

A panoramic view of the Dubai skyline at sunset, featuring numerous skyscrapers and a clear sky with soft clouds. The text is overlaid on the left side of the image.

Dubai Residential

Start Me Up

Evaluating the Prospects of Dubai's Stalled Projects

Executive Summary

- **Marina 101 Analysis**

Marina 101 is a 425 meter tall building that was launched in 2007. It was scheduled to be completed in 2014 and was to be the second tallest building in Dubai behind the Burj Khalifa, playing host to hotel rooms, apartments and restaurants. Due to financial and legal complications, the development of the project has been stop-start over the last 17 years. However, recent market activity, such as a surge in price and a resuscitation of sales as well as speculation around new owners and developers being brought on, has revived interest in the project despite a lack of concrete information in the public domain.

- **Six Senses Residences Dubai Marina Comparison**

By way of comparison, we can examine another formerly stalled project in Dubai Marina. Formerly known as Pentominium Tower, the project was stalled in late 2011 and sales stopped shortly thereafter as the building remained in a state of limbo for over ten years. Select Group acquired the building in late 2023, and was able to successfully relaunch it under its new name: Six Senses Residences Dubai Marina. Consequently, when sales resumed in 2024, transaction prices skyrocketed just as they have with Marina 101.



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Marina 101 Analysis

"Never confuse a single defeat with a final defeat."

– F. Scott Fitzgerald



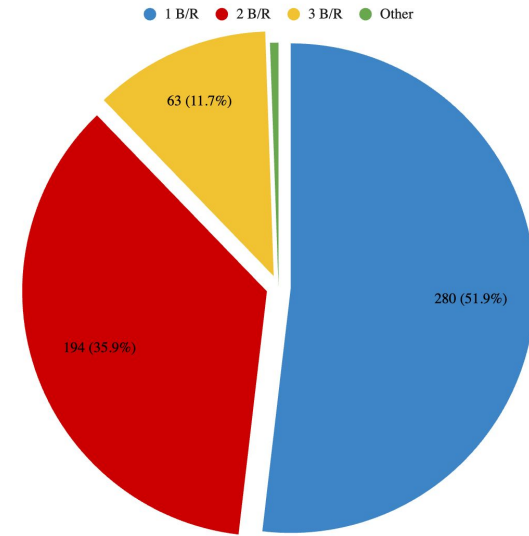
Marina 101 Sales Volume



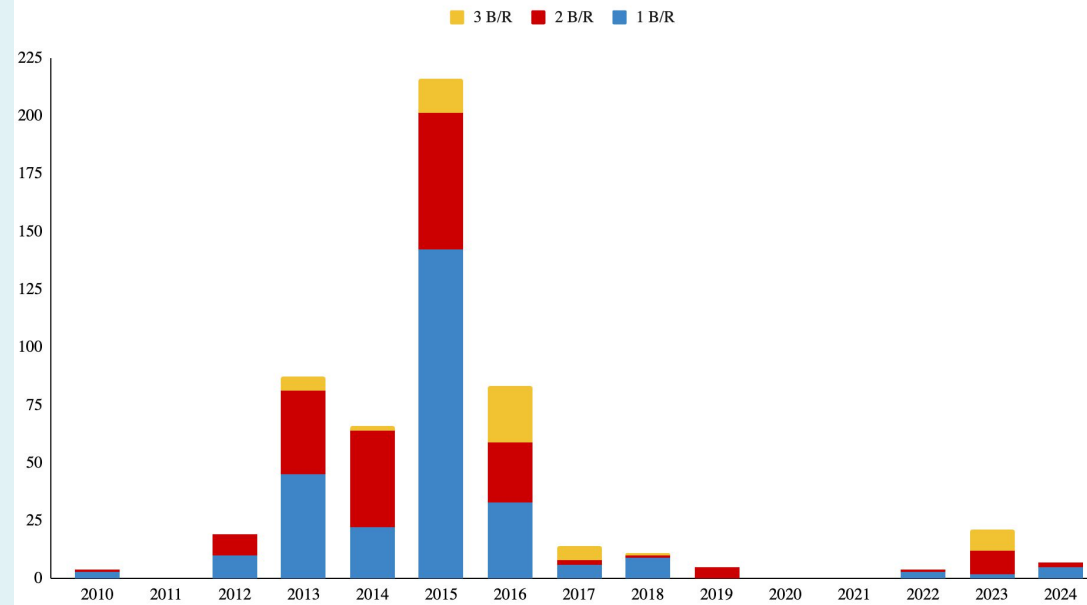
Throughout Marina 101's erratic history, one and two bedroom units have dominated the building's sales volumes. At its peak in 2015, Marina 101 sold 216 units, 142 of which were 1 bedroom units - this represented 65.7% of all units sold in that year, and 50.7% of all one bedroom units sold in the building's history.

