

BRANDED RESIDENCES NET PROFIT MARGINS



GLOBAL BRANDED
RESIDENCES



OCTOBER 2025

BRANDED RESIDENCES – NET PROFIT MARGINS

ASSUMPTIONS:

- Luxury standalone branded residences
- Downtown Dubai
- High-rise urban block
- 240,000 sq ft (GEA) construction area
- 168,000 sq ft Net saleable area
- Internationally recognised hotel brand
- Calculation does not include land value, taxes, abnormals or debt finance
- Development cost estimates provided by DeLeeuw International – Q2 2025



BRANDED RESIDENCES – NET PROFIT MARGINS

INITIAL INVESTMENT RATIONALE

- Cashflow profile
- Sales premiums
- Sales velocities
- Professional management underpins confidence
- Brand standards ensure quality of delivery
- Complex projects require top-tier teams



BRANDED RESIDENCES – NET PROFIT MARGINS

DEVELOPMENT COSTS

- Average **13% / sq ft** more expensive to build branded
- Majority of cost difference is in fit-out – materials, fittings & fixtures
- Professional fees uplift due to ID, architects and branding agencies
- Marketing uplift due to higher market cost – c. 2% of GDV

Assuming 240,000 sq ft Gross Area:

Branded Costs = c.AED450M

Non-Branded Costs = c.AED380M

17.6% COST UPLIFT

BRANDED

NON-BRANDED

	SIZE	CONSTRUCTION	PROF. FEES	MARKETING	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST
High Rise Luxury UAE (Dubai)	2,368 Sq ft	1,524 AED / sq ft	244 AED / sq ft	106 AED / sq ft	1,874 AED / sq ft	4,439,002 AED per unit	1,593 AED / sq ft	3,773,152 AED per unit

