

February 2024

Dubai Residential Market Review

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

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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.



Residential Valuations



Commercial Valuations



Retail Valuations



Hospitality Valuations



Specialised Property Valuations



Corporate Valuations

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:

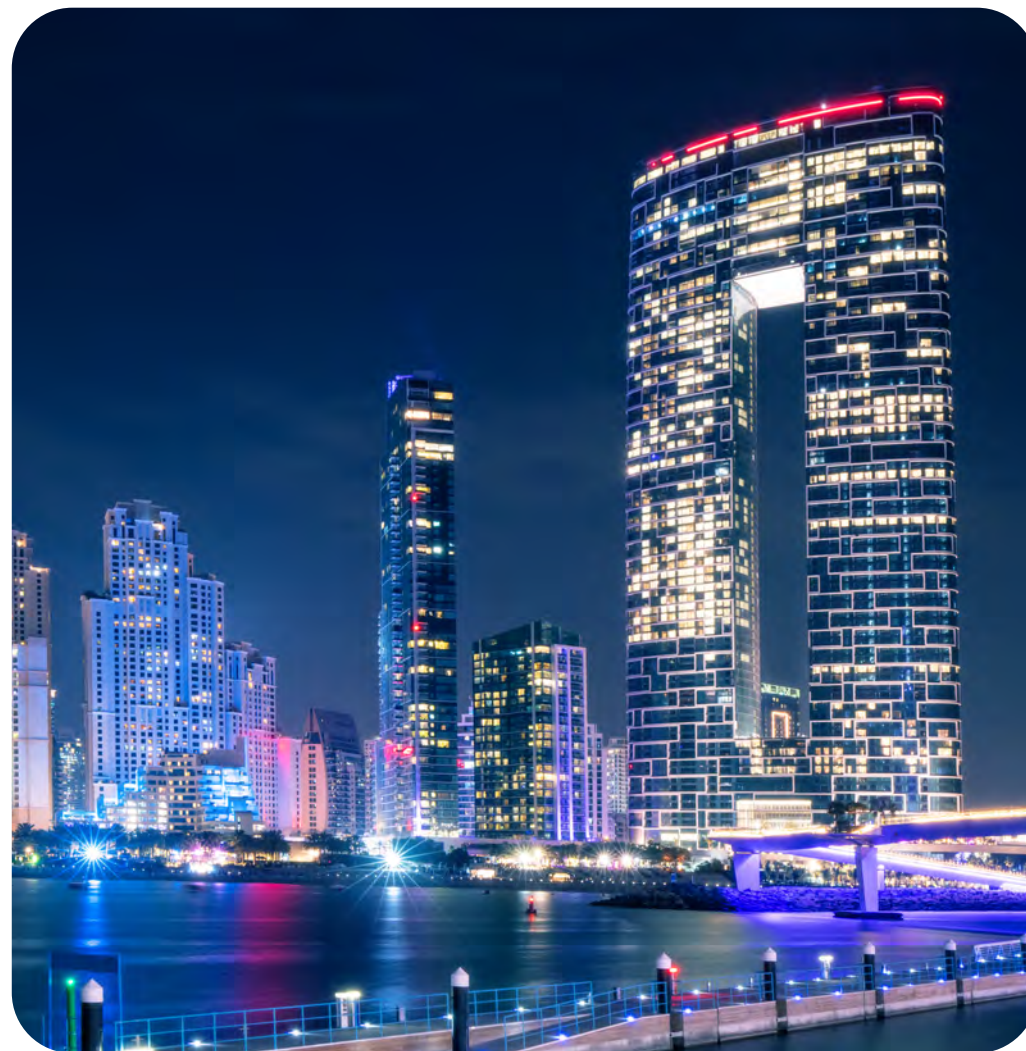
- Mortgage Financing (Banks & Financial Institutions)
- Internal Purposes
- Accounting
- Mergers and Acquisitions
- Investment Due Diligence / Strategic Advice
- Government Programs (Golden Visa)

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.

