

The background of the slide is a photograph of a Dubai residential development. It features a canal with a wooden bridge, lined with palm trees and modern buildings. In the distance, the Burj Al Arab hotel is visible against a clear blue sky with light clouds. The text is overlaid on the left side of the image.

Dubai Residential

Where All Roads Lead

Evaluating Dubai's Ultra Luxury Housing Market

Executive Summary

- **Market Share Breakdown**

Using a number of select communities* as a proxy to gauge the overall status of the luxury market, we can see a noticeable pattern emerge over the last three and a half years. The communities in question have comprised 14% of the total citywide residential sales value since January 2021, despite themselves being made up of relatively few transactions. However, we can see that their share of Dubai's residential sales value has been declining, as has their share of high end luxury sales volumes.

- **Sales Volume Analysis**

If we examine the communities themselves on an individual basis, we can see that sales volumes peaked between mid-to-late 2023 (generally speaking). However, sales trajectories are now in decline, or beginning to stagnate at best. This suggests a move towards newer communities and upcoming projects, as well as a general shift towards the mid market.



*See Appendix for list of select communities.

Contents

- 1. Market Share Breakdown**
- 2. Sales Volume Analysis**

Market Share Breakdown

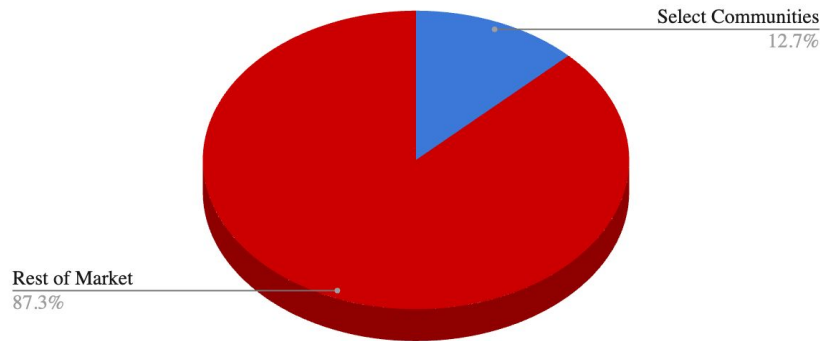
"Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria."

– Sir John Templeton.

