

Dubai Residential Market Review

August 2024

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



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INTERNATIONAL

Hamptons International's Valuations and Research Division consists of a multi-disciplinary group of qualified professionals who have extensive local and international experience in the real estate industry.

The team of qualified valuers uses a range of comprehensive methods to provide clients with up-to-date and accurate valuations for all property types. This includes individual properties, property portfolios, and all types of asset classes.



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Valuations



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Valuations



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The process is carried out by professional valuers who are members of both RICS (The Royal Institution of Chartered Surveyors) and RERA (Real Estate Regulatory Authority), ensuring both expertise and licensing compliance.

Valuation advice and reports are provided for a variety of purposes, which include the following:

- Mortgage Financing (Banks & Financial Institutions)
- Internal Purposes
- Accounting
- Mergers and Acquisitions
- Investment Due Diligence / Strategic Advice
- Government Programs (Golden Visa)

The team also provides Feasibility Studies and Development Appraisals for determining the highest and best use, which identify opportunities and assist investors and developers avoid potential pitfalls.

Report Highlights



DUBAI RESIDENTIAL MARKET REVIEW
AUG 2024

- Total number of transactions rose from 15,994 in July to 16,159 in August, which is a minimal increase of 0.5%.
- August 2024 has taken over July as the second busiest month in terms of transaction volume after May and the highest in terms of transaction value.
- Apartments continue to lead in the total number of transactions, although they have dropped slightly from 12,429 in July to 12,268 in August, accounting for 76% of all July sale transactions.

- Villa transactions have also decreased from 2,336 in July to 2,126
- in August.

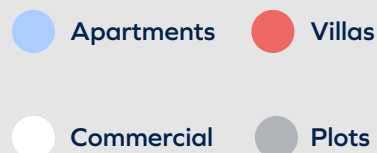
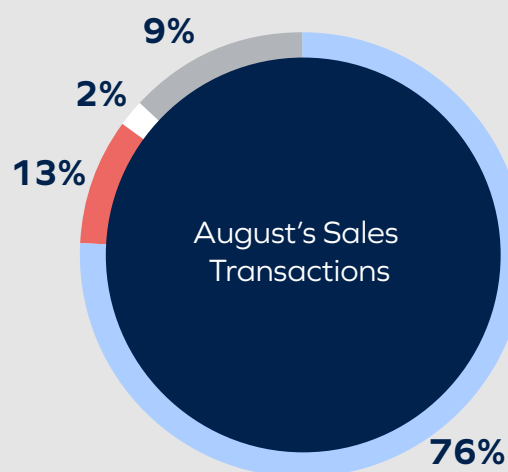
- 71% of the total transactions in August is related to off-plan sales,
- with 29% being secondary sales.

- Cash buyers outweigh mortgage buyers, with a total of 14,312
- transactions compared to 3,498 mortgage transactions.

- New apartment rental transactions for August increased from July
- to 19,777, villas to 2,554, and commercial units totalled 13,751.

- Of all commercial transactions, offices accounted for 60%,
- whereas retail shops/showrooms accounted for 13%.





Apartments

Apartment transactions remain clear frontrunners with an increase of 36% compared to August 2023, totalling more than 12,268 transactions. This indicates a small drop MoM but a surge in apartment sales YoY and shows that Dubai Real Estate is still on the rise.

Villas

Villa transactions in August amounted to 2,126, representing a small decrease of 8.6% YoY. With more villa projects by Emaar expected to be announced in the 4th quarter of 2024, this is likely to increase.

Commercial

The commercial property sector showed an increase in transaction volumes, illustrating positive growth of over 19% in transactions compared to August 2023.

Plots (Land)

Vacant plots witnessed an increase in transactions YoY and MoM, with the total value of plot sales reaching AED 14.9 billion in August 2024, showcasing the high demand for land in the emirate.

