



DUBAI & ABU DHABI REAL ESTATE MARKET OVERVIEW Q2 2024



MARKET OVERVIEW & KEY HIGHLIGHTS

03 Economic Market Overview

04 Real Estate Market Overview

05

06 DUBAI RESIDENTIAL SALES TRANSACTIONS

07 Residential Transaction Volume

08 Residential Transaction Value

09 Average Residential Transaction Price

10 Apartment Transactions

11 Villa Transactions

12 Sales Transaction Analysis by Community

13 Sales Transaction Analysis by Developer

14 DUBAI RESIDENTIAL RENT TRANSACTIONS

15 Residential Rent Transactions

16 MARKET TRENDS

17 Dubai Residential Price Trends

18 Dubai Gross Rental Yields

19 Dubai Residential Supply

20 Abu Dhabi Residential Price Trends

21 Abu Dhabi Gross Rental Yield Trends

22 Abu Dhabi Residential Supply

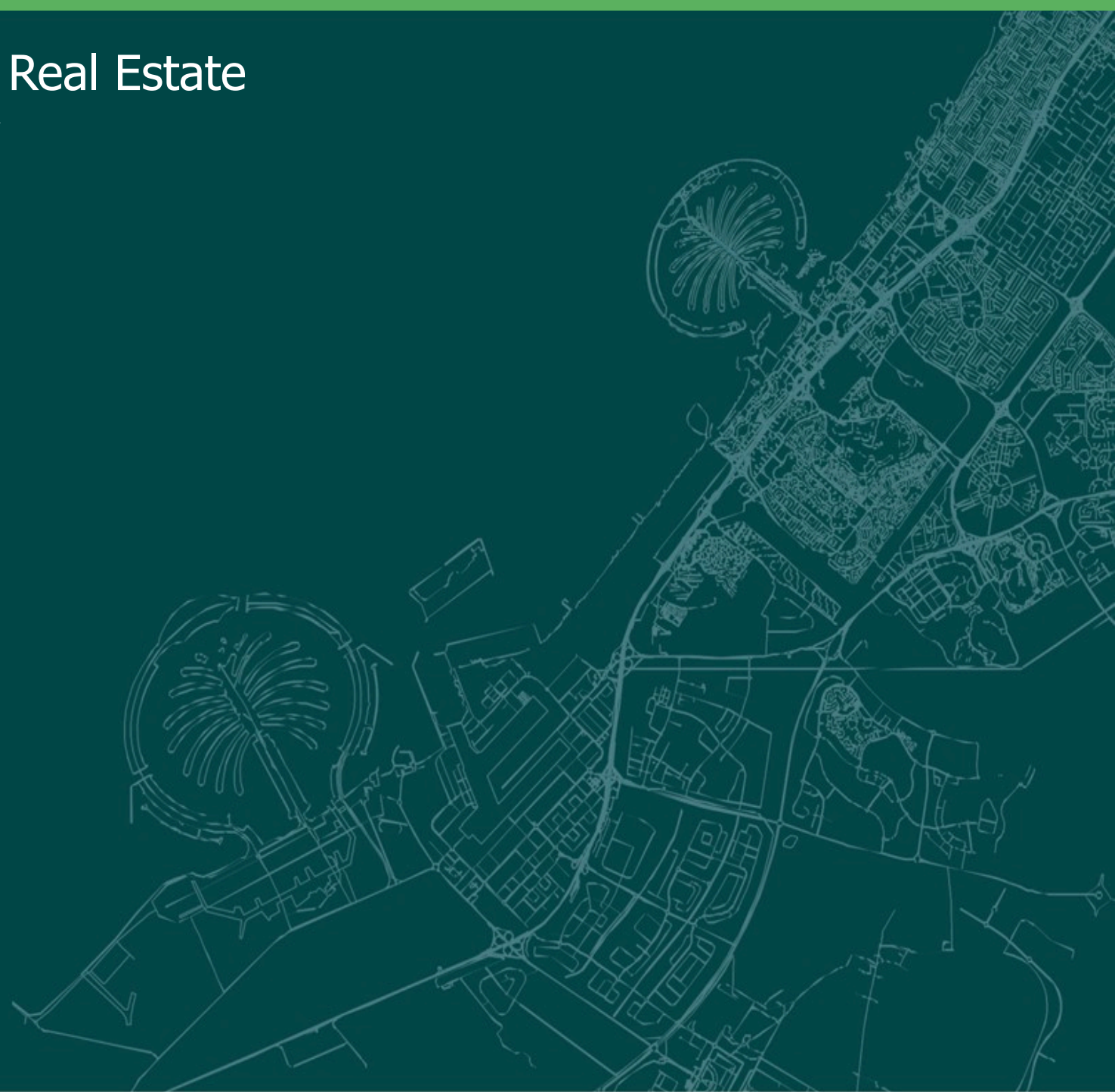
REIDIN

Table of Contents

Dubai & Abu Dhabi Real Estate Market Overview Q2 2024

Market Overview

REIDIN



Market Overview

MACRO ECONOMIC

The Central Bank of the UAE has upheld its previous projections of 3.4% GDP growth for 2023 and 4.0% for 2024. It is now projecting a strong 4.2% GDP growth for 2025. The economic growth in the UAE is broadly based and driven by solid domestic activity in sectors such as tourism, construction and financial services. The UAE's economic resilience remains impressive.

According to the OPEC Monthly Oil Market Report, the average OPEC basket price for the second quarter of 2024 was AED 305 per barrel, reflecting a 1% decline from the previous quarter's price of AED 309 per barrel.

The Consumer Price Index (CPI) in the United Arab Emirates increased by 1.73%, climbing from 109.45 points in the second quarter of 2023 to 111.34 points in the second quarter of 2024. The UAE's dependence on imports makes it particularly vulnerable to rising prices. The current shipping crisis in the Red Sea is exacerbating supply chain issues and driving up costs.

More attractions and a year-round schedule of business, leisure, and sporting events are solidifying Dubai's position as a major global hub for entertainment and drawing in visitors from around the world. There were almost 8.1 million visits overall between January and May of 2024, a 10% increase over the same time the previous year.

Market Overview

REAL ESTATE MARKET

Dubai's real estate market experienced remarkable growth in the second quarter of 2024. The real estate market continues to captivate global investors with its promise of lucrative returns and substantial long term growth potential.

The total volume of residential transactions increased by 10.4% from the previous quarter, with transaction values rising by 11.3% during the same period. Despite a slight drop in ready sales transactions, activity levels in Dubai's residential market remained strong this quarter. The surge in off-plan transactions, driven by a growing population, is propelling the market to new heights.

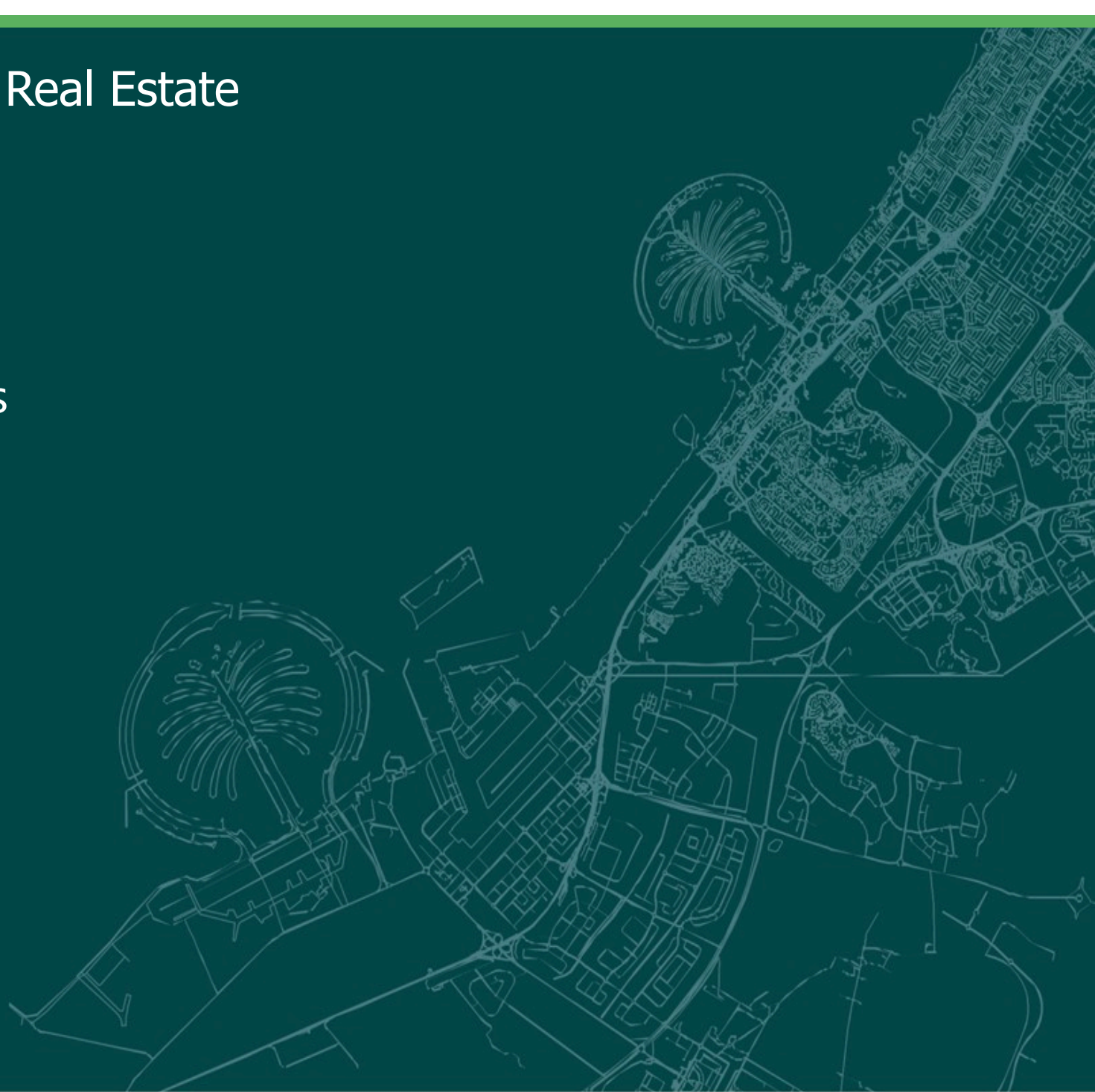
This quarter, the market experienced a continued expansion with the addition of over 5,575 new units. Among these, more than 3,680 were apartments and serviced apartments, while approximately 1,895 were villas.

Based on developer announcements, the market is set to welcome an impressive influx of 45,000 additional units by the end of 2024, with an estimated 71,000 more units anticipated in the following year. Furthermore, Abu Dhabi will have nearly 10,000 new units that are projected to be delivered in 2024, with around 8,000 slated for 2025.

