

Property Review

Dubai Real Estate Report

Q1 2024



استيڤكو
zsteco



Dubai Market Overview

Supply*

The real estate market in Dubai has maintained a high level of activity over Q1 2024, with a steady flow of project launches. However, there has been a rise in competition for high-profile launches from Ras Al Khaimah (RAK), particularly centred on the debut of a 'casino', leading to an uptick in project announcements.

Dubai's Tier-1 developers maintained momentum by introducing new phases within established mega projects. Tier-2 developers, both established and emerging players, also contributed significantly to the landscape with an array of noteworthy launches.

Asteco's records reveal the delivery of over 10,000 residential units in Q1 2024, comprising 7,300 apartments and 2,750 villas. This represents a significant acceleration compared to the previous quarter and sets a promising trajectory for the year ahead. Looking forward, an additional 30,000 units are anticipated to enter the market by the end of 2024.

The office sector, which has been somewhat overlooked in recent years, has proven particularly buoyant. Robust economic conditions, propelled by government initiatives, have led to heightened demand for office space from both established businesses and newcomers. With a scarcity of new stock delivered in recent years, landlords have benefited from favourable conditions, including rising rents and falling vacancies. Whilst these conditions are expected to stimulate development activity in the sector, the development pipeline will require time to mature. As such, fulfilling requirements, particularly for larger Grade A office space, is likely to pose increasing challenges over the medium term.

Rental Rates

Supply and demand dynamics, alongside market sentiment, play a pivotal role in shaping rental growth in the Dubai real estate market. The discourse surrounding an 'undersupply' scenario has been prominent in media discussions, highlighting concerns about the market's ability to accommodate the expanding population. This is a view not shared by Asteco.

Renewals (in terms of volume) increased by 5% quarter-on-quarter and 12% year-on-year, with numerous tenants consenting to above-average rental hikes. This reflects their desire to uphold positive landlord relations and circumvent the risks, costs and inconveniences associated with relocating, potentially settling for similar properties at even higher rates.

However, this trend may see a reversal following the update of the RERA rental calculator (as of March 2014). The revised calculator now provides a more accurate reflection of open-market pricing, enabling landlords to implement significant rent hikes at a time when market rates are finally starting to ease.

Going forward, we anticipate a rise in tenant movement for several reasons:

- The gradual easing of upward rental movement.
- The updated RERA rental calculator allowing for potential increases in existing rates.
- An increase in supply from additional units being delivered to the market, from the execution of notices served in 2023, and from existing tenants transitioning to homeownership.

The government implemented additional measures to enhance transparency and bolster confidence in the market. Alongside the update of the RERA rental calculator, the DLD Real Estate Regulation Agency mandated the removal of all fraudulent listings within three days, under penalty of fines (February 2024). Asteco's long-standing assertion regarding the disparity between real estate listings and actual transactions was arguably affirmed by this announcement.

In general, rental rate growth has proven a mixed bag over the last 3 months. Whilst average apartment and villa rental rates have more or less remained unchanged, rental rate growth has varied across different communities. Annually, growth rates have slowed to single digits, with villas at 6% and apartments close to that at 10%.

Office rental rates continued to rise, particularly within the Grade A sector, due to increased demand amidst limited supply. This demand is anticipated to persist until new supply enters the market or business conditions shift.

Dubai's economy remains resilient amidst global challenges. The Emirate's commitment to enhancing the quality of life and attracting skilled professionals, alongside its strong economic performance, will continue to attract a substantial number of expatriates.

* 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.

Dubai

Market Overview

Sales Prices

Despite experiencing robust annual growth rates, transactional evidence suggests that the secondary market is gradually transitioning towards more sustainable levels of activity. Similar to the leasing market, average sales prices for both apartments and villas remained relatively stable throughout Q1 2024, with some variations observed at the community level. Annual growth rates stood at 6% for apartments and 8% for villas, respectively.

