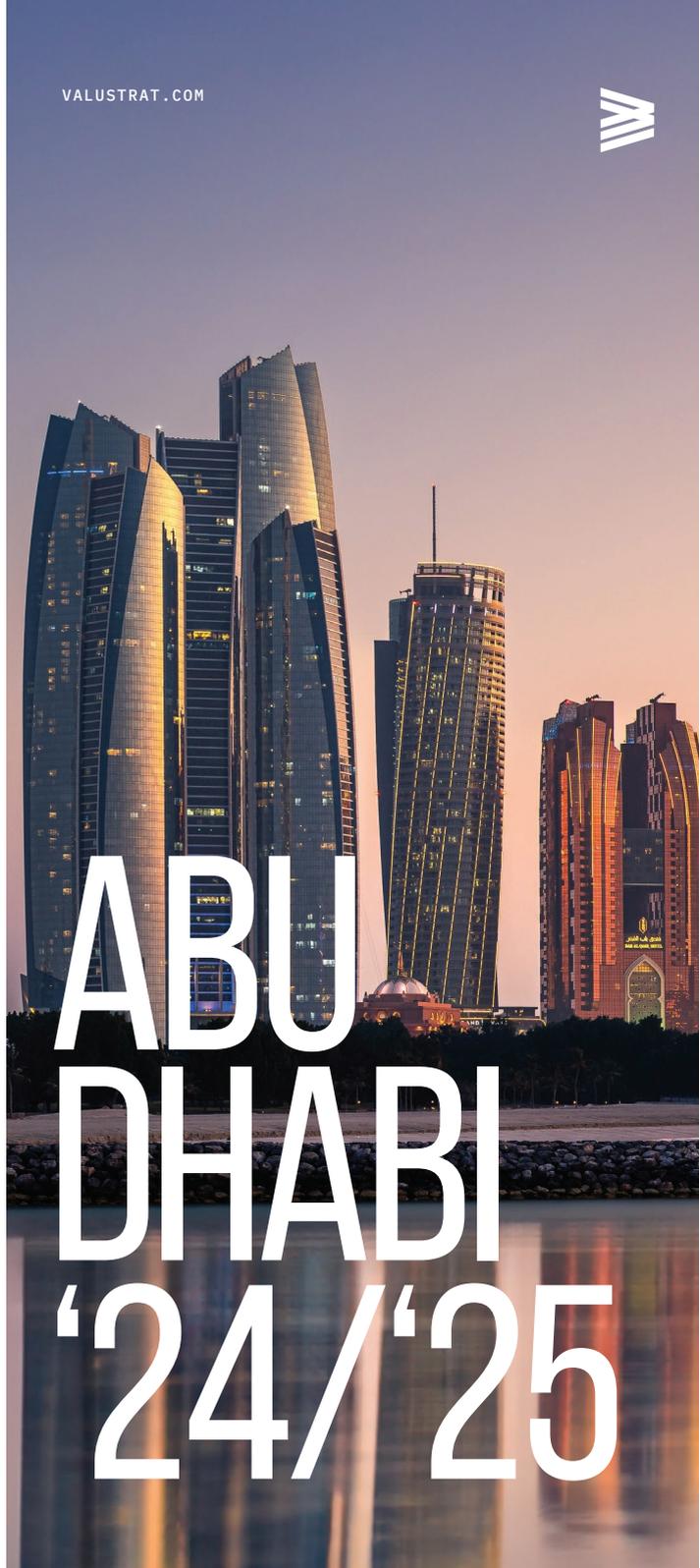


**Abu Dhabi, UAE**  
Real Estate Research  
Review '24/'25 Outlook

VALUSTRAT.COM



# ABU DHABI '24/'25

This report contains research on Abu Dhabi's residential, commercial and hospitality real estate.

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

Abu Dhabi's real estate market maintained its positive momentum across most asset classes in 2024.

The ValuStrat Price Index (VPI) for Abu Dhabi's key residential investment zones reached 123 points in Q4, with villas and apartments recording 131.2 and 115.2 points, respectively, based on a baseline of 100 points established in Q1 2021. Villas led the growth with annual capital gains of 8.9%, while apartments posted a 3.5% increase. Residential occupancy was estimated at 86%, with villa asking rents rising by 6.7% and apartment rents increasing by 9% year on year.

Demand for ready properties surged by 56% in 2024, driven by more tenants transitioning to home ownership, as reflected in the growing number of mortgage transactions. In contrast, off-plan sales declined by 40.3% compared to 2023, following a decrease in the number of new project launches.

Abu Dhabi's office rental rates grew significantly with occupancy rates above 90% across the board. Driven by strong demand for high quality commercial space, asking rents increased by 25.9% in 2024. Other commercial assets in Abu Dhabi showcased robust performance across key sectors. Major shopping malls maintained a high average occupancy rate of 89%, reflecting strong retail demand. Meanwhile, as of the first nine months of 2024, the hospitality sector reported a 79% hotel occupancy rate, coupled with a significant 19% annual increase in Revenue per Available Room (RevPAR).

