

Property Review

# UAE Real Estate Report

Q2 2024



استيکو  
zsteco



# Content

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Al Tamimi & Co.





ABU DHABI





# Market Overview

## Supply\*

During Q2 2024, approximately 2,400 residential units were delivered across Abu Dhabi, notably in Noya on Yas Island, Jubail Island, Masdar City, Al Raha Beach and other areas. A significant addition was the Al Mizn Neighborhood Baniyas North, an Emirati Housing development providing 1,365 units.

Key residential launches during this period included:

- Elie Saab Waterfront on Reem Island (174 units)
- Bloom Living Olvera in Zayed City (288 units)
- Bada Al Jubail on Jubail Island (109 units)

In addition, Al Fahid Island announced an updated master plan, revealing plans for approximately 7,000 units.

Several residential and mixed-use projects are currently in the planning stages, with anticipated public launches scheduled throughout 2024, further expanding Abu Dhabi's real estate offerings.

## Rental Rates

The Abu Dhabi rental market continued to record strong activity, particularly in upscale apartment and villa locations. Average apartment rents saw modest quarterly and annual increases of 1% and 2%, respectively. However, select developments/areas registered more substantial growth, with quarterly increases nearing 5% and annual growth reaching up to 10%.

Villa rents maintained a steady performance, reflecting a 5% increase over the past 12 months. Prime and high-end residential developments in Abu Dhabi's Investment Areas, particularly waterfront communities such as Al Raha Beach, Saadiyat, Yas and Reem Islands, remained in high demand. Landlords in these areas enjoyed healthy occupancy rates, with some properties even having waiting lists.

Mid-tier properties, especially those in the CBD and Corniche areas, also recorded slight rental increases. Comparable mid-end properties in prime investment areas like Reem and Yas Islands experienced annual growth of over 5%. Properties at the lower end of the market exhibited stability, primarily due to landlords offering attractive lease terms to entice tenants. However, the emphasis on quality remained a driving force, contributing to overall modest rental growth. Older properties lacking modern amenities may face slight downward adjustments in rental rates.

Business confidence in Abu Dhabi surged over the past two years, resulting in a steady influx of private and corporate investments. This fueled demand for high-quality office spaces, leading to significant annual rental growth. Grade A offices in prime locations, including Abu Dhabi Global Market (ADGM) and Masdar City, experienced a substantial (circa 10%) increase compared to the previous year, with robust quarterly growth ranging between 3% and 8%, particularly with regard to new contracts.

The short to medium-term outlook suggests a continued scarcity of premium office spaces in Abu Dhabi, potentially driving prices higher and creating barriers for new office and business establishments. However, upcoming developments nearing completion are expected to alleviate some of these challenges and meet the growing demand for office space.

## Sales Prices

In Q2 2024, the Abu Dhabi real estate market recorded 2,135 transactions, with off-plan sales accounting for 57% (1,200 transactions). Apartments dominated both off-plan and ready sales, comprising 85% and 75% of their respective segments, and experienced a 6.8% quarterly increase.

Ready property transactions showed healthy growth at 2.8% quarterly and 33.1% annually, reaching 930 transactions in Q2 2024. Off-plan transactions, however, declined by 23.4% annually due to fewer project launches compared to the previous year.

Apartment sales prices continued their upward trend with average quarterly and annual growth rates of 4% and 5%, respectively. In particular, good to superior quality properties with comprehensive facilities in Al Raha Beach, Saadiyat and Yas Islands saw heightened demand and above-average increases of around 10% annually. Villas and townhouses in prime locations also registered price appreciation.

The construction sector's strong growth, evident in the active off-plan market, is expected to continue if major developers maintain their commitment to high-quality projects. This not only benefits the local market but also attracts sustained interest from global investors.

Abu Dhabi's real estate market demonstrates promising potential for continued growth in 2024, supported by proactive government initiatives and strong economic fundamentals. This positive outlook anticipates the Emirate becoming an increasingly attractive hub for businesses and investments, further bolstering its economic landscape.



\* 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 2024	Completed in Q2 2024	Projected END OF 2024
 <b>APARTMENTS</b> No. of units	<b>800</b>	<b>950</b>	<b>2,850</b>
 <b>VILLAS</b> No. of units	<b>50</b>	<b>1,450</b>	<b>1,000</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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
PRIME PROPERTIES											
ABU DHABI ISLAND		60	65	65	125	107	167	145	216	0%	3%
INVESTMENT AREA*		60	93	85	205	135	290	180	400	1%	9%
HIGH-END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	60	90	77	145	105	215	0%	3%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	145	0%	1%
	CORNICHE	45	55	60	75	80	120	120	155	0%	0%
INVESTMENT AREA	AL RAHA BEACH	55	60	65	90	105	140	145	210	2%	4%
	MARINA SQUARE	45	50	55	75	75	120	110	160	2%	3%
	SAADIYAT BEACH RESIDENCES	-	-	70	83	110	135	140	175	0%	0%
	SHAMS ABU DHABI	45	58	50	80	80	125	110	165	1%	3%
	YAS ISLAND	45	55	70	80	105	135	175	195	2%	7%
MID-END PROPERTIES											
ABU DHABI ISLAND		40	55	50	75	60	120	90	165	1%	6%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	80	105	140	150	0%	0%
	NAJMAT & TAMOUH	35	45	45	65	70	90	95	135	0%	1%
	SAADIYAT ISLAND	40	47	55	65	80	110	110	140	2%	6%
	SHAMS ABU DHABI	40	45	45	65	65	100	100	135	1%	2%
	YAS ISLAND	43	47	50	60	75	90	115	130	2%	4%
OFF ISLAND	KHALIFA CITY & MBZ CITY	25	40	45	70	60	115	120	135	1%	2%
LOW-END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	30	45	50	65	65	80	0%	-1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	100	0%	2%
	CORNICHE	30	35	40	50	55	60	68	80	0%	0%
INVESTMENT AREA	AL REEF	35	38	45	55	60	70	80	90	2%	2%
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 2024 - Q2 2024	Q2 2023 - Q2 2024
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	170	155	190	175	250	0%	0%
	AL NAHYAN CAMP / AL MUROOR	-	-	145	160	160	170	170	180	0%	3%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	150	180	185	230	0%	4%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	220	250	275	290	330	0%	7%
	AL REEF	75	90	95	110	130	145	150	160	3%	3%
	HIDD AL SAADIYAT	-	-	-	-	400	520	450	725	0%	4%
	HYDRA VILLAGE	55	60	65	70	-	-	-	-	6%	6%
	LULUAT AL RAHA	-	-	-	-	290	310	350	370	0%	1%
	SAADIYAT BEACH VILLAS	-	-	300	330	370	430	450	690	1%	1%
	WESTYAS	-	-	-	-	260	300	300	350	0%	3%
	YAS ACRES	180	200	200	260	265	340	320	410	0%	3%
OFF ISLAND	AL RAHA GARDENS	-	-	140	165	150	195	205	240	1%	1%
	GOLF GARDENS	-	-	190	210	220	270	270	380	3%	3%
	KHALIFA CITY	-	-	110	120	125	155	130	190	2%	10%
	MBZ CITY	-	-	105	115	110	130	125	160	1%	1%



