

Property Review

# Abu Dhabi Real Estate Report

Q1 2024



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zsteco



# Market Overview

## Supply\*

Abu Dhabi recorded the completion of approximately 800 residential units during the first quarter of 2024 across various Investment Zones in the Emirate. A significant portion of these units were concentrated in Al Raha Beach.

Several notable projects were introduced during this period, including:

- Seville 5, featuring 410 units
- Nouran Living on Saadiyat Island, offering 372 units
- Manarat Living Phase 2 on Saadiyat Island, comprising 232 units
- Sama Yas on Yas Island, presenting 234 apartments
- Vista Del Mar on Yas Island, providing 90 units
- Ville 11 in Masdar City, with 111 units
- Marlin on Al Reem Island, showcasing 246 units

Of particular significance was the launch of Yas Canal, a new mega villa project situated within the Al Raha Beach area. Scheduled for completion in Q4 2027, the project aims to deliver 1,146 units exclusively for UAE nationals.

Numerous developments encompassing residential and mixed-use components are currently in the planning stage and are expected to be publicly launched throughout 2024. Simultaneously, several office developments are also in progress.

## Rental Rates

During the first quarter of 2024, the rental market for apartments and villas remained generally stable. However, prime and high-end developments experienced significant demand, leading to rental increases of 7% to 10% compared to the previous year, particularly for new contracts.

Key residential areas such as Al Raha Beach, Saadiyat Island and Yas Island maintained their status as premier communities in Abu Dhabi. Additionally, Al Reem Island witnessed increased demand for both high-end and mid-range properties, resulting in robust occupancy rates.

In contrast, lower-tier buildings, primarily located on Abu Dhabi Island, faced ongoing challenges due to the emergence of superior alternatives in the market. This trend has diminished the demand for properties with lower-quality specifications.

The upward trend in rental rates for high-quality office space observed since 2023 persisted in Q1 2024. Select developments experienced increases ranging from 5% to 7%, influenced by factors such as unit size and payment terms. These adjustments primarily affected new lease agreements or situations where existing rents no longer reflected prevailing market rates.

The limited availability of premium office space in Abu Dhabi, coupled with increasing demand from expanding businesses driven by government efforts to attract foreign investment, has contributed to the surge in rental rates.

## Sales Prices

The residential real estate sector in Abu Dhabi witnessed a significant increase in transactions during the first quarter of 2024. Approximately 2,660 deals were recorded for apartments and villas, marking a 2.7% increase from the preceding quarter and a notable 17% rise compared to the same period last year.

Off-plan sales constituted a substantial portion of these transactions, accounting for about 1,840 deals, or approximately 69% of the total. This represented a 2% growth from the previous quarter. Meanwhile, transactions for completed properties increased by 5%, with approximately 820 transactions recorded during Q1 2024. Apartment sales comprised approximately 73% of the total off-plan and nearly 78% of completed property transactions during this period.

Whilst average apartment sales prices across the market remained relatively unchanged, there was a notable surge observed within specific developments, particularly in the upper and luxury segments located on Yas and Saadiyat Islands.

Average villa sales prices experienced modest increases, ranging between 1% and 3% on a quarterly basis. However, year-on-year growth was more substantial, reaching 10% to 15%. The most significant surge was recorded in prime villa communities, notably those situated on Yas and Saadiyat Islands.

Demand for off-plan developments remained robust, with considerable interest from foreign investors. The residential sales market shows promising signs of growth in the foreseeable future, with a gradual upward trajectory anticipated in the coming months.



\* 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 Supply ↗

	Completed in 2023	Completed in Q1 2024	Projected END OF 2024
 <b>APARTMENTS</b> No. of units	<b>5,600</b>	<b>800</b>	<b>3,800</b>
 <b>VILLAS</b> No. of units	<b>900</b>	<b>50</b>	<b>2,450</b>



