

# Investor Memo

Downtown, Dubai, UAE

Luxury Studio



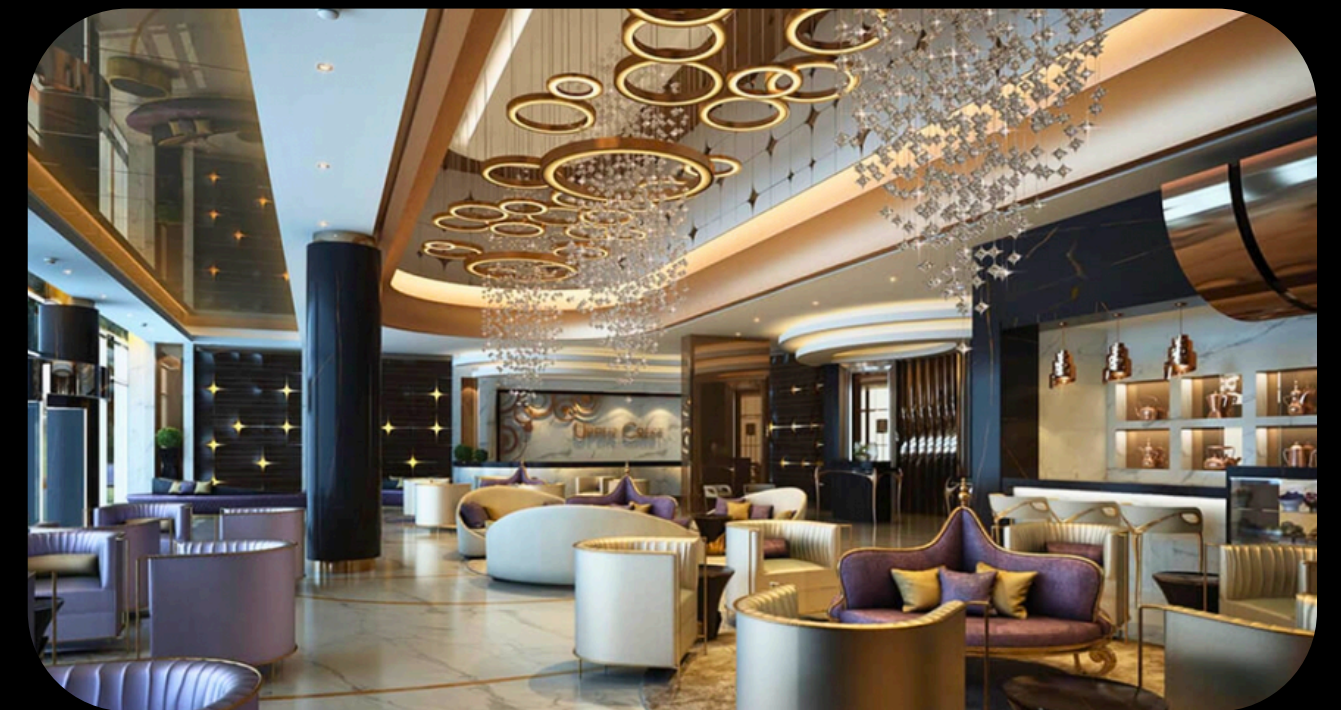
# The Offering

**FRACTIT**

Fractit brings to you a Studio apartment in DAMAC Upper Crest in the vibrant Downtown area of Dubai. A High-floor apartment, lucratively priced, offers **excellent ROI** on both short and long-term rentals, making it perfect for investing. Just a stones throw from the **Dubai Mall and the Burj Khalifa** fountains, the location boasts unparalleled retail, entertainment, and leisure amenities

## The building

- Luxury serviced apartments
- Access to 5-star amenities: swimming pool, state-of-the-art gym, spa, and concierge services
- High rental demand from tourists, professionals, and business travellers
- Stunning views of the Downtown skyline
- 24-hours security
- Premium Location





# The Offering



## Unit Features

- Furnished Studio Apartment
- Size: 498 sqft
- Fully fitted kitchen
- Built-in Wardrobes
- Balcony with downtown views

## Leasing Strategy -

- The property will be used for short term rentals
- It will be managed by one of our preferred Dubai short-term rental partners, each with a proven track record.
- Fractit club members and investors holding more than 10% Fractibles of the property can avail living at the property when they're in Dubai



## THE DEAL

The investment is offered at \$300,900 with a projected gross annual rental yield of 9% and an gross annual ROI of 15%.

# Neighbourhood

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**FRACTIT**

**Downtown Dubai, often referred to as "The Centre of Now"** is a premier mixed-use district renowned for its iconic landmarks, upscale residences, and vibrant lifestyle offerings.

