



# Holiday Homes Dubai

## **Holiday Homes Dubai**



- Holiday homes in Dubai are residential units that are precisely fitted and furnished to host short-term guests on vacation or business trips.
- Individuals have the option to either purchase their own property or sublease another landlord's property, provided the landlord grants permission for such subleasing arrangements.
- These properties are commonly leased out for short periods—daily, weekly, or monthly—to visitors and travelers seeking a practical alternative to hotels.

#### What is the DET?

The DET (formerly the DTCM) is the Department of Economy and Tourism in Dubai, acts as the principal authority for short-term property rental in the city. This organization is responsible for the provision of all events, holiday homes and tour guide permits, as well as hotels classification.



## **Holiday Homes Market Dubai**



**Total Active Listings** 

22,661

+44% past year

**Avg. Daily Rate** 

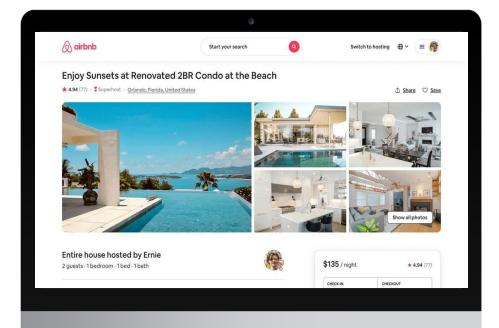
**815 AED Per Night** 

+3 % past year



## **Benefits of Owning Holiday Homes as an Investor**







#### Diversification

Investing in a holiday home diversifies your portfolio beyond traditional asset classes, providing exposure to the dynamic UAE real estate market.



#### **Hassle Free**

Partner with reputable property management companies to handle property maintenance, rental logistics, and guest services, ensuring a hassle-free investment experience.



#### **Asset Appreciation**

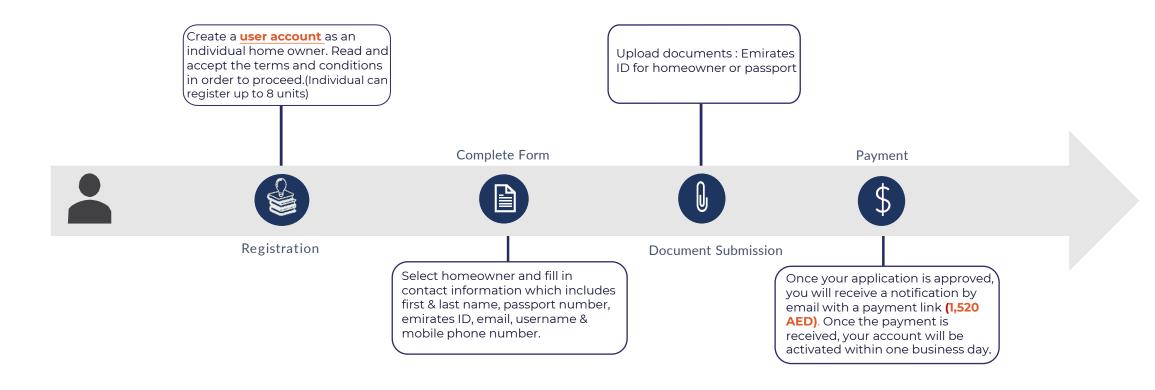
Capitalize on the potential for property value appreciation over time, especially in strategic locations with ongoing development and infrastructure projects.



Benefit from potentially high revenue streams in popular tourist destinations attracting a high number of potential guests.

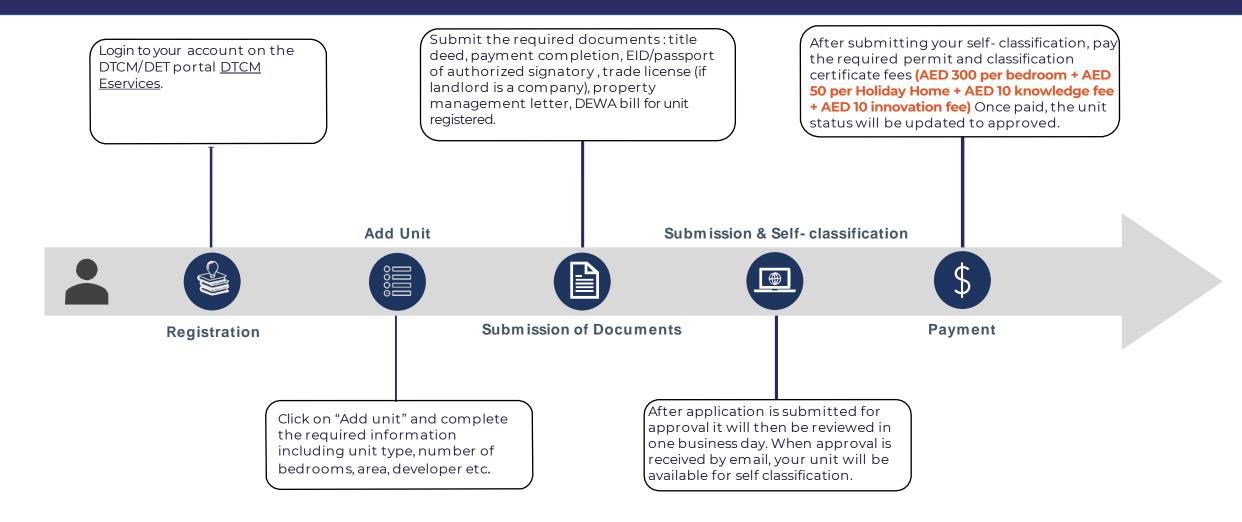
## **Holiday Homes Registration Process (Individual) – Dubai**





