

Property Review

# Northern Emirates Real Estate Report

Q4 2023

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zsteco

38  
YEARS

# Northern Emirates Historic Review

## Recovery and Growth

2013-2014

- Rental rates in the Northern Emirates bottomed out in the beginning of 2013 and increased thereafter due to rising rates in Dubai.
- The villa market in Ras Al Khaimah recorded strong sales activity as value-for-money options were readily available.
- The Sharjah office sector, however, remained somewhat stagnant.

## Stabilisation

2015-2016

- The interdependence between Dubai and the Northern Emirates manifested due to the slowdown recorded in Dubai, which resulted in a stagnant rental market in the Northern Emirates.
- The availability of superior products led to marginal rate reductions in more mature buildings as tenants upgraded to newly-built accommodation.
- Continuous handovers of affordable units in Dubai encouraged tenants to move (back) to the Emirate, and stalled relocations to the Northern Emirates.
- The office sector in Sharjah remained flat due to the supply/demand imbalance.

## Downturn

2017-2020

- Subdued market activity resulted in continued average rental rate declines across all sectors in the Northern Emirates.
- Several master plan communities were launched, which recorded steady levels of demand.
- Lockdown and movement restrictions resulting from the COVID-19 pandemic meant reduced relocations from the Northern Emirates to neighbouring Dubai despite an increase in affordable developments.
- A number of Government initiatives and schemes were launched to support the Northern Emirates infrastructure and real estate market.
- In addition, the Government launched several special reforms and fee discounts in order to support the commercial and industrial sectors.
- Diverse policies implemented during this period focused on promoting long-term economic sustainability and boosting tourism in the region.

## Yet to Stabilise

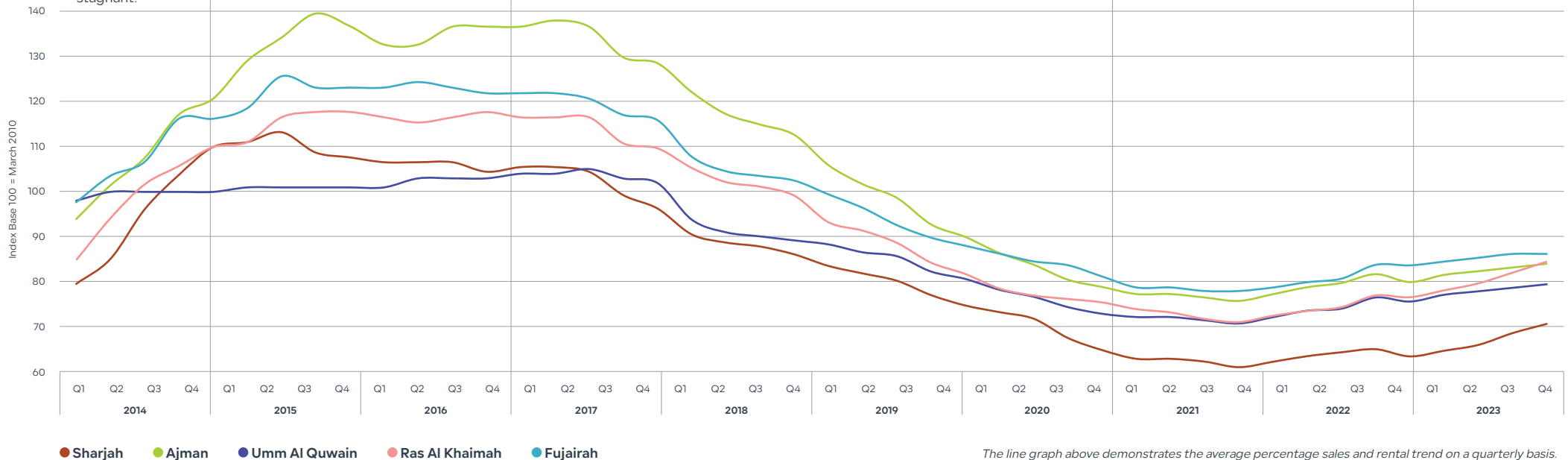
2021-2022

- Whilst residential rental rates in the Northern Emirates appeared to have moved towards stabilisation towards the end of 2021, and even recorded marginal upticks in the first 9 months of 2022, rates dipped again in the final quarter.
- The increased availability of completed properties with better quality specifications, facilities and property management, particularly in master plan communities in Sharjah and Ras Al Khaimah (RAK), as well as Dubai, has effected an outflow from older areas/buildings.

