

Branded Residential Overview

Dubai 2022



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Introduction

Since the first branded residence in the world opened its doors in Manhattan, NYC with the Sherry-Netherland in the 1920s to the first branded residences in Dubai at the Armani Hotel and Residences in the iconic Burj Khalifa in 2010, the appetite for these often luxurious homes shows no sign of abatement. Over the last 10+ years, Dubai has cemented its position as one of the global epi-centres for branded residences, rivalling Miami, New York and London.

A lot has changed over the decades since the days of the Sherry-Netherland of course, however the concept of living part or even full time at a hotel is not a new concept – famously Coco Chanel stayed at the Paris Ritz for almost forty years. It wasn't until the 1980s when Four Seasons and Aman made ownership possible with their first foray into the sector in Boston and Phuket, respectively. From two brands to many dozens, there is an almost endless choice for the buyer to select which brand to choose from, and not only hotel brands, either. Over the last few years, we've seen brands such as Porsche Design, Bvlgari, Fendi to name but a few, all lending their particular flair and brand power to desirable projects across the region.

At Knight Frank Middle East, our specialist Residential Project Sales and Marketing team have been at the forefront in advising developers and hotel operators on how best to create their concept into a reality and ensure maximum value creation for this most discerning of asset classes. Our Global Buyer Survey 2021 revealed that 39 per cent of residential real estate buyers would be willing to pay a premium for a hotel branded property, citing services and amenities as the top motivation.

Dean Foley | Associate Partner
Head of Residential Project Sales & Marketing



Typical Branded Residences Typographies in Dubai

As branded residences proliferate, from the Caribbean to China, a growing number of developers, hotel groups and investors are looking to capitalise on this opportunity. But just what are branded residences, what underpins their appeal, and what is driving the rapid expansion and diversification of this sector?

More than 90 years on, the sector has grown enormously and is now to be found in over 60 countries across the globe.

Our research shows that there are now over 500 branded residences across the World, with several hundred more in the pipeline, the majority of which are hotel branded. Growth in the sector shows little sign of abating: over the last 12 months in Dubai, we have seen launches under Mr C, Four Seasons, The Ritz-Carlton and Six Senses to name but a few.

The birth of the branded concept can be traced back to the prolonged economic boom of the 1920's in America. Indeed, across the years, there is a direct correlation between wealth creation and demand for branded residences.

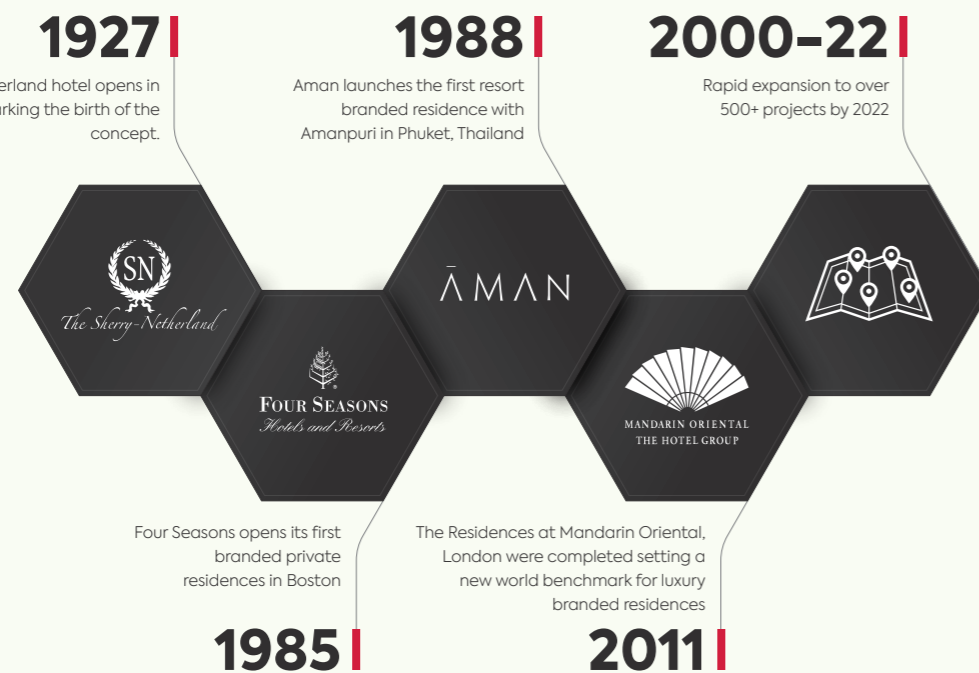
Much of the sector's expansion has occurred in more recent decades. It's no coincidence that we are seeing such a renewed interest in the branded concept given the rapid growth in global wealth witnessed since 2000.