Overall, Abu Dhabi's market remained positive, fueled by strong demand, economic growth, and investor confidence.

Regards,  
Haider

## Real Estate Performance

SOURCE: VALUSTRAT



### ValuStrat Price Index

Residential Capital Values

**117.2**

BASE: Q1 2021 = 100

↑ **4.2%**  
Y-o-Y

Residential Rental Values

**111.0**

BASE: Q1 2021 = 100

↑ **5.7%**  
Y-o-Y

## Key Indicators

SOURCE: REIDIN, DET, VALUSTRAT



### Residential

Off Plan Sales Ticket Size

**2.99M**

AED

↓ **-7.0%**  
Y-o-Y

Off Plan Sales Volume

**1,787**

TRANSACTIONS

↑ **9.1%**  
Y-o-Y

Ready Sales Ticket Size

**2.10M**

AED

↓ **-8.2%**  
Y-o-Y

Ready Sales Volume

**819**

TRANSACTIONS

↑ **34.3%**  
Y-o-Y



### Office

Sales Price

**9,833**

(AED / SQ M)

↓ **-8.2%**  
Y-o-Y

Asking Rents

**615**

(AED / SQ M / P.A)

↑ **13.2%**  
Y-o-Y



### Hotel

Occupancy Hotel

**82.2%**

YTD MAR

↑ **5.6%**  
Y-o-Y

ADR

**491**

(AED) YTD MAR

↑ **4.0%**  
Y-o-Y

RevPAR

**405**

(AED) YTD MAR

↑ **11.6%**  
Y-o-Y

↑ INCREASE    ■ NO CHANGE    ↓ DECLINE



## ValuStrat Price Index

- The VPI - Residential Capital Values was 4.2% higher YoY and up 1.2% QoQ at 117.2 points
- Capital values of apartments saw marginal change during the first three months of the year, having risen by 2.1% YoY to 111.8 points. Whilst the villa segment performed better, rising 1.9% QoQ and 6.3% YoY to 122.8 points
- The VPI - Rental Values in Abu Dhabi observed steady growth of 5.7% annually and 1.2% quarterly, reaching 111 points
- Villas stood at 117.4 points as rents increased by 6.4% YoY and 1.3% QoQ. Apartment rents recorded 105.4 points, up 5% YoY and 1% QoQ
- Gross yields averaged 7.1%, with apartments at 7.5% and villas at 6.1%



## Economy

- As per the United Nations Conference on Trade and Development (UNCTAD), the UAE ranked second globally for greenfield FDI in 2023, with a 28% increase in project announcements. This highlighted the country's status as a prime choice for major corporations seeking to establish subsidiaries in fresh markets
- The US Fed opted to maintain its federal fund interest rate at the target range of 5.25% to 5.5% during March
- Abu Dhabi's Murban crude oil price stood at USD 77.69 per barrel as of March 2024
- The government approved the Abu Dhabi Tourism Sector Strategy 2030 aimed at increasing the industry's contribution to non-oil GDP to AED 90 billion annually by 2030
- Abu Dhabi's real estate sector attracted a record AED 1.81 billion (USD 493 million) in foreign direct investment in the first quarter of 2024
- The Abu Dhabi Consumer Price Index for Q1 2024 stood at 105.6 points, remaining stable annually. Housing and utilities, at 100.2 points, were also stable yearly



## Transactions

- Off-plan home sales volumes rose by 9.1% YoY to 1,787 deals, while ready home sales witnessed 34.3% YoY increase with 819 transactions
- Ticket sizes of off-plan homes fell 7% annually to AED 3 million, while ready properties declined 8.2% YoY to AED 2.1 million



## Residential

- Abu Dhabi saw the completion of only 80 apartments during the first quarter, representing just 1.2% of the expected residential pipeline for the whole of 2024
- Aldar Properties introduced its inaugural project in Saadiyat Island Marina District, named Nouran Living, comprising 372 homes in a mid-rise design. The project is slated for handover in 2027
- Bloom Holding launched Olevra, community living apartments in its master community Bloom Living in Zayed City, scheduled to be completed by Q3 2027
- Abu Dhabi announced plans to build the AED 3.5 billion Yas Canal residential project, which included 1,146 villas for Emiratiss



## Office

- Noteworthy office buildings scheduled for completion during the year included Masdar City Square with a built-up area of 50,000 sq m (538,195 sq ft), and Al Reem Shams office tower with a built-up area of 2,500 sq m (26,910 sq ft)
- Aldar announced plans to expand its commercial portfolio. The expansion was aimed at increasing their commercial Net Leasable Area (NLA) by 31% to a total of 549,000 sq m (5.9 million sq ft)
- Median office sales price fell by 29.7% QoQ and 8.2% YoY to reach AED 9,883 per sq m (AED 918 per sq ft)
- Office asking rents in the primary commercial districts within the city were up 3.1% quarterly and 13.2% annually
- Average occupancy among buildings within the city's central business districts stood at 89.7%



