



Property Review

# UAE Real Estate Report

Q1 2024



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39  
YEARS

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Al Tamimi & Co.



ABU DHABI



# Market Overview ↗

## Supply\*

Abu Dhabi recorded the completion of approximately 800 residential units during the first quarter of 2024 across various Investment Zones in the Emirate. A significant portion of these units were concentrated in Al Raha Beach.

Several notable projects were introduced during this period, including:

- Seville 5, featuring 410 units
- Nouran Living on Saadiyat Island, offering 372 units
- Manarat Living Phase 2 on Saadiyat Island, comprising 232 units
- Sama Yas on Yas Island, presenting 234 apartments
- Vista Del Mar on Yas Island, providing 90 units
- Ville 11 in Masdar City, with 111 units
- Marlin on Al Reem Island, showcasing 246 units

Of particular significance was the launch of Yas Canal, a new mega villa project situated within the Al Raha Beach area. Scheduled for completion in Q4 2027, the project aims to deliver 1,146 units exclusively for UAE nationals.

Numerous developments encompassing residential and mixed-use components are currently in the planning stage and are expected to be publicly launched throughout 2024. Simultaneously, several office developments are also in progress.

## Rental Rates

During the first quarter of 2024, the rental market for apartments and villas remained generally stable. However, prime and high-end developments experienced significant demand, leading to rental increases of 7% to 10% compared to the previous year, particularly for new contracts.

Key residential areas such as Al Raha Beach, Saadiyat Island and Yas Island maintained their status as premier communities in Abu Dhabi. Additionally, Al Reem Island witnessed increased demand for both high-end and mid-range properties, resulting in robust occupancy rates.

In contrast, lower-tier buildings, primarily located on Abu Dhabi Island, faced ongoing challenges due to the emergence of superior alternatives in the market. This trend has diminished the demand for properties with lower-quality specifications.

The upward trend in rental rates for high-quality office space observed since 2023 persisted in Q1 2024. Select developments experienced increases ranging from 5% to 7%, influenced by factors such as unit size and payment terms. These adjustments primarily affected new lease agreements or situations where existing rents no longer reflected prevailing market rates.

The limited availability of premium office space in Abu Dhabi, coupled with increasing demand from expanding businesses driven by government efforts to attract foreign investment, has contributed to the surge in rental rates.

## Sales Prices

The residential real estate sector in Abu Dhabi witnessed a significant increase in transactions during the first quarter of 2024. Approximately 2,660 deals were recorded for apartments and villas, marking a 2.7% increase from the preceding quarter and a notable 17% rise compared to the same period last year.

Off-plan sales constituted a substantial portion of these transactions, accounting for about 1,840 deals, or approximately 69% of the total. This represented a 2% growth from the previous quarter. Meanwhile, transactions for completed properties increased by 5%, with approximately 820 transactions recorded during Q1 2024. Apartment sales comprised approximately 73% of the total off-plan and nearly 78% of completed property transactions during this period.

Whilst average apartment sales prices across the market remained relatively unchanged, there was a notable surge observed within specific developments, particularly in the upper and luxury segments located on Yas and Saadiyat Islands.

Average villa sales prices experienced modest increases, ranging between 1% and 3% on a quarterly basis. However, year-on-year growth was more substantial, reaching 10% to 15%. The most significant surge was recorded in prime villa communities, notably those situated on Yas and Saadiyat Islands.

Demand for off-plan developments remained robust, with considerable interest from foreign investors. The residential sales market shows promising signs of growth in the foreseeable future, with a gradual upward trajectory anticipated in the coming months.



\* 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 2023	Completed in Q1 2024	Projected END OF 2024
 <b>APARTMENTS</b> No. of units	<b>5,600</b>	<b>800</b>	<b>3,800</b>
 <b>VILLAS</b> No. of units	<b>900</b>	<b>50</b>	<b>2,450</b>



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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
<b>PRIME PROPERTIES</b>										
ABU DHABI ISLAND	60	65	65	125	107	165	145	215	0%	3%
INVESTMENT AREA*	60	95	90	205	135	285	180	380	0%	10%
<b>HIGH-END PROPERTIES</b>										
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	60	85	75	150	110	210	0%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	145	0%
	CORNICHE	50	55	55	75	85	115	120	155	0%
INVESTMENT AREA	AL RAHA BEACH	50	55	65	85	100	145	140	210	0%
	MARINA SQUARE	40	45	50	75	75	120	110	160	0%
	SAADIYAT BEACH RESIDENCES	-	-	70	80	110	140	145	175	0%
	SHAMS ABU DHABI	40	55	50	80	78	125	110	170	0%
	YAS ISLAND	47	55	65	80	105	135	160	195	1%
<b>MID-END PROPERTIES</b>										
ABU DHABI ISLAND		40	50	50	52	60	80	100	130	0%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	80	110	145	150	0%
	NAJMAT & TAMOUSH	35	45	43	60	70	95	95	135	0%
	SAADIYAT ISLAND	40	45	55	65	80	95	115	140	0%
	SHAMS ABU DHABI	40	45	45	60	65	100	100	135	0%
	YAS ISLAND	42	45	50	55	75	85	115	130	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	40	42	75	60	115	120	130	0%
<b>LOW-END PROPERTIES</b>										
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	30	45	50	65	65	80	0%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	100	0%
	CORNICHE	30	35	42	50	55	60	68	80	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	80	90	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%



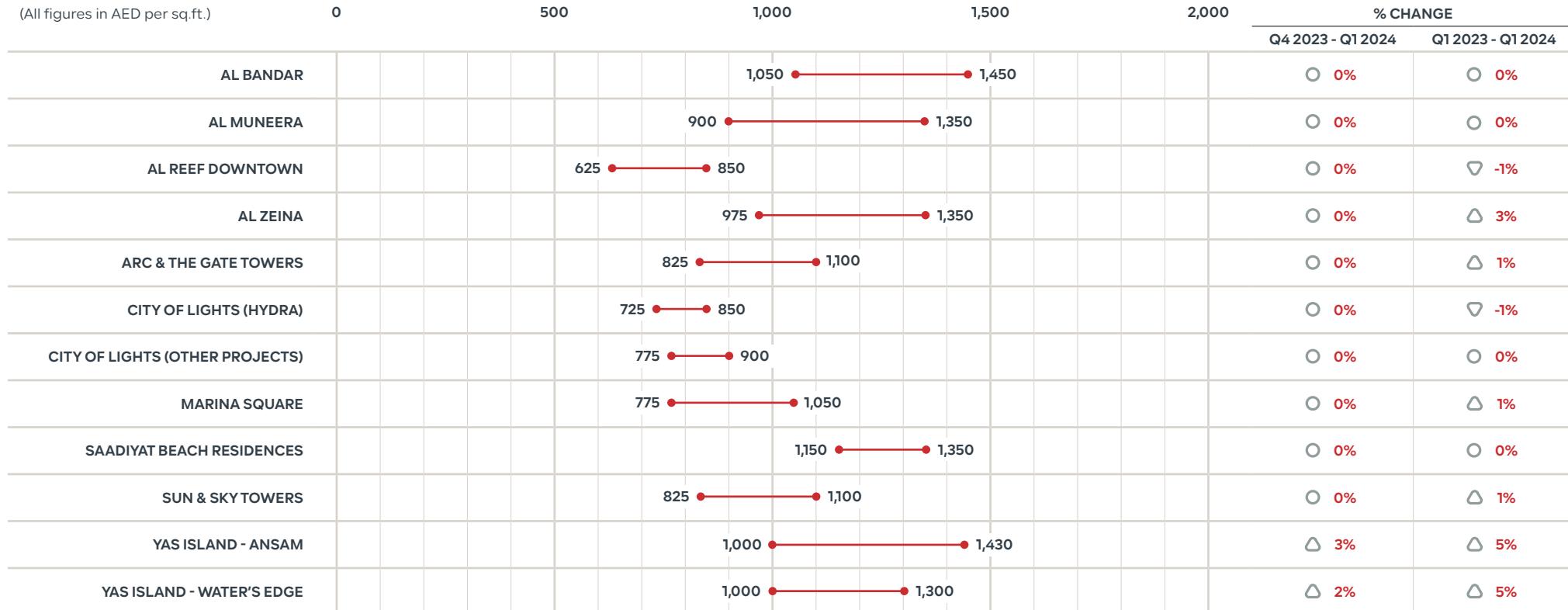
\* Includes Mamsha Al Saadiyat Development