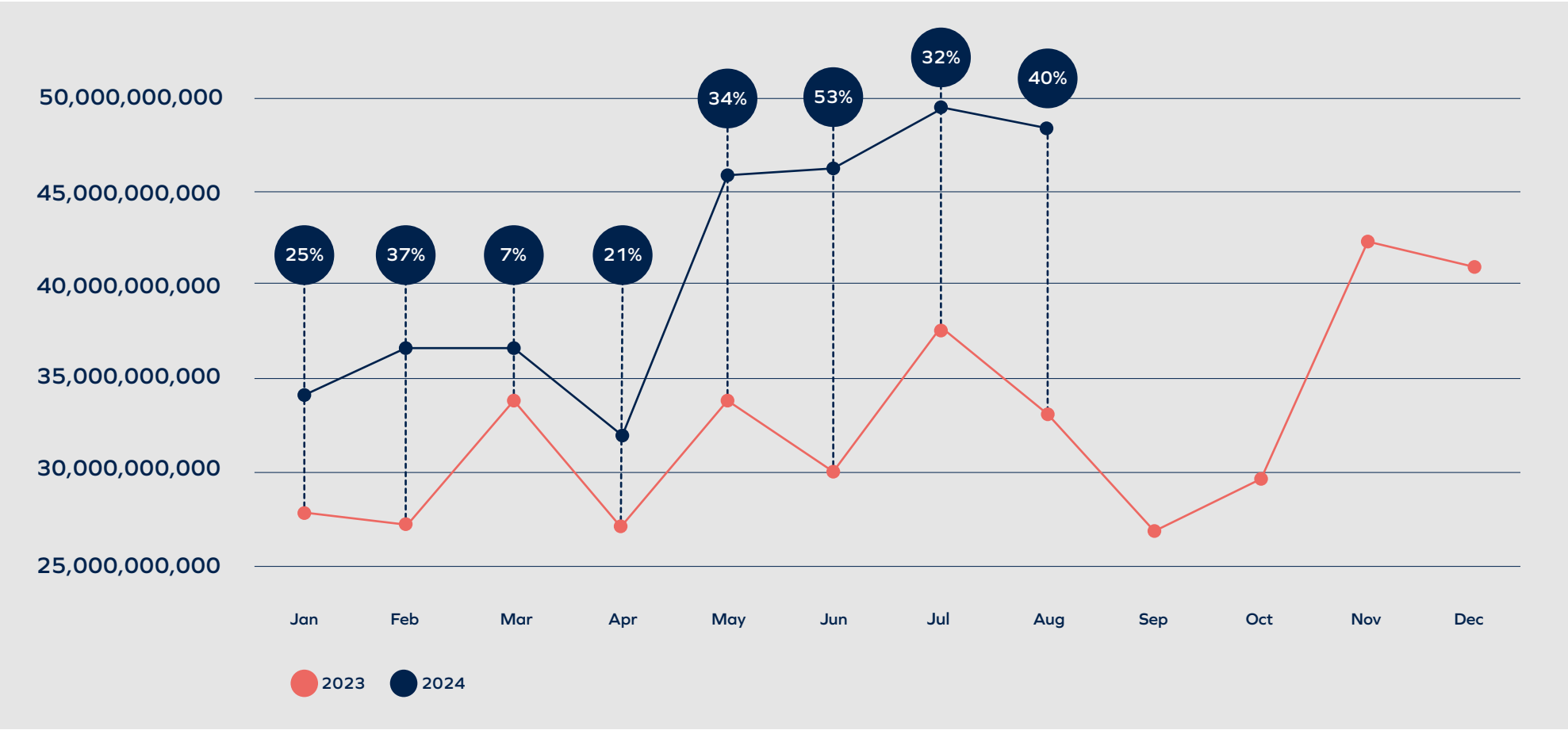
Sales transactions in August again defied expectations with over 16,000 transactions, surpassing July and making this month the busiest summers on record. Apartments led the way yet again, albeit with a nominal drop from July in terms of transactions. The average price of an apartment in Dubai is now AED 1.3 million.

Month on Month | Jul 2024 - Aug 2024

	Jul Transactions	Jul Value (AED)	Aug Transactions	Aug Value (AED)	Value Change %
Apartments	12,429	22,300,000,000	12,268	23,500,000,000	5.38%
Villas	2,336	14,300,000,000	2,126	8,000,000,000	-44.06%
Commercial	386	869,500,000	369	674,000,000	-22.48%
Plots	843	12,100,000,000	1,396	15,100,000,000	24.79%
Total	15,994	49,569,500,000	16,159	47,274,500,000	-4.63%

