

The background image shows the Abu Dhabi skyline at night, featuring the illuminated Etihad Towers and the grand Emirates Palace hotel with its distinctive golden dome. The sky is a deep blue, and the water in the foreground is dark.

Property Review

Abu Dhabi Real Estate Report

Q1 2023



استيکو
asteco

38
YEARS

Market Overview ↗

Supply*

Abu Dhabi recorded the delivery of approximately 1,600 residential units in Q1 2023. The supply was largely distributed across the established International Investment Zones of Al Raha Beach, Al Reem Island and Saadiyat Island.

A number of noteworthy projects were also launched in Q1 2023. These include, the premium waterfront development, Sea La Vie – Yas Island by Nine Yards and Amara (Phase 2 of Reem Hills) by Q Holding. Aldar also launched several projects, maintaining its dominant market share with the release of The Sustainable City – Yas Island, Manarat Living on Saadiyat Island, Saadiyat Lagoons Wilds, Al Qurm Phase 2 and Yas Golf Collection.

Abu Dhabi's development pipeline throughout the rest of 2023 shows no signs of slowing, with several new projects currently in the planning & design stage and anticipated to launch over the year.

Rental Rates

Prime and high-quality apartment developments registered an average rental increase of 2% in Q1 2023. However, these increases were generally limited to new tenants. For existing tenants, many landlords have taken a more cautious approach, forgoing potential rental increases in favour of retaining tenants / occupancy.

Apartment rents in mid quality buildings / developments remained relatively stable. However, lower quality buildings have come under pressure from the delivery of 'better' quality units over the past 12 to 18 months. As such, a high proportion of units in this category have recorded rental decreases.

The villa market continued its upward trajectory in Q1 2023, with an average quarterly increase of 2%. Prime villa communities saw the largest increases of up to 5%.

Improving business confidence resulted in strong demand for office space in Abu Dhabi. Particularly for Grade A / B+ specification, predominantly in prime locations. However, with tenants facing increasingly limited options, we have seen a pull-on rent in more peripheral locations which may feed to lower quality buildings, as has been the case in Dubai.

Sales Prices

Whilst sales prices for completed apartment and villa developments remained broadly stable in Q1, they recorded a nominal average annual increase of 2%. Apartment developments in Al Raha Beach, and villa developments on Saadiyat and Yas Island recorded the highest increases of 7% to 8%.

Off-plan prime and high-quality projects located on Saadiyat and Yas Island continued to achieve significant premiums compared to secondary market sales with rates ranging from AED 1,500 to AED 3,800 per square foot / sellable area.

Whilst sales rates in this segment have surged of late, it is worth highlighting that they remain at a steep discount to comparable properties in Dubai and represent exceptionally good value when compared to the neighbouring emirate. No doubt, for many investors and new entrants, this price disparity makes Abu Dhabi an increasingly compelling option.

Sales volumes remained robust in both the off-plan and completed categories, weighted towards end-users. The former continues to perform strongly, with all noteworthy launches well received. Indeed, the volume of transactions increased 47% Y-o-Y. The numbers are similarly matched for completed stock, with sales volumes 50% higher Y-o-Y.



* 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 2022	Completed in Q1 2023	Projected END OF 2023
 APARTMENTS No. of units	8,450	1,600	3,600
 VILLAS No. of units	100	50	850



Abu Dhabi

Apartment Rental Rates ↗

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

	STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
PRIME PROPERTIES										
ABU DHABI ISLAND	60	65	65	110	95	155	155	215	1%	3%
INVESTMENT AREA*	60	95	90	175	115	230	180	350	0%	10%
HIGH END PROPERTIES										
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	62	90	75	140	100	195	1%
	CENTRAL ABU DHABI	40	45	55	60	75	105	110	140	-1%
	CORNICHE	50	55	60	75	75	115	120	155	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	60	85	100	140	135	200	1%
	MARINA SQUARE	40	45	50	70	70	110	110	150	1%
	SAADIYAT BEACH RESIDENCES			70	80	112	140	150	165	0%
	SHAMS ABU DHABI	45	50	50	75	75	120	110	160	4%
	YAS ISLAND	47	55	65	75	105	120	155	180	0%
MID END PROPERTIES										
ABU DHABI ISLAND		38	50	48	70	60	110	85	150	2%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	75	110	145	150	3%
	NAJMAT & TAMOUSH	35	45	45	58	65	90	90	135	1%
	SAADIYAT ISLAND	40	45	55	62	80	90	110	130	0%
	SHAMS ABU DHABI	40	45	50	60	65	85	94	125	0%
	YAS ISLAND	40	42	48	55	70	80	115	125	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	38	42	70	60	115	120	130	0%
LOW END PROPERTIES										
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	35	45	50	65	65	80	1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	90	1%
	CORNICHE	30	35	42	50	55	60	68	80	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	75	90	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%



