



DUBAI REAL ESTATE REPORT

Q1 2024

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**DUBAI REAL ESTATE
REPORT Q1 2024**

This report has been prepared by
Springfield Properties Research
Department

CONTACT

+971 4 454 2588
info@springfield-re.com
springfieldproperties.ae

DESIGN

JM Tupas

EDITORIAL

Dear reader,

Springfield Properties is proud to present our Q1 2024 Market Insights Report, led by CEO Farooq Syed. This report delivers an analytical overview of Dubai's residential real estate sector, underscoring its growth, trends, and the key drivers shaping its trajectory. Tailored for investors and market analysts, our findings are anchored in data-driven insights.

The first quarter of 2024 marked a significant milestone in Dubai's real estate market, recording a substantial surge in sales. This performance underscores the robust investor confidence and market liquidity, pivotal for sustaining growth and competitiveness. Particularly, the report highlights a pronounced demand for off-plan properties, indicating a strategic shift in investment preferences and underlining the sector's potential for capital appreciation and yield generation.

Our analysis offers a segmented view of the market, detailing the preferences among buyers and renters towards apartments and villas/townhouses. This segmentation reveals prevailing market sentiments and assists stakeholders in aligning their strategies with consumer demand.

The data reflects a heightened interest in off-plan properties, showcasing a considerable year-on-year volume growth. This trend is a testament to the market's resilience and the investor community's optimism about Dubai's real estate market's long-term prospects.

In this context, this report provides insights into the market's current dynamics, emphasising the sustained success anticipated for 2024. The increasing appeal of off-plan investments highlights the strategic opportunities available for developers and investors, indicating a robust demand for new, innovative projects.

As we advance through 2024, Springfield Properties remains committed to delivering market intelligence that empowers our partners and clients. Our goal is to facilitate informed decision-making, enabling stakeholders to navigate the complexities of Dubai's real estate market effectively.

This Q1 2024 Market Insights Report is an essential tool for anyone looking to understand the nuances of one of the world's most dynamic real estate environments. We believe these insights will prove invaluable in shaping investment strategies and identifying growth opportunities within Dubai's real estate sector.

We hope you enjoy reading it.



Masroor Syed
Chairman



Farooq Syed
CEO



Osman Syed
Managing Partner



Abdullah Syed
Managing Partner

MARKET OVERVIEW: OBSERVATIONS FROM THE REPORT

Key Positive Findings from the Dubai Residential Market Overview Q1 2024

TOTAL VALUE

AED **109.8 B**

▲ **25.94% increase**
when compared to Q1 2023

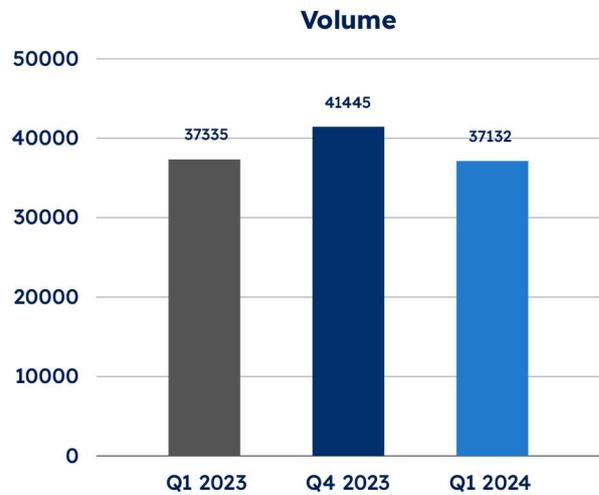
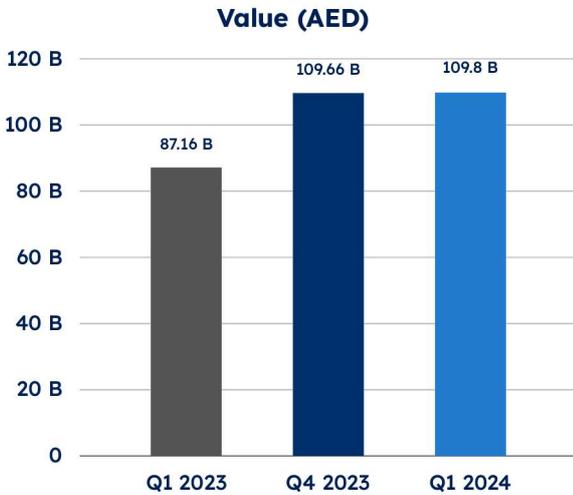
TOTAL VOLUME

