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DUBAI & ABU DHABI REAL ESTATE MARKET OVERVIEW Q3 2023

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MARKET OVERVIEW & KEY HIGHLIGHTS

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Dubai Real Estate Market Overview Q3 2023

Market overview

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Market Overview

MACRO ECONOMIC

- The Central Bank of UAE maintained its projections for GDP growth for the years 2023 and 2024 including overall, oil and non-oil GDP growth.
- The apex bank revised its projections for inflation in 2023 to 2.8% from its earlier projection of 3.1% and for 2024 the bank now projects inflation to reach 2.6% instead of 2.8% on the back of expected decline in transportation prices, food prices, appreciation of AED against major trading partners and global disinflationary trends.
- The Dubai Statistics Center revealed that the GDP growth for the Emirate of Dubai in 2022 was 4.4%. As per the DSC, the GDP growth for the first quarter was 2.8% while for the second quarter it was 3.6%.
- Between the January and August 2023 period, around 11.1 Million tourists visited Dubai which is 2.3% higher than the number of visitors during the same period in 2019 (before the pandemic).

Market Overview

REAL ESTATE MARKET

- The total volume of residential transactions in Dubai reached over 29,360 in Q3 2023 which is a 3% increase from the previous quarter. The value of overall residential transactions in this quarter was 13.3% higher than the previous quarter and it surpassed all previous records when reaching over AED 81.1 Billion.
- Over 27,000 new units were delivered in this year out of which around 9,760 were delivered in Q3 2023. Apartments accounted for around 9,260 of the total units delivered in this quarter while the remaining units were villas.
- Apartment and villa sales prices in Dubai continued to grow at a steady pace and increased by 4.9% and 3.7% respectively. Villa sales prices grew at their fastest rate for the past two years at 5.3% however rentals were slowest since the post pandemic recovery period with just a 2.6% quarterly increase.
- Compared to the same period last year, apartment sales prices have grown 19.7% while villa prices have grown 18.9%. Apartment and villa rentals jumped 20.7% and 20.1% respectively during the same period.
- Over 2,800 new units were launched in this quarter under 11 new projects. No new projects were launched by Tier 1 developers in this quarter.

Dubai & Abu Dhabi Real Estate Market Overview Q3 2023

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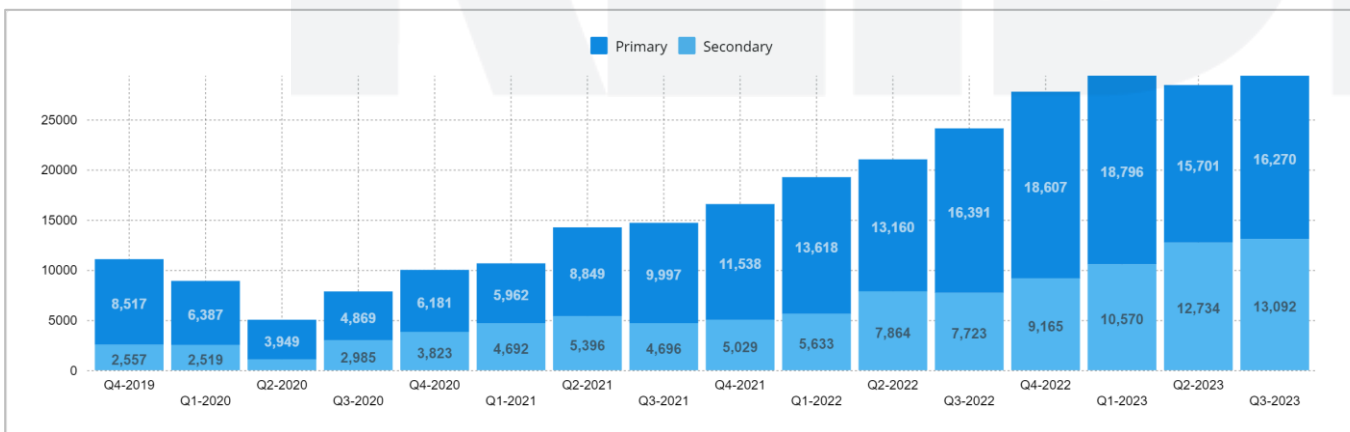


Residential Transaction Volume (Sales)

Quarterly Residential Transactions by Transaction Type



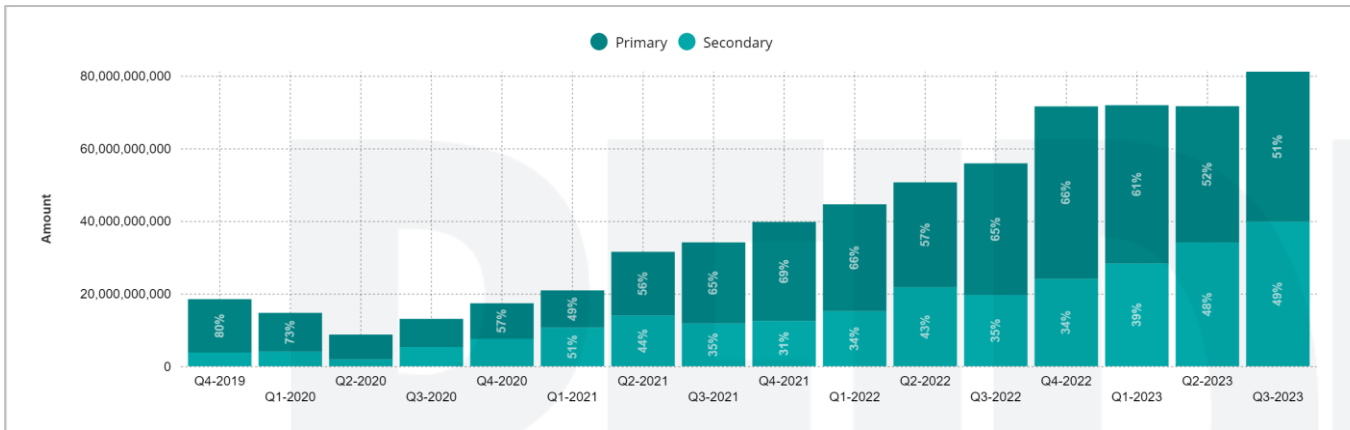
Quarterly Residential Transactions by Sales Sequence



- The overall volume of residential transactions grew by 3.3% quarterly and 21.8% annually.
- Off-plan residential transactions volume grew by 8% compared to the previous quarter and 22.5% compared to the same period last year.
- Residential ready property transactions volume fell by 2.9% compared to the previous quarter and increased by 20.7% compared to the same period last year.
- The primary sequence transactions volume grew by 3.6% in this quarter compared to the previous one. On the other hand, second sequence transactions volume grew by 2.8% quarterly. Compared to the same period last year, primary sequence transactions volume fell by just 0.7% while second sequence transactions volume grew 69.5%.
- **According to updated transactions types in the villa development communities*

