



DUBAI & ABU DHABI REAL ESTATE MARKET OVERVIEW Q4 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

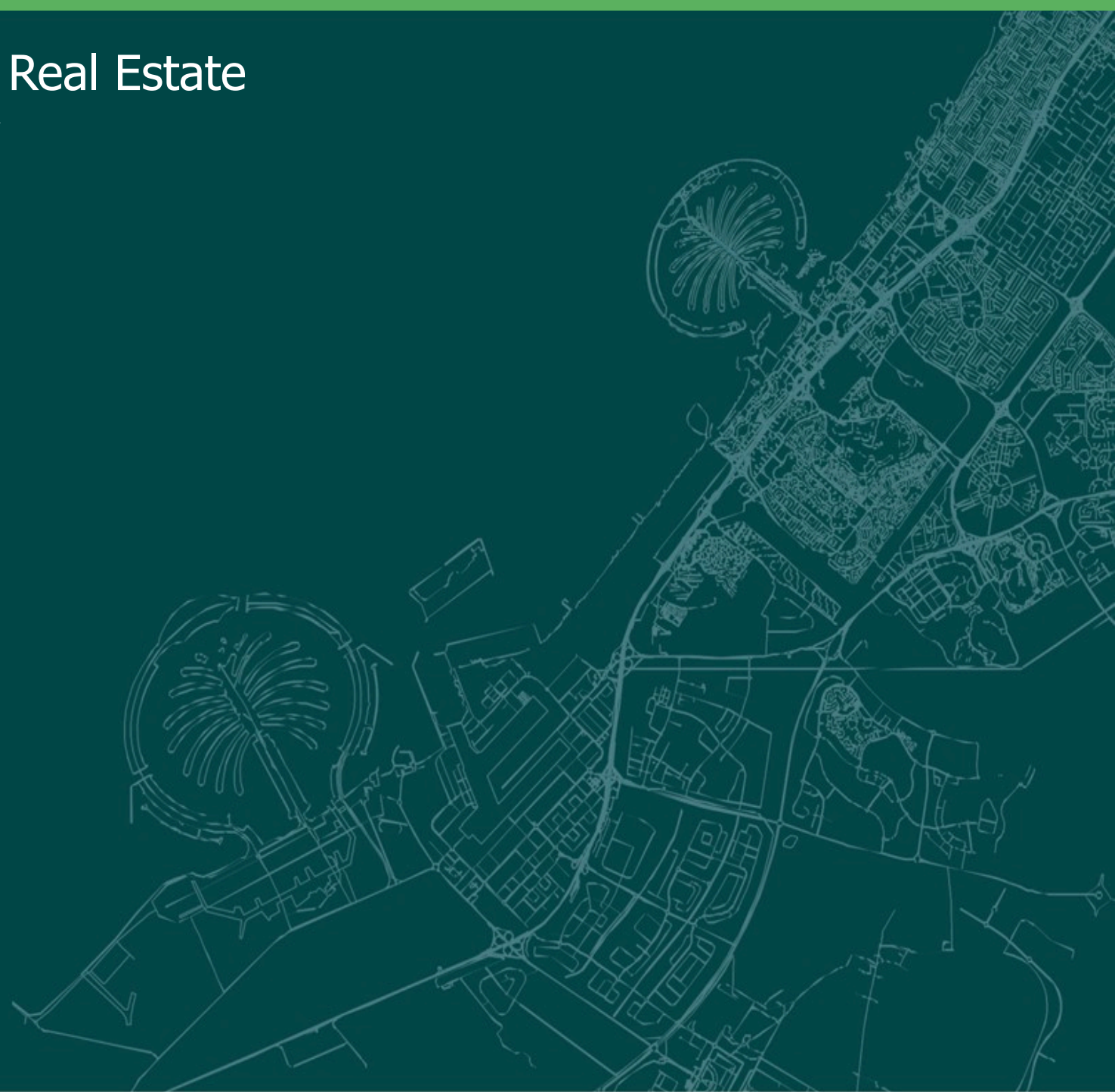
REIDIN

Table of Contents

Dubai & Abu Dhabi Real Estate Market Overview Q4 2024

Market Overview

REIDIN



Market Overview

MACRO ECONOMIC

The Central Bank of the United Arab Emirates has reaffirmed its projections for robust economic growth, maintaining a forecast of 3.4% for 2023 and 4.0% for 2024, with an optimistic outlook of 4.5% for 2025.

According to the OPEC Monthly Oil Market Report, the average price of the OPEC oil basket in Q4 2024 stood at AED 261 per barrel, marking a 3.3% dip from AED 270 per barrel in the previous quarter. This decline is part of a broader trend, with oil prices steadily decreasing throughout 2024 - from AED 309 in Q1 to AED 261 by Q4 - driven by subdued global demand.

The Consumer Price Index (CPI) has shown a gradual uptick throughout 2024, signaling persistent inflationary pressures. Starting at 108.24 in Q1, it reached 112.87 in Q4, illustrating a steady rise in living costs, with the most pronounced surge occurring in the latter half of the year.

Dubai's tourism sector has experienced a remarkable recovery, with 16.79 million international visitors recorded in the first 11 months of 2024 - an impressive 9% increase from 2023's total of 15.37 million. This growth underscores the resilience of Dubai's tourism industry, highlighting its pivotal role in driving the city's economic vitality.

Market Overview

REAL ESTATE MARKET

The real estate market showcased significant shifts in the latest quarter. The volume of transactions in the ready-to-move-in market saw an impressive 8% uptick from the previous quarter. On the other hand, primary (off-plan) sales experienced a 5% decrease, reflecting a slight cooling in developer-driven transactions. However, when combined, the total sales volume across both markets remained relatively stable, showing minimal variance from the prior quarter.

Dubai's rental market showed slight growth this quarter, with overall contracts up by 1% compared to the previous period. However, year-on-year, rental volumes dropped sharply by 82%, reflecting broader market shifts. New rental contracts decreased slightly by 2%, while renewals rose by 4%, driven by increasing rent prices. This underscores a market increasingly influenced by renewals and select high-demand locations.

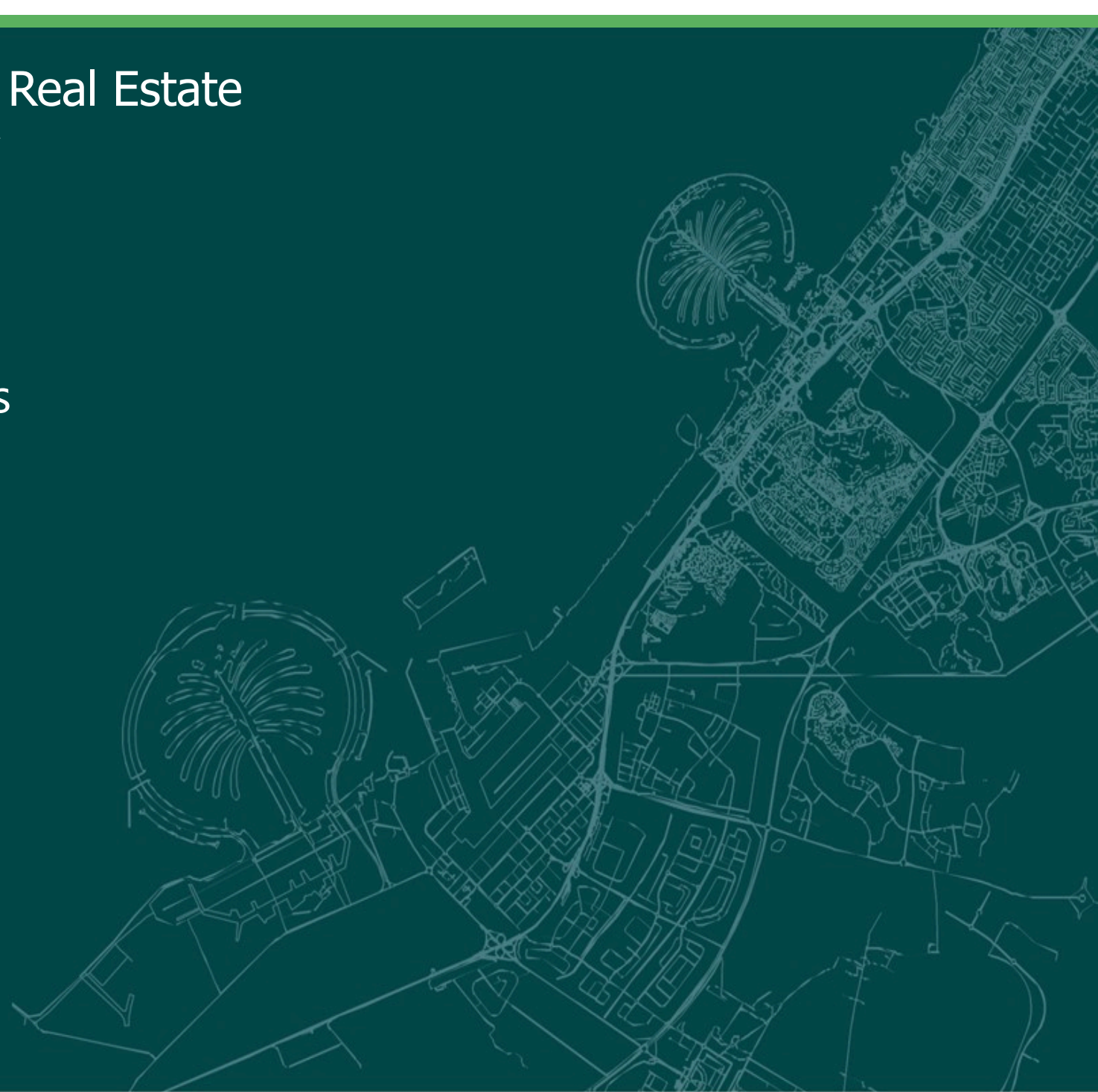
In the latest quarter, over 8,400 new units were completed in Dubai, including 6,190 apartments and 2,200 villas. The construction pipeline remains strong, with nearly 237,000 apartments and 50,000 villas under development, and around 85,000 units scheduled for delivery in 2025.

This dynamic pipeline underscores developers' confidence in addressing the city's growing housing needs. With a focus on innovation and strategic urban planning, these projects are tailored to align with shifting buyer preferences and Dubai's continued urban expansion.

