



Dubai Residential

The Brothers Palm

Comparing the performance of Palm Jebel Ali
and Palm Jumeirah*



*All figures as of January 8th 2024

Executive Summary

- Volume and Value Breakdown

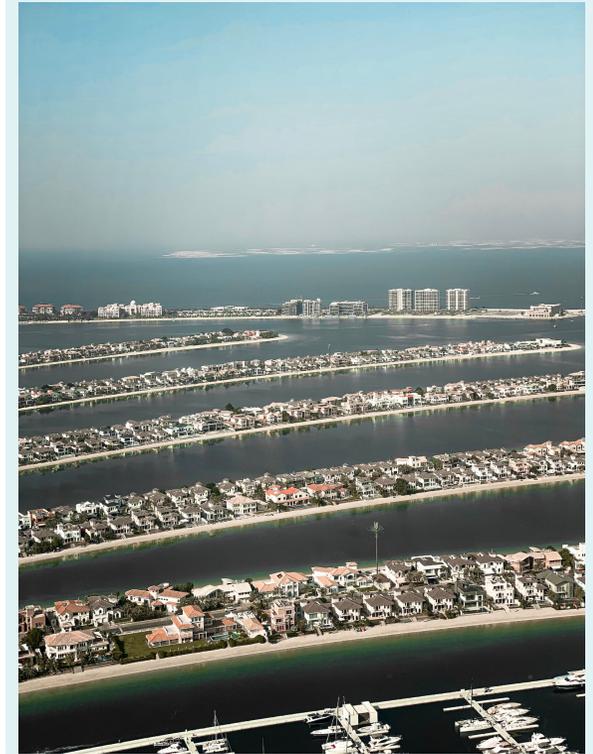
All launches thus far on Palm Jebel Ali have been either five, six or seven bedroom villas, with prices starting at AED 18 million and rising as high as AED 46.5 million. However, Palm Jebel Ali skews more towards the AED 18-30 million range, compared to Palm Jumeirah's skew towards sales of AED 45 million and above.

- Citywide Comparison

Since its October 3rd 2023 launch, Palm Jebel Ali has accounted for the majority of citywide residential sales valued at over AED 18 million, netting a total sales value of over AED 12 billion. However, as mentioned in our previous report *Pas de Deux*, these are off plan sales. As a result, the actual value of cash that has been paid thus far is estimated to be closer to AED 2.5 billion.

- Total Performance Comparison

Interestingly, Palm Jumeirah prices were declining prior to the launch of Palm Jebel Ali, but have since recovered. However, Palm Jumeirah sales noticeably dropped in volume after Palm Jebel Ali was launched, and Palm Jebel Ali has also significantly outperformed Palm Jumeirah over the same time period in terms of sales value.



Contents

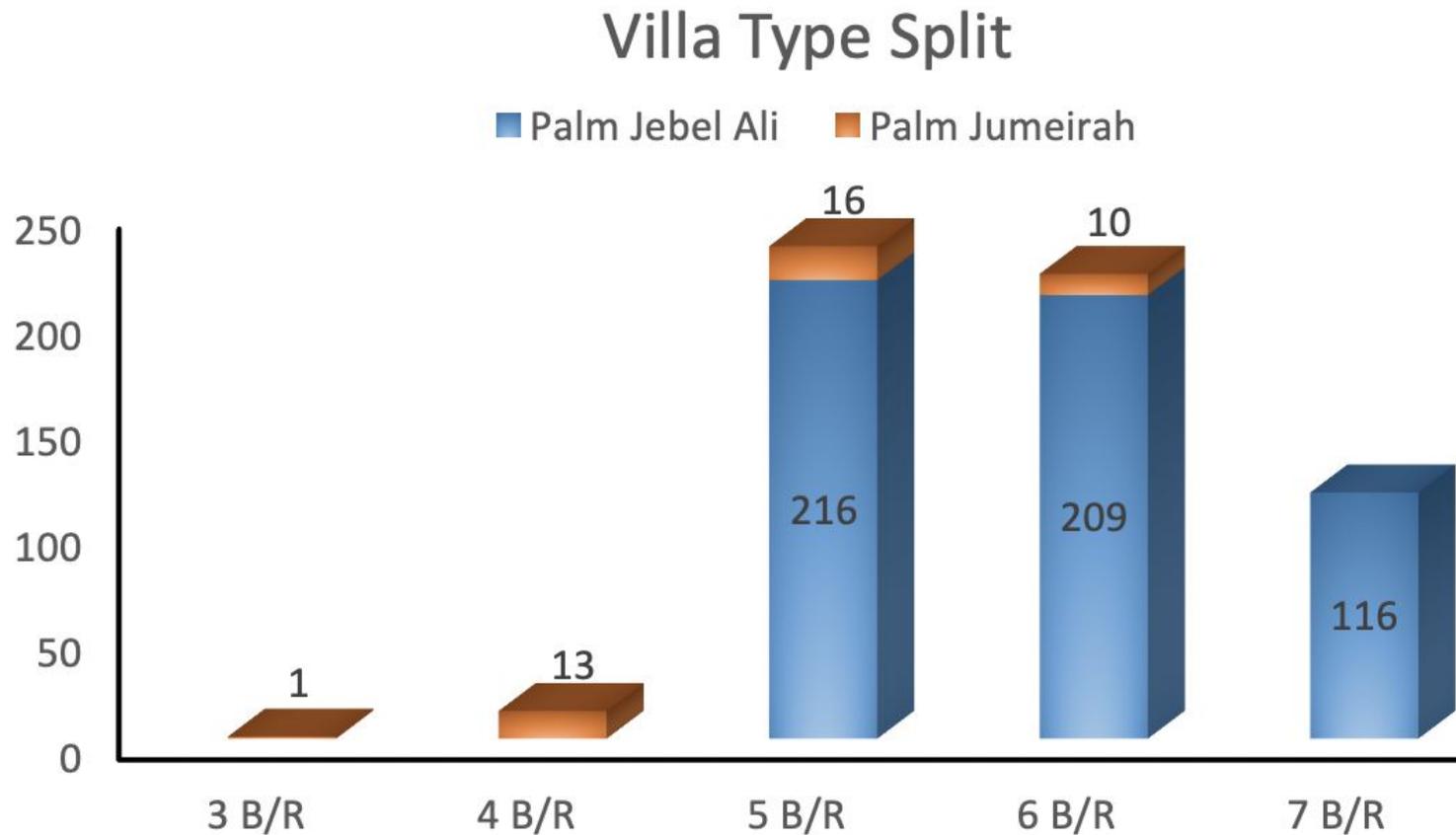
- 1. Volume and Value Breakdown**
- 2. Citywide Comparison**
- 3. Total Performance Comparison**

