

# Dubai Residential Market Report

18 July 2024

Prepared for **Casagrand Premier Builder Limited**

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# Report Preface

Colliers has been requested by Casagrand Premier Builder Limited (the “client”), to undertake a short market study on the Dubai Residential Market, covering the following areas:

- Brief description of the Real Estate Market
- Key trends in supply and absorption in the real estate market
- Key capital market trends (prices)
- Key real estate hotspots in the city
- Key advantages and risks of the real estate market in Dubai

We understand the report is required as part of an IPO offering. Colliers has signed a Consent Letter with regards to the use of this report as part of the process.



## Market Background

### Historical Context and Transition

The Dubai real estate market has seen remarkable evolution over the last number of decades.

Initially, property ownership in Dubai was largely restricted to GCC nationals. This limitation constrained market growth and international investment.

The significant shift occurred in 2002 when Dubai introduced freehold property ownership for foreigners. This landmark decision opened up designated areas for foreign investment, dramatically increasing market activity and attracting a global investor base.

### Freehold Market Expansion

The introduction of freehold properties allowed foreigners to buy, sell, and lease properties in several prime locations.

Key areas such as Downtown Dubai, Dubai Marina, Palm Jumeirah, and Business Bay became focal points for luxury developments, renowned for their modern architecture, high-end amenities, and strategic locations.

### Post Covid Boom

The COVID-19 pandemic had a profound impact on Dubai's real estate market. Initially, the market experienced a slowdown due to global economic uncertainty and travel restrictions. However, post-pandemic recovery has been robust, with significant increases in property transactions and values.

Several factors contributed to this resurgence:

**Increased Demand for Spacious Living:** The pandemic underscored the importance of space, driving demand for larger apartments and villas. Many residents sought properties with more room for home offices, outdoor spaces, and enhanced amenities.

**Population Growth:** Increase in population of Dubai following a post COVID-19 boom, and Dubai cementing itself as a preferred global expatriate destination. Other factors such as the Ukraine/ Russia conflict saw a sharp increase in migrants from those countries.

In the last year, Dubai's residential has experienced a notable surge in property prices, with average values climbing by 20% year-on-year in the first quarter of 2024. Overall, the Dubai residential market experienced an approximate 10% increase in property prices over the past 12 months.

### RERA

RERE (Real Estate Regulatory Authority) in Dubai regulates the real estate sector, ensuring transparency, protecting buyers, and overseeing property transactions. RERA also enforces strict compliance with real estate laws and conducts regular audits to maintain industry standards. Their regulations mandate the use of escrow accounts, which secure buyers' funds until the project is completed, safeguarding against developer defaults. The escrow account system boosts investor confidence by ensuring that funds are used solely for the intended project, enhancing overall market stability.

### Number of Transactions (2015 – H1 2024)

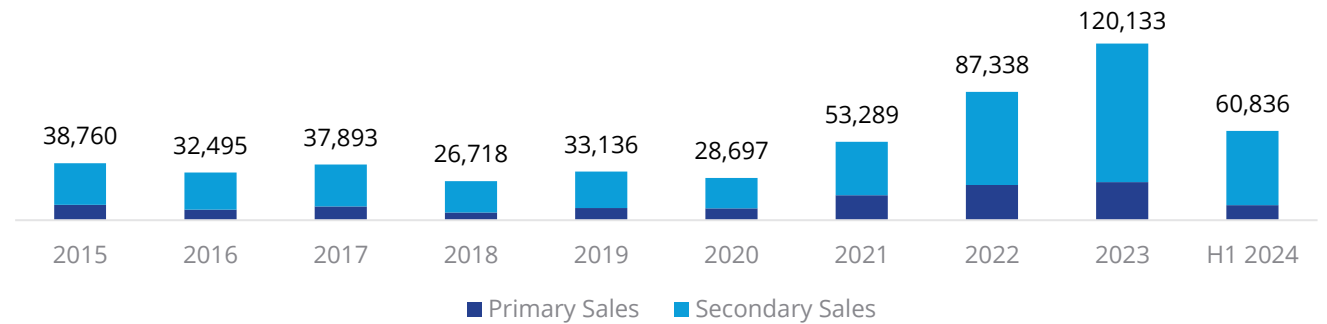
- **2015-2020 Trends:** The period from 2015 to 2020 saw a fluctuating trend in the number of residential transactions.
- **Post-2020 Surge:** A significant increase in transactions is observed starting in 2021, with 53,289 transactions, indicating a robust recovery post-pandemic. This trend continued into 2022 and 2023, with 87,338 and 120,133 transactions, respectively, showing strong growth and demand in the residential market.
- **H1 2024 Data:** The first half of 2024 shows a continuation of this positive trend with 60,836 transactions, suggesting sustained market activity and interest in residential properties.

