

# Dubai Commercial Real Estate

Market Report

Q1 2024

# Foreword

As we delve into the insights and analysis presented in this report, it gives me great pleasure to reflect on the dynamic landscape of Dubai's commercial real estate market. In the opening months of 2024, we observed noteworthy growth and changes that underscored the sector's resilience and vitality.

Total sales transactions in the commercial sector across Dubai experienced a commendable uptick of 3%, accompanied by a significant surge in the total value of sales, marking a remarkable 16% increase over the same period. These statistics not only reflect sustained activity within the market but also signify growing investor confidence and appetite for commercial properties in Dubai.

At CRC, we've observed an evident surge in buyer leads, with an impressive increase of 21% compared to the previous year. This heightened level of interest underscores the enduring appeal of Dubai's commercial real estate offerings and highlights the opportunities that lie ahead for investors and businesses alike.

Overall, I am delighted to state that we have experienced a notable surge in transactions, registering a remarkable 27% increase compared to the same period last year.

However, amidst these positive developments, it's crucial to acknowledge the shifting dynamics within the leasing segment. While overall Tenant leads have surged, we've witnessed a decrease in leasing transactions across all segments. This trend can be attributed to clients opting to invest and purchase properties rather than lease, driven by escalating rental prices across all segments and locations in Dubai.

As the Managing Director of CRC, I am immensely proud of the dedication and expertise demonstrated by our team during these first few months of this new year. We hope this report serves as a testament to our commitment to providing comprehensive insights and guidance to our clients, empowering them to make informed decisions in navigating the ever-evolving landscape of Dubai's commercial real estate market.



