



**Windmills**  
*Producing Opportunities*

**ICAI Dubai Chapter**

**Real Estate Market Performance and Professional Valuation Standards**

31 January 2024





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About Windmills and Latest Developments

Real Estate Market Performance

Professional Valuation Standards

Q&A





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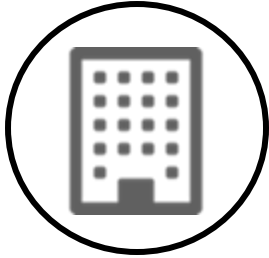
## About Windmills and Developments



## Valuation Service



Residential  
Properties



Commercial  
Properties



Industrial  
Properties



Trading  
Properties



Machinery & Equipment  
Assets

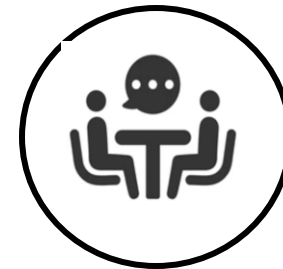


Automobile  
Assets

## Building Consulting Services



## Management Consulting Services



**We value properties and assets following Emirates  
and International Valuation Standards**

**42,000+**

Valuations

**19**

Type of Real Estate Properties

**27,000~**

Machinery & Equipment Valuations

**400+**

Clients

**15,000+**

Real Estate Valuations

**AED 150+ billion**

Market Value

**39**

Staff Members

**Windmills**  
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**International Valuation Experience**



## Major Banking Clients



## Major Financial Institution Clients



## Major Property Developer Clients



## Major Family Group Clients



## Major Government Authority Clients





## Accolades

Windmills is among the top rated valuation firms ranked by RERA and DLD for the last 3 years.

Highest/Gold Rated Firm in 2023



5 Star Valuers in 2023





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## Dubai - Real Estate Market Performance





Resilient.

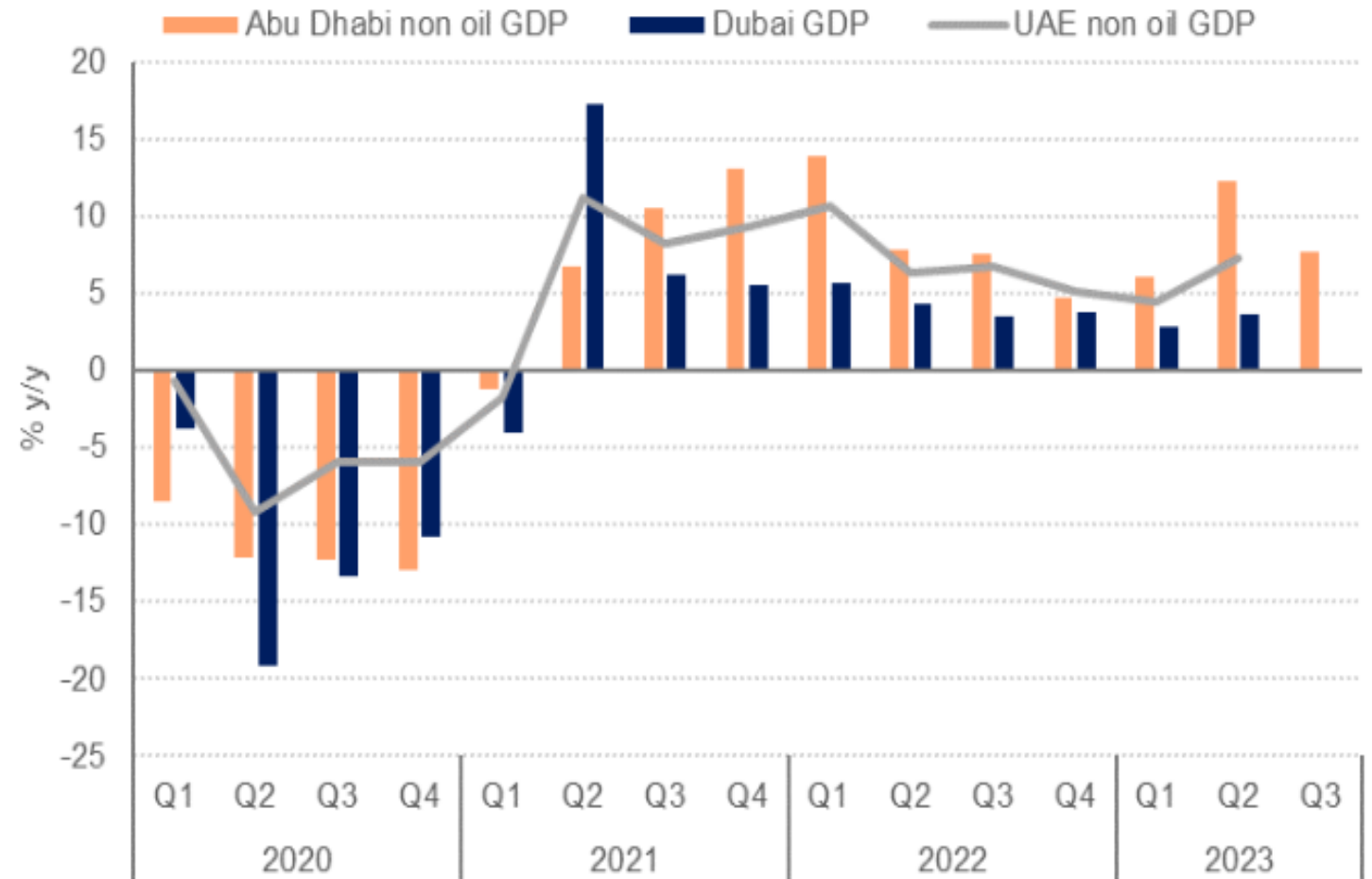
3.70 % in the first half of 2023.

UAE produced 3.15mn b/d  
Oil Price averaged at USD 83/barrel.

Non-oil sector growth at 5.9% y/y in H1 2023.

Interest rate peaked at 5.4% in July 2023.  
Likely to moderate based on FED's outlook.

## UAE non-oil growth by emirate



Source: Haver Analytics, Emirates NBD Research



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## Property Supply and Demand in Dubai



## UAE Key Projects 2024

Dubai	Abu Dhabi	Sharjah	Ras Al Khaimah	Fujairah	Ajman	Um Al Quwain
<ol style="list-style-type: none"> <li>1. Marsa Al Arab</li> <li>2. Burj Binghatti</li> <li>3. Agri Hub</li> <li>4. Dubai Urban Tech District</li> <li>5. One Za'abeel</li> <li>6. Ciel Dubai</li> <li>7. Dubai Vertical City</li> <li>8. Baccara Hotel &amp; Residences</li> <li>9. Dubai Wasl Tower</li> <li>10. Dubai Creek Tower</li> <li>11. <a href="#">Palm Jabel Ali</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Gardenia Bay</li> <li>2. Perla</li> <li>3. Royal Park Masdar City</li> <li>4. Fay Alreeman</li> <li>5. Ramhan Island Views</li> <li>6. Reem Hills Apartment</li> <li>7. The Source</li> <li>8. Sustainable City – Yas Island</li> <li>9. See La Vie</li> <li>10. Saadiyat Cultural District</li> <li>11. Yasmina Residence</li> </ol>	<ol style="list-style-type: none"> <li>1. Sharjah Waterfront City</li> <li>2. Sharjah Garden City</li> <li>3. La Plage Tower</li> <li>4. Hayyan</li> <li>5. Darb 3</li> <li>6. Al Lilac</li> <li>7. Naseej District</li> <li>8. <a href="#">Maryam Island Projects</a></li> <li>9. Masaar Projects</li> </ol>	<ol style="list-style-type: none"> <li>1. <a href="#">Marjan Island</a></li> <li>2. Hayat Island</li> <li>3. Marbella Phase 2</li> <li>4. Gateway Residences</li> <li>5. Granada Villas</li> <li>6. Falcon Island</li> </ol>	<ol style="list-style-type: none"> <li>1. Mina Al Fajeer</li> <li>2. Eagle Fujairah Beach</li> <li>3. <a href="#">Address Fujairah Beach Resort</a></li> </ol>	<ol style="list-style-type: none"> <li>1. <a href="#">Al Ameerah Village</a></li> <li>2. Creek Towers</li> <li>3. Gulafa Towers</li> <li>4. Beach Hill Villas</li> <li>5. Seaside Hills</li> </ol>	<ol style="list-style-type: none"> <li>1. <a href="#">Creek Waterfront Development</a></li> </ol>

UAE is full of ambitious property projects ahead

## Dubai - Top 10 Projects that will further enhance UAE's Real Estate Future

### 1. Dubai Creek Tower

*Redesign and relaunch in H2 2024.*

### 2. Dubai Metro Blue Line

*It will connect Ras al-Khor, International City, Dubai Silicon Oasis and Academic City.*

### 3. Deep Tunnel Portfolio

*Developing deep-gravity sewage tunnels and treatment plants across the emirate.*

### 4. DWTC/ Candy Tower

*Three towers in Dubai's One Central commercial district.*

### 5. Al Maktoum Airport

*AED120bn (\$33bn) expansion of Al-Maktoum International airport.*

### 6. Palm Jabel Ali

*Double the size of Palm Jumeirah with seven connected islands.*

### 7. The Oasis by Emaar

*9.4 million square metres development, close to Dubai Investments Park.*

### 8. The Island

*1,400 hotel rooms and apartments near Jumeirah Public Beach.*

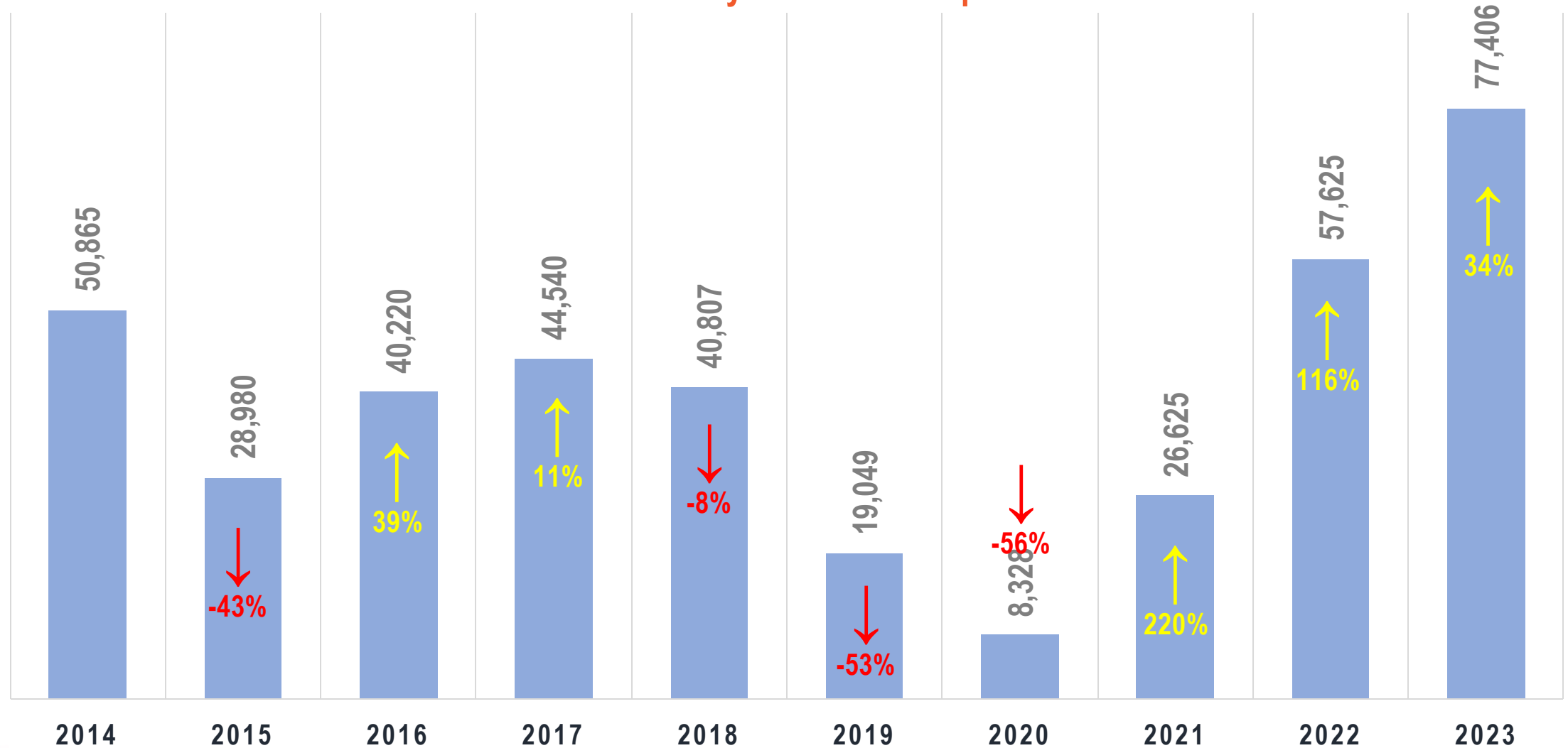
### 9. Al Habtoor Tower

*One of the largest buildings in the world, with built-up area of 350,000 sq m.*

### 10. Dubai Pearl

*The pearl shaped building located north of Dubai Media City close to the Palm Jumeirah.*