### Average Sales Rates - Overall Dubai (AED / sqm) - (2015-H1 2024)

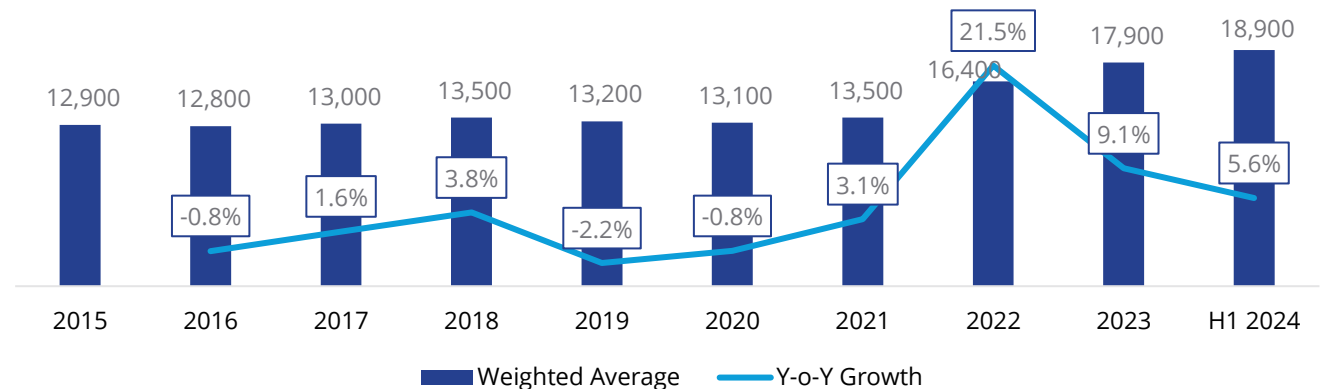
- **Stability and Growth (2015-2020):** The average sales rates from 2015 to 2020 show relatively stable pricing, fluctuating within a narrow range.
- **Post-2020 Growth:** A sharp increase in average sales rates is observed starting in 2021, with a 3.1% growth, followed by a substantial 21.5% increase in 2022, pushing the rates to AED 16,400 per sqm. This sharp rise can be attributed to increased demand and limited supply.
- **Recent Trends:** The average sales rate continued to rise, reaching AED 17,900 per sqm in 2023, marking a 9.1% increase. The first half of 2024 shows a slight moderation in growth at 5.6%, with average rates at AED 18,900 per sqm. This indicates a steady, although slightly slower, increase in property values.

## Residential Market Overview Residential Sales Overview

### Number of Transactions (2015 – H1 2024)



### Average Sales Rates - Overall Dubai (AED / sqm) - (2015-H1 2024)



• Sources: Reiden, Colliers, 2024  
• Note: Years stated represent full calendar years (Jan-Dec)