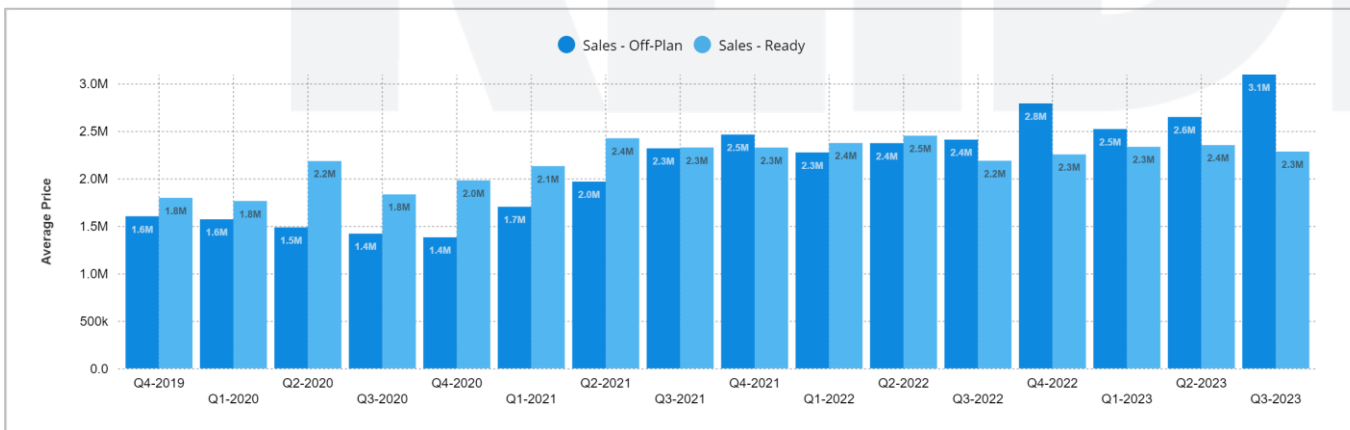
Residential Transaction Value (Sales)

Value of Residential Transactions



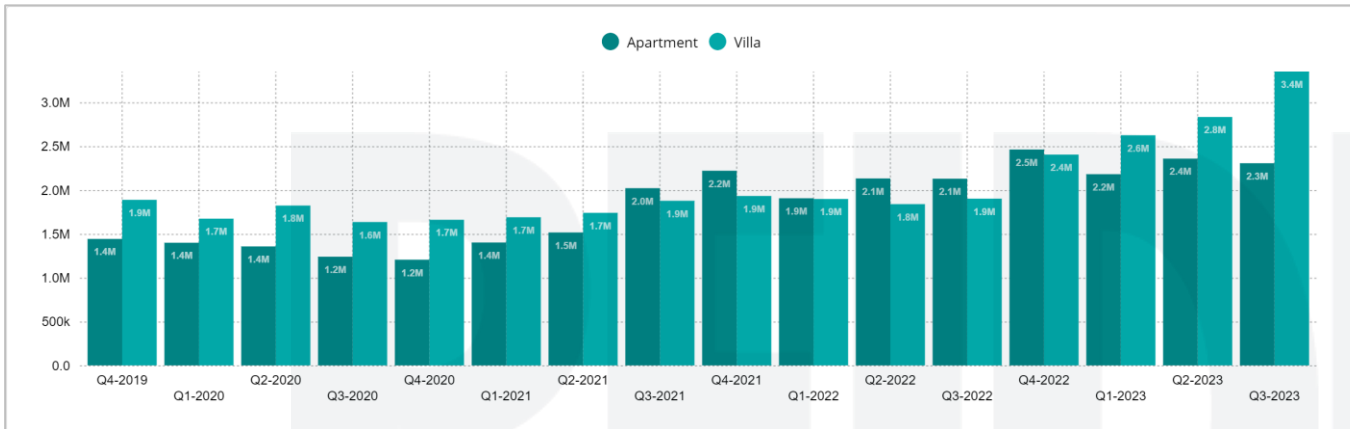
- The total value of transactions grew by 13.3% compared to the previous quarter and 45.2% compared to the same period last year.
- The off-plan transactions value grew by 26.3% compared to the previous quarter and 57.3% compared to the same period last year.
- The secondary transactions value fell by 5.8% compared to the previous quarter however compared to the same period last year the value of transactions is 26.1% higher.
- The primary transactions value grew by 10% compared to the previous quarter and 13.8% compared to the same period last year. Second sequence transactions grew by 16.9% compared to the previous quarter and an impressive 103.2% compared to the same period last year.

Average Price of Residential Transactions by Type



Average Residential Transaction Price (Sales)

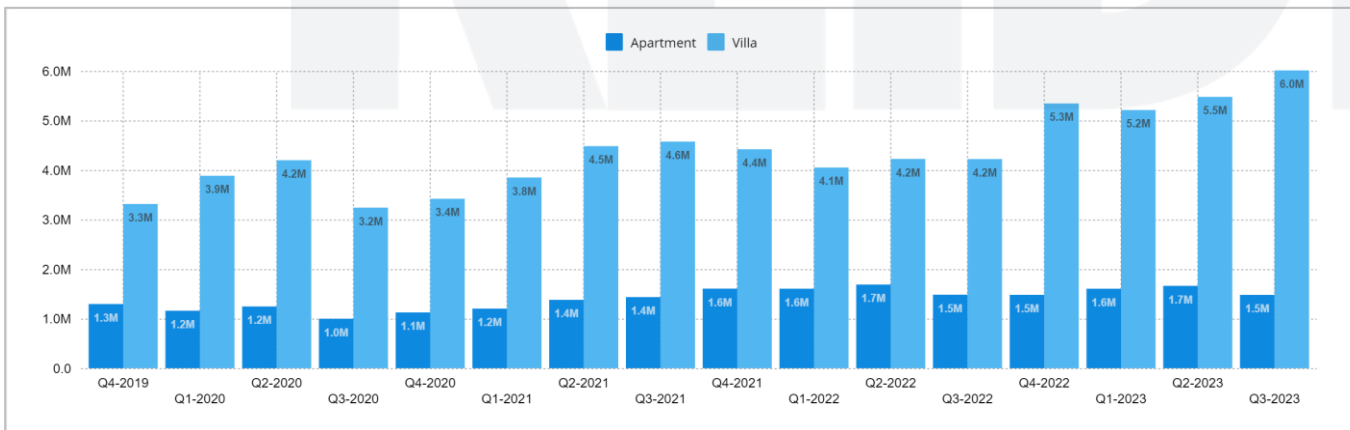
Average Price of Off-plan Transactions by Property Type



- The average ticket price of off-plan residential properties grew 16.9% compared to the previous quarter and 28.5% compared to the same period last year. Average ticket price for secondary residential properties fell by 2.9% quarterly and grew 4.4% compared to the same period last year.

- The average ticket price for off-plan apartments fell 2.2% compared to the previous quarter and 8.3% compared to the same period last year while the average ticket price for off-plan villas grew 18.7% and 76.1% compared to the same period last year.

