

Property Review

Abu Dhabi Real Estate Report

Q4 2022

ABU DHABI



Historic Review

Recovery and Growth 2012-2014

- The market began to show signs of recovery in 2012 and rates stabilised throughout the year. Asteco recorded a marked increase in rental rates and sales prices from the end of 2012 due to improved sentiment.
- Several new prime and high-end projects were handed over during this period. As a result, rates for inferior quality stock advertised at above market averages corrected.
- Internal tenant movement and flight-to-quality prevailed as people took advantage of the options available.
- Transaction levels improved in line with increased job security and market confidence leading to tenancy upgrades and a rise in home ownership.
- Off-plan sales also recommenced during 2013 and 2014.
- Residential sales prices rose considerably by approximately 50% compared to their lowest point.

Stabilisation 2015

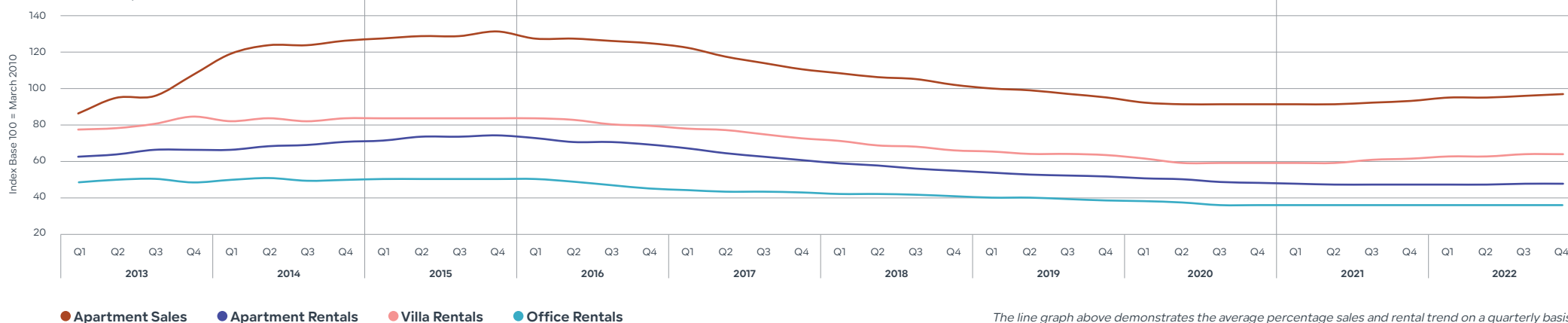
- Limited new supply resulted in moderate increases in rental rates and sales prices in 2015, especially during the first half of the year, whilst remaining broadly stable thereafter.
- The drop in oil prices prompted a general slowdown in investment, whilst sales demand focused on completed rather than off-plan properties.

Downturn 2016-2020

- Market conditions in Abu Dhabi proved challenging from 2016 onwards. The COVID-19 pandemic has exacerbated the situation with a notable impact on the real estate market, particularly during the first half of 2020.
- However, a certain level of normality started to return in H2 2020 in accordance with reduced lockdown measures and the re-opening of airports, particularly in Dubai. An increase in demand has been recorded from investors and end-users looking to acquire properties located away from congested areas and large-scale developments, specifically villa units and/or, on occasion, apartments with large terraces/balconies.
- More than 26,000 residential units were delivered since the beginning of 2016, ultimately putting pressure on rental rates and sales prices for completed projects. Several residential projects were launched during this period and recorded high demand levels.
- Over the last 5 years, apartment and villa rental rates recorded an average decrease of 32% and 22%, respectively. Sales prices for completed projects declined by 34% and 16% on average during the same period. Demand for off-plan projects offered at competitive rates and with attractive payment plans was positive.
- Several Government initiatives were launched between 2016 and 2020 including but not limited to the Abu Dhabi Development Accelerator Programme 'Ghadan 21'. In addition, the Government established new regulatory reforms and laws in relation to new businesses and foreign ownership in specific sectors, as well as new visa regulations. In Q2 2020, the government announced a number of initiatives on Federal and Municipal level to mitigate the economic impact of COVID-19 and boost investment.

