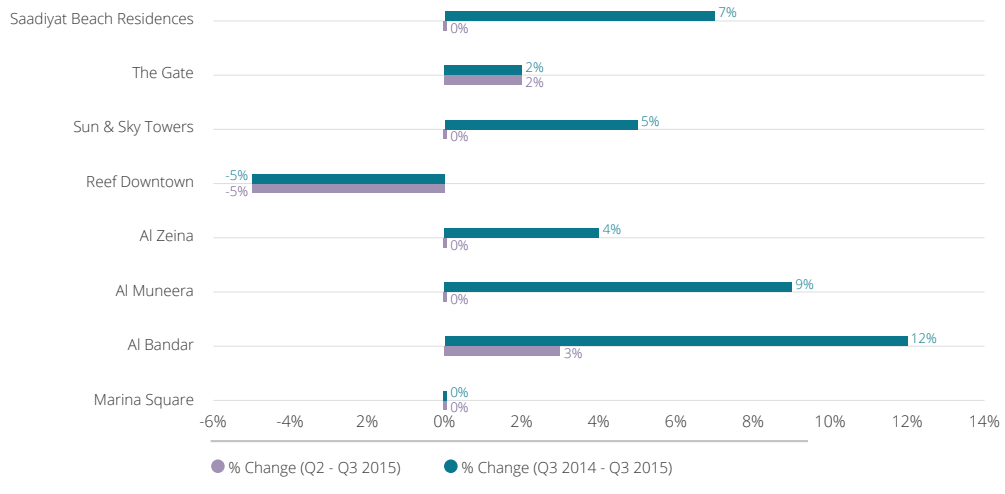
Abu Dhabi Sales Prices

Q3 2015

Apartments

- Sales prices for apartments remained unchanged in the last three months, although they continued to stand at 4% higher than values recorded in Q3 2014. Projects located in Al Raha Beach and Saadiyat Island recorded the highest yearly increase with Al Bandar and Al Muneera up by 12% and 9% respectively, whereas Saadiyat Beach Residences increased by 7%, on average.
- The only decrease, of 5% over the quarter, was recorded at Reef Downtown, as previous rates were higher than the perceived value to buyers. This led to a slow down in transactions and reduction in asking prices as sellers in the development adjusted their expectations.
- The last six months witnessed the launch of several new developments located mainly on Reem, Yas and Saadiyat Islands, with some, such as Meera at Shams Abu Dhabi (by Aldar), offering competitive rates with prices ranging from as low as AED 1,000 and AED 1,150 per sqft. These new projects have increased the options available for buyers, and, over time will provide a better offering to tenants.
- Despite remaining highly popular, sales prices for Reem Island projects were relatively stable over the last year, with the exception of Sun and Sky Towers and The Gate Towers, which increased by 5% and 2% respectively, and traded at an average price range of AED 1,400 to AED 1,600 per sqft.
- The key projects that were launched in the last six months include West Yas and Mayan (by Aldar) on Yas Island, Meera at Shams Abu Dhabi (Aldar), New Horizon (by Tamouh), and The Kite (by Aabar), which are all located on Reem Island. Saadiyat Island also saw some new launches, which include Jawaher Al Saadiyat by TDIC and Park Views by Bloom Properties. None of the recently announced projects on Yas Island, have been offered for sale, which makes Ansam by Aldar (launched Q2 2014) the only project available for freehold ownership to date.

APARTMENT SALES PRICES MOVEMENT BY AREA



Apartment (AED per Sqft)	Average Sales Prices	
	Min	Max
Marina Square	1,300	1,450
Al Bandar	1,500	1,800
Al Muneera	1,350	1,600
Al Zeina	1,150	1,350
Reef Downtown	900	1,000
Sun & Sky Towers	1,450	1,600
The Gate	1,400	1,600
Saadiyat Beach Residences	1,500	1,700

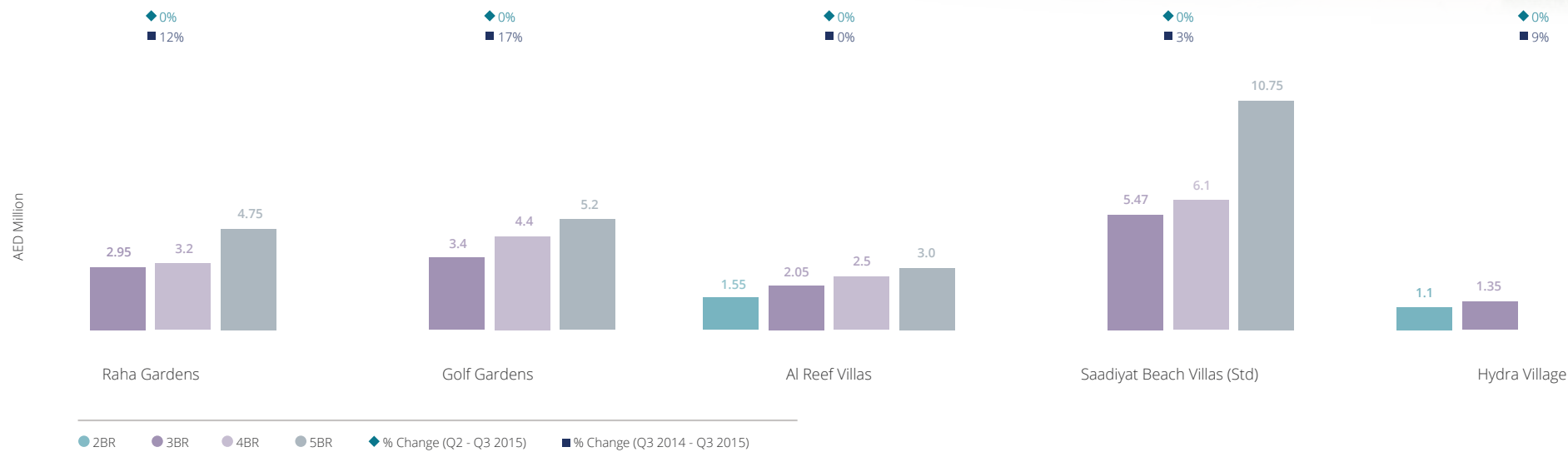


Villas

- Having increased substantially over the last few years, villa sales prices remained stable this quarter although the average yearly increase was recorded at over 8% across the market, as Golf Gardens and Al Raha Gardens achieved 17% and 12% growth, respectively. Al Reef villas prices, however, remained stable over the last year leading to improved rental returns for investors.
- The high demand for villas in well master-planned developments resulted in good sales volumes for the recently launched Al Merief Development and Nareel Island, offered on a plot-sale basis exclusively to Emiratis. Likewise, Jawaher Al Saadiyat and Hidd Al Saadiyat (offered on a freehold to all nationalities) also attracted strong demand as sales prices ranged from AED 5.7million to AED 25 million and from AED 7.5 million to AED 38 million per plot, respectively.



