

Property Review

Dubai Real Estate Report

Q1 2025

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40 years of helping
our clients succeed



Dubai Market Overview

Supply

In Q1 2025, Dubai recorded a surge in new residential supply, with approximately 12,200 units completed. The apartment segment dominated these deliveries, accounting for 9,450 handovers. The most active areas for completions included Jumeirah Village, Dubai Creek Harbour, MBR City, Town Square and Business Bay. Key areas for villa completions included The Valley, Nad Al Sheba, Arabian Ranches 3 and Tilal Al Ghaf.

Looking ahead, nearly 60,000 additional residential units are projected for completion by the end of 2025, with apartments comprising approximately 75% and villas 25% of new supply. The anticipated surge reflects parallel market trends: the delivery of new master communities such as Damac Lagoons, Azizi Venice and Dubai Islands (which already host 2 existing hotels); and the continued build-out of existing districts such as Jumeirah Village, Business Bay and Arjan.

New project launches also continued apace, capitalising on the strategic corridors of E311 (Sheikh Mohammed Bin Zayed Road) and E611 (Emirates Road). This trend reflects both the limited availability of land in established coastal and city centre locations, together with ongoing infrastructure investment aimed at activating inland areas. This approach is unlocking significant potential and a range of new real estate development opportunities beyond Dubai's traditional core districts.

For example, Aldar recently launched 'The Wilds', a premium master plan community located between Living Legends and Majan. The development will feature close to 1,700 properties and demonstrated a strong market uptake with its initial release of circa 700 villas selling out entirely.

New office supply also gained traction, highlighted by the commencement of pre-leasing at Wasl Tower. This high-profile mixed-use development situated on Sheikh Zayed Road accommodates approximately 140,000 sqft of office space, alongside residential and hospitality components. The project is slated for handover later this year.

Whilst rising construction costs and labour availability constraints present challenges for Dubai's ambitious development pipeline, they are also acting as a catalyst for innovation. In response to these conditions, the industry is actively exploring and adopting new technologies including efficient construction methods.

Rental Rates

The rental market is showing increasing stability, with recent quarterly growth for average apartment and villa rates moderating to 0% and 1%, respectively. Whilst this indicates a restraint from previous trends, year-on-year growth remains positive at 9% for apartments and 7% for villas, reflecting healthy underlying demand.

The overall picture reflects a diverse range of performances across different communities. Certain areas continued to see rental appreciation, often supported by limited new inventory or the introduction of higher-quality residential offerings. In contrast, other localities experienced market adjustments, influenced by the arrival of new supply and residents increasingly prioritising affordability in their housing choices.

The Smart Rental Index, introduced by the Dubai Land Department (DLD) in early 2025, is proving instrumental in promoting rental price stability and managing overall inflation in the Emirate. By effectively guiding rental adjustments, the index is playing a crucial role in promoting a more predictable cost of living. Whilst the index provides a framework allowing for rent adjustments upon lease renewal, potentially including larger increases subject to market conditions, transactional activity for premium rentals appears to be cooling, particularly for non-upgraded properties.

Recent data from the Dubai Land Department has also revealed a significant decrease in the volume of both new rental contracts and lease renewals (for apartments and villas), both compared to last quarter and the same period in 2024*. This adjustment in activity appears to be driven by several factors, including a rise in short-term leasing, moderated population growth, residents exploring relocation options in (the more affordable) Northern Emirates and a trend towards tenants transitioning into homeownership.

Looking ahead, Asteco anticipates further adjustments to the rental market dynamics. Despite supply constraints in established communities with limited new development, the market is actively expanding, marked by a significant influx of newly delivered residential units and a considerable future supply pipeline. This growing inventory is likely to foster a more balanced environment, potentially moderating rental increases and providing greater options for residents.

*The data used for the analysis reflects contract start dates, not registration dates. This data is provisional and subject to change due to potential lags in reporting.

Sales Prices

Residential sales price growth accelerated in the first quarter of 2025, driven by a strong pipeline of new project launches and rising rents prompting tenants to transition to homeownership. This momentum was particularly pronounced in the affordable apartment sector and the villa market overall, both of which recorded a return to double-digit annual growth rates.

The office sales market also maintained strong upward momentum. Average sales prices recorded robust quarterly gains of 6% and substantial annual increases of 17%. This ongoing appreciation is primarily underpinned by Dubai's favourable economic and business environment, together with ongoing supply constraints, particularly for Grade A and Grade B+ office space.