Recovery and Growth 2021-2022

- Over the course of 2021/2022, the UAE government issued a number of new reforms with regard to new residency visa schemes, business ownership and the labour law, aiming to attract and retain foreign capital.
- The residential market recorded steady growth in sales rates from H2 2021, a trend that is expected to continue in the short-term.
- In particular, new off-plan villa projects, as well as completed villas, continued to register strong levels of demand.



The line graph above demonstrates the average percentage sales and rental trend on a quarterly basis.

Abu Dhabi Supply

	Completed in Q1 - Q3 2022	Completed in Q4 2022	Projected 2023
 APARTMENTS No. of units	6,100	2,350	5,100
 VILLAS No. of units	-	100	900

Highlights and Outlook

	2022 Highlights	2023 Outlook
Supply*	<ul style="list-style-type: none"> Approximately 8,500 residential units were delivered in 2022, spread across different areas of Abu Dhabi including Reem Island, Al Raha Beach and Saadiyat Island. <ul style="list-style-type: none"> Reem Island recorded the handover of approximately 2,350 units, predominantly located within the Shams and Najmat Districts. Whilst several projects were delivered in the Al Raha Beach area, a significant number of buildings appeared to be complete but are yet to be handed over. Saadiyat Island noted the completion of approximately 900 units. A number of new projects and additional phases of previously announced projects were launched in 2022, located in Yas, Jubail, Reem and Saadiyat Islands. Several other projects have been launched (often without official announcement). 	<ul style="list-style-type: none"> Asteco anticipates several projects, currently at various stages of planning, to be announced in 2023. In addition, a number of developments that were previously put on hold are expected to restart. More than 6,000 residential units are forecasted for completion in 2023. The majority of the upcoming supply is located within the following Investment Zones: <ul style="list-style-type: none"> Reem Island - 1,100 units; Al Raha Beach - 1,500 units; Saadiyat Island & Yas Island - 1,350 units; and Masdar City - 700 units.
Rental Rates	<ul style="list-style-type: none"> Whilst apartment rental rates were relatively stable at the end of 2022, they recorded marginal annual increases of 1% to 2% across Abu Dhabi. However, it should be noted that lower quality buildings, particularly within Abu Dhabi City, continued to be under pressure with some having to revise their rents downwards to compete with newer stock. Investment areas such as Reem Island, Al Raha Beach, Saadiyat Island and Yas Island remained the most sought-after areas with prime and high-end developments recording occupancy levels of up to 98%. Villas and townhouses continued to achieve strong levels of demand, particularly within the well-developed villa communities located on Saadiyat and Yas Islands. As such, average villa rental rates increased by 4% over the year with some developments recording close to double-digit growth. Although office rental rates were relatively stable in 2022, there was an increase in demand for new space, particularly in Grade A buildings. 	<ul style="list-style-type: none"> Residential rental rates (apartments and villas) are expected to remain more or less stable with marginal increases for specific developments. Whilst we expect new take-up in prime buildings, particularly on Maryah Island, the effect on office rental rates will be marginal.
Sales Prices	<ul style="list-style-type: none"> Apartment and villa sales prices recorded annual growth rates of 4% on average, with some developments in Saadiyat Island and Al Raha Beach for example, increasing by 8% to 10%, compared to the same period in 2021. Prime villa communities continued to achieve high demand levels, with some recording close to 25% increases in sales prices since 2020. New off-plan villa projects, as well as completed villas continued to be well received with emphasis on the popular high-quality villa communities. The lack of such properties stimulated sales price growth further. 	<ul style="list-style-type: none"> Demand for good quality, well-located, and competitively priced off-plan projects will remain positive. Sales prices are expected to remain generally stable in 2023, however, the lack of good-quality completed projects/units available for sale in secondary market will help boost sales prices in specific developments/locations.

* It is important to note that whilst a number of projects may have received completion certificates, Asteco does not consider a project delivered until the handover process has been initiated and the units are available for lease in the open market.



Abu Dhabi

Apartment Rental Rates

(All figures in AED 000's p.a.)