Dubai & Abu Dhabi Real Estate Market Overview Q2 2024

Residential Sales Transaction Analysis

REIDIN

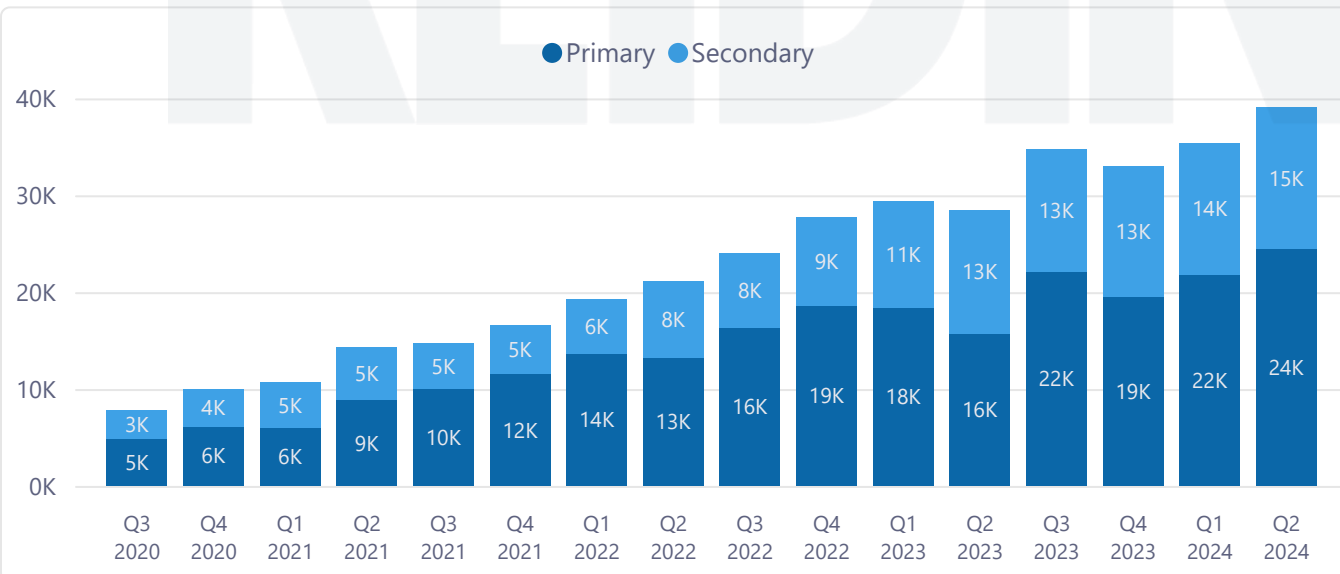


Residential Sales Transaction Volume

Quarterly Residential Transactions by Transaction Type



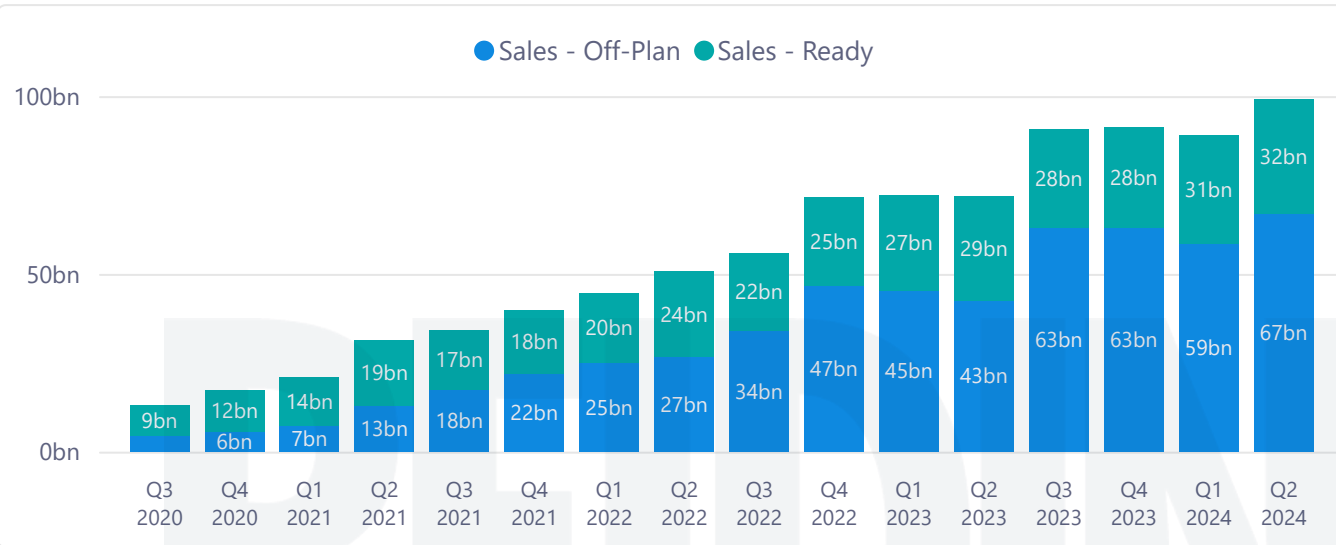
Quarterly Residential Transactions by Sales Sequence



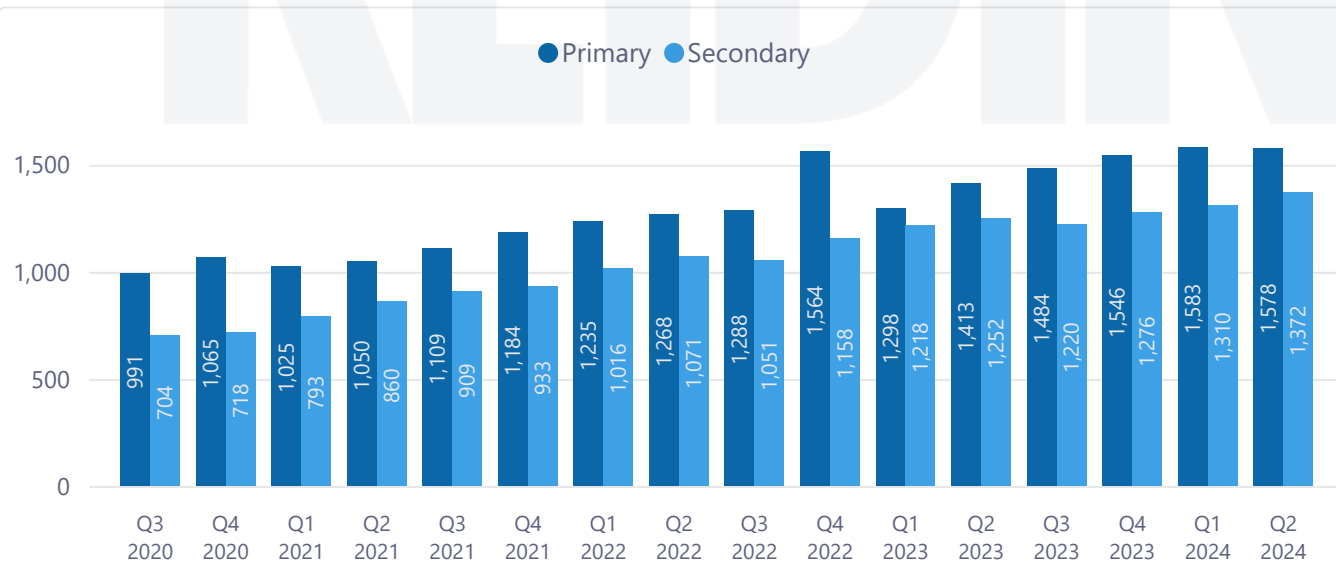
- The residential sector saw a notable 10.4% increase in overall transaction volume, encompassing both off-plan and secondary market transactions compared to the previous quarter. Annually, there was a significant 37.11% rise. Specifically, sales ready transactions decreased by 2.8%, while off-plan market transactions surged by 18.1% compared to the preceding quarter. Compared to the same period last year, the sales-ready market has grown by 1.9%, while the off-plan market has experienced a remarkable 64.2% increase.
- Dubai's off-plan market remains dynamic and expanding, supported by new project launches and attractive payment options.
- The volume of primary sale transactions grew by 12% whilst the volume of secondary sale transactions increased by 7.74%
- The volume of primary transactions saw an annual increase of 55.70%, while secondary transactions experienced a rise of 14.30%.

Residential Sales Transaction Value

Total Value of Quarterly Residential Transactions (AED)



Average Price of Quarterly Residential Transactions (AED/Sqf)



- The total effect of off-plan and ready transactions resulted in a 38.05% overall sales growth compared to the same period last year. Additionally, the total value of residential transactions surged by 11.27% from the previous quarter.
- Off-plan transactions recorded a 14.20% increase, whereas ready transactions showed a 5.65% rise compared to the previous quarter
- The Dubai off-plan market presents a promising outlook, driven by robust demand for luxury residences, innovative project offerings, flexible payment plans, and favorable investment conditions ensuring a prosperous future for investors and developers alike.
- When compared to the same period last year, primary and secondary sales have increased by 11.66% and 9.60% respectively. This reflects an impressive annual growth rate of 10.69%.

Average Residential Sales Transaction Value

Average Price of Off-plan Transactions by Property Type (AED)



- The average prices for off-plan villas and apartments have dropped by 4.9% and 8.67%, respectively, from the previous quarter.
- In contrast, off-plan villa communities in Dubai experienced a substantial price increase of 27.5% compared to the same period last year. Conversely, off-plan apartments saw a 20.9% decrease in price during the same timeframe.

