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Data Analytics

DUBAI & ABU DHABI REAL ESTATE MARKET OVERVIEW Q1 2023

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Market Overview

MACRO ECONOMIC

- The Central bank of UAE maintained their projection for the country's GDP growth for the year 2022 at 7.6%. As per the apex bank, the GDP growth forecast for 2023 and 2024 is estimated to be around 3.9% and 4.3%.
- The Central Bank reported that the non-oil GDP for the country grew by 6.6% in 2022 due to impressive growth in real estate, construction and manufacturing sector. The non-oil GDP for the years 2023 and 2024 are expected to grow by 4.2% and 4.6% respectively.
- The growth in oil-GDP of UAE in 2022 reached 10.1% and the central bank estimates the growth for the year 2023 and 2024 to be 3% and 3.5% respectively.
- As per the Central Bank CPI inflation grew 4.6% year over year in Q4 2022 and averaged at 4.8% throughout the year. Inflation is projected to be 3.2% in 2023 and 2.8% in 2024.
- Total number of tourists to Dubai reached 3.1 Million in the first two months of 2023, 42% higher in the same period last year.

Market Overview

REAL ESTATE MARKET

- The total volume of residential transactions reached over 29,300 in Q1 2023 after growing 6% compared to the previous quarter. Value of transactions in this quarter reached AED 71.7 Billion, increasing very slightly from the previous quarter.
- Around 10,200 new units were added to the market in this quarter out of which around 9,000 units are apartments and serviced apartments while the remaining 1,200 units are villas.
- Sales prices for apartments and villas in Dubai grew 5.7% and 5.1% respectively compared to the previous quarter which has been the fastest growth in sales prices since early 2021. Compared to the same period last year, sales prices for apartments and villas grew 12.4% and 14.8% respectively.
- Rental prices for villas in Dubai grew at an unprecedented rate of 6.7% compared to the previous quarter. Apartment rental prices grew at 6.2% compared to the previous quarter. Compared to the same period last year apartment and villa rentals grew 26.3% and 26.2% respectively.
- Over 15,000 new units were launched in this quarter under 56 new projects. Emaar Properties, Damac Properties and Binghatti Holdings were the top developers in terms of total units launched.

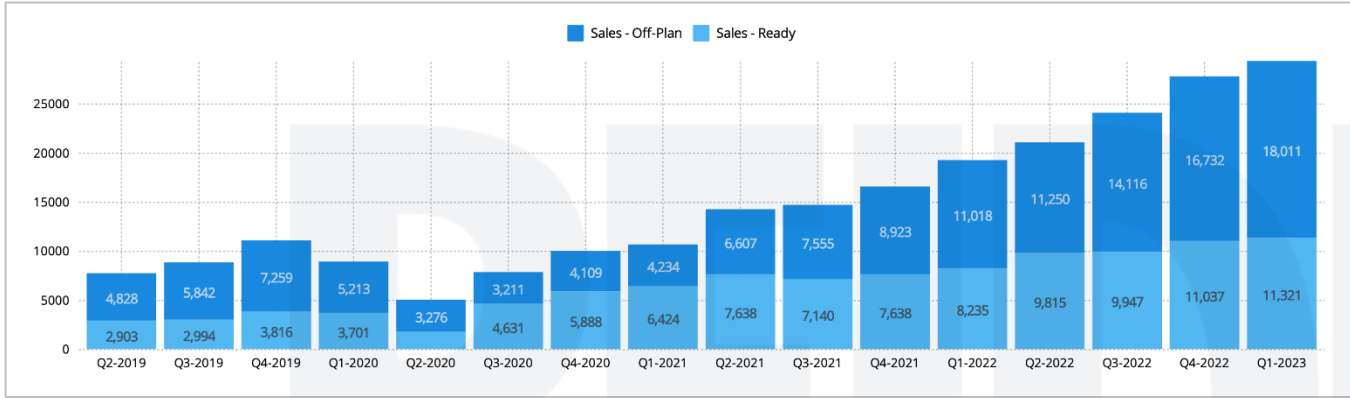
Dubai & Abu Dhabi Real Estate Market Overview Q1 2023

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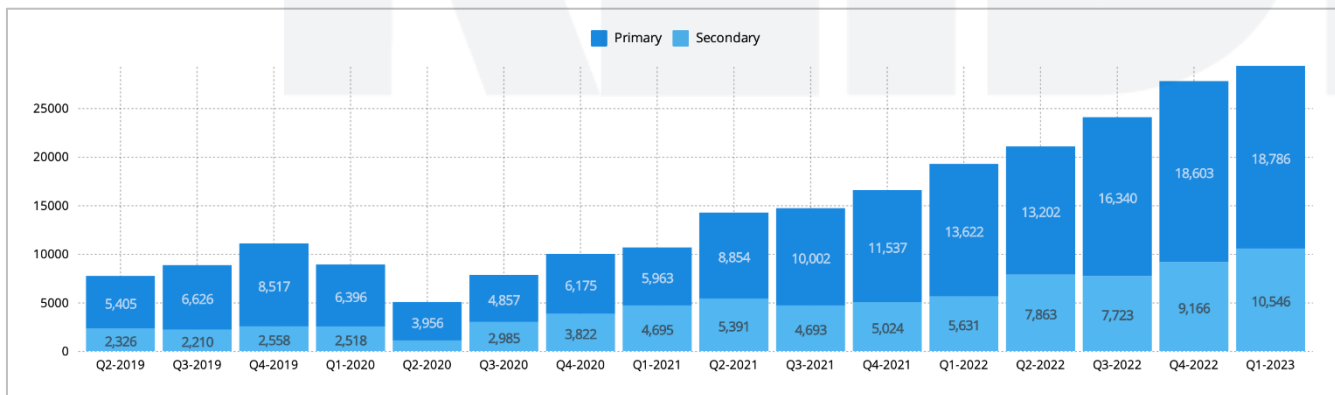


Residential Transaction Volume (Sales)

Quarterly Residential Transactions by Transaction Type



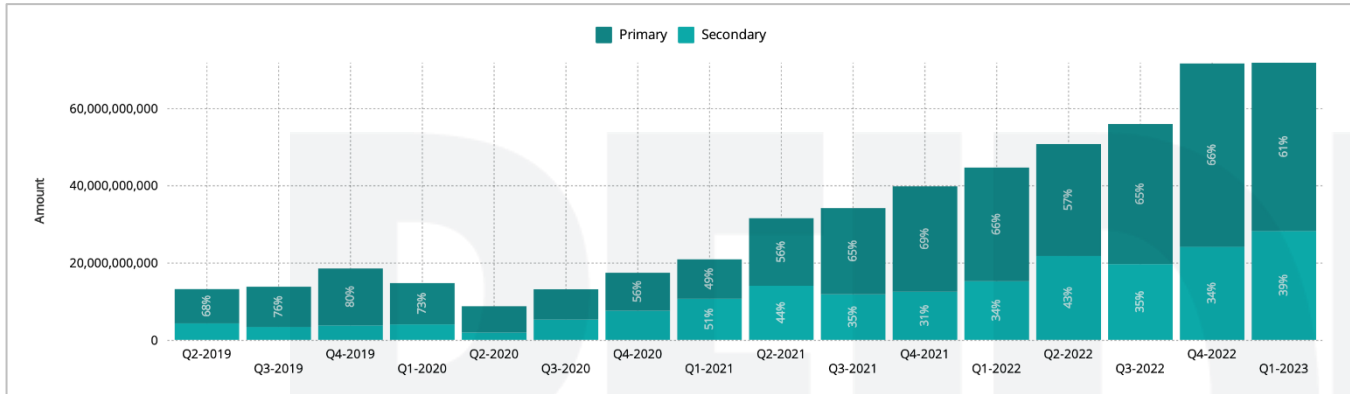
Quarterly Residential Transactions by Sales Sequence



