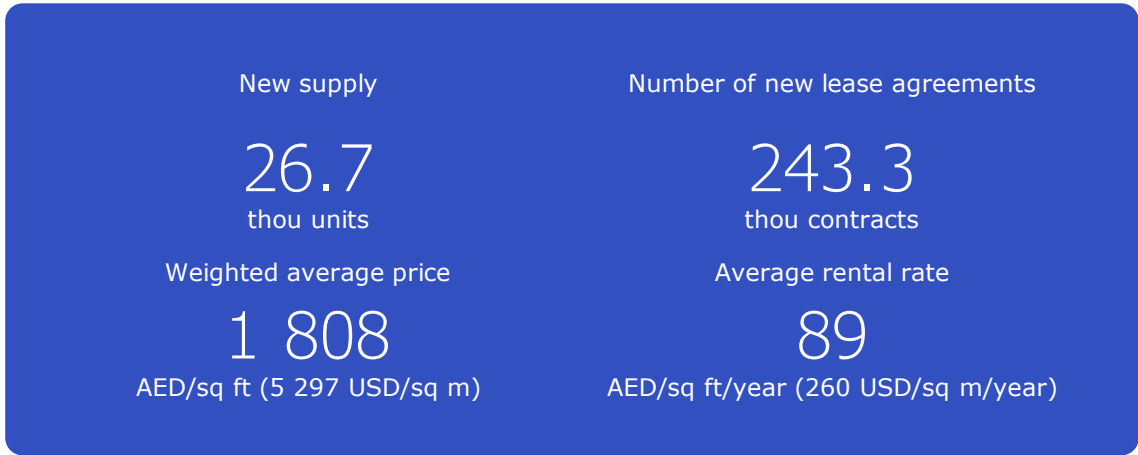


2024: Results

Residential Real Estate

UAE | Dubai

Key market indicators



In 2024, Dubai ranked fifth in the rating of the world’s best cities from Brand Finance, ahead of such mega cities as Singapore and Los Angeles. The Emirate continues demonstrating its role as a world trade centre, which is bolstered by advanced infrastructure and the growth of new businesses, making it attractive for living and investment. The real estate in Dubai remains retains its appeal to international investors.

The Emirate’s tourism sector is on the rise, attracting more and more visitors. As reported by the Dubai Department of Economy and Tourism (DET), for the nine months of 2024 alone the city received around 17 million tourists, up 9% year-on-year. The government continues luring touists by holding various international exhibitions, by its diverse entertainment sector and due to other factors. The great influx of tourists has an impact upon the housing rent market (especially in the segment of short-term rent which is getting increasingly popular).

The number of expats and international investors is expected to rise further in 2025, which will be boosting the demand for real estate purchase and lease.



Robust urban regeneration and the development of new areas is under way. As part of these changes, developers are vigorously working on new projects. One of them is Dubai Islands being built up by the well-known developer Nakheel. Upon the completion of construction works, this will be one of the largest delivered projects comprised of residential and resort areas. Another key project that will serve as a catalyst of further development is the Expo City Dubai district that will be home to more than 35,000 people and a place of work for more than 40,000 specialists. It is anticipated that this district will attract businesspeople and investors, creating new points of growth as well as new opportunities.

Supply

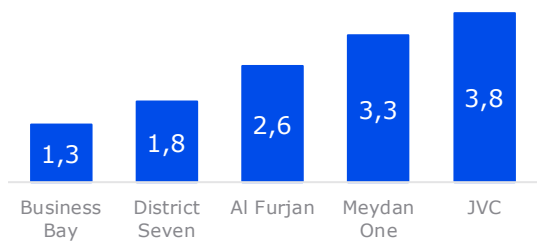
Due to the construction of new projects throughout 2024, some 26,700 units were added to the residential real estate market of Dubai, which is 36% less than in 2023. This can partly be explained by the high base effect of 2023, but to a greagter extent - by pushing back the commissioning deadlines of many projects to 2025. The constructionn activity shows no signs of slowing down, so we expect the record rates of housing commissioning in 2025.

Apartments accounted for 79% of total supply, the rest falling to the share of villas. One-bedroom apartments took the lead in the supply breakdown by room count, their share standing at 42% of the total supply. Studios and two-bedroom apartments accounted for 28% and 23%, respectively.