Transactions Value - Graph

2023 v/s 2024

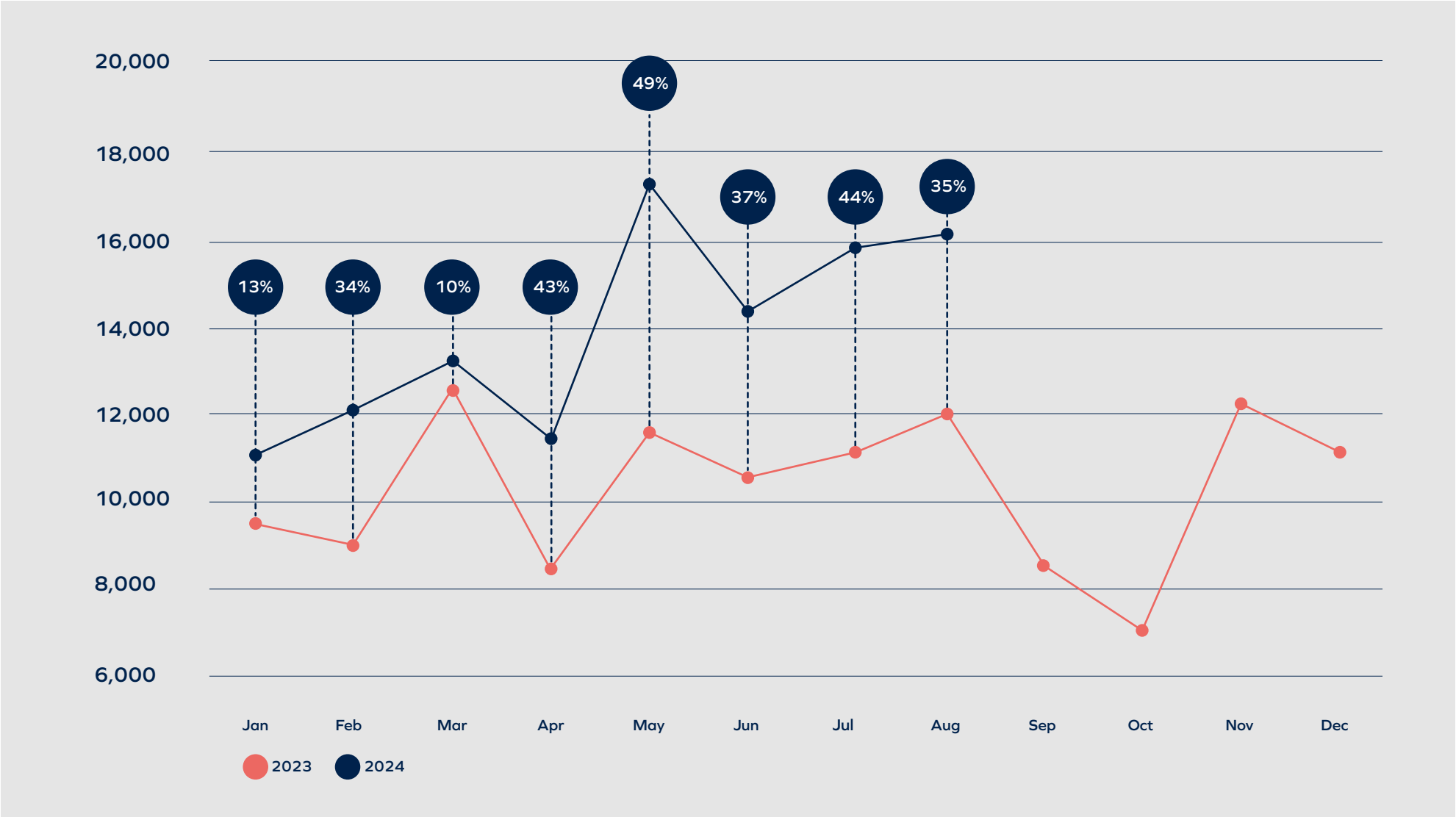


2023 v/s 2024

2023	Value	2024	Value
January	27,900,000,000	January	34,800,000,000
February	26,700,000,000	February	36,700,000,000
March	34,100,000,000	March	36,600,000,000
April	26,500,000,000	April	32,000,000,000
May	34,200,000,000	May	45,800,000,000
June	30,400,000,000	June	46,400,000,000
July	37,700,000,000	July	49,600,000,000
August	33,700,000,000	August	47,300,000,000
September	26,100,000,000	September	-
October	29,400,000,000	October	-
November	42,500,000,000	November	-
December	41,400,000,000	December	-

