

Property Review

UAE Real Estate Report

Q1 2023



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Al Tamimi & Co.

ABU DHABI



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%	2%
	CENTRAL ABU DHABI	40	45	55	60	75	105	110	140	-1%	0%
	CORNICHE	50	55	60	75	75	115	120	155	1%	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	60	85	100	140	135	200	1%	2%
	MARINA SQUARE	40	45	50	70	70	110	110	150	1%	3%
	SAADIYAT BEACH RESIDENCES			70	80	112	140	150	165	0%	3%
	SHAMS ABU DHABI	45	50	50	75	75	120	110	160	4%	5%
	YAS ISLAND	47	55	65	75	105	120	155	180	0%	1%
MID END PROPERTIES											
ABU DHABI ISLAND		38	50	48	70	60	110	85	150	2%	0%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	75	110	145	150	3%	3%
	NAJMAT & TAMOUH	35	45	45	58	65	90	90	135	1%	2%
	SAADIYAT ISLAND	40	45	55	62	80	90	110	130	0%	1%
	SHAMS ABU DHABI	40	45	50	60	65	85	94	125	0%	1%
	YAS ISLAND	40	42	48	55	70	80	115	125	0%	1%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	38	42	70	60	115	120	130	0%	0%
LOW END PROPERTIES											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	35	45	50	65	65	80	1%	1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	90	1%	1%
	CORNICHE	30	35	42	50	55	60	68	80	0%	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	75	90	0%	0%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%	0%



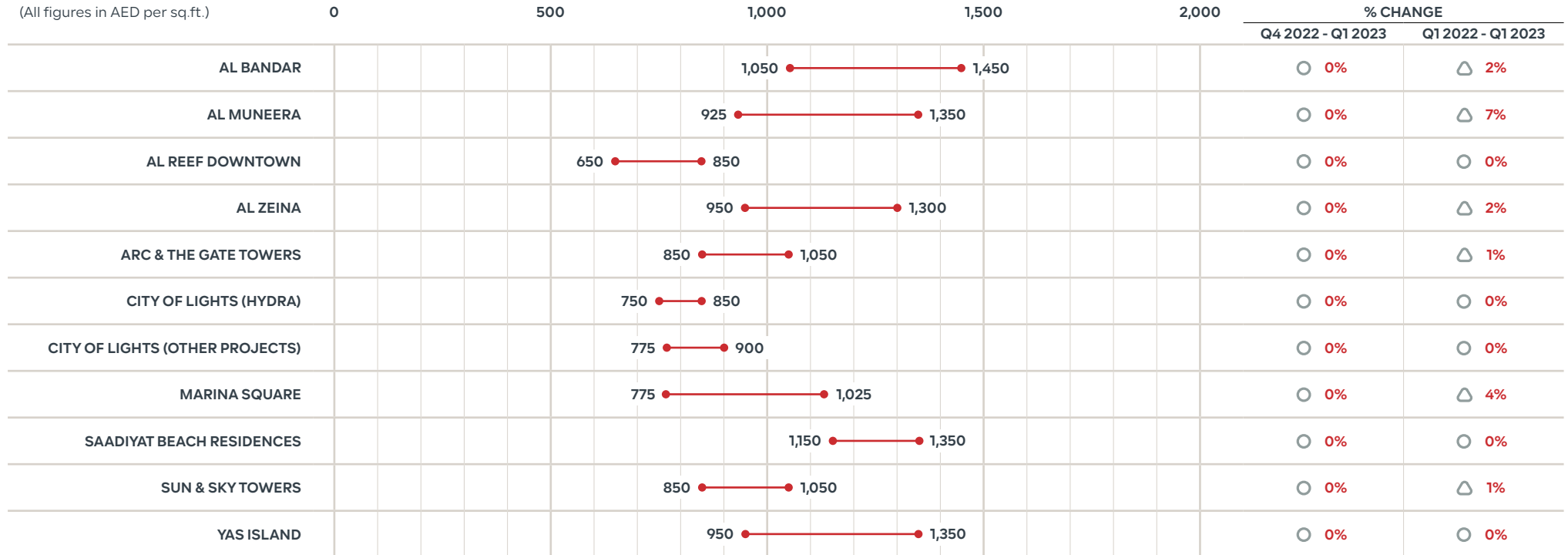
* Includes Mamsha Al Saadiyat Development



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	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%

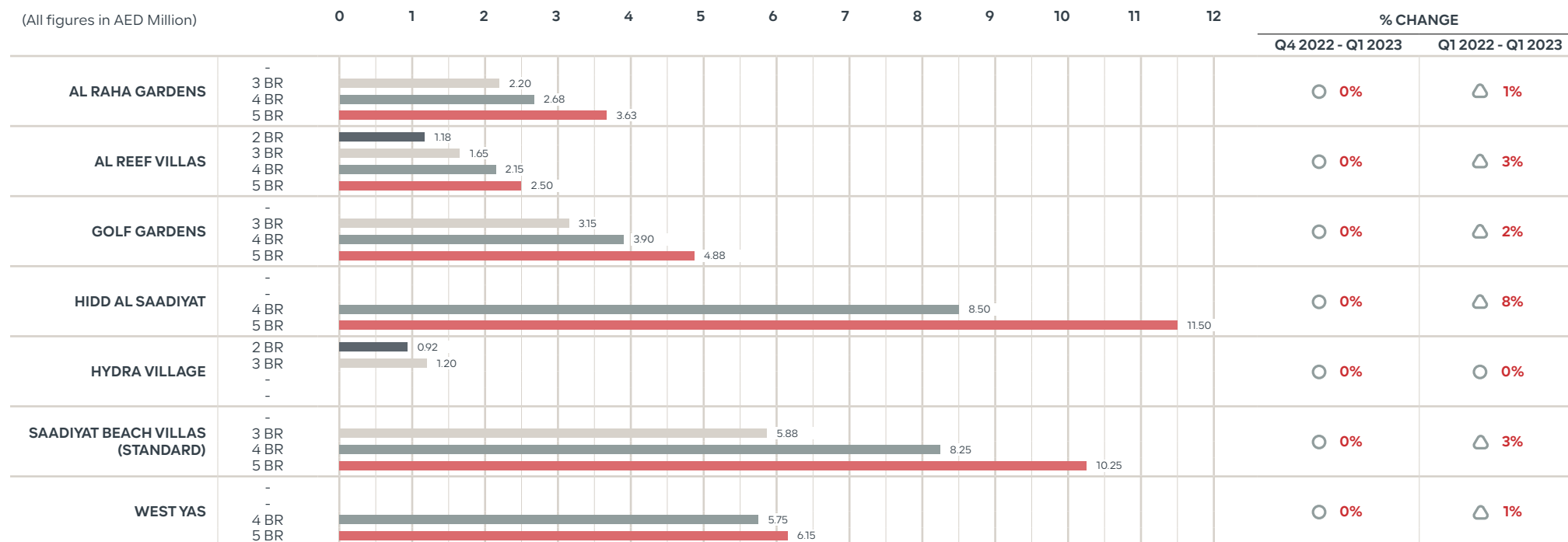




Abu Dhabi

Villa Sales Prices

(All figures in AED Million)



% Change

0%

2%

-1%*

22%*

○
Q-o-Q
Since Q4 2022

△
Y-o-Y
Since Q1 2022

▽
Since Peak
Q4 2015

△
Since market low
Q4 2012

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

Abu Dhabi **Office Rental Rates**

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

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 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.



