

Property Review

Abu Dhabi Real Estate Report

Q2 2023

Market Overview

Supply*

Approximately 1,400 apartments were added to Abu Dhabi's housing stock over Q2 2023, with another 2,200 apartments and 850 villas expected for delivery by the end of 2023. Whilst new supply was distributed across most established International Investment Zones, the bulk was delivered within the Al Reem Island and Saadiyat Island master plan communities.

A number of new projects were launched for sale in Q2 2023. Of particular note were Murjan Saadiyat and The Source on Saadiyat Island, as well as Jubail Island Phase 3.

Several new projects are also in the planning / design stage. Official announcements are expected in H2 2023 and early 2024.

Rental Rates

Prime and high-quality residential developments (apartments and villas) remained in high demand. Rental rates within this category increased between 2% and 5% on average over Q2 2023. However, there were some communities that outperformed. Prime villa communities remained the most sought-after, specifically the properties located on Saadiyat and Yas Islands, with rental increases as high as 10% compared to the same period last year.

Mid and low-quality developments remained relatively stable with nominal rental rate changes. However, lower quality stock continued to face pressure from rising supply and expanding number of options.

Strong demand for office space, particularly within the Grade A / B+ category, continued to apply upward pressure on rental rates. Interest is being registered from both existing companies seeking to expand their footprint and new entrants to the Abu Dhabi market.

Sales Prices

Strong transactional volumes were recorded in Q2. Sales activity (for completed and off-plan developments) reached their highest levels in over a decade with a significant proportion of this demand coming from the end user segment.

Sales prices for completed apartment developments proved relatively stable, with an average 1% annual increase. Al Raha Beach and Reem Island recorded the highest increase.

Average villa sales prices within Abu Dhabi increased by close to 2% over the quarter. However, high-end and well-established villa communities continue to outperform, with certain communities achieving sales price growth closer to 6%. Within this segment Yas Island and Saadiyat Island continued to see the strongest demand. Similarly, prime and high-quality off-plan projects in those locations have also been well received with sales rates ranging between AED 1,500 and AED 3,800 per square foot.



* It is important to note that whilst a number of projects may have received completion certificates, Asteco does not consider a project delivered until the handover process has been initiated and the units are available for lease in the open market.

Abu Dhabi Supply

	Completed in Q1 2023	Completed in Q2 2023	Projected END OF 2023
 APARTMENTS No. of units	1,600	1,400	2,200
 VILLAS No. of units	50	-	850



Abu Dhabi

Apartment Rental Rates

(All figures in AED 000's p.a.)

		STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q1 2023 - Q2 2023	Q2 2022 - Q2 2023
PRIME PROPERTIES											
ABU DHABI ISLAND		60	65	65	110	100	155	155	215	1%	4%
INVESTMENT AREA*		60	95	95	180	120	240	180	360	3%	4%
HIGH END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	65	90	75	140	105	195	1%	3%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	140	3%	3%
	CORNICHE	50	55	60	75	80	115	120	155	1%	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	65	85	100	140	140	200	1%	3%
	MARINA SQUARE	40	45	55	75	75	110	110	160	4%	7%
	SAADIYAT BEACH RESIDENCES	-	-	70	80	115	140	155	165	1%	4%
	SHAMS ABU DHABI	45	50	50	75	80	120	110	160	1%	6%
	YAS ISLAND	47	55	65	75	105	120	155	180	0%	1%
MID END PROPERTIES											
ABU DHABI ISLAND		40	50	48	70	60	110	90	150	1%	2%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	75	110	145	150	0%	3%
	NAJMAT & TAMOUH	35	45	45	58	70	95	90	135	2%	4%
	SAADIYAT ISLAND	40	45	55	62	80	90	110	130	0%	1%
	SHAMS ABU DHABI	40	45	50	60	65	100	100	125	4%	4%
	YAS ISLAND	40	42	48	55	75	85	115	125	2%	3%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	38	42	70	60	115	120	130	0%	0%
LOW END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	35	45	50	65	65	80	0%	1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	90	0%	1%
	CORNICHE	30	35	42	50	55	60	68	80	0%	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	80	90	1%	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%	0%