Due to construction stalling in 2019, no sales were made in 2020 and 2021. However, as speculation surrounding new developers and investors being brought on began to pick up, sales too were resuscitated beginning in 2022.

Marina 101 Total Sales Volume Breakdown by Bedroom (2010 - May 2024)



Marina 101 Apartment Annual Sales Volume Breakdown



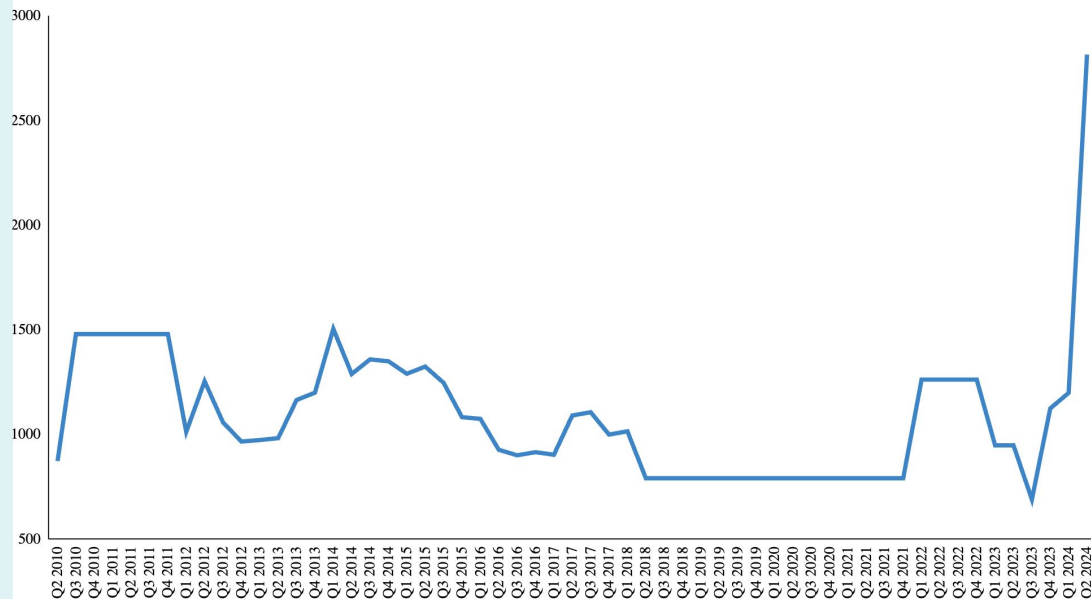
Marina 101 Sales Price Evolution



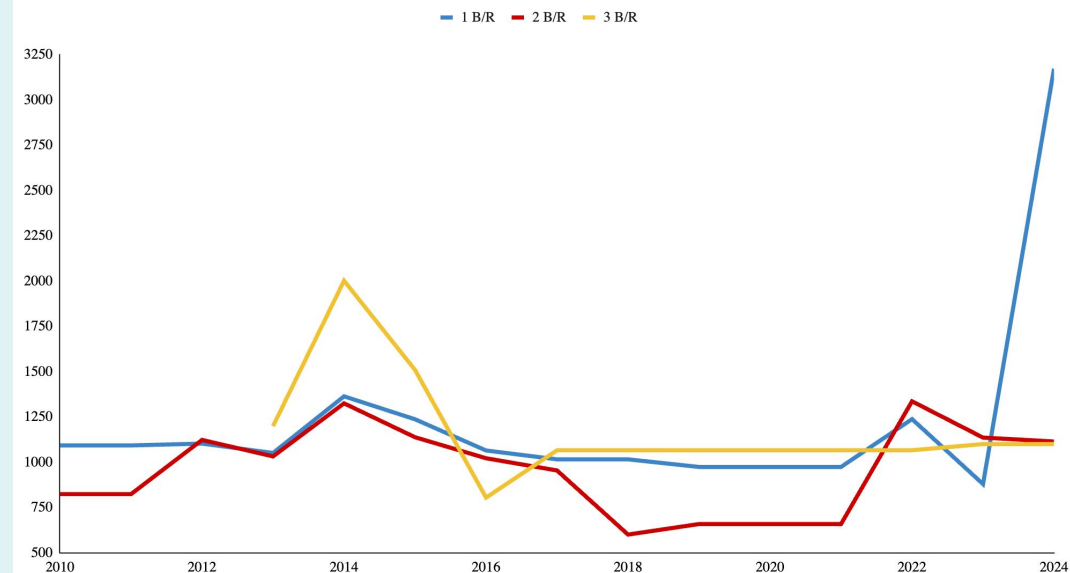
A notable event that adds fuel to the fire about a possible *remontada* for Marina 101 is the surge in the average sales price in 2024. Previously, the highest average sales price per square foot was AED 1,504.5 in Q1 of 2014. In Q2 of 2024, this figure nearly doubled to AED 2,815.13.

Breaking this down further reveals that this activity mostly took place in the one bedroom space. For one bedroom transactions alone, the average price skyrocketed to AED 3,172.54 per square foot, albeit based on an admittedly small handful of transactions. Nonetheless, the transactions in question are the biggest-ticket sales in Marina 101's recorded history on a per-square-foot basis.

Marina 101 AED/SqFt (2010 - May 2024)