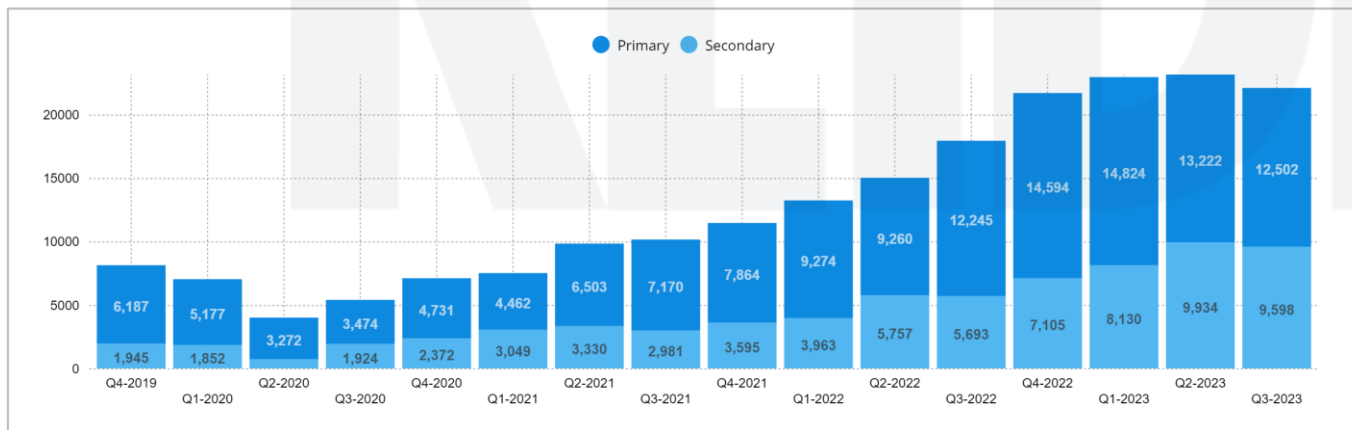
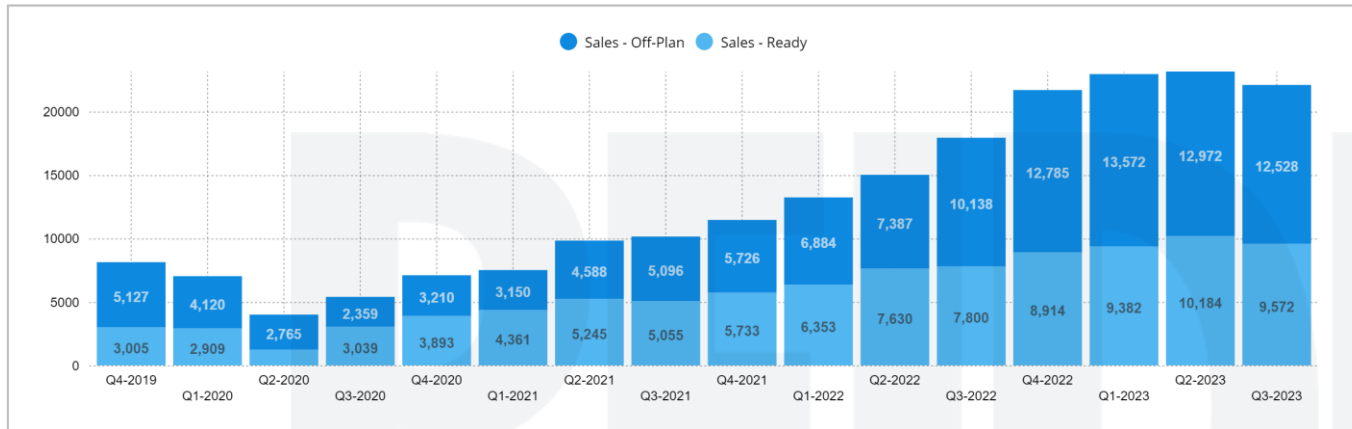
Average Price of Ready Property Transactions by Property Type



- The average ticket price for secondary apartments fell by 11% quarterly and 0.25% compared to the same period last year. Average ticket price for secondary villas grew by 9.7% quarterly and 42.4% compared to the same period last year.

Apartment Transactions (Sales)

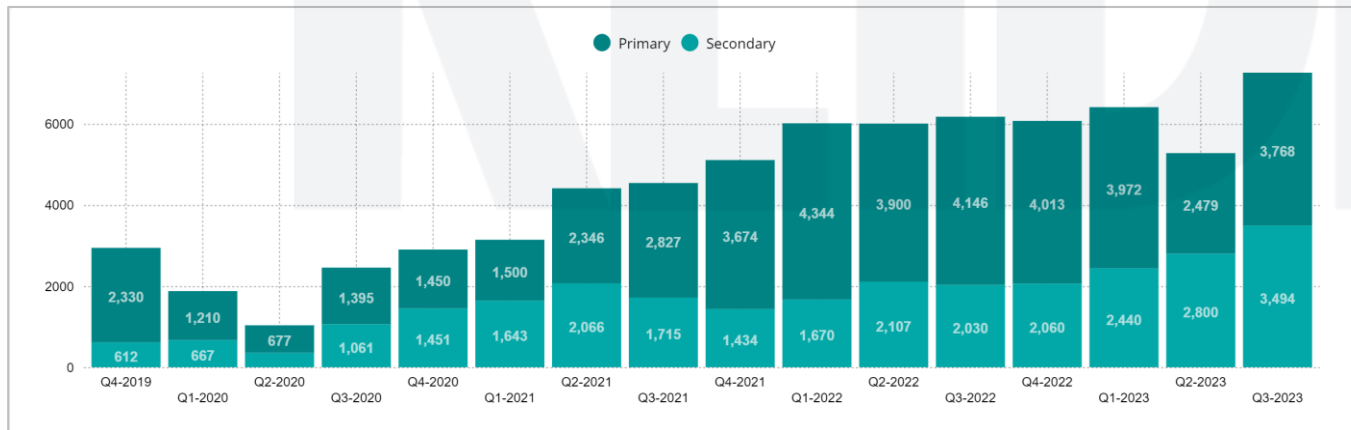
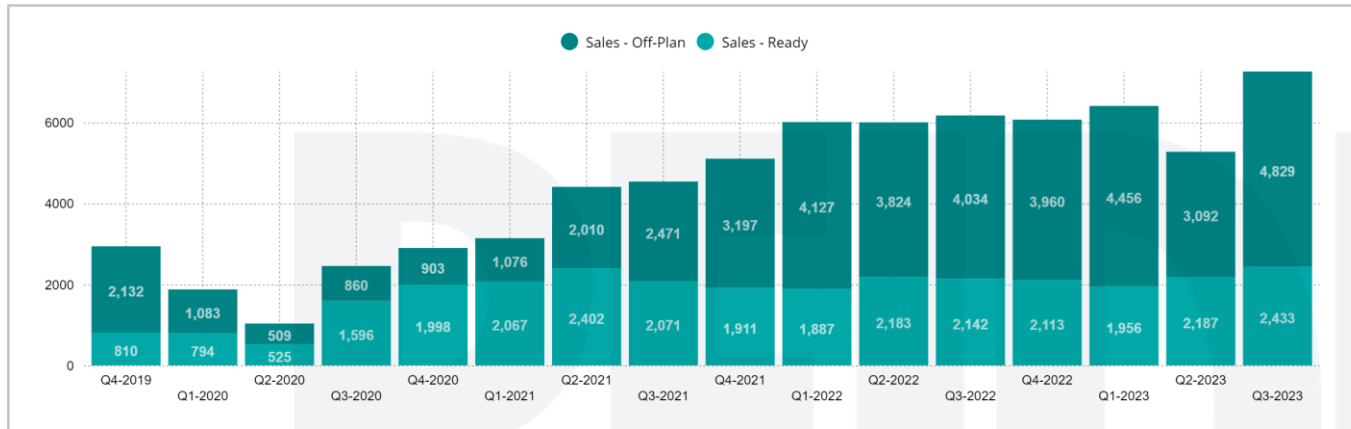
Number of Apartment & Serviced Apartment Transactions



- The overall apartment transactions volume fell by 4.6% quarterly however compared to the same period last year the transactions grew 23.2%.
- Off-plan apartment transactions volume fell 3.4% compared to the previous quarter however the volume has grown 23.6% compared to the same period last year.
- Secondary apartment transactions volume fell by 6% quarterly however compared to the same period last year, the transactions grew 22.7%.
- Primary apartment transactions volume fell by 5.4% compared to the previous quarter however there was an increase of 2.1% compared to the same period last year. Second sequence apartment transactions volume fell 3.4% quarterly however the volume spiked by 68.6% annually.