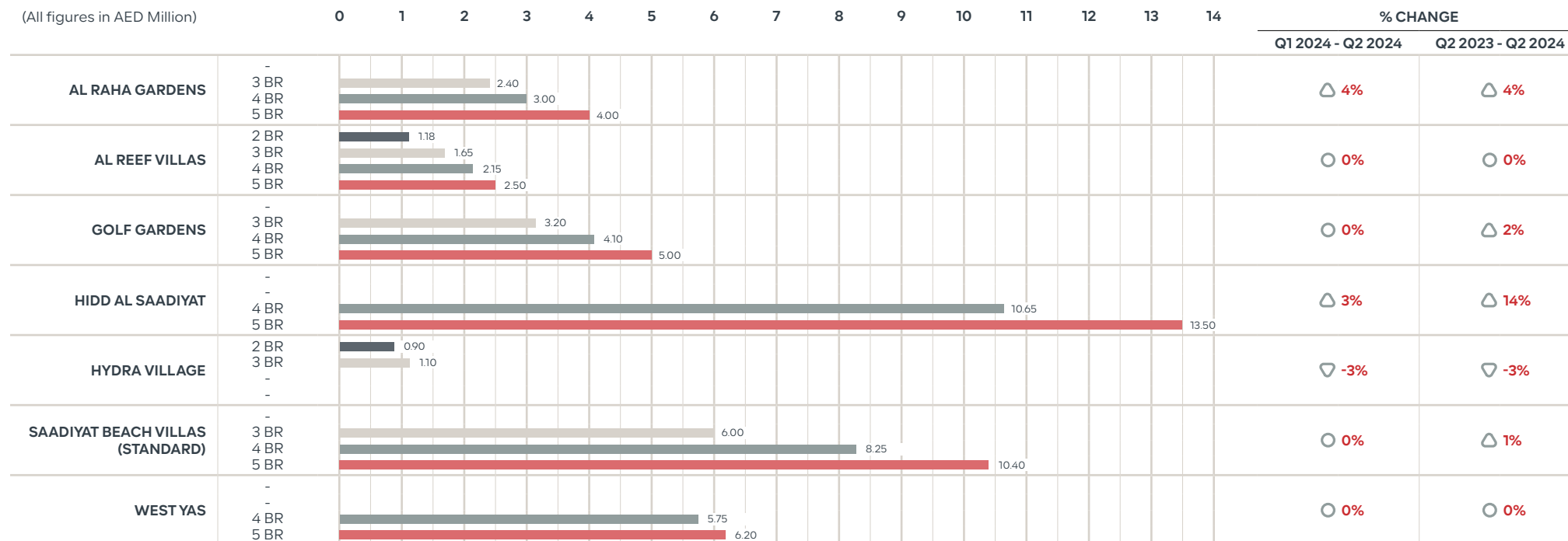




Abu Dhabi

# Villa Sales Prices

(All figures in AED Million)



% Change

0%

Q-o-Q  
Since Q1 2024

3%

Y-o-Y  
Since Q2 2023

5%\*

Since Peak  
Q4 2015

27%\*

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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
PRIME STOCK				
FITTED*	1,550	2,800	6%	10%
QUALITY STOCK				
FITTED	975	1,300	3%	8%
SHELL AND CORE	800	950	3%	8%
OLDER STOCK				
GOOD	675	850	4%	8%
TYPICAL BUILDING	550	650	0%	2%
LOW QUALITY BUILDING	425	500	0%	5%



\* 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





DUBAI



# Dubai Market Overview

## Supply\*

The pace of new supply delivery decelerated over the quarter compared to Q1 2024, with approximately 6,750 residential units completed. Despite developer efforts to finish projects on or ahead of schedule, progress is frequently constrained by supply chain disruptions, particularly in materials and labour. Nonetheless, several Tier-1 and Tier-2 developers have earned reputations for consistent and timely project delivery, facilitated by their finely tuned development programmes and longstanding supply contracts that allow them to meet their obligations on time.

Project launches, however, continued at a robust pace, encompassing a wide array of developments from single low-rise buildings and skyscrapers to expansive master-planned communities.

Emaar unveiled the Heights Country Club and Wellness, an 81 million sqft community designed to foster an environment of health and well-being. No further details had been announced at the time of drafting the report.

Aldar, following the sell-out success of the first two phases of Haven (786 villas and townhouses), expanded its presence in Dubai with the successful launch of Athlon, an 'active living' community featuring 1,492 townhouses and villas. Additionally, they launched Verdes by Haven, their first apartment offering, which includes 1,050 one-, two- and three-bedroom units.

Complementing these developments, the government continues to announce significant investments in social and physical infrastructure in alignment with the Dubai 2040 Urban Master Plan. Notable projects include the expansion of Al Maktoum International Airport, the Dubai Metro Blue Line, the Dubai Mall expansion, the Jebel Ali Beach Development Project and the Dubai Green Spine project.

Looking ahead, we anticipate the delivery of an additional 25,000 residential units in the second half of 2024, though some may be delayed until 2025.

## Rental Rates

Apartment and villa rental rates recorded a moderate rise from Q1 2024, with quarterly increases of 3% and 2%, respectively. This uptick is primarily attributed to the revised RERA rental index, which permits landlords to implement larger rent increases upon lease renewal. Consequently, tenants who are unwilling or unable to accept these higher rates may be compelled to seek alternative accommodation.

Annual rental growth moderated to single digits, with apartments seeing an 8% increase and villas 4%, reinforcing Asteco's view of growing moderation in rental rate appreciation. Luxury and niche developments aside, the upper end of the market experienced a slowdown in rental growth. In contrast, the pursuit of affordability has driven more pronounced rental increases and activity in the lower and mid-end segments. This trend benefited affordable communities within Dubai, such as Emaar South, Damac Hills 2 and Town Square, as well as the Northern Emirates, which offer lower rents and attract tenants with their growing supply of quality developments, improved infrastructure and enhanced accessibility. The flexibility of hybrid working arrangements has further facilitated this migration.

Established communities, such as Green Community, Cedre Villas and Victory Heights, saw limited rental change, primarily due to low tenant turnover and an increasing number of owner-occupied units.

The office rental market continued to thrive, particularly for Grade A space, driven by robust demand and limited supply. The upward pressure on rents is expected to persist until new supply enters the market or business conditions change.

Whilst Dubai's strong economy and attractive lifestyle continue to draw expatriates, the rising cost of living presents a challenge. Although the government actively seeks to attract foreign investment and talent, ensuring affordability is crucial for transforming short-term residents into long-term community contributors.

## Sales Prices

The sales market in Dubai remained buoyant, driven by ongoing project launches that fuel off-plan transactional activity. Whilst Q2 2024 recorded a steady 2% growth in average sales prices, several areas, including Jumeirah Village and Business Bay, experienced above-average sales price growth. In addition to the general increase in demand, this can be attributed in part to a significant rise in both off-plan launches and newly completed developments. These new projects often feature superior quality compared to earlier ones in these areas and are priced accordingly.

The off-plan property market continued to maintain remarkable momentum, with both local and international investors eagerly acquiring newly launched units, attracted by the promise of strong returns on investment in a tax-friendly environment. However, it is worth noting a rise in the number of developers offering sales incentives, such as lower down payments, flexible and/or extended payment plans and promotional gifts.

Additionally, some lenders started offering enhanced financing options for off-plan properties, allowing buyers to secure up to 10% additional financing during the construction phase, supplementing the standard mortgage amount due upon completion. This additional funding is typically available for projects with at least 50% construction progress, ensuring a degree of risk mitigation for the lender. This move not only stimulates the off-plan market but also broadens accessibility to potential buyers.

For instance, consider a property with a 60/40 payment plan:

PAYMENT STAGE	TRADITIONAL OPTION	NEW OPTION
DURING CONSTRUCTION	60%	50%
BANK CONTRIBUTION	n/a	10%
ON HANDOVER	40%	40%

These incentives often foreshadow a potential market shift on the horizon. However, Asteco anticipates that any natural progression through the real estate cycle will be less pronounced than those witnessed in Dubai's past. The market's underlying fundamentals remain strong, supported by high levels of equity in the real estate market, continued economic growth, infrastructure development and a growing population.