**Behnam Bargh**  
Managing Director, CRC

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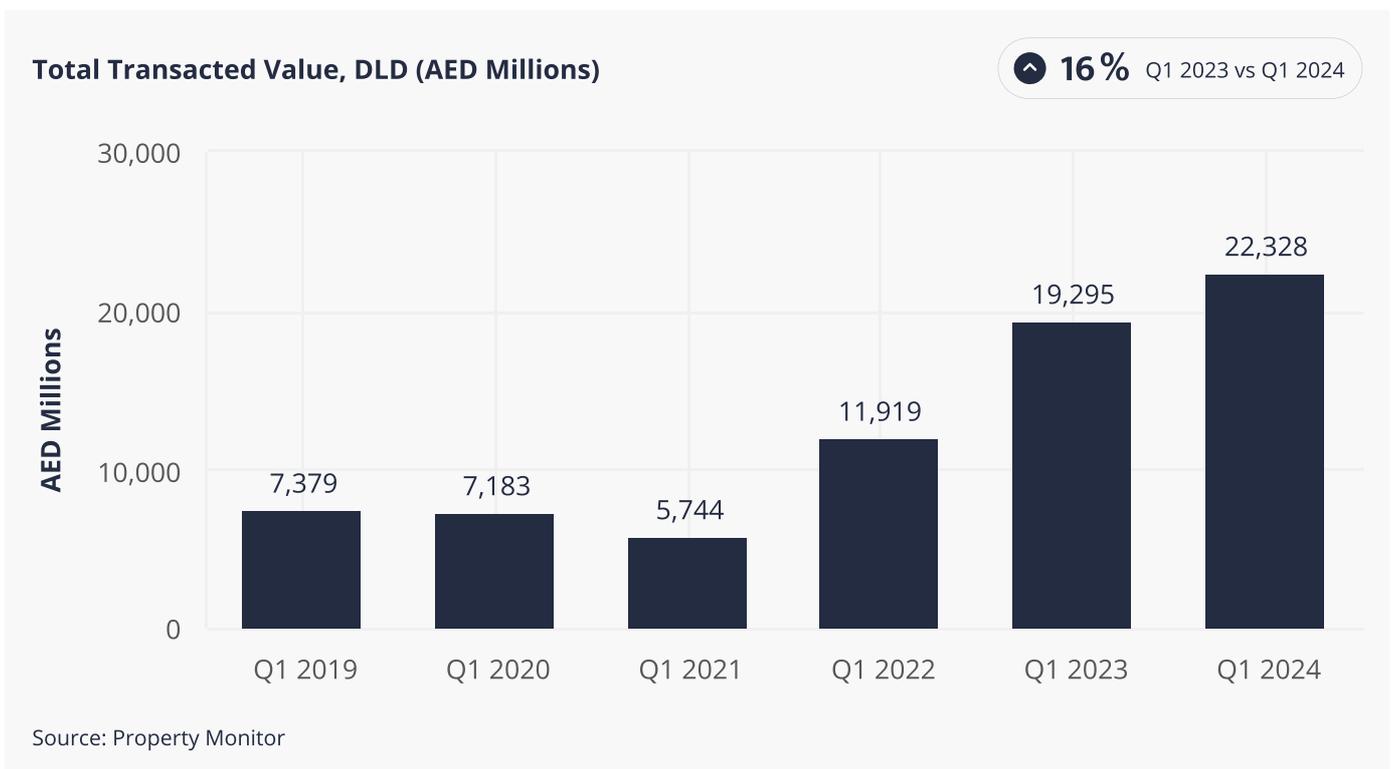
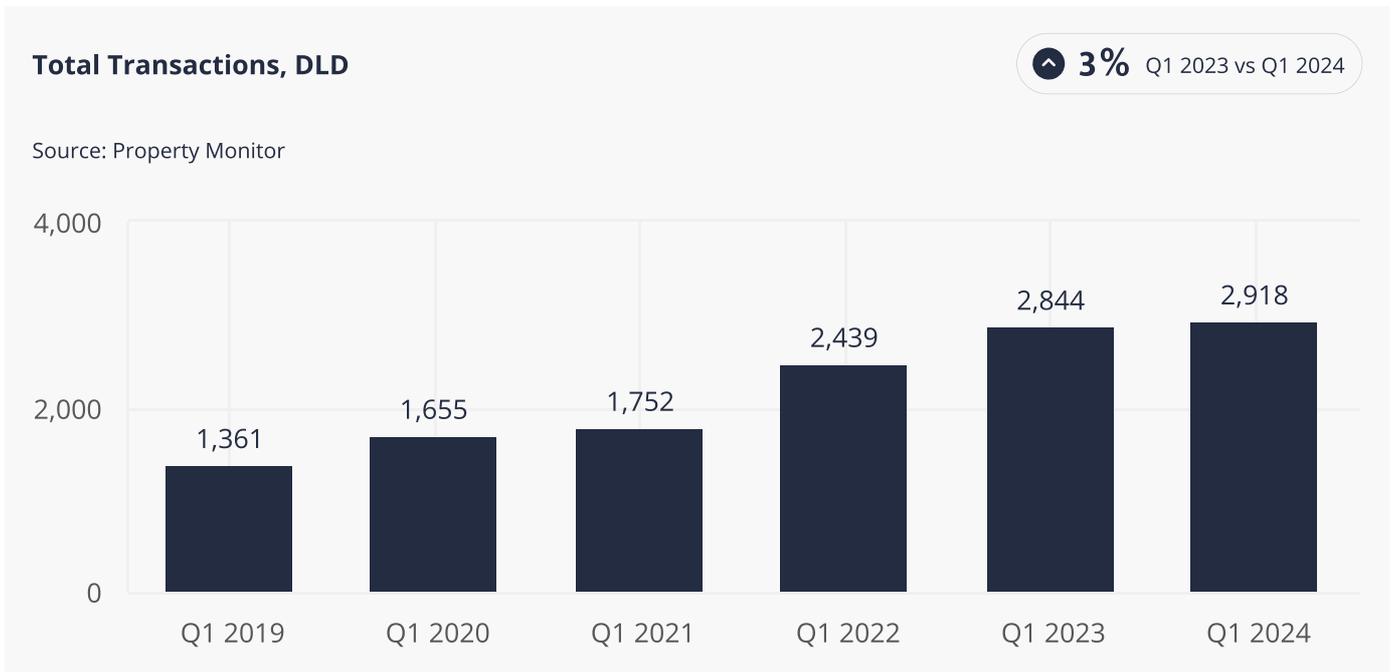
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# Commercial Sales | Dubai

## 1. Commercial Sales Transaction Volumes and Values (DLD)

In the first quarter of 2024, Dubai's commercial real estate market demonstrated notable growth, as indicated by data from the Dubai Land Department (DLD). Total sales transactions in the commercial sector saw a steady uptick, increasing by 3% from 2,844 transactions in Q1 2023 to 2,918 transactions in Q1 2024.