Abu Dhabi

# 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
<b>PRIME PROPERTIES</b>											
ABU DHABI ISLAND		60	65	65	125	107	165	145	215	0%	3%
INVESTMENT AREA*		60	95	90	205	135	285	180	380	0%	10%
<b>HIGH-END PROPERTIES</b>											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	60	85	75	150	110	210	0%	4%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	145	0%	4%
	CORNICHE	50	55	55	75	85	115	120	155	0%	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	65	85	100	145	140	210	0%	3%
	MARINA SQUARE	40	45	50	75	75	120	110	160	0%	5%
	SAADIYAT BEACH RESIDENCES	-	-	70	80	110	140	145	175	0%	0%
	SHAMS ABU DHABI	40	55	50	80	78	125	110	170	0%	3%
	YAS ISLAND	47	55	65	80	105	135	160	195	1%	5%
<b>MID-END PROPERTIES</b>											
ABU DHABI ISLAND		40	50	50	52	60	80	100	130	0%	0%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	80	110	145	150	0%	1%
	NAJMAT & TAMOUH	35	45	43	60	70	95	95	135	0%	3%
	SAADIYAT ISLAND	40	45	55	65	80	95	115	140	0%	4%
	SHAMS ABU DHABI	40	45	45	60	65	100	100	135	0%	5%
	YAS ISLAND	42	45	50	55	75	85	115	130	0%	4%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	40	42	75	60	115	120	130	0%	1%
<b>LOW-END PROPERTIES</b>											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	30	45	50	65	65	80	0%	-1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	100	0%	2%
	CORNICHE	30	35	42	50	55	60	68	80	0%	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	80	90	0%	1%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%	0%



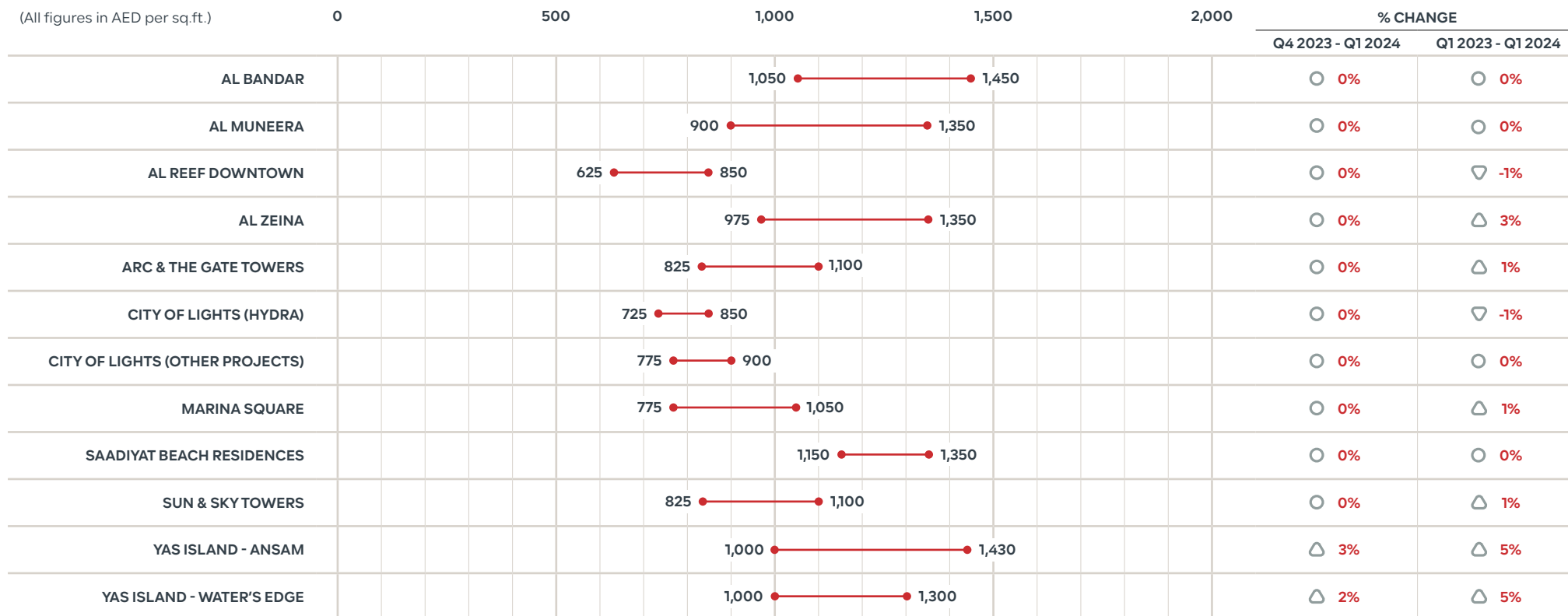
\* Includes Mamsha Al Saadiyat Development



Abu Dhabi

# Apartment Sales Prices

(All figures in AED per sq.ft.)







