

Property Review

Dubai Real Estate Report

Q2 2024



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zsteco



Market Overview

Supply*

The pace of new supply delivery decelerated over the quarter compared to Q1 2024, with approximately 6,750 residential units completed. Despite developer efforts to finish projects on or ahead of schedule, progress is frequently constrained by supply chain disruptions, particularly in materials and labour. Nonetheless, several Tier-1 and Tier-2 developers have earned reputations for consistent and timely project delivery, facilitated by their finely tuned development programmes and longstanding supply contracts that allow them to meet their obligations on time.

Project launches, however, continued at a robust pace, encompassing a wide array of developments from single low-rise buildings and skyscrapers to expansive master-planned communities.

Emaar unveiled the Heights Country Club and Wellness, an 81 million sqft community designed to foster an environment of health and well-being. No further details had been announced at the time of drafting the report.

Aldar, following the sell-out success of the first two phases of Haven (786 villas and townhouses), expanded its presence in Dubai with the successful launch of Athlon, an 'active living' community featuring 1,492 townhouses and villas. Additionally, they launched Verdes by Haven, their first apartment offering, which includes 1,050 one-, two- and three-bedroom units.

Complementing these developments, the government continues to announce significant investments in social and physical infrastructure in alignment with the Dubai 2040 Urban Master Plan. Notable projects include the expansion of Al Maktoum International Airport, the Dubai Metro Blue Line, the Dubai Mall expansion, the Jebel Ali Beach Development Project and the Dubai Green Spine project.

Looking ahead, we anticipate the delivery of an additional 25,000 residential units in the second half of 2024, though some may be delayed until 2025.

Rental Rates

Apartment and villa rental rates recorded a moderate rise from Q1 2024, with quarterly increases of 3% and 2%, respectively. This uptick is primarily attributed to the revised RERA rental index, which permits landlords to implement larger rent increases upon lease renewal. Consequently, tenants who are unwilling or unable to accept these higher rates may be compelled to seek alternative accommodation.

Annual rental growth moderated to single digits, with apartments seeing an 8% increase and villas 4%, reinforcing Asteco's view of growing moderation in rental rate appreciation. Luxury and niche developments aside, the upper end of the market experienced a slowdown in rental growth. In contrast, the pursuit of affordability has driven more pronounced rental increases and activity in the lower and mid-end segments. This trend benefited affordable communities within Dubai, such as Emaar South, Damac Hills 2 and Town Square, as well as the Northern Emirates, which offer lower rents and attract tenants with their growing supply of quality developments, improved infrastructure and enhanced accessibility. The flexibility of hybrid working arrangements has further facilitated this migration.

Established communities, such as Green Community, Cedre Villas and Victory Heights, saw limited rental change, primarily due to low tenant turnover and an increasing number of owner-occupied units.

The office rental market continued to thrive, particularly for Grade A space, driven by robust demand and limited supply. The upward pressure on rents is expected to persist until new supply enters the market or business conditions change.

Whilst Dubai's strong economy and attractive lifestyle continue to draw expatriates, the rising cost of living presents a challenge. Although the government actively seeks to attract foreign investment and talent, ensuring affordability is crucial for transforming short-term residents into long-term community contributors.

Sales Prices

The sales market in Dubai remained buoyant, driven by ongoing project launches that fuel off-plan transactional activity. Whilst Q2 2024 recorded a steady 2% growth in average sales prices, several areas, including Jumeirah Village and Business Bay, experienced above-average sales price growth. In addition to the general increase in demand, this can be attributed in part to a significant rise in both off-plan launches and newly completed developments. These new projects often feature superior quality compared to earlier ones in these areas and are priced accordingly.

The off-plan property market continued to maintain remarkable momentum, with both local and international investors eagerly acquiring newly launched units, attracted by the promise of strong returns on investment in a tax-friendly environment. However, it is worth noting a rise in the number of developers offering sales incentives, such as lower down payments, flexible and/or extended payment plans and promotional gifts.

Additionally, some lenders started offering enhanced financing options for off-plan properties, allowing buyers to secure up to 10% additional financing during the construction phase, supplementing the standard mortgage amount due upon completion. This additional funding is typically available for projects with at least 50% construction progress, ensuring a degree of risk mitigation for the lender. This move not only stimulates the off-plan market but also broadens accessibility to potential buyers.