## Recovery and Growth

2023

- Over the course of 2023, the real estate sector in the Northern Emirates exhibited notable signs of recovery and growth. This progress extended beyond mere performance metrics, encompassing a surge in new project launches, especially within the strategically developed communities of Sharjah and Ras Al Khaimah (RAK).



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

# Highlights and Outlook

## 2023 Highlights

- Throughout 2023, the real estate landscape in the Northern Emirates was characterised by a consistent upward trend in both sales prices and rental rates.
- The market also recorded a substantial surge in project launches, underlining the region's vitality and growth potential.
- In the rental market, average apartment rates across the Northern Emirates demonstrated a gains. Whilst rental increases were generally modest, there were marked increases within the high-end segments of Sharjah and Ras Al Khaimah (RAK), with rates gaining further momentum towards the close of the year.
- Adding to the economic and real estate dynamics, was the creation of the gaming authority, affirming the previous announcement of the Wynn Resort (RAK), which is earmarked to comprise the UAE's first casino. The Wynn announcement has undoubtedly proven a catalyst, drawing significant investment towards the Northern Emirates and particularly for Al Marjan Island. This activity has fostered collaborative efforts between local and international developers/brands.

### NEW PROJECT LAUNCHES IN 2023

#### RAS AL KHAIMAH

- Emaar launch Address Residences on Al Marjan Island, comprising 249 rooms and 234 apartments.
- Aldar Properties unveiled the 1st phase of Nikki Beach Residences, a 357-unit beachfront development on Al Marjan Island.
- RAK Properties partnered with Nikki Beach Global to develop the 155-key Nikki Beach Resort and Spa located in Mina Al Arab.
- RAK Properties and Ellington Properties develop Porto Playa, a 269-units on Hayat Island, Mina Al Arab.
- Marriott International and US based developer WOW Resorts launched JW Marriott Al Marjan Island Resort & JW Marriott Residences Al Marjan Island comprising 300 hotel rooms and 524 residences.
- RAK properties, in collaboration with IHG Hotels and Resort, launched 156-key 'Staybridge Suites' in Mina Al Arab.
- Octa and Durar launched 'MoonStone' branded residences by Missoni at Al Marjan Island, featuring 225 units.

#### SHARHAH

- Arada announced '2 Teatro Residences' comprising 138 units.
- Alef Group introduced 'Nama 1' featuring 134 units within Al Mamsha Raseel.

#### AJMAN

- Ajman and Solidere International launched 'Gateway at Porto Al Zorah' comprising 157 units.

## 2024 Outlook

- As we move into 2024, the groundwork laid in 2023 positions the Northern Emirates real estate market for sustained growth.
- Looking ahead, the outlook is promising, buoyed by a rise in project handovers and heightened tenant demand driven by affordability considerations, particularly for those priced out of Dubai. Affordability will likely remain a key driving force, ensuring a steady influx of tenants and maintaining robust demand for completed residential projects.
- RAK is anticipated to continue to record strong demand for off-plan sales, cementing itself as an emerging investment destination, one which developers will seek to capitalise on.
- An increase in investments from both local and international hospitality entities in the Northern Emirates, particularly Ras Al Khaimah, signifies a transformative phase of development. This surge is poised to have a positive and enduring impact on the overall real estate market outlook in 2024 and beyond.
- The combination of strategic groundwork, affordability considerations, and increased investments paints a promising picture for the Northern Emirates real estate market as it advances into the future.



