VALUSTRAT.COM

Dubai, UAE
Real Estate Research
First Quarter 2025

DUBAI Q1/'25

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

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FOREWORD

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Managing Director &
Head of Real Estate
Research

A growing population continues to sustain demand in an increasingly unaffordable residential market.

Housing demand has reached unprecedented levels. By the end of March 2025, Dubai's population had risen to 3.92 million, with 89,695 new residents added in just the first three months of the year, an average of approximately 1,000 people per day. For perspective, the entire net population increase for 2024 was 170,478 people, averaging less than 500 per day.

The estimated number of new homes expected to be delivered this year stands at 61,580 units. Of these, 19%, nearly 12,000 apartments and villas, were completed in the first quarter alone. This is not unexpected, considering that just over half of last year's projected deliveries were ultimately handed over.

Securing an affordable home to buy or rent is becoming more difficult. According to the ValuStrat Price Index (VPI), which tracks the residential market, there has been consistent annual growth in capital values across all segments. Apartment prices have risen by 21.4%, while villa prices have increased by 30.3%. Rental rates have also surged, with villa rents up by 5.1% and apartment rents rising by 10%.

Demand for office space in Dubai remained strong, driven by sustained economic growth and business expansion. The VPI tracking the office sector showed an impressive 29.1% annual increase in capital values and a 20.2% increase in asking rents. The hospitality and the industrial sectors also sustained positive growth.

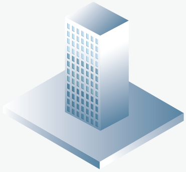
The only downside this quarter was the decline in residential sales, both off-plan and ready properties, as well as a decrease in mortgage applications, though this is only when compared to the previous quarter. This trend is neither unprecedented nor unexpected and may be attributed to a mismatch between supply and demand, potentially leading to a market correction at some point.

Regards,
Haider

REAL ESTATE PERFORMANCE

SOURCE: VALUSTRAT

VPI
ValuStrat Price Index



VPI

Residential Capital Values	Office Capital Values	Industrial Capital Values
210.8	250.7	152.2
BASE: JAN 2021 = 100	BASE: Q1 2021 = 100	BASE: Q1 2021 = 100
↑ 5.0% Q-o-Q	↑ 8.7% Q-o-Q	↑ 1.4% Q-o-Q

KEY INDICATORS

SOURCE: REIDIN, DET, VALUSTRAT

Residential

Sales Ticket Size	Sales Volume	Asking Rents
2.67M	41,862	140,616
AED	TRANSACTIONS	(AED / P.A)
↑ 13.3% Q-o-Q	↓ -7.7% Q-o-Q	↑ 1.2 % Q-o-Q

Office

Sales Ticket Size	Sales Volume	Asking Rents
2.75M	695	1,938
AED	TRANSACTIONS	(AED / SQ M / P.A)
↑ 20.7% Q-o-Q	↑ 63.9% Q-o-Q	↑ 8.7% Q-o-Q

Hotel

Occupancy	ADR	RevPAR
87.1%	702	611
YTD FEB 2025	(AED) YTD FEB 2025	(AED) YTD FEB 2025
■ 0.0% Y-o-Y	↑ 5.7% Y-o-Y	↑ 5.7% Y-o-Y

↑ INCREASE ■ NO CHANGE ↓ DECLINE

MACRO ECONOMIC SNAPSHOT

- According to the Ministry of Economy, the UAE economy is projected to grow by 5% to 6% in 2025, supported by strong performance in key sectors such as technology, renewable energy, trade, financial services, and infrastructure
- The US Federal Reserve kept interest rates unchanged at the target range of 4.25% to 4.5% as of March 2025
- The UAE's foreign trade reached a historic milestone, touching AED 3 trillion for the first time by the end of 2024, growing 14.6% YoY and expanding at seven times the global average of 2%
- The UAE aims to double annual foreign direct investment (FDI) inflows to AED 240 billion and nearly triple the total value of FDI in the country to AED 2.2 trillion by 2031. It will focus on sectors like industry, logistics, financial services, renewables, and technology
- Dubai's population had risen to 3.92 million, with 89,695 new residents added in just the first three months of the year, an average of approximately 1,000 people per day
- Dubai crude oil price stood at AED 276 (USD 75.11) per barrel, down 4% YoY as of March 2025
- The US announced a 10% import tariff on goods from the GCC, despite recording a significant trade surplus with the UAE in 2024. The tariffs are scheduled to take effect from 5th April

Dubai Population

2020
3,411,000

2021
3,478,000

2022
3,550,000

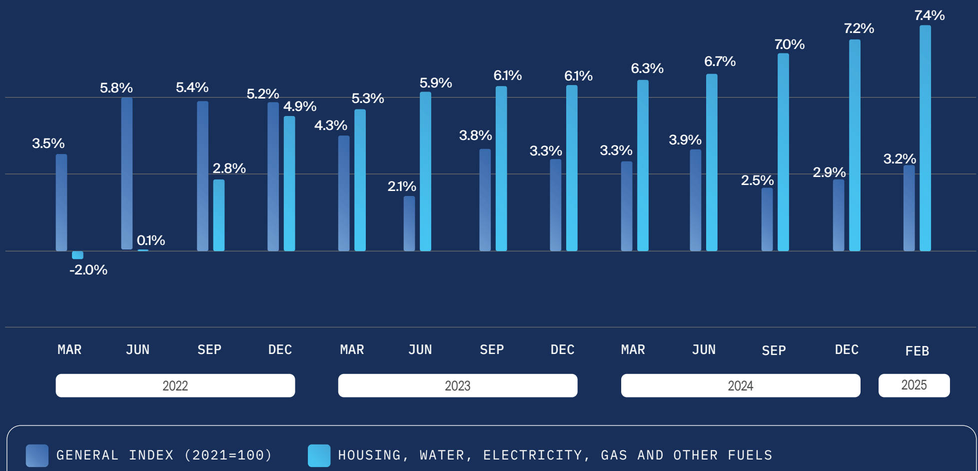
2023
3,655,000

2024
3,825,000

2025 Q1
3,915,000

SOURCE: DUBAI STATISTICS CENTRE

CONSUMER PRICE INDEX
ANNUAL CHANGE



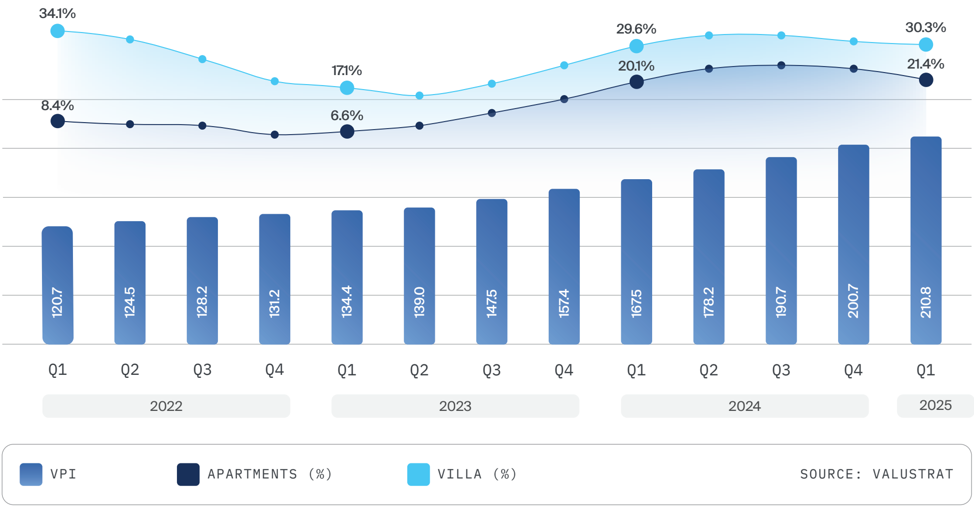
SOURCE: DUBAI STATISTICS CENTRE

- Dubai's inflation rate eased slightly to 3.2% in February, compared to 3.4% in the previous year
- In February, the Consumer Price Index (CPI) for 'Housing and Utilities' rose by 7.4% annually, up from 6.3% in the same period of 2024, marking the highest increase in five years
- The S&P Global UAE Purchasing Managers' Index (PMI) dropped to 54 in March from 55 in February, indicating a slower yet steady improvement in the sector. This marks the lowest reading since last September, following a nine-month high late last year

