

2024 Annual Market Report

A review of UAE's residential market performance and key real estate trends

The UAE's real estate market in 2024 exhibited remarkable growth, setting new records in transaction volumes and values, particularly in Dubai. This report delves into the key trends, driving forces, and potential challenges that shaped the market throughout the year.

Sales Surge and Price Appreciation

Dubai led the nation's real estate sector with unprecedented performance. In the first half of 2024, the city recorded over 80,000 property transactions, totalling more than AED 232 billion. This represented a 29.4% increase compared to the same period in 2023. The momentum continued into the third quarter, with 50,425 transactions amounting to AED 141.95 billion, marking a 38% year-on-year increase in volume and a 30% rise in value. The total number of transactions across the UAE for the entire year is projected to surpass 150,000, reflecting the country's strong economic and investment climate.

Off-plan sales continued to dominate, accounting for over 65% of all transactions in Dubai. This trend underscores the unwavering confidence investors have in the future of the Emirate. Iconic developments such as Dubai Creek Harbour and Dubai Hills Estate were among the top contributors to this surge, attracting both regional and international buyers. Property prices also saw steady growth, with some prime locations experiencing price hikes of up to 15% compared to the previous year. This performance was mirrored across other Emirates, including Abu Dhabi and Sharjah, where transaction volumes and average property prices also rose significantly.

Market Drivers

The strong performance of the UAE's real estate market in 2024 was driven by several key factors. The UAE government has been at the forefront of introducing investor-friendly policies that enhance the country's global appeal. Flexible visa programmes, including the Golden Visa and retirement visas, coupled with attractive tax regimes, created an environment conducive to foreign investment. These initiatives successfully attracted high-net-worth individuals, families, and global businesses seeking a stable and prosperous destination.

Additionally, the UAE's stable political environment and robust economic growth provided a firm foundation for the real estate sector. The UAE's GDP growth, supported by rising oil prices and diversification efforts, further reinforced investor confidence. Developers also played a crucial role in sustaining momentum by launching high-quality projects featuring luxurious amenities and cutting-edge designs, catering to the sophisticated tastes of global investors. Areas like Downtown Dubai, Palm Jumeirah, and Yas Island in Abu Dhabi stood out as premium locations offering unparalleled lifestyle options.

Moreover, limited supply in certain segments of the market, particularly for ready-to-move-in properties, contributed to price growth. With demand outstripping supply, especially in Dubai, competition for high-value properties intensified. International buyers, notably from Europe, Asia, and the GCC, accounted for a significant portion of transactions, reflecting the UAE's status as a global investment hub.

Overview – Dubai

Emerging Challenges

Despite the strong performance, several challenges emerged in 2024 that could influence the market's future trajectory. Rising global interest rates created headwinds for some investors, particularly those reliant on mortgage financing. This was a notable concern for first-time buyers, who faced increased borrowing costs, potentially dampening their ability to enter the market. Higher interest rates also posed challenges for developers, as financing for large-scale projects became more expensive.

Another critical issue was the delicate balance between supply and demand. While off-plan sales thrived, ensuring a steady pipeline of new projects became essential to prevent oversupply in certain segments. Experts cautioned against the risk of creating a bubble in the long term if prices continue to rise unchecked without adequate alignment with market demand. This is particularly relevant as developers aim to meet the growing needs of a population that has consistently expanded over the past decade.

A Look Ahead

The UAE's real estate market in 2024 demonstrated remarkable resilience and adaptability. Dubai and other Emirates solidified their positions as key destinations for global investors, supported by proactive government policies, economic stability, and high-quality developments. While rising interest rates and supply dynamics present challenges, these can be mitigated through strategic planning and careful market analysis.

Looking ahead to 2025, the focus will remain on sustaining investor confidence by maintaining a healthy balance between supply and demand. Continued government efforts to attract talent and investment, alongside an emphasis on sustainable development, will play a pivotal role in driving long-term growth. The UAE is well-positioned to navigate these challenges and capitalise on its status as a global leader in real estate, providing a promising outlook for the years to come.



Overview – Dubai

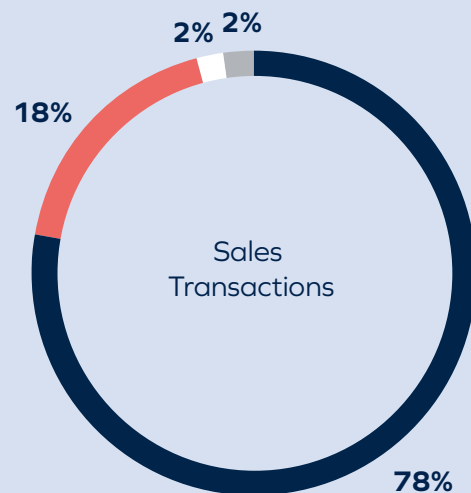
Dubai's property market continued its record-breaking trajectory in 2024, reflecting sustained growth across sales, and rentals. The first half of the year alone recorded over 80,000 property transactions, exceeding AED 232 billion. This marked a significant leap compared to the same period in 2023, which saw 61,140 transactions with a combined value of AED 180 billion. The 2024 figures represent nearly 20,000 more transactions year-on-year, with apartment sales leading the surge.

Apartment sales in H1 2024 increased by nearly 17,000 transactions, a remarkable 28% year-on-year growth, highlighting their appeal among buyers and investors. In contrast, villa sales experienced a decline, dropping by over 5,200 transactions—a 46% decrease compared to the first half of 2023. Despite this, demand for premium villas in select areas remained resilient, underpinned by limited supply and rising interest in luxurious living spaces.

May 2024 was a standout month, with 17,539 transactions recorded, making it the busiest month of the year and exceeding the monthly averages of both 2023 and early 2024. Every month in the first half of 2024 eclipsed the transaction volumes of the corresponding months in 2023, underscoring the robust growth in activity.



Sales Transaction



Dubai's real estate market is mainly driven by residential sales, with apartments making up 78% of transactions. This shows a strong demand for apartment living, likely due to its affordability, the urban convenience, and the growing population.

Villas accounted for 18% of sales, indicating that some buyers also prefer larger, more private homes, but they are less popular than apartments, possibly due to higher costs. Meanwhile, commercial properties and plots each make up only 2% of transactions.

Overall, the market is focused on residential properties, with apartments being the top choice for buyers. This may be due to factors such as urbanisation, shifting lifestyles, and a growing preference for contemporary high-rise homes.

Sales Transaction

2023 v/s 2024

	2023		2024		Value Change %
	Transactions	Value (AED)	Transactions	Value (AED)	
Apartments	99,200	197,100,000,000	141,765	260,400,000,000	32.12%
Villas	26,134	127,600,000,000	31,866	171,700,000,000	34.56%
Commercial	4,024	10,400,000,000	4,376	10,900,000,000	4.81%
Plots	3,797	76,400,000,000	3,597	81,300,000,000	6.41%
Total	133,155	411,500,000,000	181,604	524,300,000,000	27.41%

Sales Transactions Value

2023 v/s 2024

2023	Value	2024	Value	% Change
January	27,900,000,000	January	36,000,000,000	29%
February	26,700,000,000	February	36,600,000,000	37%
March	34,100,000,000	March	37,300,000,000	9%
April	26,500,000,000	April	32,000,000,000	21%
May	34,200,000,000	May	46,500,000,000	36%
June	30,400,000,000	June	46,200,000,000	52%
July	37,700,000,000	July	50,300,000,000	33%
August	33,700,000,000	August	47,300,000,000	40%
September	26,100,000,000	September	44,700,000,000	71%
October	29,400,000,000	October	61,100,000,000	108%
November	42,500,000,000	November	43,200,000,000	2%
December	41,400,000,000	December	43,000,000,000	4%
Total	390,600,000,000	Total	524,200,000,000	34%

Sales Transactions Volume

2023 v/s 2024

2023	Volume	2024	Volume	% Change
January	9,875	January	11,622	18%
February	8,999	February	11,919	32%
March	12,139	March	13,652	12%
April	8,068	April	11,611	44%
May	11,639	May	17,721	52%
June	10,420	June	14,331	38%
July	11,100	July	16,267	47%
August	12,000	August	16,166	35%
September	8,200	September	18,067	120%
October	7,100	October	20,463	188%
November	12,150	November	14,497	19%
December	11,287	December	15,288	35%
Total	122,977	Total	181,604	48%

The Rental Market Boom

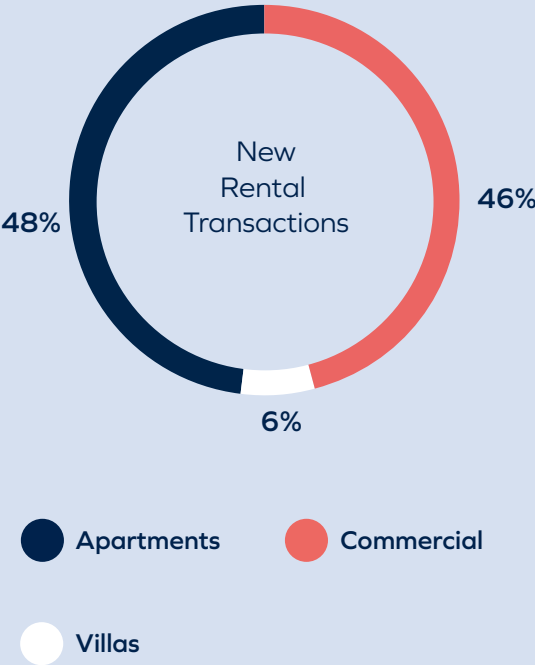
The rental market in Dubai also exhibited remarkable expansion in H1 2024, with a total of 453,800 new rental contracts signed—a 9% increase compared to 415,400 in the same period of 2023. Rising demand was evident across all property segments, fueled by population growth, a thriving economy, and a limited supply of quality rental units. May 2024 was again the busiest month, reflecting seasonal trends and heightened demand.

Rental prices climbed steadily, with villas and townhouses experiencing a 23% year-on-year increase in average rental rates. Apartments, particularly in prime and mid-tier locations, also saw significant price hikes, underscoring the city's appeal among tenants seeking diverse housing options. Jumeirah Village Circle (JVC) emerged as the top-performing area for apartment rentals, with 5,121 new contracts signed, followed by International City and Business Bay. For villas, Damac Hills 2 dominated rental transactions, highlighting the appeal of affordable and spacious living.

Commercial rentals showed similar growth, with 88,500 new leasing transactions recorded in H1 2024, accounting for 57% of all new commercial leases. Stabilising or slightly increasing rental prices in key commercial hubs indicated a recovering market driven by strong demand for office spaces.