This 2-square-kilometer area is home to the world's tallest building, **Burj Khalifa**, the expansive **Dubai Mall**, and the captivating **Dubai Fountain**. The district seamlessly blends luxury living with commercial and entertainment hubs, making it a sought-after location for both residents and investors. Its **central location** offers excellent connectivity to major highways and public transportation, enhancing its appeal to both business professionals and tourists alike.

Historically, this area has demonstrated robust real estate performance. Over the past five years, property prices in the area have surged by approximately 147%, reflecting strong capital appreciation. In 2024 alone, residential property prices increased by 10%, with average prices reaching over \$750 per square foot. Rental yields remain attractive, averaging between 8% and 10%, driven by **high demand and limited supply**. Looking ahead, the area is poised for continued growth, supported by ongoing infrastructure developments and sustained investor interest





# FINANCIALS

Details of Aquisition cost and annual returns



# Acquisition Cost



CATEGORY	COST (\$)	Description
Property Purchase Value	300,900	The final negotiated purchase price
DLD Fee	12,036	4% charged by Dubai Land Department(DLD) Fee for title transfer
DLD Real Estate Trustee Fee	1,750	Administrative fee charged by authorized trustee office which act on behalf of DLD
Title Deed Insurance	1,505	Insurance against potential legal issues related to the transfer of their property
Brokerage	6,018	2% fee for Agent who helped secure the deal
DEWA Change	600	Fee for electricity and utilities transfer and security deposit
Furnishing	4500	Furnishing of the unit to make it ready for short term rentals
SPV Setup Costs	6,491	Fees associated with setting up a SPV to execute the property transfer. SPV makes sure the property is held under a separate legal entity than Fractit for investor security
KYC charge	599	0.2% fee to execute KYC to ensure investors are in good standing
Listing Charges	659	
Tokenization Charges	15,045	Fractit's fee (5%) for sourcing the deal, executing the transaction and digitizing the asset
Insurance	500	Building and contents insurance
Rental reserve	6,018	Reserve fund held for continued rental payments in case of low income months
Maintenance reserve	6,018	Reserve fund held for unforeseen maintenance and utilities
VAT	1,605	VAT on transactions costs
Total	364,243	Total amount to be collected for the aquisition

# Annual Returns



CATEGORY	VALUE (\$)
Income	27,000
Gross Rental	27,000
Gross Yield	9.00%
Expenses	11,290
Management Fee	2,990
Utilities	5500
SPV annual fee	1,800
Insurance	500
Maintenance	500
Net Income	15,710
Net Rental Yield	5.24%

Projected annual Capital Appreciation	Projected Net Return
5.5%	10.74%
TOTAL RETURN ON INVESTMENT (over average investment lifetime of 5 years)	
57%	

# End notes

## Disclaimers

- **No Guarantee of Returns:** Past performance is not indicative of future results. Historical data, projected returns, and financial forecasts are based on current market conditions and assumptions, which may not materialize. All investments carry inherent risks, including the potential loss of capital.
- **Investment Horizon and Liquidity Constraints:** Fractit is enhancing liquidity and enabling quick sale/purchase of units but the real estate market is relatively illiquid, especially during market downturns. Investors should be prepared to hold their investments for an extended period and should not expect immediate liquidity.
- **Market Volatility:** Dubai's real estate market has experienced significant fluctuations in the past. Factors such as global economic conditions, oil price volatility, and regional geopolitical events can impact property values. Investors should be aware of the potential for market corrections.
- **Property Ownership Structure:** Investments may be structured through special purpose vehicles (SPVs) or other entities. Investors should understand the implications of such structures, including governance, control, and exit strategies.
- **Operational Risks:** Owning property entails ongoing responsibilities, including maintenance, service charges, and compliance with local regulations. Fractit is available to help with rectifying any issues, but unexpected expenses can arise, affecting the overall return on investment.
- **Currency Exchange Risks:** For investors dealing in currencies other than the UAE Dirham (AED), fluctuations in exchange rates can impact the value of returns and capital.
- **No Financial Advice Provided:** Fractit is an investment platform that enables fractional ownership of real estate assets. Fractit is not an investment advisor and this document is for informational purposes only and does not constitute financial, legal, or investment advice. Investors should conduct their own due diligence and consult with independent advisors before making investment decisions.
- **Data Sources and Assumptions:** All figures and projections are based on data from reputable sources, official property documents, unless stated otherwise. While we strive for accuracy, we cannot guarantee the completeness or reliability of the information provided.