

Rera to step up transparency in property market

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Dubai: Huge leaps made by Dubai's Real Estate Regulatory Authority (Rera) to ensure transparency and security are boosted in the property sector will make Dubai a more mature and stable market, an analyst says.

With rent having fallen across Dubai, many tenants are holding off signing new contracts, crossing their fingers that the updated rental index will reflect this drop in rates.

"Rent is coming down in varying degrees depending on the area. And this will come across in the rental index," Matthew Green, head of research UAE at CB Richard Ellis, told Gulf News.

However, rental rates in popular community developments, such as Jumeirah Beach Residence are likely to remain unchanged, Green said.

Rents in "investor-driven" developments, for example the Palm Jumeirah and Dubai Marina, may see declines.

Palm Jumeirah has already seen its property prices drop around 40 per cent.

Rera is waiting for all new tenancy contracts for this year to be signed before releasing the new index.

The updated index will be worked out using these new contracts, which are more likely to represent the current rental market.

"The steps Rera are making can only be positive. People have to remember this is a relatively young property market and you can't compare it to, say, London, and expect everything to be the same."

"This is another example of them [Rera] increasing transparency in the market and that is positive," Green added.

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