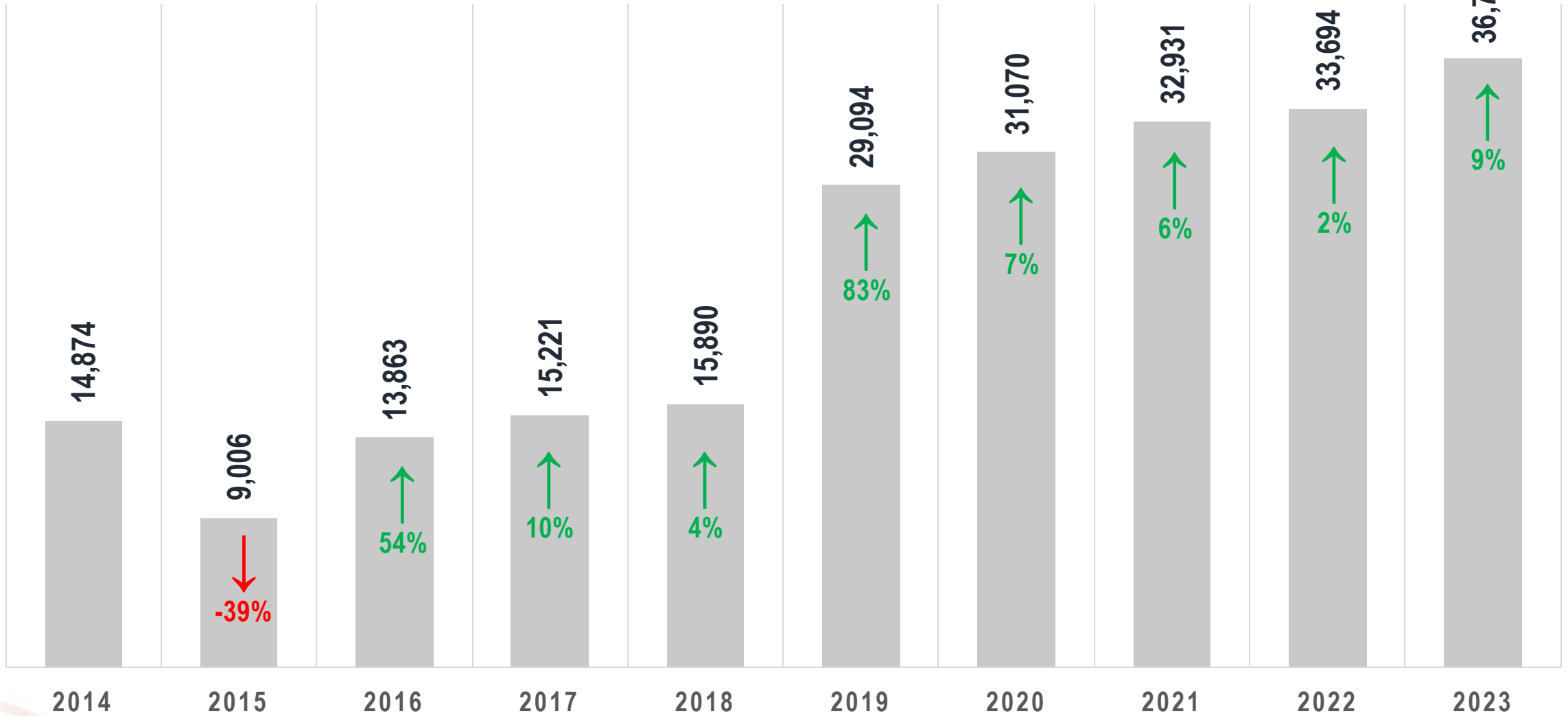
## Number of Yearly Launched Properties



77,406 units were launched in 2023, which was 34% higher than that of 2022.

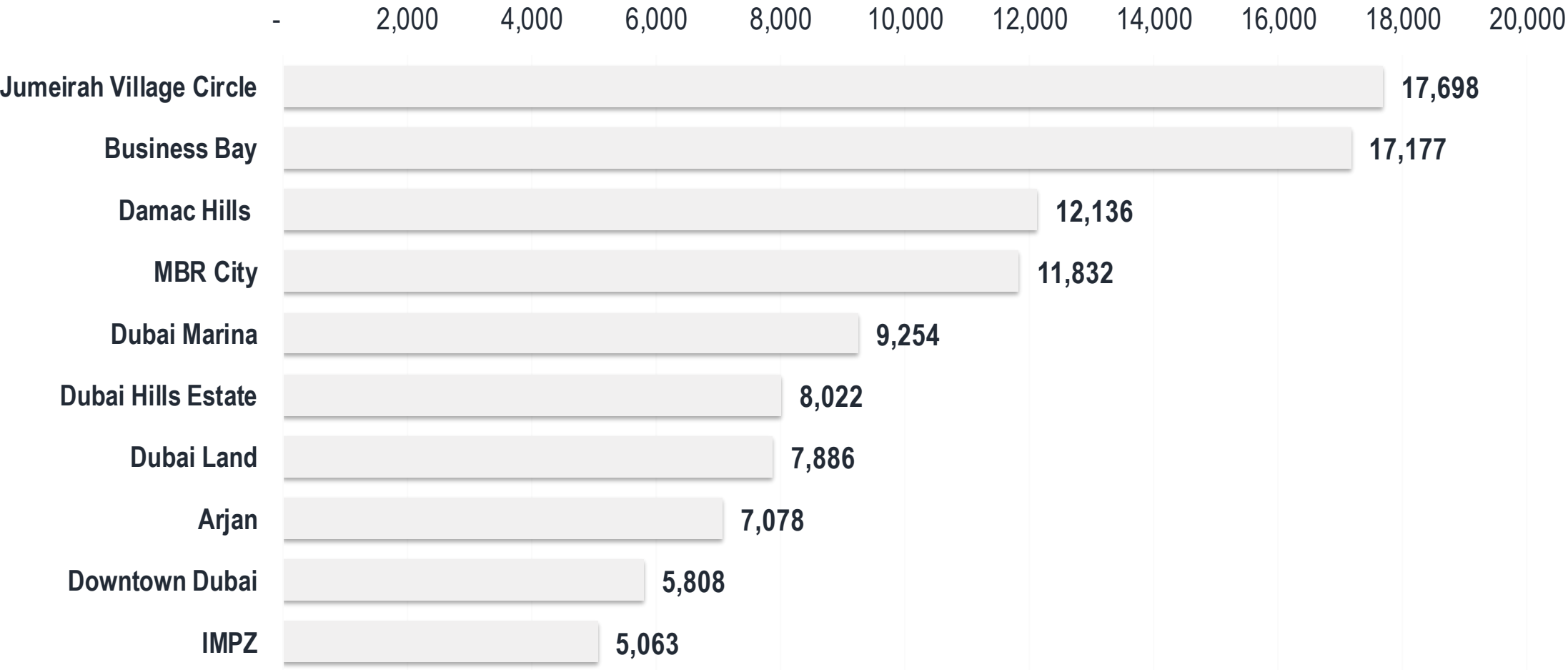


## Number of Yearly Delivered Units



Number of delivered units in 2023 is the highest in the last 10 years, closing the year at 36,739 units.

# Future Property Supply Plan in 2 Years



101,954 units.  
JVC contributes 17% of the supply.



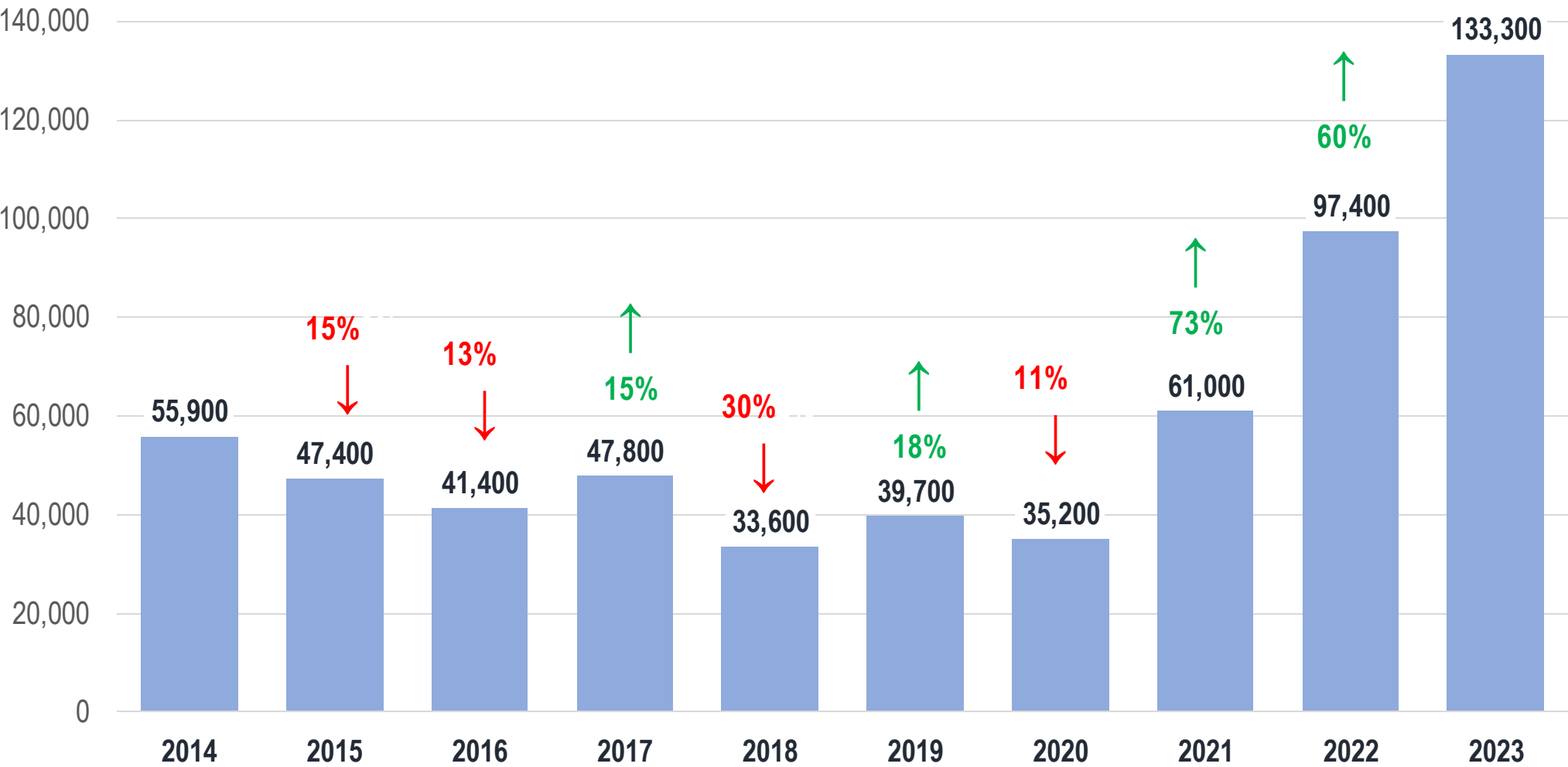


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## Residential Property Sales and Rental Performance

