

REAL ESTATE

Fight For Buying Houses

#VISUALIZINGTHECRISIS #IreneChiappini #GiuliaSerafin

AMERICA

United States

38°53'N 77°01'W
total area: 9,857,306 km²
population: 322,369,319
capital: Washington, D.C.



BULLETIN 08

22 04 16 / 28 04 16

sources: Forbes "Bidding wars for homes have become the new normal in many US cities", "Pros and cons of buying during real estate's hottest season", "candidates can't buy your vote, but can they buy your town?".

US HOUSING BIDDING WARS

According to the Redfin* company, more and more Americans are forced into a bidding war while buying a home.

COMPETITION IS FIERCE, ESPECIALLY FOR FIRST-TIME BUYERS OR THOSE LOOKING FOR AFFORDABLE HOUSES.



HOW MANY PEOPLE ARE INVOLVED?

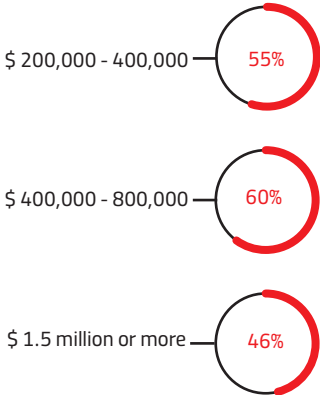
Percentage of Redfin's buyers who face a bidding war in March 2016.



* Redfin is a US residential realty company that provides web-based database and brokerage services.

PEOPLE BUDGET vs BIDDING WAR

Percentages show also how lower budget means a higher risk of running into a bidding war.



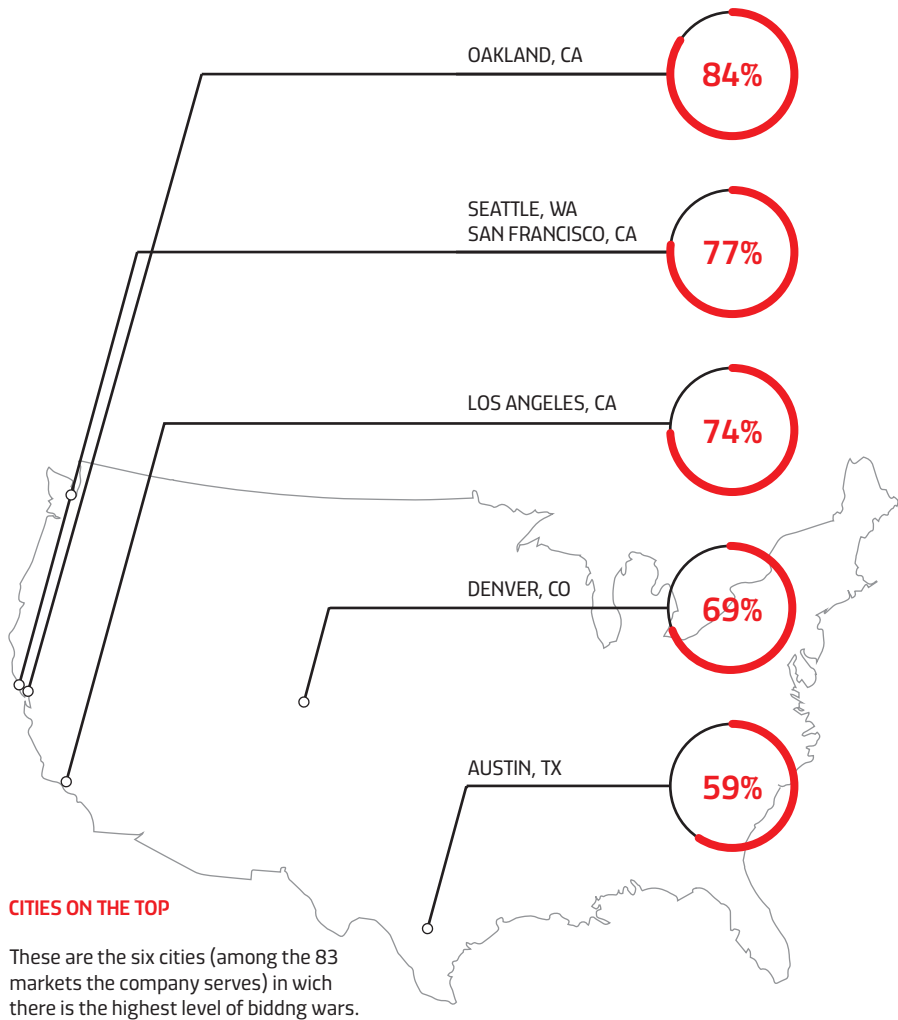
A REAL (COMMON) STORY

M.J. found the perfect 3-bedroom home in Oakland listed at \$ 699,000

The executive has requested a compelling offer of \$ 200,000 over the asking price

M.J. enter a real bidding war, which leads her to write a letter describing the generations of her family who would benefit from the purchase.