For instance, consider a property with a 60/40 payment plan:

PAYMENT STAGE	TRADITIONAL OPTION	NEW OPTION
DURING CONSTRUCTION	60%	50%
BANK CONTRIBUTION	n/a	10%
ON HANDOVER	40%	40%

These incentives often foreshadow a potential market shift on the horizon. However, Asteco anticipates that any natural progression through the real estate cycle will be less pronounced than those witnessed in Dubai's past. The market's underlying fundamentals remain strong, supported by high levels of equity in the real estate market, continued economic growth, infrastructure development and a growing population.

* 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 Supply

	Completed in Q1 2024	Completed in Q2 2024	Projected END OF 2024
 APARTMENTS No. of units	7,300	5,600	20,000
 VILLAS No. of units	2,750	1,175	5,000
 OFFICES Million sq.ft.	0	0.37	0.35



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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
HIGH- TO LUXURY-END										
DIFC	70	100	90	160	140	260	200	300	5%	9%
DOWNTOWN DUBAI	57.5	95	75	180	110	270	160	400	4%	9%
PALM JUMEIRAH	75	130	110	240	140	330	200	450	1%	10%
SHEIKH ZAYED ROAD	55	70	60	140	80	160	100	220	-4%	-7%
MID- TO HIGH-END										
BUSINESS BAY	45	100	60	140	90	200	140	240	8%	10%
DUBAI MARINA	50	110	60	150	85	230	130	300	-1%	2%
JUMEIRAH BEACH RESIDENCE	70	100	85	160	100	180	145	250	1%	2%
JUMEIRAH LAKES TOWERS	40	75	55	140	80	180	120	200	4%	10%
THE GREENS & THE VIEWS	45	70	60	120	100	170	140	200	0%	0%
AFFORDABLE										
DEIRA	20	55	37.5	80	60	120	85	150	3%	6%
DISCOVERY GARDENS	35	50	50	75	70	90	-	-	2%	6%
DUBAI SPORTS CITY	30	55	40	80	60	100	85	125	2%	4%
INTERNATIONAL CITY	20	45	35	60	45	80	55	95	1%	4%
JUMEIRAH VILLAGE	30	75	40	105	70	150	90	200	7%	18%





Dubai

Apartment Sales Prices

(All figures in AED per sq.ft.)

0 1,000 2,000 3,000 4,000 5,000 6,000

% CHANGE

Q1 2024 - Q2 2024 Q2 2023 - Q2 2024

HIGH- TO LUXURY-END

DIFC	1,300	3,500	△ 4%	△ 11%
DOWNTOWN DUBAI	1,050	4,500	△ 3%	△ 10%
DUBAI HILLS ESTATE	1,250	2,750	△ 1%	△ 5%
PALM JUMEIRAH	1,150	5,500	△ 4%	△ 13%

MID- TO HIGH-END

BUSINESS BAY	850	2,800	△ 6%	△ 10%
DUBAI MARINA	700	4,200	△ 3%	△ 8%
JUMEIRAH BEACH RESIDENCE	1,050	2,850	○ 0%	△ 7%
JUMEIRAH LAKES TOWERS	675	2,250	△ 4%	△ 8%
THE GREENS & THE VIEWS	1,050	2,000	△ 2%	△ 9%

AFFORDABLE

DISCOVERY GARDENS	450	950	△ 4%	△ 13%
DUBAI SPORTS CITY	450	1,250	△ 3%	△ 10%
INTERNATIONAL CITY	375	1,000	△ 3%	△ 9%
JUMEIRAH VILLAGE	475	1,850	△ 6%	△ 16%