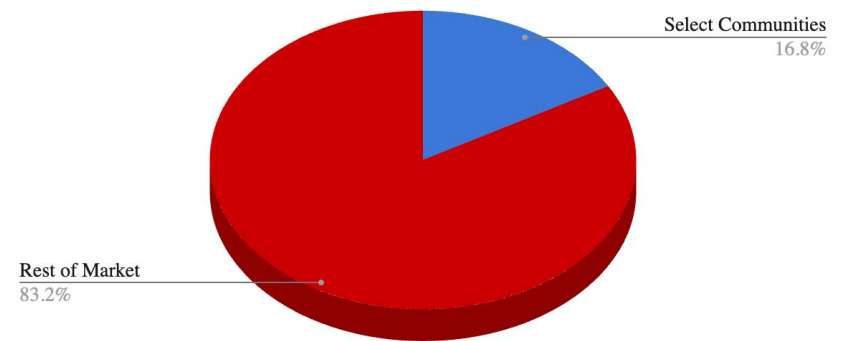


Total Citywide Residential Market Share

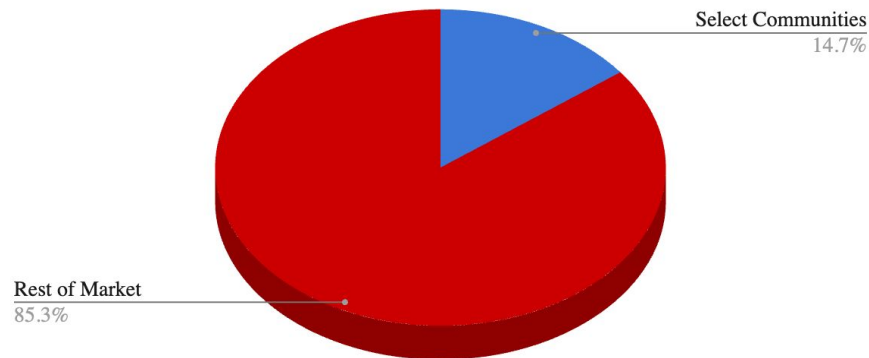
Select Community Market Share 2021



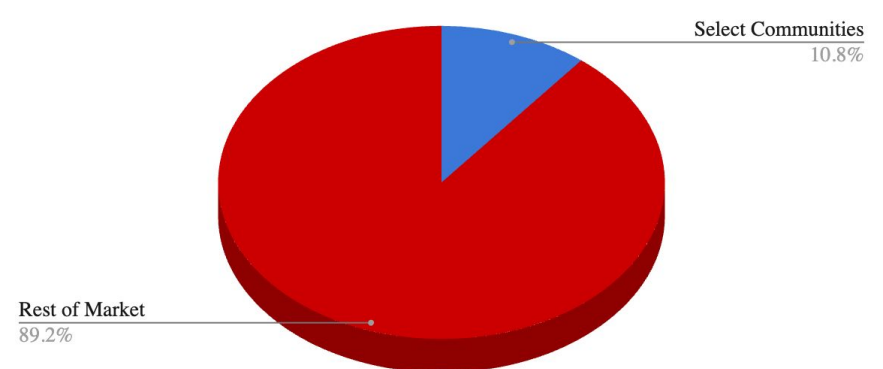
Select Community Market Share 2022



Select Community Market Share 2023



Select Community Market Share 2024*

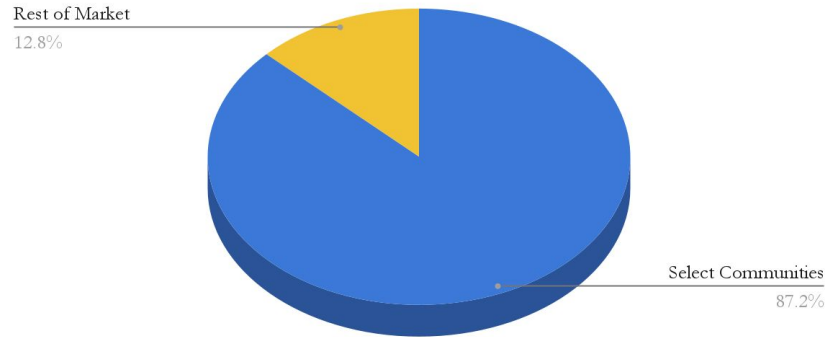


The graph above illustrates the currently declining market share of ultra-luxury communities (as approximated by the aforementioned select communities). Although these communities saw the absolute value of their sales peak in 2023 (at a total of AED 41.5 billion), their share of the overall residential market sales value came in 2022, when they were responsible for 16.76% of all residential sales value in Dubai. By comparison, this figure drops to 14.71% in 2023, and further to 10.76% in 2024 thus far.

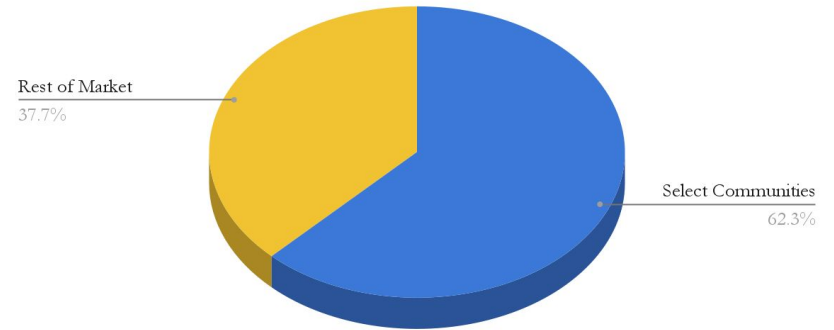
* As of July 21 2024.

AED 20M+ Market Share

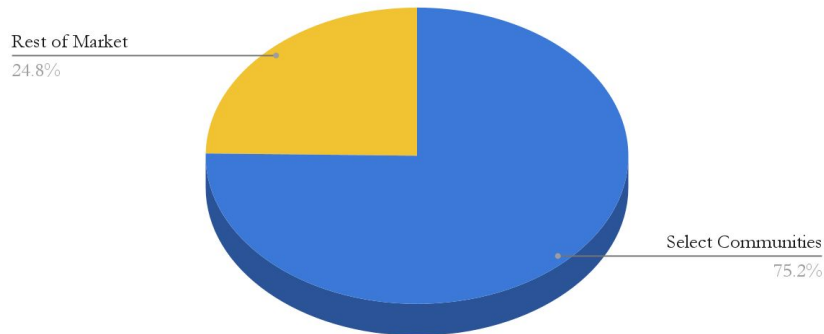
Select Community 20M+ Market Share 2021



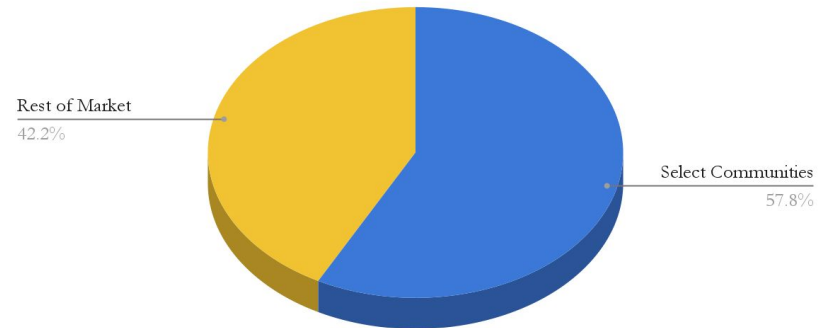
Select Community 20M+ Market Share 2022



Select Community 20M+ Market Share 2023



Select Community 20M+ Market Share 2024



Similarly, the portion of the ultra high luxury market comprised of these select communities has also declined. In 2021, the communities in question were responsible for nearly 90% of all sales exceeding AED 20 million in value. This has since declined to 57.8% in 2024, likely owing to the emergence of newer communities like Tilal al Ghaf.