## Retail

- Aldar announced development plans for Saadiyat Grove, which will feature a central shopping destination, two retail boulevards, and a community retail space, with a Net Leasable Area (NLA) of 78,000 sq m (839,584 sq ft)
- Aldar unveiled plans to develop retail community assets in prominent Abu Dhabi neighbourhoods such as Saadiyat Lagoons, Noya, and Yas Golf Collection
- Mafraq Mall was opened to the public, adding approximately 35,652 sq m (383,754 sq ft) to the city's retail space



## Hotel

- As of March 2024, Abu Dhabi's hospitality sector comprised of 28,850 hotel rooms and 5,476 hotel apartments.
- Bab Al Nojourn resort opened overwater villas on Hudayriyat Island. The project offers 14 Maldives-style villas plus 17 beachfront units
- Abu Dhabi city hotels registered positive performance during Q1 2024, the Average Room Rate (ARR) stood at AED 491 and Revenue Per Available Room (RevPAR) reached AED 405, increasing 4% YoY and 11.6% YoY respectively
- The latest YTD March 2024 hotel performance report from the Department of Culture and Tourism Abu Dhabi (DCTAD) recorded overall occupancy of 82.2% (excl. Al Ain and Western Region), up 5.6% annually



## Tourism

- Total international visitors welcomed during the quarter stood at 1.3 million growing 22% from the previous year
- During the first quarter of 2024, passenger traffic at Abu Dhabi Airports reached more than 6.9 million, marking a robust surge of 35.6% compared to the same period in 2023. This significant increase comes shortly after the opening of the new airport terminal



## Industrial

- KEZAD announced plans to add 250,000 sq m (2.7 million sq ft) of new warehousing capacity, boosting their total stock by 43%
- Tenaris unveiled a USD 60 million industrial complex in Abu Dhabi Industrial City to serve ADNOC. The 200,000 sq m (2.2 million sq ft) Etihad Tubulars complex to include an industrial training centre
- KEZAD and Titan Lithium signed a 50-year land lease for a lithium processing plant in KEZAD Area. The AED 5 billion facility was planned to cover 290,000 sq m (3.1 million sq ft) and produce battery-grade lithium
- Industrial property asking prices in Abu Dhabi have seen an uptick since Q4 last year, with prices at the higher end of the spectrum rising by 1.4% in both Mussafah and ICAD. However, prices have remained stable at the lower end
- Industrial asking rental rates were stable on a quarterly basis. Rates typically varied from AED 237 to AED 517 per sq m per annum (AED 22 to AED 48 per sq ft per annum), influenced by factors like specifications, quality, age, condition, and size of the facility. Slightly higher rates were observed for facilities with cold storage

## Real Estate Performance

SOURCE: VALUSTRAT



### ValuStrat Price Index

Residential Capital Values

**118.7**

BASE: Q1 2021 = 100

↑ **4.4%**  
Y-o-Y

Residential Rental Values

**112.1**

BASE: Q1 2021 = 100

↑ **4.4%**  
Y-o-Y

## Key Indicators

SOURCE: REIDIN, DET, VALUSTRAT



### Residential

Off Plan Sales Ticket Size

**1.97M**

AED

↓ **-18.4%**  
Y-o-Y

Off Plan Sales Volume

**1,178**

TRANSACTIONS

↓ **-41.0%**  
Y-o-Y

Ready Sales Ticket Size

**2.28M**

AED

↓ **-2.7%**  
Y-o-Y

Ready Sales Volume

**896**

TRANSACTIONS

↑ **44.1%**  
Y-o-Y



### Office

Sales Price

**10,226**

(AED / SQ M)

↑ **11.1%**  
Y-o-Y

Asking Rents

**670**

(AED / SQ M / P.A)

↑ **13.7%**  
Y-o-Y



### Hotel

Occupancy Hotel

**79.9%**

YTD JUN

↑ **6.8%**  
Y-o-Y

ADR

**467**

(AED) YTD JUN

↑ **9.5%**  
Y-o-Y

RevPAR

**376**

(AED) YTD JUN

↑ **19.7%**  
Y-o-Y

↑ INCREASE    ■ NO CHANGE    ↓ DECLINE



## ValuStrat Price Index

- Residential capital values grew with slight acceleration in villa prices. The ValuStrat Price Index expanded 1.3% quarterly and 4.4% annually to achieve 118.7 points
- Villa prices were up 2.2% QoQ, and 7.3% annually to achieve 125.5 points. Whilst the apartment segment seemed to stabilise quarterly and were up 1.4% YoY, to reach 112.3 points
- Rental values jumped 4.4% annually and 1% quarterly. On a yearly basis, villas experienced a 5.7% increase, while apartments saw accelerated rental gains of 3.2%
- Gross yields averaged 7.3%, with apartments at 7.8% and villas at 6.2%



