



DUBAI & ABU DHABI REAL ESTATE MARKET OVERVIEW Q3 2024



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Market Overview

MACRO ECONOMIC

The Central Bank of the UAE has upheld its previous projections of 3.4% GDP growth for 2023 and 3.5% for 2024. Looking ahead, the Central Bank forecasts strong growth of 4.2% in 2025 driven by ongoing public infrastructure investments and the diversification of key non-oil sectors such as tourism, financial services, and technology. However, challenges such as potential oil price volatility, inflation risks, and regional conflicts may impact the overall outlook.

The OPEC Monthly Oil Market Report indicates that the average OPEC basket price in Q3 2024 was AED 270 per barrel, marking an 11.5% decrease from the previous quarter's price of AED 305 per barrel. Weaker than expected oil demand has prompted strategic production cuts.

The Consumer Price Index (CPI) in the United Arab Emirates increased by 2.37%, climbing from 109.58 points in the third quarter of 2023 to 112.18 points in the third quarter of 2024. Rising housing costs are the main driver of inflation in United Arab Emirates. Their substantial share in the CPI means that increases in housing prices heavily influence the overall inflation rate.

Dubai's tourism sector continues to be a significant catalyst for real estate demand. In the first seven months of 2024, the city attracted 10.62 million tourists, marking an 8% increase compared to the previous year. This surge has fueled the real estate market creating exciting opportunities for investors and developers.

Market Overview

REAL ESTATE MARKET

In Q3 2024, Dubai's real estate market has further cemented its status as a resilient and dynamic sector. Supported by strategic infrastructure developments and an increasing influx of international visitors, the market continues to experience a robust upward trajectory.

The real estate market is experiencing a notable shift toward off-plan properties, indicating robust investor demand for new developments. At the same time, ready properties remain relevant, sustaining consistent activity. Residential transactions saw an increase of 16% from the previous quarter, while transaction values rose by 13% during the same period.

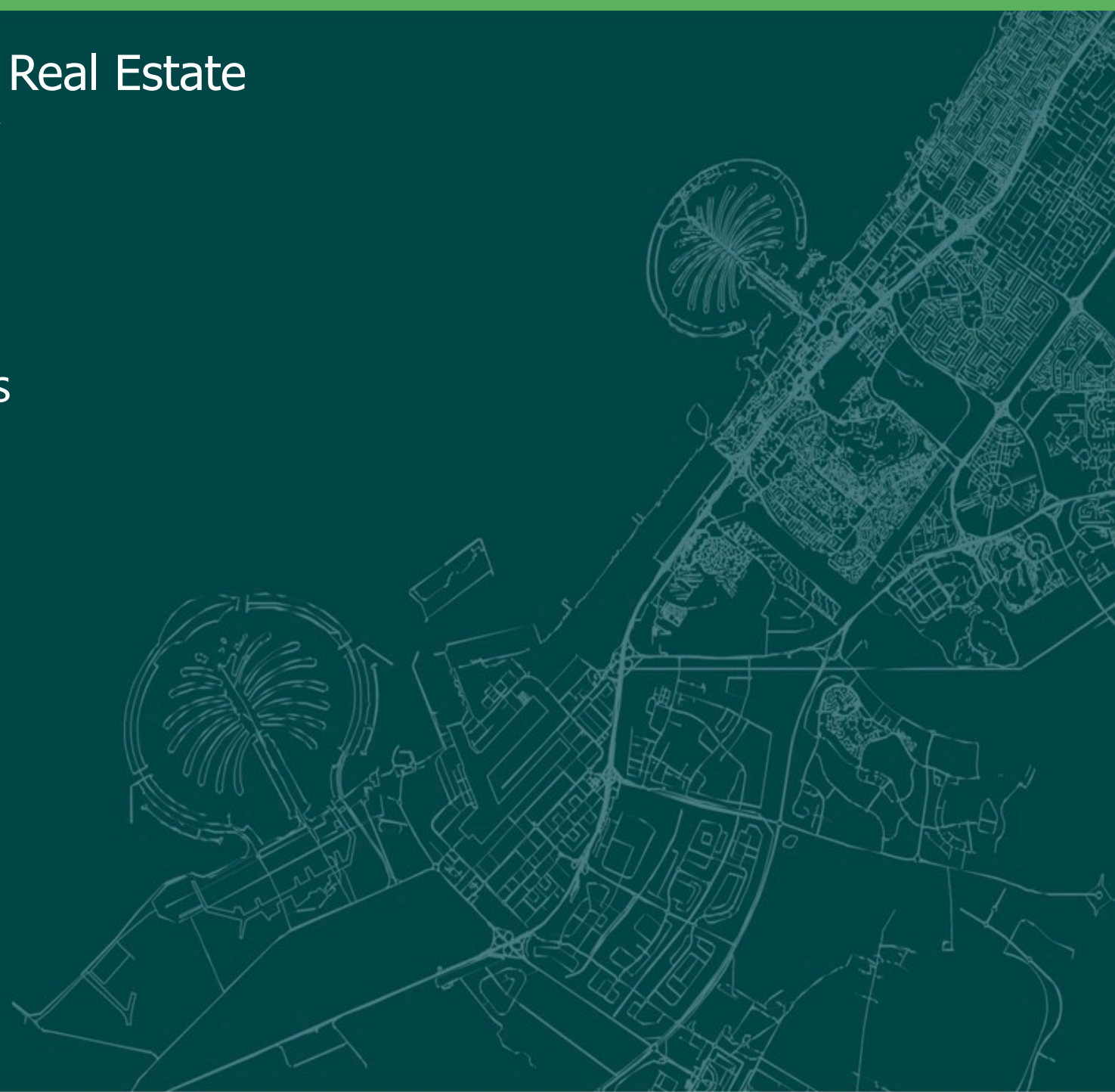
This quarter marked ongoing growth in the market, with the introduction of over 7,000 new units. Of these, over 6,000 comprised apartments while around 1,100 were villas.

Developer announcements indicate a robust expansion in the market, with an anticipated influx of 25,000 new units by the close of 2024 and an impressive projection of 76,000 more units in the following year. In Abu Dhabi, nearly 5,000 new units are expected to be delivered in 2024, while around 14,000 units are slated for delivery in 2025.

Dubai & Abu Dhabi Real Estate Market Overview Q3 2024

Residential Sales Transaction Analysis

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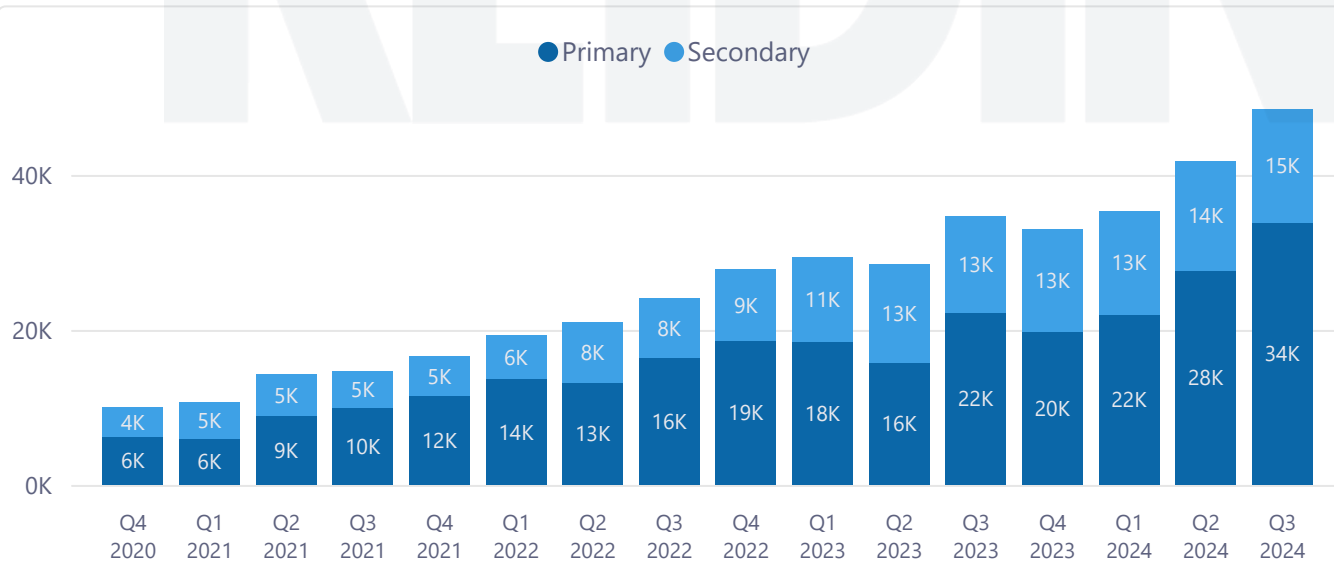
Residential Sales Transaction Volume

Quarterly Residential Transactions by Transaction Type



- In the residential sector, total transaction volume grew by 16% from the last quarter, driven by both off-plan and secondary market activity. On an annual basis, the growth reached 39%. Breaking it down, sales-ready transactions saw a 10% increase, while off-plan transactions surged by 19% quarter-on-quarter. Year-on-year, the sales-ready market grew by 18%, and the off-plan market experienced a strong 51% rise.