Villa Transactions (Sales)

Number of Villa & Townhouse Transactions

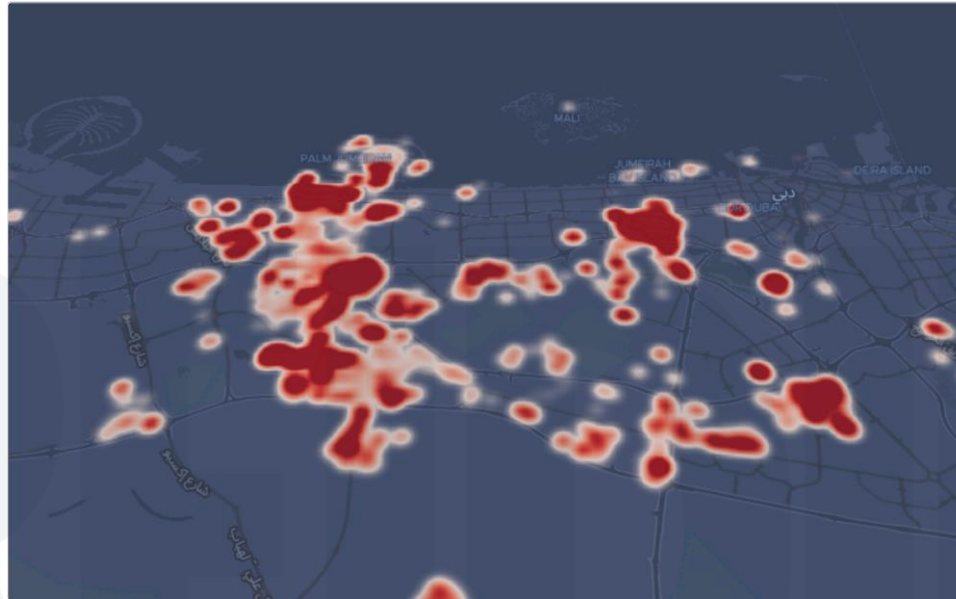


- The overall villa transactions volume grew by 37.6% compared to the previous quarter and 17.6% compared to the same period last year. Off-plan villa transactions volume grew by 56.1% quarterly and 19.7% annually. Secondary villa transactions volume grew 11.3% quarterly and 13.7% compared to the same period last year.
- Primary villa transactions volume increased by 34.6% compared to the previous quarter however declined by 9.1% annually. Second sequence villa transactions grew by 40.9% quarterly and an impressive 72.1% annually.
- Greater increase in off-plan villa transactions volume can be attributed to the fact that the volume had fallen significantly in the previous quarter.

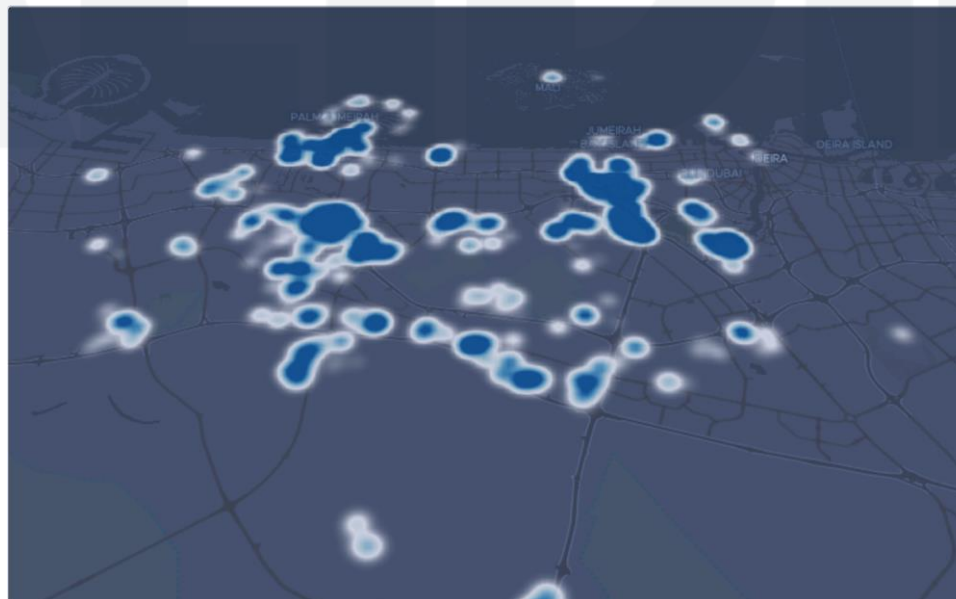
**According to updated transactions types*