- The overall residential transactions volume increased by 6% compared to the previous quarter. Off-plan residential transactions volume increased by 8% quarterly while secondary residential transactions volume increased by 3%.
- Compared to the same period last year overall residential transactions volume increased by 52% where off-plan transactions volume increased by 64% and secondary transactions volume increased by 37%.
- Primary sequence transactions volume increased by just 1% compared to the previous quarter while second sequence transactions volume jumped 15%. The annual increase in primary transactions volume was 38% while second sequence transactions jumped 87% during the same period.
- **According to updated transactions types in the villa development communities*

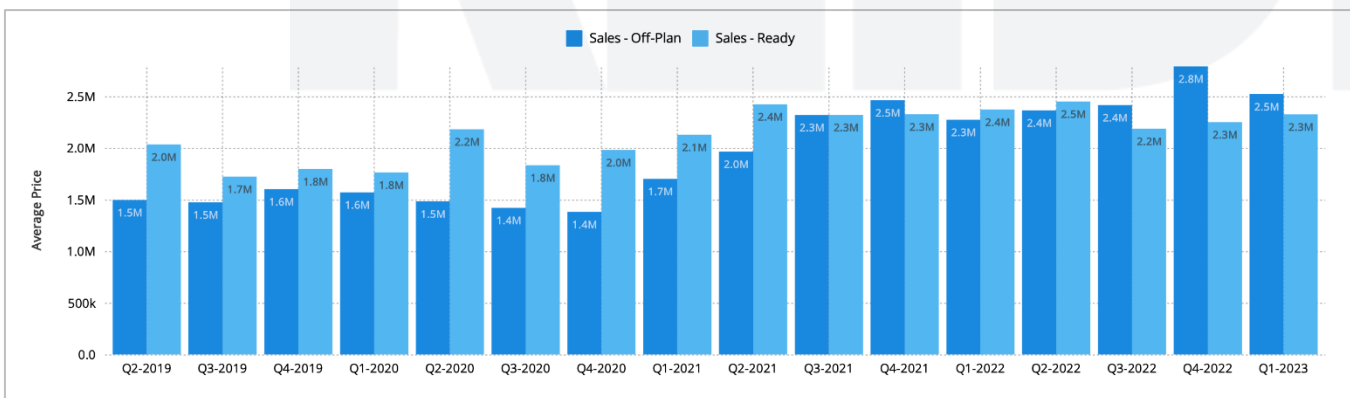
Residential Transaction Value (Sales)

Value of Residential Transactions



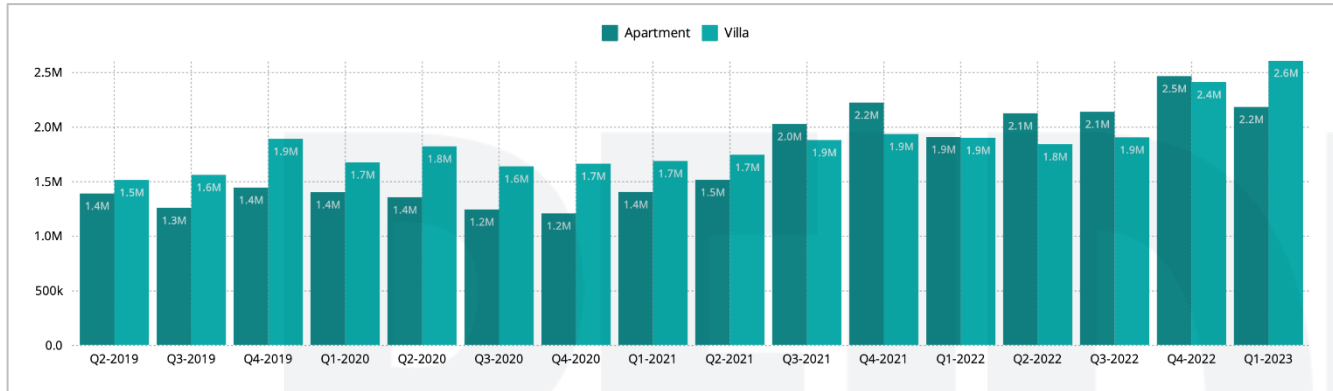
- The value of overall residential transactions did not witness compared to the previous quarter with just a small increase of 0.3%. Off-plan transactions value declined by 2% quarterly while secondary transactions value increased by 2%.
- Compared to the same period last year the overall transactions value grew 61% where secondary transactions value increased by 26% and off-plan transactions value jumped 124%.

Average Price of Residential Transactions by Type



Average Residential Transaction Price (Sales)

Average Price of Off-plan Transactions by Property Type

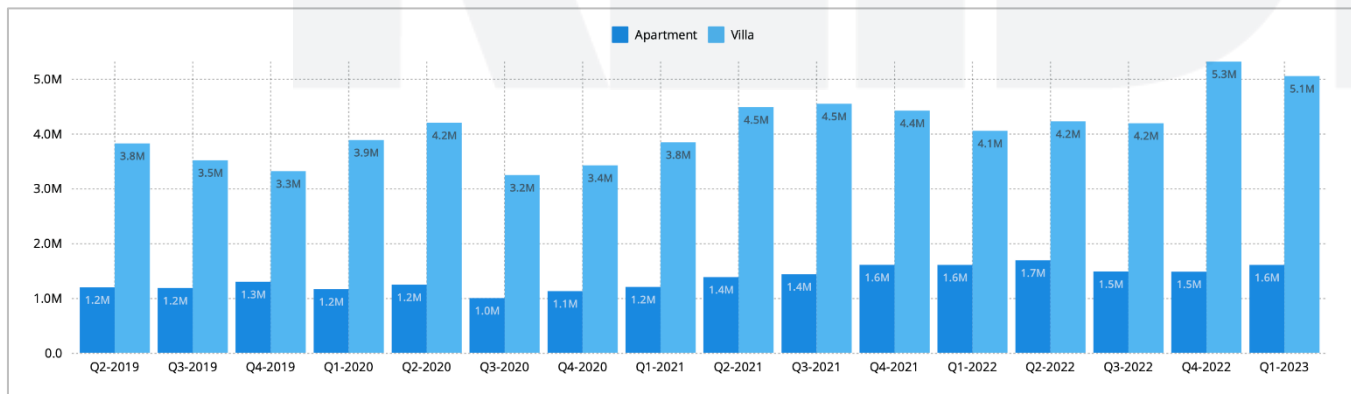


- The average ticket price for off-plan properties fell by 10% compared to the previous quarter however it is still higher than the earlier quarters. Average ticket price for ready transactions grew 3% quarterly. Compared to the same period last year, the average ticket is 11% higher for off-plan transactions and 2% lower for ready property transactions.