37,335

▼ **0.54% decrease**
when compared to Q1 2023

The real estate market in Dubai experienced a notable increase in sales from Q1 2023 to Q1 2024. In Q1 2023, there were 37,335 transactions totaling over AED 87.16 Billion, while in Q1 2024, transactions amounted to 37,132, reaching over AED 109.8 Billion. This substantial surge in sales, amounting to approximately 25.94%, underscores the robust potential of Dubai's real estate market.

Transactional Values Comparison



Key findings from Q1 2024:

- Residential Transactions in both primary and secondary market exhibited transactions exhibited an increase in both volume and value.
- Top Locations for Apartment Ownership included Dubai Marina, Downtown Dubai, Jumeirah Village Circle, Business Bay, and Palm Jumeirah.
- Top Locations for Villa/Townhouse Ownership included Dubai Hills Estate, Arabian Ranches, Palm Jumeirah, Al Furjan, and Damac Hills.
- Property Demand was highest in Al Barsha South Fourth, Madinat Dubai Almelaheyah, Business Bay, Dubai Marina, and Al Merkadh.
- Unit Size Demand: For renters, the demand was distributed among one-bedroom units, two-bedroom apartments, and studios. Those interested in villas and townhouses mainly looked for three-bedroom units and larger.
- Off-plan properties saw a rise in transaction volume and value, indicating growing interest in new developments.
- Most-sought After Locations: Al Barsha South Fourth, Business Bay, Dubai Marina, MBR City, and Zaabeel First.
- Off-Plan Property Demand: Sales volume for off-plan reached 63% with read property volume at 37%.
- Popular Locations for Villa/Townhouse Rentals included Dubai Hills Estate, Al Barsha, Damac Hills 2, Jumeirah, and Umm Suqeim.

MARKET OVERVIEW: OBSERVATIONS FROM THE REPORT

Key Positive Findings from the Dubai Residential Market Overview Q1 2024

Property Sales Volume in All Areas



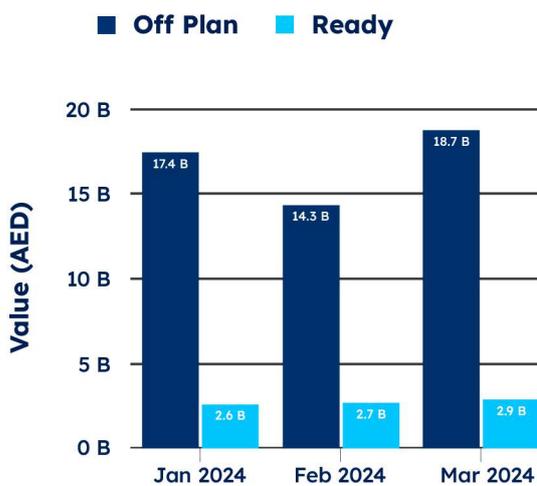
In the first quarter of 2024, Dubai's property market exhibited a noteworthy trend with off-plan property transactions showing a robust upward trajectory.

January began with a solid foundation, recording sales volume of 5,881 off-plan units. This positive momentum continued into February and March, with sales climbing to 6,486 and 7,601 units, respectively.

Sales volume of ready properties increased from 3,961 units in January to 4,421 in March, the market dynamic indicates a sustained investor confidence in off-plan properties.

This trend may reflect an adaptive market response to strategic developer initiatives and a strong appetite for new property developments.