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 Dubai residential apartment market recorded the delivery of approximately 7,600 units in Q1 2023, broadly matching volumes registered in the final quarter of last year.

Villa supply picked up significantly in Q1 2023 with approximately 2,150 units handing over. This represents more than double (circa 1,000 units) in previous quarter.

New stock continues to be added across Dubai, with deliveries in established communities, such as Dubai Marina and Business Bay, as well as in upcoming developments including Port De La Mer, MBR City, Dubai Hills Estate, Dubai Creek Harbour and Arabian Ranches 3.

There were no notable new office space handovers over the last three months.

Despite ambitious development plans, project/handover delays are likely to limit full-year apartment and villa completions to 35,000 and 6,800, respectively. However, delays do not represent cancellations and the shortfall (approximately 5,000 apartments) on earlier projections will simply spill over into 2024.

Whilst the updated 2023 projections represent a decline on earlier forecasts; it is worth noting that the supply of new villas represents a significant increase over the previous year. For comparison, over the course of 2022 a total of 27,000 apartments and 3,930 villas were handed over.

Despite growing concerns over the volume of future supply, new project launches continues to be well received by investors and end-users.

With such positive market sentiment encouraged by stimulus from new government initiatives, and broader economic growth, further releases can be expected.

Rental Rates

Rental rates across all major asset classes grew over the course of the first quarter and are expected to increase further, particularly for good quality properties, albeit at a slower rate than last year.

Average apartment and villa rental rates continued to record strong growth in Q1 2023, particularly in higher-quality developments, with quarterly increases of 4% and 7%, respectively.

Annual rental growth in the villa segment was significant, at 25%, whilst average apartment rental rates rose by 19%.

Villas continued to be the predominant focus of demand, which translated into higher rental and occupancy rates.

Office rental rates also grew on average by 6% over the last 3 months, although net effective rents may have been influenced by additional incentives. Annual rental increases stood at 21%.

In this rapidly changing market, there has inevitably been a growing gap between landlord and tenant expectations. After burdening years of decreasing rent, many landlords have aggressively sought to benefit from favourable market conditions. This has resulted in attempts to secure significant rental increases at lease renewal and invariably resulted in the increasing application of eviction notices.

Unsurprisingly, many tenants have sought to push back under the protection of the RERA rental index and have ultimately opted to pursue a formal rental dispute. However, many tenants have agreed to rental hikes, seeking to maintain good relations with their landlord and avoid the risk (and associated cost and inconvenience) of relocation and ultimately having to settle for a similar property at an even higher rental rate.

This trend is expected to continue until new supply brings balance and rental growth plateaus.

Sales Prices

The first 9 months of 2022 recorded significant sales price growth, particularly within the luxury segment. However, the rate of increases (for apartments, villas, and offices alike) slowed in the final quarter. This more subdued rate of growth has continued in Q1 2023.

Nevertheless, the increase over the quarter still stood at a relatively strong 5% for both the apartments and villas. Annually, apartments and villas grew at a robust 17%.

The strength of sentiment is likely to continue to buoy sales price growth and new project launches in 2023. However, price growth is likely to be increasingly constrained by the reality of increasing supply and the impact of higher interest rates.

Asteco has noted a growing divergence between completed and off-plan sales prices, with a significant premium for the latter. The premium for off-plan sales is difficult to reconcile, given that completed product offers the opportunity for immediate rental returns or occupation.

One could speculate that the premiums being achieved are the result of improving specifications and the positioning of projects. However, it is more likely that this premium is the result of off-plan properties requiring investors to deploy less equity. Unfortunately, this raises several difficult questions, not least whether this premium is being driven by the speculation of capital growth, rather than longer term rental returns, or from future owner-occupiers.

With so many forces at play, Asteco anticipates momentum to continue throughout 2023 albeit at a more sluggish rate than 2022. Faced with these headwinds' developers are likely to offer increasingly flexible payment plans, either with lower down payments and / or extended post-completion payment plans.

* 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 2022	Completed in Q1 2023	Projected END OF 2023
 APARTMENTS No. of units	27,000	7,600	27,400
 VILLAS No. of units	3,930	2,150	4,650
 OFFICES Million Sq.ft.	0.65	-	1.34

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 2022 - Q1 2023	Q1 2022 - Q1 2023
HIGH TO LUXURY END										
DIFC	62.5	80	85	125	110	190	160	285	4%	24%
DOWNTOWN DUBAI	55	80	75	140	110	200	160	350	5%	28%
PALM JUMEIRAH	70	100	110	200	150	260	190	350	8%	32%
SHEIKH ZAYED ROAD	60	70	75	140	80	190	100	210	5%	26%
MID TO HIGH END										
BUSINESS BAY	42.5	70	57.5	100	87.5	150	130	220	4%	23%
DUBAI MARINA	47.5	80	65	130	90	185	115	275	6%	27%
THE GREENS & THE VIEWS	47.5	65	65	115	95	150	125	200	7%	22%
JUMEIRAH BEACH RESIDENCE	67.5	90	85	150	110	170	145	220	5%	28%
JUMEIRAH LAKES TOWERS	40	57.5	50	85	67.5	140	105	160	5%	21%
AFFORDABLE										
DEIRA	20	35	37.5	55	47.5	85	80	105	4%	15%
DISCOVERY GARDENS	25	40	40	55	57.5	70	-	-	4%	16%
DUBAI SPORTS CITY	27	40	42.5	55	50	80	75	100	5%	22%
INTERNATIONAL CITY	20	30	30	40	40	60	57.5	70	3%	16%
JUMEIRAH VILLAGE	27.5	45	35	60	55	90	90	115	4%	20%