		1 BEDROOM										2 BEDROOMS										3 BEDROOMS									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PRIME PROPERTIES																															
ABU DHABI ISLAND		125	125	128	123	108	108	98	83	80	85	165	175	191	178	156	140	138	128	118	120	235	265	275	253	215	203	203	190	188	188
INVESTMENT AREA*		130	140	145	145	138	128	125	118	118	130	165	180	193	185	183	170	169	148	148	150	255	255	275	248	240	235	235	225	228	230
High-end PROPERTIES																															
ABU DHABI ISLAND	CENTRAL ABU DHABI	85	90	95	90	85	80	75	58	58	58	135	145	150	139	123	106	103	90	90	90	165	175	177	170	155	148	140	133	125	128
	CORNICHE	105	120	120	90	88	83	78	70	68	65	135	150	153	138	123	113	105	98	93	95	225	245	243	203	173	145	143	140	138	138
	AL KHALIDIYA / AL BATEEN	105	120	123	113	98	85	80	73	72	74	155	160	165	146	123	113	105	105	99	108	210	215	213	190	173	158	148	143	135	145
INVESTMENT AREA	AL RAHA BEACH	100	110	115	110	103	90	83	75	73	73	150	155	161	155	143	130	123	118	115	118	190	200	205	190	175	170	168	158	158	160
	MARINA SQUARE	85	100	105	98	85	70	69	61	60	60	130	140	148	133	115	108	99	86	85	90	170	175	185	175	155	140	135	125	125	128
	SHAMS ABU DHABI	110	115	115	98	80	73	71	66	58	58	150	155	154	143	113	106	105	99	96	96	170	195	193	173	150	140	140	130	128	135
	SAADIYAT BEACH RESIDENCES	110	120	130	120	113	103	85	78	75	65	150	175	179	174	167	148	138	124	124	126	190	210	233	213	200	175	160	150	150	158
	YAS ISLAND	-	-	-	-	-	85	80	75	70	70	-	-	-	-	-	123	115	110	110	113	-	-	-	-	-	185	173	165	165	168
MID & LOW END PROPERTIES																															
ABU DHABI ISLAND	CENTRAL ABU DHABI	70	75	76	75	68	55	51	48	48	47	100	105	103	103	82	73	66	59	58	62	140	145	148	133	122	105	93	89	89	91
	CORNICHE	80	80	86	85	74	63	61	60	59	57	105	120	125	115	105	91	81	78	75	75	155	170	165	148	127	115	106	98	96	96
	AL KHALIDIYA / AL BATEEN	80	80	81	79	71	58	53	49	47	46	110	120	121	111	95	80	74	68	64	64	135	145	146	138	123	109	101	94	93	93
INVESTMENT AREA	AL REEF	70	80	83	79	67	59	54	49	49	49	85	100	104	103	88	73	70	63	63	63	100	130	130	120	109	95	88	84	84	84
OFF ISLAND	KHALIFA CITY & MBZ CITY	60	65	70	70	58	53	50	47	47	47	85	90	95	94	84	74	72	67	67	67	110	120	126	124	114	104	103	95	95	96
ABU DHABI AVERAGE		94	101	105	98	88	80	74	67	65	66	130	141	146	137	121	110	104	96	94	96	175	189	194	177	159	148	142	135	133	136
ANNUAL % CHANGE		14%	8%	4%	-7%	-10%	-10%	-7%	-9%	-3%	0%	15%	8%	4%	-6%	-11%	-10%	-5%	-8%	-3%	2%	18%	8%	3%	-9%	-10%	-7%	-4%	-5%	-1%	2%
% CHANGE SINCE PEAK (2008)		-60%										-61%										-58%									
% CHANGE SINCE MARKET LOW (2012)		-21%										-15%										-8%									
% CHANGE SINCE 2ND PEAK (2015)		-38%										-34%										-30%									