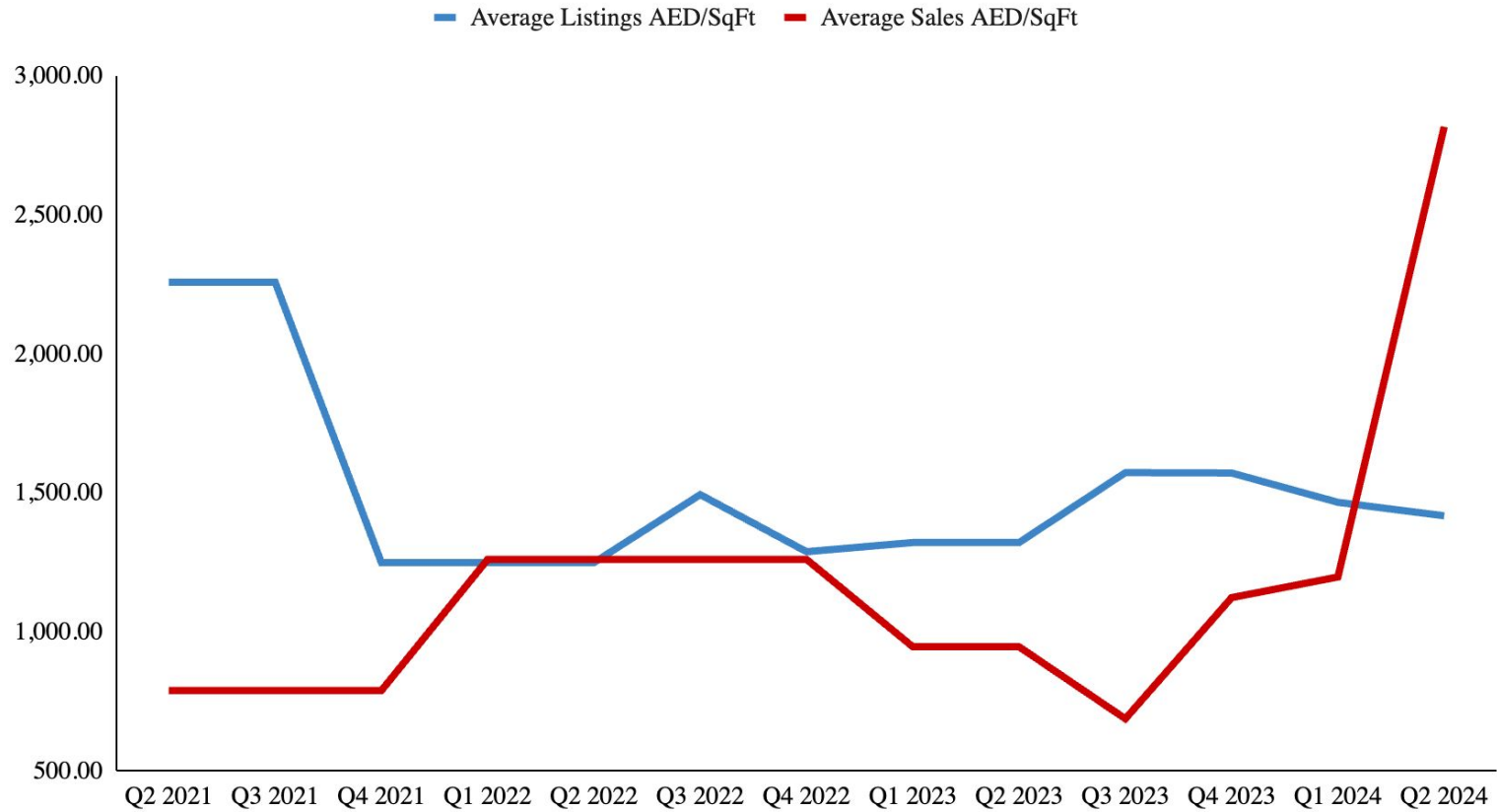


Marina 101 AED/SqFt by Bedroom Size (2010 - May 2024)



