

Property Review

Northern Emirates Real Estate Report

Q1 2024

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zsteco

39
YEARS

Northern Emirates Market Overview

The Northern Emirates real estate market often follows Dubai's real estate cycles, albeit with a delay of 3-6 months. Whilst rental and sales growth in Dubai may be easing, the Northern Emirates performed particularly strongly over Q1 2024, indicating resilience and potential for sustained advancement.

Continuing the momentum from 2023, the anticipation surrounding the planned 'casino' at the Wynn Resort in Ras Al Khaimah (RAK) has propelled a series of project launches in Q1 2024, many of which involve luxury hotel developments and branded residences. Despite achieving prices on par with or exceeding those in Dubai, these projects have attracted considerable attention and, in numerous instances, sold out within days.

Key project launches and development updates include:

Ras Al Khaimah

- Marjan, the master developer behind Al Marjan Island in RAK, has unveiled ambitious plans for a commercial and residential hub in Al Hamra. The envisioned RAK Central will encompass 3 million square feet of office space, more than 4,000 apartments and 3 hotels, with the initial phase earmarking 1 million square feet of leasable office space. Moreover, RAK Central will present 34 freehold residential tower plots, providing opportunities for investors to partake in its development.
- Collaborating with Range Developments, Marjan is also set to introduce 3 exclusive properties on Al Marjan Island: The Beach House (88 units including studios and 3 BR simplex and duplex apartments), The Beach Residences (412 apartments and 11 townhouses) and Beach Vista.
- RAK Properties announced the introduction of Quattro Del Mar within the Hayat Island master plan. This development will feature 4 interconnected towers offering a diverse range of apartment options including studios, 1 BR, 2 BR and 3 BR apartments, as well as sky duplexes and garden townhouses.
- On the hospitality front, the recently inaugurated Anantara Mina Al Arab Ras Al Khaimah Resort, which welcomed its first guests in February 2024, boasts 174 rooms, suites and pool villas. This addition further enhances the real estate and tourism infrastructure of Ras Al Khaimah, positioning it as a desirable destination for residents, as well as local and international tourists.

Sharjah

- Alef Group introduced Nama 3 within the Al Mamsha Raseel community, presenting 139 residential units.
- Highlighting ongoing progress, Alef Group also reported advancements in the Hayyan development, with approximately 15% of the master infrastructure now completed.
- Property developer Arada achieved a significant milestone by completing 920 apartment units spread across the first 8 residential buildings, known as Tiraz, within the Naseej District of the Aljada project.

The heightened activity in the off-plan market has had a ripple effect on existing properties, driving notable growth in sales prices, particularly within RAK's master plan communities (3% quarter-on-quarter and 15% year-on-year), as well as in the adjacent Emirates of Sharjah and Ajman. Sharjah Real Estate Registration Department (SRERD) data revealed a significant increase in real estate transactions during Q1 2024 compared to the corresponding period last year, with the number more than doubling. Similarly, Ajman witnessed a nearly 50% surge in transactions during the same timeframe, indicating a robust market dynamic and sustained investor interest in the Northern Emirates' real estate sector.

Rental rates also witnessed a notable surge, attributed to an increase in project completions featuring enhanced specifications, coupled with heightened tenant demand fueled by affordability considerations, particularly from residents looking for alternatives beyond the more expensive Dubai market.

Across the Northern Emirates, average apartment rental rates increased by 4% over the quarter and 9% annually, with high-end properties experiencing slightly more pronounced growth rates compared to typical units. RAK emerged as the frontrunner in rental rate escalation, followed closely by Sharjah and Ajman.

The convergence of strategic planning, affordability considerations and heightened investments presents a promising outlook for the future trajectory of the Northern Emirates real estate market. This confluence of factors bodes well for sustained growth and development in the region.





Northern Emirates

Apartment Rental Rates

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

		STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
SHARJAH	TYPICAL	10	15	12	30	15	40	25	55	3%	7%
	HIGH-END	11	32	17	55	23	70	31	85	5%	17%
AJMAN	TYPICAL	9	16	12	16	15	21	22	32	3%	5%
	HIGH-END	16	18	17	28	22	38	35	50	4%	8%
UMM AL QUWAIN		10	20	15	22	19	30	30	40	1%	4%
RAS AL KHAIMAH	TYPICAL	10	18	15	25	18	41	33	52	6%	11%
	HIGH-END	22	32	25	50	42	70	62	110	7%	18%
FUJAIRAH	TYPICAL	15	19	19	25	22	35	31	47	1%	4%
	HIGH-END	20	26	33	38	36	55	55	70	2%	5%





Sharjah

Apartment Rental Rates ↗

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

	STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
AL MAJAZ	16	28	22	38	23	55	31	75	5%	10%
AL QASIMIA	12	20	15	29	20	40	33	56	4%	8%
AL NAHDA	18	27	18	39	22	49	40	75	4%	10%
AL KHAN / AL MAMZAR	17	30	20	45	26	58	38	75	6%	10%
ABU SHAGARA	13	22	14	30	20	40	30	45	4%	8%
AL BUTINA	10	14	13	24	17	32	25	40	4%	8%
AL YARMOOK	12	14	15	17.5	18	25	27	40	2%	4%
ROLLA	10	15	14	25	22	29	28	35	4%	8%



% Change





Sharjah

Apartment Sales Prices

(All figures in AED per sq.ft.)