Dynamics of residential real estate commissioning in Dubai, 2021-2024

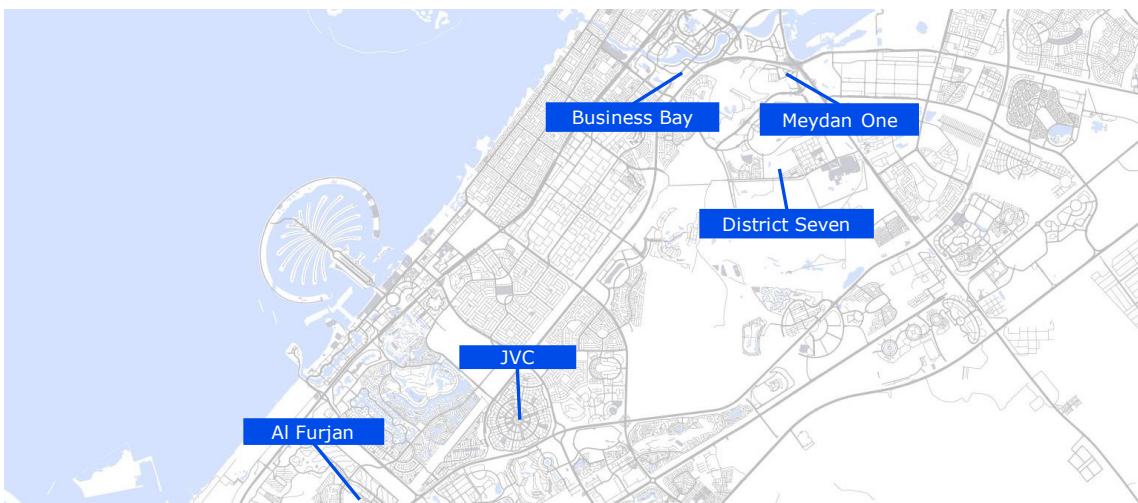


Districts with the highest amount of residential real estate commissioned in Dubai for 2024 (thou units)



The limited supply of land plots for the development of new projects in Dubai's central districts (e.g. Dubai Marina, Downtown) and the high cost of such lots is pushing the market toward new territories. As a result, we see new districts emerging in the Emirate with demand flowing from old to new areas.

Based on the results for 2024, Jumeirah Village Circle (JVC) was the leader in terms of new housing commissioned.

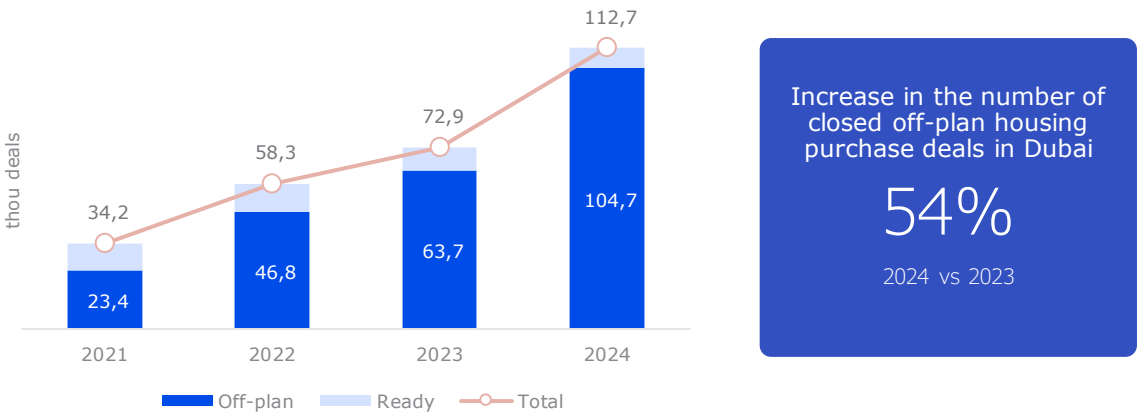


Demand

The government of Dubai is actively working on the creation of a comfortable and safe urban environment. The Dubai authorities have approved five priority goals for the next decade, as part of their plans. One of these goals is increasing the volume of real estate transactions to AED 1 trillion by 2033. This initiative is aimed at improving the quality of life and attracting new investments into the Emirate’s economy.

