

Q3 2024

# Residential Real Estate

UAE | Dubai

Results and trends

New supply	Number of new lease agreements
19.7 thou units	63.3 thousand
Weighted average price	Average rental rate
1 771 AED/sq. ft	94 AED/sq. ft

According to the Economist Intelligence Unit global rankings, Dubai is in the top five most comfortable cities for living in the Middle East and Africa. The city retains its status as one of the most dynamic economic centres, offering high living standards, advanced infrastructure and investments safety, which attracts buyers. A combination of the Emirate’s innovations, technological transformations and strategic location creates a benign environment for transformation of the real estate market, boosting stable growth and development in the long run.



Stable growth

The Dubai residential real estate market continues demonstrating **stable growth**. In Q3 2024 the volume of sales surged by 52% year-on-year with buyers still giving preference to off-plan projects. The most **popular area** for buying apartments was Jumeirah Village Circle (JVC), whereas the highest number of transactions with villas were made in other areas, such as The Valley, Damac Hills 2 and Dubai South.

In the meantime, **the rent growth** on new lease agreements neared 23% over the past 12 months. The number of transactions with apartments and villas has increased by 6% and 16% accordingly.



Robust construction and development of new areas

**Vibrant development and urban regeneration** is going on. New residential projects are commissioned, above all, in Meydan One and JVC neighborhoods. Overall, 19,700 new units were rolled out to the Dubai housing market in Q3 2024.

Bringing a large number of residential projects out to the market in new areas being currently developed led to **the correction of the weighted average price** of transactions amid the changing structure of supply and respective demand in favor of more affordable products.



Interest in branded residences

**The interest in branded residences** remains high. In Q3 2024, the launching of one more project, Bvlgari Lighthouse by Bvlgari, was announced.

## The examples of projects where sales commenced in Q3 2024

Nº on the map	Project name	Developer	Minimal unit cost, AED*	Minimal unit cost, USD	Project commissioning deadline	Neighborhood
1	Weybridge Gardens 3	Leos	550 000	148 500	Q3 2026	Dubailand
2	Fairway Residences	Prescott	590 000	159 300	Q3 2026	Dubai Sports City
3	Samana Park Meadows	Samana	690 000	186 300	Q3 2027	Dubailand
4	Aurora by Binghatti	Binghatti	710 000	191 700	Q3 2027	JVC
5	Me Do Re 2	Me Do Re Properties	830 000	224 100	Q4 2027	JLT
6	Golf point	Emaar	850 000	229 500	Q4 2028	Emaar South
7	Binghatti Dusk	Binghatti	880 000	237 600	Q4 2024	JVC
8	Azizi Neila	Azizi	930 000	251 100	Q2 2026	Al Furjan
9	Sobha Solis	Sobha	1 010 000	272 700	Q4 2027	Motor City
10	One Residence	Ginco Properties	1 280 000	345 600	Q1 2027	Downtown Dubai
11	Club Place	Emaar	1 450 000	391 500	Q4 2028	Dubai Hills
12	Golf Hillside	Emaar	1 470 000	396 900	Q4 2028	Dubai Hills
13	Parkland	Emaar	1 500 000	405 000	Q4 2028	Dubai Hills
14	Skyscape Altius	Sobha	1 560 000	421 200	Q4 2028	Sobha Hartland II
15	Ocean Pearl	Samana	1 600 000	432 000	Q4 2026	Dubai Islands
16	Altus	Emaar	1 600 000	432 000	Q1 2029	Dubai Creek Harbour
17	Urban Life	Urban Properties Development	1 600 000	432 000	Q2 2026	Business Bay
18	Seaside by Prestige One	Prestige One Developments	1 630 000	440 100	Q4 2026	Dubai Islands
19	Ocean Cove	Emaar	1 760 000	475 200	Q3 2028	Rashid Yachts and Marina
20	Address Residences	Emaar	2 000 000	540 000	Q1 2029	Dubai Creek Harbour
21	Beach Walk Residence II	Intiaz Development	2 080 000	561 600	Q2 2026	Dubai Islands
22	Hyde Residences	City View	2 100 000	567 000	Q4 2026	Dubai Hills
23	Fairmont Residences Solara Tower	SOL Properties	2 700 000	729 000	Q3 2027	Downtown Dubai
24	Avena at the Valley	Emaar	4 360 000	1 177 200	Q3 2027	The Valley
25	The Acres	Meraas	5 500 000	1 485 000	Q4 2027	Dubailand
26	Seascape	Emaar	18 370 000	4 959 900	Q4 2026	Mina Rashid

