

International Real Estate Scope

ExclusiveTenantRep.com

Dubai



Dubai and its Commercial Real Estate Market are unique in many respects. Did You Know...

- Dubai, one of the most developed areas in the world, is one of the seven emirates in the United Arab Emirates (UAE). It is situated in southwest Asia, on the Persian Gulf coast. It makes up more than one third of the population of the UAE, and it is the second largest emirate in area, after Abu Dhabi.
- In order to attract foreign investment, the government has created free trade zones throughout the city, some of which include Dubai Internet City, Dubai Media City, Jebel Ali, and Dubai International Financial Centre. Dubai has a total GDP of over \$39 billion. The majority of revenue comes from trade, manufacturing, financial services, and tourism. Petroleum and natural gas generate less than 6% of the total GDP. Dubai's oil reserves are forecasted to be exhausted in the next 25 years.
- Dubai has a diverse and multicultural society. It is estimated that 85% of the population is comprised of non residents, over 60% is male, and 76% is Muslim. Arabic is the official language of the emirate; however, English, Hindi, Malayalam, Persian, Urdu, and Tagalog are commonly spoken.
- The transportation system in Dubai, run by the Road and Transportation Authority, is very efficient and effective. A large fleet of buses, taxis, and boats transport over 90 million people every year and the Dubai International Airport serves over 34 million passengers annually. The education system is also very proficient. In order to bridge the knowledge gap between the Arab region and the developed world, large amounts of capital have been invested in the education system in recent years.
- The real estate market in Dubai continues to grow. It is estimated that there is currently over \$350 billion worth of active construction projects in the UAE. Currently under construction are: the Burj Dubai (the world's tallest building), Dubai World Central International Airport (the most expensive airport ever built), Palm Islands (the largest artificial islands in the world), Dubai Mall (the world's largest shopping mall), The World (a man-made archipelago), a metro system (a \$4 billion project expected to be fully operational by 2012), Dubailand (expected to be twice the size of Disney World), and Dubai Sports City (which will be utilized in a possible bid to host the Olympic Games).
- In the past few years rental rates have drastically increased, due to high demand and limited supply, while vacancy rates have remained lower than 2% in all office sectors. However, the total office space is expected to increase from a current 34 million sq ft to over 60.3 million sq ft by the end of 2009. With the large volume of space coming in, rental and sale prices are expected to stabilize. The retail market is experiencing a similar trend, with the total retail space expected to increase from a current 28 million sq ft to 46 million sq ft by mid 2010. The large volume of new space is expected to satisfy demand and also stabilize rental prices. Dubai's real estate market and economy are expected to continue growing in the upcoming years.



Dubai

Population 1.6 million
 Dubai City Metro Area 497 mi²
 GDP Purchasing PP \$39 billion

United Arab Emirates

Population 4.6 million
 Population Growth 3.833%
 Median Age 30 years
 GDP Purchasing PP \$146 billion
 Real GDP Growth 8.5%
 GDP Per Capita \$55,200
 Inflation Rate 11.5%
 Unemployment Rate 2.4%
 Labor Force 3.12 million
 Exchange Rate 1\$ = .67AED

Dubai 1Q 2008
 (USD/Sq Ft/Month)

| Office | Rent |
|------------------|------------------|
| Bur Dubai | \$4.74 |
| Garhoud | \$3.10 |
| Sheikh Zayed | \$7.75 |
| TECOM | \$4.29 |
| DIFC | \$7.92 |
| Deira | \$4.61 |
| Prime Space | \$9.06 |
| Total Space – 08 | 34 million sq ft |
| Retail | Rent |
| Class A | \$9.39 |
| Class B | \$4.77 |
| Total Space – 08 | 28 million sq ft |



For further information on doing business in this market, please contact:

Timothy J. McEvoy, SIOR
 ITRA / ExclusiveTenantRep.com
tmcevoy@itraglobal.com
 +1 (757) 747-7440

Global Real Estate Services provided by ITRA in collaboration with its affiliate, AsiaPac International

To remove your name from our mailing list, please contact tmcevoy@itraglobal.com or call us at +1 (757) 747-7440