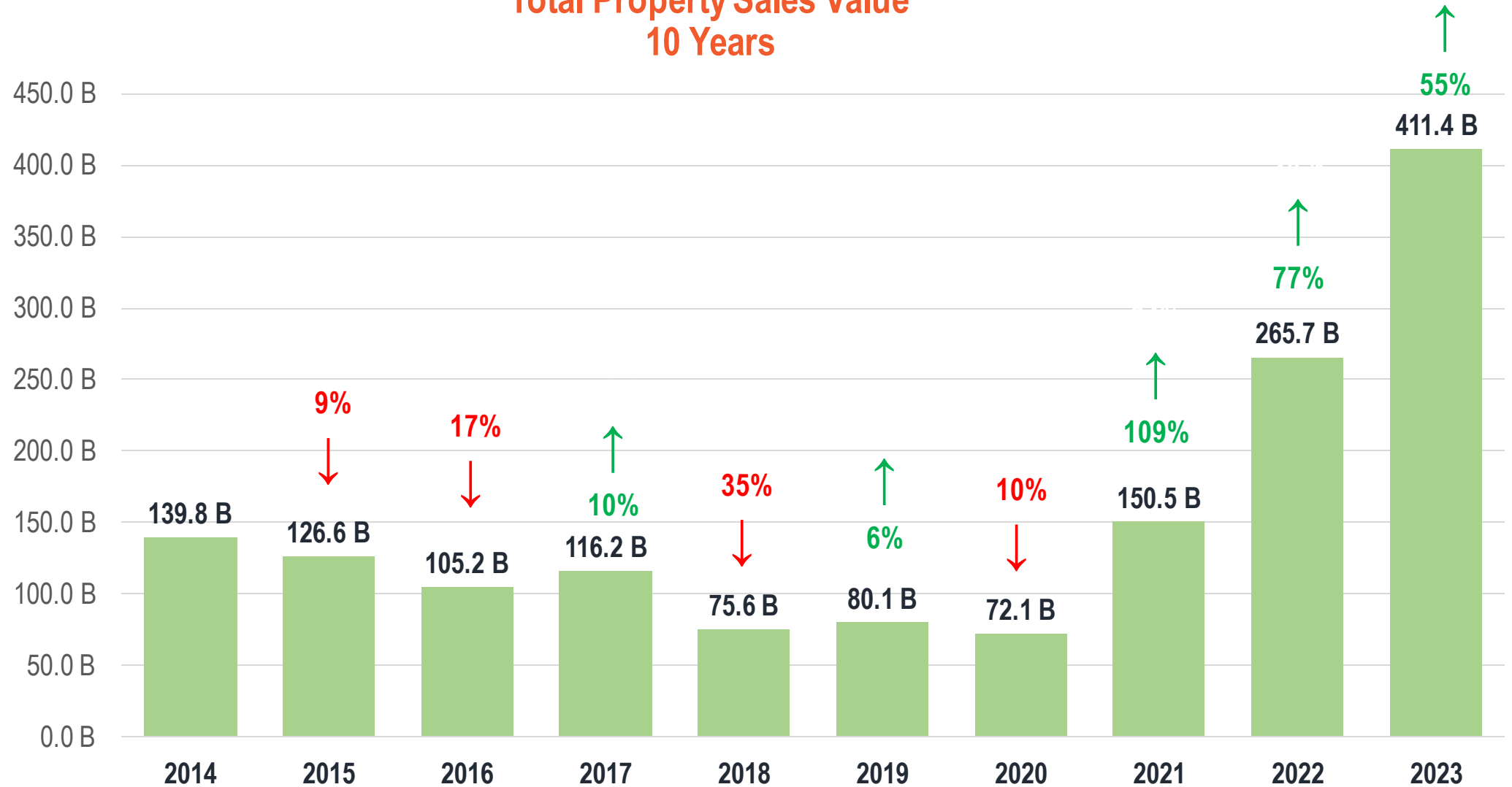


# Total Property Sales Transactions 10 years



2023 recorded the highest transactions in the past 10 years.  
37% higher than 2022.

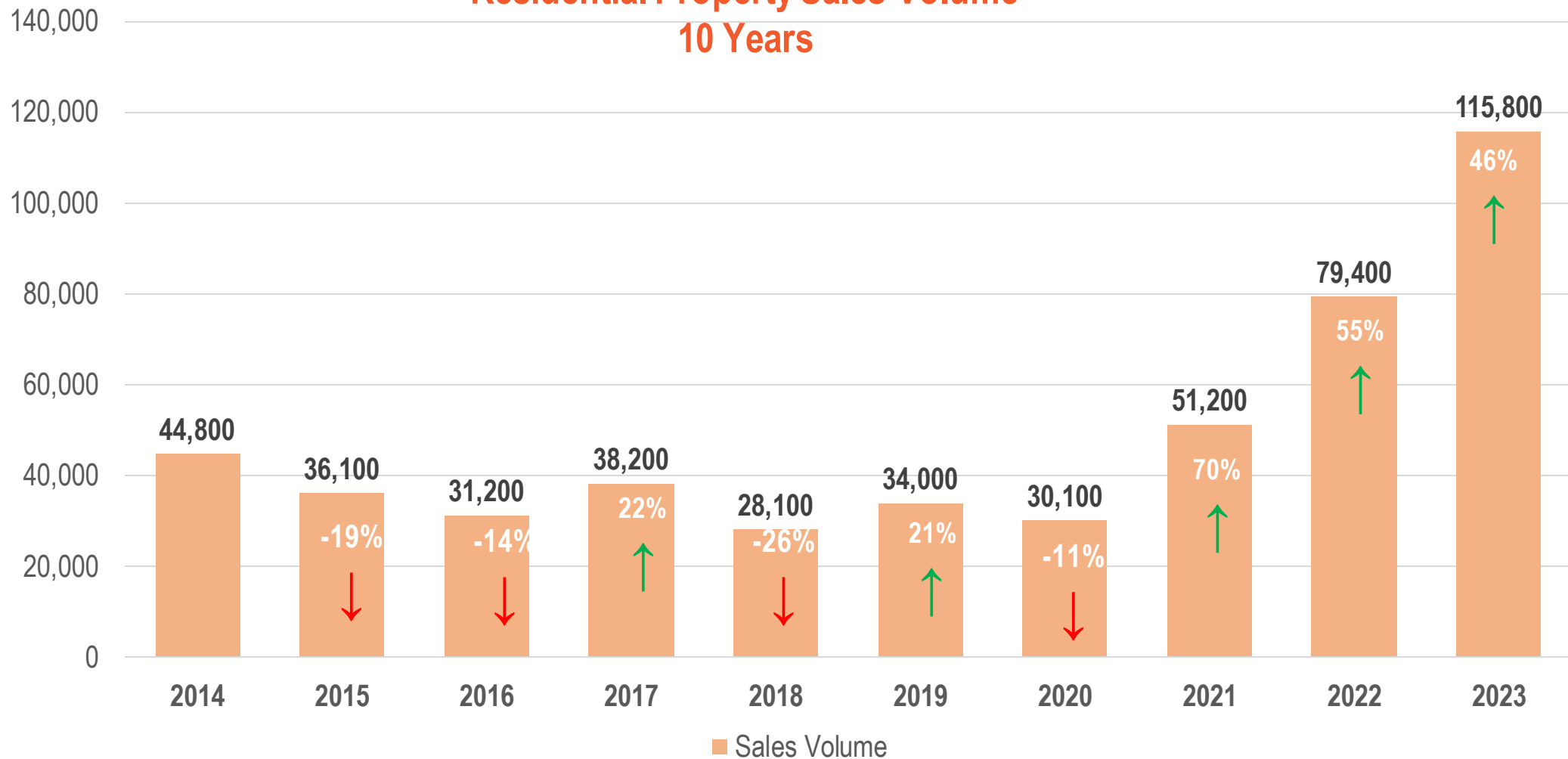
## Total Property Sales Value 10 Years



Sales value at AED 411.4 billion, 55% increase y-o-y.  
2023 registered highest total sales value in the past 10 years.