The new year also witnessed a gradual change in buyer preferences, with apartments in established communities such as Jumeirah Village Circle (JVC), Business Bay, Dubai Marina and Downtown Dubai gaining increased traction. Apartments typically yield higher Return on Investment (ROI) compared to villas, which are favored by end-users. This is attributed to factors such as lower initial investment costs, greater rental demand, higher occupancy rates and shorter vacancy periods.

The off-plan market remained prominent in terms of both value and volume of transactions. Preferred locations included Jumeirah Village Circle (JVC), Dubai Maritime City/Mina Zayed, Business Bay and Arjan.

The government continues to apply measures to enhance market confidence. A recent instance is the elimination of minimum real estate equity prerequisites for Golden Visa applications. Although the minimum purchase price (AED 2 million) remains unaffected, the new norm abolishes the AED 1 million equity condition, thus widening the investor base. This declaration is anticipated to reignite interest in the real estate sector, highlighting the UAE's proactive stance towards stimulating growth.

Luxury property sales continued to make headlines, as developers compete to unveil the next ultra-luxury unit or development. Whilst luxury sales are expected to persist, concerns arise regarding the potential long-term implications of the ever-expanding supply of luxury real estate on its value.



Dubai Supply ↗

	Completed in 2023	Completed in Q1 2024	Projected END OF 2024
 APARTMENTS No. of units	27,450	7,300	26,300
 VILLAS No. of units	7,500	2,750	6,000
 OFFICES Million sq.ft.	0.65	0	1



Dubai

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
HIGH- TO LUXURY-END										
DIFC	65	100	90	150	120	240	180	300	0%	8%
DOWNTOWN DUBAI	55	95	75	170	110	260	160	380	-3%	10%
PALM JUMEIRAH	75	130	110	220	140	300	180	400	0%	14%
SHEIKH ZAYED ROAD	55	65	60	135	80	195	100	220	-3%	1%
MID- TO HIGH-END										
BUSINESS BAY	45	95	60	130	85	200	130	230	-2%	6%
DUBAI MARINA	50	110	60	165	85	230	120	300	-1%	7%
JUMEIRAH BEACH RESIDENCE	70	100	90	160	115	180	150	230	-1%	6%
JUMEIRAH LAKES TOWERS	40	70	50	120	75	160	120	200	0%	10%
THE GREENS & THE VIEWS	40	65	60	120	100	180	140	220	-3%	5%
AFFORDABLE										
DEIRA	20	45	37.5	80	50	120	80	140	0%	6%
DISCOVERY GARDENS	32.5	45	45	70	70	85	-	-	0%	10%
DUBAI SPORTS CITY	30	50	40	75	55	90	80	110	-2%	6%
INTERNATIONAL CITY	20	40	30	55	40	70	60	100	-3%	9%
JUMEIRAH VILLAGE	30	75	40	95	60	145	90	180	3%	16%





Dubai

Apartment Sales Prices

(All figures in AED per sq.ft.)

0 1,000 2,000 3,000 4,000 5,000 **% CHANGE**
 Q4 2023 - Q1 2024 Q1 2023 - Q1 2024

HIGH- TO LUXURY-END

DIFC	1,200	3,300	△ 1%	△ 11%
DOWNTOWN DUBAI	1,025	4,250	△ 1%	△ 10%
DUBAI HILLS ESTATE	1,250	2,500	△ 1%	△ 8%
PALM JUMEIRAH	1,150	5,000	△ 2%	△ 13%

MID- TO HIGH-END

BUSINESS BAY	850	2,700	○ 0%	△ 7%
DUBAI MARINA	700	3,600	○ 0%	△ 8%
JUMEIRAH BEACH RESIDENCE	1,050	2,850	△ 2%	△ 10%
JUMEIRAH LAKES TOWERS	675	2,100	○ 0%	△ 8%
THE GREENS & THE VIEWS	1,050	2,000	△ 3%	△ 11%

AFFORDABLE

DISCOVERY GARDENS	450	900	○ 0%	△ 8%
DUBAI SPORTS CITY	450	1,175	○ 0%	△ 7%
INTERNATIONAL CITY	375	1,000	△ 2%	△ 6%
JUMEIRAH VILLAGE	450	1,825	△ 3%	△ 13%