In our latest Wealth Report 2022, we highlighted that the global ultra-wealthy population (US \$30m+ in net assets), grew by 75% between 2016-21 and is forecast to increase a further 28% over the next five.

Looking more closely at the wealth creation within the Middle East, there are over 9,700+ individuals with US \$30m or more of investable assets, an increase of almost 9% within the last 12 months and forecast to increase by almost 24% by 2026.

With the branded concept well established by hotel operators, the number and types of operators entering the space is now expanding and diversifying. Brands such as Versace, Armani and Porsche Design have all lent their names to developments in recent years. In this report, we look at the different types of branded residence, the rationale behind the concept, local "Firsts" and future trends".

Timeline of the branded residence



Typographies



Dubai Branded Residences Trends

As Dubai's residential landscape continues to mature, below we investigate 7 key trends that are helping to shape the emirates love affair with branded residential property.

1 Dubai one of the top three branded residential markets globally:

Dubai has evolved to become a key global hub for branded residences in the last 10 years, however the US, led by Miami, continues to have the highest concentration globally. In Dubai we now have two clear concentrations of branded residential property: Central Dubai (stretching outward from Downtown Dubai, along Dubai Canal and out to Jumeirah 1) and New Dubai, encompassing The Palm Jumeirah, Dubai Marina and Jumeirah Lake Towers.

2 Developers widening the net to attract new buyers and investors:

There has been a strong shift towards creating more investment grade product, alongside traditional branded residences that appeal to global UHNWI clientele. Developers have recognised the investment potential in branded residential products

3 Lifestyle brands making their mark:

Historically, brands such as The Four Seasons, Rose Wood, the Ritz Carlton have dominated the branded residential market landscape, but more recently, the likes of Porsche, Bvlgari, Cavalli and Ferrari, all of which have swathes of fiercely loyal followers have joined the race to provide ultra-luxury branded residential homes

4 "New" branded residential neighbourhoods:

Downtown Dubai and The Palm Jumeirah have very limited development opportunities, which is driving developers to look to the peripheries of these locations. As the Dubai market continues to evolve and mature, operators are moving into areas such as Business Bay, where Missoni Mama Shelter and the Dorchester Collection are all establishing a presence. Indeed, the arrival of these prestigious brands has contributed overall residential demand in Business Bay, which recently joined the exclusive \$10 million home club in Dubai.

5 Middle East brands spread their wings:

Luxury residential developers from Dubai are now setting their sites on markets further afield, with DAMAC, for instance, recently securing a site in Miami, while also progressing their Versace branded scheme in London's Nine Elms.

6 Fully integrated service offering to remain a top draw:

Privacy and security have always been key factors for buyers, but a fully integrated service offering, complete with a personalised concierge service in a landmark setting, offered by a reputed brand is what buyers at the top end of the market continue to actively seek out and are happy to pay a premium for.

7 Buyers hungry for more:

Globally, buyers are taking a closer look at their living arrangements in the wake of the pandemic and when it comes to the branded residential market, buyers and investors are hungry for ever more luxurious amenities and lifestyle offerings that is driving the emergence of some of the world's most exciting branded residential developments in cities such as Dubai – Kempinski's Floating Palace, off the coast of Jumeirah Beach Residence, which is set to open in 2024 is one such key example.



Dubai Branded Residences Development Snapshot

14%
UNITS SOLD IN 2021

were branded residences (in areas where branded residences are present)

113.2%
YoY increase

for branded residences on Palm Jumeirah with an average price per sqft of AED 3,146

27.8%
INCREASE IN AED/SQFT

since Q1 2020 for waterfront residences

4,310
AED/SQFT

Atlantis The Royal has one of the highest average price per sqft compared with other branded residences