Volume and Value Breakdown

“There is no magic in magic, it’s all in the details.”

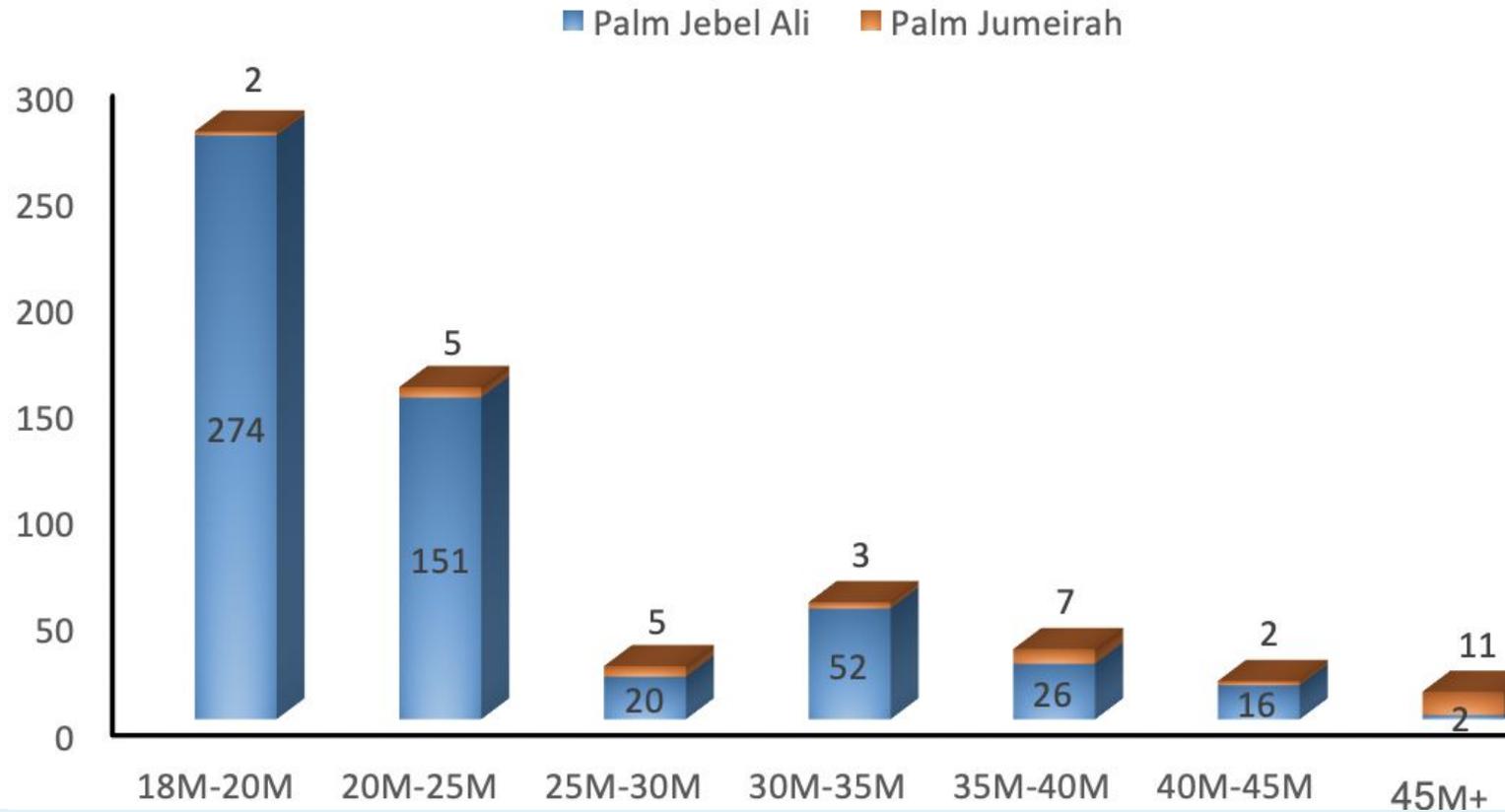
– Walt Disney





Breaking down the sales volume for Palm Jebel Ali, five and six bedroom villas still account for the majority of transactions between them, with seven bedroom villas making up the rest. No projects with less than five bedrooms have been commissioned yet. Comparatively, Palm Jumeirah has had 14 villa sales of less than 5 bedrooms, and none with 7 bedrooms during the same time period.

Price Range Breakdown



When examining the price ranges of all Palm Jebel sales thus far, the AED 18 - 20 million range is by far the most popular, accounting for just over half all transactions. By contrast, the AED 45 million + range has been the most popular for Palm Jumeirah villa sales.