Off Plan Market Transactions



Dubai's real estate market is experiencing a significant surge in 2024, with a marked preference for off-plan properties. Data from the first quarter reveals a substantial disparity between off-plan and secondary sales. Off-plan transactions reached a combined total of AED 50.4 billion, dwarfing the AED 8.2 billion recorded in the secondary market. This six-fold difference highlights a strong investor appetite for new developments in Dubai.

While off-plan sales are currently dominant, the traditional market isn't irrelevant. With an influx of new properties, some investors might prefer readily available completed ones. Additionally, rental prices are expected to rise alongside property values, which could be positive for investors seeking rental income.

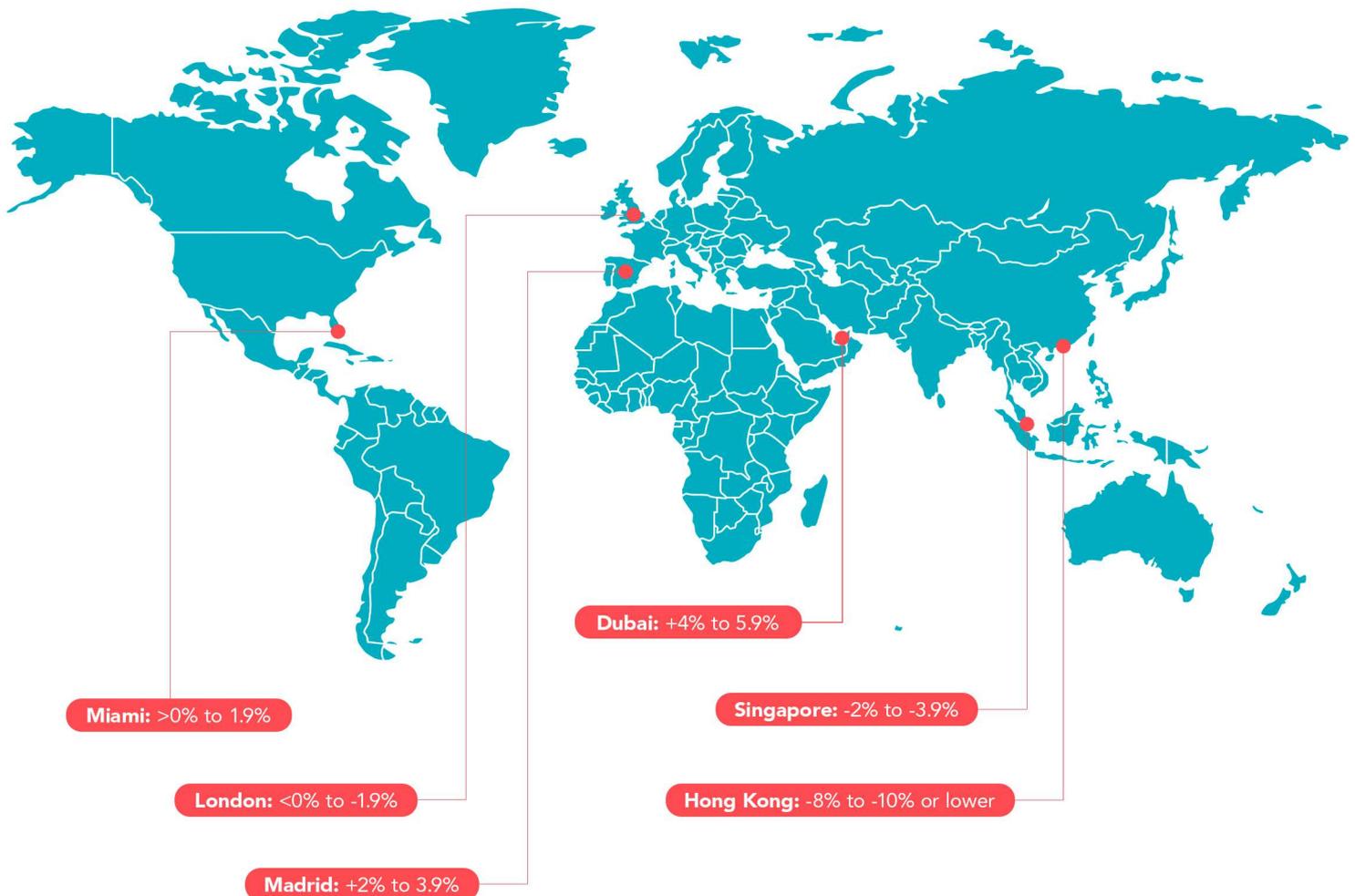
In conclusion, Dubai's real estate market in 2024 favors off-plan properties due to a combination of factors. However, the secondary market remains active, and rental prospects appear favorable.