## Apply For A Holiday Homes Permit (Individual)- Dubai





\*Individual owners have the right to apply for eight Permits only at one time. If an individual owner wishes to manage additional units, he must obtain a company license to operate the activity of leasing out Holiday Homes or hand over the additional units to a company that is licensed to operate Holiday Homes.

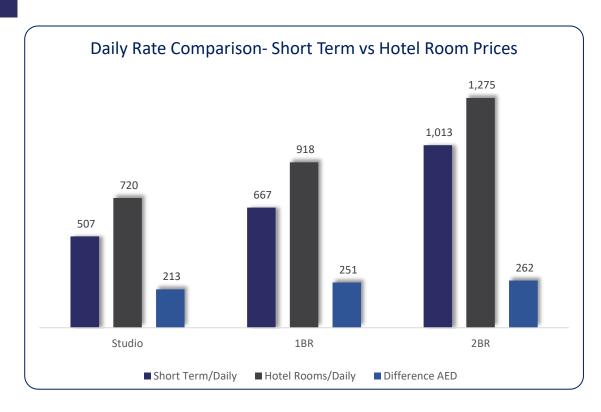
## **Holiday Homes Fees - Dubai**



Service Type	Service Fee
One-time Registration Fee (DET)	1,500 AED + 10 AED knowledge fee + 10 AED innovation fee which total 1,520 AED
New Holiday Home Permit & self classification	AED 300 per bedroom + AED 50 per Holiday Home (issuing a Holiday Home classification certificate) + AED 10 knowledge fee + AED 10 innovation fee.
Fees Per Annum (Permit Renewal)	AED 300 per bedroom + AED 10 knowledge fee + AED 10 innovation fee
Charges structure from guest	<ul> <li>Deluxe Holiday Home: AED 15/room/night</li> <li>Standard Holiday Home: AED 10/room/night</li> <li>The licensee must input the tourism Dirham information by the 15th of every month</li> </ul>

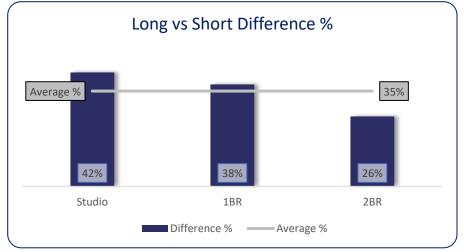
# Holiday Homes Comparison – Hotels Vs. Holiday Homes Daily Rate Comparison Dubai Marina





#### **Parameters Taken Into Consideration:**

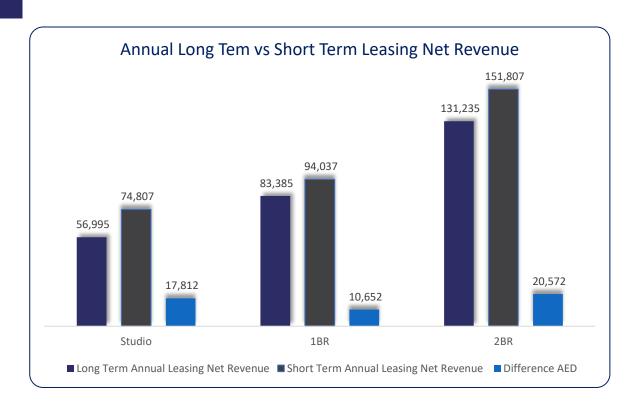
- Service Charge Per Sqft. = 15 AED
- Insurance Property Fee Rate = 0.5%
- ➤ Airbnb Base Price = 75%
- Assumed Monthly Occupancy = 80%
- Property Management Fees = 20%

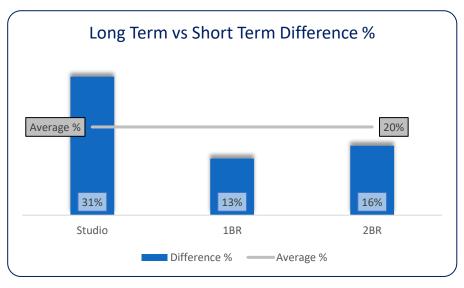


- When comparing the daily rate of hotels to those of short term leasing, holiday homes offer a lower daily rate with an average of 35% lower across studio, 1BR & 2BR in Dubai Marina.
- The highest price difference in daily rates reaches 42% in studios signifying holiday homes cost-effective advantage.