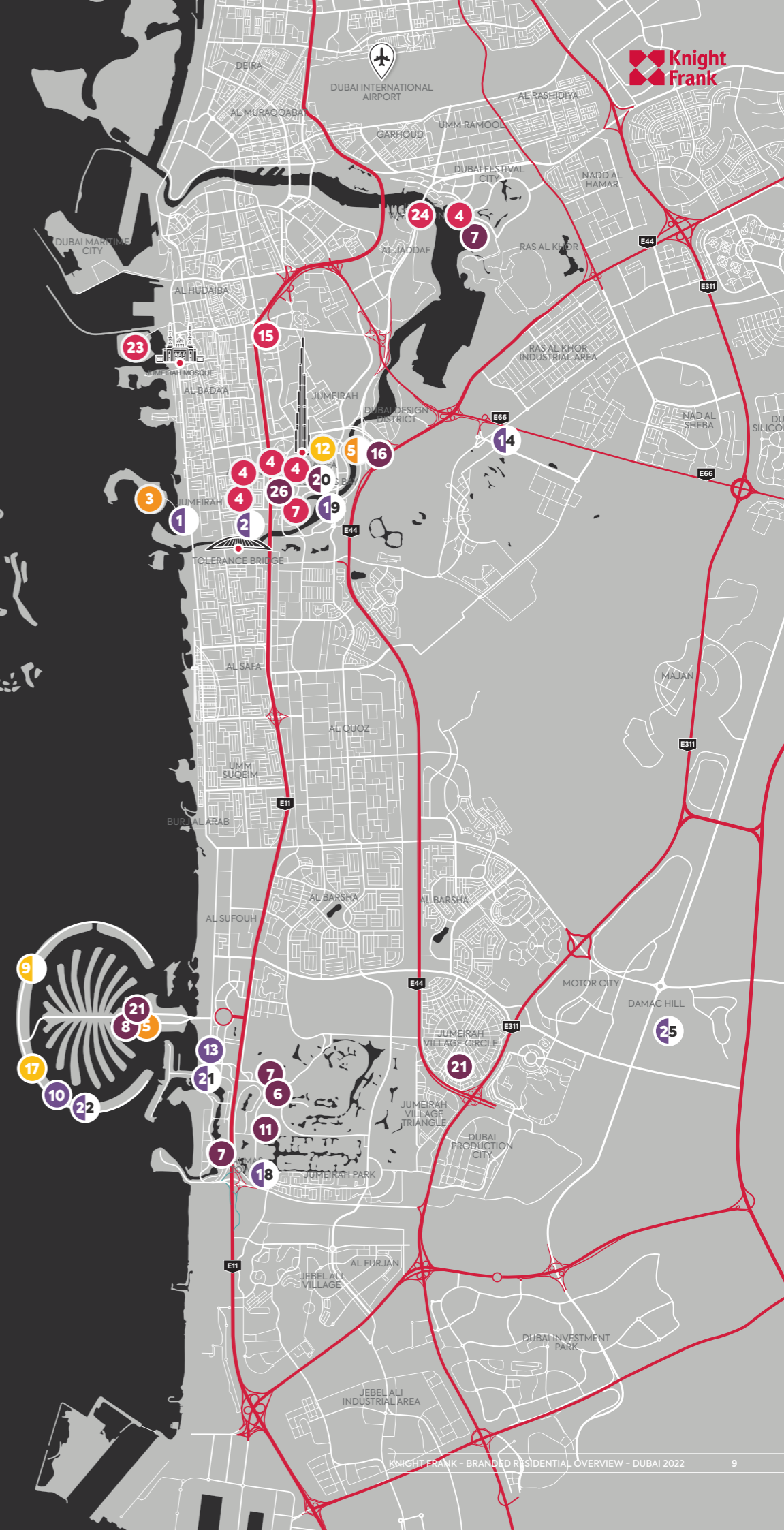
RESIDENCES

- | | |
|------------------------------------|-----------------------------------|
| 1. Four Seasons Private Residences | 14. Tonino Lamborghini Residences |
| 2. Mr C Residences | 15. Jumeirah Living |
| 3. Bulgari Residences | 16. SLS Dubai |
| 4. Address Residences | 17. Kempinski Residences |
| 5. Dorchester Collection | 18. SO/Residences |
| 6. Banyan Tree Residences | 19. Mama Shelter |
| 7. VIDA | 20. Missoni |
| 8. Fairmont Residences | 21. FIVE |
| 9. Atlantis The Royal | 22. Six Senses Residences |
| 10. W Residences | 23. Nikki Beach Residences |
| 11. Taj Dubai | 24. Palazzo Versace |
| 12. Armani Residences | 25. Trump Estates by Damac |
| 13. Cavalli Tower | 26. Damac Paramount Tower |

*Data correct as of H2 2021

AED/SQFT KEY

- 4-5k
- 3-4k
- 2-3k
- 1-2k
- TBA
- Completed
- Under Construction



Case Studies



Six Senses Resort & Residences Palm Jumeirah

Standing elegantly on the Palm's west crescent, the latest arrival of the world-renowned wellness and super-luxe brand is a UAE first and promises to raise the stakes in both design and amenities. Accompanying the 61-key luxury hotel will be a selection of 2-4 bedroom penthouses, sky villas and royal penthouses plus 9 beachfront villas. Underpinning the Six Senses Resort and Residences will be a 60,000 sq/ft wellness centre, pools, restaurants and of course, unrivalled service.



Address Beach Resort & Residences, JBR

Soaring 310m, this iconic twin-tower hotel and residential development occupies a commanding location on JBR with views across the Gulf, Dubai Marina and toward Palm Jumeirah. With a selection of 1-5 bedroom apartments and serviced residences, managed by Address Hotels and Resorts, with residents enjoying state-of-the-art amenities.



