

DIGEST

RESIDENTIAL REAL ESTATE MARKET ABU DHABI

Q1 2024



Elie Saab Waterfront



Sofia Purgina

Head of Russian Desk,
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«There was a decrease in demand at the Abu Dhabi residential real estate market in Q1 2024, primarily due to a partial decrease in supply in the under-construction real estate segment. A part of the demand has organically shifted towards the ready segment, which has also been able to strengthen its influence due to the emergence of new clients who were previously interested in house lease – rapidly rising lease rates in the emirate have increased the attractiveness of real estate purchase. In 2024, it is expected to maintain a high level of purchasing activity, which will be supported by the high developer activity – in the off-plan segment, a large number of new projects are planned to be released in the off-plan segment, including branded residences that could become a bright trophy asset. There is already a high interest in unique premium facilities, some of which are on Al Saadiyat Island, which is distinguished by its azure beaches and a “distant vacation home” status for many property purchasers».



Supply

There was a high developer activity at the Abu Dhabi residential real estate market in Q1 2024 – the developers brought new projects to the market actively, seeking to replenish the supply volume in the off-plan segment. The start of sales was noted in the following projects: Nouran Living, Manarat Living II, Ramhan Island Villas, Sama Yas, Marlin Towers, Al Naseem Villas, etc. At the same time, the most part

of the new supply is still formed by Aldar Properties.

Moreover, Elie Saab Waterfront project with branded residences, located in the central location of Al Reem Island, was announced in early 2024. It is a unique format for Abu Dhabi business center, where there is still a lack of quality housing.

New projects in popular locations



Nouran Living

Developer	Aldar Properties
Location	Al Saadiyat Island
Handover date	Q4 2027
Starting price	AED 0.7 million



Manarat Living II

Developer	Aldar Properties
Location	Al Saadiyat Island
Handover date	Q1 2027
Starting price	AED 0.7 million



Ramhan Island Villas

Developer	Eagle Hills
Location	Ramhan Island
Handover date	Q4 2026
Starting price	AED 9.4 million



Sama Yas

Developer	Aldar Properties
Location	Yas Island
Handover date	Q2 2027
Starting price	AED 1.9 million



Marlin Towers

Developer	Reportage Properties
Location	Al Reem Island
Handover date	Q4 2027
Starting price	information is being confirmed



Al Naseem Villas

Developer	Modon Properties
Location	Al Hudayriyat Island
Handover date	information is being confirmed
Starting price	AED 7.8 million

Prices

In Q1 2024, the average budget for apartments in Abu Dhabi iconic locations ranged from AED 0.5 to 2.9 million. Whereby, the unit types ranged as follows:

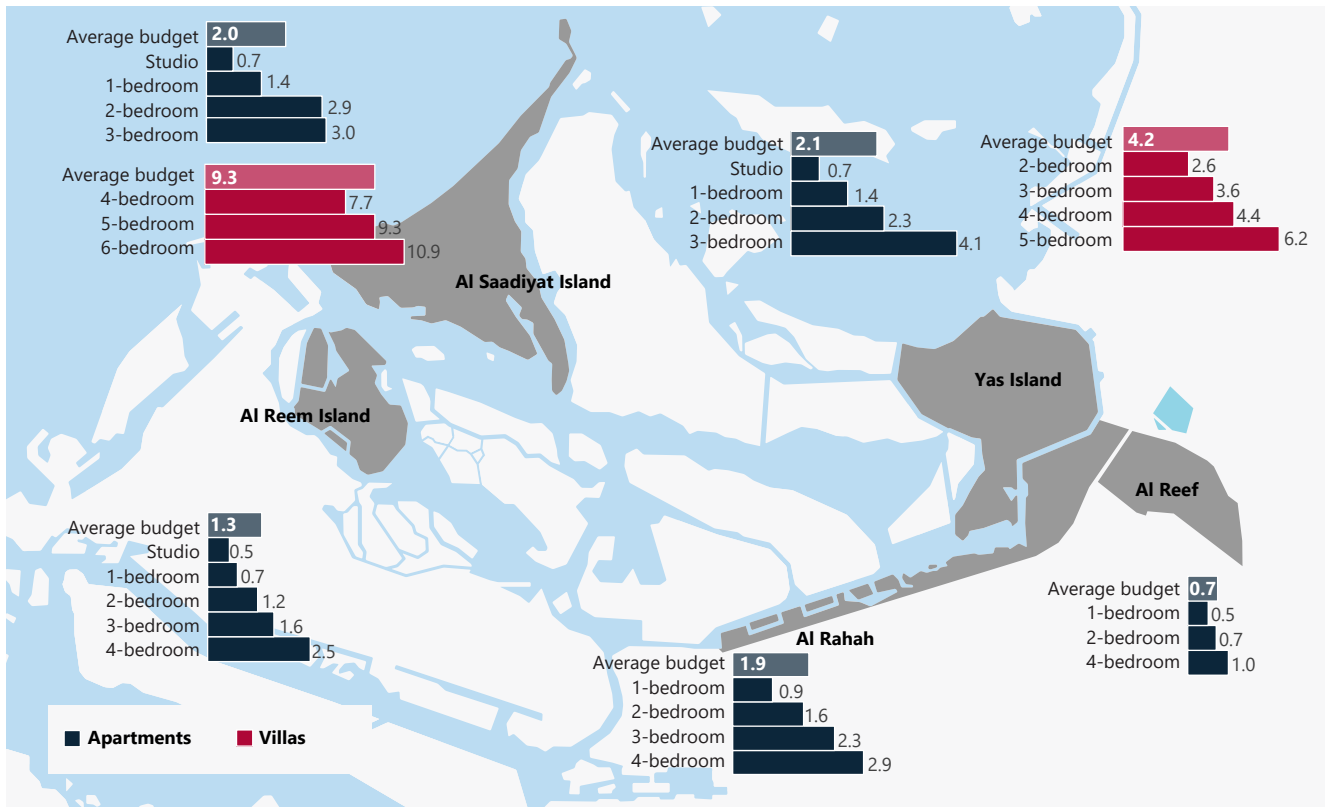
- > studio – AED 0.5 to 0.7 million;
- > 1-bedroom apartment – AED 0.5 to 1.4 million;
- > 2-bedroom apartment – AED 0.7 to 2.9 million;
- > 3-bedroom apartment – AED 1.6 to 4.1 million.

As before, the most expensive supply in the apartment segment is concentrated on Al Saadiyat and Yas islands, and the most affordable one - in Al Reef area and in Al Reem business center.

For its part, Al Saadiyat Island and Yas Island locations also offer villas, an average budget of which ranged from AED 2.6 to 10.9 million as of March 2024. At the same time, similar to the apartment segment, the most expensive villas are located on Al Saadiyat Island.



Average budget by unit type in popular locations, AED million



Source: NF Group Research based on DARI, 2024

Demand

In Q1 2024, 2,300 apartments and villas were sold on Adu Dhabi residential real estate market, which is fully comparable with the result of the same period last year. At the same time, there was a downward trend in the total transaction cost – transactions for only AED 6.2 billion (-8% for the year) were concluded in January-March.

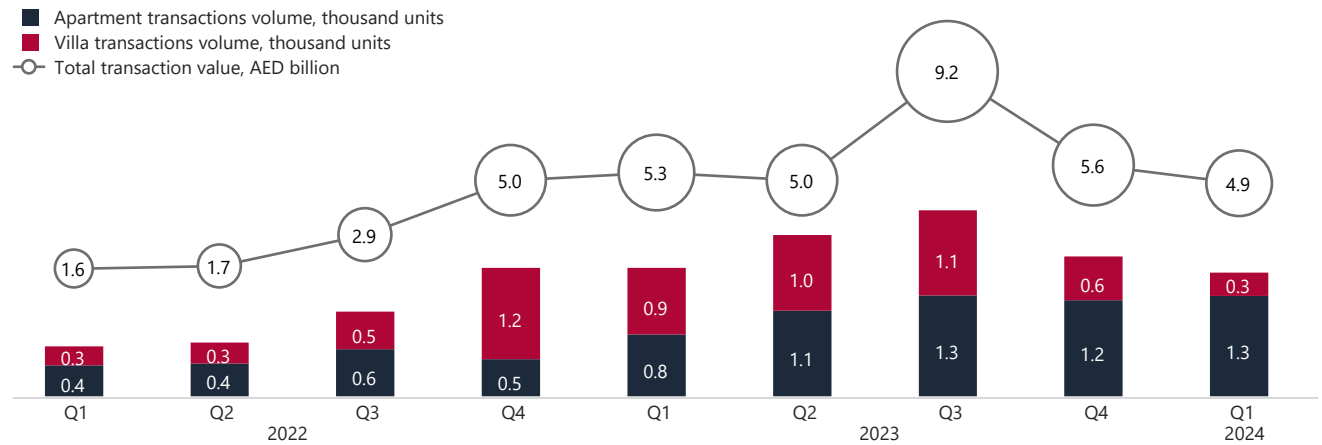
Some slowdown in the market growth rate is associated with a reduction in demand in the off-plan segment, where