Sales versus Listings Price Analysis

Marina 101 Listings vs Sales Average AED/SqFt 2021-2024

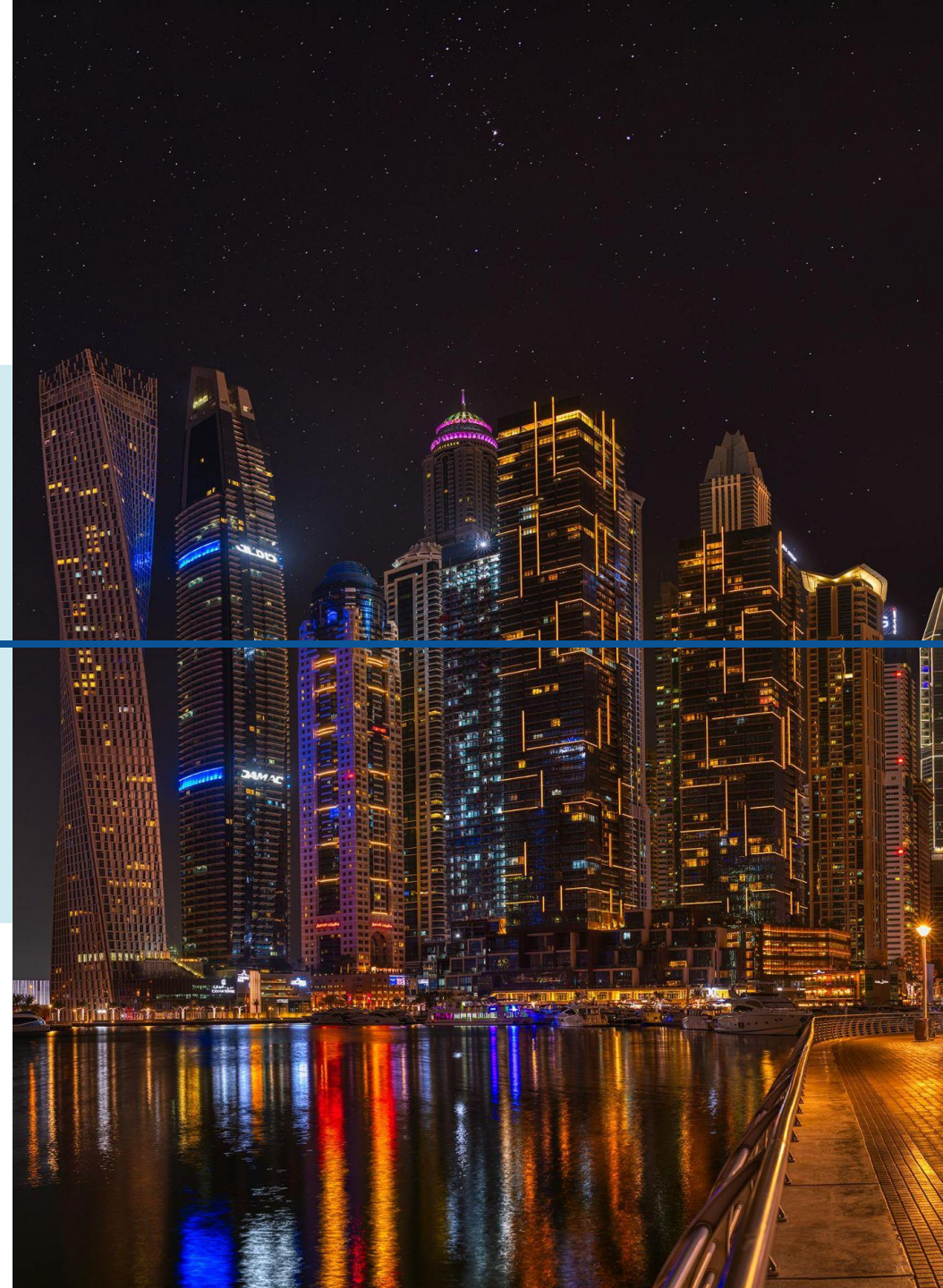


This surge in price shows up in the relationship between average sales prices and listings too. Post-COVID, the average sales price has consistently been below the average listings price (except for the first two