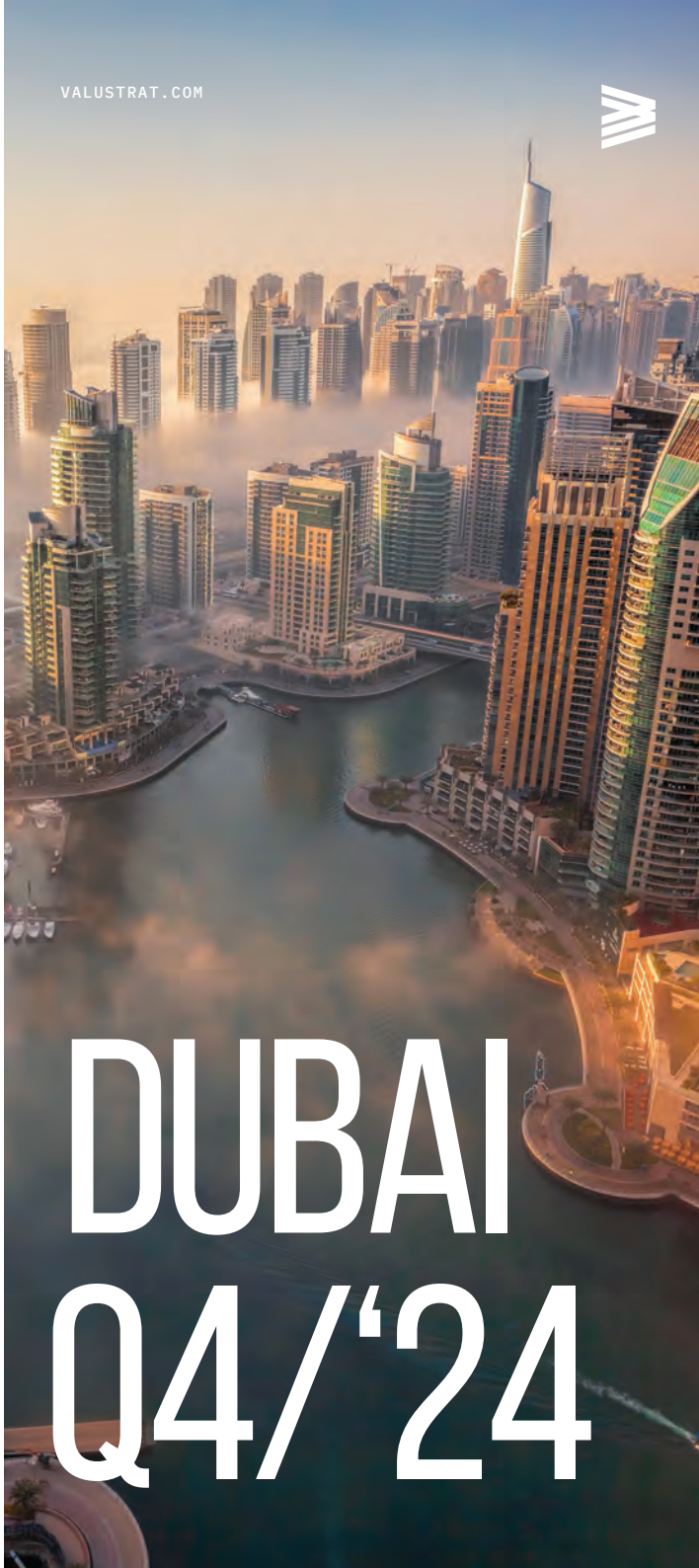


## Dubai, UAE

Real Estate Research  
Fourth Quarter 2024

VALUSTRAT.COM



# DUBAI Q4/'24

This quarterly report contains research on Dubai's residential, office, retail, hospitality and industrial real estate markets.

---

# Table of Contents

04

## Overview

Real Estate Performance and Key Indicators  
Macro-Economic Snapshot  
Dubai Consumer Price Index

---

07

## Residential Market

VPI - Residential Capital Values  
VPI - Prime Residential Capital Values  
VPI - Residential Rental Values  
Residential Rents  
Residential Supply  
Residential Sales Transactions  
Mortgage Transactions

---

16

## Office Market

VPI - Office Capital Values  
Office Supply  
Office Sales Transactions  
Office Asking Rents

---

20

## Retail Market

Retail Supply  
Retail Performance

---

22

## Hospitality Market

Hospitality Supply  
Hospitality Performance

---

24

## Industrial Market

VPI - Industrial Logistics Capital Values  
Industrial Investment/Supply

---

26

## About Us

ValuStrat in the Media  
VPI Subscription

---

# Foreward

---



**Haider Tuaima**  
Director & Head of Real  
Estate Research

Dubai's real estate market sustained its growth, driven by limited supply and rising demand.

Preliminary estimates suggest that 58% of the projected residential supply was delivered, with approximately 27,000 homes completed in 2024 - the lowest in six years. Meanwhile, population growth exceeded expectations, adding over 170,000 new residents in 2024, the highest growth since 2018. This imbalance between supply and demand fueled widespread increases in property prices and rental rates.

The ValuStrat Price Index reported annual capital value increases across key sectors: apartments rose 23.6%, villas 31.6%, offices 23.9%, and warehouses 15%. Annual rents also climbed, with villas up 5.8%, apartments 13%, and offices 22.5%.

However, challenges included a decline in residential and office transactions, primarily due to reduced off-plan sales. Despite this, ready sales hit an all-time high, achieving the highest number of transactions in a single quarter.

With 155,000 hotel rooms, the hospitality sector performed exceptionally well with 78% occupancy and 2.8% rise in revenue per available room (RevPAR).

Dubai's real estate market in 2024 thrived on limited supply and rising demand, with significant capital and rental value increases across sectors. Population growth and record ready sales offset declines in off-plan transactions, while the hospitality sector excelled with high occupancy and revenue gains, underscoring the city's enduring appeal and resilience.

Regards,  
Haider

# Real Estate Performance

SOURCE: VALUSTRAT



## VPI



Residential Capital Values

**200.7**

BASE: JAN 2021 = 100

↑ **5.6%**  
Q-o-Q

Office Capital Values

**230.6**

BASE: Q1 2021 = 100

↑ **5.8%**  
Q-o-Q

Industrial Capital Values

**150.0**

BASE: Q1 2021 = 100

↑ **4.6%**  
Q-o-Q

## Key Indicators

SOURCE: REIDIN, DET, VALUSTRAT

### Residential



Sales Ticket Size

**2.36M**

AED

↓ **-3.9%**  
Q-o-Q

Sales Volume

**45,345**

TRANSACTIONS

↓ **-2.5%**  
Q-o-Q

Asking Rents

**138,975**

(AED / P.A)

↑ **1.8%**  
Q-o-Q

### Office



Sales Ticket Size

**2.27M**

AED

↑ **4.1%**  
Q-o-Q

Sales Volume

**424**

TRANSACTIONS

↓ **-32.7%**  
Q-o-Q

Asking Rents

**1,782**

(AED / SQ M / P.A)