M.J. 's pitch worked: thank to her creative capstone, she beat out 11 other offers, and closed the sell for \$ 900,000.



CITIES ON THE TOP

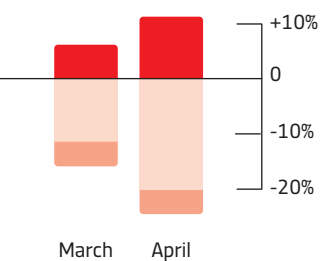
These are the six cities (among the 83 markets the company serves) in which there is the highest level of bidding wars.

NEW HOUSES: New listings are at the high end

So the high proportion of bidding wars doesn't look likely to let up even as more homes come onto the market for the spring selling season. In the bottom and middle tiers there is a clear decrease.

New listings (year over year change) dividend into three price ranges:

■ highest ■ middle ■ lowest



THE HOTTEST SEASON

Statistically, Spring has been the busiest season to purchase a property. But is it the really best time to buy ?

PROS

- **MORE INVENTORY**
When April rolls around, property listings multiply.
- **PERFECT TIME TO SHOP**
Especially for families with children who goes to school.
- **GOOD WEATHER**
Warm and sunny weather is the perfect match for house hunting.
- **EXTRA-EQUITY IN YOUR POCKET**
It does let you pay for lawyers, extra inspections or other costs.

CONS

- **MORE COMPETITION**
Spring produces a rush of potential bidders.
- **STRESS OF RELOCATING**
It can lead to bad or hasty decision making.
- **TO MOVE QUICKLY**
People often have to be ready to submit an offer quickly.
- **TERRIBLE TIME TO NEGOTIATE**
You might have to offer more than asking price to compete.

THEY CAN'T BUY YOUR VOTE BUT MAYBE YOUR TOWN

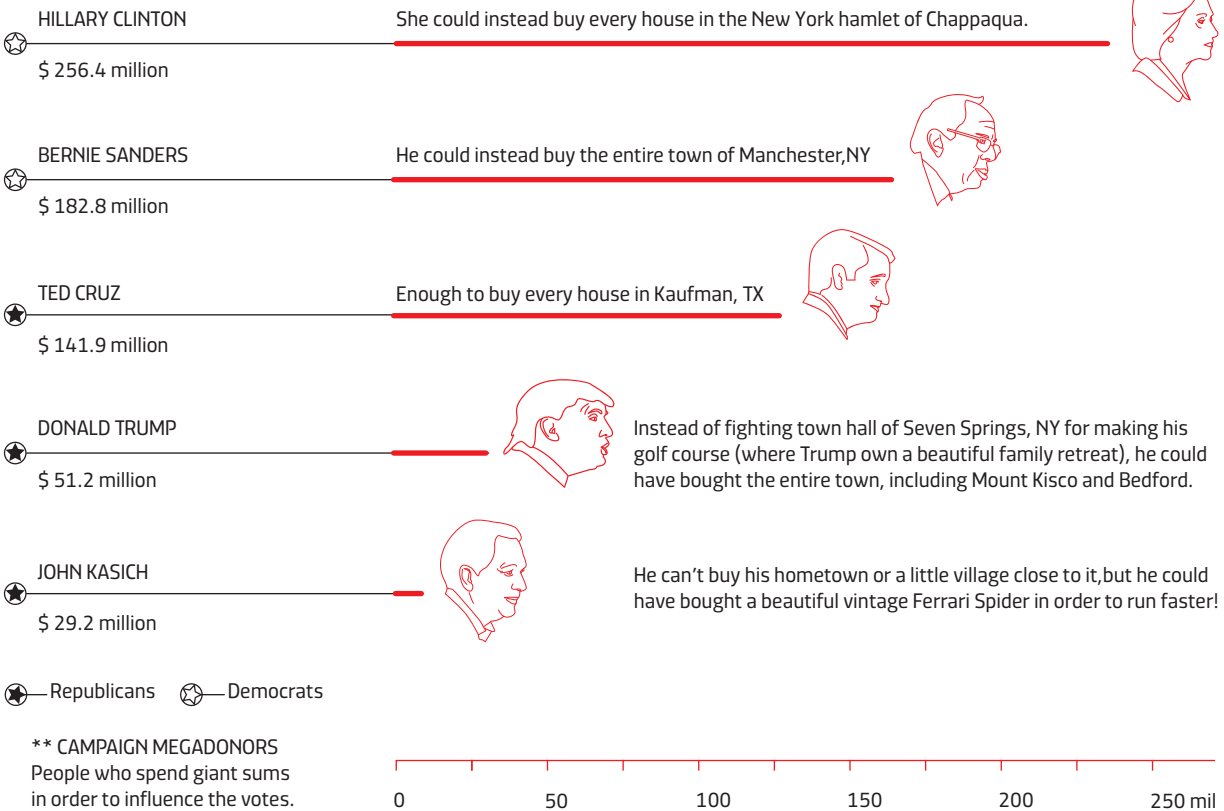
US presidential candidates have already spent a lot of money for their campaigns, but what could have they bought instead?