W Residences Downtown

Located in the coveted Downtown district in the beating heart of Dubai, this stand-alone development by Dar Al Arkan promises to be one of Dubai's top address' in the city. Owners of the 384 residences can enjoy infinity pools, breath-taking views of Burj Khalifa and automatic access to Marriott's Bonvoy Club as a "Platinum Elite" member.



St. Regis Residences Downtown

Developed by Emaar Properties, this stand-alone, twin tower development under the St. Regis brand is in arguably the best location in Downtown along the Opera district. Art-deco inspired, these sleek towers will rise 171m and 262m, respectively offering residents views of the Dubai Fountains, a library, two swimming pools and residents lounge.



Our Development Services

A Specialist Service

Together the new development teams at Knight Frank provide a full spectrum of consultancy services to deliver informed, expert and bespoke advice to individual and corporate clients who are looking to assess, review and realize their residential development ambitions.

Sales Based Expertise

Our advice is based on first-hand experience and knowledge of the markets we work in. From pricing new homes to advising on amenity mix, we understand market demands and how best to meet them.

Experience, Trust & Reputation

Our integrity is critical to our success, and the quality of the advice we offer is a cornerstone of this. Sound advice comes from genuine experience in a market, and our team has collective experience in the international market, expert knowledge and a proven track record.

Global Knowledge

While our expertise is local, our knowledge is global – we have a network of consultants across the world and these links provide access to shared knowledge, a broader perspective and ultimately enhance our advice.

Globally Respected Research

Our research is detailed, respected, and widely reported. We deliver bespoke research for clients in most of the world's leading destinations, and can call upon our industry leading annual studies including the Wealth Report, Global Cities Index and the Global Development Review.

Connected Network

Knight Frank are privately owned and run, meaning unlike a franchise business we are able to share knowledge and expertise, making sure that our clients have the best service and information no matter where their property requirements take them. It also allows both businesses to be proactive in meeting challenges within an ever-changing industry.



The Team



Dean Foley | Associate Partner – Head of Residential Project Sales & Marketing

With more than 15 years' experience in real estate across multiple asset classes, Dean specialises in resort, urban, and mixed-use branded residential development consultancy and sales.

Formerly an Associate Vice President with Kingdom Hotel Investments, a subsidiary of HRH Prince Al Waleed bin Talal's Kingdom Holdings, Dean has worked on a number of branded residential projects across the world under luxury brands such as Four Seasons, Viceroy, Fairmont, Raffles, Movenpick and Starwood.

As an Associate Partner – Residential Project Sales & Marketing at Knight Frank Middle East, Dean is responsible for advising hotel operators, developers and owners within the luxury and branded residential market in Dubai and across the Middle East and North Africa.



Tom Farmer | Associate Partner – Head of Middle East Marcoms

Tom has worked in the Marketing field for 15 years, with vast amounts of experience in all aspects of Senior Marketing Management across the entire 360-degree marketing spectrum.

Tom has managed expansive global networks across the GCC, UK, Asia, Europe & Africa, providing integrated and strategic marketing campaigns across all marcoms channels, in different global markets and locations.

Tom heads up the Middle East Marcoms team at Knight Frank Middle East, based in Dubai, focusing on the UAE & KSA markets, whilst also providing support to the 9 territories within Africa, spread across 21 offices.



Henry Faun | Partner – Head of Private Office Middle East

Henry Faun is a Partner and Head of Knight Frank's Private Office in the Middle East. He holds a first class honours degree in Real Estate and is qualified as a member of the Royal Institution of Chartered Surveyors (MRICS).

Having worked with Knight Frank for the past nine years in London and the Gulf, Henry is a specialist in advising clients on the purchase, sale and management of UK, European and US real estate. Given Henry's position within the Private Office, he is unrestricted by a specific market or geography, therefore able to provide a specialised service across a whole host of Knight Frank service lines to make sure the right assets and opportunities are offered to his clients.



Shehzad Jamal | Partner – Head of UAE StratCon

Shehzad is a Partner at Knight Frank, leading the Development Consultancy Division covering all real estate sectors with a focus on Residential and mixed-use developments, including hospitality.

Shehzad advises clients on large & boutique real estate concept driven schemes and master planned communities, general real estate practice and transactions.

His core responsibilities involve advising developer clients on market studies, absorption rates, buyer profiling, scheme dynamics and feasibility.



Turab Saleem | Partner – Head of Hospitality, Leisure & Tourism Advisory – MENA

Turab is an accomplished and meticulous professional with 25 years of proven success record in various aspects of the hospitality & tourism industry including management, development and operations.

A strategic thinker with excellent communication skills and a strong work ethic with the ability to inspire others through positive attitude, clear direction and resourcefulness with a Master in Hospitality Management focused in Hotel Development and Asset Management from New York University.

To discuss your Middle East Residential Project Sales & Marketing requirements, please contact:



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