		0	100	200	300	400	500	600	700	800	900	1,000	% CHANGE		
													Q4 2023 - Q1 2024	Q1 2023 - Q1 2024	
GCC FREEHOLD	AL KHAN (MID-END)				325		480							△ 1%	△ 4%
	AL KHAN (HIGH-END)						520		750					△ 2%	△ 6%
	AL TAAWUN				350		475							△ 1%	△ 2%
	AL NAHDA			275					525					△ 1%	△ 5%
	AL MAJAZ (MID-END)				350		475							△ 1%	△ 2%
	AL MAJAZ (HIGH-END)						475			800				△ 1%	△ 3%
LEASEHOLD*	AL MAMSHA								700			975		△ 2%	△ 3%
	AL ZAHIA								675			925		△ 1%	△ 1%
	ALJADA								725			900		△ 1%	△ 3%



* Leasehold ownership (up to 100 years) for all nationalities.

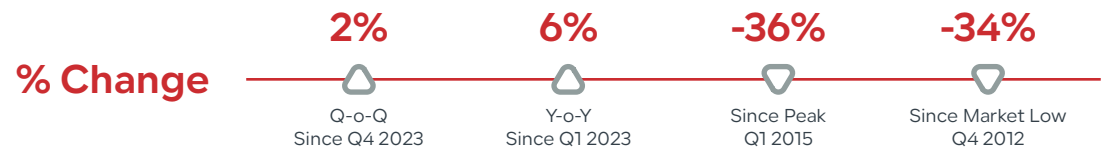


Sharjah

Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
AL TAAWUN ROAD	25	38	0%	4%
CORNICHE AREA	30	53	1%	5%
AL WAHDA	27	38	2%	6%
AL QASIMIA	23	36	2%	5%
CLOCK R/A	25	35	2%	5%
AL YARMOOK	25	35	2%	6%
INDUSTRIAL AREA	25	40	4%	10%





Ras Al Khaimah

Apartment Sales Prices

(All figures in AED per sq.ft.)

0 100 200 300 400 500 600 700 800 900 1,000 1,100 1,200 1,300 1,400 1,500

% CHANGE

Q4 2023 - Q1 2024

Q1 2023 - Q1 2024

AL HAMRA VILLAGE		385	785															△ 4%	△ 20%
AL MARJAN ISLAND		450	930															△ 4%	△ 13%
MINA AL ARAB	(TYPICAL)	425	750															△ 2%	△ 14%
	(HIGH-END)		850	1,500														△ 3%	△ 15%