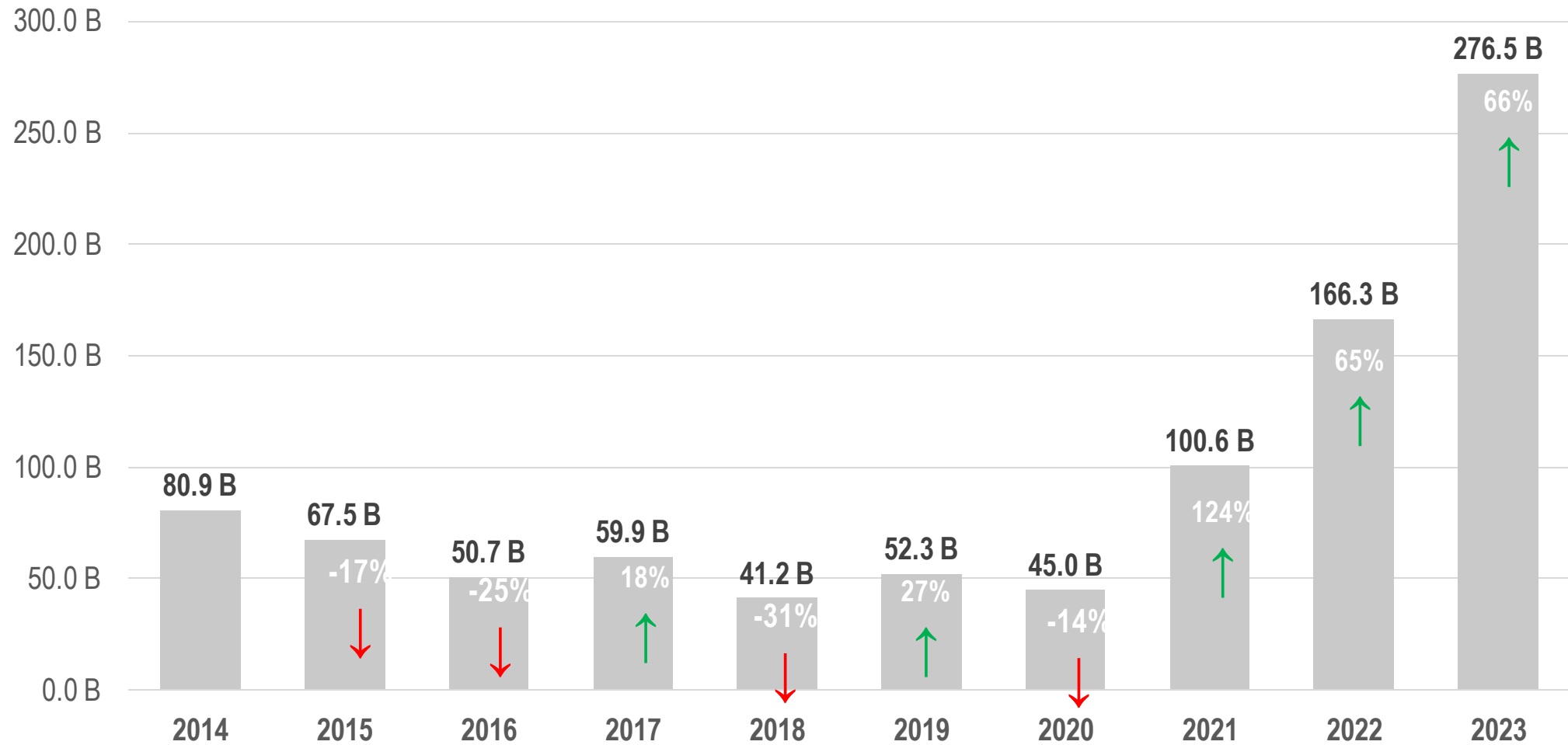


## Residential Property Sales Volume 10 Years



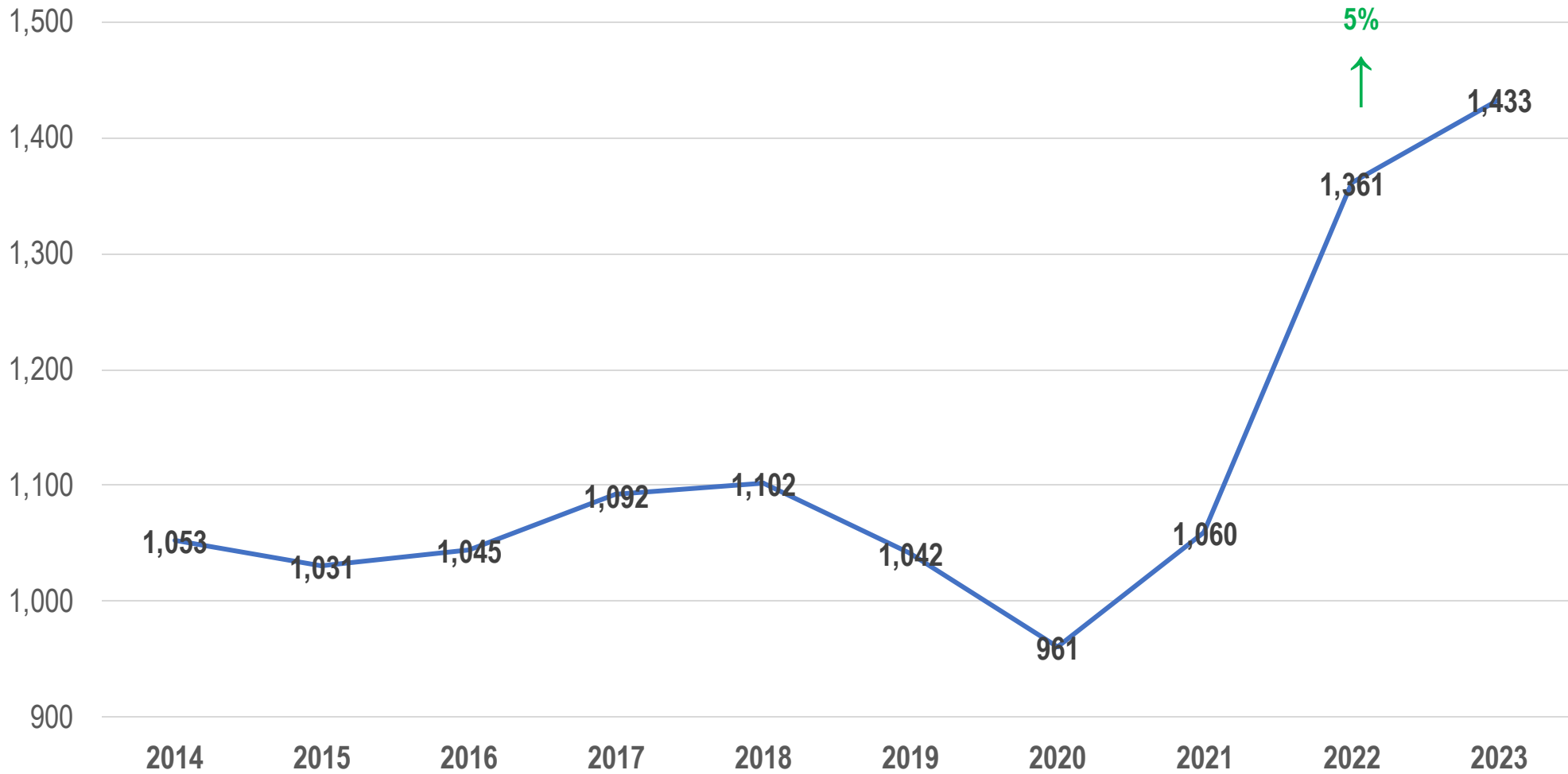
Maximum sales transactions volume in last 10 years with 115,800 transactions which is 46% higher than 2022.

## Residential Property Sales Value 10 Years



Maximum sales transactions value in last 10 years with the transaction value of 276.5 Billion, which is 66% higher than 2022.

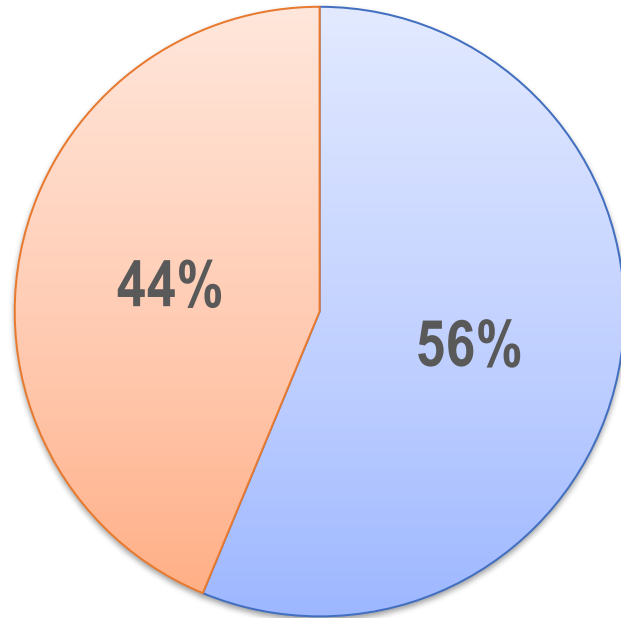
**Residential Property Sales Price/sqft  
10 Years**



Dubai Residential Property Market reached the maximum sales Value price/sq.ft. in last 10 years with the value of 1433 AED/sq.ft which is 5% higher than 2022.

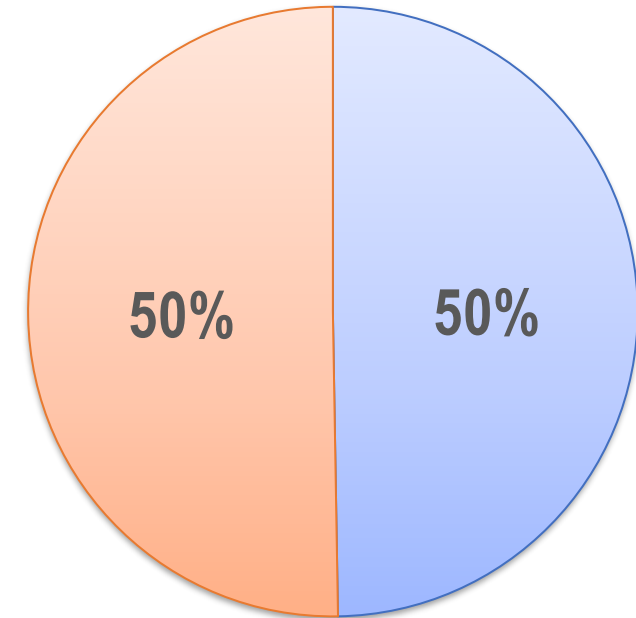
## Off-plan vs. ready property sales transactions in 2023

**Sales  
Transaction**



■ Offplan ■ Ready

**Sales  
Value**

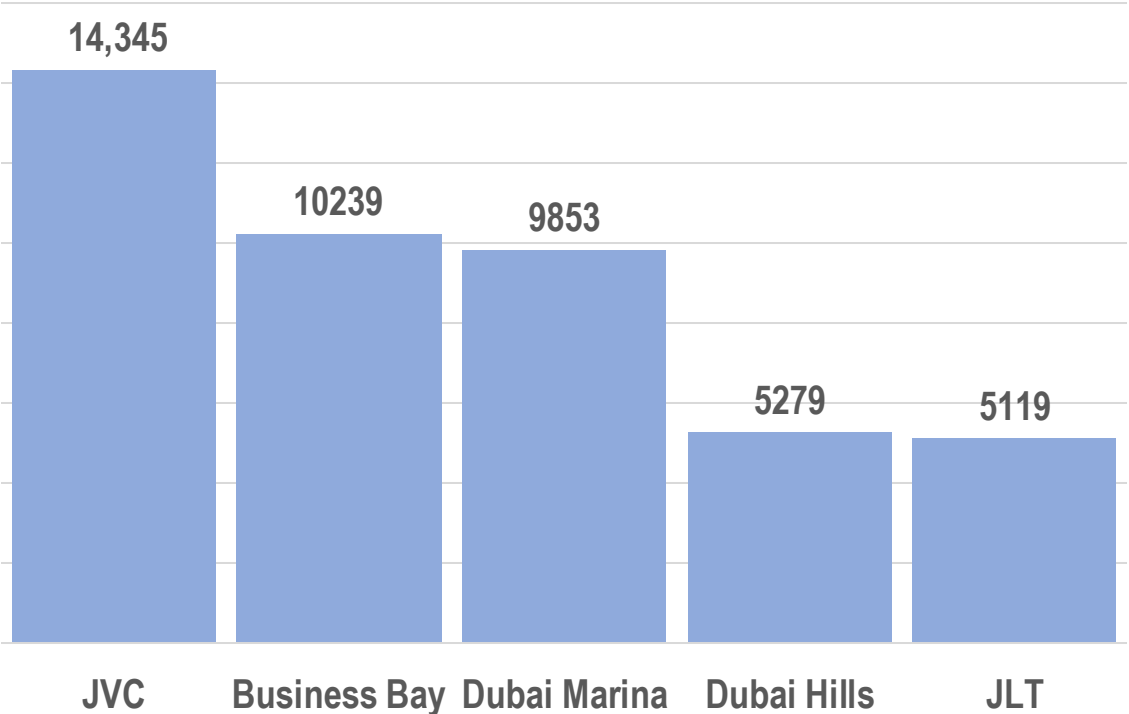


■ Offplan ■ Ready

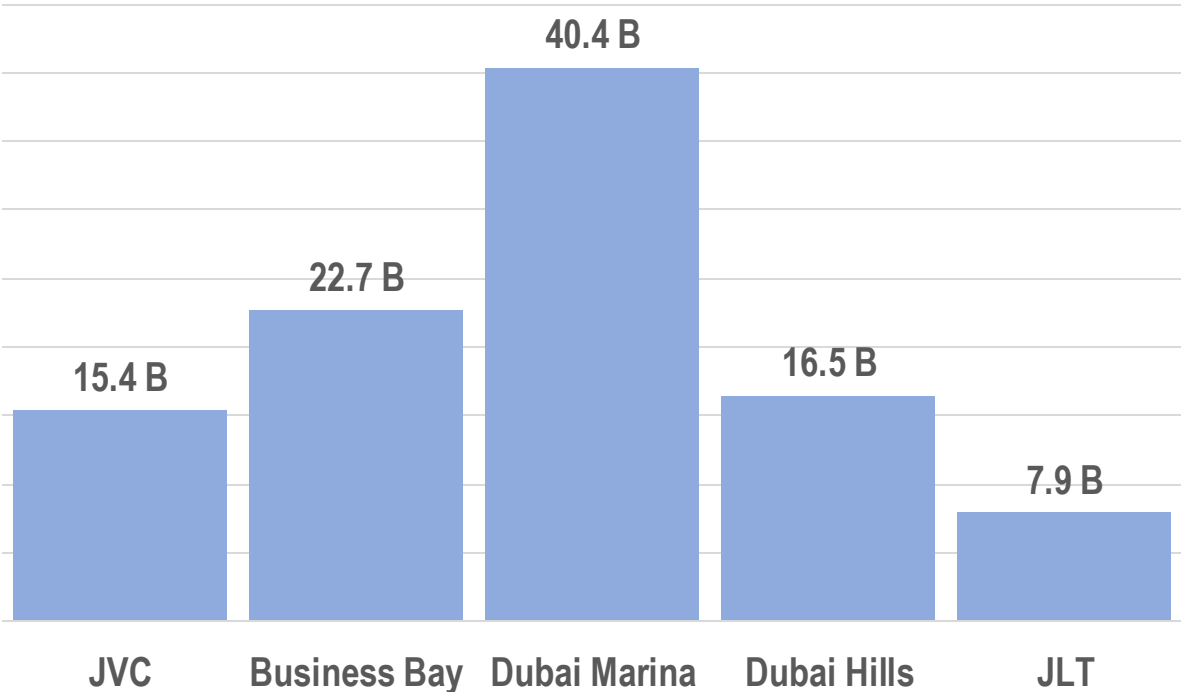
**Off-plan transactions comprise 56% in number and almost equal in value for the year 2023.  
Off plan Sales Value was 204.6 B and Ready Property Sales value was 206.8 B.**

# Top Performing Areas in 2023

Top 5 Performing Areas By Volume



Top 5 Performing Areas By Value



Jumeirah Village Circle (JVC) transactions wise  
Dubai Marina sales value wise

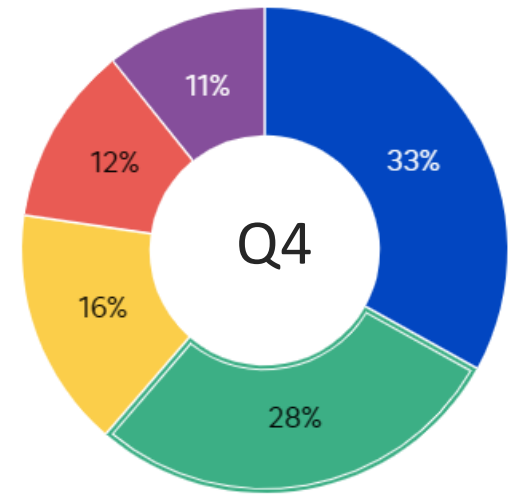
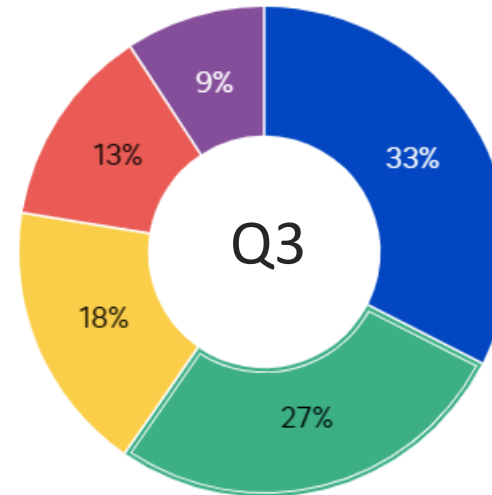
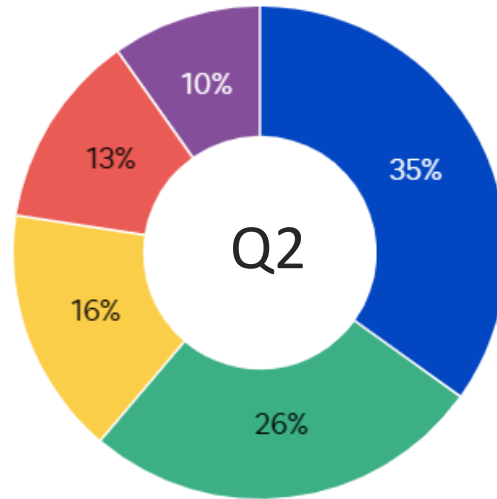
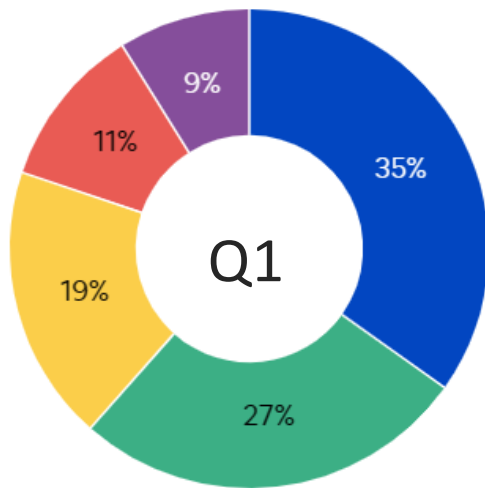


Source: DLD data, DXB 2024.



