

Property Review

Abu Dhabi Real Estate Report

Q3 2023

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38
YEARS

Market Overview

Supply*

In Q3 2023, Abu Dhabi's real estate market recorded the delivery of 1,000 residential units, distributed across a number of communities but with a notable concentration in Al Raha Beach.

This period recorded the launch of key projects, such as Gardenia Bay on Yas Island, Vista 3 on Al Reem Island, Perla 3 in Yas Bay, Al Jurf Phase 2 in the Ghantoot area, Murjan Saadiyat on Saadiyat Island, Icon Tower in Yas Bay, and a new phase of Sadiyat Lagoons. Additionally, Balghaiylam in New Bahia, northeast of Yas Island, debuted as a villa master plan development exclusively available to UAE national.

Looking ahead, there are numerous projects including residential, commercial and mixed-use developments in the planning/design stage, with official announcements expected within the next six months.

Rental Rates

Average apartment rental rates recorded marginal growth over the quarter, but prime and high-end developments measured notable increases ranging from 4% to 6%. On an annual basis, these rates nearly reached 10% compared to the same period last year. It is worth noting that these changes primarily impacted new tenants, as opposed to existing ones.

Rental rates for apartments in buildings with lower quality specifications, primarily situated on Abu Dhabi Island, remained stable on a quarterly basis, with marginal year-on-year increments.

Notably, the villa market continued to exhibit robust demand, particularly in new communities. Saadiyat Island and Yas Island observed a marked 3% average quarter-on-quarter increase in villa rental rates.

Overall, apartments and villas recorded annual growth rates of approximately 3% and 4%, respectively.

Grade A office rental rates surged by 6% over the quarter and by 10% year-on-year. This increase was driven by the limited availability of prime office space, robust demand from expanding businesses, and the government's proactive initiatives to attract foreign investment.

Sales Prices

Except for recently completed projects, apartment sales prices remained relatively stable over Q3 2023. Villa sales prices, on the other hand, experienced a modest 1% quarter-on-quarter and 3% year-on-year increase, driven primarily by the value appreciation of the Hidd Al Saadiyat development.

A total of 4,160 transactions were recorded in Q3 2023. This represents a significant uptick in transactional volumes for the Abu Dhabi real estate market, marking a 32% increase from the previous quarter and a notable 102% surge from the same period last year.

Off-plan sales constituted approximately 3,060 transactions, reflecting a 44% increase over the quarter, whilst ready properties (1,035 transactions) witnessed a moderate 5% increase during the same period.

Apartments comprised nearly 56% of total off-plan and almost 70% of the ready property transactions in Q3.

Demand for off-plan developments, particularly high-quality ones, remained high, with significant interest from foreign investors, particularly from Russian and Chinese nationals.

Notably, Gardenia Bay, launched in September 2023, recorded a remarkable ~15% increase in asking prices between the initial and most recent phases, underscoring the strength of demand for premium off-plan residential units. This trend signals a strong appetite for high-quality real estate offerings in the region, particularly from reputable master developers.

In summary, Abu Dhabi's residential sales market is poised for continued growth in the upcoming months. This optimistic outlook is fueled by increasing housing demand across diverse segments of the population and supported by proactive government initiatives geared toward fostering the expansion of the real estate sector.



* 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 H1 2023	Completed in Q3 2023	Projected Q4 2023
 APARTMENTS No. of units	3,000	1,000	1,600
 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	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
PRIME PROPERTIES											
ABU DHABI ISLAND		60	65	65	110	100	155	155	215	0%	2%
INVESTMENT AREA*		60	95	95	180	120	240	180	360	3%	7%
HIGH-END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	65	90	75	150	105	210	3%	6%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	145	1%	3%
	CORNICHE	50	55	60	75	80	115	120	155	0%	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	65	85	100	140	140	200	0%	2%
	MARINA SQUARE	40	45	50	75	75	120	110	160	1%	6%
	SAADIYAT BEACH RESIDENCES	-	-	70	80	115	140	155	165	0%	1%
	SHAMS ABU DHABI	45	50	50	75	80	120	110	160	0%	5%
	YAS ISLAND	47	55	65	80	105	125	155	180	1%	1%
MID-END PROPERTIES											
ABU DHABI ISLAND		40	50	48	70	60	115	90	150	1%	4%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	80	110	145	150	1%	3%
	NAJMAT & TAMOUH	35	45	45	60	70	95	95	135	1%	4%
	SAADIYAT ISLAND	40	45	55	65	85	95	110	130	2%	2%
	SHAMS ABU DHABI	40	45	50	60	65	100	105	130	2%	6%
	YAS ISLAND	42	45	50	55	75	85	115	130	2%	4%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	40	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	0%	1%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%	0%



