CUSHMAN & WAKEFIELD | CORE

DUBAI MARKET UPDATE

Q3 2024

Better never settles

RESIDENTIAL MARKET SNAPSHOT

Q3 2024

TOTAL HANDOVERS

22,900

Total residential units handed over YTD 2024

RESIDENTIAL DELIVERIES

10,700

Total residential units expected in Q4 2024

RESIDENTIAL SALES PRICES

20%

Year-on-year rise in city-wide residential sales prices

RESIDENTIAL RENT PRICES

18%

Year-on-year rise in city-wide residential rent prices

VILLA YIELD

5.2%

Gross villa yield

APARTMENT YIELD

7.2%

Gross apartment yield

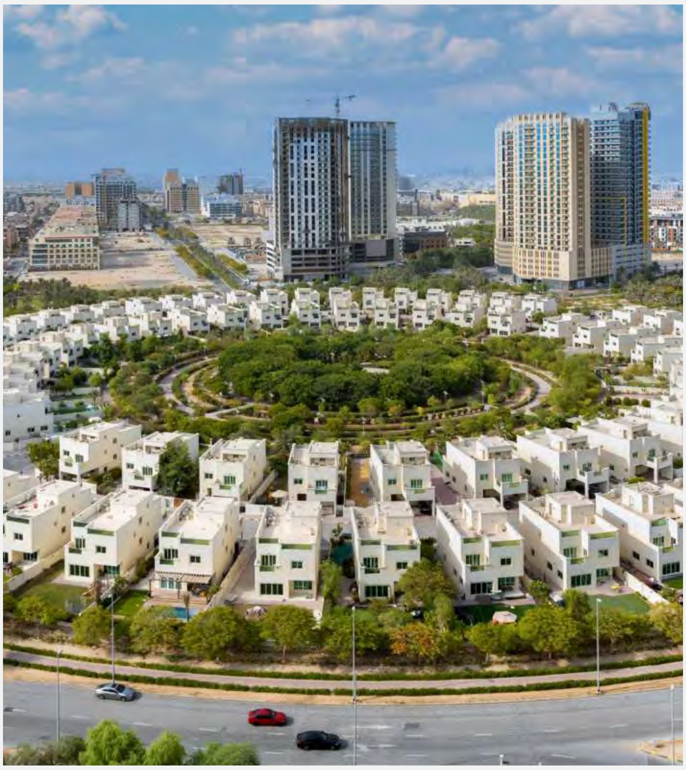
RESIDENTIAL **SUPPLY**

Supply for 2024 remains moderate but pipeline building up for upcoming years.

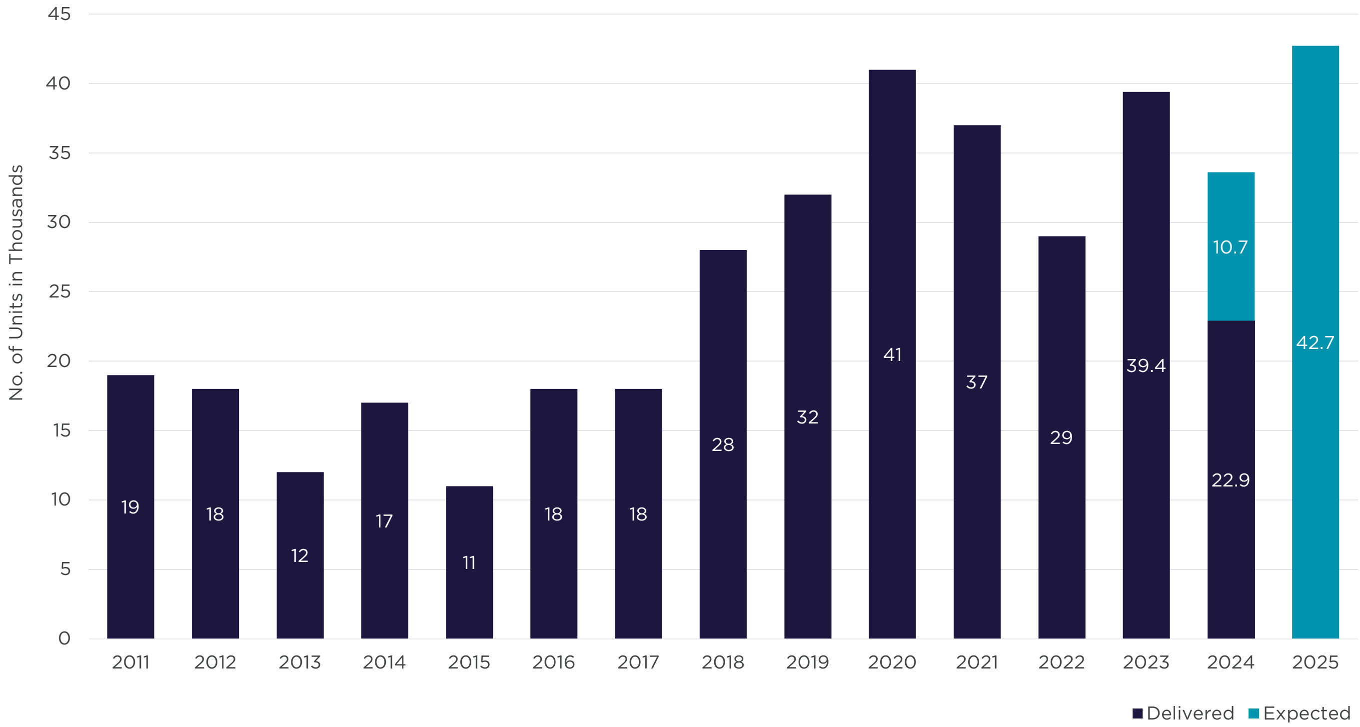
In Q3 2024, a total of approximately 9,157 residential units were successfully delivered, bringing the YTD 2024 number to 22,900 units including both apartments and villas. Prominent handovers in Q3 2024 included apartment developments like Urban Oasis in Business Bay, and Binghatti Corner in JVC. Additionally, the delivery of villas included Park Residences Villas in Damac Hills and Greenview at Expo Golf Villas in Emaar South.

For the remainder of 2024, approximately 10,700 additional units are anticipated for delivery. Key projects expected in Q4 2024 include Regalia in Business Bay, Harmony Villas in Tilal Al Ghaf, and Skyz by Danube in Arjan.

In Q3 2024, Jumeirah Village Circle accounted for the largest share of delivered units, representing 30% of total handovers, followed by Business Bay at 12%, and District Seven in Meydan at 10%. Binghatti Holding led in delivery volume, contributing to 13% of the units, while both Dar Al Arkan and MAG Properties Development each delivered 10%.



Residential Deliveries in Dubai 2011 - 2024

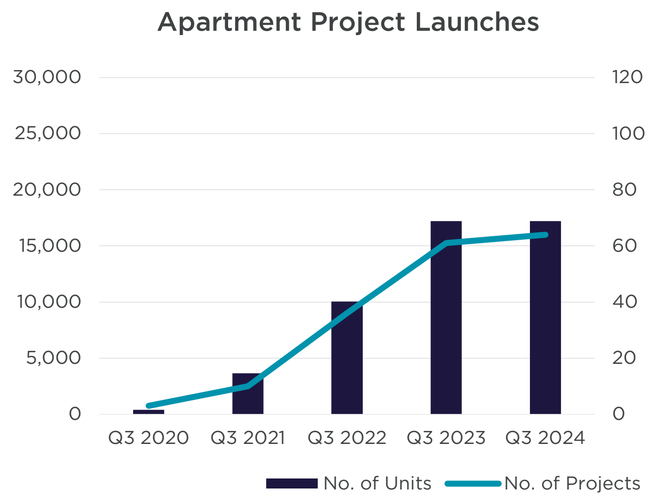


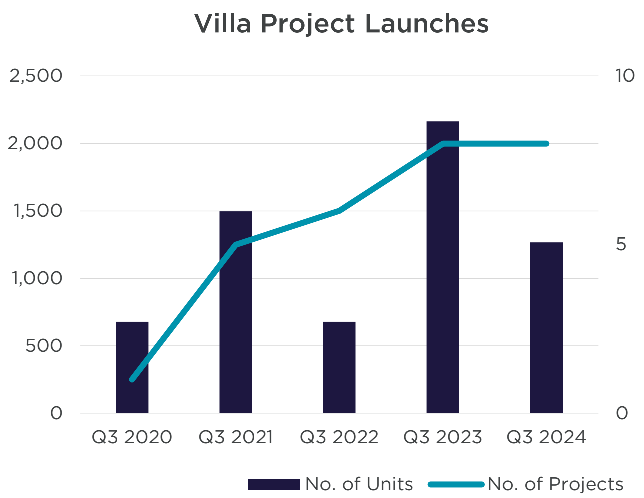
Source: Cushman & Wakefield Core Research, REIDIN

PROJECT **LAUNCHES**

Project launches in Q3 2024 saw some levels of moderation.