Quarterly Residential Transactions by Sales Sequence

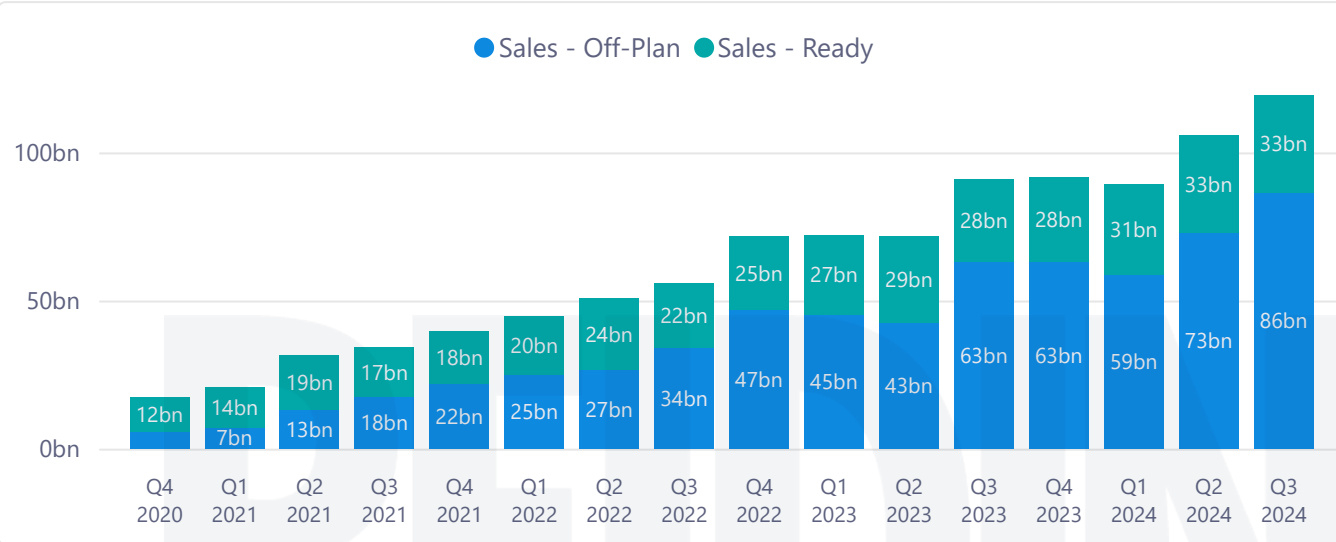


- In Q3 2024, there was significant momentum in both sales transactions and market activity, particularly within the off-plan property sector. The strategic focus on off-plan sales continues to account for a substantial share of overall transaction volume, reflecting investor confidence in future projects and the market's resilience. While off-plan transactions lead the market, the secondary property sector remains active, maintaining a consistent level of activity.

- Primary sales volume grew by 23% quarterly and 53% annually, while secondary sales increased by 3% quarterly and 17% annually.

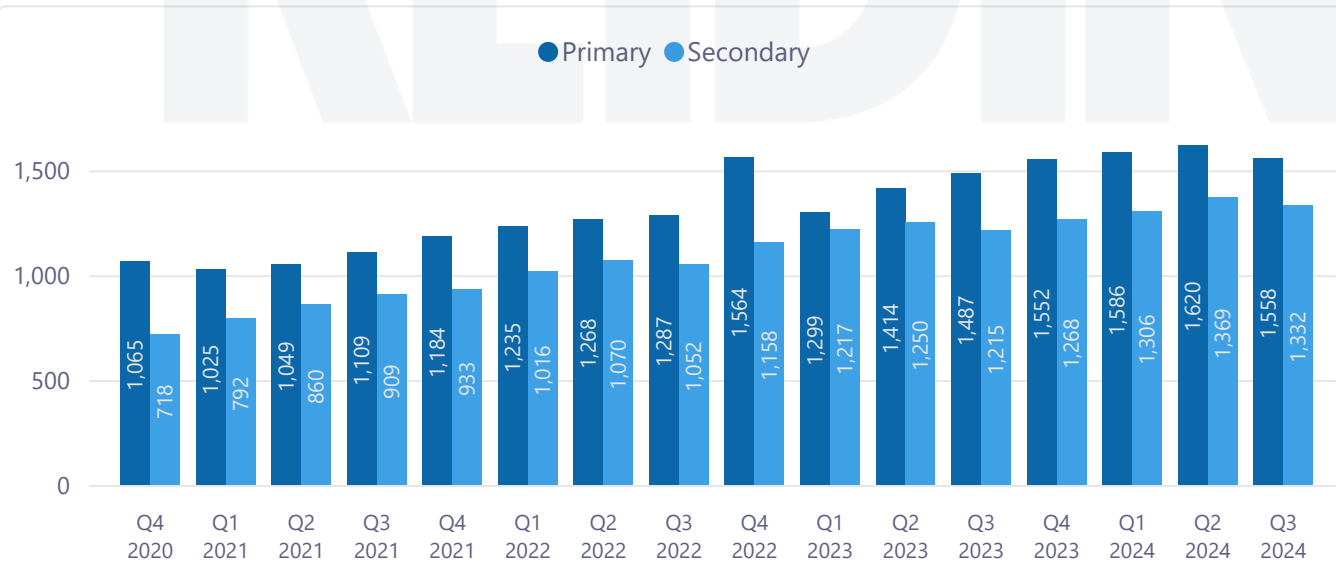
Residential Sales Transaction Value

Total Value of Quarterly Residential Transactions (AED)



- Significant progress has been observed, with overall sales increasing by 32% due to the performance of off-plan and ready transactions compared to the same period last year. Furthermore, the total value of residential transactions has risen sharply, reflecting a 13% increase from the previous quarter.

Average Price of Quarterly Residential Transactions (AED/Sqf)



- The off-plan segment experienced a 19% increase compared to Q2 2024 and an annual increase of 37% reflecting heightened investor interest and confidence in upcoming projects, signaling robust demand.

- In comparison to the corresponding period last year, primary sales experienced a growth of 4.72%, while secondary sales have seen an increase of 9.65%.

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 seen a reduction of 12% and a slight decline of 0.05%, respectively, from the prior quarter.

- Off-plan apartment prices in Dubai have declined by 15%, while off-plan villa prices have increased by 4% compared to the same period last year. The decrease in apartment prices can be attributed to a rise in project launches and supply, which has alleviated some of the pricing pressure.

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

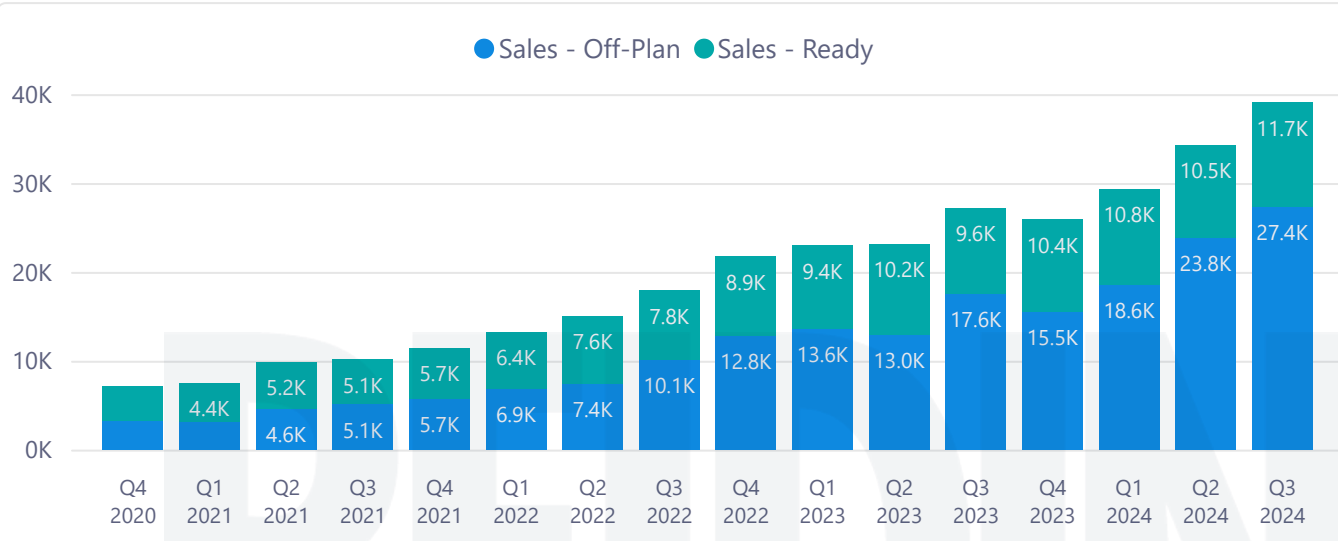


- Ready villa prices experienced a negligible drop of 0.66% compared to the prior quarter, while apartment prices witnessed a more pronounced decline of 12.42%.

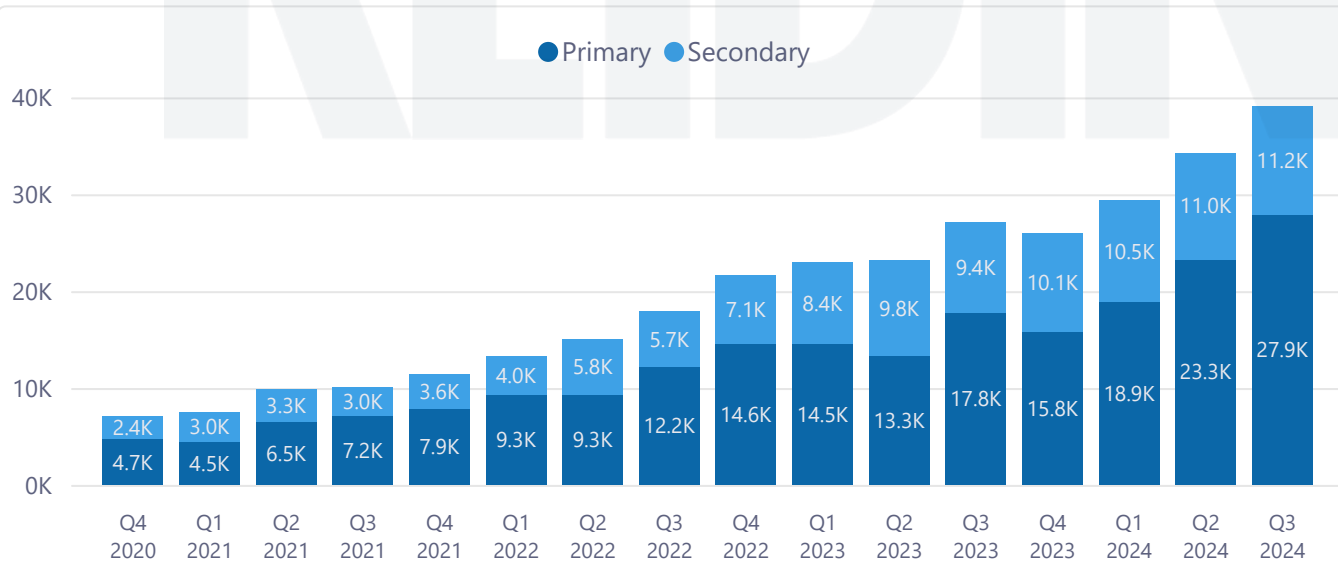
- Compared to the same period last year, ready villa prices have decreased by 3.65%, whereas ready apartment prices have increased by 3.03% during the corresponding timeframe.