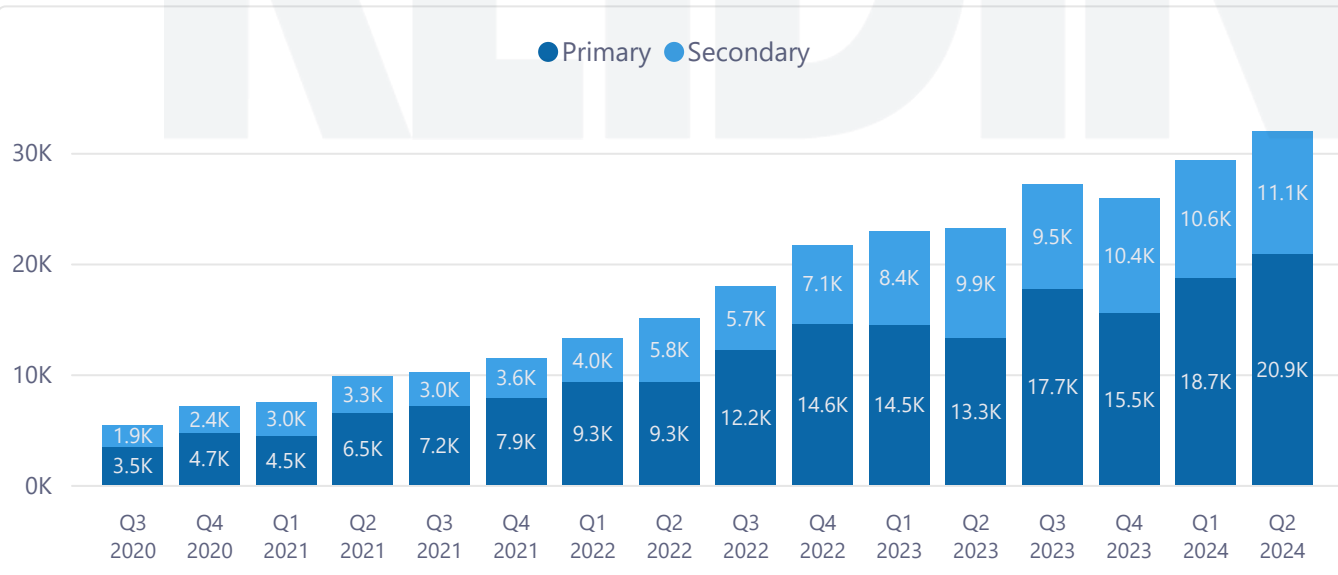
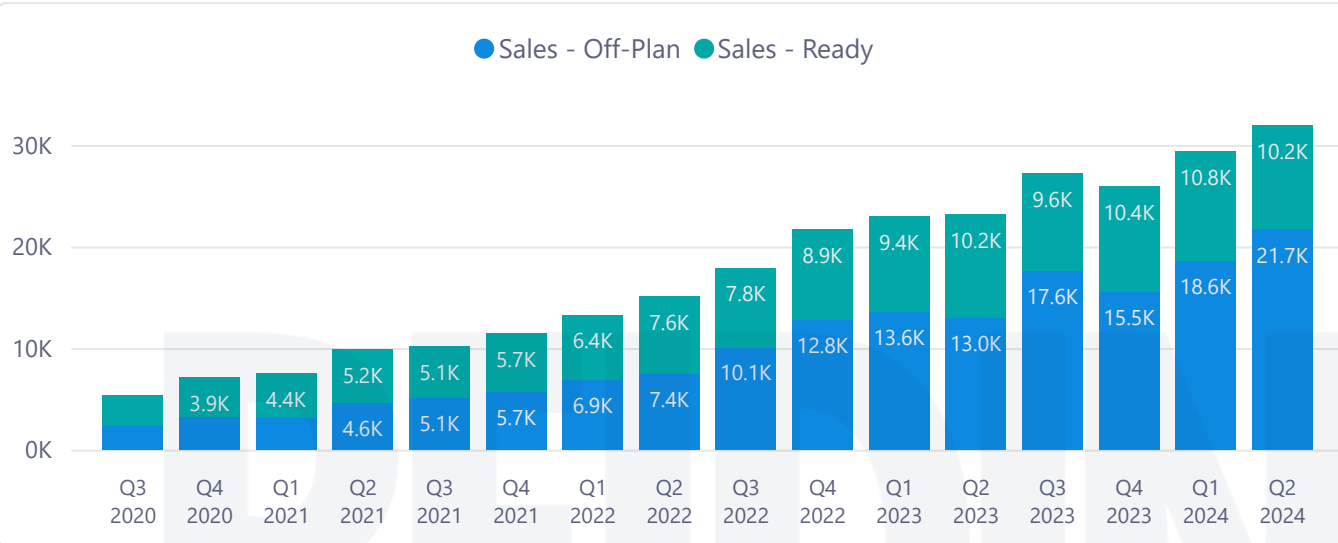
Average Price of Ready Property Transactions by Property Type (AED)



- Prices for ready villas rose by 1.5% compared to the last quarter, while apartment prices saw a 7.59% increase.
- Ready villa prices have experienced a 2.3% decline compared to the same period last year, while ready apartment prices have shown a 4.6% increase over the corresponding period.

Apartment Sales Transactions

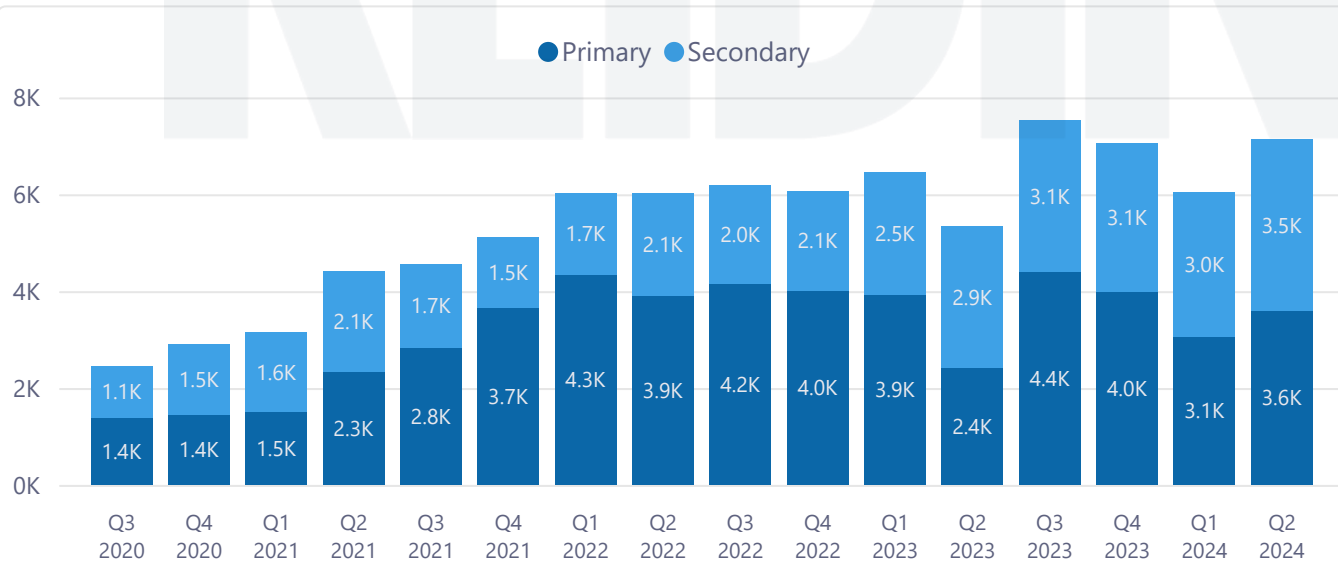
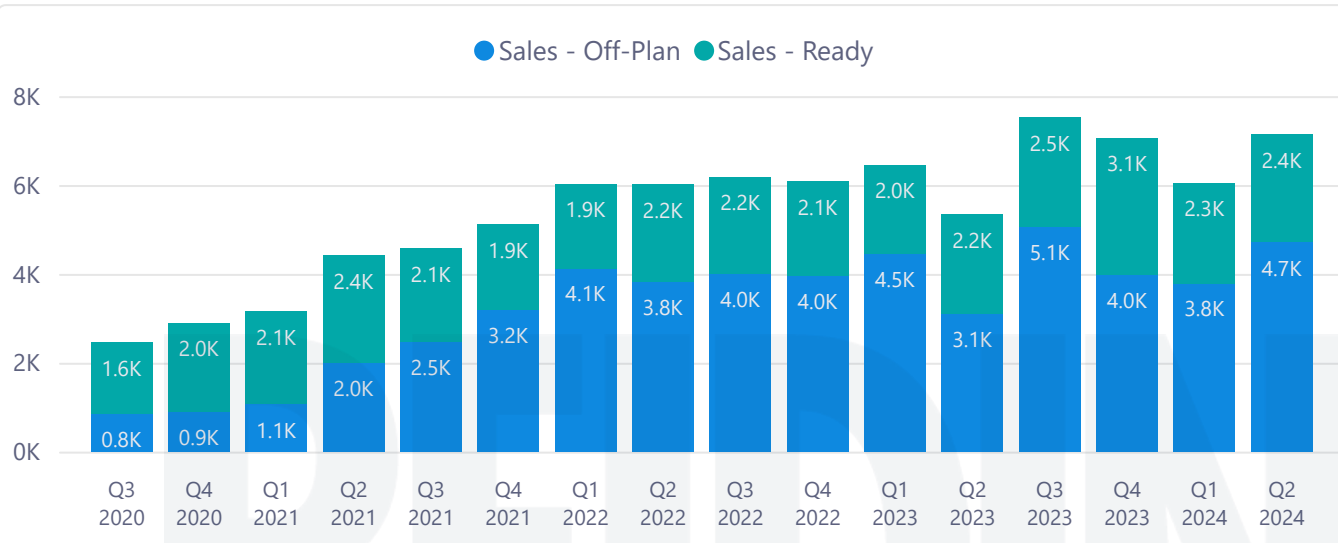
Number of Apartment & Serviced Apartment Transactions



- The combined transaction volume of both off-plan and ready apartments experienced quarterly growth of 8.8% and annual growth of 37.9%.
- During the last quarter, ready apartments and serviced apartments saw a decrease of 5.06%, whereas off-plan apartments and serviced apartments showed a notable increase of 16.89%.
- Both primary and secondary market transactions continued to increase as the Dubai real estate market kept its buoyancy. This indicates a positive trend in the sector, reflecting increased demand and investor confidence.

Villa Sales Transactions

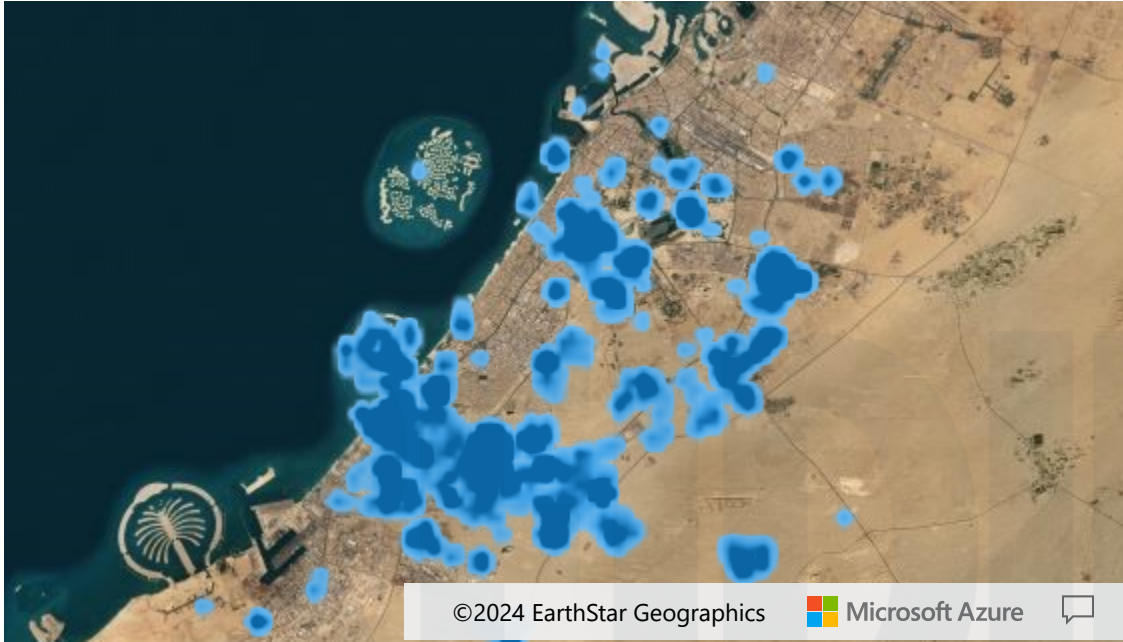
Number of Villa & Townhouse Transactions