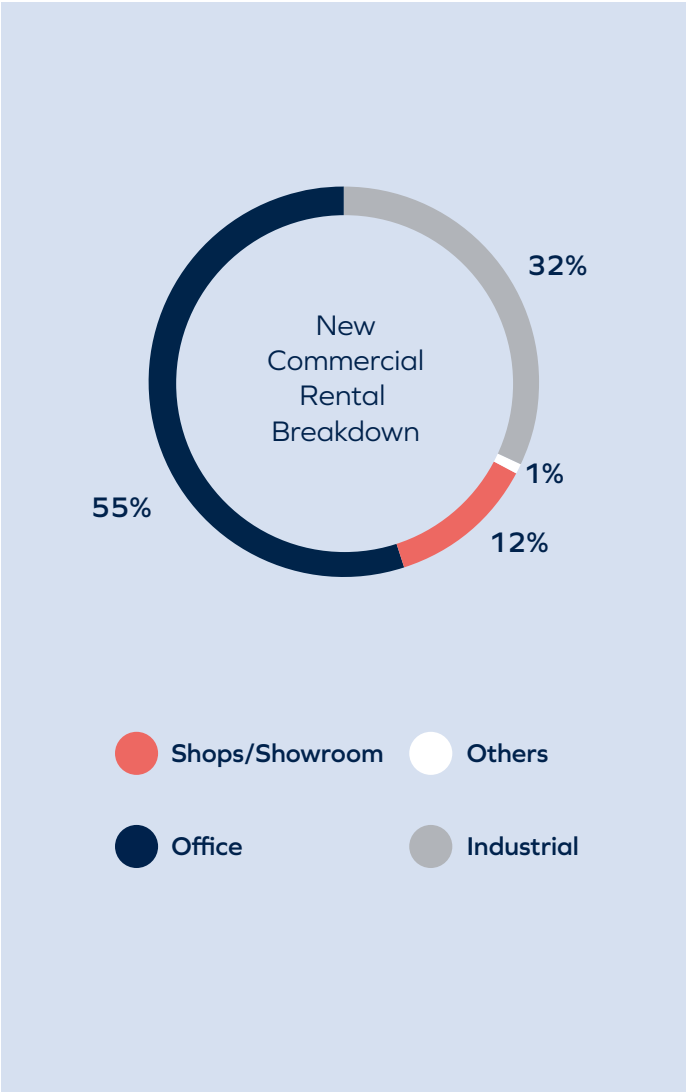
New Rental Transactions



	2023 Trannsactions	2024 Trannsactions	Volume Change %
Apartments	219,900	220,000	0.05%
Villas	24,700	25,600	3.64%
Commercial	190,200	213,300	12.15%
Total	433,900	458,900	5.76%

New Commercial Rental Breakdown

2024 Commercial Rentals		
Shops/Showroom	24,800	12%
Office	118,100	55%
Industrial	67,800	32%
Others	2,599	1%
Total	213,299	100%

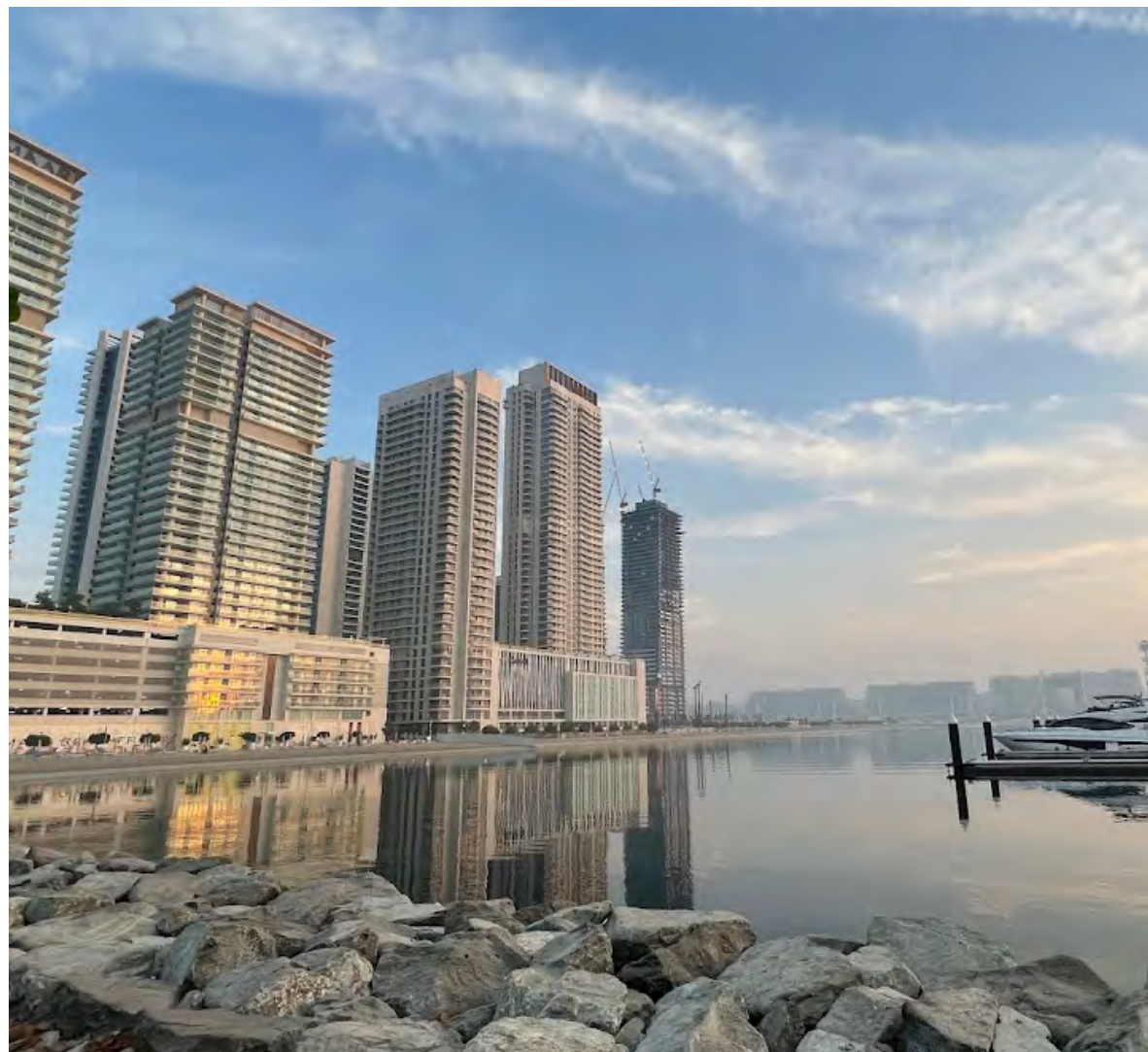


Off Plan v/s Secondary

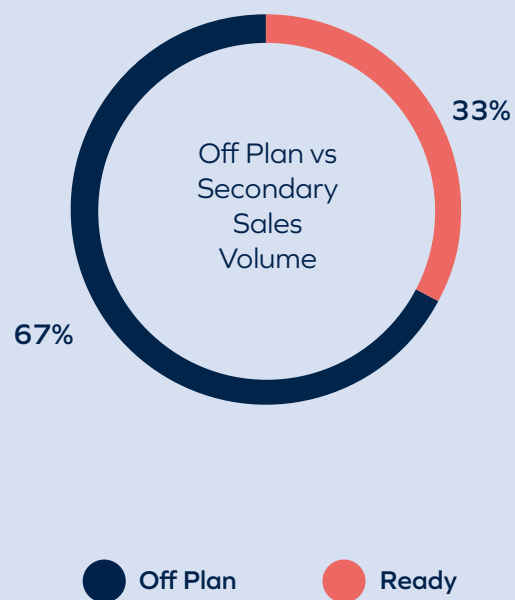
Off-plan sales continued to dominate Dubai's property market in H1 2024, with an impressive 48,768 transactions recorded. This reflects strong investor confidence in the city's future growth. Off-plan properties benefited from affordable pricing, flexible payment plans, and the potential for high rental yields, making them attractive to first-time buyers and seasoned investors alike.

The secondary market, while more modest, showed resilience with 25,688 transactions—an increase of 1,891 from H1 2023. Limited supply in this segment likely contributed to price stability, making ready properties a sought-after choice for buyers unwilling to wait for project completions.

JVC stood out as a leader in both off-plan and secondary sales, recording a total of 5,664 off-plan and 2,302 secondary transactions. Business Bay followed with significant activity in both categories.



Off Plan v/s Secondary Sales



2024	Off Plan	Ready
January	6,067	3,812
February	6,459	4,283
March	7,555	4,413
April	7,190	3,453
May	10,908	5,098
June	7,981	4,112
July	9,691	5,010
August	10,456	4,263
September	11,573	4,689
October	13,531	5,203
November	8,504	4,636
December	9,575	4,096
Total	109,490	53,068

Top Performing Areas

Dubai's real estate market in 2024 saw several areas emerge as top performers, driven by strong demand for both residential and commercial properties. These areas not only attracted significant investor interest but also demonstrated consistent growth in transaction volumes and rental yields.

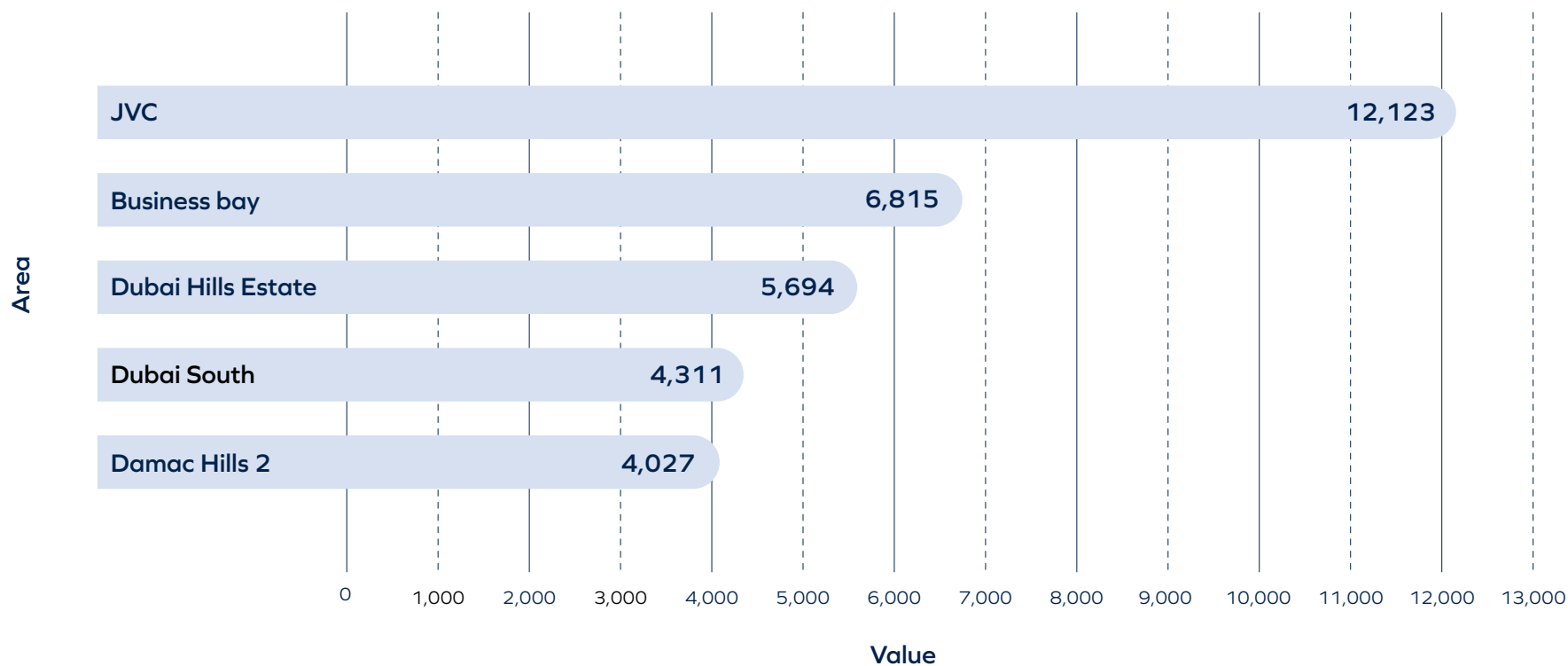
JVC continued to dominate as a preferred destination for both off-plan and secondary market transactions. Additionally, Business Bay remained a hub for high-value transactions, particularly in the commercial and luxury residential segments.

JVC and Business Bay, along with other areas collectively contributed to Dubai's record-breaking performance in 2024, showcasing the city's ability to cater to diverse investor and tenant preferences.