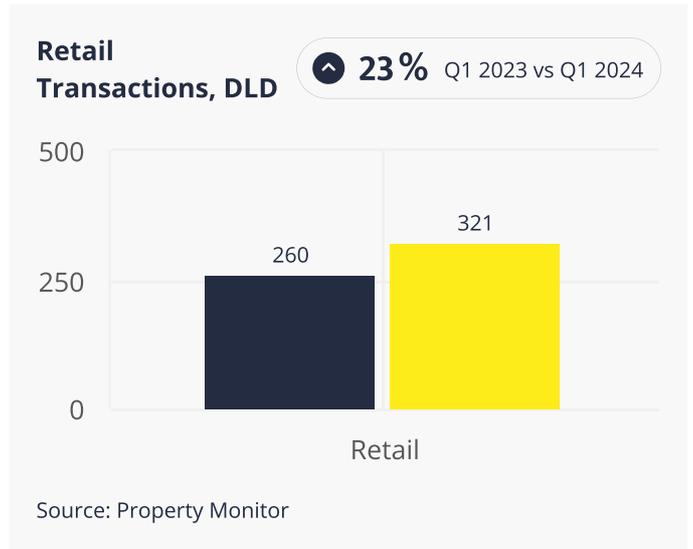
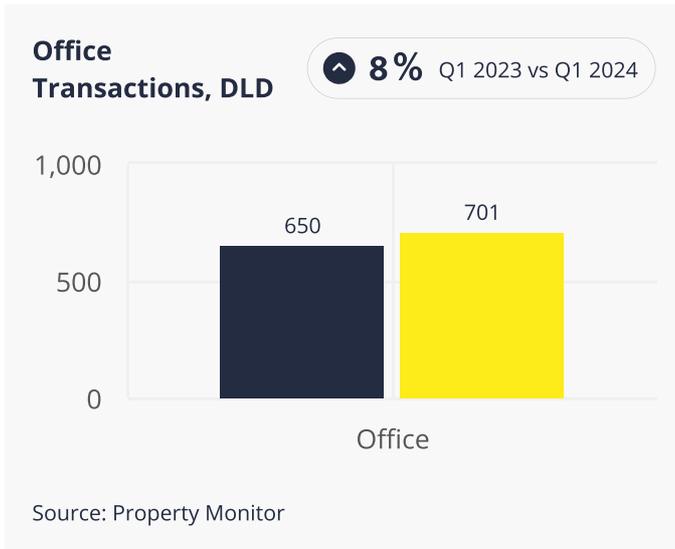
This growth in transaction volume was accompanied by a substantial surge in the total value of sales, which rose by 16% from AED 19,295 billion to AED 22,328 billion over the same period.



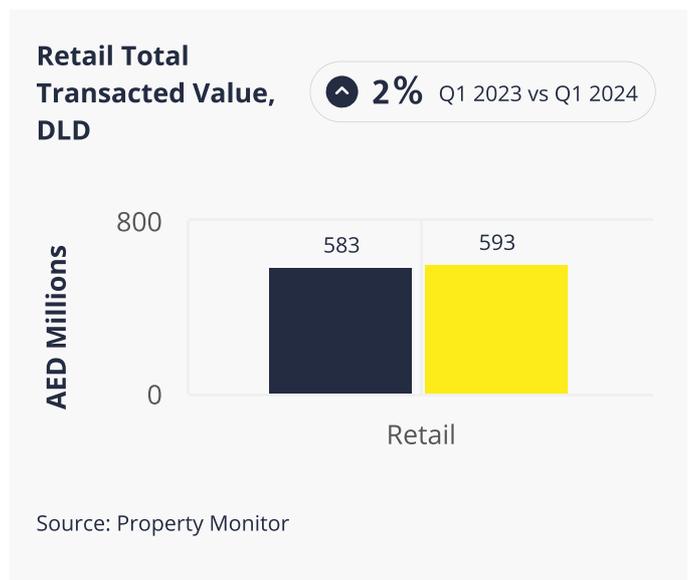
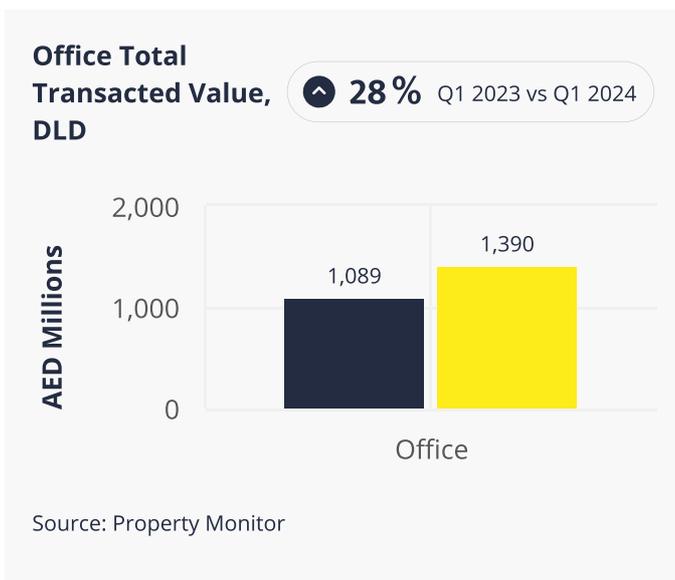
# Commercial Sales | Dubai