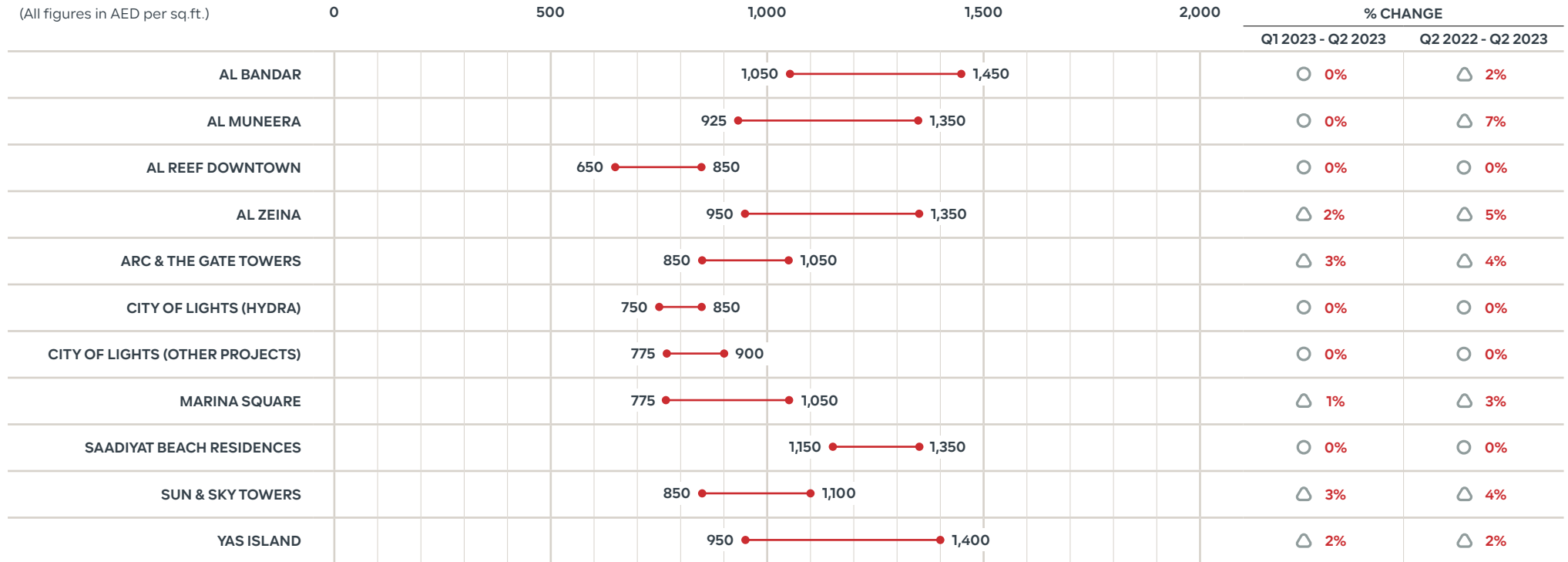
* Includes Mamsha Al Saadiyat Development



Abu Dhabi

Apartment Sales Prices

(All figures in AED per sq.ft.)



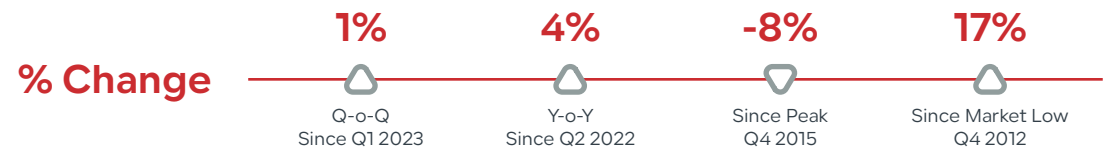


Abu Dhabi

Villa Rental Rates

(All figures in AED 000's p.a.)