↑ **9.6%**  
Q-o-Q

### Hotel



Occupancy

**78.0%**

YTD NOV 2024

■ **0.8%**  
Y-o-Y

ADR

**520**

(AED) YTD NOV 2024

↑ **2.0%**  
Y-o-Y

RevPAR

**405**

(AED) YTD NOV 2024

↑ **2.8%**  
Y-o-Y



INCREASE



NO CHANGE



DECLINE

# Macro Economic Snapshot

- The Central Bank of the UAE expects GDP to grow by 4.5% in 2025 and 5.5% in 2026, driven by robust growth in various sectors
- The US Federal Reserve announced its third consecutive interest rate cut last December, lowering the target range to 4.25% - 4.5%, a further decrease of 25 basis points
- According to the United Nations Trade and Development report, the UAE ranked 11th globally in FDI attraction
- The UAE approved its new Investment Strategy to triple cumulative foreign direct investment (FDI) to AED 2.2 trillion by 2031
- Dubai crude oil price stood at AED 270 (USD 73.67) per barrel, down 3.8% YoY as of December 2024
- Dubai's population grew by 170,478 reaching 3.83 million as of 31st December 2024, a 4.7% increase over 2023
- Dubai's Supreme Legislation Committee announced its 2024-2029 plan to improve legislative quality, transparency, and sustainability
- From 1 January 2025, the UAE introduced a Domestic Minimum Top-up Tax, ensuring multinational firms with over €750 million in revenues pay at least 15% tax per OECD guidelines

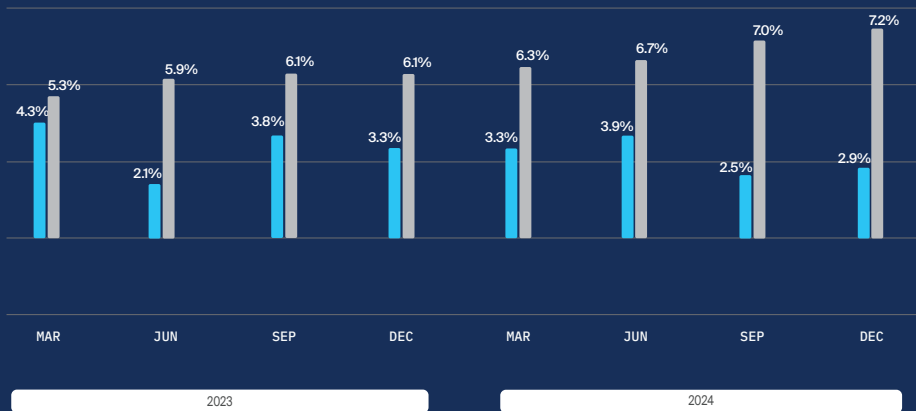
## Dubai Population



SOURCE: DUBAI STATISTICS CENTRE

# Consumer Price Index

## Annual Change



GENERAL INDEX (2014=100)

HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

SOURCE: DUBAI STATISTICS CENTRE

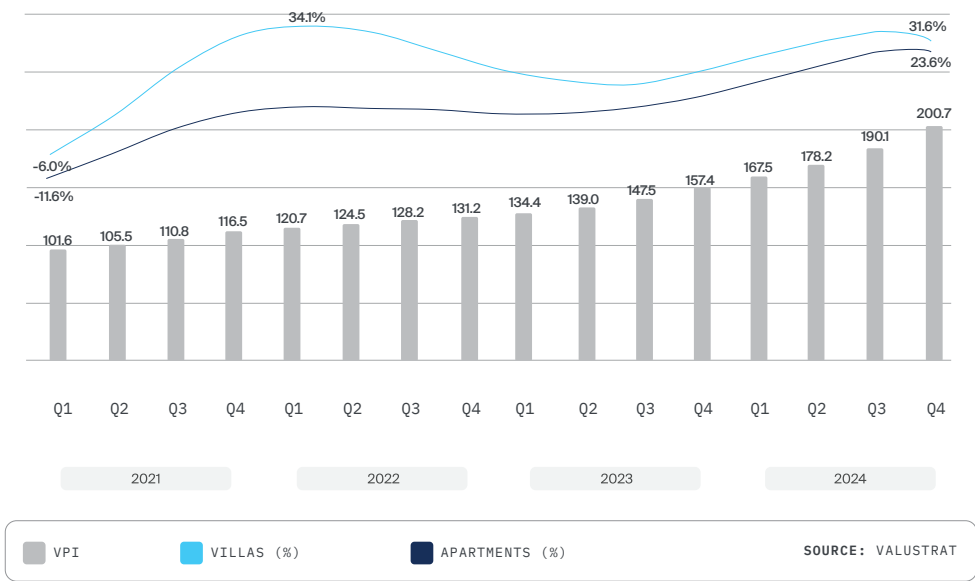
- Dubai's inflation rate slightly eased to 2.9% in December, compared to 3.3% in the previous year
- In December, the Consumer Price Index (CPI) for 'Housing and Utilities' rose by 7.2% annually, up from 6.1% in the same period of 2023, marking the highest increase in five years
- The S&P Global UAE Purchasing Managers' Index (PMI) rose to 55.4 in December, up from 54.2 in November. The index remained well above the 50 point threshold, indicating robust growth in the non-oil private sector and marking its highest level in nine months

# ValuStrat Price Index

## Residential Capital Values



Annual Growth  
[Base: JAN 2021=100]



ValuStrat Price Index	Residential Citywide	Villa Citywide	Apartment Citywide
	200.7	259.0	162.8
	Base: Jan 2021 = 100	Base: Jan 2021 = 100	Base: Jan 2021 = 100

The ValuStrat Price Index, which marks to market a sample of properties that represent 95% of the freehold market, rose by 5.6% quarterly and 27.5% annually, reaching 200.7 points, doubling its baseline of 100 points as of Q1 2021.

Most apartment communities are, on average, valued 11.4% lower than they were a decade ago, with exceptions like Palm Jumeirah and The Greens, followed closely by Jumeirah Beach Residence and the Burj Khalifa. In contrast, villa valuations in Dubai are, on average, 50.4% higher than their 10-year price peaks.

In Q4 2024, villa capital gains slowed, with the VPI reaching 259 points, marking an annual increase of 31.6% and quarterly growth of 6.5%. Top annual performers included villas in prime locations such as Jumeirah Islands (42.5%), Palm Jumeirah (42.3%), Emirates Hills (32.3%), and Dubai Hills Estate (32.1%). The lowest gains were recorded in Mudon (13.5%) and Jumeirah Village Triangle (21.5%).

Apartments experienced a slower annual growth rate of 23.6% and a quarterly growth rate of 4.7%, bringing their value to 162.8 VPI points, with the highest yearly capital gains seen in The Greens (31%), Palm Jumeirah (28.3%), The Views (27.1%), Town Square and Discovery Gardens both at 26.4%. Conversely, the lowest increases were noted in International City (16.9%) and Dubai Sports City (18.1%).

