

Dubai property boom will continue until 2010, says MEED

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- Survey of business growth shows demand outstripping supply by 6,000 units in 2010

Dubai, 03 June 2007: Dubai's property boom is set to continue until at least 2010, exclusive research published in this week's MEED magazine has revealed. Contrary to widespread forecasts that there would be a severe correction in property prices by 2009, MEED says the research shows demand for property will continue to outstrip supply until 2010, sustaining growth until the end of the decade.

The innovative research, conducted by Dubai-based businessman Fouad Bardawil, is based on predictions from a variety of sources, including a survey of UAE based businesses and their expected growth plans. Among its findings, it demonstrates that although supply of residential properties is greater than ever (175,000 new units will be available by 2010), demand is set to outstrip it, with an estimated 181,000 units required by that year.

MEED says that two key factors are behind the sustained demand. The first is continued population growth in Dubai as a result of the expansion of the emirate's business sector. Dubai's population rose to about 1.4 million in 2006, an annual increase of 7.6 per cent. MEED estimates this figure may reach 2.5 million by 2010.

The second factor is falling occupancy rates. The average number of residents per unit in Dubai in 2005 was 6.4, down from 7 in 2000. Bardawil predicts that this will fall to about 5.5 in 2010.

Sean Brierley, Editor-in-Chief of MEED said, "The received wisdom among Dubai's investors and real estate experts is that the current pace of growth is unsustainable. Dubai property boom will continue until 2010, says MEED.

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"But research published in this week's edition of MEED magazine provides a convincing argument that the emirate's development boom will continue for at least three years."

MEED's report highlights the robustness of Dubai's economy, and argues that its astounding four-year record of growth is set to continue well into the future. The article also highlights potential diversity in the growth of different parts of the residential real estate sector, and a cool in prices for office space as supply catches up with demand.

Full details of the research are in this week's MEED magazine, with more coverage of the region's residential real estate market in an in-depth MEED Insight report out in the beginning of July.

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