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Banning property speculations set to support market growth

Dubai, United Arab Emirates, 24 August 2008:

The decision to ban speculations in the off plan realty market is a vital and positive step that will contribute to the stability of Dubai real estate market and boost its growth, said executive at boutique developer, Abyaar yesterday.

The new regulation is the foundation of the Dubai Land and Property Department (DLP) and the Real Estate Regulatory Authority (RERA), who feels this move, will better control escalating real estate prices in Dubai.

Commenting on the decision to ban property speculations, Marzooq Al-Rashdan, Vice Chairman and Managing Director of Abyaar, said: "The new regulations list a number of provisions that need to be met by property buyers who plan to re-sell their properties.

"Being one of the leading boutique property developers, Abyaar believes that speculative buying may harm the real estate market, by pushing prices up to unrealistic highs. This has the ability to lead to a "real estate recession", therefore laws that regulate the property trading process are in the interest of all the parties involved in this sector".

"We believe that the main purpose of this decision is to regulate all processes related to selling, buying and investing in Dubai properties, as well as attempt to control and limit increases in property prices."

Real estate investments should be long-term. Both the Dubai Land and Property Department, and the Real Estate Regulatory Authority have taken vital steps aimed at reforming the market. One of these is the Real Estate Development Trust Accounts law, which requires all developers to open trust accounts in which the amounts received from off-plan units buyers are deposited, and not used until the project is finalized," added Al Rashdan.

Al Rashdan also stressed that this law, once approved, will support the growth and development of Dubai's real estate market, as it is set to improve property conditions. He noted that the move to approve new regulations and deal with exceptional cases that affect the real estate market will help boost dealers and



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investors' confidence, which will be reflected positively on the growth of the market.

The law comes in line with Abyaar's strategy and vision, based on the launch of unit sales when construction works have already commenced, or after the project is completed. The VentiQuattro launched by Abyaar recently the first tower in Dubai to be sold ready-for-residency.