Dubai & Abu Dhabi Real Estate Market Overview Q4 2024

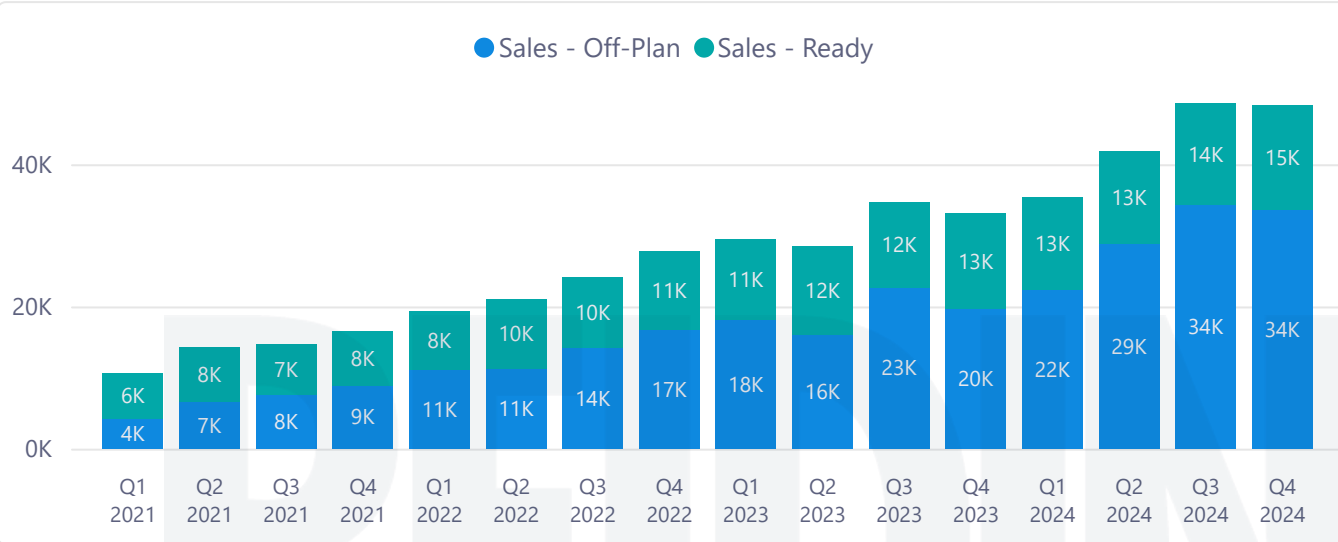
Residential Sales Transaction Analysis

REIDIN

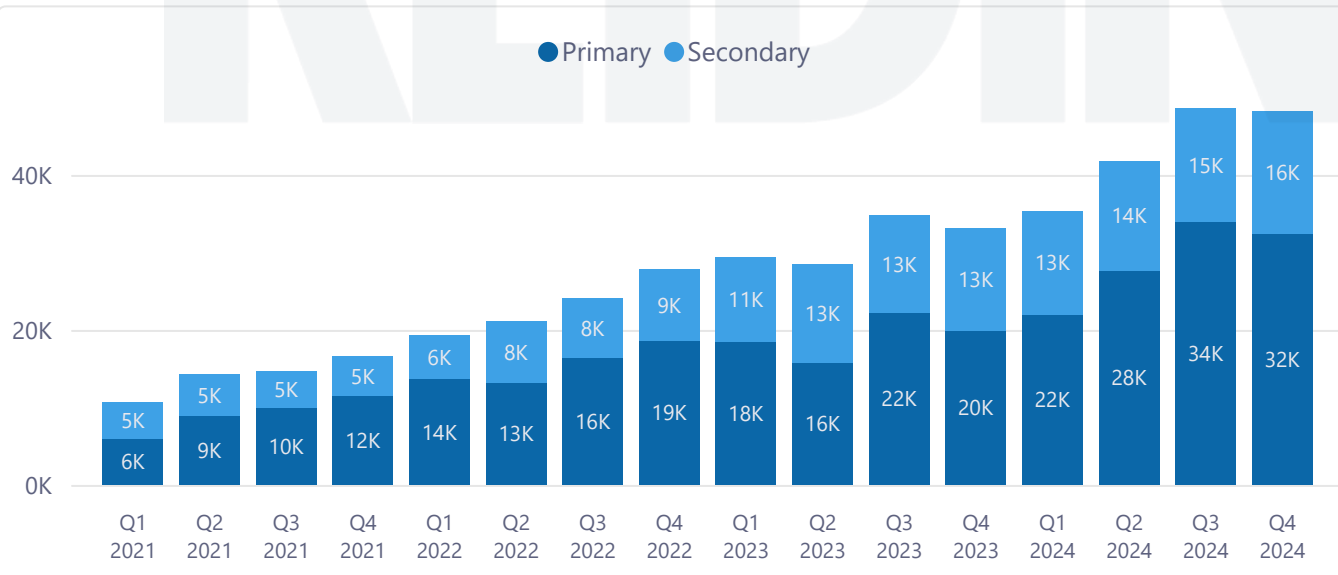


Residential Sales Transaction Volume

Quarterly Residential Transactions by Transaction Type



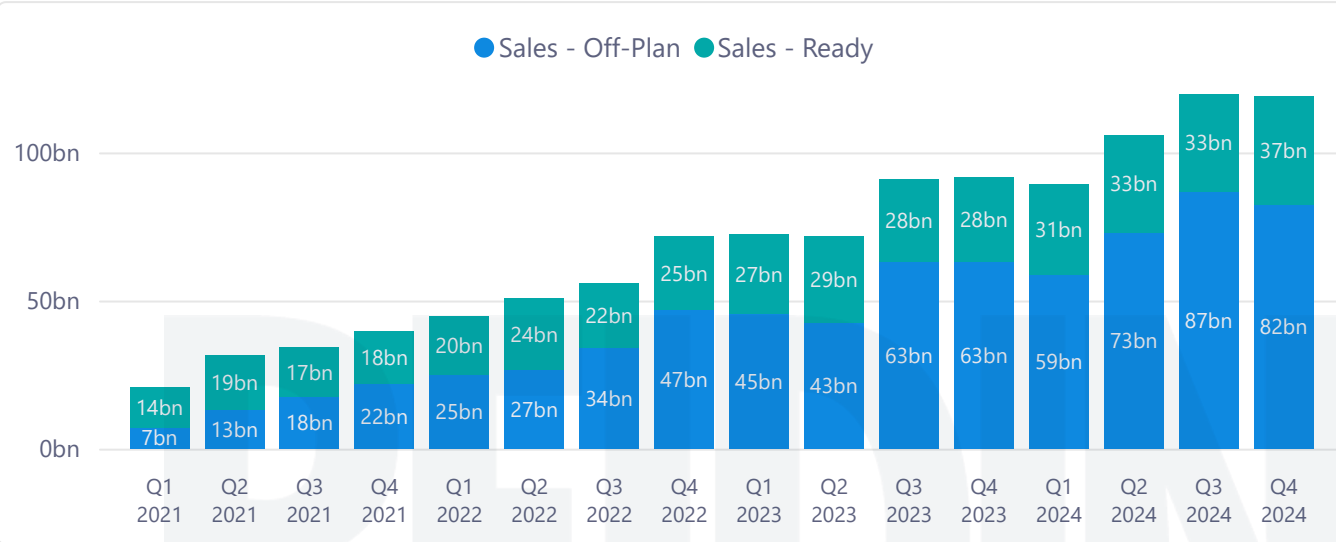
Quarterly Residential Transactions by Sales Sequence



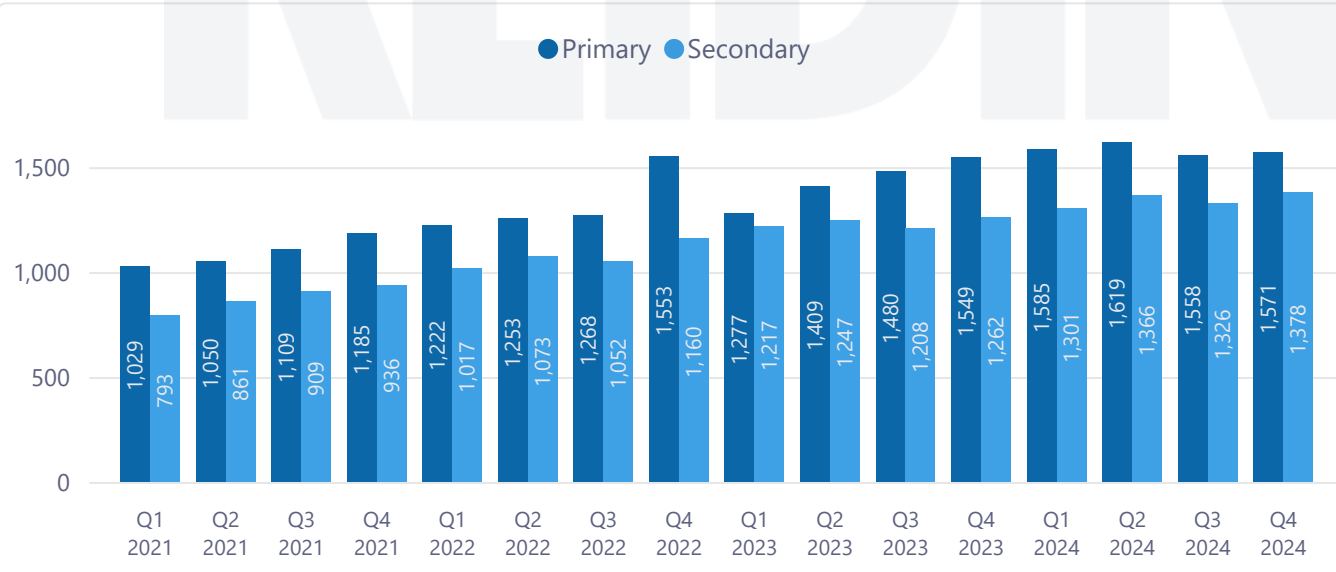
- In the residential sector, total transaction volume dipped slightly less than 1% compared to the previous quarter. This shift was influenced by both off-plan and secondary market activities, with off-plan transactions declining by approximately 2%, while ready sales experienced a 2.4% growth from Q3 2023.
- On an annual scale, the market showed remarkable growth of 46%. Breaking this down, ready sales transactions increased by 9%, while off-plan transactions skyrocketed with an impressive 71% year-on-year growth.
- Data reveals significant growth in 2024 and combined primary and secondary sales surged by 46% year-on-year, driven by a remarkable 63% increase in off-plan transactions and an 18% rise in secondary market activity. These figures highlight the robust recovery and growth momentum within the market, particularly in the off-plan segment, which continues to attract strong interest from investors and end-users alike.