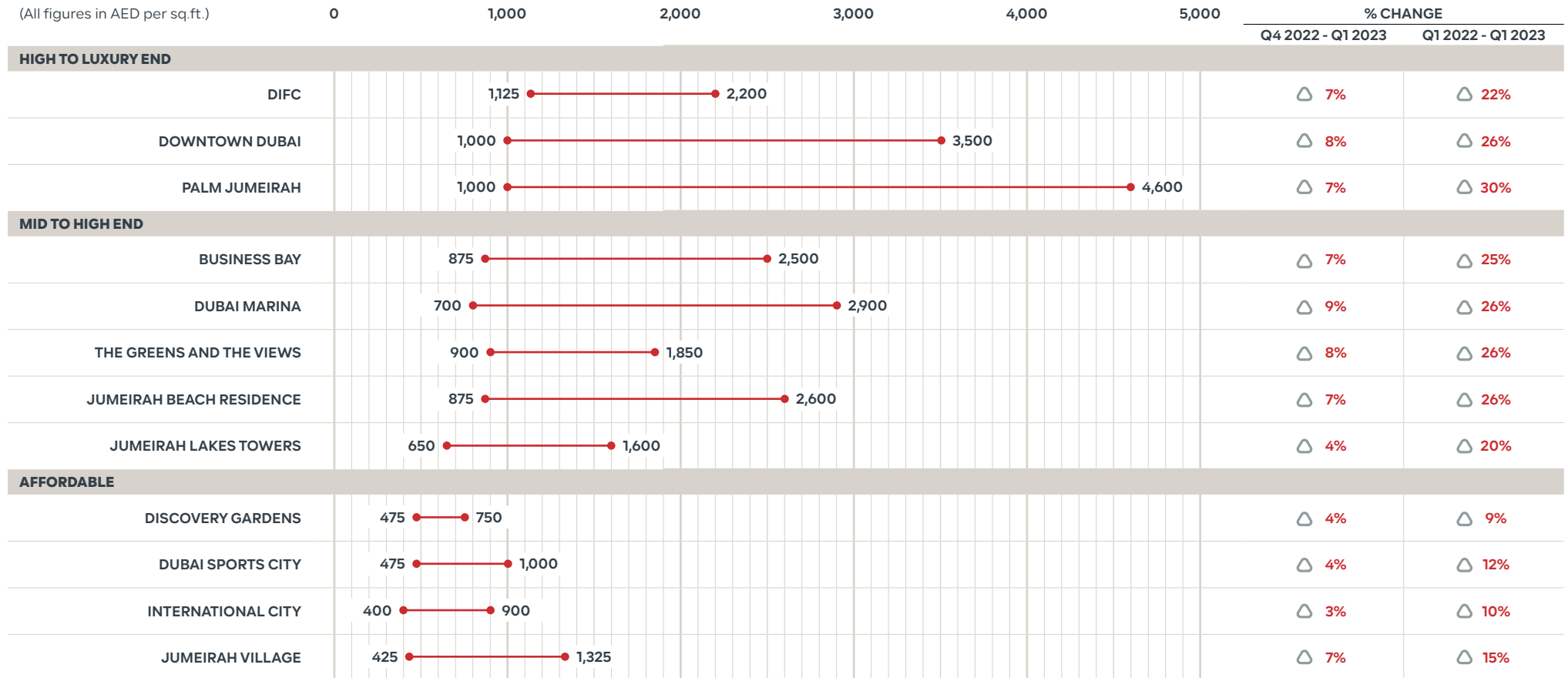




Dubai

Apartment Sales Prices

(All figures in AED per sq.ft.)



% Change

5%

17%

-13%

55%

Q-o-Q
Since Q4 2022

Y-o-Y
Since Q1 2022

Since Peak
2014/2015

Since market low
2011/2012



Dubai Villa Rental Rates

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

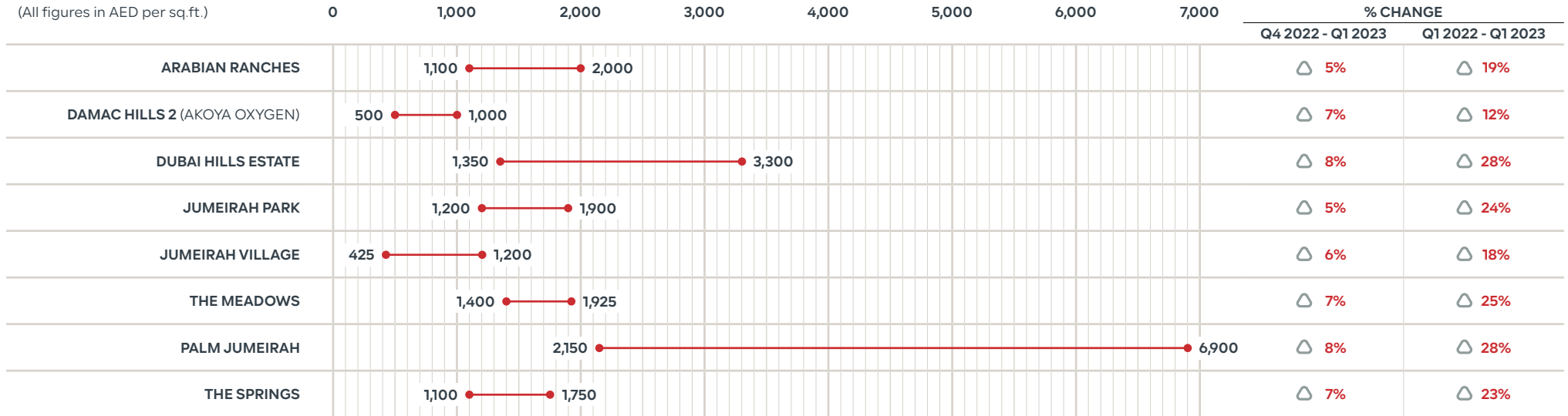
	2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
ARABIAN RANCHES	130	180	170	310	235	375	335	480	7%	23%
DAMAC HILLS 2 (AKOYA OXYGEN)	65	80	55	100	65	120	100	130	7%	11%
DUBAI HILLS ESTATE	-	-	210	380	235	425	275	520	8%	32%
DUBAI SILICON OASIS (CEDRE VILLAS)	-	-	160	210	175	225	190	240	5%	14%
DUBAI SPORTS CITY (VICTORY HEIGHTS)	-	-	180	210	200	250	250	385	6%	26%
JUMEIRAH / UMM SUQEIM	-	-	170	265	175	365	225	430	8%	28%
JUMEIRAH PARK	-	-	250	350	275	400	360	520	7%	9%
JUMEIRAH VILLAGE	120	180	130	180	140	220	165	260	7%	27%
THE MEADOWS	-	-	260	360	320	425	300	600	8%	32%
MIRDIF	55	90	80	130	110	160	135	190	7%	14%
PALM JUMEIRAH	-	-	350	650	475	825	650	1,050	9%	34%
THE SPRINGS	120	175	190	265	-	-	-	-	8%	30%
THE LAKES	-	-	240	350	300	410	310	420	7%	21%
TOWN SQUARE	-	-	120	160	150	175	-	-	6%	27%





Dubai Villa Sales Prices

(All figures in AED per sq.ft.)