## 1.1 Dubai Offices and Retail Transactions (DLD)

The office and retail segments emerged as significant drivers of this expansion, with both witnessing robust increases in transaction activity. Office transactions surged by 8% in comparison to Q1 2023, while retail transactions experienced an even more substantial growth of 23%, reflecting the vibrancy and dynamism of Dubai's commercial landscape.



Moreover, the total value of office sales soared by an impressive 28% in contrast to the same period in the previous year, while retail sales also registered a commendable 2% increase in total value.

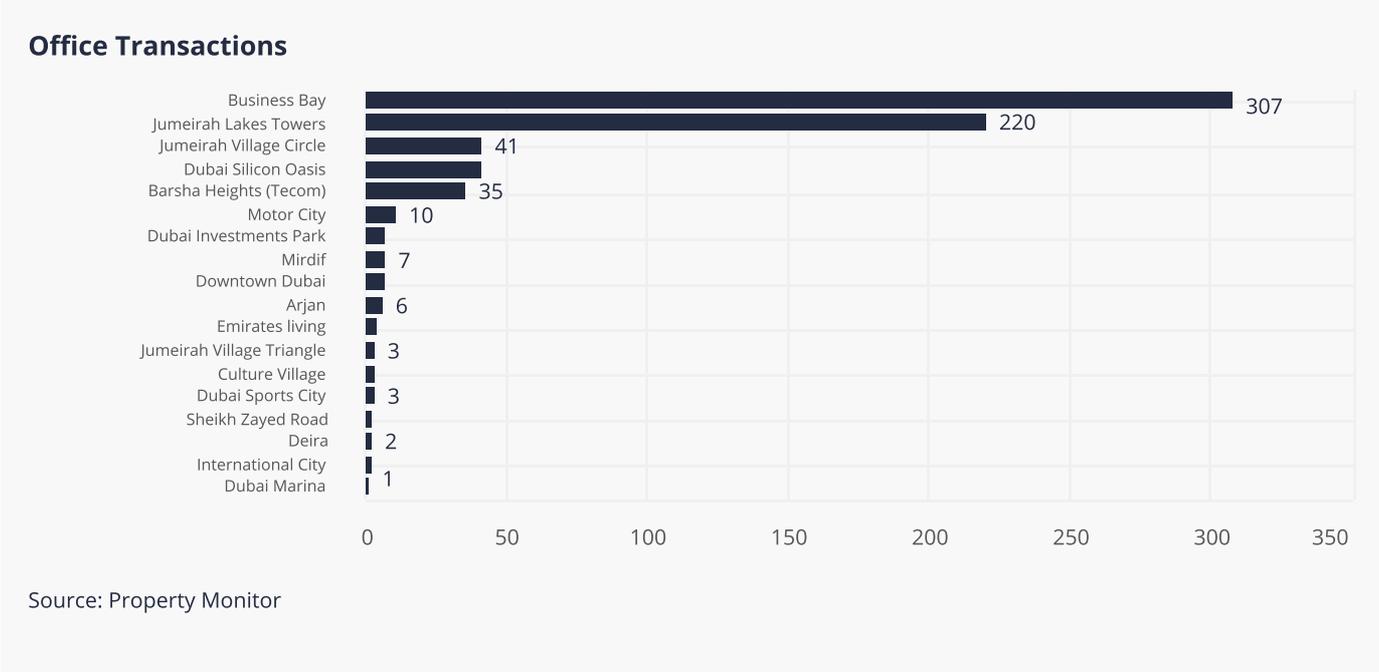


One particularly significant trend within the office segment was the 15% increase in the secondary sales price, indicating heightened demand and value appreciation in this sector. This upward trend in secondary sales prices underscores the attractiveness of Dubai's office market to investors and businesses alike, potentially fueled by factors such as economic stability, infrastructure development and favorable regulatory frameworks.