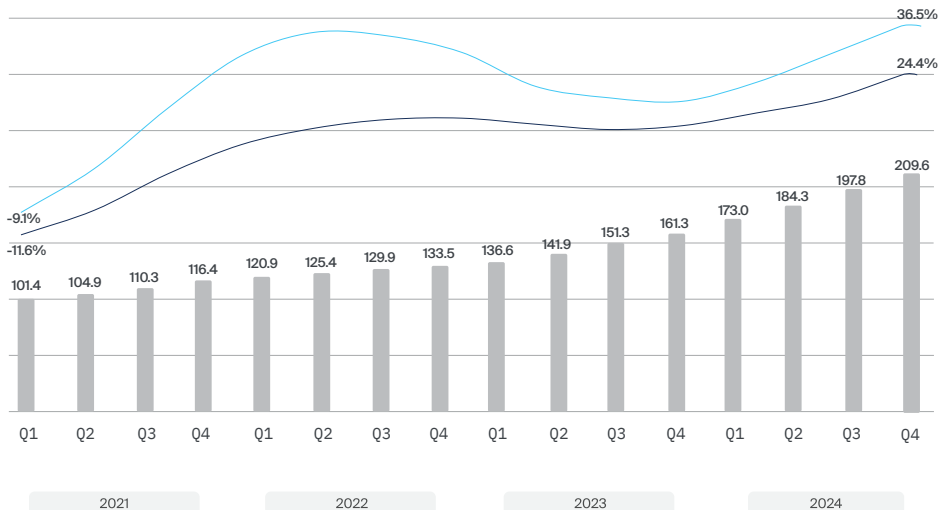
# ValuStrat Price Index

## Prime Residential Capital Values



### Annual Growth

[Base: JAN 2021=100]



VPI

VILLAS (%)

APARTMENTS (%)

SOURCE: VALUSTRAT

ValuStrat Price Index

Residential Prime

**209.6**

Base: Jan 2021 = 100

Villa Prime

**266.3**

Base: Jan 2021 = 100

Apartment Prime

**174.9**

Base: Jan 2021 = 100

Valuations of highly sought after prime properties, known for their exceptional views, amenities, facilities, and layouts, increased by 29.9% annually and 6% quarterly. This strong performance pushed their valuation index to a record high of 209.6 points, more than doubling from the baseline of 100 points set in Q1 2021. The sustained demand underscores the enduring appeal of Dubai's prime real estate market.

The prime villa market rose to 266.3 points, achieving annual capital gains of 36.5% and quarterly growth of 7%. All monitored villa communities have doubled in value since the pandemic, with Jumeirah Islands now valued at three times its pre-pandemic level.

Dubai's premium apartments continued to grow, with capital values rising by 24.4% year on year and 5% since Q3, reaching 174.9 points.



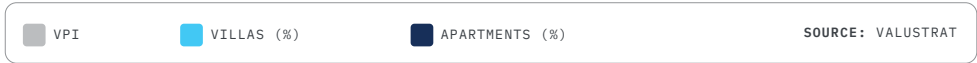
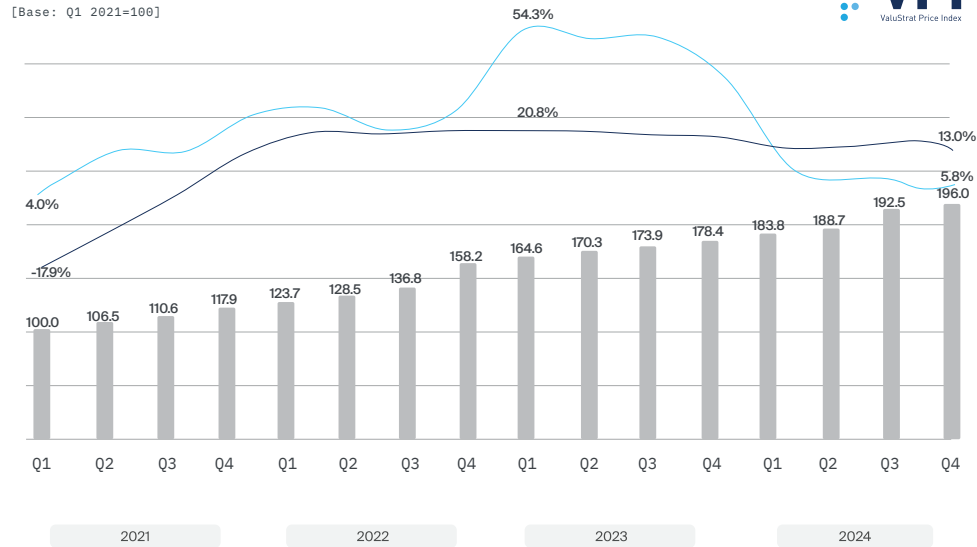
# ValuStrat Price Index

## Residential Rental Values



### Annual Growth

[Base: Q1 2021=100]



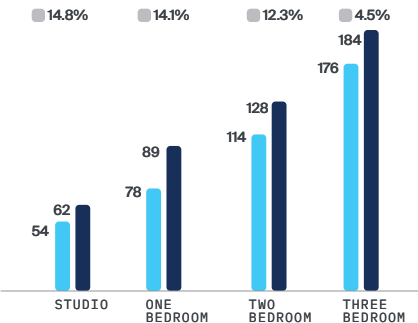
- The ValuStrat Price Index (VPI) for Dubai's residential rental values grew by 1.8% quarterly and 9.8% annually, reaching 196 points
- The VPI for apartments rose to 183 points, whilst the VPI for villas climbed to 216.8, more than double the baseline of 100 points set in Q1 2021
- Villa rentals posted relatively modest rises of 1.7% quarterly and 5.8% annually, bringing the average yearly rent to AED 421,800
- Apartment asking rents grew 1.9% QoQ and 13% YoY, reaching an average annual rent of AED 92,900
- Residential occupancy in Dubai was estimated at 88.8%

# Residential Rents



## Apartment Average Asking Rent

'000 AED per annum and Yearly Change (%)



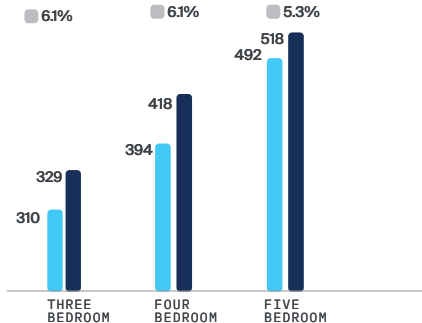
■ Q4 2023 ■ Q4 2024

■ AVERAGE YEARLY CHANGE (%)

SOURCE: REIDIN, VALUSTRAT

## Villa Average Asking Rent

'000 AED per annum and Yearly Change (%)



■ Q4 2023 ■ Q4 2024

■ AVERAGE YEARLY CHANGE (%)

SOURCE: REIDIN, VALUSTRAT

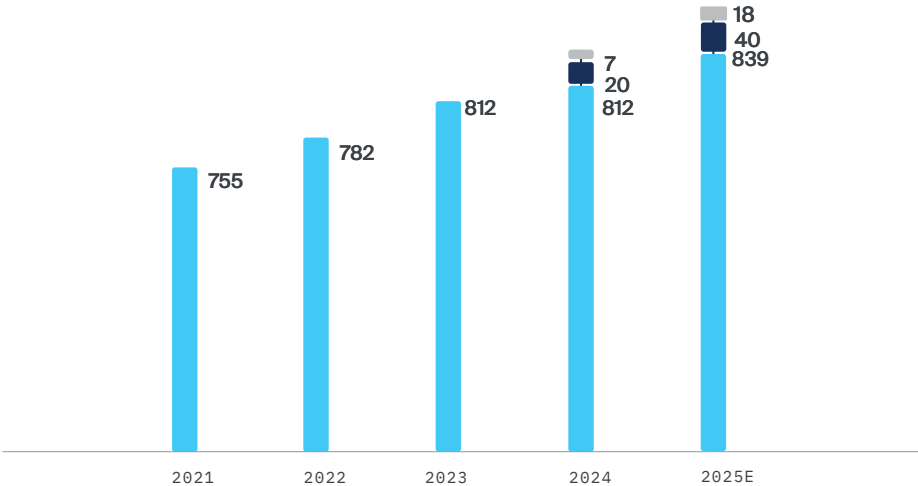
- Average asking rents per annum for apartments were studios at AED 62,000, 1-bed at AED 89,000, 2-beds at AED 128,000, and 3-beds were AED 184,000
- Average annual rents for villas stood at 3-beds AED 329,000, 4-beds at AED 418,000 and 5-beds at AED 518,000