Sales Price Brackets Continued

GCP

REIDIN

	AED 18-20 Million	AED 20-25 Million	AED 25-30 Million	AED 30-35 Million	AED 35-40 Million	AED 40-45 Million	AED 45 Million +
Palm Jumeirah	5.71%	14.29%	14.29%	8.57%	20.00%	5.71%	31.43%
Palm Jebel Ali	50.65%	27.91%	3.70%	9.61%	4.81%	2.96%	0.37%

Looking at the price brackets for sales since Palm Jebel Ali's launch in tabular form, it is easier to see that Palm Jumeirah villa sales are skewed towards the higher ticket sales (having a higher percentage of sales valued at AED 35 million and above) while Palm Jebel Ali is more skewed towards the AED 18-25 million range (with 78.565% of all Palm Jebel Ali sales thus far falling within that range).

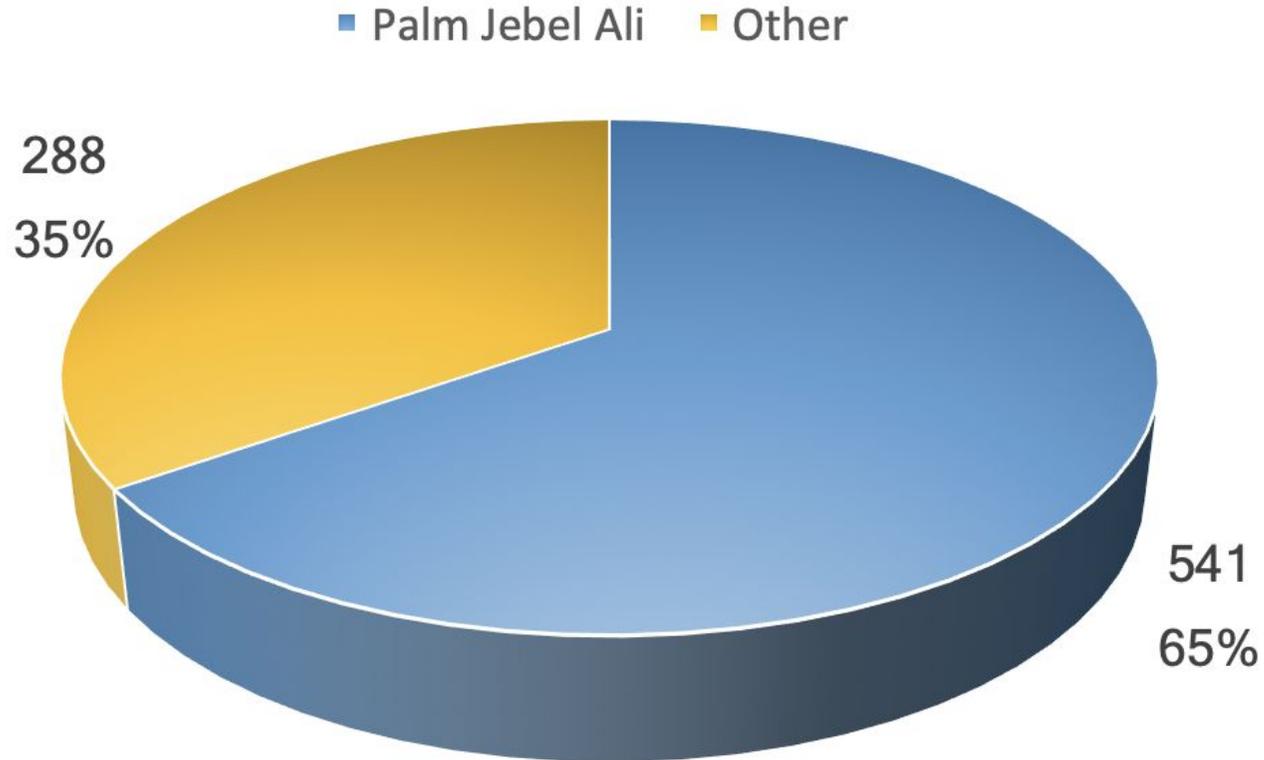
Citywide Comparison

“Conformity is the last refuge of the unimaginative.”

