



VALUATIONS

Q1 2018 NEWSLETTER

2017 IN NUMBERS



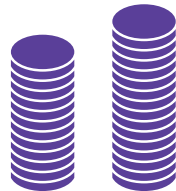
1.7%
GDP increase



80-90%
of UAE GDP is
accounted for
by Abu Dhabi &
Dubai



\$ 66.6 pb
December's
oil price



6%
Residential transaction
volumes increase in
Dubai during 2017



23%
Average vacancy
rate in Abu Dhabi
offices for Q3 2017

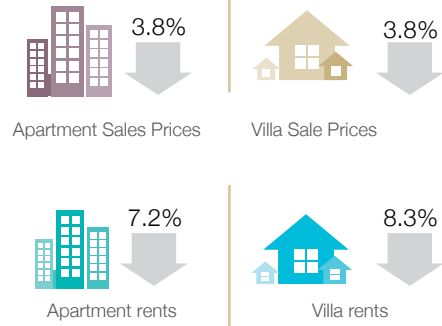


7
UAE ranked in the most
popular destination of choice
for international retailers

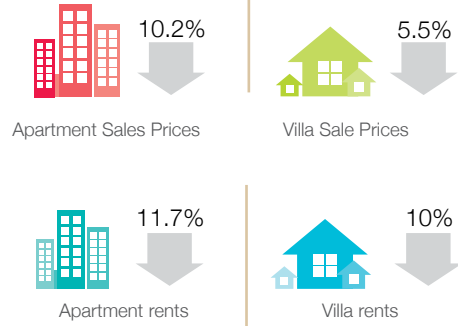


IN FOCUS: RESIDENTIAL REVIEW FOR 2017

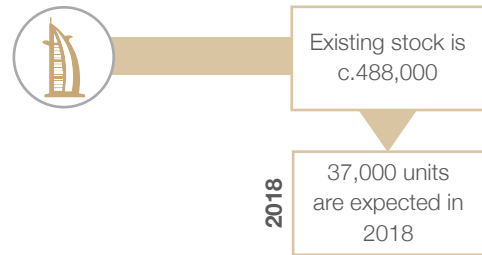
Dubai



Abu Dhabi



Dubai - Supply



Abu Dhabi- Supply

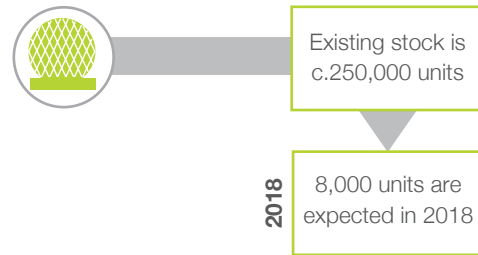
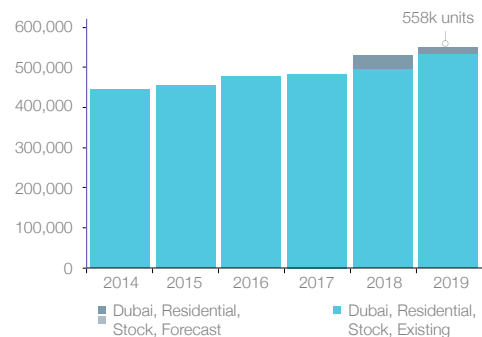