# Residential Supply



2021-2025  
'000 Units

\*MAY BE SUBJECT TO SIGNIFICANT DOWNWARD ADJUSTMENT



EXISTING URBAN VILLAS/APARTMENTS

NEW APARTMENTS\*

NEW VILLAS\*

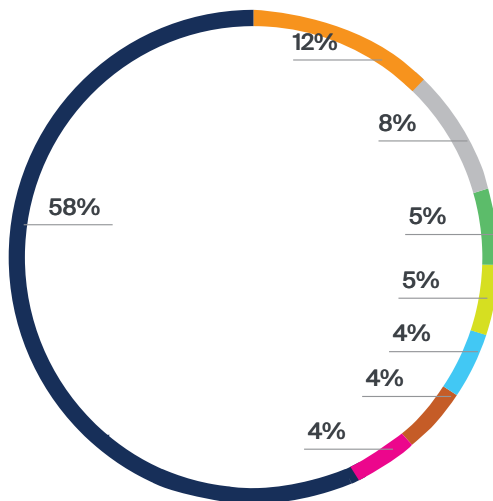
SOURCE: DUBAI STATISTICS CENTRE, REIDIN, MEED PROJECTS, VALUSTRAT

- Official statistics show that Dubai began 2024 with 812,463 existing residential units
- An estimated 29,957 homes were completed, comprising of 20,066 apartments and 6,891 villas, which represents just over half of the projected deliveries for the entire year
- Key apartment completions during the quarter included Binghatti Orchid with 303 apartments, Binghatti Amber with 640 houses and Canal Front Residences 5 with 164 units
- Notable villa completions included Pulse Beachfront Phase 1 in Dubai South, delivering 251 homes, and Bulgari Ocean Mansions in Jumeirah Bay, adding 8 luxury units

# Residential Supply



## Locations with Upcoming Residential Supply



JUMEIRAH VILLAGE CIRCLE

BUSINESS BAY

JUMEIRAH LAKE TOWERS

SOURCE: REIDIN, VALUSTRAT

DUBAI HARBOUR

DAMAC LAGOONS

DUBAI HILLS ESTATE

ARJAN

OTHERS

- 118,401 apartments and 28,351 villas & townhouses are actively under construction with handovers promised by 2028. Of these projects, 12% are located in Jumeirah Village Circle, with another 8% located in Business Bay followed by Jumeirah Lake Towers with 5%
- Key off-plan apartment launches included Bay Grove Residences on Dubai Islands with 296 apartments, South Garden in Jebel Ali with 768 homes, South Living Tower in Dubai South with 209 units, Butterfly Towers in Arjan with 434 properties, and Binghatti Skyrise in Business Bay with 3,333 apartments
- Noteworthy villa launches included Eden Hills with 327 villas, Palm Jebel Ali beach villas featuring 10 bespoke villas, and Monaco Mansions with 109 units
- Additional launches include Sidr Residences in Expo City, Avenue Residence 7 in Al Furjan, Samana Park Meadows in Dubailand, Arisha Terraces in Dubai Studio City, Serenova in Dubai Silicon Oasis, and Cove Edition 2 Residence in Dubailand

# Residential Off-Plan Sales Transactions



## Total Volume & Average Price



Off-plan Sales Volume

↑ **143.8%** ↓ **-4.9%**

LAST YEAR LAST QUARTER

Off-plan Sales Ticket Size

↓ **-38.6%** ↓ **-9.0%**

LAST YEAR LAST QUARTER

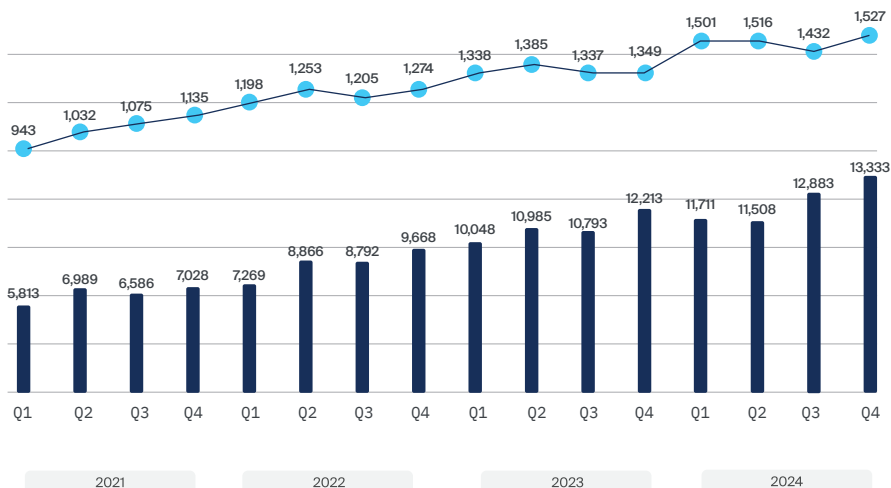
SOURCE: REIDIN, VALUSTRAT

- During the quarter, 31,349 off-plan (Oqood) transactions were recorded, reflecting a 143.8% annual rise but a 4.9% drop from the previous quarter, equivalent to investments worth AED 72 billion
- The average ticket size of off-plan homes fell 38.6% annually to AED 2.3 million
- The citywide average transacted price for off-plan properties was AED 19,138 per sq m (AED 1,778 per sq ft), reflecting a decline of 2% YoY and 3.5% QoQ
- Top off-plan locations transacted during the quarter included projects located in Jumeirah Village Circle (9.7%), Business Bay (6.5%) and Dubai Hills Estate (4.5%)