In Q3 2024, the total number of project launches increased by 4% year-on-year, although the overall number of units launched was slightly lower. Apartment transactions rose by 5% compared to the same period last year, while the number of villa projects launched remained steady at 8 projects, matching last year's figures. The number of apartment units launched year-on-year also remained the same at 17,200 units. Notable projects contributing significantly to supply include Lagoon Views 13 in Damac Lagoons, Burj Azizi on Sheikh Zayed Road, and Franck Muller Vanguard in Dubai Marina.





Source: Cushman & Wakefield Core Research, REIDIN

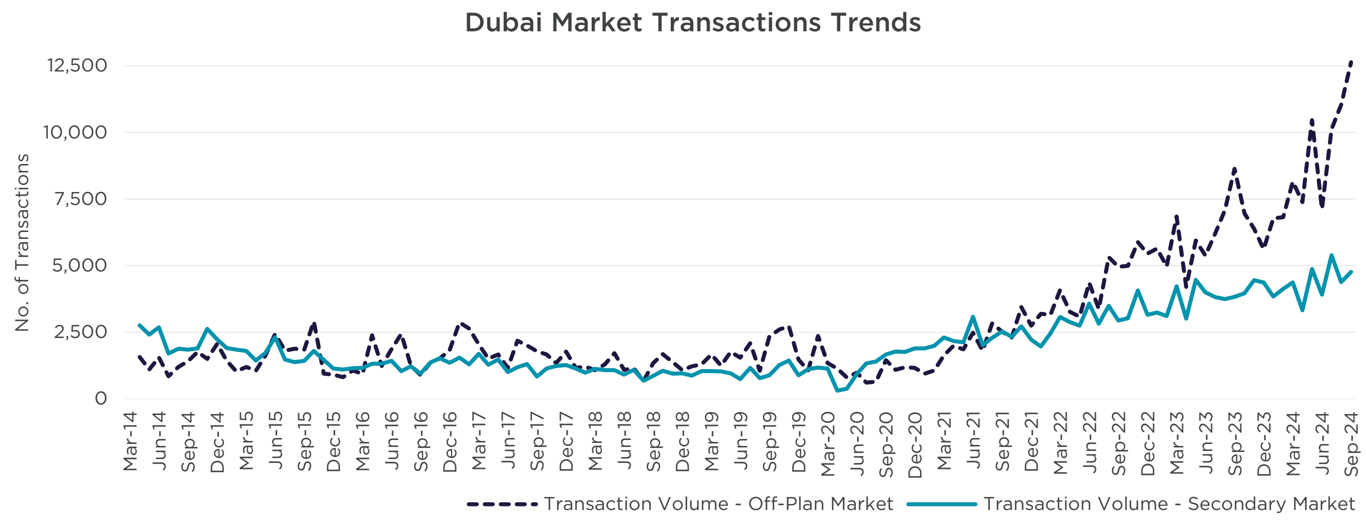
RESIDENTIAL **TRANSACTIONS**

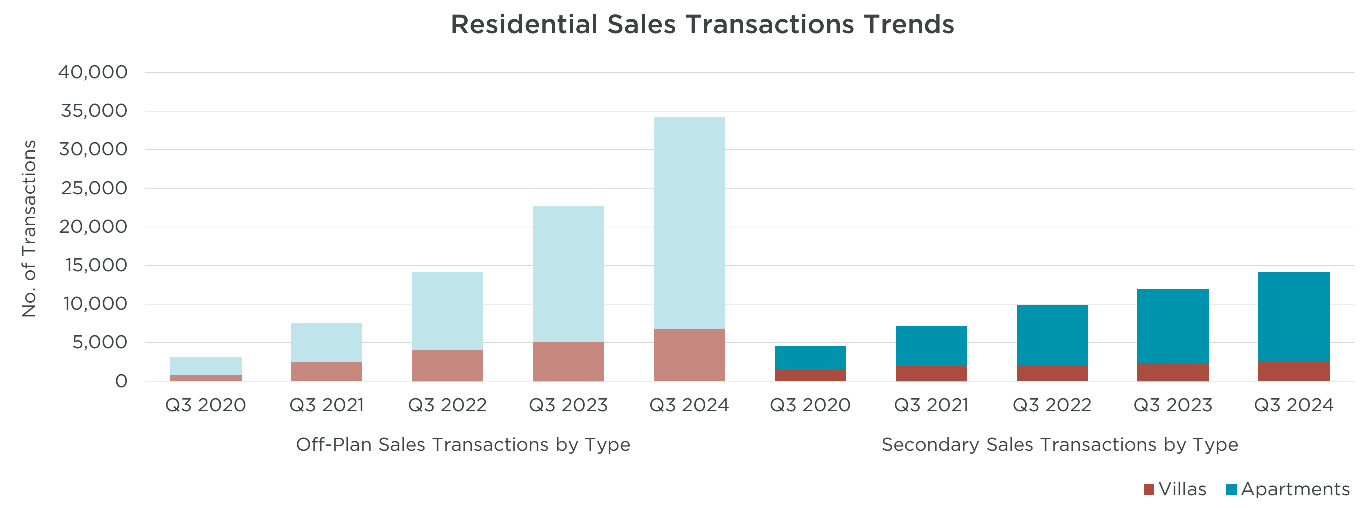
The surge in off-plan activity continues with no signs of slowing down, while the secondary market is firmly stable.

Off-plan transactions in Q3 2024 surged by 51% compared to Q3 2023, while secondary market sales saw a year-on-year increase of 19%. The off-plan market saw an increase in villa transactions, up by 35%, and apartments, up by 55%, compared to the same period last year. In contrast, the secondary market presented a moderate 3% increase for villa transactions, while apartment transactions increased by 22% year-on-year.

In Q3 2024, off-plan transactions were around 34,000, a figure 2.3 times greater than that of secondary market transactions. This reflects a growing shift in Dubai's residential market towards off-plan properties, primarily fuelled by the appeal of attractive payment plans and increasing demand for property-linked visas.

Off-plan transactions were concentrated among major developers, with Emaar Properties leading at 22%, followed by Sobha Real Estate at 9% and Damac Properties at 9%. For secondary transactions, Emaar Properties again led with 16%, followed by Damac Properties at 9% and Nakheel at 7%.





Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL
SALES PRICES

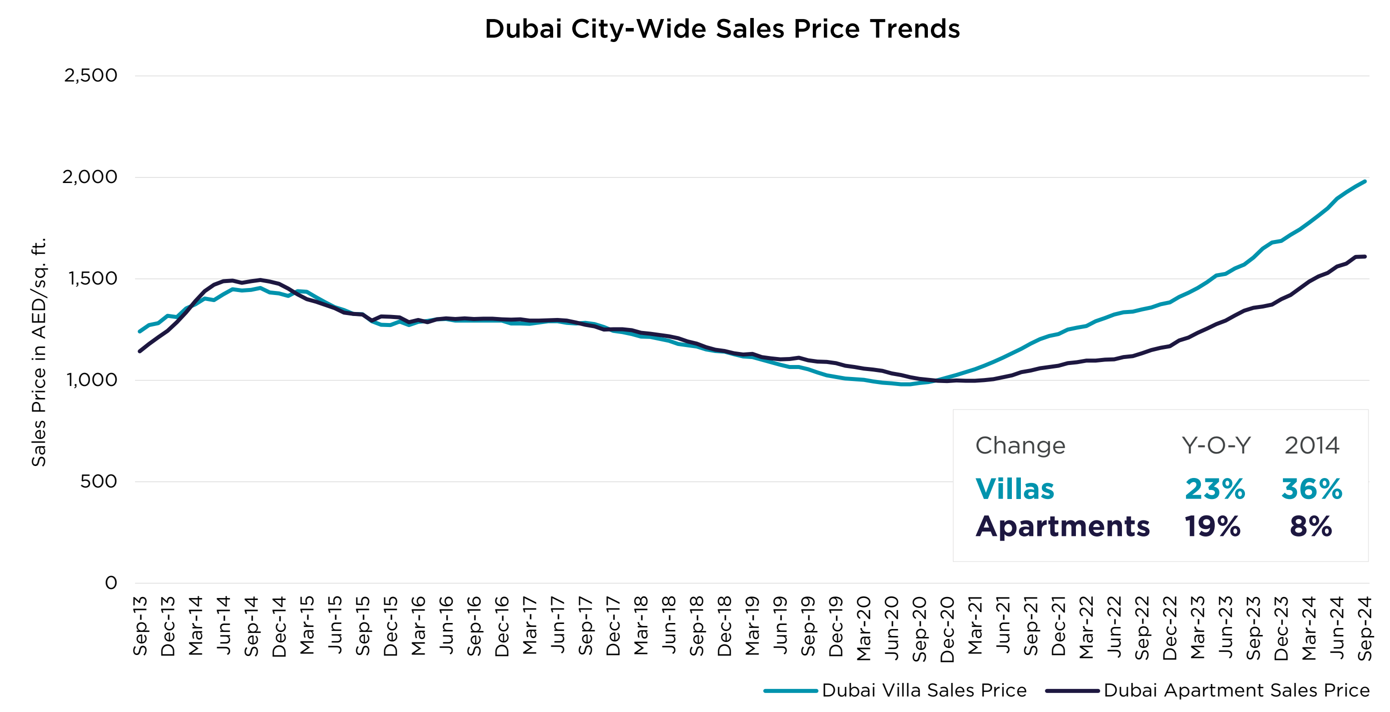
Affordable and mid-market districts lead sales price growth while prime districts display signs of moderation.

City-wide sales prices have maintained their upward momentum for the 17th consecutive quarter, recording a robust 20% year-on-year increase. By market segment, villa sales prices saw a strong 23% rise year-on-year, while apartment prices followed closely with a 19% increase compared to the same period last year.

However, while still marking price increases, the ultra-prime villa districts are showing signs of a slowdown in growth. Palm Jumeirah posted the lowest year-on-year increase at 6%, followed by Emirates Hills with 9%. In contrast, mid-market communities demonstrated significant growth, with Arabian Ranches, Jumeirah Village Circle, and The Springs and The Meadows seeing year-on-year price increases of 39%, 31%, and 26% respectively.

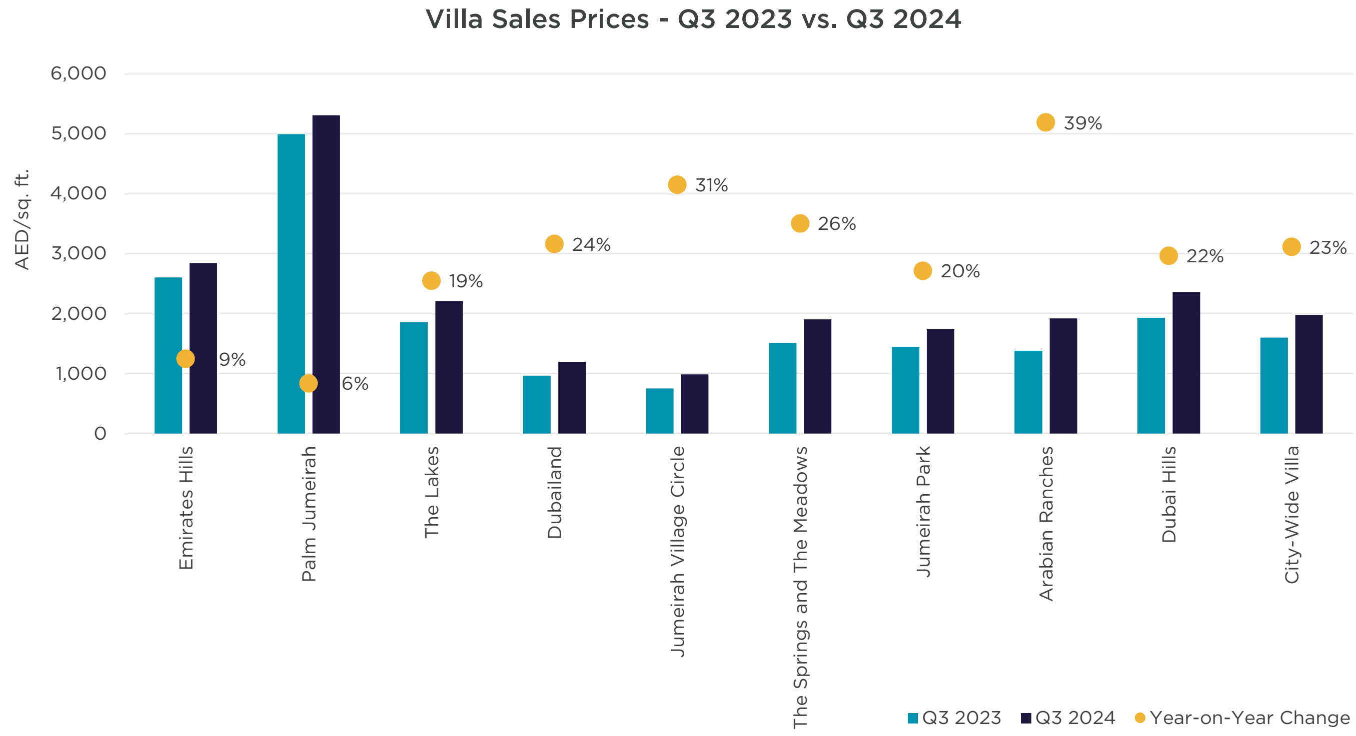
A similar trend is evident in apartment districts, where suburban and affordable communities are leading the market. This surge is largely driven by relatively lower price points in these areas and the substantial price growth in central districts, pushing more buyers to invest in suburban regions. Discovery Gardens recorded the highest price increase at 43%, followed by Jumeirah Lakes Towers and Dubailand (Remraam) at 34% and 28% respectively. Meanwhile, City Walk and Dubai Hills Estate both registered moderate increases of 12%.

This shift highlights growing demand for value-driven investment opportunities in suburban areas, as buyers are being priced out of the central districts and seek alternatives in outer, suburban locations.