Northern Emirates

# Apartment Rental Rates

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

		1 BEDROOM										2 BEDROOMS										3 BEDROOMS											
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
SHARJAH	TYPICAL	31	33	31	25	30	19	15	15	15	16.5	37	37	36	36	32	39	23	18.5	18.5	19.5	52	54	52	53	43	56	34	29.5	29	30.5		
	HIGH-END	39	39	38	35	31	29	26	25.5	25.5	31.5	51	58	56	52	60	48	43	35.5	35	41	70	73	70	71	78	65	57	48.5	49	56.5		
AJMAN	TYPICAL	29	29	26.5	24	19	15	13	13	13.5	13.9	35	39	30.5	30	26	24	19.5	17	17	17.7	45	50	45	45	40	35	29.5	24	23.5	24.5		
	HIGH-END	29	34	35	30	26	23	20	19.5	20.5	22	35	39	40	43	36	32	29	27.5	28	30	45	50	56	55	45	41	37	35	35	39.5		
UMM AL QUWAIN		22	23	23	22	20	19	17	17	17.2	18	27	29	30	30	28	27	23	22	22.2	24.3	38	40	40	40	34	32	30	29	29	32.5		
RAS AL KHAIMAH	TYPICAL	33	38	34	26	26	20	18	18	19	20	38	39	40	40	38	34	27	23	22.2	25	47	50	50	50	42	40	37	35	35	40		
	HIGH-END	45	38	34	37	34	32	29.5	29	30	34.5	60	63	63	65	58	52	45	41.5	42	52	93	110	100	98	82	70	65	62	62	74.7		
FUJAIRAH	TYPICAL	32	35	32.5	26.5	23.8	22	19	18.5	18.7	19.8	38	43	42	43.5	35	28	26	23.2	23.5	26.8	47	50	52.5	52.5	45	45	40	35	35	38.8		
	HIGH-END	32	50	47.5	43	36.5	33.5	30.5	30	33	34.8	38	43	56.5	55	49	45	41.5	40.5	40	43.5	47	50	76	75	68	66	58	56	56	62.5		
<b>NORTHERN EMIRATES AVERAGE</b>		<b>33</b>	<b>36</b>	<b>34</b>	<b>29</b>	<b>26</b>	<b>24</b>	<b>21</b>	<b>20.6</b>	<b>21.3</b>	<b>23.4</b>	<b>41</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>41</b>	<b>36</b>	<b>31</b>	<b>27.5</b>	<b>27.6</b>	<b>31</b>	<b>56</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>54</b>	<b>48</b>	<b>48</b>	<b>40</b>	<b>39.3</b>	<b>44.4</b>		
<b>ANNUAL % CHANGE</b>		<b>7%</b>	<b>9%</b>	<b>-4%</b>	<b>-15%</b>	<b>-10%</b>	<b>-10%</b>	<b>-11%</b>	<b>-1%</b>	<b>4%</b>	<b>10%</b>	<b>22%</b>	<b>7%</b>	<b>1%</b>	<b>-1%</b>	<b>-7%</b>	<b>-12%</b>	<b>-13%</b>	<b>-10%</b>	<b>0%</b>	<b>8%</b>	<b>21%</b>	<b>9%</b>	<b>0%</b>	<b>0%</b>	<b>-11%</b>	<b>-11%</b>	<b>-12%</b>	<b>-8%</b>	<b>0%</b>	<b>7%</b>		
<b>% CHANGE SINCE MARKET LOW (2012)</b>							<b>-1%</b>											<b>-7%</b>											<b>-4%</b>				
<b>% CHANGE SINCE 2ND PEAK (2015)</b>							<b>-34%</b>											<b>-32%</b>											<b>-30%</b>				