# Residential Market Overview

## Apartments Sales Overview

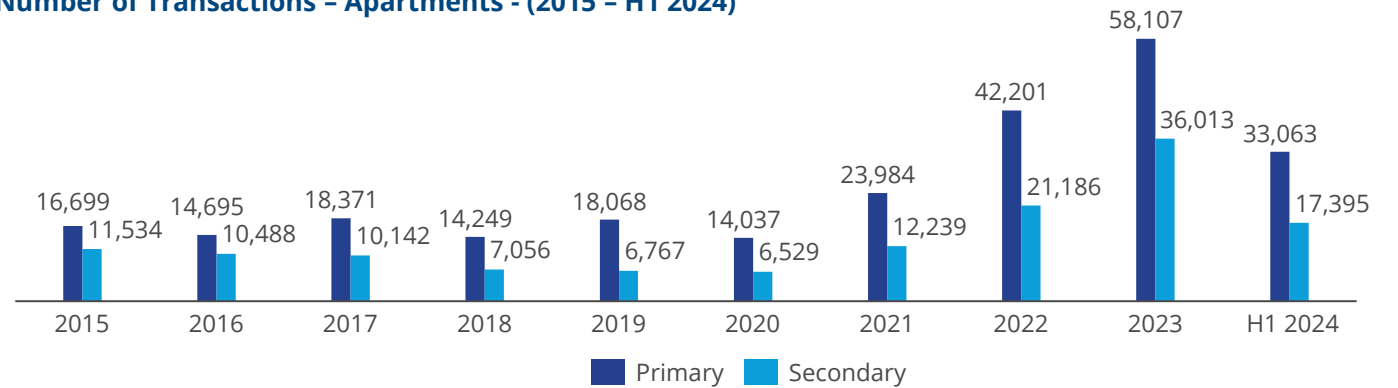
### Number of Apartments –(2015 – H1 2024)

- **2015-2020 Trends:** Apartment transactions saw a significant increase in 2022 and 2023, with the first half of 2024 indicating that this upward trend will continue.
- **Post-2020 Surge:** A significant rise in transactions has been evident since 2021, primarily driven by the growth in primary sales. Similarly, secondary sales have also followed this post-COVID growth trend.

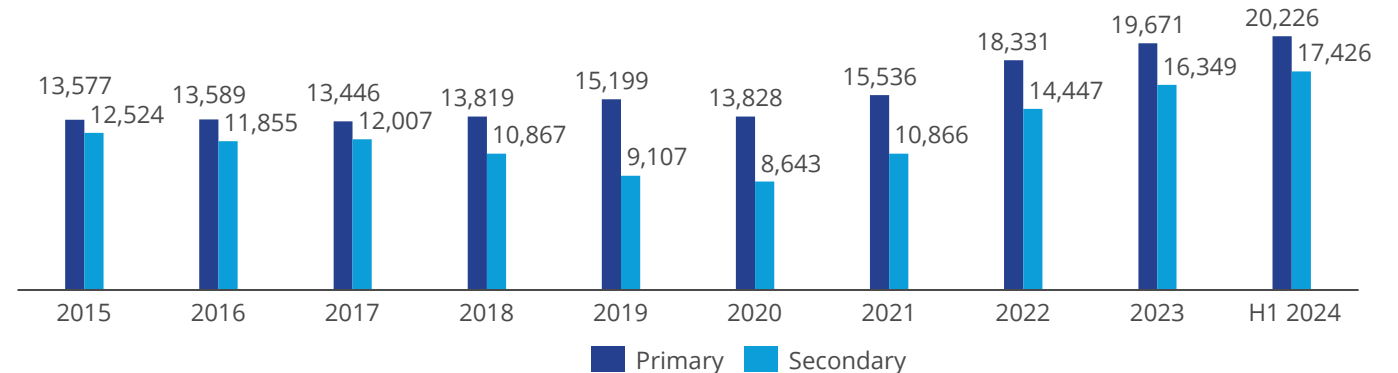
### Apartments Average Sales Rates Overall Dubai – AED/sqm (2015 – H1 2024)