\* 1 AED (1 Dirham) = 0.27 USD

The map of sales in residential projects that got started in Q3 2024





Supply

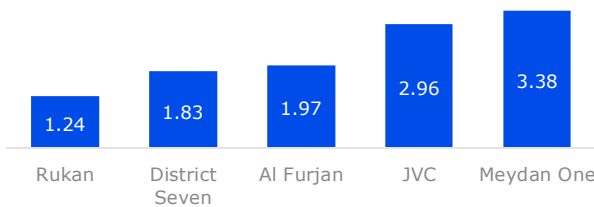
Cumulatively, during the first 9 months of 2024, 19,700 new units entered the Dubai residential real estate market, which is 30% less than in the same period last year, with 80% of residential units being apartments and 15% - villas.

In the structure of supply by number of rooms, one-bedroom\* apartments took the lead, their share standing at 33%. Studios and 2-bedroom apartments accounted for 27% and 17% of the total supply, respectively.

Dynamics of residential real estate commissioning in Dubai - Q3 2024

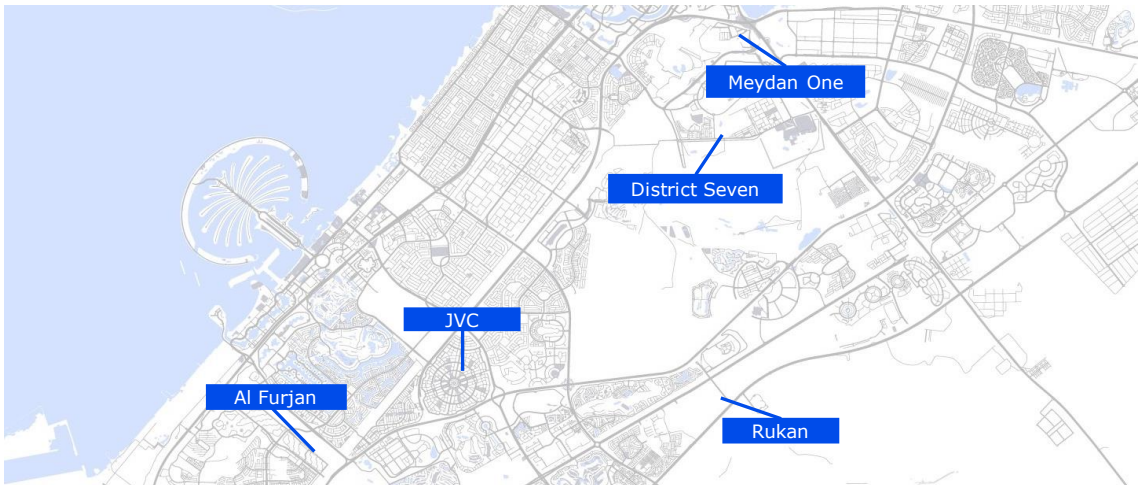


Dubai neighborhoods with the highest amount of commissioned housing for 9 months of 2024 (thou units)



Source: Nikoliers, REIDIN

Meydan one (part of the emerging large district MBR City) was the leader in the initial three quarters of 2024 in terms of commissioned housing. For comparison, in the similar period last year the leading positions were taken by Business Bay and Downtown Dubai. But the specifics of those areas are high land prices and a limited supply of development land, which forces developers to build new projects in other parts of the city. New points of growth and demand attraction in developing neighborhoods are emerging.