% Change

3%

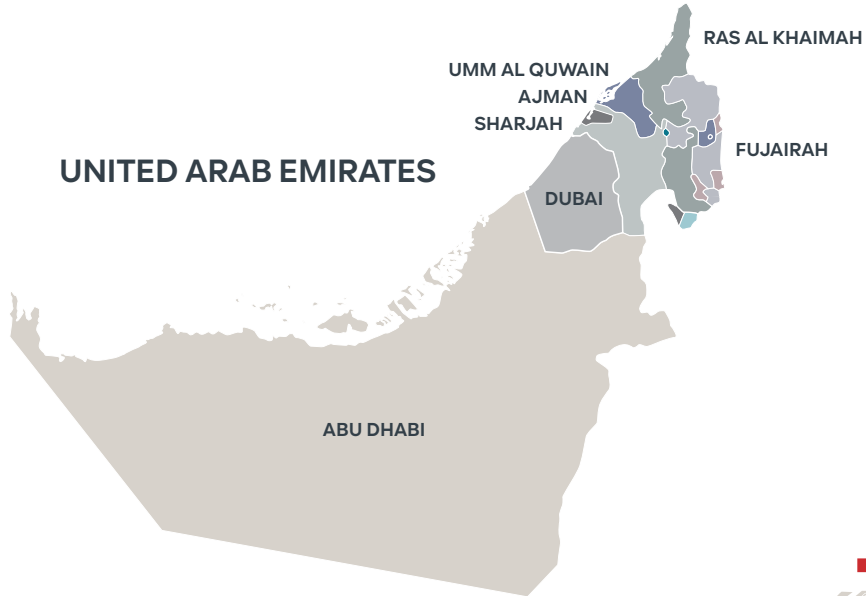
Q-o-Q
Since Q4 2023

15%

Y-o-Y
Since Q1 2023

Northern Emirates

Property Map



UNITED ARAB EMIRATES

ABU DHABI

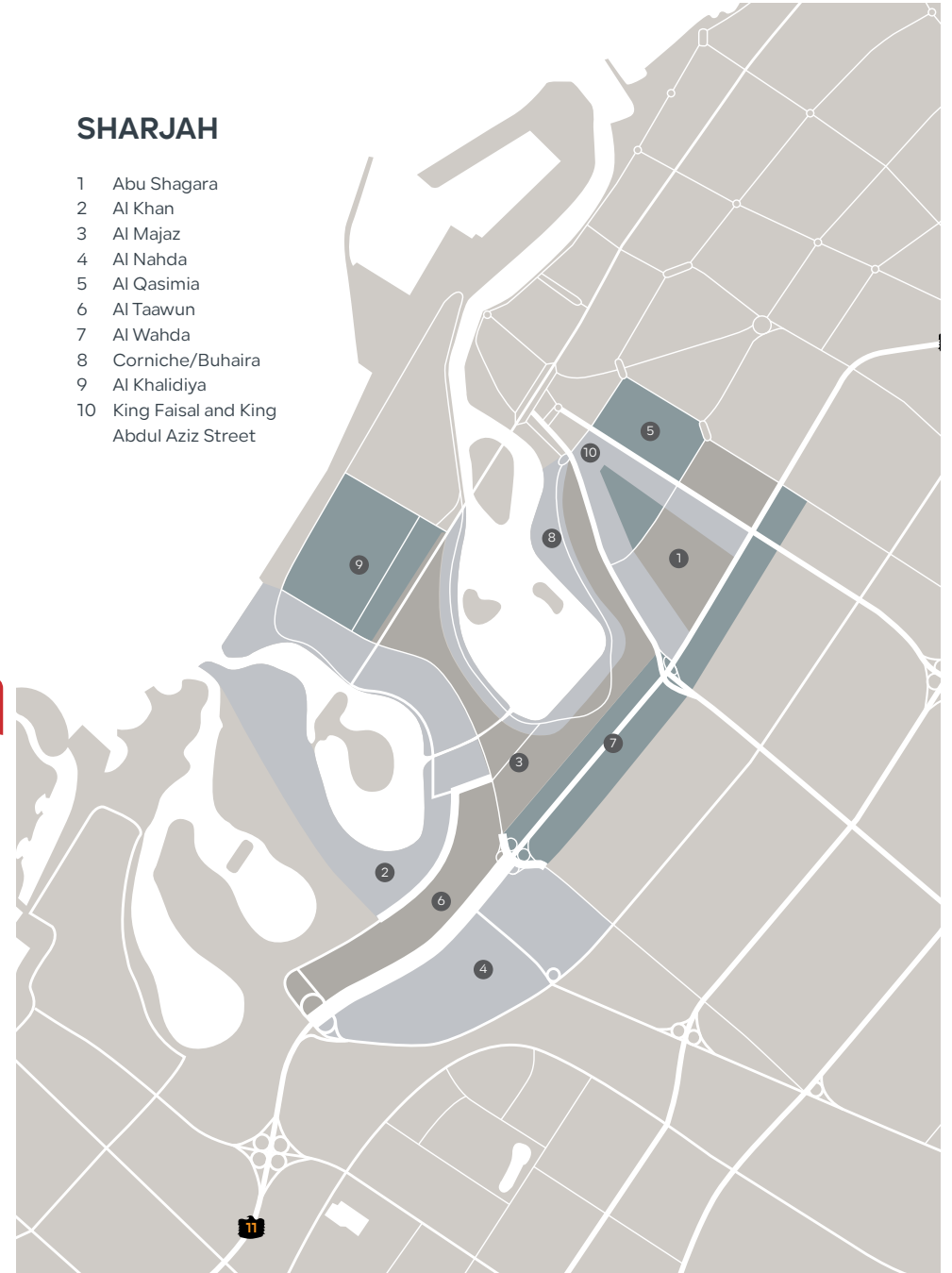
RAS AL KHAIMAH

- 1 Al Marjan Island
- 2 Al Hamra
- 3 Mina Al Arab



SHARJAH

- 1 Abu Shagara
- 2 Al Khan
- 3 Al Majaz
- 4 Al Nahda
- 5 Al Qasimia
- 6 Al Taawun
- 7 Al Wahda
- 8 Corniche/Buhaira
- 9 Al Khalidiya
- 10 King Faisal and King Abdul Aziz Street



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.