FIGURE 1

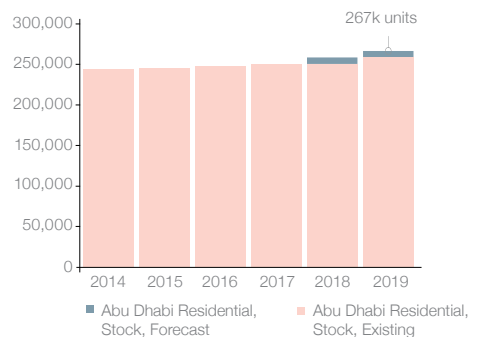
Dubai residential - Supply



Sources: Knight Frank Research/ Macrobond/ Oxford Economics

FIGURE 2

Abu Dhabi residential - Supply



Sources: Knight Frank Research/ Macrobond/ Oxford Economics

IN FOCUS: COMMERCIAL REVIEW FOR 2017

Dubai



Abu Dhabi

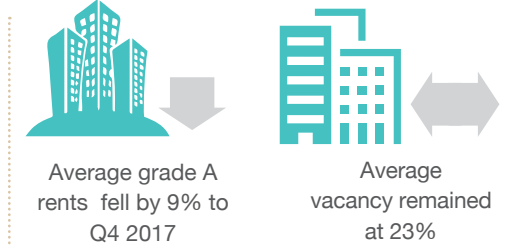
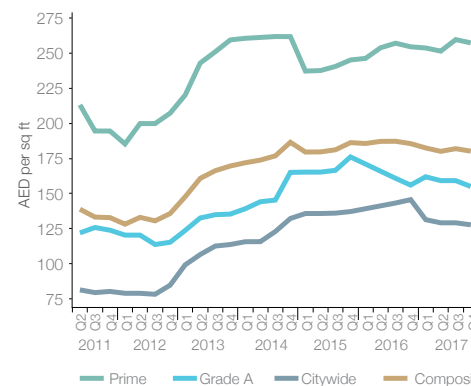