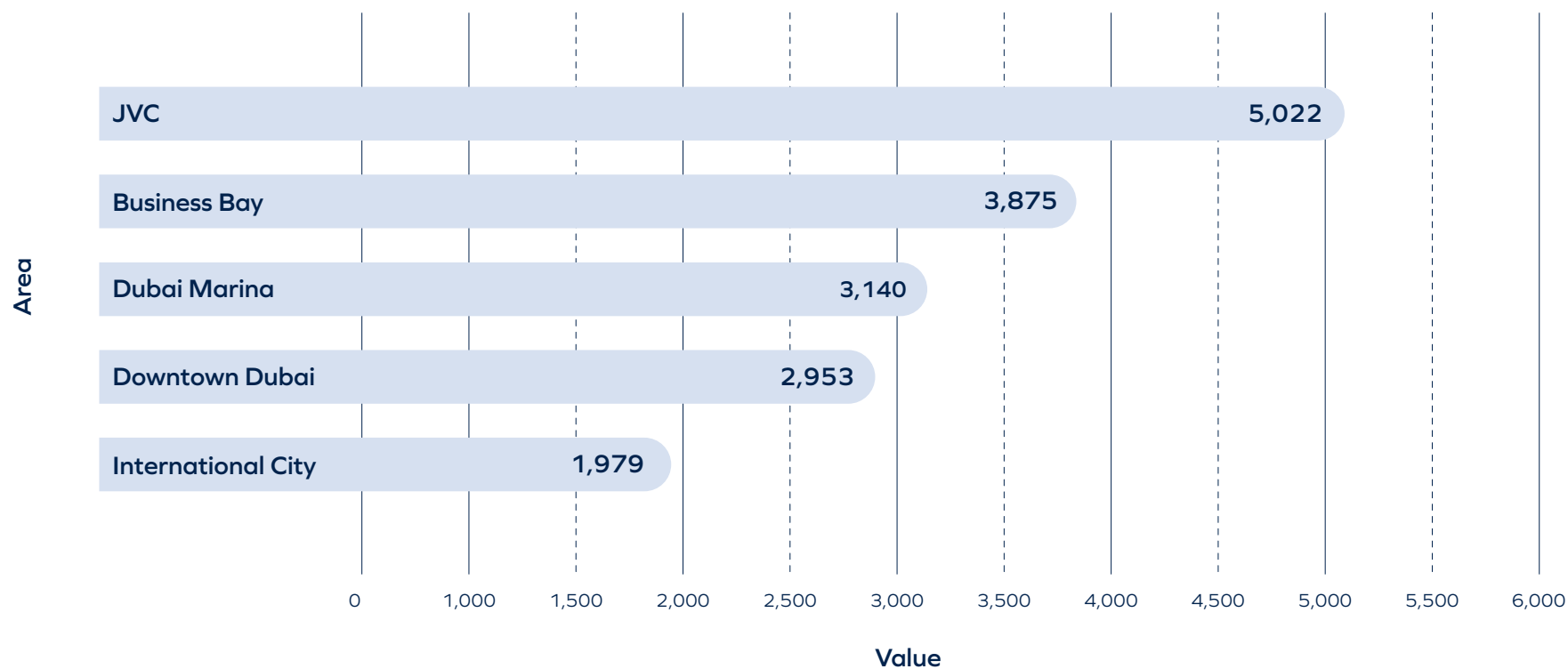
Top 5 Performing Areas - Off Plan Sales

JVC leads Dubai's off-plan sales with 12,123 transactions, reflecting strong investor demand due to its affordability and central location. Business Bay follows with 6,815 transactions, indicating strong demand for properties in this prime business district. Dubai Hills Estate, Dubai South, and Damac Hills 2 also show high activity, driven by their competitive pricing and future growth potential.



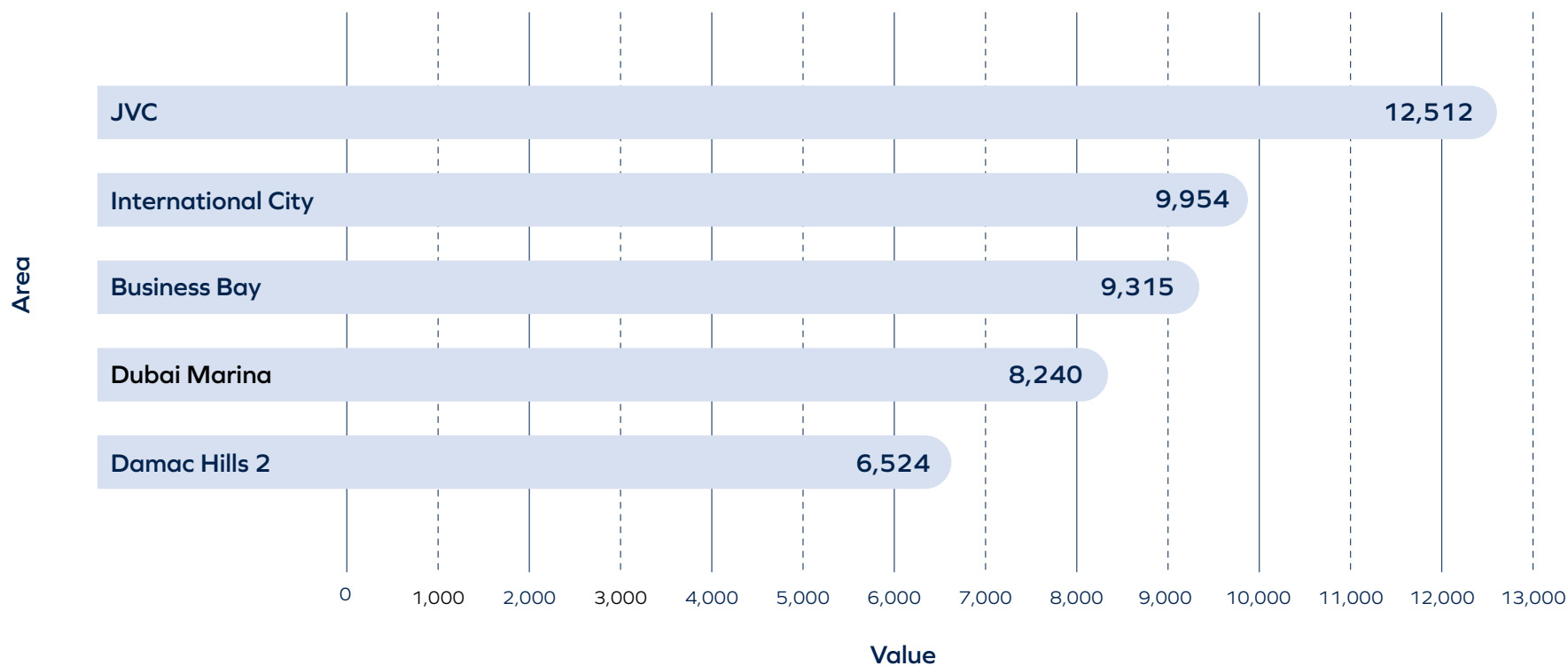
Top 5 Performing Areas - Secondary Sales

JVC dominates secondary sales in Dubai with 5,022 transactions, highlighting its strong resale market and continued buyer interest. Investors and end-users are also drawn to Business Bay, Dubai Marina, Downtown Dubai, and International City for their prime locations, investment potential, and demand for ready properties.



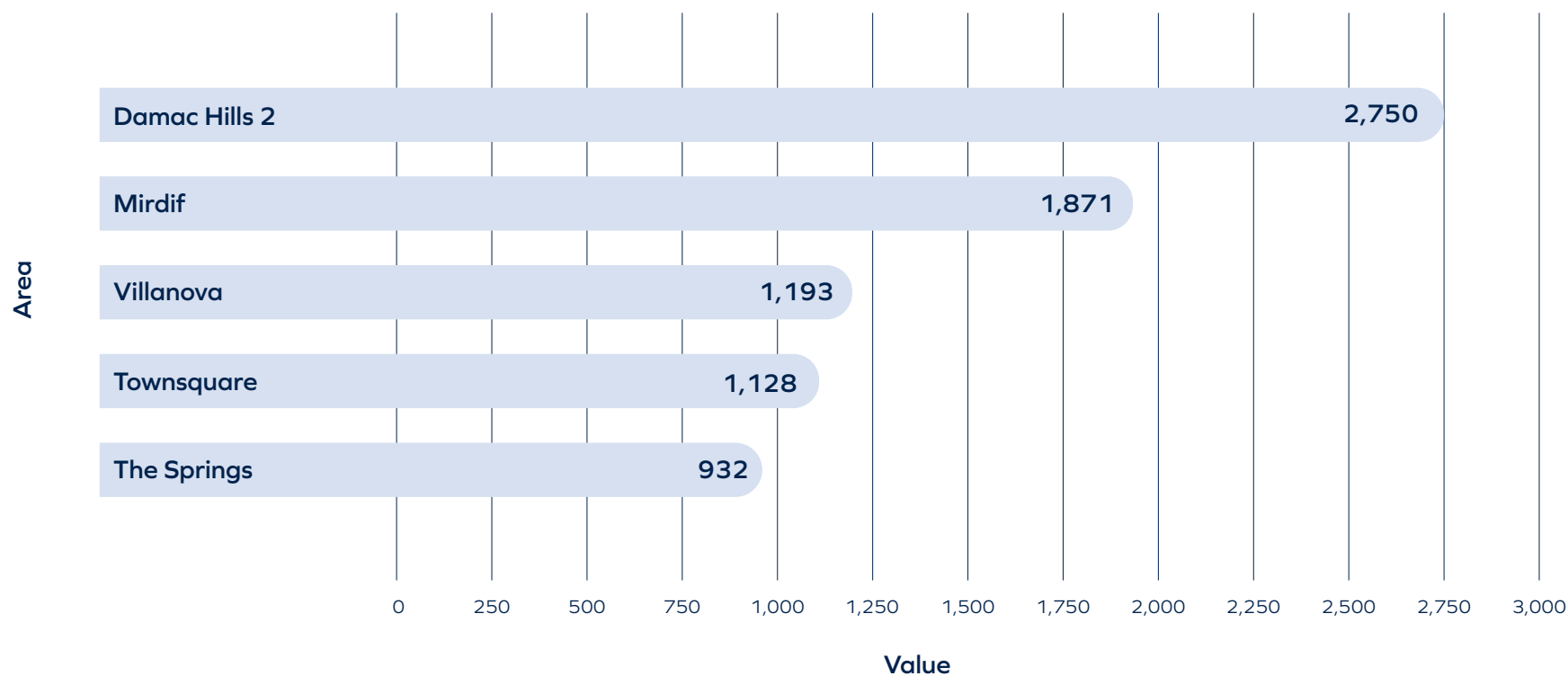
Top 5 Performing Areas - New Apartment Rentals

Besides popular areas such as JVC, International City, and Business Bay, Damac Hills 2 emerged as a rising star, offering spacious and affordable apartment options, particularly appealing to families and long-term residents.



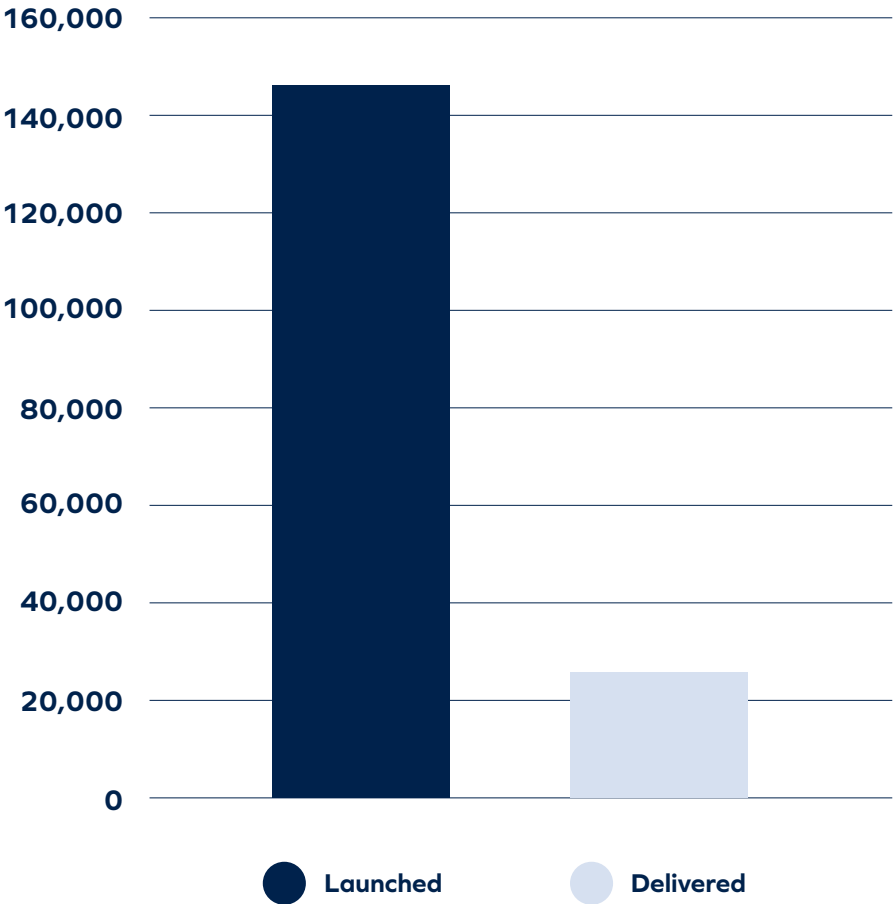
Top 5 Performing Areas - New Villa Rentals

Damac Hills 2 leads new villa rentals in Dubai with 2,750 leases, reflecting strong tenant demand for suburban living. Mirdif (1,871) and Villanova (1,193) follow, appealing to families with spacious homes and community amenities. Townsquare (1,128) and The Springs (932) also attract renters looking for well-established residential areas.