Sales Transaction Analysis by Community

Ready Property Transactions on Heatmap

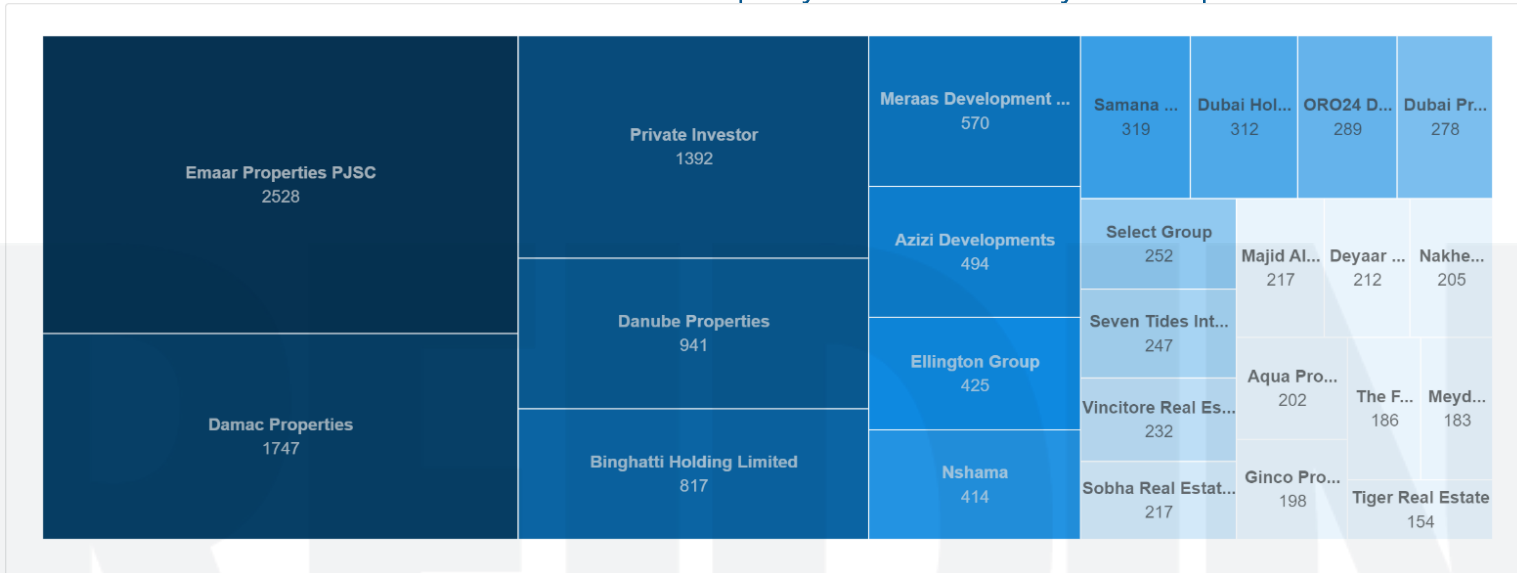


Off-plan Property Transactions on Heatmap

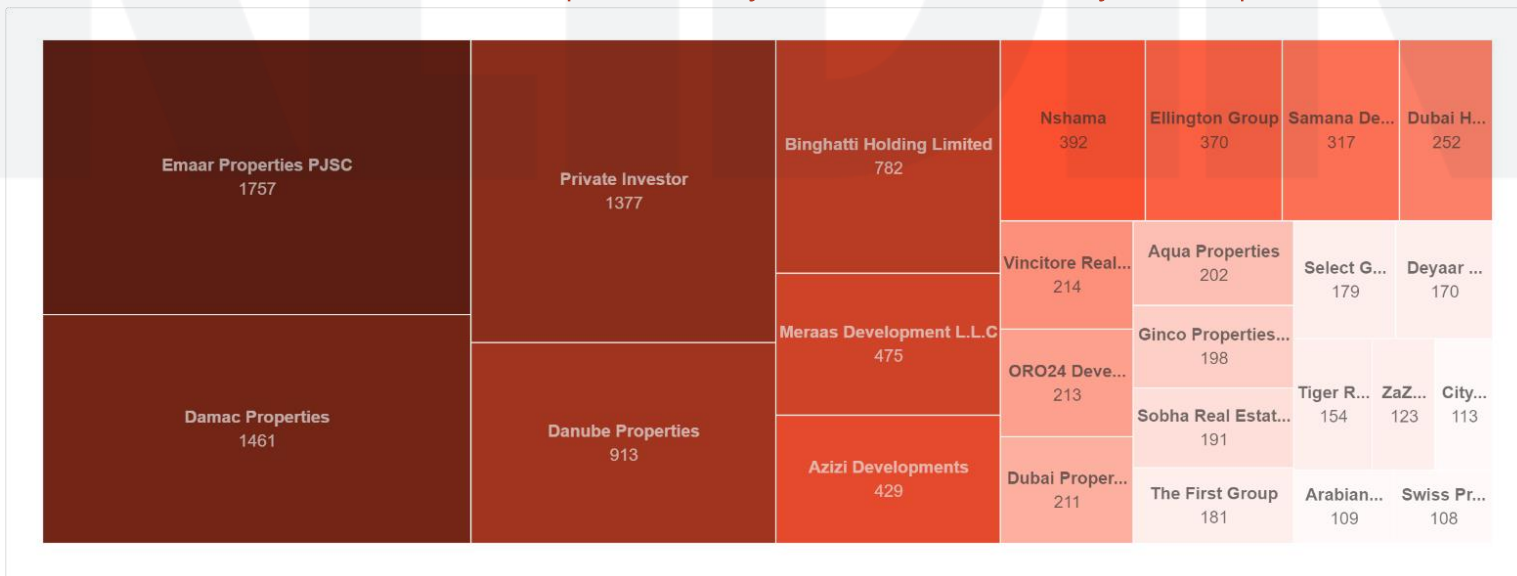


Sales Transaction Analysis by Developer

No of Off-Plan Property Transactions by Developer



No of Off-plan Primary Sales Transactions by Developer

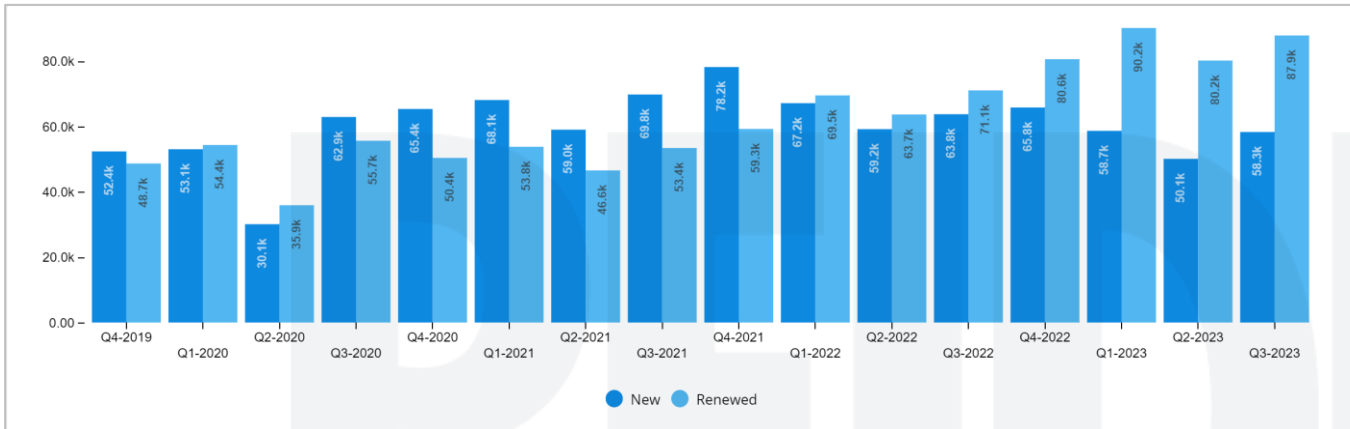


Dubai & Abu Dhabi Real Estate Rental Market Overview Q3 2023

Dubai Residential Rent Transactions

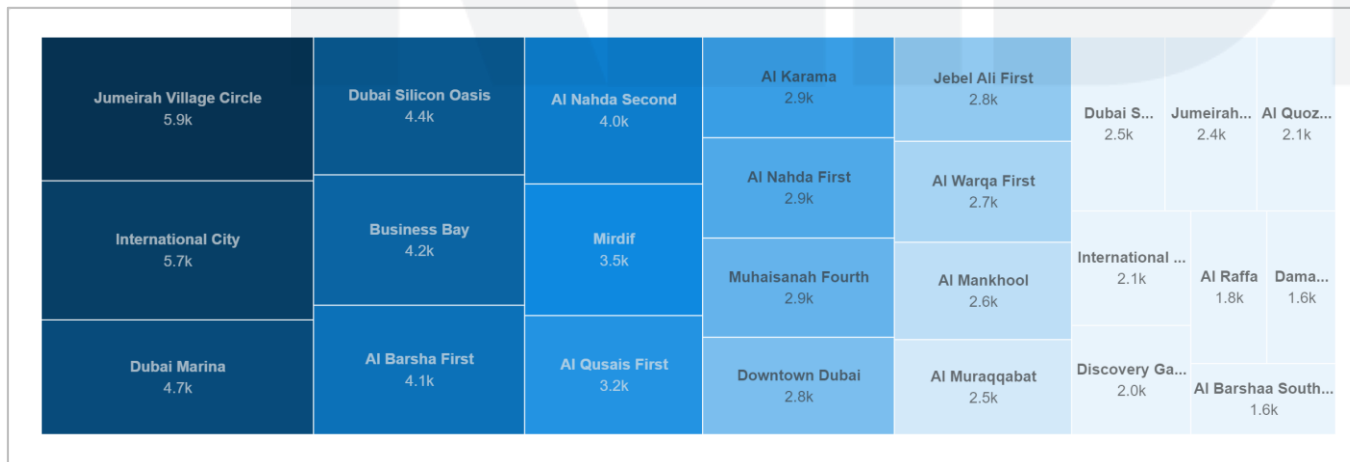
Residential Rent Transactions

Quarterly Residential Rent Transactions by Type



- The total volume of residential rental transactions grew by 12.2% in this quarter compared to the previous quarter and 8.4% compared to the same period last year.
- New residential rental transactions grew by 16.4% in this quarter however compared to the same period last year there was a decline of 8.5%.
- Over 9.6% more rental contracts were renewed compared to the previous quarter and 23.7% more compared to the same period last year.