1.6 thousand units were sold in Q1 2024 (-3% for the year). At the same time, there was a significant increase in the ready segment – 0.7 thousand units were sold here (+14% for the year), which is one of the record indicators noted since 2022. The positive trend in demand in the ready segment reflects the trend for ready real estate purchase in the UAE.

In 2024, It's expected that emirate will strengthen its position as a direction not only for investment, but also for

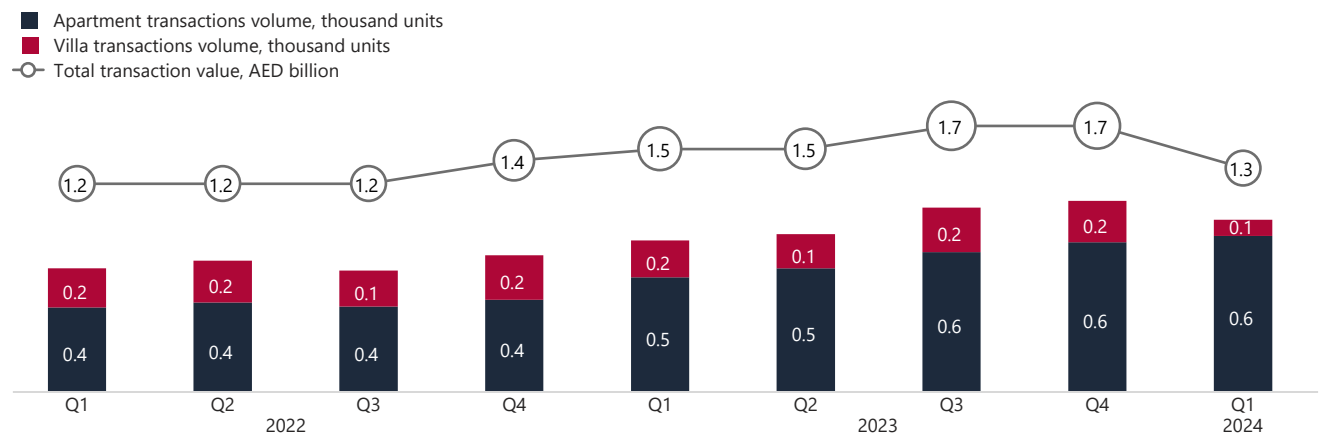
own residence. Compared to Dubai, Abu Dhabi offers a more conservative lifestyle, which is especially attractive for families with children – the emirate is actively developing social and cultural development and social infrastructure. The main focus is maintained on developing high-quality premium houses, whereas the real estate market supply is maximally diversified in Dubai.

Dynamics of transaction volume and value in off-plan segment



Source: NF Group Research based on Department of Municipalities and Transport Abu Dhabi and DARI, 2024