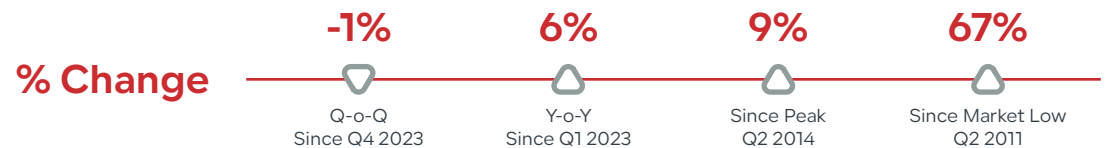




Dubai Villa Rental Rates

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

	2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
ARABIAN RANCHES	135	200	170	330	240	400	350	500	-1%	2%
DAMAC HILLS 2 (AKOYA OXYGEN)	70	90	55	120	65	125	100	140	0%	4%
DUBAI HILLS ESTATE	-	-	200	400	230	450	275	550	1%	2%
JUMEIRAH / UMM SUQEIM	-	-	160	300	175	375	210	550	-3%	4%
JUMEIRAH PARK	-	-	250	350	250	450	375	550	-3%	4%
JUMEIRAH VILLAGE	120	200	130	210	140	220	175	275	0%	5%
THE MEADOWS	-	-	270	400	325	425	350	650	1%	9%
MIRDIF	55	95	75	150	100	180	120	200	-3%	-1%
PALM JUMEIRAH	-	-	350	700	400	900	650	1,200	-2%	6%
THE SPRINGS	100	180	170	260	-	-	-	-	0%	3%
THE LAKES	-	-	240	360	275	450	350	550	0%	9%
TOWN SQUARE	-	-	120	160	150	180	-	-	-3%	0%





Dubai Villa Sales Prices [↗](#)

(All figures in AED per sq.ft.)

	0 1,000 2,000 3,000 4,000 5,000 6,000 7,000 8,000								% CHANGE	
									Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
ARABIAN RANCHES	1,250 — 2,400								△ 1%	△ 10%
DAMAC HILLS 2 (AKOYA OXYGEN)	550 — 1,050								○ 0%	△ 3%
DUBAI HILLS ESTATE	1,600 — 4,000								△ 2%	△ 15%
JUMEIRAH PARK	1,300 — 2,300								△ 3%	△ 15%
JUMEIRAH VILLAGE	450 — 1,350								△ 3%	△ 6%
THE MEADOWS	1,700 — 2,300								△ 3%	△ 20%
PALM JUMEIRAH	2,250 — 7,800								△ 2%	△ 7%
THE SPRINGS	1,250 — 1,850								△ 2%	△ 7%
THE LAKES	1,625 — 2,500								△ 3%	△ 15%
TOWN SQUARE	875 — 1,100								○ 0%	△ 8%



% Change





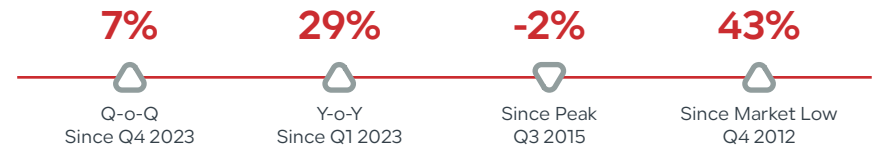
Dubai Office Rental Rates [↗](#)

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
BARSHA HEIGHTS (TECOM)	70	140	13%	38%
BUR DUBAI	60	120	7%	19%
BUSINESS BAY	70	200	11%	43%
DIFC	140	350	9%	22%
JUMEIRAH LAKES TOWERS	65	145	12%	46%
SHEIKH ZAYED ROAD	80	260	9%	28%