Apartment Sales Transactions

Number of Apartment & Serviced Apartment Transactions



- The total transaction volume for both off-plan and ready apartments saw a quarterly increase of 14% and an annual rise of 44%. This surge in activity can be attributed to the rapid evolution and maturation of the housing market.

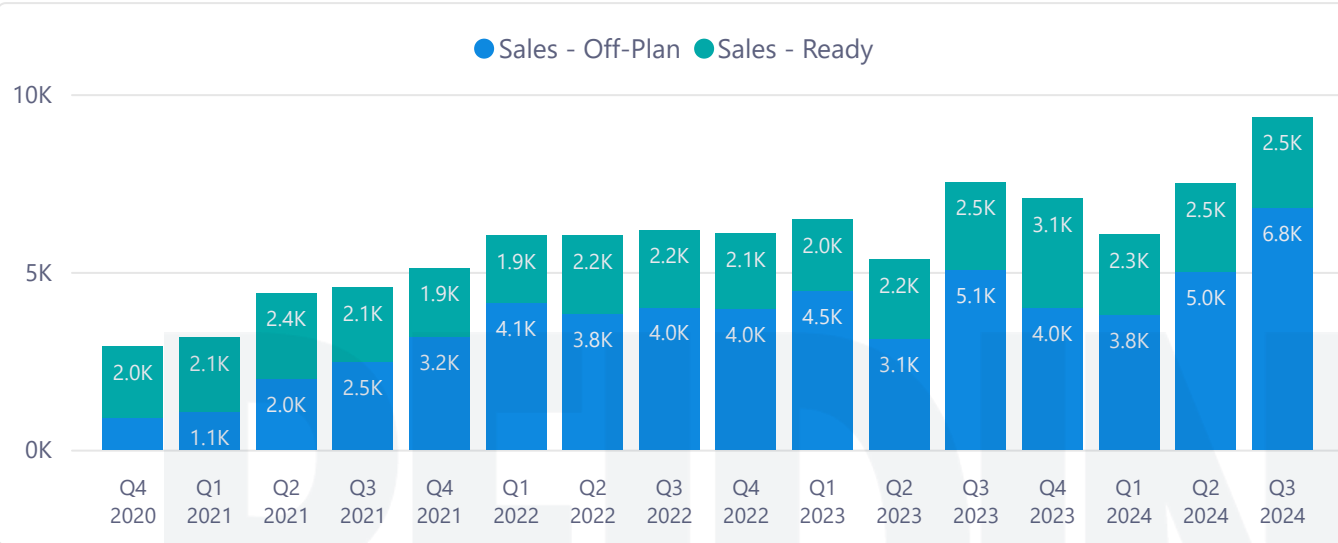


- In the previous quarter, ready apartments and serviced apartments experienced a growth of 12%, while off-plan apartments and serviced apartments recorded a significant increase of 15%.

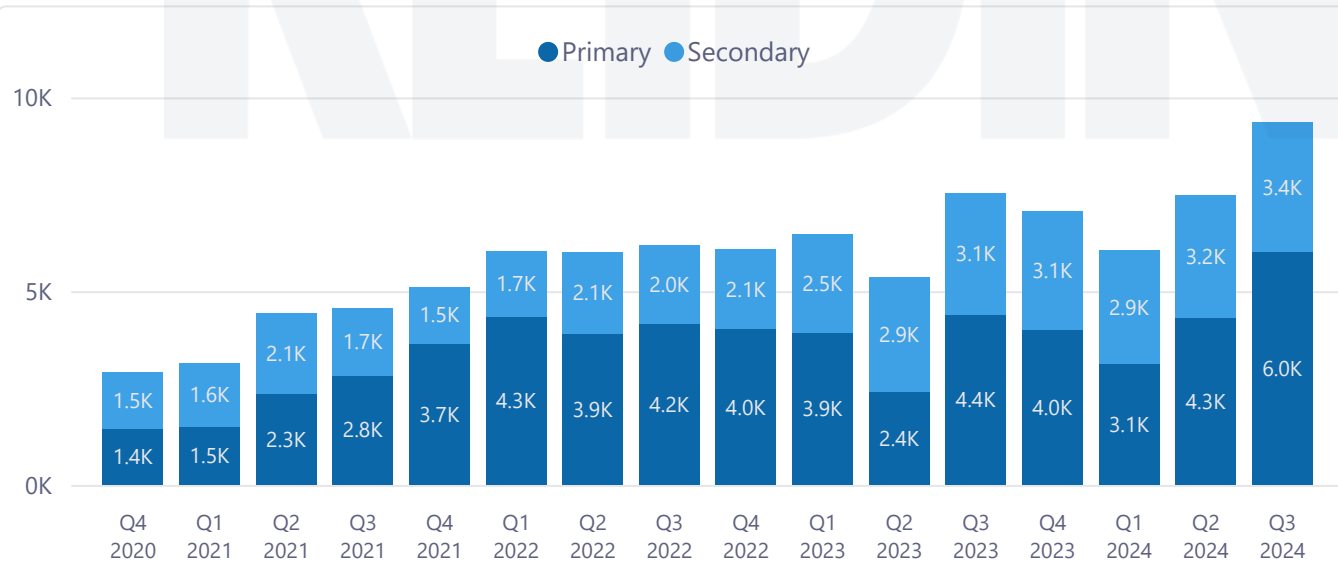
- The rise in transactions highlights strong demand for housing, especially in the primary market, where new developments draw buyers seeking modern amenities. Although the secondary market also grew, its increase was more modest, indicating a preference for new properties over existing ones among buyers.

Villa Sales Transactions

Number of Villa & Townhouse Transactions



- The overall volume of villa transactions has seen a 24% increase on a year-over-year basis and a 25% rise on a quarter-over-quarter basis. Notably, off-plan villa transactions exhibited substantial growth, achieving a quarterly increase of 37% and an annual increase of 35%. In contrast, ready villa transactions experienced more modest growth, with a year-over-year rise of 3% and a quarter-over-quarter increase of 2%.

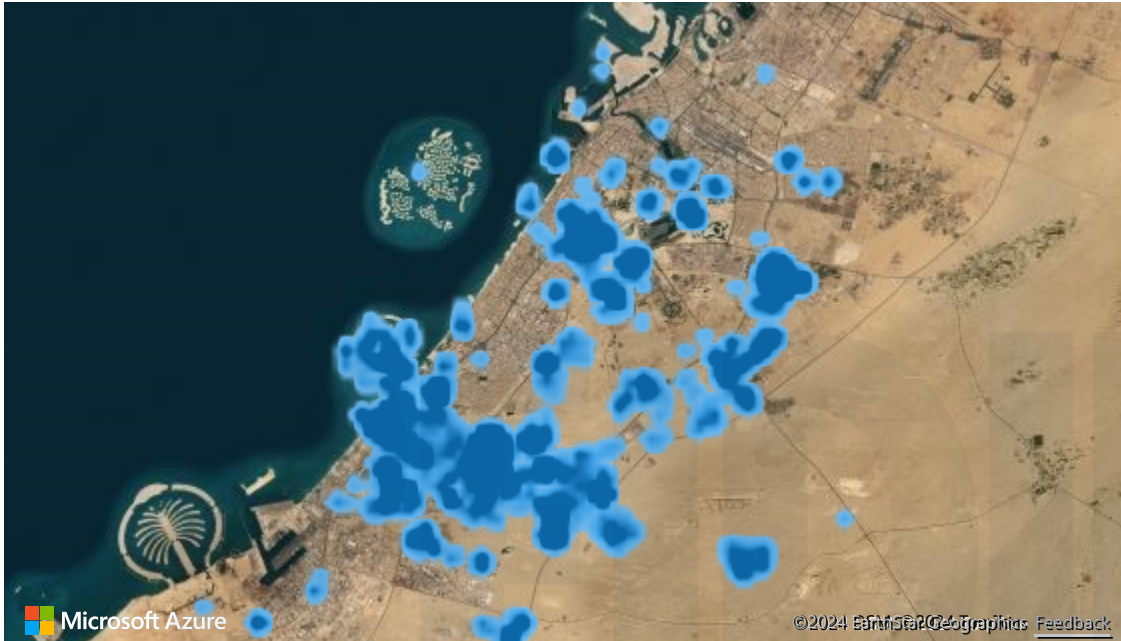


- Sales of villas sourced directly from developers have soared by 37% year-over-year, while transactions from the existing market supply have registered a 7% increase during the same timeframe.