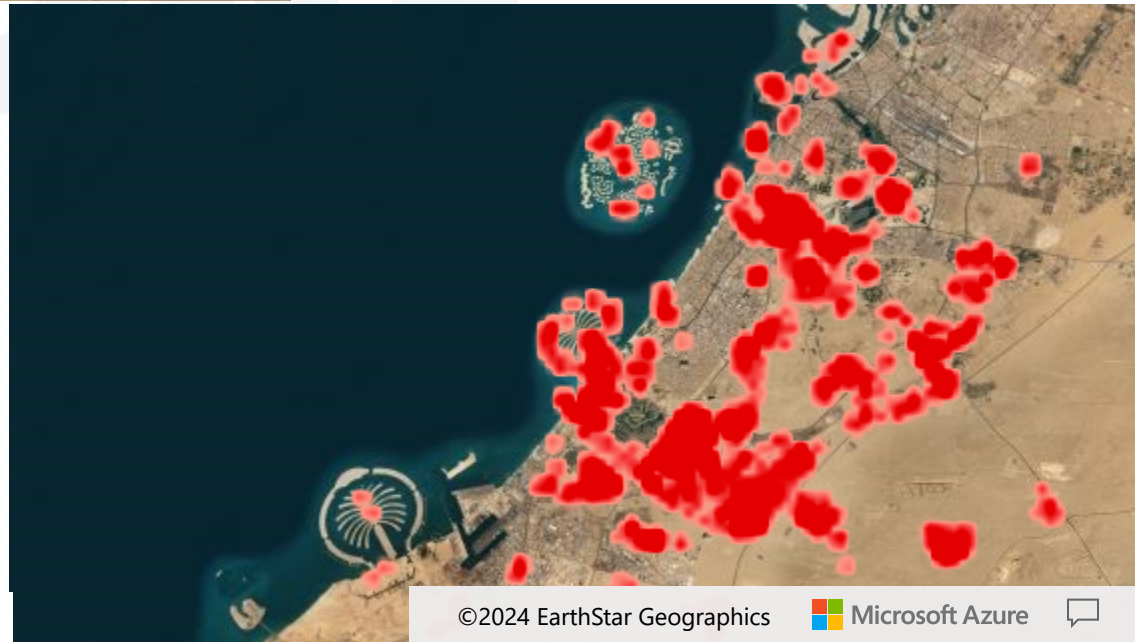
- The total volume of villa transactions grew by 34% year-over-year and 18% quarter-over-quarter. Off-plan villa transactions increased by 24% quarterly and 51% annually. Ready villa transactions rose by 8.7% annually and 7.7% quarterly.
- Villa sales directly sourced from developers increased by 48.8% compared to last year, whereas sales from the existing market supply rose by 21.1% during the same period.
- The surge in villa transactions, both off-plan and ready, is attributed to tenants choosing homeownership in response to rising rental costs. This trend also reflects a growing preference for more spacious and luxurious living spaces.

Heatmap Sales Transactions

Ready Property Transactions

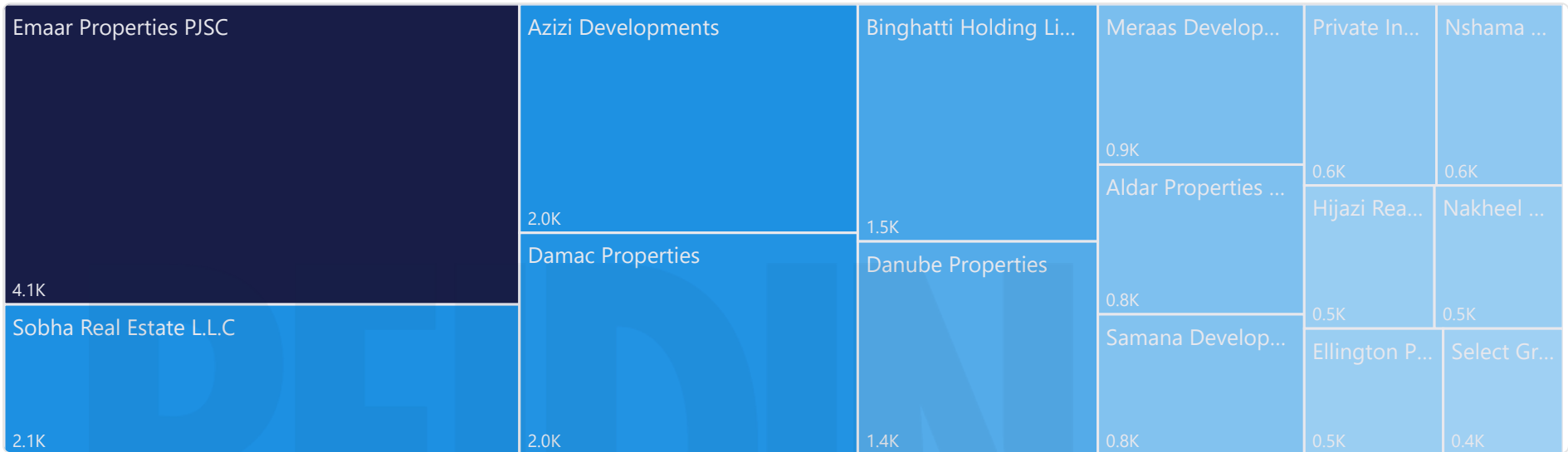


Off-plan Property Transactions

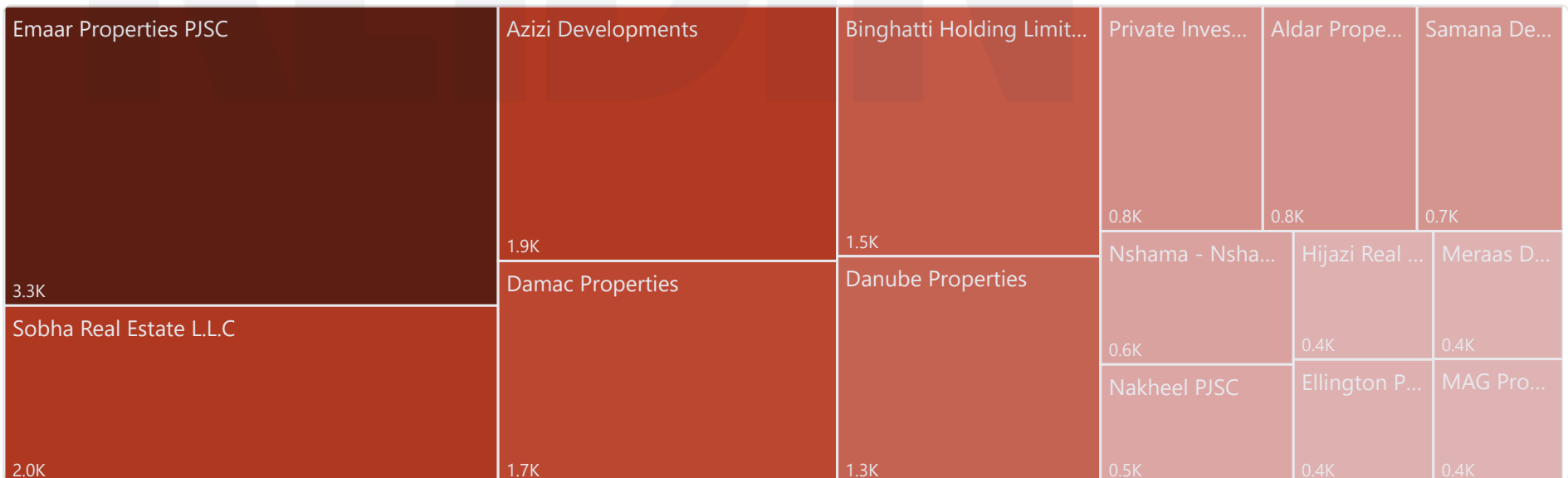


Sales Transactions by Developer

Number of Off-Plan Property Transactions by Developer (Primary & Secondary)



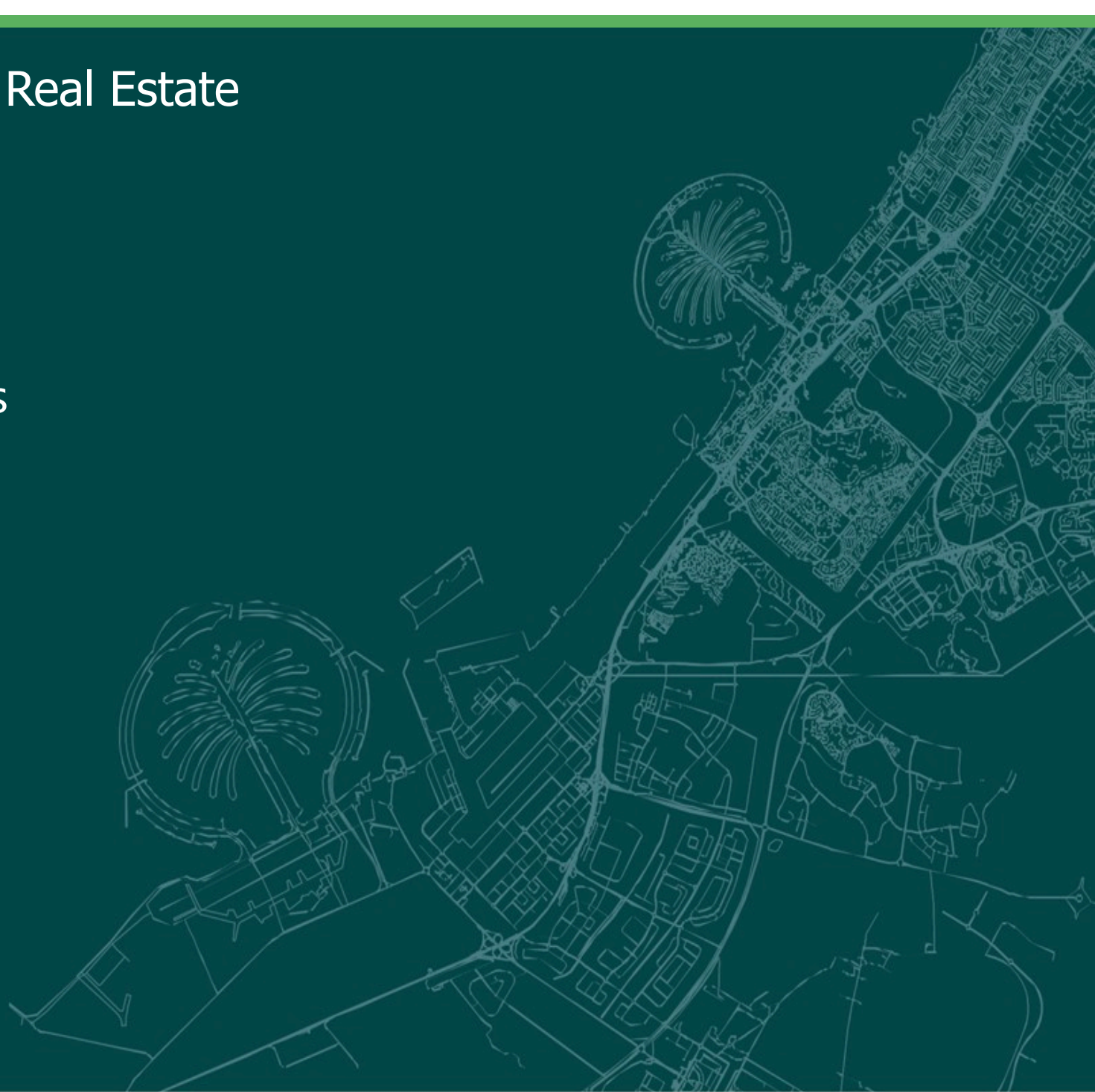
Number of Off-plan Primary Sales Transactions by Developer