% Change

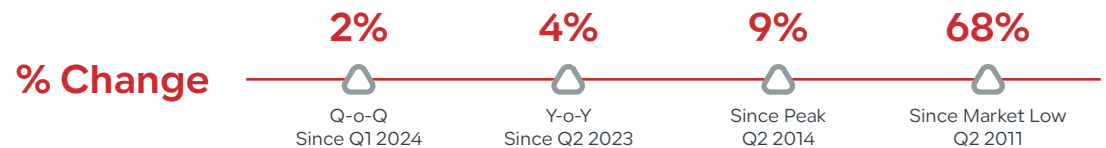




Dubai Villa Rental Rates

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

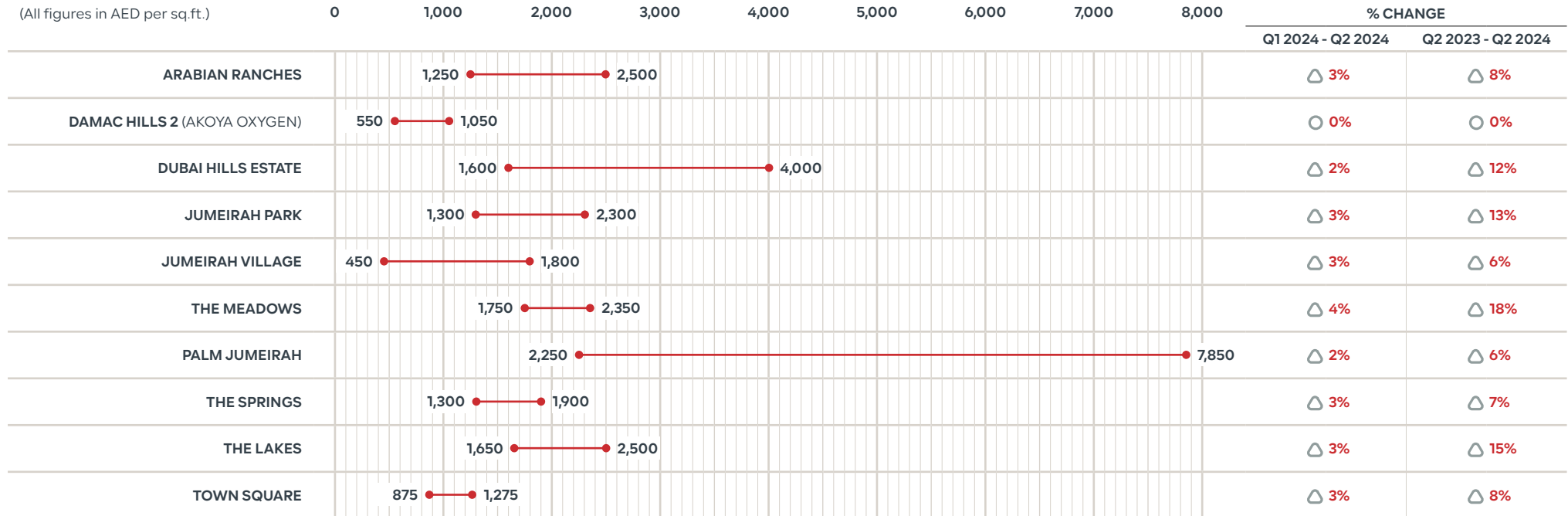
	2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
ARABIAN RANCHES	140	210	170	340	230	450	350	500	1%	0%
DAMAC HILLS 2 (AKOYA OXYGEN)	70	100	55	130	70	140	110	160	6%	11%
DUBAI HILLS ESTATE	-	-	200	400	250	500	300	600	6%	8%
JUMEIRAH / UMM SUQEIM	-	-	160	360	200	425	250	600	4%	4%
JUMEIRAH PARK	-	-	250	400	275	500	400	550	0%	0%
JUMEIRAH VILLAGE	120	220	130	230	140	240	160	260	1%	3%
THE MEADOWS	-	-	275	400	335	500	350	700	3%	7%
MIRDIF	60	120	75	150	100	200	125	225	0%	-3%
PALM JUMEIRAH	-	-	325	750	400	950	700	1,350	1%	1%
THE SPRINGS	100	200	170	280	-	-	-	-	3%	3%
THE LAKES	-	-	240	400	300	450	350	550	0%	4%
TOWN SQUARE	-	-	110	160	150	185	-	-	3%	0%





Dubai Villa Sales Prices [↗](#)

(All figures in AED per sq.ft.)



% Change





Dubai Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
BARSHA HEIGHTS (TECOM)	70	150	6%	41%
BUR DUBAI	60	140	0%	14%
BUSINESS BAY	75	225	5%	40%
DIFC	140	360	4%	21%
JUMEIRAH LAKES TOWERS	65	165	11%	50%
SHEIKH ZAYED ROAD	85	240	12%	33%



% Change

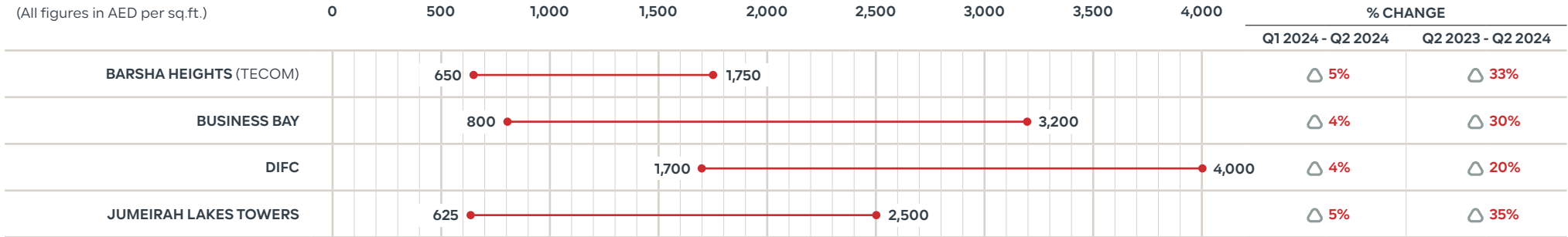




Dubai

Office Sales Prices

(All figures in AED per sq.ft.)