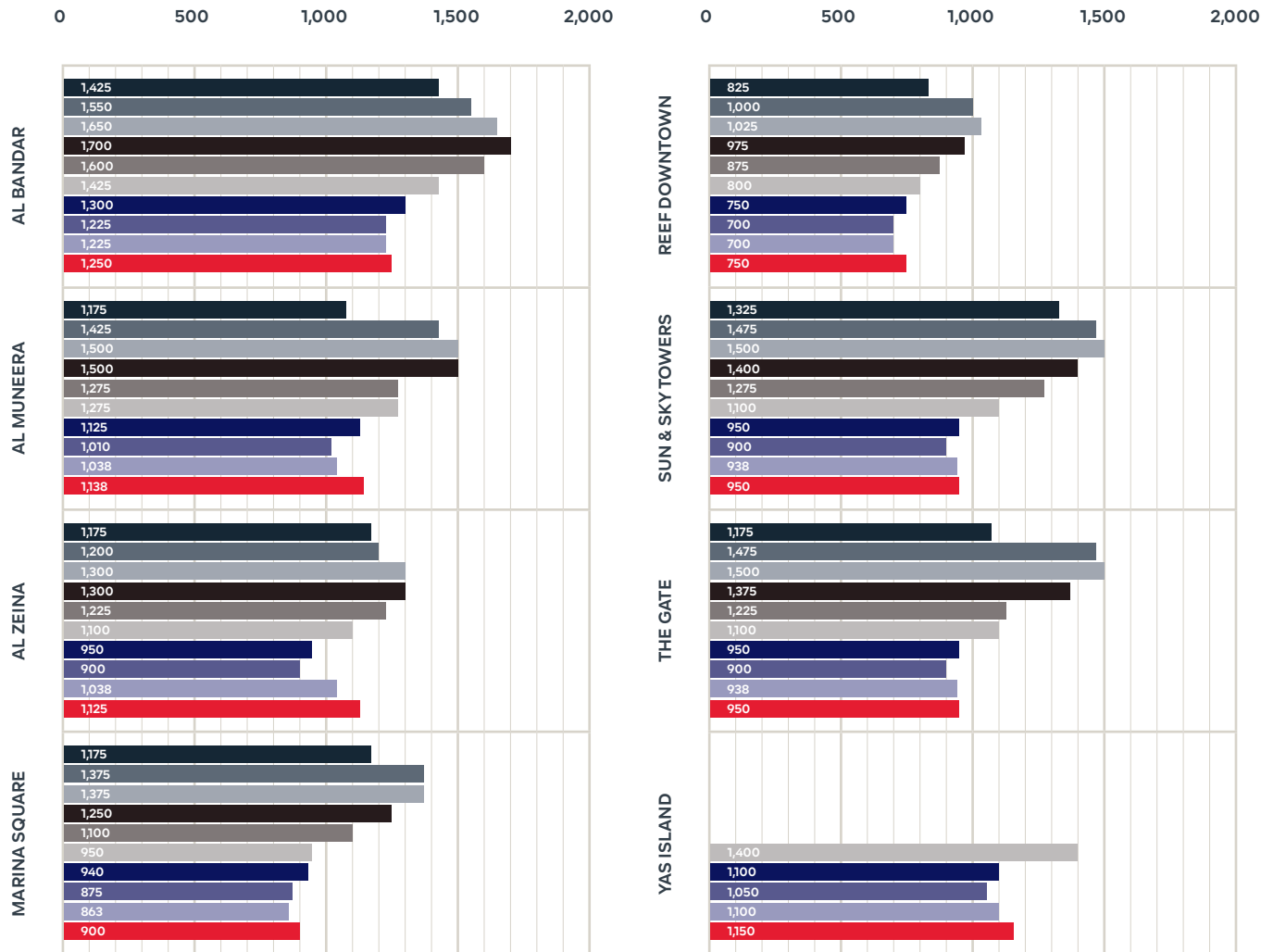
* Excludes Mamsha Al Saadiyat Development.



Abu Dhabi

Apartment Sales Prices

AED per sq.ft.



● 2013 ● 2014 ● 2015 ● 2016 ● 2017 ● 2018 ● 2019 ● 2020 ● 2021 ● 2022



Abu Dhabi

Villa Rental Rates



(All figures in AED 000's p.a.)