However, looking to the second half of 2025, we anticipate a moderation in the pace of residential sales price growth. This expected stabilisation reflects a combination of factors, including the considerable volume of new residential supply scheduled for handover and the continued momentum of project launches. Together, these elements are likely to enhance market choice and contribute to a more balanced landscape.

It is also important to note that increases in average sales prices are often influenced by a variety of contributing factors:

- The continued launch of new off-plan developments offering higher quality specifications, enhanced amenities, and/or flexible payment structures designed to capture buyer interest.
- The ongoing trend of upgrading and refurbishing existing properties, especially within established communities. These enhancements naturally elevate transactional prices of older stock, thereby influencing average price metrics.

Continued...

Dubai Market Overview

Sales Prices

To ensure sustainable market performance, fostering genuine end-user demand and attracting long-term investors remains a key focus for the real estate market ecosystem. Recent initiatives illustrate efforts in this direction. For instance, the introduction of specialised financing options, such as the reported collaboration between Damac and ADIB potentially offering mortgage financing upon 35% project completion rather than the more conventional 50% threshold. This may be interpreted as a strategy to boost accessibility for end-users.

Concurrently, broader supportive government initiatives are expected to play a crucial role in sustaining momentum. Prime examples include:

- The launch of a freehold conversion initiative for 457 eligible plots along Sheikh Zayed Road (from the Trade Centre Roundabout to the Dubai Water Canal) and in Al Jadaf, aimed at enhancing landowner market value and facilitating investment.
- Policy changes permitting Free Zone companies to expand their operations onto mainland Dubai, subject to obtaining necessary licenses from the Dubai Department of Economy and Tourism (DET).
- Major infrastructure projects, including the award of the Dubai Metro Blue Line contract, extensive RTA road upgrades and the proposed Dubai Loop underground transport system.
- Significant investment in sustainability and innovation, underscoring their roles as key pillars of Dubai's long-term vision.

Such policies aim to enhance Dubai's overall economic attractiveness and business environment, which indirectly stimulates investment and demand across various sectors, including real estate, by potentially attracting more companies and residents.

INTERPRETING MARKET DATA

The government's initiative to make sales and rental transaction data publicly available marks a significant and positive step toward enhancing transparency and enabling more informed decision-making across the real estate sector. As with all datasets, understanding the underlying context is key to interpreting trends accurately and meaningfully.

Key Contextual Factors for Interpreting Data

- **Sales Transactions:** The recorded transaction date reflects the official registration date, not the date on which the sales and purchase agreement (SPA) was signed. While this distinction is generally limited for completed properties, it is more pronounced in off-plan transactions where registration may occur well after the agreement due to legal processes, financing arrangements, or administrative steps. Regulations currently allow for registration within 60 days for completed properties and 90 days for off-plan transactions, though in practice this period may extend based on project structure or individual circumstances.
- **Rental Transactions:** Similar contextual factors apply when reviewing rental data:
 1. **Contract lengths** may vary from the typical one-year lease due to landlord-initiated evictions (e.g., for self-use or sale), early tenant terminations, or longer-term leases-especially common in the commercial sector as a hedge against inflation.
 2. **Registration dates** may not always reflect the actual start date of a tenancy. Variations can result from pre-leasing arrangements, delayed registrations after occupancy or specific negotiations between landlords and tenants.
- **Data Granularity Limitations:** Publicly available data may not always account for property-level variables such as renovations, premium views or upgraded specifications. These qualitative factors - particularly in established communities - can materially impact valuations and rental outcomes and may influence market averages.

These factors do not detract from the value of the data but serve to highlight the importance of interpreting trends within the appropriate context for a well-rounded view of market performance.