Launched and Delivered Properties

2023	
Launched	102,009
Delivered	38,475
2024	
Launched	147,809
Delivered	27,541



Cash Buyers v/s Mortgage Transactions

Cash transactions dominated the market, accounting for approximately 75% of all property sales in H1 2024. This trend was driven by high-net-worth individuals, cultural preferences for straightforward transactions, and the impact of rising global interest rates, which discouraged some buyers from taking out mortgages.

Despite this, there were signs of growth in mortgage transactions, fuelled by expectations of interest rate reductions in the latter half of 2024. First-time buyers, encouraged by government initiatives, also contributed to the slight increase in mortgage activity. These factors suggest a potential shift in the financing landscape as affordability improves.



Conclusion



Dubai's property market in 2024 exhibited remarkable growth across sales, rentals, and price appreciation, reflecting the city's sustained appeal as a global investment hub. Average property prices rose significantly, with villa and townhouse prices increasing by 28% and apartment prices by 17%. Prime locations such as Palm Jumeirah and Downtown Dubai experienced the highest price hikes, while peripheral areas saw moderate growth, indicating a growing interest in well-connected communities.

The rental market mirrored these trends, with limited supply and rising demand driving rental yields higher, particularly in prime and Grade B properties. As Dubai continues to attract global investors and tenants, the market is well-positioned for continued growth. However, careful attention to interest rate dynamics, supply pipelines, and affordability will be crucial in maintaining long-term stability and avoiding overheating in certain segments. The outlook for the remainder of 2024 and beyond remains optimistic, driven by strategic government policies, innovative developments, and a thriving economy.

Abu Dhabi

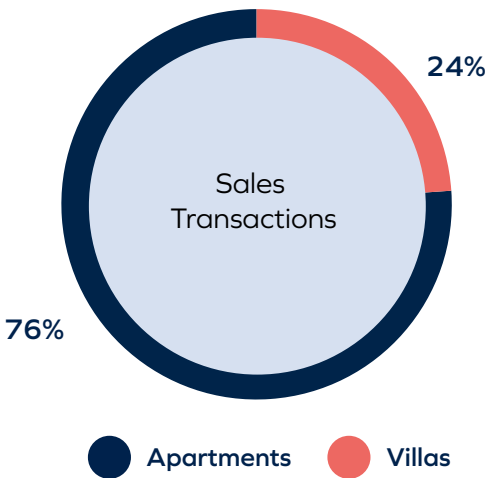
Market Insights

Overview – Abu Dhabi

Abu Dhabi’s real estate market in 2024 showcased steady growth, emphasising stability and a strategic focus on long-term investment. While Dubai captured headlines with record-breaking transaction volumes, Abu Dhabi’s property landscape reflected measured progress, offering a unique appeal to investors seeking long-term gains and family-oriented living.

Steady Growth and Strategic Shifts

The first half of 2024 highlighted shifting buyer preferences in Abu Dhabi. Unlike Dubai’s dominance in off-plan sales, the capital saw stronger demand for existing properties, particularly villas.



2024 Transactions		Value (AED)
Apartments	3,876	19,883,000,000
Villas	1,246	

During H1 2024, Abu Dhabi recorded approximately 3,876 apartment sales transactions, collectively valued at AED 2.1 billion. Meanwhile, villa sales reached 1,246 transactions, with values showing a modest 3% year-on-year increase. Interestingly, while the number of villa transactions declined by 12%, this decrease may indicate rising prices, as existing villa stock becomes increasingly valuable due to limited availability.

Popular apartment areas like Al Reem Island and Al Raha Beach emerged as hotspots for both sales and rentals, attracting families and professionals seeking high-quality living with modern amenities and waterfront views. Al Reem Island accounted for a significant share of transactions, bolstered by developments such as Shams Abu Dhabi and Sky Towers, offering luxurious apartments with access to urban conveniences.

In the villa segment, Saadiyat Island and Yas Island continued to dominate. Yas Acres and West Yas remained among the most sought-after developments for villa sales, reflecting demand for spacious homes near world-class leisure facilities. Saadiyat Island maintained its reputation for exclusivity, drawing high-net-worth individuals with its blend of luxury and cultural landmarks, such as the Louvre Abu Dhabi and Saadiyat Beach.

Rental Market Performance

The rental market in Abu Dhabi remained robust in the first half of 2024, with increased demand across both apartments and villas. Average rental prices experienced steady growth, particularly in premium and mid-tier communities. Al Reem Island led apartment rentals, driven by its vibrant community lifestyle, connectivity to Abu Dhabi's central business district, and wide range of property types. Al Raha Beach followed closely, offering waterfront apartments that blend luxury with practicality.

In the villa rental market, Yas Island continued to see high demand. Families favoured Yas Acres for its spacious layouts and proximity to renowned entertainment hubs like Yas Waterworld and Ferrari World. Khalifa City and Mohammed Bin Zayed City also attracted attention from tenants seeking more affordable options without compromising on space and amenities.

Market Drivers

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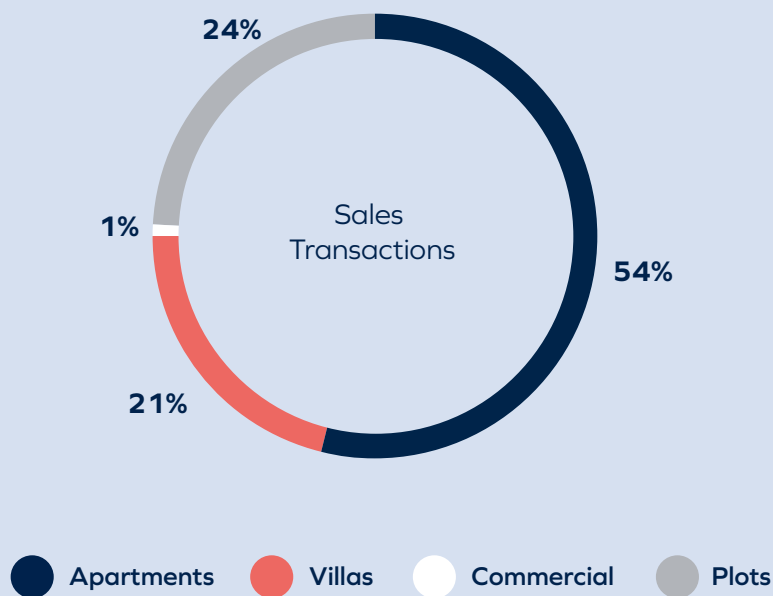
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Emerging Challenges

While Abu Dhabi's market fundamentals remain strong, certain challenges require attention. The limited supply of ready properties, particularly villas, poses a risk of price inflation in the future. As demand for spacious, family-oriented housing continues to grow, ensuring a steady pipeline of new developments will be essential to maintain affordability and market balance.

Additionally, rising global interest rates could impact mortgage activity and investor sentiment. While cash buyers dominate the market, first-time buyers relying on financing may face higher barriers to entry if rates continue to rise.

Sales Transaction



In 2024, Abu Dhabi's property market demonstrated a balanced distribution of sales transactions across different asset classes.

- Apartments accounted for the majority of transactions, representing 54% of the total market. This underscores the high demand for residential units, particularly in prime areas such as Al Reem Island and Al Raha Beach.
- Villas comprised 21% of sales, highlighting continued interest in spacious, family-friendly homes. Yas Island and Saadiyat Island remained the preferred destinations for villa buyers, driven by premium lifestyle amenities and proximity to cultural and entertainment landmarks.
- Plots made up 24% of transactions, suggesting a growing trend of custom-built properties and strategic land acquisitions. Investors and developers continue to capitalise on Abu Dhabi's long-term urban expansion plans.
- Commercial properties accounted for a modest 1%, reflecting a more stabilised commercial real estate sector, where office and retail spaces cater to a steadily growing economy.

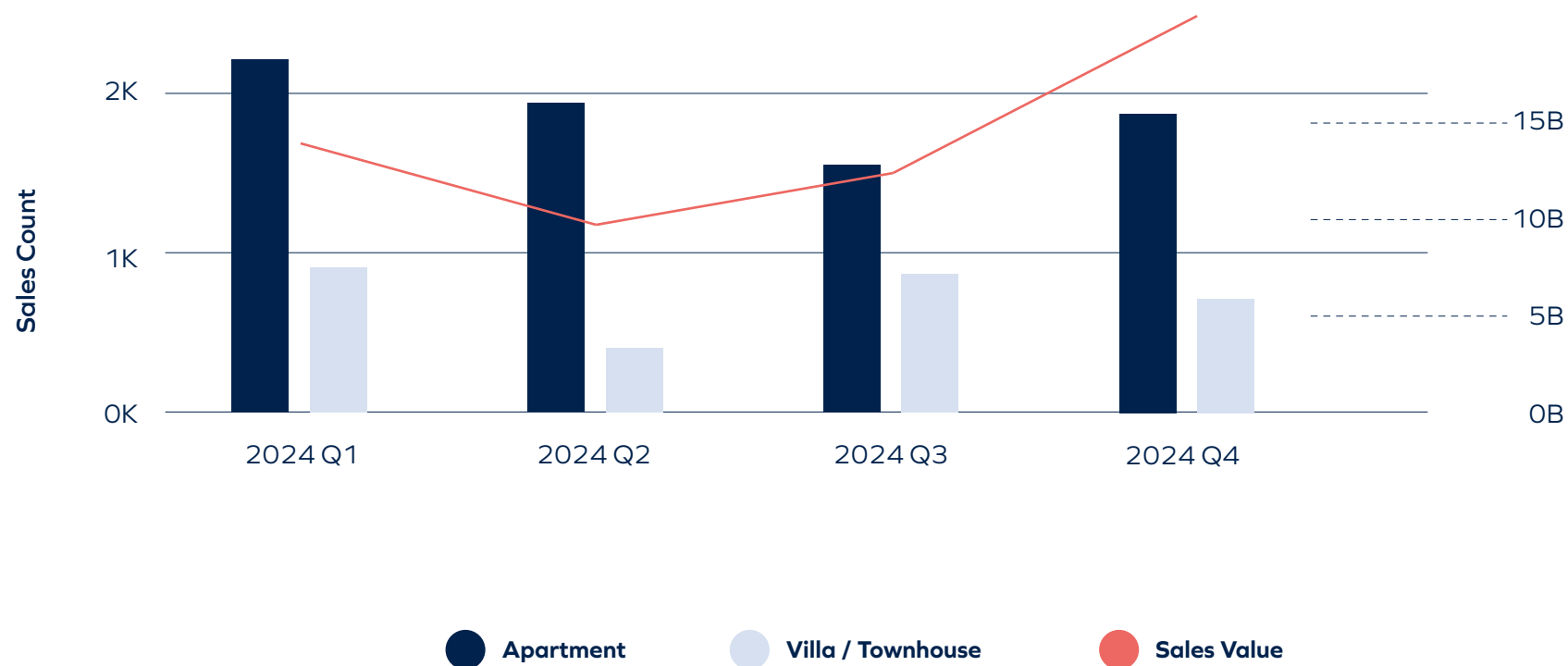
Abu Dhabi's real estate market continues to benefit from government policies that promote long-term investment, including residency visa incentives and a focus on infrastructure development.

Sales Transaction

	2024 Transactions	Value (AED)
Apartments	99,200	197,100,000,000
Villas	26,134	127,600,000,000
Commercial	4,024	10,400,000,000
Plots	3,797	76,400,000,000
Total	133,155	411,500,000,000



Sales Transaction



New Rental Transaction

2024 Transactions

Apartments	125,201
Villas	12,950
Commercial	49,708
Industrial	6,150



Conclusion

Abu Dhabi's real estate market in 2024 demonstrated a commitment to stability and strategic growth. With its prime location, emphasis on innovation, and focus on sustainable development, the capital has carved out a distinct position in the UAE's property landscape. Popular areas such as Al Reem Island, Yas Island, and Saadiyat Island continue to attract interest for their lifestyle offerings, while the broader market remains well-positioned to appeal to long-term investors and residents.