Sharjah

# Apartment Rental Rates

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

	1 BEDROOM											2 BEDROOMS											3 BEDROOMS										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
AL MAJAZ	40	41	39	34	31	28	23.5	22.7	23.5	25.5	53	58	55	41	39	37	32	31	32	34	75	73	66	52	52	50	46	46	47	49			
AL QASIMIA	38	33	31	27	24	21	19	17.5	18.5	20	45	39	39	33	31	28	25	24.5	25	26.5	58	55	55	47	43	39	37	37.5	37	38.5			
AL NAHDA	41	44	35	30	27	25	23.5	22.5	23.5	26	55	55	51	39	36	34	32.5	32.5	30	32.7	75	73	65	55	52	48	47.5	48	47.5	49.9			
AL KHAN (AL MAMZAR)	42	39	38	37	29	28	24.5	25	25.5	27.7	53	63	63	49	45	41	36	34.5	36.5	38.5	78	80	73	57	56	52	48	48	52	52.9			
ABU SHAGARA	34	32	33	28	26	22	19.5	18.7	19.5	20.5	42	42	40	34	31	29	26	26	26.5	27.8	53	54	53	43	42	36	35	36	35	37			
BU TENA	31	31.5	27	24	22.5	18.5	16.5	15.75	15.75	17.5	38.5	38.5	33.5	30	27.5	23	19	19	19.5	21.8	48.5	48.5	48.5	44	41.5	35	32	32.5	30.5	31			
AL YARMOOK	24	26	28	24	20	18	15	15.2	15.2	15.5	28	28	29	27	25	23	17.5	17.5	18.5	19.5	48	48	45	40	38	35	33	33	33.5	34			
ROLLA	32	29	25.5	23	21.25	19	15.5	15.25	16	17.5	38.5	38	35	30	26.5	23	19.5	19	21	22.8	52.5	52.5	52.5	43	41.5	37	31.5	31	30	30.8			
<b>SHARJAH AVERAGE</b>	<b>35</b>	<b>34</b>	<b>32</b>	<b>29</b>	<b>25</b>	<b>23</b>	<b>19.5</b>	<b>19.1</b>	<b>20.8</b>	<b>23.3</b>	<b>44</b>	<b>45</b>	<b>43</b>	<b>36</b>	<b>33</b>	<b>30</b>	<b>26</b>	<b>25.8</b>	<b>29.1</b>	<b>31.8</b>	<b>59</b>	<b>58</b>	<b>56</b>	<b>48</b>	<b>45</b>	<b>41</b>	<b>37.5</b>	<b>37.6</b>	<b>41.8</b>	<b>44.9</b>			
<b>ANNUAL % CHANGE</b>	<b>19%</b>	<b>-2%</b>	<b>-5%</b>	<b>-10%</b>	<b>-13%</b>	<b>-10%</b>	<b>-13%</b>	<b>-2%</b>	<b>9%</b>	<b>12%</b>	<b>13%</b>	<b>2%</b>	<b>-5%</b>	<b>-16%</b>	<b>-9%</b>	<b>-10%</b>	<b>-12%</b>	<b>0%</b>	<b>13%</b>	<b>10%</b>	<b>8%</b>	<b>-1%</b>	<b>-4%</b>	<b>-13%</b>	<b>-6%</b>	<b>-10%</b>	<b>-8%</b>	<b>1%</b>	<b>11%</b>	<b>9%</b>			
<b>% CHANGE SINCE MARKET LOW (2012)</b>					<b>7%</b>														<b>20%</b>														
<b>% CHANGE SINCE 2ND PEAK (2015)</b>					<b>-33%</b>														<b>-24%</b>														