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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	160	155	200	180	240	0%	2%
	AL NAHYAN CAMP / AL MUROOR	-	-	145	160	160	170	170	180	0%	4%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	150	180	185	230	0%	5%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	250	280	280	330	0%	7%
	AL REEF	75	80	95	105	130	140	150	155	0%	2%
	HIDD AL SAADIYAT	-	-	-	-	390	500	450	750	0%	5%
	HYDRA VILLAGE	50	60	60	65	-	-	-	-	0%	1%
	LULUAT AL RAHA	-	-	-	-	295	310	350	370	0%	2%
	SAADIYAT BEACH VILLAS	-	-	295	330	350	430	455	690	0%	2%
	WEST YAS	-	-	-	-	260	300	300	350	1%	9%
	YAS ACRES	175	200	200	265	260	340	335	410	0%	5%
OFF ISLAND	AL RAHA GARDENS	-	-	135	165	150	190	200	240	0%	1%
	GOLF GARDENS	-	-	180	210	210	265	250	380	0%	1%
	KHALIFA CITY	-	-	105	115	125	150	135	180	0%	9%
	MBZ CITY	-	-	105	115	110	130	120	160	0%	3%

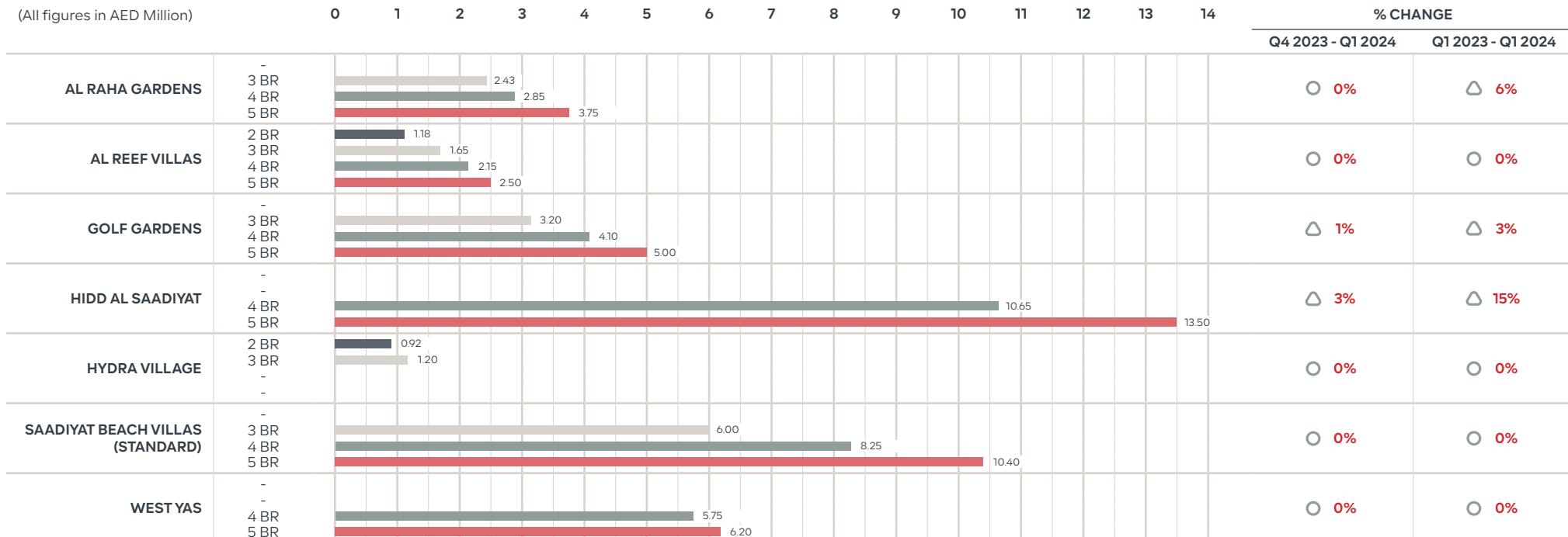




Abu Dhabi

# Villa Sales Prices ↗

(All figures in AED Million)

**% Change****1%**Q-o-Q  
Since Q4 2023**4%**Y-o-Y  
Since Q1 2023**5%\***Since Peak  
Q4 2015**25%\***Since Market Low  
Q4 2012

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



Abu Dhabi

# Office Rental Rates ↗

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
<b>PRIME STOCK</b>				
FITTED*	1,500	2,600	6%	13%
<b>QUALITY STOCK</b>				
FITTED	950	1,250	5%	8%
SHELL AND CORE	750	950	4%	7%
<b>OLDER STOCK</b>				
GOOD	650	820	3%	8%
TYPICAL BUILDING	550	650	0%	5%
LOW QUALITY BUILDING	425	450	0%	5%



% Change

3%

Q-o-Q  
Since Q4 2023

13%

Y-o-Y  
Since Q1 2023

-17%

Since Peak  
Q4 2015

-13%

Since Market Low  
Q4 2012

\* 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



A panoramic view of the Dubai skyline during the day. In the foreground, the 'Eye of the Wind' (Alif Tower) is visible, featuring a large, curved, metallic structure with intricate Arabic calligraphy. Behind it, the Burj Khalifa is the central focus, standing tall against a clear blue sky. Other prominent skyscrapers like the Khalifa Tower and various modern office buildings are scattered throughout the cityscape. The image captures the blend of traditional and modern architecture in Dubai.

DUBAI



# Market Overview ↗

## Supply\*

The real estate market in Dubai has maintained a high level of activity over Q1 2024, with a steady flow of project launches. However, there has been a rise in competition for high-profile launches from Ras Al Khaimah (RAK), particularly centred on the debut of a 'casino', leading to an uptick in project announcements.

Dubai's Tier-1 developers maintained momentum by introducing new phases within established mega projects. Tier-2 developers, both established and emerging players, also contributed significantly to the landscape with an array of noteworthy launches.