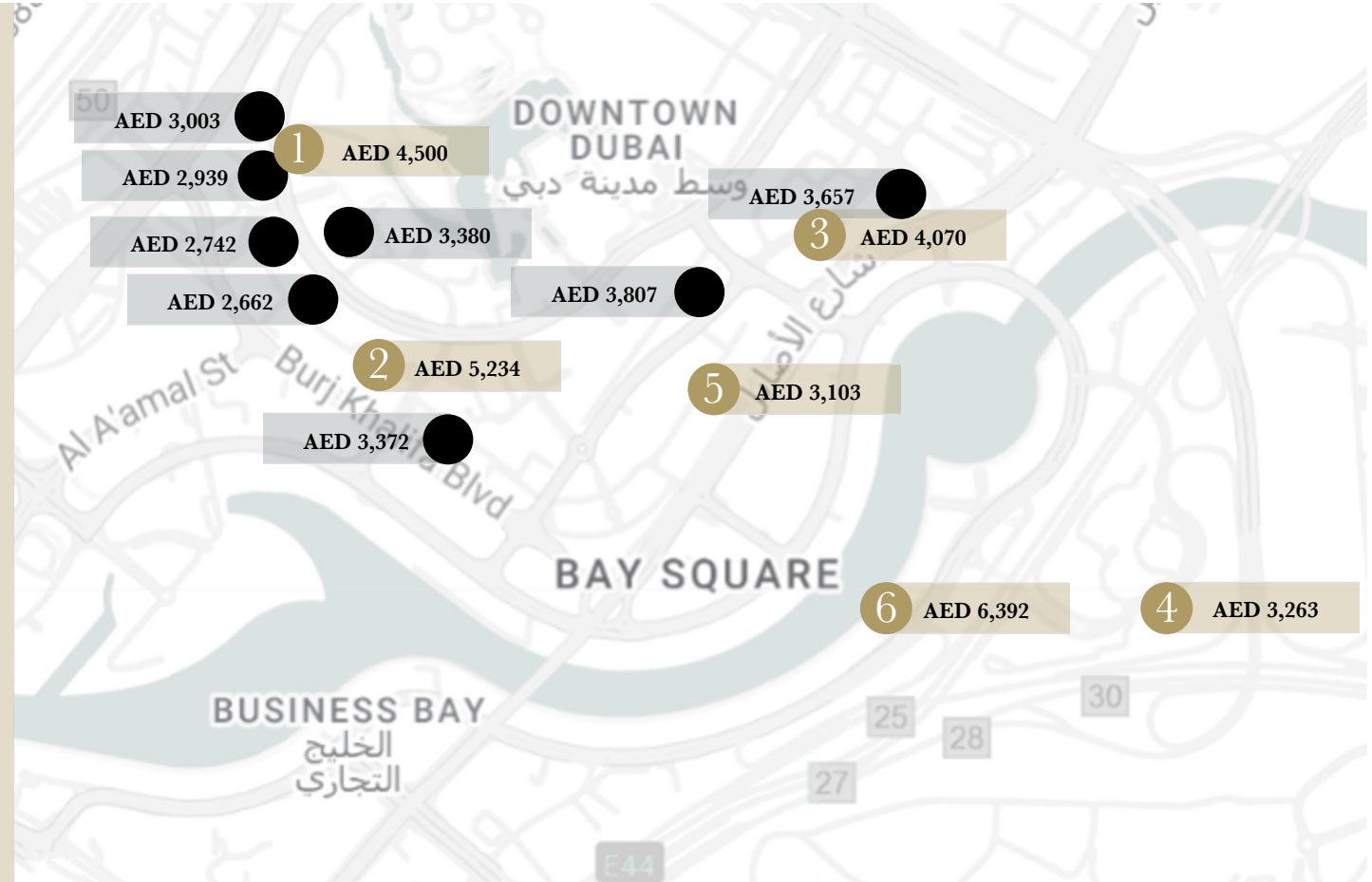
Source: DeLeeuw International – Q2 2025



BRANDED RESIDENCES – NET PROFIT MARGINS

SALES PREMIUMS - LUXURY

#	PROJECT	AVG AED / SQ FT	PREMIUM
1	The St. Regis Residences, Downtown Dubai	AED 4,500	41%
2	Fairmont Residences Solara Tower	AED 5,234	64%
3	The St. Regis Residences, Financial Center Road	AED 4,070	27%
4	SLS Dubai Hotel & Residences	AED 3,263	2%
5	W Residences, Downtown Dubai	AED 3,103	-3%
6	The Ritz-Carlton Residences, Business Bay	AED 6,392	100%



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SALES PREMIUMS - LUXURY

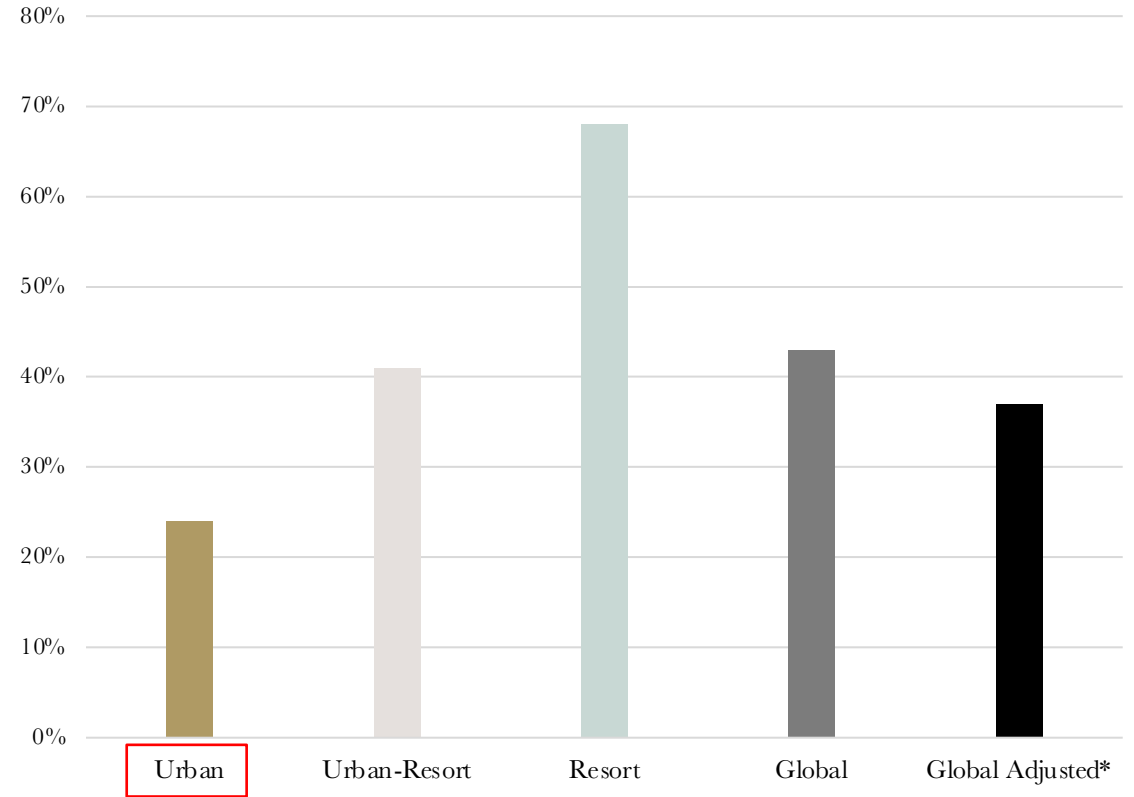
Downtown Dubai/Business Bay:

- Luxury non-branded at **AED3,195 / sq ft**
- Luxury branded at **AED4,427 / sq ft**
- Average Downtown Dubai sales premium of **39%**

Assuming 168,000 sq ft NSA:

Branded GDV = c.AED743M

Non-Branded GDV = c.AED537M



Global average premium of 24% for Urban developments

Source: GBR Research 2022-2025

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BRANDING COSTS - LUXURY

FEE ITEM

BRANDED

Licence Fee

AED29.7M (4% of GDV)

Technical Services Fees

AED750,000

Marketing Support Fees

AED750,000 (Reimbursable)

Operators Legal Fees

AED185,000

Management Fees

10% of HOA Budget

Sales Referral Fees

1-2%

TOTAL BRANDING COSTS

(excl. Marketing Support Fees, Referral Fees & Management Fees)

AED30.6M

BRANDED RESIDENCES – NET PROFIT MARGINS

BRANDING COSTS - LUXURY

FEE ITEM

BRANDED

NON-BRANDED

Total Build Costs

AED 449.7M

AED 382.3M

Total Branding Costs

AED 30.6M

-

Total Costs

AED 480.3M (26% ↑)

AED 382.3M

Gross Development Value

AED 743M (39% ↑)

AED 537M

Profit: GDV - Total Costs

AED 263M

AED 155M

Net Profit Margin Difference

AED 108M

NET PROFIT MARGIN INCREASE

69% ↑