Residential Sales Transaction Value

Total Value of Quarterly Residential Transactions (AED)



Average Price of Quarterly Residential Transactions (AED/Sqf)



- The overall residential sales in Dubai's real estate market have seen a marginal decline of 0.68% compared to the same period last year, reflecting market stability. Ready property sales demonstrated a robust 11% increase, showcasing strong demand for completed units. In contrast, off-plan sales recorded a 5% decrease compared to the previous quarter.
- Both the off-plan and ready property segments exhibited remarkable growth on an annual basis, with a 31% increase in off-plan sales and a 30% rise in ready property sales compared to Q4 2024. These figures indicate heightened investor confidence and growing interest in upcoming projects, signaling sustained demand in the market.
- Primary and secondary sales values saw positive growth this quarter, rising by 1.8% and 4% respectively, reversing the declines observed in the previous quarter. As a result, the combined sales values increased by a solid 2.45%.

Average Residential Sales Transaction Value

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



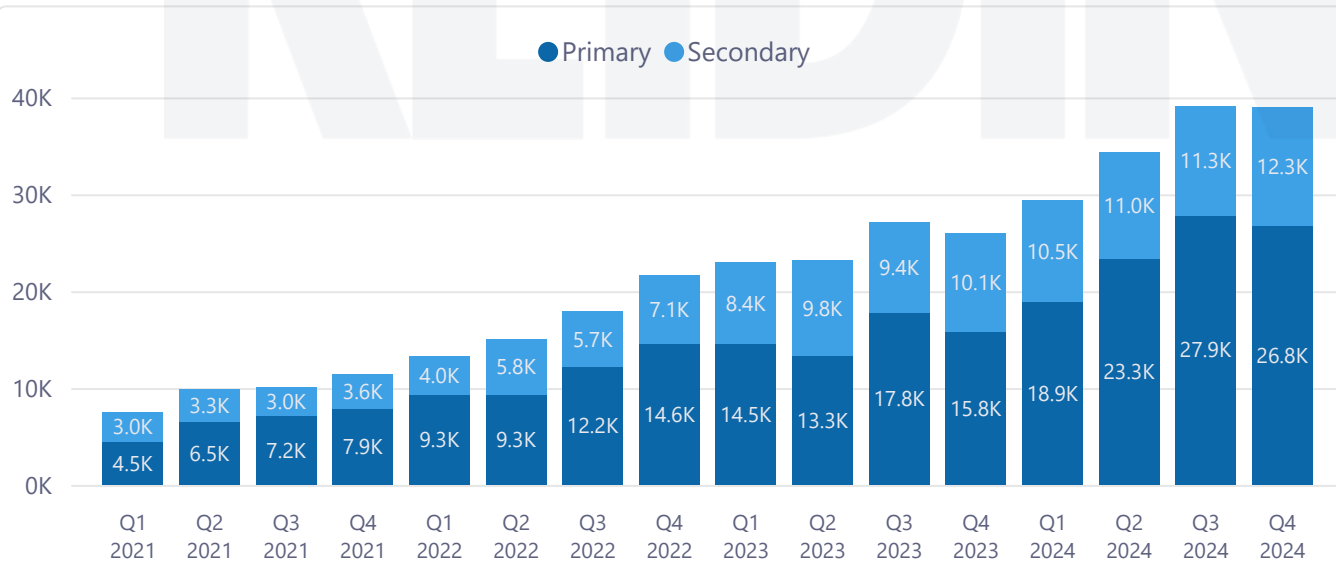
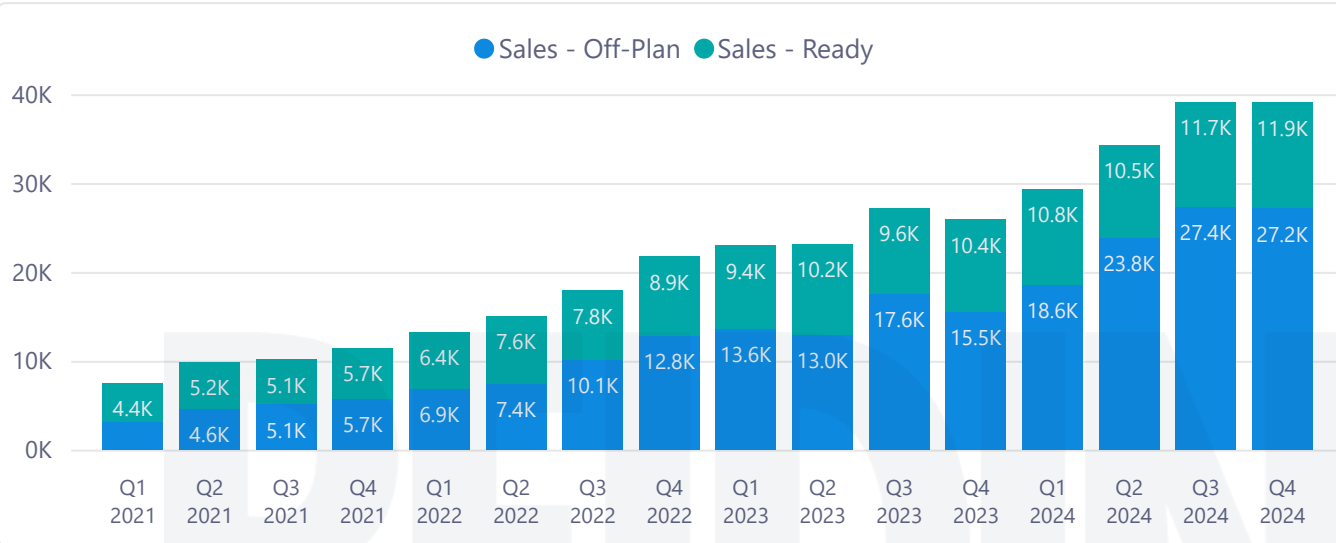
Average Price of Ready Property Transactions by Property Type (AED)



- While the off-plan market shows a downward trend, the ready property segment, particularly villas, has demonstrated robust growth in annual terms, reflecting strong demand for move-in-ready homes.
- Average prices for off-plan villas and apartments saw a reduction of 3.42% and 0.14%, respectively, over the previous quarter, resulting in an overall marginal decline of 0.8%. Year-on-year analysis highlights a more pronounced decrease, with off-plan apartment prices dropping by 16% and villa prices declining by a substantial 29%.
- The ready villa market experienced a 2.92% decline in prices quarter-on-quarter, while apartment prices recorded an impressive 8% increase. Compared to the same period last year, ready villa prices surged by an impressive 40%, while apartment prices posted a modest 2% growth, resulting in a combined annual increase of 29%.
- These insights reflect evolving buyer preferences and market dynamics, emphasizing the need for adaptive strategies in this competitive landscape.

Apartment Sales Transactions

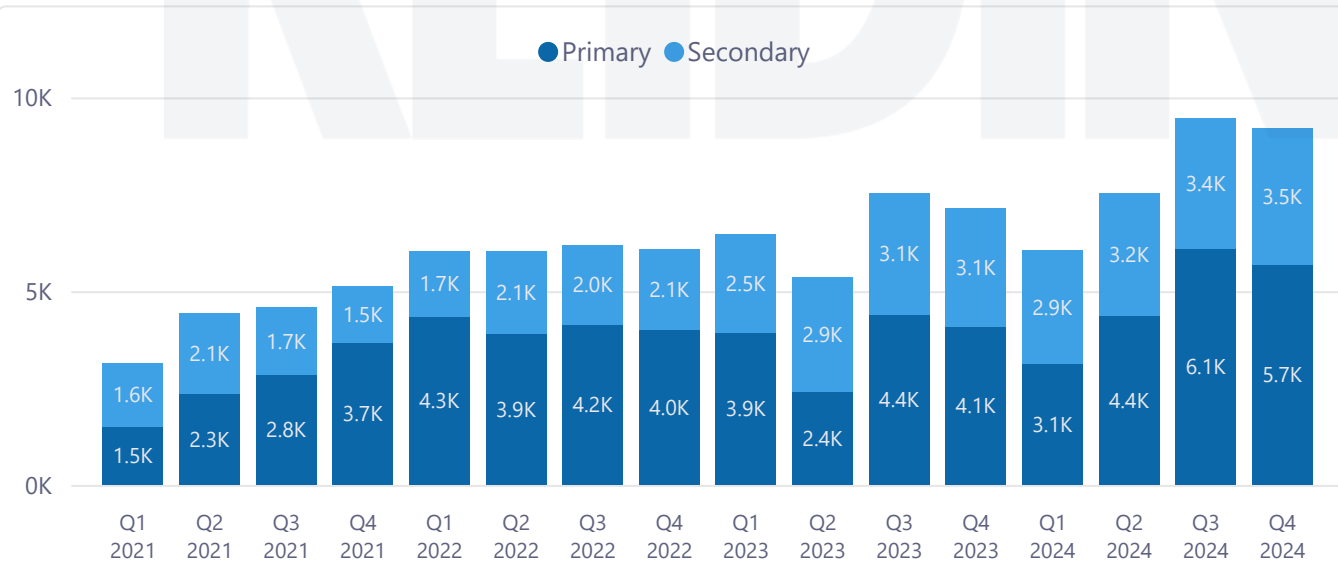
Number of Apartment & Serviced Apartment Transactions



- The total transaction volume for both off-plan and ready apartments in Dubai displayed a steady performance this quarter, aligning with trends observed in the previous quarter. Off-plan transactions experienced a marginal decrease of less than 1%, while ready property transactions saw a modest rise of approximately 1%.
- Notably, there was a substantial 51% year-on-year increase in the combined off-plan and ready sales compared to Q4 2023, highlighting strong market momentum.
- When analysing the primary and secondary market segments, the combined sales volumes remained relatively stable quarter-over-quarter. However, the secondary market outperformed with a notable 9% increase in transactions, reflecting growing investor and end-user interest in ready properties. Meanwhile, the primary market experienced a slight decline of nearly 4%, possibly attributed to cooling demand in specific off-plan segments or the completion of earlier project launches.