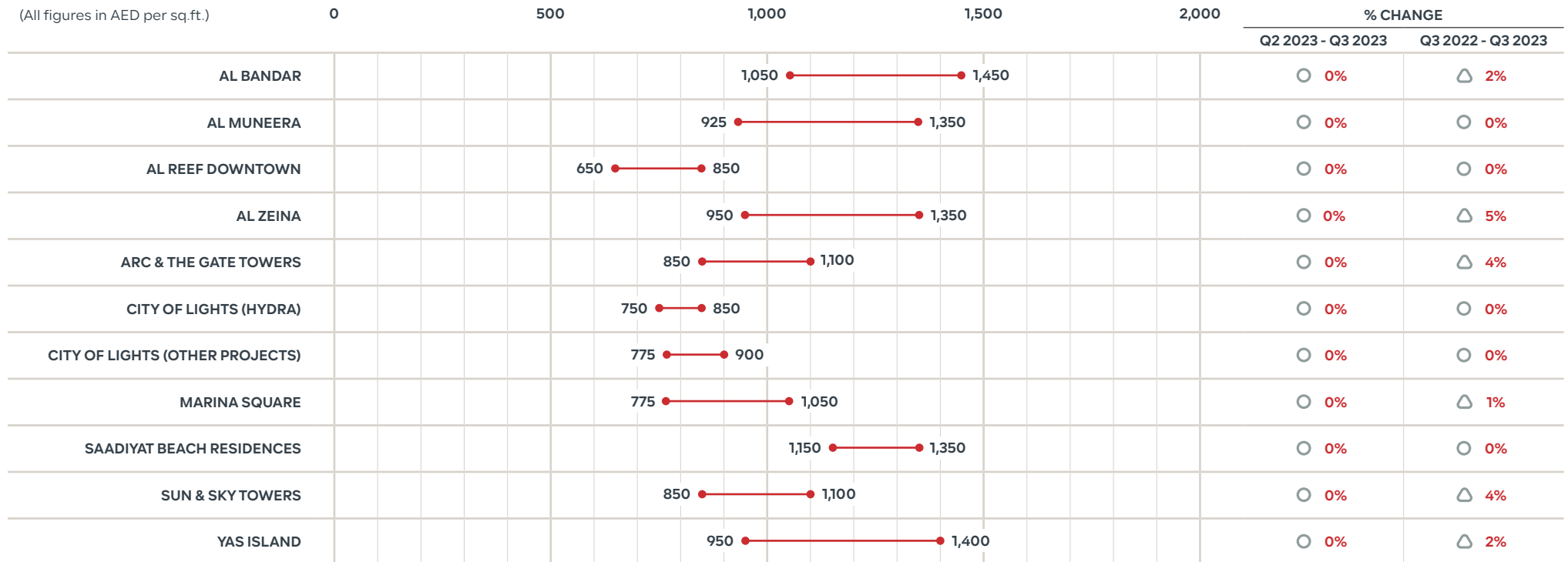
* Includes Mamsha Al Saadiyat Development



Abu Dhabi

Apartment Sales Prices

(All figures in AED per sq.ft.)