\* 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 Supply

	Completed in Q1 2024	Completed in Q2 2024	Projected END OF 2024
 <b>APARTMENTS</b> No. of units	<b>7,300</b>	<b>5,600</b>	<b>20,000</b>
 <b>VILLAS</b> No. of units	<b>2,750</b>	<b>1,175</b>	<b>5,000</b>
 <b>OFFICES</b> Million sq.ft.	<b>0</b>	<b>0.37</b>	<b>0.35</b>



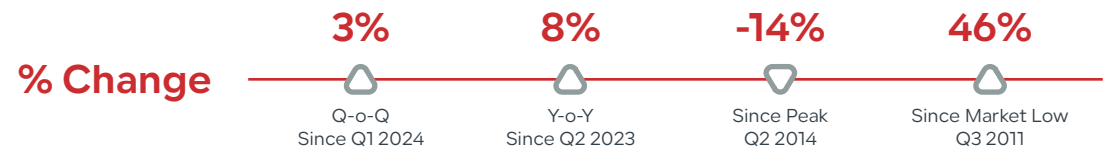


Dubai

# 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 2024 - Q2 2024	Q2 2023 - Q2 2024
HIGH- TO LUXURY-END										
DIFC	70	100	90	160	140	260	200	300	5%	9%
DOWNTOWN DUBAI	57.5	95	75	180	110	270	160	400	4%	9%
PALM JUMEIRAH	75	130	110	240	140	330	200	450	1%	10%
SHEIKH ZAYED ROAD	55	70	60	140	80	160	100	220	-4%	-7%
MID- TO HIGH-END										
BUSINESS BAY	45	100	60	140	90	200	140	240	8%	10%
DUBAI MARINA	50	110	60	150	85	230	130	300	-1%	2%
JUMEIRAH BEACH RESIDENCE	70	100	85	160	100	180	145	250	1%	2%
JUMEIRAH LAKES TOWERS	40	75	55	140	80	180	120	200	4%	10%
THE GREENS & THE VIEWS	45	70	60	120	100	170	140	200	0%	0%
AFFORDABLE										
DEIRA	20	55	37.5	80	60	120	85	150	3%	6%
DISCOVERY GARDENS	35	50	50	75	70	90	-	-	2%	6%
DUBAI SPORTS CITY	30	55	40	80	60	100	85	125	2%	4%
INTERNATIONAL CITY	20	45	35	60	45	80	55	95	1%	4%
JUMEIRAH VILLAGE	30	75	40	105	70	150	90	200	7%	18%





Dubai

# Apartment Sales Prices

(All figures in AED per sq.ft.)

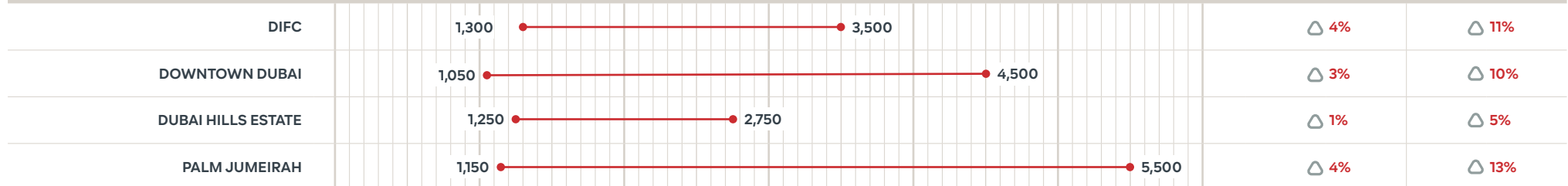
0 1,000 2,000 3,000 4,000 5,000 6,000

% CHANGE

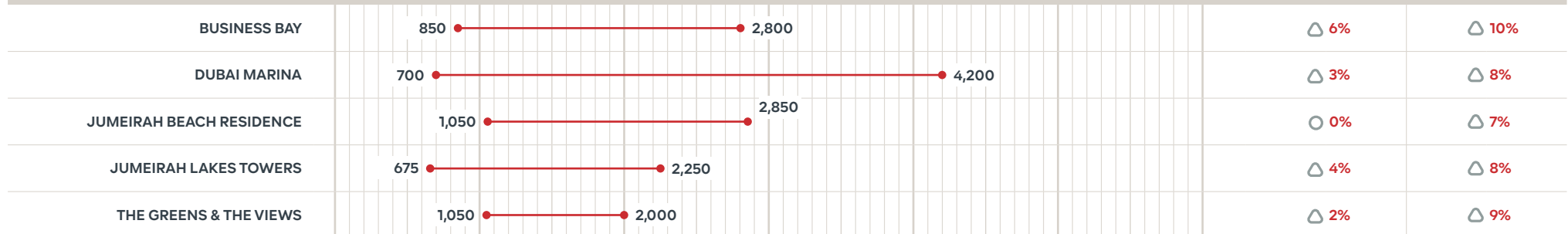
Q1 2024 - Q2 2024

Q2 2023 - Q2 2024

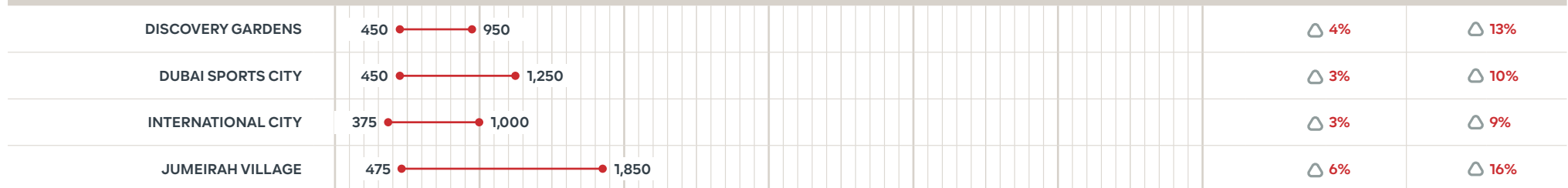
## HIGH- TO LUXURY-END



## MID- TO HIGH-END



## AFFORDABLE



% Change

2%

5%

1%

83%

Q-o-Q  
Since Q1 2024

Y-o-Y  
Since Q2 2023

Since Peak  
Q2 2014

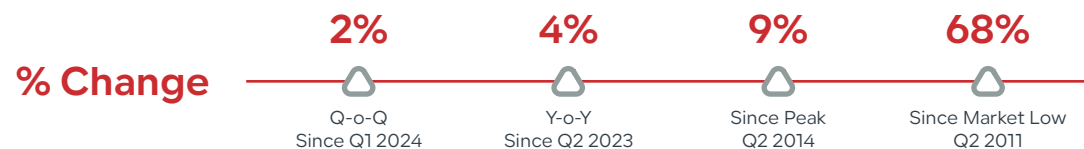
Since Market Low  
Q3 2011



# 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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
ARABIAN RANCHES	140	210	170	340	230	450	350	500	1%	0%
DAMAC HILLS 2 (AKOYA OXYGEN)	70	100	55	130	70	140	110	160	6%	11%
DUBAI HILLS ESTATE	-	-	200	400	250	500	300	600	6%	8%
JUMEIRAH / UMM SUQEIM	-	-	160	360	200	425	250	600	4%	4%
JUMEIRAH PARK	-	-	250	400	275	500	400	550	0%	0%
JUMEIRAH VILLAGE	120	220	130	230	140	240	160	260	1%	3%
THE MEADOWS	-	-	275	400	335	500	350	700	3%	7%
MIRDIF	60	120	75	150	100	200	125	225	0%	-3%
PALM JUMEIRAH	-	-	325	750	400	950	700	1,350	1%	1%
THE SPRINGS	100	200	170	280	-	-	-	-	3%	3%
THE LAKES	-	-	240	400	300	450	350	550	0%	4%
TOWN SQUARE	-	-	110	160	150	185	-	-	3%	0%