Dynamics of transaction volume and value in ready segment

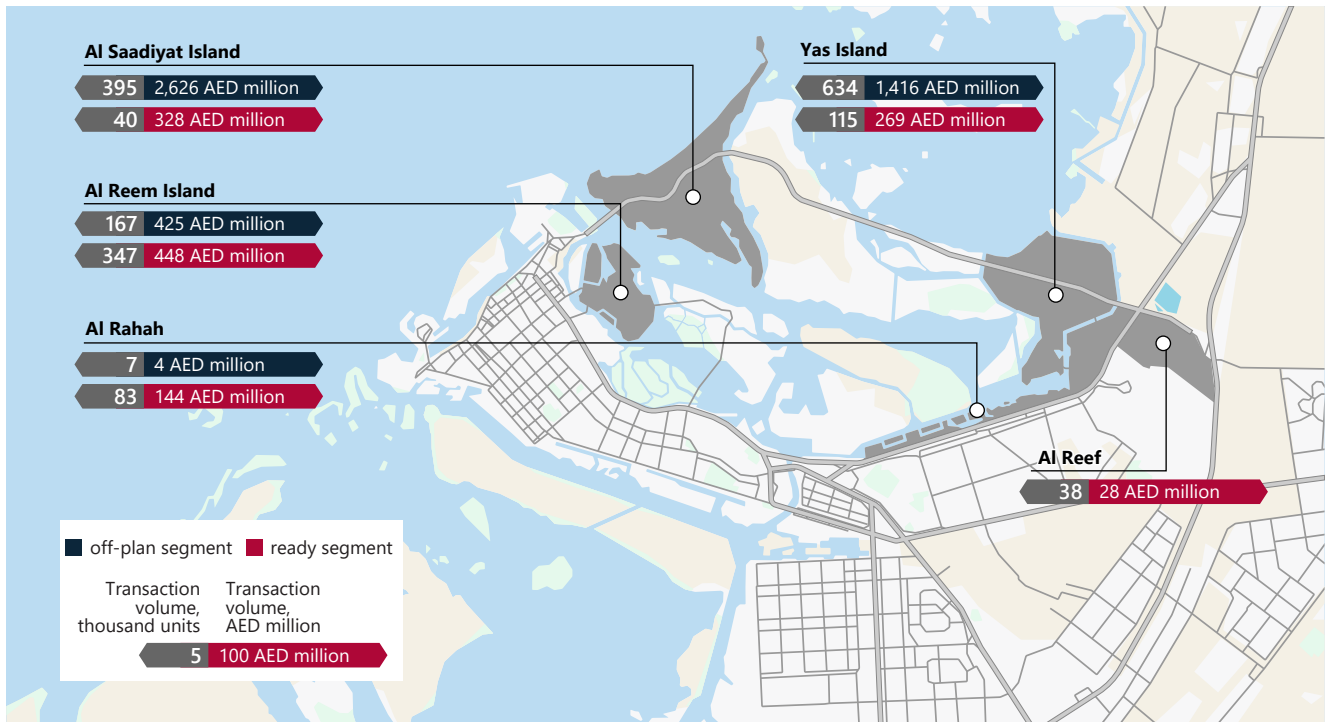


Source: NF Group Research based on Department of Municipalities and Transport Abu Dhabi and DARI, 2024

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.

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.

Demand in most popular locations in Q1 2024



Source: NF Group Research based on Department of Municipalities and Transport Abu Dhabi and DARI, 2024