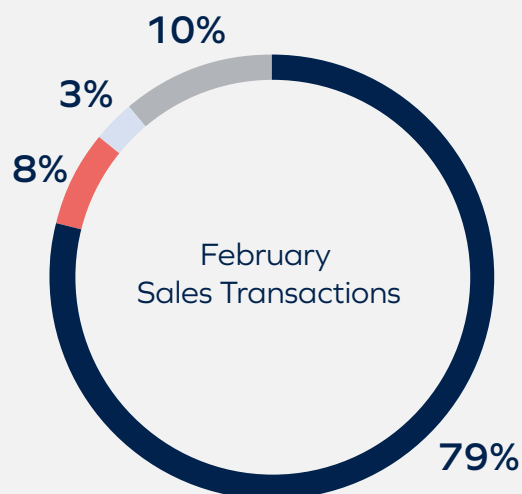
Highlights



- The total number of transactions increased from 11,029 in January to 12,025 in February.
- Apartments continue to lead in the total number of transactions, rising from 8,776 in January to 9,515 in February, accounting for 79% of all February sales transactions.
- Villa transactions also saw an increase from 765 in January to 940 in February.
- Off-plan sales accounted for 60% of the total transactions in February, which is the same as January.
- Compared to February of the previous year, sales transactions in February 2024 increased by 33.61%.
- Cash buyers still outstrip mortgage buyers in January.
- Apartment rental transactions decreased from 18,200 to 16,700 in February, as did villa rental transactions, dropping from 2,115 in January to 1,854 in February.



Sales Transactions - Graph



Apartments: Standing out as the clear frontrunners, apartment sales skyrocketed by over 51% compared to February 2023, totaling more than 9,500 transactions. This underscores a robust demand for residential units in the city.

Villas: In contrast to apartments, the villa market experienced a decline in transactions, dropping by approximately 55% compared to the same month last year. However, transactions saw a 22.8% increase in February compared to January.

Commercial: The commercial property sector showed a moderate yet positive growth of 29% in transactions compared to February 2023, indicating steady and healthy interest in commercial spaces within the city.

Plots (Land): Vacant plots witnessed a staggering surge of 281% in transactions year-on-year, suggesting a significant rise in investor interest in land development projects within Dubai.

Overall, February 2024 marked a positive month for Dubai's real estate market, with increased activity and diverse performance across various sectors. While apartments dominated, the growth in plots and commercial properties reflects a multi-layered market with opportunities spanning different segments.

Dubai Transactions

Month on Month | Jan 2024 - Feb 2024



	Jan. Transactions	Jan. Value (AED)	Feb. Transactions	Feb. Value (AED)	Value Change %
Apartments	8,776	18,300,000,000	9,515	17,500,000,000	-4.37%
Villas	765	3,200,000,000	940	3,300,000,000	3.13%
Commercial	301	624,200,000	324	619,000,000	-0.94%
Plots	1,187	12,700,000,000	1,246	15,300,000,000	20.47%
Total	11,029	34,824,900,000	12,025	36,719,000,000	5.44%