Dubai & Abu Dhabi Real Estate Market Overview Q2 2024

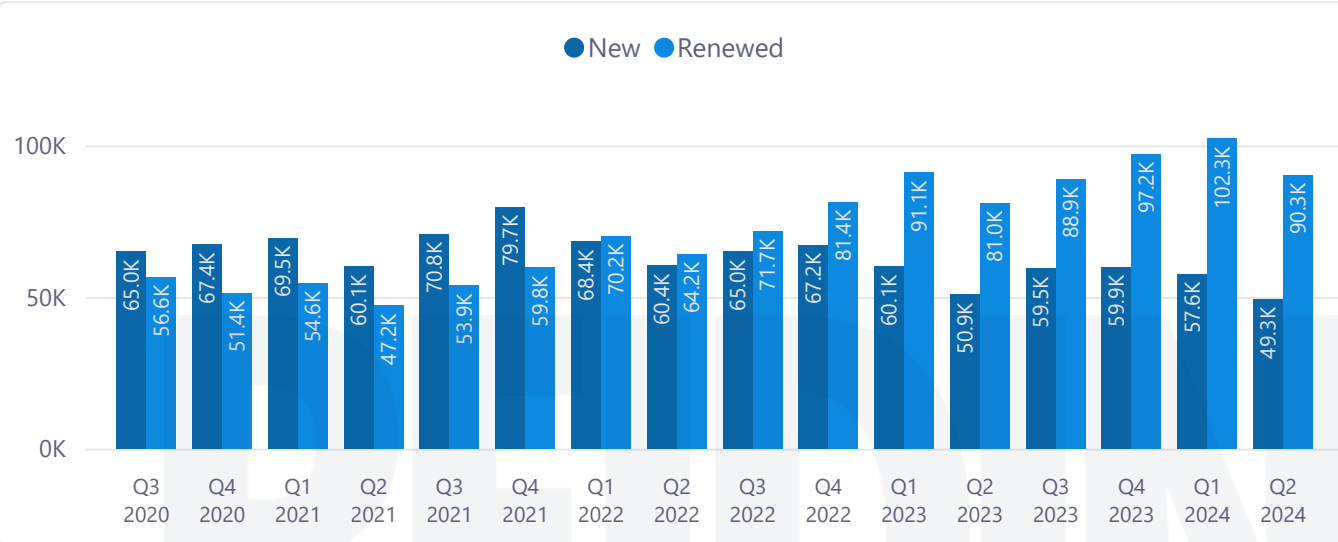
Residential Rent Transaction Analysis

REIDIN



Residential Rent Transactions

Quarterly Residential Rent Transactions by Type



- New rental contracts decreased by 3% compared to the same period last year, while renewed contracts increased by 11%. More tenants opting for renewing the contracts rather than moving into new units.
- Rental contracts signed this quarter saw a 14.9% decline compared to the previous quarter, with renewed contracts experiencing an 11.76% decrease.
- International City, Jumeirah Village Circle, and Dubai Silicon Oasis are the three leading freehold areas for rental transactions.

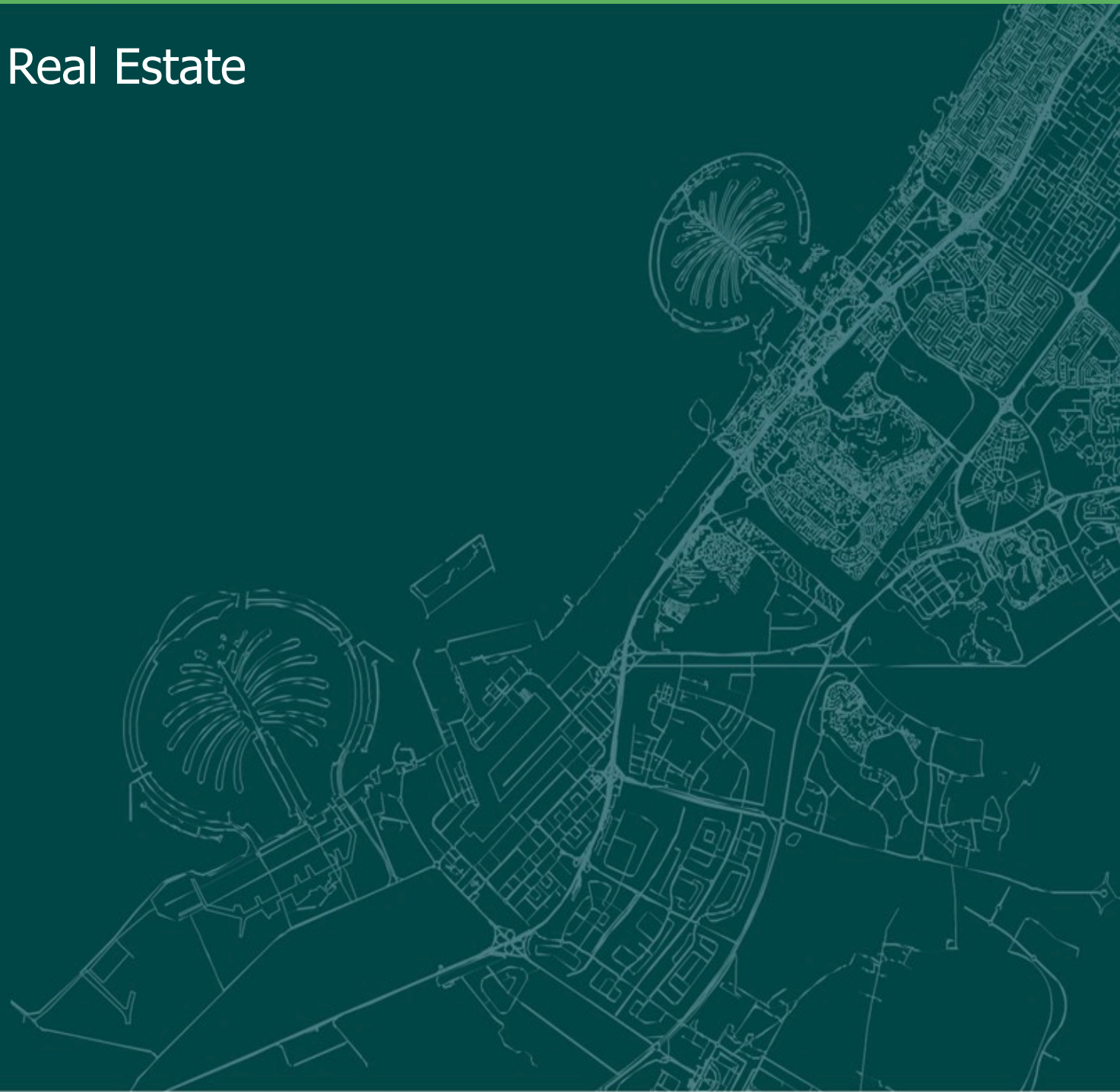
Quarterly Residential Rent Transactions by Area