VILLA SALES PRICES

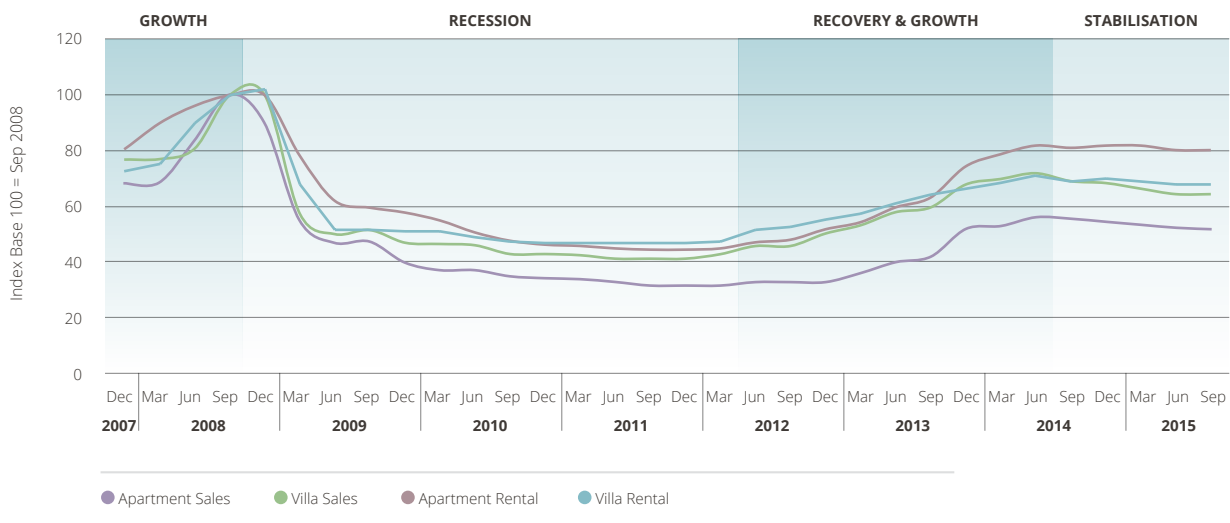


Dubai Q3 2015 Highlights

Residential

- Whilst sales prices reduced over the last six months, this quarter saw relative stability, albeit with a marked slowdown in transaction levels during the summer as many investors and residents were out of the country during the traditional holiday period. There were, however, notable differences between areas as the affordable segments outperformed the rest of the market, whereas the higher end of the market experienced declines of up to 10% in select areas.
- The price change in the sales market was to a certain extent expected, due to the rapid price increases witnessed in 2013 till the middle of 2014. This reduction in rates is expected to unlock some of the demand from potential buyers still keen to purchase property at the right price.
- Average rental rates were stable this quarter but with significant differences between areas. The large amount of supply expected for completion in the second half of the year (approximately 7,000 units) will put pressure on rental rates over the next few months and this is likely to continue in 2016 as close to 13,000 apartment units are in the pipeline for completion. This in turn will put downward pressure on yields, which had, until now, strengthened in some areas as sales prices had fallen faster than rental rates.

RESIDENTIAL PRICE MOVEMENT, SEP 2008 = BASE 100



-8% ANNUAL RESIDENTIAL SALES PRICE MOVEMENT

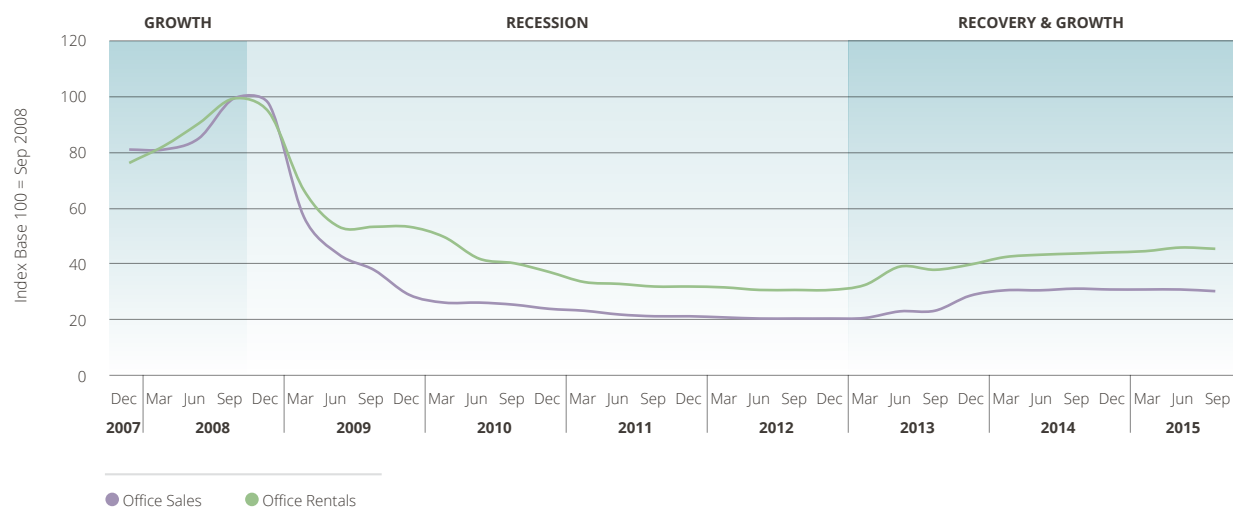


Q3 2015 down by 8% since Q3 2014.

Office

- Whilst average office sales prices showed a 2% decline, this was predominantly for the lower end of the market as owners were keen to sell. However, enquiry levels were up compared with the first half of the year as a significant number of transactions completed for good quality space bought either for investment purposes by larger investors or small/medium sized companies for their own occupation.
- Rental rates remained unchanged across the board although there was a high level of enquiries during this quarter.
- Over the next 12 months, the market is expected to witness a significant amount of office stock being released for both Grade A and strata units that could potentially lead to a reduction in rental rates as landlords seek to limit vacancy levels.

OFFICE PRICE MOVEMENT, SEP 2008 = BASE 100



14% OFFICE TRANSACTIONS

14% increase in transaction numbers for first half of 2015 since H1 2014. Source: Reidin

Dubai Residential Rental Rates

Q3 2015

Apartments



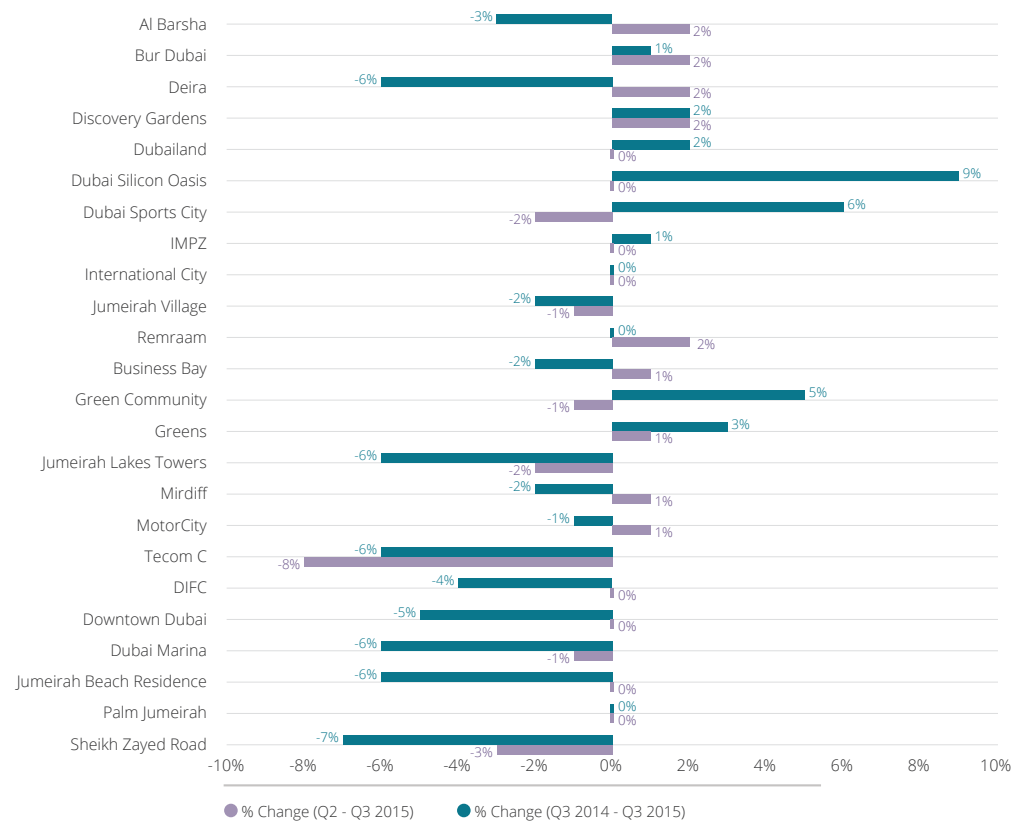
- After the decline witnessed last quarter, overall rental rates in Q3 remained broadly unchanged, subject to a few upward or downward adjustments in select areas.
- It was noted that some landlords had increased the number of installments (up to 6 cheques instead of annual or semi-annual payments) and, in some cases, even offered rent free incentives. This was especially apparent around Al Nahda and Al Qusais, where effective rental rates were down by 2%.
- Asteco expects that the coming months are likely to see a continued downward pressure on rental rates, as a substantial number of supply is due to enter the market – expected at over 7,000 units (assuming no construction delays) by year

end, with a further 13,000 anticipated in 2016.

- With the number of off-plan projects launched over the last few years, together with project announcements made, the total supply could increase to nearly 70,000 units (apartments and villas) by the end of 2020 – assuming all projects are actually built.
- These deliveries could lead to a continued downward pressure on rental rates, making Dubai once again a more affordable place to live and work. This will also force landlords to become more competitive and ensure their offering is adapted to end-user demand, be it in terms of quality, property management, facilities or price.