Asteco's records reveal the delivery of over 10,000 residential units in Q1 2024, comprising 7,300 apartments and 2,750 villas. This represents a significant acceleration compared to the previous quarter and sets a promising trajectory for the year ahead. Looking forward, an additional 30,000 units are anticipated to enter the market by the end of 2024.

The office sector, which has been somewhat overlooked in recent years, has proven particularly buoyant. Robust economic conditions, propelled by government initiatives, have led to heightened demand for office space from both established businesses and newcomers. With a scarcity of new stock delivered in recent years, landlords have benefited from favourable conditions, including rising rents and falling vacancies. Whilst these conditions are expected to stimulate development activity in the sector, the development pipeline will require time to mature. As such, fulfilling requirements, particularly for larger Grade A office space, is likely to pose increasing challenges over the medium term.

## Rental Rates

Supply and demand dynamics, alongside market sentiment, play a pivotal role in shaping rental growth in the Dubai real estate market. The discourse surrounding an 'undersupply' scenario has been prominent in media discussions, highlighting concerns about the market's ability to accommodate the expanding population. This is a view not shared by Asteco.

Renewals (in terms of volume) increased by 5% quarter-on-quarter and 12% year-on-year, with numerous tenants consenting to above-average rental hikes. This reflects their desire to uphold positive landlord relations and circumvent the risks, costs and inconveniences associated with relocating, potentially settling for similar properties at even higher rates.

However, this trend may see a reversal following the update of the RERA rental calculator (as of March 2014). The revised calculator now provides a more accurate reflection of open-market pricing, enabling landlords to implement significant rent hikes at a time when market rates are finally starting to ease.

Going forward, we anticipate a rise in tenant movement for several reasons:

- The gradual easing of upward rental movement.
- The updated RERA rental calculator allowing for potential increases in existing rates.
- An increase in supply from additional units being delivered to the market, from the execution of notices served in 2023, and from existing tenants transitioning to homeownership.

The government implemented additional measures to enhance transparency and bolster confidence in the market. Alongside the update of the RERA rental calculator, the DLD Real Estate Regulation Agency mandated the removal of all fraudulent listings within three days, under penalty of fines (February 2024). Asteco's long-standing assertion regarding the disparity between real estate listings and actual transactions was arguably affirmed by this announcement.

In general, rental rate growth has proven a mixed bag over the last 3 months. Whilst average apartment and villa rental rates have more or less remained unchanged, rental rate growth has varied across different communities. Annually, growth rates have slowed to single digits, with villas at 6% and apartments close to that at 10%.

Office rental rates continued to rise, particularly within the Grade A sector, due to increased demand amidst limited supply. This demand is anticipated to persist until new supply enters the market or business conditions shift.

Dubai's economy remains resilient amidst global challenges. The Emirate's commitment to enhancing the quality of life and attracting skilled professionals, alongside its strong economic performance, will continue to attract a substantial number of expatriates.

\* 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.

Dubai

# Market Overview ↗

## Sales Prices

Despite experiencing robust annual growth rates, transactional evidence suggests that the secondary market is gradually transitioning towards more sustainable levels of activity. Similar to the leasing market, average sales prices for both apartments and villas remained relatively stable throughout Q1 2024, with some variations observed at the community level. Annual growth rates stood at 6% for apartments and 8% for villas, respectively.

The new year also witnessed a gradual change in buyer preferences, with apartments in established communities such as Jumeirah Village Circle (JVC), Business Bay, Dubai Marina and Downtown Dubai gaining increased traction. Apartments typically yield higher Return on Investment (ROI) compared to villas, which are favored by end-users. This is attributed to factors such as lower initial investment costs, greater rental demand, higher occupancy rates and shorter vacancy periods.

The off-plan market remained prominent in terms of both value and volume of transactions. Preferred locations included Jumeirah Village Circle (JVC), Dubai Maritime City/Mina Zayed, Business Bay and Arjan.

The government continues to apply measures to enhance market confidence. A recent instance is the elimination of minimum real estate equity prerequisites for Golden Visa applications. Although the minimum purchase price (AED 2 million) remains unaffected, the new norm abolishes the AED 1 million equity condition, thus widening the investor base. This declaration is anticipated to reignite interest in the real estate sector, highlighting the UAE's proactive stance towards stimulating growth.

Luxury property sales continued to make headlines, as developers compete to unveil the next ultra-luxury unit or development. Whilst luxury sales are expected to persist, concerns arise regarding the potential long-term implications of the ever-expanding supply of luxury real estate on its value.



# Dubai Supply ↗

	Completed in 2023	Completed in Q1 2024	Projected END OF 2024
 <b>APARTMENTS</b> No. of units	<b>27,450</b>	<b>7,300</b>	<b>26,300</b>
 <b>VILLAS</b> No. of units	<b>7,500</b>	<b>2,750</b>	<b>6,000</b>
 <b>OFFICES</b> Million sq.ft.	<b>0.65</b>	<b>0</b>	<b>1</b>

# 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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
<b>HIGH-TO LUXURY-END</b>										
DIFC	65	100	90	150	120	240	180	300	0%	8%
DOWNTOWN DUBAI	55	95	75	170	110	260	160	380	-3%	10%
PALM JUMEIRAH	75	130	110	220	140	300	180	400	0%	14%
SHEIKH ZAYED ROAD	55	65	60	135	80	195	100	220	-3%	1%
<b>MID-TO HIGH-END</b>										
BUSINESS BAY	45	95	60	130	85	200	130	230	-2%	6%
DUBAI MARINA	50	110	60	165	85	230	120	300	-1%	7%
JUMEIRAH BEACH RESIDENCE	70	100	90	160	115	180	150	230	-1%	6%
JUMEIRAH LAKES TOWERS	40	70	50	120	75	160	120	200	0%	10%
THE GREENS & THE VIEWS	40	65	60	120	100	180	140	220	-3%	5%
<b>AFFORDABLE</b>										
DEIRA	20	45	37.5	80	50	120	80	140	0%	6%
DISCOVERY GARDENS	32.5	45	45	70	70	85	-	-	0%	10%
DUBAI SPORTS CITY	30	50	40	75	55	90	80	110	-2%	6%
INTERNATIONAL CITY	20	40	30	55	40	70	60	100	-3%	9%
JUMEIRAH VILLAGE	30	75	40	95	60	145	90	180	3%	16%





Dubai

# Apartment Sales Prices ↗

(All figures in AED per sq.ft.)