CITYWIDE RESIDENTIAL CAPITAL VALUES

VPI
ValuStrat Price Index

Annual Growth
[BASE: Q1 2021=100]



ValuStrat Price Index	Residential Citywide	Villa Citywide	Apartment Citywide
	210.8	275.0	169.0
	BASE: Q1 2021=100	BASE: Q1 2021=100	BASE: Q1 2021=100

The ValuStrat Price Index (VPI) recorded a moderating quarterly increase of 5% and an annual growth of 25.9%, reaching 210.8 points. This is in comparison to the baseline of 100 points set in Q1 2021.

On average, most apartment communities remain 8.1% below their capital values from a decade ago. Notable exceptions include Palm Jumeirah, The Greens, and Jumeirah Beach Residence, closely followed by The Views, the Burj Khalifa, and Motor City, which have surpassed their historical peaks. In contrast, villa valuations in Dubai are, on average, 59.9% above their previous market highs from ten years ago.

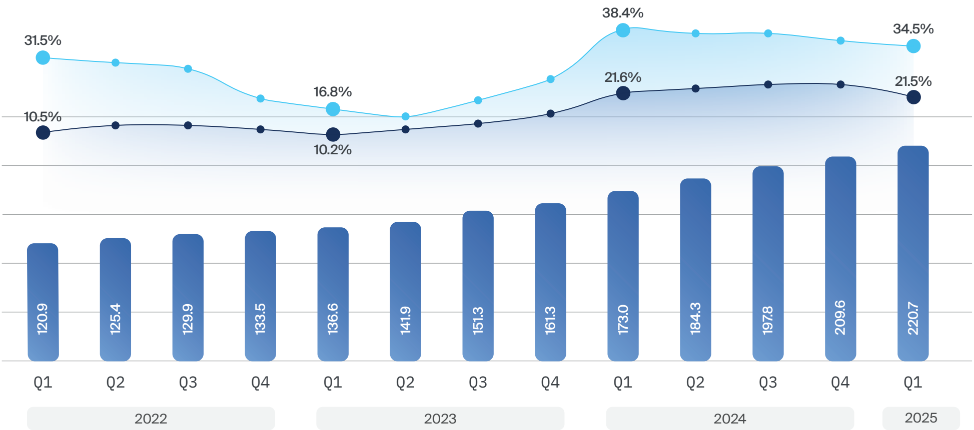
During Q1 2025, villa capital gains decelerated slightly, with the index reaching 275 points, reflecting a 30.3% annual and 6.2% quarterly increase. The most significant yearly growth was observed in Jumeirah Islands (42%), Palm Jumeirah (41.5%), Emirates Hills (30.5%), and The Meadows (29.6%), while Mudon recorded the lowest gains at 9.3%.

Apartment values posted a decelerated annual increase of 21.4% and quarterly growth of 3.8%, reaching 169 points on the VPI. The highest capital gains over the year were seen in The Greens (27.4%), Dubailand Residence Complex (25.5%), Palm Jumeirah (25.2%), Town Square (24.4%), and The Views (24.3%). International City (14.9%) and the Burj Khalifa (17.4%) reported the most modest increases.

PRIME RESIDENTIAL CAPITAL VALUES

VPI
ValuStrat Price Index

Annual Growth
[BASE: Q1 2021=100]



ValuStrat Price Index	Residential Prime	Villa Prime	Apartment Prime
	220.7	284.8	181.5
	BASE: Q1 2021=100	BASE: Q1 2021=100	BASE: Q1 2021=100

The prime valuation index reached a new record high of 220.7 points, reflecting a slightly slower yet robust performance, more than doubling from its baseline of 100 points established in Q1 2021.

Valuations of highly sought-after prime properties, distinguished by exceptional views, premium amenities, superior facilities, and well-designed layouts, rose by 27.5% annually and 5.3% quarterly. This marks the lowest quarterly capital growth in the past 18 months.

The prime villa segment advanced to 284.8 points, registering annual capital gains of 34.5% and quarterly growth of 6.9%. Notably, all tracked villa communities have at least doubled in value since the pandemic, with villas in Jumeirah Islands and Palm Jumeirah now valued at over three times their pre-pandemic levels.

Meanwhile, capital values of Dubai's premium apartments continued their upward trajectory, albeit at a more moderate pace, increasing 21.5% annually and 5% since Q4 last year, reaching 174.9 points.

VALUSTRAT PRICE INDEX
RESIDENTIAL RENTAL VALUES

VPI
ValuStrat Price Index

Annual Growth
[BASE: Q1 2021=100]

Apartment Asking Rents

↑ 10.0% LAST YEAR

↑ 1.6% LAST QUARTER

Villa Asking Rents

↑ 5.1% LAST YEAR

0.7% LAST QUARTER

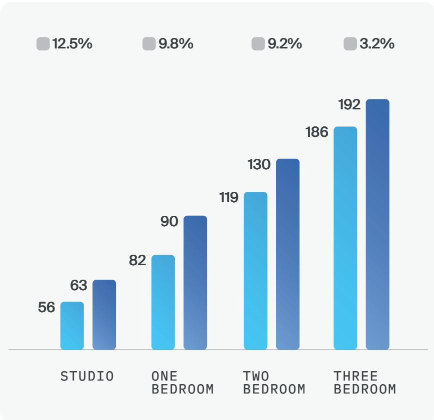
SOURCE: REIDIN, VALUSTRAT

- The ValuStrat Price Index (VPI) for Dubai's residential rental values grew by 1.2% quarterly and 7.9% annually, reaching 198.3 points
- The VPI for apartments rose to 185.9 points, whilst the VPI for villas climbed to 218.2, more than double the baseline of 100 points set in Q1 2021
- Villa asking rentals remained stable quarterly but were up 5.1% annually, bringing the average yearly rent to AED 424,600
- Apartment asking rents increased by 1.6% quarterly and 10% yearly, twice the growth rate seen in villa rents, reaching an average annual rent of AED 94,400
- Residential occupancy in Dubai was estimated at 90%

RESIDENTIAL
RENTS

Apartment Average Asking Rent

'000 AED per annum and Yearly Change (%)