Transactions Value - Graph

2023 v/s 2024



Transactions Value

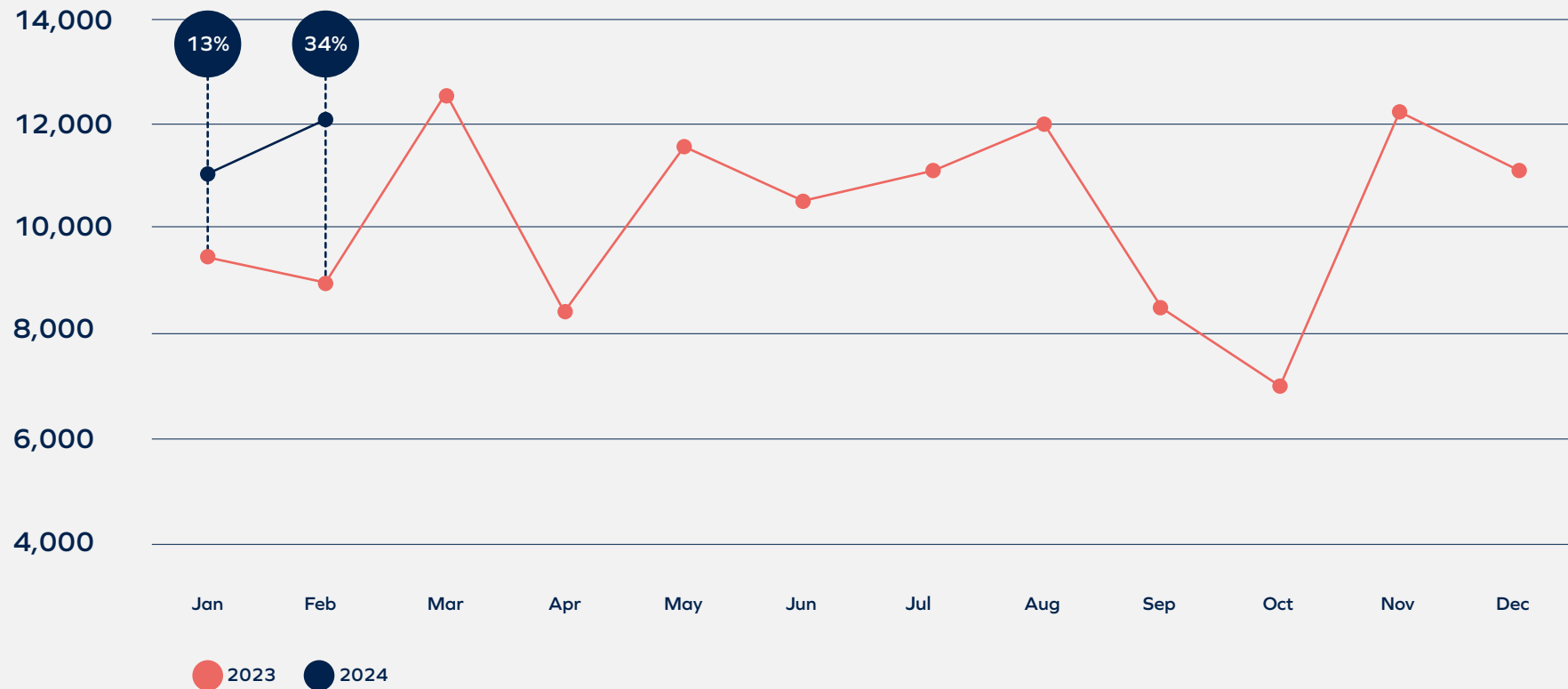
2023 v/s 2024



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	-
April	26,500,000,000	April	-
May	34,200,000,000	May	-
June	30,400,000,000	June	-
July	37,700,000,000	July	-
August	33,700,000,000	August	-
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



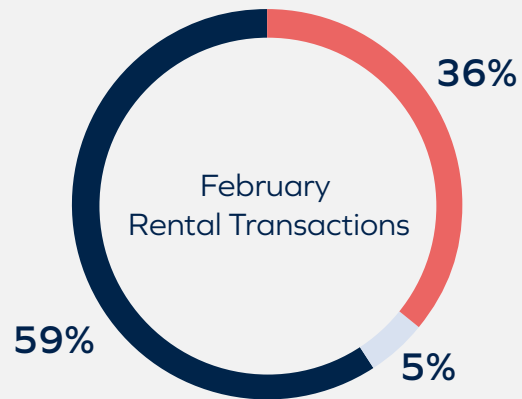
Transactions Volume

2023 v/s 2024



2023	Volume	2024	Volume
January	9,800	January	11,029
February	9,000	February	12,025
March	12,200	March	-
April	8,100	April	-
May	11,800	May	-
June	10,500	June	-
July	11,100	July	-
August	12,000	August	-
September	8,200	September	-
October	7,100	October	-
November	12,150	November	-
December	11,287	December	-

Rental Transactions



- Apartments
- Villas
- Commercial

	Jan. Transactions	Feb. Transactions	Volume Change %
Apartments	18,200	16,700	-8.24%
Villas	2,115	1,854	-12.34%
Commercial	14,500	15,600	7.59%
Total	34,815	34,154	-1.90%

There was a significant increase in overall transactions compared to February 2023. Reports indicate a 27% increase in transactions year on year.

Rental apartments were in higher demand than villas and townhouses, with tenants preferring furnished units over unfurnished ones.

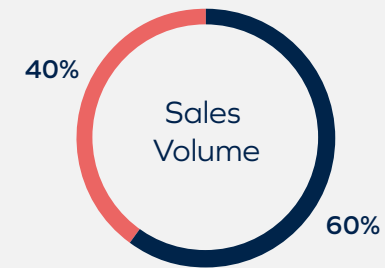
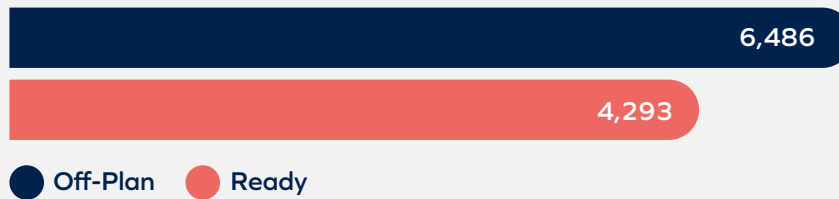
The most popular rental locations for apartments in February were International City, Jumeirah Village Circle, Business Bay, Dubai Marina, and Downtown Dubai.