Sales Volume Analysis

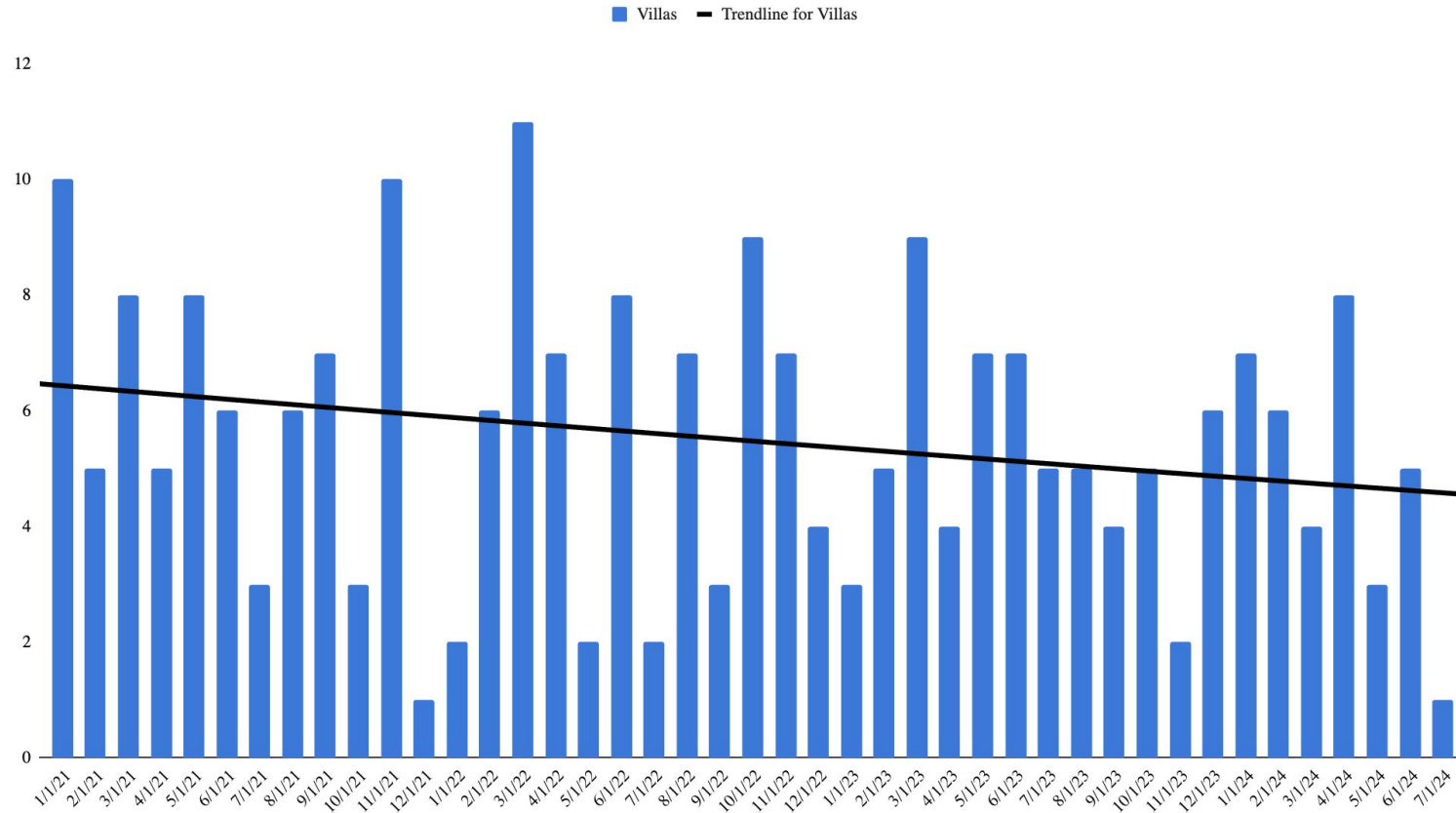
“Many a man thinks he is buying pleasure, when he is really selling himself to it.”

– Benjamin Franklin.



Emirates Hills Sales Record

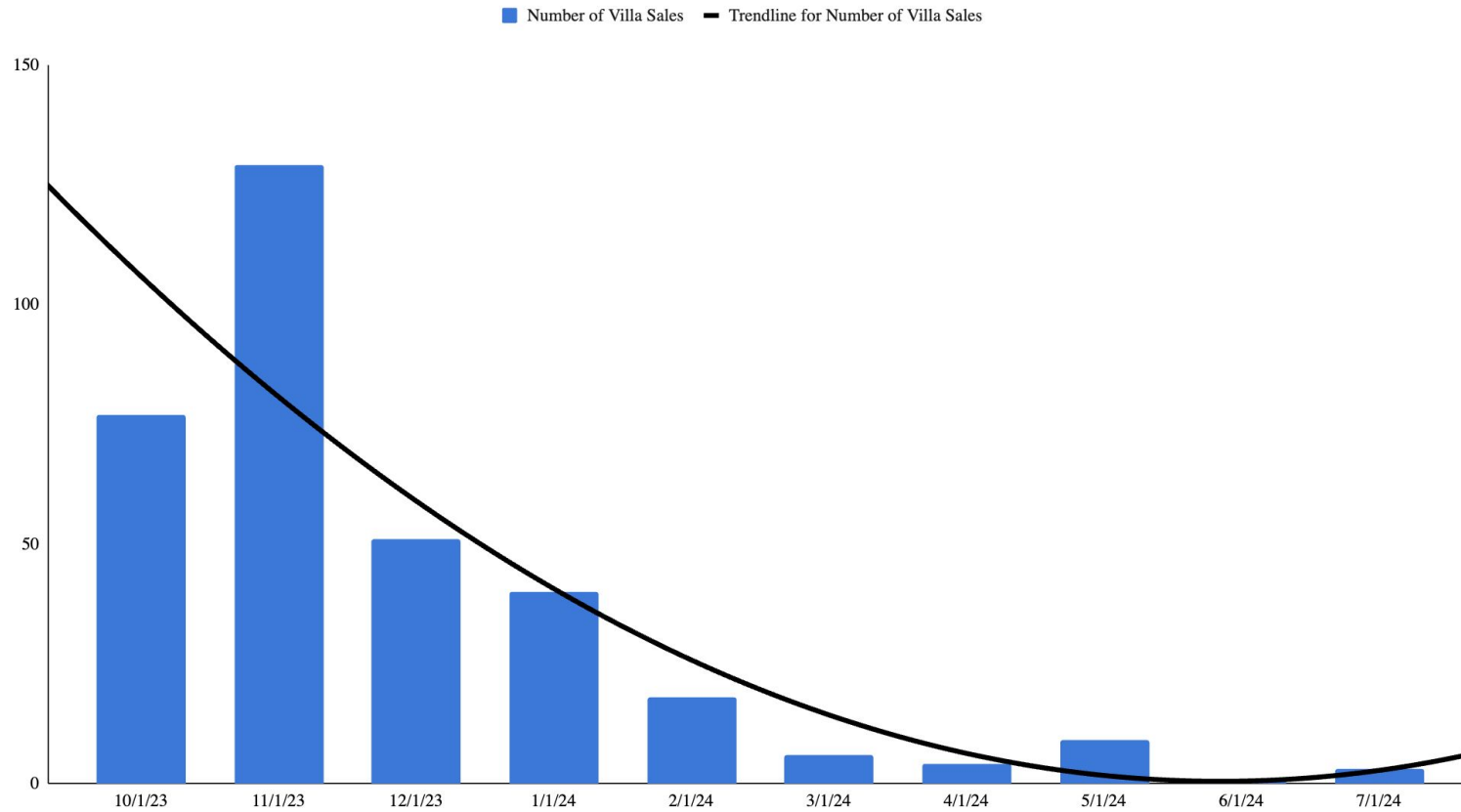
Emirates Hills Transactions Above AED 20 Million



Beginning with Emirates Hills, we can see that sales above AED 20 million have been consistently trending downwards over the last three and a half years.

