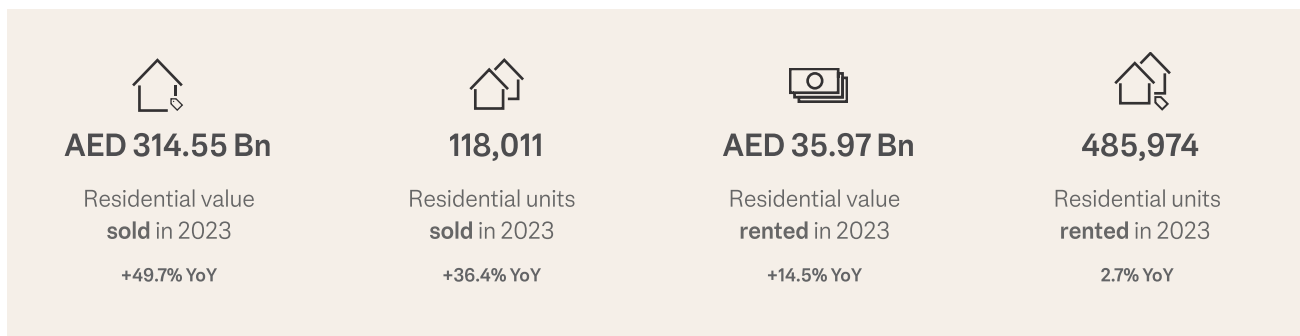


ENGEL & VÖLKERS



**Dubai Residential Property
Market Report 2023**

Dubai | United Arab Emirates



Source: Property Monitor

In 2023, Dubai's real estate market didn't just grow – it thrived, mirroring Dubai's overall economic stability and global appeal. This report will dive into the remarkable surge in residential property sales, which reached a record-breaking AED 315 billion in total sales value, a 50% leap from the previous year, highlighting the sector's robust health and soaring investor confidence.

The government's strategic efforts to bolster Dubai's economy for the coming decade played a crucial role in enhancing the city's status as a prime location for both local and international investors. The introduction of new golden visa schemes, a welcoming business environment, and high rental and capital returns on property investments played an important role in the market, also reflected in the influx of new residents to Dubai, pushing the population up by over 100,000 to 3.65 million.

2023 also saw the luxury segment of the Dubai property market reach new heights. The city outshone traditional

luxury hotspots like London and New York, becoming the leading global market for homes priced above \$10 million. This surge in luxury real estate, marked by a 76% increase in sales of units above the AED 10 million threshold, signalled Dubai's emerging status as a destination for high-net-worth individuals seeking luxury and exclusivity.

The year also witnessed a shift in market dynamics, with a growing preference for off-plan properties. This trend, particularly pronounced in the luxury segment due to the limited stock of prime-ready properties, reflects the market's evolution to meet diverse investor needs and residential aspirations.

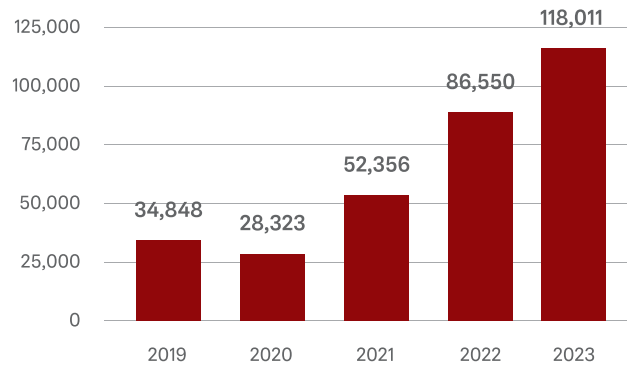
As we reflect on 2023, it's clear that Dubai's property market was more than just a growth story; it was a dynamic, adapting, and evolving ecosystem. Bolstered by strategic government initiatives and a favourable economic climate, the Dubai property market sets an optimistic tone for future growth and development.

Residential Sales

Residential sales transactions in 2023

In 2023, Dubai's residential property market experienced its third year of continuous growth in transaction volumes, with a remarkable 36.35% increase. The year saw a record 118,011 units sold, the highest in a single year, although the growth pace in sales volume slightly slowed from the previous year's 65% as a result of increasing prices and mortgage rates in 2023. This peaked in September 2023, with 11,469 units sold, indicating a robust and evolving real estate market in the city.