Apartment Rental Rates (AED 000's pa)	Studio		1BR		2BR		3BR	
	Min	Max	Min	Max	Min	Max	Min	Max
Affordable Areas								
Deira	35	55	40	85	70	115	80	145
Discovery Gardens	45	58	68	75	79	81	-	-
International City	30	40	42	50	60	72	-	-
Jumeirah Village	40	55	55	80	85	115	120	150
Min/Max Affordable	30	58	40	85	60	115	80	150
Mid to High End Areas								
Business Bay	65	85	70	110	110	145	165	190
Greens	60	80	80	110	120	160	155	200
Jumeirah Lakes Towers	55	70	70	100	95	160	145	175
Min/Max Mid to High End	55	85	70	110	95	160	145	200
High to Luxury End Areas								
DIFC	75	100	90	130	130	185	170	270
Downtown Dubai	70	90	95	115	135	170	210	290
Dubai Marina	55	80	70	130	95	210	150	250
Jumeirah Beach Residence	80	90	90	140	125	160	150	215
Palm Jumeirah	75	110	120	180	145	250	170	335
Sheikh Zayed Road	55	80	80	120	115	160	150	220
Min/Max High to Luxury End	55	110	70	180	95	250	150	335

APARTMENT RENTAL RATE MOVEMENT BY AREA



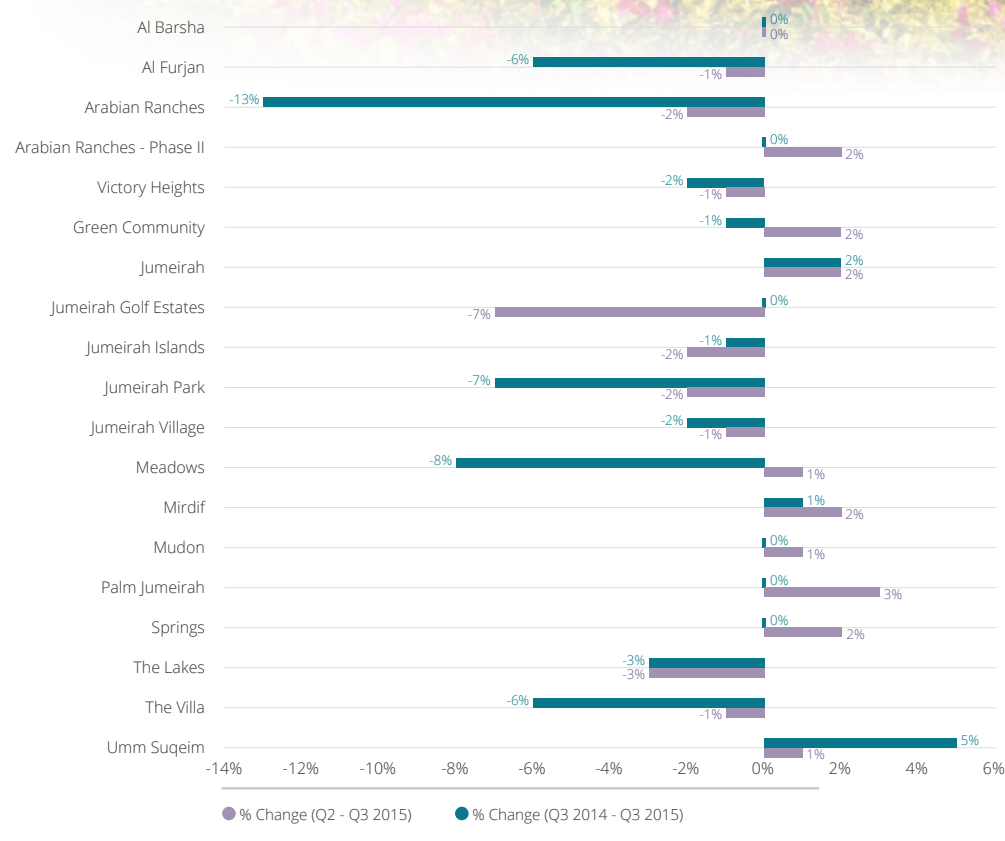
Villas



- Similar to apartments, villa rental rates remained unchanged this quarter, with some areas even witnessing moderate increases, as take-up in newer communities such as Arabian Ranches Phase II and Mudon improved.
- Phase I of Arabian Ranches recorded a rental rate drop of 2% from the previous quarter as tenants moved to newer developments, or negotiated a reduction in their rental rates with their landlords.
- Similarly, asking rates in Jumeirah Park were also down by 2% as vacancy levels were still high.
- Whilst moderate declines are expected this year, 2016 could see a substantial rental decline for villas as close to 9,000 units could be delivered to the market by 2016 in a variety of areas, mostly located along the Mohammed Bin Zayed Road corridor.

Villa Rental Rates (AED 000's pa)	2BR		3BR		4BR		5BR	
	Min	Max	Min	Max	Min	Max	Min	Max
Al Furjan	-	-	160	200	-	-	210	240
Arabian Ranches	140	185	160	260	190	300	240	340
Arabian Ranches Phase 2 - Casa Villas	-	-	190	210	200	250	-	-
Victory Heights	-	-	170	200	190	250	260	400
Jumeirah	-	-	165	300	180	400	210	460
Jumeirah Park	-	-	195	240	210	290	295	350
Jumeirah Village	140	165	160	175	140	200	165	235
Meadows	-	-	200	250	220	280	250	325
Mirdif	-	-	130	155	140	180	145	200
Mudon	-	-	175	200	175	210	-	-
Palm Jumeirah	-	-	315	390	290	550	360	1,100
Springs	125	140	160	220	-	-	-	-

VILLA RENTAL RATE MOVEMENT BY AREA



Dubai Residential Sales Prices

Q3 2015

Apartments



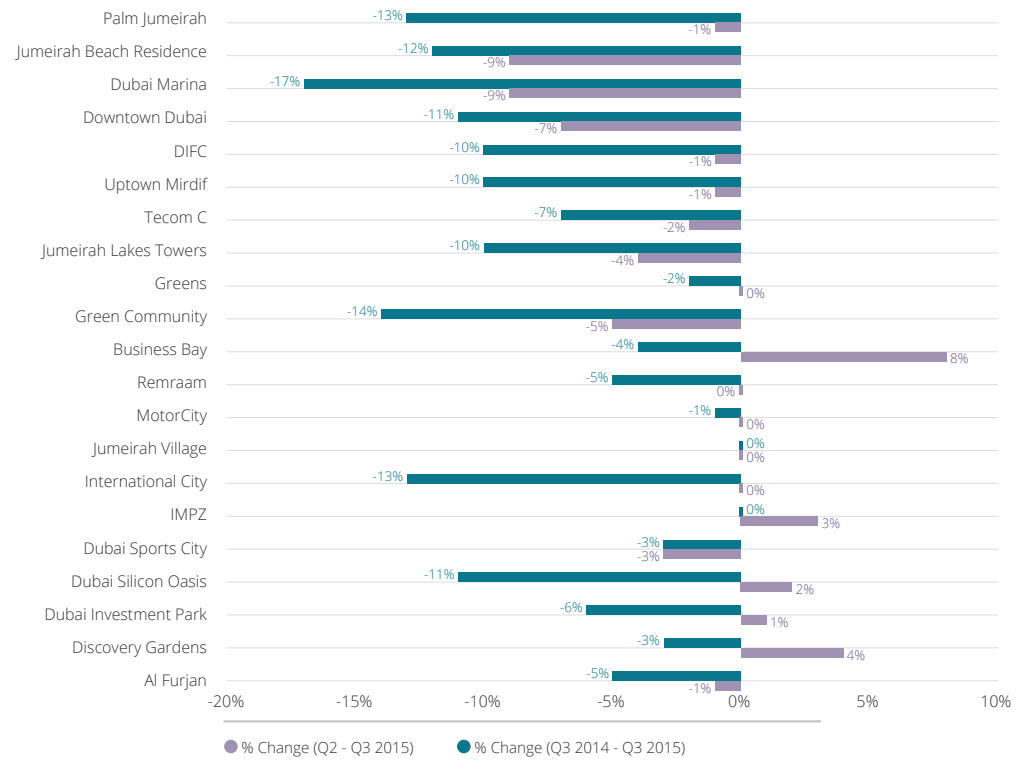
- Overall, transaction levels were low, as sellers who were in a position to negotiate did not 'need' to sell, and had a more optimistic view on the market; whereas buyer price expectations appeared to be 30% to 40% lower than the asking price.
- Sales prices appeared to be on an overall downward trend despite this quarter not seeing a significant decline in the affordable and mid to higher end segments. The high to luxury end of the market, however, did record a 2% decline on average during the quarter, with Dubai Marina and JBR witnessing the highest drops of nearly 10%.
- Certain properties on Palm Jumeirah such as the serviced apartments at Anantara or Dukes, fared well during the last three months, as the products on offer were aligned with investors budgets and provided an attractive return

scheme.