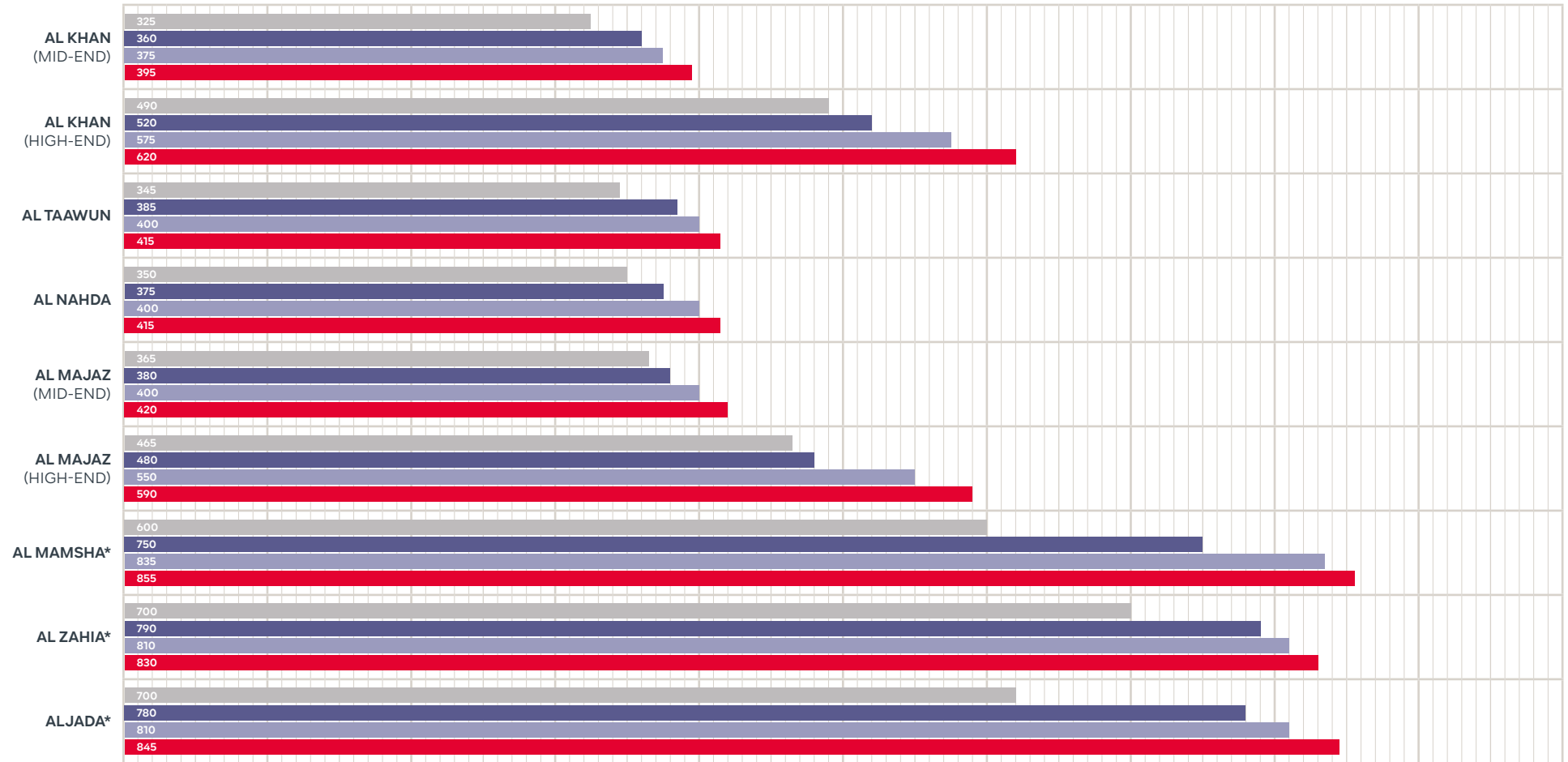


Sharjah

# Apartment Sales Prices

AED per sq.ft.

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



● 2020 ● 2021 ● 2022 ● 2023 \*Leasehold ownership (up to 100 years) for all nationalities



