Property Review

UAE Real Estate Report

Q1 2025

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Content


ABU DHABI

Abu Dhabi

Market Overview

Supply

The Abu Dhabi real estate market recorded strong performance over Q1 2025, maintaining its positive growth trajectory. Market activity was supported by a steady delivery and absorption of new residential stock, with approximately 1,200 units delivered across developments such as Jubail Island, Bloom Living - Cordoba Phase 1, Al Jurf Gardens in Ghantoot, Al Raha Beach, Rawdhat Abu Dhabi, amongst others. The development pipeline remains active, projecting nearly 5,500 further residential handovers by year-end, concentrated in key Investment Zones such as Yas Island, Masdar City, Saadiyat Island and Al Reem Island.

Office supply is also poised for expansion, led by the anticipated Q2 2025 handover of Aldar's Quartz Tower on Yas Island, as well as Shams Tower on Al Reem Island, and The Link and City Square in Masdar City, slated for completion by late 2025 into 2026.

Developer confidence remained evident throughout the quarter, reflected in the launch and/or announcement of several significant residential projects. Key examples included Manarat Living 3 (Saadiyat Island), Al Fahid Beach Residences (Al Fahid Island), Bab Al Qasr 18 and 19 (Masdar City), Saas Heights (Al Reem Island), Bloom Living Carmona (Zayed City), Reeman Garden 1 (Al Shamkha), Merito Al Reeman (Al Shamkha), Yamm Beach Villas (Hudayriyat Island), Naseem Al Jurf and Jacob & Co Beachfront Living (Ghantoot). With a substantial number of developments encompassing residential and mixed-use components currently in planning and early development phases, additional new project announcements are anticipated throughout the remainder of 2025.

Rental Rates

The residential rental market maintained its positive trajectory over Q1 2025. Average apartment rental rates increased by 4% quarter-on-quarter and showed a significant 10% rise year-on-year. Growth was particularly strong in the high-end segment, which experienced average rental increases between 8% and 12%. The mid-tier market also saw notable growth, with rents increasing between 5% and 8%, on average.

In the villa market, the luxury segment continued to lead rental growth, especially in prime locations such as Saadiyat and Yas Islands. Rental rates in some communities surged by as much as 15% compared to the same period last year. High-end villa communities also recorded significant gains, with average rental rates rising between 4% and 7%.

High occupancy rates were maintained across all Investment Zones, effectively absorbing the steady delivery of new supply over the past 18 months. Exemplifying this trend, newly constructed developments in areas such as Al Raha Beach report occupancy levels surpassing 95% and achieving strong rental rates. This widespread positive performance, characterised by increasing rents and high occupancy, underscores the fundamental strength and consistency of demand within Abu Dhabi's residential sector throughout the last three years.

Similarly, the office rental market continued the upward trend for high-quality spaces that began in 2024. Prime office buildings are nearing full occupancy, a factor driving rental rates up by 10% to 15% year-on-year. This growth is largely attributed to expansions by international businesses and local companies, which are outpacing the limited supply of premium office space. The strong demand is further evidenced by Aldar's Quartz Tower on Yas Island being 97% pre-leased ahead of its scheduled Q2 2025 handover. Rental rates for lower-grade office spaces also increased across the board, with many buildings experiencing annual rate hikes of up to 7%, alongside robust occupancy levels.

Sales Prices

Sales market activity remained strong in the first quarter of 2025, with a continuation of robust demand for both completed and off-plan developments, particularly for prime and high-end properties. Transactional data underscores this activity: between March 2024 and March 2025, the market recorded a total of 8,700 residential sales. Of these, 4,100 transactions were for off-plan developments, whilst 4,600 involved completed properties, the latter consisting of 3,250 apartments and 1,350 villas and townhouses. The number of completed property transactions rose 6% on a quarterly basis and surged by approximately 42% year-on-year, highlighting sustained demand from both end-users and investors.

Apartment sales prices maintained their upward trajectory, with average values increasing 4% quarter-on-quarter and 7% year-on-year. Several high-demand areas recorded annual price increases exceeding 15%, particularly within high-end communities offering premium amenities.

Overall average villa sales prices noted quarterly and annual increases of 4% and 8%, respectively. However, well-located villas within prime communities, most notably on Saadiyat Island, recorded annual increases surpassing 15%, reflecting the enduring appeal of quality and location.

Off-plan developments continued to perform strongly with newly launched projects achieving high absorption rates within a few weeks of release. This reflects sustained buyer confidence in the long-term value and appeal of new developments.

Abu Dhabi's real estate market is well positioned for continued positive performance in the near to medium term. This is reflected by increased developer activity and a robust pipeline of upcoming residential and mixed-use developments, city-wide. Whilst the introduction of new inventory may well lead to moderation in the pace of growth, overall market momentum remains strong, with further upside potential for capital and rental values.

Abu Dhabi **Supply**

	Completed in **2024**	Completed in **Q1 2025**	Projected **END OF 2025**
APARTMENTS No. of units	2,850	700	4,000
VILLAS No. of units	2,750	500	1,500

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 2024 - Q1 2025	Q1 2024 - Q1 2025
PRIME PROPERTIES											
ABU DHABI ISLAND		65	70	68	125	115	165	155	225	1%	4%
INVESTMENT AREA*		60	95	95	215	135	325	200	450	3%	11%
HIGH-END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	75	70	95	80	150	115	230	2%	7%
	CENTRAL ABU DHABI	40	45	55	65	85	130	120	160	1%	7%
	CORNICHE	45	55	55	82	95	135	130	180	4%	9%
INVESTMENT AREA	AL RAHA BEACH	55	65	70	100	110	160	145	210	2%	8%
	MARINA SQUARE	45	50	57	76	85	120	110	160	1%	4%
	SAADIYAT BEACH RESIDENCES	-	-	65	95	115	140	142	185	2%	3%
	SHAMS ABU DHABI	45	55	55	90	85	130	110	185	3%	7%
	YAS ISLAND	57	66	74	100	120	150	185	210	5%	10%
MID-END PROPERTIES											
ABU DHABI ISLAND		40	55	50	85	65	150	95	170	1%	8%
INVESTMENT AREA	AL RAHA BEACH	44	48	50	75	78	125	130	150	3%	5%
	NAJMAT & TAMOUH	38	55	50	65	75	90	95	140	1%	5%
	SAADIYAT ISLAND	45	55	55	70	80	110	110	140	3%	6%
	SHAMS ABU DHABI	45	50	50	65	70	105	95	160	2%	8%
	YAS ISLAND	43	55	60	75	85	115	125	140	4%	10%
OFF ISLAND	KHALIFA CITY & MBZ CITY	30	44	54	75	70	125	125	140	3%	10%
LOW-END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	28	45	50	70	75	90	2%	6%
	CENTRAL ABU DHABI	30	35	40	47	45	70	60	110	1%	7%
	CORNICHE	30	35	40	50	55	65	70	90	4%	4%
INVESTMENT AREA	AL REEF	38	45	50	65	63	80	80	97	5%	12%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	47	42	67	65	85	3%	10%