Overall, the Q1 2024 data derived from DLD in contrast to Q1 2023 for the city's commercial real estate sector paints a picture of opportunity. With transaction volumes and total sales values on the rise, coupled with notable increases in secondary sales prices, the market appears poised for continued expansion and investment in the quarters ahead.

# Commercial Sales | Dubai

## 1.2 Top 4 Locations for Office Transactions Across Dubai Q1 2024



During the first quarter of the year, Business Bay emerged as the leading location for office transactions across Dubai, recording a significant total of 307 transactions. Following closely behind was Jumeirah Lake Towers (JLT) with 220 transactions. Jointly occupying the third position were Jumeirah Village Circle (JVC) and Silicon Oasis, each boasting 41 transactions.

**Business Bay**

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**Jumeirah Lake Towers (JLT)**

JLT is another favored destination for office investors and end-users. Renowned for its picturesque lakeside setting, JLT offers a diverse range of office spaces within a well-planned community. Its proximity to major highways and metro stations, coupled with a plethora of dining, retail and recreational options, makes it a desirable location for businesses looking for convenience and accessibility.



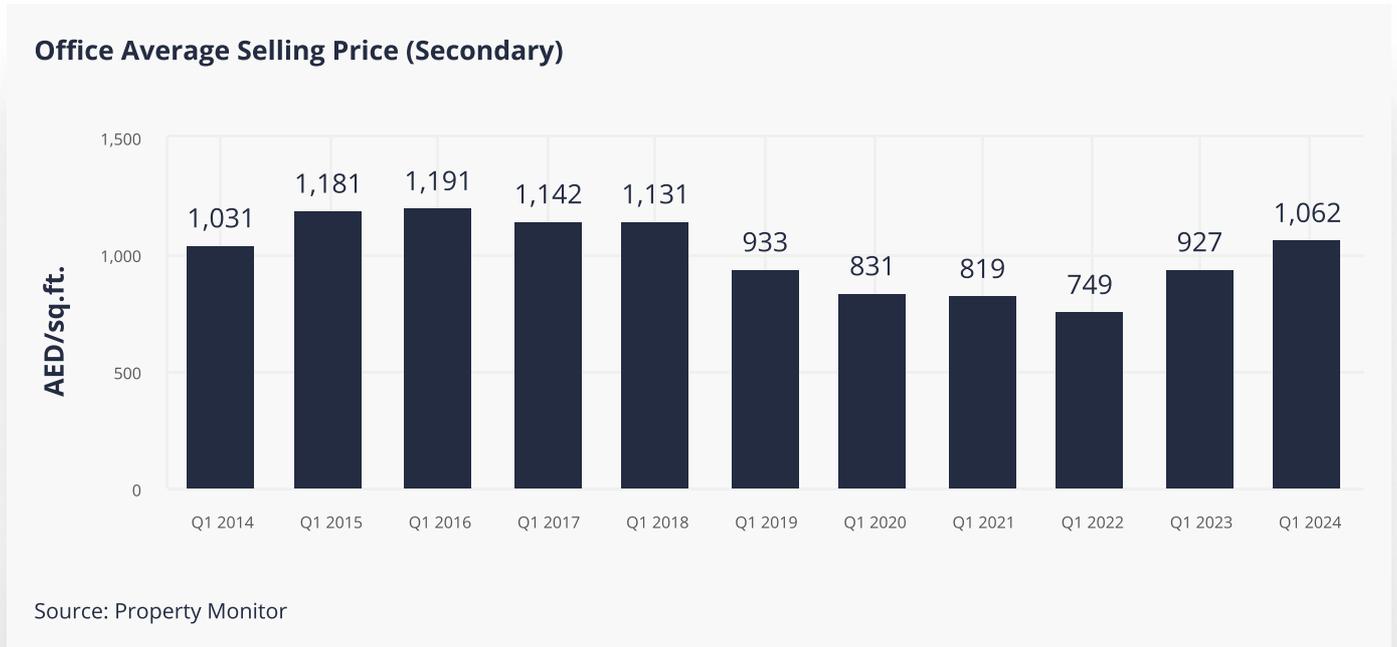
**Jumeirah Village Circle (JVC) and Silicon Oasis**