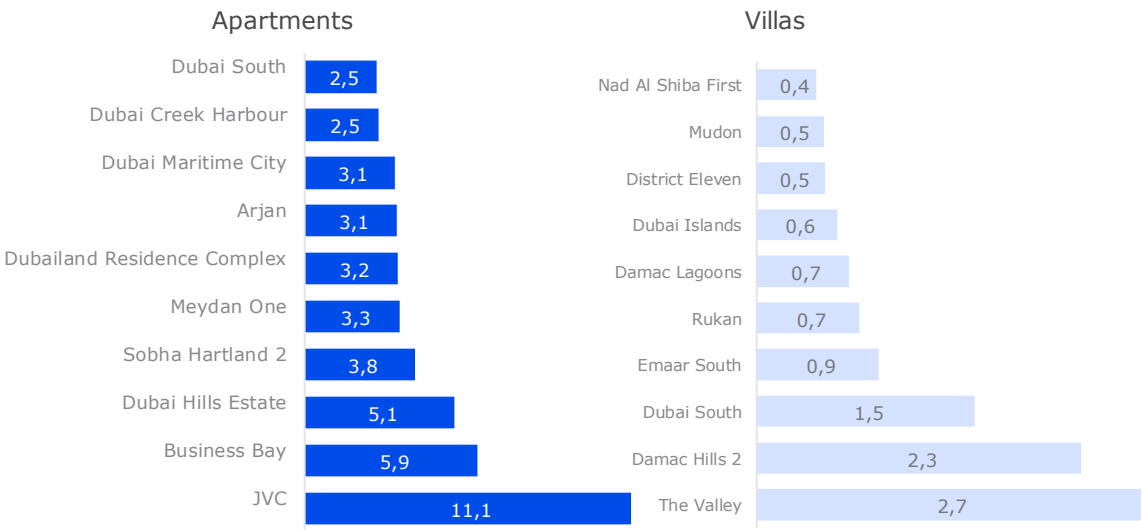
In four recent years the demand has more than tripled in the residential real estate market of Dubai. In 2024, the number of off-plan housing purchases exceeded 112,000.

Dynamics of housing sales in Dubai, 2021-2024



The Jumeirah Village Circle (JVC) district took the lead among the Dubai districts by apartment sales, with 11% of all deals closed there. The popular districts for villa purchases include The Valley, Damac Hills 2 and Dubai South.

The amount of deals closed in the off-plan housing market for 2024 (by districts, thousand deals)

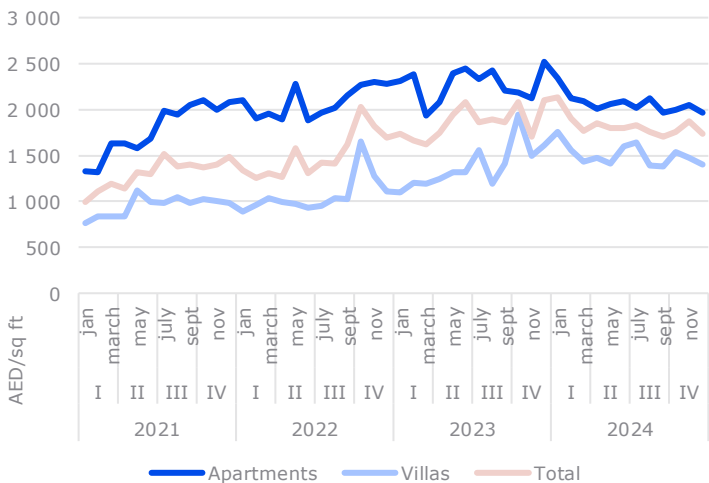


Sale prices

At the end of 2024, the weighted average price per sq ft in residential projects under construction stood at 1,808 AED/sq ft (5,297 USD/sq m), which is 3% below the level of 2023. A minor correction of prices has to do with the altered structure of supply due to the launch of apartment sales in projects developed in the new emerging districts, where the cost of housing is way lower than in more developed ones. The weighted average villa purchase price growth stood at 6% (1 500 AED/sq ft, or 4 395 USD/sq m).

Nevertheless, in the most popular districts such as Business Bay, Downtown Dubai, Dubai Marina, Jumeirah Village Circle (JVC), Damac Hills we can see a stable growth of prices. The weighted average price per sq ft of real estate in those five districts amounted to 2 080 AED (6 110 USD/sq m), up 14% year-on-year.