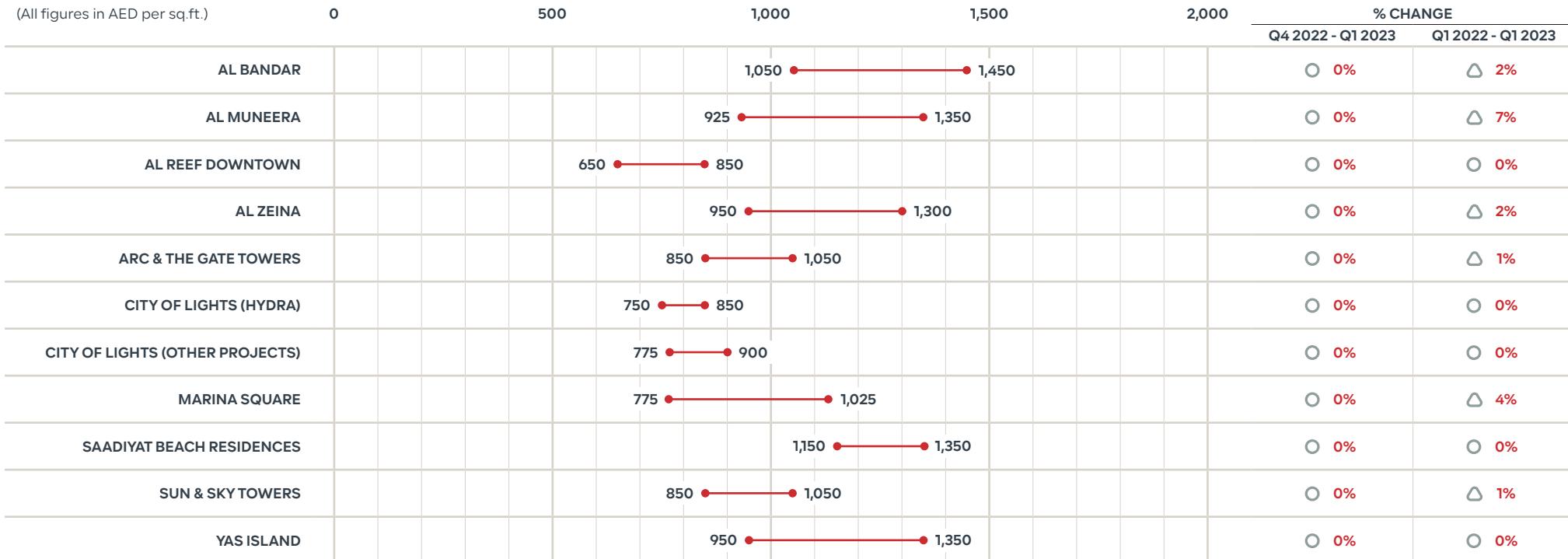
* Includes Mamsha Al Saadiyat Development



Abu Dhabi

Apartment Sales Prices ↗

(All figures in AED per sq.ft.)





Abu Dhabi

Villa Rental Rates ↗

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

		2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	140	160	145	200	180	240	4%	4%
	AL NAHYAN CAMP / AL MUROOR	-	-	135	155	150	170	160	175	1%	3%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	140	170	175	210	4%	4%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	230	270	250	300	4%	9%
	AL REEF	72	75	95	100	130	140	145	155	2%	2%
	HIDD AL SAADIYAT	-	-	-	-	390	480	410	710	5%	8%
	HYDRA VILLAGE	50	57	60	65	-	-	-	-	-2%	-2%
	LULUAT AL RAHA	-	-	-	-	295	300	350	360	-	-
	SAADIYAT BEACH VILLAS	-	-	290	320	340	420	455	670	2%	3%
	WEST YAS	-	-	-	-	245	275	280	310	2%	4%
	YAS ACRES	170	195	210	230	245	300	330	400	4%	5%
OFF ISLAND	AL RAHA GARDENS	-	-	140	155	155	185	200	230	0%	3%
	GOLF GARDENS	-	-	200	205	220	245	265	350	0%	2%
	KHALIFA CITY	-	-	105	115	105	135	125	160	1%	1%
	MBZ CITY	-	-	100	110	105	130	120	155	2%	2%