The most popular villa rental locations in February were Damac Hills 2, Mirdiff, Villanova, Dubai Hills, and The Springs.

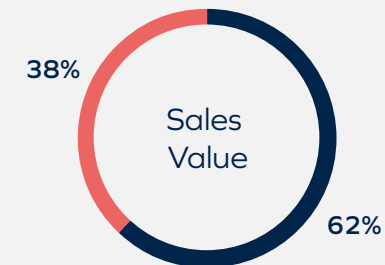
Off Plan v/s Secondary Sales Transactions



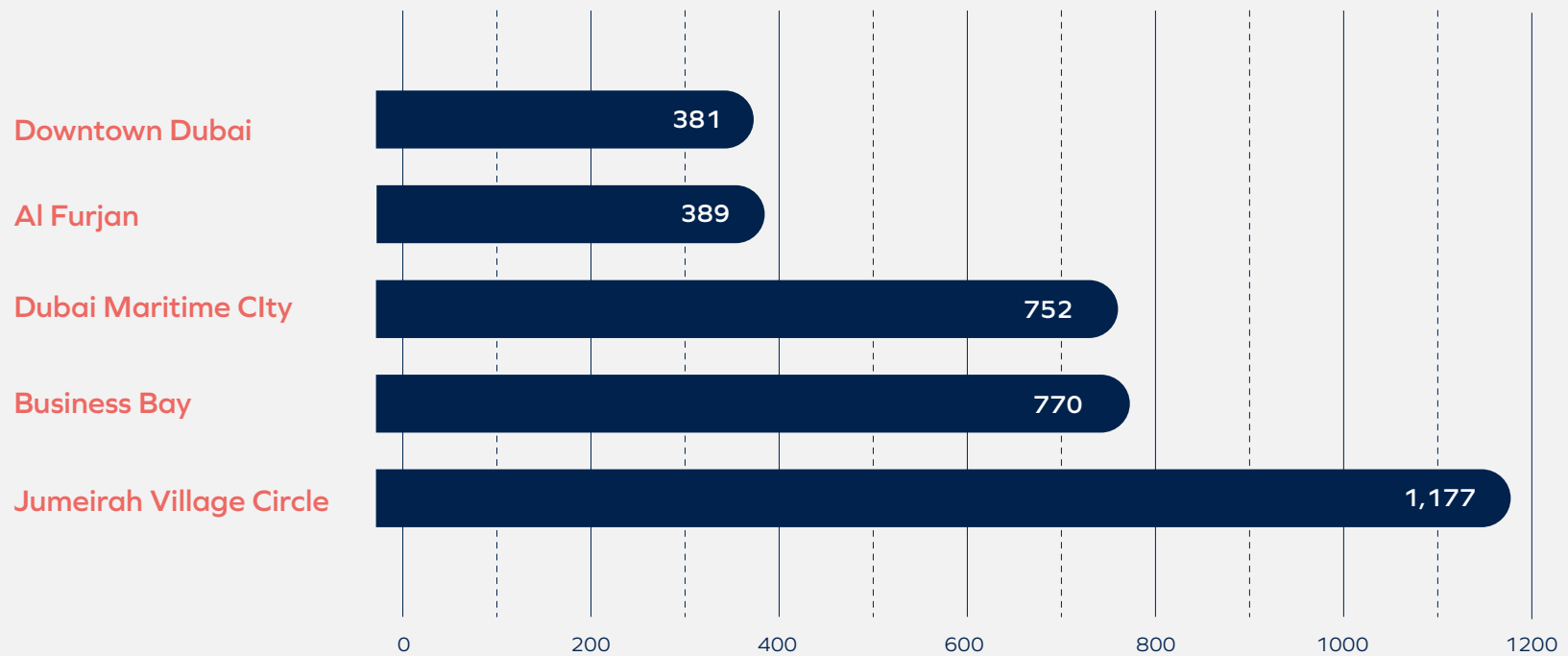
Sales Volume



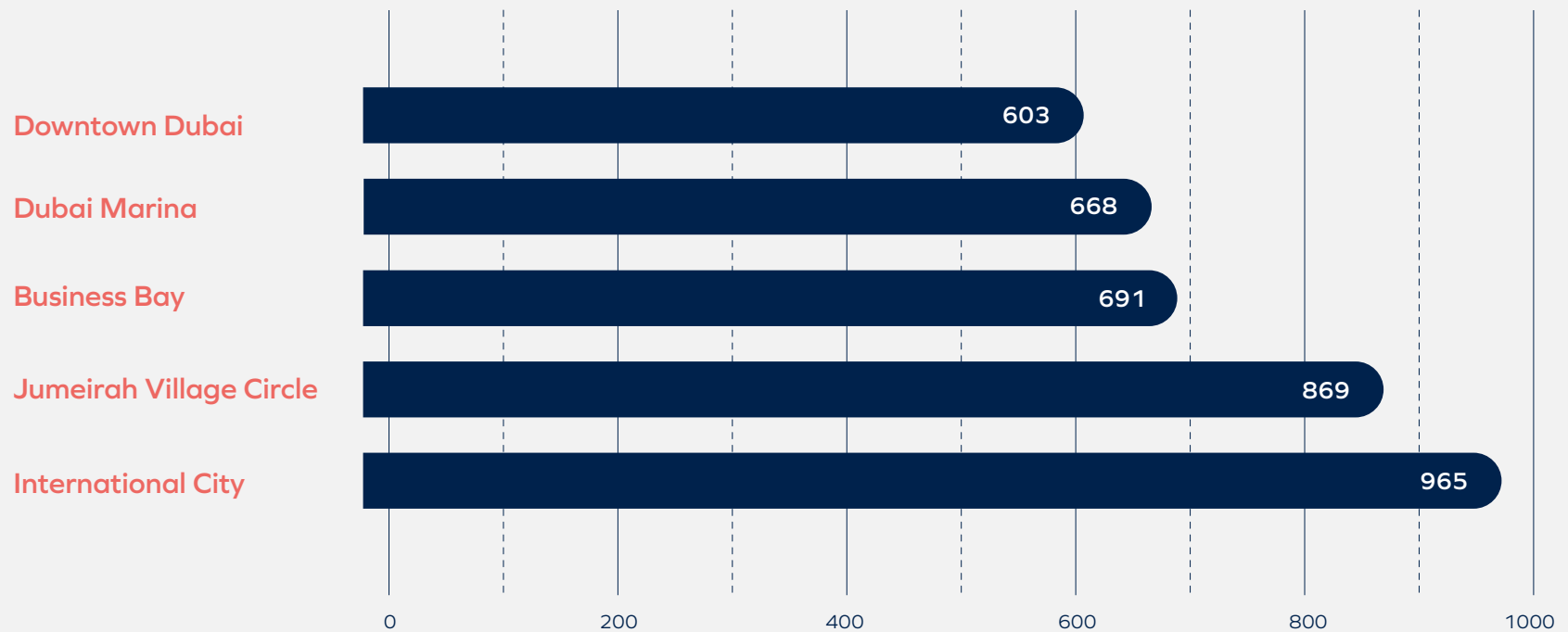
Sales Value (AED)