Sharjah

# Office Rental Rates

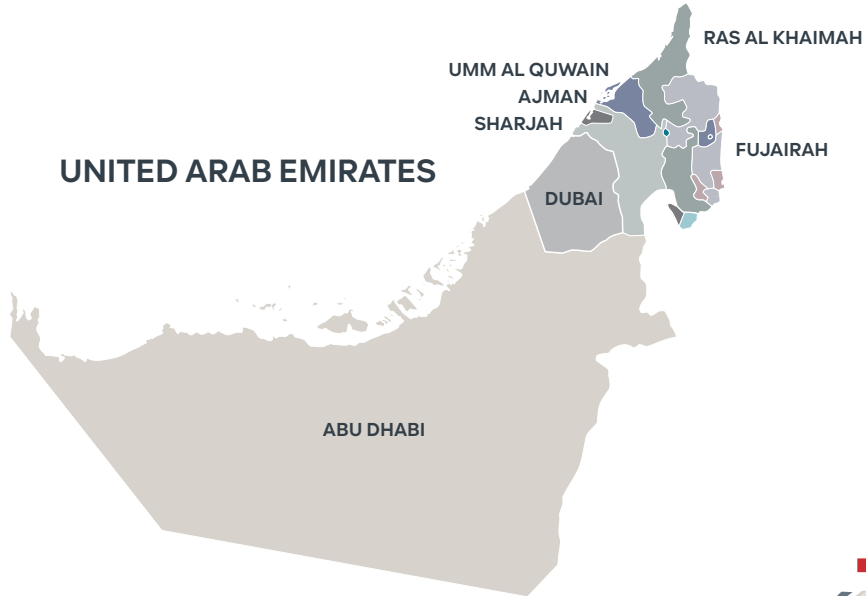
(All figures in AED per sq.ft. p.a.)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AL TAAWUN ROAD	48	48	48	48	36	32	26.5	25	27.5	29
CORNICHE AREA	68	63	38	44	52	44	35.5	35	40	42.5
AL WAHDA	53	50	40	40	42	36	28.5	27.5	30	32.5
AL QASIMIA	43	43	43	45	40	34	25	25	27.5	29
CLOCK R/A	45	45	45	43	42	37	28.5	27.5	30	31.5
AL YARMOOK	40	40	40	40	34	29	24	22.5	25	26.5
INDUSTRIAL AREA	50	45	44	38	37	31	24	22.5	25	27
<b>SHARJAH AVERAGE</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>44</b>	<b>40</b>	<b>35</b>	<b>27.5</b>	<b>26.4</b>	<b>29</b>	<b>31.5</b>
<b>ANNUAL % CHANGE</b>						6%				
<b>% CHANGE SINCE MARKET LOW (2012)</b>						-35%				
<b>% CHANGE SINCE 2ND PEAK (2015)</b>						-36%				



