

End-users take centrestage

Investors have taken a backseat amid an uptick in demand for residential properties says Choueri Real Estate

By Ambily Vijaykumar

"Dubai has been very kind to a lot of people. The amount of money that many people made here, umpteen of them won't be able to make that kind of money if they lived their lives three times over. But unfortunately most folks forget that," says Laura Choueri, CEO and Managing Director of Choueri Real Estate Broker (LLC).

The company has always had faith in the market, which has been re-affirmed with signs of activity beginning to show in the past two months.

"The fact is that investors have taken a backseat for the moment. They used to buy off-plan and flip, but now, with off-plan sales almost stagnant, investors are not jumping into the market with the earlier fervor. But they are collectively setting up funds to purchase property whether it is here or in London or USA. However it is the ready-to-move property market that is seeing a boom," informs Georges Maurice, Manager-Operations at Choueri.

With a cumulative presence of about 16 years in the Dubai market, including the era before the freehold concept came into being, Choueri holds a commercial broker's licence with 20 real estate agents working for them.

So what has the year been like for the company? "It has been tough," says Laura Choueri. A year also made tougher by banks closing their taps on the mortgage front.

So is the demand more for high end properties or for the middle



Laura Choueri

income? "There will always be a demand for high end properties. But the mass demand is for properties in the range of Dh1.5-4 million. In fact with the demand for ready-to-move properties on the rise, the problem now is of availability," says Laura Choueri.

Banks are now beginning to open up lending, but with stricter rules. Some of which Choueri says need to be revised. "I know many who are not able to borrow because of the industry they are in. Anywhere in the world, whether the market is up or down loans are available, percentages may change but banks don't abandon you. These gaps need to be filled," elaborates Laura. A solution to that, suggests Laura, should be to redefine the mortgage system in Dubai to match that in other leading markets.

The year has also seen many changes and fluctuation in the real estate sector in Dubai, and that has reflected in prices for properties across Dubai for example, Palm Jumeirah properties once touched Dh14 million then went down to about Dh6 million and now is back

in the range of Dh7.5-9 million. Property at The Springs went down to less than Dh1 million from Dh2.4 - 2.6 million but has bounced back to Dh1.6 million.

Choueri gives a thumbs up to the following places in terms of property sales: Downtown Burj Dubai, Arabian

Ranches, Palm Island, JBR, Jumeirah Lake Towers, Dubai Marina, The Springs, Victory Heights, and The Greens. In terms of the rental market, they say wherever there is a property worth renting there is a client for it.

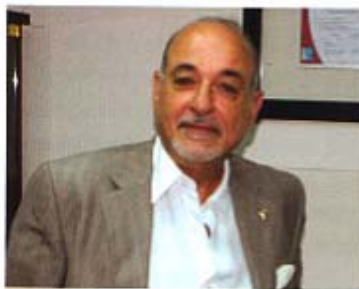
Currently property prices are at rock bottom says the company and hence it is the right time to invest because from here on, prices will appreciate; and with banks offering finance, this will definitely contribute to properties' appreciation.

The uptick is visible in the residential property segment, but what about the commercial segment? Commercial, the company says, has begun to pick up in leasing and sales. This trend is being attributed to people beginning to look at opportunities to have their own offices, people wanting to expand or those wanting to take advantage of offices that have been left furnished. Prices in the commercial sector might still come down and the supply is definitely more than the demand at this point.

A concern in the real estate sector has been the developers' inability to deliver on time. Choueri

says that they have had a couple of clients who have been disappointed with having to pay for off-plan property that is not proceeding as per the developers' promises.

"We have only dealt with developers who have a RERA approved escrow account. Our job is to make sure that the product that we sell to our client is reliable. Despite that there are some developers who have not been able to proceed as per schedule, but none of the developers have pulled out," defends



Georges Maurice

Laura.

Choueri also draws attention to the need for proper regulation. Laura, being certified from Montreal, Canada over 30 years ago, welcomes RERA's education initiative for brokers. Georges Maurice is an approved Instructor for brokers and he believes that introducing these regulations in the market will help the industry become more professional.

Asked if Choueri has introduced additional services during these times, they mentioned about the activity of their sister company lccb |commercial brokers who offer extra services complimenting the real estate industry.