Palm Jebel Ali Sales Record

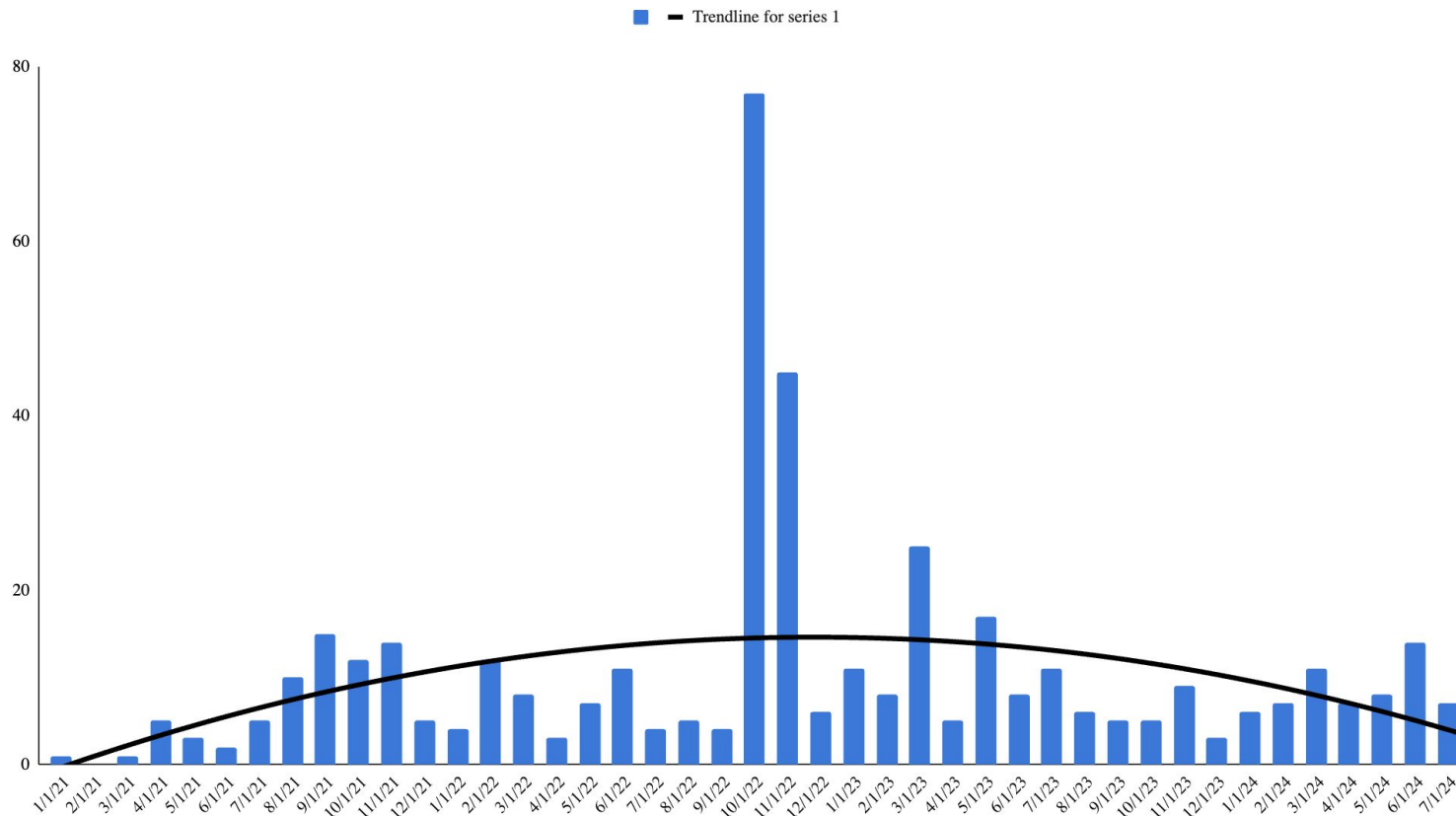
Palm Jebel Ali Estate Transactions Above AED 20 Million



This trend is even more pronounced in Palm Jebel Ali. Despite a strong initial performance following its launch near the end of 2023, sales have since struggled to reach double digits monthly for the last five months.