Dubai & Abu Dhabi Real Estate Market Overview Q2 2024

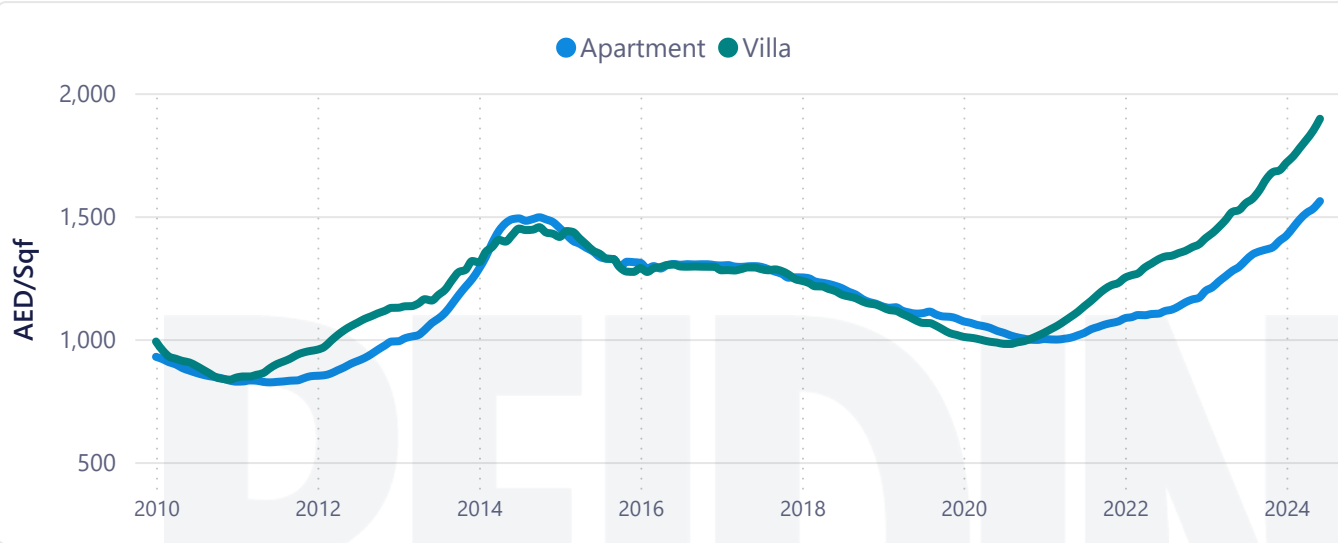
Market Trends

REIDIN

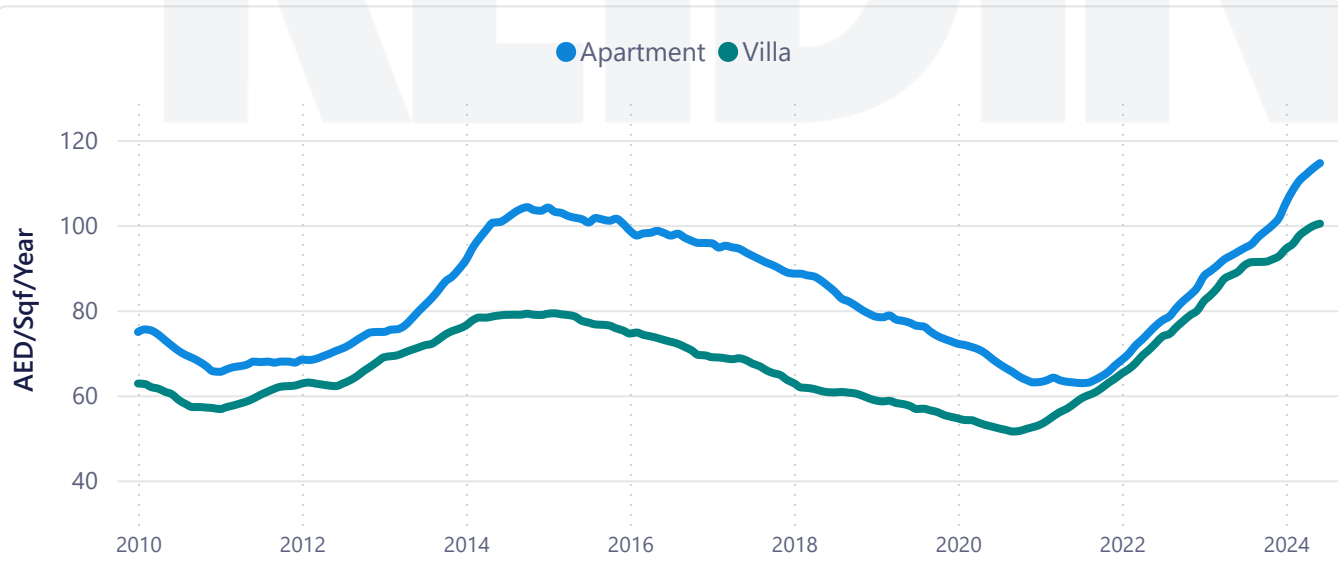


Dubai Residential Price Trends

Sales Price Trends



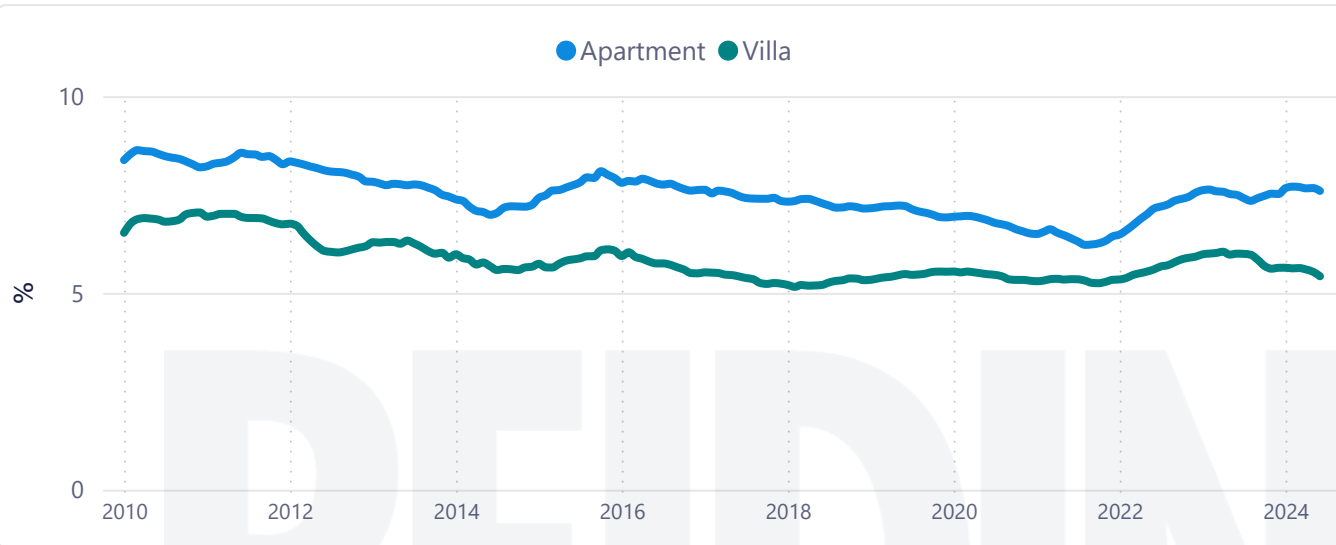
Rent Price Trends



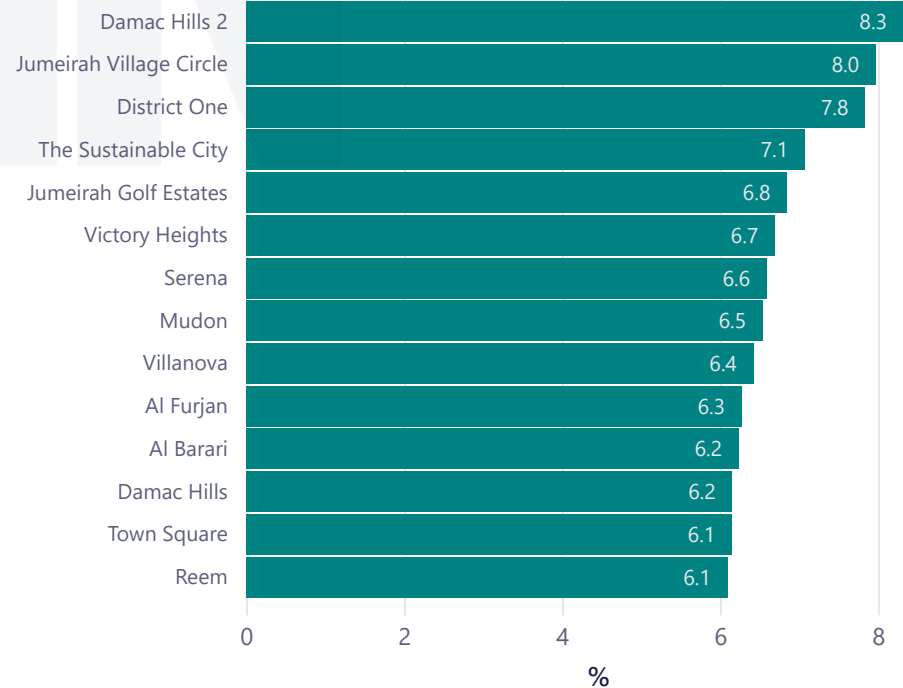
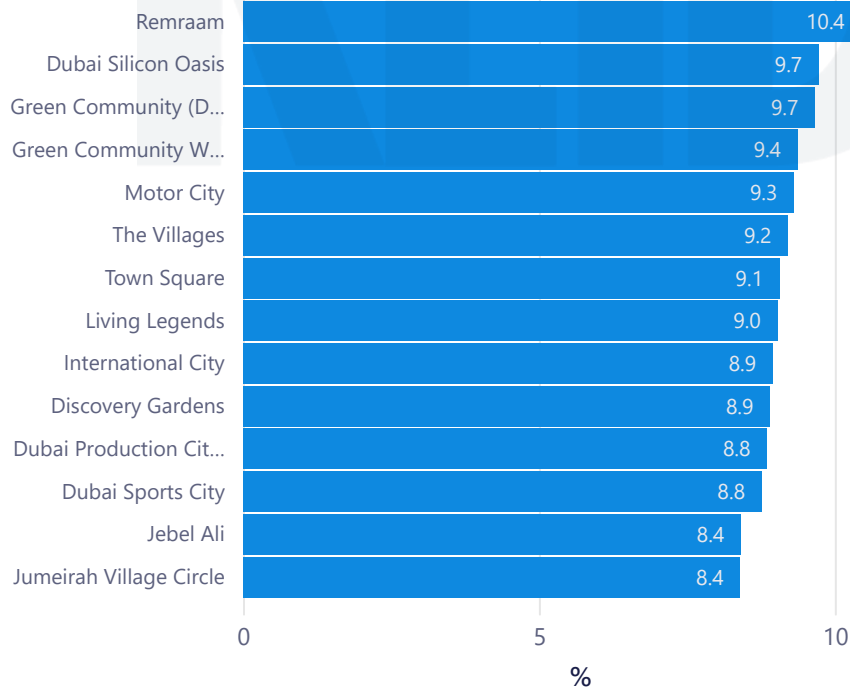
- Dubai villa sales prices sustained their upward trend this quarter, rising by 6.7% compared to the previous quarter and by 24.3% from the same period last year.
- Apartment sales prices in Dubai rose by 5% from the previous quarter, also making a consistent 20.6% growth compared to the same period last year.
- Apartment rentals in Dubai grew by 3.72% compared to the previous quarter and surged by 26.65% from the same period last year. In contrast, villa rentals increased by 2.86% from the previous quarter and rose by 12.70% year-over-year.

Dubai Gross Rental Yields

Gross Rental Yields

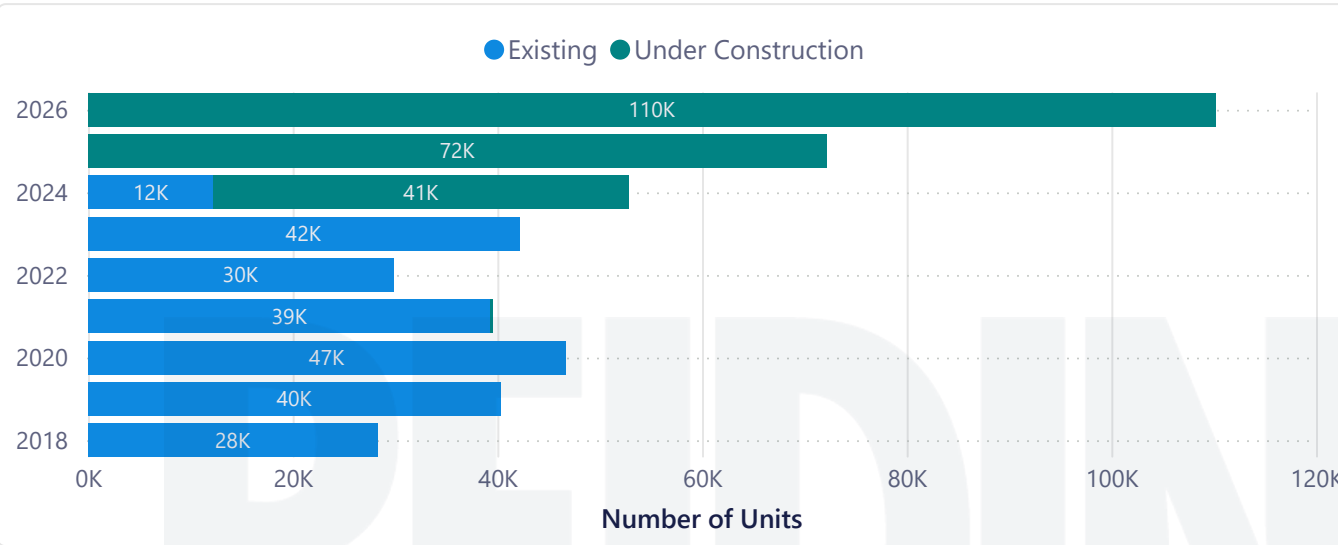


- Compared to the previous quarter, apartment gross rental yields in Dubai have decreased by 1.30% while villa rental yields fell by 3.71%.
- Remraam led with a notable apartment rental yield of 10.4%, closely followed by Dubai Silicon Oasis at 9.7%. For villas, Damac Hills 2 topped the list with an 8.3% yield, with Jumeirah Village Circle also performing well. These areas offer standout returns and strong investment potential.