quarters of 2022, where sales prices were 0.93% more than asking prices). However, the gap had been steadily narrowing since Q3 of 2023, and sales values skyrocketed to 98.5% more than asking prices in Q2 2024.

Community Analysis

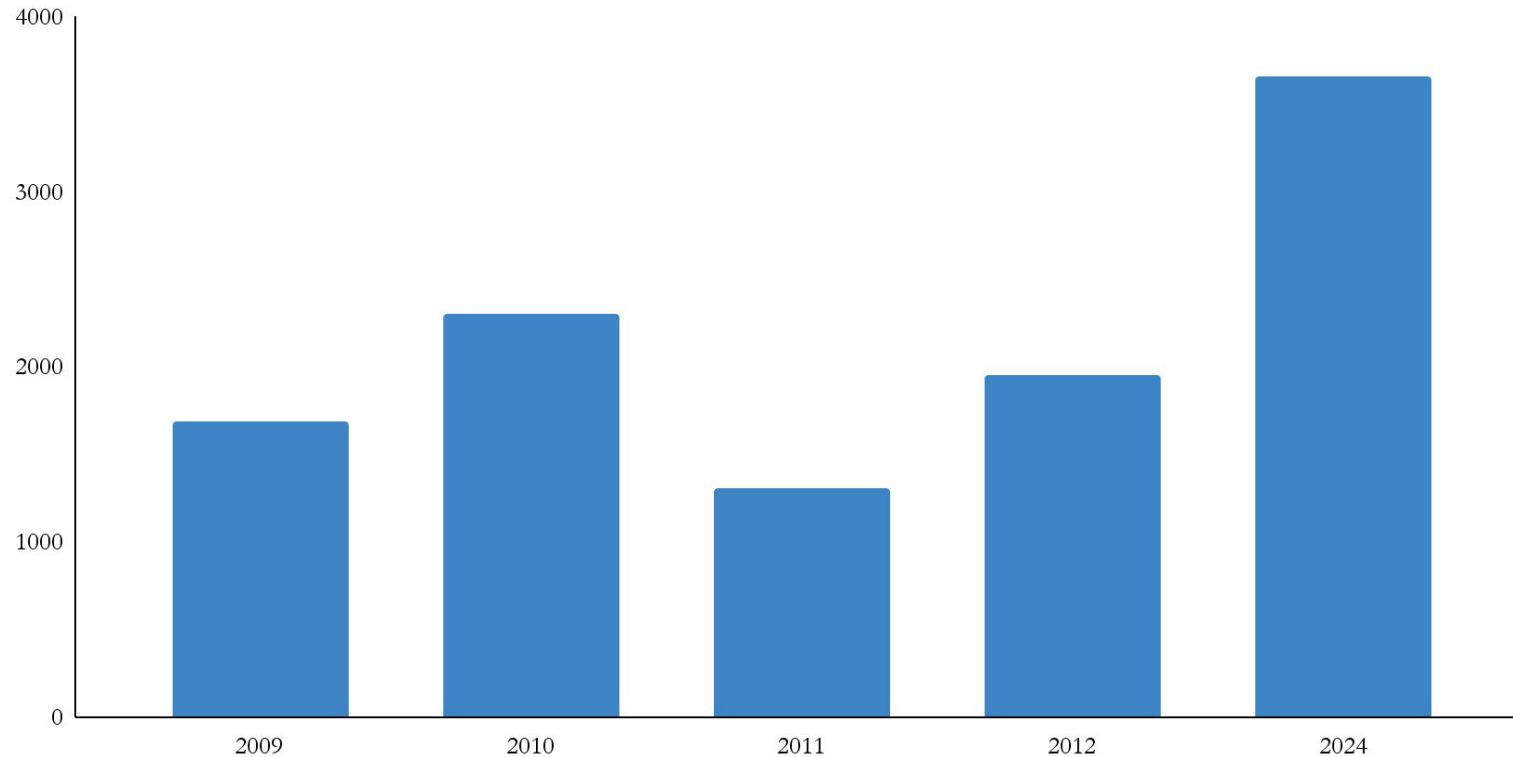
“Mystery creates wonder and wonder is the basis of man’s desire to understand.”