Dubai Hills Estate Sales Record

Dubai Hills Estate Transactions Above AED 20 Million



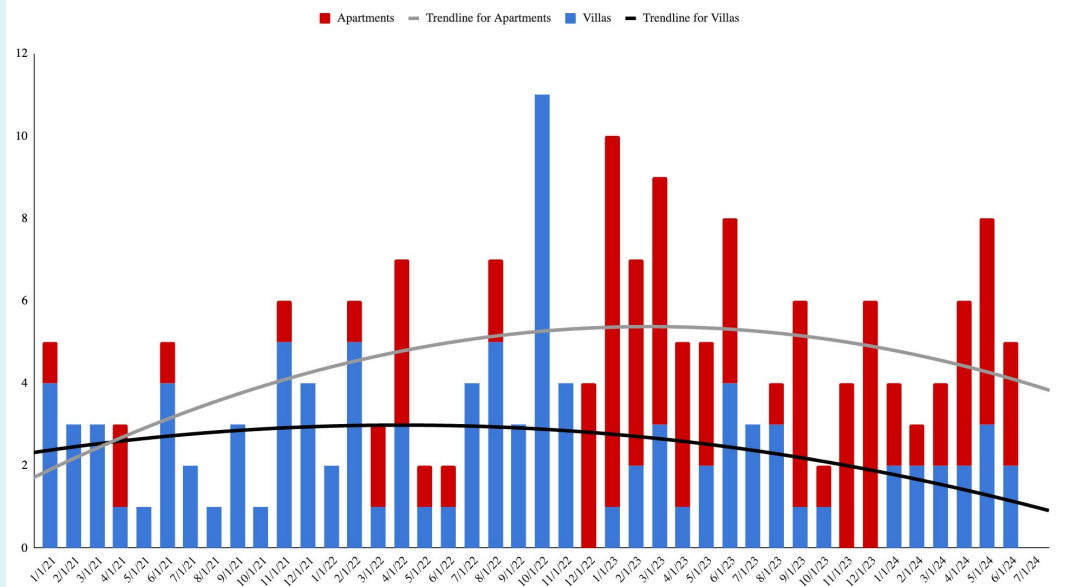
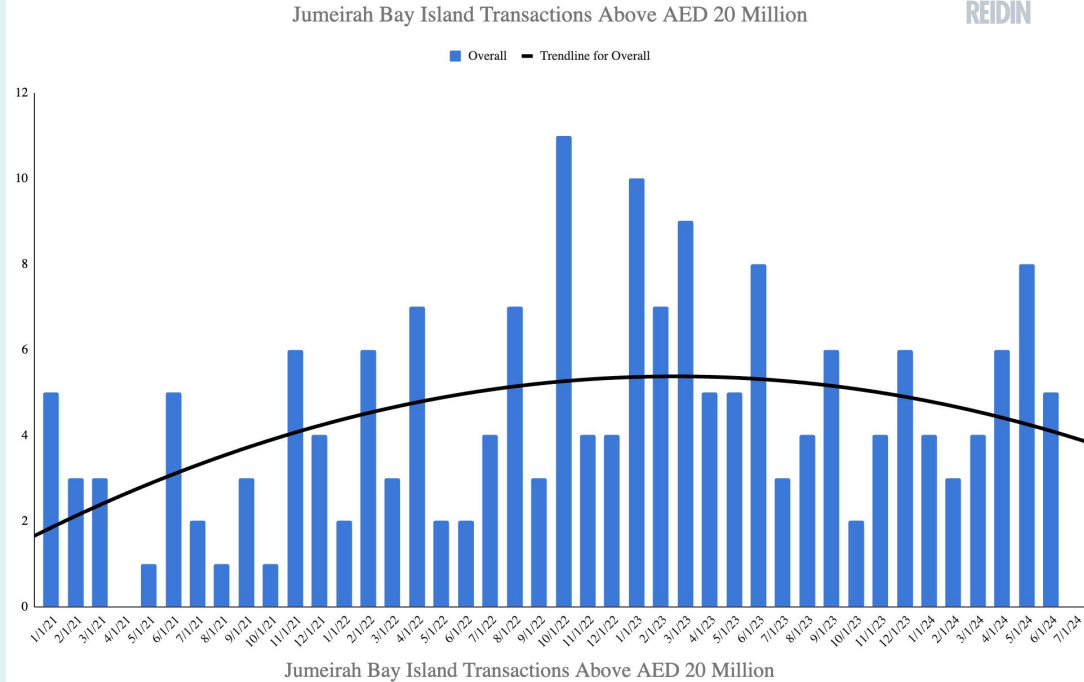
A different pattern emerges in Dubai Hills Estate: one that showed a promising upward trend heading into 2023, buffeted by launches such as Address Hillcrest by Emaar in Q4 2022. However, past Q1 of 2023, the trajectory of sales began to take a downturn, and has continues to trend downwards as of July 2024.

Jumeirah Bay Island Sales Record



Jumeirah Bay Island's sales have closely mimicked Dubai Hills Estate. Project launches like Bulgari Lighthouse helped to keep sales numbers up, but this began to reverse in Q2 of 2023.

Although apartments have become more popular in the ultra high end property space in Jumeirah Bay Island, the second graph on the right shows that both villas and apartments have passed their post-COVID sales peaks and are now trending downwards.



Palm Jumeirah Sales Record

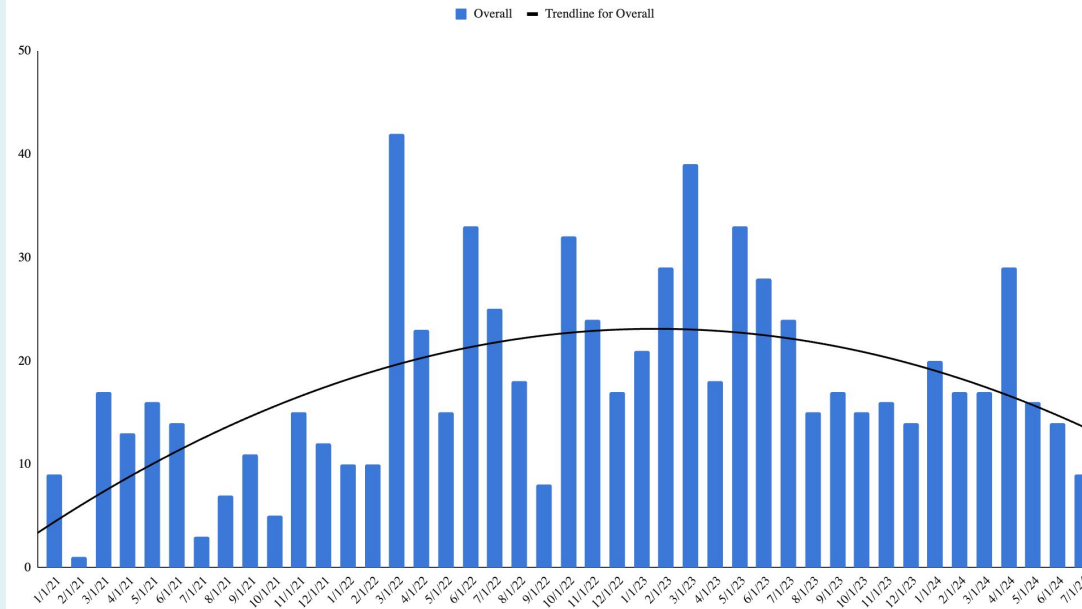


Much of the same is apparent in Palm Jumeirah. With many more launches than some of its peers, Palm Jumeirah saw more sales valued above AED 20 million on a consistent basis than any other community. However, coming into H2 of 2023, those sales began to decrease in frequency; a pattern which has continued into 2024.