Dubai Residential Supply (Freehold)

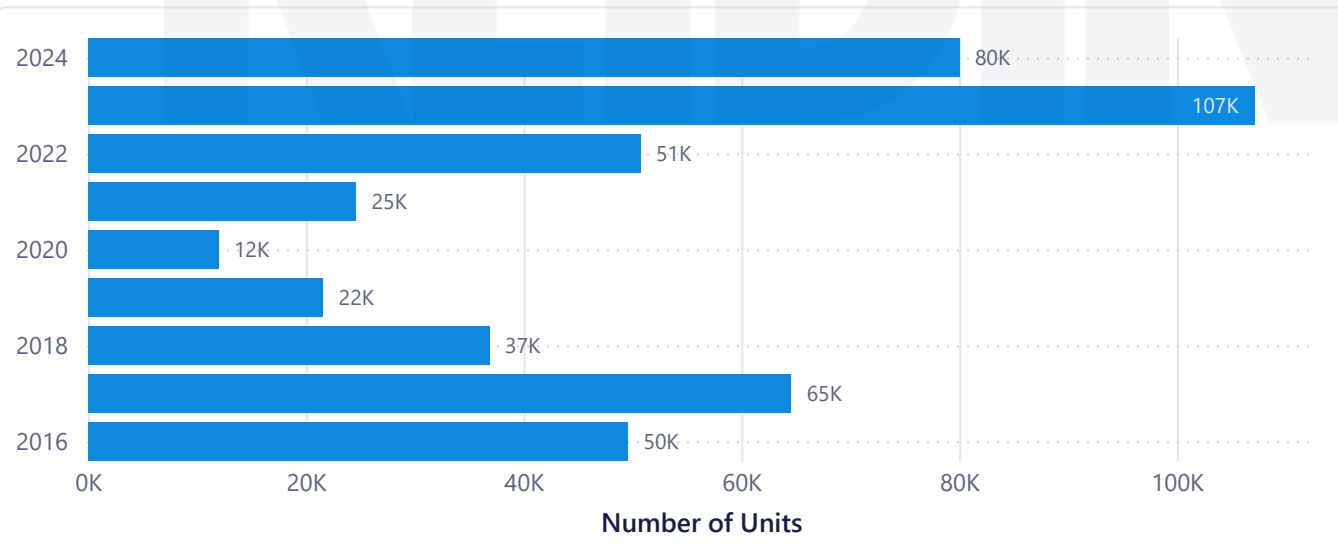
Dubai Residential Supply



- The Dubai real estate market welcomed over 5,575 new units, with 3,680 apartments and around 1,895 villas added to the market.

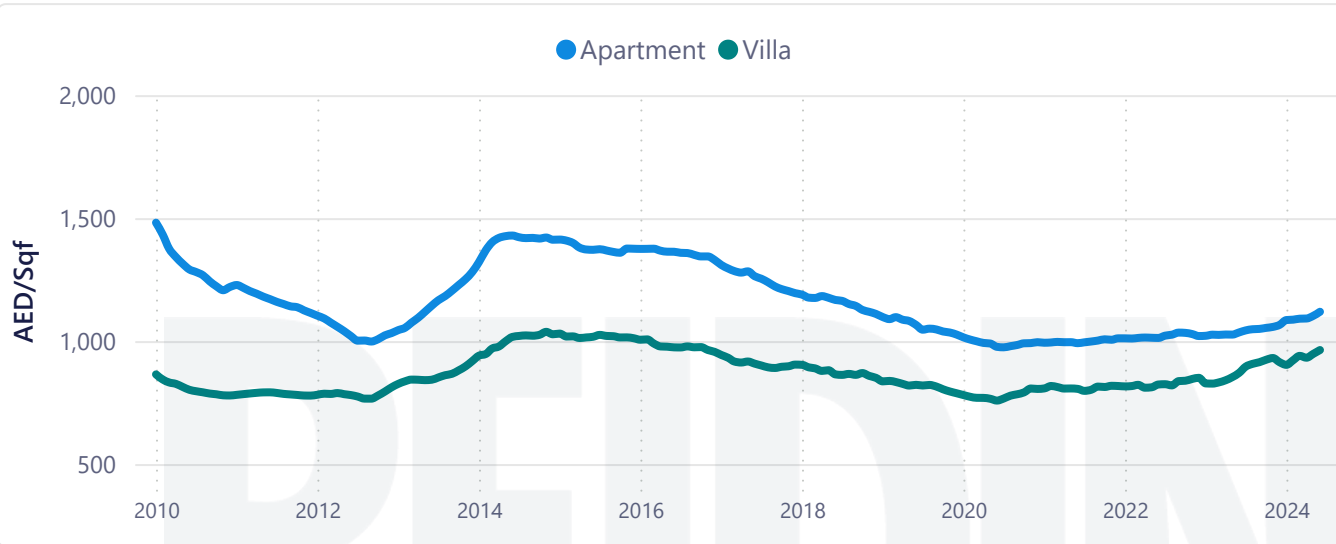
- According to developer announcements, an additional 45,000 units are expected to enter the market by the end of 2024, followed by another 71,000 units projected for the following year.