## Property Sales by Price Range 2023

■ Below one M ■ 1-2 M ■ 2-3 M ■ 3-5 M ■ More than 5 M



This sales value proportion does not include the mortgage transactions.

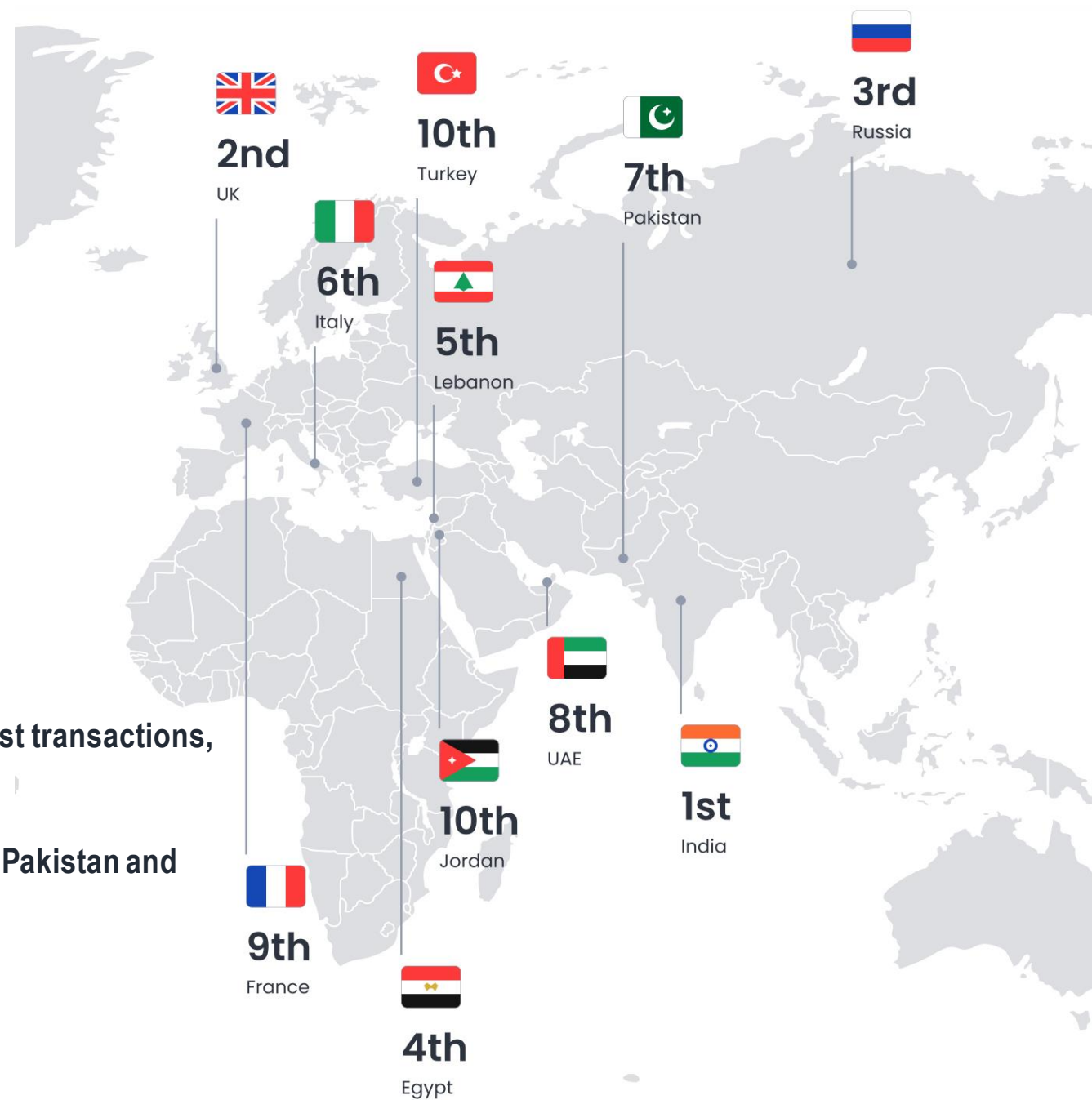
Property sales below AED 2 Million make 61% of the market.

## TOP 10 Countries of Buyer In Dubai Residential Market (Full Year 2023)

1. India
2. United Kingdom
3. Russia
4. Egypt
5. Lebanon
6. Italy
7. Pakistan
8. United Arab Emirates
9. France
10. Jordan

Buyers from India and the United Kingdom accounted for the most transactions, while Russians ranked as the third-largest buyers.

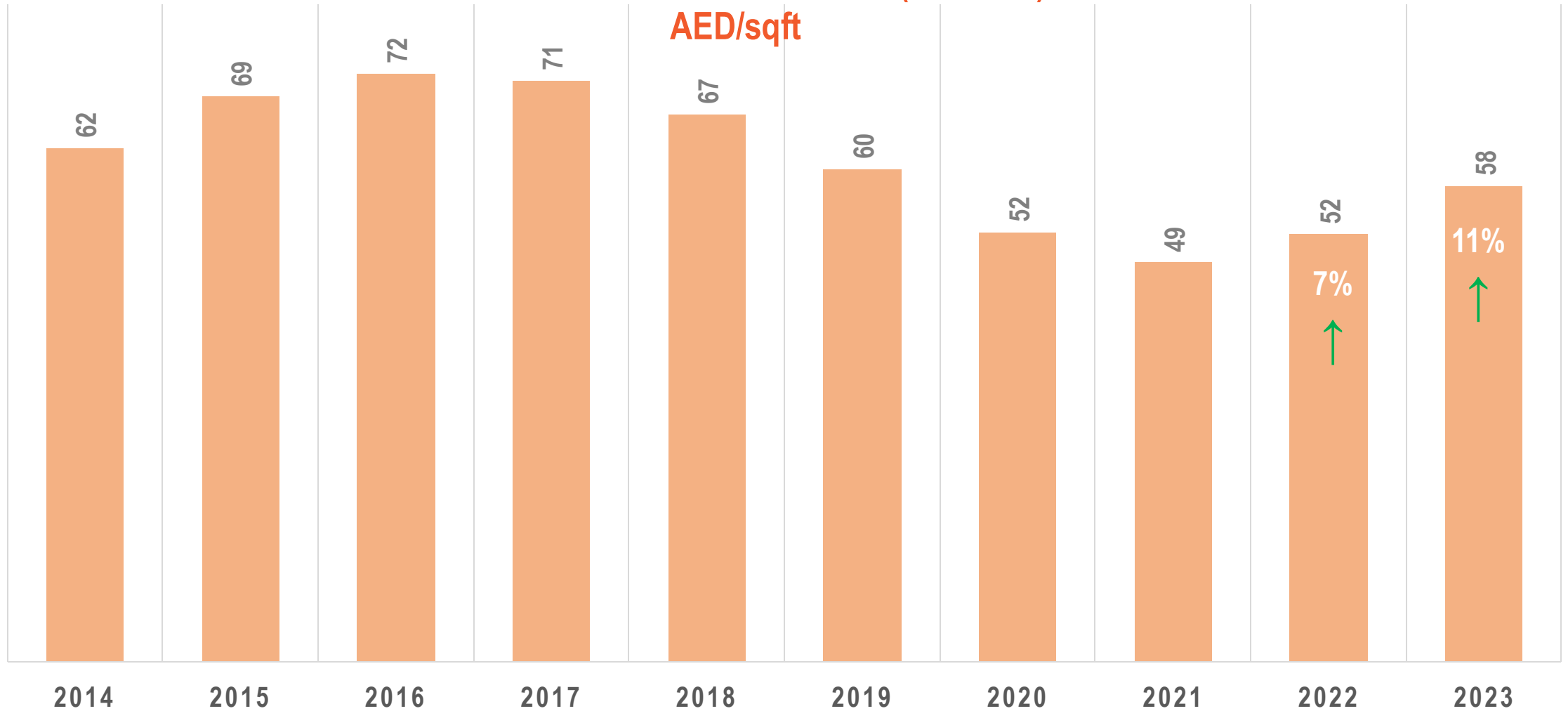
There was a significant increase in buyers from Egypt, Lebanon, Pakistan and Turkey.



Remarks:

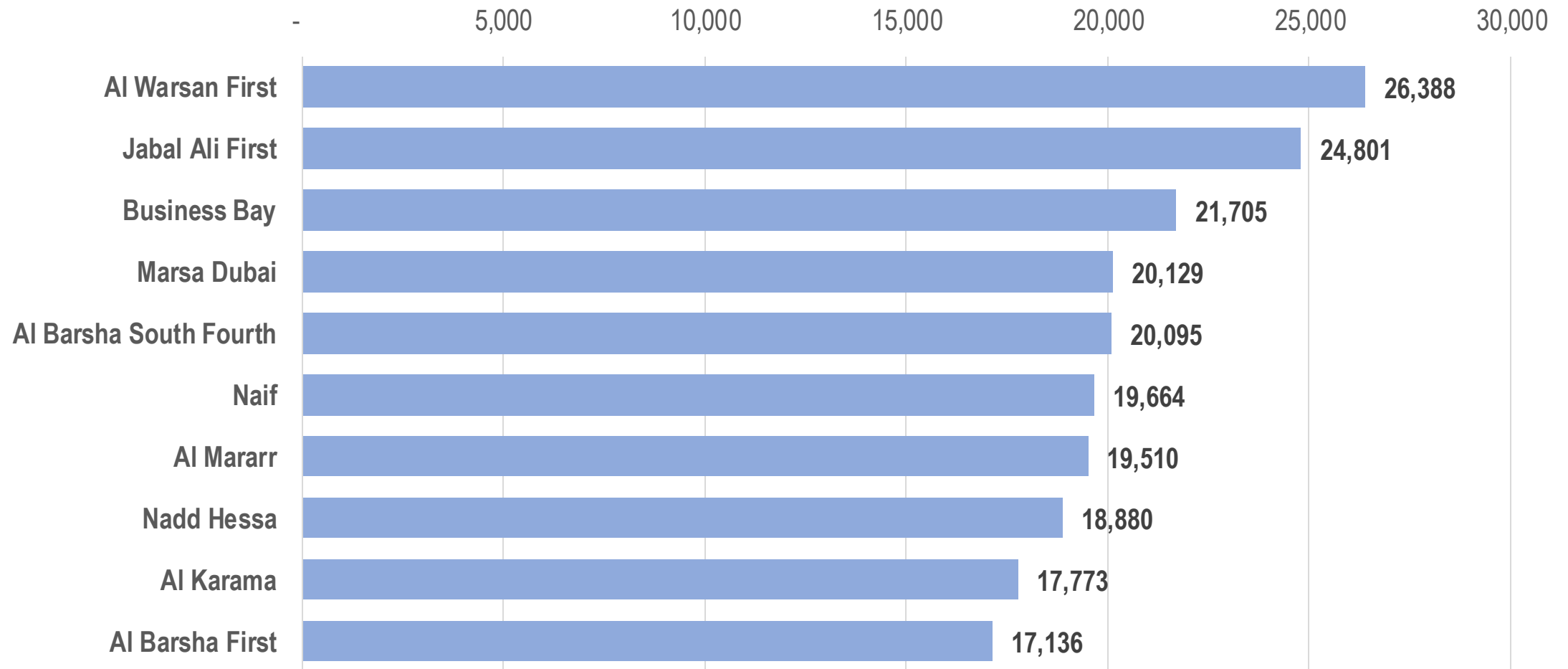
The ranking is generated based on Freehold property only,  
NOT included the transaction for Non-Freehold

## Residential Rental Transactions (10 Years) AED/sqft



Rental Transactions 589,000, in 2023, 7% higher,  
Rental value of 47.2 billion in 2023, 31 % higher,  
The rental price/sq.ft is increasing since last 3 years,  
average rental price/sqft reached AED 58 in 2023.