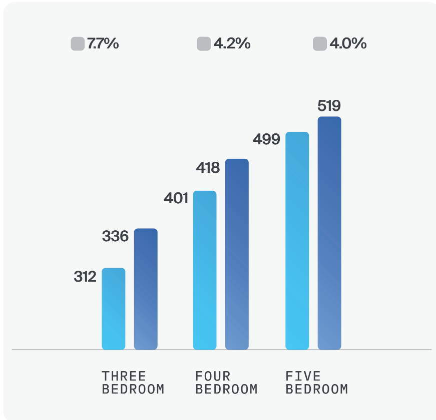


Q1 2024 Q1 2025 SOURCE: REIDIN, VALUSTRAT

AVERAGE YEARLY CHANGE (%)

Villa Average Asking Rent

'000 AED per annum and Yearly Change (%)



Q1 2024 Q1 2025 SOURCE: REIDIN, VALUSTRAT

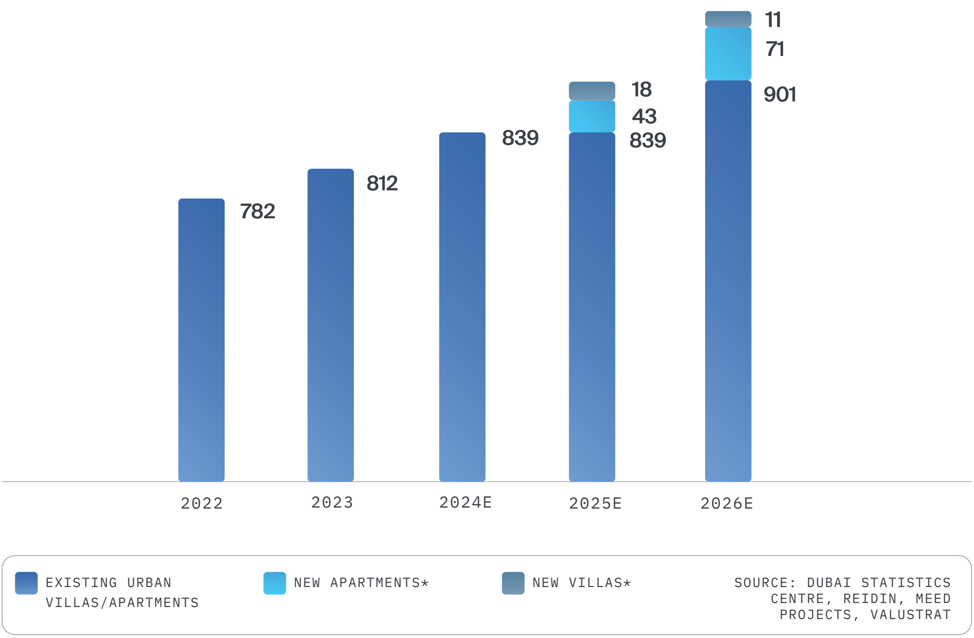
AVERAGE YEARLY CHANGE (%)

- Average asking rents per annum for apartments were studios at AED 63,000, 1-bed at AED 90,000, 2-beds at AED 130,000, and 3-beds were AED 192,000
- Average annual rents for villas stood at 3-beds AED 336,000, 4-beds at AED 418,000 and 5-beds at AED 519,000

RESIDENTIAL SUPPLY

2022-2026
'000 Units

*MAY BE SUBJECT TO SIGNIFICANT DOWNWARD ADJUSTMENT



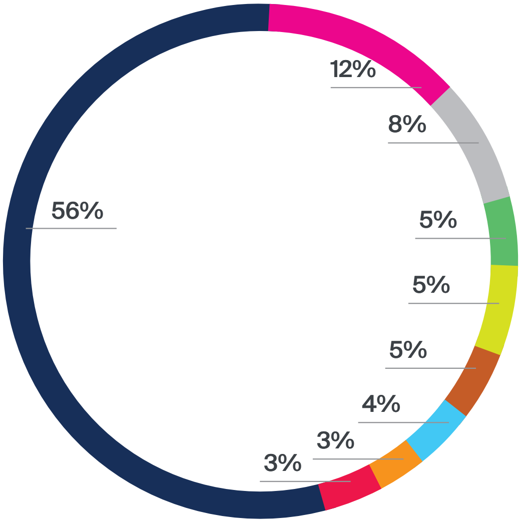
SOURCE: DUBAI STATISTICS CENTRE, REIDIN, MEED PROJECTS, VALUSTRAT

- The estimated number of new build units to enter the market this year stands at 61,580 homes, 70% being apartments, and 30% villas/townhouses
- Total estimated completions as of the first quarter stood at 9,298 apartments, and 2,402 villas, equivalent to 19% of preliminary estimates for the whole of 2025
- In the first quarter of 2025, 1,896 apartments were completed in JVC, 743 units were delivered in Business Bay, and Damac Hills added 351 homes
- Key building completions during the quarter included Berkeley Place in MBR City with 127 apartments, Torino in Arjan with 625 houses and Azizi Amber with 109 units
- Notable villa community completions included Pulse Beachfront Phase 1 in Dubai South, delivering 251 homes, and Bliss Townhouses Phase 1 in Arabian Ranches 3 adding 335 units

RESIDENTIAL SUPPLY

Locations with Upcoming Residential Supply

* MAY BE SUBJECT TO SIGNIFICANT DOWNWARD ADJUSTMENT

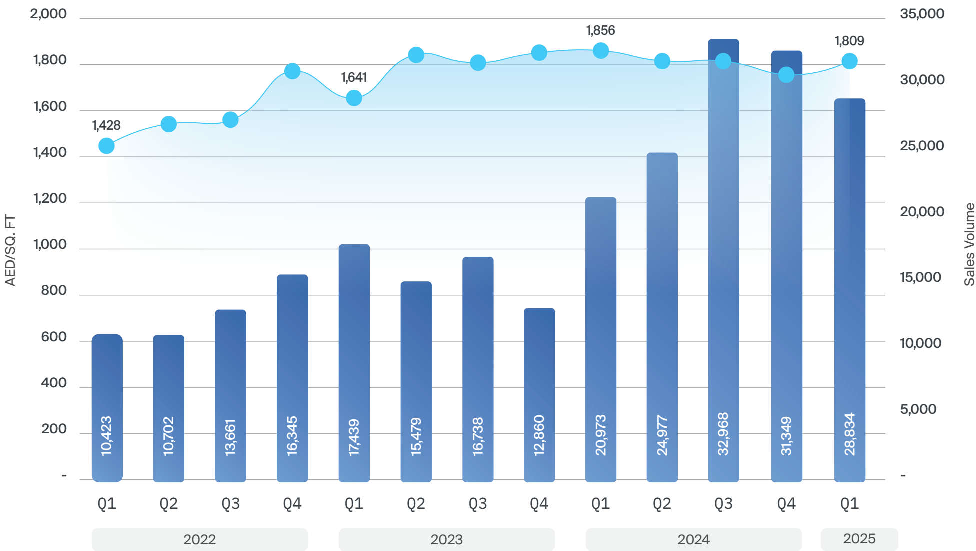


SOURCE: REIDIN, MEED PROJECTS, VALUSTRAT

- 141,404 apartments and 29,649 villas & townhouses are actively under construction with handovers promised by 2029. Of these projects, 12% are located in Jumeirah Village Circle, with another 7% located in Business Bay followed by Jumeirah Lake Towers with 5%
- Key off-plan apartment launches included Azizi Ruby in JVC with 260 apartments, Sensia in Dubai Maritime City with 275 homes, SOL Levante in JVC with 612 units, City Walk Crestlane with 394 properties, and Azizi Neila in Al Furjan with 274 apartments
- Significant villa launches during the quarter included Beachfront Gates in Dubai South with 157 units, The Wilds by Aldar (Phase 1) with 734 homes, and the final phase of The Acres in Dubailand, offering 106 villas and 102 mansions
- Azizi launched Burj Azizi on Sheikh Zayed Road, set to become Dubai's second tallest tower at 725 metres. Scheduled for completion in 2028, the 131+ storey development will feature a mix of residential, hotel, retail, and entertainment spaces
- Additional launches include Avenue Park Towers within Wasl 1 near Zabeel Park, Azizi Arian in JAFZA, Vega in Dubai Sports City, Luminar Towers in JVC, and VOLNA in Al Jaddaf Waterfront