# Residential Ready Sales Transactions



## Total Volume & Average Price



■ AVERAGE PRICE (AED /SQ FT) ■ VOLUME

SOURCE: REIDIN, VALUSTRAT

### Ready Sales Volume

↑ **9.2%**  
LAST YEAR

↑ **3.5%**  
LAST QUARTER

### Ready Sales Ticket Size

↑ **19.2%**  
LAST YEAR

↑ **9.7%**  
LAST QUARTER

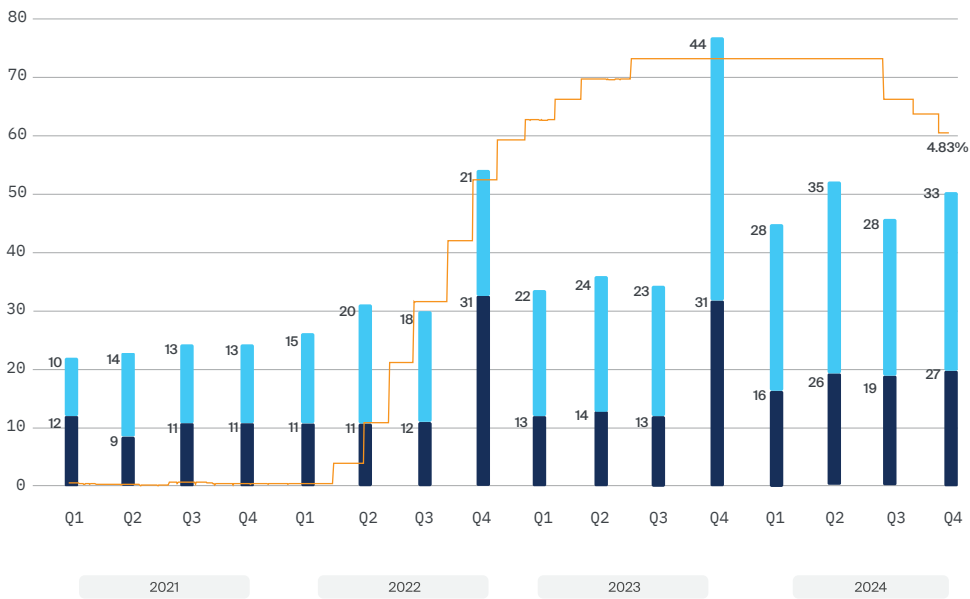
SOURCE: REIDIN, VALUSTRAT

- The fourth quarter saw a record breaking 13,333 ready secondary home transactions, up 3.5% QoQ and 9.2% YoY, equivalent to investments worth AED 33.9 billion
- The average ticket size of ready properties grew 9.7% quarterly and 19.2% annually to AED 2.5 million
- 39% of all ready home sales were priced less than AED 1 million
- There were 71 sales of homes worth over AED 30 million, compared to 44 during the same period last year
- The citywide average transacted price for ready units during the quarter was AED 16,436 per sq m (AED 1,527 per sq ft) up 13.2% YoY and 6.6% QoQ
- The average apartment size transacted in the fourth quarter was 95.9 sq m (1,032 sq ft), the average villa area was 302.9 sq m (3,260 sq ft)
- Most transacted locations for ready properties were Jumeirah Village Circle (10%), Dubai Marina (6.2%) and Business Bay (6.1%)

# Mortgage Transactions



Mortgage/Cash Sales vs Interest Rates\*  
Transaction Value (AED Bn)



MORTGAGE - READY

CASH - READY

FEDERAL FUNDS RATE

SOURCE: REIDIN,  
MACROTRENDS,  
VALUSTRAT

\*ALL READY ASSET CLASSES,  
EXCLUDING OFF-PLAN TRANSACTIONS

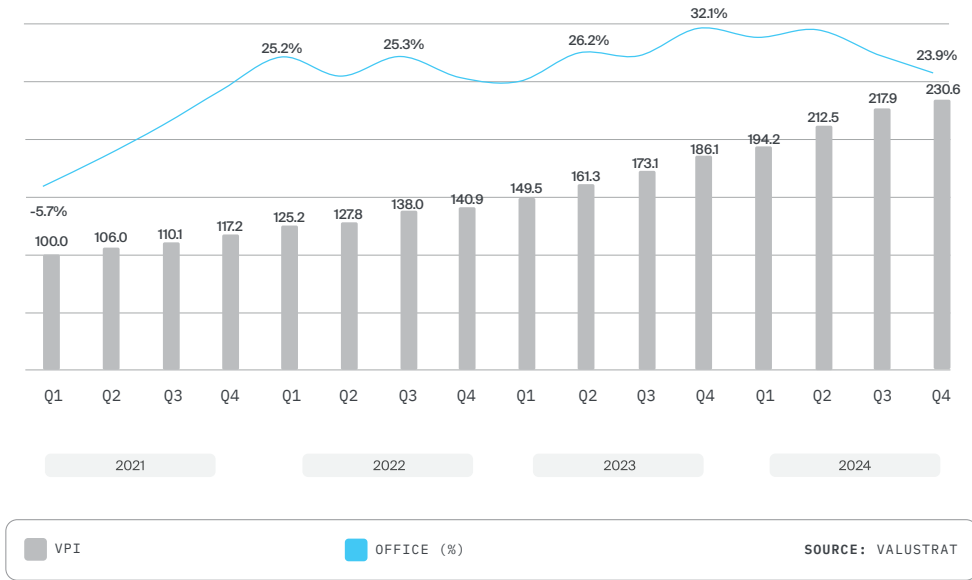
- In the fourth quarter of 2024, the Dubai real estate market witnessed 10,639 mortgage transactions across all asset classes, compared to 15,124 cash transactions of ready properties
- The total sales value attributed to mortgage transactions stood at AED 26.6 billion, with cash transactions totalling AED 33 billion
- The US Federal Reserve announced its third consecutive interest rate cut on the 19th December 2024, lowering the target range to 4.25% - 4.5%, a further decrease of 25 basis points

# ValuStrat Price Index

## Office Capital Values



Annual Growth  
[Base: Q1 2021=100]



ValuStrat Price Index	Office <b>230.6</b> Base: Q1 2021 = 100	Grade A <b>246.4</b> Base: Q1 2021 = 100	Grade B <b>203.1</b> Base: Q1 2021 = 100
-----------------------	---	--	--

Demand for office space in Dubai remains robust, with capital values rising by 5.8% quarterly and 23.9% annually. The ValuStrat Price Index (VPI) for office capital values reached a record high of 230.6 points, more than double the baseline of 100 points set in Q1 2021. The average valuation for office space was AED 18,944 per sq m (AED 1,760 per sq ft). Highest office valuations were recorded in Downtown Dubai averaging AED 42,873 per sq m (AED 3,983 per sq ft), while the lowest were in Barsha Heights at AED 12,917 per sq m (AED 1,200 per sq ft).

All five of Dubai's central business districts recorded double-digit annual capital gains: Dubai International Financial Centre (DIFC) led with 38.8%, followed by Barsha Heights (34.8%), Business Bay (22.2%), Jumeirah Lake Towers (21.2%), and Downtown Dubai with the lowest growth at 12.2%.

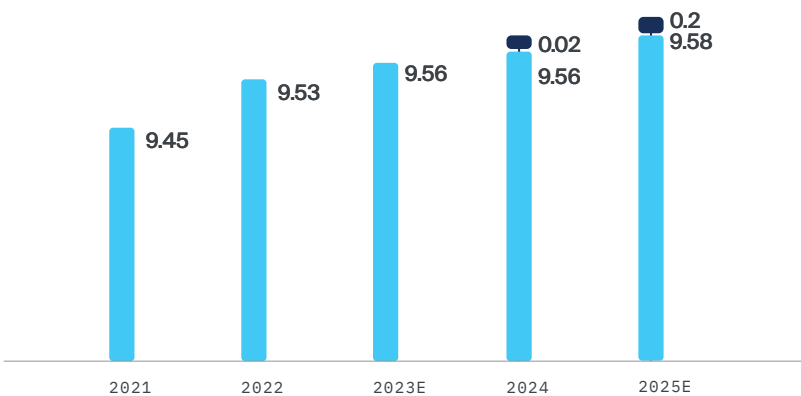
Prices for Grade A shell-and-core office spaces surged by 38% year-on-year, reaching 246.4 VPI points, while Grade B shell-and-core spaces grew by 36.7%, achieving 203.1 points.