% Change

4% — Q-o-Q Since Q4 2024

10% — Y-o-Y Since Q1 2024

* *Includes Mamsha Al Saadiyat Development*

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Apartment Sales Prices

(All figures in AED per sq.ft.)

Project	Price range (AED per sq.ft.)		% CHANGE Q4 2024 - Q1 2025	% CHANGE Q1 2024 - Q1 2025
AL BANDAR	1,200	1,700	1%	13%
AL MUNEERA	1,100	1,400	0%	10%
AL REEF DOWNTOWN	640	850	0%	1%
AL ZEINA	1,200	1,480	4%	12%
ARC & THE GATE TOWERS	960	1,180	3%	10%
CITY OF LIGHTS (HYDRA)	800	1,180	3%	10%
CITY OF LIGHTS (OTHER PROJECTS)	960	1,050	3%	10%
MARINA SQUARE	850	1,075	0%	5%
SAADIYAT BEACH RESIDENCES	1,290	1,550	0%	12%
SUN & SKY TOWERS	1.050	1,300	6%	14%
YAS ISLAND - ANSAM	1,320	1,700	6%	15%
YAS ISLAND - WATER'S EDGE	1,200	1,450	3%	13%

% Change

	4%	7%
	Q-o-Q Since Q4 2024	Y-o-Y Since Q1 2024

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 2024 - Q1 2025	Q1 2024 - Q1 2025
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	170	155	190	175	250	3%	5%
	AL NAHYAN CAMP / AL MUROOR	-	-	150	160	160	180	180	220	0%	7%
	MUSHRIF / KARAMA / MANASEER	-	-	155	160	165	190	195	230	2%	2%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	225	250	280	300	380	0%	5%
	AL REEF	80	95	100	120	140	145	160	170	3%	7%
	HIDD AL SAADIYAT	-	-	-	-	480	600	600	800	0%	15%
	HYDRA VILLAGE	60	75	70	80	-	-	-	-	5%	10%
	LULUAT AL RAHA	-	-	-	-	200	210	350	370	0%	1%
	SAADIYAT BEACH VILLAS	-	-	330	400	340	430	450	650	0%	2%
	WEST YAS	-	-	-	-	260	320	300	400	4%	6%
	YAS ACRES	190	215	220	270	320	400	320	480	6%	10%
OFF ISLAND	AL RAHA GARDENS	-	-	145	180	160	210	220	240	4%	7%
	GOLF GARDENS	-	-	190	220	220	270	270	380	0%	4%
	KHALIFA CITY	-	-	130	150	140	180	150	200	3%	7%
	MBZ CITY	-	-	115	120	120	155	135	180	3%	7%

% Change

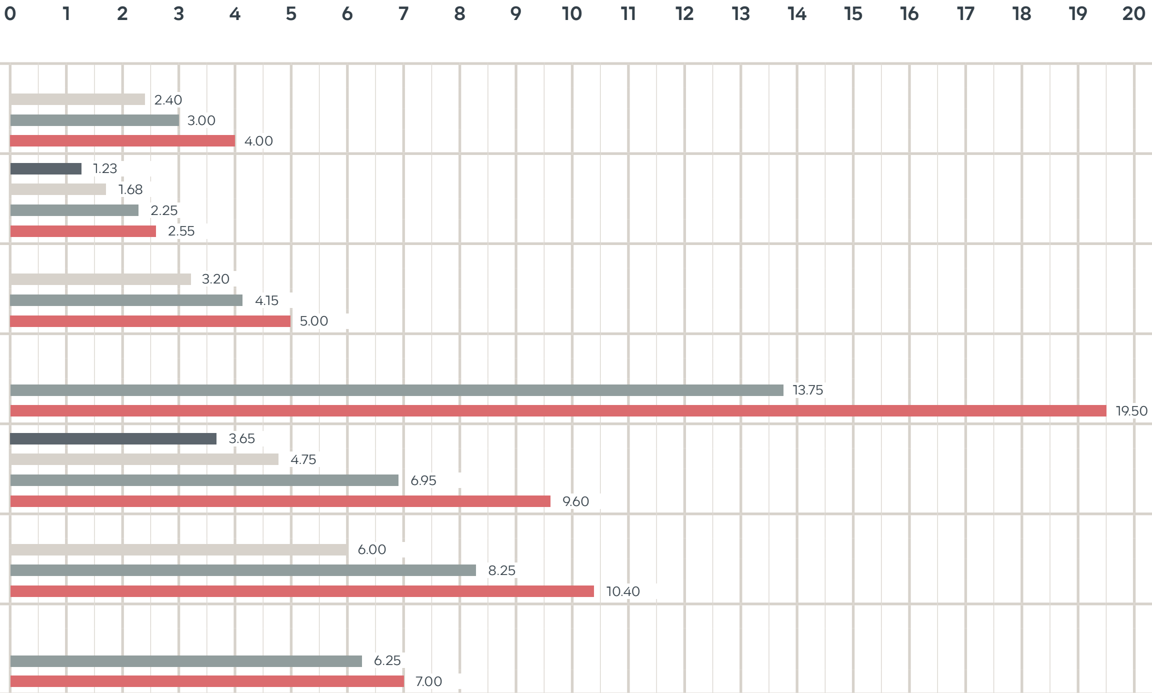
4%
Q-o-Q
Since Q4 2024

10%
Y-o-Y
Since Q1 2024

Abu Dhabi

Villa Sales Prices

(All figures in AED Million)