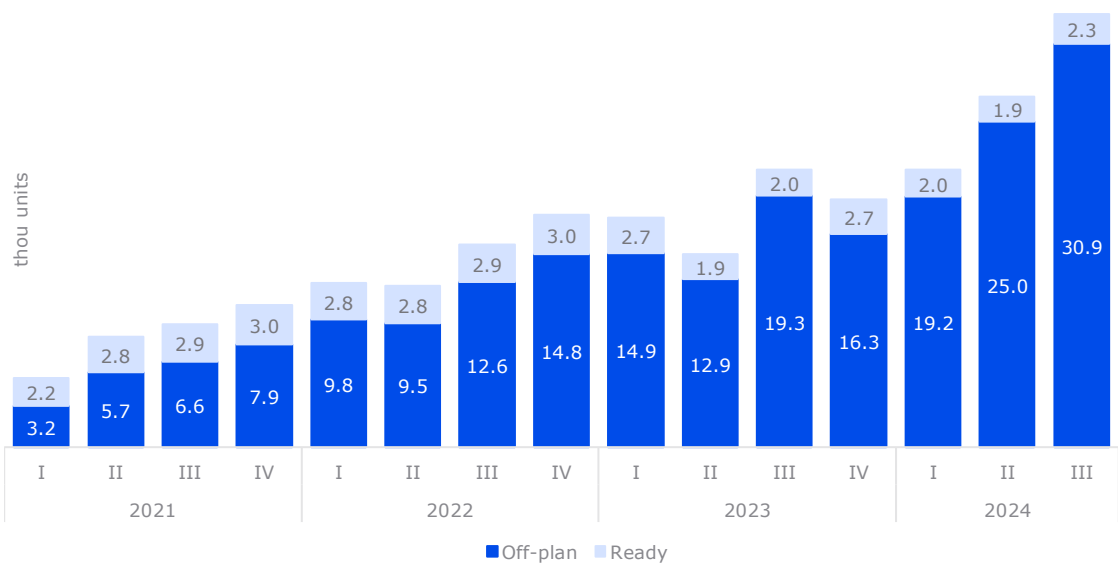
\* One-bedroom apartments imply the presence of one isolated bedroom and a shared zone with a living room and kitchen.

Demand

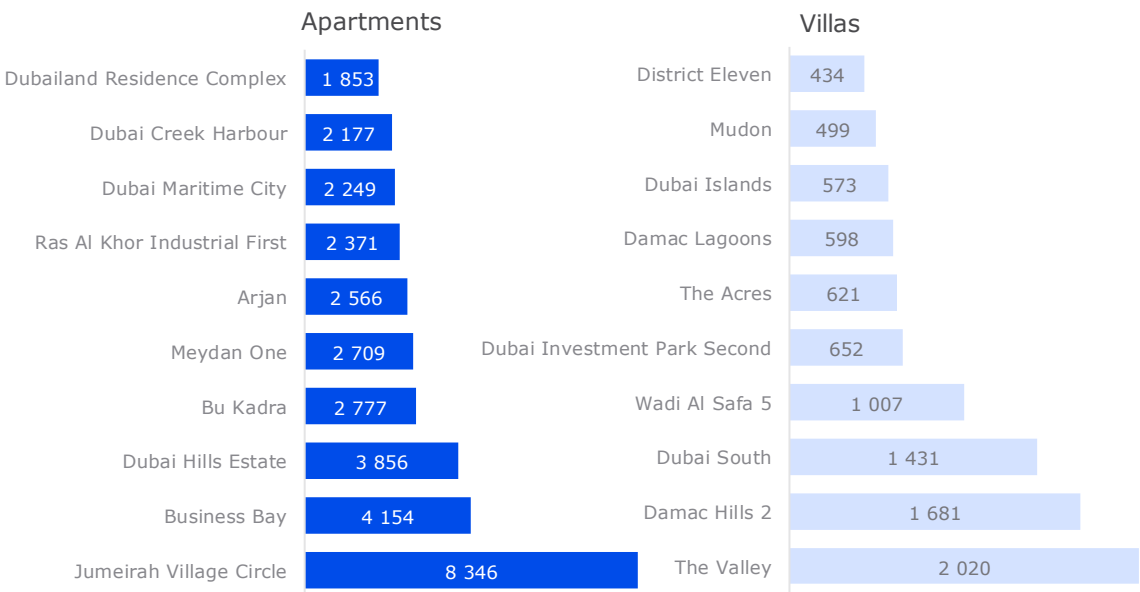
Sales in the off-plan housing market of Dubai totaled to more than 81,000 transactions, up 52% year-on-year. Transactions with off-plan housing accounted for about 92% of total deals. The supply in ready-to-move-in projects is limited and cannot compete with attractive terms from developers, which are valid only for projects under construction, such as the interest-free installment plans.