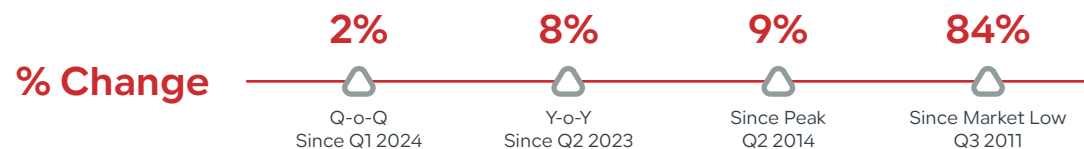
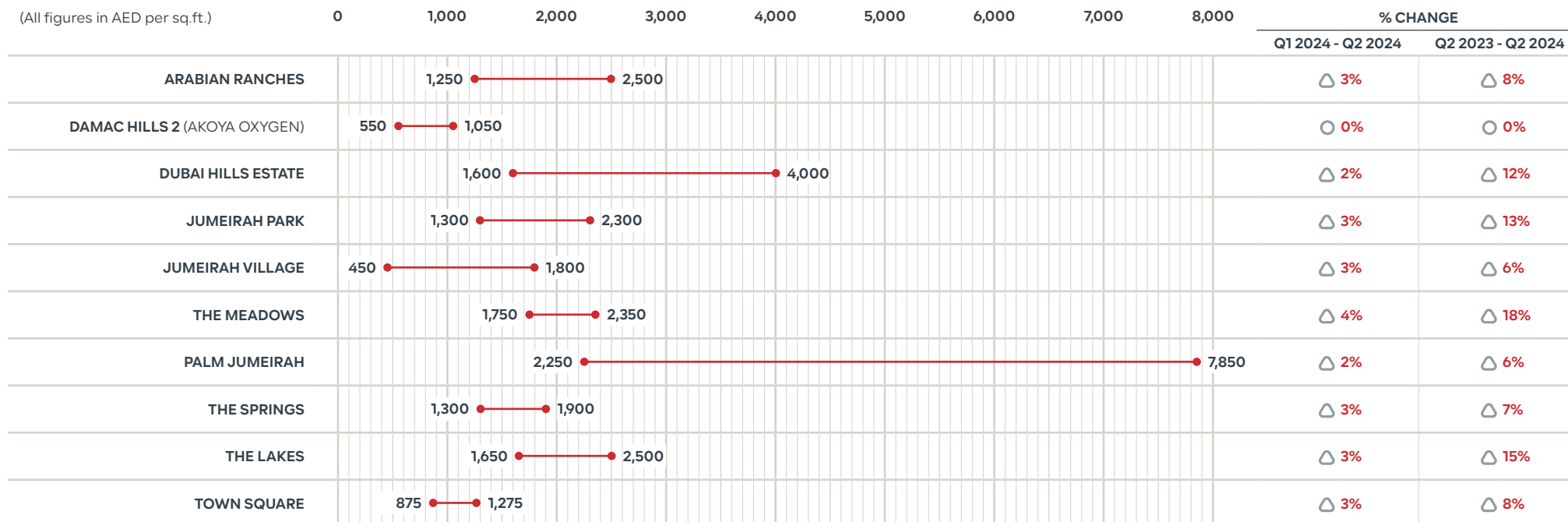






# Dubai Villa Sales Prices

(All figures in AED per sq.ft.)



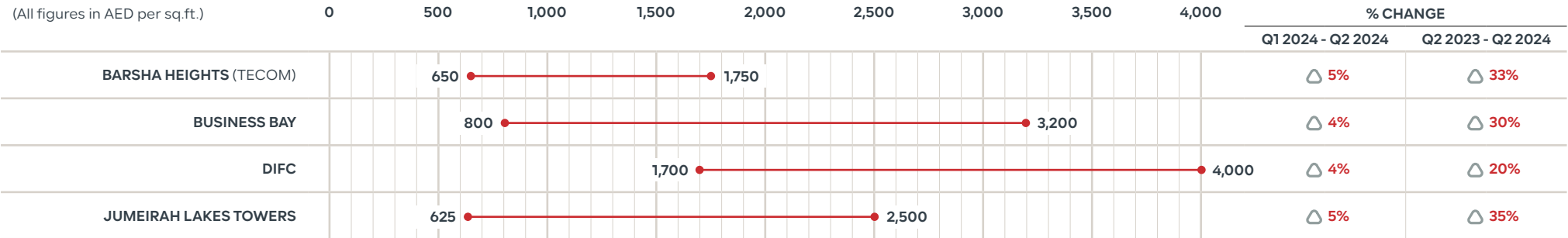
# Dubai Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
BARSHA HEIGHTS (TECOM)	70	150	6%	41%
BUR DUBAI	60	140	0%	14%
BUSINESS BAY	75	225	5%	40%
DIFC	140	360	4%	21%
JUMEIRAH LAKES TOWERS	65	165	11%	50%
SHEIKH ZAYED ROAD	85	240	12%	33%