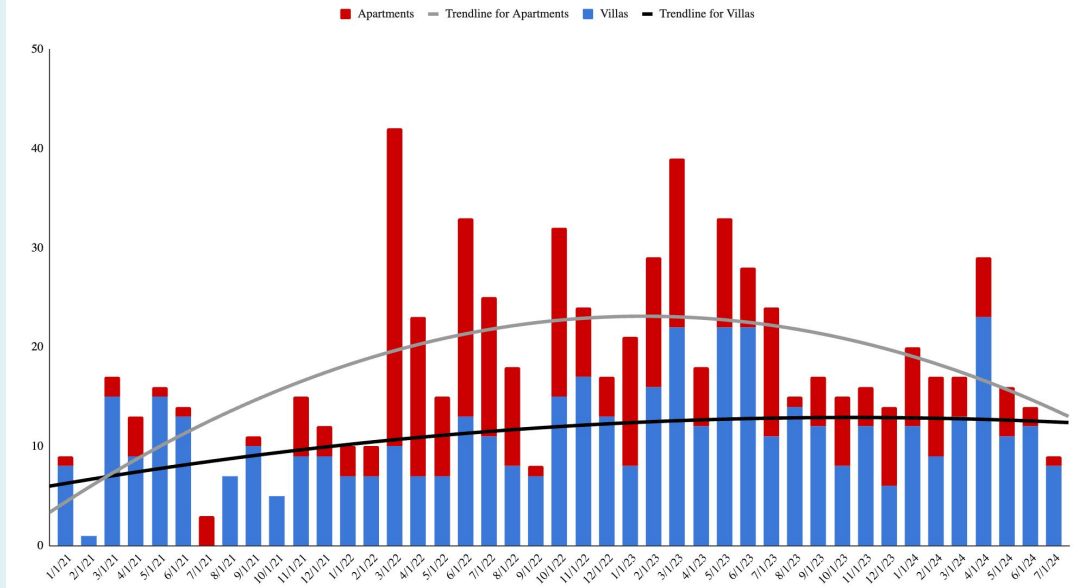
The second graph below demonstrates that the majority of the dropoff can be attributed to apartments. Although there was a significant spike between 2022 and H1 of 2023, this was down to launches like W Residences, One at Palm Jumeirah and 22 Carat Hotel Apartments. Villas have not seen the same steep drop off as apartments, but have also seen sales growth begin to stagnate.