Transactions Volume - Graph

2023 v/s 2024



Transactions Volume

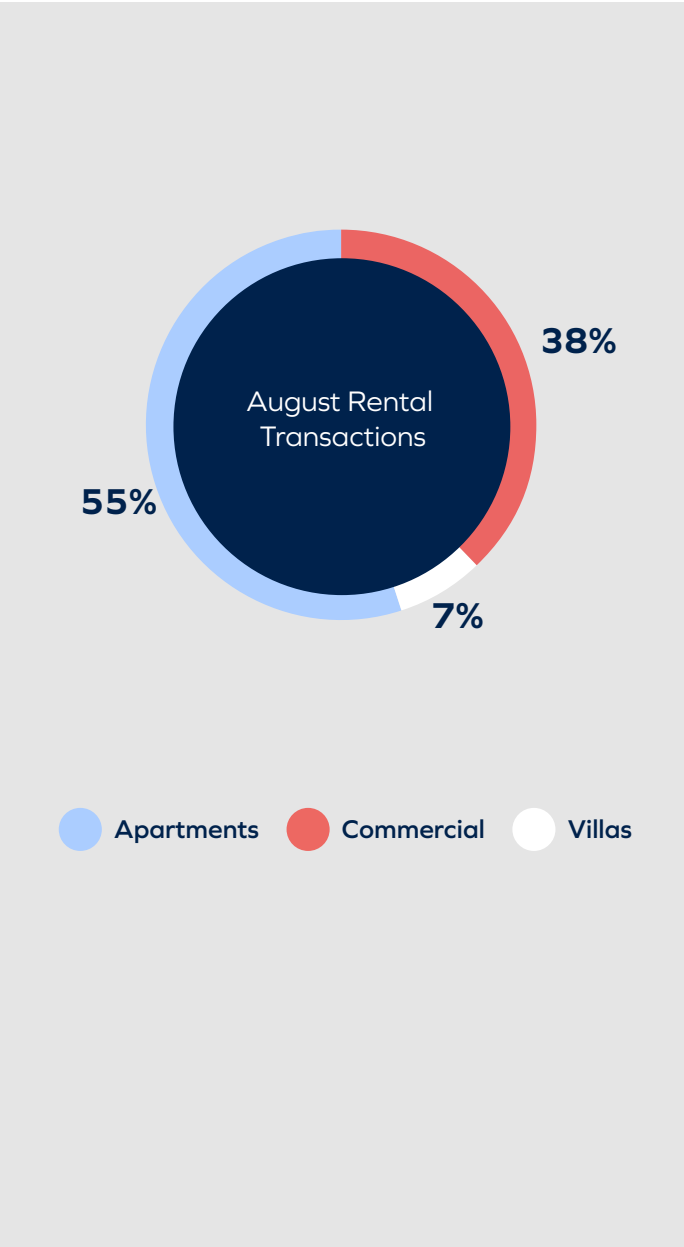


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AUG 2024

2023 v/s 2024

2023	Volume	2024	Volume
January	9,800	January	11,029
February	9,000	February	12,025
March	12,200	March	13,394
April	8,100	April	11,608
May	11,800	May	17,539
June	10,500	June	14,370
July	11,100	July	15,994
August	12,000	August	16,159
September	8,200	September	-
October	7,100	October	-
November	12,150	November	-
December	11,287	December	-

New Rental Transactions



	Jul Transactions	Aug Transactions	Volume Change %
Apartments	17,965	19,777	10.09%
Villas	2,443	2,554	4.54%
Commercial	14,180	13,751	-3.03%
Total	34,588	36,082	4.32%

New rental transactions in August increased by 4% compared to July 2024. New apartment rental transactions rose by 10% compared to July and by 15% from the same period last year.

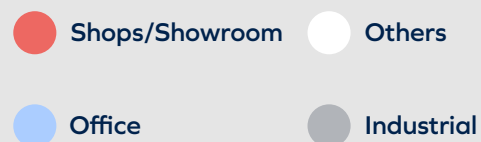
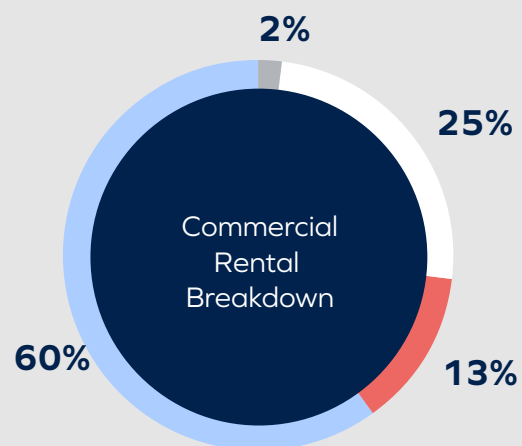
Villas also showed an increase in transactions, with a 4.5% rise compared to July.

Apartment rents now average AED 80,000 per annum, which is up by 17.6% from the same period in 2023. In contrast, villa rents have increased by 8.5% YoY, reaching an average of AED 184,500 per annum.

New Commercial Rental Breakdown



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AUG 2024



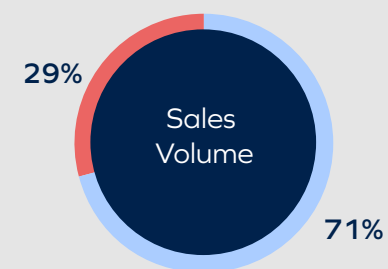
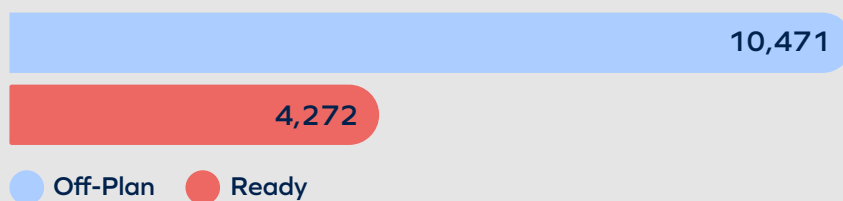
	Jul Transactions	Aug Transactions	Volume Change %
Shops/Showroom	2,070	1,795	-13.29%
Office	10,219	8,270	-19.07%
Industrial	281	278	-1.07%
Others	1,579	3,408	115.83%
Total	14,149	13,751	-2.81%

Off Plan v/s Secondary Sales Transactions

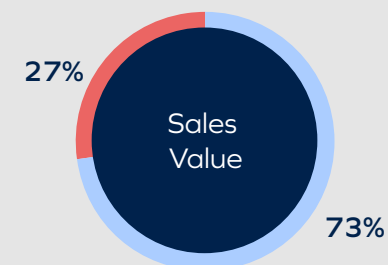
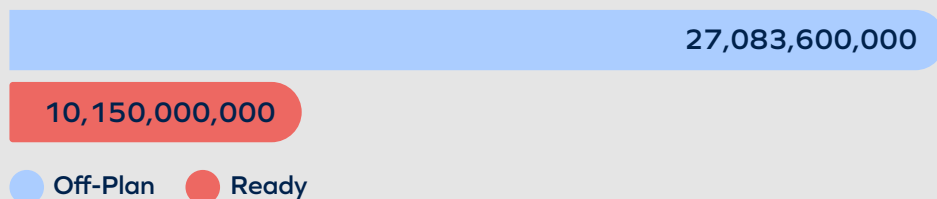