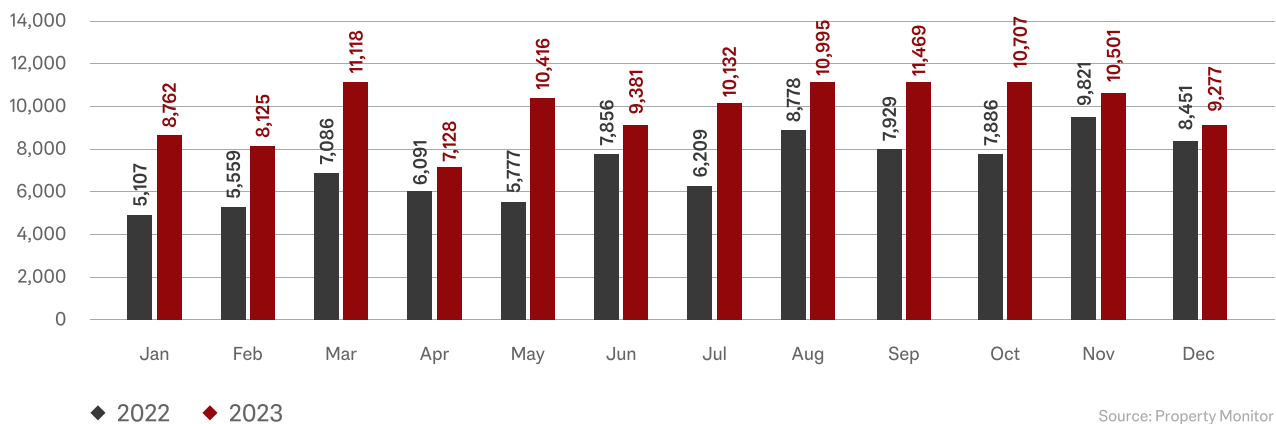
Total numbers of units sold (2019 - 2023)



Source: Property Monitor



Total numbers of units sold monthly, MoM



Source: Property Monitor

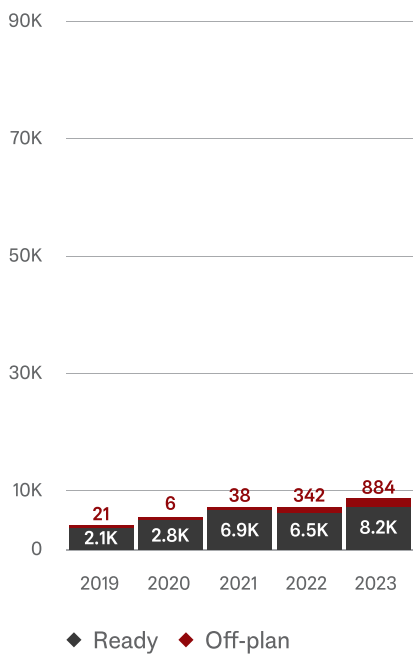
In 2023, apartment sales in Dubai took the lead with a total of 92,165 units sold, marking a significant increase of nearly 50% from the previous year. This surge was primarily fueled by off-plan apartment sales, which represented 62% of all apartments sold, showing a substantial 60% increase from the previous year. Investors have increased their activity in the market, as visible in a 71.6% surge in the volume of studio apartments

sold in 2023, with an impressive 91% increase in value sold in this segment.

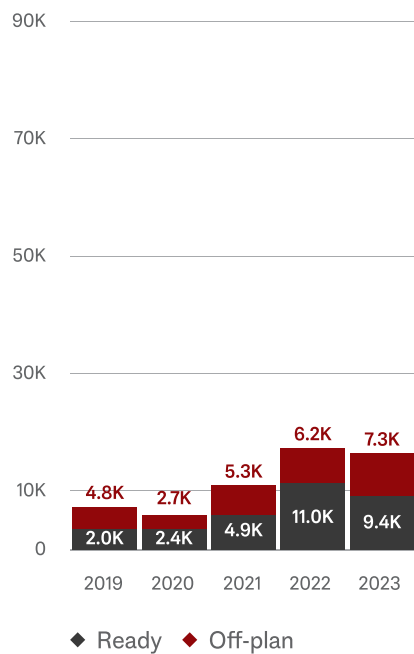
The off-plan villa segment also saw remarkable growth, with a 159% increase in units sold, as developers actively worked to meet market demand. Despite this, most villa transactions were for ready villas, constituting 90% of all villa sales last year.