0

1,000

2,000

3,000

4,000

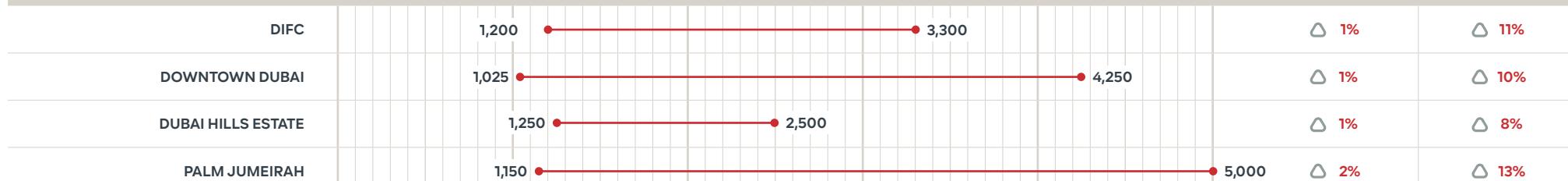
5,000

% CHANGE

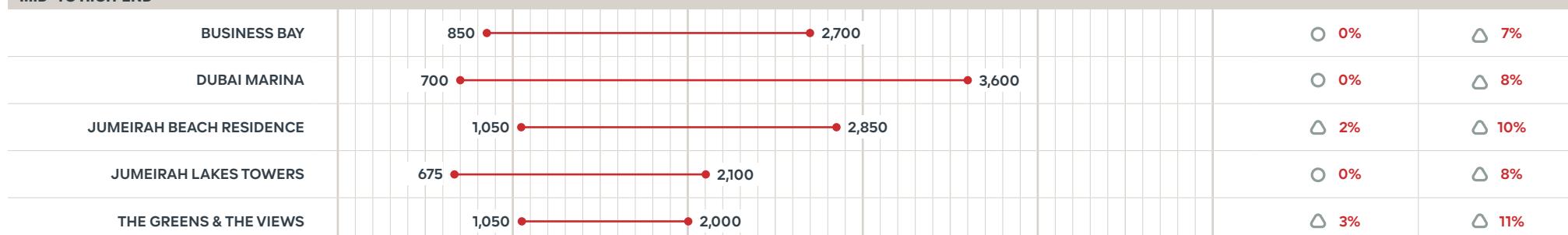
Q4 2023 - Q1 2024

Q1 2023 - Q1 2024

## HIGH-TO LUXURY-END



## MID-TO HIGH-END



## AFFORDABLE



% Change

0%

5%

-1%

80%

Q-o-Q Since Q4 2023      Y-o-Y Since Q1 2023      Since Peak Q2 2014      Since Market Low Q3 2011



Dubai

# 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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
ARABIAN RANCHES	135	200	170	330	240	400	350	500	-1%	2%
DAMAC HILLS 2 (AKOYA OXYGEN)	70	90	55	120	65	125	100	140	0%	4%
DUBAI HILLS ESTATE	-	-	200	400	230	450	275	550	1%	2%
JUMEIRAH / UMM SUQEIM	-	-	160	300	175	375	210	550	-3%	4%
JUMEIRAH PARK	-	-	250	350	250	450	375	550	-3%	4%
JUMEIRAH VILLAGE	120	200	130	210	140	220	175	275	0%	5%
THE MEADOWS	-	-	270	400	325	425	350	650	1%	9%
MIRDIF	55	95	75	150	100	180	120	200	-3%	-1%
PALM JUMEIRAH	-	-	350	700	400	900	650	1,200	-2%	6%
THE SPRINGS	100	180	170	260	-	-	-	-	0%	3%
THE LAKES	-	-	240	360	275	450	350	550	0%	9%
TOWN SQUARE	-	-	120	160	150	180	-	-	-3%	0%





Dubai

# Villa Sales Prices ↗

(All figures in AED per sq.ft.)

	0	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	% CHANGE	
										Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
ARABIAN RANCHES		1,250	2,400							△ 1%	△ 10%
DAMAC HILLS 2 (AKOYA OXYGEN)	550	1,050								○ 0%	△ 3%
DUBAI HILLS ESTATE		1,600	4,000							△ 2%	△ 15%
JUMEIRAH PARK	1,300	2,300								△ 3%	△ 15%
JUMEIRAH VILLAGE	450	1,350								△ 3%	△ 6%
THE MEADOWS		1,700	2,300							△ 3%	△ 20%
PALM JUMEIRAH		2,250	7,800							△ 2%	△ 7%
THE SPRINGS	1,250	1,850								△ 2%	△ 7%
THE LAKES		1,625	2,500							△ 3%	△ 15%
TOWN SQUARE	875	1,100								○ 0%	△ 8%

**% Change****1%**Q-o-Q  
Since Q4 2023**8%**Y-o-Y  
Since Q1 2023**14%**Since Peak  
Q2 2014**86%**Since Market Low  
Q3 2011



Dubai

# Office Rental Rates ↗

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
BARSHA HEIGHTS (TECOM)	70	140	13%	38%
BUR DUBAI	60	120	7%	19%
BUSINESS BAY	70	200	11%	43%
DIFC	140	350	9%	22%
JUMEIRAH LAKES TOWERS	65	145	12%	46%
SHEIKH ZAYED ROAD	80	260	9%	28%





Dubai

# Office Sales Prices ↗

(All figures in AED per sq.ft.)

	0	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	% CHANGE	
										Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
BARSHA HEIGHTS (TECOM)		600		1,450						△ 12%	△ 31%
BUSINESS BAY		775					3,500			△ 10%	△ 32%
DIFC			1,700					4,000		△ 9%	△ 21%
JUMEIRAH LAKES TOWERS		625		2,050						△ 13%	△ 38%



% Change

9%

Q-o-Q  
Since Q4 2023

27%

Y-o-Y  
Since Q1 2023

-3%

Since Peak  
Q1 2015

51%

Since Market Low  
Q2 2012

# Dubai Property Map

- 1 Veneto
- 2 Badrah
- 3 Bluewater Island
- 4 Jumeirah Beach Residence
- 5 Dubai Marina
- 6 Dubai Internet City, Dubai Media City & Dubai Knowledge Park
- 7 Palm Jumeirah
- 8 Umm Suqeim
- 9 Jumeirah
- 10 Jumeirah Bay
- 11 City Walk
- 12 Al Satwa
- 13 Sheikh Zayed Road
- 14 La Mer
- 15 Pearl Jumeirah
- 16 Bur Dubai
- 17 Dubai Maritime City
- 18 Port Rashid
- 19 Dubai Islands
- 20 Deira
- 21 Downtown Jebel Ali
- 22 Wasl Gate
- 23 Al Furjan
- 24 Discovery Gardens
- 25 Jumeirah Park
- 26 Jumeirah Islands
- 27 Jumeirah Lakes Towers
- 28 The Springs / The Meadows
- 29 Emirates Hills
- 30 The Lakes
- 31 The Greens
- 32 Barsha Heights (Tecom)
- 33 Al Barsha
- 34 Business Bay
- 35 Downtown Dubai
- 36 DIFC
- 37 Dubai Design District
- 38 Dubai Healthcare City - Phase 2
- 39 Al Jaddaf
- 40 Jaddaf Waterfront (Culture Village)



41	Dubai Festival City	48	Arjan	55	Commercial District	63	Dubai Production City (IMPZ)	70	Remraam	77	DubaiLand Residence Complex	83	Mirdif
42	Al Nahda	49	Dubai Hills Estate	56	Golf District	64	Jumeirah Golf Estates	71	Mudon	78	Dubai Silicon Oasis	84	Uptown Mirdif
35	Downtown Dubai	43	Al Qusais	50	Living Legends	57	Logistics District	65	Victory Heights	72	Arabian Ranches	85	Town Square
36	DIFC	44	Muhaisnah	51	Al Barari	58	Aviation District	66	Dubai Sports City	73	Dubailand	86	Mira
37	Dubai Design District	45	Jumeirah Village Triangle	52	Mohammed Bin Rashid City (MBR City)	59	Expo 2020	67	Motor City	74	Falcon City of Wonders	87	Damac Hills 2
38	Dubai Healthcare City - Phase 2	46	Jumeirah Village Circle	53	Meydan	61	Dubai Investment Park	68	Dubai Studio City	75	The Villa	81	International City
39	Al Jaddaf	47	Dubai Science Park	54	Dubai Creek Harbour	62	Green Community	69	Damac Hills	76	Liwan	82	Al Warqaa

A photograph of a large, white, domed mosque with two tall minarets, set against a clear blue sky. In the background, modern skyscrapers are visible. The mosque is the central focus of the image.