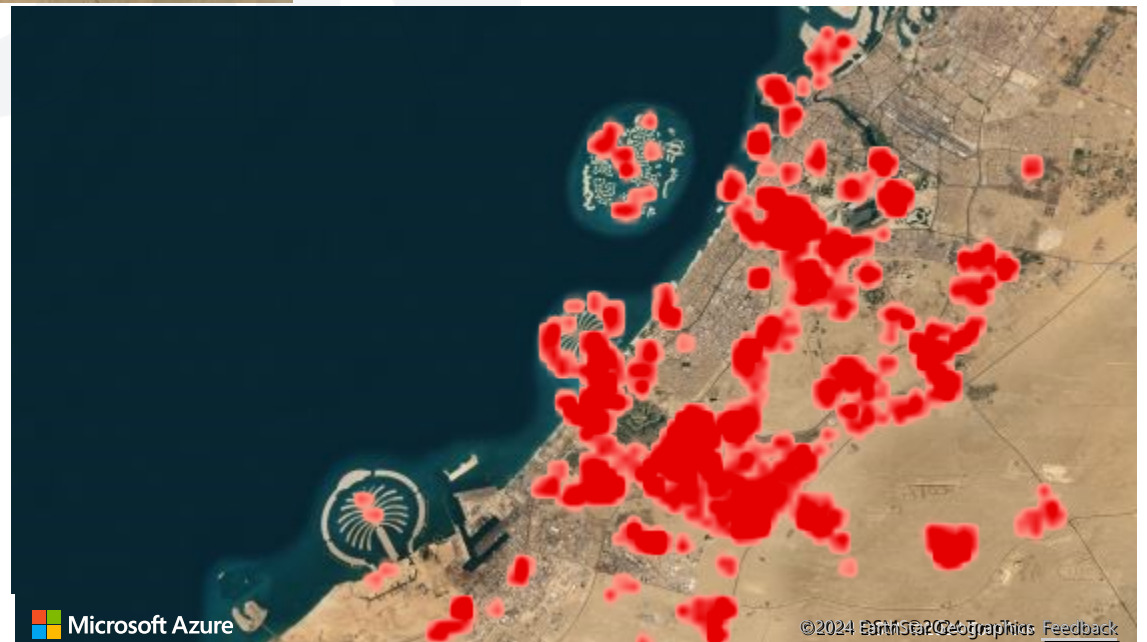
- The notable growth in off-plan villa sales highlights buyer confidence in new developments, while the steady demand for ready villas suggests a stable market.

Heatmap Sales Transactions

Ready Property Transactions

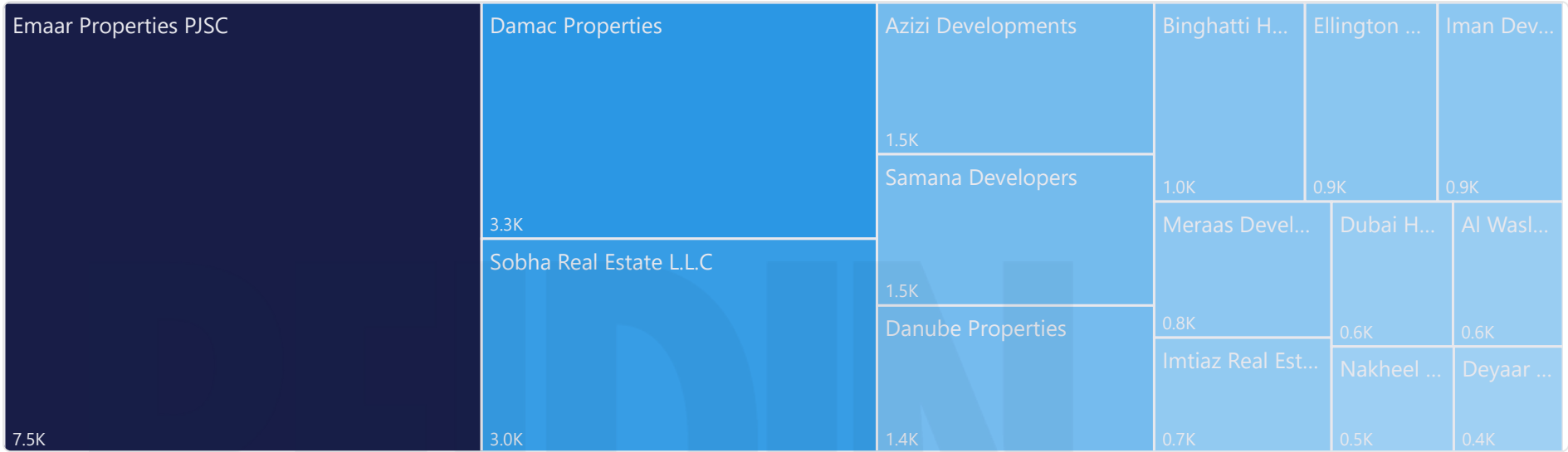


Off-plan Property Transactions



Sales Transactions by Developer

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



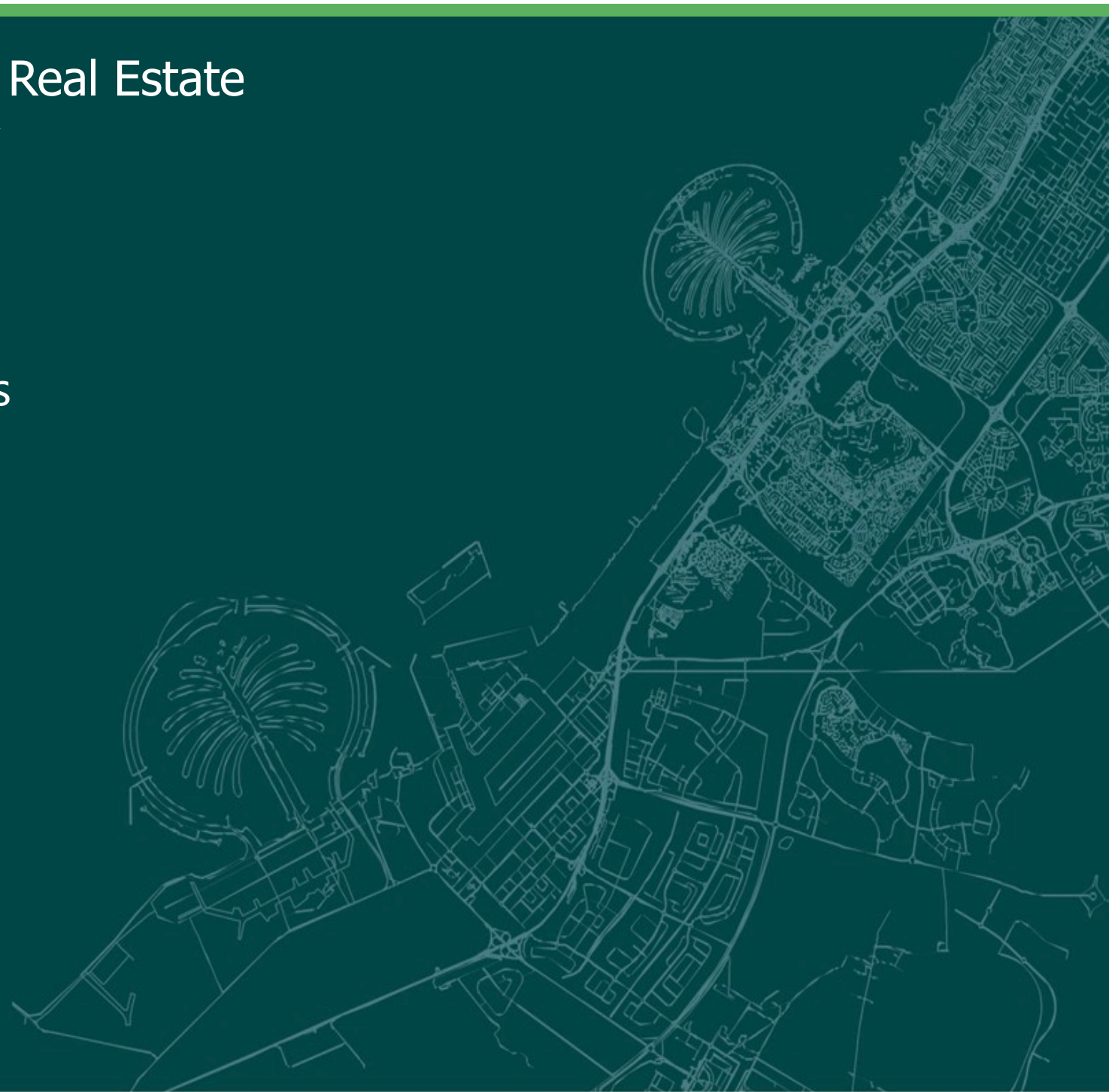
Number of Off-plan Primary Sales Transactions by Developer



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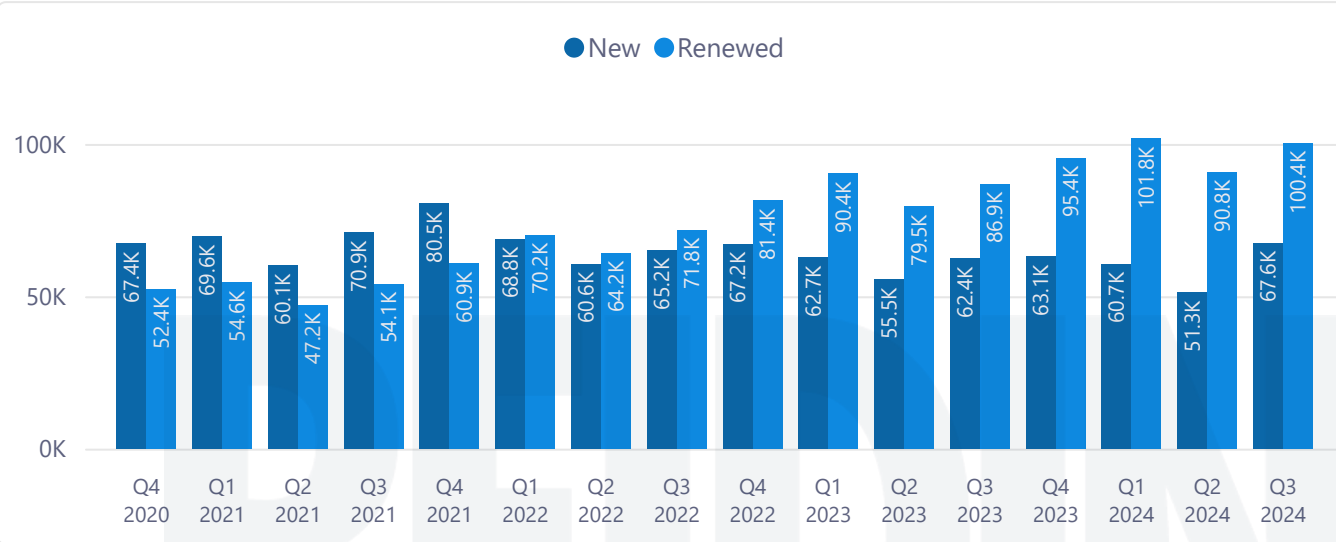
Residential Rent Transaction Analysis