URBAN REAL ESTATE DYNAMICS

Dubai to see Strong Forecast Growth in 2024

In comparison to other world cities, Dubai emerge as the focal point of forecasted growth in 2024, with lifestyle enhancements driving their upward trajectory and is expected to benefit from a surge in their high-net-worth populations. Renowned for its remarkable capital value appreciation in recent years, Dubai has witnessed a 17.4% surge in prices. However, projections suggest a moderation in growth to around 4% to 5.9% in 2024, indicative of a return to a more stabilised market.

World cities prime residential capital value forecasts 2024



URBAN REAL ESTATE DYNAMICS

A projected 24.6 percent increase in high-net-worth individuals by 2025 will propel the ultra-luxury segment to new height

According to the General Directorate of Residency and Foreigners Affairs (GDRFA) – Dubai, there has been a significant increase in the issuance of Golden Visas, underscoring the growing interest and confidence of European investors in Dubai's real estate market.

Dubai's appeal extends beyond the Golden Visa programme, with factors such as economic stability, robust real estate growth, advanced infrastructure, and stringent safety measures contributing to its allure. Amid economic challenges in Europe, triggered by the Ukrainian crisis, Dubai offers a safe haven for investors seeking higher returns and capital appreciation.

European investors, particularly from countries like Germany, Switzerland, France, and the UK, recognise Dubai's potential for property investment, offering better value compared to other European cities. The emirate's strategic location, business-friendly environment, and dynamic lifestyle amenities make it an attractive destination for both investment and residency.

Investment inflows witnessed a remarkable 55% surge, with 42% of new investors originating from international markets

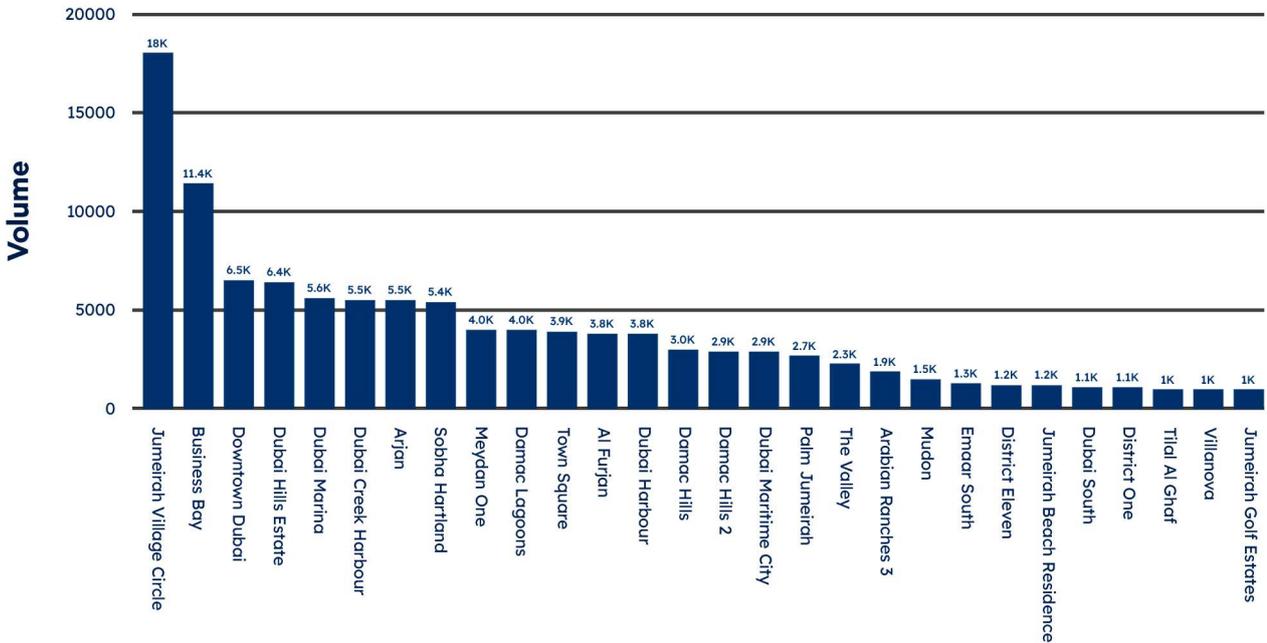
News that the UAE government is reported to be considering scrapping the AED 1 million (\$272,294) minimum down payment requirement for Golden Visa eligibility through real estate investment is proving to be popular news amongst investors. The removal of this financial threshold widens the doors for a more diverse pool of investors, fostering increased engagement in the property market. This not only benefits international investors but also bolsters the overall development and prosperity of the UAE economy.

