

# RESIDENTIAL REAL ESTATE MARKET DUBAI

Q1 2024



VELA Residences Dorchester Collection



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NF Group Middle East

«Over the past few years, Dubai has remained attractive for foreign investors. The apartment yield can reach 10%, and the villa yield can reach up to 20% on average. The list of criteria that an investment unit must meet is expanding. Nevertheless, the location and high level of readiness of the district infrastructure, as well as the qualitative residential complex contents, are still key factors that affect future income. It is important to take into account that high-yield apartments and villas are quickly sold even before the official start of sales, so it is necessary to respond quickly to the emergence of new attractive projects and especially to monitor the stage of their sale in the market, including the «pre-sale» and «launch» stages.»

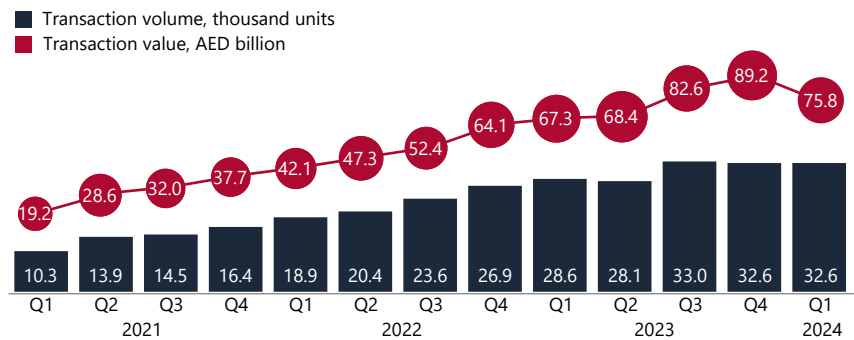
## Key Takeaways

- > Active off-plan segment replenishment with new facilities – an increase in supply by 20,000 apartments and villas, which is almost comparable to the result in 2021.
- > The record average weighted villa price in both segments is AED 1,254 per square foot (+9% for the quarter and +8% for the year) in the off-plan segment, and AED 1,185 per square foot (+6% for the quarter and +31% for the year) in the ready segment.
- > High investment demand, including from foreign purchasers – Russians ranked third in the TOP 10 countries in terms of the total volume of concluded residential real estate transactions.

## Market Activity

In Q1 2024, circa 33 thousand apartments and villas were sold in the Dubai residential real estate market, which is 14% higher than the result of last year. At the same time, the total transaction cost amounted to circa AED 76 billion (+13% for the year).

### Dynamics of demand in the Dubai residential real estate market



Source: NF Group Research based on DxB Interact, 2024

	Apartments	Dynamics	Villas	Dynamics
<b>Off-plan segment</b>				
Weighted average price, AED per square foot	1,816	0%*	1,254	+9%*
Average budget, AED million	1.3	-7%*	3.0	-3%*
Transaction volume, thousand units	16.1	+19%**	1.1	-73%**
Transaction value, AED billion	30.6	+4%**	6.2	-55%**
<b>Ready segment</b>				
Weighted average price, AED per square foot	1,257	+5%*	1,185	+6%*
Average budget, AED million	1.1	+10%*	3.3	+14%*
Transaction volume, thousand units	12.6	+34%**	2.8	+76%**
Transaction value, AED billion	24.7	+57%**	14.3	+68%**
<b>Rental market</b>				
Average rental budget for new contracts, AED thousand per year	60.5	+4%*	170.0	+6%*
Average rental budget for renewed contracts, AED thousand per year	50.0	+2%*	138.9	+3%*
Aggregate rental budget for all contracts***, AED thousand per year	55.0	+6%*	147.0	+3%*

\* Q1 2024 / Q4 2023

\*\* Q1 2024 / Q1 2023

\*\*\* Both new and renewed contracts are considered for the calculation.

Source: NF Group Research based on DxB Interact, 2024

# OFF-PLAN SEGMENT

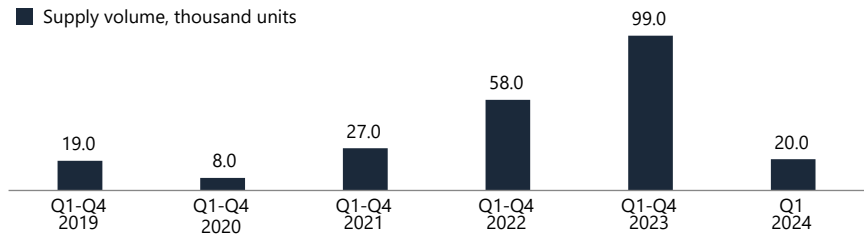
## Supply

In Q1 2024, the supply volume in the Dubai residential real estate market in the off-plan segment increased by 20,000 units, which is almost comparable to the result achieved in 2021. The emirate still retains its attractiveness for real estate purchasers, and developers continue to bring new projects to the market. Considering the continued high level of developer activity, the segment can achieve to achieve further record levels in terms of the total volume of new supply by the end of 2024.

Dubai residential real estate market has been replenished with new diverse projects in most popular locations in Q1 2024. Among the new projects that were launched in Q1 2024 there are ORBIS, Sky Vista, Maison Elysee 2, Avelon Boulevard, AEON, etc. The new supply is differentiated both by housing format, class and, accordingly, cost, as well as by the announced terms of commissioning. The wide range of starting prices is determined, among other things, by the location and the readiness of its infrastructure.

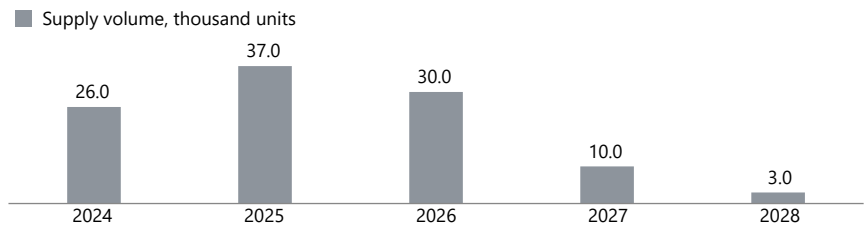
The branded residences occupy a special place in the premium supply structure. These are residential complexes, the concept of which was developed with the participation of a well-known brand or designer. As a rule, such facilities are distinguished by impressive exteriors and interiors, a unique location, extensive internal infrastructure, and access to private club memberships or exclusive events. Such real estate is

### Dynamics of supply volume



Source: NF Group Research based on DxB Interact, 2024

### Future supply volumes



\* Projects that are already known to the market are taken into account; volumes will be adjusted.