# Dubai Office Sales Prices

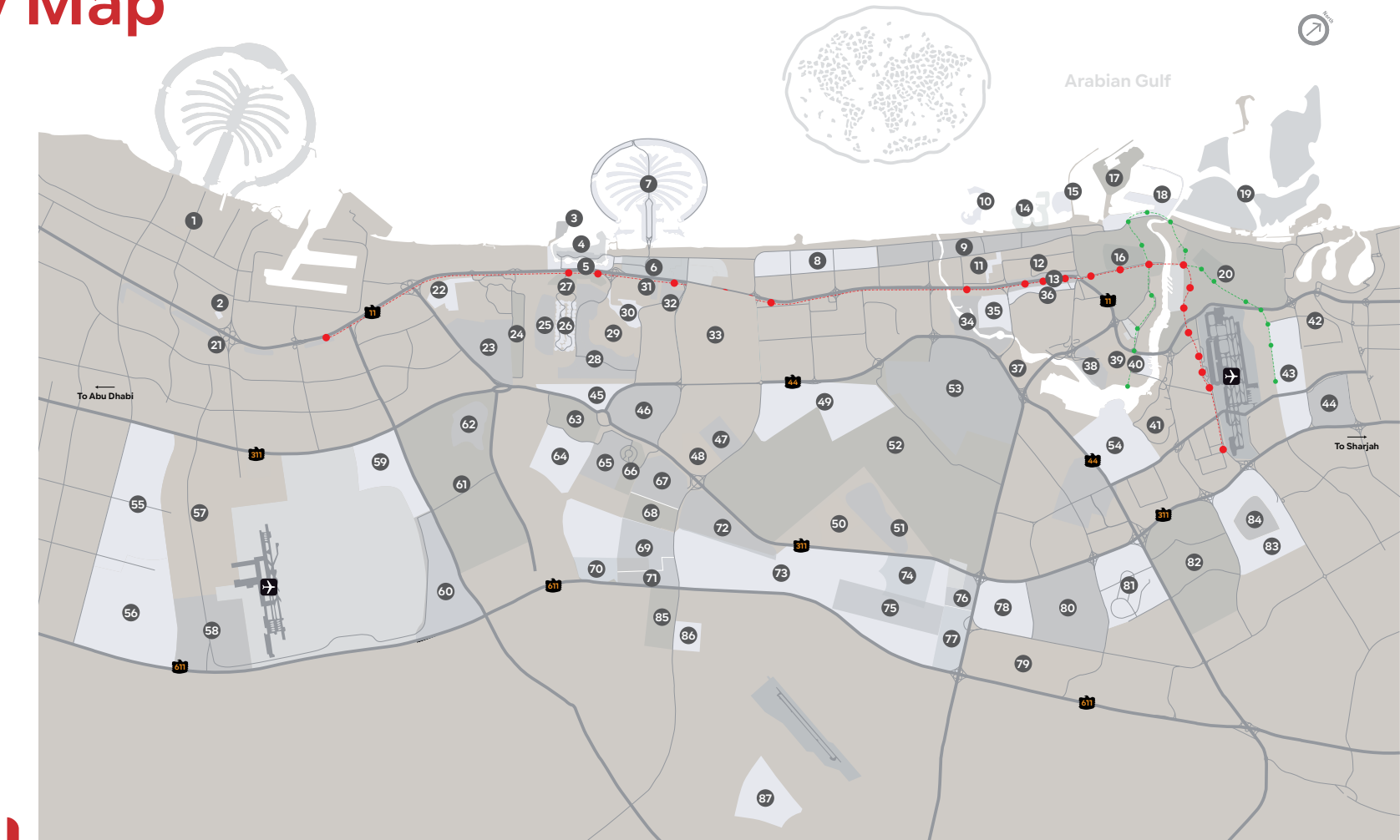




# Dubai

## 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 |
| 43 Al Qusais                 | 50 Living Legends                      | 57 Logistics District    | 65 Victory Heights              | 72 Arabian Ranches        | 79 Dubai Academic City            | 85 Town Square   |
| 44 Muhaisnah                 | 51 Al Barari                           | 58 Aviation District     | 66 Dubai Sports City            | 73 Dubailand              | 80 International City Phase 2 & 3 | 86 Mira          |
| 45 Jumeirah Village Triangle | 52 Mohammed Bin Rashid City (MBR City) | 59 Expo 2020             | 67 Motor City                   | 74 Falcon City of Wonders | 81 International City             | 87 Damac Hills 2 |
| 46 Jumeirah Village Circle   | 53 Meydan                              | 60 Residential District  | 68 Dubai Studio City            | 75 The Villa              | 82 Al Warqaa                      |                  |
| 47 Dubai Science Park        | 54 Dubai Creek Harbour                 | 61 Dubai Investment Park | 69 Damac Hills                  | 76 Liwan                  |                                   |                  |
|                              |  | 62 Green Community       |                                 |                           |                                   |                  |

NORTHERN  
EMIRATES



# Northern Emirates

## Market Overview

In correlation with rising rental rates in Dubai, and mirroring previous cycles, Asteco noted an increase in tenant migration from Dubai to the Northern Emirates (Sharjah, Ras Al Khaimah (RAK), and Ajman). This trend is driven by lower rental rates, improving standards of development, enhanced physical and social infrastructure, and the adoption of more flexible and hybrid working arrangements.

Asteco observed greater rental growth for 'typical' apartments compared to high-end properties across the Northern Emirates. This suggests a growing preference for more affordable options, despite this new influx of tenants, potentially due to high-end properties reaching a price ceiling where tenants are resistant to further increases.

The sales market maintained a high level of activity over Q2 2024, with a steady flow of project launches.

Key project launches and development updates included:

### Ras Al Khaimah

- RAK Properties unveiled Raha Island, a new island development situated within Mina Al Arab and connected by a dedicated water transit system. The project will comprise high-end hotels, branded residences, marinas, beach clubs, a 2.5 kilometre public beachfront and a variety of retail and leisure facilities.
- Al Hamra announced the launch of Al Hamra Waterfront, a waterfront residential project located in Al Hamra Village comprising 622 apartments to be constructed across five 18-floor buildings and 19 townhouses. The project includes a promenade, coworking space, entertainment room, swimming pools, jogging track, padel tennis courts, gym, parks, kids play area, BBQ area, a pet park and grooming area.
- AARK Developers unveiled Sora Beach Residences on Al Marjan Island, an 18-storey development with a built-up area measuring 1.8 million sqft. Residents will have access to over 50 world-class amenities, including a private beach club, gourmet dining options, an infinity sky bar and pool.
- Almal Real Estate Development launched The Unexpected Al Marjan Island Hotel & Residences, comprising 422 hotel and residential units set for completion in H2 2026.

### Sharjah

- Alef Group announced the launch of Nama 2, located within Nama in Al Mamsha Raseel Sharjah (Zone 3). The Nama cluster consists of 1,029 units spread across 6 buildings, with Nama 2 featuring 174 one-, two- and three-bedroom apartments.

### Fujairah

- The introduction of direct flights between Fujairah International Airport and Cairo is expected to boost the Fujairah real estate sector. Increased accessibility and the anticipated rise in tourism and business activities will likely drive demand for various property types, including short-term rentals, hotels, serviced apartments, office spaces, and commercial properties. This heightened interest is expected to attract real estate investment, potentially leading to further development and economic diversification in the Emirate.

The Northern Emirates' real estate market is poised for sustained growth and ongoing development, supported by strategic planning, attractive affordability and increased investments. This combination of factors creates a robust foundation for the region's continued progress.







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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
SHARJAH	TYPICAL	12	18	14	32	18	45	25	65	8%	14%
	HIGH-END	17	40	22	55	25	75	35	95	5%	22%
AJMAN	TYPICAL	12	18	15	20	18	26	25	35	9%	13%
	HIGH-END	16	20	21	28	28	42	40	52	7%	14%
UMM AL QUWAIN		12	22	17	25	19	30	30	40	5%	8%
RAS AL KHAIMAH	TYPICAL	12	20	16	28	20	42	34	56	7%	17%
	HIGH-END	22	34	30	50	45	75	80	120	6%	22%
FUJAIRAH	TYPICAL	16	21	20	27	25	35	30	48	6%	8%
	HIGH-END	22	32	35	40	36	55	55	70	2%	5%



% Change

7%

Q-o-Q  
Since Q1 2024

14%

Y-o-Y  
Since Q2 2023

-24%

Since Peak  
Q1 2015

5%

Since Market Low  
Q4 2012





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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
AL MAJAZ	17	30	22	40	25	60	35	80	6%	15%
AL QASIMIA	13	20	16	32	20	40	35	65	7%	14%
AL NAHDA	18	28	20	40	25	50	50	70	9%	17%
AL KHAN / AL MAMZAR	19	26	22	45	28	60	45	80	6%	15%
ABU SHAGARA	13	24	17	32	22	42	30	50	5%	13%
AL BUTINA	10	14	15	25	18	32	25	40	3%	9%
AL YARMOOK	13	16	15	20	20	25	27	40	5%	9%
ROLLA	10	15	14	25	22	29	28	35	1%	6%

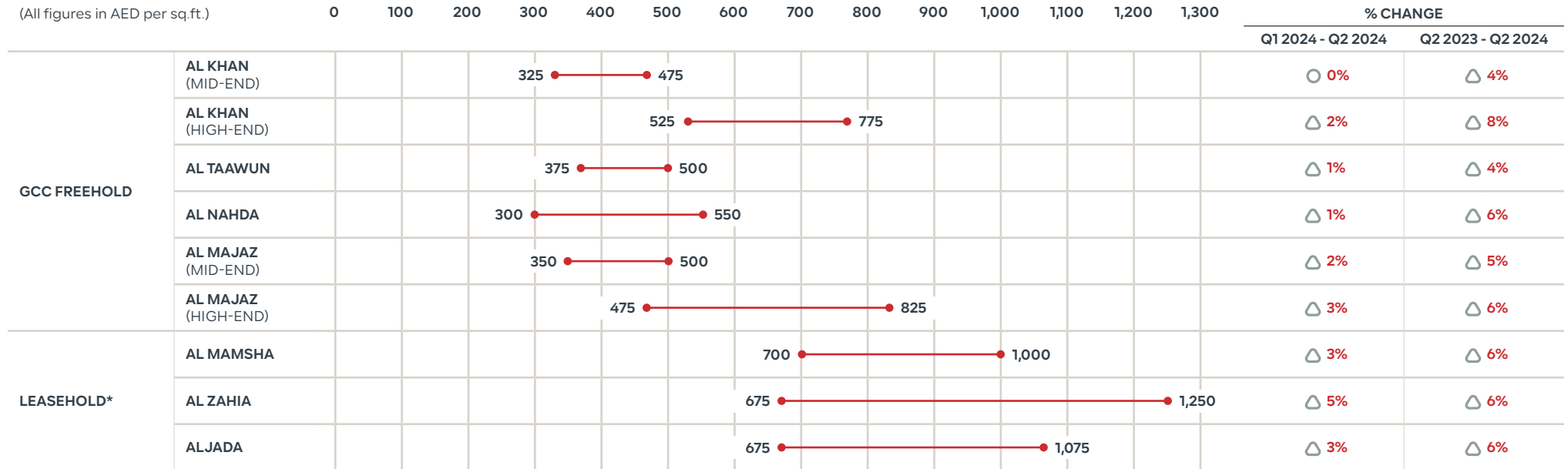




Sharjah

# Apartment Sales Prices

(All figures in AED per sq.ft.)