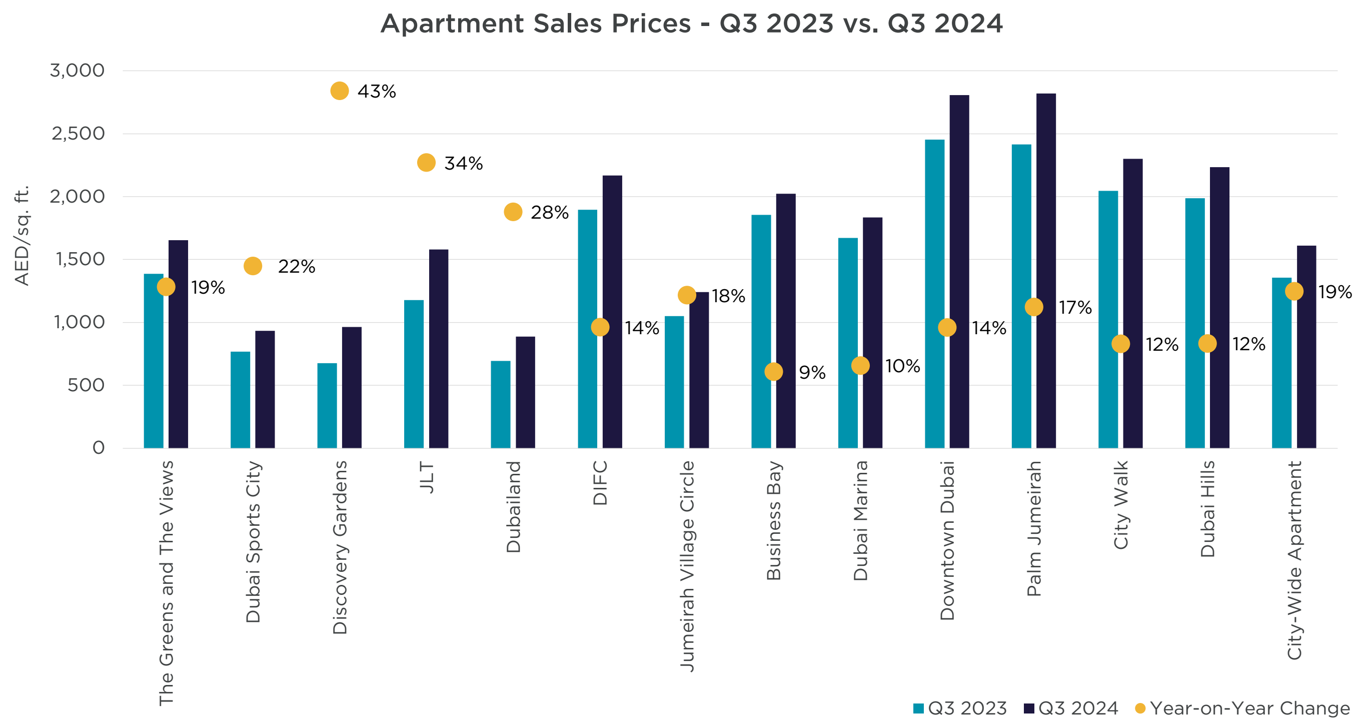


Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL
SALES PRICES



Source: Cushman & Wakefield Core Research, REIDIN



Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL
SALES PRICES (AED/sq. ft.)

Q3 2023 vs. Q3 2024

- Villas
- Apartments
- Year-on-Year Change

Palm Jumeirah

	Q3 2023	Q3 2024	Change
Villas	4,995	5,311	▲6%
Apartments	2,414	2,820	▲17%

Dubai Marina ▲10%

	Q3 2023	Q3 2024
Apartments	1,671	1,836

Jumeirah Lake Towers ▲34%

	Q3 2023	Q3 2024
Apartments	1,178	1,579

Emirates Hills ▲9%

	Q3 2023	Q3 2024
Villas	2,603	2,847

The Springs & The Meadows ▲26%

	Q3 2023	Q3 2024
Villas	1,510	1,907

Discovery Gardens ▲43%

	Q3 2023	Q3 2024
Apartments	675	963

Jumeirah Park ▲20%

	Q3 2023	Q3 2024
Villas	1,446	1,741

The Greens & The Views ▲19%

	Q3 2023	Q3 2024
Apartments	1,387	1,654

The Lakes ▲19%

	Q3 2023	Q3 2024
Villas	1,857	2,213

City Walk ▲12%

	Q3 2023	Q3 2024
Apartments	2,046	2,300

DIFC ▲14%

	Q3 2023	Q3 2024
Apartments	1,895	2,167

Downtown Dubai ▲14%

	Q3 2023	Q3 2024
Apartments	2,453	2,806

Business Bay ▲9%

	Q3 2023	Q3 2024
Apartments	1,854	2,023

Dubai Hills

	Q3 2023	Q3 2024	Change
Villas	1,932	2,362	▲22%
Apartments	1,987	2,235	▲12%

Arabian Ranches ▲39%

	Q3 2023	Q3 2024
Villas	1,384	1,922

Dubai Sports City ▲22%

	Q3 2023	Q3 2024
Apartments	767	933

Jumeirah Village Circle

	Q3 2023	Q3 2024	Change
Villas	755	990	▲31%
Apartments	1,050	1,241	▲18%

Dubailand

	Q3 2023	Q3 2024	Change
Villas	968	1,198	▲24%
Apartments	693	888	▲28%

RESIDENTIAL
RENT PRICES

City-wide rents rose for the 15th consecutive quarter, however, moderation seen in the villa market.

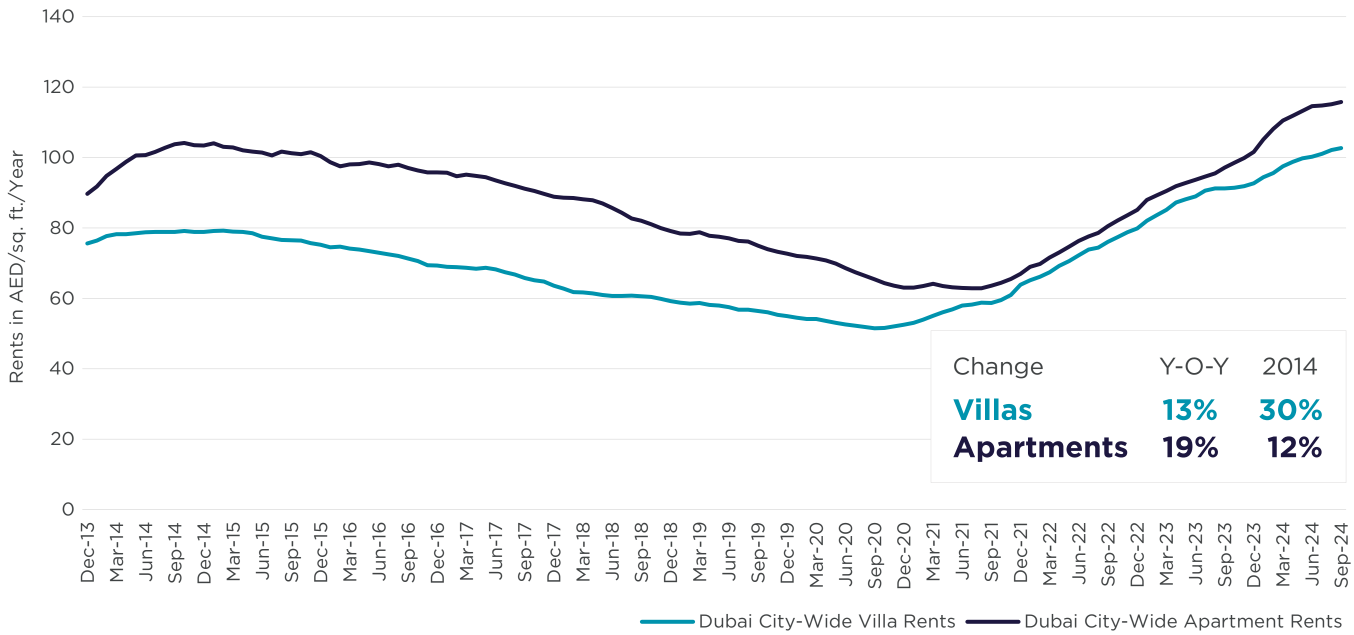
City-wide rents have increased by 18% year-on-year, marking the 15th consecutive quarter of significant growth, as the city's rental market continues to become more costly for tenants. Villa rents have shown some stabilisation, with a 13% year-on-year increase, while apartment rents have seen a sharper rise of 19% over the same period.

Jumeirah Village Circle villas recorded the highest year-on-year rental increase at 48%, followed by Jumeirah Park at 32%, and Emirates Hills at 20%.

Apartment districts experienced even greater growth, especially in affordable areas. Discovery Gardens led with a 28% increase, followed by Dubai Sports City at 26%, and Dubailand at 22%.

A notable trend is the continued increase in tenant renewals, which rose by 16% in Q3 2024. The new RERA rental calculator has helped narrow the gap between new and renewed rental rates, however, new leases are still trading at an average premium of 14% over renewals.