% Change

5%

17%

-2%

65%

△
Q-o-Q
Since Q4 2022

△
Y-o-Y
Since Q1 2022

▽
Since Peak
2014/2015

△
Since market low
2011/2012

Dubai Office Rental Rates

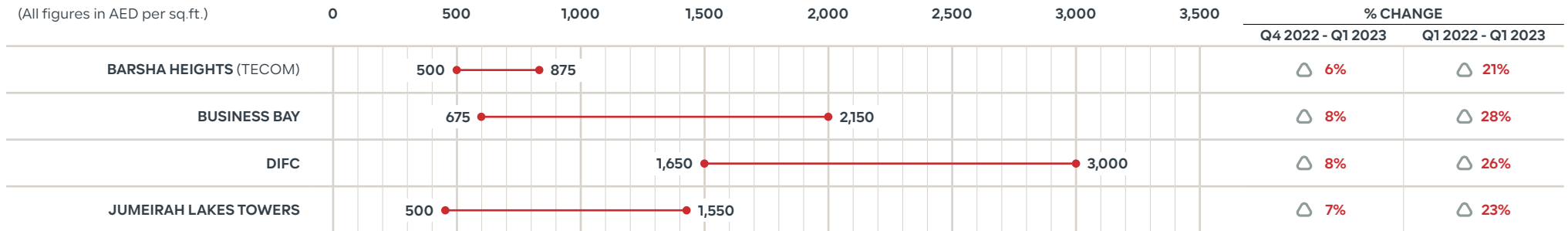
(All figures in AED per sq.ft. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
BARSHA HEIGHTS (TECOM)	55	80	8%	30%
BUR DUBAI	57.5	80	4%	13%
BUSINESS BAY	60	100	8%	27%
DIFC	110	310	8%	30%
JUMEIRAH LAKES TOWERS	55	90	8%	30%
SHEIKH ZAYED ROAD	75	210	8%	26%



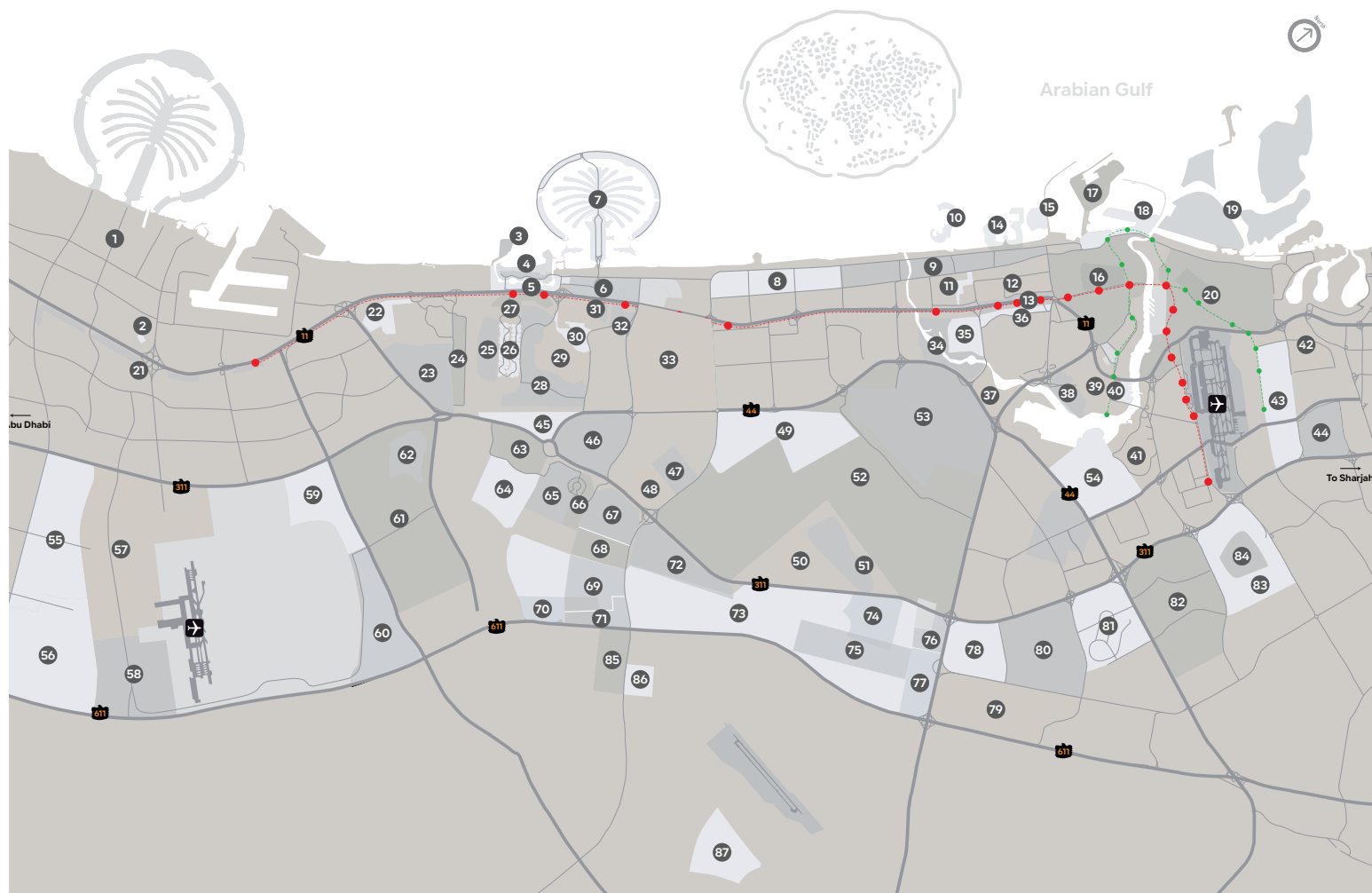
Dubai Office Sales Prices

(All figures in AED per sq.ft.)



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

Apartment rental rates across the Northern Emirates recorded modest gains in Q1 2023 with increases of 1 - 2% for 'typical' properties and 2 - 3% for high-end properties. This mirrored the trajectory of previous quarters, with an average annual change of circa 5%.

The Sharjah apartment market recorded similar levels of growth in Q1 with rental rates increasing 2%. Previous quarterly fluctuations resulted in an overall annual change of 2% only.

Sharjah office rental rates also continued their upward trajectory with average growth of 2% over the last 3 months and a noteworthy 10% compared to the same period last year.