Palm Jumeirah Transactions Above AED 20 Million

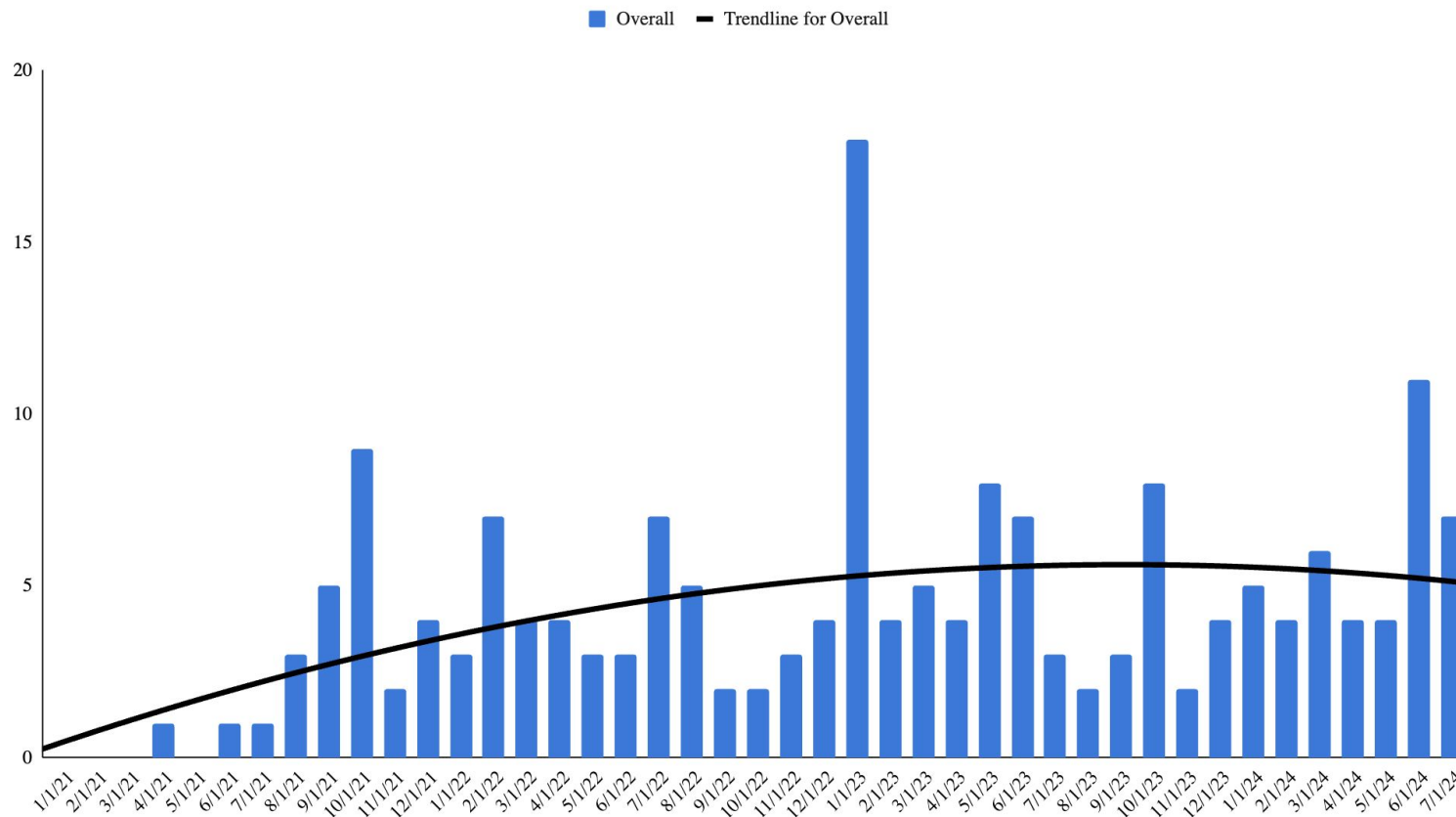


Palm Jumeirah Transactions Above AED 20 Million



Downtown Dubai Sales Record

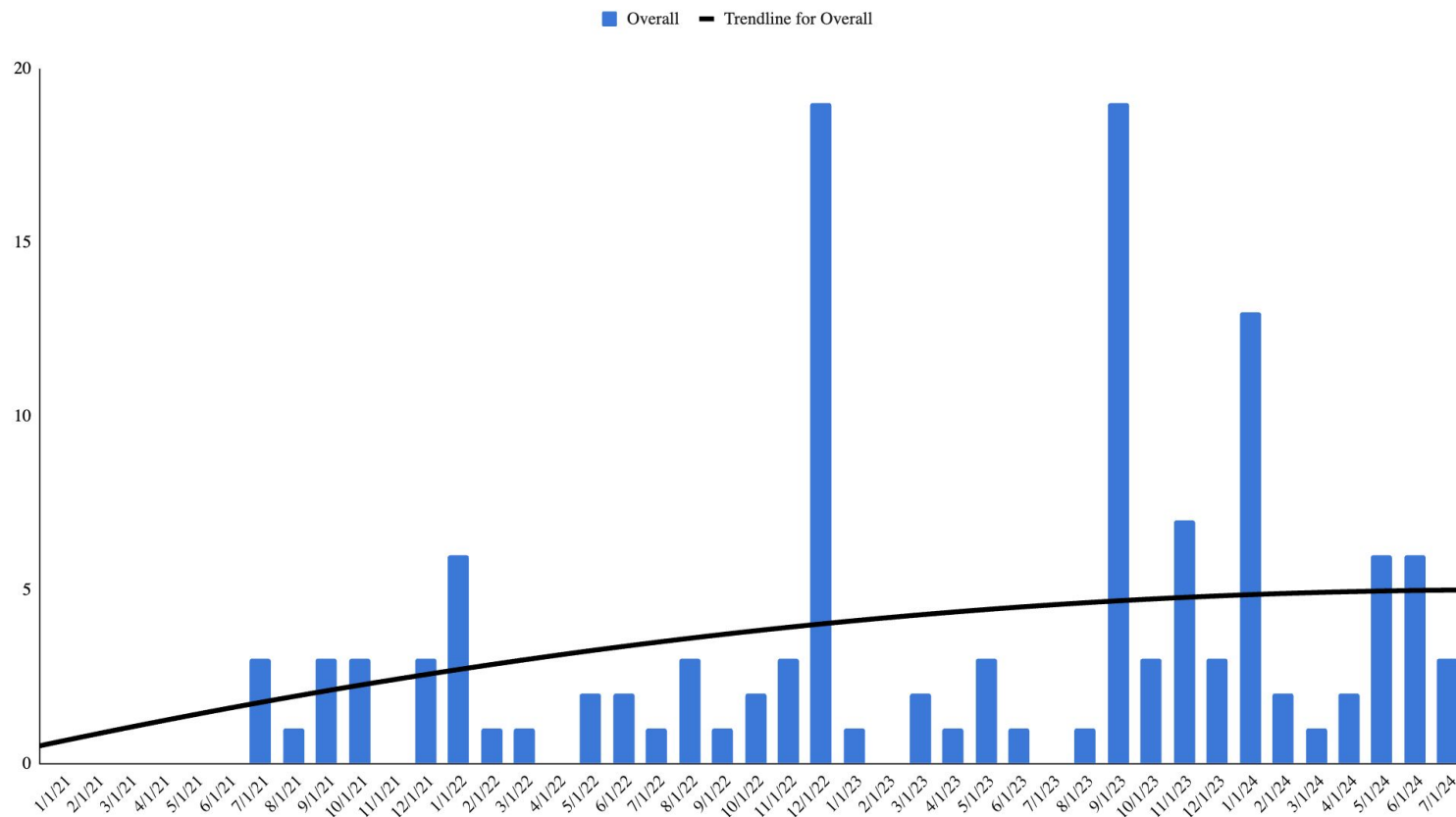
Downtown Dubai Transactions Above AED 20 Million



Although Downtown Dubai’s AED 20 million and above residential sales market is entirely comprised of apartments, its trajectory has mirrored that of Palm Jumeirah’s villas. It maintained its steady ascension until reaching stagnation in Q4 2023, and has since declined slightly.