Dubai City-Wide Rental Trends

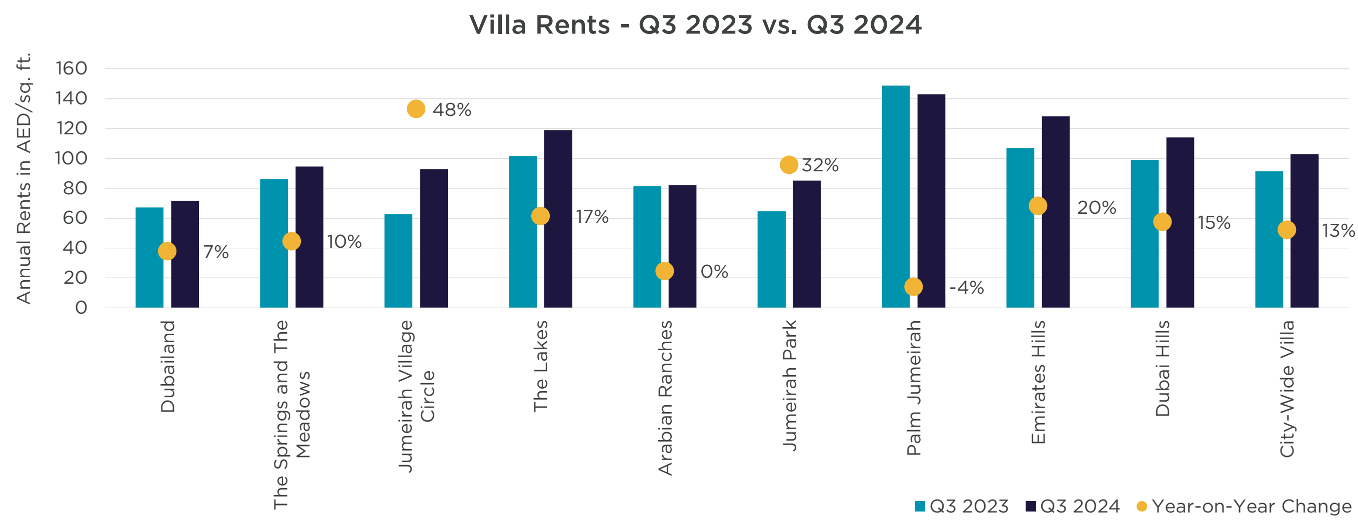


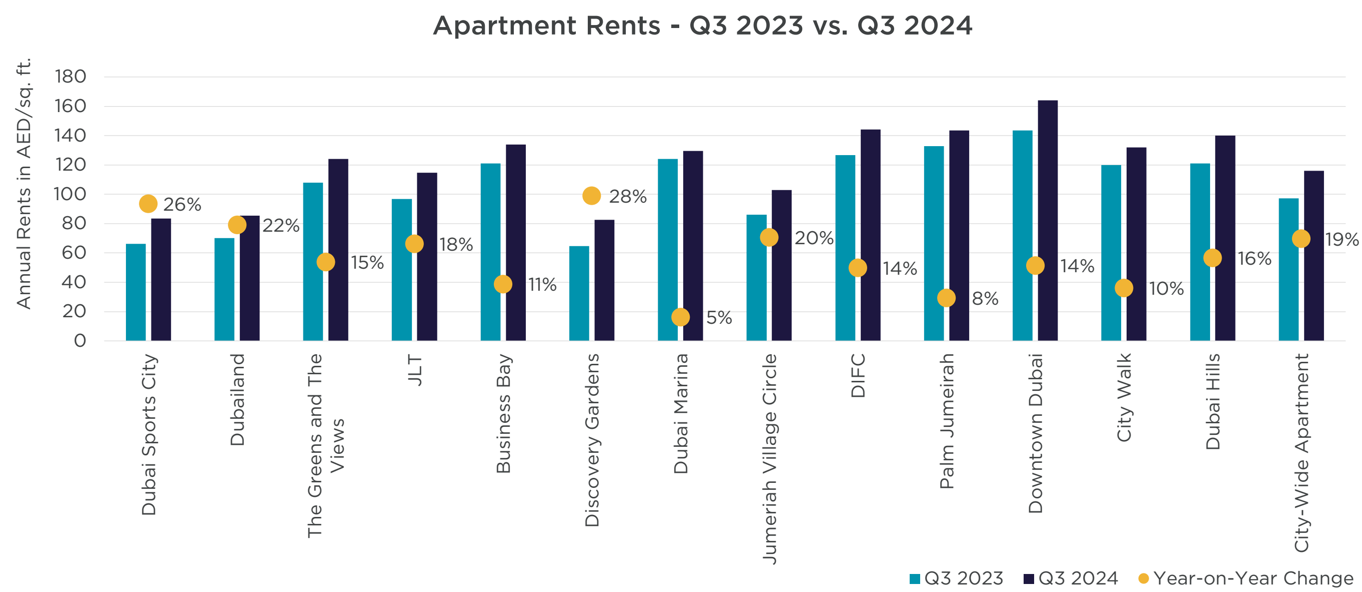
Residential Lease Volume

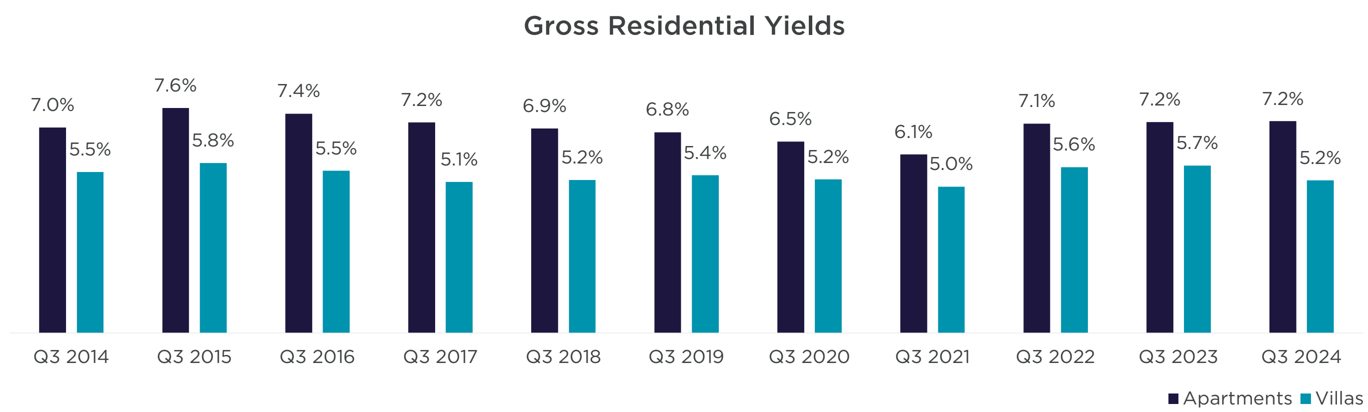
Annual Residential Rent Ticket Size

Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL **RENT PRICES**







Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL
RENT PRICES (AED/sq. ft.)