Villa Sales Transactions

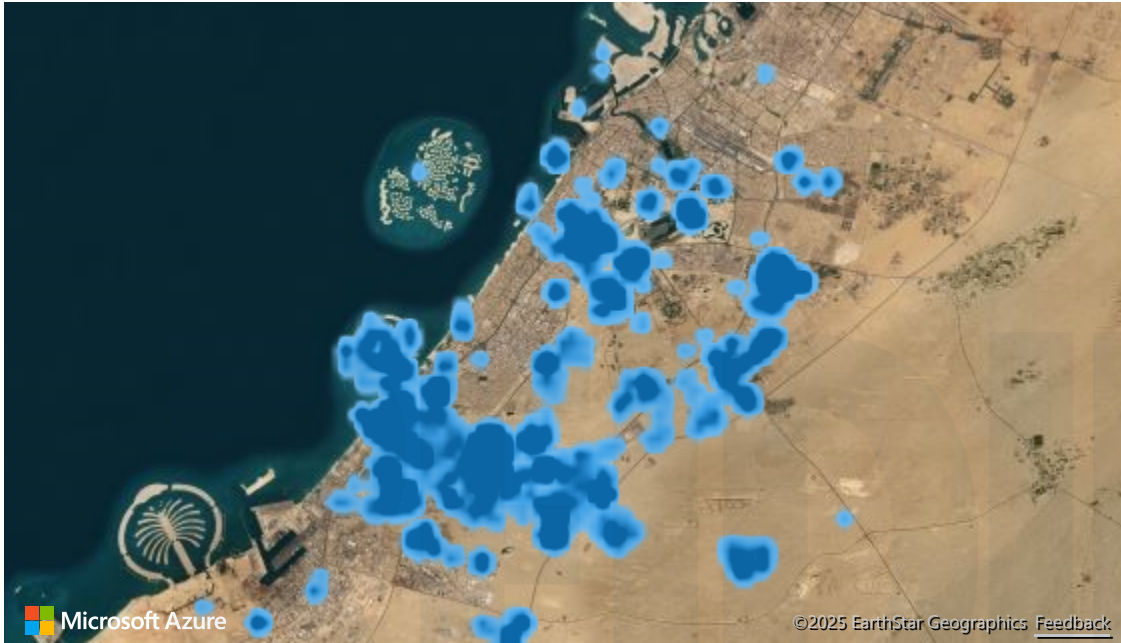
Number of Villa & Townhouse Transactions



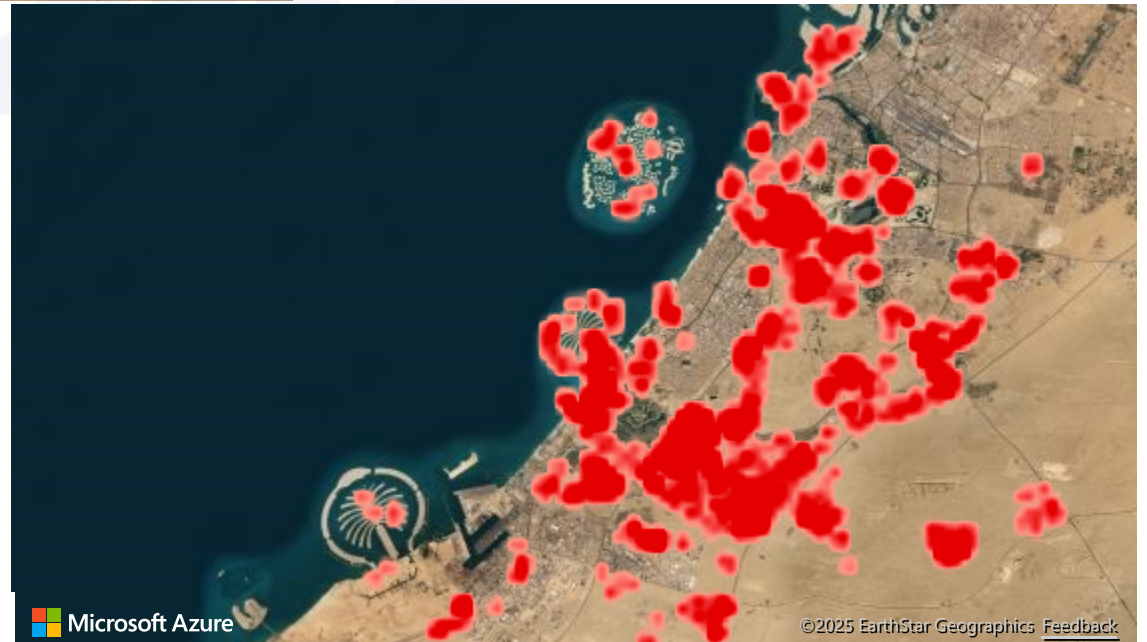
- The villa market in Dubai continues to evolve with notable shifts in transaction volumes. In the most recent quarter, ready villa transactions have shown signs of recovery with an 8% increase, while off-plan transactions experienced a 7% decline compared to the previous quarter. Off-plan sales continue to drive the villa market but are showing signs of cooling in the short term.
- The Annual performance of the total villa transaction volume has surged by 29% year-on-year, highlighting strong demand. Off-plan villa transactions have experienced a remarkable 58% increase, while ready villas have seen a 10% decline compared to the previous year.
- Sales of villas directly from developers (primary market) have grown by an impressive 39% year-over-year, whereas transactions in the secondary market (existing supply) have registered a 15% increase during the same period.
- The secondary market is gaining momentum as buyers seek ready options, supported by favourable market conditions.