Source: NF Group Research based on DxB Interact, 2024

often considered as trophy real estate, supposing “investments in social status.” The Armani Beach Residences, Mercedes-Benz Places, Bulgari Lighthouse, Mira Villas (Bentley Home), Cavalli Tower, and others offer branded residences.

Slight dynamics of -1% to +1% were noted in the supply structure by construction readiness stage. A large portion of supply (69%) is still presented at the initial stage with a readiness level of up to 20% (+1% for the quarter). In turn, 21 – 40% readiness is observed in 11% of projects (-1% for the quarter),

41 – 60% – in 8% of projects (0% for the quarter), 61 – 80% – in 5% of projects (+1% for the quarter). At the final stage of construction readiness (81% – 99%) is 6% of the total

supply structure (-1% for the quarter).

In the context of districts, the leading positions in terms of supply volumes are still occupied by such locations as Al Barsha South 4 (31,000 units), Business Bay (29,000 units), Dubai Marina (15,000 units), Al Hebiah 4 (13,000 units) and Downtown Dubai (11,000 units).

### TOP 5 locations by supply volume



Source: NF Group Research based on DxB Interact, 2024

Off-plan segment – units in buildings that are constructing and not commissioned (property construction progress level is 0-99%); such units are purchased directly from the developer.



New projects in popular locations



**ORBIS**

Developer Sobha Realty  
 Location Dubai Motor City  
 Handover Date Q4 2027  
 Starting price AED 0.9 million



**Sky Vista**

Developer Peace Homes Development  
 Location Jumeirah Village Circle  
 Handover Date Q1 2026  
 Starting price AED 3 million



**Maison Elysee 2**

Developer Pantheon Elysee Development  
 Location Jumeirah Village Circle  
 Handover Date Q1 2027  
 Starting price AED 0.7 million



**Avelon Boulevard**

Developer Avelon Real Estate Development  
 Location Arjan  
 Handover Date Q3 2025  
 Starting price AED 0.6 million



**AEON**

Developer Emaar  
 Location Dubai Creek Harbour  
 Handover Date Q2 2028  
 Starting price AED 2 million



**Claydon**

Developer Ellington Properties  
 Location Meydan  
 Handover Date Q2 2027  
 Starting price AED 2 million



**Cello Residences**

Developer Taraf Holding  
 Location Jumeirah Village Circle  
 Handover Date Q1 2027  
 Starting price AED 0.6 million



**Red Square Tower**

Developer Tiger Properties  
 Location Jumeirah Village Triangle  
 Handover Date Q4 2026  
 Starting price AED 0.5 million



**VELA Residences Dorchester Collection**

Developer OMNYAT  
 Location Palm Jumeirah  
 Handover Date information is being confirmed  
 Starting price AED 43 million

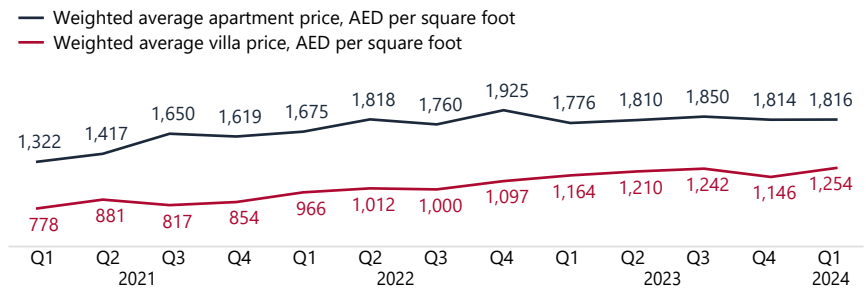
# Prices

The Dubai residential real estate market showed positive dynamics in the average weighted off-plan supply price in Q1 2024. Thus, apartments coasted AED 1,816 per square foot (+0.1% for the quarter and +2% for the year), AED 1,254 per square foot that is the maximum indicator for the past 3 years (+9% for the quarter and +8% for the year).

The significant increase in the average weighted villa price was associated with increased interest in this format in the emirate: compared to apartments, villas assume a higher level of privacy and comfort, this is especially relevant for families with children, in some cases the proximity to the sea and beach infrastructure also plays a role.

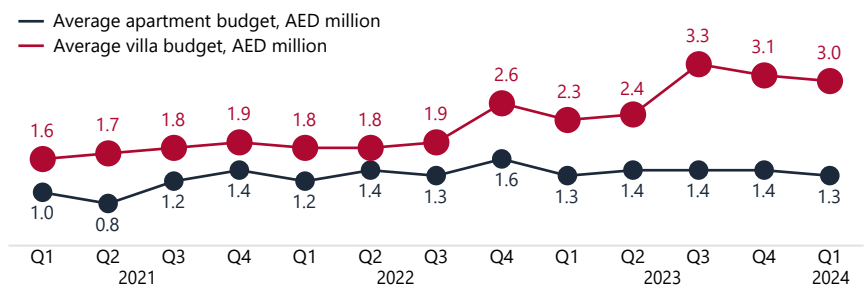
In turn, the average supply budget dynamics demonstrated a multi-directional nature. In Q1 2024, the indicator decreased by 7% for the quarter in the apartment segment and by 3% for the quarter in the villa segment: the impact of new projects entering the market at starting prices and the decrease in more expensive supply volume. However, the average apartment budget has shown slight fluctuations since 2023 and amounted to

Dynamics of the weighted average supply price by unit type



Source: NF Group Research based on DxB Interact, 2024

Dynamics of the average supply budget by unit type



Source: NF Group Research based on DxB Interact, 2024

AED 1.3 million (0% for the year) by the end of Q1 2024. The average budget for a villa has grown by almost a third (+30% for the year) and reached