% Change

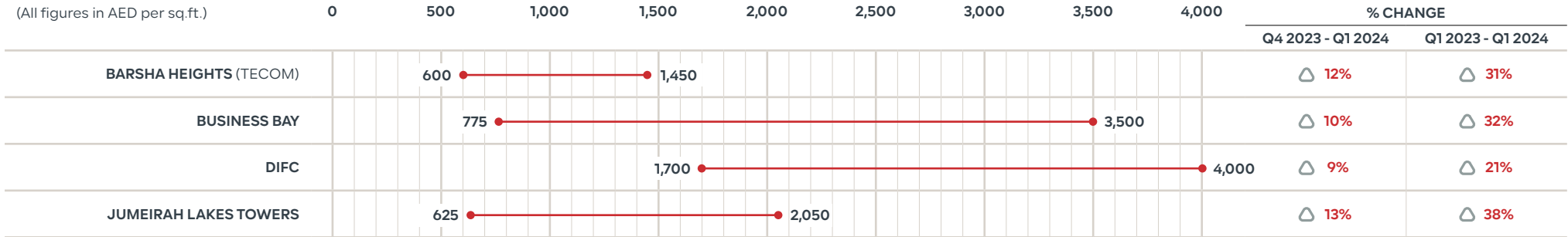




Dubai

Office Sales Prices

(All figures in AED per sq.ft.)