		3 BEDROOMS									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	185	185	185	185	170	168	163	150	150	150
	MUSHRIF / KARAMA / MANASEER	195	180	170	170	165	165	158	150	150	150
	AL NAHYAN CAMP / AL MUROOR	170	160	160	158	145	145	143	140	140	143
INVESTMENT AREA	AL RAHA BEACH	250	250	255	205	185	185	178	175	175	190
	AL REEF	120	135	145	140	123	110	100	95	95	98
	HYDRA VILLAGE	90	90	103	105	93	84	73	66	66	66
	SAADIYAT BEACH VILLAS	295	295	310	310	300	298	295	280	290	300
	HIDD AL SAADIYAT	-	-	-	-	-	-	-	-	-	-
	WEST YAS	-	-	-	-	-	-	-	-	-	-
	YAS ACRES	-	-	-	-	-	-	-	-	205	213
OFF ISLAND	AL RAHA GARDENS	175	190	193	183	173	158	143	138	138	148
	GOLF GARDENS	210	225	225	220	215	183	185	185	195	203
	KHALIFA CITY	130	135	133	133	125	125	118	110	110	110
	MBZ CITY	122.5	108	108	108	108	108	103	103	103	105
ABU DHABI AVERAGE		177	178	180	174	164	157	150	144	150	156
ANNUAL % CHANGE		6%	0%	2%	-3%	-6%	-4%	-4%	-4%	4%	4%
% CHANGE SINCE PEAK (2008)		-59%									
% CHANGE SINCE MARKET LOW (2012)		-7%									
% CHANGE SINCE 2ND PEAK (2015)		-14%									

		4 BEDROOMS									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		240	230	225	195	180	175	169	160	160	163
		190	190	185	185	175	168	160	153	153	153
		212.5	200	200	190	173	160	158	158	158	158
		255	255	263	250	240	228	225	223	223	243
		150	160	168	163	150	139	133	130	130	130
		-	-	-	-	-	-	-	-	-	-
		295	330	375	375	335	325	315	310	380	380
		-	-	-	-	-	320	310	305	330	400
		-	-	-	-	-	-	-	-	238	260
		-	-	-	-	-	-	-	-	240	245
		210	243	245	218	188	175	153	150	158	170
		255	260	260	253	235	195	195	195	220	233
		170	150	150	150	140	130	120	118	118	118
		145	140	140	140	130	125	118	118	118	118
		214	214	219	211	195	181	174	170	199	210
		3%	0%	2%	-4%	-7%	-7%	-4%	-2%	17%	6%
		-52%									
		1%									
		-4%									

		5 BEDROOMS									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		270	245	240	220	203	200	195	188	188	200
		250	265	255	233	198	188	183	178	178	178
		250	260	260	228	185	183	170	163	163	168
		320	320	320	310	275	260	258	250	250	270
		170	190	190	180	163	150	145	138	140	145
		-	-	-	-	-	-	-	-	-	-
		400	400	450	450	450	450	450	450	535	545
		-	-	-	-	-	540	530	510	540	550
		-	-	-	-	-	-	-	-	260	280
		-	-	-	-	-	-	-	-	330	365
		285	290	290	250	215	205	198	193	200	215
		325	325	325	305	270	255	245	240	300	308
		185	180	180	165	153	148	148	140	140	140
		175	168	168	158	155	143	133	128	128	130
		263	276	267	247	225	217	211	203	252	262
		4%	5%	-3%	-8%	-9%	-4%	-2%	-4%	24%	4%
		-48%									
		4%									
		-2%									