## Top 10 Communities for Number of Rental Transactions 2023



Al Warsan First, Jabal Ali First, Business Bay and Marsa Dubai are the most popular areas for rental.



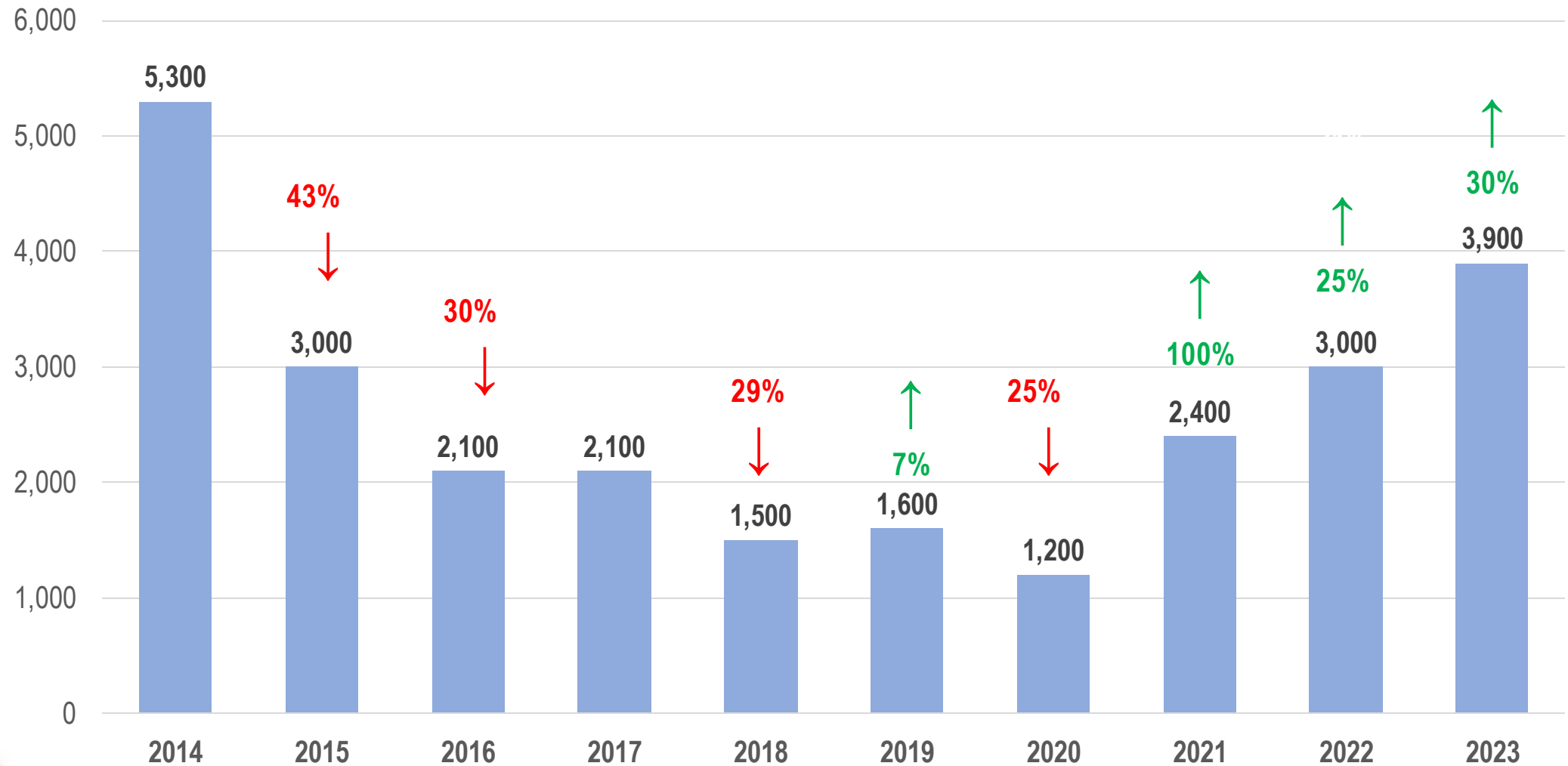
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## Commercial Property Sales and Rental Performance



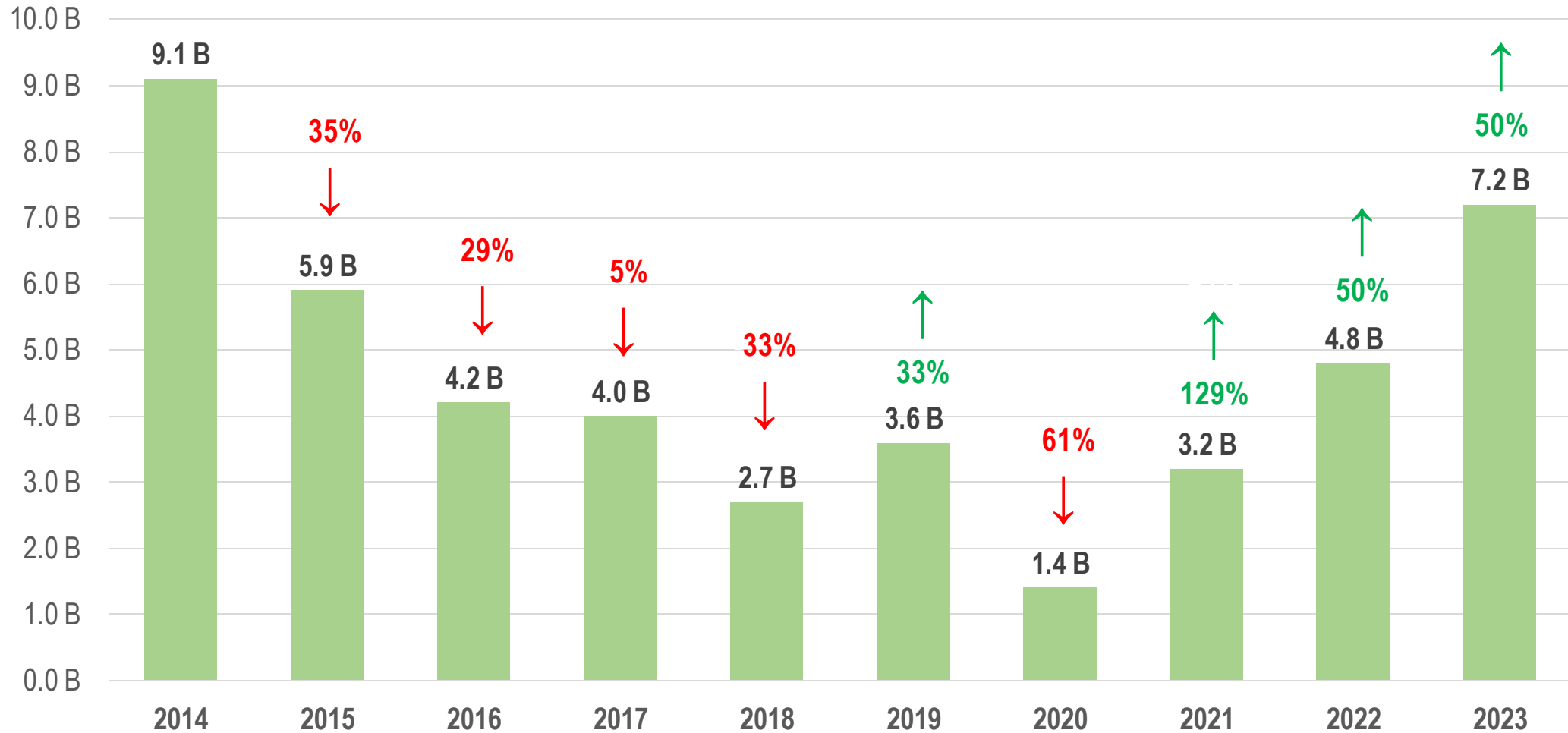


## Commercial Property Sales Transaction 10 Years



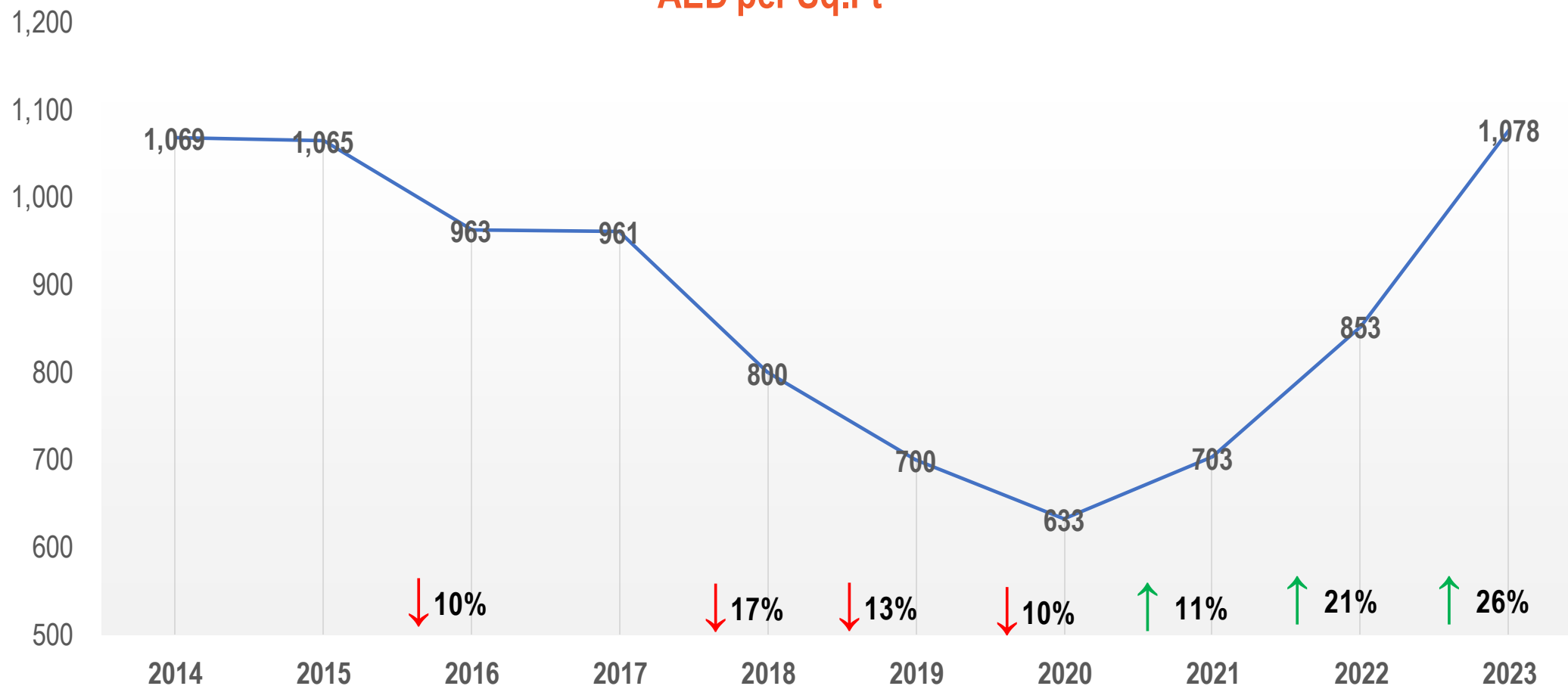
2023 recorded the second highest transactions in the past 10 years, which is 30% higher than 2022.