- The price change in the sales market was to a certain extent expected following the rapid price increases witnessed in 2013 till the middle of 2014, which led to a reduction in demand, especially for properties on the secondary market. This was compounded by the LTV rules and regulations imposed by the Central Bank in 2013, which made it harder for potential home-owners to finance the required down payment. As a result, any correction in sales prices will be a healthy development for the market overall, leading to improved affordability and increased transaction levels, both from home-owners and investors.

Apartments (AED per Sqft)	Average Sales Prices	
	Min	Max
Affordable Areas		
Discovery Gardens	720	1,000
IMPZ	700	1,100
International City	550	765
Jumeirah Village	750	1,100
Min/Max Affordable	550	1,100
Mid to High End Areas		
Business Bay	1,000	1,600
Greens	1,150	1,600
Jumeirah Lakes Towers	850	1,500
Min/Max Mid to High End	850	1,600
High to Luxury End Areas		
DIFC	1,600	2,100
Downtown Dubai	1,400	3,000
Dubai Marina	1,050	2,450
Jumeirah Beach Residence	1,200	2,200
Palm Jumeirah	1,050	2,700
Min/Max High to Luxury End	1,050	3,000

APARTMENT SALES PRICE MOVEMENT BY AREA



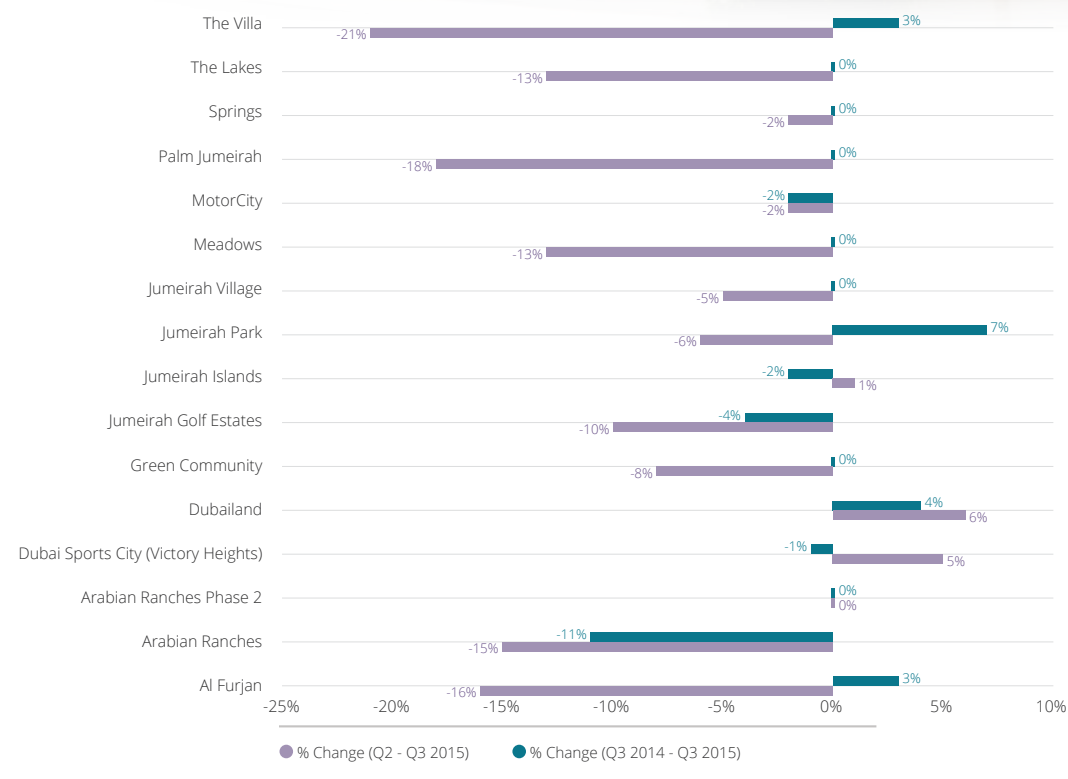
Villas



- The trend witnessed last quarter continued as buyers were after smaller, more affordable properties, whilst large, high-end villas were not in demand.
- Arabian Ranches witnessed the biggest decline this quarter, by 7%, as new supply handed over in newer phases and in Mudon affected rates.
- In addition, many of the off-plan properties launched over the last few years are nearing completion and therefore providing good alternatives for buyers. For instance, the off-plan Mira community by Emaar, located south of Emirates Road and due for completion by mid of 2016, had three-bedroom villas available from as low as AED 1.25M, whereas the cheapest three-bedroom villa in the completed Arabian Ranches went for approximately AED 2.3M - nearly double the price.

Villas (AED per Sqft)	Average Sales Price	
	Min	Max
Al Furjan	750	1,100
Arabian Ranches	750	1,500
Dubai Sports City (Victory Heights)	1,080	1,450
Jumeirah Park	1,000	1,250
Jumeirah Village	700	1,200
Meadows	900	1,400
Palm Jumeirah	1,615	3,500
Springs	850	1,200

VILLA SALES PRICE MOVEMENT BY AREA



Dubai Office Sector

Q3 2015

Leasing

- Rental rates in Dubai's office sector remained unchanged this quarter, as rates were conducive to deals concluding, with good quality, fitted space leasing at above average rates. Quality space from single owners continued to be most in demand with several deals completed in DIFC for approximately AED 190 per sqft for shell and core space and up to AED 300 for fitted offices.
- The trend of setting up smaller, serviced and/or fitted offices has attracted good enquiry levels in DIFC with Emirates Financial Towers even offering monthly lease contracts. This has led to achieved rates of approximately AED 300 to AED 350 per square foot for small office units.
- In Dubai Marina, the Al Habtoor Business Tower is also subdivided floors into smaller 1,000 square feet offices, which are leasing at approximately AED 140 per square foot whereas the API Trio offices are now 50% leased and achieving similar rates for the best units.
- Whilst rates remained stable this quarter, a number of new quality office developments are expected to be handed over in the coming months, which could put some pressure on rental rates.

Offices (AED per Sqft pa)	Average Rental Rates		% Change	
	Min	Max	Q2- Q3 2015	Q3 2014- Q3 2015
Bur Dubai	90	130	0	7
Business Bay	60	120	0	-14
DIFC	160	350	0	11
Dubai Internet City	180	200	1	7
Dubai Investment Park	60	80	8	12
Dubai Marina	120	160	-8	8
Jumeirah Lakes Towers	75	125	3	-7
Sheikh Zayed Road	110	270	0	6
Tecom C	100	115	0	10