Community	Unit	Price	% Change Q4 2024 - Q1 2025	% Change Q1 2024 - Q1 2025
AL RAHA GARDENS	-		0%	4%
	3 BR	2.40		
	4 BR	3.00		
	5 BR	4.00		
AL REEF VILLAS	2 BR	1.23	1%	3%
	3 BR	1.68		
	4 BR	2.25		
	5 BR	2.55		
GOLF GARDENS	-		0%	0%
	3 BR	3.20		
	4 BR	4.15		
	5 BR	5.00		
HIDD AL SAADIYAT	-		0%	15%
	-			
	4 BR	13.75		
	5 BR	19.50		
YAS ACRES	2 BR	3.65	6%	7%
	3 BR	4.75		
	4 BR	6.95		
	5 BR	9.60		
SAADIYAT BEACH VILLAS (STANDARD)	-		0%	1%
	3 BR	6.00		
	4 BR	8.25		
	5 BR	10.40		
WEST YAS	-		1%	11%
	-			
	4 BR	6.25		
	5 BR	7.00		

% Change

4%	8%
Q-o-Q Since Q4 2024	Y-o-Y Since Q1 2024

* *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 2024 - Q1 2025	Q1 2024 - Q1 2025
PRIME STOCK				
FITTED*	1,800	3,500	4%	15%
QUALITY STOCK				
FITTED	1,250	1,500	5%	15%
SHELL AND CORE	900	1,150	5%	10%
OLDER STOCK				
GOOD	750	1,000	3%	8%
TYPICAL BUILDING	600	780	2%	5%
LOW QUALITY BUILDING	450	580	2%	5%

% Change

5%	10%
Q-o-Q Since Q4 2024	Y-o-Y Since Q1 2024

* *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

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.)

Area	Low	High	% Change Q4 2024 - Q1 2025	% Change 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% Q-o-Q Since Q4 2024

9% 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.)

Community	Min	Max	% Change Q4 2024 - Q1 2025	% Change Q1 2024 - Q1 2025
ARABIAN RANCHES	1,250	3,300	3%	13%
DAMAC HILLS 2 (AKOYA OXYGEN)	600	1,300	3%	13%
DUBAI HILLS ESTATE	1,700	4,250	3%	13%
JUMEIRAH PARK	1,350	2,600	3%	9%
JUMEIRAH VILLAGE	500	2,450	5%	14%
THE MEADOWS	1,800	3,600	5%	17%
PALM JUMEIRAH	2,650	12,000	4%	14%
THE SPRINGS	1,500	2,900	4%	19%
THE LAKES	1,650	3,300	2%	13%
TOWN SQUARE	1,000	1,525	2%	13%

% 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.)

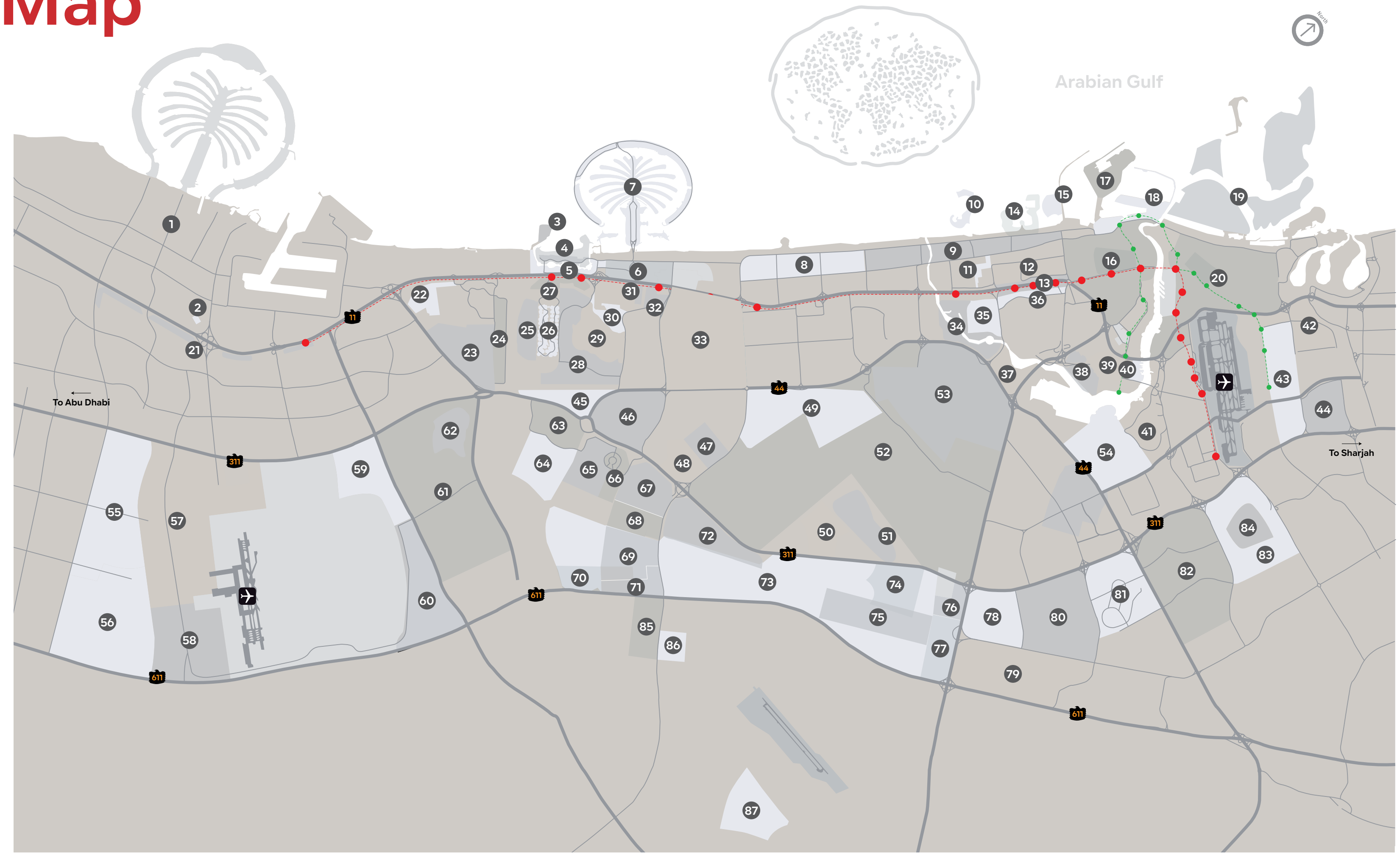
	Low	High	% CHANGE Q4 2024 - Q1 2025	% CHANGE Q1 2024 - Q1 2025
BARSHA HEIGHTS (TECOM)	800	1,950	5%	21%
BUSINESS BAY	900	4,000	6%	22%
DIFC	1,800	5,000	4%	19%
JUMEIRAH LAKES TOWERS	700	3,000	8%	23%