European investors are increasingly capitalising on the Golden Visa programme, leveraging their property purchases in Dubai to secure long-term residency for themselves and their families. The allure of safety, world-class education, and a modern lifestyle has prompted a surge in demand for luxury and ultra-luxury properties in the emirate.

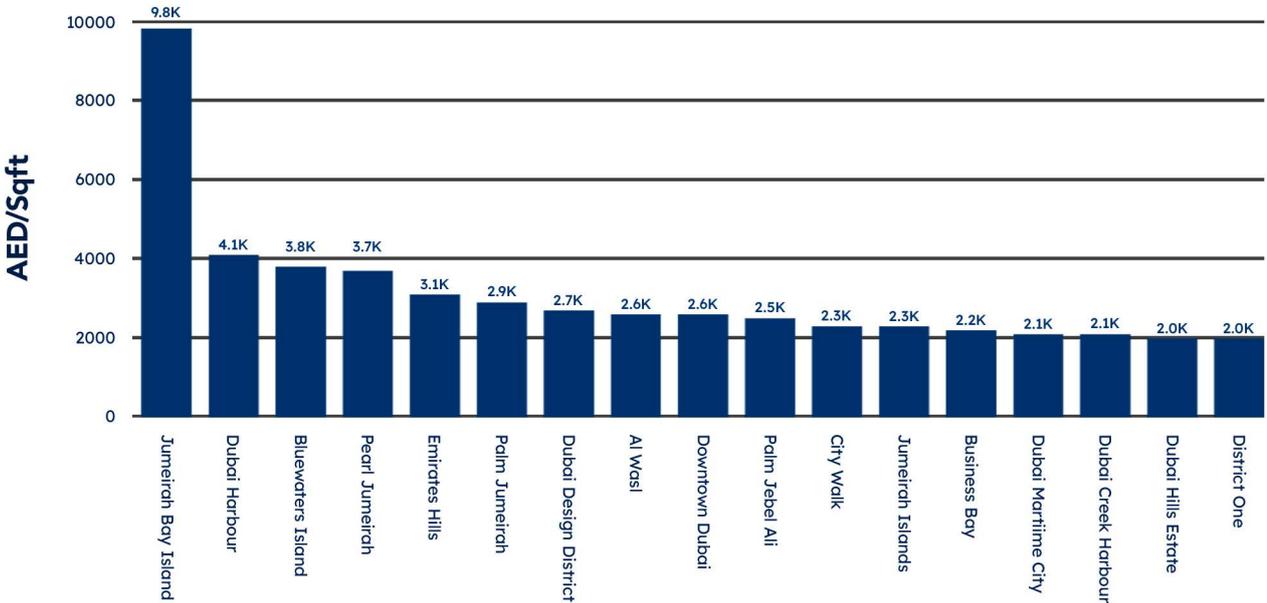


KEY HOTSPOTS

Sales Transaction Volume by Community



Average Sales Transaction Price per Square Feet by Community





KEY HOTSPOTS

In Q1 2024, Jumeirah Village Circle led in residential sales transaction volume in Dubai, followed by Business Bay, Downtown Dubai, Dubai Hills Estate, and Dubai Creek Harbour. However, when considering the average residential sales transaction price per square foot, Jumeirah Bay Island commanded the highest price, followed by Dubai Harbour, Bluewaters Island, Pearl Jumeirah, and Emirates Hills.

While Jumeirah Village Circle saw the highest volume of residential sales transactions, areas like Jumeirah Bay Island, with its higher average price per square foot, indicate a premium segment within Dubai's real estate market. Investors and buyers may choose locations based on their preferences for volume versus luxury and investment potential.

AED 73 Billion Investment in The Oasis by Emaar

Dubai's Emaar Properties has unveiled a significant expansion of its luxury residential development, The Oasis by Emaar, marking a remarkable 108 percent increase in green spaces and raising the total development value from AED 34 billion to AED 73 billion.

This expansion underscores Emaar's commitment to innovation and excellence in real estate, as the project grows in scale, the AED 73 billion investment sets a new standard for opulent living in Dubai.

In line with Emaar's vision for a greener future, The Oasis now offers an expanded landscape, promoting a lush and eco-friendly environment for residents. With a quarter of its land dedicated to recreational areas, the development fosters a resort-style lifestyle, encouraging community engagement and an active, healthy way of living.

Strategically located within Dubai, The Oasis provides convenient access to four international golf courses, appealing to golf enthusiasts and enhancing its desirability. Situated just a short 20-minute drive from Downtown Dubai, The Oasis by Emaar epitomises luxury living amidst a vibrant, sustainable landscape.