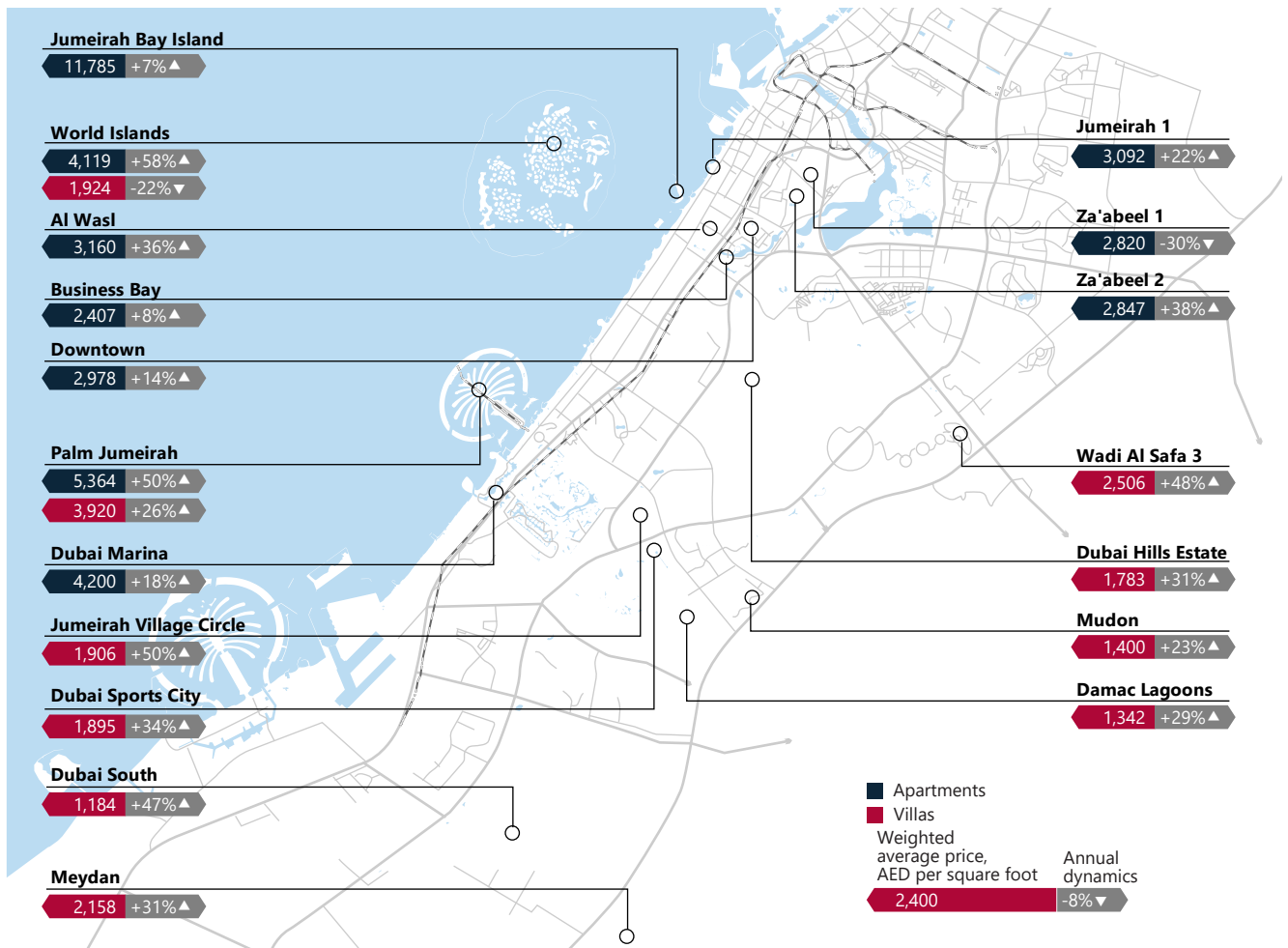
AED 3 million, which once again determines the attractiveness of this segment for both real estate purchasers and developers.



Address Residences Zabeel



TOP locations by the weighted average supply price



Source: NF Group Research based on DxB Interact, 2024



## Demand

In Q1 2024, 17,200 units were sold in the Dubai residential real estate market in the off-plan segment (-2% for the year), with the number of transactions with apartments amounting to 16,100 units (+19% for the year), and with villas - 1,100 units (-73% for the year). The decrease in the total volume of demand is associated with a shift in purchasers' interest towards the ready real estate segment. The significant adjustment in the villa segment was also due to the erosion of most of the supply in this format at the end of 2023.

However, the level of purchasing activity can still be considered quite high. Some purchasers still opt for off-plan properties due to certain factors. First of all, this

is the availability of affordable options on the market from reliable developers, who also provide convenient payment plans and installments. Investments in real estate in the emirate allow you to apply for a golden visa. In the near future, an increase in investment activity is also expected along with the abolition of the minimum down payment requirement.

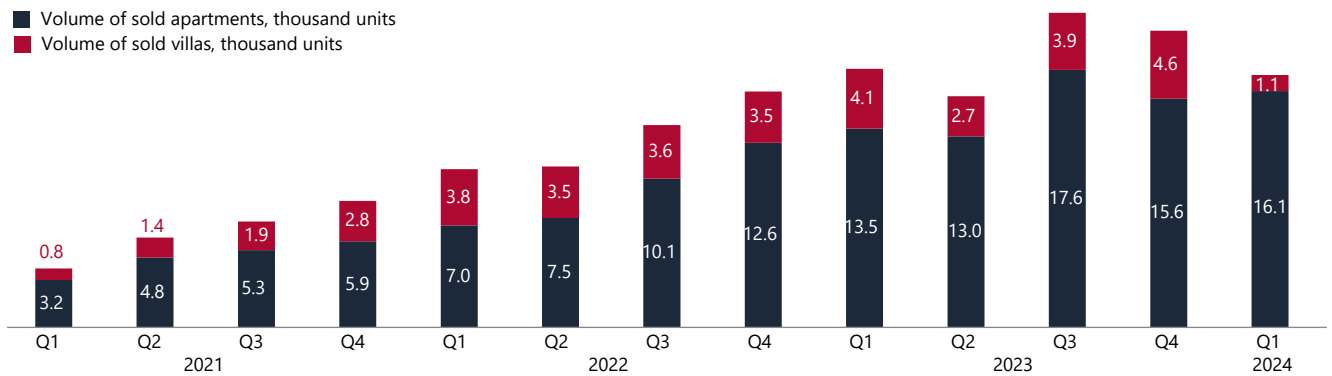
Moreover, the lots are supplied mostly with finishing (sometimes with full furniture and appliances), which is a big plus for those who are interested in subsequent real estate lease and receiving a stable income. The price of the lot includes one or two parking spaces, depending on the area being purchased. Most new projects also supply

high-quality internal infrastructure for residents.