The most popular area for apartment purchase was Jumeirah Village Circle (JVC) that accounted for 25% of total transactions. The highest volume of deals with villas is concentrated in areas, such as The Valley, Damac Hills 2, Dubai South.

Dynamics of housing sales in Dubai, 2021-2024



Total transactions concluded in the market of housing under construction for 9 months of 2024 (by neighborhoods, number of deals)

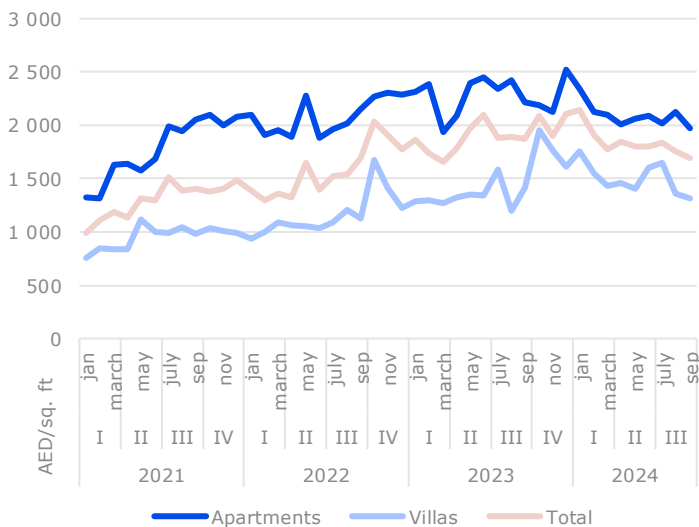


Sale prices

As per the General Plan of Dubai Development, city aims at increasing its population to 6 million people by 2040. This trend will whip up demand for housing purchase and rent. As of the end of Q3 2024, the weighted average price per sq. ft in off-plan housing projects averaged AED 1,771 (USD 5,147 per sq. m) - 6% less than in Q3 2023. The price correction has to do with changes in the supply structure due to sales launched in the projects developed in new neighborhoods where housing prices are way lower than in more developed areas.

In the most popular areas, such as Business Bay, Downtown, Dubai Marina, JVC, Damac Hills, we can see a stable growth of prices. The weighted average price per sq ft in those five neighborhoods amounted to AED 2,192 per sq. ft (USD 6,386 per sq. m) in Q3 2024, up 3% year-on-year.

Dynamics of the weighted average price in the off-plan housing market of Dubai, 2021-2024



3%

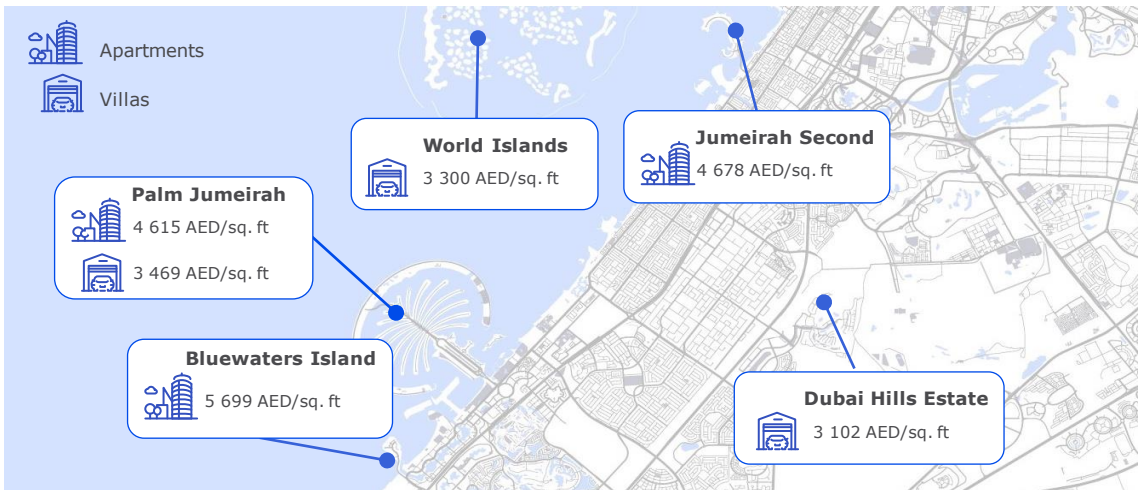
Growth of sale prices in most popular areas over Q3 2024 versus Q3 2023.