Sales

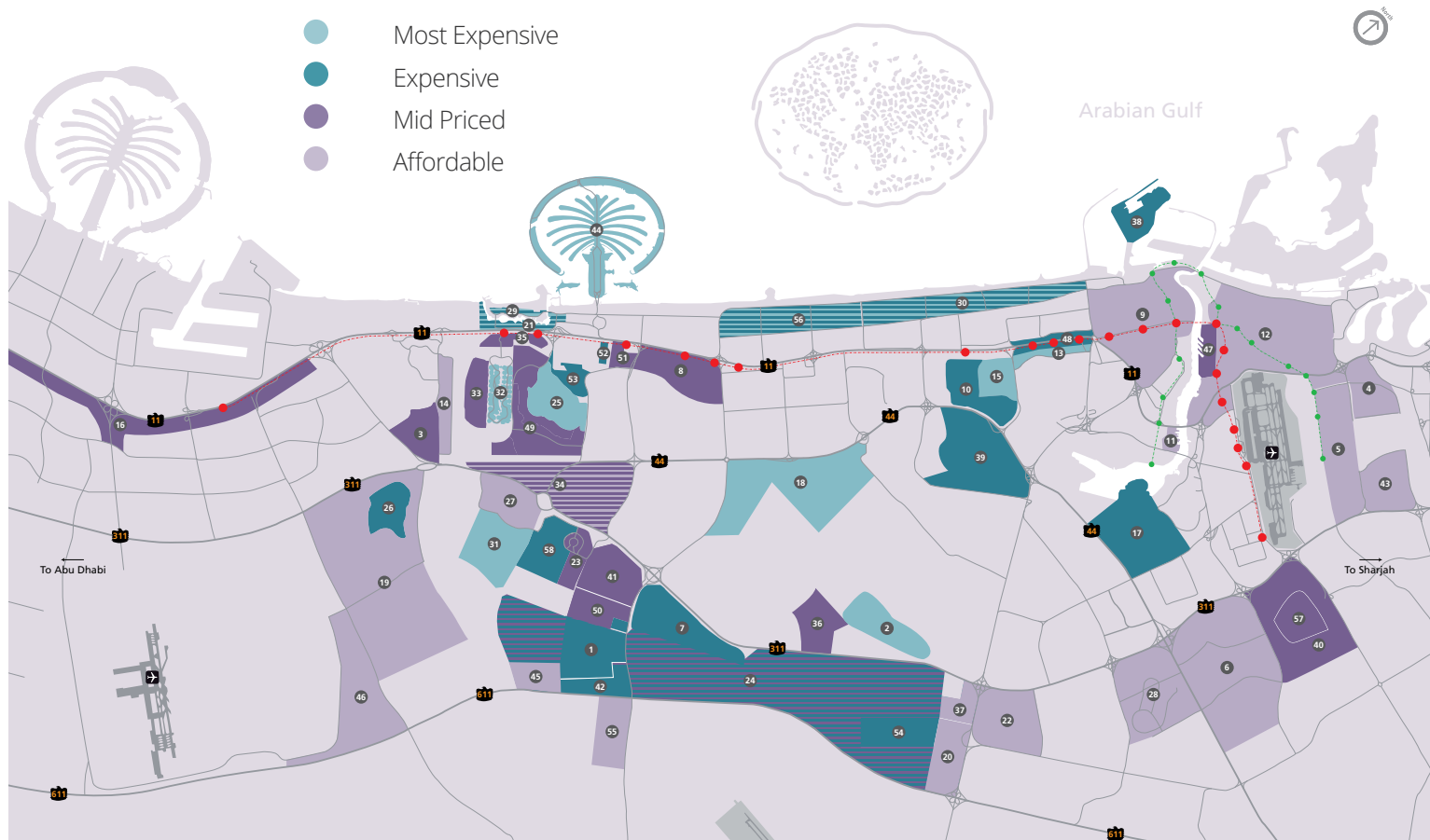
- Contrary to the residential market, office sales were relatively strong in Q3 as several transactions closed at higher than average rates.
- For instance, in Business Bay, both enquiry and transaction levels were good for quality towers nearest the metro station, such as Aspect Tower, One Business Bay, and Vision Tower. The latter of these towers achieved close to AED 1,800 per square foot for a space of nearly 2,000 sqft.
- Towers in Business Bay located closer to the Al Khail Road on the other hand witnessed lower levels of demand, and predominantly for smaller office space with rates starting from as low as AED 800 per square foot. The main buyers for this space were companies from the subcontinent who seemed to prefer purchasing space for their own occupation, and are amongst the main buyers of office space in the area.
- Burj Daman in DIFC traded well in Q3 and achieved prices of up to AED 2,200 per square foot for smaller office units, whereas larger offices traded at approximately AED 2,000 per square foot. Buyers comprised both of investors, such as large funds, buying to lease, as well as small and medium-sized companies who bought for occupation.

Offices (AED per Sqft)	Average Sales Prices		% Change	
	Min	Max	Q2- Q3 2015	Q3 2014- Q3 2015
Business Bay	800	1,700	2	2
DIFC	1,550	2,300	1	1
Dubai Investment Park	500	650	5	0
Dubai Marina	1,300	1,750	-3	-12
Dubai Silicon Oasis	700	750	0	-3
Jumeirah Lakes Towers	670	1,350	-1	-4
Tecom C	700	1,050	-4	-4

Dubai Area & Rent Affordability Map

- 1 Akoya
- 2 Al Barari
- 3 Al Furjan
- 4 Al Nahda
- 5 Al Qusais
- 6 Al Warqaa
- 7 Arabian Ranches
- 8 Barsha
- 9 Bur Dubai
- 10 Business Bay
- 11 Culture Village
- 12 Deira
- 13 DIFC
- 14 Discovery Gardens
- 15 Downtown Dubai
- 16 Downtown Jebel Ali
- 17 Dubai Creek
- 18 Dubai Hills
- 19 Dubai Investment Park
- 20 Dubai Land Residential Complex
- 21 Dubai Marina
- 22 Dubai Silicon Oasis
- 23 Dubai Sports City
- 24 Dubailand
- 25 Emirates Hills
- 26 Green Community
- 27 IMPZ
- 28 International City
- 29 JBR
- 30 Jumeirah
- 31 Jumeirah Golf Estates
- 32 Jumeirah Islands
- 33 Jumeirah Park
- 34 Jumeirah Village
- 35 Jumeirah Lakes Towers
- 36 Living Legends
- 37 Liwan
- 38 Maritime City
- 39 Meydan
- 40 Mirdif
- 41 MotorCity

- 42 Mudon
- 43 Muhaisnah
- 44 Palm Jumeirah
- 45 Remraam
- 46 Residential City
- 47 Rigga Al Buteen
- 48 Sheikh Zayed Road
- 49 Springs / Meadows
- 50 Studio City
- 51 Tecom C
- 52 The Greens
- 53 The Lakes
- 54 The Villa
- 55 Town Square
- 56 Umm Suqeim
- 57 Uptown Mirdif
- 58 Victory Heights



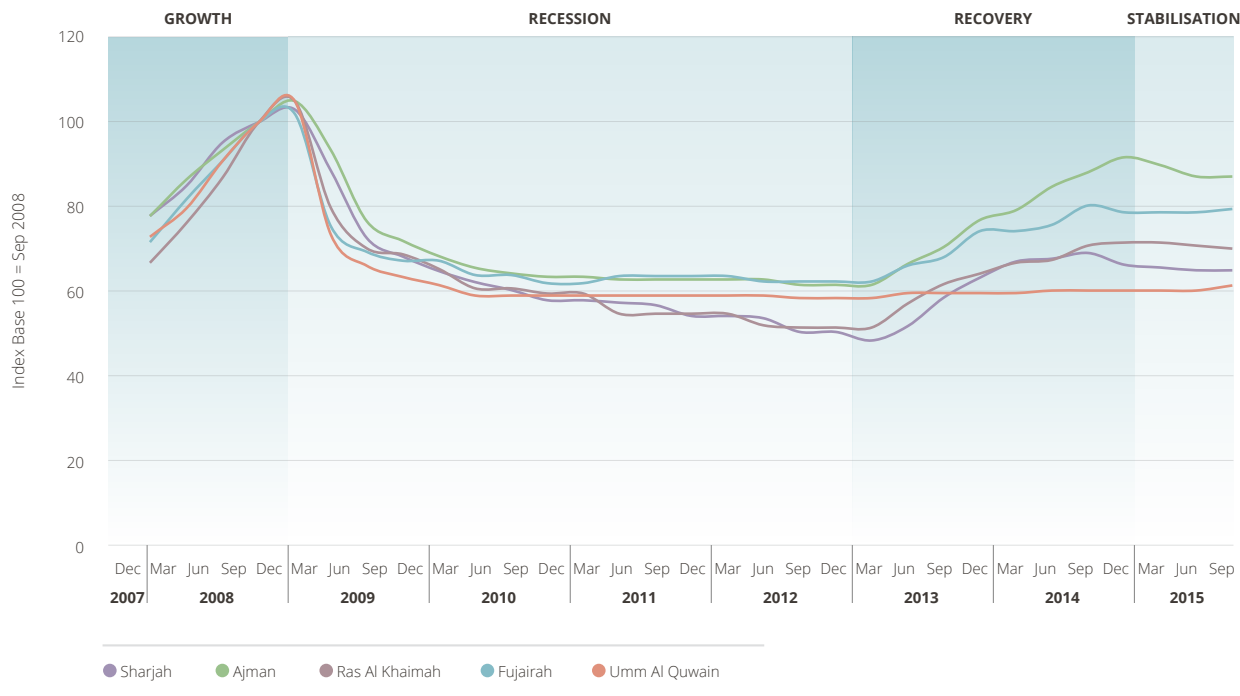
Note: Area classification by affordability is provided for indicative purposes only as many areas in Dubai offer various types of residential units, from affordable to high end. As such, the map colour coding takes into account the most prevalent type of product and exceptions of a lower and / or higher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