## Economy

- The IMF forecasted the country's GDP to rise by 4% in 2024, while average inflation is anticipated to be around 2%
- According to census data released by the Statistics Centre Abu Dhabi, the emirate's population reached 3.79 million as of September 2023, with the capital city's population at 2.5 million during the same period
- Abu Dhabi's labour force was estimated at 2.52 million people, 54% being blue-collar workers
- According to the Abu Dhabi Real Estate Centre (ADREC), the property market in Abu Dhabi saw an increase of 225% in foreign direct investment during the first half of 2024 compared to the same period last year
- In June, the US Federal Open Market Committee opted to maintain its federal funds interest rate at the target range of 5.25% to 5.5%
- The Abu Dhabi Consumer Price Index for Q2 2024 stood at 106.3 points, rising 1.1% annually. Housing and utilities were at 100 points stable on a yearly basis



## Transaction

- During the second quarter of 2024, off-plan transactions declined 34.1% QoQ and 41% YoY, owing to fewer project launches this year, while ready home sales witnessed 44.1% YoY increase with 896 transactions
- Ticket sizes for off-plan homes fell 18.4% YoY to AED 1.9 million, ready-to-move-in properties fell 2.7% yearly reaching AED 2.3 million



## Residential

- Abu Dhabi saw the completion of 852 apartments and 593 villas during the first half of 2024, representing 16.5% of the expected residential pipeline for the whole of 2024
- Al Reem Islands' first branded residence, Elie Saab Waterfront was announced, featuring 174 apartments and penthouses. The project is set for completion in Q1 2027
- Modon Properties launched the first phase of freehold properties on Hudayriat Island. The twin developments, Nawayef and Al Naseem, to feature 84 high-end residential villas
- Aldar Properties, in its annual report, announced plans to unveil the Al Fahid Island project this year. This development will add approximately 7,000 luxury homes to the city's housing stock, featuring a range of units from apartments and townhouses to ultra-luxury beach and mangrove villas



## Office

- Median office sales price rose 3.5% QoQ and 11.1% YoY to reach AED 10,226 per sq m (AED 950 per sq ft)
- Office asking rents were up 9.1% quarterly and 13.7% annually
- Abu Dhabi Global Market (ADGM) issued 1,271 new licenses in the international financial centre of the capital city by the end of June 2024, reflecting a 20.5% increase compared to the same period the previous year
- Aldar announced plans to expand its commercial portfolio, with new developments on Saadiyat Island, Yas Island, and Al Maryah Island. The expansion was aimed at increasing the property developer's commercial Net Leasable Area (NLA) by 31% to a total of 549,000 sq m (5.9 million sq ft)



## Retail

- Al Reem Mall home to Snow Abu Dhabi was opened to visitors, adding 186,000 sq m (2 million sq ft) to the city's mall stock
- Yas Mall continued to excel as a premier shopping destination in Abu Dhabi. As a result, Aldar experienced an 8% increase in annual tenant sales and a 16% rise in footfall at the mall, with overall occupancy reaching 95%
- According to Majid Al Futtaim's State of the Retail Economy report, the overall e-commerce penetration in the UAE during 2023 more than doubled since 2019 to reach 12%



## Laws and Regulations

- The UAE announced a new 10-year Blue visa for individuals who have made exceptional efforts and contributions protecting the environment



## Hotel

- The Department of Culture and Tourism reported as of June 2024, the city had a total hospitality supply of 28,941 hotel rooms and 5,476 hotel apartments
- First La Quinta by Wyndham property opened in Abu Dhabi's Al Wahda district boasting 107 rooms
- Prominent upcoming hotels include Marriott Executive Apartments with 147 keys located in Al Reem Island and Mondrian Abu Dhabi with 221 rooms and 80 serviced apartments located in Downtown Abu Dhabi overlooking both Al Reem Island as well as Al Maryah Island



## Tourism

- The latest YTD Jun 2024 hotel performance report from the Department of Culture and Tourism Abu Dhabi (DCTAD) recorded an overall occupancy of 79.9% (excl. Al Ain and Western Region), up 6.8% annually
- The Average Room Rate (ARR) stood at AED 467 and Revenue Per Available Room (RevPAR) reached AED 376, increasing 9.5% YoY and 19.7% YoY respectively
- Abu Dhabi Airports welcomed 13.9 million passengers in first half of 2024, marking a 33.5% increase annually



## Industrial

- Silal Agri-Food and Technology Company opened one of the UAE's largest food distribution facilities at KEZAD spanning 41,000 sq m ( 441,320 sq ft) to boost supply chain efficiency and food security in Abu Dhabi
- KEZAD and NMDC Energy signed a 50-year lease agreement for a new manufacturing facility. NMDC Energy to invest AED 367 million in the 224,000 sq m (2.4 million sq ft) site for modular fabrication
- The Abu Dhabi National Oil Company (ADNOC) announced plans to increase its local manufacturing target for critical industrial products to AED 90 billion by 2030 to bolster the UAE's industrial sector and expand local manufacturing capabilities
- Warehouse prices in the second quarter of 2024 saw an uptick since the previous quarter, with prices at the higher end of the spectrum rising by 2.7% in both Mussafah and ICAD. However, prices have remained stable at the lower end
- Industrial asking rental rates were stable on a quarterly basis at the lower end but rose by over 4% on the higher end