- The average ticket price for an off-plan apartment in Dubai fell by 11% compared to the previous quarter. Prices for off-plan apartments had grown unusually in the previous quarter and even though they declined in Q1 2023 average prices are still higher than previous quarters. The average ticket price of villas in Dubai grew by 8% quarterly. Compared to the same period last year the average ticket price of apartments and villas grew 14% and 37% respectively.

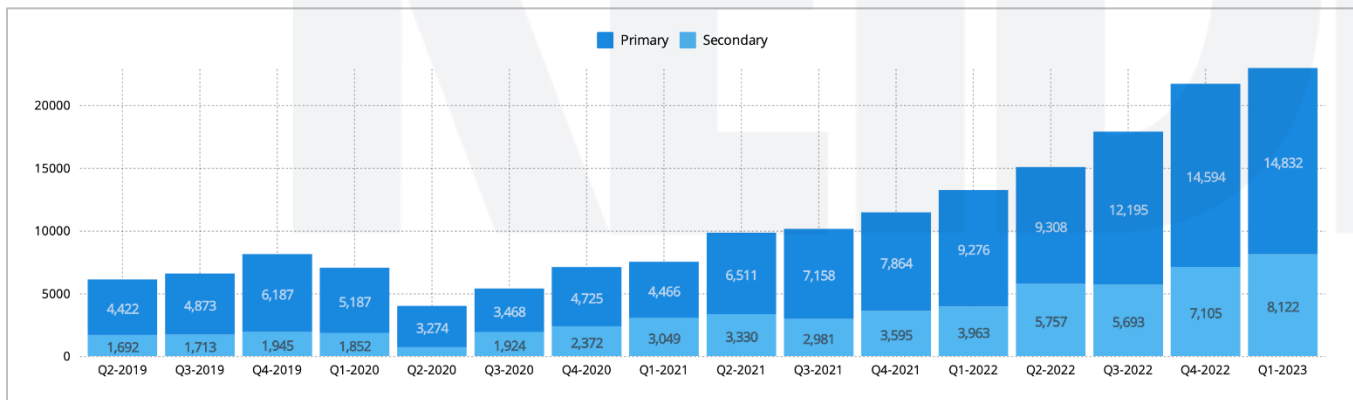
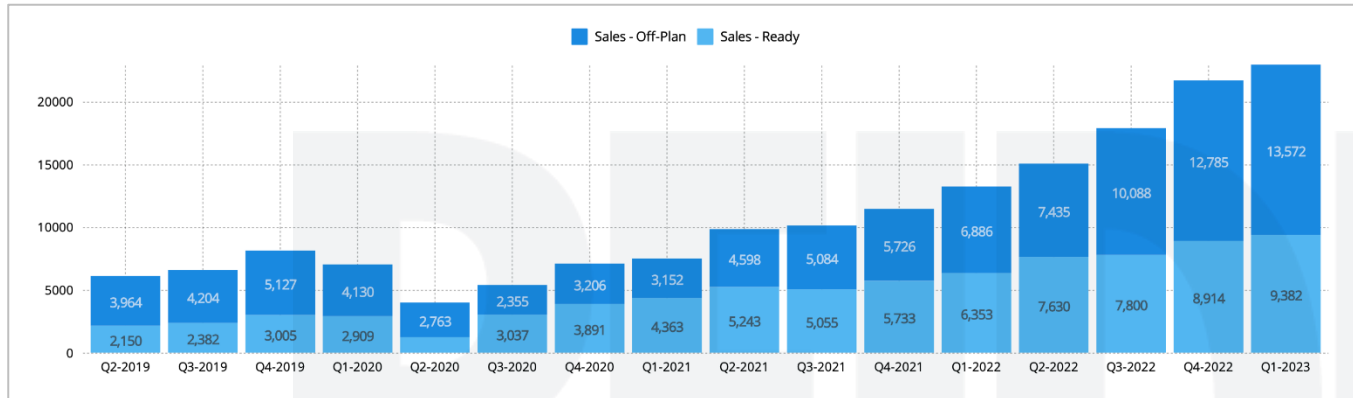
- The average ticket price for ready apartments grew 8% quarterly however compared annually the prices were the same. Villa average ticket prices fell by 5% compared to the previous quarter however compared to the same period last year the average price is 25% higher.

Average Price of Ready Property Transactions by Property Type



Apartment Transactions (Sales)

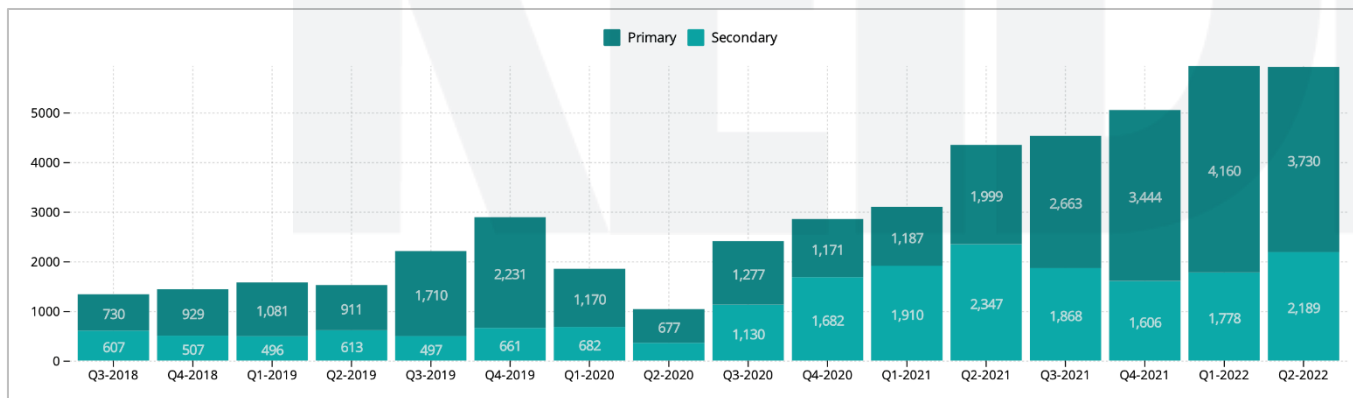
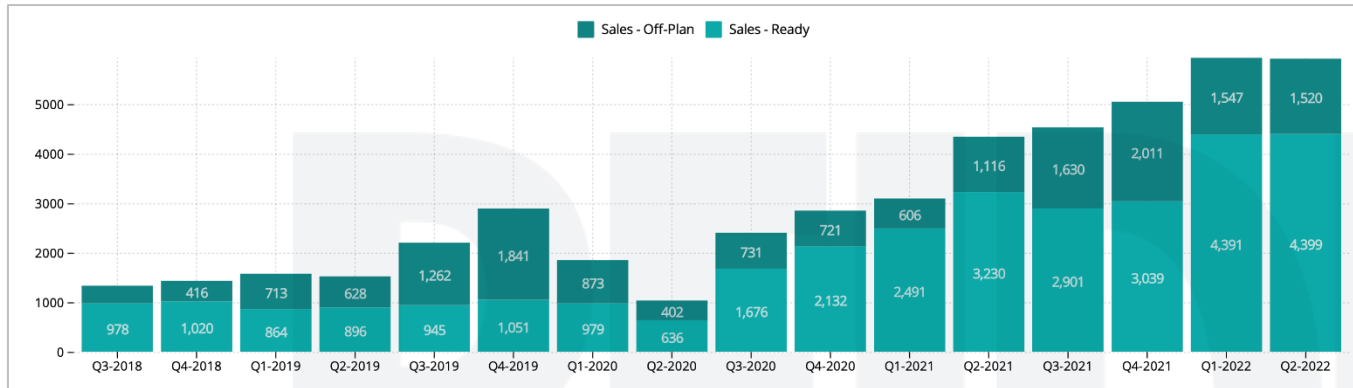
Number of Apartment & Serviced Apartment Transactions