% Change

6%	17%
Q-o-Q Since Q4 2024	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
42 Al Nahda
43 Al Qusais
44 Muhaisnah
45 Jumeirah Village Triangle
46 Jumeirah Village Circle
47 Dubai Science Park
48 Arjan
49 Dubai Hills Estate
50 Living Legends
51 Al Barari
52 Mohammed Bin Rashid City (MBR City)
53 Meydan
54 Dubai Creek Harbour
55 Commercial District
56 Golf District
57 Logistics District
58 Aviation District
59 Expo 2020
60 Residential District
61 Dubai Investment Park
62 Green Community
63 Dubai Production City (IMPZ)
64 Jumeirah Golf Estates
65 Victory Heights
66 Dubai Sports City
67 Motor City
68 Dubai Studio City
69 Damac Hills
70 Remraam
71 Mudon
72 Arabian Ranches
73 Dubailand
74 Falcon City of Wonders
75 The Villa
76 Liwan
77 DubaiLand Residence Complex
78 Dubai Silicon Oasis
79 Dubai Academic City
80 International City Phase 2 & 3
81 International City
82 Al Warqaa
83 Mirdif
84 Uptown Mirdif
85 Town Square
86 Mira
87 Damac Hills 2

NORTHERN EMIRATES

Northern Emirates

Market Overview

Supply

During Q1 2025, the Northern Emirates saw the launch of approximately 7,500 new residential units, highlighting the region's continued development momentum. Sharjah led activity with 4,000 units, followed by Ras Al Khaimah (RAK) with 2,000 units. This sustained pipeline reflects the growing competitiveness and appeal of the Northern Emirates within the broader UAE real estate landscape.

A key contributor to this momentum remains the Wynn Al Marjan Island, which continues to serve as a catalyst and driver for wider development in the Northern Emirates. The exciting gaming led development is progressing towards its planned opening in early 2027.

New handovers were relatively limited in Q1 2025. Notable completions and near-term handovers include:

- Al Hamra Marina Residences (RAK) – 318 apartments completed
- Bay Residence (RAK) – 648 apartments and 13 lofts (anticipated handover)
- Gateway 2 (RAK) – 146 apartments (anticipated handover)
- Sharjah Sustainable City – Phase 4 – 324 units expected to complete by Q2 2025

Key project launches and development updates include:

Sharjah

- **District 11 – Marwan Real Estate Development**
  11 buildings comprising 200 commercial units.
- **Ajmal Makan City – Sharjah Waterfront – Ajmal Makan**
  Master development featuring 8 islands, 36 km of coastline, an 800-berth marina, a shopping mall and a theme park.
- **Masaar 2 – Arada**
  2,000 townhouses and villas in Suyouh District, expected completion by Q4 2027.
- **Al Tay Hills – Kuwait Real Estate & IFA Hotels**
  1,100 villas and townhouses in the Al Tay area, expected completion by Q1 2028.
- **Safa – Arada**
  660 apartments across five buildings in Aljada, expected completion by Q3 2027.

Ras Al Khaimah

- **Trio Isle Interiors by Missoni – Octa & Durar Group**
  3 branded buildings on Al Marjan Island, targeted for completion by Q4 2027.
- **Costa Mare – Ellington**
  900 beachfront apartments on Al Marjan Island, scheduled for Q3 2028.
- **Mirasol – RAK Properties**
  339 apartments across two towers, with completion expected in H1 2028.

Umm Al Quwain

- **Aya Beachfront Residences – Deyaar**
  442 apartments along the UAQ beachfront, scheduled for Q4 2027.
- **Pierside Marina Residences – Sobha Group**
  198 fully furnished apartments on Siniya Island, due by Q1 2029.
- **Siniya Island Villas – Sobha Group**
  196 villas on Siniya Island, with completion targeted for Q4 2027.

Ajman

- **One 678 Residences – GJ Properties**
  542 apartments, scheduled for handover in Q1 2028.

Northern Emirates
Market Overview

Rental Rates

In contrast to the moderating rental growth observed in Dubai, the Northern Emirates continued to post robust performance over Q1 2025, driven primarily by its relative affordability when compared to Dubai and shifting residential demand patterns. Key factors influencing this dynamic include:

- Affordability gap – Lower rental costs relative to Dubai and Abu Dhabi.
- Spillover demand – Migration of residents from higher-cost Emirates seeking value.
- Improved infrastructure – Continued upgrades to transport networks and inter-Emirate connectivity.
- Expansion of local offerings – Enhancements in amenities and new residential developments across the region.

Average rental rates increased by 3% during the quarter, with the high-end segment's growth rate notably outpacing the average.

However, it is important to highlight the growing segmentation within rental trends, particularly influenced by the introduction of new supply. Recently completed properties, typically offering modern amenities and superior finishes, are commanding premium rents, contributing to a two-tiered market - often even within the same general locations. In such instances, Asteco is observing rental growth concentrated in newer units, whilst older stock is facing downward pressure. To remain competitive, owners of older or less upgraded properties may need to consider rental discounts, tenant incentives or undertake refurbishments to enhance their appeal and increase occupancy rates.

Going forward, rental growth is projected to continue, though likely at a more moderated pace. This trajectory relies on several factors:

- Government-led economic diversification
- Major infrastructure projects
- Growth in tourism, logistics and business sectors

Together, these factors are expected to support sustained housing demand across the Northern Emirates.

Sales Prices

Building on the momentum established in 2024, Q1 2025 recorded robust sales growth across the Northern Emirates, particularly in Ras Al Khaimah (RAK) and Sharjah.