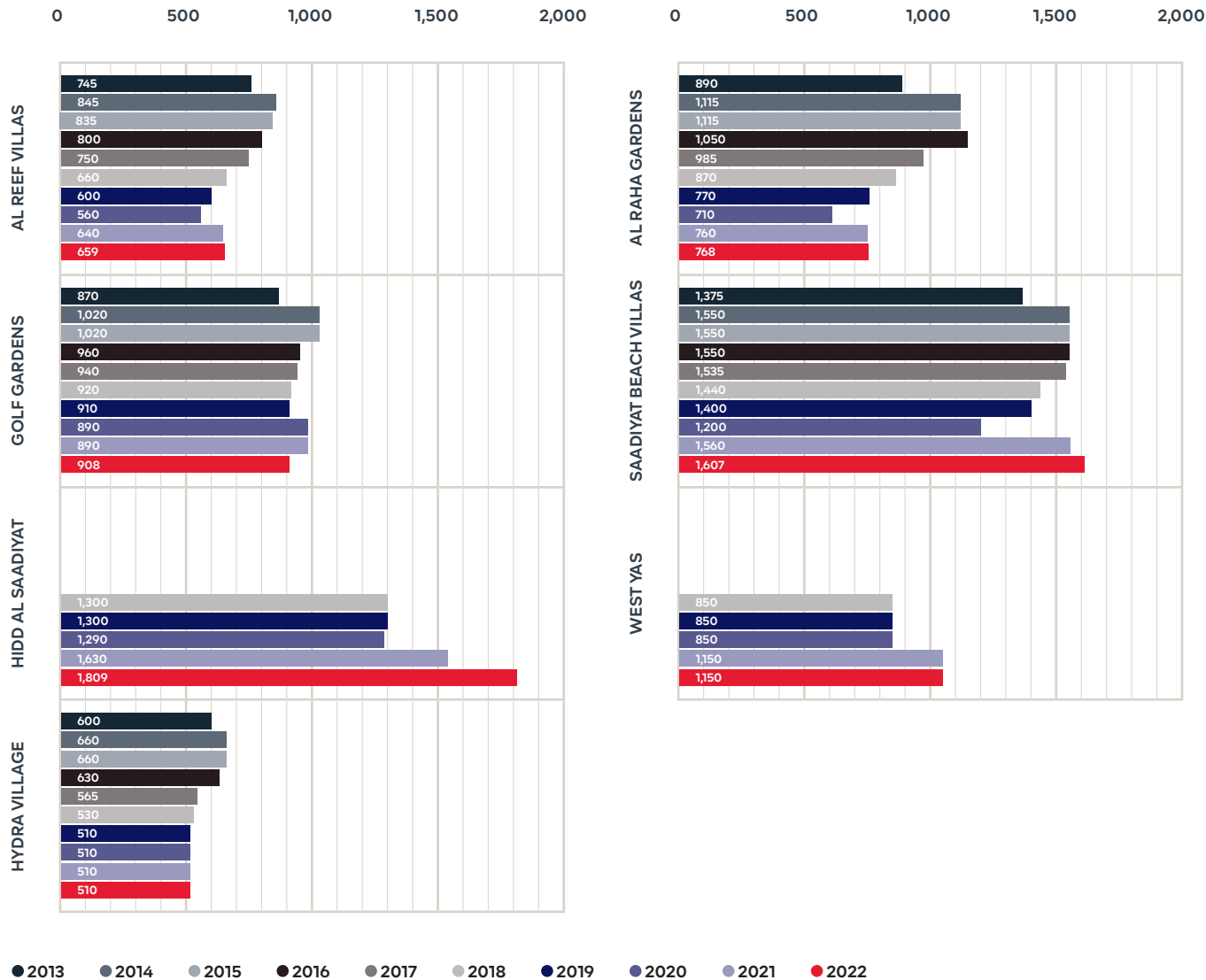


Abu Dhabi

Villa Sales Prices



AED per sq.ft.



Abu Dhabi **Office Rental Rates**

(All figures in AED per sq.ft. p.a.)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PRIME PROPERTIES										
FITTED*	-	215	215	210	190	190	177	160	160	160
QUALITY STOCK										
FITTED	114	111	118	104	100	94	91	85	85	85
SHELL AND CORE	91	91	95	84	81	79	71	66	66	66
MATURE STOCK										
GOOD	79	79	79	79	71	66	64	58	58	58
TYPICAL BUILDING	65	67	67	67	60	58	53	52	52	52
LOW QUALITY BUILDING	53	60	60	60	-	-	-	-	-	-
ABU DHABI AVERAGE**	87	87	90	83	78	74	70	65	65	65
ANNUAL % CHANGE	0%	0%	3%	-7%	-6%	-5%	-6%	-6%	0%	0%
% CHANGE SINCE PEAK (2008)					-71%					
% CHANGE SINCE MARKET LOW (2012)					-25%					
% CHANGE SINCE 2ND PEAK (2015)					-27%					

* Includes developments such as Al Maryah Island, Aldar HQ, International Tower, Nation Towers, Ittihad Towers, etc.