Dubai Supply

	Completed in 2024	Completed in Q1 2025	Projected END OF 2025
 APARTMENTS No. of units	27,300	9,700	44,000
 VILLAS No. of units	6,375	2,750	14,600
 OFFICES Million sq.ft.	0.72	0.08	0.88



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	Q4 2024 - Q1 2025	Q1 2024 - Q1 2025
HIGH- TO LUXURY-END										
DIFC	70	120	95	185	135	260	200	330	3%	15%
DOWNTOWN DUBAI	55	110	75	190	120	290	160	400	-2%	7%
PALM JUMEIRAH	70	140	110	240	150	340	200	500	-1%	5%
SHEIKH ZAYED ROAD	60	75	65	140	80	180	100	220	-3%	-7%
MID- TO HIGH-END										
BUSINESS BAY	50	110	60	150	90	210	140	250	1%	10%
DUBAI MARINA	50	120	60	170	85	250	130	320	-2%	4%
JUMEIRAH BEACH RESIDENCE	70	95	85	165	100	200	160	260	-1%	4%
JUMEIRAH LAKES TOWERS	45	85	55	170	80	180	120	200	0%	8%
THE GREENS & THE VIEWS	45	70	70	130	100	180	160	220	-4%	1%
AFFORDABLE										
DEIRA	20	60	37.5	90	60	130	85	170	-2%	3%
DISCOVERY GARDENS	35	65	50	80	70	100	-	-	1%	11%
DUBAI SPORTS CITY	35	65	40	85	65	115	90	150	1%	9%
INTERNATIONAL CITY	20	45	35	65	45	85	60	100	-3%	2%
JUMEIRAH VILLAGE	35	75	40	120	70	180	95	200	2%	15%



% Change

0%

Q-o-Q
Since Q4 2024

9%

Y-o-Y
Since Q1 2024



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

Q4 2024 - Q1 2025 Q1 2024 - Q1 2025

HIGH- TO LUXURY-END

DIFC	1,250	3,500	△ 2%	△ 9%
DOWNTOWN DUBAI	1,150	4,750	△ 1%	△ 7%
DUBAI HILLS ESTATE	1,300	3,000	△ 2%	△ 9%
PALM JUMEIRAH	1,200	5,650	△ 2%	△ 8%

MID- TO HIGH-END

BUSINESS BAY	900	3,250	△ 3%	△ 13%
DUBAI MARINA	775	4,300	△ 4%	△ 9%
JUMEIRAH BEACH RESIDENCE	1,050	2,850	○ 0%	△ 2%
JUMEIRAH LAKES TOWERS	700	2,600	△ 4%	△ 12%
THE GREENS & THE VIEWS	1,100	2,400	△ 2%	△ 10%

AFFORDABLE

DISCOVERY GARDENS	575	1,150	△ 3%	△ 15%
DUBAI SPORTS CITY	500	1,600	△ 3%	△ 10%
INTERNATIONAL CITY	400	1,200	△ 4%	△ 15%
JUMEIRAH VILLAGE	500	2,000	△ 3%	△ 15%

% Change

3%

9%

Q-o-Q
Since Q4 2024

Y-o-Y
Since Q1 2024



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 2024 - Q1 2025	Q1 2024 - Q1 2025
ARABIAN RANCHES	140	200	180	350	240	450	350	550	2%	9%
DAMAC HILLS 2 (AKOYA OXYGEN)	70	105	70	150	75	150	105	155	1%	16%
DUBAI HILLS ESTATE	-	-	220	450	250	500	300	650	1%	11%
JUMEIRAH / UMM SUQEIM	-	-	175	350	185	400	270	575	-2%	3%
JUMEIRAH PARK	-	-	250	400	280	600	385	530	-2%	5%
JUMEIRAH VILLAGE	120	250	130	250	140	280	180	280	3%	11%
THE MEADOWS	-	-	300	500	300	600	350	750	1%	14%
MIRDIF	60	130	80	170	90	200	125	220	2%	5%
PALM JUMEIRAH	-	-	400	900	500	1,200	750	1,500	1%	11%
THE SPRINGS	110	230	160	320	-	-	-	-	2%	11%
THE LAKES	-	-	250	450	300	550	400	600	-1%	8%
TOWN SQUARE	-	-	110	170	145	200	-	-	3%	6%