As Abu Dhabi continues to invest in infrastructure and cultural projects, its reputation as a destination for luxury living and high-quality investments is set to strengthen. By addressing challenges such as supply constraints and ensuring a diverse range of housing options, the market can sustain its positive trajectory, fostering continued growth and stability in the years to come.



Overview – Northern Emirates

The Northern Emirates—Sharjah, Ajman, Ras Al Khaimah (RAK), Umm Al Quwain, and Fujairah are steadily carving out a distinct identity within the UAE's real estate landscape. While often overshadowed by Dubai and Abu Dhabi, these emirates experienced encouraging growth in H1 2024, driven by affordability, infrastructure improvements, and targeted investment initiatives. Below is a detailed analysis of each emirate's real estate market in 2024, with an expanded focus on Ras Al Khaimah.

Sharjah: Balancing Tradition and Modernity

Sharjah, the cultural capital of the UAE, continues to thrive as a hub for affordable and family-oriented housing. In H1 2024, the emirate recorded a steady increase in property transactions, particularly in the residential segment.

Areas such as Al Majaz, Al Nahda, and Muwaileh remained highly sought after, offering modern apartments with close proximity to schools, universities, and workplaces.

Sharjah's progressive property ownership laws, which allow expatriates to own properties on a leasehold or freehold basis in designated areas, have significantly contributed to the emirate's growth. The focus on mixed-use developments such as Aljada and Sharjah Sustainable City has attracted a mix of investors and end-users, drawn by the promise of eco-friendly living and integrated lifestyle solutions.



Overview – Northern Emirates

Ajman: Affordable Coastal Living

Ajman has long been synonymous with affordability, and this trend continued in 2024. The emirate witnessed increased interest in residential apartments and villas, particularly in areas such as Al Rashidiya and Ajman Corniche. Its scenic coastal location, combined with competitive property prices, makes Ajman an attractive choice for young families and professionals working in Dubai or Sharjah.

Ajman's freehold property market also experienced growth, with investors capitalising on lower entry points and high rental yields. The emirate's government is actively promoting real estate development, including tourism-related projects, which could position Ajman as a key player in the hospitality sector in the years ahead.

Ras Al Khaimah: A Rising Star in Luxury and Tourism

Ras Al Khaimah (RAK) stood out in 2024 as a burgeoning real estate hotspot, blending affordability with luxury, natural beauty, and ambitious developments that are positioning it as a leading tourism and investment destination. The emirate has gained global recognition for its strategic focus on high-end real estate and hospitality projects, which are redefining its economic landscape.

Murjan Island, one of the emirate's crown jewels, continued to attract significant attention in 2024. This expansive development is part of the Al Marjan Islands, a collection of man-made islands designed to offer world-class residential, hospitality, and commercial experiences.

Murjan Island has become synonymous with luxury living, boasting a portfolio of high-end villas, waterfront apartments, and boutique hotels. Its prime location, with breathtaking views of the Arabian Gulf, has made it a magnet for international investors seeking holiday homes or properties with excellent rental yields. Adding to its allure, Murjan Island is set to house the UAE's first casino, a groundbreaking development that further elevates Ras Al Khaimah's status as a regional hub for entertainment and tourism. Operated by Wynn Resorts, the casino is part of an integrated resort featuring luxury accommodations, premium dining, and state-of-the-art entertainment facilities. This project is expected to attract a significant influx of high-spending tourists and business travellers, driving up demand for surrounding properties, including serviced apartments and commercial spaces.

The casino project has positioned Ras Al Khaimah as a pioneering emirate, blending its natural beauty and adventure tourism credentials with world-class entertainment and luxury. The move has already sparked heightened investor interest in the Al Marjan Islands and surrounding areas, with real estate prices in Murjan Island witnessing notable appreciation. This development is expected to generate significant economic activity, boosting both the real estate and tourism sectors.

Beyond Murjan Island, Ras Al Khaimah's broader focus on sustainable living and eco-conscious developments further enhances its appeal. Projects such as Falcon Island and RAK Sustainable City complement the emirate's luxury offerings, catering to environmentally conscious investors who value innovation and responsible development.

Overview – Northern Emirates

Umm Al Quwain: A Quiet, Coastal Retreat

Umm Al Quwain (UAQ) remains one of the UAE's quieter real estate markets, appealing to those seeking a relaxed lifestyle. The emirate's pristine beaches and small-town charm have attracted interest in beachfront properties and second homes.

In 2024, UAQ experienced moderate growth in property transactions, driven by tourism-related projects and residential developments targeting families. The government's focus on diversifying the economy and upgrading infrastructure is expected to gradually enhance the emirate's appeal, particularly for those priced out of Dubai and Sharjah.

Fujairah: Nature and Seclusion

Fujairah, nestled between the Hajar Mountains and the Indian Ocean, offers a serene alternative to the bustling urban centres of the UAE. The emirate's real estate market in 2024 catered primarily to niche buyers seeking tranquillity and proximity to nature.

Key developments in Fujairah included villas and apartments in Al Aqah and Dibba, which remain popular for their scenic views and proximity to resorts and beaches. While the overall market remained relatively small, Fujairah's unique position as a tourism hub for mountain and coastal experiences makes it an attractive destination for holiday homes and boutique developments.



Conclusion

The Northern Emirates' real estate markets in 2024 showcased diverse strengths, from Sharjah's vibrant urban developments to Ras Al Khaimah's luxury waterfront properties. While affordability remains a common denominator across these Emirates, targeted investments in infrastructure, tourism, and sustainability are enhancing their profiles.

With the integration of high-profile projects such as the Wynn Resorts casino on Murjan Island, Ras Al Khaimah has cemented its position as a premier destination for luxury, tourism, and real estate investment. As global attention shifts towards the emirate's innovative approach to development, RAK presents unparalleled opportunities for investors seeking long-term growth in a dynamic and evolving market.

The synergy between tourism, entertainment, and sustainable living ensures that Ras Al Khaimah will remain at the forefront of the Northern Emirates' real estate transformation.



Oman

Market Insights

Sultanate of Oman – H2, 2024 Economic Summary

Oman's economic outlook for the second half of 2024 was cautiously optimistic, with expectations of moderate growth driven by strategic reforms, fiscal prudence, and efforts to diversify beyond the oil sector. While challenges such as oil market volatility and global economic uncertainties persist, Oman's proactive policies and structural reforms position it favourably for sustainable economic development leading into 2025.

In the second half of 2024, the inflation rate exhibited a slight upward trend. By Q3 2024, inflation had risen by 0.4%, influenced by higher prices in miscellaneous goods and services, food and non-alcoholic beverages, health, recreation and culture, restaurants and hotels, clothing and footwear, and tobacco. Conversely, there were declines in the prices of transport, furnishings, household equipment and routine household maintenance, and education. Prices for housing, water, electricity, gas, and other fuels, as well as communication, remained stable.

By the end of December 2024, the annual inflation rate had reached 0.7%, up from 0.5% in November. The main contributors to this increase were food and non-alcoholic beverages, health, clothing and footwear, restaurants and hotels, and recreation and culture. Additionally, the decline in transport costs slowed during this period. On a monthly basis, the Consumer Price Index (CPI) remained stable in December following a 0.1% decrease in November.



Sultanate of Oman – H2, 2024 Economic Summary

Overall, while there was a modest increase in inflation between the first and second halves of 2024, Oman's inflation rate remained relatively low, reflecting effective fiscal and monetary policies.

Oman has made notable progress in managing its fiscal debt and strengthening its banking sector.

Fiscal Position & Public Debt

- **Government Debt-to-GDP Ratio:** Oman's government debt as a percentage of GDP has been on a declining trajectory, reaching 35% in 2024. This marks a decrease from 37.5% in Q4 2023. This reduction reflects the government's commitment to fiscal discipline and effective debt management, supported by fiscal consolidation efforts and favourable oil market conditions.

Banking Sector

- **Profit Growth:** In 2024, Omani banks reported a 15.2% year-on-year increase in profits, totalling \$1.36 billion. This growth highlights a robust banking sector with improved financial performance.
- **Credit Expansion:** As of November 2024, total credit extended by Omani banks increased by 4.2% year-on-year, reaching OMR 32.2 billion. Islamic financing, in particular, saw a 13% year-on-year growth, comprising 21% of total credit.

The impressive performance in 2024 lays a solid foundation for Omani banks to build upon in 2025. With ongoing economic reforms and diversification efforts, the sector is well-positioned to play a critical role in driving sustainable growth. Oman is demonstrating effective fiscal management and a resilient banking sector, contributing to the country's economic stability and growth prospects.

Gross Domestic Product (GDP) Growth

In the first half of 2024, Oman's real GDP expanded by 1.9%, an improvement from the 1.2% growth recorded in 2023. This growth was primarily driven by a 3.8% increase in the non-hydrocarbon sector, with significant contributions from construction, manufacturing, and services. However, the hydrocarbon sector faced a contraction due to voluntary production cuts under the OPEC+ agreement.

2024 leading into 2025 Budget Deficit

For 2025, Oman projects a fiscal deficit of OMR 0.62 billion, a 3% decrease compared to the previous year's budgeted deficit. This improvement is attributed to higher anticipated revenues, particularly from gas receipts, which are expected to outpace the growth in state spending.

Sultanate of Oman – H2, 2024 Economic Summary

Structural Reforms and Diversification Efforts

The government advanced its structural reforms under Oman Vision 2040, focusing on enhancing the social protection system, implementing labour market reforms, and improving the business environment to attract foreign investment and empower small and medium-sized enterprises (SMEs). Efforts to reform state-owned enterprises and promote renewable energy production were also notable during this period.

Privatisation Initiatives

As part of its diversification strategy, Oman pursued significant privatisation efforts. Notably, OQ, the state energy company, planned to raise \$2 billion through an initial public offering (IPO) of a 25% stake in its exploration and production unit. This initiative aims to attract foreign investment and reduce public debt.



Market Drivers for the Muscat Property Market

Muscat's retail sector is recovering, driven by residential growth and evolving consumer demand. The city now offers a mix of luxury malls, community centres, and traditional souqs, blending global retail trends with Omani culture.

Retail-Shopping Mall Sector

In late 2024, Nesto Hypermarket opened Bilad Mall, its largest Omani outlet, in Mabella. Spanning 215,000 sq. ft., it features 40 checkout counters, 750+ parking spaces, a kids' play centre, restaurants, and a multipurpose Sky Hall. Lulu also expanded, launching its 32nd store in Al Khuwair, with plans for more outlets in Duqm, Musannah, and Samail, alongside a logistics hub in Khazaen Economic City.

Mall of Muscat is undergoing a refresh, adding new retail and entertainment options, including Oud Dubai, Fatty Patty, and Adventure World. Similarly, Project Avenue, a proposed mixed-use development, aims to create a landmark retail, residential, and commercial hub with a public plaza and water feature.

These developments reinforce Muscat's position as a vibrant retail destination, offering diverse shopping, dining, and entertainment experiences.

Residential Sector

Oman's residential real estate market has shown strong growth, driven by economic expansion, demographic shifts, and strategic urban development. By November 2024, real estate transactions surged by 28.1% year-on-year, reaching approximately OMR 3.1 billion (USD 8.05 billion). This trend is expected to continue, with a projected compound annual growth rate (CAGR) of 9.19% from 2024 to 2029, elevating the market from USD 4.38 billion to USD 6.80 billion.

The villas and landed houses segment dominates the market, accounting for around 66% in 2024. High-end villas in premium locations like Muscat Hills and Al Mouj remain highly sought after, attracting both local and international buyers looking for luxury and spacious living.

A major development is Sultan Haitham City, envisioned as Oman's first smart city and a model for future urban planning under Oman Vision 2040. Spanning 14.8 square kilometres in Al-Seeb, near Muscat, the city is designed to house 100,000 residents with over 20,000 residential units. It will feature 19 integrated neighbourhoods, 39 schools, 11 health facilities, 25 mosques, a central park, and a boulevard, all prioritising sustainability and modern living.