RESIDENTIAL
OFF-PLAN SALES TRANSACTIONS

Total Volume & Average Price



AVERAGE PRICE (AED /SQ FT) VOLUME SOURCE: REIDIN, VALUSTRAT

Off-plan Sales Volume

37.5% LAST YEAR

-8.0% LAST QUARTER

Off-plan Sales Ticket Size

0.2% LAST YEAR

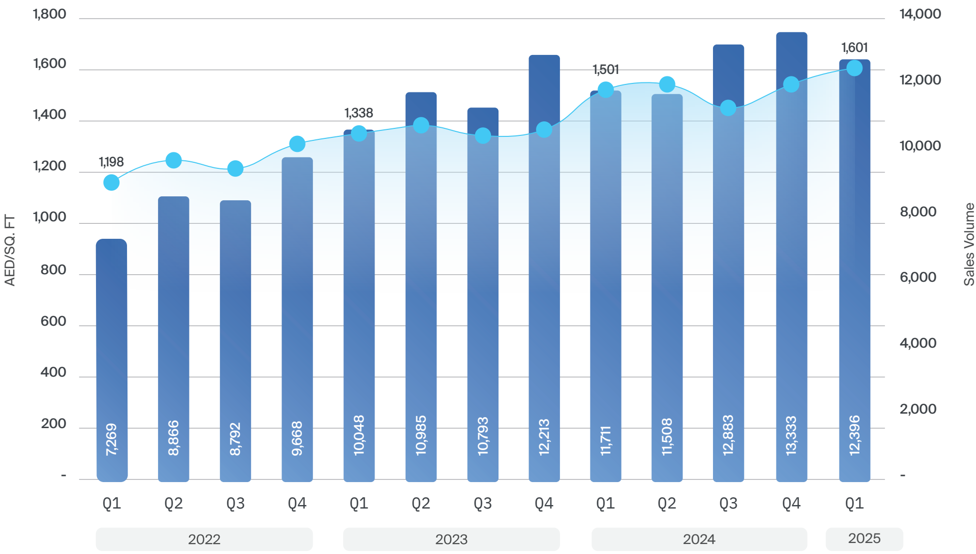
16.7% LAST QUARTER

SOURCE: REIDIN, VALUSTRAT

- Off-plan Oqood (contract) registrations declined by 8% QoQ but were 37.5% higher YoY, representing investments totalling AED 77.3 billion
- The average ticket size of off-plan homes was AED 2.7 million, remaining unchanged annually
- The citywide average transacted price for off-plan properties was AED 19,472 per sq m (AED 1,809 per sq ft)
- Top off-plan locations transacted during the quarter included projects located in Jumeirah Village Circle (7.6%), Emaar South (5.5%), Dubailand Residence Complex (5.3%), Business Bay (5.3%) and The Valley (4.9%)

RESIDENTIAL
READY SALES TRANSACTIONS

Total Volume & Average Price



SOURCE: REIDIN, VALUSTRAT

Ready Sales Volume

↑ **5.8%** LAST YEAR

↓ **-7.0%** LAST QUARTER

Ready Sales Ticket Size

↑ **13.7%** LAST YEAR

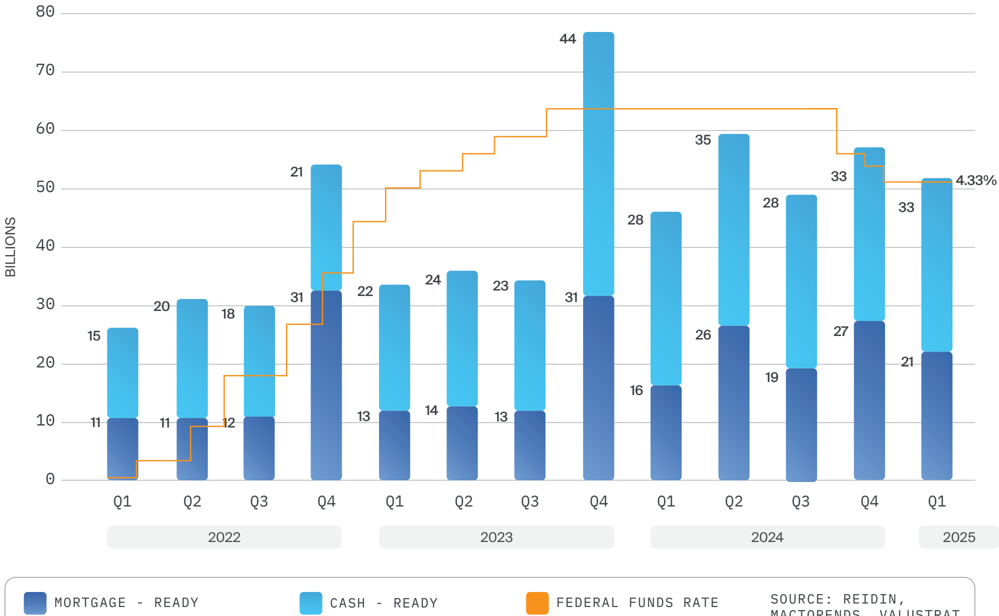
↑ **6.0%** LAST QUARTER

SOURCE: REIDIN, VALUSTRAT

- The fourth quarter saw 12,396 secondary ready home transactions, up 5.8% YoY but down 7% QoQ, equivalent to investments worth AED 33 billion
- The average ticket size of ready properties grew 6% quarterly and 13.7% annually to AED 2.7 million
- 37.6% of all ready home sales were priced less than AED 1 million
- There were 72 sales of homes worth over AED 30 million, compared to 55 during the same period last year
- The citywide average transacted price for ready units during the quarter was AED 17,233 per sq m (AED 1,601 per sq ft) up 6.6% YoY and 4.8% QoQ
- Most transacted locations for ready properties were Jumeirah Village Circle (9.6%), Business Bay (6.4%) and Dubai Marina (5.8%)