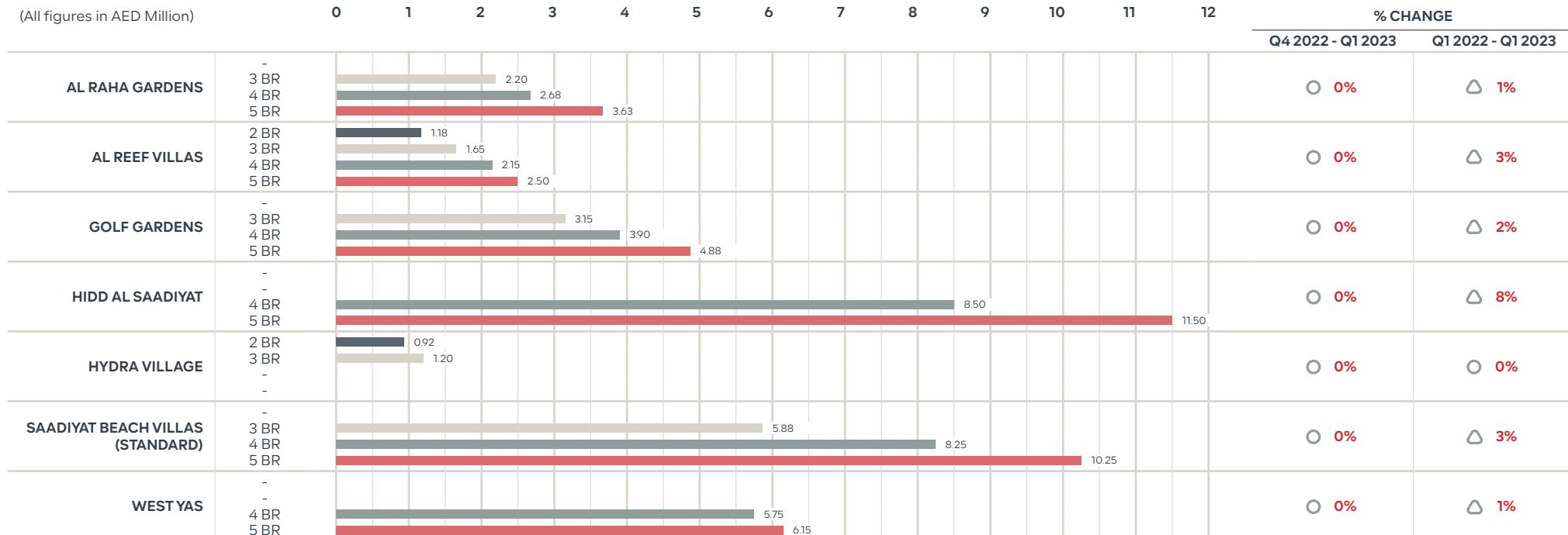




Abu Dhabi

Villa Sales Prices ↗

(All figures in AED Million)



* 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 2022 - Q1 2023	Q1 2022 - Q1 2023
PRIME STOCK				
FITTED*	1,350	2,250	4%	4%
QUALITY STOCK				
FITTED	750	1,125	2%	2%
SHELL AND CORE	625	850	3%	3%
OLDER STOCK				
GOOD	550	725	2%	2%
TYPICAL BUILDING	500	650	2%	2%
LOW QUALITY BUILDING	400	450	0%	0%



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

** The average percentage change calculation excludes Prime Stock.

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



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.

HP Aengaar

Chief Executive Officer
+971 2 408 0800
h.aengaar@provis.ae

John Allen

BSc, MRICS
+971 4 403 7777
JohnA@Asteco.com

James Joughin

BSc (Hons), MRICS
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)
Manager - Research & Advisory, Dubai
+971 4 403 7777
JennyW@Asteco.com



DISCLAIMER: The information contained in this report has been obtained from and is based upon sources that Asteco Property Management believes to be reliable; however, no warranty or representation, expressed or implied, is made to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals. Asteco Property Management will not be held responsible for any third-party contributions. All opinions and estimates included in this report constitute Asteco Property Management's judgment, as of the date of this report and are subject to change without notice. Figures contained in this report are derived from a basket of locations highlighted in this report and therefore represent a snapshot of the UAE market. Averages, however, represent a wider range of areas. Particularly exclusive or unique projects have been excluded from the data to avoid distorting averages. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts, by their very nature, involve risk and uncertainty because they relate to future events and circumstances which are beyond Asteco Property Management's control. For a full in-depth study of the market, please contact Asteco Property Management's Research team. Asteco Property Management LLC. Commercial License No. 218551. Paid-up Capital AED 4,000,000. | ORN 180.

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.