The total value of apartments and villas sold in Q1 2024 decreased by 15% for the year to AED 36.8 billion, with mixed dynamics across property formats. Thus, in the apartment segment, the figure reached AED 30.6 billion (+4% for the year), and in the villa segment – AED 6.2 billion (-55% for the year).

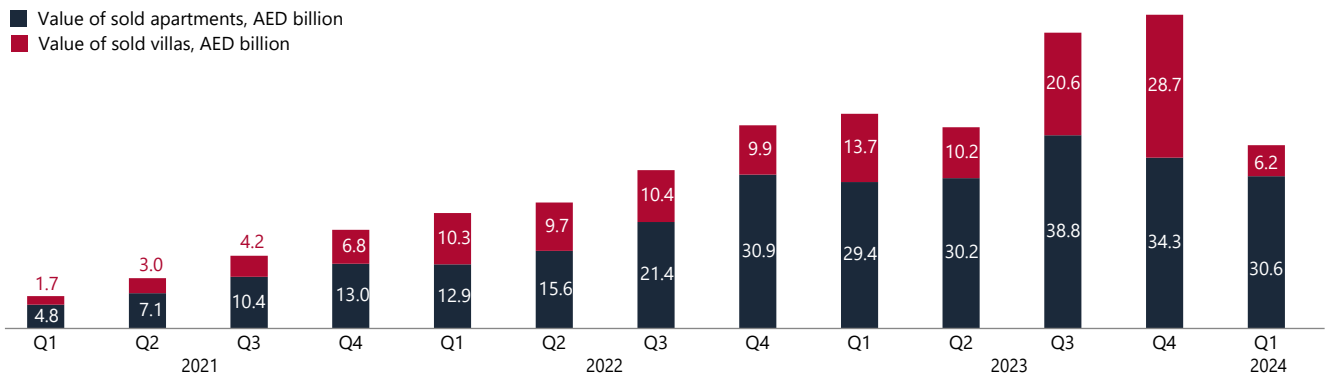
In the context of districts, the largest number of apartments were sold in locations such as Jumeirah Village Circle, Business Bay, MBR City, Dubai Marina and Arjan. The locations that led in terms of demand for villas were Mudon, Dubai South and Wadi Al Safa 5.

### Dynamics of transaction volume



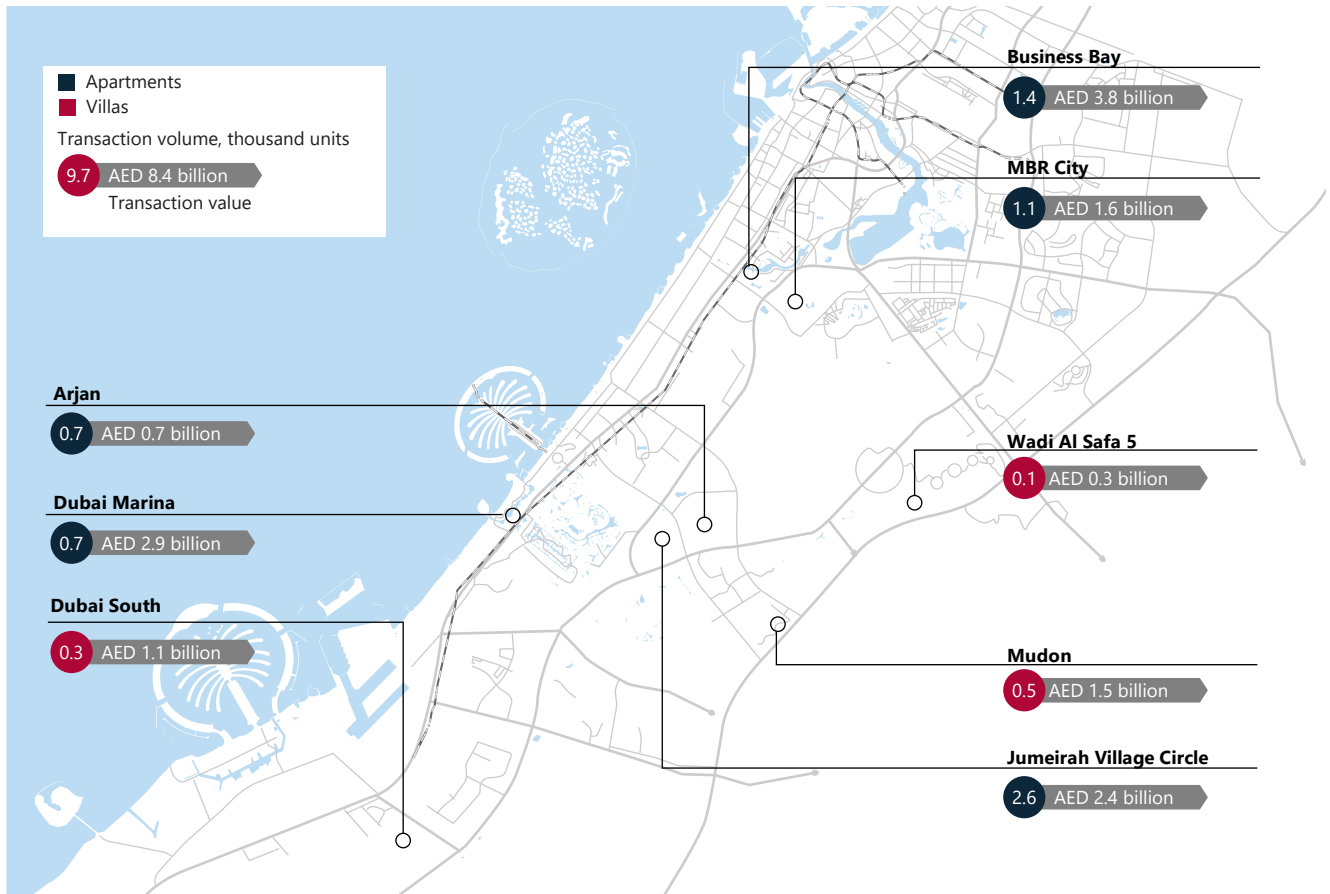
Source: NF Group Research based on Dubai Land Department and DxB Interact, 2024