MORTGAGE TRANSACTIONS

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



SOURCE: REIDIN, MACTORENDS, VALUSTRAT

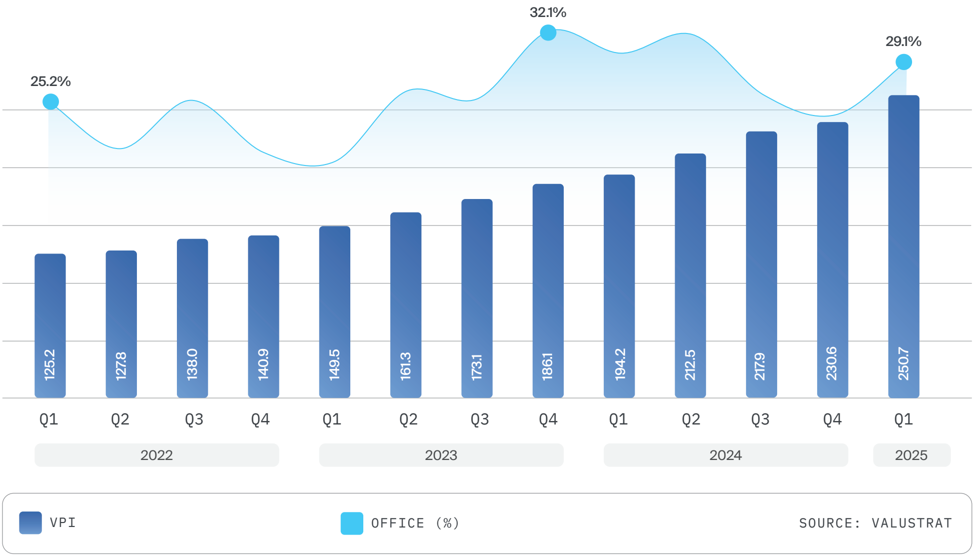
*ALL READY ASSET CLASSES, EXCLUDING OFF-PLAN TRANSACTIONS

- In the first quarter of 2025, the Dubai real estate market witnessed 9,388 mortgage transactions across all asset classes, compared to 14,386 cash transactions of ready properties
- The total sales value attributed to mortgage transactions stood at AED 21 billion, with cash transactions totalling AED 33 billion
- The US Federal Open Market Committee opted to maintain its federal funds interest rate at the current target range of 4.25% - 4.5% as of March 2025

VALUSTRAT PRICE INDEX
OFFICE CAPITAL VALUES

Annual Growth

[BASE: Q1 2021=100]



ValuStrat Price Index	Office	Grade A Shell & Core	Grade B Shell & Core
	250.7	264.3	220.0
	Base: Jan 2021 = 100	Base: Jan 2021 = 100	Base: Jan 2021 = 100

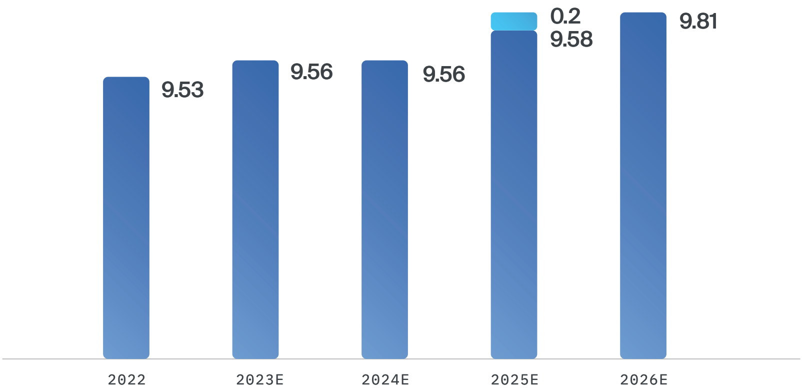
Demand for office space in Dubai remains strong, driven by sustained economic growth and business expansion, with capital values accelerating to 8.7% quarterly and 29.1% annually. The ValuStrat Price Index (VPI) for office capital values reached a record high of 250.7 points, this is compared the baseline of 100 points set in Q1 2021. The average valuation for office space was AED 20,591 per sq m (AED 1,913 per sq ft). Highest office valuations were recorded in Downtown Dubai averaging AED 46,640 per sq m (AED 4,333 per sq ft), while the lowest were in Barsha Heights at AED 13,616 per sq m (AED 1,265 per sq ft).

All five of Dubai's central business districts monitored by the VPI recorded double-digit annual capital gains: Dubai International Financial Centre (DIFC) led with 36.7%, followed by Jumeirah Lake Towers (33.2%), Barsha Heights (30.5%), Business Bay (22.8%), and Downtown Dubai with the lowest growth at 22.1%.

Highest capital gains were observed in Grade B shell-and-core office spaces jumping 36.6% annually to reach 220 VPI points, while Grade A shell-and-core spaces grew 34.5%, achieving 264.3 points.

OFFICE SUPPLY

Million Sq M GLA

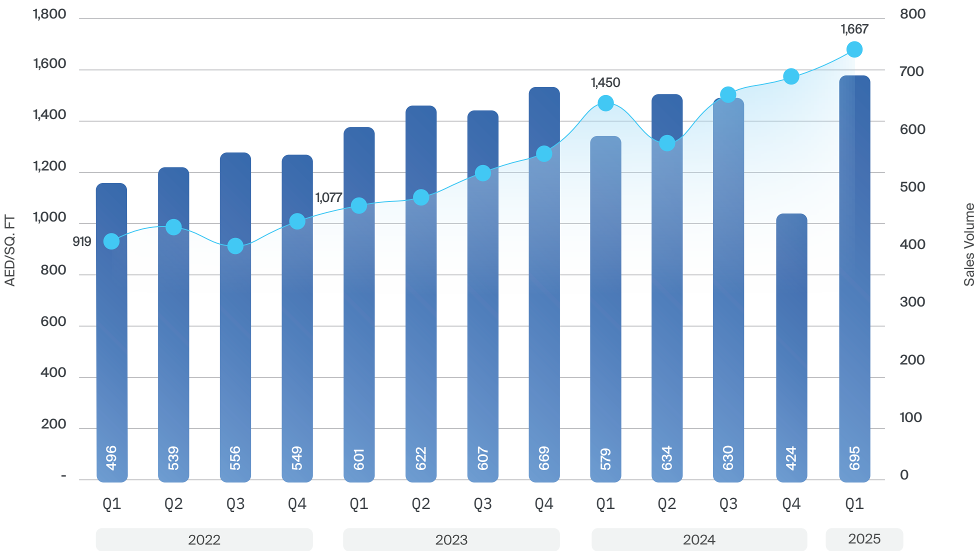


EXISTING STOCK EXPECTED SUPPLY SOURCE: MEED PROJECTS, VALUSTRAT

- As of Q1 2025, Dubai's total office stock was estimated at 9.58 million sq m (103 million sq ft)
- Based on developer estimates, 233,800 sq m (2.5 million sq ft) of GLA is scheduled for completion by end of 2025
- REIT Development and DMCC unveiled plans for the 17-storey Crypto Tower in Jumeirah Lakes Towers (JLT), set for completion in Q1 2027. The project will offer 13,935 sq m (150,000 sq ft) of leasable space, featuring office space, blockchain incubators, an AI innovation floor, and high-end amenities
- Azizi Developments launched Azizi Emerald, a 7,896 sq m (84,992 sq ft) commercial building in Dubai Healthcare City, set for completion in 2027. The project will offer 11 floors of office space, advanced security, eco-friendly cooling, and easy access to major business hubs