% Change

1%

Q-o-Q
Since Q4 2024

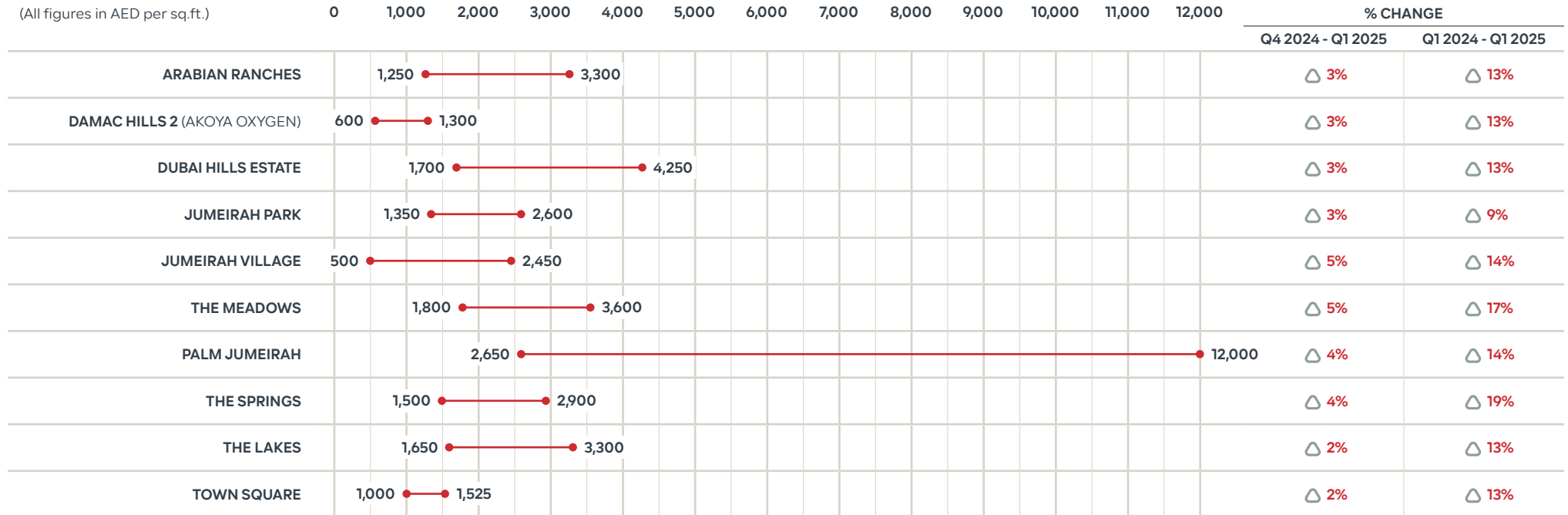
7%

Y-o-Y
Since Q1 2024



Dubai Villa Sales Prices

(All figures in AED per sq.ft.)



% Change

3%

Q-o-Q
Since Q4 2024

12%

Y-o-Y
Since Q1 2024



Dubai Office Rental Rates

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2024 - Q1 2025	Q1 2024 - Q1 2025
BARSHA HEIGHTS (TECOM)	75	200	5%	22%
BUR DUBAI	65	180	6%	19%
BUSINESS BAY	80	275	4%	20%
DIFC	175	400	4%	12%
JUMEIRAH LAKES TOWERS	70	220	4%	26%
SHEIKH ZAYED ROAD	90	250	3%	24%



% Change

5%

Q-o-Q
Since Q4 2024

20%

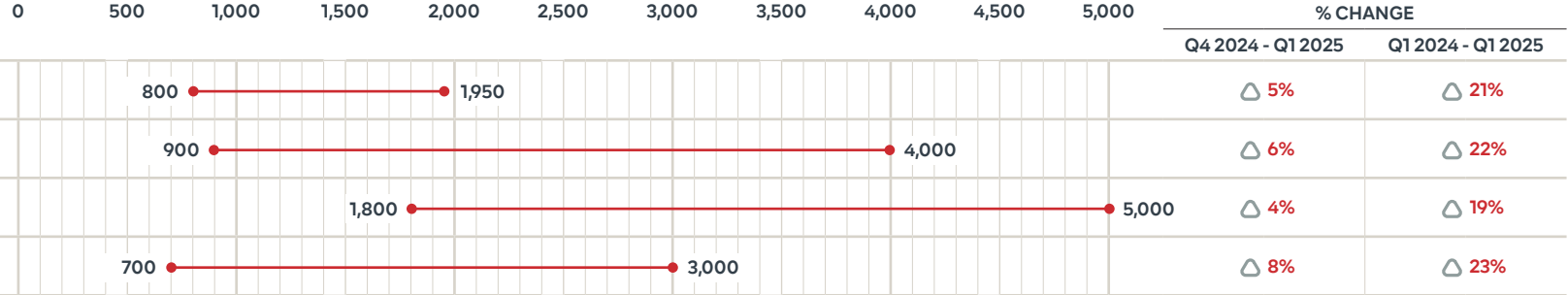
Y-o-Y
Since Q1 2024



Dubai

Office Sales Prices

(All figures in AED per sq.ft.)