## Real Estate Performance

SOURCE: VALUSTRAT



### ValuStrat Price Index

Residential Capital Values

**120.7**

BASE: Q1 2021 = 100

↑ **5.3%**  
Y-o-Y

Residential Rental Values

**115.0**

BASE: Q1 2021 = 100

↑ **5.8%**  
Y-o-Y

## Key Indicators

SOURCE: REIDIN, DET, VALUSTRAT



### Residential

Off Plan Sales Ticket Size

**3.42M**

AED

↓ **-4.6%**  
Y-o-Y

Off Plan Sales Volume

**746**

TRANSACTIONS

↓ **-58.8%**  
Y-o-Y

Ready Sales Ticket Size

**2.21M**

AED

■ **0.6%**  
Y-o-Y

Ready Sales Volume

**1,065**

TRANSACTIONS

↑ **51.1%**  
Y-o-Y



### Office

Sales Price

**11,171**

(AED / SQ M)

↑ **15.3%**  
Y-o-Y

Asking Rents

**726**

(AED / SQ M / P.A)

↑ **25.6%**  
Y-o-Y



### Hotel

Occupancy Hotel

**79.4%**

YTD SEP

↑ **6.3%**  
Y-o-Y

ADR

**434**

(AED) YTD SEP

↑ **9.3%**  
Y-o-Y

RevPAR

**347**

(AED) YTD SEP

↑ **19.4%**  
Y-o-Y

↑ INCREASE   ■ NO CHANGE   ↓ DECLINE



## ValuStrat Price Index

- Home prices in Abu Dhabi grew faster in Q3 than the previous quarter. The ValuStrat Price Index stood at 120.7 points, 1.7% higher on a quarterly basis and 5.3% yearly
- The valuation-based index saw villa prices up 2.2% QoQ and 8.2% annually to achieve 128.3 points. Whilst the apartment segment accelerated 1% QoQ and 2.2% YoY, to reach 113.4 points
- Saadiyat Island led annual capital gains during the quarter, with villa prices up 19.9%. Villas in Al Raha rose 7.5% YoY, and Mohammed Bin Zayed City increased 3.5%, while Hydra Village and Al Reef remained stable. Top-performing apartments were in Al Reef (4.9%), Saadiyat Island (4.5%), and Al Muneera (3.6%)
- The VPI for annual rental values expanded 5.8% annually and 2.6% quarterly to reach 115 points
- Gross yields averaged 7.5%, with apartments at 7.9% and villas at 6.5%



## Economy

- The small and medium enterprises (SMEs) sector in Abu Dhabi constituted over 90% of total businesses, employing nearly half of the workforce and contributing 42.8% to the emirate's non-oil GDP
- September saw the US Federal Reserve cut interest rates for the first time in four years, lowering the benchmark rate by 50 basis points
- The UAE ascended on Kearney's 2024 Foreign Direct Investment Confidence Index, advancing from 18th to 8th place. It also ranked second on Kearney's emerging market index, following China, the world's second-largest economy, up from third place last year
- Abu Dhabi's Murban crude oil price stood at AED 307.5 (USD 83.8) per barrel as of September 2024



## Transactions

- The average price for off-plan properties stood at AED 18,384 per sq m (AED 1,708 per sq ft), reflecting a 32.5% quarterly and 33% annual increase
- The average ticket size of off-plan homes declined by 4.6% annually to AED 3.4 million
- Average prices for ready-to-move-in homes reached AED 11,507 per sq m (AED 1,069 per sq ft), increasing by 6.4% annually but falling by 3.6% quarterly
- The average ticket size of ready homes was AED 2.2 million, down 3.3% QoQ but stable YoY
- In Q3 2024, the Abu Dhabi real estate market recorded 2,594 mortgage transactions across all asset classes compared to 1,495 cash transactions for ready properties
- The total sales value from mortgage transactions amounted to AED 13.5 billion, while cash transactions totalled AED 4.2 billion



## Residential

- Abu Dhabi completed 1,442 apartments and 593 villas during the first three quarters of 2024, representing 22.8% of the expected residential pipeline for the whole of 2024
- Aldar Properties unveiled 'Yas Riva' a new luxury canal-front community located on Yas Island. The project featuring 151 villas was sold out within 24 hours
- A joint venture was announced between Mubadala and Aldar to develop a 3.7 million sq m island between Yas Island and Al Raha as a premium waterfront villa community
- Taraf, a Yas Holding company, and Marriott International announced plans for W Residences Abu Dhabi - Al Maryah Island, marking the first W Hotel-branded residences in Abu Dhabi
- Bloom Holding launched Almeria Villas within its master community, Bloom Living, with completion scheduled for Q4 2027
- Aldar announced The Arthouse residential community on Al Saadiyat Island, consisting of 283 units