Market Drivers for the Muscat Property Market

Recent projects within Sultan Haitham City include

- **Al Nuha Project:** A USD 34 million investment covering 58,000 square metres, featuring 113 residential units and 35 commercial showrooms. It blends traditional Omani architecture with contemporary design.
- **Yenaier Residences:** A collaboration between the Ministry of Housing and Urban Planning and Al Adrak's Adante Realty, this project includes 300+ high-end residential units on 56,166 square metres, with an estimated investment of OMR 38.7 million.

These developments will be key to Sultan Haitham City's growth, reflecting Oman's commitment to innovation, sustainability, and urban progress.

- **Expatriate Population Growth:** Rising demand for rental properties, particularly in urban centres like Muscat.
- **Government Initiatives:** Policies such as the usufruct system allow expatriates over 23 years old to purchase housing units in multi-storey buildings for 99 years, improving market accessibility and stimulating growth.

Commercial Sector

Oman's office real estate market in the second half of 2024 has experienced steady growth, driven by an increasing expatriate population and strategic economic investments, including international businesses entering the Omani market. Muscat offers several Grade A office spaces to cater to international demand for businesses seeking high-quality facilities. A significant highlight in Muscat's office real estate market was the recognition of Al Mouj Muscat's Business Park, which was awarded "Office Development of the Year - Oman" at the Real Estate Asia Awards 2024.

Rental rates for Grade A office spaces in Muscat vary based on location, amenities, and lease terms, depending on the landlord and location. Rates can range from OMR 4 to 10 per square metre per month for new shell and core spaces of varying sizes. Rent-free periods for fit-outs for spaces ranging from 2,000 to 5,000 square metres can range between 3 and 6 months. Flexible workspace providers, such as Regus and IWG, offer serviced offices in Muscat, with prices starting from OMR 99 to OMR 155 per person per month, depending on the specific room and contract terms.

Market Drivers for the Muscat Property Market

- **Economic Diversification:** Oman's efforts to diversify its economy beyond oil have led to increased demand for office spaces, retail outlets, and mixed-use developments.
- **Urbanisation:** The rise of mixed-use developments, which combine residential, commercial, and retail spaces, is shaping the real estate market in Oman.
- **Infrastructure Development:** Investments in infrastructure projects, such as new roads and airports, have enhanced the attractiveness of Oman's real estate market, particularly in the industrial and logistics sectors.
- **Strategic Location:** Oman's proximity to key global shipping routes has bolstered its logistics and warehousing sectors, attracting businesses seeking efficient distribution networks.

Industrial and Logistics Sector

The commercial real estate market in Oman is projected to grow from USD 2.22 billion in 2025 to USD 2.89 billion by 2030, reflecting a compound annual growth rate (CAGR) of 5.37%. This growth is indicative of the increasing demand for modern industrial and logistics spaces, driven by Oman's strategic initiatives in the sector, including investments in special economic zones (SEZs), free zones, and industrial cities.

These initiatives aim to position Oman as a leading logistics hub in locations such as the Salalah Free Zone (SFZ), Sohar Free Zone, and Duqm Special Economic Zone, leveraging its strategic location and enhancing its competitiveness in the Sultanate of Oman. Total investments in Oman's SEZs and industrial cities have surpassed OMR 16.6 billion (approximately USD 43 billion). With competitive usufruct rates of approximately 200 to 500 baisas per square metre, including infrastructure and utilities, these sites are designed to attract a broad spectrum of international and joint venture industrial activities.



Updates to the Greater Muscat Structure Plan 2040

As of January 2025, the Ministry of Housing and Urban Planning (MHUP) has finalised the Greater Muscat Structure Plan, marking a significant milestone in Oman's urban development strategy.

- **Economic Development:** By establishing 19 new employment clusters, the plan supports Muscat's growth to 890,000 jobs by 2040, facilitating a transition to a knowledge and innovation-driven economy.
- **Enhanced Public Transportation:** A significant focus is placed on public transport, with the goal of ensuring that over 1.1 million jobs are within walking distance of a public transport stop by 2040.
- **Environmental Conservation:** The plan seeks to balance growth with the protection of Muscat's unique natural beauty, promoting sustainable and resilient urban development. The finalisation of the Greater Muscat Structure Plan reflects Oman's commitment to creating a sustainable, economically vibrant, and well-connected urban environment for its residents.

Infrastructure in Oman

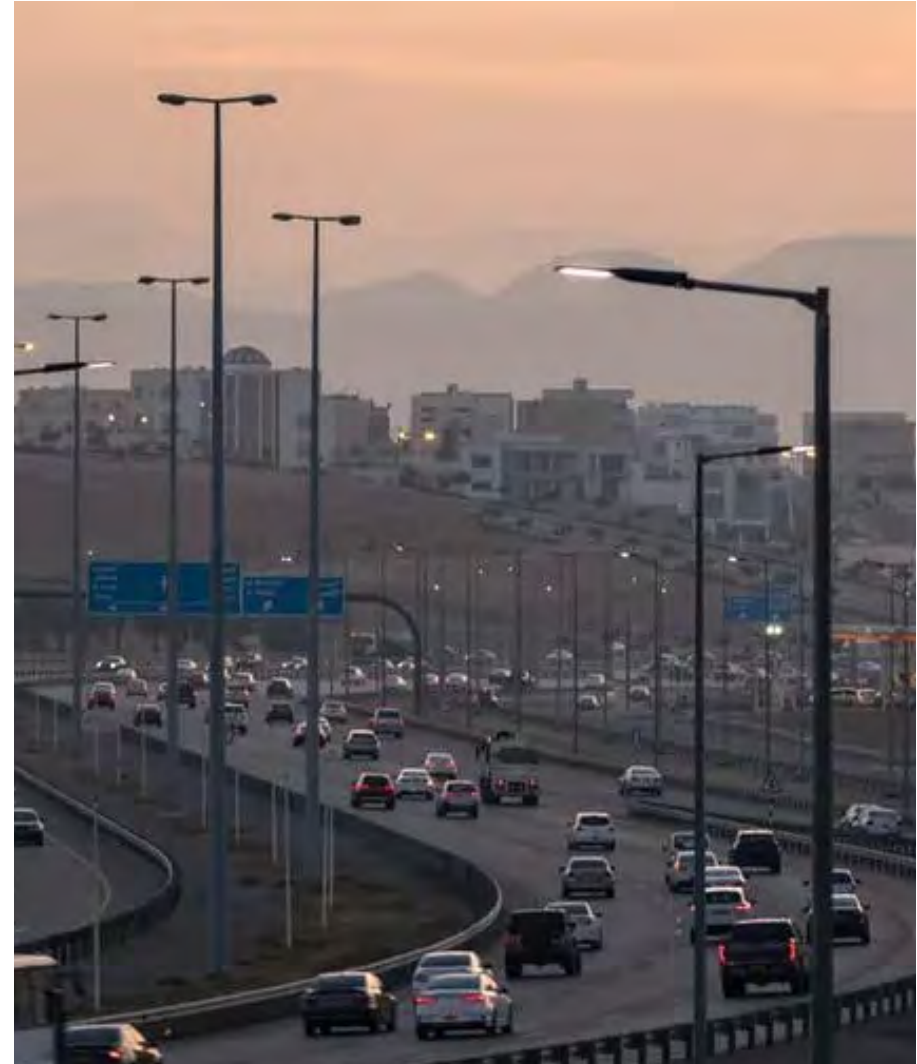
The continuous development and expansion of transportation networks, ports, tourism infrastructure, and utility services are the cornerstones of Oman's real estate market growth. These projects not only improve Muscat's connectivity but also attract investments, create jobs, and enhance the quality of life for residents.



Updates to the Greater Muscat Structure Plan 2040

Transportation Infrastructure

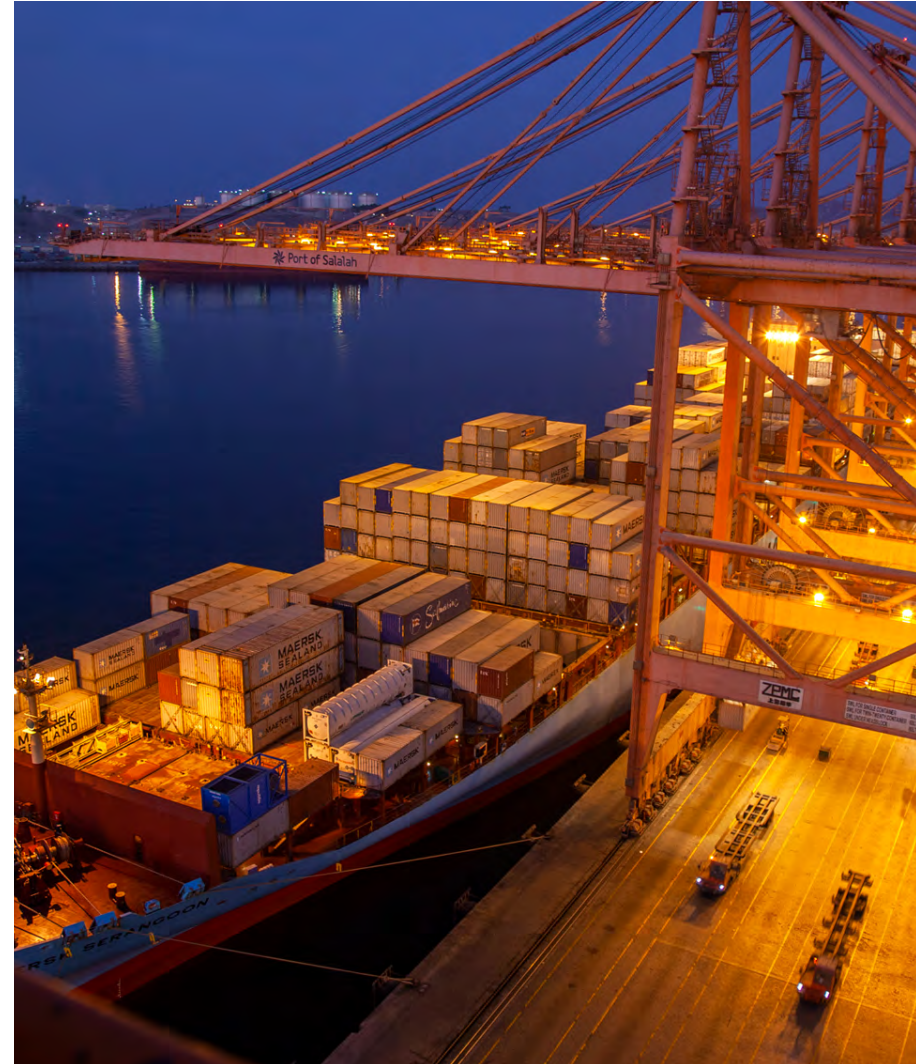
- **Muscat International Airport Expansion:** The expansion of Muscat International Airport is a crucial driver for real estate growth, enhancing Oman's connectivity and facilitating more tourism, business, and trade. With a larger capacity and improved services, it strengthens demand for both residential and commercial properties in Muscat. (Source: [zawya.com](https://www.zawya.com))
- **Public Transport Networks:** The development of public transport, including Muscat's planned metro and bus systems, is expected to ease mobility across the capital. This, in turn, will drive demand for real estate in areas with good transit access, particularly for mixed-use and residential developments near transportation hubs.
- **Road and Highway Development:** The expansion of Muscat's road network, including new highways and the integration of regional road projects, has improved accessibility and connectivity within Oman. Key routes connecting Muscat to industrial and tourist hubs are spurring residential and commercial growth in peripheral areas. (Source: muscatdaily.com)



Updates to the Greater Muscat Structure Plan 2040

Port and Logistics Infrastructure

- **Duqm Port:** The development of Duqm Port, positioned as a major hub for trade and logistics, is boosting demand for industrial and commercial real estate. The port's potential for attracting international shipping traffic is drawing both local and foreign investors to build logistics parks and industrial facilities.
- **Sohar Port and Freezone:** Sohar has rapidly transformed into a regional trade and manufacturing hub due to its advanced port facilities and proximity to global shipping lanes. The development of logistics facilities, warehouses, and light industrial units is driving real estate demand in the region.
- **Salalah Port:** As one of the busiest ports in Oman, Salalah is crucial for driving the real estate market in the Dhofar region. It attracts investment in both commercial and residential developments, particularly in the context of its growing role in regional logistics and trade.