Northern Emirates 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

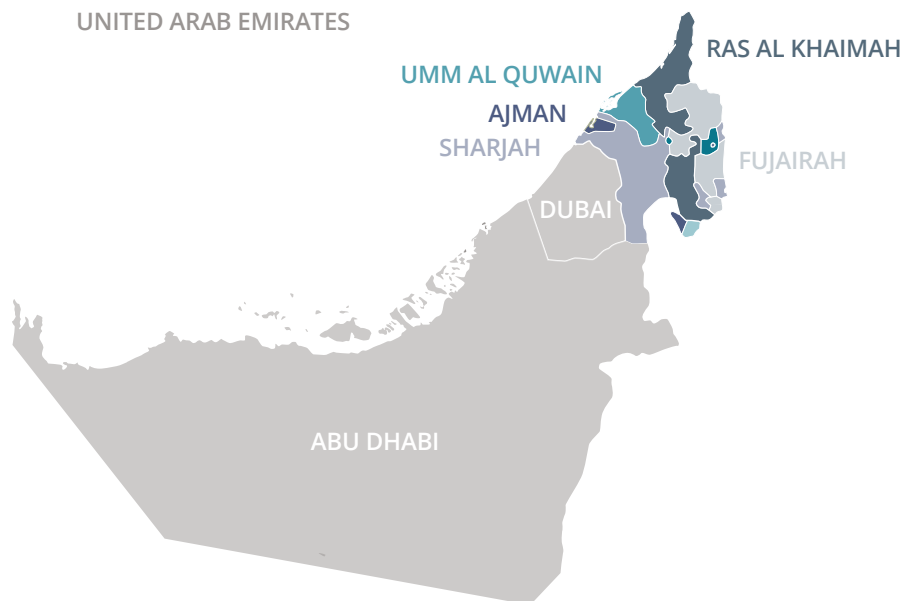


+4% APARTMENT ANNUAL RENTAL GROWTH

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

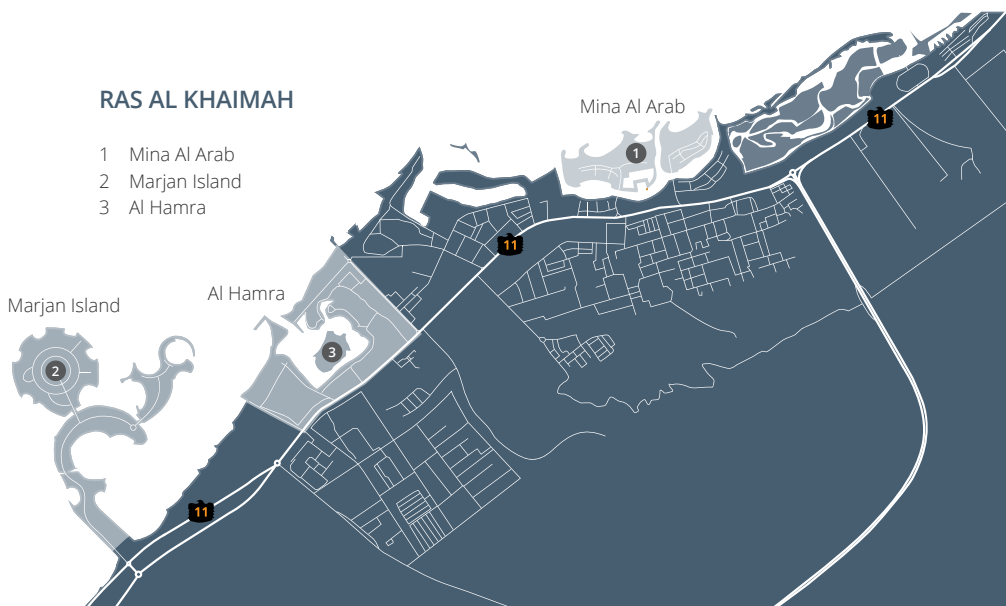
Northern Emirates Area Map

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



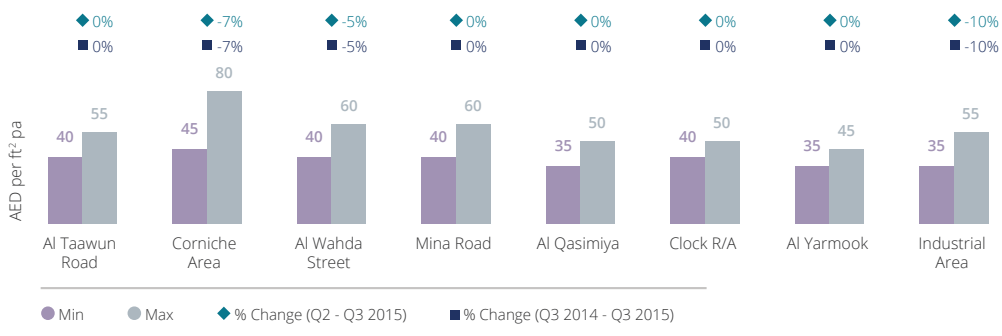
Northern Emirates Rental Rates

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.

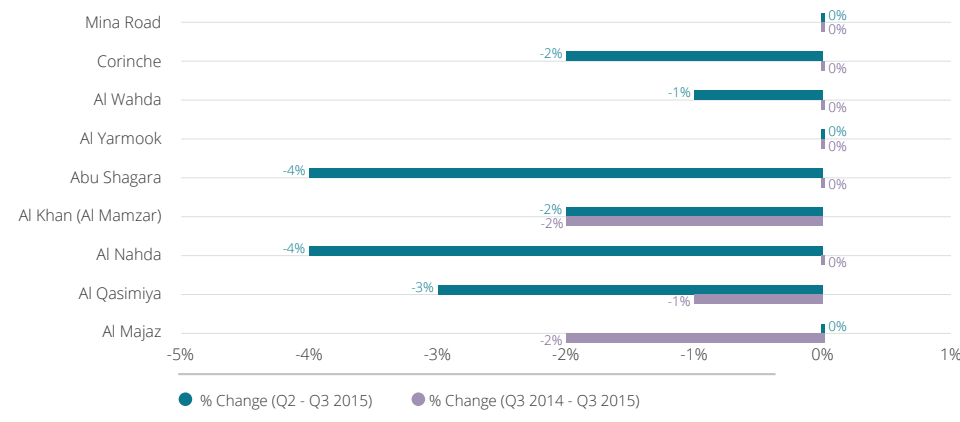
OFFICE RENTAL RATES



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.

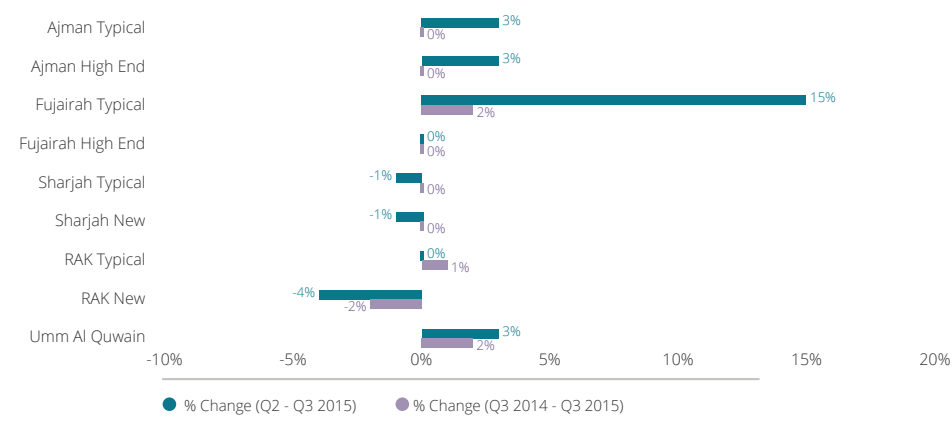
Fujairah, Ras Al Khaimah & Umm Al Quwain