Emaar's AED 96 billion investment on two luxury neighbourhoods

Emaar's recent announcement of a monumental AED 96 billion investment in two new luxury neighbourhoods serves as a testament to the thriving Dubai real estate sector. The unveiling of The Heights Country Club and the Grand Club Resort further cements Dubai's standing as a global hub for luxury living.

The Heights Country Club, boasting a vast expanse of 81 million square feet and a staggering AED 55 billion valuation, alongside the Grand Club Resort's impressive AED 45 billion investment, are poised to attract high-net-worth individuals and investors alike. With their blend of luxury villas and townhouses, these developments will redefine upscale living and reaffirm Dubai's position as a premier destination for luxury real estate investments.

Emaar is currently revising plans for a tower at Dubai Creek Harbour, originally intended to surpass Burj Khalifa in height, opting instead for a more elegant and shorter structure.

DYNAMIC RENTAL YIELDS

Between 2022 and 2023, average residential rents in Dubai surged by around 26%, reaching AED 92 per square foot by the end of last quarter. This notable uptick has propelled gross yields to 7.2%, surpassing the 6.8% recorded in 2022, as rental growth outstripped price appreciation.

Notably, the most significant rent hikes occurred in sought-after areas like DIFC, Jumeirah, and the Dubailand Residence complex, with increases ranging from 36% to 39%. Conversely, the lowest increase of 8% was observed in International City.

Dubai's Residential Rents, Q1 2009 to Q4 2023



Developers Innovate Strategies to Facilitate Transition from Renting to Property Ownership

Escalating rents are prompting potential buyers to contemplate the prospect of property ownership instead of enduring continually rising rental costs. This sentiment is reinforced by the persistent upward trajectory of the rental market, which has remained solid even in the aftermath of the COVID-19 pandemic. Projections indicating a potential 20% surge in prime residential areas of Dubai by 2024 only serve to amplify this trend.