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AUG 2024

Sales Volume



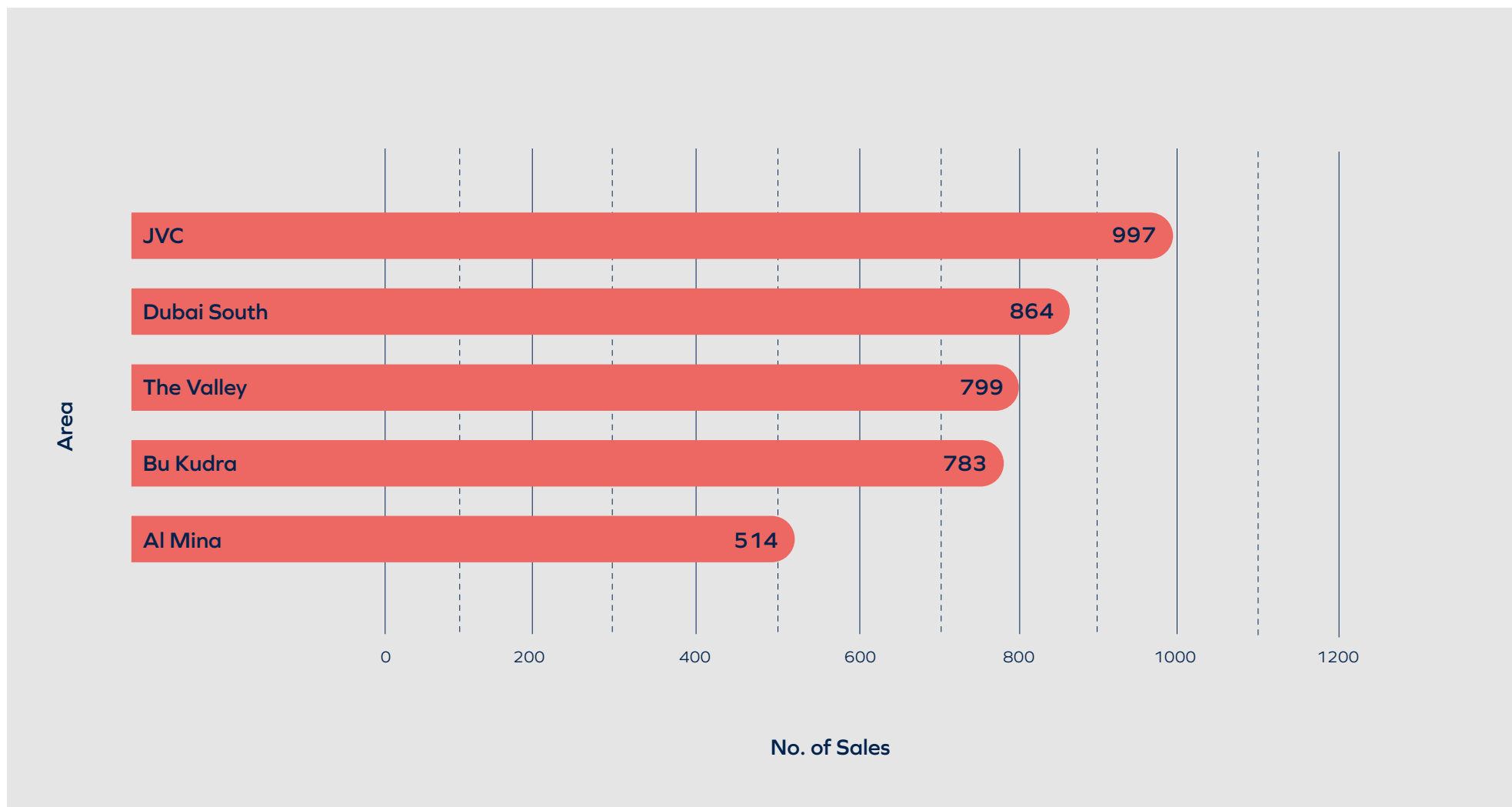
Sales Value (AED)