RAK recorded average apartment sales prices increase of 4% over the quarter and 15% annually, driven largely by:

- Anticipation around the Wynn Resort - set to boost visitor numbers and demand for high-end accommodation.
- Expansion of RAKEZ – The economic zone registered 13,141 new company setups in 2024, a 66% year-on-year increase, intensifying demand for residential and commercial property.

This optimism is reflected in the rapid sellout of branded residences and waterfront properties, many of which have been sold during or prior to launch. Approximately 5,600 branded units are scheduled for delivery by 2029, reinforcing the segment's appeal to both end-users and investors.

Sharjah recorded a 3% quarterly and 10% annual increase in average apartment sales prices. This growth is being driven by:

- A rise in homeownership among long-term residents, many of whom are in a financial position to purchase.
- Investor demand for units offering stable long-term rental yields.
- Master-planned communities catering to a wide buyer base, across both premium and affordable segments.
- Infrastructure investment and government support, which continue to underpin market confidence.

The ACRES 2025 real estate exhibition further stimulated activity, with 2,505 transactions recorded, spurred by attractive payment plans and reduced transaction fees.

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 2024 - Q1 2025	Q1 2024 - Q1 2025
SHARJAH	TYPICAL	14	23	15	45	20	58	36	65	3%	18%
	HIGH-END	20	54	30	72	35	100	55	135	5%	19%
AJMAN	TYPICAL	14	20	15	23	21	32	28	40	2%	16%
	HIGH-END	19	30	24	45	33	55	44	70	3%	14%
UMM AL QUWAIN		14	24	19	28	20	33	32	44	2%	10%
RAS AL KHAIMAH	TYPICAL	17	24	22	33	25	48	45	70	3%	21%
	HIGH-END	27	45	31	65	50	100	90	130	5%	23%
FUJAIRAH	TYPICAL	18	24	21	30	27	40	33	51	1%	12%
	HIGH-END	24	35	37	45	38	58	53	74	2%	7%

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 2024 - Q1 2025	Q1 2024 - Q1 2025
AL MAJAZ	20	34	26	54	30	80	38	110	6%	22%
AL QASIMIA	15	27	18	38	25	58	42	80	4%	20%
AL NAHDA	20	38	22	55	26	65	52	85	5%	21%
AL KHAN / AL MAMZAR	23	30	25	55	34	80	48	100	4%	19%
ABU SHAGARA	15	27	21	40	26	52	33	55	3%	16%
AL BUTINA	11	18	18	30	20	35	29	45	4%	13%
AL YARMOOK	13	16	18	23	21	28	28	42	2%	9%
ROLLA	11	19	15	35	24	40	33	45	4%	15%

% Change

4% — Q-o-Q Since Q4 2024

18% — Y-o-Y Since Q1 2024

Sharjah

Apartment **Sales Prices**

Area	Price range (0 – 1,300)		% CHANGE Q4 2024 - Q1 2025	% CHANGE Q1 2024 - Q1 2025
AL KHAN (MID-END)	370	510	2%	8%
AL KHAN (HIGH-END)	560	850	3%	10%
AL TAAWUN	375	600	3%	13%
AL NAHDA	325	650	2%	10%
AL MAJAZ (MID-END)	375	600	2%	12%
AL MAJAZ (HIGH-END)	500	900	3%	9%
AL MAMSHA	725	1,075	2%	10%
AL ZAHIA	700	1,300	3%	14%
ALJADA	675	1,150	3%	8%

% Change

3%	10%
Q-o-Q Since Q4 2024	Y-o-Y Since Q1 2024

* *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	Q4 2024 - Q1 2025	Q1 2024 - Q1 2025
AL TAAWUN ROAD	33	70	3%	21%
CORNICHE AREA	34	60	4%	16%
AL WAHDA	27	40	0%	12%
AL QASIMIA	28	43	3%	15%
CLOCK R/A	26	37	3%	9%
AL YARMOOK	26	37	3%	15%
INDUSTRIAL AREA	27	52	6%	21%

% Change

3%
Q-o-Q
Since Q4 2024

16%
Y-o-Y
Since Q1 2024

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 1,600

				% CHANGE	
				Q4 2024 - Q1 2025	Q1 2024 - Q1 2025
AL HAMRA VILLAGE		450	925	3%	18%
AL MARJAN ISLAND		450	950	3%	15%
MINA AL ARAB	(TYPICAL)	525	850	3%	12%
	(HIGH-END)	875	1,600	5%	16%