OFFICE
SALES TRANSACTIONS

Total Volume & Average Price



AVERAGE PRICE (AED /SQ FT) VOLUME **SOURCE:** REIDIN, VALUSTRAT

Sales Volume

↑ **20.0%** LAST YEAR

↑ **63.9%** LAST QUARTER

Transacted Prices

↑ **15.0%** LAST YEAR

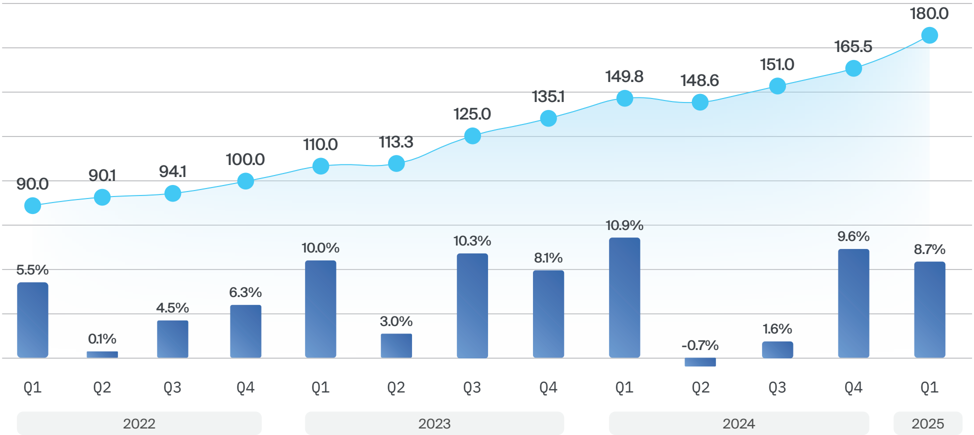
↑ **6.3%** LAST QUARTER

SOURCE: REIDIN, VALUSTRAT

- The fourth quarter saw 695 office sales transactions, up 20% annually and 63.9% quarterly
- The average transacted price increased to a record high of AED 17,943 per sq m (AED 1,667 per sq ft), up 15% YoY and 6.3% QoQ
- Business Bay remained the most popular choice for office sales, accounting for 41% of transactions this quarter. It was followed by Jumeirah Lake Towers with 31% and Barsha Heights with 12%
- The average size of offices sold was 117 sq m (1,257 sq ft) in Business Bay, 112 sq m (1,202 sq ft) in Jumeirah Lake Towers and 171 sq m (1,839 sq ft) in Barsha Heights
- 92,120 sq m (991,569 sq ft) of total GLA was transacted during the quarter, amounting to an investment value of more than AED 1.9 billion

OFFICE ASKING RENTS

Annual Market Rent Trend



Office Median Asking Rents

SOURCE: REIDIN, VALUSTRAT

63.7%	20.2%	19.2%	8.7%
LAST 2 YEARS	LAST YEAR	LAST 6 MONTHS	LAST QUARTER

- Office asking rents grew 8.7% quarterly, following record highs in the previous quarter. This has led to a median annual rent of AED 1,938 per sq m (AED 180 per sq ft) which is 20.2% higher than last year

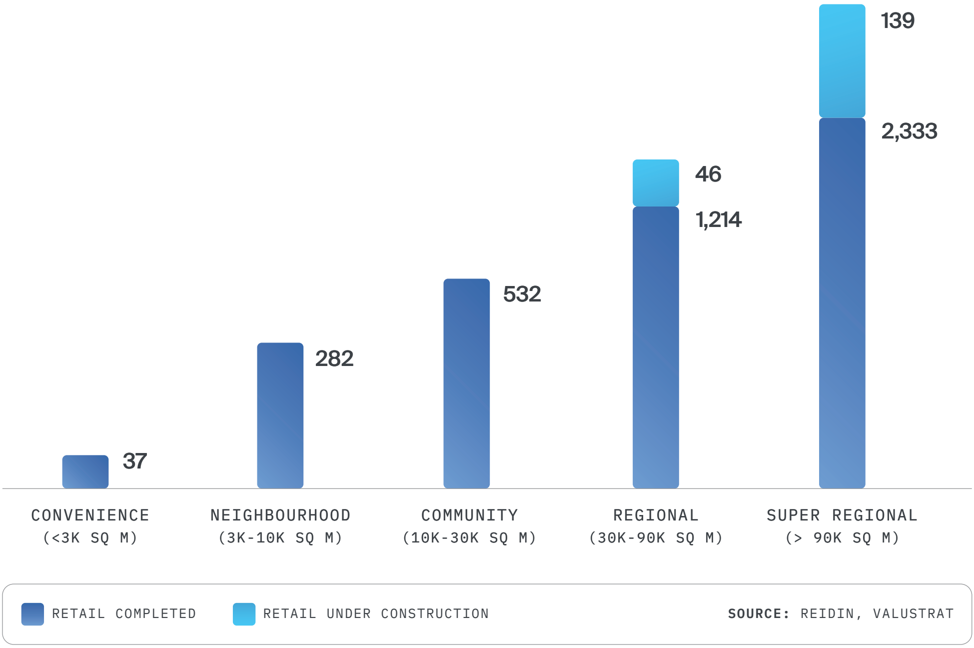
- DIFC recorded the highest average asking rents for smaller office spaces (74-93 sq m) at AED 4,219 per sq m (AED 392 per sq ft), followed by Business Bay at AED 2,196 per sqm (AED 204 per sq ft) and Barsha Heights at AED 2,077 per sq m (AED 193 per sq ft), while Jumeirah Lake Towers was more affordable at AED 1,550 per sq m (AED 144 per sq ft), based on available listings

- For larger units between 93–186 sq m (1,000–2,000 sq ft), available listings showed average asking rents at AED 4,606 per sq m (AED 428 per sq ft) in DIFC, AED 2,228 per sq m (AED 207 per sq ft) in Business Bay, and AED 1,991 per sq m (AED 185 per sq ft) in Jumeirah Lake Towers

- Office occupancy in Dubai was estimated at 89%

RETAIL SUPPLY

Malls & Shopping Centers
('000 SQ M GLA)

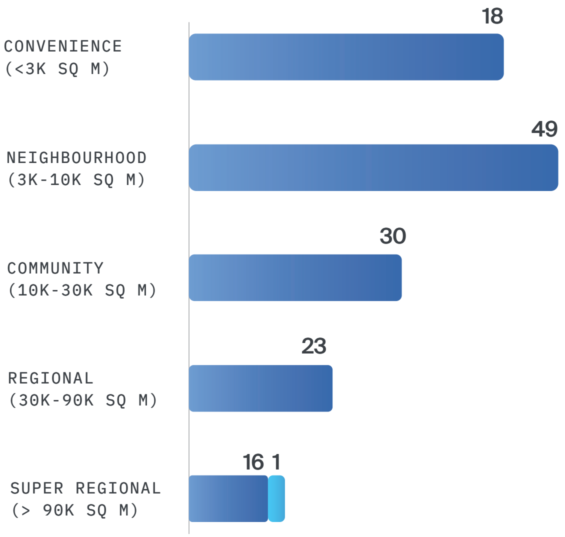


SOURCE: REIDIN, VALUSTRAT

- Emaar Properties is expected to incur capital spending exceeding AED 14 billion or Creek Tower and Creek Mall developments, according to S&P Global Ratings
- Dubai Holding Asset Management announced the opening of Nad Al Sheba Mall in April 2025, adding 46,452 sq m (500,000 sq ft) of retail space to the mall stock