### Dynamics of transaction value



Source: NF Group Research based on Dubai Land Department and DxB Interact, 2024

TOP locations by transaction volume in Q1 2024



Source: NF Group Research based on DxB Interact, 2024

The most demanded projects in Q1 2024

Project	Developer	Location	Transactions volume, units	Transactions value, AED million
<b>Apartments</b>				
Address Residences Zabeel	Emaar	Za'abeel	470	1,500
Oceanz 2	Danube Properties	Dubai Maritime City	357	653
Oceanz 1	Danube Properties	Dubai Maritime City	296	518
330 Riverside Crescent	Sobha Group	Sobha Hartland 2	246	451
Elitz 3	Danube Properties	Jumeirah Village Circle	233	253
<b>Villas</b>				
Mudon Al Ranim 7	Dubai Properties	Mudon	246	731
Mudon Al Ranim 8	Dubai Properties	Mudon	219	672
Park Greens 3	Damac Properties	Dubai Hills 2	215	649
Park Greens 1	Damac Properties	Dubai Hills 2	122	382
Morocco 2	Damac Properties	Damac Lagoons	97	395

Source: NF Group Research based on DxB Interact, 2024



# READY SEGMENT

## Supply

In Q1 2024, about 8,000 apartments and villas were commissioned in the Dubai residential real estate market (+9% year-on-year), which led to a noticeable increase in the supply volume in the ready segment. Among the projects that have replenished the segment of ready real estate, Greenview (Dubai South), Azizi Greenfield (Meydan), Azizi Riviera 37 (Al Merkadh) and others were noted.

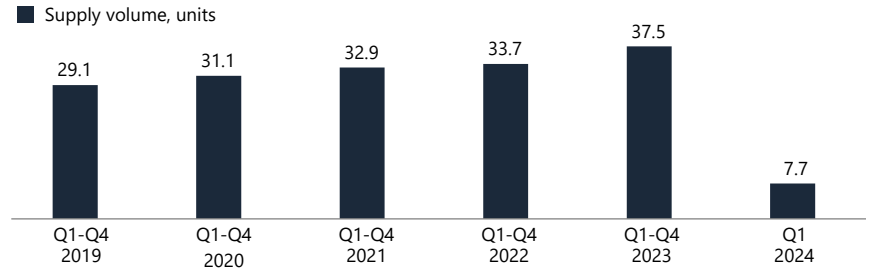
In the context of districts, the largest share of ready supply is still concentrated in the Business Bay location: there are circa 111,000 units (+8% per quarter). The second place is taken by the Dubai Marina location, where circa 77,000 apartments and villas are currently available (+1% for the quarter). The top-3 is closed by the Al Barsha South 4 location with a ready supply volume of 76,000 units (+4% for the quarter).

## Prices

In Q1 2024, record values of the average weighted price for a ready supply were seen since the beginning of 2021. Thus, the average weighted price was AED 1,257 per square foot (+5% for the quarter and +9% for the year) for an apartment, and AED 1,185 per square foot (+6% for the quarter and +31% for the year) for a villa. Despite significant positive dynamics in terms of real estate formats, there is still a reduction in the price delta between the apartment and villa segments: at the end of March 2024, it amounted to 6%, while in Q1 2023, the gap reached 27%. Similar to the off-plan segment, the main influence was exerted by the development of the villa segment.

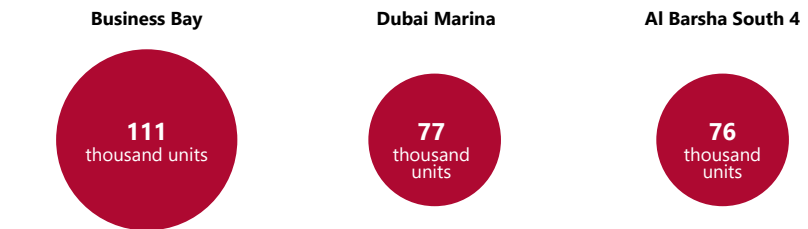
The average budget of ready real estate in the emirate demonstrated quarterly growth up to AED 1.1 million (+10% for the quarter) in the apartment segment, and up to AED 3.3 million (+14% for the quarter) in the villa segment.

### Dynamics of commissioning supply volume



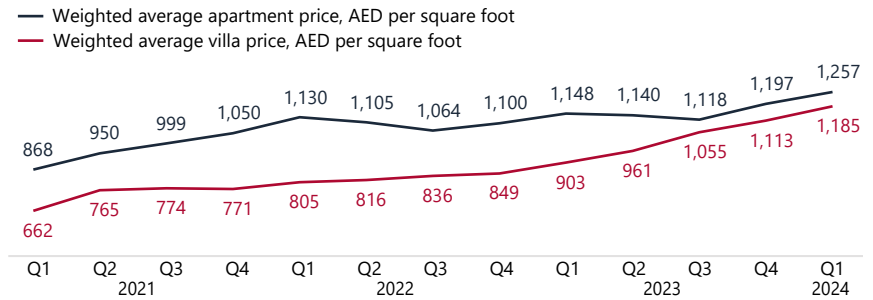
Source: NF Group Research based on DxB Interact, 2024

### TOP 3 locations by supply volume



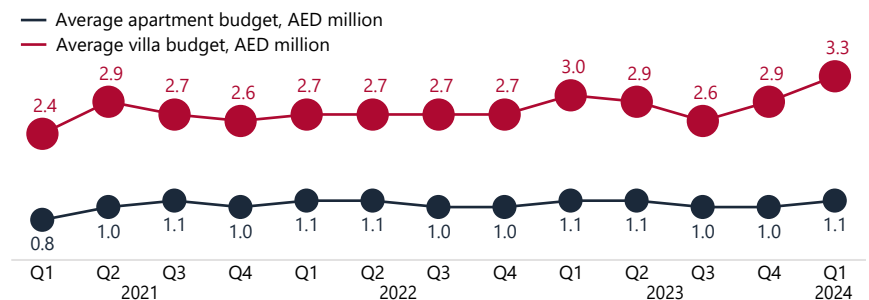
Source: NF Group Research based on DxB Interact, 2024