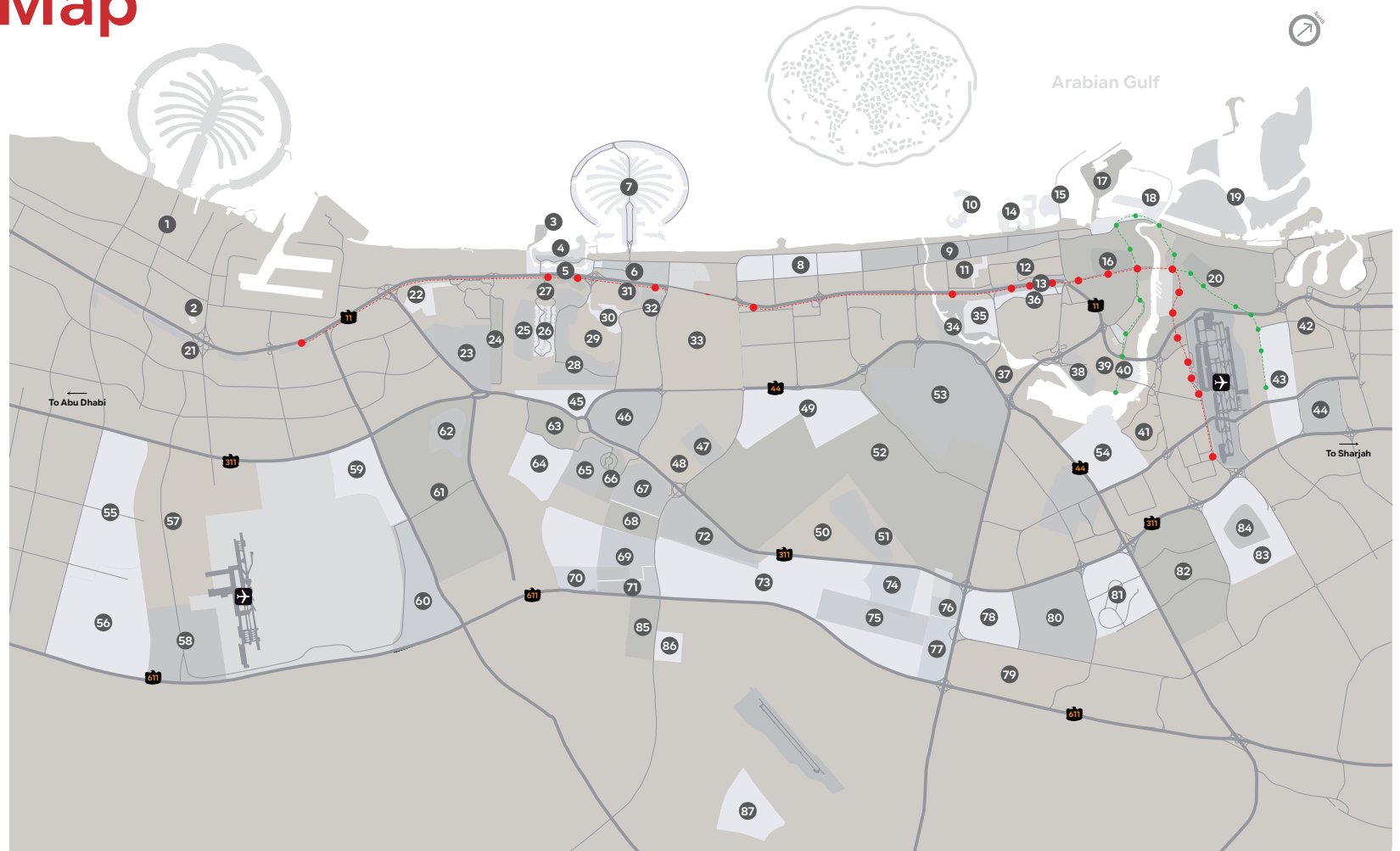


% Change



Dubai Property Map

- 1 Veneto
- 2 Badrah
- 3 Bluewater Island
- 4 Jumeirah Beach Residence
- 5 Dubai Marina
- 6 Dubai Internet City, Dubai Media City & Dubai Knowledge Park
- 7 Palm Jumeirah
- 8 Umm Suqeim
- 9 Jumeirah
- 10 Jumeirah Bay
- 11 City Walk
- 12 Al Satwa
- 13 Sheikh Zayed Road
- 14 La Mer
- 15 Pearl Jumeirah
- 16 Bur Dubai
- 17 Dubai Maritime City
- 18 Port Rashid
- 19 Dubai Islands
- 20 Deira
- 21 Downtown Jebel Ali
- 22 Wasl Gate
- 23 Al Furjan
- 24 Discovery Gardens
- 25 Jumeirah Park
- 26 Jumeirah Islands
- 27 Jumeirah Lakes Towers
- 28 The Springs / The Meadows
- 29 Emirates Hills
- 30 The Lakes
- 31 The Greens
- 32 Barsha Heights (Tecom)
- 33 Al Barsha
- 34 Business Bay
- 35 Downtown Dubai
- 36 DIFC
- 37 Dubai Design District
- 38 Dubai Healthcare City - Phase 2
- 39 Al Jaddaf
- 40 Jaddaf Waterfront (Culture Village)



- 41 Dubai Festival City
- 42 Al Nahda
- 43 Al Qusais
- 44 Muhaisnah
- 45 Jumeirah Village Triangle
- 46 Jumeirah Village Circle
- 47 Dubai Science Park
- 48 Arjan
- 49 Dubai Hills Estate
- 50 Living Legends
- 51 Al Barari
- 52 Mohammed Bin Rashid City (MBR City)
- 53 Meydan
- 54 Dubai Creek Harbour
- 55 Commercial District
- 56 Golf District
- 57 Logistics District
- 58 Aviation District
- 59 Expo 2020
- 60 Residential District
- 61 Dubai Investment Park
- 62 Green Community
- 63 Dubai Production City (IMPZ)
- 64 Jumeirah Golf Estates
- 65 Victory Heights
- 66 Dubai Sports City
- 67 Motor City
- 68 Dubai Studio City
- 69 Damac Hills
- 70 Remraam
- 71 Mudon
- 72 Arabian Ranches
- 73 Dubailand
- 74 Falcon City of Wonders
- 75 The Villa
- 76 Liwan
- 77 DubaiLand Residence Complex
- 78 Dubai Silicon Oasis
- 79 Dubai Academic City
- 80 International City Phase 2 & 3
- 81 International City
- 82 Al Warqaa
- 83 Mirdif
- 84 Uptown Mirdif
- 85 Town Square
- 86 Mira
- 87 Damac Hills 2

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.