		2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q1 2023 - Q2 2023	Q2 2022 - Q2 2023
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	160	155	200	180	240	2%	6%
	AL NAHYAN CAMP / AL MUROOR	-	-	140	160	155	170	160	175	2%	4%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	145	170	180	210	1%	5%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	230	270	250	300	0%	9%
	AL REEF	75	80	95	105	130	140	145	155	1%	4%
	HIDD AL SAADIYAT	-	-	-	-	390	490	430	710	2%	10%
	HYDRA VILLAGE	50	60	60	65	-	-	-	-	1%	-1%
	LULUAT AL RAHA	-	-	-	-	295	300	350	360	0%	-
	SAADIYAT BEACH VILLAS	-	-	290	330	340	430	455	690	2%	4%
	WEST YAS	-	-	-	-	260	290	300	330	6%	11%
	YAS ACRES	175	195	220	240	250	300	330	400	1%	7%
OFF ISLAND	AL RAHA GARDENS	-	-	140	160	160	185	205	230	1%	5%
	GOLF GARDENS	-	-	200	210	225	245	270	350	1%	3%
	KHALIFA CITY	-	-	105	115	110	140	125	160	1%	3%
	MBZ CITY	-	-	105	115	110	130	120	155	2%	4%

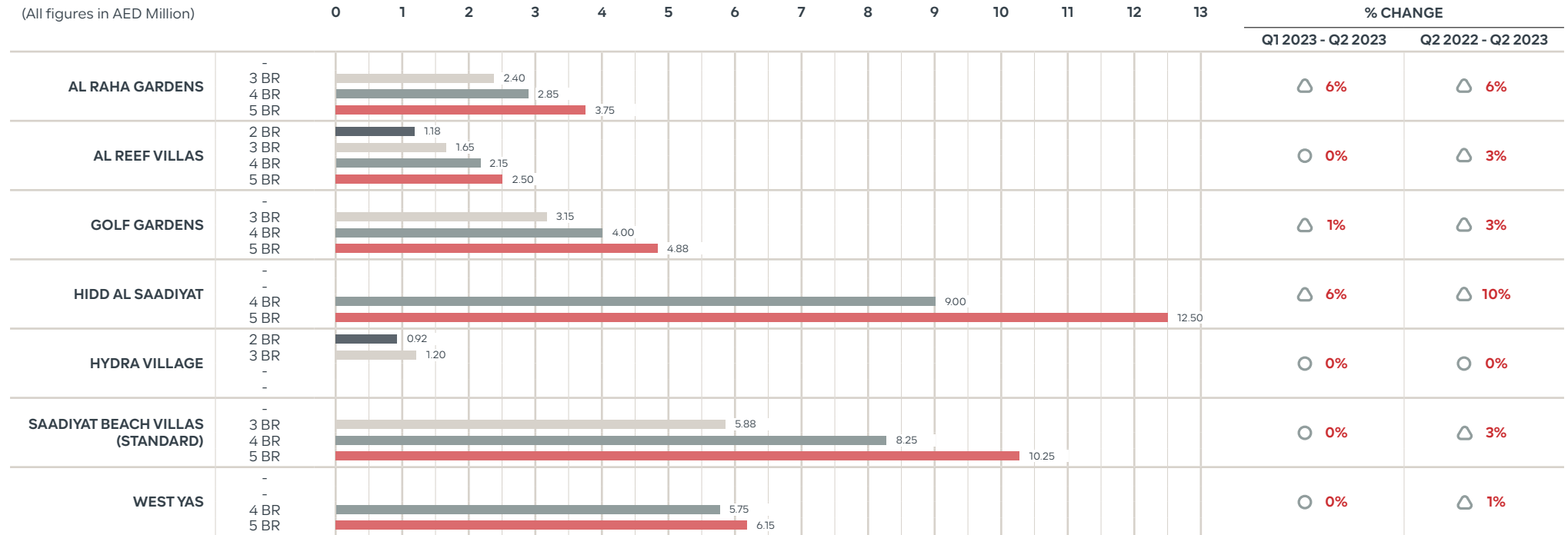




Abu Dhabi

Villa Sales Prices

(All figures in AED Million)



* Includes Al Raha Gardens, Golf Gardens & Al Reef Villas only. Later averages are reflective of an increase in new developments of higher quality.