# Office Supply



Million Sq M GLA



EXISTING STOCK      EXPECTED SUPPLY

SOURCE: MEED PROJECTS, VALUSTRAT

- As of Q4 2024, Dubai's total office stock was estimated at 9.56 million sq m (102 million sq ft)
- Based on developer estimates, 233,100 sq m (2.5 million sq ft) of GLA is scheduled for completion by end of 2025
- Aldar Properties has expanded its commercial portfolio with two major acquisitions in Dubai. It purchased a 40-story flagship tower in DIFC from H&H Development for AED 2.3 billion, set for completion in 2028. Additionally, Aldar acquired 6 Falak, a newly built Grade A office building in Dubai Internet City, offering over 8,361 sq m (90,000 sq ft) of office space
- Aldar Properties and Expo City announced a joint venture to develop a AED 1.75 billion mixed-use project comprising six buildings with a total GLA of 103,000 sq m (1.1 million sq ft), including office, retail, and residential spaces
- Construction of Sweid One begun, with completion expected in Q4 2026. The project will offer 46,452 sq m (500,000 sq) ft of office space, food and beverage options, four underground parking levels, and Dubai Metro connectivity

# Office Sales Transactions



## Total Volume & Average Price



■ AVERAGE PRICE (AED /SQ FT) ■ VOLUME

SOURCE: REIDIN, VALUSTRAT

### Sales Volume

↓ **-36.6%** ↓ **-32.7%**  
LAST YEAR LAST QUARTER

### Transacted Prices

↑ **26.1%** ↑ **5.5%**  
LAST YEAR LAST QUARTER

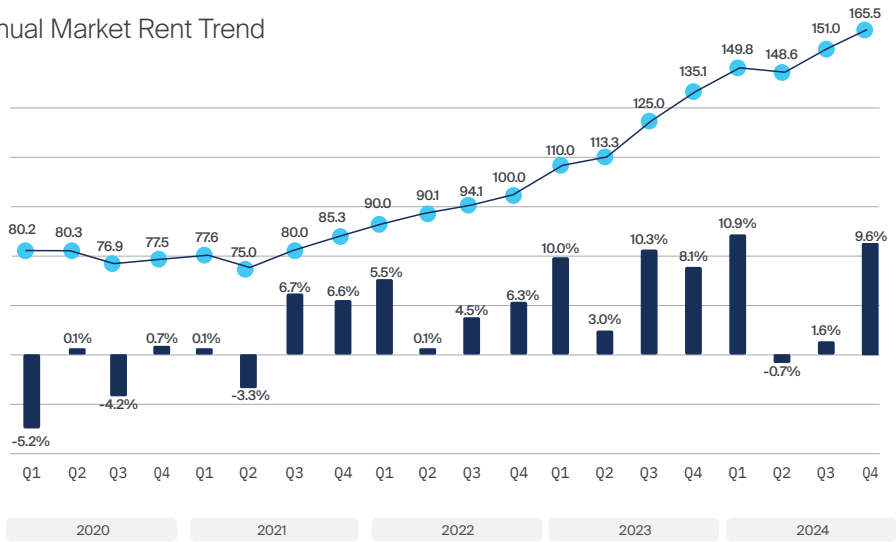
SOURCE: REIDIN, VALUSTRAT

- The fourth quarter saw 424 office sales transactions, down 36.6% annually and 32.7% quarterly
- The average transacted price increased to a record high of AED 16,878 per sq m (AED 1,568 per sq ft), up 26.1% YoY and 5.5% QoQ
- Business Bay remained the most popular choice for office sales, accounting for 46% of transactions this quarter. It was followed by Jumeirah Lake Towers with 34% and Barsha Heights with 7%
- The average size of offices sold was 113 sq m (1,221 sq ft) in Business Bay, 118 sq m (1,271 sq ft) in Jumeirah Lake Towers and 196 sq m (2,110 sq ft) in Barsha Heights
- 54,273 sq m (584,184 sq ft) of total GLA was transacted during the quarter, amounting to an investment value of more than AED 965 million

# Office Asking Rents



Annual Market Rent Trend



■ MEDIAN OFFICE RENT (AED / SQ FT / P.A.) ■ QOQ SOURCE: REIDIN, VALUSTRAT

## Office Median Asking Rents

↑ **65.5%** LAST 2 YEARS ↑ **22.5%** LAST YEAR ↑ **11.3%** LAST 6 MONTHS ↑ **9.6%** LAST QUARTER

**SOURCE: REIDIN, VALUSTRAT**

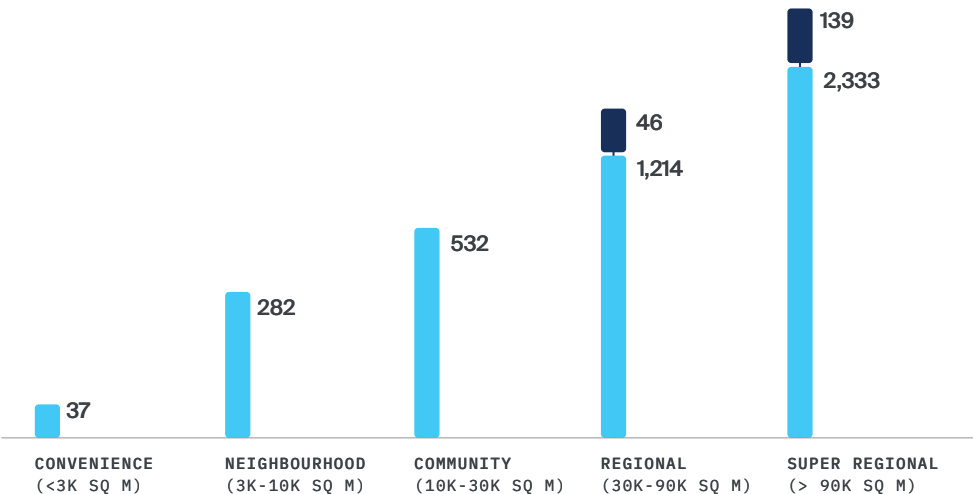
- Office asking rents grew 9.6% quarterly, following record highs in the previous quarter. This has led to a median annual rent of AED 1,625 per sq m (AED 151 per sq ft) which is 20.8% higher than last year
- For smaller office spaces under 93 sq m (1,000 sq ft), DIFC, one of the most popular business locations, recorded average asking rents of AED 2,766 per sq m (AED 257 per sq ft). Business Bay followed at AED 2,099 per sq m (AED 195 per sq ft), while Dubai Media City registered AED 1,938 per sq m (AED 180 per sq ft), based on available listings
- For units between 93-186 sq m (1,000-2,000 sq ft), available listings showed average asking rents at AED 2,497 per sq m (AED 232 per sq ft) in Dubai Marina, AED 1,938 per sq m (AED 180 per sq ft) in Business Bay, and AED 1,819 per sq m (AED 169 per sq ft) in Dubai Media City
- Office occupancy in Dubai was estimated 88%

# Retail Supply



## Malls & Shopping Centers

('000 SQ M GLA)



RETAIL COMPLETED



RETAIL UNDER CONSTRUCTION

SOURCE: REIDIN, VALUSTRAT

- Al Khail Avenue, a mall developed by Nakheel in Jumeirah Village Triangle, is nearing completion and will add 139,355 sq m (1.5 million sq ft) to the city's mall stock
- McLaren Construction has been contracted by Shamal Holding to build the Nad Al Sheba Gardens Mall, the two-storey retail and F&B space will cover around a plot area of around 12,600 sq m (135,625 sq ft)

# Retail Performance



## Number of Malls and Shopping Centres



 RETAIL COMPLETED  RETAIL UNDER CONSTRUCTION **SOURCE:** DUBAI LAND DEPARTMENT (EJARI), VALUSTRAT

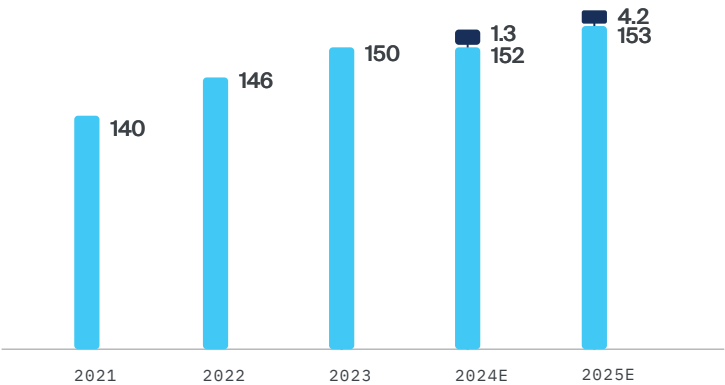
- During the first three quarters of 2024, Emaar's revenue from its mall operations reached AED 4.2 billion. Emaar Properties saw their prime mall assets achieve 99% occupancy during the first three quarters of 2024
- Dubai Mall recorded a footfall of 82 million during the first nine months of the year
- Emaar reported a 6% growth in sales performance for its tenants
- Majid Al Futtaim saw its retail assets achieve 96% occupancy
- MAF Retail experienced revenue growth of 8% YoY from shopping malls, despite a 2% decline in visitor footfall
- The UAE e-commerce market is forecast to exceed AED 48.5 billion by 2028, with a projected penetration rate of 15.3%