RETAIL PERFORMANCE

Number of Malls & Shopping Centres

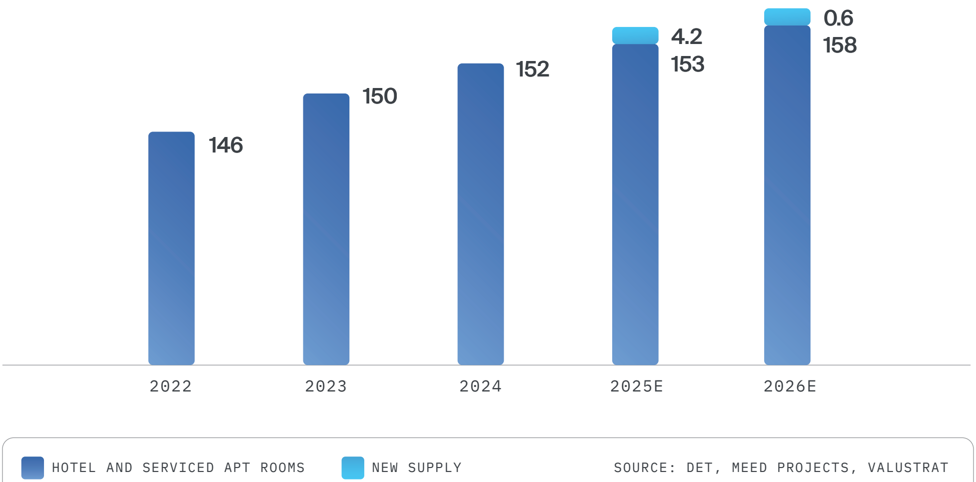


SOURCE: REIDIN, VALUSTRAT

- In 2024, Emaar's mall operations generated AED 4.6 billion in revenue, with occupancy levels across its mall assets reaching 98.5%
- Emaar's malls attracted 194 million visitors in 2024, up 6% YoY. Dubai Mall accounted for 111 million of these visits, maintaining its position as the world's most visited destination for the second consecutive year
- Emaar reported a 7% growth in sales performance for its tenants
- Majid Al Futtaim saw its retail assets achieve 97% occupancy
- MAF Retail saw an 11% YoY revenue increase from shopping malls despite a 1% drop in footfall, while online sales grew 14%
- The UAE e-commerce market is forecast to exceed AED 48.5 billion by 2028, with a projected penetration rate of 15.3%
- Dubai Duty Free recorded a 2024 turnover of AED 7.9 billion, bolstered by a significant surge in sales towards the end of the year

HOSPITALITY SUPPLY

Hotel Room Supply
2022-2026 | '000 Keys



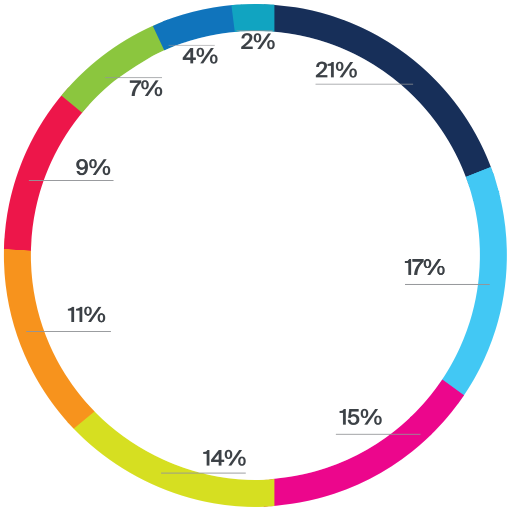
SOURCE: DET, MEED PROJECTS, VALUSTRAT

- As of February 2025, Dubai had a total of 128,417 hotel rooms and 26,021 hotel apartments per the Department of Economy and Tourism
- Notable hotel openings included Jumeirah Marsa Al Arab with 300 rooms and 86 suits, Mama Shelter, featuring 197 rooms and Vida Dubai Mall with 195 keys as well as 620 residential units
- Kleindienst Group announced plans to add 5,000 five-star hotel rooms to Dubai's hospitality sector
- There are 11 hotel projects under construction with 4,248 total keys to be added during 2025. Notable projects include the Nice Hotel with 264 keys, Moxy Al Barsha Dubai with 480 keys, and Mandarin Oriental Downtown Dubai with 259 rooms

HOSPITALITY PERFORMANCE

Source of Dubai Visitors by Region

YTD FEB 2025



WESTERN EUROPE
GCC
AMERICAS
SOUTH ASIA
MENA
AFRICA
CIS & EASTERN EUROPE
NORTH ASIA & SOUTH EAST ASIA
AUSTRALIA

SOURCE: DET

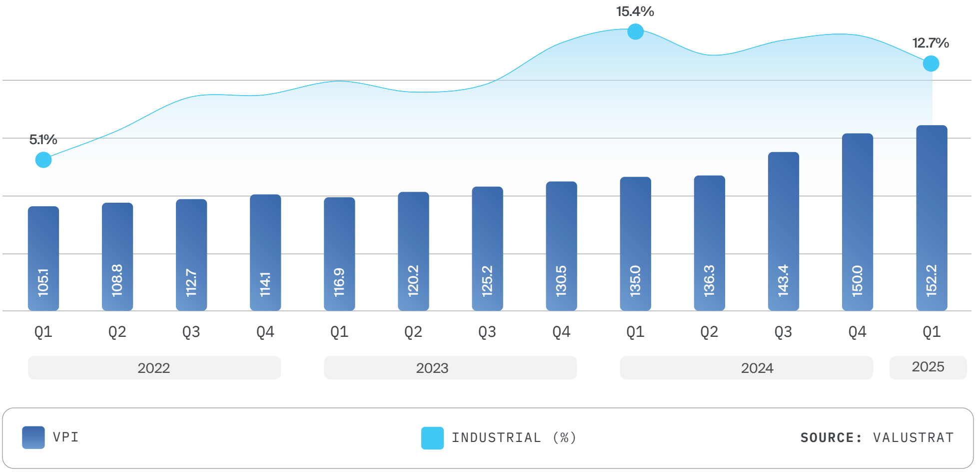
- Total international guests stood at 3.82 million during the first two months of 2025, growing by 4.1% annually
- Hotel occupancy reached 87.1%, stable annually
- The Average Daily Rate (ADR) was AED 702, up 5.7% annually, whilst Revenue per Available Room (RevPAR) grew by 5.7% YoY to AED 611
- Dubai's top three tourist source markets were Western Europe contributing 21%, GCC countries sharing 17%, countries in Easten Europe adding 15%, and the South Asia sharing 14%
- In 2024, Dubai International Airport welcomed a record 92.3 million passengers, surpassing its 2018 peak of 89.1 million and marking ten consecutive years as the world's busiest international airport