## Office

- Aldar Properties achieved 97% occupancy rate, for the full portfolio as well as key assets including Abu Dhabi Global Market (ADGM) towers at 96%, HQ Building at 100%, Al Maryah Tower at 88%, International Tower at 100%, and 6 Falak at 97%
- The median office sales price during the quarter rose by 9.2% QoQ and 15.3% YoY, reaching AED 11,171 per sq m (AED 1,038 per sq ft)
- In Q3 2024, the median ticket size for office space increased by 52.3% YoY and 77.8% QoQ to AED 3.35 million
- Office asking rents in the city's primary commercial districts grew by 8.3% QoQ and 25.6% YoY
- Average occupancy in buildings within the city's central business districts reached 90.2%



## Retail

- In the third quarter, shopping centre stock stood at 1.95 million sq m (20.9 million sq ft) GLA
- Al Futtaim IKEA expanded in Abu Dhabi with a second small store format at Dalma Mall covering an expansive area of 4,645 sq m (50,000 sq ft)
- During the first nine months of 2024, the occupancy rate for Aldar's retail assets stood at 89%, a decrease of 2% compared to the same period in the year prior. Whilst the occupancy rate in Yas Mall stood at 96%
- Aldar reported tenant sales and footfall in Yas Mall rose 8% and 16% YoY respectively during the first three quarters of 2024



## Laws and Regulations

- Abu Dhabi Real Estate Centre (ADREC) officially announced the launch of the capital's first residential rental index. The platform aims to enhance transparency, providing both tenants and landlords with indicative rental values, supporting the stability of Abu Dhabi's growing property market
- The UAE government issued a Federal Decree-Law amending the regulation of Employment Relationship Law known as the 'UAE Labour Law' as of August 2024. Introduced strict penalties for violations such as employing workers without permits, fictitious recruitment, and illegal employment of minors, with penalties multiplied for multiple violations



## Hotel

- Aldar announced an investment of AED 1.5 billion to revamp its hotel portfolio, capitalising on the UAE's tourism boom. This included reimagining the Yas Plaza masterplan and transforming the hotel complex into a resort under IHG's Vignette Collection brand, renamed Straylight Yas
- The UAE's first Ritz-Carlton Reserve, a collaboration between Marriott International and Eagle Hills, was announced for Ramhan Island, set to open in 2029 with 50 luxury villas
- As of September 2024, the emirate had 34,430 hotel keys, according to the Department of Culture and Tourism, with 1,741 more rooms expected by the end of the year



## Tourism

- Abu Dhabi announced their tourism strategy aimed at attracting 39.3 million visitors annually and increase the sector's contribution to the GDP to AED 90 billion yearly by 2030
- Abu Dhabi Airports welcomed 21.7 million passengers YTD as of September 2024



## Industrial

- Khalifa Economic Zones Abu Dhabi (KEZAD) and Azizi Developments signed a 50-year land lease agreement for the establishment of 12 factories spanning 220,000 sq m (2.36 million sq ft) located in KEZAD Area A – Al Ma'mourah
- Apex Engineering Industries announced plans to establish a state-of-the-art 40,000 sq m (430,556 sq ft) facility in KEZAD Area A – Al Ma'mourah
- Industrial property prices at the higher end of the spectrum grew by 5.3% QoQ in Mussafah and ICAD, while prices at the lower end rose by 7.4% in Mussafah and 6.9% in ICAD
- Industrial rental rates grew by an average of 7% QoQ. The highest rise for older properties was seen in Al Mafraq, where rents grew by 9.1%, while properties at the upper end of the market experienced the largest increase in Al Mina, with rents up by 7.7%

## Real Estate Performance

SOURCE: VALUSTRAT



### ValuStrat Price Index

Residential Capital Values

**123.0**

BASE: Q1 2021 = 100

↑ **6.2%**  
Y-o-Y

Residential Rental Values

**118.4**

BASE: Q1 2021 = 100

↑ **7.9%**  
Y-o-Y

## Key Indicators

SOURCE: REIDIN, DET, VALUSTRAT



### Residential

Off Plan Sales Ticket Size

**3.64M**

AED

↑ **34.8%**  
Y-o-Y

Off Plan Sales Volume

**877**

TRANSACTIONS

↓ **-60.8%**  
Y-o-Y

Ready Sales Ticket Size

**2.02M**

AED

↓ **-7.2%**  
Y-o-Y

Ready Sales Volume

**1,400**

TRANSACTIONS

↑ **89.2%**  
Y-o-Y



### Office

Sales Price

**9,872**

(AED / SQ M)

↓ **-29.7%**  
Y-o-Y

Asking Rents

**751**

(AED / SQ M / P.A)