In response to the growing inclination among renters to transition into property ownership, favourable payment plans and incentives have emerged as key tools to attract these new buyers into the real estate market. Among these, the one percent offer has gained significant traction. This scheme effectively reduces monthly payments while extending the duration of the loan repayment period. Under this plan, buyers typically provide a down-payment of approximately 20%, followed by monthly payments equivalent to one percent of the total property price until they attain full ownership, thereby facilitating a smoother transition from renting to property ownership.

STRATEGIC OUTLOOK

Enhancing the Sector

On March 5th, 2024, the Dubai Land Department (DLD), in collaboration with its Real Estate Regulatory Agency (RERA), unveiled partnership agreements with Property Finder, Bayut Web Publishing, and Dubizzle. These strategic alliances are geared towards bolstering local talent and optimising efficiency and customer satisfaction within Dubai's real estate sector by adhering to industry best practices. Announced during the 'Tamkeen Real Estate Workshop' hosted by DLD, the agreements prioritise specialised training and development initiatives for Emirati citizens, aiming to increase their active involvement in the real estate market. This initiative aligns with Dubai's Social and Economic Agendas, which emphasise the integration of Emiratis into the private sector, with the ultimate goal of tripling their workforce participation. Newly licensed Emirati real estate agents will have the opportunity to showcase properties free of charge for the first year on these platforms, with a focus on honing skills, fostering excellence, and cultivating an informed investment landscape.

Update to RERA calculator

The recent recalibration of Dubai's Real Estate Regulatory Authority rent calculator to better reflect open-market pricing dynamics carries significant implications for the real estate market. Firstly, it may precipitate an uptick in rental rates across Dubai, as landlords adjust their pricing strategies to align with the updated benchmarks. This adjustment has the potential to enhance landlords' rental yields, rendering property investment more appealing and potentially stimulating further investment within the real estate sector.

Secondly, the anticipated rise in rents within established areas could prompt tenants to explore housing options in newer or developing communities, where better value propositions may be available. This migration pattern could spur growth and

demand in these emerging areas, thereby fostering a more diversified real estate landscape, with increased development and investment dispersed across a broader array of neighbourhoods.

While tenants may initially feel the impact of elevated rents, the long-term repercussions could translate into a more balanced and dynamic real estate market. Ultimately, this evolution is expected to benefit both landlords and tenants through the creation of new communities and the enhanced alignment of rents with prevailing market conditions.

Improving Transparency

Dubai's Real Estate Regulatory Authority (RERA) has set a deadline for agents and agencies to remove or update 'fake' ads—listings shown as available but are actually sold or rented out—to improve market transparency and reliability. This regulation aims to enhance the accuracy of real estate listings, potentially increasing trust and efficiency in Dubai's real estate market by reducing misleading information and ensuring potential buyers and renters have access to genuine property listings.

Golden Visa update

The potential elimination of the Dh1 million (\$272,294) minimum down payment requirement for Golden Visa eligibility linked to real estate investment, will signal a shift in the landscape of property investment. By removing this financial barrier, the UAE aims to create a more inclusive environment, attracting a broader spectrum of investors and fostering heightened participation in the property market. This progressive step not only presents opportunities for international investors but also contributes to the overall growth and economic prosperity of the UAE.



FORWARD VISION

The first quarter of 2024 has demonstrated a continued upsurge in Dubai's real estate market. These trends underscore the robustness and diverse appeal of Dubai's property market to investors and buyers worldwide.

During this quarter, the balance between off-plan and secondary market sales highlights a diverse and mature real estate landscape. This equilibrium is indicative of investor confidence and market stability, showcasing the dynamism of the property sector.

Looking ahead within 2024, the market's prospects remain positive. Demand across various segments, particularly for luxury and waterfront properties, continues to be robust. Such ongoing interest underlines the enduring appeal and resilience of Dubai's real estate sector.

In conclusion, the momentum built throughout 2023 has established a strong foundation for the future, paving the way for sustained growth and opportunities in one of the world's most vibrant real estate markets.



Springfield
Properties

+971 4 454 2588

info@springfield-re.com

springfieldproperties.ae