- The apartment transaction volume grew 6% overall in the first quarter of 2023 compared to the final quarter of 2022. Compared to the same period last year the overall apartment transaction volume grew 73%.
- Off-plan apartment transaction volume increased by 6% quarterly and 97% annually. Ready apartment transactions volume grew 5% quarterly and 48% compared to the same period last year.
- Apartments sales transactions originating from developer supply increased by 2% quarterly and 60% compared to the same period last year. Apartment transactions sold from the supply available in the market grew by 14% quarterly and 105% annually.

Villa Transactions (Sales)

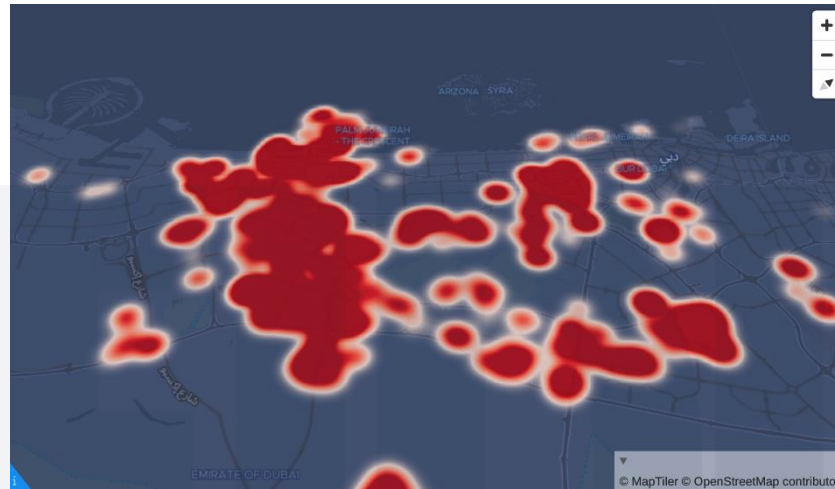
Number of Villa & Townhouse Transactions



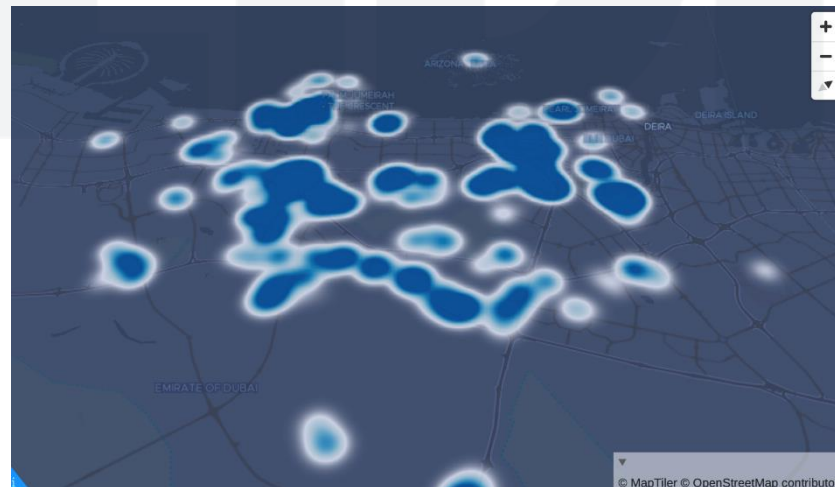
- The overall villa transactions volume increased by 5% compared to the previous quarter. Compared to the same period last year the overall villa transactions increased by 6%.
 - Off-plan villa transactions volume increased by 12% compared to the previous quarter and 8% compared to the same period last year. Ready villa transactions volume fell 9% compared to the previous quarter however it is 3% higher compared to the same period last year.
 - Developers in Dubai sold 1% fewer villas in this quarter compared to the previous one while villas sold from the market supply increased by 18% quarterly. Compared to the same period last year villas sold from developer supply fell 9% however villas sold from market supply grew 45% annually.
- *According to updated transactions types*

Sales Transaction Analysis by Community

Ready Property Transactions on Heatmap



Off-plan Property Transactions on Heatmap



Sales Transaction Analysis by Developer

No of Off-Plan Property Transactions by Developer

Emaar Properties PJSC 3788	Private Investor 1399	Select Group 690	Ellington ... 364	Green Y... 353	Nakheel... 322	Seven... 297	
		Sobha Real Estate L.L.C 654	Majid Al Futtal... 271	Fakhru... 240	G&Co... 238	The F... 217	
Damac Properties 2203	Nshama 941	Meraas Development L.L.C 613	Dubai Properties 257	Dubai Holding 250	Deyaar ... 215	MAG... 168	N/A 160
			Danube Properties 537	Azizi Developm... 242	Danube 191	TownX Real ...	
	Binghatti Holding Limited 764						

No of Off-plan Primary Sales Transactions by Developer

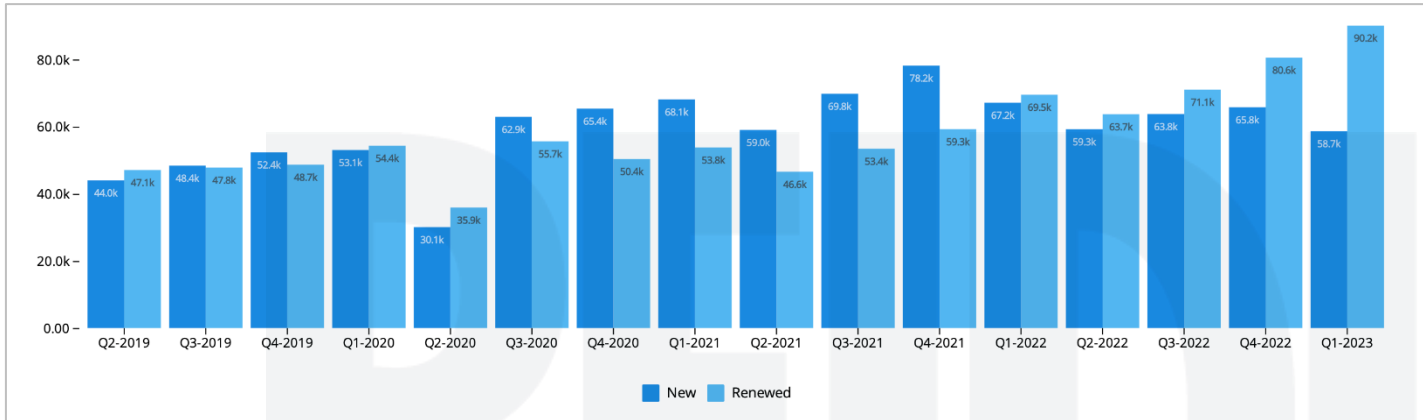
Emaar Properties PJSC 2974	Private Investor 1384	Select Group 627	Ellington ... 345	Green Yar... 342	Fakh... 240	Nakh... 212
		Sobha Real Estate L.L.C 611	G&Co Real Es... 211	Aziz... 199	Deya... 196	Seven... 194
Damac Properties 2004	Nshama 932	Danube Properties 518	Dubai Holding 210	The First Group 209	Danube 191	TownX ... 141
			Meraas Development L.L.C 511	Dubai Propert... 200	N/A	Saman... 138
	Binghatti Holding Limited 748					