Q3 2023 vs. Q3 2024

- Villas
- Apartments
- ▲▼ Year-on-Year Change

Palm Jumeirah

	Q3 2023	Q3 2024	
Villas	149	143	▼4%
Apartments	133	144	▲8%

Dubai Marina ▲5%

Type	Q3 2023	Q3 2024
Apartments	124	130

Jumeirah Lake Towers ▲18%

Type	Q3 2023	Q3 2024
Apartments	97	115

Emirates Hills ▲20%

Type	Q3 2023	Q3 2024
Villas	107	128

The Springs & The Meadows ▲10%

Type	Q3 2023	Q3 2024
Villas	86	95

Discovery Gardens ▲28%

Type	Q3 2023	Q3 2024
Apartments	65	83

Jumeirah Park ▲32%

Type	Q3 2023	Q3 2024
Villas	65	85

The Greens & The Views ▲15%

Type	Q3 2023	Q3 2024
Apartments	108	124

The Lakes ▲17%

Type	Q3 2023	Q3 2024
Villas	102	119

Jumeirah Village Circle

	Q3 2023	Q3 2024	
Villas	63	93	▲48%
Apartments	86	103	▲20%

City Walk ▲10%

Type	Q3 2023	Q3 2024
Apartments	120	132

DIFC ▲14%

Type	Q3 2023	Q3 2024
Apartments	127	144

Downtown Dubai ▲14%

Type	Q3 2023	Q3 2024
Apartments	144	164

Business Bay ▲11%

Type	Q3 2023	Q3 2024
Apartments	121	134

Dubai Hills

	Q3 2023	Q3 2024	
Villas	99	114	▲15%
Apartments	121	140	▲16%

Arabian Ranches 0%

Type	Q3 2023	Q3 2024
Villas	82	82

Dubai Sports City ▲26%

Type	Q3 2023	Q3 2024
Apartments	66	83

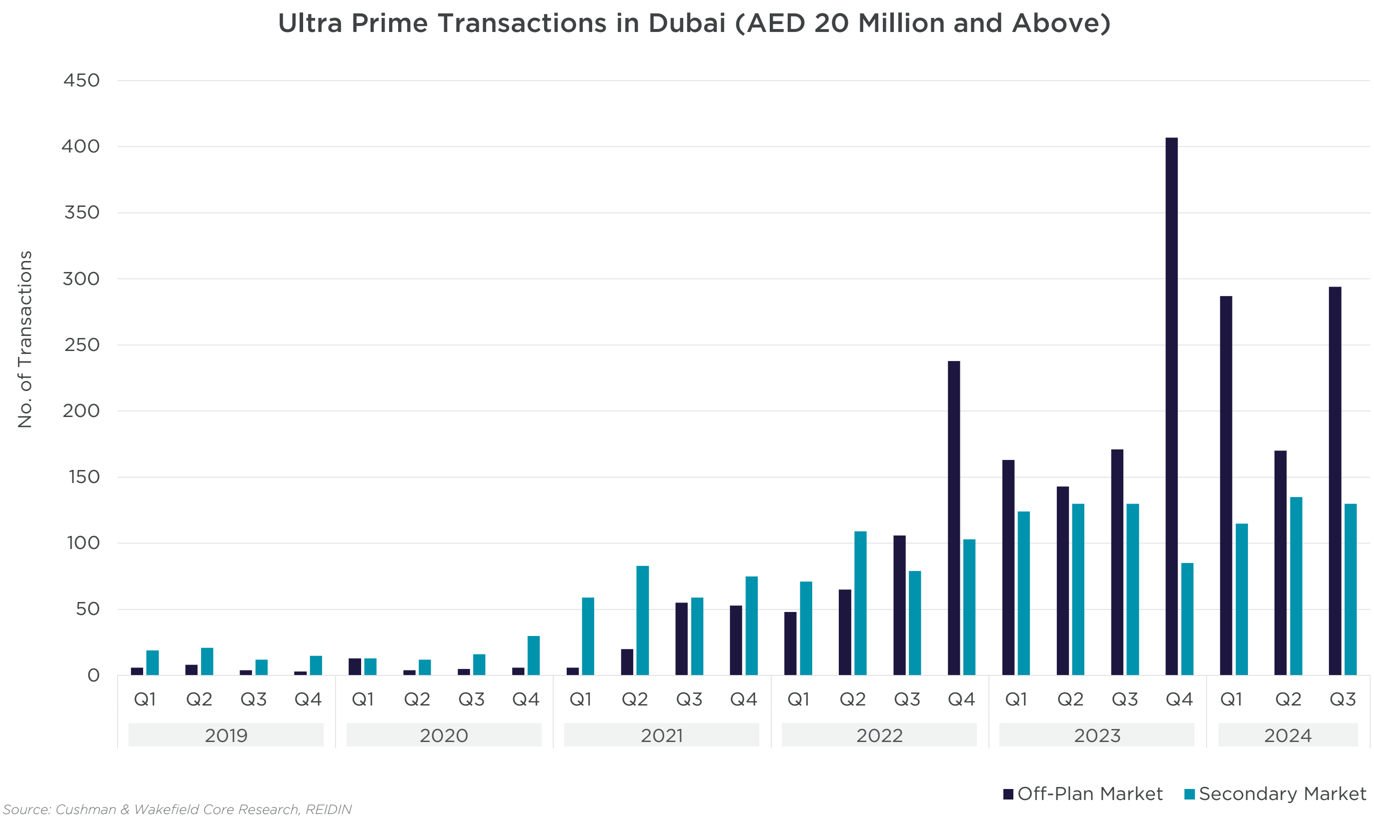
Dubailand

	Q3 2023	Q3 2024	
Villas	67	72	▲7%
Apartments	70	86	▲22%

ULTRA PRIME
MARKET

Over 424 residential properties were sold above AED 20 Million in Dubai in Q3 2024, displaying a strong 41% year-on-year increase. Palm Jumeirah remains the location of choice accounting for the highest share of ultra-prime transactions. With growing UHNI demand, particularly for waterfront properties and branded residences, we foresee this segment to remain strong as global wealth continues to gravitate to Dubai.

AED 275 Mn	Most expensive apartment sold in Q3 2024 - One at Palm Jumeirah
AED 216 Mn	Most expensive villa sold in Q3 2024 - Signature Villas Frond J, Palm Jumeirah
AED 26,044	Highest transacted residential sales price/sq. ft. in Q3 2024 - Villa in Emirates Hills



Source: Cushman & Wakefield Core Research, REIDIN

OFFICE MARKET SNAPSHOT

Q3 2024

EXISTING GLA

108.66 Mn sq. ft.

Total existing office GLA

UPCOMING GLA

350k sq. ft.

Upcoming office GLA in Q4 2024

CITY-WIDE OCCUPANCY

91%

City-wide office occupancy

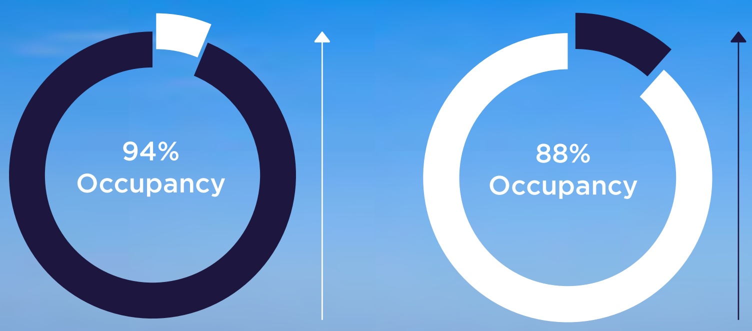
OFFICE RENT PRICES

19%

Year-on-year rise in city-wide office rents

35.86 Million sq. ft.
Grade A Office Stock

72.8 Million sq. ft.
Grade B & C Office Stock



DUBAI OFFICE **SUPPLY**

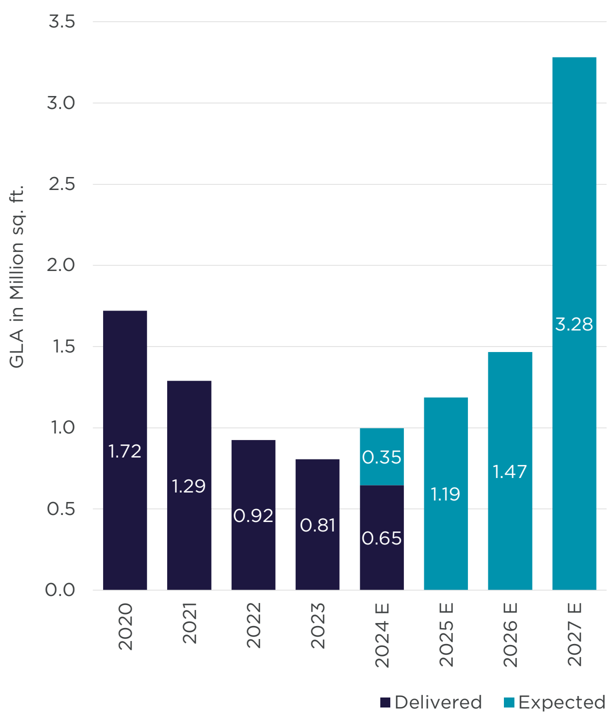
Despite several new recent office project launches, the Dubai office market is expected to remain under-supplied for the near term.

Dubai's total office inventory currently stands at 108.66 million sq. ft. as of YTD 2024. Key deliveries this year include 6 Falak in Dubai Media City, A2 in Dubai CommerCity, and Millennium Downtown on Sheikh Zayed Road.