- Neil Armstrong



Six Senses Residences Price Evolution

Pentominium Tower/Six Senses Residences Dubai Marina Average Sales Price (AED/SqFt)



We can see a similar price surge occurring in the sales transaction data for Six Senses Residences in 2024. Prior to the halting of the project in late 2011, the highest annual sales price came in 2010 at AED 2,303/SqFt. By the time sales stopped in 2012, this had fallen to AED 1,951.65/SqFt. However, following the resumption of sales in 2024, prices have more than doubled, reaching an average of AED 3,690.91/SqFt.

Conclusions

Marina 101 Analysis

Marina 101 was one of many launches in the early days of Dubai Marina. However, when its owners were unable to keep up with payments, the project was halted and its future remained unknown for nearly a decade. Recently, however, talks of a new owner and price spikes have reignited interest in the building.

Six Senses Residences Comparison

Pentominium Tower was another project in Dubai Marina that was stalled due to complications with its previous owner. However, it was revived in 2023 when Select Group acquired the building for a reported \$100 million. Since then, sales have resumed at nearly double their previous rate in a similarly abrupt manner to Marina 101.

The average sales price for Six Senses Residences in 2024 was 187.48% higher than in 2012 (the last year that sales had taken place) and 158.87% higher than in 2010 (their previous peak).

Between Q1 and Q2 of 2024, Marina 101's average sales price jumped by 234.93%.

Conclusions

Ultimately, there is no new information regarding Marina 101 in the public domain. However, the surge in luxury property performance post-COVID (combined with a lack of opportunities and space for new launches in Dubai Marina) has directed attention towards reviving distressed projects such as Pentominium Tower and Marina 101. Going forward, we can expect more such distressed projects to be revived as investors look to capture returns while the market is still hot.

Dubai skyscraper Marina 101's 34-storey hotel part gets a bid after price cut to Dh129m

The hotel component was originally placed for auction at Dh360m

Published: March 21, 2022 07:20
Manoj Nair, Business Editor

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The Marina 101 stands tall at 425 metres in one of the most prestigious locations at Dubai Marina.
Image Credit: Atiq Ur Rehman/Gulf News

<https://gulfnews.com/business/property/dubai-skyscraper-marina-101s-34-storey-hotel-part-gets-a-bid-after-price-cut-to-dh129m-1.1647833676212>

Select Group buys stalled high-rise residential tower in Dubai Marina with sky-high hopes

Formerly known as the Pentominium Tower, the project's progress came to a halt in 2008

Published: December 07, 2023 18:00 Last updated: December 08, 2023 06:31
Gulf News Report

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Pentominium Tower was supposed to be one of the signature projects in Dubai Marina during its initial build up phase. Now, it has another shot at making things happen.

Image Credit: Supplied

<https://gulfnews.com/business/property/sales-launched-at-dubai-marina-skyscraper---will-this-be-worlds-tallest-residential-tower-1.1714016772897>



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