** The average percentage change calculation excludes Prime Stock



Property Map

- 1 Al Bandar - Al Raha Beach
- 2 Al Bateen Wharf
- 3 Al Gurm
- 4 Al Maqtaa
- 5 Al Muneera - Al Raha Beach
- 6 Al Nahyan Camp
- 7 Al Raha Gardens
- 8 Al Rayyana
- 9 Al Reef
- 10 Al Zeina - Al Raha Beach
- 11 Baniyas
- 12 Al Bateen Airport Area
- 13 Al Bateen Area
- 14 Bawabat Al Sharq
- 15 Capital District (ADNEC)
- 16 Central Business District (CBD) / Tourist Club Area
- 17 Corniche
- 18 Danet Abu Dhabi
- 19 Eastern Mangroves
- 20 Golf Gardens
- 21 Hydra Village
- 22 Khalidiyah/ Al Hosn/ Al Manhal
- 23 Khalifa City A
- 24 Khalifa City B
- 25 Al Maryah Island
- 26 Mohamed Bin Zayed City (MBZ)
- 27 Al Mina
- 28 Al Mushrif/ Al Karamah/ Al Manaseer/ Al Muroor
- 29 Abu Dhabi Gate City
- 30 Rawdhat Abu Dhabi
- 31 Al Reem Island - Marina Square
- 32 Al Reem Island - Najmat Abu Dhabi
- 33 Al Reem Island - Rest of Shams Abu Dhabi
- 34 Al Reem Island - City of Lights
- 35 Al Reem Island - The Gate District
- 36 Saadiyat Beach District
- 37 Hills Abu Dhabi
- 38 West Yas
- 39 Yas Acres
- 40 Ansam

- 41 Al Raha Beach
- 42 Mamsha Al Saadiyat
- 43 Hidd Al Saadiyat
- 44 Masdar City
- 45 Al Jubail Island
- 46 Musaffah
- 47 Al Hudayriyat Island
- 48 Water's Edge



About Asteco



Asteco is a major regional and international award-winning full-service real estate services company that was formed in 1985 and has gained enormous respect for consistently delivering high quality, professional, value-added real estate services in a transparent manner. The company is also widely recognised for its involvement with many of the projects that have defined the landscape and physical infrastructure of the United Arab Emirates.

The world-class company has a distinguished and important combination of local knowledge and international expertise and has been renowned for its application of the latest technological tools and innovations, its commitment to transparency, winning strategies, and human expertise.

Undisputed Real Estate experts with a regional presence to serve its customers, Asteco proudly represents a significant number of the region's top property Owners, Developers, and Investors.

Asteco offers a wide range of services and solutions to its clients from Valuation Advisory and Building Consultancy, Property Management, Sales & Leasing as well as Franchising services. The company applies innovative solutions and cutting-edge technology to add tangible value for its Clients at every stage of the property lifecycle and to continuously elevate customer experiences.

VALUATION & ADVISORY

Our professional advisory services are conducted by suitably qualified personnel all of whom have had extensive Real Estate experience within the Middle East and internationally.

Our valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) and International Valuation Standards (IVS) and are undertaken by appropriately qualified valuers with extensive local experience.

The Professional Services Asteco conducts throughout the region include:

- Consultancy & advisory services
- Market research
- Valuation services

SALES

Asteco has a large property Sales division with multi-lingual representatives based all over the UAE. Our Sales teams have extensive experience in the negotiation and sale of a variety of assets.

LEASING

Asteco has been instrumental in the Leasing of many high-profile developments across the GCC.

PROPERTY MANAGEMENT

Asteco provides comprehensive Property Management services to all property Owners, whether a single unit (IPM) or a regional mixed-use portfolio. Our focus is on maximising value for our Clients.

BUILDING CONSULTANCY

The Building Consultancy Team at Asteco have a wealth of experience supporting their Clients throughout all stages of the built asset lifecycle. Each of the team's highly trained surveyors have an in-depth knowledge of construction technology, building pathology and effective project management methods which enable us to provide our Clients with a comprehensive building consultancy service.

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Note: It should be noted that the number of developments/areas has changed over the years in line with the delivery of new stock. As such, the average in the earlier years is derived from a lower number of projects. Whilst representing the apartment/villa/office average at the time, it is not a like for like comparison.