In 2024, several significant office projects have been launched, with expected completions in 2027 and 2028. Key upcoming freezone developments include Immersive Tower in DIFC, and Uptown Dubai Phase 2. However, new supply in the onshore market remains limited, with Aldar's mixed-use project on Sheikh Zayed Road as the primary recent addition.

As demand continues to intensify, both rental rates and occupancy levels are on the rise, and Dubai's office market is anticipated to remain under-supplied over the next two years. Some level of market stabilisation is expected by 2027/2028, when a substantial portion of the newly announced stock will be delivered, though current demand trends indicate pre-leasing activity will remain robust across the city.

Dubai Office Supply 2020 - 2027



Source: Cushman & Wakefield Core Research

Aldar Partners with Expo City

In a significant move for Dubai's real estate landscape, Aldar Properties has partnered with Expo City Dubai to launch a major mixed-use development. This ambitious project aims to integrate residential, commercial, and retail spaces, fostering a vibrant community in the heart of Expo City Dubai. The project will encompass six buildings and overall development will be a total of 103,000 sq. m. (1.1 million sq. ft.) GLA.

KEY HIGHLIGHTS

Strategic Location: Positioned within the iconic Expo City Dubai, the development is set to benefit from high foot traffic and global visibility.

Sustainability Focus: The project aligns with Dubai's sustainability goals, emphasising eco-friendly design and innovative technologies.

Economic Boost: Anticipated to create numerous job opportunities and stimulate local businesses, enhancing the overall economic landscape.

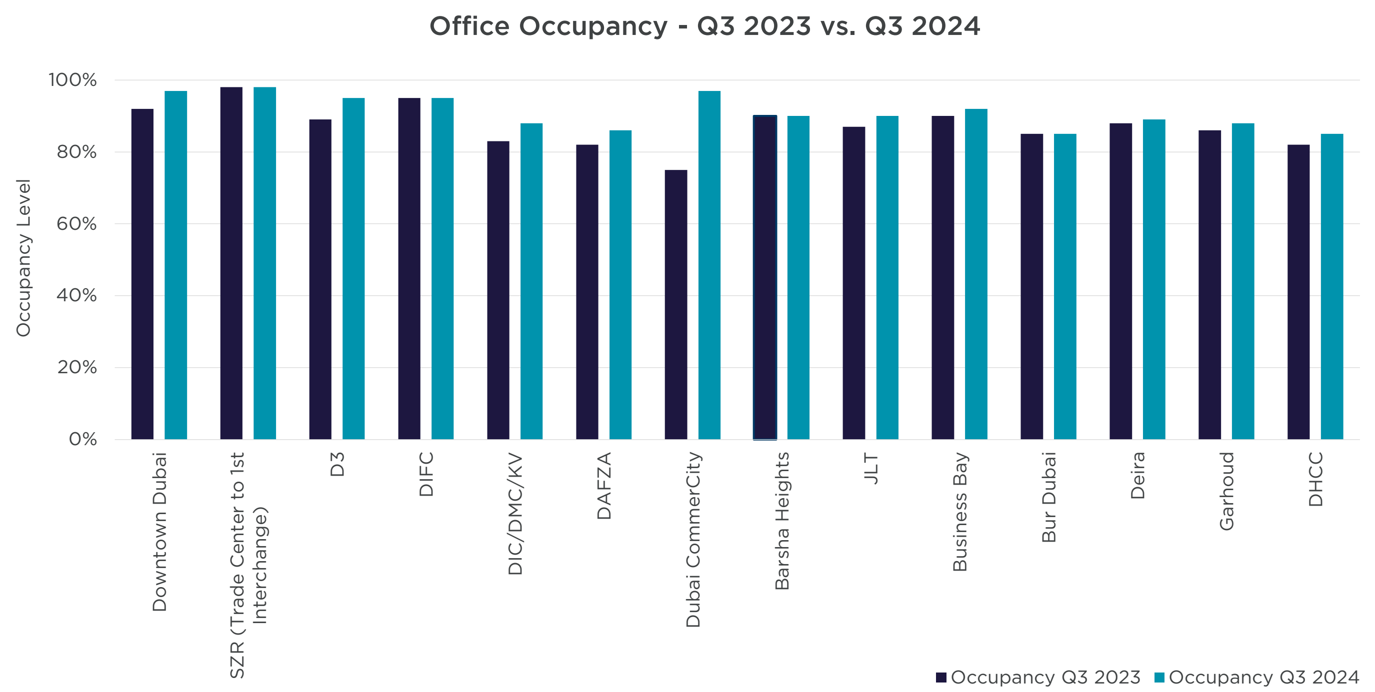
Market Implications: This partnership underscores a growing trend in Dubai's office market towards mixed-use developments, which attract both businesses and residents, creating dynamic urban environments. As such projects emerge, they could reshape demand and supply dynamics in the commercial real estate sector.

DUBAI OFFICE **OCCUPANCY**

City-wide office occupancy levels and rents continue to soar to an all-time high.

In Q3 2024, city-wide occupancy rates remain robust, with Grade A office spaces achieving the highest occupancy at 94%. Grade B and C offices follow closely at around 88%, with an overall city-wide occupancy rate of 91%. Sheikh Zayed Road (Trade Center Area 1) and Dubai CommerCity have experienced the highest increases in occupancy, reaching 98%, followed by Downtown Dubai at 97%, and both Dubai Design District and DIFC at 95%. The surge in occupancy at Dubai CommerCity can be attributed to new supply entering the market, which has been well-received.

These high occupancy levels are exerting strong upward pressure on rents with the city expected to remain under-supplied for the near term.