At joint third, JVC and Silicon Oasis also hold appeal for office investors and end-users alike. JVC's tranquil environment, coupled with its affordable office spaces and proximity to major commercial centers, makes it an attractive option for startups and small businesses. On the other hand, Silicon Oasis's reputation as a technology and innovation hub, along with its state-of-the-art infrastructure and business-friendly environment, draws companies operating in the tech and IT sectors.



# Commercial Sales | Dubai

## 1.3 Average Selling Price for Offices (Secondary Sales)



The price per square foot in Dubai's commercial market has experienced a significant increase in comparison to Q1 2023, rising from AED 927 per sqft to AED 1062 per sqft in Q1 of 2024, marking a notable uptick of approximately 15%.

This surge in pricing reflects the growing demand and value appreciation within the commercial real estate sector in Dubai. Such a substantial increase suggests a strengthening market sentiment, driven by factors such as infrastructure development and sustained investor confidence.

For stakeholders in Dubai's commercial market, including investors, developers and businesses, this rise in prices signifies enhanced opportunities for capital growth and potential returns on investment. However, it also underscores the importance of strategic decision-making and market analysis to navigate the evolving landscape effectively.

As prices continue to trend upwards, stakeholders will need to adapt their strategies accordingly, ensuring alignment with market dynamics and maximising the potential benefits offered by Dubai's thriving commercial real estate sector.



# Commercial Sales | CRC

## 1. Commercial Buyer Demand and Transactions (CRC)

At CRC, the analysis comparing Q1 2024 to Q1 2023 reveals several trends in buyer leads and reservations across different sectors of Dubai's commercial real estate market. Overall, buyer leads have surged by an impressive 21%, indicating a heightened level of interest and activity within the market.