- **Stable to Increasing Rates (2015-2020):** The apartments’ average sales rates witnessed a stable to rising trend from 2015 to 2020. Primary sales rates started at AED 13,577 per sqm in 2015 and saw minor fluctuations, reaching AED 13,828 in 2020. Secondary sales rates followed a similar trend, starting at AED 12,524 per sqm in 2015 and reaching AED 13,828 in 2020.
- **Post-2020 Growth:** From 2021 onwards, a notable increase in sales rates is observed. Primary sales rates rose to AED 15,536 per sqm in 2021 and continued to increase, reaching AED 19,671 in 2023. Secondary sales rates also saw a rise, peaking at AED 16,349 in 2023.
- **H1 2024 Data:** The first half of 2024 shows further growth in average sales rates, with primary sales at AED 20,226 per sqm and secondary sales at AED 17,426 per sqm. This continued rise suggests strong demand and increasing property values.

### Number of Transactions – Apartments - (2015 – H1 2024)



### Apartments Average Sales Rates Overall Dubai – AED/sqm - (2015 – H1 2024)



• Sources: Reiden, Colliers, 2024  
 • Note: Years stated represent full calendar years (Jan-Dec)

### Number of Transactions – Villas (2015 – H1 2024)

- **2015-2020 Trends:** The number of transactions for villas, split into primary and secondary markets, shows varied activity from 2015 to 2020. Primary sales were generally higher than secondary sales throughout this period.
- **Post-2020 Surge:** A significant rise in transactions is evident from 2021 onwards. Primary sales saw a notable increase to 10,254 in 2021, followed by further growth in 2022 and 2023, reaching 16,200 and 14,527 respectively. Secondary sales also rose during this period, peaking at 11,486 in 2023.

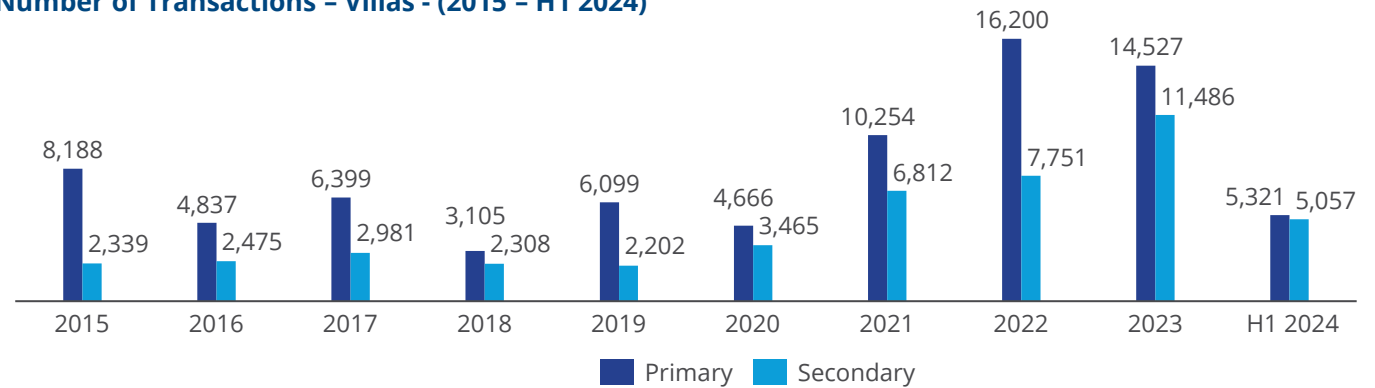
### Villas Average Sales Rates Overall Dubai – AED/sqm (2015 – H1 2024)

- **Stable to Increasing Rates (2015-2020):** The average sales rates for villas show a stable to increasing trend from 2015 to 2020. Primary sales rates started at AED 9,842 per sqm in 2015 and saw minor fluctuations, reaching AED 8,391 in 2020. Secondary sales rates followed a similar trend, starting at AED 11,151 per sqm in 2015 and reaching AED 8,920 in 2020.
- **Post-2020 Growth:** From 2021 onwards, a notable increase in sales rates is observed. Primary sales rates rose to AED 9,514 per sqm in 2021 and continued to increase, reaching AED 12,907 in 2023. Secondary sales rates also saw a rise, peaking at AED 13,973 in 2023.
- **H1 2024 Data:** The first half of 2024 shows further growth in average sales rates, with primary sales at AED 13,883 per sqm and secondary sales at AED 15,379 per sqm. This continued rise suggests strong demand and increasing property values.