Heatmap Sales Transactions

Ready Property Transactions

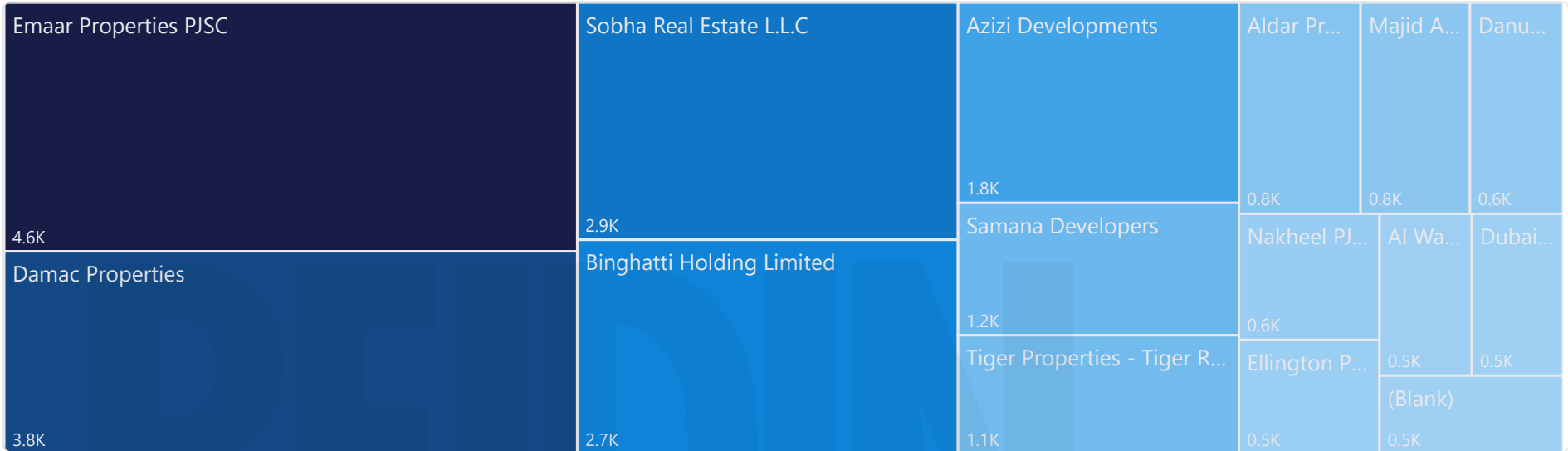


Off-plan Property Transactions

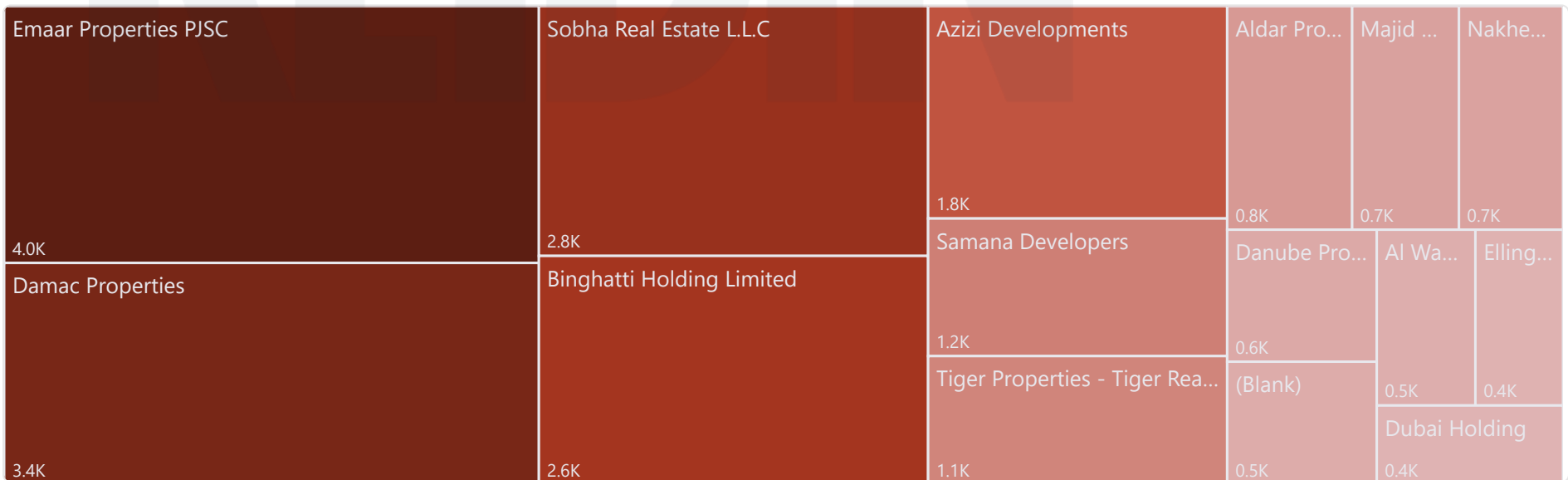


Sales Transactions by Developer

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



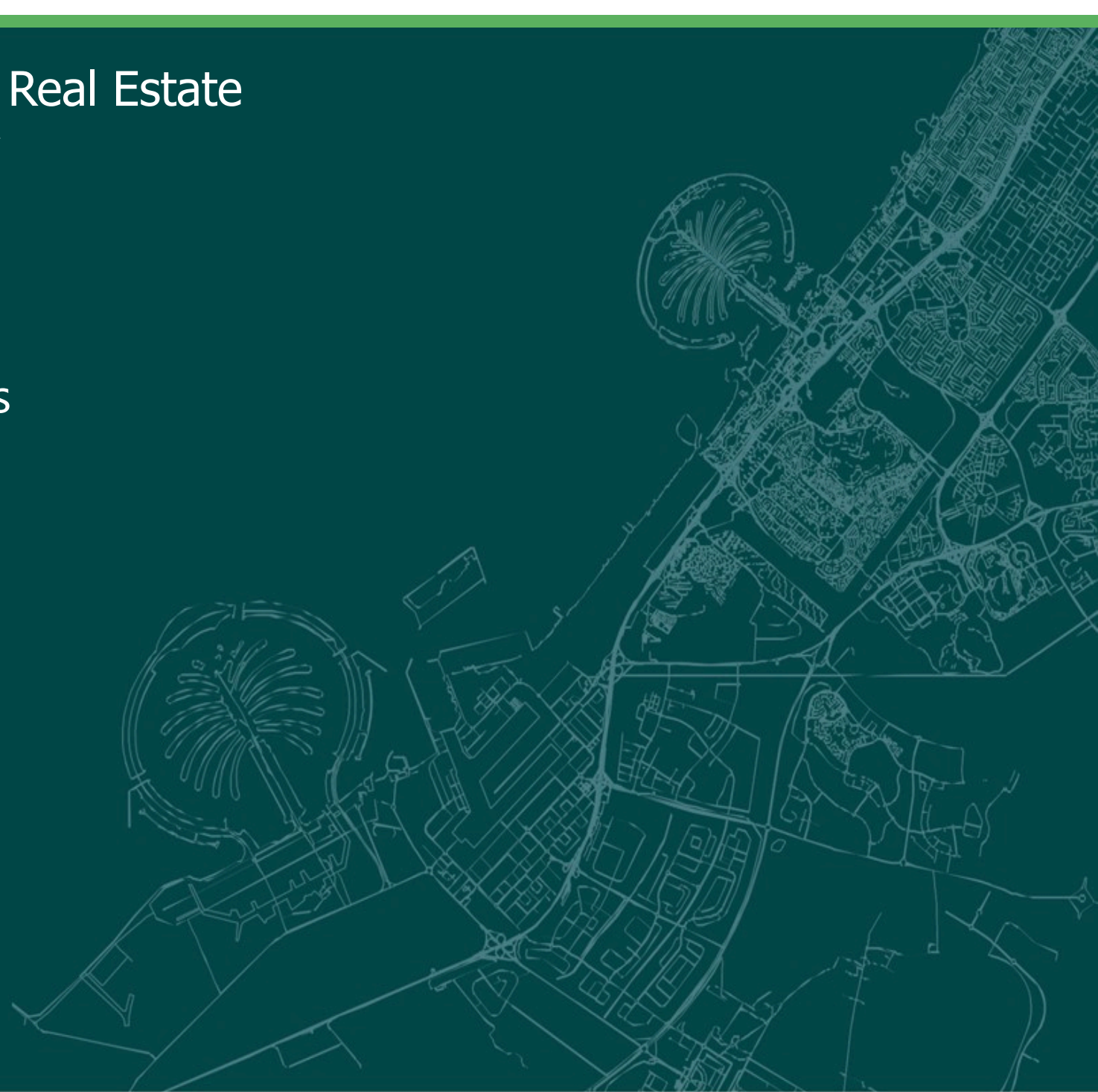
Number of Off-plan Primary Sales Transactions by Developer



Dubai & Abu Dhabi Real Estate Market Overview Q4 2024

Residential Rent Transaction Analysis

REIDIN



Residential Rent Transactions

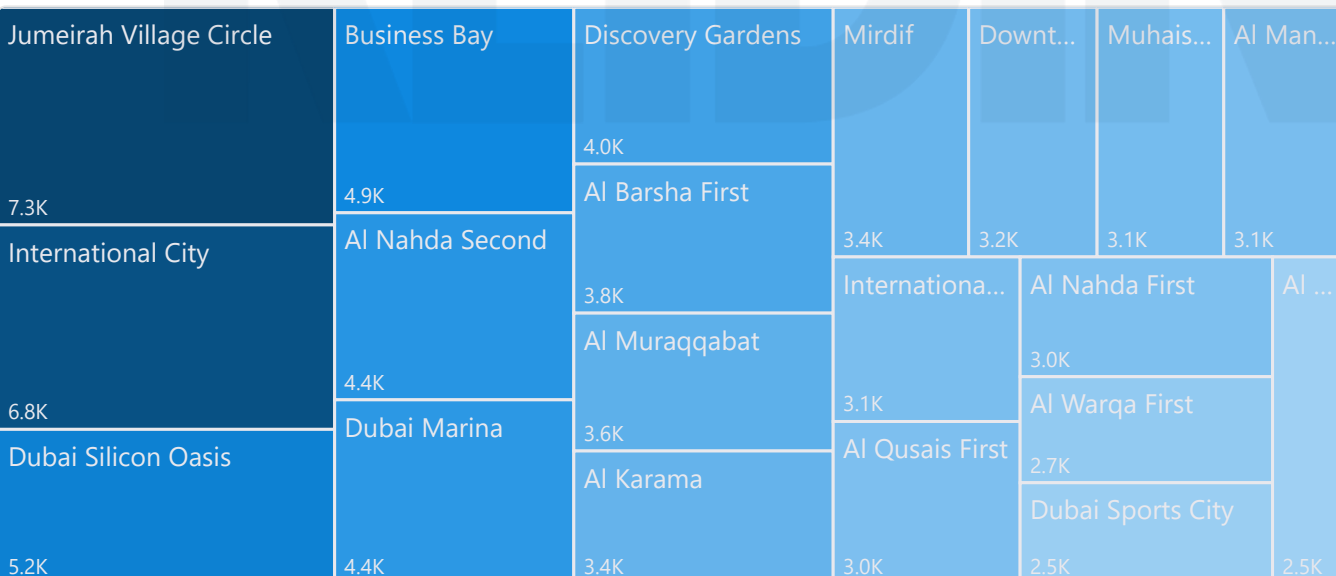
Quarterly Residential Rent Transactions by Type



- The total number of rental contracts, encompassing both new agreements and renewals, showed a marginal growth of 1% compared to the preceding quarter. However, on a year-on-year basis, the volume experienced a significant decline of 82%, reflecting broader market adjustments.

- Breaking down the figures for this quarter, new rental contracts saw a slight decline of 2% compared to the previous quarter, indicative of a more selective approach by tenants. Renewal contracts, on the other hand, demonstrated a positive trend with a 4% increase due to rent price increase for new contracts.

Quarterly Residential Rent Transactions by Area



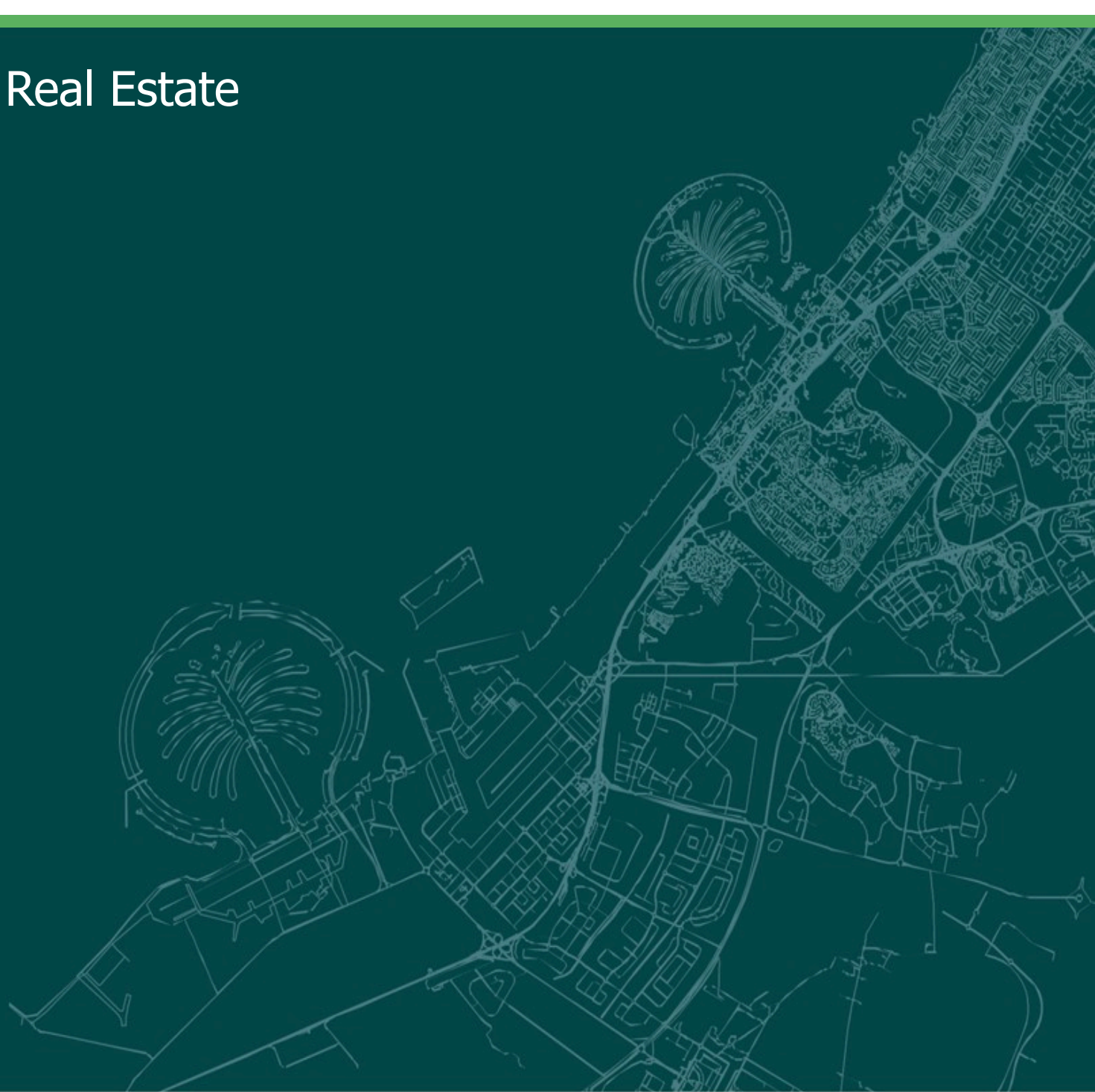
- When examining freehold areas, Jumeirah Village Circle (JVC), International City, and Dubai Silicon Oasis emerged as the top-performing locations for rental transactions, highlighting their continued appeal to tenants seeking value and accessibility.

- These insights underline evolving market dynamics, with renewals driving contract volumes and key communities maintaining their status as hotspots for rental activity.

