

Developers offer buyers easy payment options



By Parag Deulgaonkar on Thursday, November 13, 2008

Developers in Dubai have started to offer easy payment options to attract customers at a time when the global real estate sector is hit by an economic slowdown.

Emaar Properties yesterday announced two payment schemes – Plan to Own and Rent to Own – to attract buyers. The first plan offers the flexibility of paying 25 per cent of the property price after the handover and over five years, making it possible to bridge the current gap due to lower loan-to-value ratios offered by banks and financial institutions.

The latter allows the buyer to rent a property prior to buying, with the rent going towards the purchase of the property if they decide to buy within 10 months of moving in.

"The two programmes are aimed at further strengthening the property sector by facilitating easier purchases and making property more affordable for our customers. By providing customers the option of securing up to 25 per cent extended payment option, Emaar is stepping in to support our customers. These extended payment plans reflect on our commitment to them," said Issam Galadari, Chief Executive Officer, Emaar Properties.

Speaking to **Emirates Business**, Zaid Ghoul, Chief Financial Officer, Union Properties, said the company has also eased payment terms on its Index and Limestone House projects in Dubai International Financial Centre.

"We have eased the payment terms on some of the developments. For our Index and Limestone House developments for example, we are altering the payment terms as we do not expect someone to walk in with the full 65 per cent required before hand over in today's market conditions," he said.

"We are therefore planning to distribute this 65 per cent over two or three payments until hand over to ease some of the pressure on buyers, considering the slow down on mortgage lending from the banks."

The company has not reworked or altered any payment term for any of its other projects, Ghoul added. ETA Star Property Developers, part of ETA-Ascon Star Group, is ready to offer tailor-made payment plans

to potential buyers as it gears to hand over close to 1,000 units in the next six months.

"We hold on to some units in our projects, which we generally sell on completion. However, this time around we are open on offering easy payment terms to buyers. We will sit across with them and work out a solutions that benefits both of us," Shyam Sunder, General Manager, Marketing, ETA Star said.

Three of ETA's project - 41-storey Liberty House Office and Apartments in Dubai International Financial Centre, 39-storey Goldcrest Executive and 39-storey Goldcrest Views 2 in Jumeirah Lake Towers - are nearing completion.