Quarterly Residential Rent Transactions by Area



Dubai & Abu Dhabi Real Estate Market Overview Q3 2023

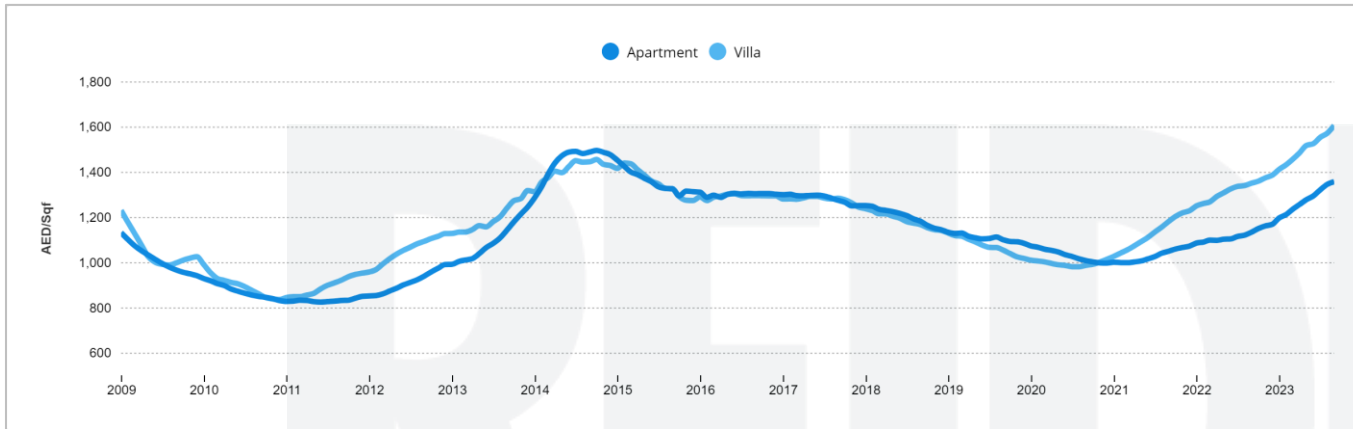
Market trends

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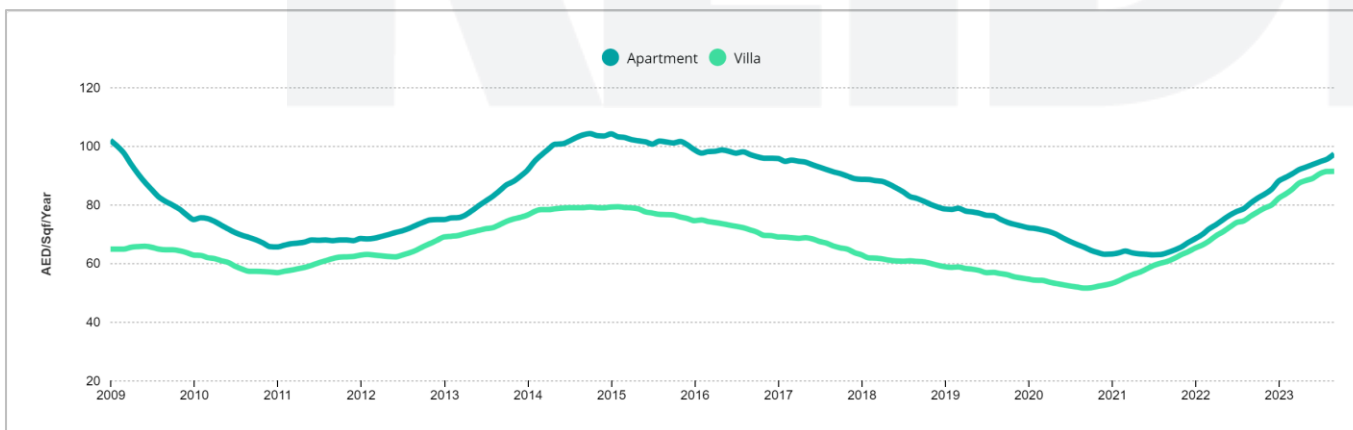


Dubai Residential Price Trends

Sales Price Trends



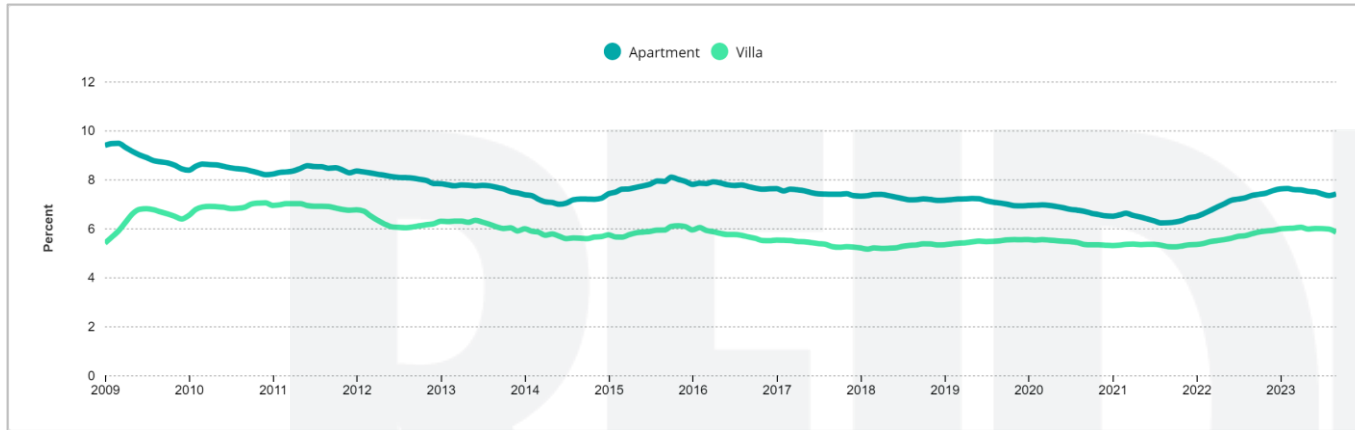
Rent Price Trends



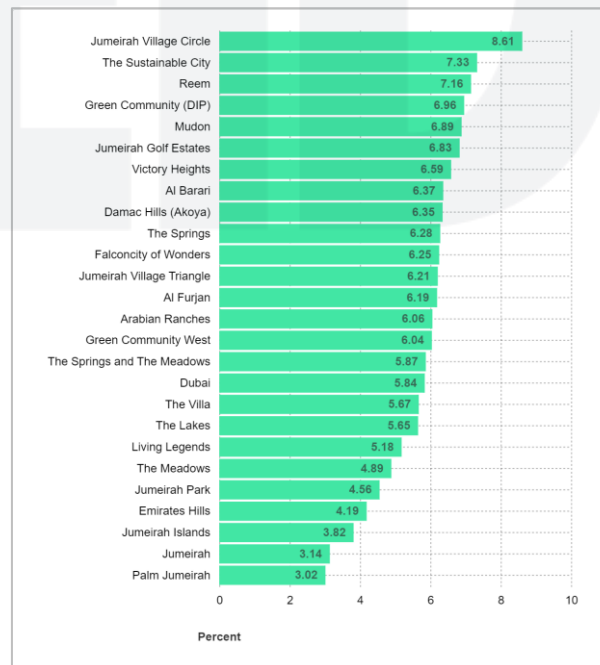
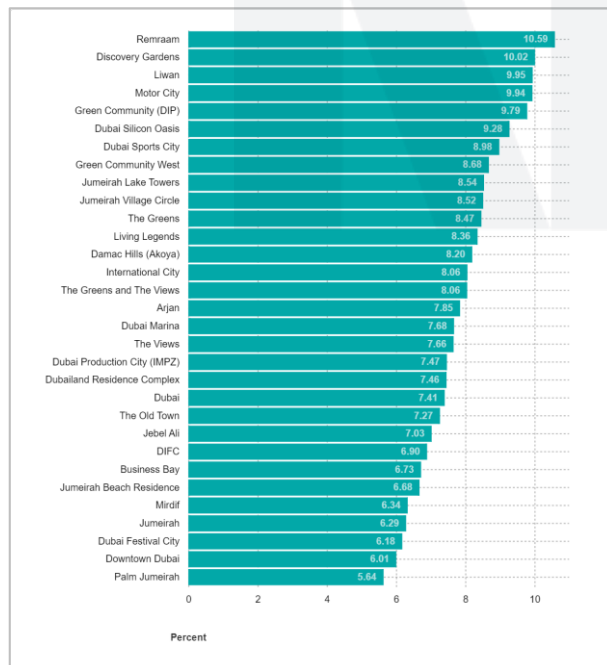
- Apartment sales prices grew by 4.9% in this quarter compared to the previous one and 19.7% compared to the same period last year.
- Villa sales prices grew by 5.3% quarterly and 18.9% annually.
- Apartment rent prices increased by 3.7% quarterly and 20.7% compared to the same period last year.
- Villa rentals have shown the slowest growth in this quarter since late 2020 and grew by just 2.6% compared to the previous quarter. Villa rentals are 20.1% higher compared to the same period last year.