Urban Planning and Smart City Developments

- **Muscat's Greater Structure Plan 2040:** This ambitious plan aims to manage Muscat's growth sustainably by promoting high-density urban living, mixed-use developments, and more green spaces. The focus is on expanding urban areas, enhancing infrastructure, and creating diverse, interconnected districts for both residential and commercial use. This plan has a direct impact on the demand for real estate in key areas like Al Mouj, Muscat Hills, and Al Khuwair.
- **Integrated Developments:** Projects like Al Mouj Muscat, which combine residential, commercial, retail, and leisure facilities, continue to lead the way in setting new standards for integrated urban development in Oman. The government's support for these projects is driving investments in both the housing and commercial sectors. (Source: alouj.om)

Tourism and Hospitality Infrastructure

- **Oman Tourism Development:** The government's strategic push to develop Oman as a global tourist destination is driving the growth of hospitality infrastructure. Projects in Muscat and Salalah are transforming the region's tourism appeal, thereby increasing demand for hotels, resorts, and mixed-use developments that cater to both tourists and residents.

- **Tourism Infrastructure in Salalah:** The expansion of Salalah's tourism infrastructure, including luxury hotels, resorts, and entertainment facilities, is turning the city into a key destination. This has spurred the development of residential and commercial properties to support the growing influx of tourists and expatriates.

Energy and Utilities Infrastructure

- **Water, Electricity, and Telecommunication Networks:** Ongoing investments in modernising utility infrastructure in key cities are improving living conditions and making new residential developments more attractive. Reliable water, electricity, and high-speed internet access are vital drivers for residential real estate markets.
- **Sustainable and Green Development Initiatives:** The move toward sustainability in construction, supported by the government and private sector, is driving the development of green buildings, eco-friendly infrastructure, and energy-efficient housing. This trend is particularly evident in Muscat's upscale developments and emerging urban areas, spurring both residential and commercial real estate demand across the Sultanate.

Updates to the Greater Muscat Structure Plan 2040

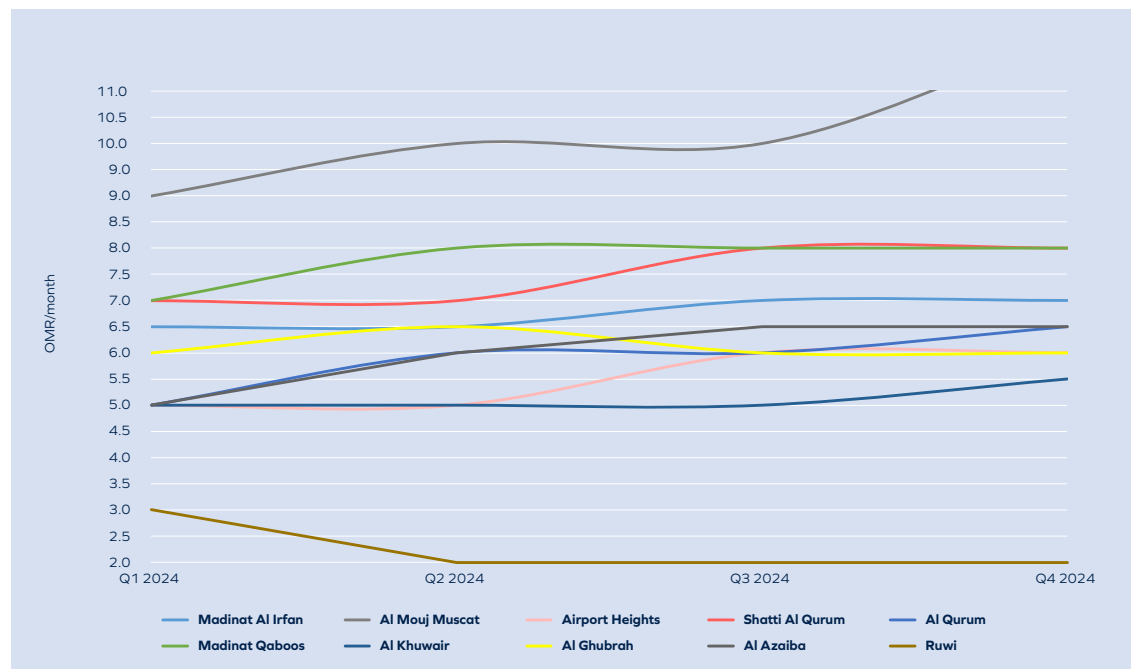
Mortgage Trends for Buyers in Oman

The mortgage market in Oman is indeed a key driver of demand in the real estate sector, supporting both residential and commercial property purchases. With growing access to mortgage financing, supportive government initiatives, and a strong banking sector, more individuals—particularly expatriates and middle-income families - are entering the property market. As Oman continues to focus on economic diversification and urban development, the mortgage market will remain a critical pillar in the growth of the country's real estate sector.



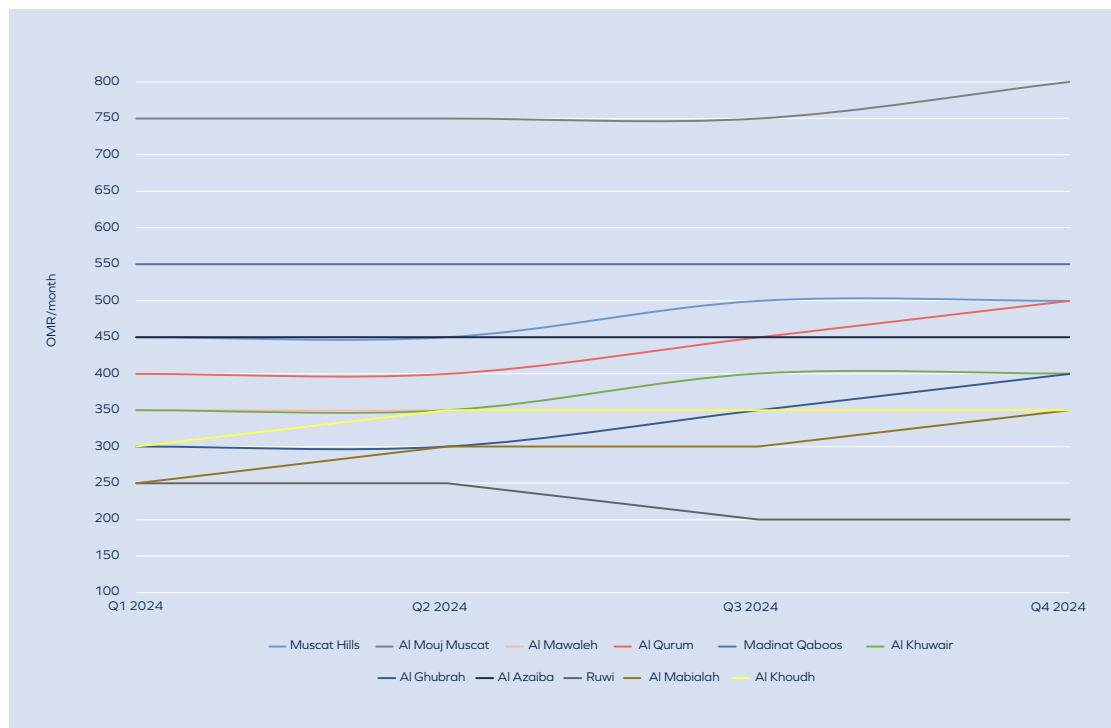
Asking Rents for Office Spaces (Shell and Core) in 2024

2024	Q1	Q2	Q3	Q4
Madinat Al Irfan	6.5	6.5	7.0	7.0
Al Mouj Muscat	9.0	10.0	10.0	12.0
Airport Heights	5.0	5.0	6.0	6.0
Shatti Al Qurum	7.0	7.0	8.0	8.0
Al Qurum	5.0	6.0	6.0	6.5
Madinat Qaboos	7.0	8.0	8.0	8.0
Al Khuwair	5.0	5.0	5.0	5.5
Al Ghubrah	6.0	6.5	6.0	6.0
Al Azaiba	5.0	6.0	6.5	6.5
Ruwi	3.0	2.0	2.0	2.0



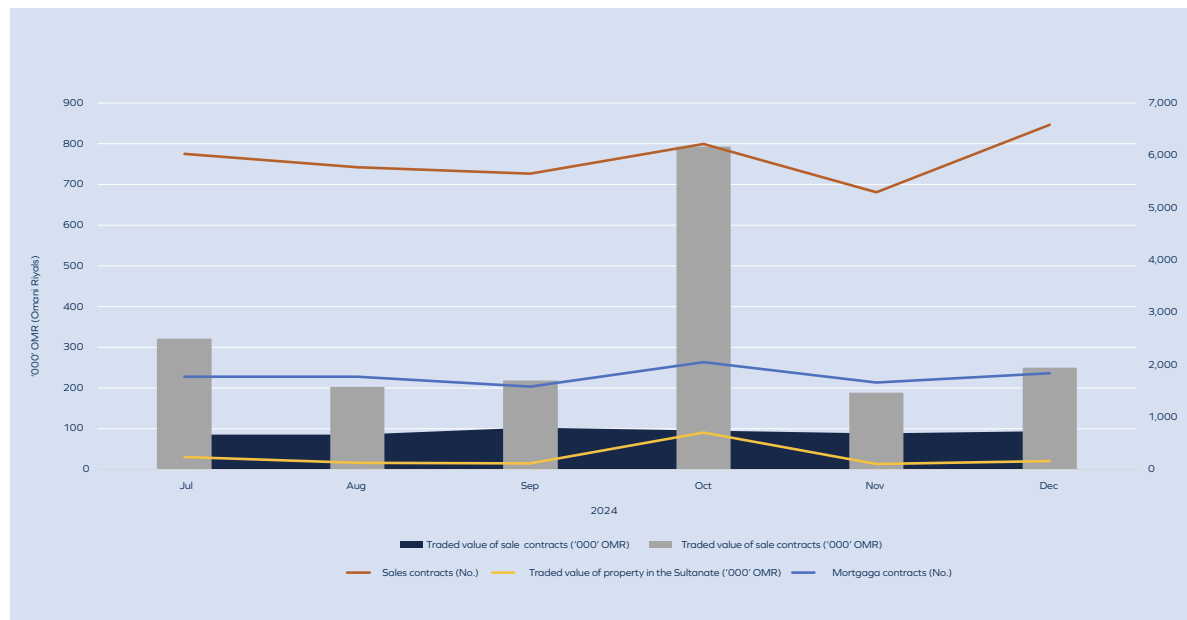
Average Rental Prices for 2-Bedroom Unfurnished Apartments in 2024

2024	Q1	Q2	Q3	Q4
Muscat Hills	450	450	500	500
Al Mouj Muscat	750	750	750	800
Al Mawaleh	350	350	350	350
Al Qurum	400	400	450	500
Madinat Qaboos	550	550	550	550
Al Khuwair	350	350	400	400
Al Ghubrah	300	300	350	400
Al Azaiba	450	450	450	450
Ruwi	250	250	200	200
Al Mabialah	250	300	300	350
Al Khoudh	300	350	350	350