On the off-plan launch side; Arada recently launched the 'Sarai' at the Sharjah Forest community, Masaar. Representing the fifth phase of the project, the 36 ultra-luxury mansions are scheduled to be completed by the end of 2025. The launch built on Arada's earlier successes, with total sales revenue increasing by 46% in 2022, compared to 2021.

Another noteworthy event in Q1 2023 was The UAE Ministry of Energy opening registration for the first 3 phases of the 'Al Sayouh 16 Residential Complex', to be developed under the Sheikh Zayed Housing Programme (SZHP). Registration was opened for 438 residential units, with a further 380 units scheduled for release this year, taking the total to 818 units.

According to the Sharjah Real Estate Registration Directorate (SRERD), the real estate sector recorded 8,592 transactions for the first 3 months of 2023 with a total value of AED 5.9 billion. These numbers represent continued record-setting transactional volumes and values for the Emirate, driven largely by the proliferation of master plan developments and a wider relaxation of ownership restrictions for non-GCC residents. With new project launches being well received, and a latent demand for affordable projects, Asteco anticipates further launches over the course of 2023.

Apartment sales prices in Sharjah have also registered robust levels of growth, recording a 2% increase over the quarter and 9% over the year'.

Al Zorah (Ajman), a premium mixed-use waterfront community released details of its latest project, 'Seaside Hills Residence'. This latest release comprised 90 waterfront residential units. Waterfront apartments within the community are now achieving average sales rates of AED 1,325 to AED 1,525 per sqft and up to AED 1,900 per sqft / sellable area for 4 BR Penthouses. Despite the price point setting notable premiums over the local market, the unique product positioning has ensured that the project has been well received.

Al Hamra Properties (Ras Al Khaimah) similarly made a prominent announcement with the release of the remaining inventory on Falcon Island. The launch comprised premium 4 and 5 BR stand-alone sea view and 3 and 4 BR canal view villas..

The Seaside Hills Residence and Falcon Island releases followed a continuing pattern of upsurging demand for villas and townhouses, lower density destinations away from the city centres.





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 2022 - Q1 2023	Q1 2022 - Q1 2023
SHARJAH	TYPICAL	9	14	11	19	14.5	24	26	34	2%	1%
	HIGH END	15	20	20	34	25	50	35	70	3%	4%
AJMAN	TYPICAL	9	14	12.5	15	14	20	21	30	1%	2%
	HIGH END	15	18	15	26	20	36	34	50	3%	6%
UMM AL QUWAIN		10.5	16	14.5	20	19	30	29	40	2%	5%
RAS AL KHAIMAH	TYPICAL	12	15	16	24	19	29	34	45	2%	5%
	HIGH END	16	25	25	39	35	55	60	90	3%	8%
FUJAIRAH	TYPICAL	14.5	18	16	23	24	30	30	45	1%	5%
	HIGH END	20	25	29	36	35	47.5	50	70	2%	8%





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 2022 - Q1 2023	Q1 2022 - Q1 2023
AL MAJAZ	14	18	17	30	20	45	30	65	2%	4%
AL QASIMIA	10	16	13	24	17	35	30	45	2%	1%
AL NAHDA	14	20	15	32	17	45	35	65	2%	0%
AL KHAN / AL MAMZAR	15.5	19	17	34	25	50	35	70	1%	6%
ABU SHAGARA	11	17	14	25	20	34	30	42	2%	1%
AL YARMOOK	10	13	13.5	17	17	20	27	40	1%	2%
AL WAHDA STREET	13	18	17	25	22	37	30	50	3%	8%
CORNICHE	14.5	20	20	28	26	45	35	70	2%	4%



% Change

2%

Q-o-Q
Since Q4 2022

2%

Y-o-Y
Since Q1 2022

-35%

Since Peak
Q1 2015

3%

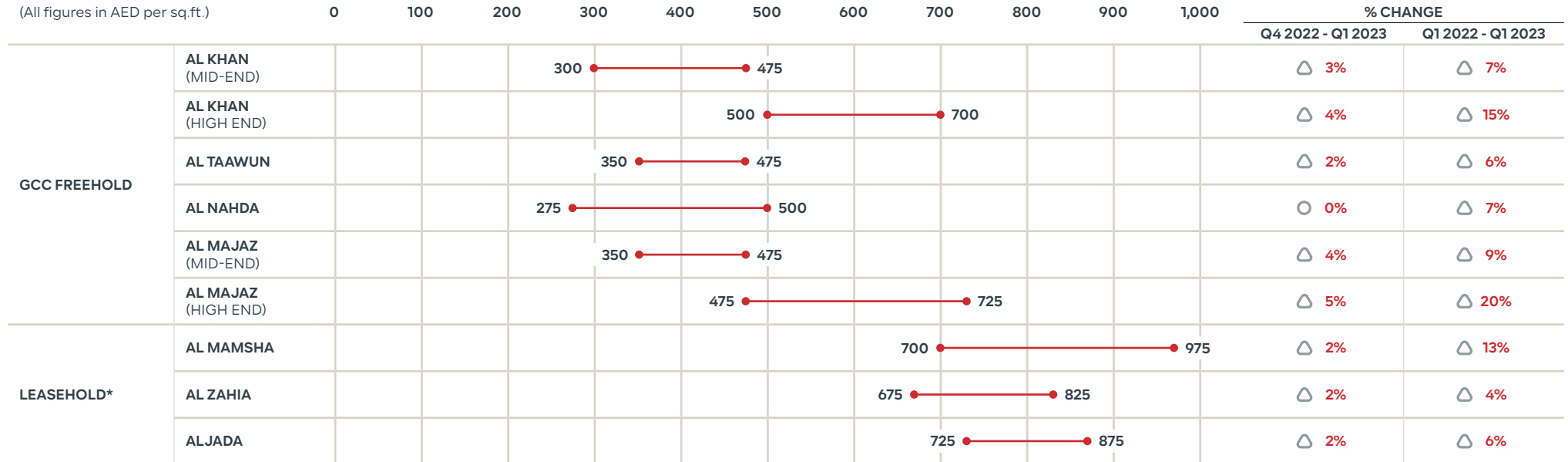
Since market low
Q4 2012



Sharjah

Apartment Sales Prices

(All figures in AED per sq.ft.)