NORTHERN  
EMIRATES



## Northern Emirates

# Market Overview ↗

The Northern Emirates real estate market often follows Dubai's real estate cycles, albeit with a delay of 3-6 months. Whilst rental and sales growth in Dubai may be easing, the Northern Emirates performed particularly strongly over Q1 2024, indicating resilience and potential for sustained advancement.

Continuing the momentum from 2023, the anticipation surrounding the planned 'casino' at the Wynn Resort in Ras Al Khaimah (RAK) has propelled a series of project launches in Q1 2024, many of which involve luxury hotel developments and branded residences. Despite achieving prices on par with or exceeding those in Dubai, these projects have attracted considerable attention and, in numerous instances, sold out within days.

**Key project launches and development updates include:**

## Ras Al Khaimah

- Marjan, the master developer behind Al Marjan Island in RAK, has unveiled ambitious plans for a commercial and residential hub in Al Hamra. The envisioned RAK Central will encompass 3 million square feet of office space, more than 4,000 apartments and 3 hotels, with the initial phase earmarking 1 million square feet of leasable office space. Moreover, RAK Central will present 34 freehold residential tower plots, providing opportunities for investors to partake in its development.
- Collaborating with Range Developments, Marjan is also set to introduce 3 exclusive properties on Al Marjan Island: The Beach House (88 units including studios and 3 BR simplex and duplex apartments), The Beach Residences (412 apartments and 11 townhouses) and Beach Vista.
- RAK Properties announced the introduction of Quattro Del Mar within the Hayat Island master plan. This development will feature 4 interconnected towers offering a diverse range of apartment options including studios, 1 BR, 2 BR and 3 BR apartments, as well as sky duplexes and garden townhouses.
- On the hospitality front, the recently inaugurated Anantara Mina Al Arab Ras Al Khaimah Resort, which welcomed its first guests in February 2024, boasts 174 rooms, suites and pool villas. This addition further enhances the real estate and tourism infrastructure of Ras Al Khaimah, positioning it as a desirable destination for residents, as well as local and international tourists.



## Sharjah

- Alef Group introduced Nama 3 within the Al Mamsha Raseel community, presenting 139 residential units.
- Highlighting ongoing progress, Alef Group also reported advancements in the Hayyan development, with approximately 15% of the master infrastructure now completed.
- Property developer Arada achieved a significant milestone by completing 920 apartment units spread across the first 8 residential buildings, known as Tiraz, within the Naseej District of the Aljada project.

The heightened activity in the off-plan market has had a ripple effect on existing properties, driving notable growth in sales prices, particularly within RAK's master plan communities (3% quarter-on-quarter and 15% year-on-year), as well as in the adjacent Emirates of Sharjah and Ajman. Sharjah Real Estate Registration Department (SRERD) data revealed a significant increase in real estate transactions during Q1 2024 compared to the corresponding period last year, with the number more than doubling. Similarly, Ajman witnessed a nearly 50% surge in transactions during the same timeframe, indicating a robust market dynamic and sustained investor interest in the Northern Emirates' real estate sector.

Rental rates also witnessed a notable surge, attributed to an increase in project completions featuring enhanced specifications, coupled with heightened tenant demand fueled by affordability considerations, particularly from residents looking for alternatives beyond the more expensive Dubai market.

Across the Northern Emirates, average apartment rental rates increased by 4% over the quarter and 9% annually, with high-end properties experiencing slightly more pronounced growth rates compared to typical units. RAK emerged as the frontrunner in rental rate escalation, followed closely by Sharjah and Ajman.

The convergence of strategic planning, affordability considerations and heightened investments presents a promising outlook for the future trajectory of the Northern Emirates real estate market. This confluence of factors bodes well for sustained growth and development in the region.



Northern Emirates

# 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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
SHARJAH	TYPICAL	10	15	12	30	15	40	25	55	3%	7%
	HIGH-END	11	32	17	55	23	70	31	85	5%	17%
AJMAN	TYPICAL	9	16	12	16	15	21	22	32	3%	5%
	HIGH-END	16	18	17	28	22	38	35	50	4%	8%
UMM AL QUWAIN		10	20	15	22	19	30	30	40	1%	4%
RAS AL KHAIMAH	TYPICAL	10	18	15	25	18	41	33	52	6%	11%
	HIGH-END	22	32	25	50	42	70	62	110	7%	18%
FUJAIRAH	TYPICAL	15	19	19	25	22	35	31	47	1%	4%
	HIGH-END	20	26	33	38	36	55	55	70	2%	5%





Sharjah

# 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	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
AL MAJAZ	16	28	22	38	23	55	31	75	5%	10%
AL QASIMIA	12	20	15	29	20	40	33	56	4%	8%
AL NAHDA	18	27	18	39	22	49	40	75	4%	10%
AL KHAN / AL MAMZAR	17	30	20	45	26	58	38	75	6%	10%
ABU SHAGARA	13	22	14	30	20	40	30	45	4%	8%
AL BUTINA	10	14	13	24	17	32	25	40	4%	8%
AL YARMOOK	12	14	15	17.5	18	25	27	40	2%	4%
ROLLA	10	15	14	25	22	29	28	35	4%	8%

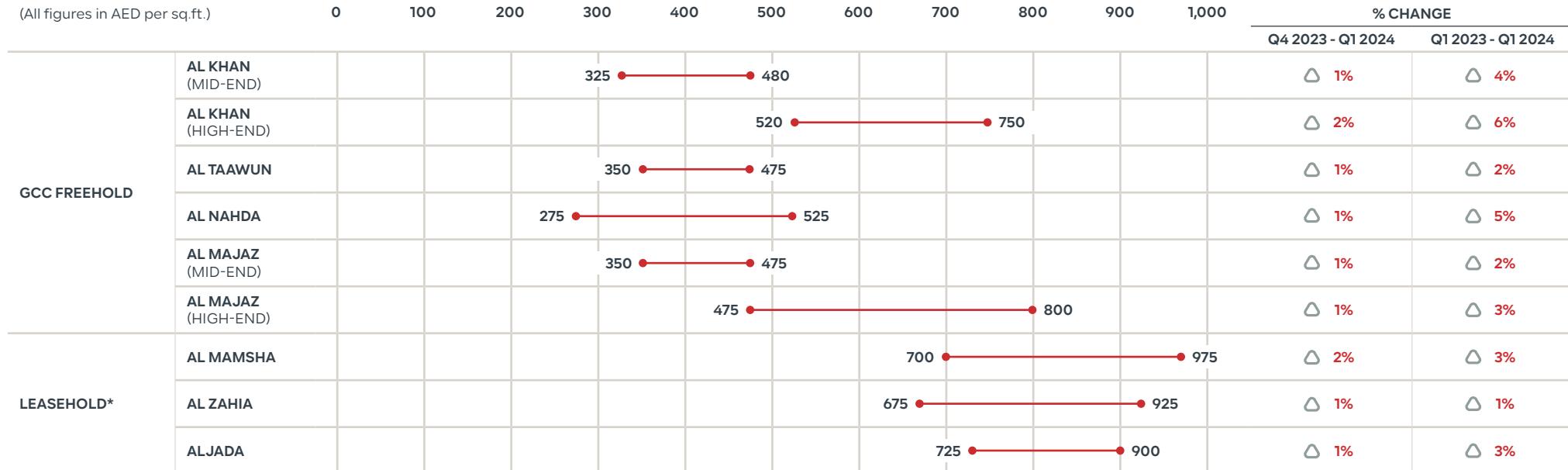




Sharjah

# Apartment Sales Prices ↗

(All figures in AED per sq.ft.)