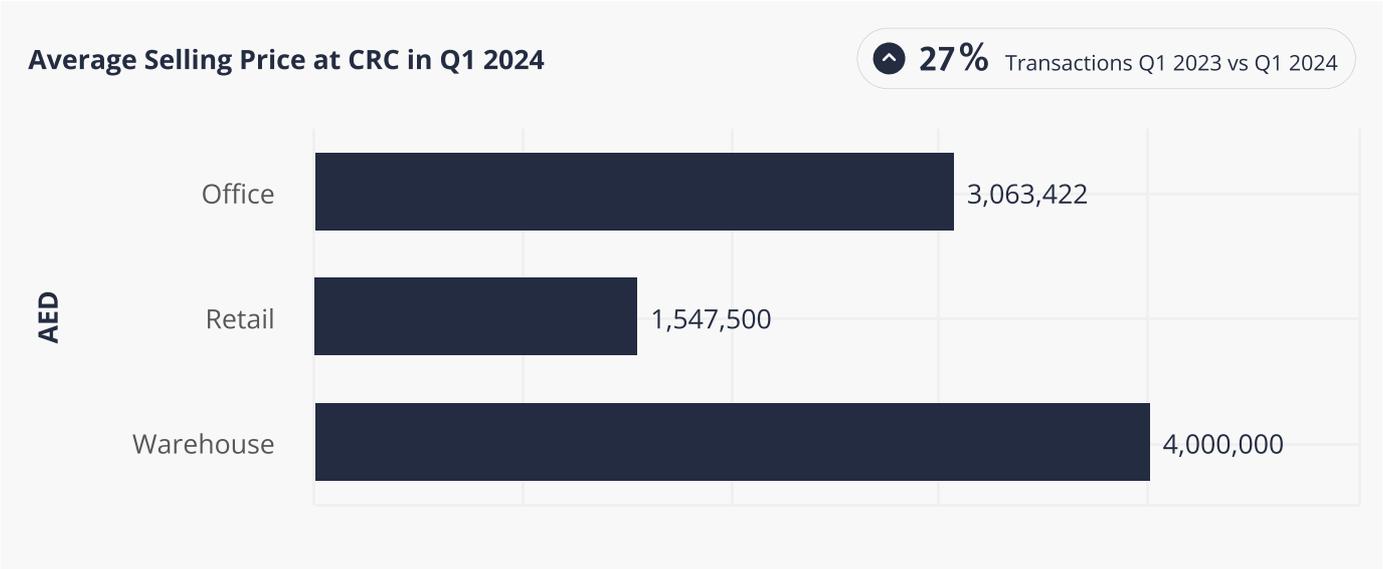
## 2. Office, Retail & Warehouse Leads

Specifically, office leads experienced a notable uptick of 13%, paralleled by a similar increase of 13% in warehouse leads, highlighting sustained demand for both office and industrial spaces. However, the retail sector witnessed a notable decline, with leads down by 26%, signaling potential challenges or shifts in this segment.

In terms of reservations, CRC has observed an overall increase of 11%, indicating growing commitment from prospective buyers. This trend is further reinforced by a 4% increase in office reservations specifically, suggesting continued confidence and investment appetite in this sector.

Overall, CRC's transactions have increased by 27% during this first quarter of 2024 in comparison to the previous year.

These findings underscore the dynamic nature of Dubai's commercial real estate landscape, with shifting patterns of demand and activity across different segments. As CRC continues to monitor and analyse market dynamics, stakeholders can leverage these insights to make informed decisions and capitalise on emerging opportunities within Dubai's vibrant commercial property market.



# Commercial Leasing | Dubai

In CRC's leasing sector analysis comparing Q1 2024 to Q1 2023, there are discernible shifts in tenant leads, reservations and transactions within Dubai's commercial real estate market. Notably, tenant leads have shown a modest increase of 5%, indicating ongoing interest from prospective lessees. However, there have been declines in leads across various segments, with office, retail and warehouse leads down by 13%, 24% and 8%, respectively. These decreases suggest a potential softening of demand or shifts in tenant preferences within these sectors.

One notable trend influencing these dynamics is the notable hike in rental prices across all segments of Dubai's commercial real estate market. This increase in rental costs is prompting clients to reassess their leasing options and consider alternative avenues, such as purchasing properties instead of renting. The allure of ownership, coupled with the potential for long-term cost savings and investment returns, is compelling tenants to explore the feasibility of property acquisition as a viable alternative to leasing.

As a result, CRC is witnessing a growing trend of clients opting for property ownership, particularly in response to the escalating rental prices observed across the market segments. This shift underscores the evolving dynamics of Dubai's commercial real estate landscape and highlights the importance for CRC to adapt its strategies and services to meet the evolving needs and preferences of its clientele.

Despite these fluctuations, CRC has observed a marginal uptick of 1% in reservations, suggesting continued interest from tenants in securing lease agreements.



## Top Leasing Communities Offices

- 1st - Jumeirah Lake Towers (JLT)
- 2nd - Business Bay
- 3rd - DIFC
- 4th - Dubai Media City
- 5th - Barsha Heights (Tecom)