Real Estate Activity in the Sultanate of Oman - 2024

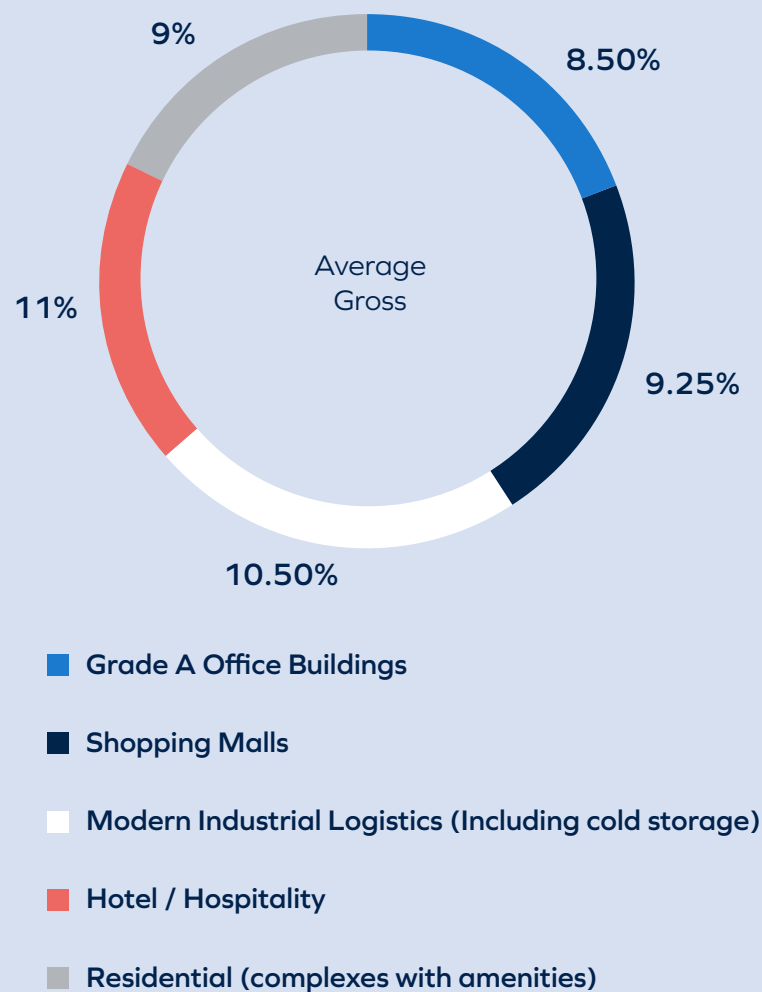
Months (2024)	Traded value of property in the Sultanate ('000' OMR)	Traded value of sales contracts ('000' OMR)	Sales contracts (No.)	Traded value of mortgage contracts ('000' OMR)	Mortgage contracts (No.)
Jul	320.6	85.7	6,031	234.1	1,771
Aug	202.9	84.9	5,771	117.1	1,766
Sep	217.4	101.8	5,646	115	1,580
Oct	792.5	95.5	6,215	695.2	2,042
Nov	187.8	88.3	5,293	98.8	1,659
Dec	249	93.2	6,584	155.1	1,834



Top Performing Investment Yields On Average in the capital of Muscat (2024)

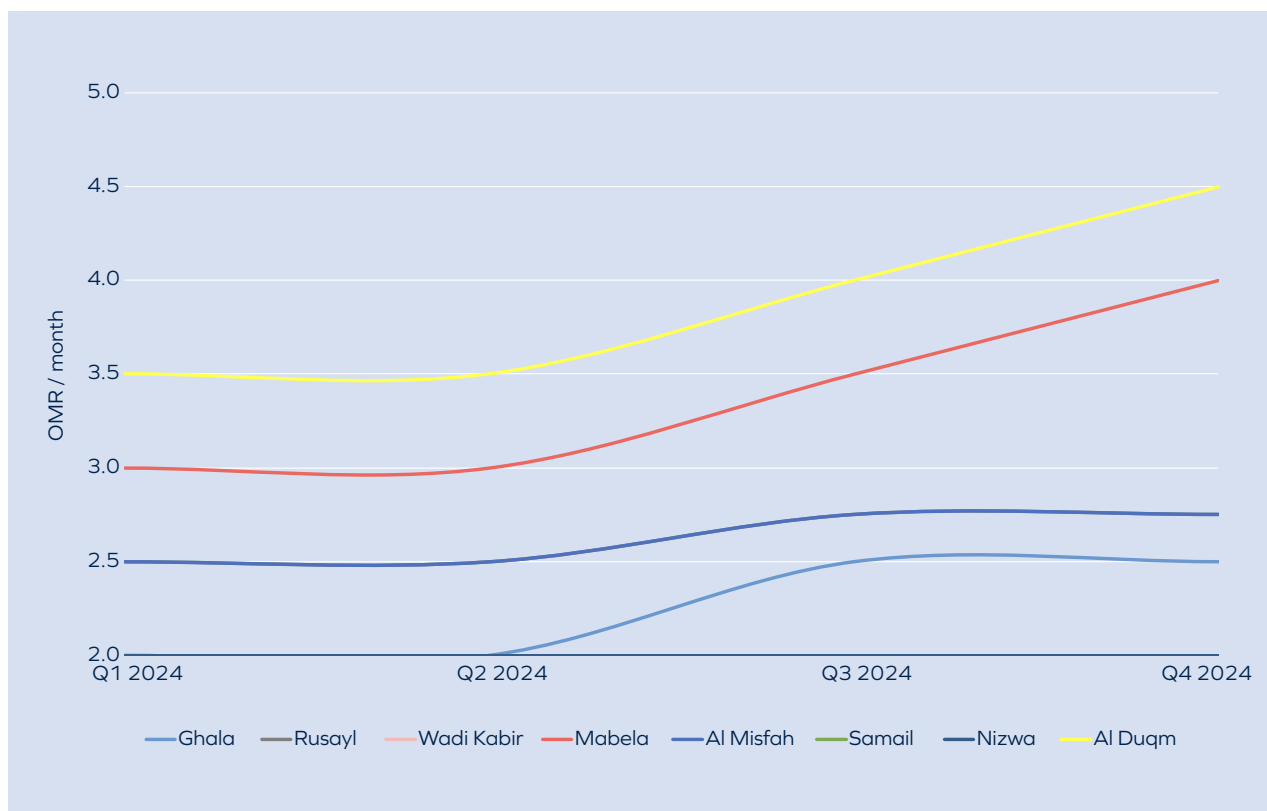


2024 ANNUAL
MARKET REPORT



Average Rates - Warehouse & Logistics - 2024

Average Rate	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Ghala	2.0	2.0	2.5	2.5
Rusayl	2.50	2.50	2.75	2.75
Wadi Kabir	1.5	1.5	1.5	1.5
Mabela	3.0	3.0	3.5	4.0
Al Misfah	2.5	2.5	2.75	2.75
Samali	2.0	2.0	2.0	2.0
Nizwa	2.0	2.0	2.0	2.0
Al Duqm	3.5	3.5	4.00	4.0



United Kingdom

Market Insights

The UK property market showed signs of recovery in 2024, with house price growth returning to positive territory. According to Nationwide's House Price Index, the average property value in the UK rose by 4.7% over 2024 to a record £269,426—the strongest rate of annual inflation since October 2022.

This recovery was largely driven by falling mortgage rates in the latter half of 2024. As inflation began to ease, the Bank of England made two rate cuts, reducing the base rate from 5.25% to 4.75%. This enabled lenders to offer more competitive mortgage deals, improving affordability for buyers, which in turn stimulated demand and supported house price growth. Most of the house price growth in 2024 was concentrated in the more affordable parts of the country, while prices in London and the South lagged behind.



Looking Ahead to 2025

As we move into 2025, several key factors are expected to shape the market:

- **Stamp duty changes from 1st April:** These will particularly affect first-time buyers purchasing more expensive homes in London and the South, with some seeing their bill rise by £11,250, reducing their purchasing power.
- **Further declines in mortgage rates:** Sub-4% deals are likely to return by the end of the year, especially for borrowers with substantial deposits. This continued easing of borrowing costs should support market activity and house prices.
- **House price growth forecast:** We anticipate a 3.0% rise in house prices across Great Britain in 2025, with London set to lead the recovery as the effects of lower mortgage rates are expected to be felt most strongly in higher-value markets.

Rental Market Trends

The rental market is showing signs of cooling growth. In 2024, rental growth returned to pre-pandemic levels of 2–3% annually. This slowdown is partly due to improved supply, with 10% more rental homes available across Great Britain in December 2024 compared to December 2023. Additionally, the rapid rent increases of recent years have begun to impact affordability, limiting further growth.

Regional variations persist, with Scotland and the Midlands seeing the fastest annual growth at 5.5% and 5.2%, respectively, while London experienced a slight decline of -0.2% in 2024 following double-digit growth in 2023.

Despite this recent slowdown, rents have risen significantly since 2020, with a 30% increase across Great Britain between December 2020 and December 2024. The average rent is now 35% higher than at the end of 2019, costing the typical tenant an extra £4,214 per year.

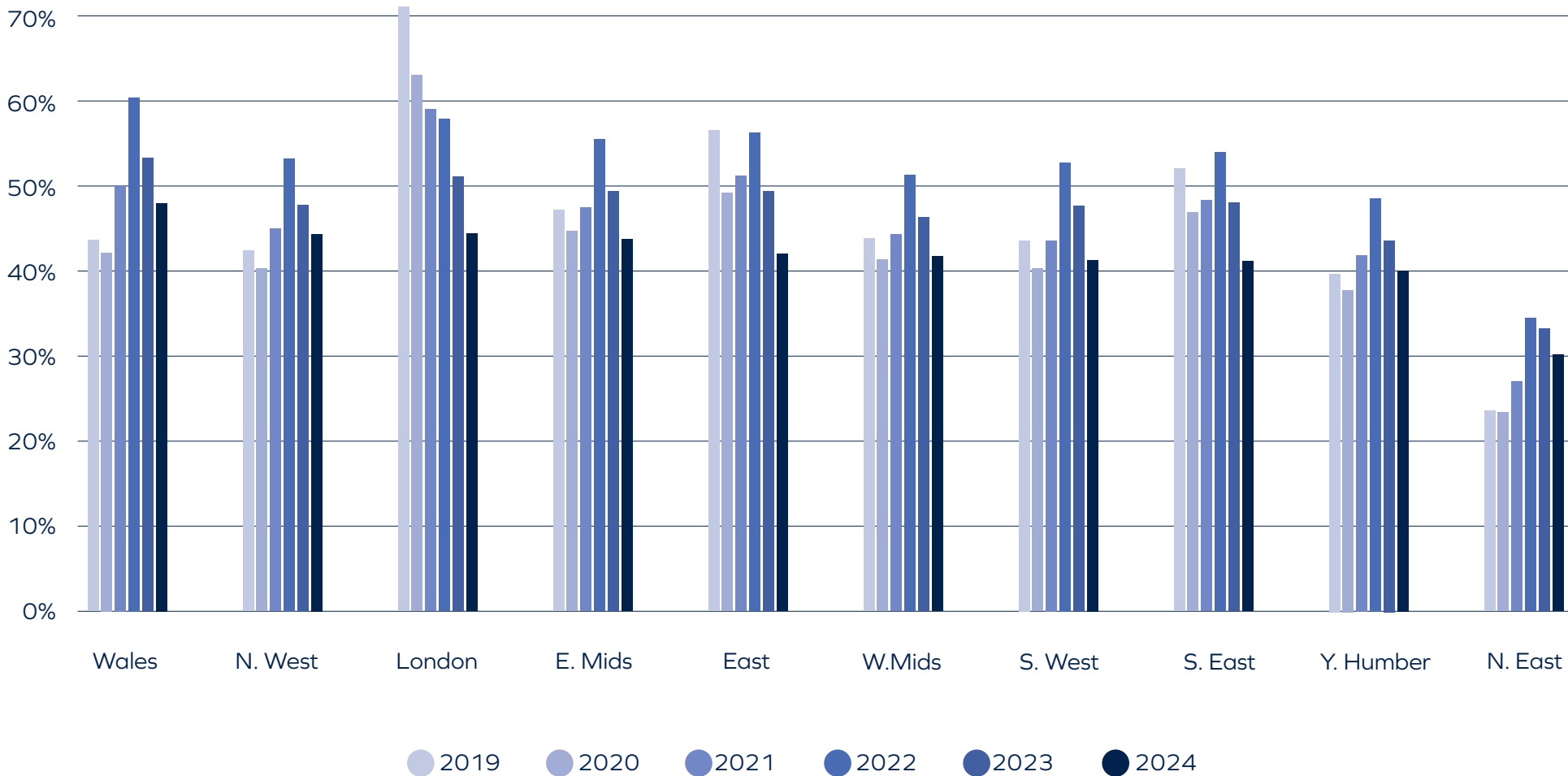
Investment Landscape

Despite the buy-to-let sector facing higher entry and mortgage costs alongside tighter regulation, landlord purchases remain resilient. The average gross yield on a new buy-to-let purchase in England and Wales reached 7.1% in 2024, up from 6.1% in 2019. This yield increase has been driven by rising rents outpacing house price growth.

Investors are adapting to new regulations, particularly the Renter's Rights Bill expected in late summer 2025. As we move through 2025, we anticipate a gradual increase in landlord activity, albeit with a cautious approach due to forthcoming regulatory changes. The expected fall in mortgage rates should support this trend, as it will improve profitability and likely make property investment more appealing relative to other asset classes.



Difference Between Sale and Purchase Prices on Average in 2024



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