\* Leasehold ownership (up to 100 years) for all nationalities.



Sharjah

# Office Rental Rates ↗

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

	From	To	AVERAGE RENTAL RATES		% CHANGE	
			Q4 2023 - Q1 2024	Q1 2023 - Q1 2024	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
AL TAAWUN ROAD	25	38	0%	4%	0%	4%
CORNICHE AREA	30	53	1%	5%	1%	5%
AL WAHDA	27	38	2%	6%	2%	6%
AL QASIMIA	23	36	2%	5%	2%	5%
CLOCK R/A	25	35	2%	5%	2%	5%
AL YARMOOK	25	35	2%	6%	2%	6%
INDUSTRIAL AREA	25	40	4%	10%	4%	10%

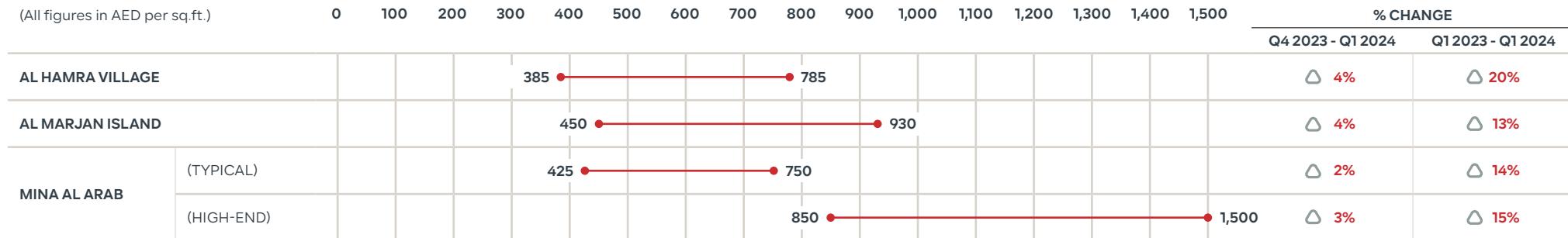




Ras Al Khaimah

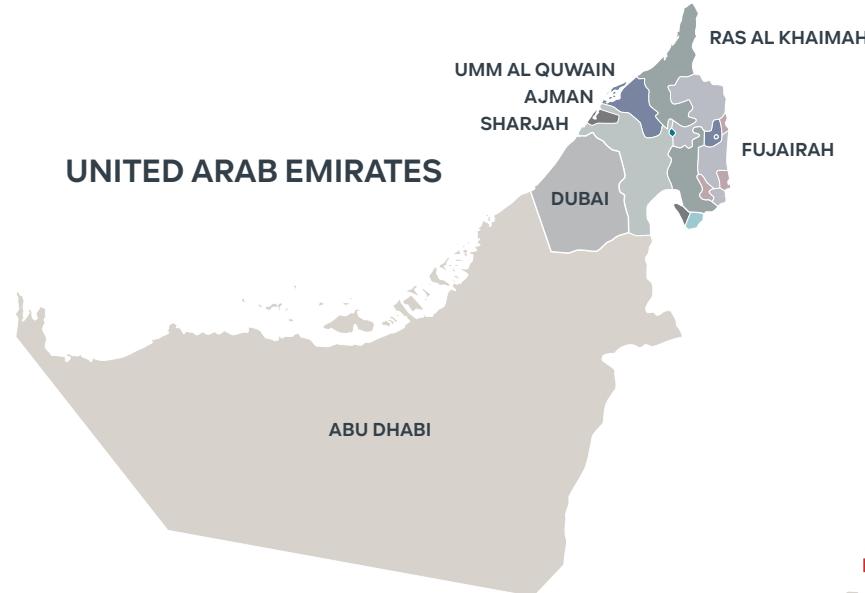
# Apartment Sales Prices ↗

(All figures in AED per sq.ft.)



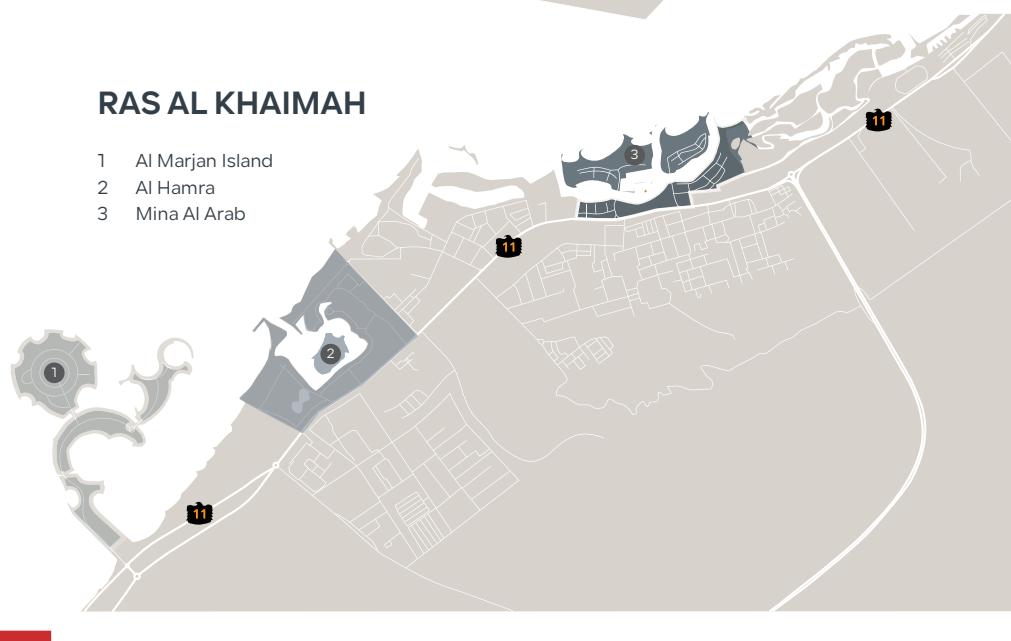
Northern Emirates

# Property Map ↗



## RAS AL KHAIMAH

- 1 Al Marjan Island
- 2 Al Hamra
- 3 Mina Al Arab



## SHARJAH

- 1 Abu Shagara
- 2 Al Khan
- 3 Al Majaz
- 4 Al Nahda
- 5 Al Qasimia
- 6 Al Taawun
- 7 Al Wahda
- 8 Corniche/Buhaira
- 9 Al Khalidiya
- 10 King Faisal and King Abdul Aziz Street





AL AIN



Al Ain

# Market Overview ↗

Average rental rates have remained relatively steady across all asset classes observed within Al Ain. This performance has been underpinned by sustained demand driven primarily by domestic factors.