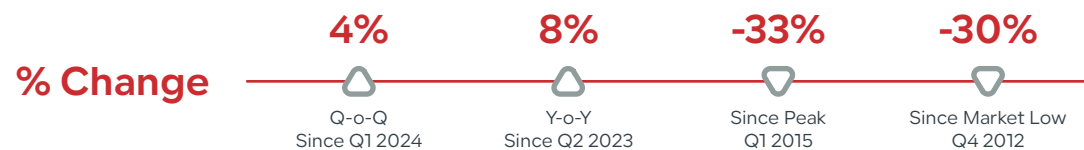


\* Leasehold ownership (up to 100 years) for all nationalities.

# Sharjah Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
AL TAAWUN ROAD	30	60	3%	5%
CORNICHE AREA	30	55	5%	8%
AL WAHDA	27	38	3%	8%
AL QASIMIA	23	36	5%	9%
CLOCK R/A	25	35	3%	6%
AL YARMOOK	25	35	4%	8%
INDUSTRIAL AREA	25	40	4%	12%





Ras Al Khaimah

# Apartment Sales Prices ↗

(All figures in AED per sq.ft.)

0 100 200 300 400 500 600 700 800 900 1,000 1,100 1,200 1,300 1,400 1,500

% CHANGE

Q1 2024 - Q2 2024 Q2 2023 - Q2 2024

AL HAMRA VILLAGE

375 800

△ 6% △ 21%

AL MARJAN ISLAND

450 950

△ 4% △ 17%

MINA AL ARAB

(TYPICAL)

475 750

△ 2% △ 12%

(HIGH-END)

850 1,500

△ 3% △ 11%



% Change

4%



Q-o-Q  
Since Q1 2024

16%

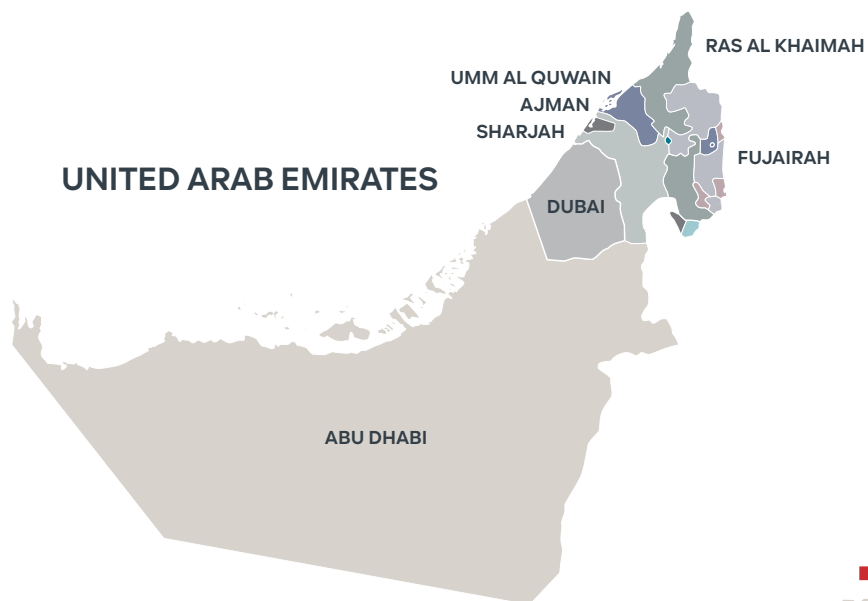


Y-o-Y  
Since Q2 2023



## Northern Emirates

# Property Map



UNITED ARAB EMIRATES

ABU DHABI

DUBAI

UMM AL QUWAIN  
AJMAN  
SHARJAH

RAS AL KHAIMAH

FUJAIRAH

## 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

Al Ain's residential rental market maintained its positive momentum throughout the most recent quarter. Apartment rental rates remained stable both quarterly and annually, especially for well-maintained properties. Similarly, villa prices held steady compared to the previous quarter, with a 2% year-on-year increase.

However, expected adjustments to housing allowances by certain government entities are likely to impact the higher end of the rental market in specific communities. Whilst demand is not anticipated to decrease significantly, landlords may need to adopt a more flexible approach to rent negotiations, potentially leading to a moderation of rental yields.

Regarding new supply, the second quarter recorded no major project completions or handovers in Al Ain. However, Arabian Hills Estate, a new residential development, was launched in the Al Faqa' area, north of Al Ain City near the Dubai border. This expansive project is planned to cover an estimated total area of 23 million sqm.

Al Ain's office market continued to record strong demand, particularly for premium accommodation, though this has yet to translate into any significant rental inflation. This consistent demand stabilised rental rates for existing office stock, resulting in modest annual increases of up to 2% in key districts, albeit no notable quarterly fluctuations in more peripheral areas.

Retail centres located near high-density residential areas also maintained stable headline rents, with no recent upward adjustments. This stability is likely to continue in the short to medium term due to the absence of upcoming projects. Meanwhile, street retail outlets, particularly those in the food and beverage sector, continued to thrive with consistent foot traffic and growing demand.





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	Q1 2024 - Q2 2024	Q2 2023 - Q2 2024
MATURE BUILDINGS	21	26	31	35	42	48	1%	0%
NEW BUILDINGS	26	29	33	36	51	61	0%	-1%
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	Q1 2024 - Q2 2024	Q2 2023 - Q2 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 Muwajji, Al Manasir and Al Masoudi areas.

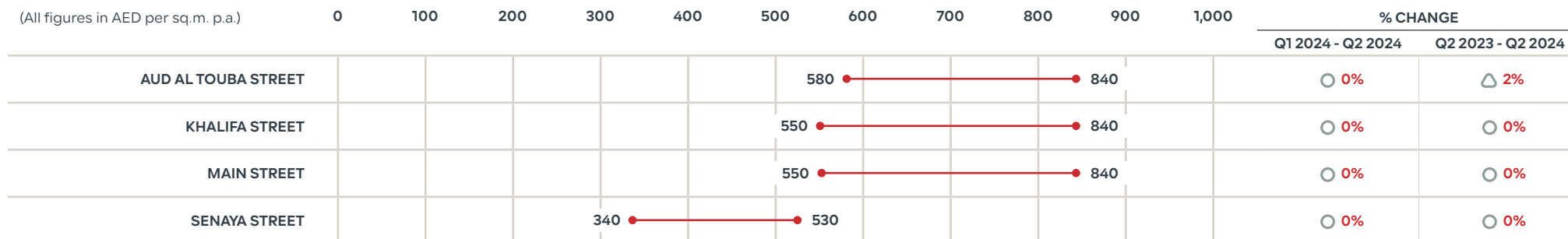




Al Ain

## Office Rental Rates

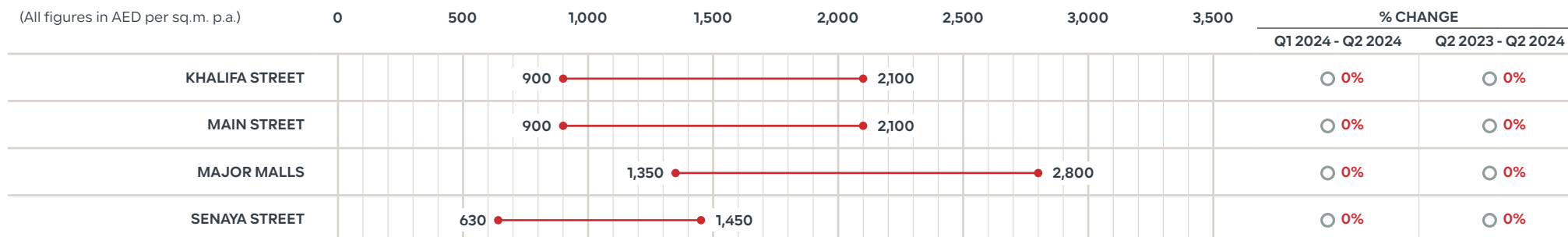
(All figures in AED per sq.m. p.a.)