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



Sharjah Office Rental Rates

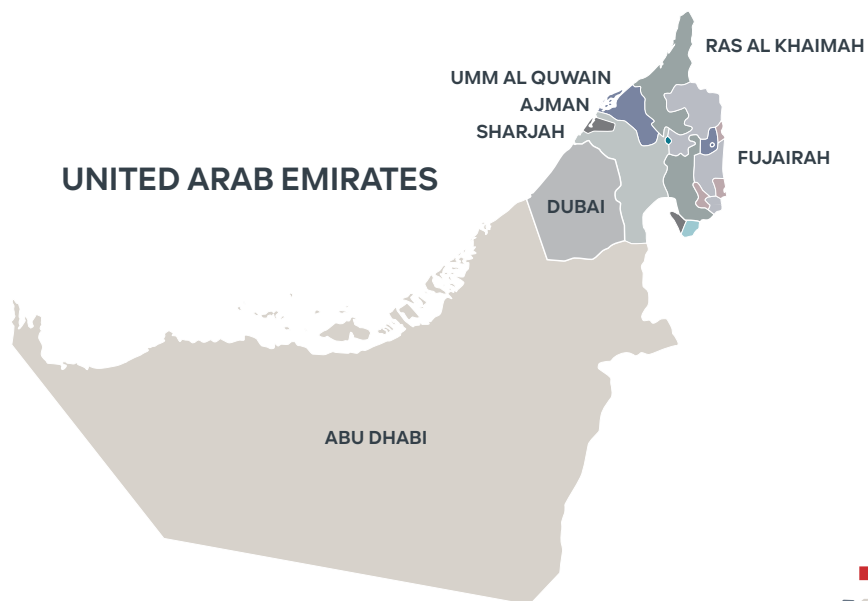
(All figures in AED per sq.ft. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
AL TAAWUN ROAD	25	35	2%	8%
CORNICHE AREA	30	50	2%	14%
AL WAHDA	25	35	3%	11%
AL QASIMIA	20	35	2%	8%
CLOCK R/A	25	35	2%	9%
AL YARMOOK	25	35	2%	11%
INDUSTRIAL AREA	20	35	2%	11%



Northern Emirates

Property Map



RAS AL KHAIMAH

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



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

Rental rates in Al Ain (across all asset classes) remained broadly unchanged over Q1 2023. However, the general sentiment is positive and improving.

Residential market activity remains dominated by churn (internal migration), rather than 'new' residents. With stable demand, restricted to existing residents, overall apartment and villa rental rates remained stable. Notwithstanding, the market is highly price sensitive and with increased options for tenants, proactive landlords of older stock, particularly apartments, have accepted modest rental discounts in favour of maintaining occupancy levels.

The retail sector has registered a notable increase in demand, particularly for F&B retail space. Demand has been registered at both street and community retail level. Nevertheless, it is likely that this will take time feed through to upward pressure on rental rates. More immediately, we may see a reduction in the generous incentives currently offered by landlords, such as rent-free periods. These incentives have been used extensively over recent years to stimulate the market.

The office rental market also remains stable, with no change recorded over Q1 2023. However, in tandem with growing business confidence, Asteco registered a renewed level of interest across various districts of the City.

New supply has been limited to a small number of residential buildings handing over in Asharej and the Town Centre areas. Further completions within the Town Centre are anticipated before the end of 2023, albeit of a similar small scale. Of note, the Al Ain Hospital Development (which includes a mix of commercial space) will be handed over in Q2 / Q3 2023. On the retail side, the Al Rayan Shopping Centre is expected to be completed in 2023.





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 2022 - Q1 2023	Q1 2022 - Q1 2023
MATURE BUILDINGS	21	26	31	35	43	48	0%	0%
NEW BUILDINGS	26	29	34	37	52	62	0%	0%
PRIME COMPOUNDS	30	35	42	48	60	80	0%	0%



Al Ain

Villa Rental Rates ↗

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

		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	Q4 2022 - Q1 2023	Q1 2022 - Q1 2023
MATURE VILLAS	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	42	46	65	70	82	91	0%	-1%
	AL TOWAYA	60	68	85	90	90	95	0%	0%
	PRIME COMPOUNDS	75	80	93	100	115	120	0%	0%
RECENT BUILD	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	55	62	70	78	95	105	0%	-1%
	AL TOWAYA	70	75	85	90	105	110	0%	0%
	PRIME COMPOUNDS	85	90	105	110	130	135	0%	0%



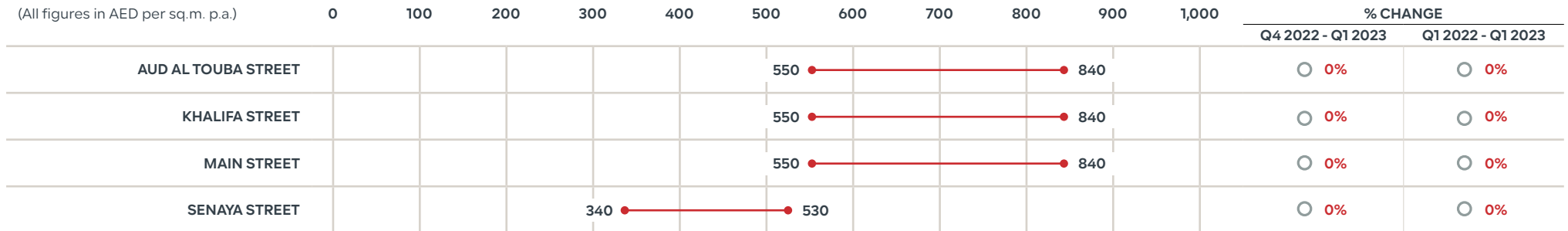
* Includes Al Khabisi, Al Muwajji, Al Manasir and Al Masoudi areas.



Al Ain

Office Rental Rates

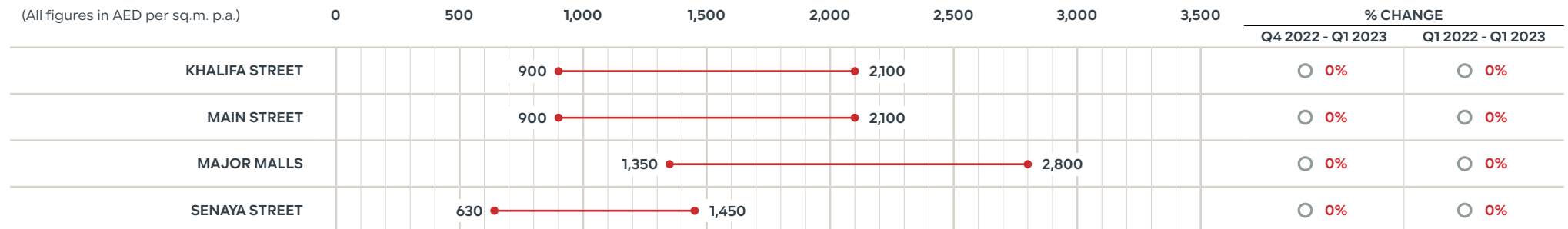
(All figures in AED per sq.m. p.a.)