### Dynamics of the weighted average supply price by unit type



Source: NF Group Research based on DxB Interact, 2024

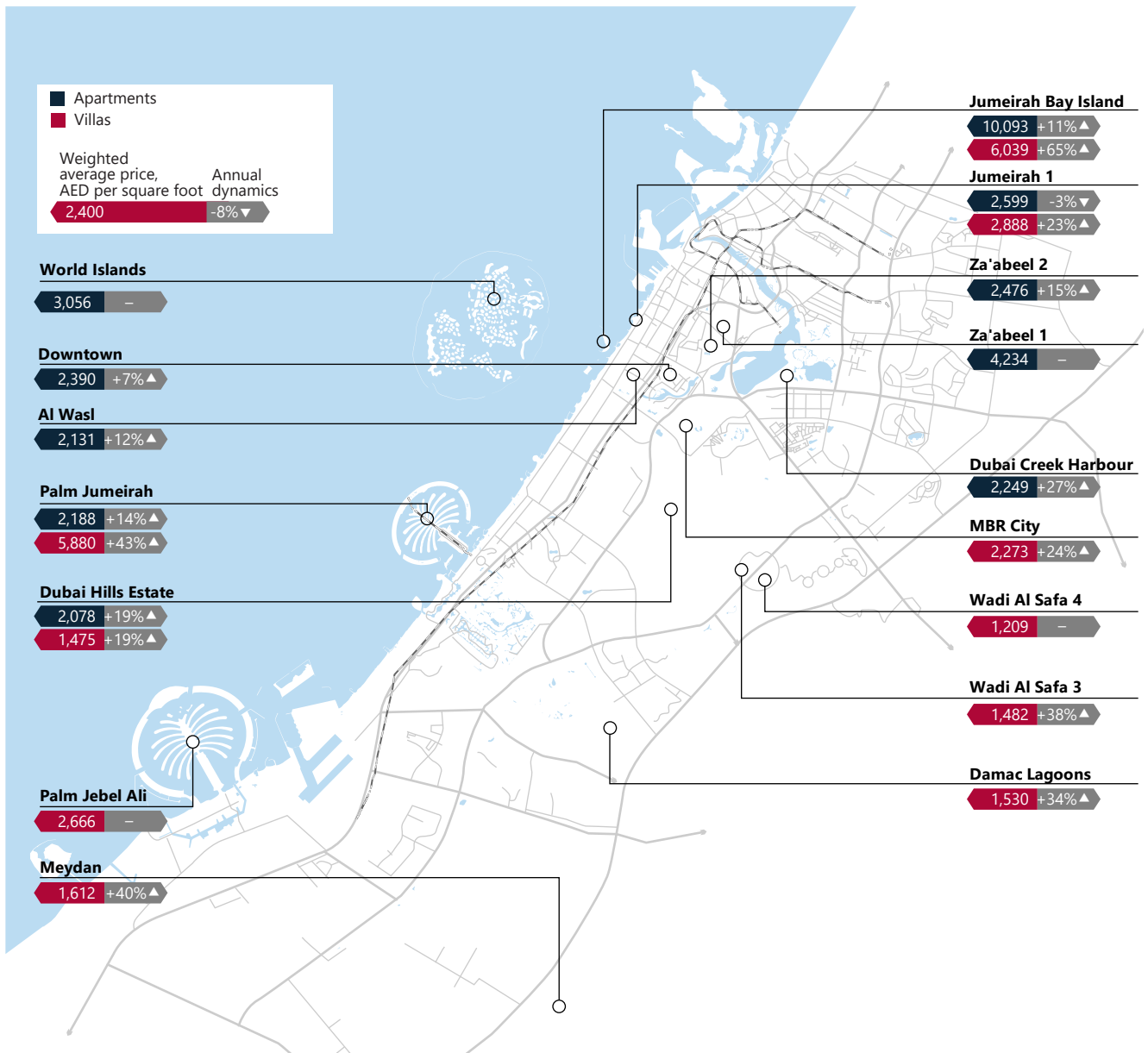
### Dynamics of the average supply budget by unit type



Source: NF Group Research based on DxB Interact, 2024

Ready segment – units in ready buildings that are commissioned (property construction progress level is 100%); such units are purchased both from the developer and from individuals in the secondary market.

TOP locations by the weighted average supply price



Source: NF Group Research based on DxB Interact, 2024



Elan Townhouses

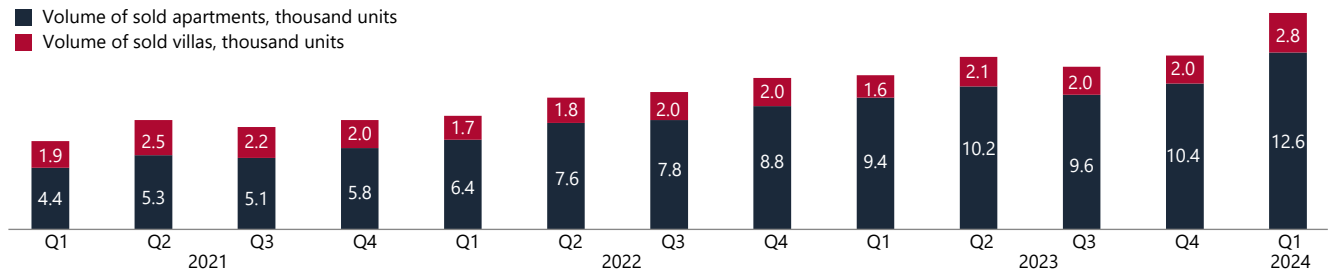
## Demand

In Q1 2024, the residential real estate market in the ready segment recorded further record transaction volumes. A total of 15,400 units were sold, which is 40% higher than the results for the last year. At the same time, in terms of real estate format, the number of transactions with apartments amounted to 12,600 units (+34% for the year), and with villas – 2,800 units (+76% for the year).