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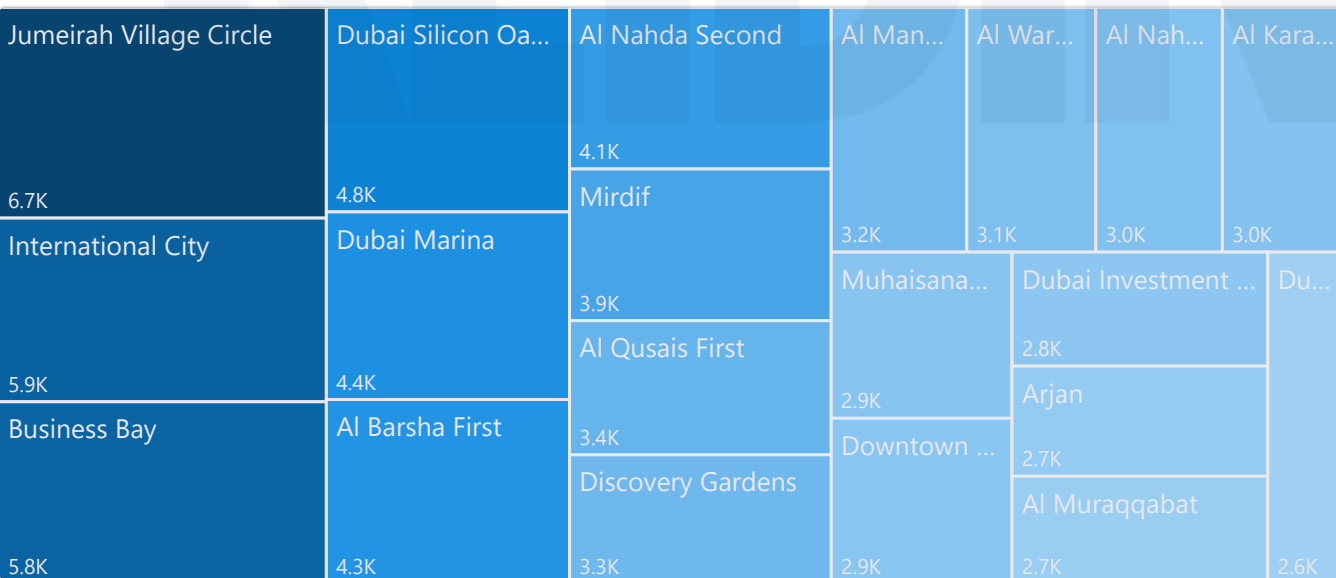
Residential Rent Transactions

Quarterly Residential Rent Transactions by Type



- The total number of contracts, combining both new and renewals, grew by 18% compared to the previous quarter and saw a 13% increase year-on-year. This reflects a growing influx of expatriates moving to Dubai.
- Rental contracts signed this quarter saw a sharp 32% increase compared to the previous quarter, with renewed contracts experiencing an 11% increase.

Quarterly Residential Rent Transactions by Area

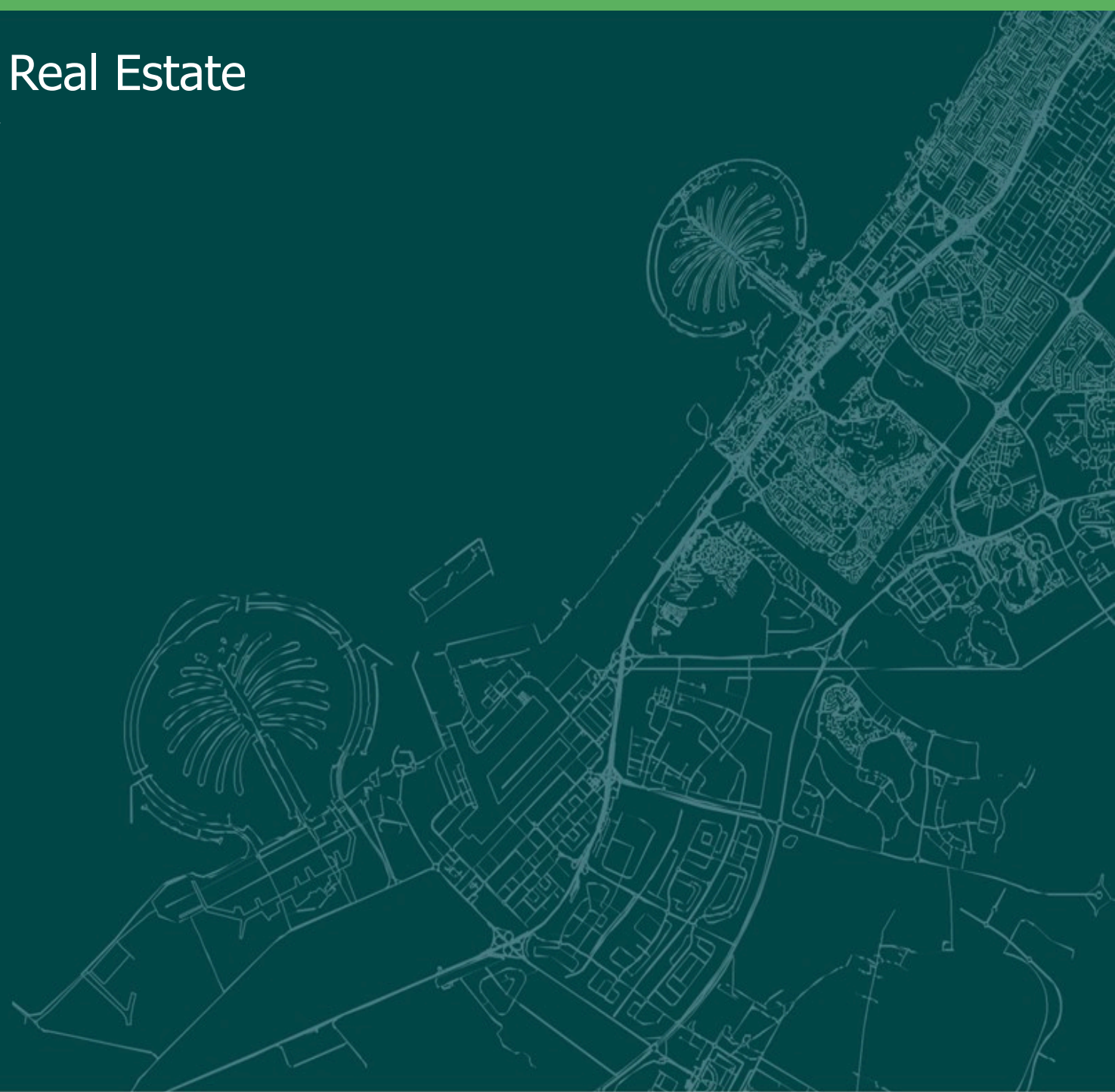


- Jumeirah Village Circle, International City, and Business Bay are the three leading freehold areas for rental transactions.

Dubai & Abu Dhabi Real Estate Market Overview Q3 2024

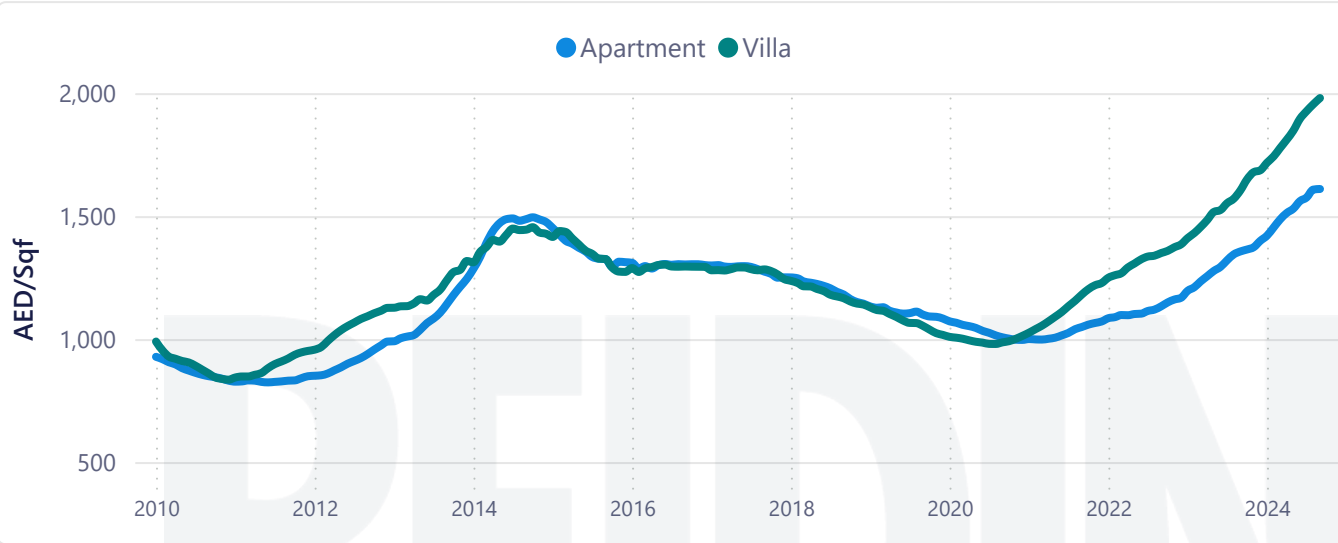
Market Trends

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Dubai Residential Price Trends