Dubai Real Estate Rental Market Overview Q4 2022

Dubai Residential Rent Transactions

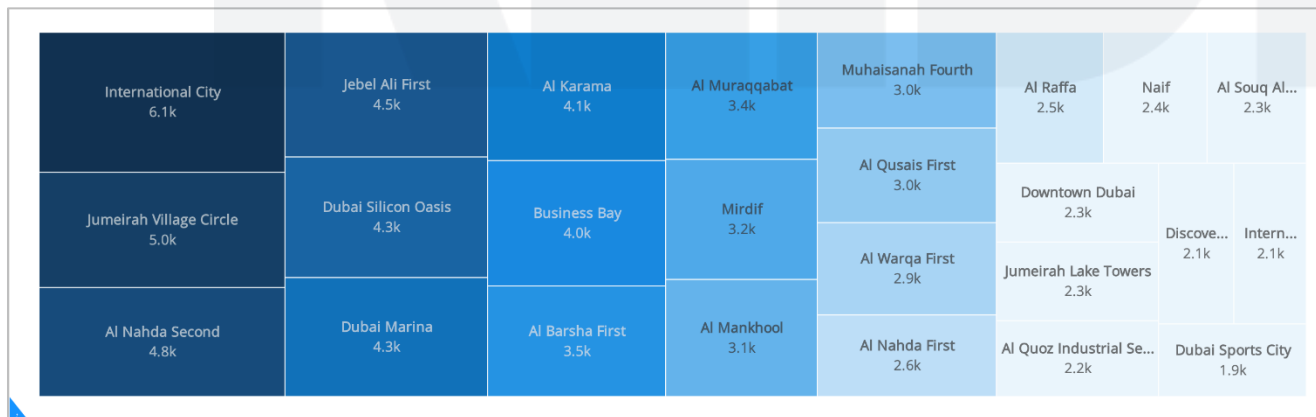
Residential Rent Transactions

Quarterly Residential Rent Transactions by Type



- The total number of rental contracts signed in this quarter increased by 2% compared to the previous quarter where renewed contracts increased by 12% and new contracts declined by 11% quarterly.
- Compared to the same period last year the total rental contracts drawn up increased by 9% where renewed contracts are 30% higher and new contracts are 13% less.
- Since the rental prices show uptick movement in the last years, tenants seek to renew their contracts at a lower rate than the new rental prices.

Quarterly Residential Rent Transactions by Area



Dubai Real Estate Market Overview Q1 2023

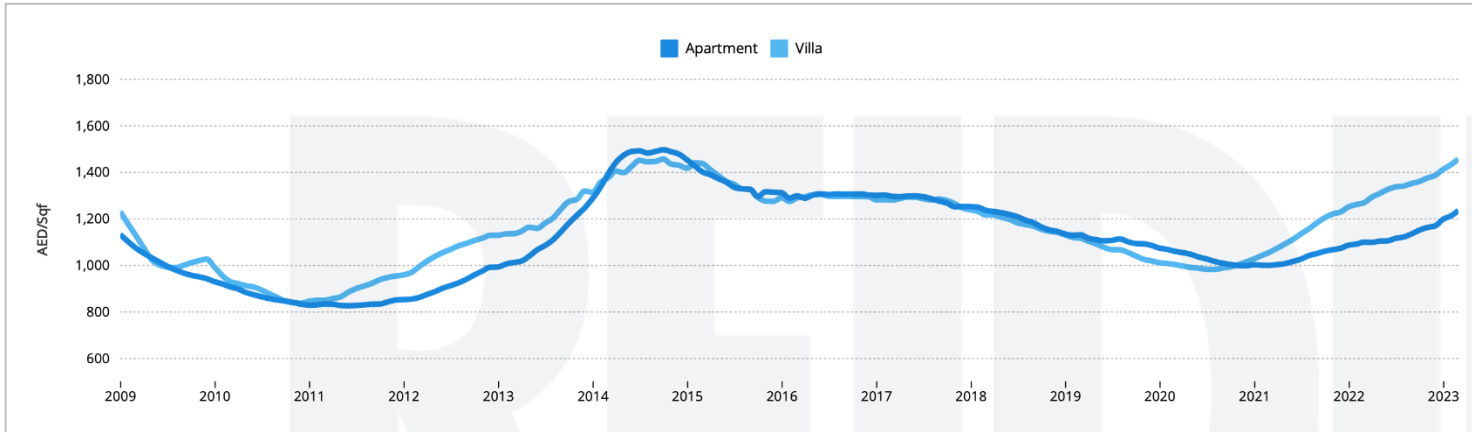
Market trends

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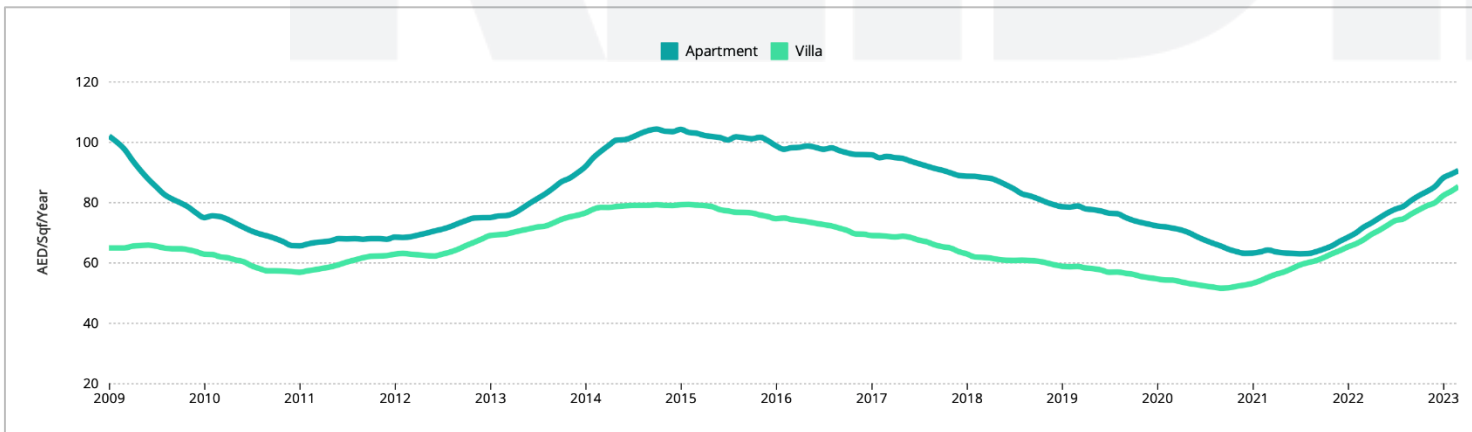
Dubai Residential Price Trends