# Northern Emirates

# Property Map



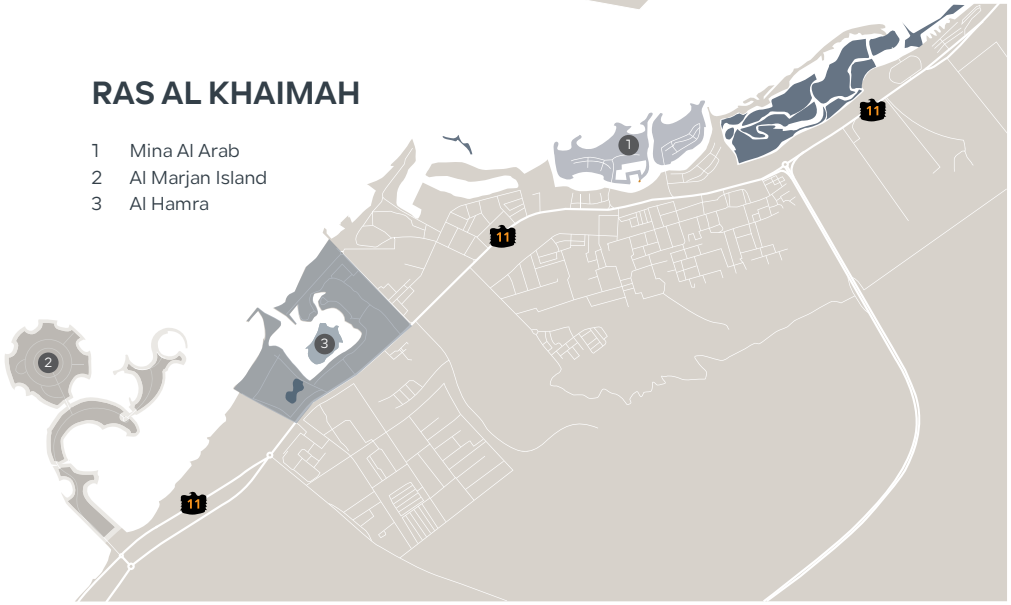
UNITED ARAB EMIRATES

ABU DHABI

UMM AL QUWAIN  
AJMAN  
SHARJAH  
RAS AL KHAIMAH  
FUJAIRAH  
DUBAI

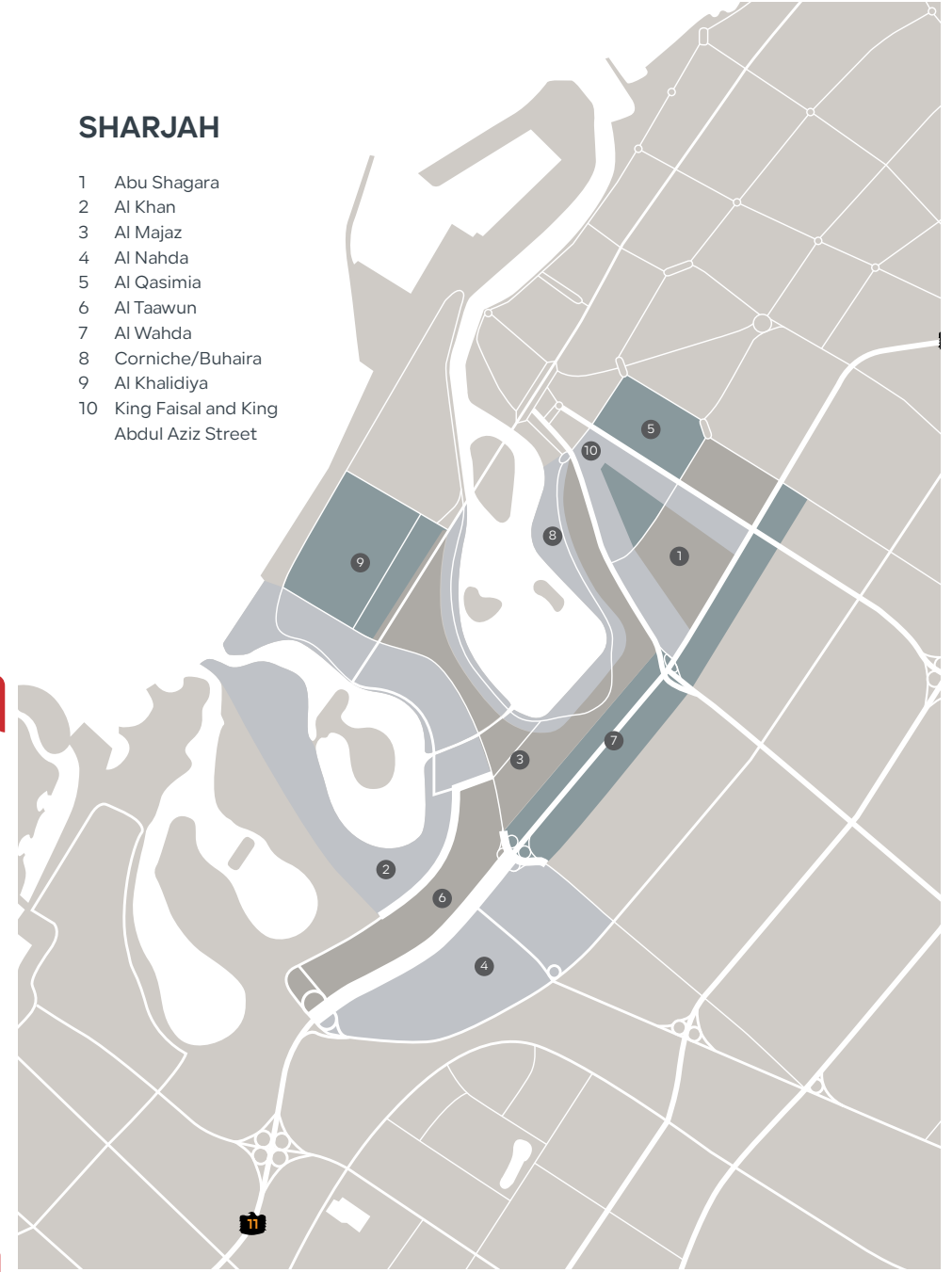
## RAS AL KHAIMAH

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



## 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.