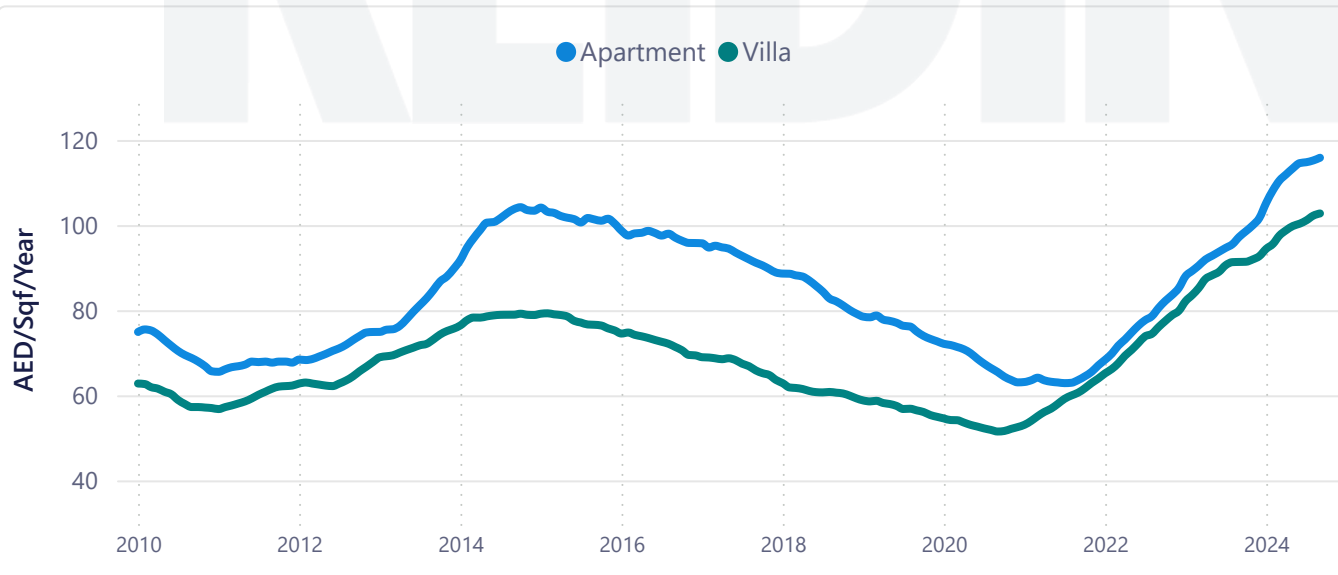
Sales Price Trends



- Dubai villa sales prices continued their upward trajectory this quarter, increasing by 4% compared to the previous quarter and by 23% year-over-year.

- Dubai apartment sales prices registered a 3% rise from the previous quarter, alongside a consistent 19% year-over-year growth, further reinforcing the market's upward momentum.

Rent Price Trends

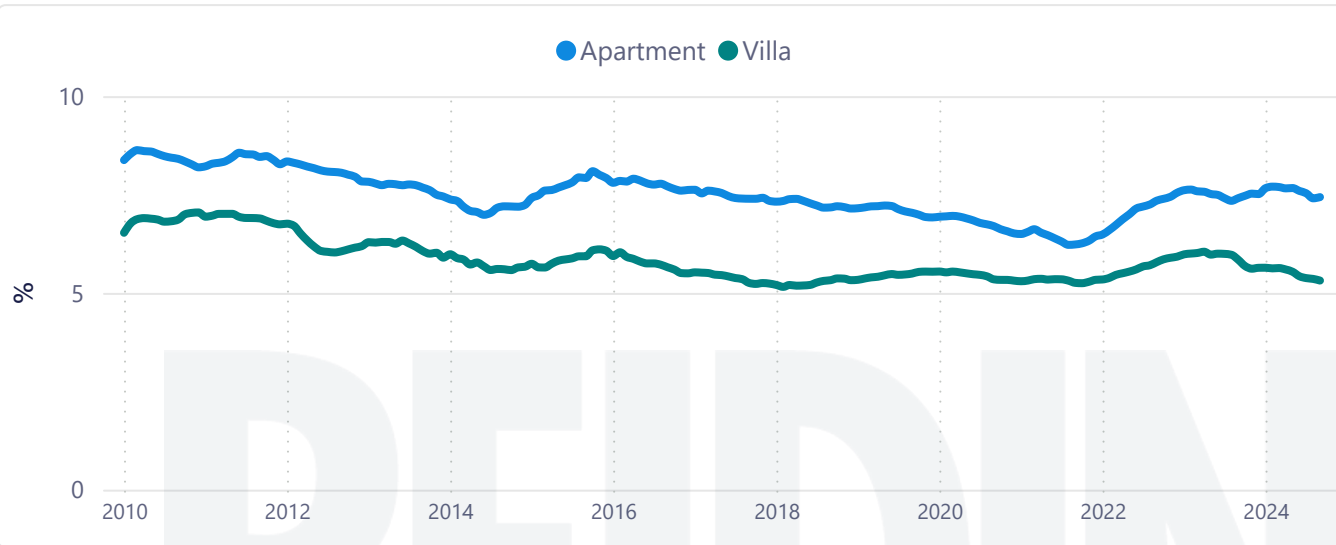


- Apartment rentals in Dubai registered a 1.10% growth compared to the previous quarter, with a substantial 19% increase year-over-year. Similarly, villa rentals experienced a 2.40% rise from the last quarter, alongside a 12% year-on-year growth.

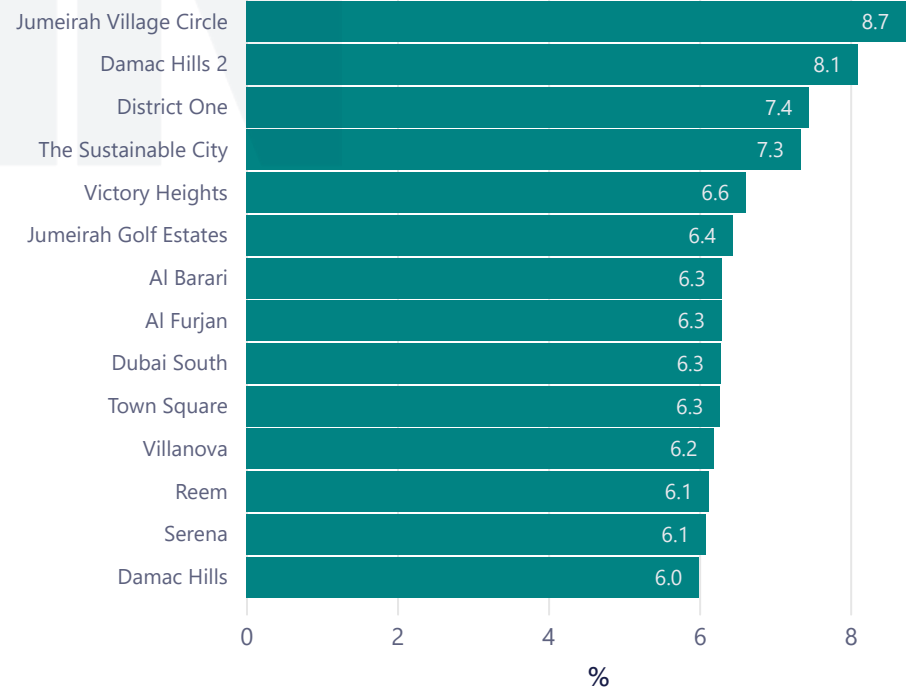
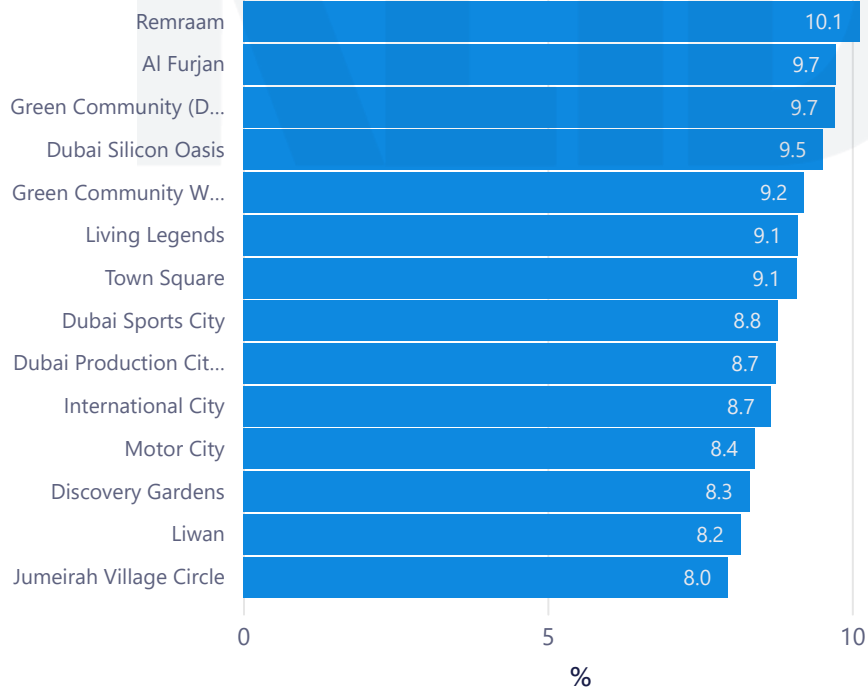
- Continued growth in both sales and rental rates is expected, although at a slower pace as the market shows signs of stabilization.