Dubai Residential Launches

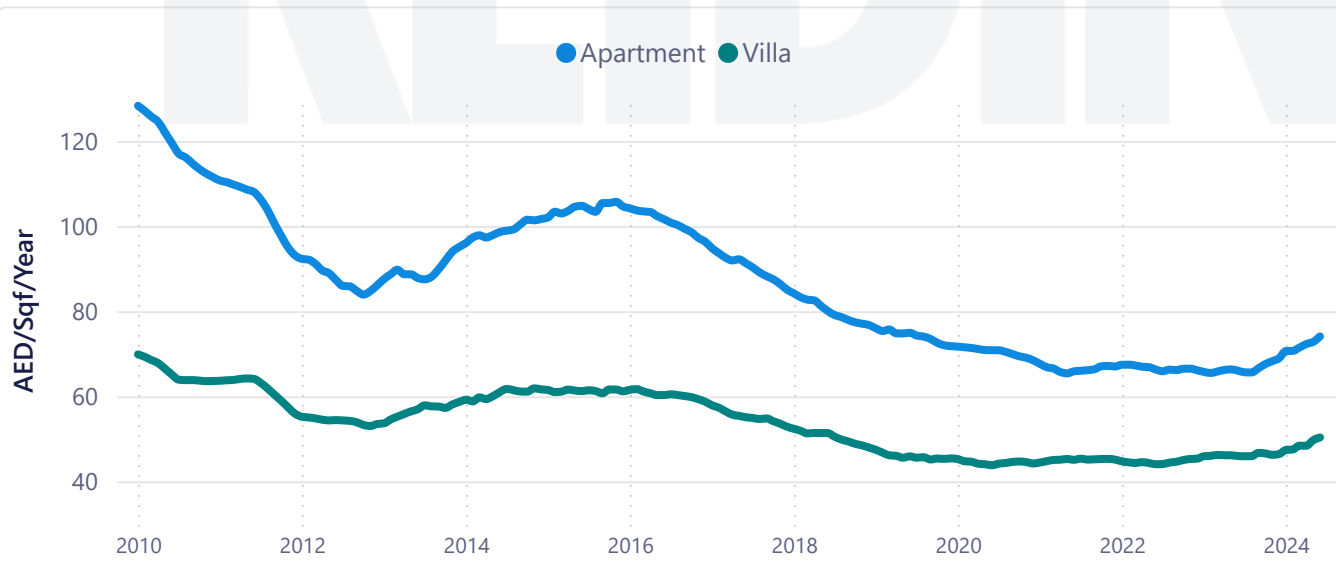


Abu Dhabi Residential Price Trends

Sales Price Trends



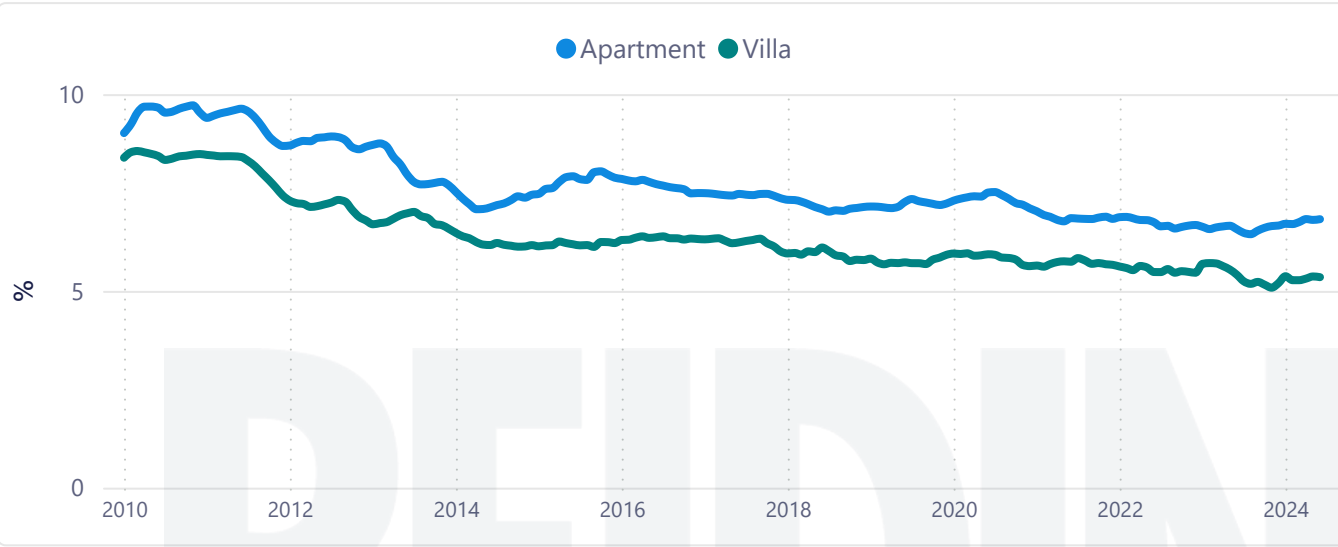
Rent Price Trends



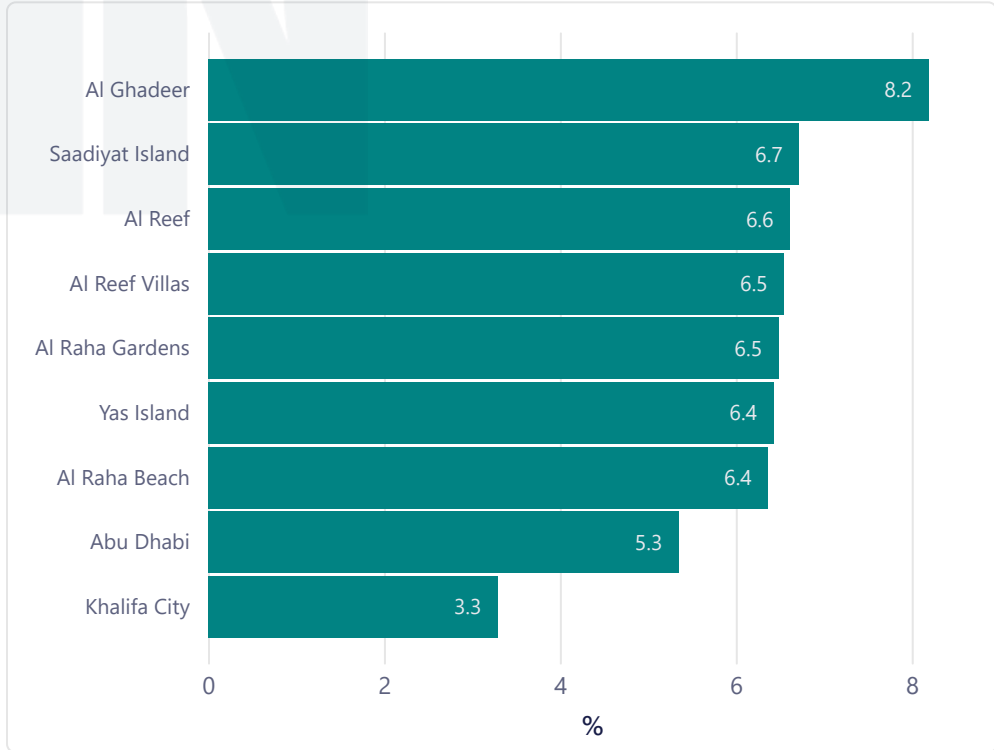
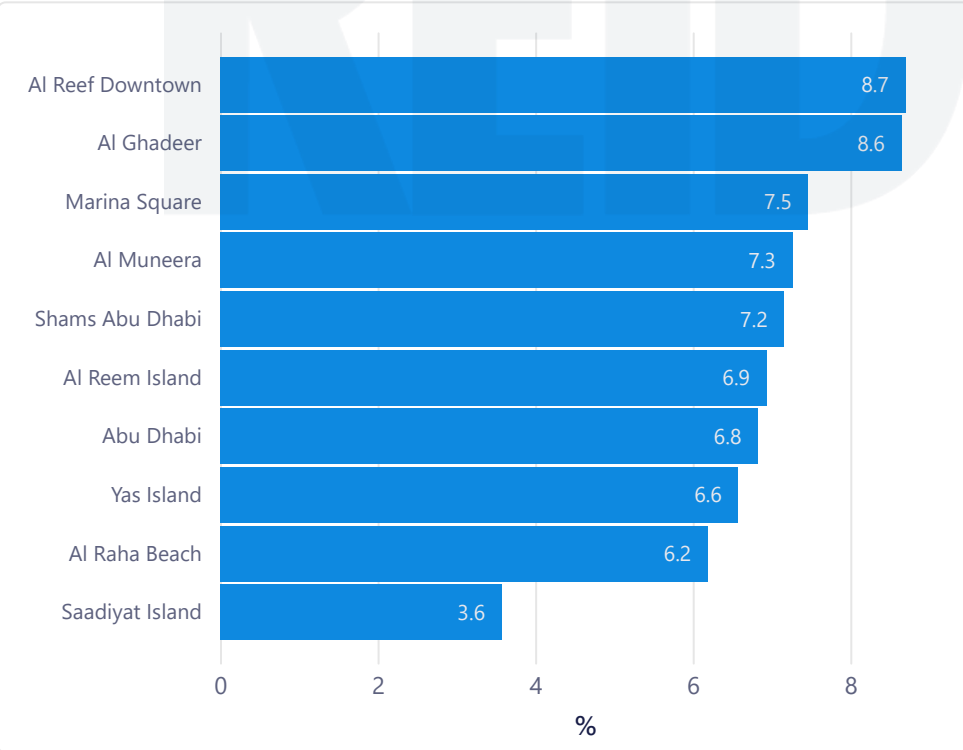
- Abu Dhabi's apartment sales prices experienced steady growth, increasing by 2.59% from the previous quarter and rising by 8.13% compared to the same period last year.
- Villa sales prices in Abu Dhabi also rose, with a 2.54% increase from the previous quarter and a significant 10.69% rise compared to the same period last year.
- Both apartments and villas sales price demonstrated steady expansion reflecting the robustness of the market.
- Rent prices in Abu Dhabi for apartments and villas have surged by 3.69% and 4% respectively from the previous quarter. Compared to the same period last year, apartment rents increased by 12.20%, while villa rents rose by 9.48%, reflecting a clear upward trend.

Abu Dhabi Gross Rental Yields

Gross Rental Yields

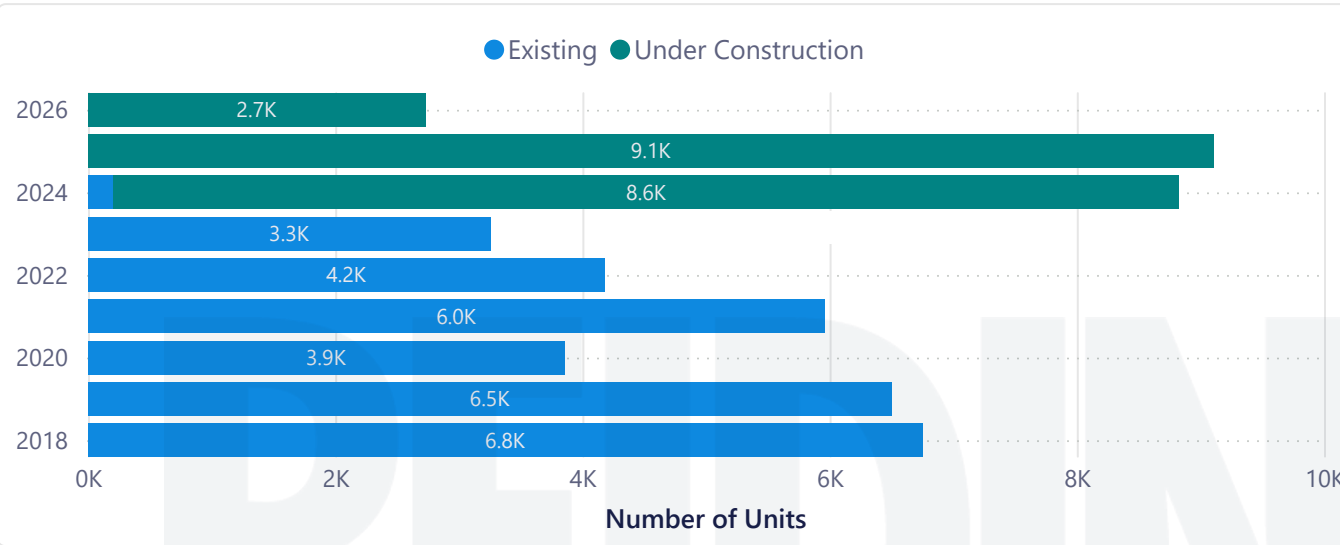


- Apartment gross rental yields in Abu Dhabi have increased by 1.11% from the previous quarter, reaching a total of 6.8%.
- Villa rentals in Abu Dhabi have experienced a slight increase of 1.47%, reaching 5.3%.



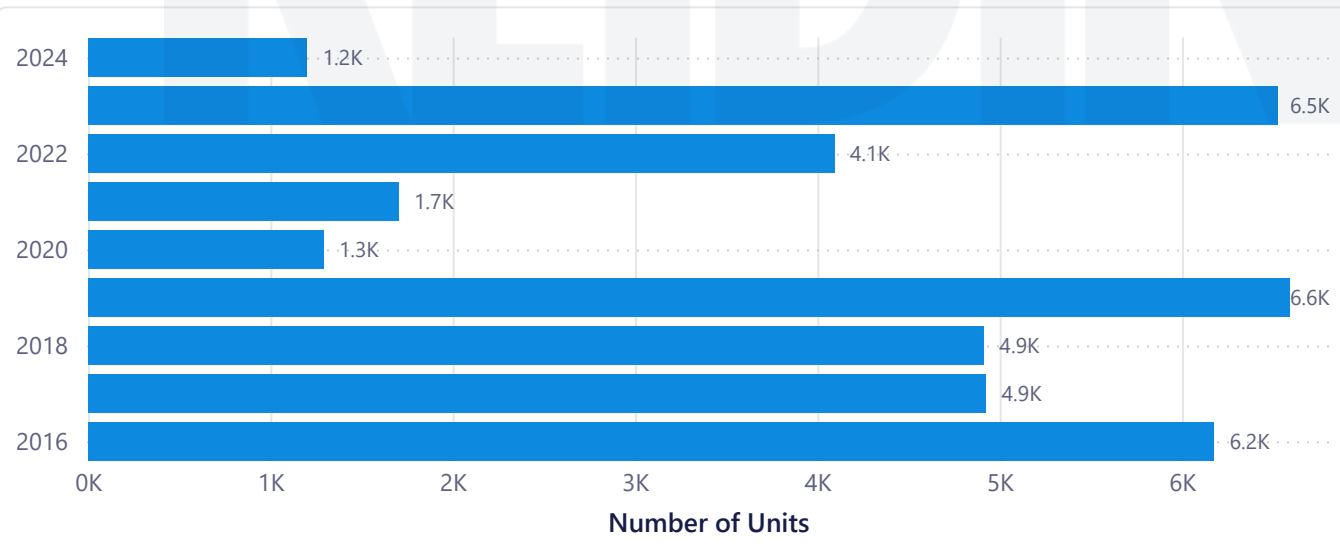
Abu Dhabi Residential Supply (Freehold)

Abu Dhabi Residential Supply



• As per developer announcements, approximately 10,000 new units are scheduled for delivery in 2024, with a further 8,500 units anticipated in 2025.

Abu Dhabi Residential Launches



REIDIN

Data Analytics

DUBAI OFFICE

Concord Tower No: 2304

Dubai Media City, PO Box 333929
Dubai, United Arab Emirates

Phone:

+971 4 277 68 35

Fax:

+971 4 360 47 88

info@reidin.com

www.reidin.com