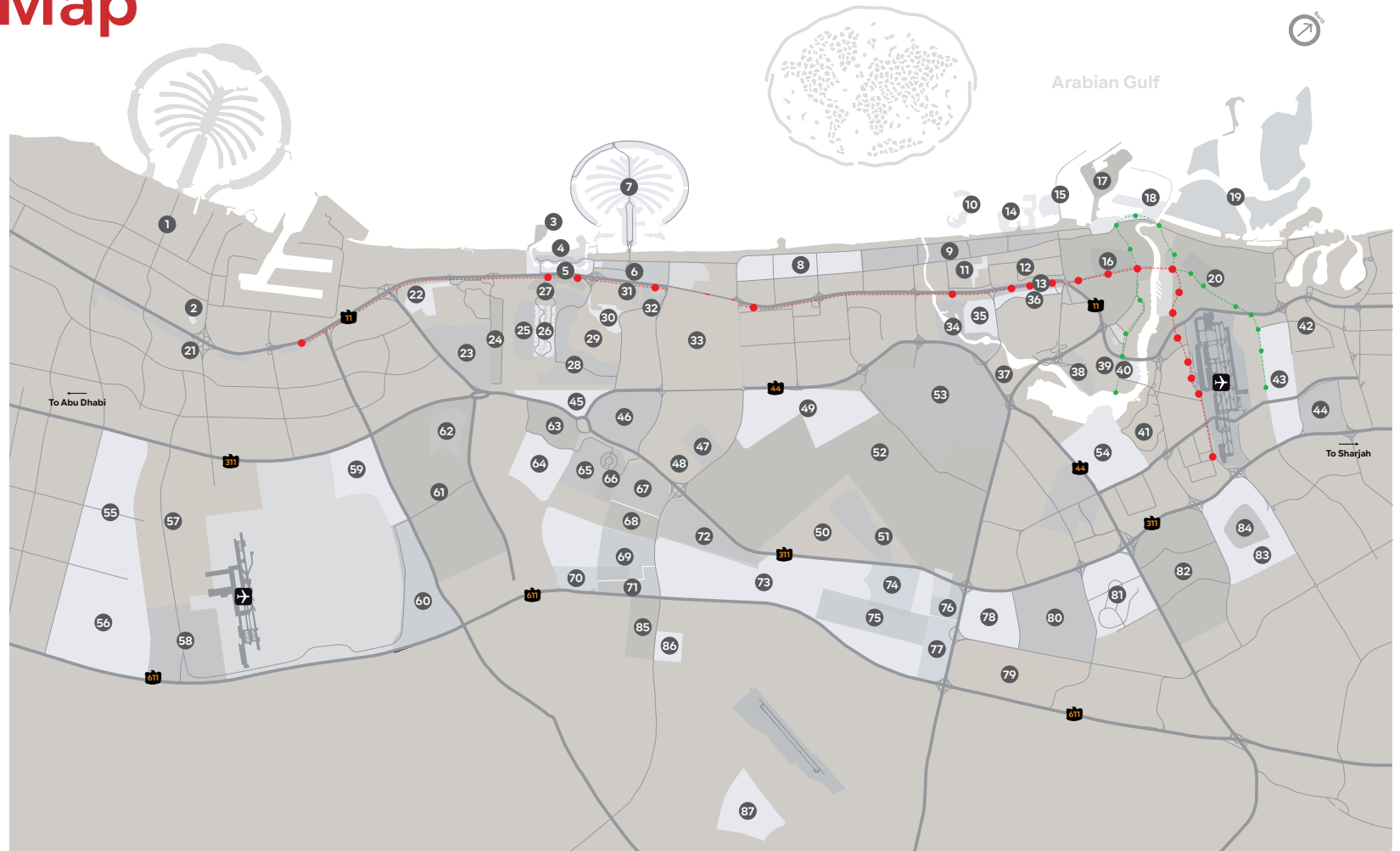


% Change



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

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.