## Commercial Property Sales Value 10 Years



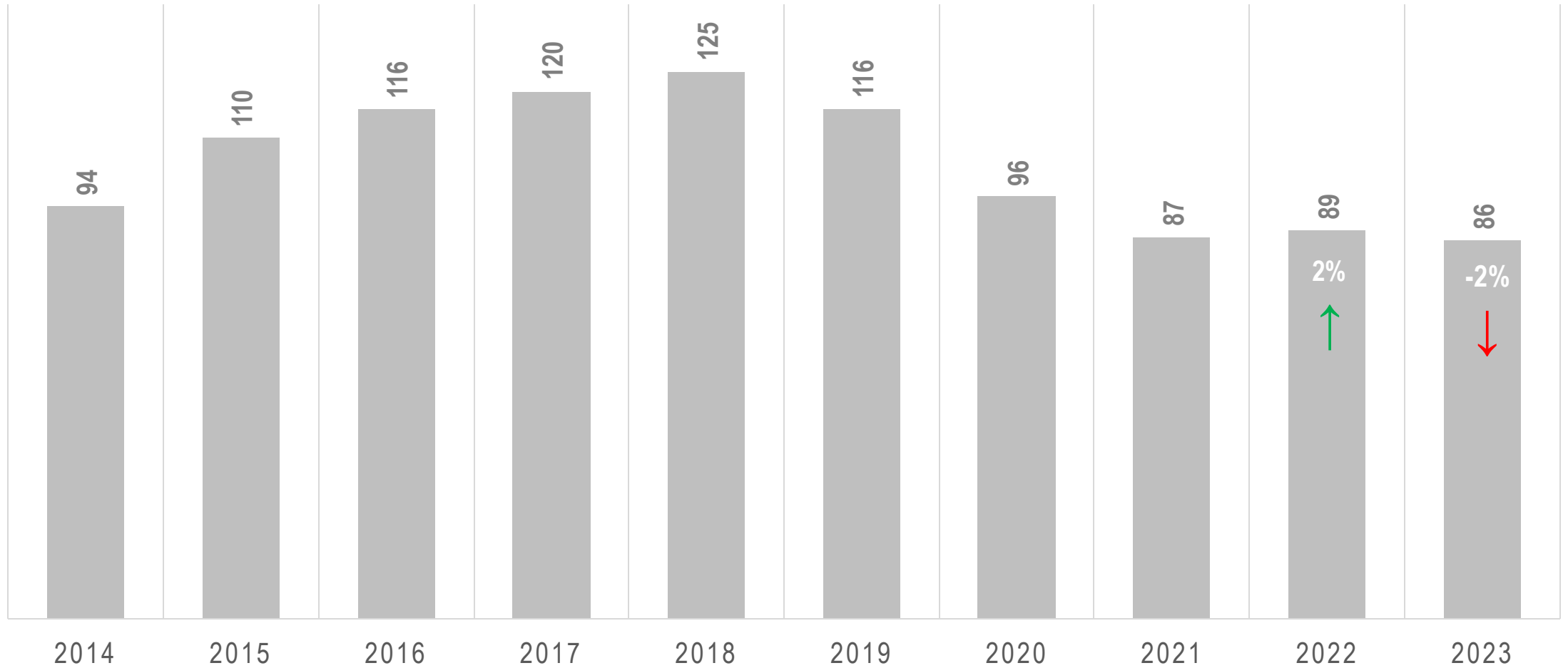
2023 recorded the second highest transactions value in the past 10 years, which is 50% higher than 2022.

## Commercial Property Price Change (10 Years) AED per Sq.Ft



2023 recorded the highest price per sq.ft. value in the past 10 years for commercial properties.  
26% higher than 2022.

## Commercial Rental Transactions (10 Years) AED/sqft



Dubai commercial rental transactions recorded the volume of 275 thousand with the value of 25.18 B in 2023.  
7% higher in volume and 14 % higher in value than last year.

## **Sales and Rental Prices 2023 Why high trend?**

- 1. COVID Recovery Response.**
- 2. Strong economic growth.**
- 3. Continued impetus on infrastructure.**
- 4. Increase in demand over supply; especially foreign investors for safer, richer and/or happier life.**
- 5. Increased tourism, while limited hotel rooms, and global events (Many international exhibitions).**

## **Sales and Rental Prices Outlook**

**We foresee the sales prices to stay stable in 2024.**

**We forecast the rental prices in Dubai and Abu Dhabi also to stay stable in 2024.**

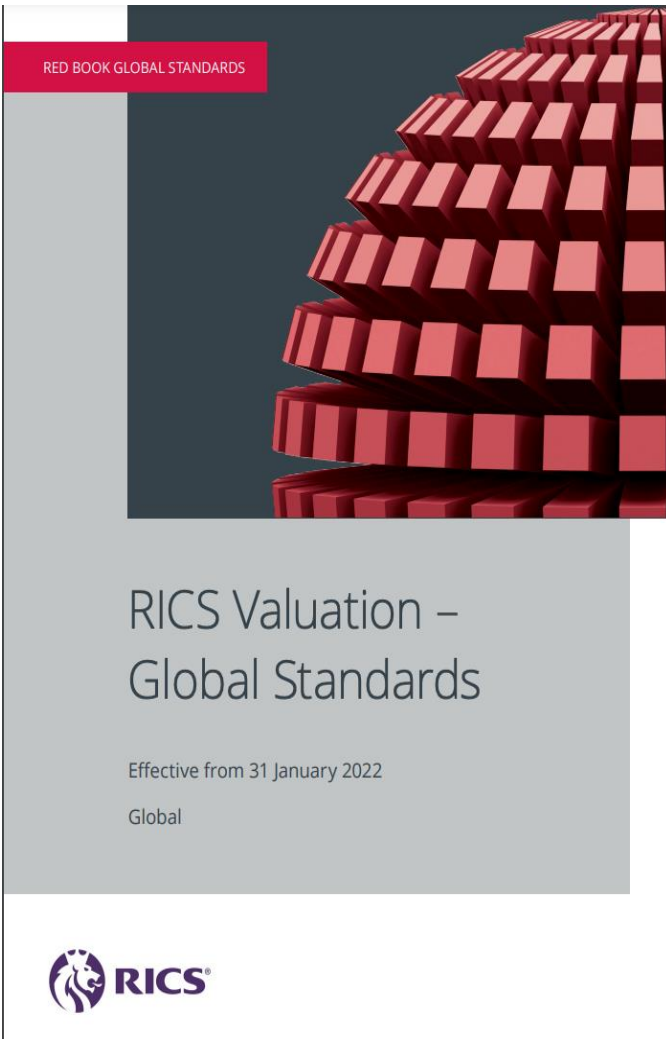
1. Same Reasons as earlier, additionally:
2. Expected reduction in interest rates would give a further fillip to the demand.
3. Attractive rental yields.
4. **Despite corporate tax.**



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## Professional Valuation Standards





## International Valuation Standards Latest Red Book Global

Global, Available on **RICS** website

Incorporating the **International Valuation Standards** by IVSC Effective from **31 January 2022**

**Explains standards, regulations and guidance pertaining to valuations**

**Covers all general considerations and special matters pertaining to valuations**

[file:///Users/windmills/Downloads/2021\\_11\\_25\\_rics\\_valuation\\_global\\_standards\\_effective\\_2022.pdf](file:///Users/windmills/Downloads/2021_11_25_rics_valuation_global_standards_effective_2022.pdf)





## What are National or Jurisdictional Standards?

Emirates Book  
Valuation Standards  
(EBVS)

Valuation Firm's  
and Valuer's  
Certification  
Ajman

Valuation Firm's  
and Valuer's  
Certification  
Abu Dhabi



## Valuation Profession

### What is a Property Valuation?

**Ascertaining the market value** of an asset at which a knowledgeable seller and a buyer willingly trade the property on arms length basis.

An **opinion** of the value

Of an assets, thoroughly considering the economy, market, neighborhood and the property attributes at a specified date,  
and for a particular purpose.

**Science and Art**



## Valuation Profession

### Why are Property Valuation needed?



# Valuation Profession

## Purpose

Assurance and Trust

Professionalism, Consistency, Objectivity and Transparency

### Maintaining Standards

Professional Standards (PS)	Ethics, Knowledge, Competence	Mandatory
Valuation Performance Standards (VPS)	Approaches, Documentation, Report	Mandatory
Practice Guidance Applications (VGPA)	Assistance in valuing various assets	Advisory
National or jurisdictional Standards	Local Standards	Mandatory

**International Valuation Standards**  
**PS - Ethics, Competency, Objectivity and Disclosures**

Compliance with Standards

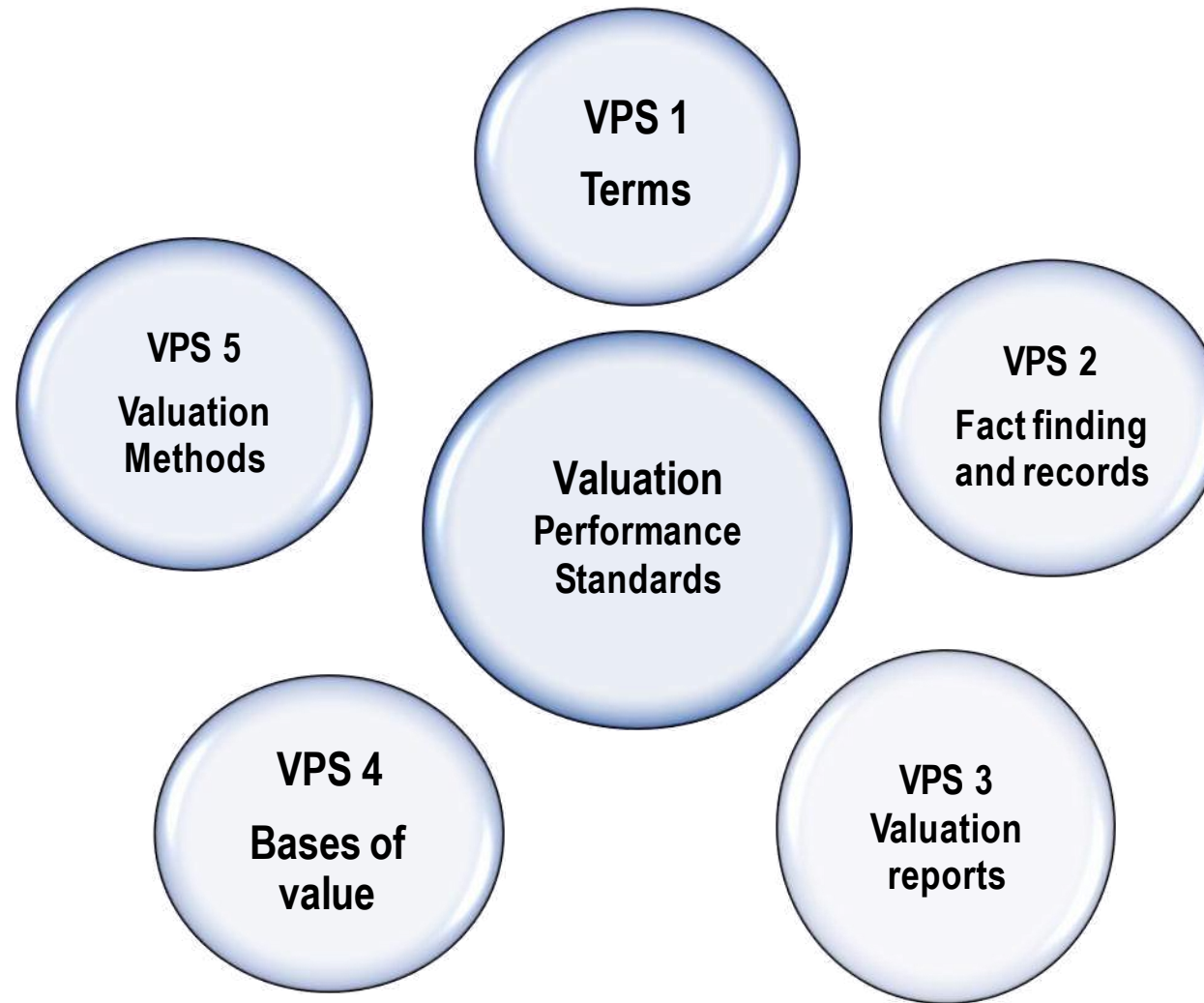
Ethics, Competency, Objectivity and Disclosures

Valuer Qualification – Academics, Experience, Knowledge, Licensing

Independence, confidentiality and conflicts of interest

# International Valuation Standards

## Valuation Technical and Performance Standards (VPS)



# International Valuation Standards

## VPS 1 – Terms of Engagement?

- Identification and status of the valuer
- Identification of the client(s)
- Identification of any other intended users
- Identification of the asset(s) or liability(ies) being valued
- Valuation (financial) currency
- Purpose of the valuation
- Basis(es) of value adopted
- Valuation date
- Nature and extent of the valuer's work – including investigations and any limitations thereon
- Nature and source(s) of information upon which the valuer will rely
- All assumptions and special assumptions to be made
- Format of the report
- Restrictions, distribution and publication of the report
- Confirmation that the valuation will be undertaken in accordance with the IVS
- The basis on which the fee will be calculated
- Reference to the firm's complaints handling procedure, with a copy available on request
- A statement that compliance with these standards may be subject to monitoring under RICS' conduct and disciplinary regulations
- A statement setting out any limitations on liability that have been agreed?



