

Dubai leads luxury property sales globally, South Africans get in on the action

Dubai is leading the world luxury-property price-growth this year as the market continues to rally in the post-pandemic climate with people flocking here, says Samuel Seeff, chairman of the Seeff Property Group.



Source: Supplied.

While many luxury markets are slowing, Dubai is soaring. The growth is confirmed by the 2023 Knight Frank [Wealth Report](#) which notes that property prices have skyrocketed by 225% from the pandemic lows in late 2020. YoY price growth for 2023 compared to 2022 stands at almost 50% (48.8%).

The positivity in Dubai, both in the economy and property market, is palpable and contagious, says Seeff who recently attended the formal launch of Seeff Dubai. The glittering event was attended by a representative of the Dubai Royal Family, South African Consular General, and other dignitaries while the SA Ambassador also popped in.

Seeff says Dubai appears to be entering a “golden phase”. There has been a huge influx of about half a million people into the city, and buyers and investors are flocking to the Dubai property market. Global uncertainties and economic woes have driven wealthy buyers to shift funds into Dubai which they see not only as stable, but growing.

Dubai has become the place to be and to invest in right now, he says. It is a Middle Eastern hub with a constant influx of business- and tourist visitors and a particularly buoyant rental market, offering world-leading yields on rental investments.

"The interest in Dubai property is enormous. Azizi Developers for example recently sold out a whole tower block on the launch day," he said.

The rally on the Dubai property market has meant that most of the excess property stock has been taken up, adds Nombasa Mawela, licensee for Seeff Dubai. "We are now seeing new developments coming into the market to fill the enormous gap in terms of rental housing. These are often offering exceptional payment terms and rental yields, especially for South African investors."

She says further that investing in Dubai gives you a foothold in the international market. The introduction of the Dubai Golden Visa has proved hugely popular for those who want to move here. It enables the visa holder and their family to live in the country for up to 10-years. You can also stay outside the UAE for more than the usual period of six months in order to keep the residence visa valid.

Optimal financial options for SA investors

Being able to open an offshore personal- and business bank account in Dubai is another huge benefit. Property buyers can now also secure mortgage finance of up to 75% of the purchase price. Many developers are, however, offering very attractive alternative payment plans and low-risk financing options which are ideal for South Africans, she says further. These require a low upfront investment with periodic payments and come with a guaranteed return on investment if you put the property into the rental market.

"You do not have to take the residency option right now, and can simply invest in the lucrative property market. The process is relatively straight-forward. Pricing starts at around R3.5m for a studio unit in the new Mag330 development for example. It is a towering apartment block with a choice from studio to three bedrooms, and comes with an exceptional investment plan."



Seeff Property Group breaks ground as first SA real estate entrant in Dubai

Katja Hamilton 15 Aug 2023



It is ideal for the rental market, says Mawela, as it comes with five-star amenities (sky lounge, swimming pool, health club, kids play area and so on) and is ideally located in the new mixed-use luxury urban metropolis, "City of Arabia".

There is a signing discount of up to 4% on the purchase price (depending on the price) for a limited signing period with a 24% down-payment and interest-free payment tranches thereafter. At a rental yield of 7% to 8%, it is estimated that the investor would ultimately only pay about 66% of the value of the purchase price, the rest being financed by the rental income.

Mawela says further that it can be a challenge for South Africans investing offshore in terms of who they are dealing with, so it is important to work with a credible realtor who vets the developments to ensure they are suitable to local buyers and investors, she concludes.

Dubai is one of the most dynamic property markets with opportunities multiplying daily, says Seeff. "Aside from the business growth, about half a million people have flocked into the city post-Covid boosting demand for rentals. It is one of the hottest rental investment prospects."