– Oscar Wilde

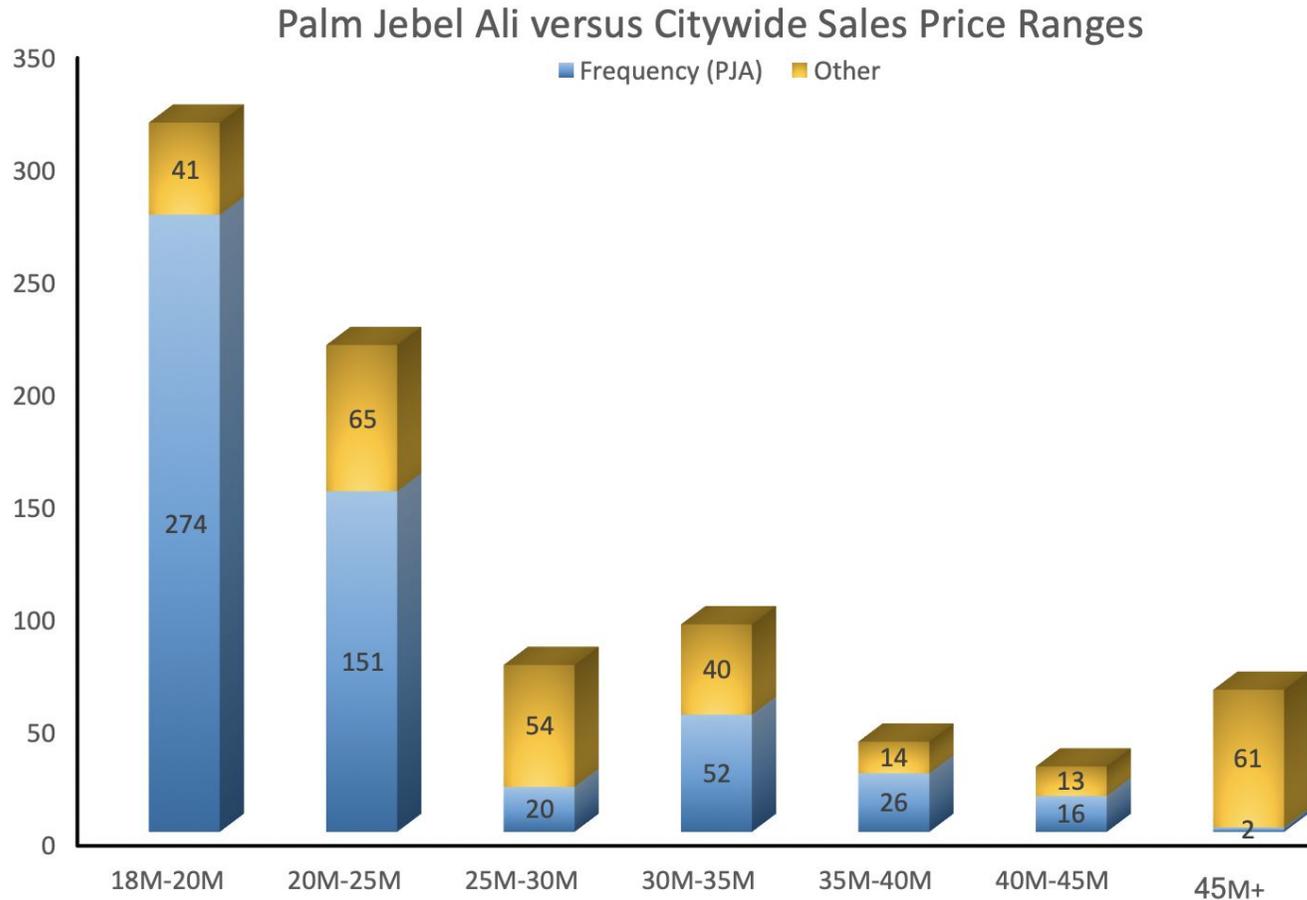


Palm Jebel Ali as a % of all Citywide Sales over AED18M



Since its launch, Palm Jebel Ali has accounted for nearly two thirds of all Dubai residential sales in excess of AED 18 million, with an impressive total sales value of AED 12.39 billion.