**International Valuation Standards**  
**VPS 2 – Inspections, Investigations and Records?**

Inspections and investigations

IPMS International Property Measurement Standards

Revaluation without re-inspection of real property

Valuation records

Audit Trail

Verify the information relied on



## International Valuation Standards

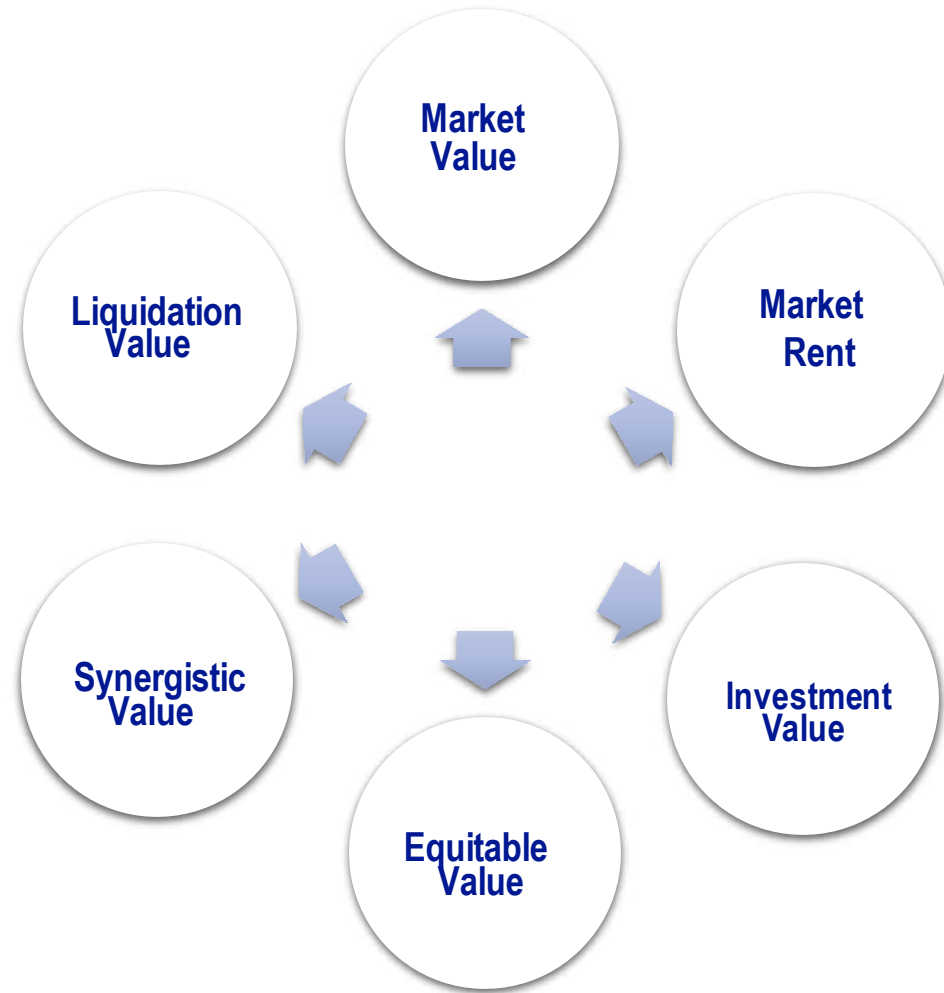
### VPS 3 - Valuation Reports

- Identification and status of the valuer
- Identification of the client and any other intended users
- Purpose of the valuation
- Identification of the asset(s) or liability(ies) valued
- Basis(es) of value adopted
- Valuation date
- Extent of investigation
- Nature and source(s) of the information relied upon
- Assumptions and special assumptions
- Restrictions on use, distribution and publication of the report
- Confirmation that the valuation has been undertaken in accordance with the IVS I Valuation approach and reasoning
- Amount of the valuation or valuations
- Date of the valuation report
- Commentary on any material uncertainty
- A statement setting out any limitations on liability that have been agreed?

# Valuation Profession

## IVS - VPS 4 – Bases of Value, Assumptions and Special Assumptions

A basis of value is a statement of the fundamental measurement assumptions of a valuation.



## Valuation Profession

### What is Market Value?

Used for most purposes and type of properties

The estimated amount  
for which an asset or liability should exchange  
on the valuation date  
between a willing buyer and a willing seller  
on an arm's length transaction,  
after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion

## Valuation Profession

### IVS - VPS 5 – What are the Valuation Approaches?

#### Market Approach

**Comparing** subject asset with similar assets for which price info is available  
**Apartment, Villa, Land**

#### Income Approach

**Capitalizing** income cash flows to NPV at a market cap/return rate  
**Residential, Mixed Use, and Commercial Office Buildings**

#### Cost Approach

**Economic Principle** - A purchaser will pay no more for an asset than cost  
**Government Specialty Buildings – Post Office, Airport, Shipyards**

Profit Approach

Residual Value of the Land Approach

## **International Valuation Standards**

### **Valuation Practice Guidance (VPGAs) – Advisory**

**VPGA 1 – Valuation for inclusion in financial statements**

**VPGA 2 – Valuation of interests for secured lending**

**VPGA 3 – Valuation of businesses and business interests**

**VPGA 4 – Valuation of individual trade related properties**

**VPGA 5 – Valuation of plant and equipment**

**VPGA 6 – Valuation of intangible assets**

**VPGA 7 – Valuation of personal property, including arts and antiques**

**VPGA 8 – Valuation of real property interests**

**VPGA 9 – Identification of portfolios, collections and groups of properties**

**VPGA 10 – Matters that may give rise to material valuation uncertainty**



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## Professional Valuation Standards and Windmills



# Valuation Profession

## What is the valuation Process?

Understand Scope of Valuation

Sign off on agreed Terms of Engagement

Identify and Disclose Conflicts of Interest

Study Property Documents

Inspect Property – Location, Characteristics, Attributes

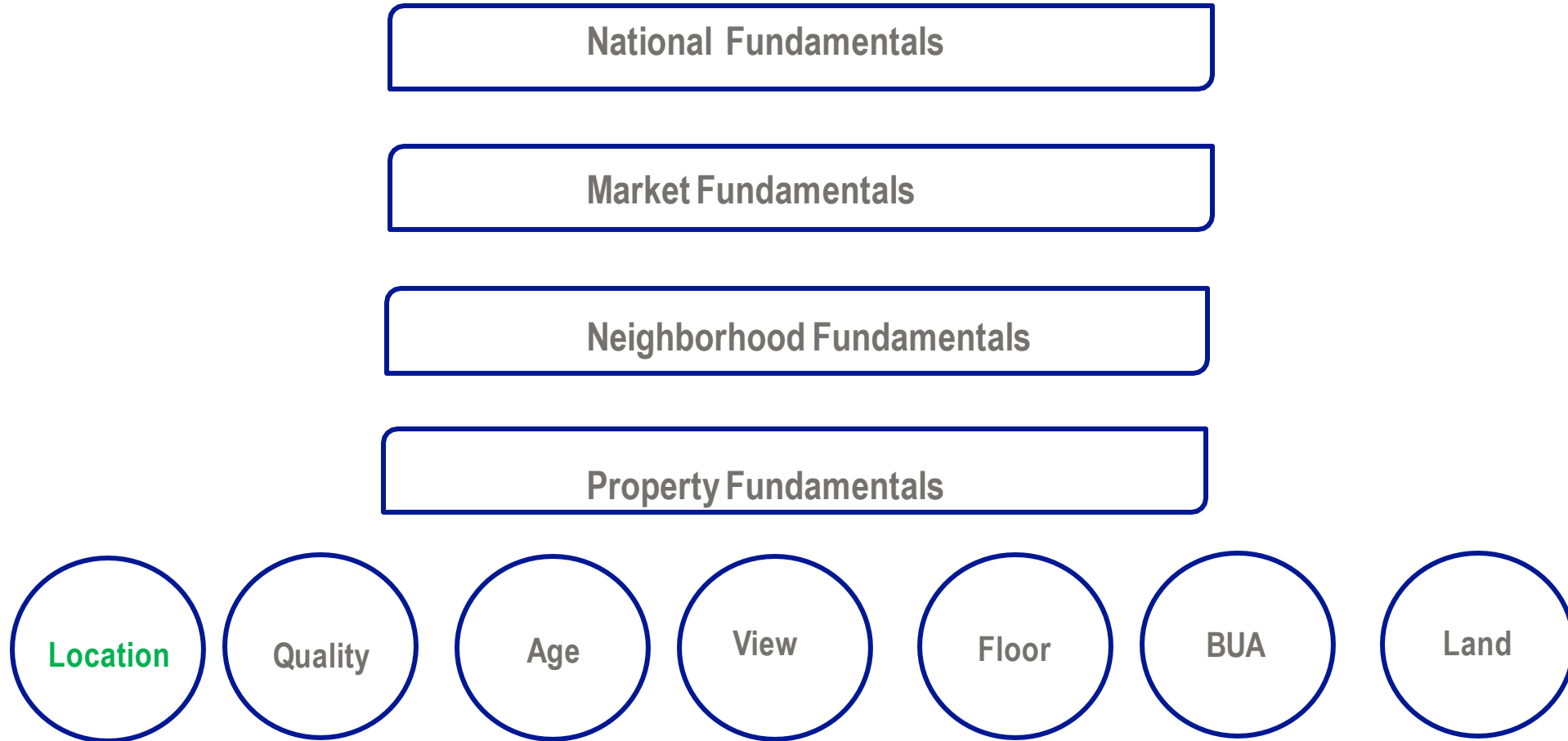
Analyze Market – Sold Transactions, Recent Valuations, Listings

Make Professional Judgement

Conclude Value

## Valuation Profession

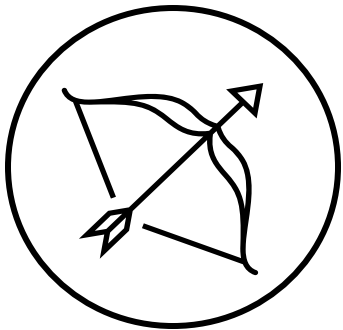
### What are the Factors Affecting Market Value of Properties?



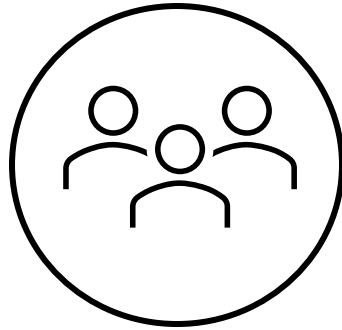


## What is Maxima?

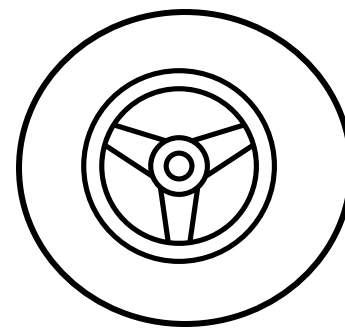
Maxima is a Real Estate Valuation Application developed by Windmills Group.



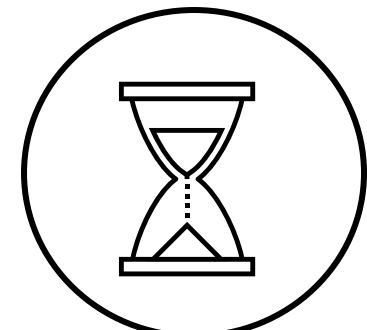
**Precision of Value**



**Management Controls**



**Compliance  
and Confidentiality**



**Customer Service**

## Valuations and Tax in the UAE

FTA approval of valuation firm is not required

Auditors requirements

Assessment of Fair Value

Applicable during sale

Corporate Tax = Capital Gain Tax = sale – book value

## Valuation Profession

### What are the Challenges/Opportunities in Valuation Profession?

Availability of Property Details

Availability of comparable and decisive market data

Lack of awareness about IVS

Client expectations about the value

Competition and its impact of TAT, Fee and Service Quality

Limited usage of technology



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**Any questions?**  
Welcome.