↑ **25.9%**  
Y-o-Y



### Hotel

Occupancy Hotel

**79.4%**

YTD SEP

↑ **6.3%**  
Y-o-Y

ADR

**434**

(AED) YTD SEP

↑ **9.3%**  
Y-o-Y

RevPAR

**347**

(AED) YTD SEP

↑ **19.4%**  
Y-o-Y

↑ INCREASE    ■ NO CHANGE    ↓ DECLINE



## ValuStrat Price Index

- Home prices in Abu Dhabi grew faster in Q4 than the previous quarter. The ValuStrat Price Index increased 1.9% quarterly and 6.2% annually to achieve 123 points
- The valuation-based index saw villa prices up 2.3% QoQ, and 8.9% annually to achieve 131.2 points. Whilst the apartment segment accelerated 1.5% QoQ and 3.5% YoY, to reach 115.2 points
- The VPI for annual rental values expanded 7.9% annually and 3% quarterly to reach 118.4 points
- Gross yields averaged 7.7%, with apartments at 8.2% and villas at 6.6%



## Economy

- The UAE Central Bank has raised its 2024 GDP growth forecast to 4% from 3.9%, driven by stronger oil sector performance. For 2025, growth is expected to reach 6%, with continued non-hydrocarbon momentum and a significant increase in hydrocarbon production
- The UAE approved its new Investment Strategy to triple its cumulative foreign direct investment (FDI) to AED 2.2 trillion by 2031
- According to the United Nations Trade and Development report, the UAE ranked 11th globally in FDI attraction
- Abu Dhabi's credit rating has been reaffirmed in both local and foreign currencies, maintaining a robust "AAA-1+" with a stable outlook, according to S&P Global
- The S&P Global Purchasing Managers' Index rose for the third successive month in December, from 54.2 to 55.4, reaching its highest level in nine months. The reading, which was firmly above the 50.0 no-change mark, indicated a stronger expansion in the non-oil private sector



## Infrastructure

- AED 13.1 billion Abu Dhabi traffic improvement projects began, upon completion the project is expected to improve the flow of traffic by 40%



## Transactions

- The average price for off-plan properties stood at AED 18,718 per sq m (AED 1,739 per sq ft), showing an increase of 1.8% quarterly and 14.7% annually
- The average ticket size of off-plan homes grew 34.8% annually to AED 3.64 million
- Abu Dhabi off-plan transaction volume, which represented 38.5% of overall sales, grew 17.6% QoQ but fell 60.8% YoY, likely due to fewer project launches this year
- Average prices for ready homes averaged AED 11,431 per sq m (AED 1,062 per sq ft), increasing 4.1% yearly but stable on a quarterly basis
- The average ticket size of ready homes reached AED 2 million, down 8.8% QoQ and 7.2% YoY
- In the fourth quarter of 2024, the Abu Dhabi real estate market witnessed 3,078 mortgage transactions across all asset classes compared to 1,618 cash transactions of ready properties
- The total sales value attributed to mortgage transactions stood at AED 9.3 billion, with cash transactions totalling AED 4.4 billion



## Residential

- Modon launched Maysan, a high end freehold residential development on Abu Dhabi's Reem Island, spanning over 600,000 sq m (6.5 million sq ft). Phase 1 comprised of sub-communities, Mayar and Thoraya, featuring 132 stacked maisonettes and 184 townhouses, respectively. The project sold out within 24 hours
- Aldar unveiled resort-style Mamsha Gardens on Saadiyat Island featuring seven residential buildings comprising of 493 homes
- Deyaar made its Abu Dhabi debut with Rivage on Al Reem Island adding 1,000 apartments to its residential supply
- Aldar launched Mandarin Oriental branded residences in Saadiyat Cultural District, adding 226 unique and luxurious residences



## Office

- Aldar Properties and Mubadala Investment Company broke ground at One Maryah Place, a two-tower Grade A commercial development on Al Maryah Island. The project is set to provide 98,000 sq m (1.05 million sq ft) of premium office space
- Office asking rents in the city's primary commercial districts grew by 3.4% QoQ and 25.9% YoY



## Retail

- Modon Properties is set to complete the Marsana extension on Hudayriyat Island, featuring a built-up area of 5,131 sq m (55,230 sq ft)
- Mafrag Mall will contribute an additional 72,000 sq m (775,000 sq ft) of built-up area to the city's retail stock



## Laws and Regulations

- The UAE introduced new traffic regulations, which will be effective March 2025, the law lowered the driving age to 17, banned noisy vehicles, and limited use of horns in cities to emergencies. Violators to face penalties, including liability for serious accidents



## Hotel

- Jannah is set to launch executive hotel apartments in Abu Dhabi featuring 230 apartments
- Hilton and Aldar signed an agreement with Waldorf Astoria Hotel, marking the first Waldorf hotel in the city featuring 167 guest rooms
- The Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi) reported that Abu Dhabi hotels welcomed 4.8 million guests year-to-date (YTD) as of October 2024, marking a 26% rise in international visitors compared to 2023