Volume Comparison



Breaking down all transactions valued over AED 18 million into smaller price brackets, we can see that Palm Jebel Ali accounts for the majority of transactions in every price bracket except the AED 25 - 30 million range (where it comprises 27% of all transactions since its launch) and the AED 45 million + range (where it comprises 3.17% of all transactions since its launch).

Total Performance Comparison

**“We want to be first; not first if, not first but;
but first!”**

– John F. Kennedy

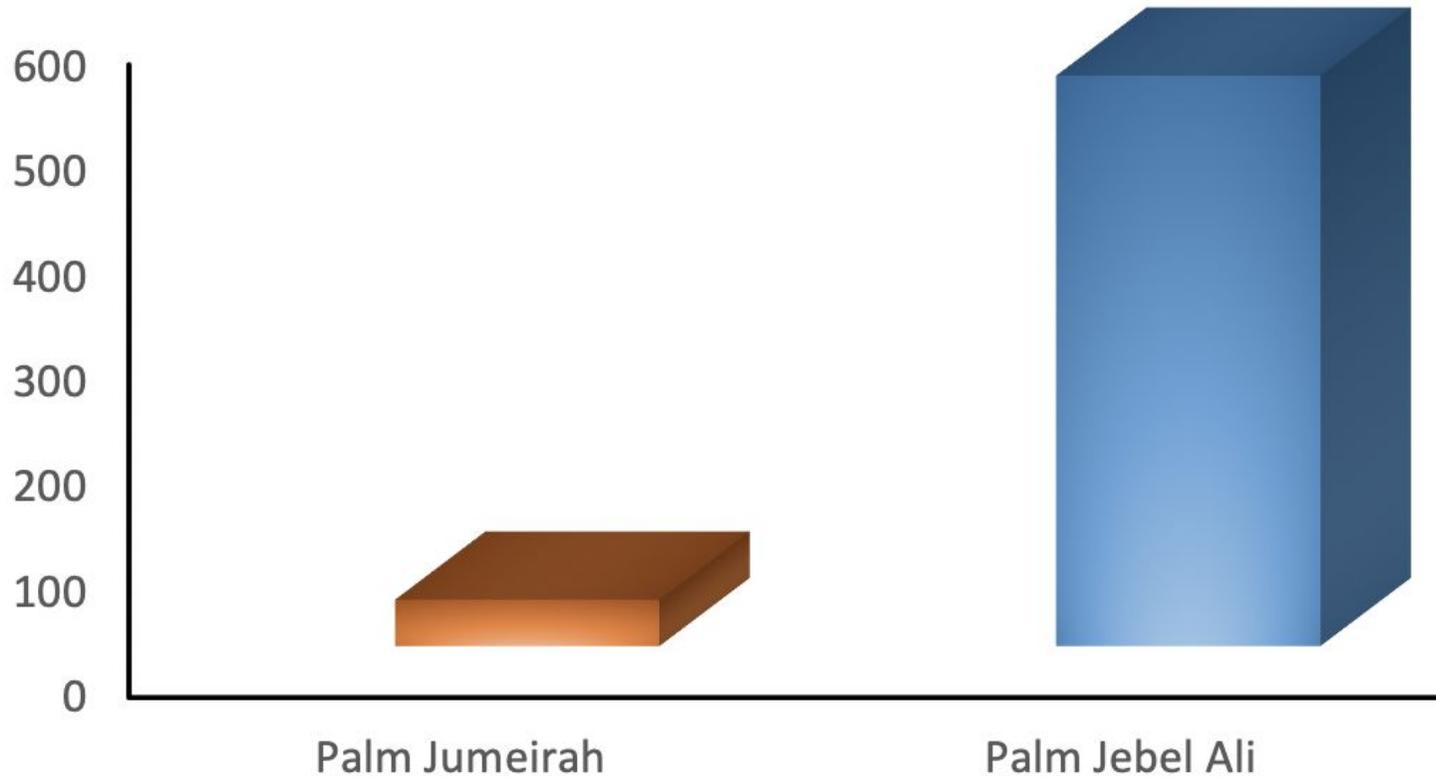


Sales Volumes Comparison

GCP

REIDIN

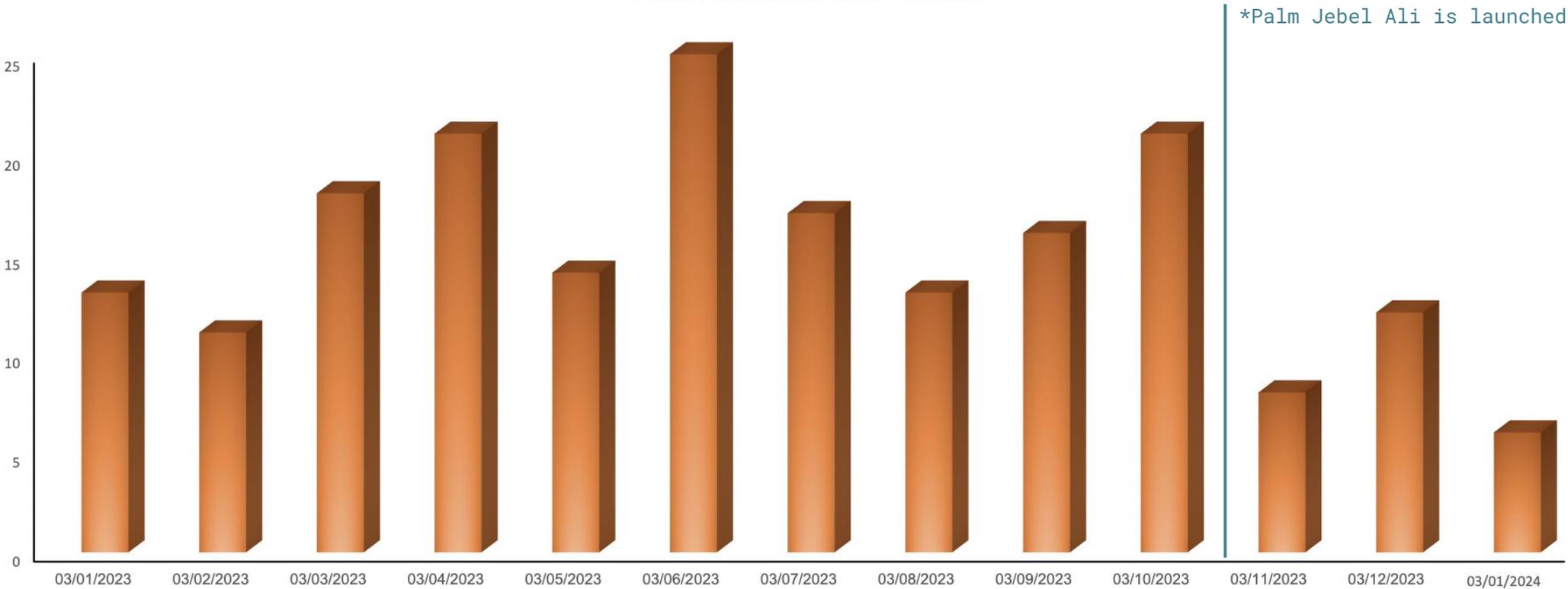
Sales Volumes (since Palm Jebel Ali's Launch)



Since its launch, Palm Jebel Ali has sold 541 villa plots, over twelve times more than Palm Jumeirah's 40 villa sales across the same time period.

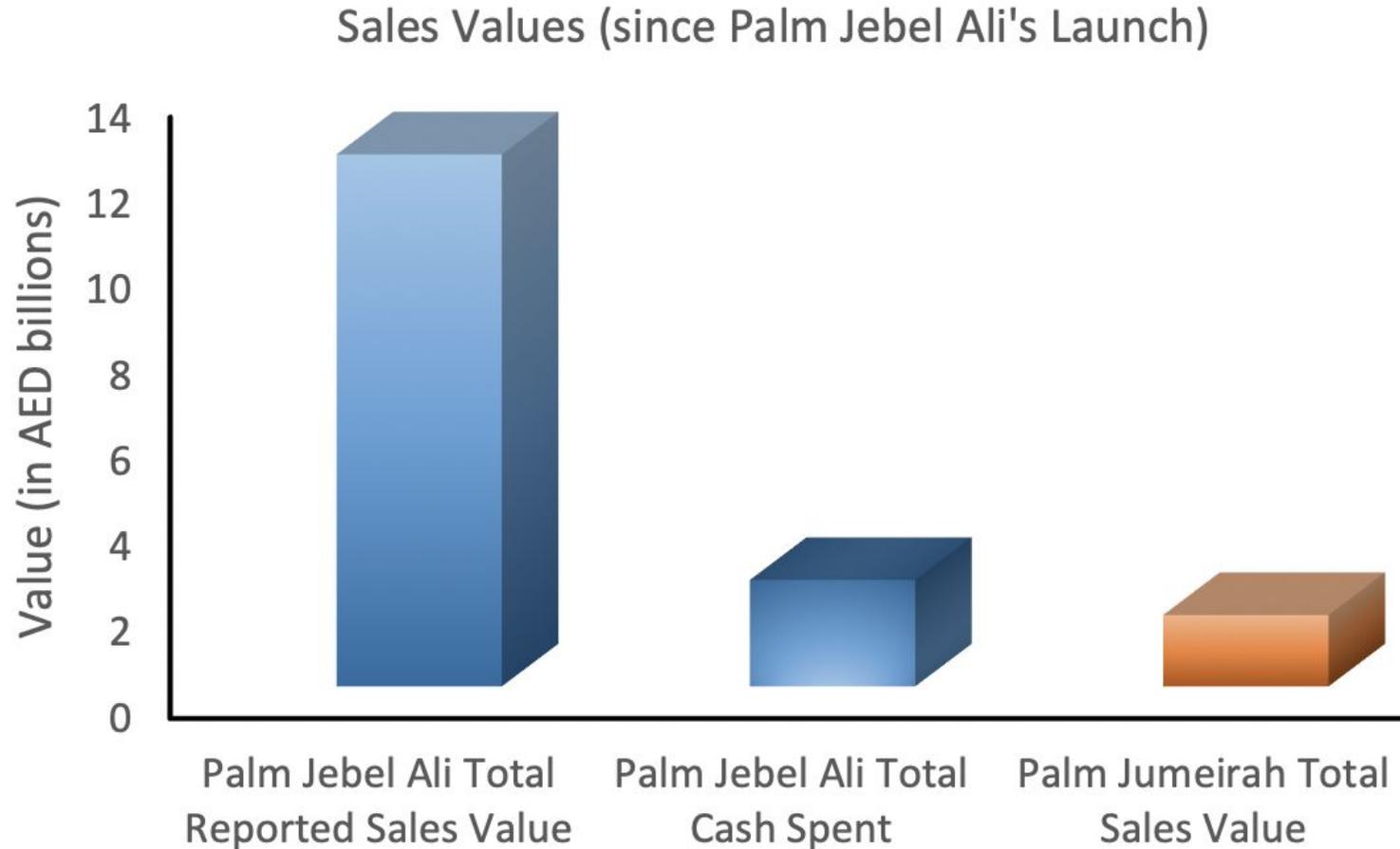
Palm Jumeirah Sales Volume Before and After PJA Launch