\$ 1.1 billion

How much collectively candidates and their allies have already spent. A great part of this sum is coming from a tiny fraction of Americans**



RUNNING FOR THE WHITE HOUSE OR BUY EVERY HOUSE IN EAST HAMPTON, NY?



REAL ESTATE

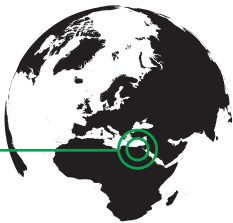
UAE's Real Estate

#VISUALIZINGTHECRISIS #IreneChiappini #GiuliaSerafin

ASIA

United Arab Emirates

24°28'N 54°22'E
total area: 301,338 km²
population: 5,779,760
capital: Abu Dhabi



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sources: World Property Journal "GCC ultra wealthy identify Dubai as top middle east investment target" - "Abu Dhabi's Entertainment Yas Island Now a Growing Residential Hub" - "Dubai, Abu Dhabi Residential Markets Hold Their Own in Q1" - Wikipedia - Numbeo

MOST IMPORTANT INVESTMENTS AREA

GCC* nationals were the largest investors in Dubai real estate in 2015, with a total of AED 44 billion being committed over the year. DUBAI is the most preferred location for investment during 2016.

LOW PRICES IN SADIYAAT'S REAL ESTATE MARKET COMPARED TO DUBAI

SADIYAAT
Average values of villas \$ 616 psf

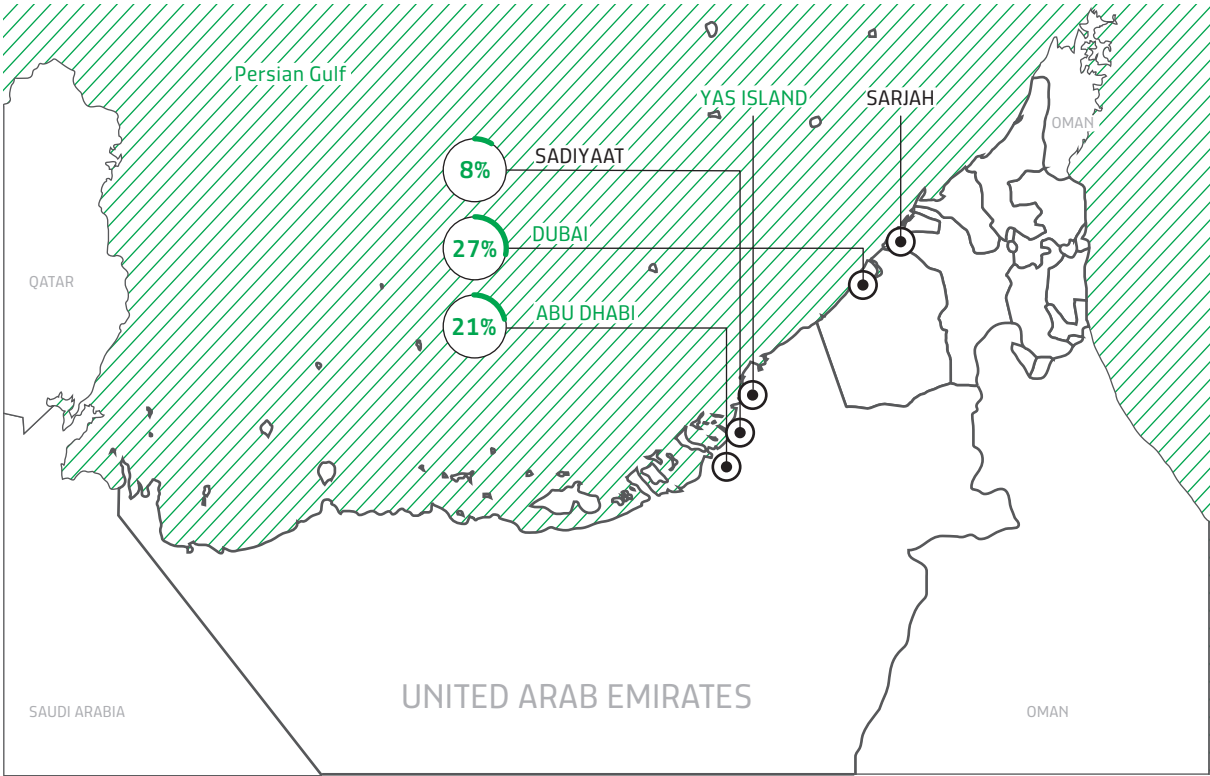
DUBAI
Average values of villas \$ 780 psf

THE IMPORTANCE OF SARJAH CITY

SARJAH
Sarjah's high ranking can be attributed to the emergence of the emirate's first master planned communities which have been very well received by the local and international investment community.