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



14%

Growth of sale prices in the most popular districts 2024 vs 2023

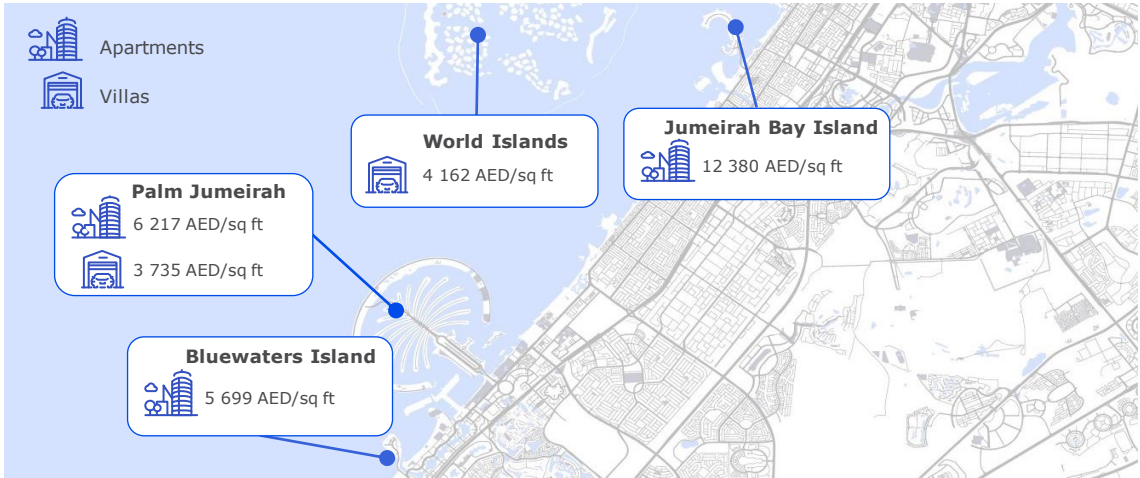
-3%

Average correction of the sale price on the market due to the entry of new projects, 2024 vs 2023

In 2024, the government of Dubai approved a record budget for 2025-2027 - AED 86.26 billion (USD 23.89 billion). These funds will be invested in the development of urban infrastructure, health care, education, housing and other social aspects. In the future this step will bolster the status of Dubai as a prestigious and comfortable location for quality living and work.

The most costly offers per sq ft of apartments in 2024 were recorded in the following districts: Bluewaters Island, Palm Jumeirah, Jumeirah Bay Island; as for villas, the highest prices were found in World Islands and Palm Jumeirah.

The map shows the most expensive districts by the weighted average price per sq ft of off-plan housing in Q4 2024.

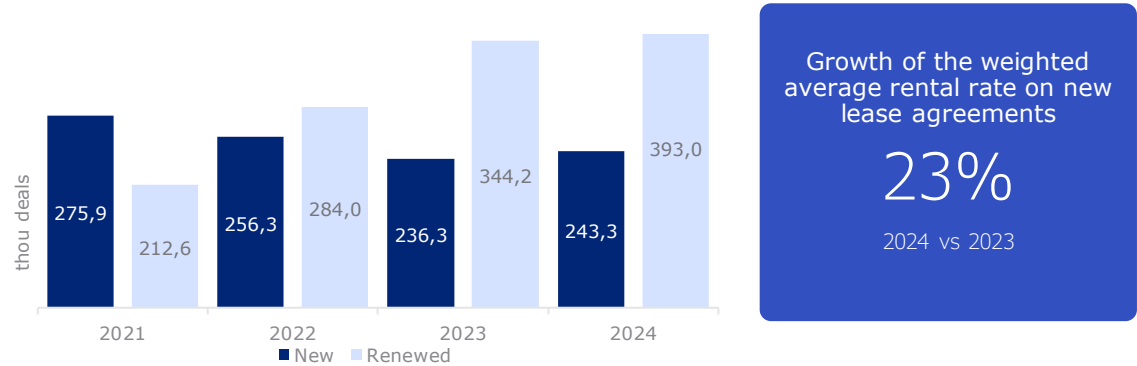


Lease

Based on the results for 2024, the total number of transactions on new leases amounted to 243,000 (+3% year-on-year), apartments accounting for most of these - their share stood at 89%.