Palm Jumeirah Sales Volume



As mentioned previously, Palm Jebel Ali launched on the 3rd of October 2023. Looking at a 12-month spread of Palm Jumeirah villa sales, there is a noticeable drop off after the launch of Palm Jebel Ali compared to the months immediately before.

Sales Values Comparison



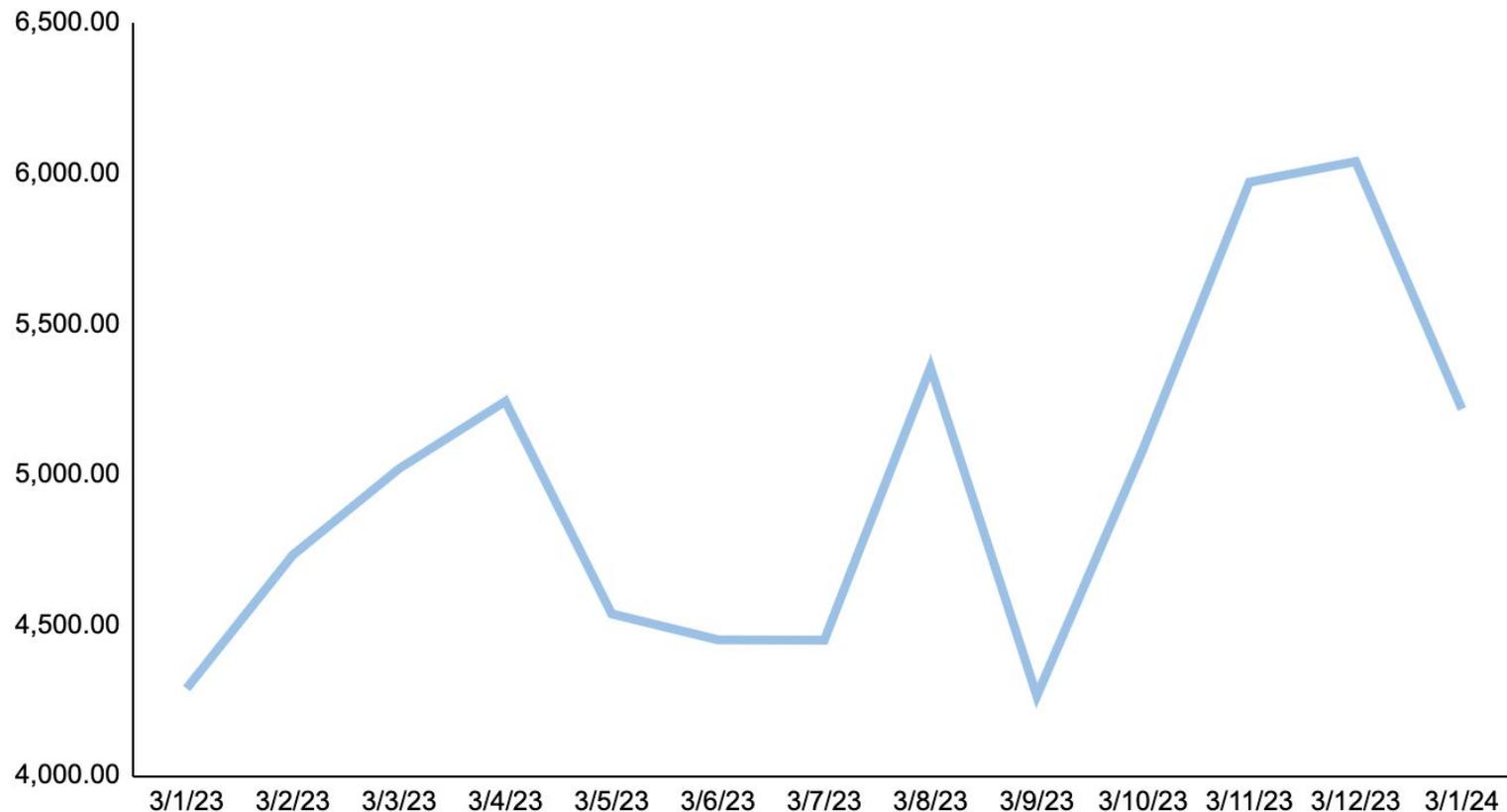
Palm Jebel Ali also has a reported total sales value of 12.39 billion AED since its launch, nearly 7.5 times greater than the AED 1.66 billion Palm Jumeirah has managed in that same time frame. However, as mentioned in our previous report *Pas de Deux*, Palm Jebel Ali's sales are off plan, meaning that only a portion of the total amount has been paid due to the nature of payment plans. The estimated total value of payments made thus far, however, is still nearly 50% greater than Palm Jumeirah's total sales value.