Al Ain

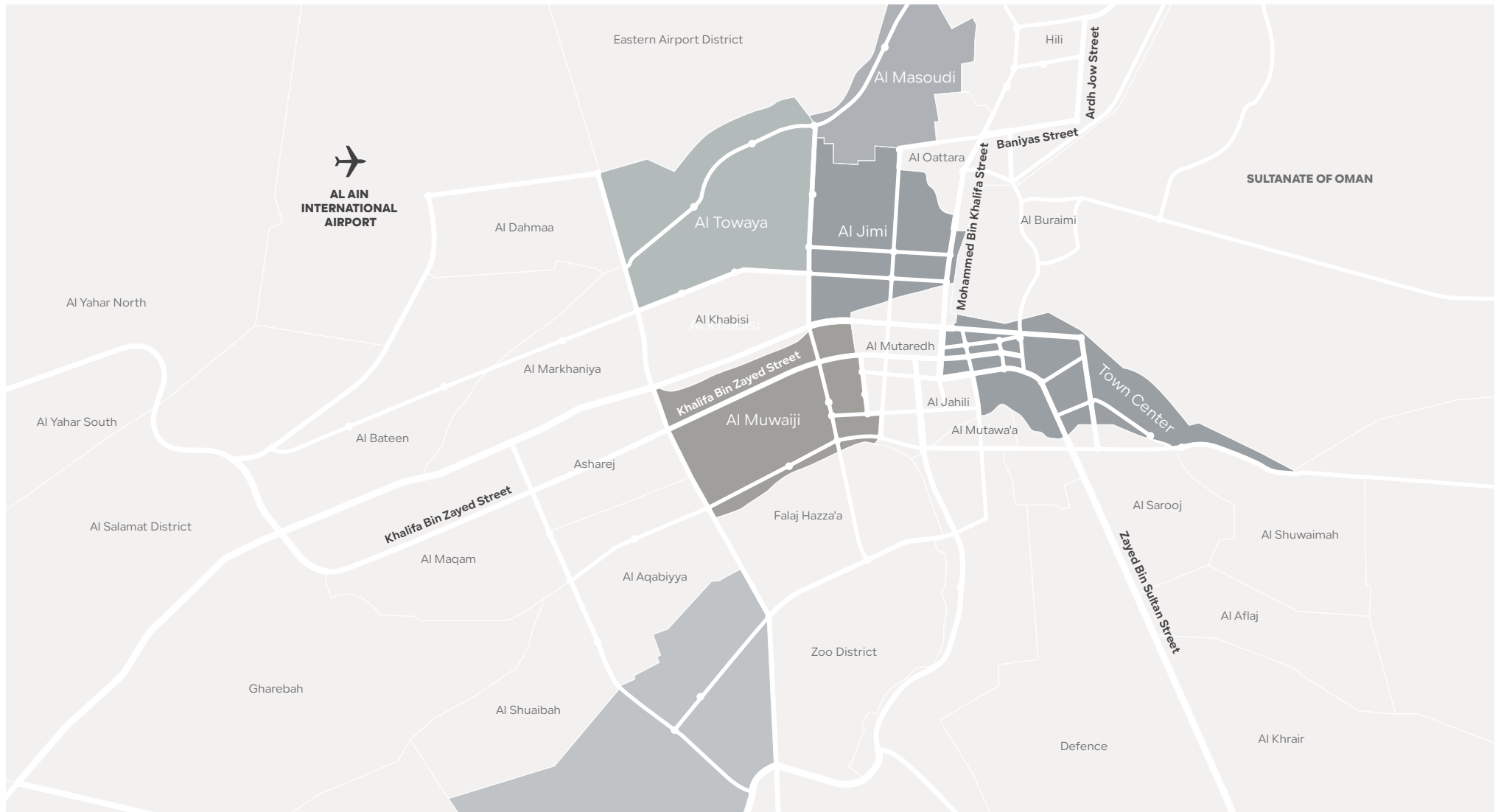
## Retail Rental Rates

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



Al Ain

# Property Map



The IMF has reaffirmed its global growth forecast for 2024 at 3.2%, fractionally slower than the 3.3% growth achieved last year. However, global growth remains uneven, with the US outperforming most Advanced Economies despite relatively high interest rates. Within Emerging Markets, India is expected to outperform China on growth this year, while Emerging Asia will see faster growth than Developing Europe, Latin America and Africa. Forecasts for the MENA region were revised lower both in 2024 and 2025 due to curbs on oil production as well as the impact of conflict in the wider region. The Fund is still relatively upbeat on non-oil growth in the GCC.

Economic activity in the UAE's non-oil sectors has remained strong in Q2 2024, according to the S&P Global purchasing managers' index. The headline PMI averaged 55.1 in the second quarter, well above the neutral 50-level and stronger than the global composite PMI last quarter. However, the survey data suggests that momentum has slowed slightly in the first half of the year, as the average PMI reading for Q2 was lower than in Q1, which in turn was lower than Q4 2023. Preliminary data for Abu Dhabi showed that non-oil GDP growth in Q1 2024 slowed to 4.7% y/y from 10.4% y/y in Q4 2023 and 6.1% y/y in Q1 2023.

Nevertheless, growth remains resilient in the context of high interest rates. The UAE remained the primary recipient of FDI inflows in 2023, with the value of inward FDI rising 35% last year to almost USD 31bn, according to data from UNCTAD, even as the value of global FDI flows declined.

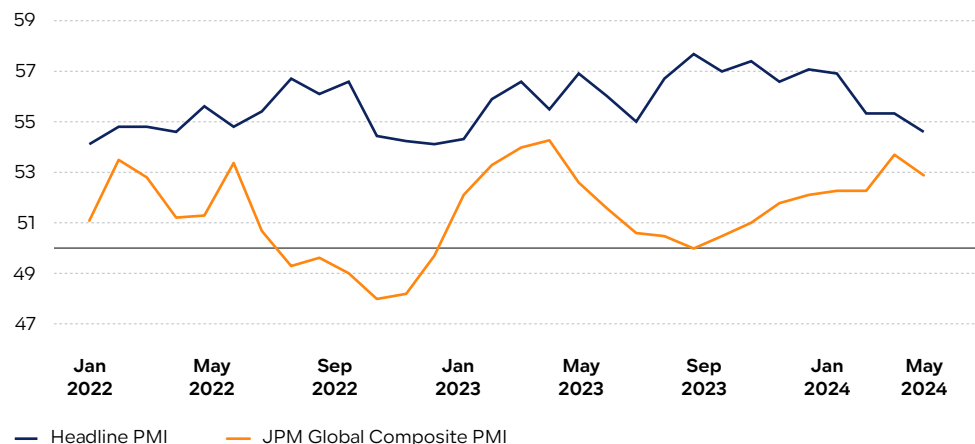
Emirates NBD expects non-oil sector growth to slow modestly to 5.0% in 2024, from 6.2% in 2023, as some of the tailwinds from the post-pandemic rebound fade and population growth moderates. Investment is expected to remain a key driver of domestic demand, particularly public sector investment in transport and other infrastructure. Private sector investment (both projects in execution and those in planning or budgeting phases) has also increased in the first half of 2024. There are approximately USD 86bn of private sector projects in execution, as at end-June, up from USD 64bn at the start of the year according to data from MEED projects. Most of these projects are in the construction sector.