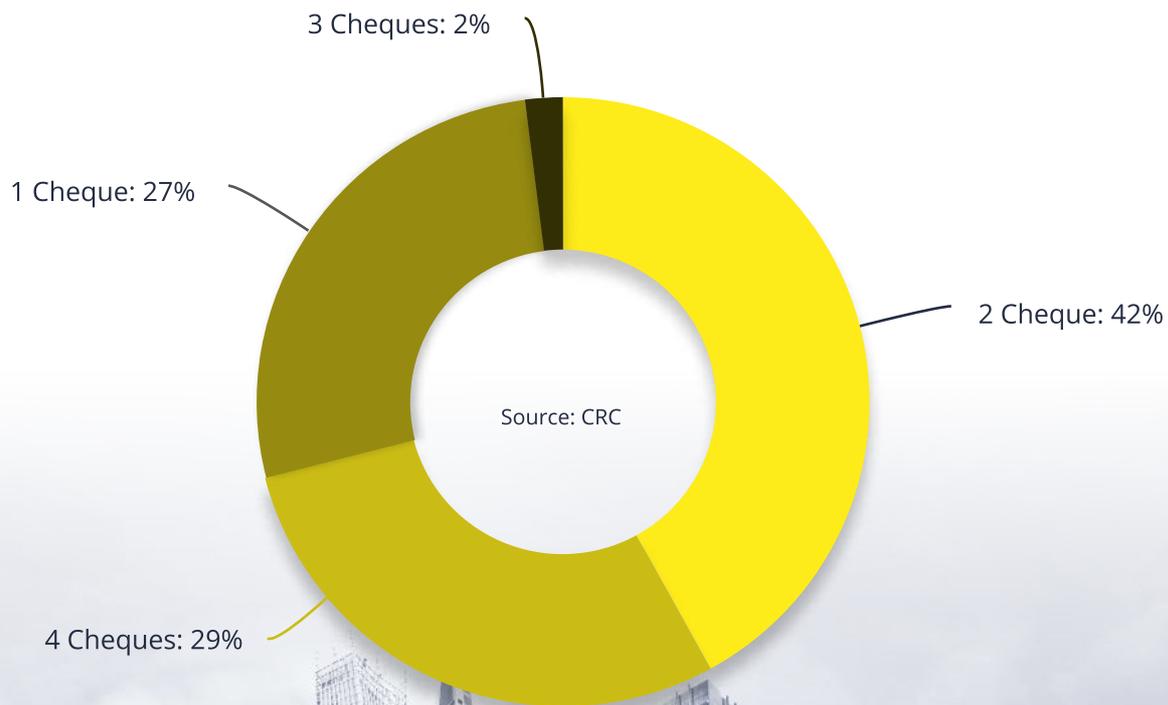
# Payment Trends | CRC

At CRC, there's been a noticeable change in payment trends during this period, showcasing evolving preferences among clients in Dubai's commercial real estate market. Compared to the previous year, there has been a discernible move away from the once-prevalent preference for single-cheque payments towards more flexible payment options. Presently, 42% of clients are opting for two-cheque payments, followed closely by 29% choosing four-cheque payments.

This shift in payment preferences can be attributed to several factors. One key factor is the evolving economic landscape, influenced by both local and global dynamics. Economic uncertainties and market volatility may prompt clients to seek more flexible payment terms, allowing for better cash flow management and risk mitigation. Additionally, changes in regulatory frameworks or financial policies could also incentivise clients to explore alternative payment options that offer greater flexibility and affordability.

Furthermore, the changing demographics and preferences of tenants and property buyers may also contribute to this shift. As Dubai's commercial real estate market continues to attract a diverse range of businesses and individuals, each with unique financial circumstances and requirements, the demand for flexible payment options is likely to increase.

Additionally, the emergence of new business models and leasing structures within the industry may also play a role in shaping these payment trends, as clients seek arrangements that align with their specific needs and objectives. Overall, this shift towards multi-cheque payments reflects a broader trend towards flexibility and adaptability in Dubai's commercial real estate market, highlighting the importance for landlords to offer a range of payment options to cater to the diverse needs of the local clientele.





## About CRC

CRC (Commercial Real Estate Consultants) is a real estate brokerage, specialised in commercial properties. Founded by some of the most innovative thinkers in the real estate business, CRC caters to international and local clients seeking increased value by selling, leasing or investing in commercial property.

## Our team



**Behnam Bargh**  
Managing  
Director, CRC



**Jace Williams**  
Head of  
Valuations



**Amit Vora**  
Sharjah Branch  
Manager



**Tessa Lowe**  
Abu Dhabi  
Branch Manager

With a team of over 50 property experts, we understand the commercial real estate business. Our consultants are handpicked and trained to the highest standards to represent our brand and your interests professionally.

As part of the well established Betterhomes group, CRC is an integral part of Dubai's real estate history, with over 36 years of industry experience. The group has grown over the years and diversified with several brands under its name, ranging from boutique real estate agencies, such as LivingAscot. and Linda's.

Leveraging best-in-class technology and support, we provide comprehensive options to strategic direction - now and long into the future. Whether you are looking to buy, sell, or lease a commercial property, get a property valuation, or find an investment advisor, we are here for you.

## Services

Commercial sales

Commercial leasing

Investment advisory

Valuations services

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