Palm Jumeirah Villa Price Trend

GCP

REIDIN

Palm Jumeirah Average Villa Sale Price/SqFt



Interestingly, the average price per square foot of Palm Jumeirah villa sales was declining prior to the launch of Palm Jebel Ali, but reversed course after Palm Jebel Ali sales began. The highest Palm Jumeirah villa prices reached in the past year were in December 2023 (6,039.58 AED per square foot), two months after Palm Jebel Ali's launch.

Conclusions

Volume and Value Breakdown

Palm Jebel Ali has not had any projects commissioned under five bedrooms so far, whereas 35% of Palm Jumeirah villa sales since Palm Jebel Ali's launch have been three or four bedrooms. However, over half of Palm Jebel Ali transactions have been in the AED 18-20 million range, whereas the most common price range for Palm Jumeirah villa sales over the same time period has been AED 45 million +, showing that there is still demand in older luxury communities.

Total Performance Comparison

Post-launch, Palm Jebel Ali has outperformed Palm Jumeirah in terms of sales value and volume. Palm Jumeirah also saw an immediate drop in villa sales immediately after Palm Jebel Ali's launch. However, Palm Jumeirah's average price per square foot for villa sales were declining in September 2023, but recovered in October - the same month as Palm Jebel Ali's launch. Not only that, but Palm Jumeirah prices also reached their highest point in the last twelve months after Palm Jebel Ali's launch.

Citywide Comparison

Palm Jebel Ali has accounted for 65.26% of all Dubai residential transactions with sales prices over AED 18 million since its launch. Bearing in mind that Palm Jebel Ali prices start at AED 18 million, the only price brackets above that where Palm Jebel Ali does not account for the majority of sales are the AED 25-30 million and the AED 45 million + ranges.

Conclusions

It seems reasonable to assert that demand is shifting towards Palm Jebel Ali due to its larger sizes, as well as the prospect of newer builds. However, demand for ready luxury properties is still high, as seen in Palm Jumeirah's ability to sell more properties for over AED 45 million. Demand for bespoke homes will remain with Palm Jumeirah, however Palm Jebel Ali will take up the lion's share of the AED 18-30 million range as more units are made available for sale.

Since Palm Jebel Ali's launch, only 0.37% of its transactions have had sales prices over AED 45 million. Over the same time period, 31.43% of Palm Jumeirah's villa transactions have had sales prices over AED 45 million.

Approximately 20% of the total cash payments for Palm Jebel Ali's sales have been paid so far, meaning that the total sales value is closer to AED 2.48 billion rather than the AED 12.39 billion that has been reported.



Global Capital Partners Group believes in in-depth planning and discipline as a mechanism to identify and exploit market discrepancy and capitalize on diversified revenue streams.

Our purpose is to manage, direct and create wealth for our clients.

These research reports are authored by GCP.

Indigo Icon, 1708
Jumeirah Lake Towers,
P.O. Box 500231 Dubai,
United Arab Emirates
Tel. +971 4 447 7220
Fax. +971 4 447 7221
www.globalcappartners.com
info@gcp-properties.com



Reidin is the leading real estate information company focusing on emerging markets.

Reidin offers intelligent and user-friendly online information solutions that help professionals access data and information in a timely and cost effective basis.

Reidin is the data provider for these research reports.

Concord Tower, No. 2304
Dubai Media City,
P.O. Box 333929 Dubai,
United Arab Emirates
Tel. +971 4 277 6835
Fax. +971 4 360 4788
www.reidin.com
info@reidin.com

Our Aspiration and Motto

“No barrier can withstand the strength of purpose.”

-HH General Sheikh Mohammed Bin Rashid Al Maktoum
The Ruler of Dubai, Prime Minister and Vice President of the UAE