Dubai & Abu Dhabi Real Estate Market Overview Q4 2024

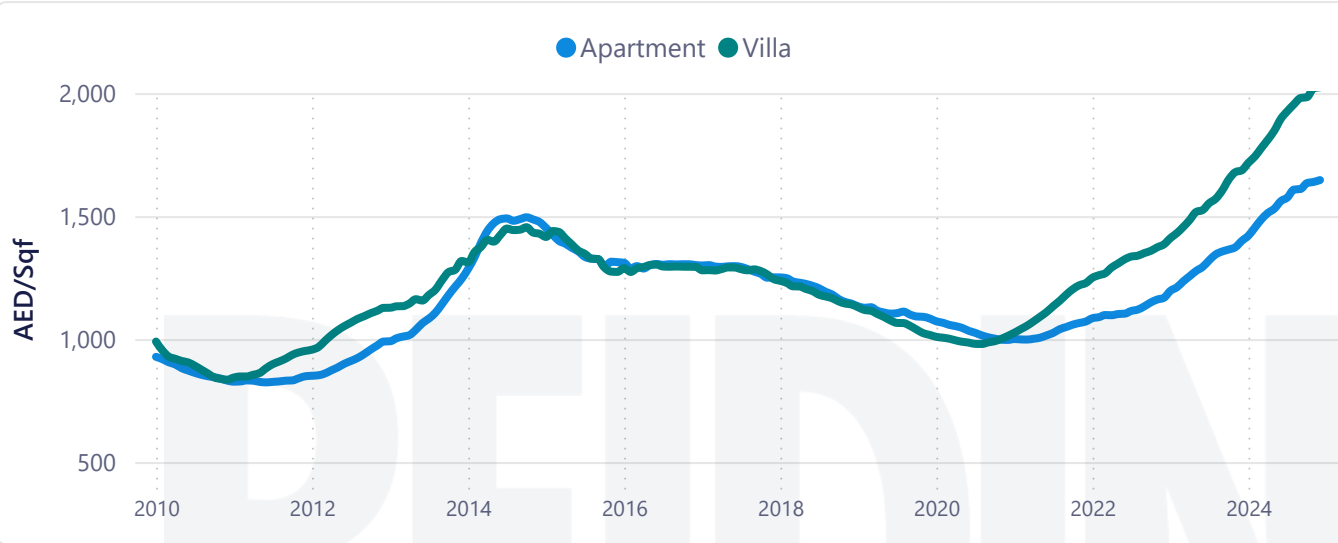
Market Trends

REIDIN

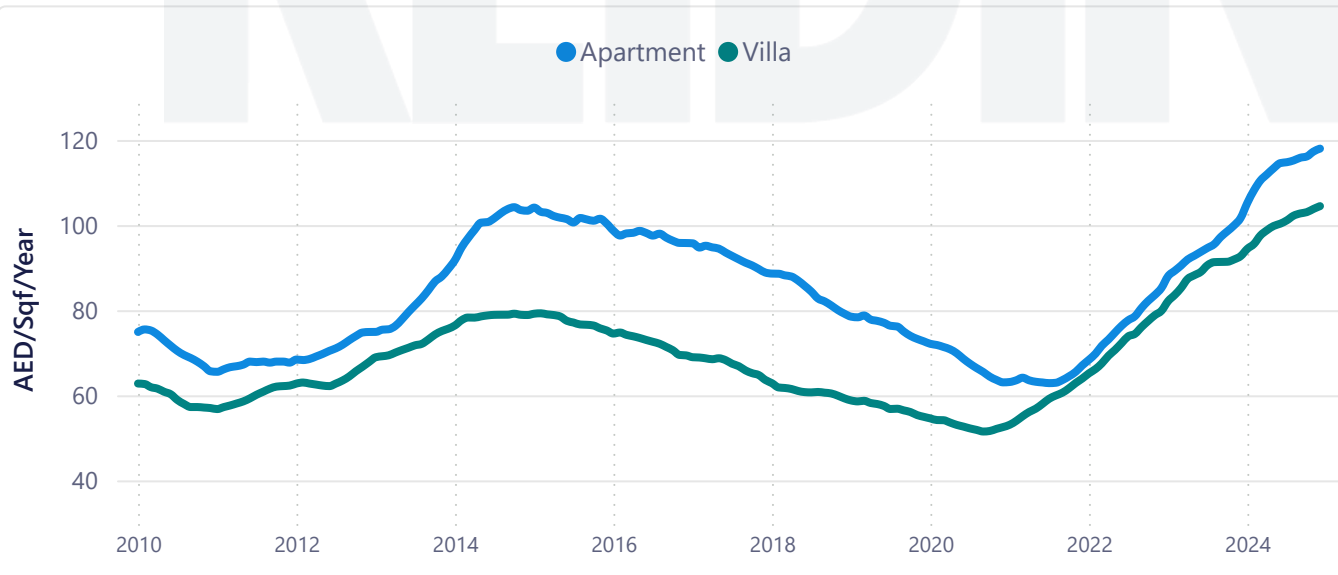


Dubai Residential Price Trends

Sales Price Trends



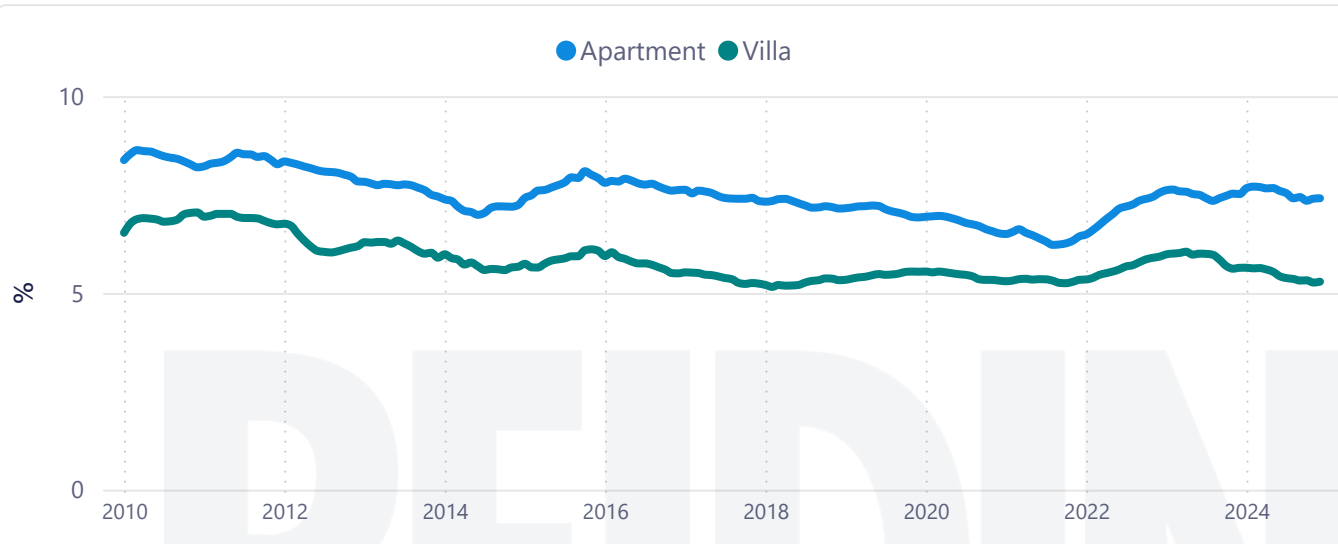
Rent Price Trends



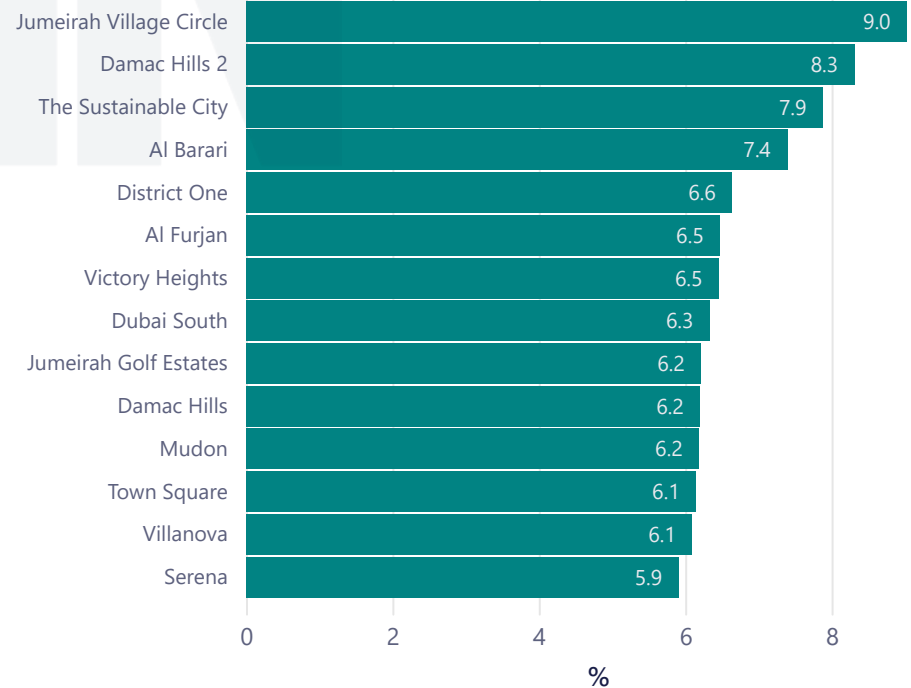
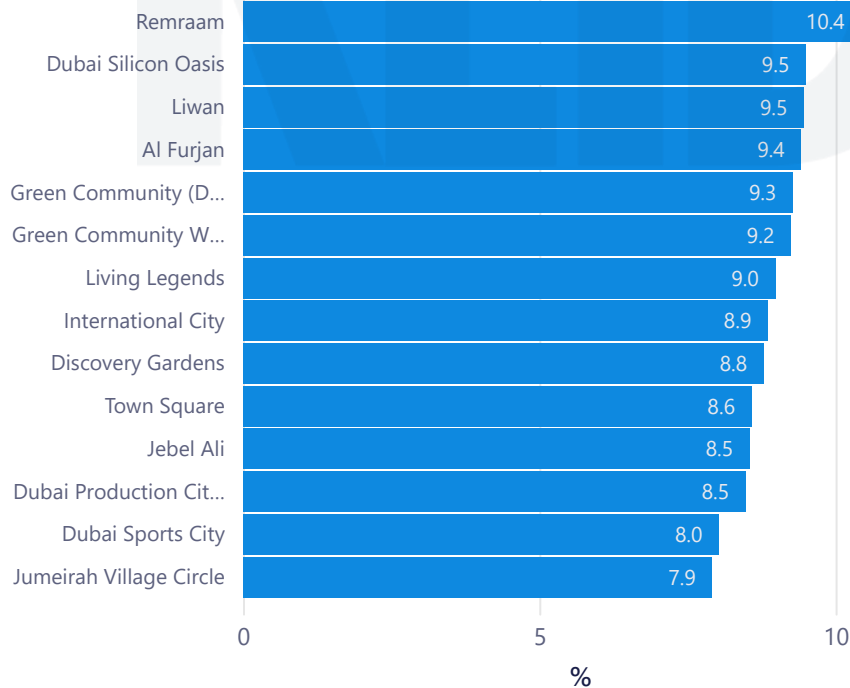
- Dubai's villa sales market maintained its upward momentum this quarter, recording a 2% increase compared to the previous quarter and an impressive 20% growth year-over-year. Similarly, apartment sales prices exhibited robust performance, with a 2% quarterly rise and a 18% annual increase.
- On the rental side, apartment rentals in Dubai grew by 1.85% quarter-over-quarter, accompanied by a strong 16% year-over-year growth. Villa rentals also showed steady growth, rising by 1.7% from the last quarter and achieving a 13% annual increase.
- These figures underscore the resilience and attractiveness of Dubai's real estate market, reflecting a healthy demand across both sales and rental segments. The market continues to offer strong returns, driven by investor confidence and sustained demand for high-quality properties.