Sales Price Trends



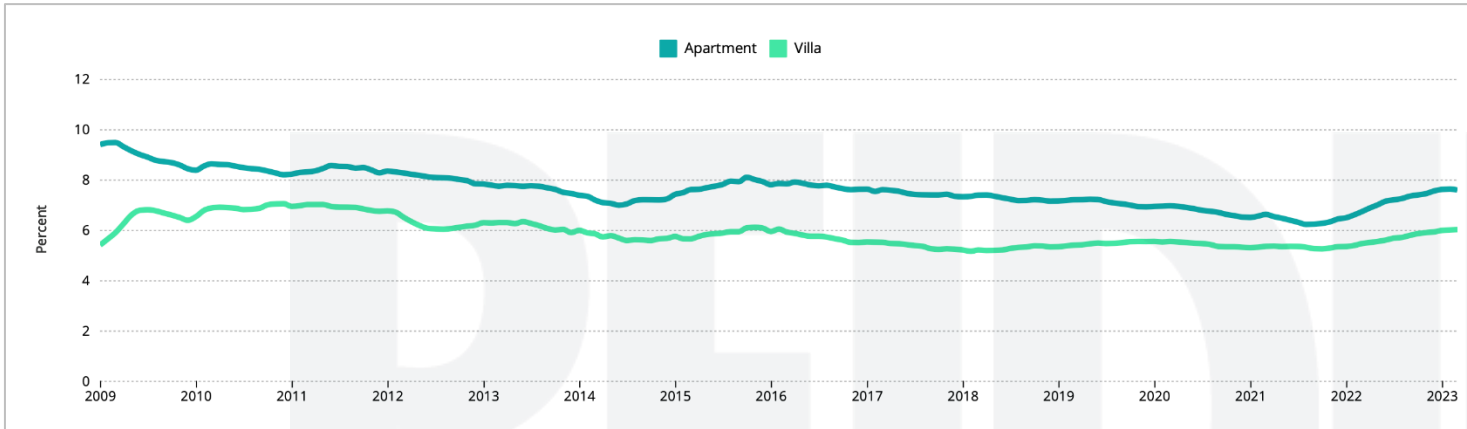
- Apartment sales prices in Dubai increased by 5.7% compared to the previous quarter and 12.4% annually. Villa sales prices jumped 5.1% quarterly and 14.8% compared to the same period last year.
- Apartment and villa rentals grew 6.2% and 6.7% respectively compared to the previous quarter. Compared to the same period last year the apartment and villa rental prices shot up 26.3% and 26.2% respectively.

Rent Price Trends



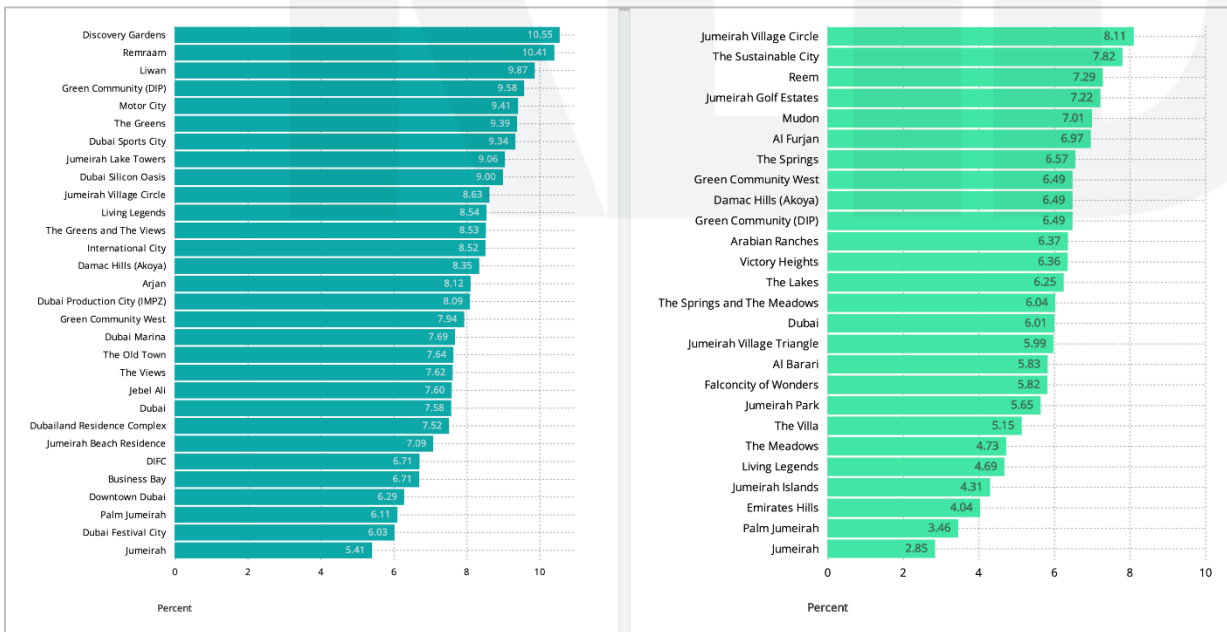
Dubai Gross Rental Yields

Gross Rental Yields



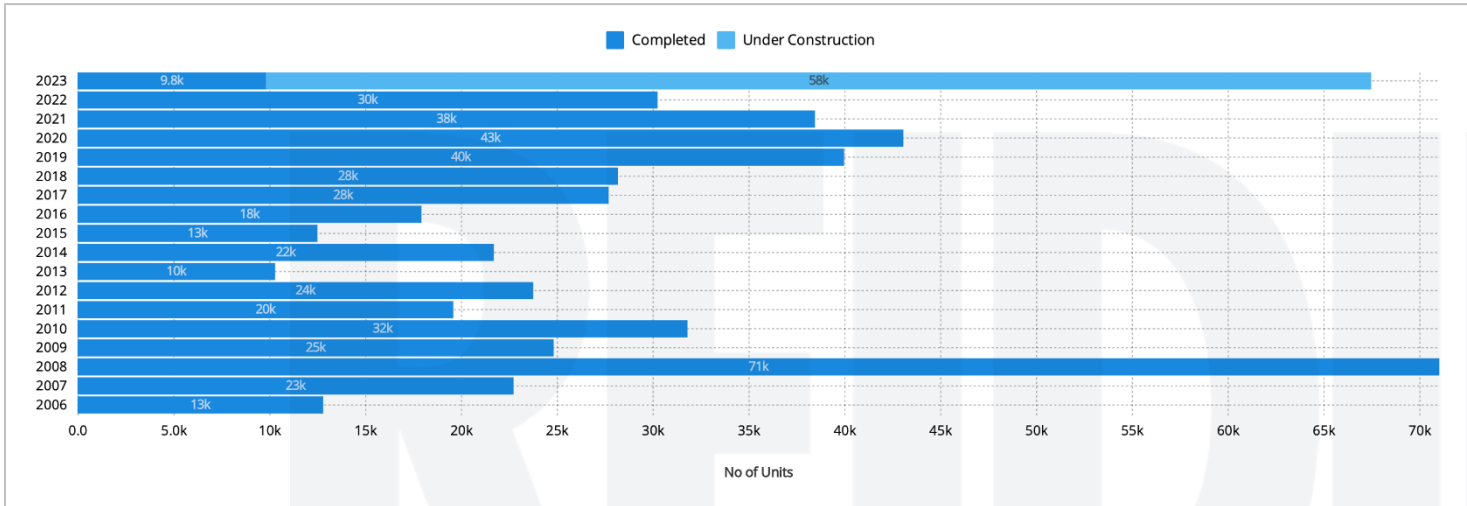
- Gross rental yields in Dubai grew slightly in this quarter as well however not as quick as the previous quarter due to sales prices rising at a faster rate. Apartment gross rental yield reached 7.58% in this quarter from 7.55% in the previous one. Villa gross rentals now stand at 6.01% compared to 5.92% in the previous quarter.