VALUSTRAT PRICE INDEX

VPI
ValuStrat Price Index

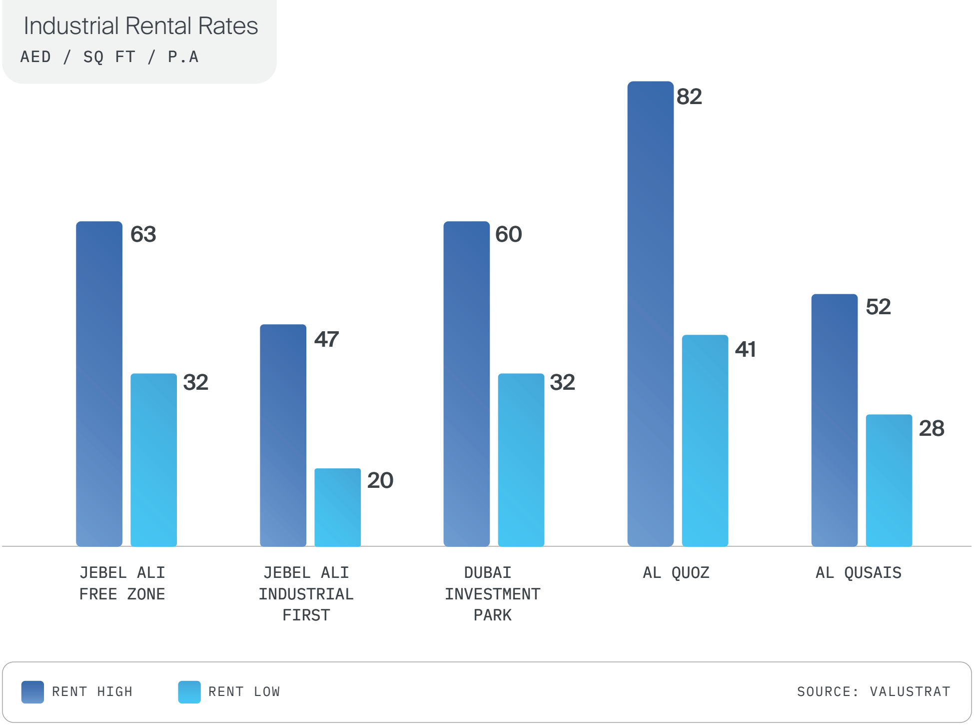
INDUSTRIAL LOGISTICS CAPITAL VALUES

Annual Growth
[BASE: Q1 2021=100]



- The ValuStrat Price Index (VPI) for Dubai industrial capital values rose to 152.2 points, compared to the baseline of 100 points set in Q1 2021
- Logistical warehouses recorded annual capital gains of 12.7% and quarterly growth of 1.4% on the VPI
- The valuation of a typical logistics warehouses as of Q1 2025 stood at AED 3,197 per sq m (AED 297 per sq ft)
- The best-performing locations in terms of annual price increases were Dubai Investment Park (19.5%), JAFZA North (14.8%), and JAFZA South (13.4%)
- Warehouse asking rents ranged from AED 204 per sq m (AED 19 per sq ft) to AED 883 per sq m (AED 82 per sq ft), with rents rising by 1.2% during the quarter
- Demand is expected to surpass supply, which is likely to support continued price growth in the sector

INDUSTRIAL INVESTMENT/SUPPLY



- Dubai South and Expeditors signed an agreement to open a 23,200 sq m (249,722 sq ft) logistics facility in the Logistics District, set to commence operations in February 2025. The facility will support warehousing, fulfilment, and freight operations to meet growing regional demand
- German group Allied Heat Exchange AG (A-HEAT) to establish a 37,000 sq m (398,264 sq ft) heat exchanger production facility for its subsidiary brand, Güntner, in JAFZA, set to become the largest heat exchanger factory in the GCC region, addressing the growing demand for energy-efficient cooling solutions
- Jafza invested AED 90 million to expand its Logistics Park by 33,445 sq m (360,000 sq ft) The expansion includes modern offices, customizable units, temperature-controlled warehouses, and loading docks to cater to various industries
- Dubai Industrial City attracted over AED 350 million in F&B investments in 2024, with 25 new tenants leasing 157,935 sq m (1.7 million sq ft) of industrial space

VALUSTRAT IN THE MEDIA

Khaleej Times

Dubai's residential property prices see slowest gain in 20 months

10 MARCH 2025

Dubai's residential property prices saw the slowest growth in 20 months in February 2025, with villa values rising by 2% and apartments by 1.2%. The ValuStrat Price Index (VPI) reached 207.5 points, marking a 1.6% monthly increase and a 26.5% annual rise. Villa values grew 30.8% annually, with Jumeirah Islands and Palm Jumeirah leading at over 40%. Apartment prices rose 22.2% year-on-year, with the highest gains in The Greens and Palm Jumeirah.

Off-plan home registrations increased 22.2% monthly and 59.5% annually, making up 70.8% of all home sales. Ready-home transactions rose by 12.8% monthly and 9.8% annually. The top locations for off-plan sales included Jumeirah Village Circle and The Valley, while Jumeirah Village Circle and Business Bay led for ready homes. Notably, Emirates Hills and Dubai Silicon Oasis broke records for their highest number of property sales in a month.

The National

Dubai property prices and rents 'set to keep rising for next few years' amid sustained demand

9 FEBRUARY 2025

Property prices and rents in Dubai are expected to rise for the next two to three years due to a supply-demand imbalance. ValuStrat's report shows just 27,000 new homes were completed in 2024, the lowest in six years, while the population grew by 170,000, intensifying demand. The report revealed 118,401 apartments and 28,351 villas are under construction, with expected delivery by 2028.

Experts highlight a lack of new villas compared to apartments, which is impacting supply. With over 40,000 units set to be delivered in 2025, experts expect growth in rents and prices to moderate after 2025, but supply will likely not catch up with demand until 2027-2028.

The average price for apartments rose by 23.6% and villas by 31.6% in 2024, while rents also increased. Dubai's population stands at 3.83 million, with annual growth projected at 3.6% until 2030.

Middle East Economy

58 percent of projected residential supply delivered with 27,000 homes completed in Dubai 2024: Report

30 JANUARY 2025

Dubai's real estate market saw significant growth in Q4 2024, driven by limited supply and rising demand. ValuStrat estimates 58% of the projected residential supply was delivered, with 27,000 completed homes, the lowest in six years. Population growth exceeded expectations, adding over 170,000 new residents. This supply-demand gap led to higher property prices and rents.

The ValuStrat Price Index showed annual capital value increases: apartments up 23.6%, villas 31.6%, offices 23.9%, and warehouses 15%. Annual rents rose for villas (5.8%), apartments (13%), and offices (22.5%).
Challenges included a drop in off-plan sales, but ready sales reached an all-time high. The hospitality sector thrived, with 155,000 hotel rooms achieving 78% occupancy and a 2.8% rise in revenue per available room (RevPAR).

Residential values rose 27.5% annually, with villas up 50.4% from 10-year lows. Office demand remained strong, with capital values increasing by 23.9% annually.

Khaleej Times

Dubai property market to peak in 2025? Prices for high-end villas to stabilise

22 JANUARY 2025

Dubai's property cycle is nearing its peak, with some price stabilisation expected in certain segments in 2025, according to ValuStrat. However, sustained demand and a supply-demand gap are expected to drive continued market growth.

The consultancy forecasts slower sales price growth for larger villas in prime locations, with potential stabilisation in the latter half of 2025. Despite this, the residential market is projected to maintain an upward trajectory in 2025, supported by economic growth, rising demand, and positive sentiment.

Off-plan property demand is expected to continue, with investor confidence remaining strong. Ready-to-move-in property demand grew by 12.3% in 2024, with a shift towards affordable apartments priced below D1 million. Rental growth led to increased interest in homeownership, aided by lower mortgage rates following central bank cuts.
Overall, market growth is expected to moderate, with capital values rising by 5-10% in 2025.

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.

Residential
Capital Value
Monthly

Residential
Rental Value
Quarterly

Office
Capital Value
Quarterly

Industrial Logistics
Capital Value
Quarterly

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SINCE 1977

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

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