Al Ain

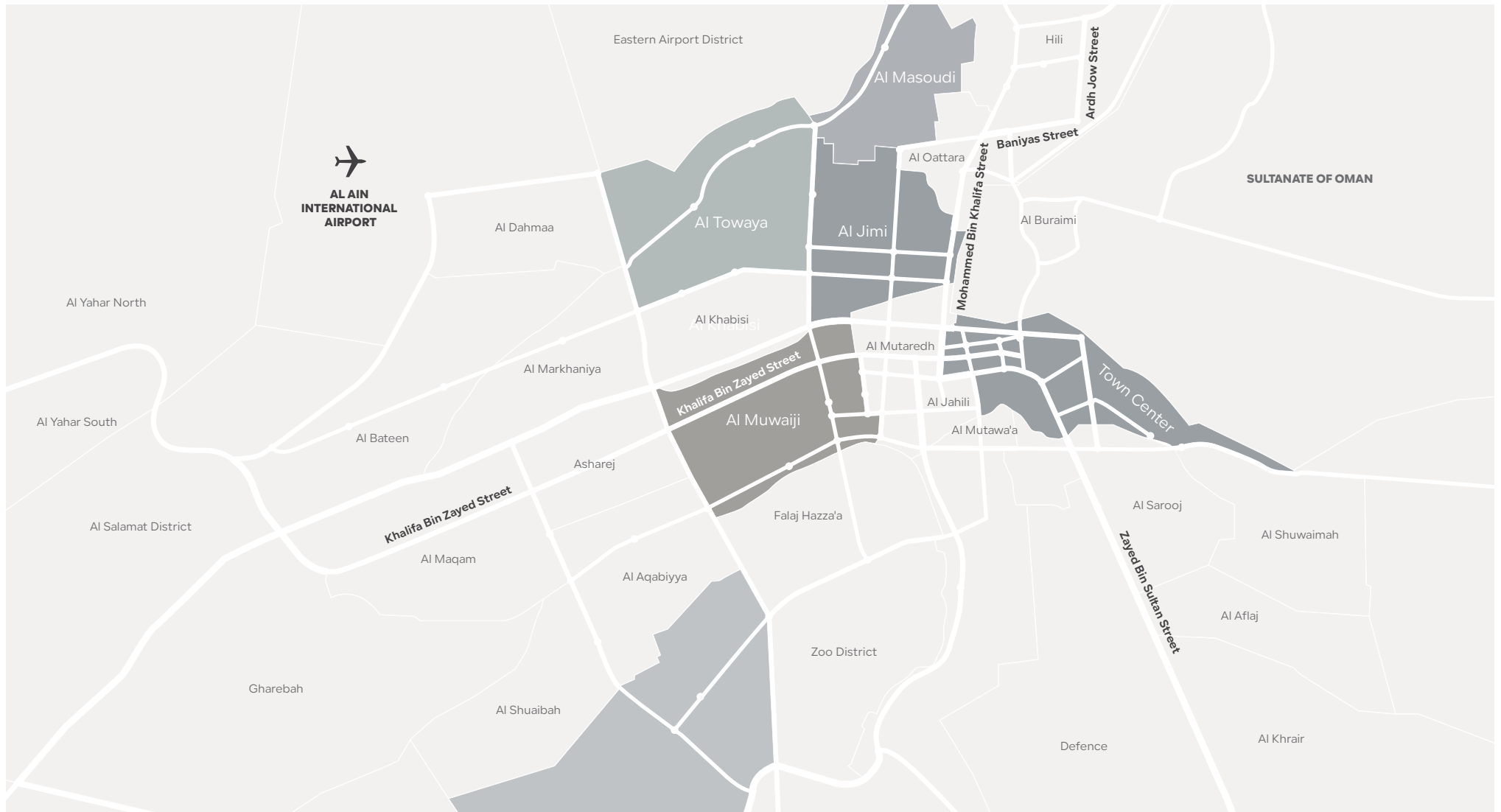
Retail Rental Rates

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



Al Ain

Property Map



ECONOMIC OVERVIEW

Emirates NBD has revised up its 2022 GDP growth estimate for the UAE to 8.0% from 7.6% previously, on the back of faster non-oil sector growth. The Statistics Centre Abu Dhabi reported real GDP growth in the emirate of 10.5% in the first nine months of 2022, with non-oil growth also exceeding 10% over the period. Separately, data for H1 2022 for the whole UAE showed real GDP growth of 8.5%, with the non-oil sectors growing 7.8%. We have thus revised up our forecast for 2022 non-oil GDP growth to 6.1% from 5.6% previously, and kept our hydrocarbons sector GDP estimate of 13% unchanged.

However, recently announced production cuts from several OPEC+ countries will weigh on headline GDP growth in 2023. We have lowered our forecast for UAE growth this year to 3.4%, although our expectation for non-oil sector growth of 3.5% remains unchanged.

While the developed economies have largely proved much more resilient than expected in the face of aggressive monetary policy tightening over the last nine months, the collapse of two US banks and the "shotgun marriage" of Credit Suisse and UBS point to

significant strains emerging in some sectors. Despite the concerns around the stability of the banking sector, the Federal Reserve, the European Central Bank and the Bank of England all pushed ahead with rate hikes in March, as inflation remains well above target and sticky. However, measures have been taken to ensure that banks have access to the liquidity they need to meet depositors' withdrawal requirements.

The challenge for central banks going forward is threading the needle on inflation and the real economy. The inflation data suggests that more tightening is necessary to cool demand, but markets are now pricing rate cuts from the Fed in the second half of this year. There is significant uncertainty about tightening lending standards and credit conditions in the US, which could have the effect of another one or two interest rate hikes in terms of dampening growth, or end up pushing the economy into recession. This is the scenario the market seems to be pricing currently.

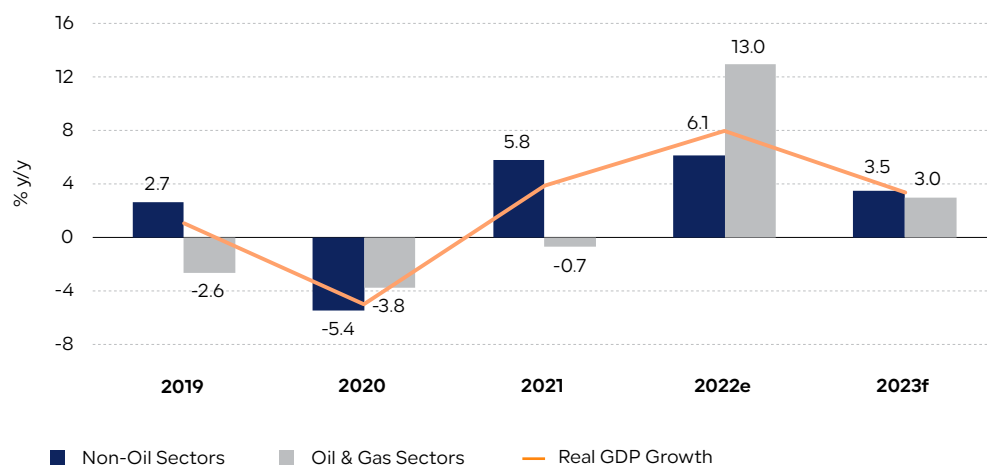
The impact of the recent banking sector stress has been felt in oil markets as well, and as a result we have revised our 2023 forecast for Brent oil down to an average of USD 88/b from USD 105/b at the start of this year. We still expect prices to rebound in H2 2023 given

the constrained global supply of oil, the strengthening of demand from China and the recovery in global air travel. With further production cuts now due in May, there is some upside risk to our H2 oil price forecasts.