The main impact was the exerted by purchasers' interest in ready real estate - part of the demand naturally moved to the ready segment, where there are still normal volumes of available apartments and villas. Moreover, high investment activity was noted in the first quarter of 2024: many purchasers were primarily interested in properties that had already been commissioned and were ready for lease.

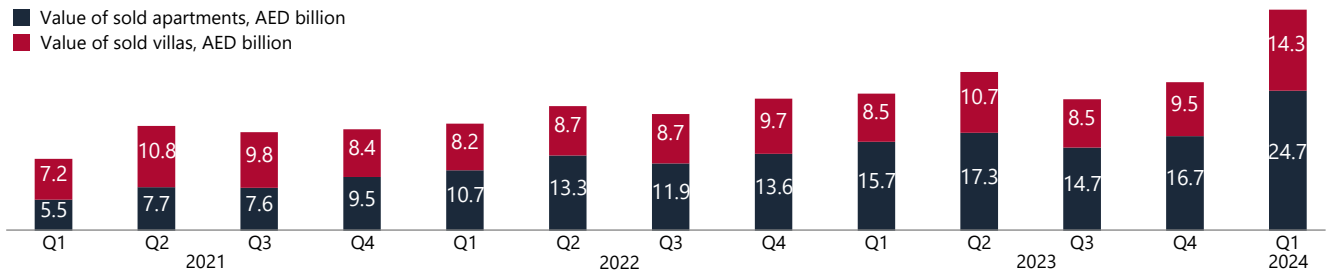
Thus, the total value of transactions reached AED 39 billion, which is 61% higher than the result of the same period last year. The parameter was AED 24.7 billion (+57% for the year) in the apartment segment, and AED 14.3 billion (+68% for the year) in the villa segment.

### Dynamics of transaction volume



Source: NF Group Research based on Dubai Land Department and DxB Interact, 2024

### Dynamics of transaction value



Source: NF Group Research based on Dubai Land Department and DxB Interact, 2024

### The most demanded projects in Q1 2024

Project	Developer	Location	Transactions volume, units	Transactions value, AED million
<b>Apartments</b>				
Socio	Emaar	Dubai Hills Estate	182	264
Upside Living	SRG Properties	Business Bay	166	240
Skycourts Towers	National Bonds	Dubai Land	83	54
HDS Sunstar 1	HDS Group	Dubai International City	49	21
Waves Grande	Sobha Group	Sobha Hartland	38	64
<b>Villas</b>				
Reem Townhouses	Nshama	Town Square Dubai	66	156
Park Gate	Emaar	Dubai Hills Estate	62	720
Rukan 3	Reportage Properties	Dubai Land	54	53
Elan Townhouses	Majid Al Futtaim	Tilal Al Ghaf	32	99
The Fields	G&Co	Mohammed Bin Rashid City District 11	27	101

Source: NF Group Research based on DxB Interact, 2024

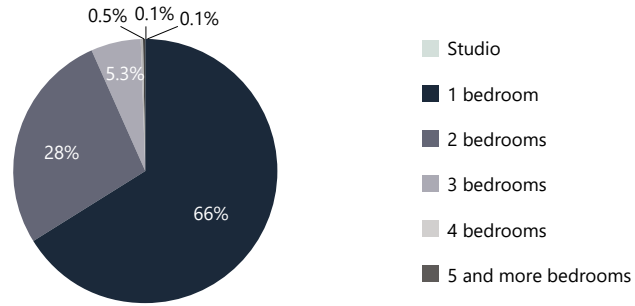


# RENTAL MARKET

In Q1 2024, about 130,000 transactions were concluded in the Dubai residential lease market (+4% for the year). At the same time, the greatest interest from tenants in the apartment segment was for lots with 1 bedroom (66%) and 2 bedrooms (28%), and in the villa segment for lots with 3 bedrooms (53%) and 4 bedrooms (28%) in terms of lot type.

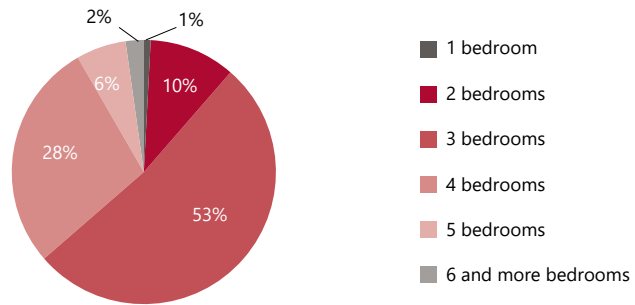
In the context of districts, the TOP-3 by the number of transactions with apartments for lease was formed by the locations Jebel Ali 1 (1,800 units), Al Warsan 1 (1,600 units) and Marsa Dubai (1,300 units). For its part, in the villa segment, leadership in terms of demand was shared by several locations at once: first place - Mirdif and Madinat Hind 4: 300 units each; second place - Wadi Al Safa 7, Wadi Al Safa 5 and Al Thanayah 4: 200 units each; third place was shared between 5 locations (Al Yelayiss 1, Hadaeq Sheikh Mohammed Bin Rashid, Al Bada, Wadi Al Safa 6 and Al Yelayiss 2), in which 100 transactions with residential property lease were seen.