-6%

Average correction of sale prices in the market due to the delivery of new projects, Q3 2024 vs Q3 2023

The most expensive offers per sq. ft of apartments in Q3 2024 were concentrated in the following neighborhoods: Bluewaters Island, Palm Jumeirah, Jumeirah Second; for villas these are World Islands, Palm Jumeirah and Dubai Hills Estate.

The map with most expensive neighborhoods in terms of weighted average price per sq. ft of real estate, Q3 2024



Rent

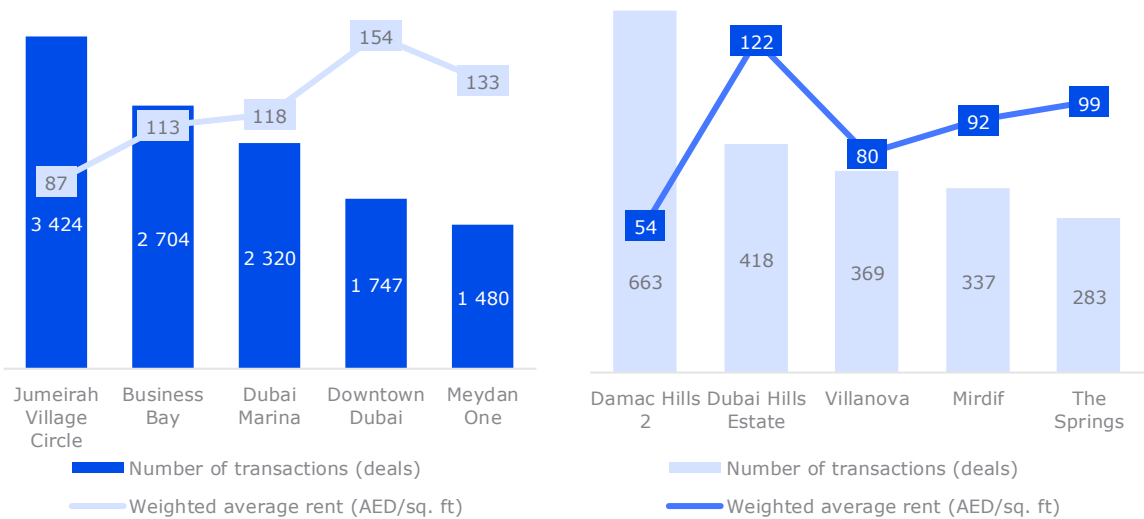
Over 9 months of 2024, as compared to a similar period in 2023, the number of new lease agreements for apartments has risen by 6%, while for villas the growth was 16%.

Dynamics of new lease transactions in Q3 of 2021-2024



In the rental market we can observe growth in quantitative and price indicators. Thus, over the last 12 months the growth of rental rates on new contracts in Dubai amounted to about 23%. In the most popular areas - JVC, Business Bay, Damac Hills 2 - the growth of rental rates was lower than the market average (10%) due to a large number of offers in the midst of rampant housing commissioning during 2023-2024. Current tenants prefer to renegotiate existing leases, as this allows them to maintain the already agreed terms and avoid significant increases in rental costs due to legislative restrictions.

Neighborhoods with the highest number of signed new lease agreements in Q3 2024 (thousand contracts)





## Services



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Managing construction projects



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Representation of tenants



Research and analytics



Marketing

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