# Holiday Homes Comparison – Long Term Vs. Short Term Leasing Dubai Marina



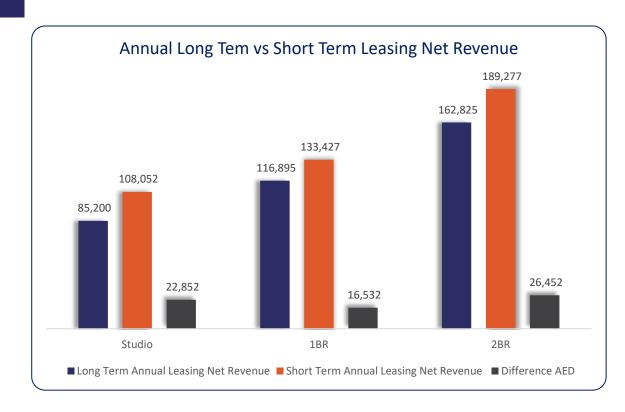


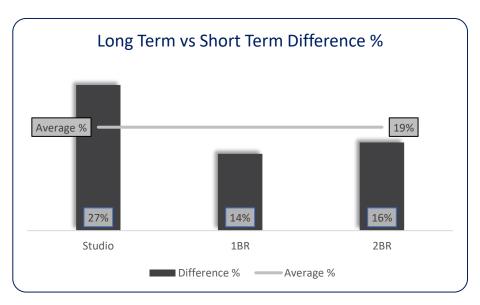


- When comparing long term leasing and short term leasing in Dubai Marina, there is a 20% profit difference in favor of short term leasing across studio, 1BR & 2BR signifying holiday home's positive revenue streams.
- The highest profit difference is in a studio reaching a difference of 17,812 AED (31%).

# Holiday Homes Comparison – Long Term Vs. Short Term Leasing Downtown Dubai



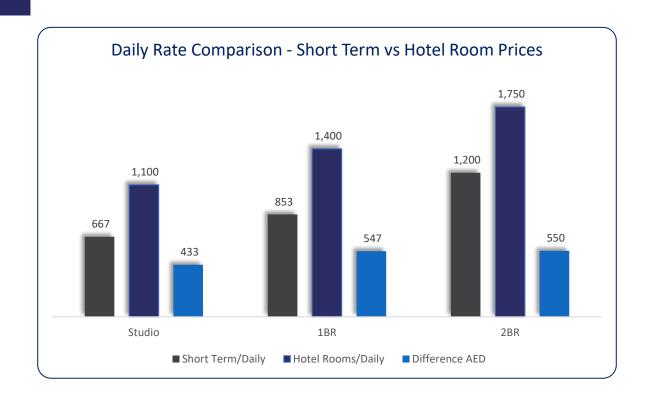


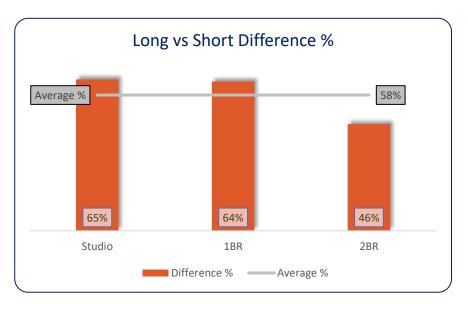


- When comparing long term leasing and short term leasing in Downtown Dubai, there is an average of 19% profit difference in favor of short term leasing across studio, 1BR & 2BR.
- The highest profit difference is in a studio reaching a difference of 22,852 (27%).

# Holiday Homes Comparison – Hotels Vs. Holiday Homes Daily Rate Comparison Downtown Dubai







• As shown in the above graphs, while comparing the daily rate of hotels to those of short term leasing in Downtown Dubai, holiday homes offer a lower/cheaper daily rate per night (58% average price difference) across studio, 1BR & 2BR.

## **Holiday Homes Observation Summary**



### Short-term leasing net revenue depends on a few factors including:

- Location
- Seasonality
- Amenities
- Unit Type
- Occupancy Rate

The occupancy rate can be improved by selecting an excellent property management. With an 80% occupancy rate, we can anticipate a 40% increase in income compared to long-term leasing net revenue. At 60% occupancy rate, we can expect a breakeven compared to long-term leasing net revenue.



### **Property Shop Investment LLC**

We proudly hold our status as the No.1 Real Estate Company in Abu Dhabi, relentlessly striving for success within our industry. Through our exceptional and sustainable performance, we have solidified our reputation as leaders in the UAE Real Estate market.



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