Dubai Gross Rental Yields

Gross Rental Yields

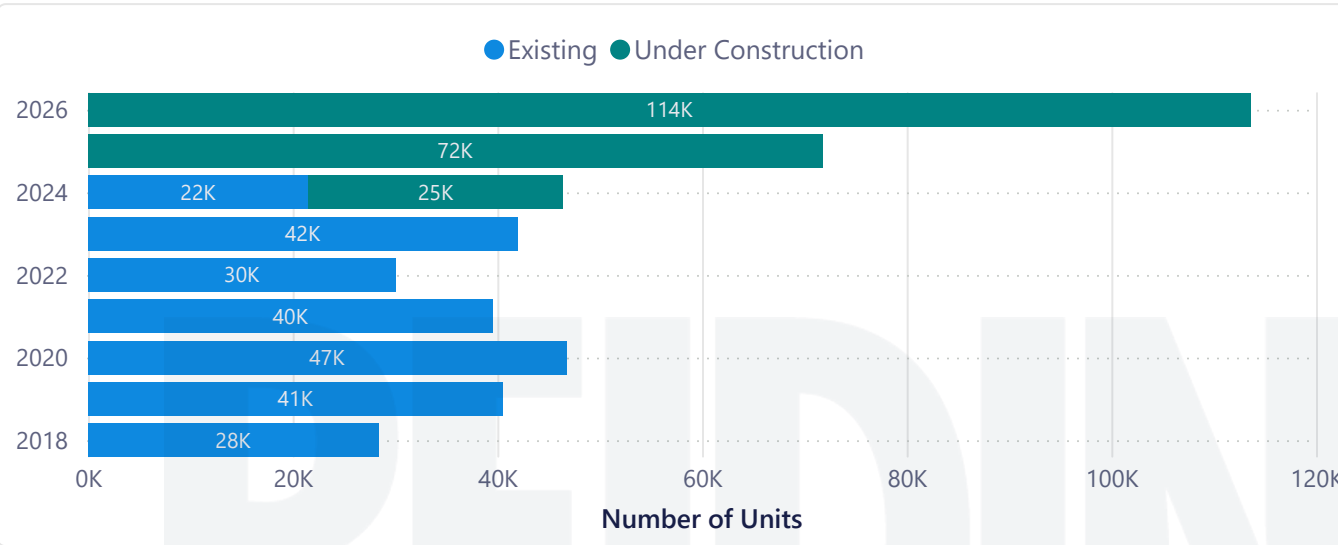


- Relative to the previous quarter, apartment gross rental yields in Dubai declined by 2.06%, while villa rental yields decreased by 2.00%.
- Remraam topped apartment gross rental yields at 10.1% with Al Furjan at 9.7%. For villas, Jumeirah Village Circle led with an 8.7% gross yield, followed by strong performance from Damac Hills 2. These areas offer excellent returns investment potential.



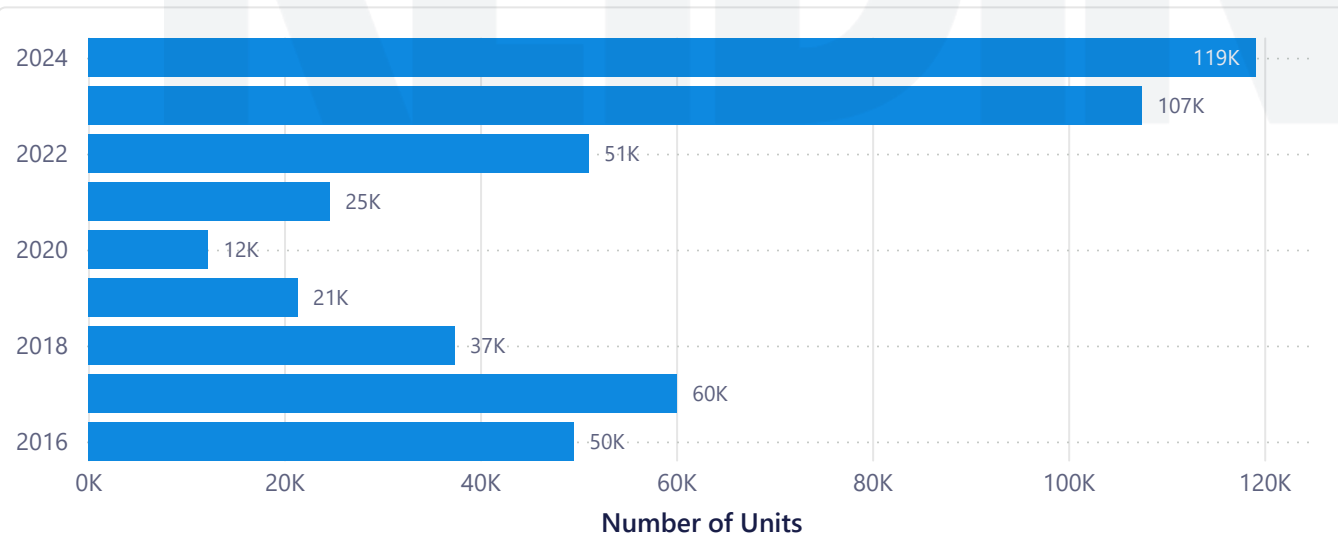
Dubai Residential Supply (Freehold)

Dubai Residential Supply



- During this quarter, the market welcomed the introduction of more than 7,000 new units, comprising over 6,000 apartments and approximately 1,100 villas.

Dubai Residential Launches

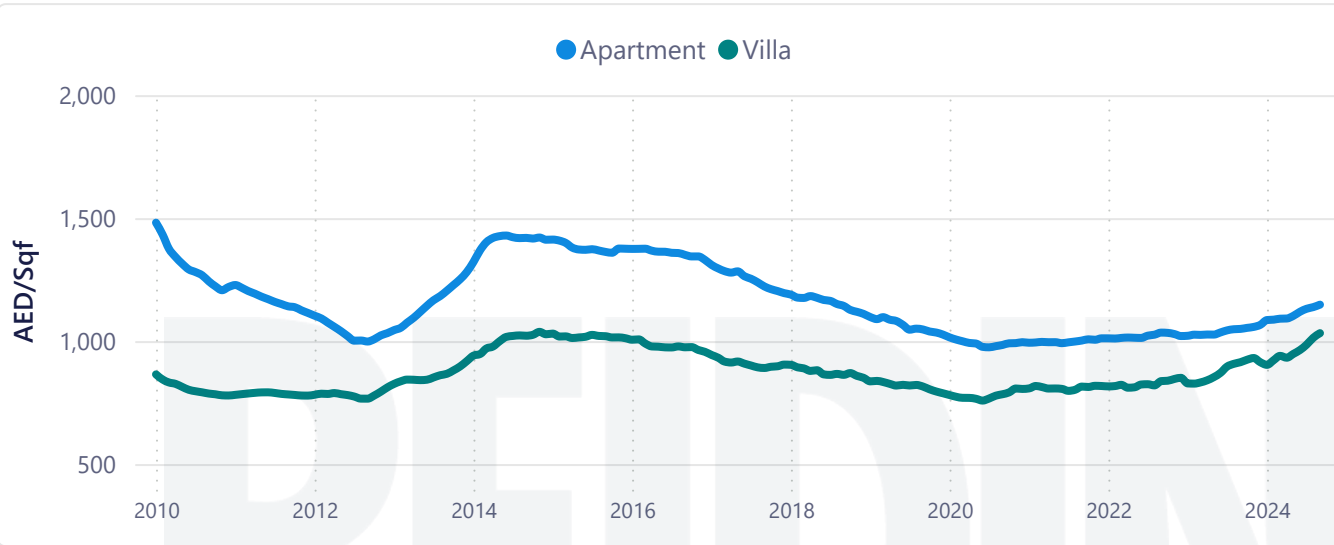


- According to developer announcements, around 25,000 units are anticipated to enter the market by the end of 2024, followed by an additional 76,000 units expected to be delivered in the following year.

- The influx of new properties reflects Dubai's robust commitment to expansion and growth. This influx has further augmented the total no of units available in the market

Abu Dhabi Residential Price Trends

Sales Price Trends

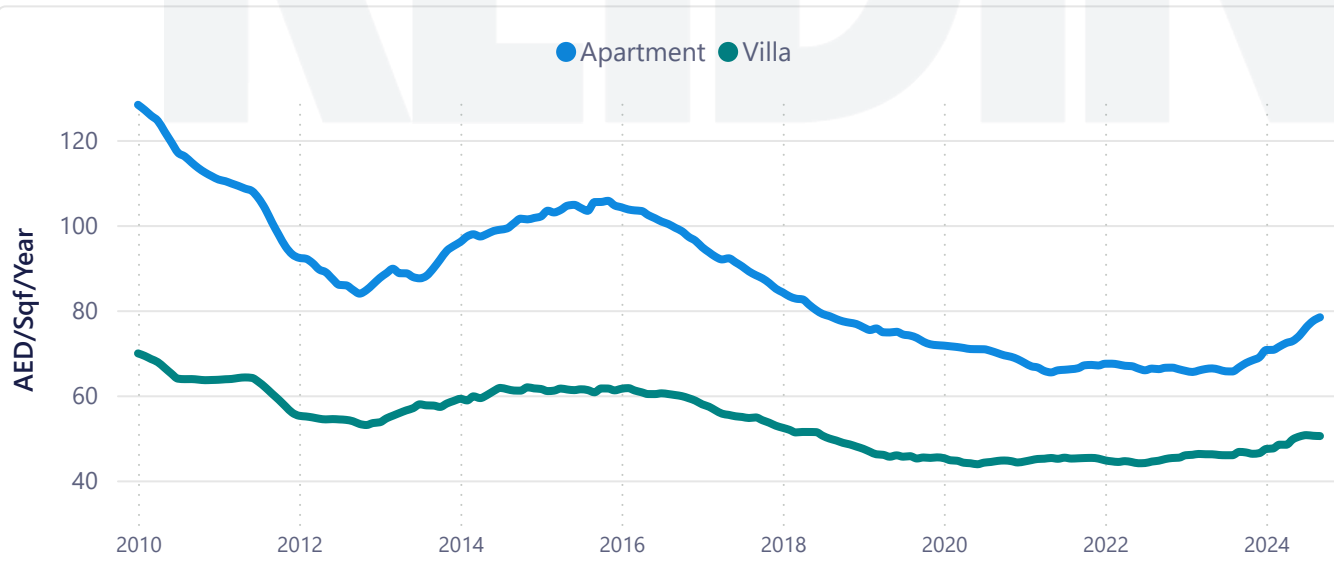


- In Q3 2024, the Abu Dhabi real estate market witnessed substantial increases in sales prices and rent prices across both apartments and villas.

- Abu Dhabi's apartment sales prices demonstrated consistent growth, rising by 3% from the previous quarter and by 11% year-over-year.

- Villa sales prices in Abu Dhabi experienced an increase of 7% from the previous quarter and a notable rise of 13% compared to the same period last year.

Rent Price Trends



- In Abu Dhabi, rental prices for apartments experienced a 6% increase from the previous quarter, with villas reflecting only a minimal rise. When compared to the same period last year, apartment rents saw an 18% increase, while villa rents rose by 8%, highlighting a distinct upward trend in the market.