MAP SYMBOLS
● Most popular investments destination
● GCC high net worth's investments

* GCC stands for "Gulf Cooperation Council"

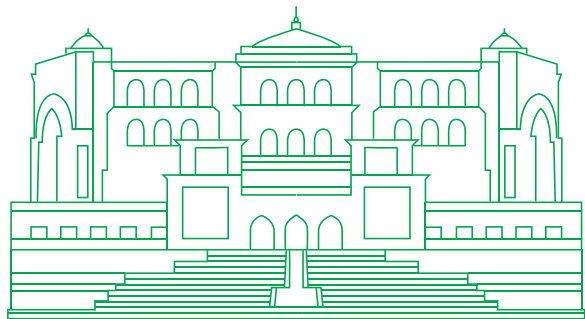


ABU DHABI

The apartment rental category remained robust, with lucrative yields in both Dubai and Abu Dhabi keeping investors interested in the real estate markets of both emirates.

THE MOST EXPENSIVE BUILDING

The \$ 3.90 billion seven star Emirates Palace is the second most expensive hotel ever built in the world. The hotel was owned by the Abu Dhabi government.



TOP RENTING APARTMENTS

1. Al Reem Island
2. Al Raha Beach
3. Khalifa City A
4. Al Muroor
5. Al Khalidiyah

TOP BUYING APARTMENTS

1. Al Reem Island
2. Al Raha Beach
3. Al Reef
4. Al Ghadeer
5. Saadiyat Island

SOME DATA

- Population 613.368
- Average monthly salary AED 13,058.55
- City Centre (AED/sqf) AED 1,407.41
- Outside Centre (AED/sqf) 1,001.95

YAS ISLAND (ABU DHABI)

Is steadily evolving from being a pure entertainment and leisure destination into a destination for living as well as tourism. Yas Island is a central part of destination development strategy, and already boasts a number of residential projects.

TOP BUILDINGS

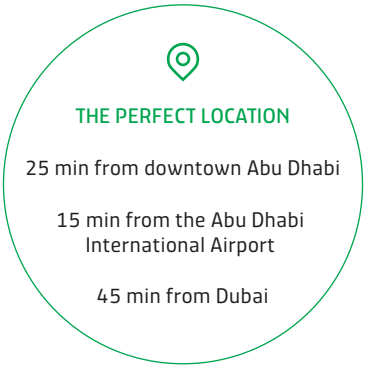
Which will enable to develop well into the future.

- SEVEN HOTELS
- YAS MALL
- THEME PARKS
- MARINA
- F1 RACE TRACK

VISION 2030

The aims is to raise the standard of living for all people living and visiting the Emirate through the creation of vibrant, mixed-use communities and the provision of a diverse range of housing choices.

- PEOPLE SEEKING HIGH LIFE STYLE
- LUXURY HOTELS
- QUALITY EDUCATION
- FITNESS
- FAMILY FRIENDLY ENTERTAINMENT



DUBAI

Dubai's real estate market sailed stably through the first quarter. There is a real estate developers carefully considering demand before supplying market with new units and also a distribution and movement of residents from the city center to suburbs.

REAL ESTATE TRANSICTIONS IN DUBAI

During the first three months amounted to:

AED 54.78 billion through **12,568 deals** that continue to make the market attractive to property investors.

The market's price adjustment, coupled with flexible payment plans offered by numerous developers is encouraging many tenants to become homeowners.

APARTMENT RENTS
falling 3%

SALE PRICES
dipped 6%

TOP RENTING APARTMENTS

1. Dubai Marina
2. Jumeirah Lake Towers (JLT)
3. Bur Dubai
4. Downtown Dubai
5. Business Bay

TOP BUYING APARTMENTS

1. Dubai Marina
2. Jumeirah Lake Towers (JLT)
3. Downtown Dubai
4. Palm Jumeirah
5. Jumeirah Beach Residence

SOME DATA

- 2,459 millions
- AED 12,202.27
- AED 1,580.07
- AED 967.33

AVERAGE STUDIO RENTS

- 1-bed AED 98,000
- 2-bed AED 154,000
- 3-bed AED 210,000
- 4-bed AED 321,000

