

Ajman Feels The Ripple Effect

13 August 2008 – Homes Overseas

The tiny emirate of Ajman is the latest to feel the domino effect from Dubai's burgeoning property market. With a number of lucrative investment opportunities emerging, offering the prospect of high returns, a growing number of property investors are being lured into buying property in Ajman.

Led by His Highness Sheikh Humaid Bin Rashid Al Nuaimi, Ajman, the smallest emirate state, with a population of just 240,000 people, is trying to emulate the property success achieved in neighbouring Dubai.

Located an hour's drive north of Dubai, this rising city is witnessing significant economic growth, spurred by a fast emerging property sector.

Property prices have recorded strong appreciation – up to 40% - over the past year or so, after Ajman became the second emirate, following Dubai, to offer freehold property. It is also the only state to offer 100 per cent ownership of residential property to people of any nationality.

Alex Upson, Cluttons Middle East, reports that while Dubai looks about building more properties at the luxury end of the market, Ajman is filling a gap, by catering for homeowners at the lower end of the sector.

“Ajman is learning from Dubai and is providing very good, reasonably priced residences, at the very important lower end of the market, which is being increasingly ignored by Dubai,” he said.

Property prices in Ajman are generally around a third cheaper than in Dubai. This is culminating in a demographic shift, as the emirate starts to attract a growing number of Dubai-based workers, many of who are commuting to work via the Emirates Road.

Stewart Banks, head of product sourcing, Dream Homes Worldwide comments: “The Ajman price point is excellent for investors as the location for the majority of the up coming developments is on the Emirates Road, forming a 'commuter belt' to Dubai. This is particularly attractive for people who can now no longer afford to buy or rent in Dubai.”