

Dubai Commercial Real Estate:

3 factors that will influence investors property investment decision.



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Buying real estate has always been and will continue to be a very big decision and needless to say it be commercial or residential investment, an extensive amount of factors need to be taken into consideration before signing on the dotted line. Despite some negative sentiment around a market slowdown in 2016, real estate performance in Dubai continues to be amongst the top global cities. When looking to the future of commercial real estate investing in Dubai there are three things people should evaluate and implement to make those real estate investments pay off.

Location: A Key to Success

The old adage “location, location, location” is true for commercial properties just as much as it is for residential. The very first thing one should always remember is the place of the commercial venture. Regarding business potential and return on investment, location plays a vital role. In Dubai there are the preferred and the ‘not-so-preferred’ micro markets when it comes to commercial leasing or purchase. Location is dependent

on multiple other factors such as accessibility, proximity to key hubs and proposed infrastructure. Office buildings in onshore areas and free zones with direct access to Metro stations, ample parking and unique amenities remain in high demand in Dubai.

Desire for Amenities Grows:

With a growing pool of blue chip occupiers looking to make Dubai their regional headquarters, the demand for single- owned Grade A stock has been key denominator in supply growth for the last few years. While a certain premium could be attributed to the presence of amenities in a building, its benefits tend to override the cost. The importance of retail and other facilities and amenities for office occupiers was evident in the Dubai Commercial Real Estate market with landlord’s investing in retail improvements and carefully selecting the right tenant mix.

Sustainable Sector Investment:

A raft of international companies is expected to set up businesses in Dubai in preparation for the World Expo 2020, potentially increasing demand in the commercial property cycle.

While Dubai’s economy is a vibrant, progressive and diverse enough to offer equally exciting opportunities for all industries some have definitely displayed better performance and faster growth when compared to others. Exponential growth has been recorded in the following sectors Technology, Financial Services Sector, Healthcare and Pharmaceutical followed by Construction and Engineering.

Like any profit making proposition, purchasing a property needs apposite evaluation to be carried out prior to making the decision. While purchasing a Commercial Property may sound to be an overwhelming investment, it can attract overwhelming profits when done correctly in Dubai. Dual licensing and connectivity to transport infrastructure will prove to be the differentiators for new office schemes in Dubai and are likely to remain so for the foreseeable future. Dubai will always be one of the world’s most appealing real estate investment destinations. Dubai’s economy is expected to sustain its grown momentum with Expo 2020 creating more opportunities for foreign investment, therefore buying the right commercial property can yield big returns. ■