Source: Cushman & Wakefield Core Research

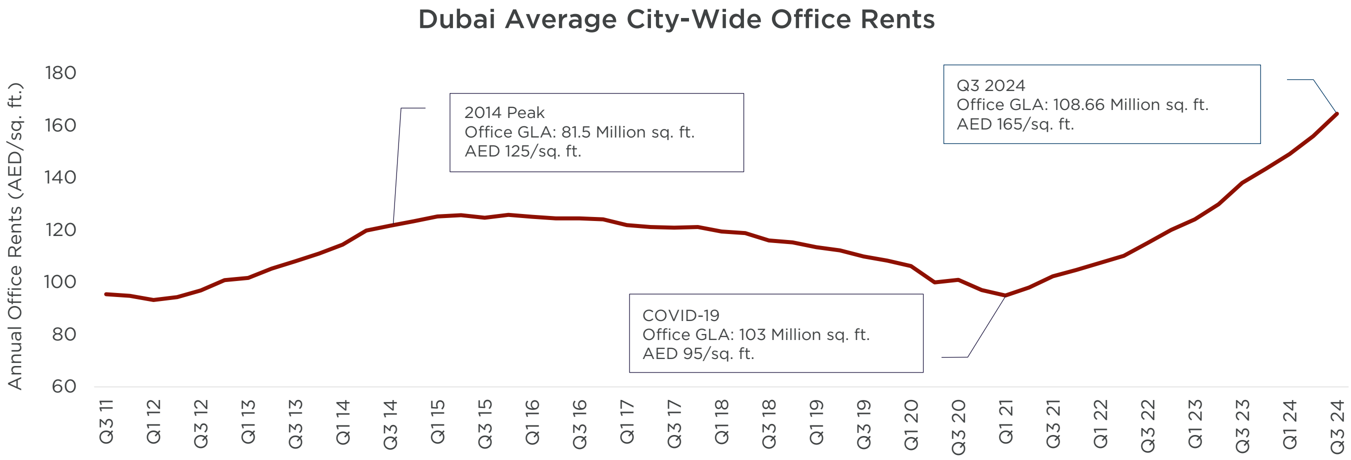
DUBAI OFFICE **RENTS**

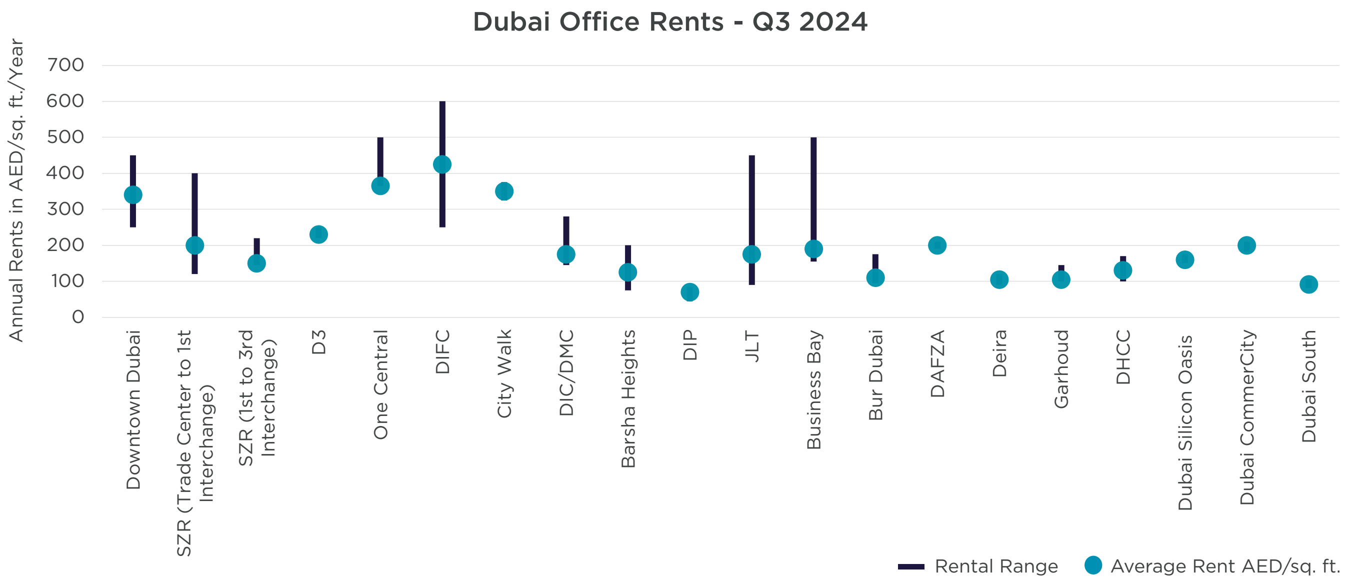
Dubai office market rents mark a 19% increase year-on-year.

High occupancy rates have strengthened landlord confidence, resulting in continued rental price increases and premiums on the limited available office space. With demand remaining robust, many tenants are choosing to renew leases despite rising costs, underscoring the competitive market landscape and tenants' commitment to securing space.

Tenant activity is strong across sectors, with free zones seeing particularly high demand as new and existing businesses increasingly seek to establish or expand their presence in Dubai. The market remains favourable to landlords, adding pressure on companies, particularly global occupiers, who may face challenges with the accelerated decision-making required in this environment.

As a result, flex and co-working providers continue to experience strong demand from global occupiers and SMEs, including both new entrants and established players. This demand is fuelled by the high flexibility and customised solutions these providers offer, making them an attractive choice in the current market climate. Average city-wide office rental rates have reached AED 165 per sq. ft., marking a 19% increase year-on-year. DIFC holds the highest average rental price at AED 425/sq. ft., followed closely by One Central (AED 365/sq. ft.) and Downtown Dubai (AED 340/sq. ft.).



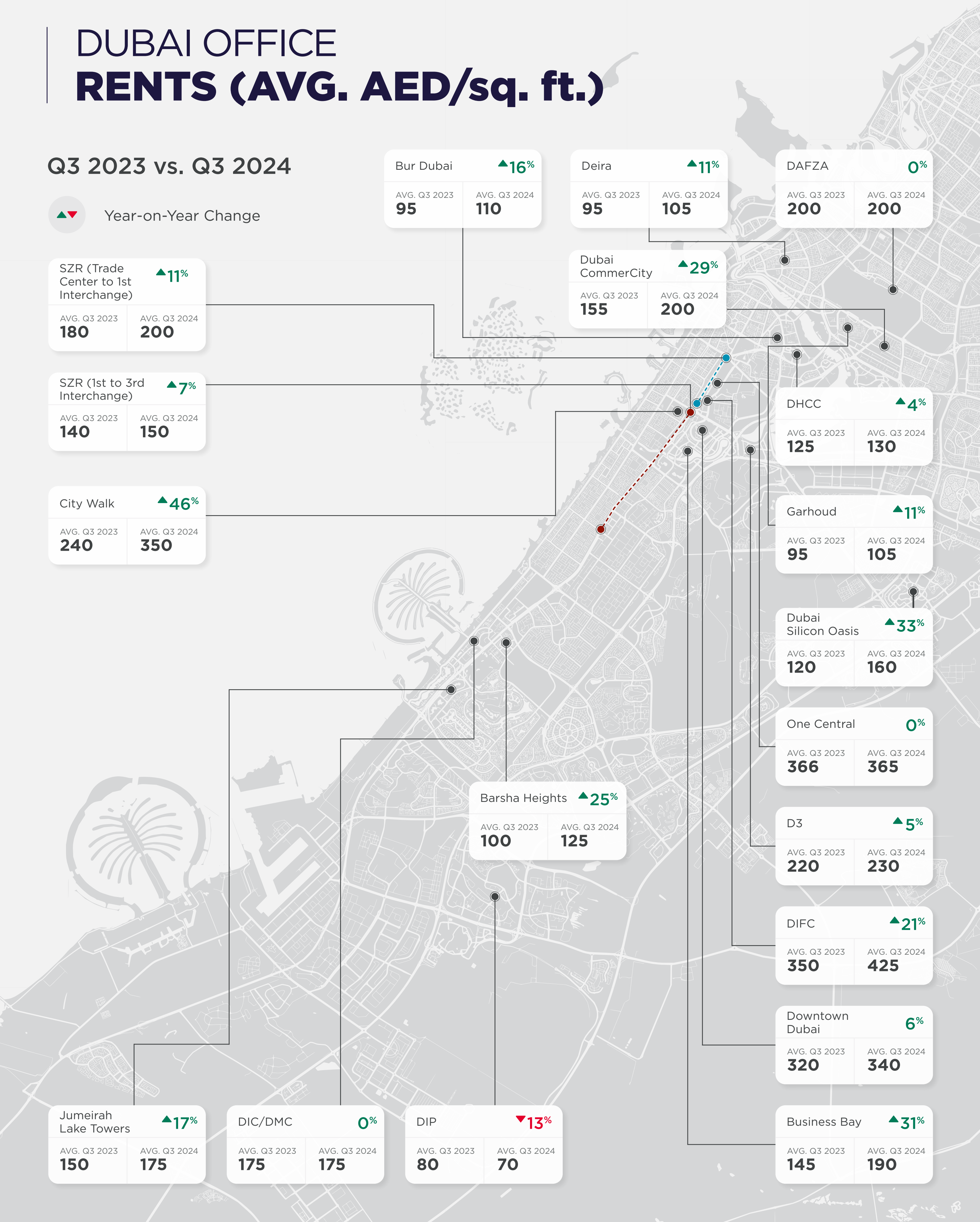


Source: Cushman & Wakefield Core Research

DUBAI OFFICE **RENTS (AVG. AED/sq. ft.)**

Q3 2023 vs. Q3 2024

▲▼ Year-on-Year Change



	Year-on-Year Change	AVG. Q3 2023	AVG. Q3 2024
Bur Dubai	▲16%	95	110
Deira	▲11%	95	105
DAFZA	0%	200	200
Dubai CommerCity	▲29%	155	200
SZR (Trade Center to 1st Interchange)	▲11%	180	200
SZR (1st to 3rd Interchange)	▲7%	140	150
City Walk	▲46%	240	350
DHCC	▲4%	125	130
Garhoud	▲11%	95	105
Dubai Silicon Oasis	▲33%	120	160
One Central	0%	366	365
Barsha Heights	▲25%	100	125
D3	▲5%	220	230
DIFC	▲21%	350	425
Downtown Dubai	6%	320	340
Jumeirah Lake Towers	▲17%	150	175
DIC/DMC	0%	175	175
DIP	▼13%	80	70
Business Bay	▲31%	145	190

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