# Hospitality Supply



## Hotel Room Supply

2021-2025 | '000 Keys



HOTEL AND SERVICED APT ROOMS



NEW SUPPLY

SOURCE: DET, MEED PROJECTS, VALUSTRAT

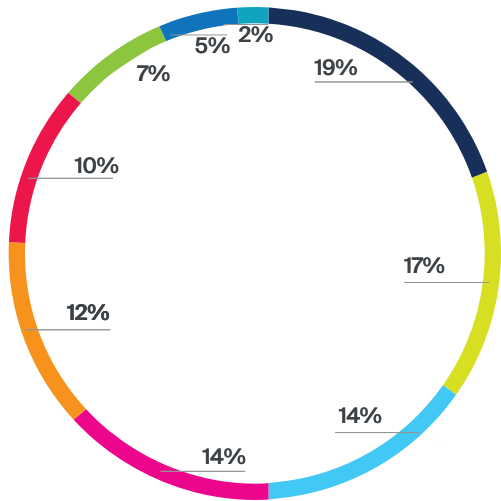
- As of November 2024, Dubai had a total of 127,023 hotel rooms and 26,367 hotel apartments per the Department of Economy and Tourism
- Notable hotel openings included Emirates Sports Hotel, offering 144 rooms, 40 hotel apartments, and 8 penthouses, Delano Dubai, featuring 251 rooms and 84 suites as well as Jumeirah Marsa Al Arab with 303 rooms, 84 suits and 82 apartments
- Kleindienst Group announced plans to add 5,000 five-star hotel rooms to Dubai's hospitality sector
- Omniyat has announced the planned launch of The Alba, Dorchester Collection in Palm Jumeirah, slated to open in 2028
- There are 11 hotel projects under construction with 4,248 total keys to be added during 2025. Notable projects include the Marriott JVC Hotel & Residence Inn with 250 keys, Fairmont Dubai on Sheikh Zayed Road with 725 keys, and Dusit Princess Rijas in JVC with 224 rooms

# Hospitality Performance



## Source of Dubai Visitors by Region

YTD NOV 2024



WESTERN EUROPE

GCC

AMERICAS

SOUTH ASIA

MENA

AFRICA

CIS & EASTERN EUROPE

NORTH ASIA & SOUTH EAST ASIA

AUSTRALIA

SOURCE: DET

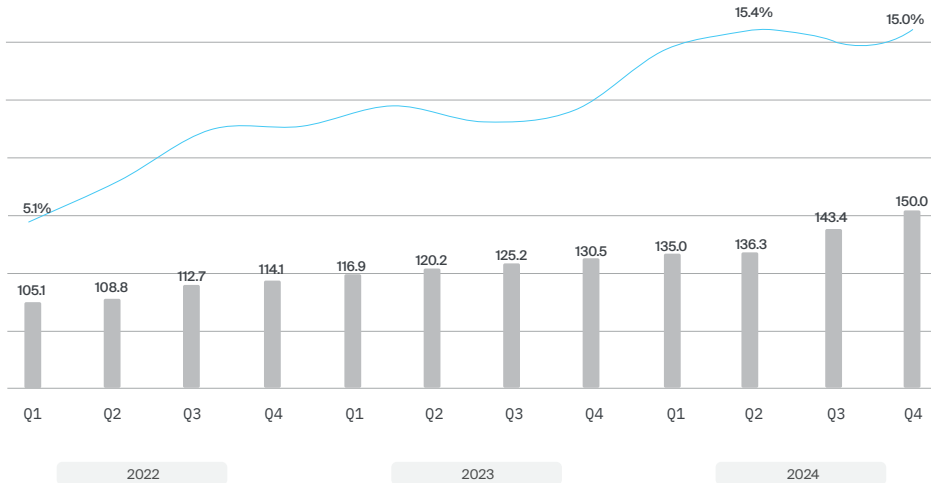
- Total international guests stood at 16.79 million during the first eleven months of 2024, growing by 9.2% annually
- Hotel occupancy reached 78%, rising by 0.8% YoY
- The Average Daily Rate (ADR) was AED 520, up 2.0% annually, whilst Revenue per Available Room (RevPAR) grew by 2.8 % YoY to AED 405
- Dubai's top three tourist source markets were Western Europe contributing 19%, countries in South Asia adding 16%, and the GCC sharing 15%
- Average occupancy for holiday homes during the quarter stood at 58%

# ValuStrat Price Index

## Industrial Logistics Capital Values



Annual Growth



VPI

INDUSTRIAL (%)

SOURCE: VALUSTRAT

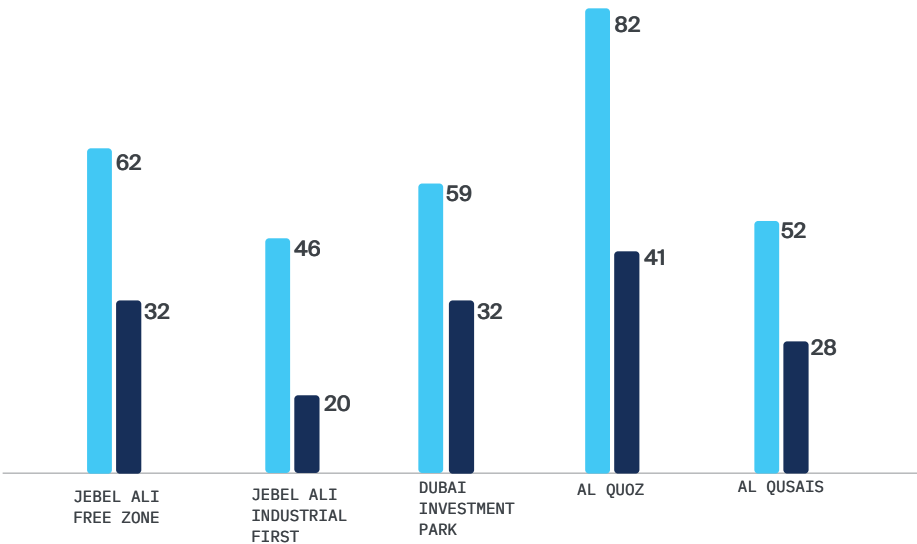
- The ValuStrat Price Index (VPI) for Dubai Industrial Capital Values reached 150 points, compared to the baseline of 100 points established in Q1 2021
- Logistical warehouses recorded annual capital gains of 15% and quarterly growth of 4.6% on the VPI
- The valuation of a typical logistics warehouses as of Q4 2024 stood at AED 3,152 per sq m (AED 293 per sq ft)
- The best-performing locations in terms of annual price increases were Dubai Investment Park (20.5%), Al Quoz (16.1%), and JAFZA North (15%)
- Warehouse asking rents ranged from AED 207 per sq m (AED 19.2 per sq ft) to AED 881 per sq m (AED 81.8 per sq ft), with rents rising by 3.4% during the quarter
- Demand is expected to outpace supply, and potential interest rate cuts could further boost demand, supporting continued price growth in the sector