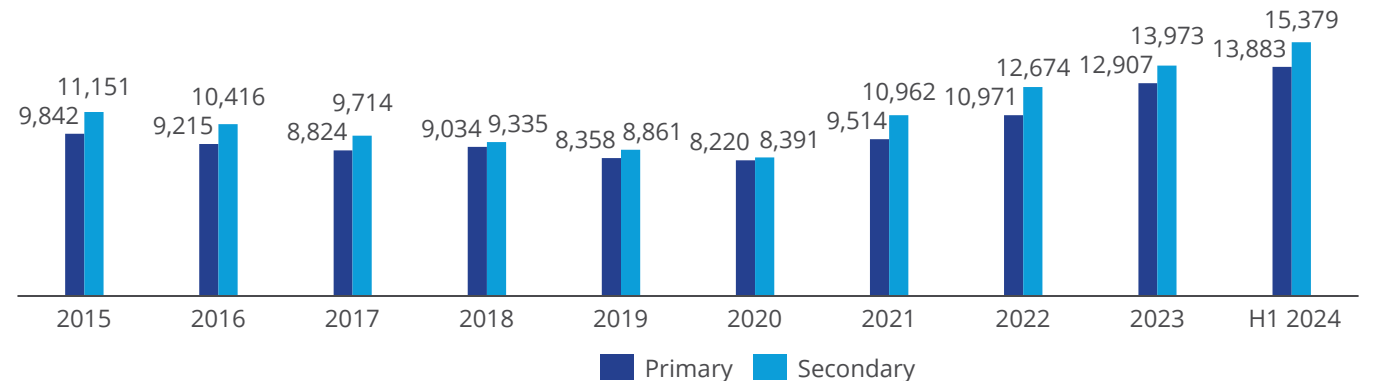
## Residential Market Overview

### Villas Sales Overview

#### Number of Transactions – Villas - (2015 – H1 2024)



#### Villas Average Sales Rates Overall Dubai – AED/sqm - (2015 – H1 2024)

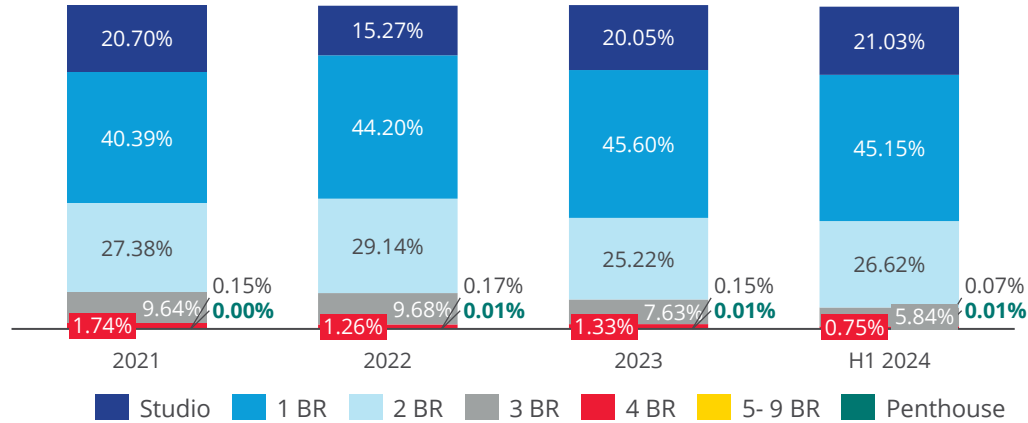


• Sources: Reiden, Colliers, 2024  
 • Note: Years stated represent full calendar years (Jan-Dec)