Whilst apartment rental rates proved broadly stable, adjustments have been observed, particularly in the highly price sensitive lower-end segment.

At the other end of the market, high-quality villas realised significant annual rental growth, up to 8%, with the rate of increase contingent upon factors such as location and condition.

Several residential buildings, primarily located in the Town Centre areas are currently in the process of handover. Despite this relatively concentrated supply, strong demand has meant that landlords have generally shown restraint in offering incentives, marking a departure from the trend observed in 2022 and 2023 aimed at stimulating the market.

The Al Ain office sector also proved stable, characterised by moderate growth rates. Overall office rental rates remained relatively static during Q1 2024 but increased by 2% compared to the same period last year, reflecting a positive trend in the market. Government initiatives aimed at boosting business activity contributed to enhanced overall absorption rates.

Meanwhile, the retail sector in Al Ain continued to experience strong demand, particularly for the Food and Beverage (F&B) segment. The appetite for space encompassed both street and community level. Whilst upward pressure on rental rates may take time to materialise, a marginal increase in average retail rental rates has been noted, albeit remaining within the range outlined in our report.





Al Ain

# Apartment Rental Rates ↗

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

	1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024
MATURE BUILDINGS	21	26	31	34	42	48	0%	0%
NEW BUILDINGS	26	29	33	36	51	61	0%	0%
PRIME COMPOUNDS	30	35	42	48	60	80	0%	0%



Al Ain

# Villa Rental Rates ↗

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

	3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE		
	From	To	From	To	From	To	Q4 2023 - Q1 2024	Q1 2023 - Q1 2024	
MATURE VILLAS	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	42	46	65	70	82	91	0%	0%
	AL TOWAYA	60	70	85	90	90	100	0%	1%
	PRIME COMPOUNDS	75	90	93	105	115	120	0%	3%
RECENT BUILD	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	55	62	70	78	95	105	0%	0%
	AL TOWAYA	70	80	90	100	110	120	0%	7%
	PRIME COMPOUNDS	85	95	120	135	130	140	0%	8%



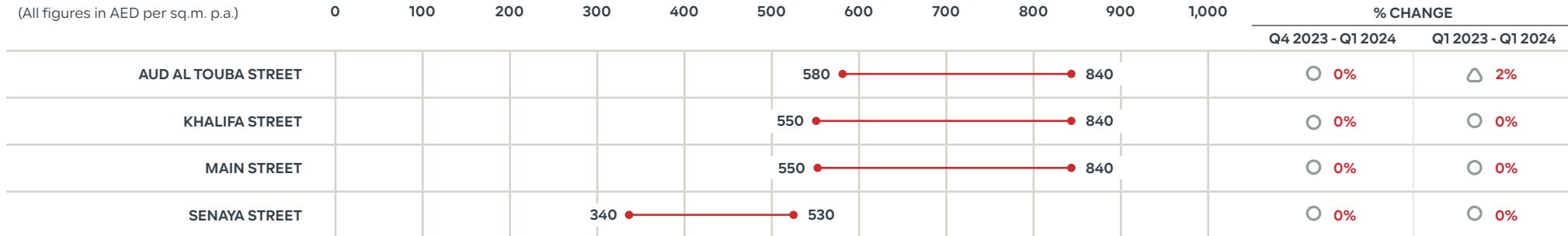
\* Includes Al Khabisi, Al Muwaiji, Al Manasir and Al Masoudi areas.



Al Ain

# Office Rental Rates ↗

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



% Change

0%

1%

-12%

-30%

Q-o-Q  
Since Q4 2023

Y-o-Y  
Since Q1 2023

Since Peak  
Q4 2015

Since Market Low  
Q3 2012



Al Ain

# Retail Rental Rates ↗

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



% Change

0%

0%

-10%

-10%

Q-o-Q  
Since Q4 2023

Y-o-Y  
Since Q1 2023

Since Peak  
Q4 2015

Since Market Low  
Q4 2011

Al Ain

# Property Map ↗





The UAE's non-oil economy grew almost 6% last year, according to comments from the Minister of Economy. This appears to have been driven largely by Abu Dhabi, where official statistics put non-oil growth at 9.1% y/y in 2023, driven by the financial services, construction, and logistics sectors.

This is a strong performance in the context of sharply higher interest rates, and in our view reflects the impact of significant structural reforms on investment and population growth in the UAE since the pandemic. The UAE ranked second globally in 2023 in terms of the number of greenfield FDI projects, trailing only the United States. Greenfield FDI inflows exceeded USD 15bn last year, up 33% on 2022, again a remarkable achievement when global FDI flows grew only marginally last year.

Data for the first quarter of 2024 suggests that the non-oil sector has expanded robustly, with the purchasing managers' index averaging 56.9, up from 54.8 in Q1 2023. Domestic demand appears to be the main driver of growth in business activity and new work,

and private sector employment increased as well. Disruptions to shipping routes through the Red Sea area have led to longer delivery times in some sectors, as well as increased input costs, but so far firms in the UAE appear to be absorbing these costs as selling prices have declined on average in the first four months of this year.

In 2024, we expect non-oil growth to slow to 4.5% on the back of slower global growth and moderating household consumption. However, we expect investment to remain a key driver of domestic demand, particularly public sector investment in transport and other infrastructure. Oil prices have averaged around USD 83/b so far this year, in line with our forecast for the whole year, and we expect the UAE budget to run a surplus again in 2024.

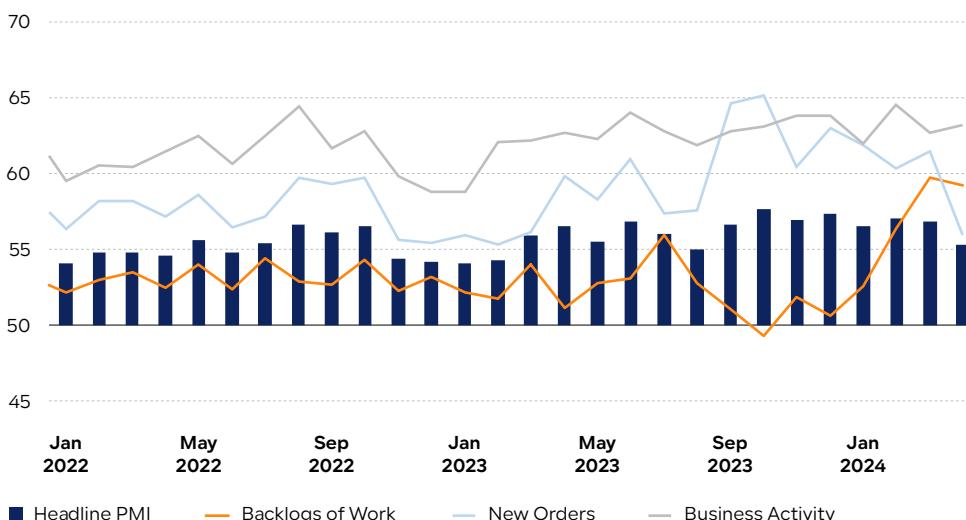
Sticker inflation and a resilient labour market in the United States has led us to push back the expected timing of the first rate cut from the Federal Reserve to September from June, and we now anticipate a total of 50bp in easing on policy rates this year, down from 75bp previously. Lower borrowing costs should boost demand

for credit from businesses into 2025 and also support household spending as mortgage rates ease, although rental price growth has likely eroded consumers' disposable income.