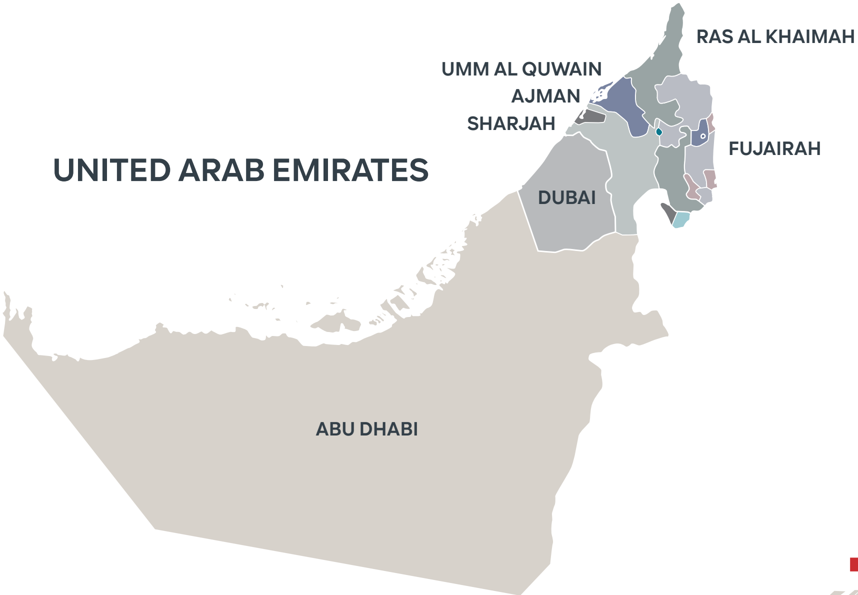
% Change

4%
Q-o-Q
Since Q4 2024

15%
Y-o-Y
Since Q1 2024

Northern Emirates

Property Map

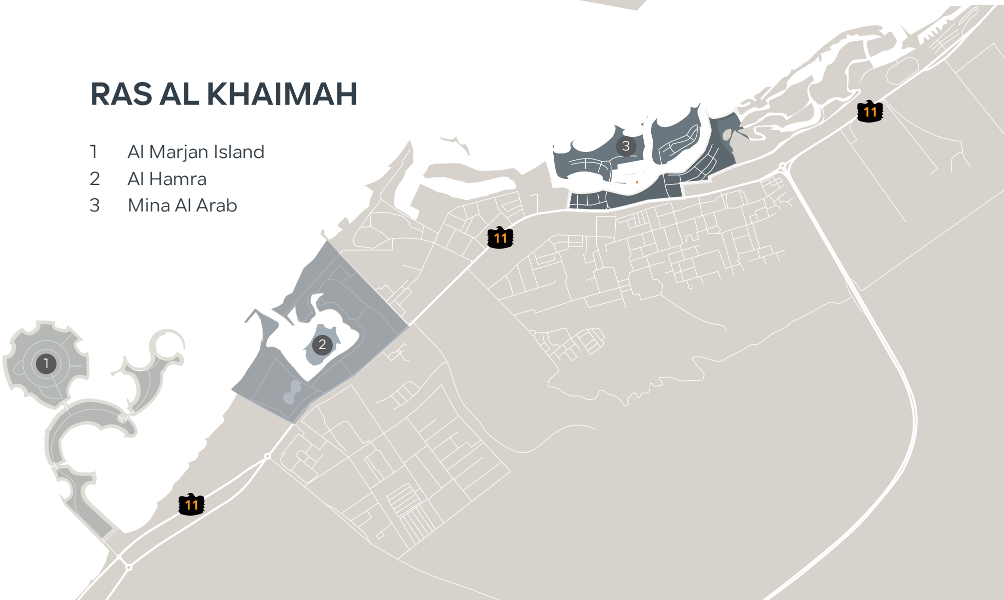


SHARJAH

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

RAS AL KHAIMAH

1 Al Marjan Island
2 Al Hamra
3 Mina Al Arab



AL AIN

Al Ain

Market Overview

The Al Ain real estate market sustained positive momentum during the first quarter of 2025, displaying steady advancement across its submarkets and delivering consistent overall performance.

The residential sector, in particular, exhibited robust performance. Whilst rental rate ranges remained largely unchanged, landlords increasingly secured higher occupancy rates, with vacant units typically being offered at premiums of at least 5% over previous lease agreements. Apartment rentals led this upward trend, registering significant year-on-year growth reaching up to 8%. The villa rental market presented a more stable picture over the quarter, although it still achieved an average annual growth rate of 3%.

Beyond residential, the office sector experienced a rise in demand for larger workspaces. Financial institutions have sought to upgrade or expand their premises, targeting office spaces up to 1,500 sqm. This trend has been partly driven by the initial roll-out of the Nafis initiative, which aims to create 2,000 private sector banking jobs for Emirati nationals. This has positively influenced both office demand and market sentiment. Furthermore, the recent opening of the Sheikh Tahnoon Bin Mohammed Medical City is expected to generate substantial new employment opportunities and associated housing requirements.

Retail property leasing activity remained stable compared to the previous quarter. Nonetheless, prime retail spaces within malls and prominent street locations achieved annual rental growth between 1% and 3%. Street retail outlets, particularly in the food and beverage category, benefited from consistent consumer foot traffic, supporting steady leasing demand. Confidence in the sector is further underscored by the upcoming launch of the 14,000 sqm Al Mutarid Lifestyle Centre within the next few months, which will expand retail supply in response to solid tenant 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	Q4 2024 - Q1 2025	Q1 2024 - Q1 2025
MATURE BUILDINGS	26	29	33	39	47	50	0%	8%
NEW BUILDINGS	28	31	36	41	52	63	0%	7%
PRIME COMPOUNDS	30	35	42	48	60	80	0%	0%

% Change

0%
Q-o-Q
Since Q4 2024

5%
Y-o-Y
Since Q1 2024

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 2024 - Q1 2025	Q1 2024 - Q1 2025
MATURE VILLAS	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	45	48	65	70	85	95	0%	3%
	AL TOWAYA	60	70	85	90	90	100	0%	0%
	PRIME COMPOUNDS	75	90	93	105	115	120	0%	0%
RECENT BUILD	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	55	62	70	78	105	115	0%	4%
	AL TOWAYA	70	80	90	100	110	120	0%	0%
	PRIME COMPOUNDS	85	95	120	135	130	140	0%	0%

% Change

0%
Q-o-Q
Since Q4 2024

3%
Y-o-Y
Since Q1 2024

* *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.)

	Low	High	% CHANGE Q4 2024 - Q1 2025	% CHANGE Q1 2024 - Q1 2025
AUD AL TOUBA STREET	620	840	0%	3%
KHALIFA STREET	620	840	0%	5%
MAIN STREET	620	840	0%	5%
SENAYA STREET	350	530	0%	1%