Dubai Gross Rental Yields

Gross Rental Yields

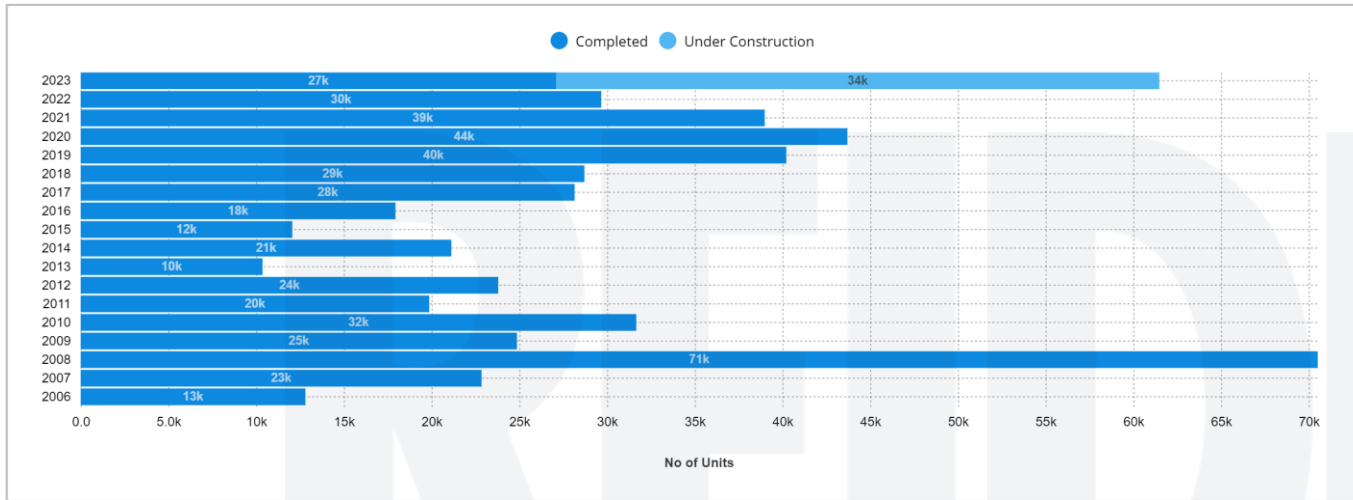


- Gross rental yields for apartments in Dubai fell to 7.41% by the end of the third quarter from 7.49% in the previous one.
- Villa gross rental yields in Dubai fell to 5.84% from 6% in the previous quarter.
- Sales prices have been growing more rapidly than rentals can catch up due to which yields are declining. Albeit gross rental yields are still attractive for investors compared to other major markets in the world.



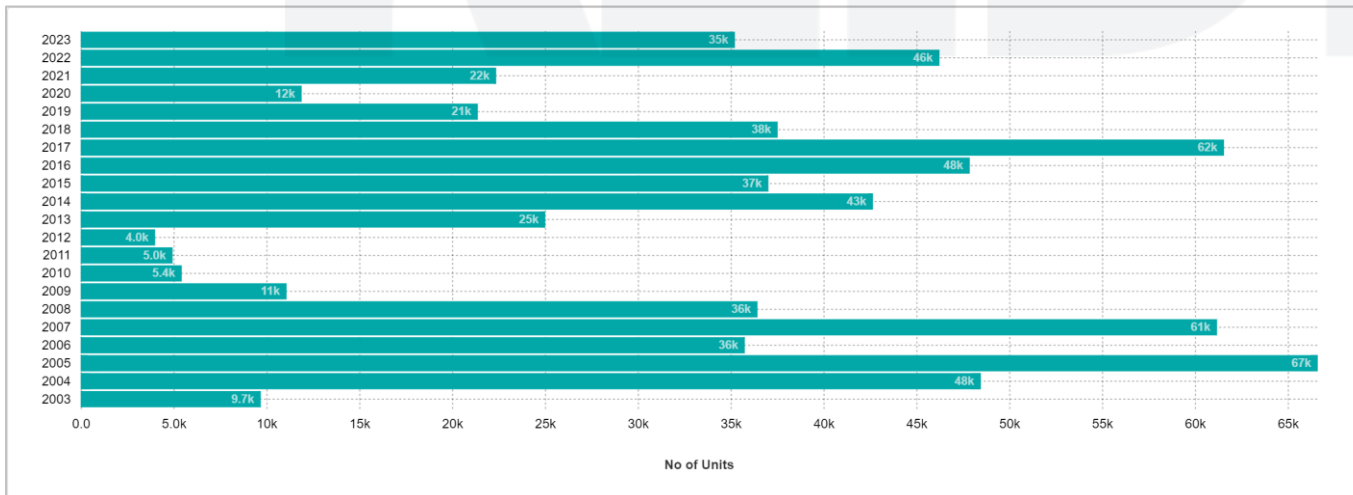
Dubai Residential Supply

Dubai Residential Supply (Freehold)



- A total of 9,759 new units were delivered in this quarter of which 9,261 units were apartments and serviced apartments while the remaining 498 units were villas accounting for just over 5% of total units delivered.
- A total of 53 new projects were delivered in this quarter out of which just 4 were villa projects and the remaining 49 were apartment projects.
- Over 34,000 more units are announced for delivery in the fourth quarter of which less than 50% are expected to materialise. More than 150,000 units are announced for delivery in the following years.
- A total of 11 new projects were launched in this quarter which will add over 2,860 units to the market in the coming years.

Dubai Residential Launches (Freehold)