Inflation in Dubai averaged 3.4% in Q1 2024, markedly lower than the 4.6% average in Q1 2023. Housing and utilities has been the main source of inflation in Dubai in 2023 and the first quarter of 2024, but the story is different across the whole UAE. UAE-wide inflation averaged 1.6% in 2023, compared with 3.3% in Dubai. Housing costs across the UAE rose 3.1% last year, much lower than the 5.7% increase in this component of Dubai's CPI.

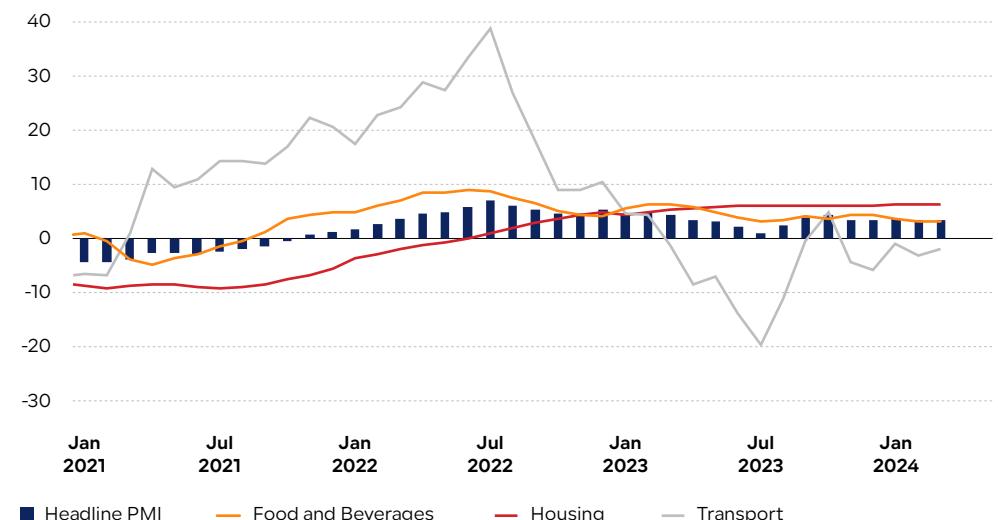
In Q1 2024, housing and utilities inflation in Dubai is running at 6.3% y/y (Q1 data for the whole UAE is not yet available but we expect it to be much slower). Overall, we expect inflation in Dubai to slow this year, but housing is likely to remain a key source of consumer inflation this year.

## PMI points to solid non-oil sector growth in Q1 2024



Source: S&P Global, Emirates NBD Research

## Dubai inflation driven by housing costs



Source: Haver Analytics

# RERA Rental Index: What's New and What It Means for You

If you are a landlord or a tenant in Dubai, you might be wondering how the Rental Index Calculator works and what changes have been made to it recently. The Rental Index Calculator is a tool introduced by the Real Estate Regulatory Agency (RERA) to standardize rent-related matters across the different areas of Dubai, providing a helpful benchmark for rental rates. It ensures that rent increases align fairly with the dynamic market conditions and trends, supporting both growth and stability in Dubai's flourishing real estate landscape.

The Rental Index Calculator is based on the quarterly research done by RERA, which collects and analyzes data from various sources, such as property transactions, rental contracts, and market surveys. It provides an analytical range for the average rent in the market based on the type, size, and location of the property. Landlords and tenants can use the Rental Index Calculator to compare the rent value of their properties with similar properties in the same area and, therefore, make informed decisions based on market trends and conditions.

However, the Rental Index Calculator is not the only factor that determines the rent value of a property. There are also legal and contractual aspects that govern the relationship between landlords and tenants in Dubai. **Law No. (26) of 2007** and its amendment pursuant to **Law No 33 of 2008 Regulating the Relationship between Landlords and Tenants in the Emirate of Dubai** is the main legislation that outlines the rights and responsibilities of both parties, ensuring fairness in rental agreements. Furthermore, **"Decree No. 43 of 2013 on Determining the Increase in the Real-Estate Rentals in the Emirate of Dubai"** complements Law No. 26 by setting the percentages of the maximum increase in the rent value that landlords can apply upon renewing the leases of their properties. This decree bases the percentage of the increase on the comparison between the current rent value and the average market rental rate, which is determined by the Rent Index, and it can be from Zero up to 20%.

The key difference between the law and the Rental Index Calculator is that the law sets the legal limit for the rent increase, while the Rental Index Calculator provides a reference tool for the average rent in the market. The law does not prevent landlords and tenants from negotiating the rent value within the legal limit, as long as there is mutual agreement on the terms and conditions of the lease agreements. The Rental Index Calculator, on the other hand, is a useful reference tool that aids landlords and tenants in comparing the rent value of their properties with similar properties in the same area and, therefore, making informed decisions based on market trends and conditions.

In case of a dispute between landlords and tenants over rent payments or other issues, the Rental Dispute Center (RDC) is the authority responsible for resolving rental disputes in Dubai. The RDC is a specialized judicial body that operates under the Dubai Land Department and follows the provisions of Law No. 26 and its amendments. If there is a dispute, such as disagreement over rent payments, tenants have the option to deposit their rent with the RDC. This process is designed to protect the rights of both parties while the dispute is being resolved. To deposit rent with the RDC, the tenant needs to file a case with RDC by submitting the necessary documents, which typically include the tenancy contract, Emirates ID, and any related correspondences or documents related to the dispute. The RDC has a very advanced and fast litigation process which can be done online through the RDC platform.

Recently, RERA has announced a new update to the Rental Index Calculator that affects the landlords' ability to request a rent re-evaluation from the authority. Previously, landlords had the option to request a property or rent re-evaluation from RERA if they believed their property warranted a higher rental rate than indicated by the Rental Index. However, starting April 1st, 2024, landlords will need a court order or judgement to request a rent re-evaluation from RERA. According to the authority, this means that the landlords will have to go through the RDC and apply for a case to obtain the legal order. This step is part of the efforts made by RERA to update the Rental Index to prevent arbitrary rent increases and to ensure that any adjustments made to the rental value are in line with current market conditions and trends as indicated by the authority.

Following this change, we anticipate seeing a decrease in the frequency of arbitrary and potentially unwarranted rent increases, thereby protecting tenants from sudden rental hikes, and providing landlords with a clear framework that ties rental valuations to legally supported decisions, therefore promoting transparency. Overall, this proactive approach helps to ensure that Dubai remains a leading destination for global real estate investment and a model for urban development worldwide. The ongoing improvements in regulatory practices not only strengthen the market's environment but also contribute significantly to the overall economic prosperity of the region, reinforcing Dubai's position as a pioneering and resilient real estate hub.



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.