## Residential Market Overview

# Apartments Key Products in Demand – Off Plan Sales Analysis

### Apartments Off-plan Sales Mix by number of bedrooms – (2021 - H1 2024)



### Top 10 Communities – In terms of Number of Off-plan Sales (2021 – H1 2024)

Sr.	Community	Launch Date	# of Transactions	Avg. (AED/sqm)	%
1	Jumeirah Village Circle	2005	18,990	12,732	13%
2	Business Bay	2003	15,076	22,814	11%
3	Sobha Hartland	2014	7,782	19,945	5%
4	Arjan	2006	7,476	13,225	5%
5	Dubai Hills Estate	2014	7,465	21,278	5%
6	Meydan One	2017	7,175	17,203	5%
7	Dubai Harbour	2017	7,157	37,712	5%
8	Dubai Creek Harbour	2016	7,096	21,148	5%
9	Downtown Dubai	1998	6,730	27,892	5%
10	Jumeirah Lake Towers	2005	5,314	13,800	4%
11	Others		52,674	20,405	36.85%
<b>Grand Total</b>			<b>142,935</b>	<b>20,231</b>	<b>100%</b>

### Sales Mix (2021 – H1 2024):

- The comparative sales mix analysis between 2021 and H1 2024 shows a marked shift towards Studios and the 1-bedroom apartments, particularly the 2-bedroom Apartments witnessed a decline in the share of total off-plan sales, reflecting changing buyer preferences and greater financial capacity among buyers.
- The majority of the market demand is for Studios and 1-bedroom apartments, which consistently constitute the largest share of sales from 2021 to H1 2024. This indicates a strong preference for small-sized apartments among buyers.

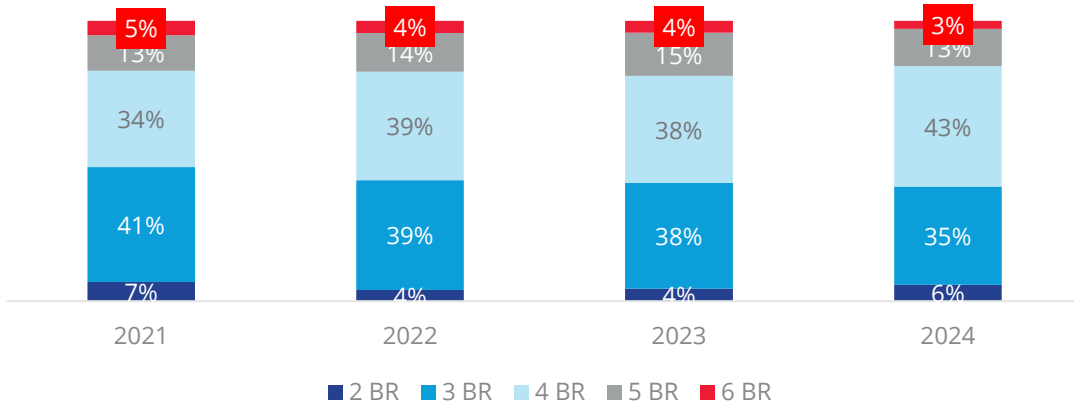
### Top 10 Communities (2021 – H1 2024):

- Most of Apartments off-plan sales transactions have been recorded in secondary and initial expansion areas, highlighting the availability of projects in both primary and secondary locations in Dubai. Therefore, the proposed development is expected to have competition while still attract significant demand due to its prime location.
- JVC, Business Bay, and Sobha Hartland are the top three communities with the highest off-plan sales, indicating their strong market appeal and value for the buyers.
- There is a variation in average sales prices per sqm among the top communities. Dubai Harbour and Downtown Dubai command higher prices, reflecting their positioning in the upper market segment, while communities like JVC and Arjan offer more affordable options, catering to a broader range of buyers.