- 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

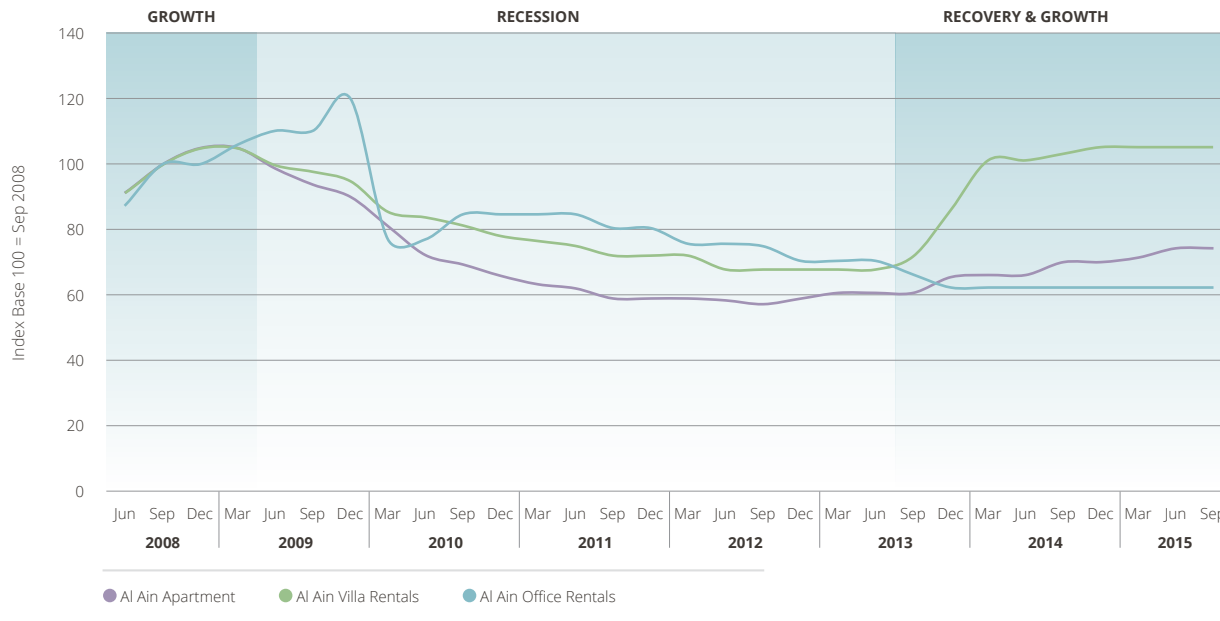


Al Ain Q3 2015

Highlights

- Al Ain's residential market recorded improvements from mid-2013 as apartment and villa rental rates increased by an average of 18% and 16%, respectively, to date. However, villa rates witnessed a higher growth in the second half of 2013 followed by smaller increases on a quarterly basis as shown in the graph below.
- The office market followed a slightly different trend when rental rates picked up in mid-2010, started a slow decrease since mid-2011, and remained flat since early 2014. This flat trend is a result of an increase in quality office supply affecting the existing stock, which consists mainly of low quality commercial villas.

AL AIN RENTAL MOVEMENT, SEP 2008 = BASE 100



+6% APARTMENT ANNUAL RENTAL GROWTH

Al Ain
New apartment rental rates increased by 6% since Q3 2014.

Al Ain Rental Rates

Q3 2015

Apartments



- Apartment rental rates in Al Ain remained stable over the quarter; although both old and recently completed buildings recorded a 4% and 6% yearly increase, respectively. Two and three bedroom apartments remained the most required types of residential units in Al Ain with prime two bedroom apartments achieving between AED 55,000 to AED 65,000 per annum.
- Demand for units in older buildings increased over the last six months as rental rates in new buildings reached their peak in the last two years. The most popular areas for apartment units are Al Jimi, Town Centre, and Al Manaseer.
- A number of new buildings in the Town Centre and other areas are expected to be handed over in the next three to six months and Al Ain's Stadium master development will increase the number of mid to high quality apartment units over the next two years.

Villas



- The villa rental market has been relatively flat since mid-2014; however, with an increase of 19% achieved over the last two quarters. Demand for large mid to low quality units slightly decreased as tenants preferred smaller and more affordable units.
- Transaction volume in Q3 was relatively slow with the most popular areas for villas being in Shaab Al Ashkhar, Falaj Hazza and Al Towaya, whilst the Asharej area is expected to become one of the most sought after areas once the Central Village compound is handed over in mid-2016.

Office and Retail



- The office market in Al Ain has remained flat since the end of 2013.
- Several buildings were handed over in early 2015, which increased office stock in the city. In addition, a number of small buildings that will include retail and office space are expected for hand over in the next six months. The Al Senaya area will contain the majority of new mid to low quality stock.
- Rental rates in the Town Centre ranged between AED 700 and AED 1,000 per sqm, whereas, the old stock in Senaya Street ranged between AED 400 and 600 per sqm.
- Similar to the office market, retail rental rates have remained stable over the last few years and a significant lack of quality retail space persists. The average rate in the main malls was approximately AED 2,225 per sqm, with rates of up to AED 3,000 per sqm achieved for the best units.



Al Ain Rental Rates

Q3 2015



Apartments

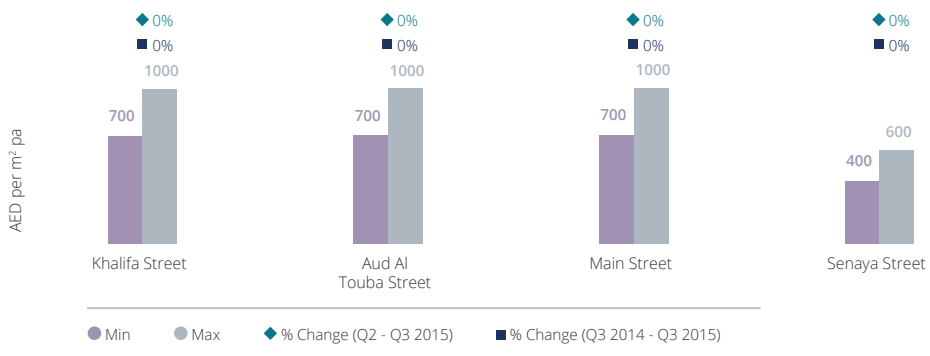
Apartment Rental Rates (AED 000's pa)	1BR		2BR		3BR		% Change	
	Min	Max	Min	Max	Min	Max	Q2-Q3 2015	Q3 2014-Q3 2015
Mature Buildings	31	36	40	50	52	60	0	4
New Buildings	34	39	45	55	58	75	0	6
Prime Compounds	40	45	55	65	65	90	0	0

Villas

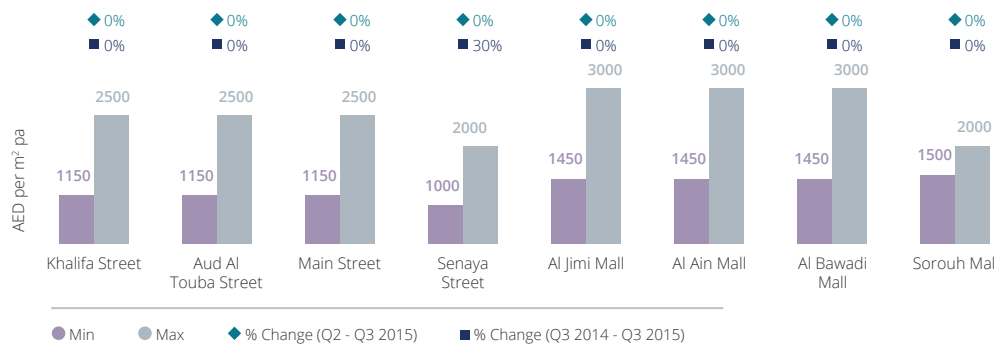
Villa Rental Rates (AED 000's pa)	3BR	4BR	5BR	% Change	
	Min	Min	Min	Q2-Q3 2015	Q3 2014-Q3 2015
Mature Units					
Town Centre	83	95	125	0	0
Others *	83	95	125	0	0
Zaker	75	75	105	0	0
Al Towaya	80	95	125	0	0
Al Jimi	83	95	125	0	0
New Units					
Town Centre	88	110	155	0	0
Others *	88	110	155	0	0
Zaker	80	98	128	0	0
Al Towaya	93	110	160	0	0
Al Jimi	88	110	155	0	0
Prime Compounds	105	135	170	0	0