While the UAE is still likely to run a healthy budget surplus this year, the Saudi budget is now likely to be close to balanced. However, the kingdom has a very low debt to GDP ratio and should still be able to push ahead with the planned infrastructure investments in the coming years.

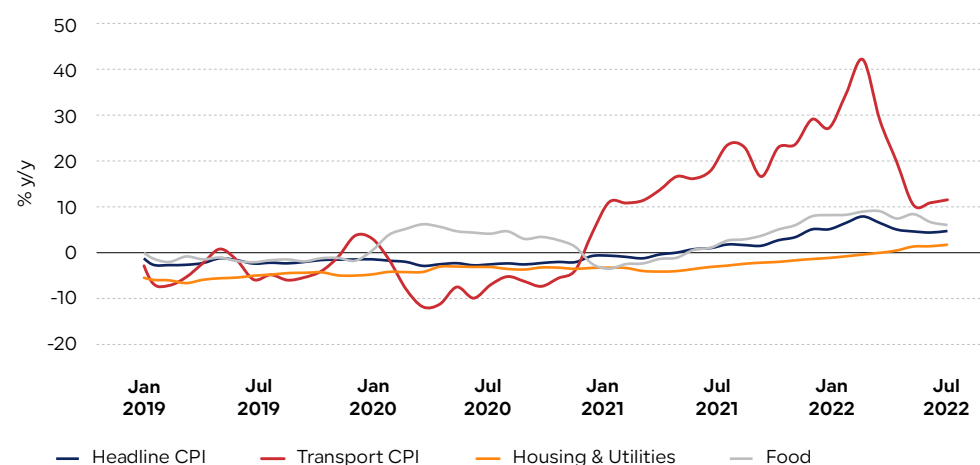
Inflation in the UAE is likely to moderate this year as high base effects for energy and food costs should help to offset rising housing costs in the CPI. UAE inflation averaged 4.8% in 2022, driven primarily by food and energy costs, although services inflation accelerated sharply also. This year, housing costs are likely to be the main driver of CPI, particularly in Dubai, as the rise in home prices and rents over the last twelve to eighteen months feed through to the consumer price index. We expect consumer inflation to average 3.5% in the UAE in 2023.

UAE GDP Growth by Sector



Source: Haver Analytics, Emirates NBD Research

UAE Inflation



Source: Haver Analytics, Emirates NBD Research



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Navigating the Dubai Real Estate Market: How Real Estate Lawyers Can Help Investors

INTRODUCTION

The Dubai real estate market boasts a diverse range of property types and projects that caters to a variety of investors. This diversity means the market is not overly reliant on any one investor demographic, and this assists in cushioning the sector against economic fluctuations and speculation. In addition, the Government continues to ensure that the market is closely regulated by the Dubai Land Department (DLD), thereby ensuring investor confidence and market stability is maintained.

While the market and demand for Dubai real estate continues to grow, the Emirate has specific regulations and processes that govern real estate transactions that are vital to understand and adhere to. The presence of regulations and transparency ensures that the transactions are secure, which is particularly advantageous for international investors and end users, who may not be acquainted with the process of property acquisition.

KEY CONSIDERATIONS FOR INVESTORS

1. PROPERTY DUE DILIGENCE

Examples of what investors should be aware of when purchasing property in Dubai, includes - investors must ensure that the seller or developer of the property owns a valid title before entering into any sale and purchase agreement. The record of all properties is maintained at the DLD; however, the property register at the DLD is not a public register. Therefore, only the owner or the power of attorney holder, or real estate lawyers licensed by DLD, can obtain information regarding encumbrances and restrictions attached to the relevant property. Moreover, while investing in real estate in the Emirate, it is crucial to consider the cost of ownership that includes service charges, maintenance fees and the transfer fee of the DLD. These additional charges can often be onerous if proper due diligence is not conducted beforehand.

2. JOINTLY OWNED PROPERTIES

In the case of jointly owned properties, investors must consider the management of the property, as poor management can be troublesome for the investor later. Jointly owned properties also have several documents such as the building management statement, the master community declaration etc. that the developer would require the investor to comply with. It is essential for the investor to familiarise themselves with these documents and be aware of their rights and obligations.

SERVICES PROVIDED BY REAL ESTATE LAWYERS

Any property transaction can seem to be a daunting process, this has led to an increasing number of investors seeking the services of professional law firms to provide guidance and oversight on their purchase. Growing demand for services offered by law firms to facilitate the process of buying and selling real estate in Dubai has become popular, as they ensure that the investor is receiving accurate advice from the start of the transaction to completion. In fact, we are the first law firm in the UAE and the region to provide a dedicated conveyancing and escrow service to real estate investors.

Typically, a client can expect the below from real estate firms:

- Real Estate Due Diligence that involves verifying the validity of the seller's ownership of the property, assuring that the property is free from any encumbrances and restrictions, and confirming that it is suitable for the buyer's intended use.
- Drafting the property sale and purchase agreement tailored to the specific transaction, ensuring that the interests of the parties are secured.

- For corporate entities, certified law firms can produce a corporate structure certificate for the DLD detailing the shareholding and changes in shareholding. This is particularly beneficial for corporate entities looking to acquire or dispose of real estate in Dubai, as it eliminates the need for foreign documents to be attested and legalised, thereby drastically reducing costs.
- Drafting and notarising a power of attorney online on behalf of the client.
- Providing escrow services to clients, as the payment of a deposit or the timing of the payment of the purchase price can be an obstacle for many transactions. Therefore, the escrow service helps foreign investors complete the property transaction seamlessly especially for new investors who do not have a UAE bank account.
- Concluding the transaction with the real estate trustee office and assisting with the issuance of the title deed in the name of the buyer.

For investors it is important to understand the local real estate landscape and to familiarise themselves with the various regulations and processes. However, the growing trend of appointing the right firm to support the process, provides peace of mind, and ensures the necessary expertise are on hand to seamlessly complete the purchase or sale, certainly making the life of an investor easier and the purchase journey more seamless.

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.

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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.