The value of public sector projects in execution has also grown by almost USD 20bn in the first half of the year to USD 91bn at the end of June. The highest value public sector projects are in the oil and gas sector however, with around USD 20bn classified as construction.

Lower interest rates in the final quarter of 2024 and into 2025 should at the margin be supportive of both consumption and investment in the UAE, although the UAE's strong fiscal position means reliance on debt financing, for public sector projects at least, is low. We continue to expect 50bp of rate cuts from the Federal Reserve this year starting in September, followed by a further 100bp of easing in 2025.

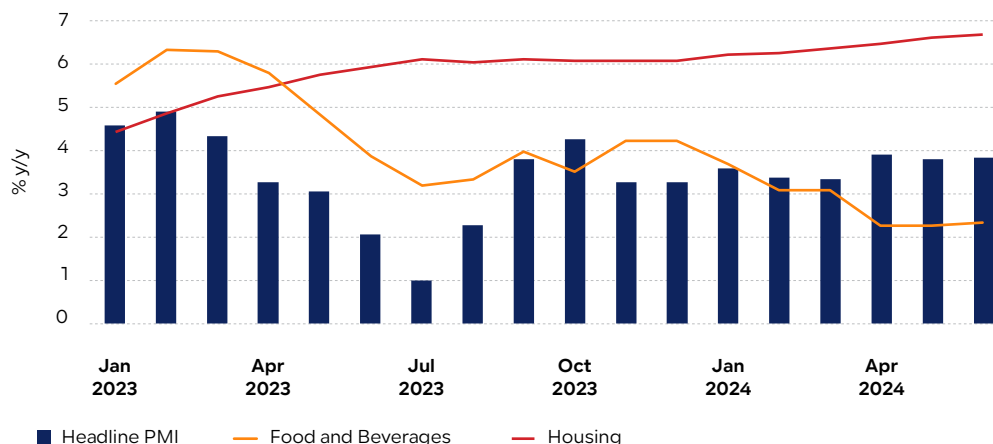
Inflation in Dubai accelerated in the second quarter, averaging 3.9% y/y in the three months to June, up from 3.4% in Q1 2024. Housing and utilities remain the main source of inflation in Dubai, averaging 6.6% y/y in Q2 2024. However, this was exacerbated by higher transport costs as petrol prices increased on a y/y basis in Q2. With housing costs likely to remain elevated over the near term, we have revised up our forecast for Dubai CPI to an average 3.5% in 2024 from 3.0% previously.

## UAE PMI remains higher than the global PMI



Source: S&P Global, Bloomberg, Emirates NBD Research

## Dubai inflation driven by housing costs



Source: Haver Analytics

## Can Foundations and Trust Structures own Real Property in Dubai?

The United Arab Emirates (UAE) real estate market has become a hotspot for investment opportunities, attracting global investors with its dynamic growth and lucrative prospects. As the market evolves, so does the legal framework. Foundations and trusts are emerging as options for real estate ownership, providing additional structuring possibilities. They function as vehicles for holding real property in Dubai and are often used in structuring family assets, real estate funds, and large investment companies.

*What is available and how would authorities approach those different solutions as ownership structures for Dubai real property?*

We share some key considerations below.

### Foundations

A foundation is a separate legal entity that can hold assets but cannot engage in commercial activities. It is created by a founder who transfers assets and sets objectives and governance in a charter and by-laws. The founder initiates but does not own the foundation. The foundation may have beneficiaries and can serve either charitable or non-charitable purposes. It is governed by a council and may have a guardian to oversee its operations.

Foundations that can hold real property in Dubai are available in the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM), each with its own regulations and requirements for establishment and operation. Therefore, seeking legal advice before selecting a jurisdiction is recommended.

A foundation is an attractive vehicle for owning real estate, as the details of the founder(s), council members, or the guardian remain

confidential. The founder's personal assets are shielded from claims against the foundation.

Interestingly, under UAE Corporate Tax Law No. 47 of 2022, which imposes a corporate tax rate of 0% up to AED 375,000 and 9% above that, certain foundations can receive favorable tax treatment. Family foundations with only family members as beneficiaries and that do not engage in commercial activities may be considered "tax transparent," potentially allowing them to benefit from a tax-free status.

DIFC or ADGM foundations offer several advantages, making them an excellent option for owning real estate in Dubai.

### Trusts

A trust is not a legal entity but rather a legal relationship involving a settlor, trustee, and beneficiary, where the trustee holds and controls assets for the beneficiary's benefit. Trusts can be established for family or philanthropic purposes and are available in the DIFC, ADGM, and some offshore jurisdictions. Key advantages include the confidentiality of the settlor and beneficiaries. However, trust arrangements are not recognized for direct legal ownership of assets in GCC legal systems, which could create challenges for holding real property in Dubai.

### ADGM SPVs and DIFC PCs

Finally, real estate property in Dubai can be held by an ADGM SPV or a DIFC Prescribed Company ("DIFC PC").

ADGM SPVs are entities formed for structuring purposes. They shouldn't conduct actual business operations, cannot have

employees, and can only be formed if the incorporating parties can prove a "nexus" to the UAE—economic substance and a link to the jurisdiction. They can be swiftly established and must use a registered address in the ADGM provided by an ADGM-licensed corporate service provider ("CSP"), which must also be appointed. The initial and annual license fee for an ADGM SPV is USD 1,900 per year.

Recognizing the need for a flexible and cost-efficient entity type for the business community and family enterprises, on July 15, 2024, the DIFC introduced a revamped Prescribed Company ("PC") regime under the amended PC Regulations 2024 ("PC Regulations"). Under these regulations, any party intending to hold title to or control one or more GCC registrable assets (i.e., assets or property interests that must be registered with a GCC authority to establish legal ownership, secure rights, or claims against it, and provide public notice, such as a share certificate, commercial license, or title deed) can form a PC.

Specifically, the PC can be formed to own real estate assets in Dubai, even before the party acquires that real estate. The DIFC grants a six-month grace period from the PC formation to present proof of acquisition. The PC can be formed promptly and must use a registered address in the DIFC provided by a DIFC-licensed CSP. A PC cannot conduct business operations or employ staff, and has an initial and annual license fee of USD 1,100.

### Holding Real Property via a Foundation, Trust or DIFC Company

The Dubai Land Department (DLD) has approved foundations for holding real property and

has signed an MoU with the DIFC, enabling DIFC-based entities, including foundations, to purchase and register properties with the DLD. This MoU streamlines land ownership registration and supports institutional investment in Dubai's real estate. Trusts, ADGM SPVs, and DIFC PCs can also hold property in Dubai. While foundations and trusts are unfamiliar to GCC legal systems, ADGM SPVs and DIFC PCs, with their standard corporate structures, are more readily understood by UAE authorities.

### Relevant Policies

In line with UAE law developments on transparency and disclosure, the Dubai Land Department (DLD) requires disclosure of ultimate beneficial owners (UBOs) before approving property acquisitions by entities like foundations, trusts, or companies. Foundations must disclose the founder's name and nationality, while trusts, which cannot directly hold real estate, may use a corporate structure to hold property indirectly. Additionally, any changes in the founders or beneficiaries of a foundation, trust arrangements, or the shareholding of ADGM Special Purpose Vehicles (SPVs) or DIFC Protected Cells (PCs) are treated as indirect changes in ownership, triggering DLD charges.

### Conclusion

Dubai's regulatory landscape continues to evolve. It is crucial for investors to consider the various solutions available, stay informed about the changes to the legal framework and seek professional advice. By leveraging the unique advantages offered by some of these solutions, investors can optimize their real estate investments and achieve their long-term goals, efficiently.



# 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.

**John Allen**  
BSc, MRICS

Chief Executive Officer -  
Valuation & Advisory  
+971 4 403 7777  
JohnA@Asteco.com

**James Joughin**  
BSc (Hons), MRICS

Executive 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)

Associate Director -  
Research & Advisory  
+971 4 403 7777  
JennyW@Asteco.com



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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.