Dubai Gross Rental Yields

Gross Rental Yields

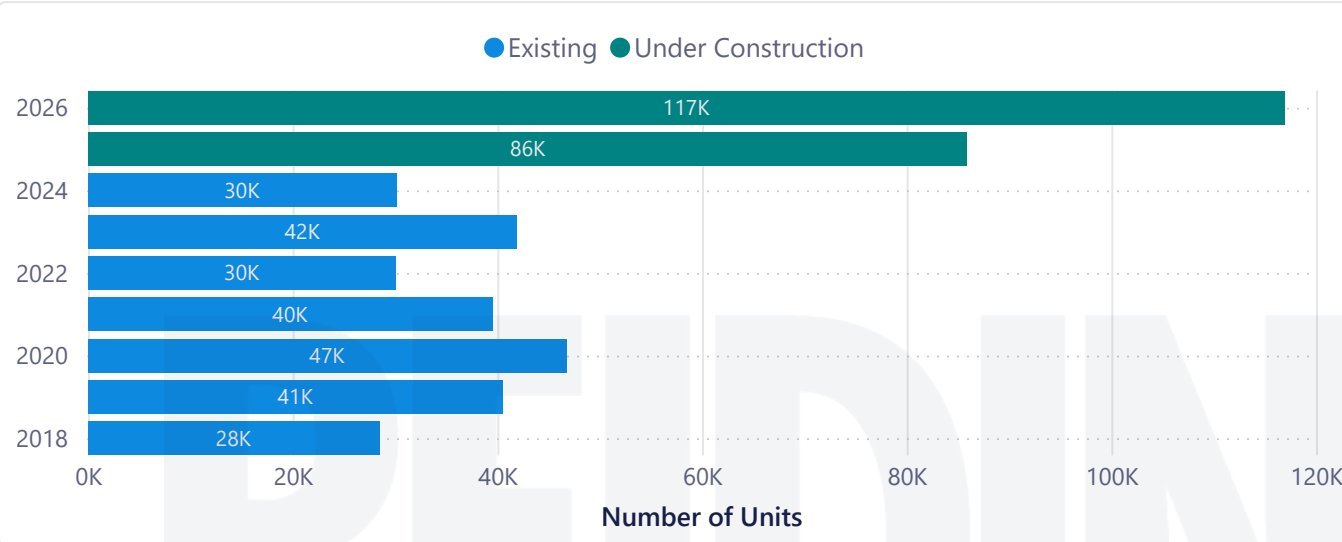


- In comparison to the previous quarter, Dubai's apartment gross rental yields experienced a slight decline of 0.40%, while villa yields saw a decrease of 0.54%. Despite this, specific communities continue to showcase strong investment potential.
- Major communities in Dubai continue to present compelling opportunities for investors, combining attractive returns with promising long-term growth potential.

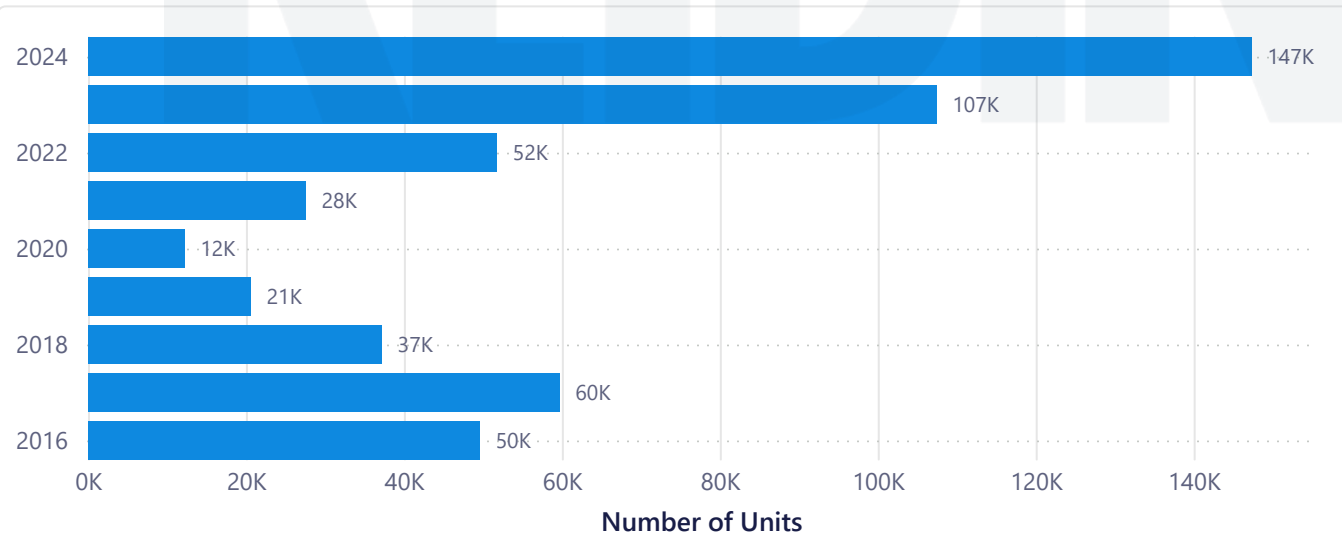


Dubai Residential Supply (Freehold)