## Residential Market Overview

# Villas Key Products in Demand – Off Plan Sales Analysis

### Villas Off-plan Sales Mix by number of bedrooms – (2021 - H1 2024)



### Top 10 Communities – In terms of Number of Off-plan Sales (2021 – H1 2024)

Sr.	Community	Launch Date	# of Transactions	Avg. (AED/sqm)	%
1	Damac Lagoons	2021	8,289	12,300	21%
2	The Valley	2019	3,672	9,800	9%
3	Arabian Ranches 3	2019	3,161	11,400	8%
4	Tilal Al Ghaf	2018	2,242	13,600	6%
5	MBR City	2012	2,229	15,700	6%
6	Damac Hills 2	2014	1,886	9,500	5%
7	Mudon	2013	1,645	11,500	4%
8	Al Furjan	2007	1,630	10,300	4%
9	Villanova	2016	1,628	8,500	4%
10	Damac Hills	2013	1,142	13,800	3%
11	Others		11,230		29%
<b>Grand Total</b>			<b>38,754</b>		<b>100%</b>

### Sales Mix (2021 – H1 2024):

- The comparative sales mix analysis between 2021 and H1 2024 shows a marked shift towards larger villas, particularly 4-bedroom units, reflecting changing buyer preferences and greater financial capacity among buyers.
- The majority of the market demand is for 3 and 4-bedroom villas, which consistently constitute the largest share of sales from 2021 to H1 2024. This indicates a strong preference for mid-sized villas among buyers.

### Top 10 Communities (2021 – H1 2024):

- Most of Villas off-plan sales transactions have been recorded in secondary areas, highlighting the limited availability of projects in primary locations in Dubai. Therefore, the proposed development is expected to attract significant demand due to its prime location.
- Damac Lagoons, The Valley, and Arabian Ranches 3 are the top three communities with the highest off-plan sales, indicating their strong market appeal and value for the buyers.
- There is a variation in average sales prices per sqm among the top communities. MBR City and Tilal Al Ghaf command higher prices, reflecting their positioning in the upper market segment, while communities like Villanova and Damac Hills 2 offer more affordable options, catering to a broader range of buyers.



## Residential Market Overview

# Apartments Sales Performance by Key Locations

### Average Apartments Sales Rates within Key Upper / Luxury Areas (AED/sqm) – H1 2024

Submarkets	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	Penthouse	Average
Jumeirah Bay Island	-	90,280	115,944	119,788	116,364	128,273	-	-	<b>75,260</b>
Downtown Dubai	31,614	26,061	28,450	32,618	43,029	42,687	42,973	-	<b>28,914</b>
Bluewaters Island	-	42,199	51,510	62,917	57,044	-	-	-	<b>54,453</b>
City Walk	-	25,920	23,514	23,514	27,569	-	-	-	<b>24,447</b>
JBR	36,814	23,907	25,444	19,985	25,253	-	-	19,409	<b>24,399</b>
Business Bay	27,044	23,334	22,944	26,735	30,754	-	31,201	13,134	<b>24,511</b>
Dubai Marina	23,200	22,179	23,010	19,916	23,574	20,360	-	20,566	<b>22,296</b>
Palm Jumeirah	35,407	26,988	34,169	36,481	59,309	31,276	-	21,538	<b>35,305</b>
<b>Average (Upper/Luxury)</b>	<b>30,816</b>	<b>35,109</b>	<b>40,623</b>	<b>42,744</b>	<b>47,862</b>	<b>55,649</b>	<b>37,087</b>	<b>18,662</b>	

### Average Apartments Sales Rates within Middle Areas (AED/sqm) – H1 2024

Submarkets	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	Penthouse	Average
Barsha Heights	17,458	13,704	10,368	9,832	-	-	-	-	<b>13,143</b>
The Greens	16,708	15,015	13,408	13,757	15,008	-	-	-	<b>14,645</b>
Mirdif	12,093	12,346	11,942	12,072	12,337	-	-	-	<b>12,096</b>
Jumeirah Golf Estates	-	12,297	12,869	13,134	15,198	-	-	-	<b>12,759</b>
Al Furjan	14,267	12,261	11,402	10,608	-	-	-	-	<b>12,033</b>
Discovery Gardens	12,777	10,478	13,798	12,684	-	-	-	-	<b>11,888</b>
Town Square	14,297	12,789	11,838	11,052	7,048	-	-	-	<b>12,121</b>
<b>Average (Middle Areas)</b>	<b>14,600</b>	<b>12,699</b>	<b>12,232</b>	<b>11,877</b>	<b>12,398</b>	-	-	-	