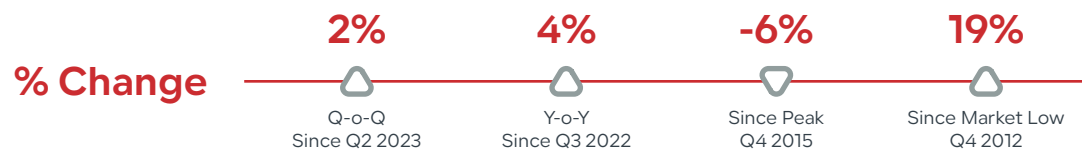


Abu Dhabi

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	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	160	155	200	180	240	0%	6%
	AL NAHYAN CAMP / AL MUROOR	-	-	145	160	160	170	170	180	3%	5%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	150	180	185	230	4%	9%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	250	280	280	330	6%	10%
	AL REEF	75	80	95	105	130	140	150	155	1%	4%
	HIDD AL SAADIYAT	-	-	-	-	390	500	450	750	3%	10%
	HYDRA VILLAGE	50	60	60	65	-	-	-	-	0%	-1%
	LULUAT AL RAHA	-	-	-	-	295	300	350	360	0%	N/A
	SAADIYAT BEACH VILLAS	-	-	295	330	350	430	455	690	1%	4%
	WEST YAS	-	-	-	-	260	290	300	350	2%	11%
	YAS ACRES	175	200	220	250	265	335	335	410	4%	10%
OFF ISLAND	AL RAHA GARDENS	-	-	145	160	160	185	210	240	2%	3%
	GOLF GARDENS	-	-	200	210	225	245	270	350	0%	1%
	KHALIFA CITY	-	-	105	115	125	150	135	180	7%	10%
	MBZ CITY	-	-	105	115	110	130	120	160	1%	5%

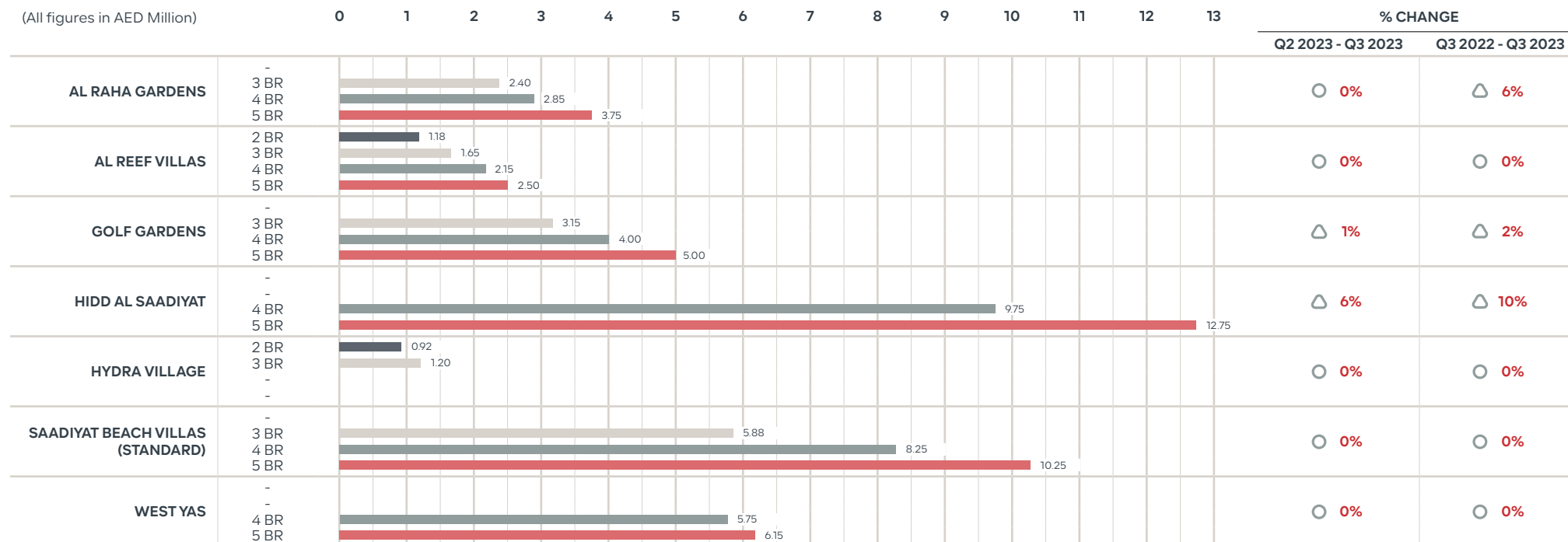




Abu Dhabi

Villa Sales Prices

(All figures in AED Million)



% Change

1%

3%

3%*

25%*

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

Q-o-Q
Since Q2 2023

Y-o-Y
Since Q3 2022

Since Peak
Q4 2015

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	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
PRIME STOCK				
FITTED*	1,400	2,300	5%	9%
QUALITY STOCK				
FITTED	900	1,200	10%	13%
SHELL AND CORE	700	900	7%	11%
OLDER STOCK				
GOOD	600	800	5%	5%
TYPICAL BUILDING	550	650	3%	7%
LOW QUALITY BUILDING	425	450	3%	3%



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

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.

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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.