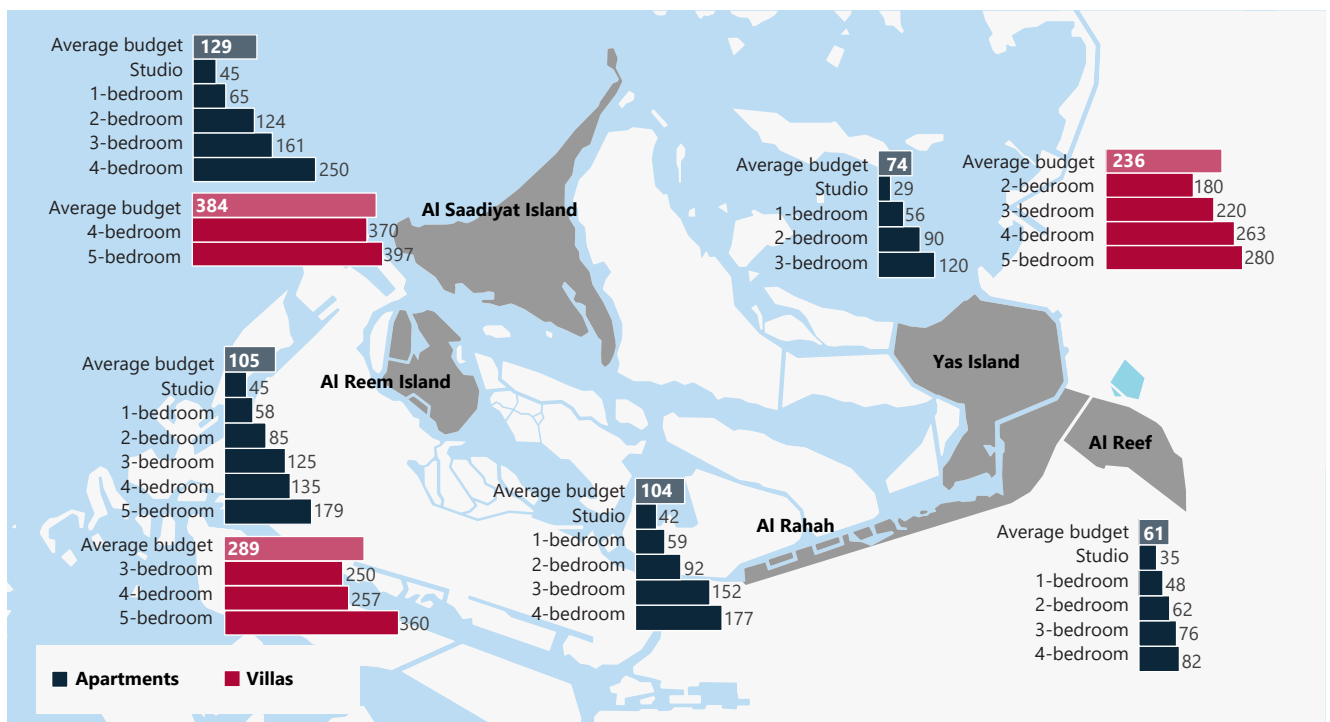
Rental market

In Q1 2024, the Abu Dhabi residential real estate market remained stable as a whole. The investors actively increased the supply volume through recently purchased facilities. There was particular interest from tenants in luxury facilities in iconic locations in the emirate. Nevertheless, there was a decrease in demand for house lease due to the next changes in the average lease budget – an annual increase of 7–10% was seen in some locations of the emirate in Q1 2024. Therefore, many have chosen to purchase a ready property, considering this option more profitable.

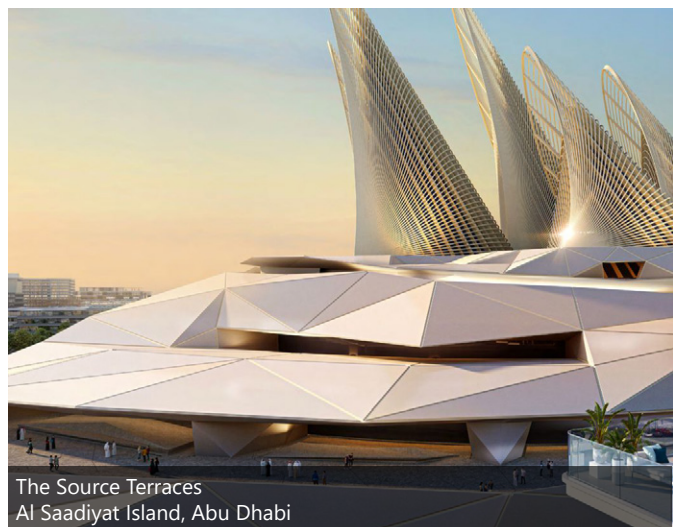
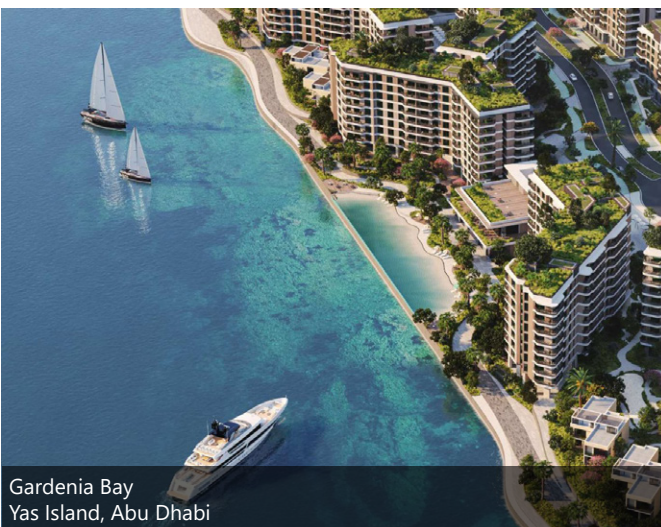
At the same time, the most budget-friendly supply was concentrated in following locations: apartments - in Al Reef (AED 61 thousand/year on average); villas - on Yas Island (AED 236 thousand/year on average). The most expensive units could be leased on Al Saadiyat Island: apartments – AED 129 thousand/year on average, and villas – AED 384 thousand/year on average.



Average rental budget by unit type in popular locations, AED thousand per year



Source: NF Group Research based on DARI, 2024



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