Dubai Residential Supply



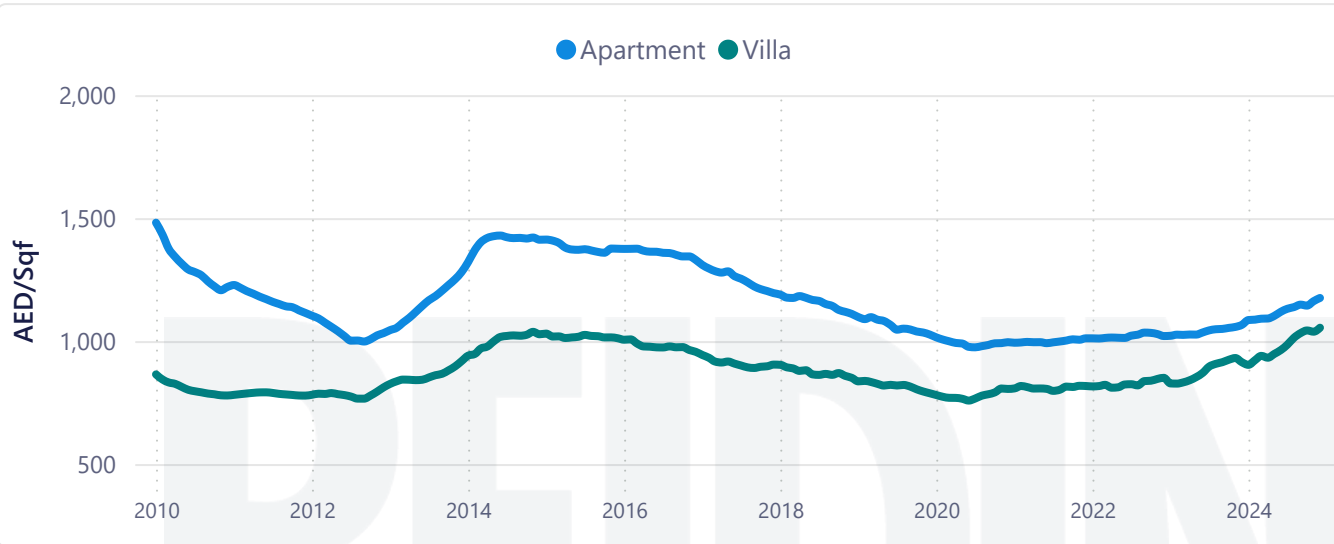
Dubai Residential Launches



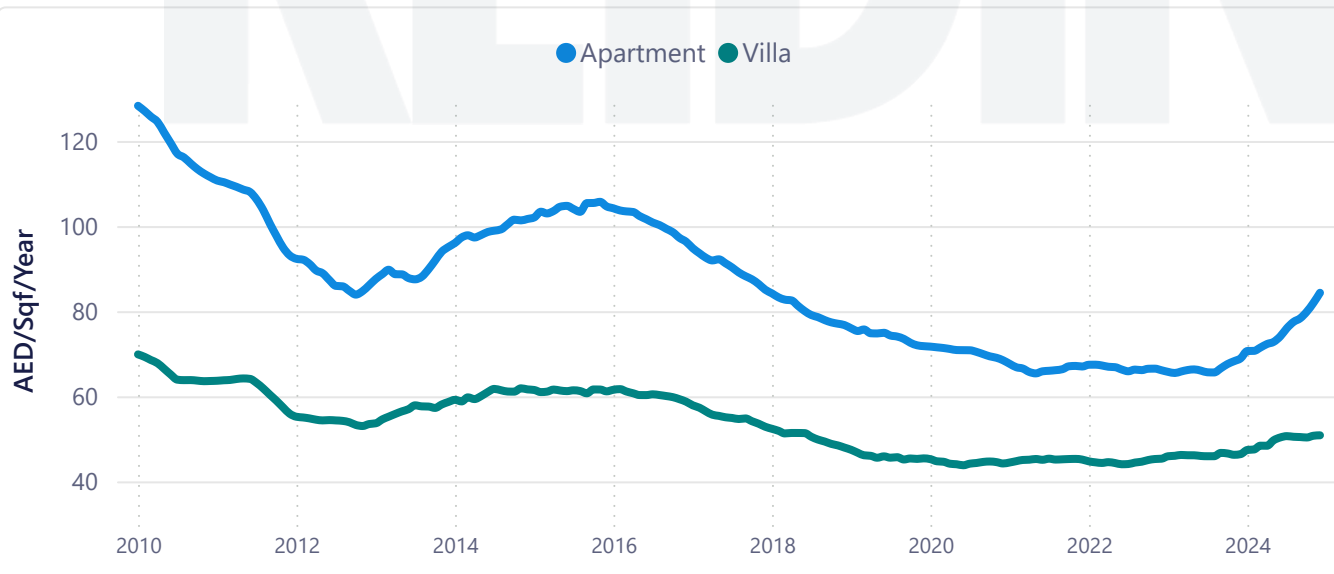
- In the latest quarter, the Dubai real estate market saw the completion of over 8,400 new units, including more than 6,190 apartments and approximately 2,200 villas, showcasing a significant addition to the city's residential inventory.
- As of the end of 2024, the construction pipeline remains strong, with nearly 237,000 apartments and serviced apartments, along with 50,000 villas, actively under development. Looking ahead, developers have set ambitious targets, with approximately 85,000 units scheduled for delivery in 2025 and an additional 115,000 units expected by 2026.
- This dynamic pipeline underscores developers' confidence in addressing the city's growing housing needs. With a focus on innovation and strategic urban planning, these projects are tailored to align with shifting buyer preferences and Dubai's continued urban expansion.

Abu Dhabi Residential Price Trends

Sales Price Trends



Rent Price Trends



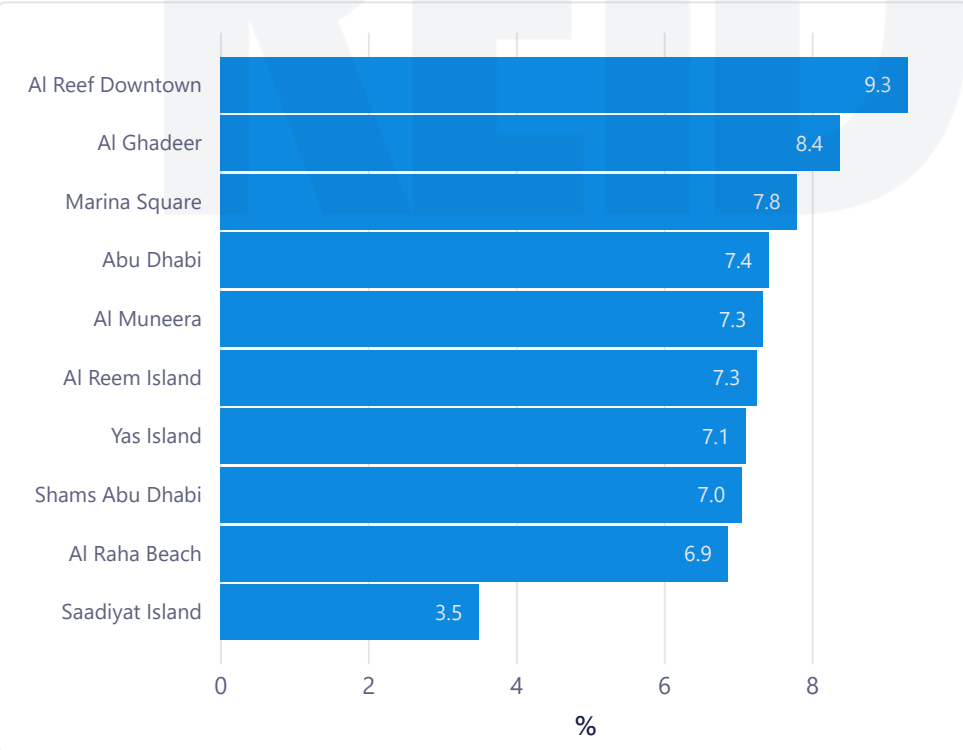
- The Abu Dhabi real estate market continued to show robust growth in Q4 2024, with upward trends across sales prices and rental values for both apartments and villas. This performance underscores the strong demand and steady development of the emirate's property sector.
- Apartment prices rose by 2.37% quarter-on-quarter, reflecting consistent growth. On a year-on-year basis, prices have surged by nearly 10%, marking a healthy appreciation in this segment.
- The villa market showed even stronger momentum, with prices increasing by 2.1% from the previous quarter. Compared to the same period last year, villa prices exhibited an impressive growth of 15%, reinforcing the appeal of luxury and family-oriented living spaces.
- In Abu Dhabi, apartment rental prices saw a 7% rise compared to the previous quarter. Over the past year, villa rents remained relatively stable with a slight increase, while apartment and villa rents increased by 22% and 10%, respectively, year-on-year.

Abu Dhabi Gross Rental Yields

Gross Rental Yields

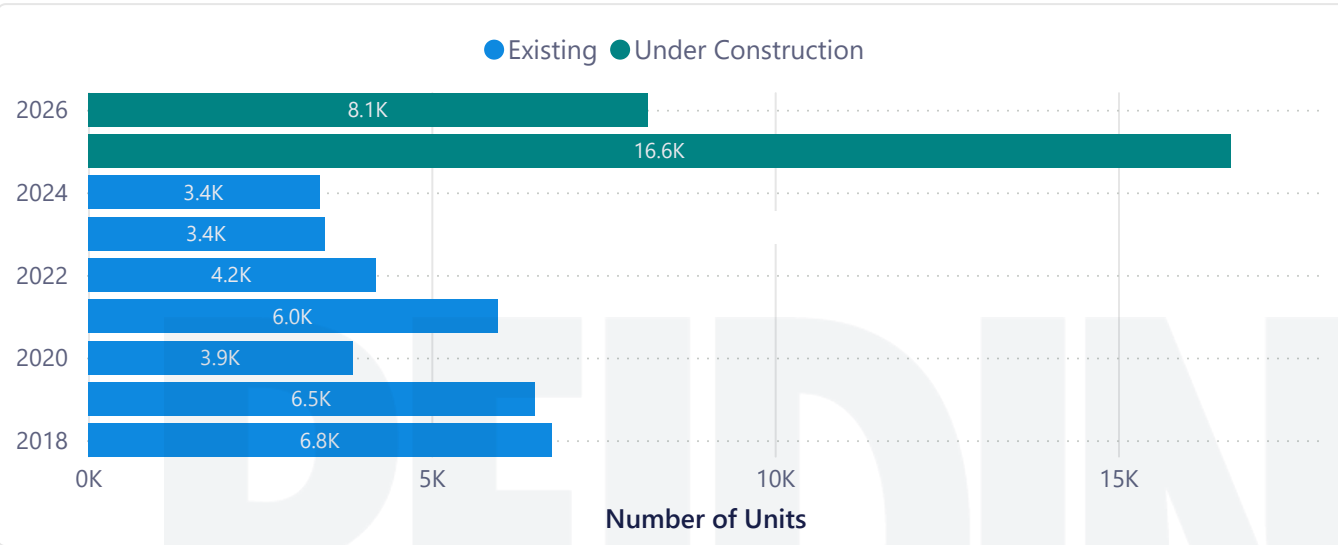


- In the latest quarter, Abu Dhabi’s apartment gross rental yields demonstrated a notable growth of 5.33%, while villa yields experienced a marginal decline of 1.32%.
- Al Reef Downtown secured the top position for apartment rental yields of 9.3%, and Al Raha Beach topped villa rental yield of 7%. Al Ghadeer Apartments and Villas secured the second position at 8.4% and 6.9% respectively.

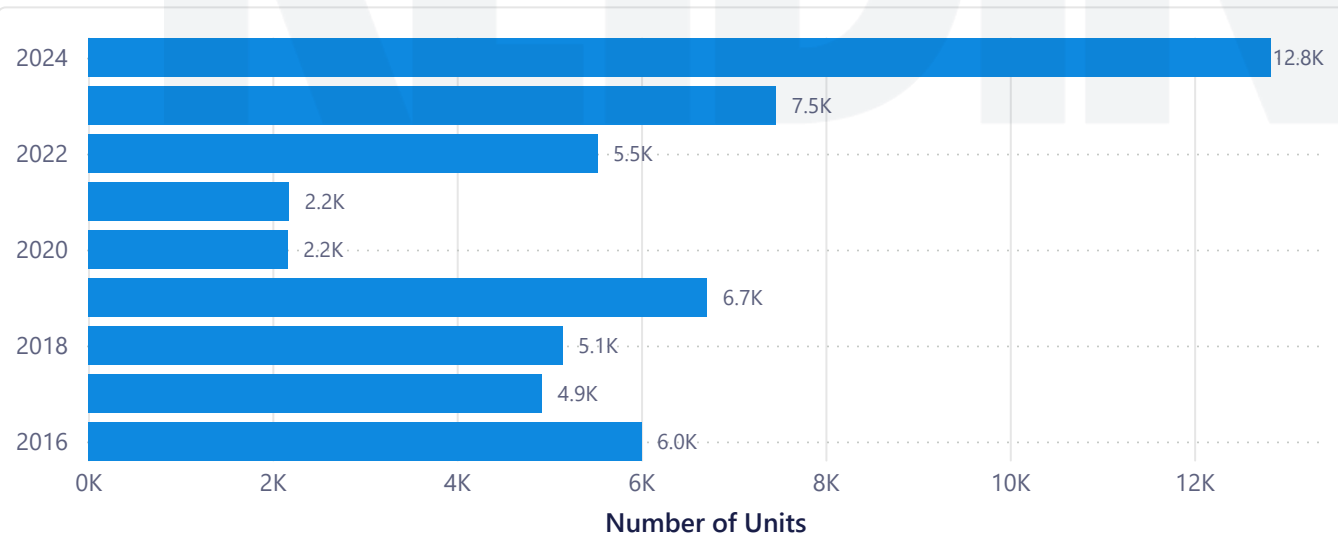


Abu Dhabi Residential Supply (Freehold)

Abu Dhabi Residential Supply



Abu Dhabi Residential Launches



- In this quarter, a total of 1,120 new units were introduced to the Abu Dhabi market, with a focus on Yas Island and Al Raha Beach. Developers are targeting the delivery of more than 16,000 units by 2025, with an additional 8,000 units expected to be completed in 2026.

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