Top 5 Performing Areas - Off Plan Sales



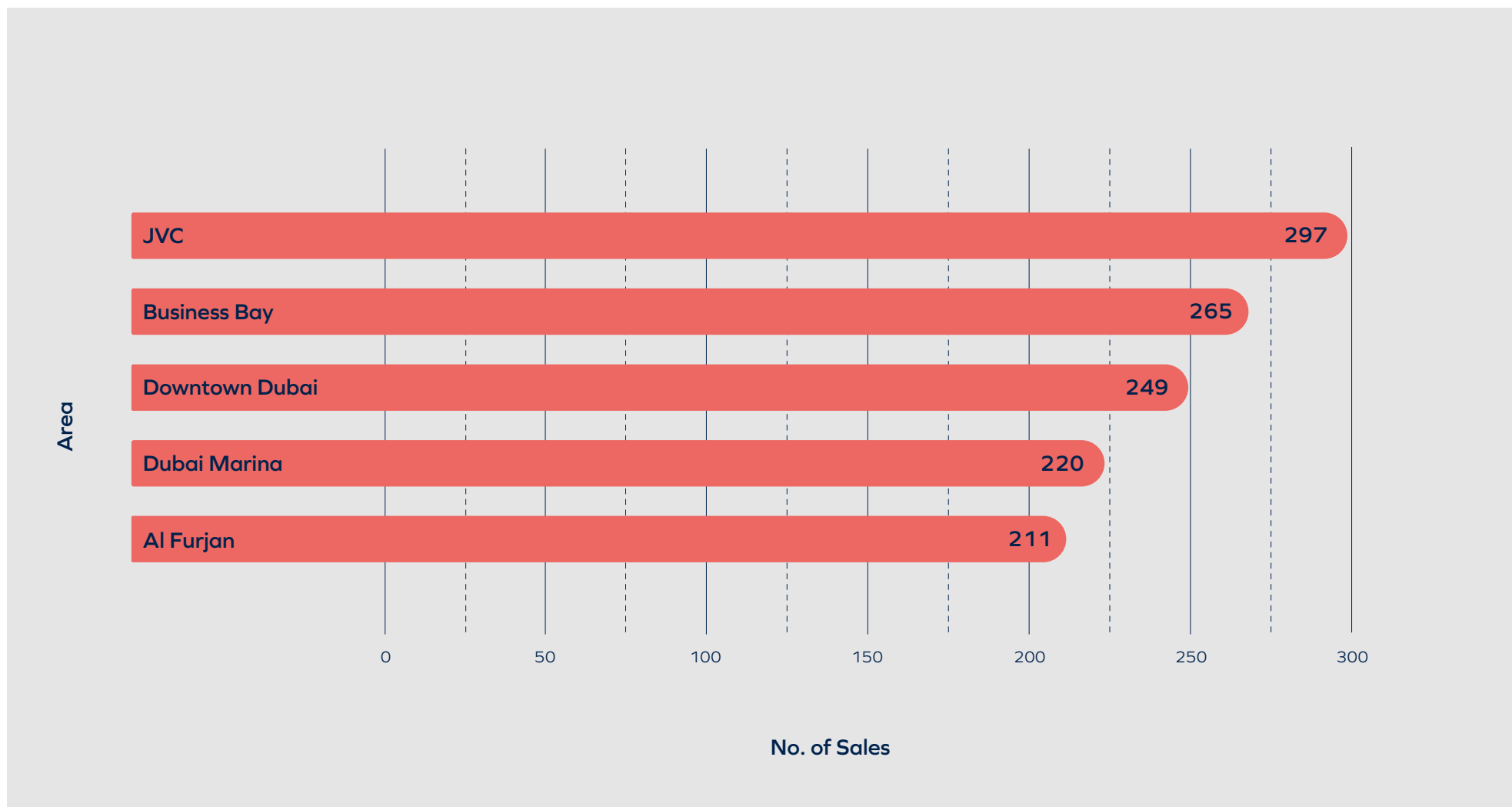
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Top 5 Performing Areas - Secondary Sales