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

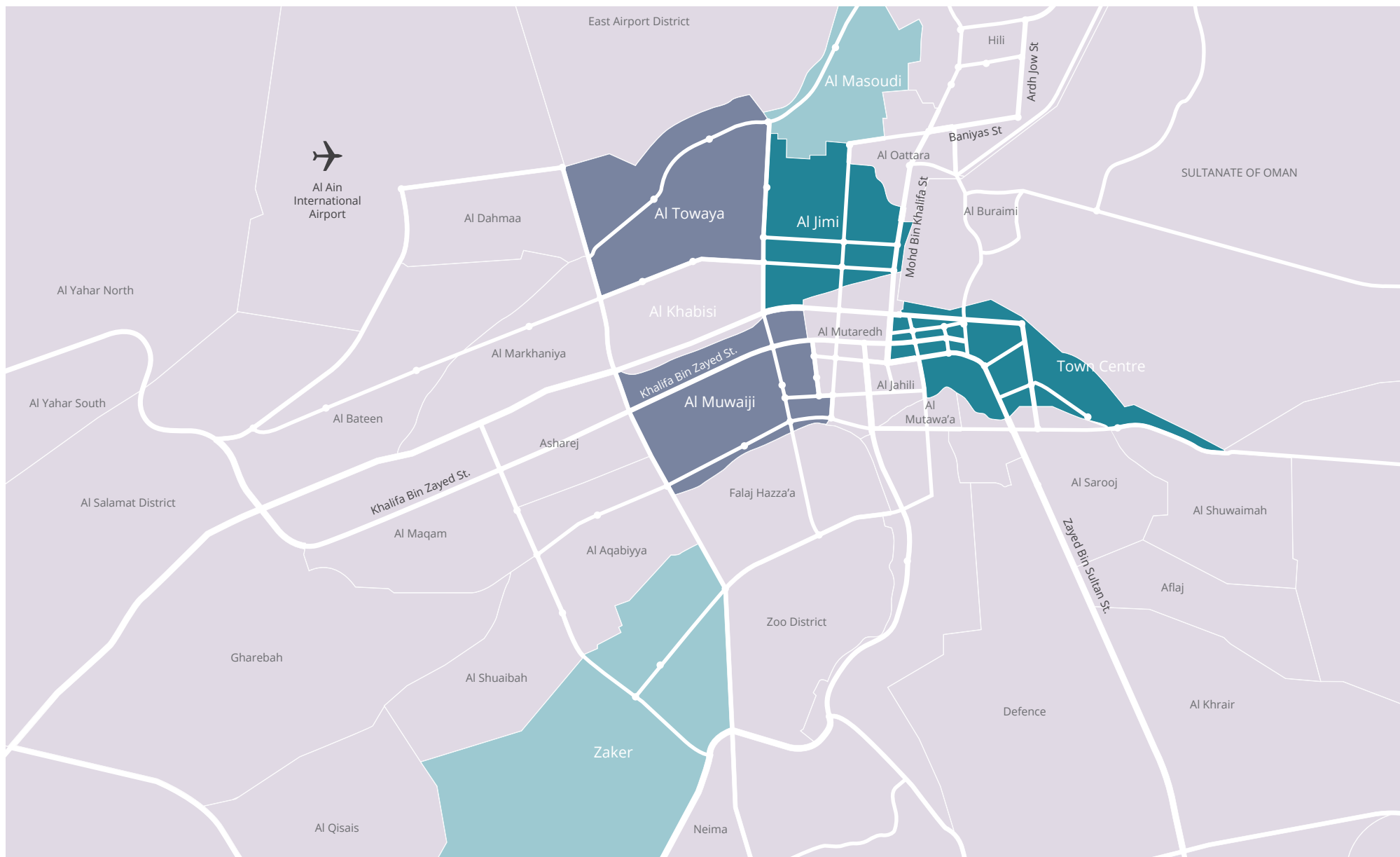
OFFICE RENTAL RATES



RETAIL RENTAL RATES



Al Ain Area Map



Global Outlook Summer 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.

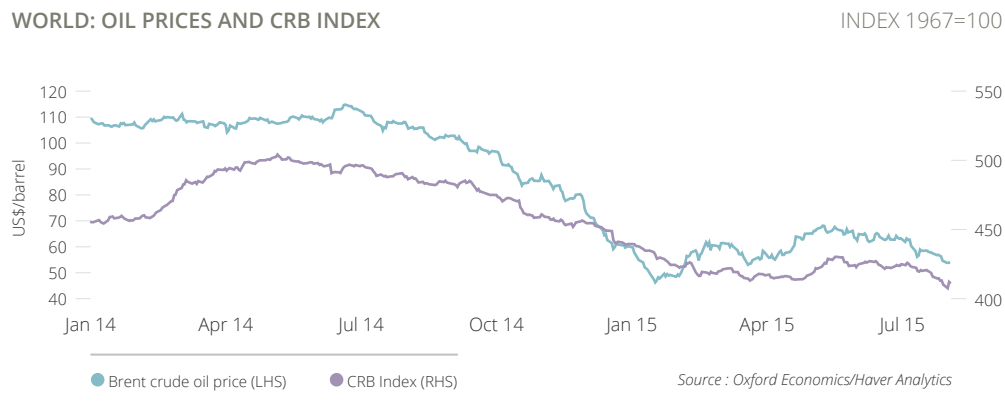
To find out more and request your free trial please contact Paul de Cintra on pdecintra@oxfordeconomics.com

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

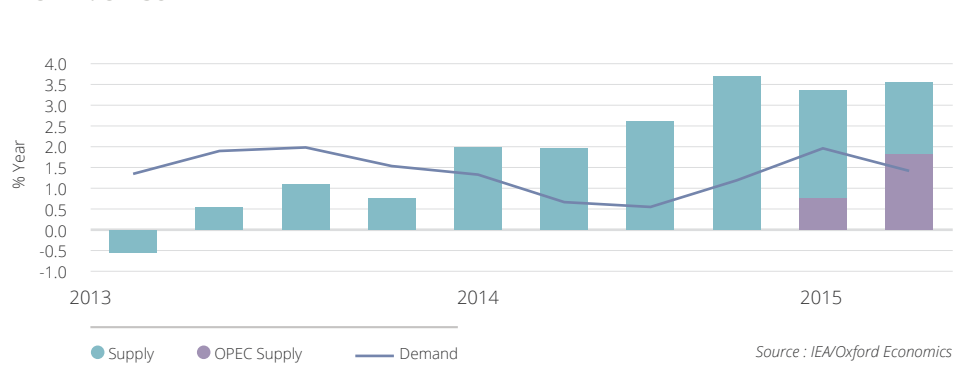
Oil prices are under pressure again. Having risen to almost US\$70/barrel in early May, Brent crude prices have slumped by over 20% to around US\$54/barrel since. Prices are now at their lowest level since March.

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



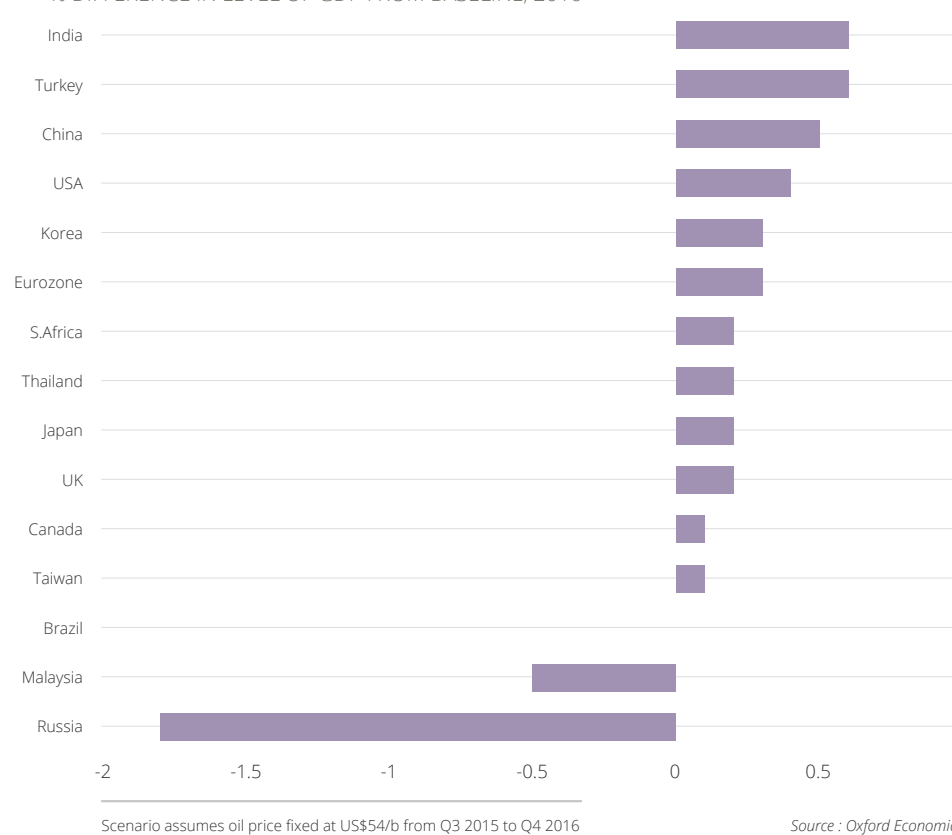
...and this could boost world growth...

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





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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