Business Bay Sales Record

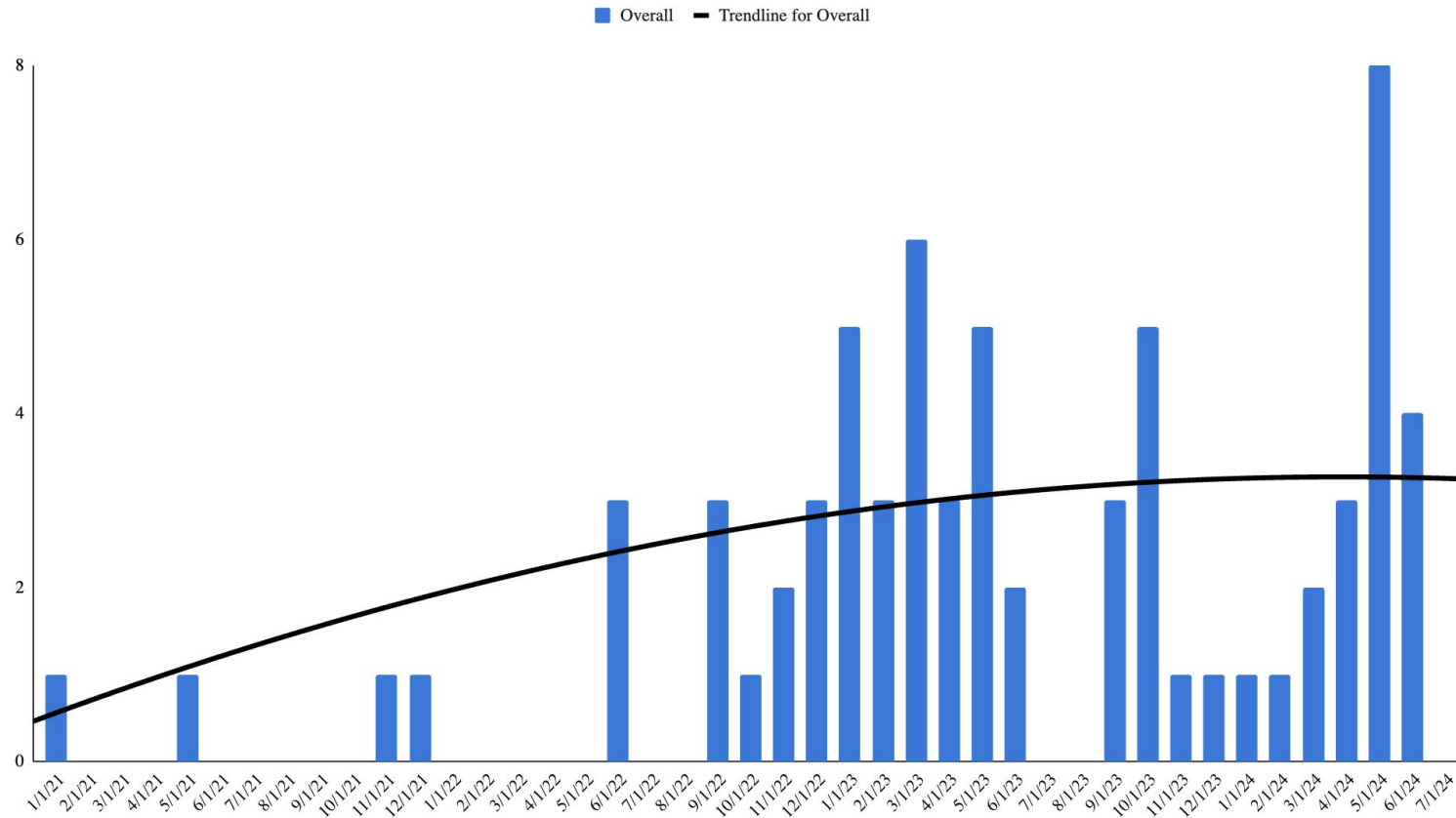
Business Bay Transactions Above AED 20 Million



Business Bay is also experiencing a similar phenomenon. Its AED 20 million and above market has been erratic, with months of high sales activity coinciding with launches such as Bugatti Residences followed by months of relative inactivity. Although the exciting launches did manage to support sales activity for much of the last three and a half years, we are now beginning to see the trendline curve flattening.

Dubai Marina Sales Record

Dubai Marina Transactions Above AED 20 Million



The same can be said for Dubai Marina. If it were not for the revival of Six Senses Residences (formerly known as Pentominium Tower), Dubai Marina’s sales activity in the ultra luxury space would look far quieter in 2024. The stalled project’s second wind has prevented the trendline from sloping downwards like many other communities, but even still cannot prevent its stagnation.

Conclusions

Market Share Breakdown

The sample of select communities has been declining in its share of overall residential sales value, as well as in its share of the AED 20 million and above sales volume.

Sales Volume Analysis

On an individual basis, the communities in the sample have generally seen their sales peak in 2023, but have since experienced a decline in transaction volumes (or a stagnation at best). In spite of many new project launches and revivals, ultra luxury sales have tapered off from their post-COVID high.

Conclusion

Declines and stagnations in ultra high-worth luxury sales across the board, as well as a decline in market share, suggests that investors and buyers are increasingly moving towards newer communities and the mid market. Alternatively, it may also be a leading indicator of a general market slowdown, as Dubai's real estate market has been red hot in the post-COVID era. This could be comparable to happenings in international markets, where climbing prices have precipitated nationwide housing crises. Perhaps the sellers market has reached its limit, and buyers are signalling that prices must come down again in order for them to consider these luxury properties. If so, the mid market is likely to pick up the slack in the meantime, as transaction activity will shift to communities where buyers are more comfortable with where prices are.

In 2021, the communities accounted for 87.2% of all residential sales above AED 20 million, as well as 16.76% of Dubai's total residential sales value in 2022. These have dropped to 57.8% and 10.76% respectively in 2024.

In the U.S., housing affordability has become a crisis as the country saw a record level of home sale cancellations in June. In London, despite optimism that the trophy-home market was seeing better sales figures than pre-pandemic averages, those figures are still down from last year.

The Select Communities used in this report are as follows:

- Palm Jumeirah
- Palm Jebel Ali
- Emirates Hills
- Dubai Hills Estate
- Jumeirah Bay Island
- Downtown Dubai
- Dubai Marina
- Business Bay



Global Capital Partners Group believes in in-depth planning and discipline as a mechanism to identify and exploit market discrepancy and capitalize on diversified revenue streams.

Our purpose is to manage, direct and create wealth for our clients.

These research reports are authored by GCP.

Indigo Icon, 1708
Jumeirah Lake Towers,
P.O. Box 500231 Dubai,
United Arab Emirates
Tel. +971 4 447 7220
Fax. +971 4 447 7221
www.globalcappartners.com
info@gcp-properties.com



Reidin is the leading real estate information company focusing on emerging markets.

Reidin offers intelligent and user-friendly online information solutions that help professionals access data and information in a timely and cost effective basis.

Reidin is the data provider for these research reports.

Concord Tower, No. 2304
Dubai Media City,
P.O. Box 333929 Dubai,
United Arab Emirates
Tel. +971 4 277 6835
Fax. +971 4 360 4788
www.reidin.com
info@reidin.com

Our Aspiration and Motto

“No barrier can withstand the strength of purpose.”

-HH General Sheikh Mohammed Bin Rashid Al Maktoum
The Ruler of Dubai, Prime Minister and Vice President of the UAE