## Apartments demand structure



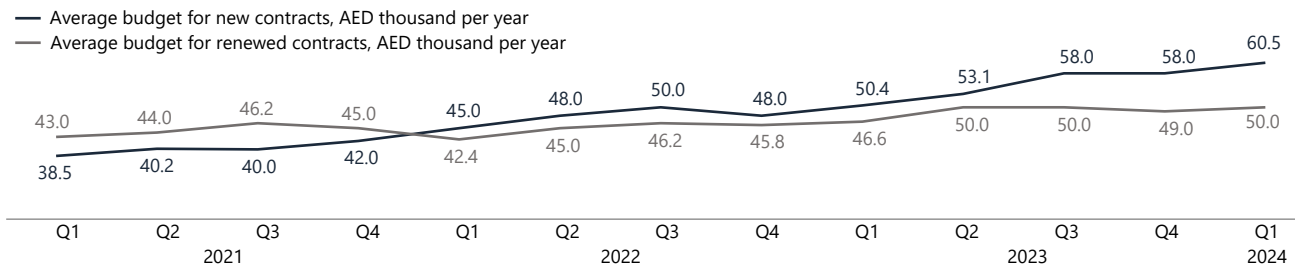
Source: NF Group Research based on DxB Interact, 2024

## Villas demand structure



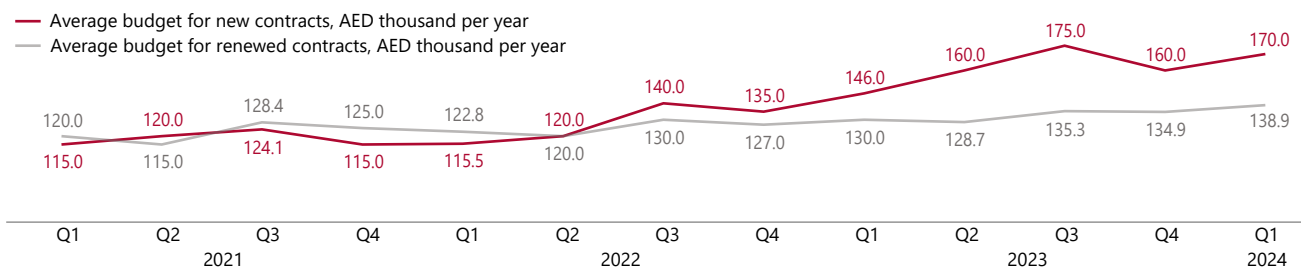
Source: NF Group Research based on DxB Interact, 2024

## Dynamics of the average rental budget for apartments by contract type



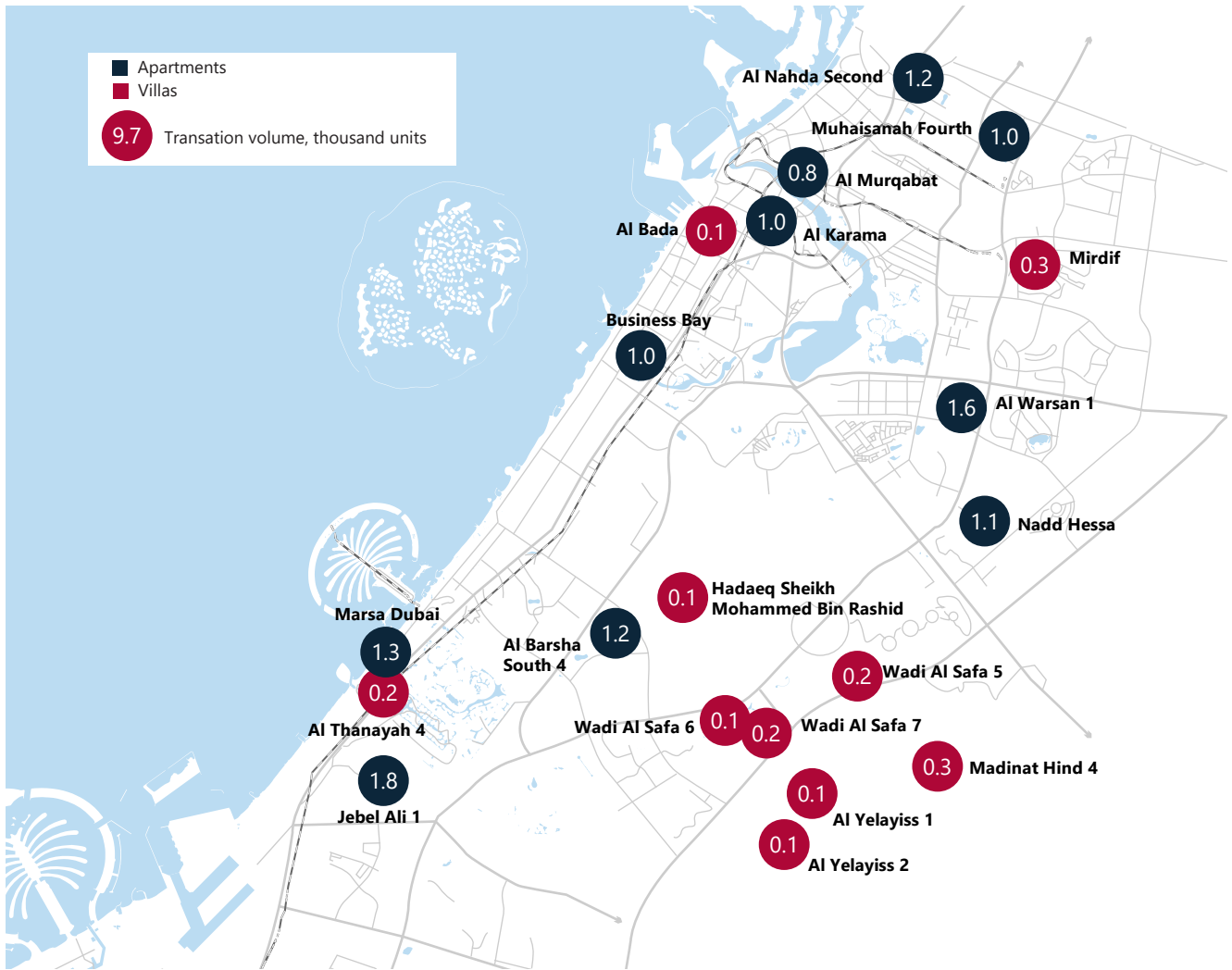
Source: NF Group Research based on DxB Interact, 2024

## Dynamics of the average rental budget for villas by contract type



Source: NF Group Research based on DxB Interact, 2024

TOP locations by demand volume



Source: NF Group Research based on DxB Interact, 2024

According to the results of March 2024, the average lease budget for apartments under new contracts was AED 60.5 thousand (+4% for the quarter), and under extended contracts – AED 50 thousand (+2% for the quarter). The average lease budget for villas according to new contracts reached AED 170 thousand (+6% for the quarter), while it reached AED 138.9 thousand (+3% for the quarter) for extended contracts.









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