- As demand for ownership of properties has been increasing in Dubai so have the sales prices. Lower end areas are now growing faster than prime areas which has helped the prices grow at a faster pace due to higher volume of transactions.



Dubai Residential Supply

Dubai Residential Supply (Freehold)

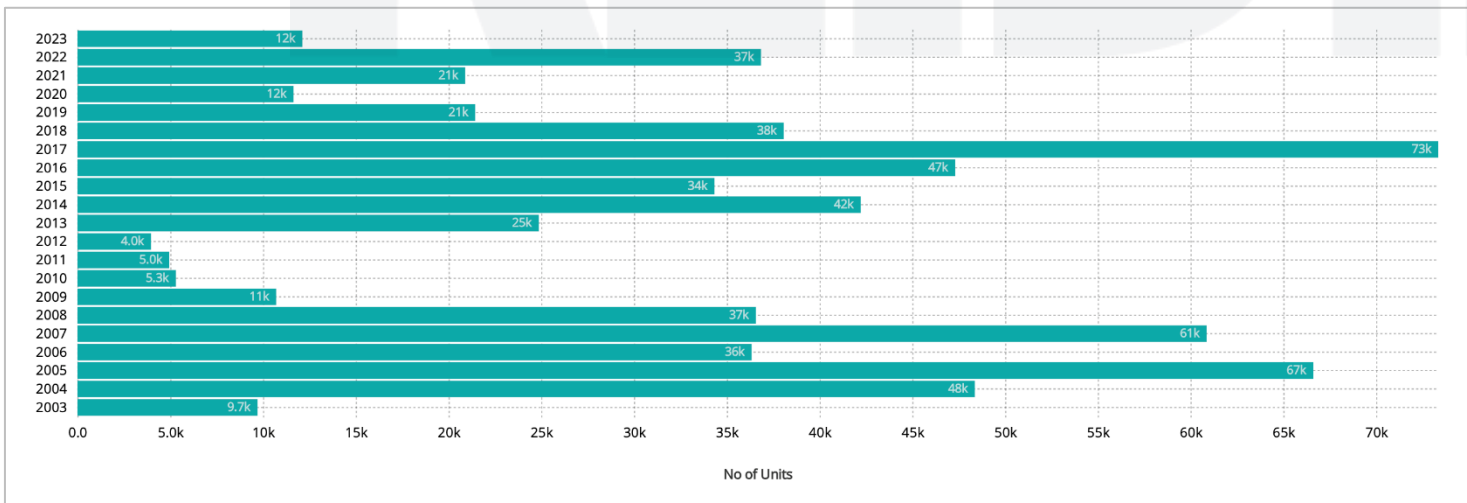


- A total of 10k new units were delivered in this quarter where around 8.7k were apartments and around 1.2k were villas and the remaining were serviced apartments. Apartments accounted for 86% of the total deliveries while villas accounted for 12%.

- A total of 49 projects were delivered in this quarter out of which 39 projects were apartment projects, 7 were villa projects and the remaining 3 were serviced apartment projects.

- Around 58k more units are announced for delivery in 2023 and over 100k in the coming years.

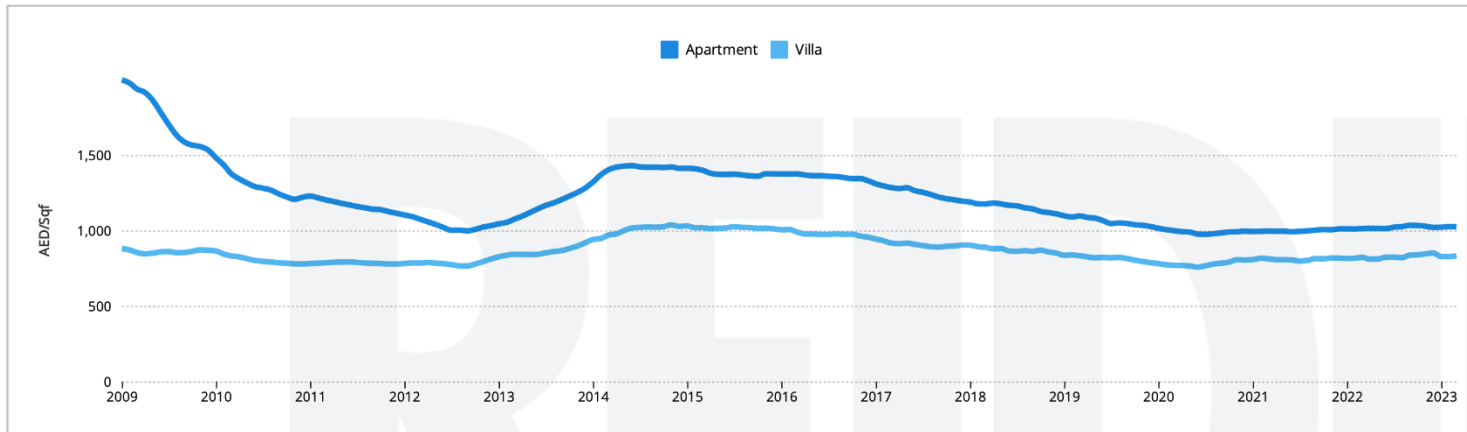
Dubai Residential Launches (Freehold)



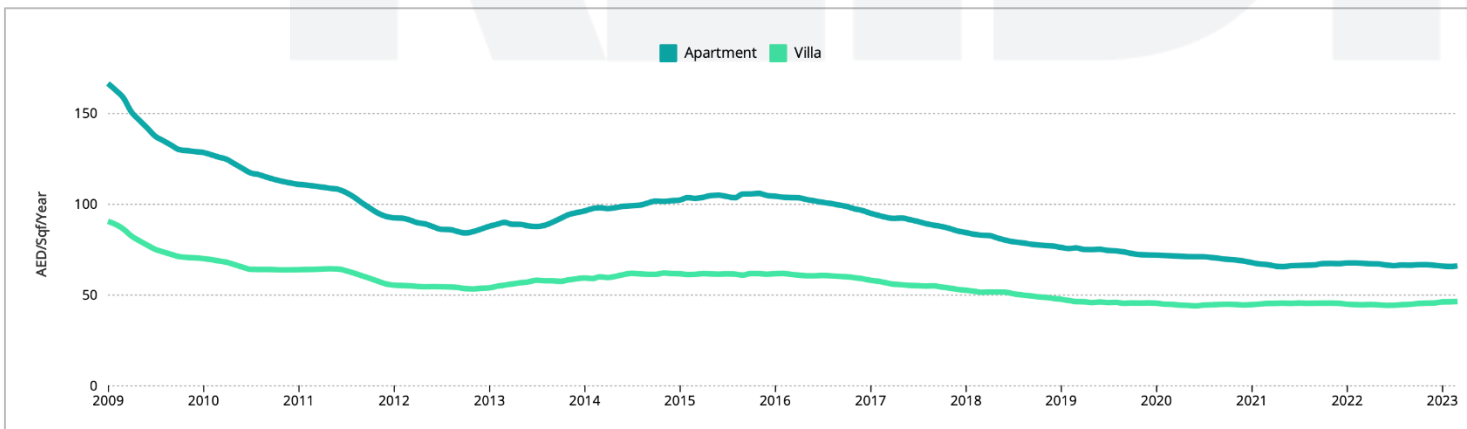
- A total of 56 new projects were launched in this quarter which will add over 15,000 units to the market in the coming years.