% Change

6%



Q-o-Q
Since Q4 2024

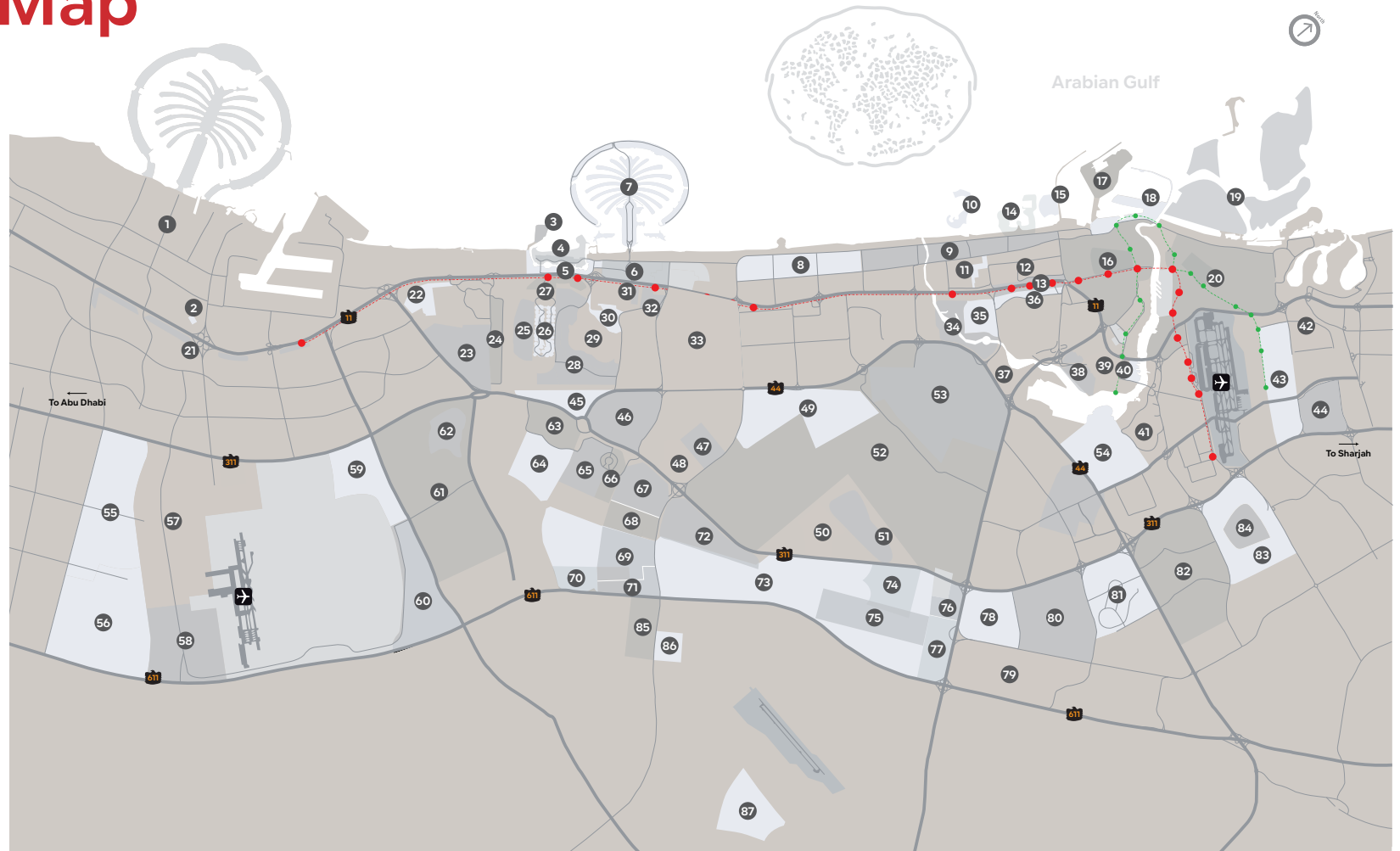
17%



Y-o-Y
Since Q1 2024

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 | | | | |

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 to Property Management and Sales & Leasing. 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.