% Change

0% Q-o-Q Since Q4 2024

4% Y-o-Y Since Q1 2024

Al Ain Retail Rental Rates

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

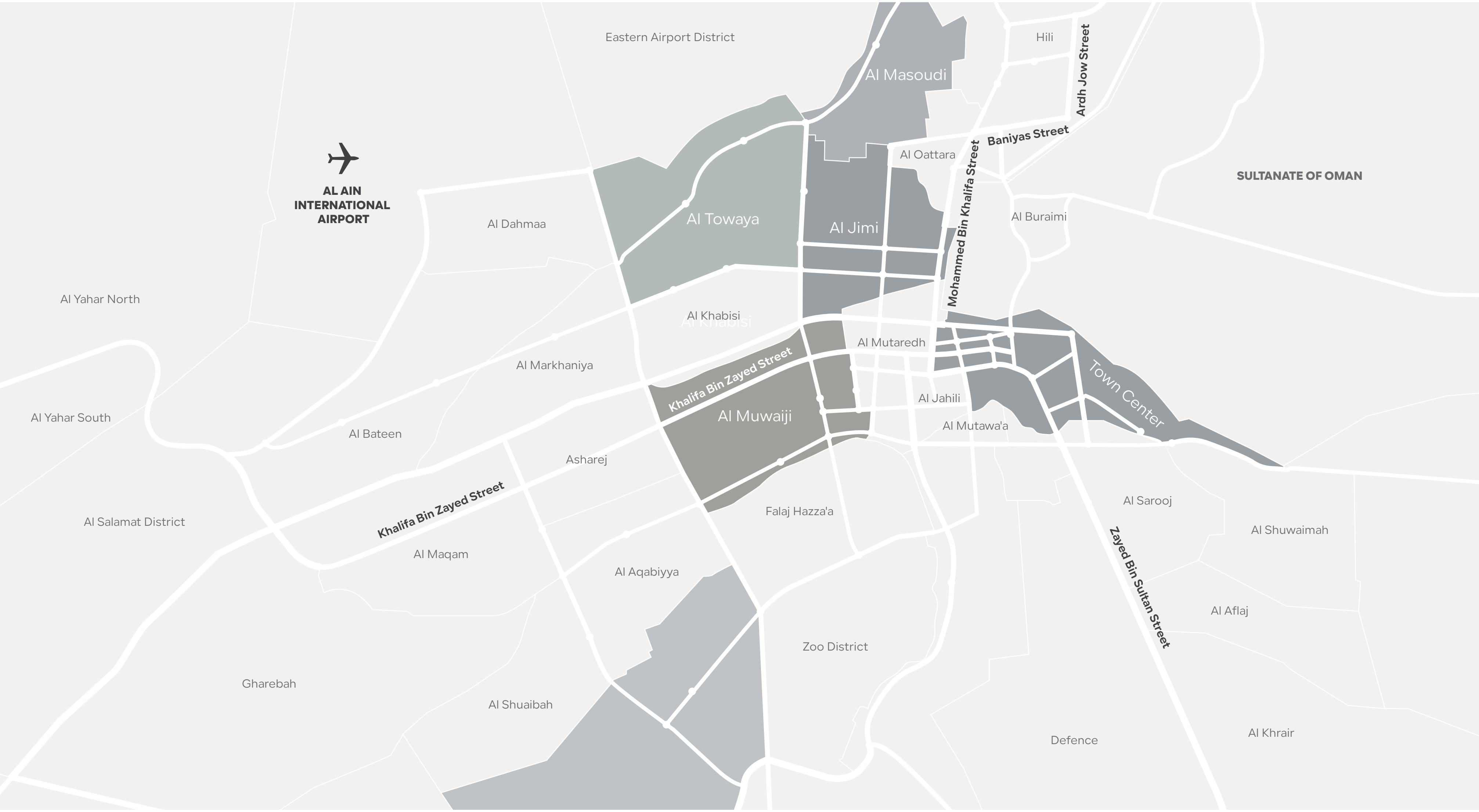
	Low	High	% CHANGE Q4 2024 - Q1 2025	% CHANGE Q1 2024 - Q1 2025
KHALIFA STREET	1,000	2,100	0%	3%
MAIN STREET	1,000	2,100	0%	3%
MAJOR MALLS	1,400	2,800	0%	1%
SENAYA STREET	700	1,450	0%	3%

% Change

0% Q-o-Q Since Q4 2024

2% Y-o-Y Since Q1 2024

Al Ain
Property Map



Author: **Edward Bell**, Acting Group Head of Research and Chief Economist, Emirates NBD

The outlook for the global economy has been shaken by the wide ranging and high tariffs that the US has imposed on nearly all its major trading partners. The IMF specifically cited the US tariffs when it downgraded its global growth projections to 2.8% in its most recent World Economic Outlook, with a lingering effect of the trade restrictions dragging on growth in 2025 and 2026. Both advanced and emerging economies will face slower growth this year thanks to the uncertainty caused by the tariffs with trade, investment and consumption all likely to take a hit. At the same time inflation in key markets like the US is likely to stay elevated, further eroding consumption.

Despite the uncertain global environment, the outlook for the major economies of the GCC still appears robust. Oil production will increase in 2025 and while prices have been subject to intense volatility, successful diversification strategies are insulating economies like the UAE and Saudi Arabia from some of the more extreme effects of price swings. Domestic non-oil activity has been strong for several years, helped by investments in infrastructure and productivity enhancements from regional governments.

The UAE's economy expanded by 3.8% in the first nine months of 2024, reaching a total of AED 1.32trn. The non-oil economy expanded by 4.5% during the period while the oil sector expanded by 1.6%. On an annual basis, the economy expanded by 4.0% in Q3 compared with the same period a year earlier, with the non-oil sector expanding by 4.6%.

Dubai's economy expanded by 3.1% in real terms in the first nine months of 2024. The total level of real GDP reached AED 339bn, up from AED 329bn estimated for the first nine months of 2023. GDP growth on a cumulative basis has been more than 3% y/y for the last seven consecutive quarters with a broad base of activity helping to support Dubai's economy. Logistics, financial services and real estate activity were all major drivers of growth in 2024.

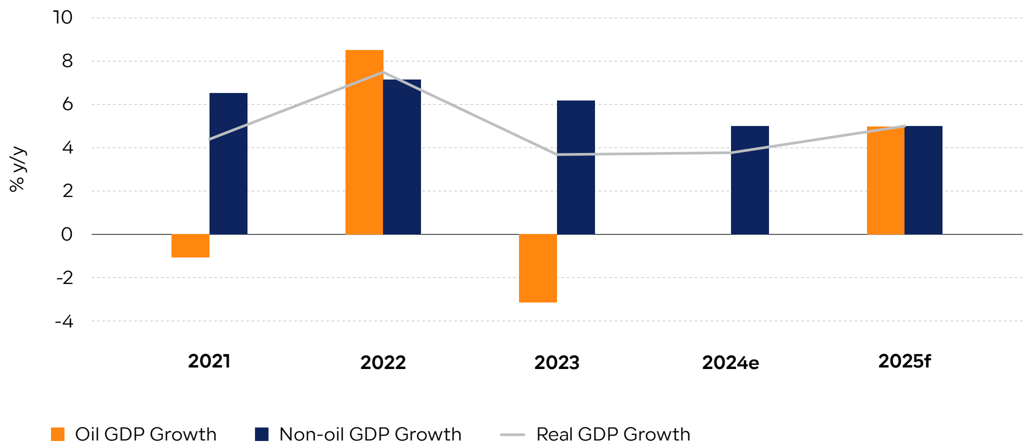
Momentum since the start of the year has been strong in the UAE with the country-wide PMI recording an average of 54.7 in Q1. That compares with levels closer to the neutral 50 level across many developed and emerging economies. PMI levels are moderately lower than they were in Q1 2024 but showed an acceleration on Q4 2024 with domestic orders serving as the primary driver of growth. In Dubai, PMI indicators have cooled on a year/year basis in Q1 to an average of 54.3 from more than 57 in the same period a year earlier.