Abu Dhabi

# 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
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	160	155	200	180	240	0%	2%
	AL NAHYAN CAMP / AL MUROOR	-	-	145	160	160	170	170	180	0%	4%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	150	180	185	230	0%	5%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	250	280	280	330	0%	7%
	AL REEF	75	80	95	105	130	140	150	155	0%	2%
	HIDD AL SAADIYAT	-	-	-	-	390	500	450	750	0%	5%
	HYDRA VILLAGE	50	60	60	65	-	-	-	-	0%	1%
	LULUAT AL RAHA	-	-	-	-	295	310	350	370	0%	2%
	SAADIYAT BEACH VILLAS	-	-	295	330	350	430	455	690	0%	2%
	WEST YAS	-	-	-	-	260	300	300	350	1%	9%
	YAS ACRES	175	200	200	265	260	340	335	410	0%	5%
OFF ISLAND	AL RAHA GARDENS	-	-	135	165	150	190	200	240	0%	1%
	GOLF GARDENS	-	-	180	210	210	265	250	380	0%	1%
	KHALIFA CITY	-	-	105	115	125	150	135	180	0%	9%
	MBZ CITY	-	-	105	115	110	130	120	160	0%	3%

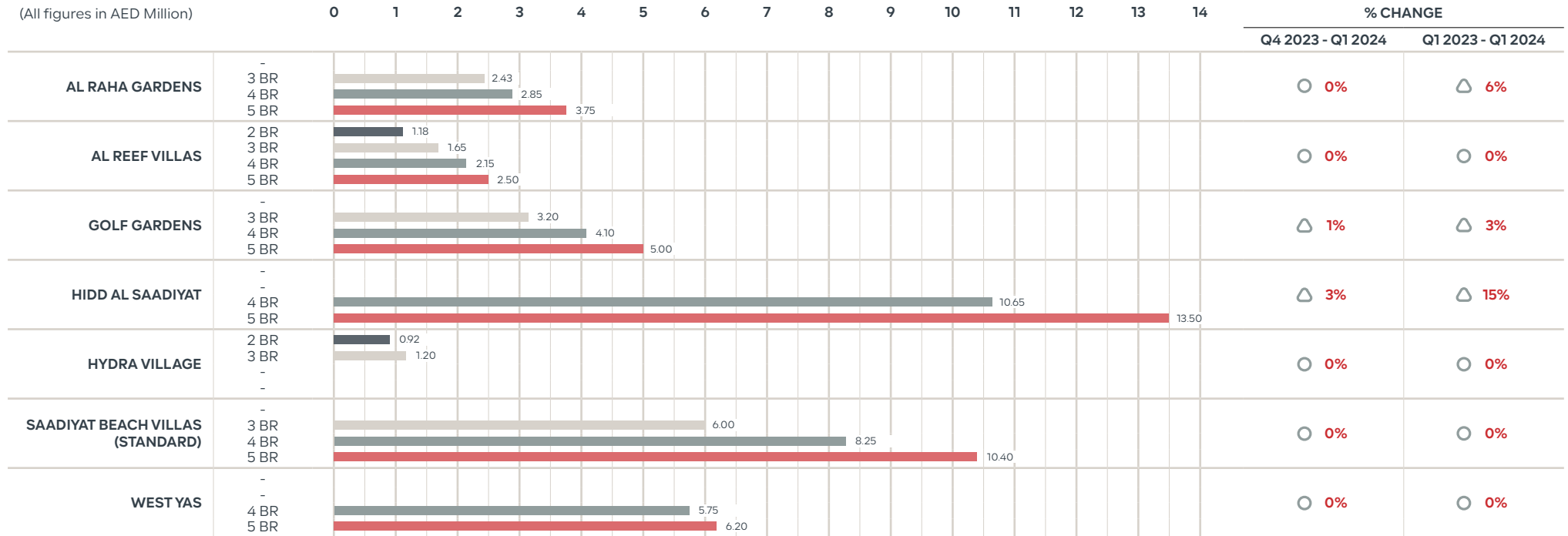




Abu Dhabi

# Villa Sales Prices

(All figures in AED Million)



## % Change



\* Includes Al Raha Gardens, Golf Gardens & Al Reef Villas only. Later averages are reflective of an increase in new developments of higher quality.



Abu Dhabi

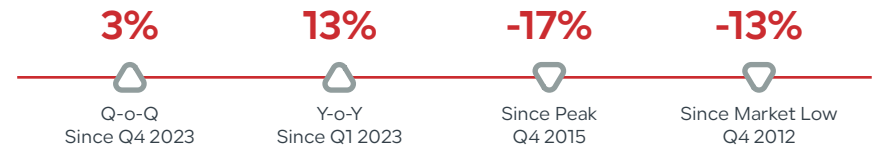
# Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
<b>PRIME STOCK</b>				
FITTED*	1,500	2,600	6%	13%
<b>QUALITY STOCK</b>				
FITTED	950	1,250	5%	8%
SHELL AND CORE	750	950	4%	7%
<b>OLDER STOCK</b>				
GOOD	650	820	3%	8%
TYPICAL BUILDING	550	650	0%	5%
LOW QUALITY BUILDING	425	450	0%	5%



**% Change**



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



# Abu Dhabi

## 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.