% Change

2%

Q-o-Q
Since Q1 2023

4%

Y-o-Y
Since Q2 2022

1%*

Since Peak
Q4 2015

24%*

Since Market Low
Q4 2012

Abu Dhabi **Office Rental Rates**

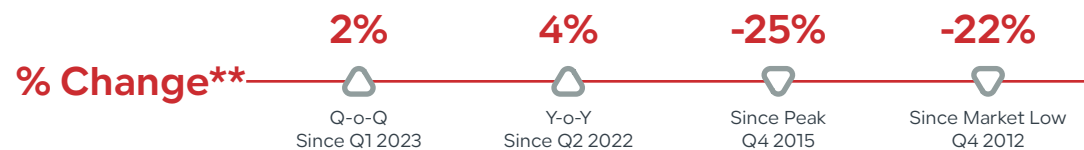
(All figures in AED per sq.m. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q1 2023 - Q2 2023	Q2 2022 - Q2 2023
PRIME STOCK				
FITTED*	1,350	2,250	0%	4%
QUALITY STOCK				
FITTED	800	1,125	4%	6%
SHELL AND CORE	650	850	2%	6%
OLDER STOCK				
GOOD	557	725	3%	5%
TYPICAL BUILDING	525	650	3%	5%
LOW QUALITY BUILDING	400	450	0%	0%



* Includes developments such as Al Maryah Island, Aldar HQ, International Tower, Nation Towers, Ittihad Towers, etc.

** The average percentage change calculation excludes Prime Stock.



Abu Dhabi

Property Map

- 1 Al Bandar - Al Raha Beach
- 2 Al Bateen Wharf
- 3 Al Gurm
- 4 Al Maqtaa
- 5 Al Muneera - Al Raha Beach
- 6 Al Nahyan Camp
- 7 Al Raha Gardens
- 8 Al Rayyana
- 9 Al Reef
- 10 Al Zeina - Al Raha Beach
- 11 Baniyas
- 12 Al Bateen Airport Area
- 13 Al Bateen Area
- 14 Bawabat Al Sharq
- 15 Capital District (ADNEC)
- 16 Central Business District (CBD) / Tourist Club Area
- 17 Corniche
- 18 Danet Abu Dhabi
- 19 Eastern Mangroves
- 20 Golf Gardens
- 21 Hydra Village
- 22 Khalidiyah/ Al Hosn/ Al Manhal
- 23 Khalifa City A
- 24 Khalifa City B
- 25 Al Maryah Island
- 26 Mohamed Bin Zayed City (MBZ)
- 27 Al Mina
- 28 Al Mushrif/ Al Karamah/ Al Manaseer/ Al Muroor
- 29 Abu Dhabi Gate City
- 30 Rawdhat Abu Dhabi
- 31 Al Reem Island - Marina Square
- 32 Al Reem Island - Najmat Abu Dhabi
- 33 Al Reem Island - Rest of Shams Abu Dhabi
- 34 Al Reem Island - City of Lights
- 35 Al Reem Island - The Gate District
- 36 Saadiyat Beach District

- 37 Hills Abu Dhabi
- 38 West Yas
- 39 Yas Acres
- 40 Ansam
- 41 Al Raha Beach
- 42 Mamsha Al Saadiyat
- 43 Hidd Al Saadiyat
- 44 Masdar City
- 45 Al Jubail Island
- 46 Musaffah
- 47 Al Hudayriyat Island
- 48 Water's Edge



About Asteco



Asteco is a major regional and international award-winning full-service real estate services company that was formed in 1985 and has gained enormous respect for consistently delivering high quality, professional, value-added real estate services in a transparent manner. The company is also widely recognised for its involvement with many of the projects that have defined the landscape and physical infrastructure of the United Arab Emirates.