Inflation has remained modest in Dubai, slowing to 2.8% y/y in March 2025 with the index recording its first month/month decline since July 2024. Housing remains the primary driver of inflation in Dubai with the component rising by an average of 6.7% last year and up by 7.3% on average in Q1 2025. Most other components of the Dubai inflation basket are showing moderate gains or are in outright deflation. Lower oil prices this year relative to 2024 will keep transport costs lower on an annual basis, helping to contribute to a modest inflation environment for 2025.

We expect that the UAE's economy will expand by 5% in 2025 thanks to a large level of project spending from both the private and public sectors and across multiple sectors. Activity is concentrated mainly in Dubai and Abu Dhabi and the scale of work either already underway or in the pipeline will provide a propellant for growth for several years. Oil production will also increase this year as OPEC+ unwinds production cuts.

The effect of US tariffs on the UAE's economy should be modest. Direct trade with the US is limited to a few sectors such as oil and gas, not currently subject to tariffs, and aluminium which is under a separate tariff regime. A slowdown in global trade would represent a headwind for the UAE's highly trade-oriented economy.

Title: UAE economy to withstand tariff shocks



Source: *FCSC, Emirates NBD Research*

التميمي و مشاركوه
AL TAMIMI & CO.

Author: **Omar AlJuneidi,** Associate, Real Estate

Tokenisation: Dubai Revamping the Real Estate Sector

Understanding Tokenisation

Tokenisation refers to the digital conversion of real-world assets, such as real estate, into blockchain-based tokens. These digital tokens represent fractional ownership or shares in a specific asset, enabling investors to acquire a portion of a property instead of purchasing the asset in its entirety. This democratized model of investment reduces the capital barrier traditionally associated with property ownership and introduces a more flexible, transparent, and inclusive market dynamic.

The principal advantage of tokenisation lies in its ability to fractionalize ownership. Conventional real estate investments typically require full acquisition of the asset, which is financially restrictive for many. Tokenisation addresses this by dividing property ownership into smaller, tradable units—tokens—allowing investors to determine the scale of their investment. This enhances market liquidity and facilitates faster, more accessible property transactions.

Dubai's Strategic Vision for Tokenised Real Estate

This initiative aligns with the broader objectives of Dubai's Real Estate Strategy 2033, which aims to establish the emirate as a preeminent global hub for property investment. Central to this vision is the ambitious target of reaching one trillion dirhams in real estate transaction volume by 2033. In pursuit of this goal, Dubai is harnessing advanced technological solutions to create novel investment opportunities.

Commencing in May, the pilot project will cater to small investors, particularly those holding UAE-issued identification (both residents and citizens), granting them the ability to invest in tokenised real estate. Investors will be able to purchase fractional shares in properties or specific units, with anticipated rental returns between 7% and 8%, alongside potential capital appreciation. This approach introduces a cost-effective and high-yield investment alternative for those previously unable to engage in full property ownership.

Pilot Phase Implementation

The initial phase of the pilot project will enable the purchase of tokens representing ownership in a floor of a building valued at AED 17 million. This asset will be made available on an authorized tokenisation platform, through which individuals can acquire fractional shares.

The Dubai Land Department has emphasized that this marks the first instance globally of integrating tokenised real estate into an official property registry. This integration provides token holders with legal title deeds for each share acquired, which is instrumental in safeguarding investor rights and ensuring the legal authenticity and enforceability of such investments.

Furthermore, the project is expected to attract considerable interest from international markets. The DLD has outlined a strategic objective to grow Dubai's tokenised real estate market to AED 60 billion by 2033, targeting 7% of the city's overall property market.

Ensuring a Safe and Regulated Market

In line with Dubai's commitment to upholding investor protection, the DLD, in conjunction with the Dubai Virtual Assets Regulatory Authority (VARA), mandates that only licensed entities are authorized to participate in or promote tokenisation projects. The Department has issued clear guidance that entities operating without proper licensing from VARA will be deemed non-compliant, and investors engaging with such entities do so at their own risk.

The pilot will be governed by a specialized regulatory committee tasked with overseeing project interest, operational management, and corporate governance. For the three-month pilot phase, transactions will be facilitated exclusively through licensed platforms, ensuring all tokenised assets are accurately appraised and legally enforceable.

Improving Liquidity and Market Accessibility

Tokenisation significantly enhances the liquidity of real estate assets. Unlike traditional transactions, which involve complex legal and procedural requirements, tokenisation allows assets to be traded with speed and simplicity via digital platforms. Investors can seamlessly buy or sell fractional ownership, which promotes active market participation and portfolio diversification.

This flexibility empowers investors to strategically manage risk and engage in varied real estate investments without being anchored to a singular asset.

A Future-Oriented Approach to Real Estate Investment

Dubai's venture into real estate tokenisation marks a pivotal step in modernizing property investment practices. By embracing blockchain-based solutions, the emirate is dismantling traditional entry barriers and making real estate markets more inclusive and globally accessible.

The combination of regulatory oversight, technological innovation, and strategic planning is expected to attract both domestic and international investors seeking secure, transparent, and forward-thinking investment avenues within Dubai's dynamic property sector.

Conclusion

The Dubai Land Department's leadership in real estate tokenisation is set to redefine the investment paradigm, offering both local and global investors unprecedented access to the emirate's robust property market. Through the integration of blockchain technology within a regulated framework, Dubai is delivering on its vision of a modern, transparent, and inclusive real estate ecosystem.

As the pilot phase launches, Dubai reaffirms its status as a global pioneer in property innovation and investor protection.

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 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.

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