## Tourism

- Etihad Airways announced the inclusion of 10 additional routes in a effort to boost tourism in the city
- Miral has announced that construction of the 16,900 sq m (181,910 sq ft) expansion of Yas Waterworld Yas Island, Abu Dhabi is now more than 55% complete, and is set to open in 2025



## Industrial

- Pipetec Solutions Manufacturing signed a 50-year lease with KEZAD Group to establish a AED 100 million, 18,000 sq m (193,750 sq ft) steel pipe bending plant in KEZAD Al Ma'mourah
- KEZAD Group and Witthal Gulf Industries signed a memorandum of understanding (MoU) to establish the UAE's first lithium battery recycling plant. The facility, which is scheduled to commence full operations by Q2 2027, will have the capacity to recycle 5,000 tons of battery waste annually by 2027
- Emtelle has launched a 48,000 sq m (516,667 sq ft) hub in KEZAD, to boost telecom infrastructure in the MENA region, producing advanced solutions like micro ducts and fibre systems to support the UAE's digital transformation

# OUTLOOK

## FY/'25



### Economy

- According to the Central Bank of UAE, economic growth in the country is expected to surpass 6% in 2025
- The UAE's non-oil sector is forecasted to depict a 5% growth rate in 2025, according to the IMF
- The UAE aims to grow 7% per year in order to double its GDP to AED 3 trillion by 2030
- The Federal National Council (FNC) approved the UAE's largest-ever Union General Budget for 2025, amounting to AED 71.5 billion, with 39% allocated to social development, including education, healthcare, and social care. It highlights a commitment to sustainable growth and resource optimisation
- The US Federal Reserve is expected to implement up to two interest rate cuts in 2025, with the Central Bank of the UAE likely to follow, resulting in reduced borrowing costs overall



### Residential Prices and Rents

- Abu Dhabi residential market to continue its phase of strategic expansion and maturity and most likely see moderate growth in 2025, with stabilisation in some communities
- Villa communities expected to see modest increases of 4%
- Apartment values are projected to increase 6%
- Residential rents are anticipated to experience slight increments in both villa and apartment sub-markets during 2025



### Office Prices and Rents

- Government initiatives, such as increased transparency and the introduction of specialised visa programs for remote workers and retirees, are designed to attract foreign investors and professionals. These measures are expected to further bolster the market
- The high growth trajectory is evident in the rising demand for Grade-A office spaces, underscoring the market's dynamism and appeal

# OUTLOOK FY/'25



## Retail

- Upcoming shopping centres: Community Mall in Shakhbout City, Al Lul Mall in Baniyas Al Hodh and Lulu Mall in Shakhbout City
- The share of revenue coming from online transactions locally and globally is expected to rise. The UAE e-commerce market is forecast to surpass AED 48.5 billion by 2028, with a projected penetration rate of 15.3%



## Hotel

- Abu Dhabi expects its hotel room stock to increase by more than 2,300 by the end of 2025 as the emirate is pursuing a drive to expand the tourism sector within an ongoing economic diversification plan, according to the Abu Dhabi Department of Culture and Tourism
- Upcoming hotels include Earth Mangroves Abu Dhabi, offering 41 standalone bungalows; Marriott Mirfa Resort, featuring 114 rooms; and Zuha Island Resort, with 70 luxurious villas
- Foreseeable improvement of key performance indicators (occupancy, ADR, RevPAR) and return to pre-pandemic levels or possibly higher



## Tourism

- Upcoming attractions include the Guggenheim Abu Dhabi, the Zayed National Museum, and the Natural History Museum Abu Dhabi, all located in the Saadiyat Cultural District and set for completion in 2025
- Warner Brothers World Abu Dhabi is set to expand to include a Harry Potter attraction, although the opening date has not yet been confirmed
- Abu Dhabi also announced that it will bring the world's second Sphere to the city, after the first opened in Las Vegas in September 2023, to host events, shows and concerts



## Laws and Regulations

- Emiratisation targets will be raised in 2025, requiring companies with 20 to 49 workers to hire two UAE nationals by 2025
- In line with OECD guidelines, which require multinational enterprises with global revenues of €750m or more to pay at least 15% tax on profits in every operating country, the UAE introduced a Domestic Minimum Top-up Tax (DMTT) effective from January 1, 2025



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## 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 Abu Dhabi report includes citywide analysis of investment zones, including the ValuStrat Price Index, service charges, Price to Rent Ratios and Net Yields.

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## About VPI

The ValuStrat Price Index (VPI) regularly marks to market a sample of properties that represent more than 90% of the Abu Dhabi residential market 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 62 defined districts in Abu Dhabi City including non-investment zones. Only completed and under construction projects are included. The new supply data does not include announced projects and projects in design phase. The supply database does not take into account most private building projects. Sales data is sourced from actual citywide transactions. Rental data is derived from carefully chosen listings that have been properly cleansed to exclude duplicates and outliers within predetermined areas and districts for office and residential properties.

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