The world-class company has a distinguished and important combination of local knowledge and international expertise and has been renowned for its application of the latest technological tools and innovations, its commitment to transparency, winning strategies, and human expertise.

Undisputed Real Estate experts with a regional presence to serve its customers, Asteco proudly represents a significant number of the region's top property Owners, Developers, and Investors.

Asteco offers a wide range of services and solutions to its clients from Valuation Advisory and Building Consultancy, Property Management, Sales & Leasing as well as Franchising services. The company applies innovative solutions and cutting-edge technology to add tangible value for its Clients at every stage of the property lifecycle and to continuously elevate customer experiences.

VALUATION & ADVISORY

Our professional advisory services are conducted by suitably qualified personnel all of whom have had extensive Real Estate experience within the Middle East and internationally.

Our valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) and International Valuation Standards (IVS) and are undertaken by appropriately qualified valuers with extensive local experience.

The Professional Services Asteco conducts throughout the region include:

- Consultancy & advisory services
- Market research
- Valuation services

SALES

Asteco has a large property Sales division with multi-lingual representatives based all over the UAE. Our Sales teams have extensive experience in the negotiation and sale of a variety of assets.

LEASING

Asteco has been instrumental in the Leasing of many high-profile developments across the GCC.

PROPERTY MANAGEMENT

Asteco provides comprehensive Property Management services to all property Owners, whether a single unit (IPM) or a regional mixed-use portfolio. Our focus is on maximising value for our Clients.

BUILDING CONSULTANCY

The Building Consultancy Team at Asteco have a wealth of experience supporting their Clients throughout all stages of the built asset lifecycle. Each of the team's highly trained surveyors have an in-depth knowledge of construction technology, building pathology and effective project management methods which enable us to provide our Clients with a comprehensive building consultancy service.

HP Aengaar

Chief Executive Officer
+971 2 408 0800
h.aengaar@provis.ae

John Allen
BSc, MRICS

+971 4 403 7777
JohnA@Asteco.com

James Joughin
BSc (Hons), MRICS

Director - Valuation & Advisory
+971 4 403 7777
JamesJ@Asteco.com

Ghada Amhaz
MSc, MRICS

Associate Director - Research & Advisory, Abu Dhabi
+971 2 626 2660
GhadaA@asteco.com

Tamer Ibrahim Chaaban
BE

Associate Director / General Manager - Al Ain
+971 3 766 6097
TamerI@asteco.com

Jenny Weidling
BA (Hons)

Manager - Research & Advisory, Dubai
+971 4 403 7777
JennyW@Asteco.com



DISCLAIMER: The information contained in this report has been obtained from and is based upon sources that Asteco Property Management believes to be reliable; however, no warranty or representation, expressed or implied, is made to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals. Asteco Property Management will not be held responsible for any third-party contributions. All opinions and estimates included in this report constitute Asteco Property Management's judgment, as of the date of this report and are subject to change without notice. Figures contained in this report are derived from a basket of locations highlighted in this report and therefore represent a snapshot of the UAE market. Averages, however, represent a wider range of areas. Particularly exclusive or unique projects have been excluded from the data to avoid distorting averages. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts, by their very nature, involve risk and uncertainty because they relate to future events and circumstances which are beyond Asteco Property Management's control. For a full in-depth study of the market, please contact Asteco Property Management's Research team. Asteco Property Management LLC. Commercial License No. 218551. Paid-up Capital AED 4,000,000. | ORN 180.

Note: It should be noted that the number of developments/areas has changed over the years in line with the delivery of new stock. As such, the average in the earlier years is derived from a lower number of projects. Whilst representing the apartment/villa/office average at the time, it is not a like for like comparison.