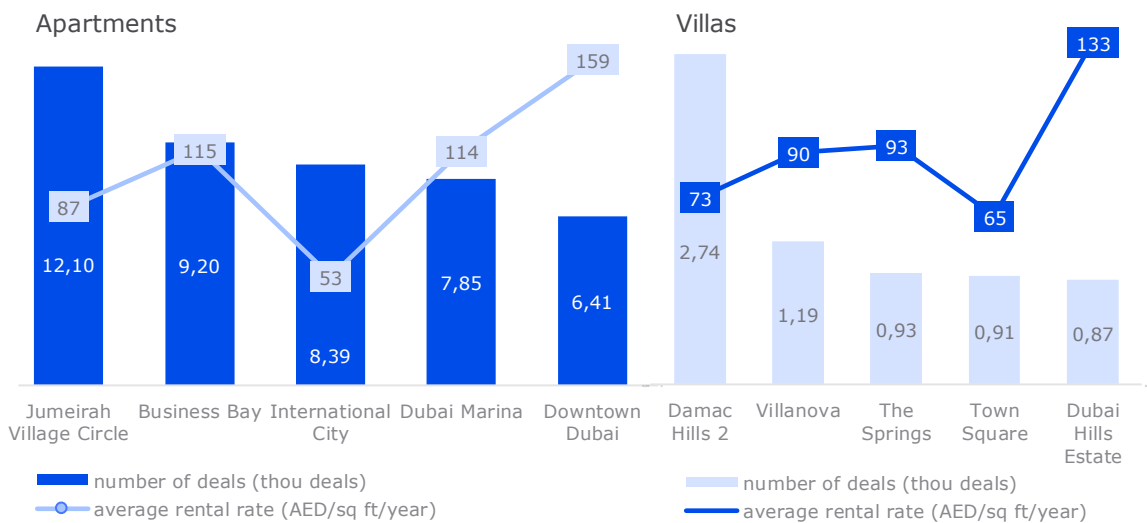
The number of apartment lease transactions grew by 3% and villa lease transactions - by 5% vs 2023.

Dynamics of rental rates, 2021-2024

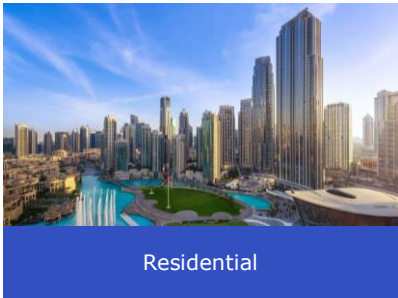


In the housing rent market there was a growth of the weighted average rate (+23% vs 2023). In the most popular districts, such as JVC and Business Bay, the rental rates had grown by 21% and 9%, accordingly. Given a high number of offers amid a high amount of commissioned housing in 2023-2024, the growth of rental rates in those districts was below the market average in 2024. The growth of average rental rates on new villa lease agreements neared 18%.

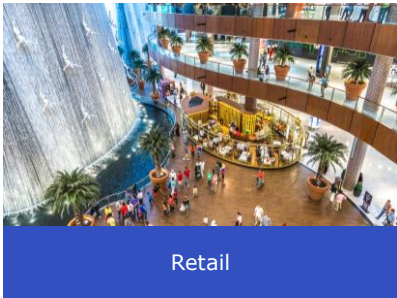
Districts boasting the highest number of new lease agreements signed in 2024 (thou contracts)



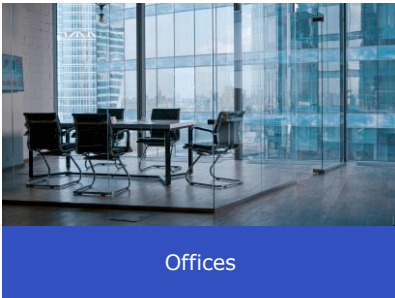
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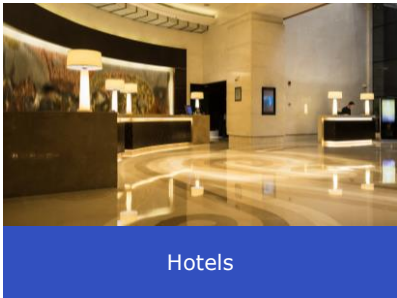
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Representation of tenants



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