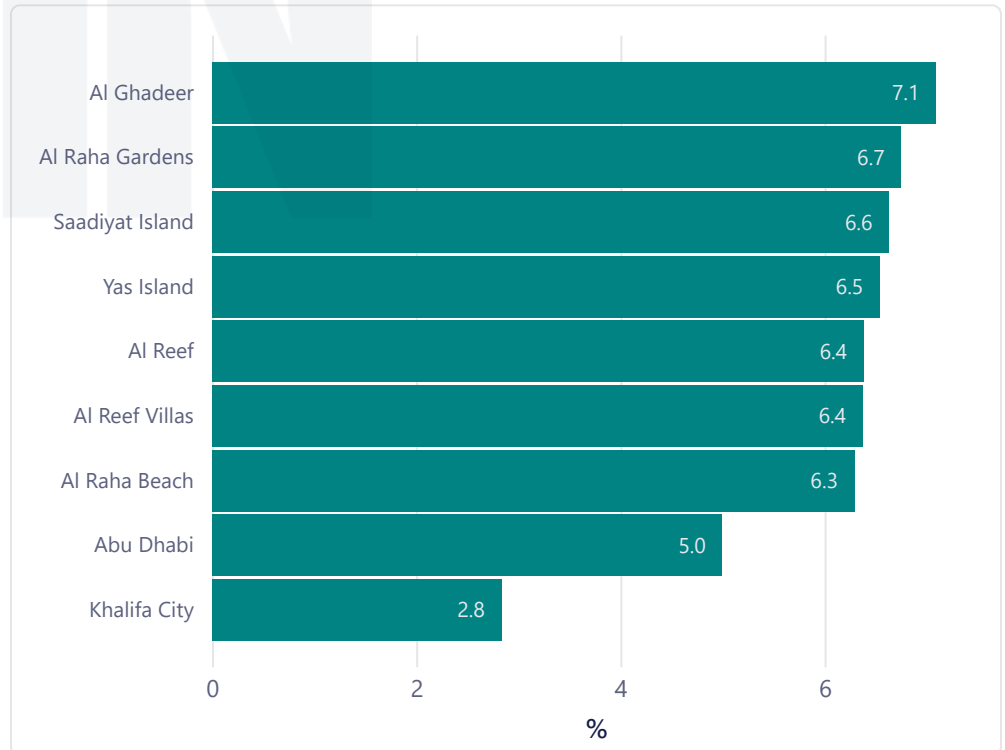
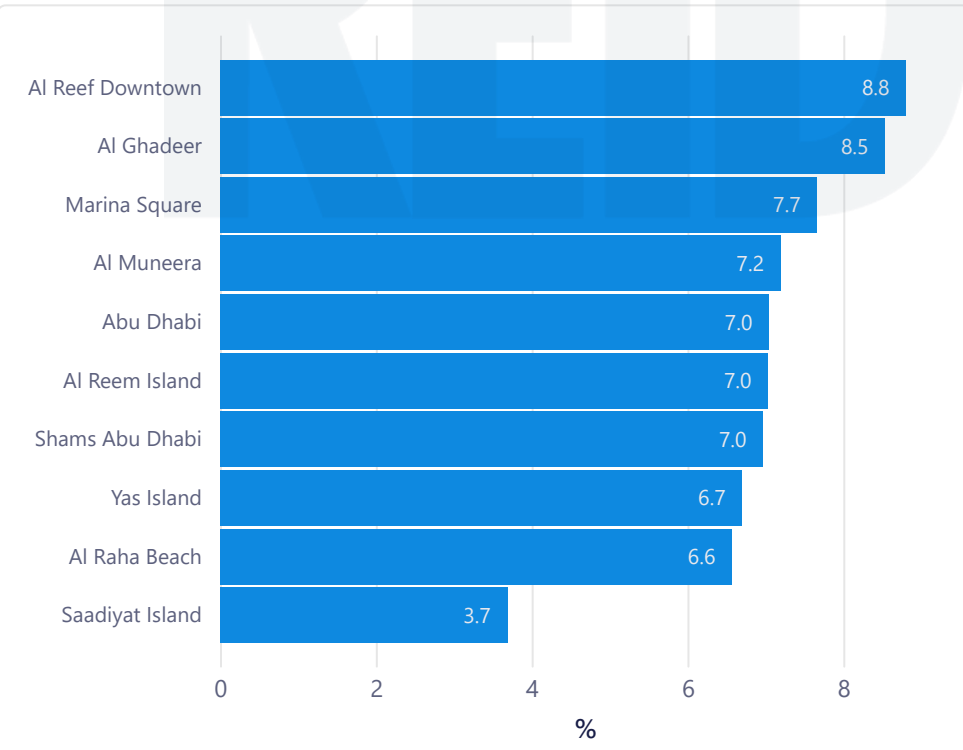
Abu Dhabi Gross Rental Yields

Gross Rental Yields



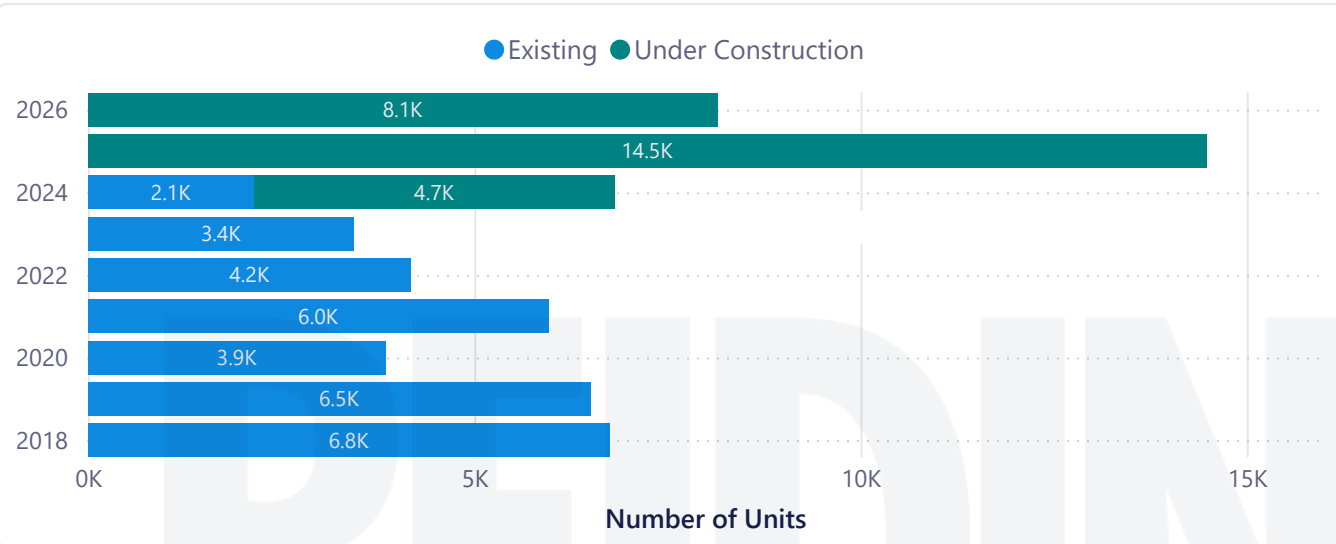
- Relative to the previous quarter, apartment gross rental yields in Abu Dhabi increased by 3.18%, while villa rental yields decreased by 6.62%.

- Al Reef Downtown topped apartment rental yields at 8.8% with Al Ghadeer at 8.5%. For villas, Al Ghadeer led with an 7.1% yield, followed by Al Raha Gardens.



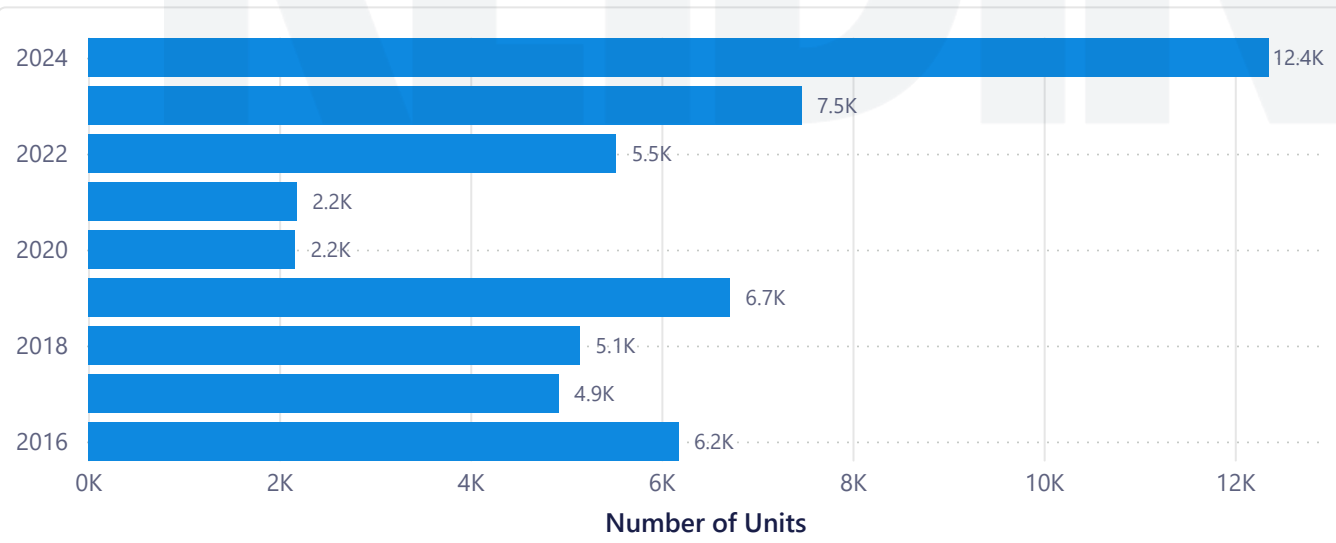
Abu Dhabi Residential Supply (Freehold)

Abu Dhabi Residential Supply



- Based on developer announcements, nearly 5,000 units are scheduled for delivery in 2024, with an additional 14,000 units expected in 2025.

Abu Dhabi Residential Launches



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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