- **Luxury Market Premium:** Apartments in key upper/luxury areas command significantly higher prices per square meter compared to those in middle-class areas. This premium reflects the desirability and exclusivity of locations like Jumeirah Bay Island and Bluewaters Island.
- **Market Segmentation:** The disparity in average sales rates between luxury and middle-class areas underscores the segmented nature of Dubai's apartment market. Buyers in luxury areas are prepared to pay a substantial premium for prime locations and superior amenities, whereas middle-class areas offer more affordable options.
- **Investment Opportunities:** The data indicates potential investment opportunities in both segments. Luxury areas promise high returns due to premium pricing, while middle-class areas provide more accessible entry points for investors seeking steady appreciation and rental yields.

## Residential Market Overview

# Villas Sales Performance by Key Locations

### Average Villas Sales Rates within Key Upper / Luxury Areas (AED/sqm) – H1 2024

Submarkets	2 BR	3 BR	4 BR	5 BR	6 BR	Average
Jumeirah Bay Island	-	50,000	93,200	131,500	101,600	<b>75,260</b>
Dubai Hills Estate	-	19,500	21,100	30,400	38,700	<b>21,940</b>
Emirates Hills	28,400	30,900	42,000	36,400	42,500	<b>30,640</b>
District One	-	23,300	26,200	32,200	-	<b>16,340</b>
Palm Jumeirah	-	42,300	55,000	64,500	87,200	<b>49,800</b>
Sobha Hartland	-	-	21,700	14,800	16,800	<b>10,660</b>
<b>Average (Upper/Luxury)</b>	<b>28,400</b>	<b>27,800</b>	<b>43,200</b>	<b>51,633</b>	<b>57,360</b>	

### Average Apartments Sales Rates within Middle Areas (AED/sqm) – H1 2024

Submarkets	2 BR	3 BR	4 BR	5 BR	6 BR	Average
Al Furjan	-	-	11,100	15,300	16,700	<b>14,367</b>
Emaar South	10,500	9,600	11,800	11,600	11,100	<b>10,920</b>
Jumeirah Golf Estates	16,200	17,200	17,100	18,500	12,600	<b>16,320</b>
Jumeirah Village Circle	10,500	8,400	10,200	6,000	-	<b>8,775</b>
Dubai South	-	9,100	10,000	10,000	11,300	<b>10,100</b>
Town Square	-	9,900	11,000	-	-	<b>10,450</b>
<b>Average (Middle Areas)</b>	<b>12,400</b>	<b>10,840</b>	<b>11,867</b>	<b>12,280</b>	<b>12,925</b>	

- **Luxury Market Premium:** Villas in key upper/luxury areas command significantly higher prices per square meter compared to those in middle-class areas. This premium reflects the desirability and exclusivity of locations like Palm Jumeirah and Downtown Dubai.
- **Market Segmentation:** The contrast in average sales rates between luxury and middle-class areas highlights the segmented nature of Dubai's villa market. Buyers in luxury areas are willing to pay a substantial premium for location and amenities, while middle-class areas offer more affordability.
- **Investment Opportunities:** The data suggests potential investment opportunities in both segments. Luxury areas offer high returns due to premium pricing, while middle class areas provide more accessible entry points for investors seeking steady appreciation and rental yields.

## Residential Market Overview



# Dubai Key Upper / Luxury Areas

## Average Sales Prices (PQM)



-  Casagrand has an upcoming development in International City
-  Average Villas Sales Rates within Key Upper / Luxury Areas (AED/sqm)
-  Average Apartments Sales Rates within Key Upper / Luxury Areas (AED/sqm)

**Legend**

-  Airports
-  Key Highways

# Key Advantages and Risks of the real estate market in Dubai

## Dubai's SWOT Analysis