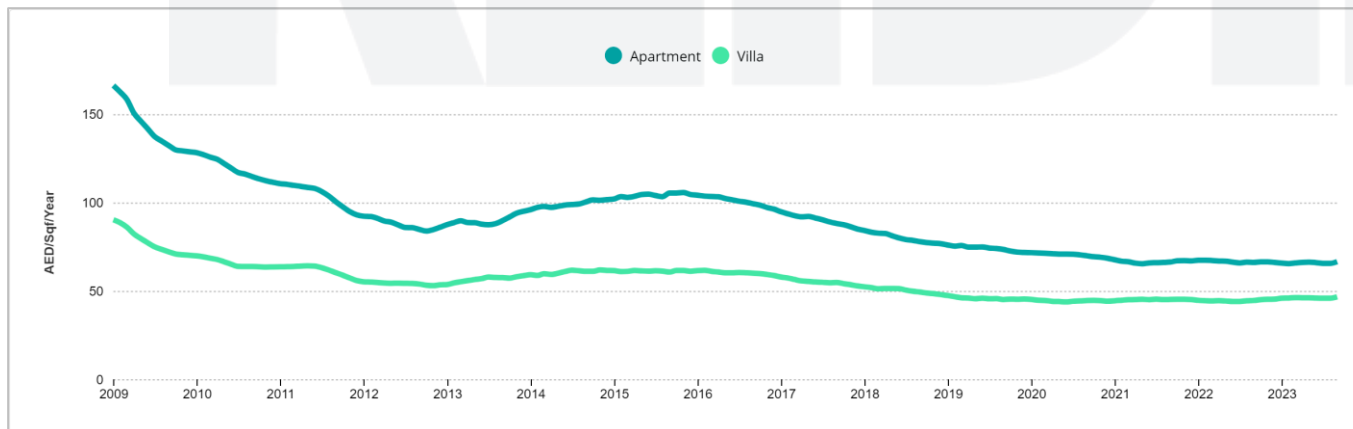
Abu Dhabi Residential Price Trends

Sales Price Trends



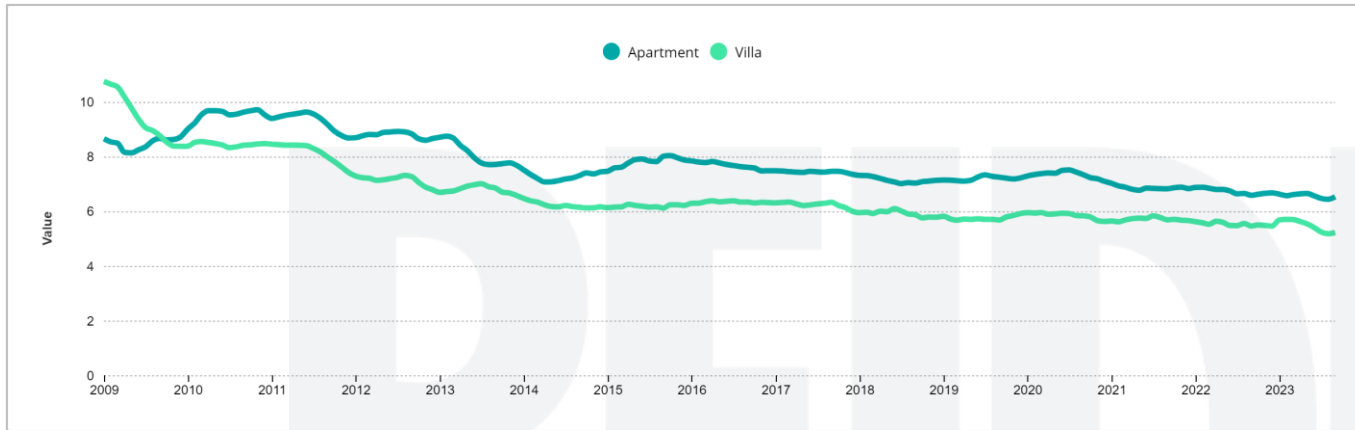
- Apartment sales prices in Abu Dhabi grew by 1.4% compared to the previous quarter and 1.5% compared to the same period last year.
- Villa sales prices grew the fastest since 2014 and rates jumped 5% compared to the previous quarter and 9.2% compared to the same period last year.
- Apartment rental prices in Abu Dhabi grew 0.8% compared to the previous quarter and just 0.7% annually.
- Villa rent prices grew by 1.6% quarterly and 4.6% annually.

Rent Price Trends

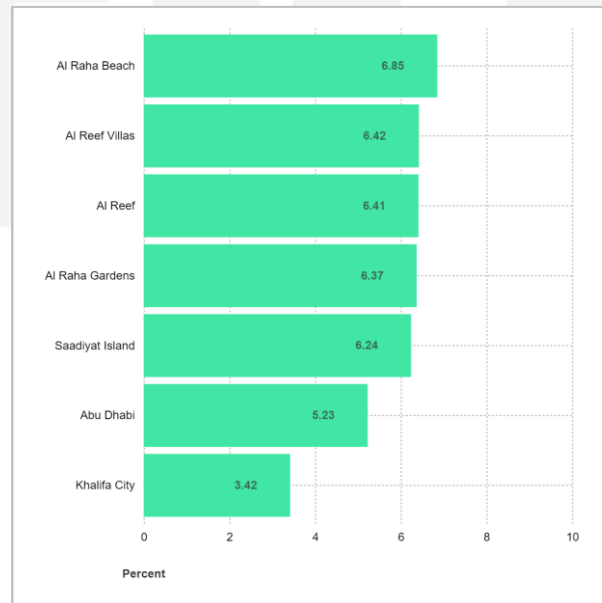
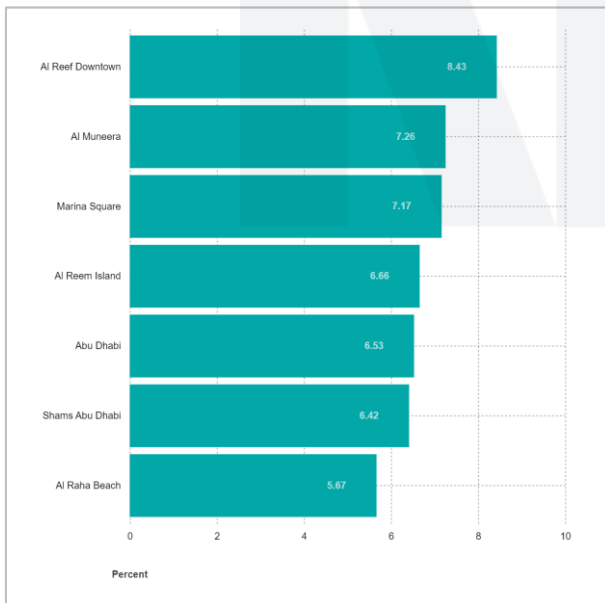


Abu Dhabi Gross Rental Yields

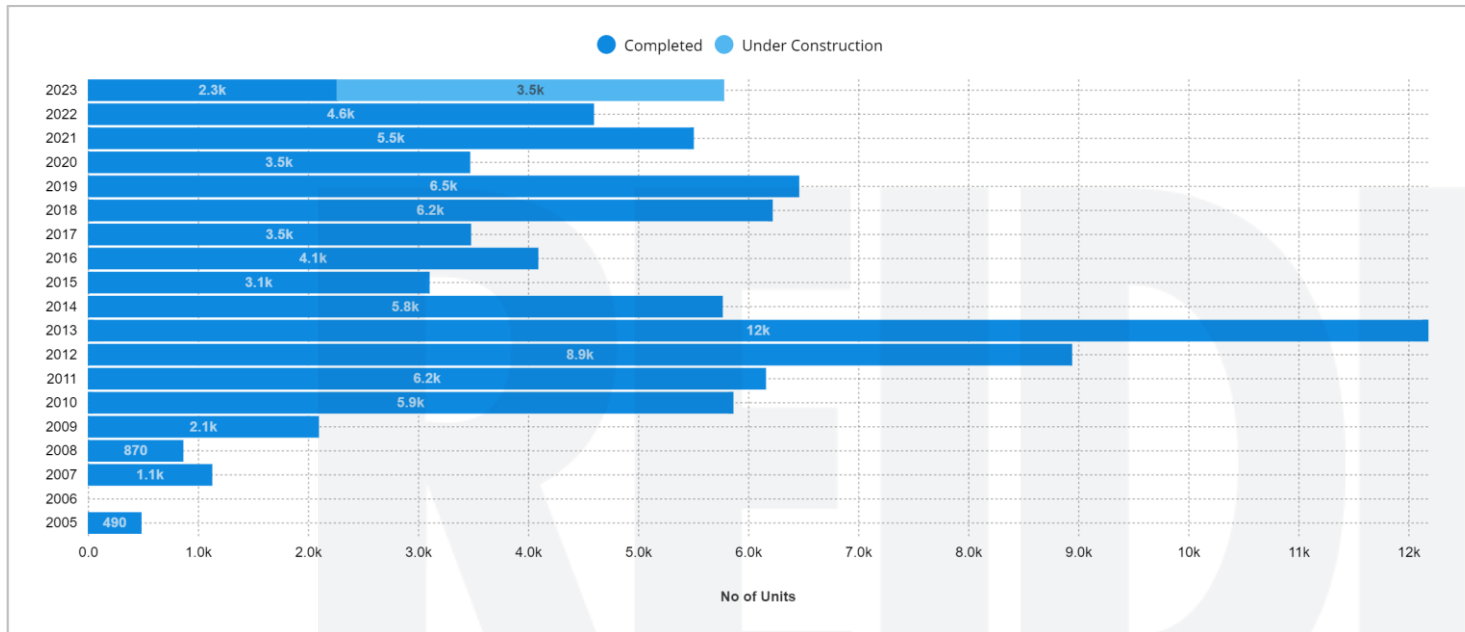
Gross Rental Yields



- Gross rental yields for both apartments and villas continued to decline in this quarter and stand at 6.5% and 5.2% respectively.
- Similar to the trend in Dubai, Abu Dhabi sales prices have grown quicker than rentals hence the decline in yields.



Abu Dhabi Residential Supply (Freehold)



- A total of 1,056 new units were delivered in this quarter in Abu Dhabi under 5 new apartment projects. No new villa projects were delivered in this quarter as well.
- Over 3,500 new units are announced for delivery under 8 new projects in the fourth quarter as per developer announcements. Over 20,600 more units are expected for delivery in the coming years.

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