# Industrial Investment/Supply



Industrial Rental Rates  
AED / SQ FT / P.A



RENT HIGH      RENT LOW

SOURCE: VALUSTRAT

- dnata Logistics is set to expand its UAE presence with a new 57,000 sq m (613,542 sq ft) facility in Dubai South. The AED 100 million investment will enhance the company's operational capabilities to meet the growing demand for cargo and logistics services in the region
- Mohammed Bin Rashid Aerospace Hub (MBRAH) has partnered with International Energy Resources (IER) to create an 81,755 sq m (880,000 sq ft) MRO (maintenance, repair, and operations) and engine test facility at Dubai South, set to be completed by 2027
- Pure Ice Cream has signed a Musataha agreement to invest AED 80 million in a 14,865 sq m (160,000 sq ft) production facility at Dubai Industrial City, set to launch in 2026. The factory will triple annual capacity to 30 million litres, supporting regional and international expansion
- Elite Group Holding signed a Musataha agreement to develop a 92,903 sq m (1 million sq ft) facility at Dubai Industrial City. The AED 100 million project will boost growth in the automotive and e-commerce sectors

# ValuStrat in the Media

**Khalegi Times**

08 JAN 2025

## Rental index in Dubai expands to commercial properties

Dubai is set to expand its Smart Rental Index to include commercial and industrial properties in 2025, the Dubai Land Department announced. The commercial component will launch in Q1 2025, with industrial properties following later.

According to ValuStrat, the Dubai Commercial Index will provide benchmarks at the building or community level, enabling landlords to request property valuations for upgrades while adhering to rental caps. This will enhance rent reviews, improve market transparency, and boost confidence among landlords and investors.

**Khalegi Times**

08 DEC 2024

## Dubai rents to increase in 2025: Which areas will see a hike in rentals?

Haider Tuaima, director and head of real estate research at ValuStrat, highlighted notable trends in Dubai's rental market for 2024 and 2025. Residential rents for new contracts increased by 5% for villas and 16% for apartments in 2024. Looking ahead, Tuaima expects villa rents to stabilise while apartment rents could rise by up to 10%, particularly in more affordable segments on the city's outskirts.

The limited supply of high-quality units in central areas continues to drive demand to suburban locations, where rents may see more significant increases.

**Construction Week**

24 OCT 2024

## Dubai real estate: Villa prices doubled in Q3 2024, apartments steady

Dubai's real estate market sustained growth in Q3 2024, driven by population expansion, favourable interest rates, and surging transactions. Affordable housing demand rose alongside gains in office, hospitality, and logistics sectors.

Residential property values climbed 28.9% annually, led by villas with a 33.1% increase. Apartments in high-demand areas, such as Palm Jumeirah, also hit price peaks. Rentals rose by 15.4% for apartments and 4.9% for villas. Office capital values grew 25.8%, with DIFC leading at 43.9%. Retail occupancy rates exceeded 95%, while hospitality thrived with 7.4% more visitors and strong hotel openings. The logistics sector saw warehouse values rise 14.6%, driven by business expansions. Dubai's population grew 3.5% to 3.78 million, and interest rate cuts spurred AED19 billion in mortgage transactions.

**The National**

22 OCT 2024

## Dubai homes are getting smaller while property prices increase

Dubai's population is projected to reach five million by 2030, leading to significant changes in the housing market. ValuStrat data shows the average home size has decreased to 1,450 square feet, while the price per square foot has risen to AED 1,490 (USD 405). This trend reflects a growing demand for affordability amid rising property prices. Developers are building smaller homes due to increased land and construction costs. Additionally, Dubai's net-zero by 2050 ambitions and rapid population growth, especially post-2020 pandemic, contribute to this shift.



---

## Premium Subscription

ValuStrat offers premium subscription reports for clients granting them access to in-depth, statistical analysis of what is happening in residential real estate; allowing for more informed decision making and forward planning. The full in-depth 100+ page Dubai report includes citywide analysis of freehold districts, including the ValuStrat Price Index, transaction volumes, service charges, Price to Rent Ratios and Net Yields.

---

## About VPI

The ValuStrat Price Index (VPI) regularly marks to market a sample of properties that represent more than 90% of the Dubai residential and commercial markets and is built by our expert RICS Registered Valuers.

### Research Methodology

Every effort has been made to ensure the accuracy of this document. New supply data covers 50 defined areas in Dubai including non-freehold areas. Only completed and under construction projects are included. The new supply data does not include announced projects, and projects in design phase. The new supply database does not take into account most private building projects. Prices are calculated from actual transactions. Rental data is derived from a carefully cleansed database of listings that don't include duplicates, potential errors and outliers.

**Subscribe for regular market intelligence. Please email us at:** [business.enquiries@valustrat.com](mailto:business.enquiries@valustrat.com)

---

SINCE 1977

# Strategy determines outcome. No matter what industry you're in, we're here to help you win.

---



**Declan King, MRICS**  
Senior Partner & Group Head of  
Real Estate  
[declan.king@valustrat.com](mailto:declan.king@valustrat.com)



**Haider Tuaima**  
Director & Head of Real Estate  
Research  
[haider.tuaima@valustrat.com](mailto:haider.tuaima@valustrat.com)



**Vismer Mulenga, MRICS**  
Director, Valuations  
[vismer.mulenga@valustrat.com](mailto:vismer.mulenga@valustrat.com)



**Darshan Shah, MRICS**  
Managing Director & Group Head,  
Industrial Consulting  
[darshan.shah@valustrat.com](mailto:darshan.shah@valustrat.com)



**David Jones, MRICS**  
Associate Director, Commercial  
Valuations  
[David.jones@valustrat.com](mailto:David.jones@valustrat.com)



**Adrian Briones, MRICS**  
Manager, Residential Valuation  
[adrian.briones@valustrat.com](mailto:adrian.briones@valustrat.com)

---

**Dubai, AE**  
702 Palace Towers  
Dubai Silicon Oasis  
+971 4 326 2233

**Abu Dhabi, AE**  
Office C102G, Al Bateen,  
Tower C6 Bainunah,  
ADIB Building  
+971 2 207 6664

**London, UK**  
189 Brompton Road,  
Knightsbridge, London  
SW3 1NE, UK

**Riyadh, SA**  
6th Floor, South Tower  
King Faisal Foundation Building  
Al Faisaliah Complex  
+966 11 293 5127

**Jeddah, SA**  
111 Jameel Square,  
Tahlia Road  
+966 12 283 1455

**Doha, QA**  
Office 704,  
Palm Towers B West Bay  
+974 4 039 9001

**Karachi, PK**  
8th Floor, Elegant Tower,  
Block 5, Clifton  
+92 213 517 4201

**For business enquiries, please email us at:**  
[business.enquiries@valustrat.com](mailto:business.enquiries@valustrat.com)

---

THIS DOCUMENT IS THE PROPERTY OF VALUSTRAT CONSULTING FZCO AND MUST NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT THE PRIOR WRITTEN CONSENT OF VALUSTRAT CONSULTING FZCO. WE WELCOME YOUR CONSTRUCTIVE FEEDBACK AND ANY CORRECTIONS THAT MAY NEED TO BE MADE TO THIS DOCUMENT. VALUSTRAT CONSULTING FZCO DOES NOT ACCEPT ANY LIABILITY IN NEGLIGENCE OR OTHERWISE FOR ANY DAMAGE SUFFERED BY ANY PARTY RESULTING FROM RELIANCE ON THIS DOCUMENT.