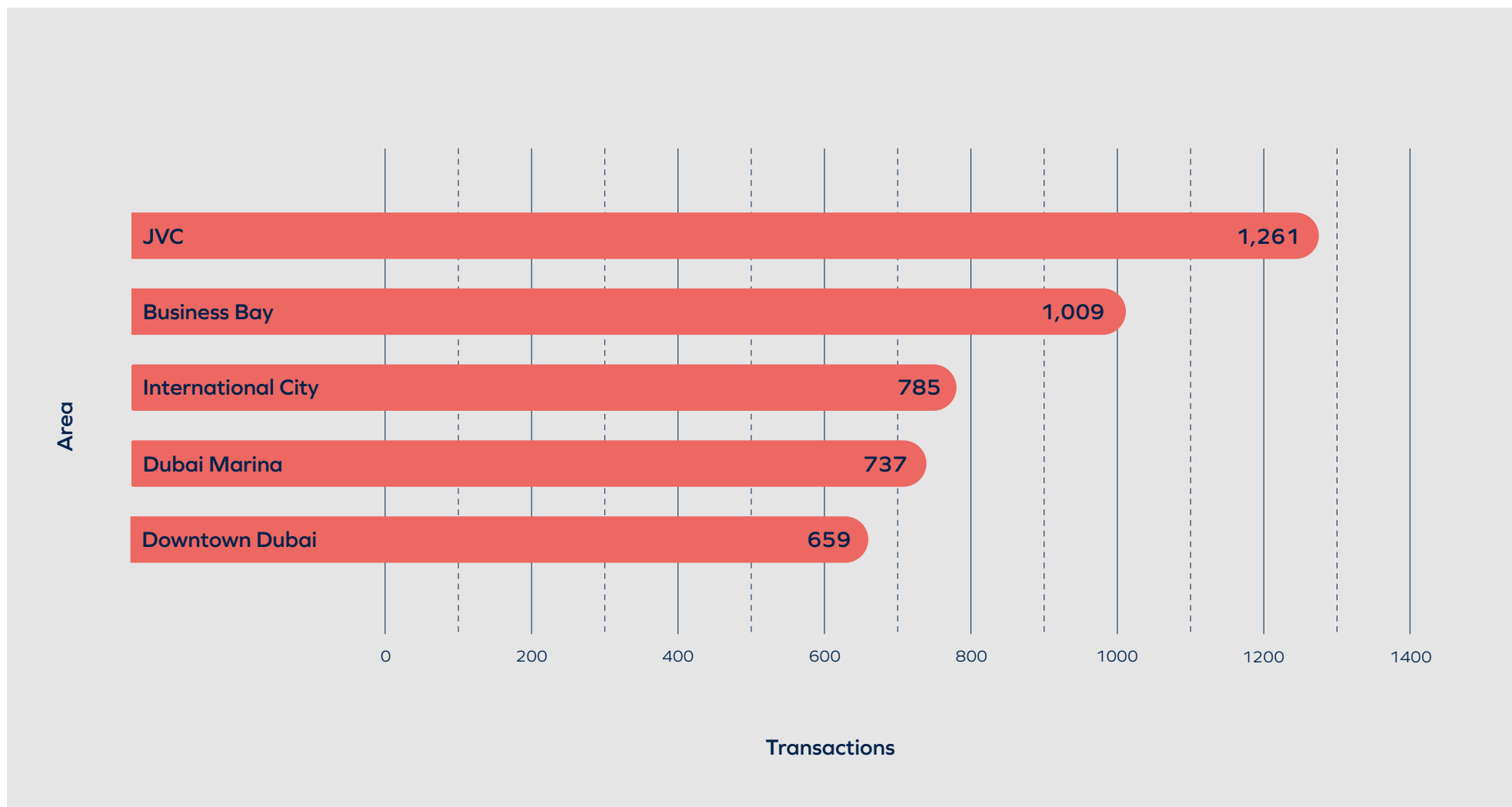
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Top 5 Performing Areas - New Apartment Rentals



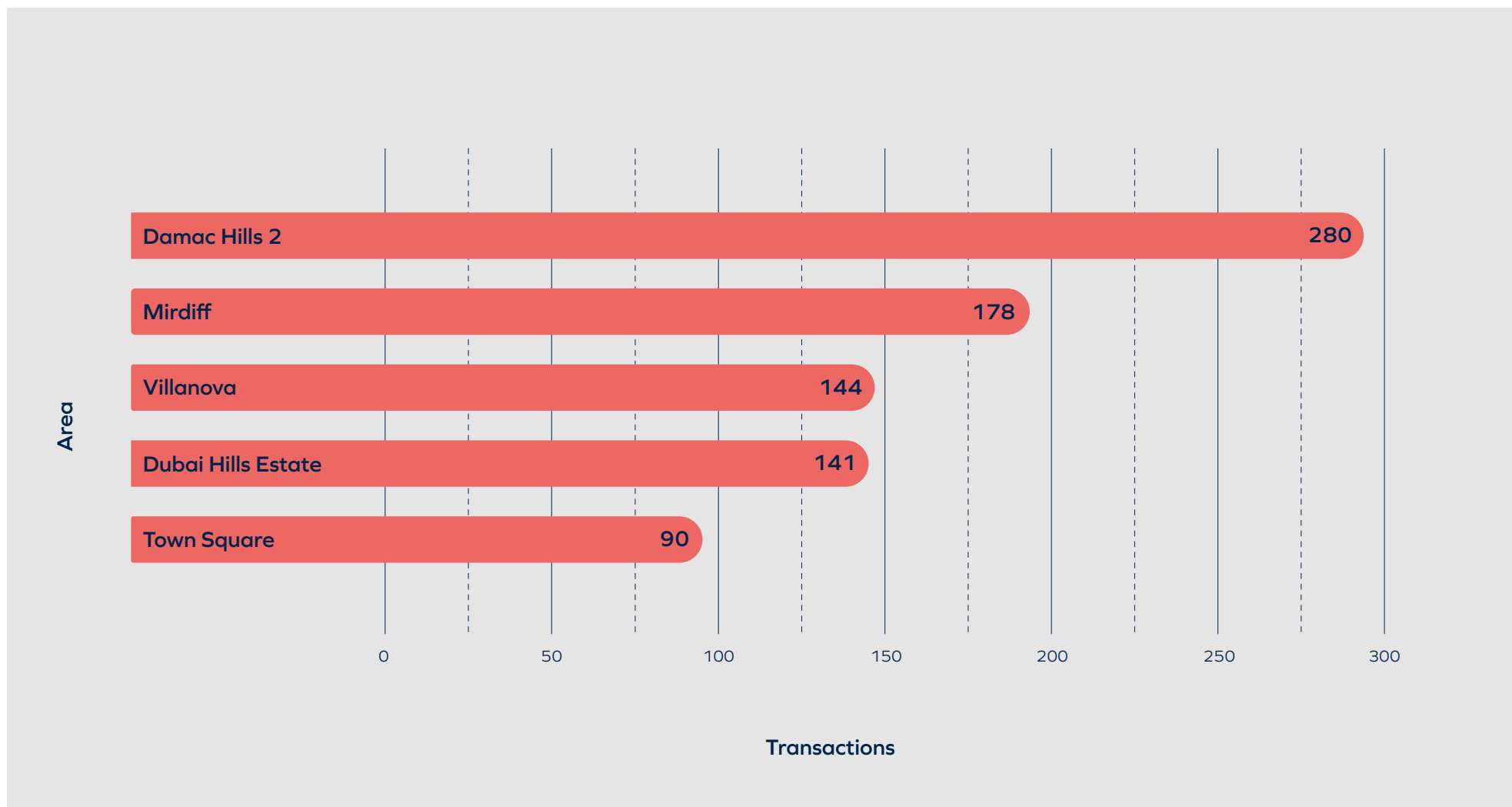
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AUG 2024