Abu Dhabi Residential Price Trends

Sales Price Trends



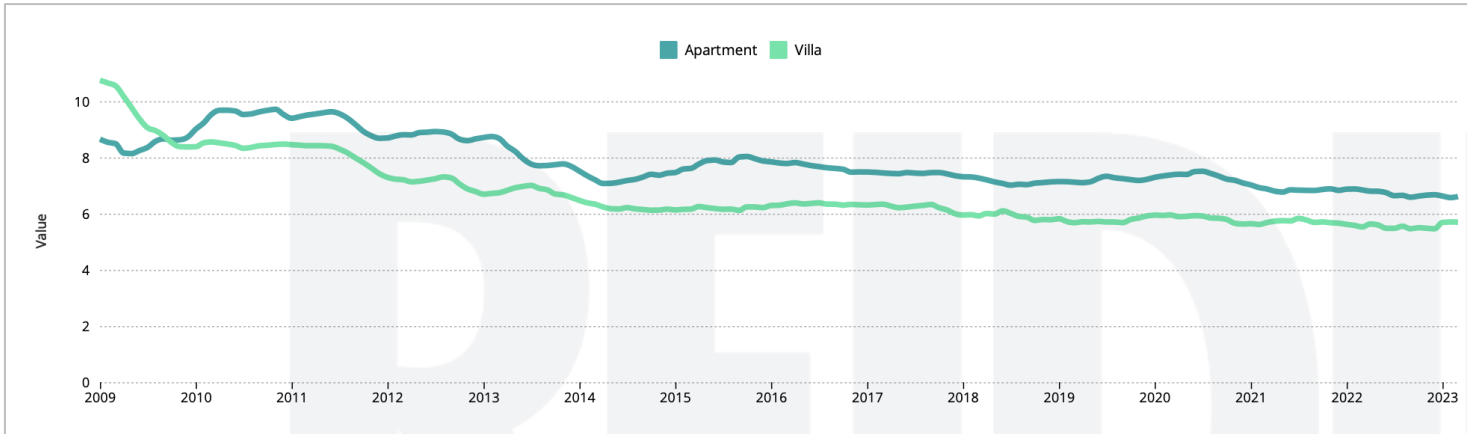
Rent Price Trends



- No significant change was witnessed in the apartment sales prices of Abu Dhabi in this quarter compared to the previous one. Villa sales prices fell 2.2% in Abu Dhabi compared to the previous quarter.
- Compared to the same period last year, apartment and villa sales prices fell 1.2% each.
- Apartment rentals did not see any significant change in this quarter and fell by 0.5% compared to the previous quarter while villa rentals grew 1.9% quarterly. Compared to the same period last year apartment rentals fell 2.1% while villa prices grew 4.2%.

Abu Dhabi Gross Rental Yields

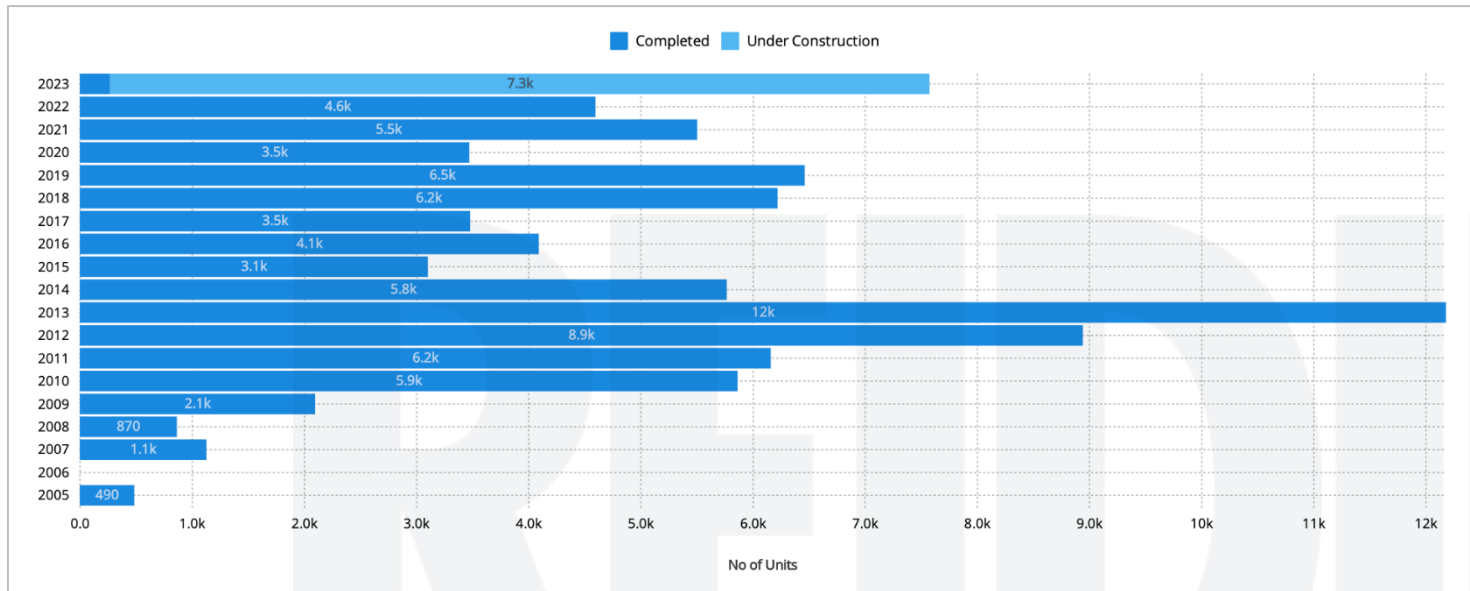
Gross Rental Yields



- Gross rental yields fell for apartments declined slightly in this quarter and now stand at 6.61% compared to 6.67% in the previous quarter.
- Villa gross rental yields in Abu Dhabi grew to 5.7% in this quarter compared to 5.46% in the previous quarter as rentals grew at almost twice the speed of sales prices.



Abu Dhabi Residential Supply (Freehold)



- A total of 272 new units were delivered in this quarter under 2 new apartment projects.
- Another 28 new projects are announced for delivery for the remainder of the year which will add around 7,300 units to the Abu Dhabi market. Over 7,360 more units are expected for delivery in the following years.

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