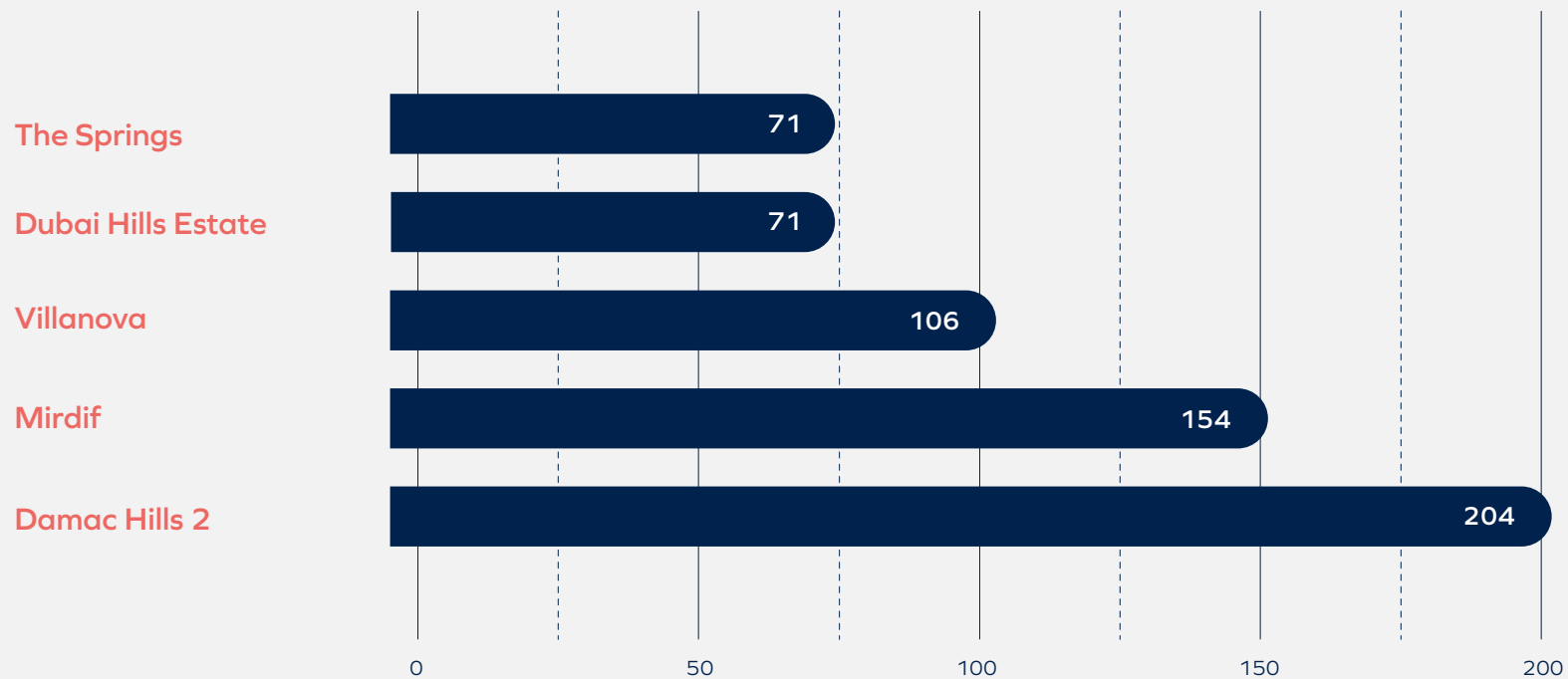
Top 5 Performing Areas - Sales



Top 5 Performing Areas - Apartment Rentals



Top 5 Performing Areas - New Villa Rentals



Mortgage v/s Cash Buyer



Feb 2024

● Mortgage ● Cash Buyer

2,869 10,492

Consistent with January's performance, cash buyers still outstrip mortgage buyers by almost 75%.

January's Transactions

	Mortgage	Cash Sales
Apartment	1,764	8,216
Commercial	74	283
Plot	576	924
Villa	605	626

February's Transactions

	Mortgage	Cash Sales
Apartment	1,725	8,438
Commercial	60	300
Plot	540	969
Villa	543	785

Senior Sales Manager's Outlook



Dubai's real estate market is poised for a transformative shift in 2024. The city's economic vitality and open-door policies resonate with investors worldwide, coupled with extensive infrastructure investments, favourable tax policies, and an open-door immigration approach, which continue to draw in thousands of foreigners to the city.

Additionally, the potential for lower mortgage rates signals promising opportunities for prospective homeowners. The consistent launch of new developments by developers, alongside high demand for off-plan properties, reflects the vibrant real estate landscape.

Mohamed Elsayed

Dubai's real estate market continued its strong performance in February. Fueled by high demand and investor confidence, the market defied expectations, reaching new heights in terms of sales volume and transaction value.

The surge in transactions, with a 34% increase compared to February 2023, signifies the unwavering demand for properties in Dubai, both from investors and end users. This growth was primarily driven by apartment sales, which account for 79% of all February's transactions. This preference for apartments can be attributed to factors such as affordability, convenience, and the vibrant lifestyle offered by many communities as well as a number of new launches.

However, the market witnessed a contrasting trend in the villa segment, with sales experiencing a 55.3% decline YoY. This decline is primarily due to a limited supply of villas, creating a gap in the market and perhaps due to the number of new apartment launches. However, the upcoming handover of villa communities in 2024 in Casa Serena, Tlal Al Furjan, Damac Lagoons to name a few, is expected to address this demand.

Both the off-plan and secondary markets displayed remarkable growth, indicating strong investor confidence across various stages of property development. Off-plan sales rose by 29%, reflecting investor enthusiasm for new projects. Notably, the secondary market also saw a significant 40.6% increase, highlighting the attractiveness of established properties.

Dubai's real estate market remains promising. The city's continuous efforts to diversify its economy, coupled with its strategic location and world-class infrastructure, continue to attract investors and residents alike. As long as these factors remain strong, and the market adapts to evolving needs, Dubai's real estate landscape is likely to maintain its upward trajectory and remain a global investment hotspot.





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