Top 5 Performing Areas - New Villa Rentals



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AUG 2024



Mortgage v/s Cash Buyer



August data reveals a notable increase in cash transactions across all property types compared to July 2024, indicating a growing preference for cash purchases over mortgages in Dubai’s real estate market.

Jul 2024 Breakdown	Mortgage	Cash Sales
Apartment	2,344	11,208
Commercial	138	369
Plot	528	758
Villa	1,004	1,788

Aug 2024 Breakdown	Mortgage	Cash Sales
Apartment	2,032	10,992
Commercial	146	358
Plot	536	980
Villa	783	1,982

Buyer Demographics for August



DUBAI RESIDENTIAL MARKET REVIEW
AUG 2024

Top 3 Nationalities

India

China

UK

Top 3 Age Group

36 - 40

41 - 45

46 - 50





Dubai's real estate market has consistently drawn global investors due to its strategic location, robust economy, and top-tier infrastructure. Current trends and expert forecasts suggest that the market will maintain its positive momentum through Q4 2024, with several key factors contributing to this outlook:

- **Strong Demand:** Ongoing demand from both local and international buyers is expected to remain a major driving force behind the market's growth.
- **Limited Supply:** A continued shortage of properties, especially in prime locations, is likely to sustain upward pressure on prices.
- **Economic Growth:** Dubai's steady economic expansion, coupled with rising investor confidence, is set to further enhance market stability.
- **Government Initiatives:** Supportive government policies, such as mortgage subsidies and infrastructure investments, are anticipated to stimulate additional market activity.
- Developers are also setting their projects apart by incorporating cutting-edge designs, unique amenities, and sustainable features that appeal to buyers seeking a modern, forward-thinking lifestyle. The introduction of new master communities generates excitement and anticipation, driving demand.

As a result, we can expect:

Higher Property Values: Increased competition for a limited supply of homes typically leads to property value appreciation.

Increased Investor Interest: Investors view new master communities as opportunities for capital growth and rental income, further fueling demand and contributing to rising property prices.

Amalia Legras
Sales Manager

August 2024 marked another milestone in Dubai's real estate market, with transaction volumes and values reaching unprecedented heights. The market's sustained momentum is a testament to its resilience and Dubai's enduring appeal as a global investment hub.

The month of August saw a staggering 36.9% increase in transaction volume compared to the same period last year. This surge was accompanied by a 40.8% rise in total sales value, reaching an impressive AED 47.3 billion (\$12.9 billion). These figures underscore the strong demand for properties in Dubai and the market's ability to attract both local and international investors.

Apartments continued to dominate the market, accounting for 78% of all transactions. This reflects the ongoing popularity of this property type among buyers seeking modern, high-quality living spaces. However, the villa market also witnessed significant growth, with a 20% increase in transactions compared to the previous month. This trend suggests a growing preference for more spacious and private living options.

The commercial sector remained a key driver of the market, with a 15% increase in transactions. Dubai's thriving business environment and strategic location continue to attract investors and businesses seeking prime office and retail spaces.

The Dubai real estate market is poised for continued growth in the coming months, driven by a number of factors:

Strong Economic Fundamentals: Dubai's robust economy, coupled with government initiatives to diversify revenue streams, provides a solid foundation for the real estate market.

Infrastructure Development: Ongoing infrastructure projects, such as the expansion of transportation networks and the development of new districts, are enhancing the city's appeal and driving property demand.

Favourable Government Policies: Supportive government policies, including visa reforms and incentives for foreign investment, continue to attract international buyers and investors.

Increasing Supply: While demand remains strong, the market is also seeing a steady increase in supply. An estimated 10,000 new units are expected to be released in 2024, which could help to moderate price growth and increase affordability.

In conclusion, Dubai's real estate market remains a dynamic and attractive investment destination. With strong economic fundamentals, favourable government policies, and a growing supply of new units, the market is well-positioned for continued growth in the years to come.



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