FIGURE 3

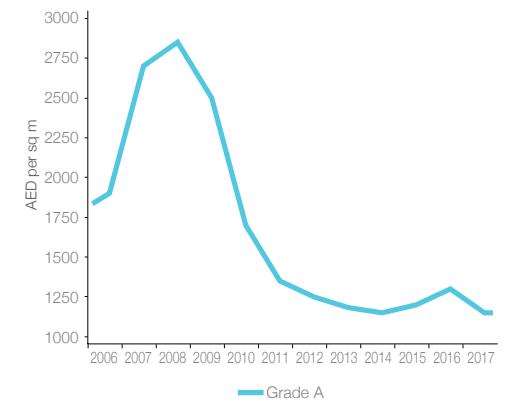
Dubai - Commercial Rents



Sources: Knight Frank Research/ Macrobond/ Oxford Economics

FIGURE 4

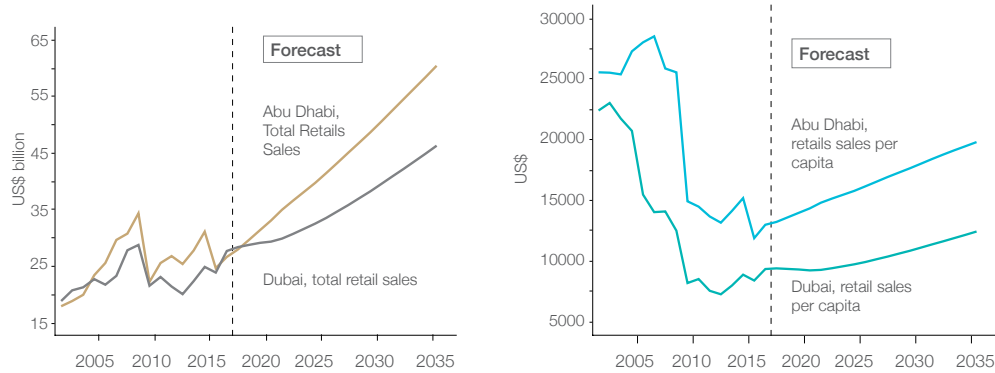
Abu Dhabi - Commercial Rents



Sources: Knight Frank Research/ Macrobond/ Oxford Economics

IN FOCUS: RETAIL REVIEW FOR 2017

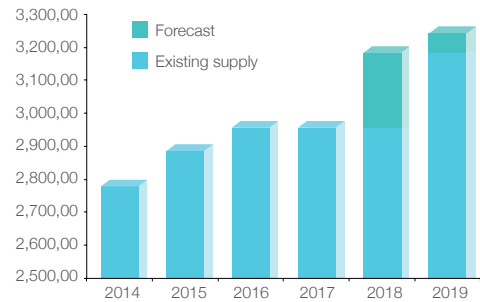
FIGURE 5
Retail spending



Source: Knight Frank Research/ Macrobond/ Oxford Economics

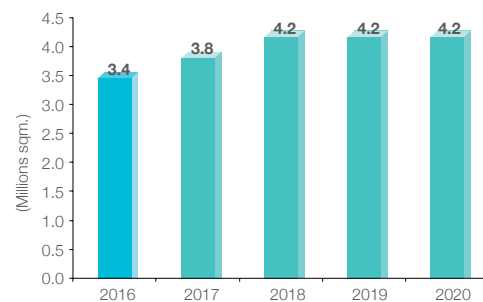
- Retail spending growth continues after a volatile period
- Forecasts show an increased rate of growth, specifically in Abu Dhabi
- Spending per capita is decreasing, most likely as a result of the changes in demographics and new channels
- Abu Dhabi is the fastest growing destination market between 2009 and 2015 in the MENA region.
- UAE ranks as the 7th most popular destination of choice for expansion amongst international retailers.

FIGURE 6
Abu Dhabi retail supply



Source: Knight Frank Research/ Macrobond/ Oxford Economics

FIGURE 7
Dubai retail supply



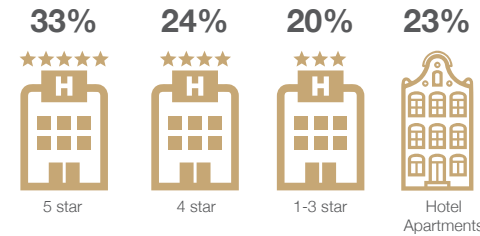
Source: Knight Frank Research/ Macrobond/ Oxford Economics

IN FOCUS: HOSPITALITY REVIEW FOR 2017

DUBAI & ABU DHABI

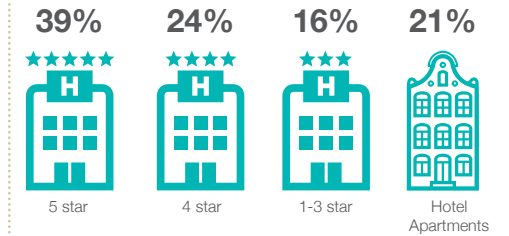
The UAE has seen increased visitor numbers from emerging markets particularly from locations in close proximity to the UAE where there has been a substantial increase in middle class.

Dubai - Hospitality Stock Supply



Source: Knight Frank Research

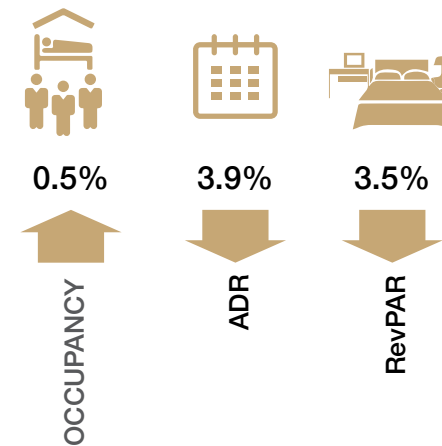
Abu Dhabi - Hospitality Stock Supply



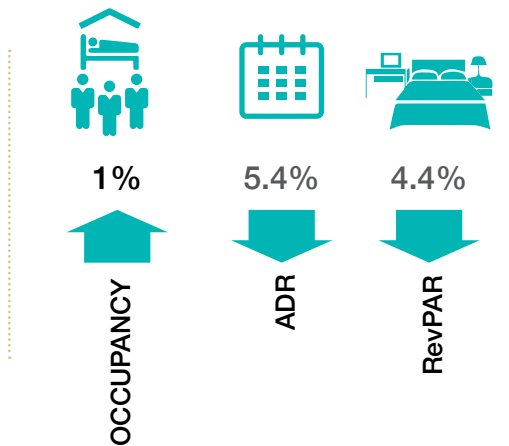
Source: Knight Frank Research

- Occupancy levels are relatively stable but level of profitability for hotels is a concern.
- The below graphics show the percentage change in KPI's from 2016 to 2017.

Dubai KPI's



Abu Dhabi KPI's





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VALUATIONS

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