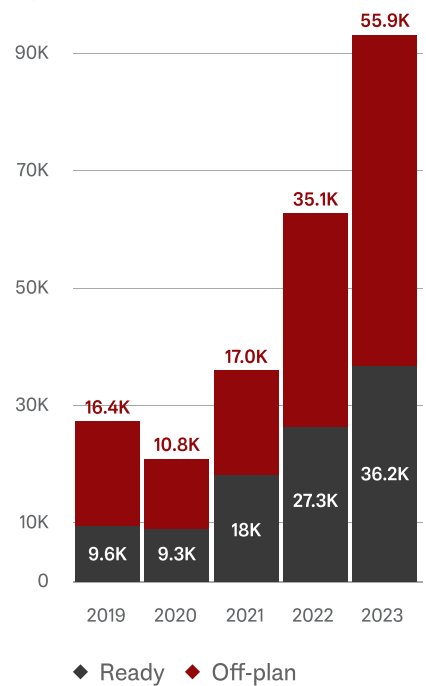
Total transaction volume Villa



Total transaction volume Townhouse



Total transaction volume Apartment

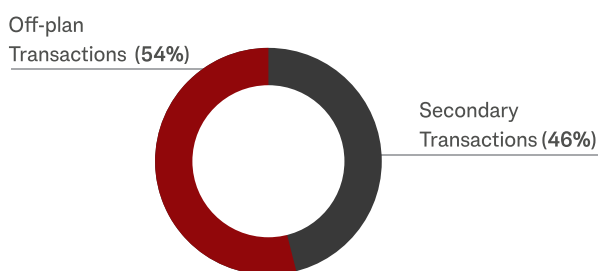


Source: Property Monitor

Off-plan sales transactions dominated the market in 2023, surpassing the sales of ready properties and accounting for 54% of all property transactions. The spike in off-plan sales was largely attributed to the scarcity of ready-to-move-in properties in the market. As a result, many buyers shifted their focus to investing in new developments which also offered attractive payment plans, a suitable alternative to mortgages with increasing interest rates. This trend is particularly pronounced in the luxury segment

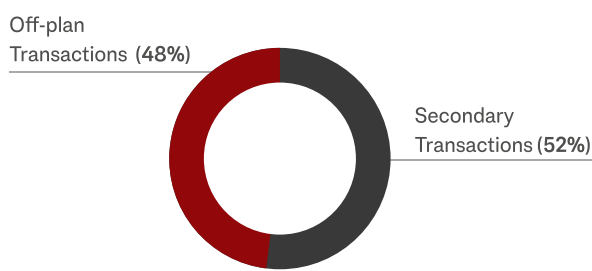
of the market, where Dubai witnessed some remarkable transactions in 2023. Notable examples include the sale of a penthouse in Como Residences for AED 500 million and a transaction worth AED 420 million in Marsa Al Arab. These high-value transactions highlight the allure of Dubai's luxury real estate sector, where discerning buyers continue to invest in new developments that offer luxury amenities, unique experiences, and attractive payment plans.

Off-plan vs secondary transactions, 2023



Source: Property Monitor

Off-plan vs secondary transactions, 2022



Source: Property Monitor

Apartment

In 2023, Jumeirah Village Circle (JVC) takes the first spot in the number of sales transactions overall, with a 227% increase in transactions year-on-year. Its rising popularity among residents and investors can be attributed to its competitive pricing and promising investment returns. Notably, the off-plan sales in JVC skyrocketed, with over 10,000 units sold last year. This remarkable upswing highlights JVC's growing reputation as a desirable subprime alternative to prime communities, which are becoming unattainable for many buyers with increasing prices.

Off-plan | Apartment

Community	2023	Change
Jumeirah Village Circle	10,014	174.2%
Business Bay	4,907	-20.6%
Sobha Hartland	3,854	49.4%
Arjan	3,657	63.3%
Dubai Hills Estate	3,259	80.7%

Ready | Apartment

Community	2023	Change
Dubai Marina	2,978	19.8%
Jumeirah Village Circle	2,582	68.3%
Business Bay	2,325	52.0%
Downtown Dubai	2,122	77.1%
International City	1,862	30.5%

Townhouse

The average annual appreciation of townhouses at 27.5% signifies a clear supply shortage, outperforming other property types. This trend has led sellers to delay sales to maximise profits, evident from the drop in ready townhouse sales despite rising demand, as seen in the increase of off-plan sales. Emaar, with its extensive experience and proven success in developing communities both in Dubai and internationally, leads the off-plan townhouse market with projects like The Valley, Arabian Ranches 3, and Dubai South. They are known for their effective maintenance and sustainability of these communities.



Off-plan | Townhouse

Community	2023	Change
Damac Lagoons	2,384	-49.9%
The Valley	1,550	120.5%
Damac Hills 2	1,218	65.7%
Arabian Ranches 3	1,123	62.0%
Mudon	715	-6.8%

Ready | Townhouse

Community	2023	Change
Emirates Living	508	0.2%
Al Furjan	363	92.1%
Reem	335	43.2%
Villanova	315	-2.8%
Dubai Hills Estate	254	-5.2%

Villa

In the villa segment of Dubai's real estate market, although the overall number of transactions was lower compared to other categories, certain communities stood out in 2023. Mohammed Bin Rashid City led the way with an impressive 245% increase in transactions

Dubai South was particularly prominent in the off-plan sector, attracting significant buyer interest. These trends reflect the growing appeal of these communities for villa buyers, offering a combination of desirable locations, lifestyle amenities, and investment potential.

Off-plan | Villa

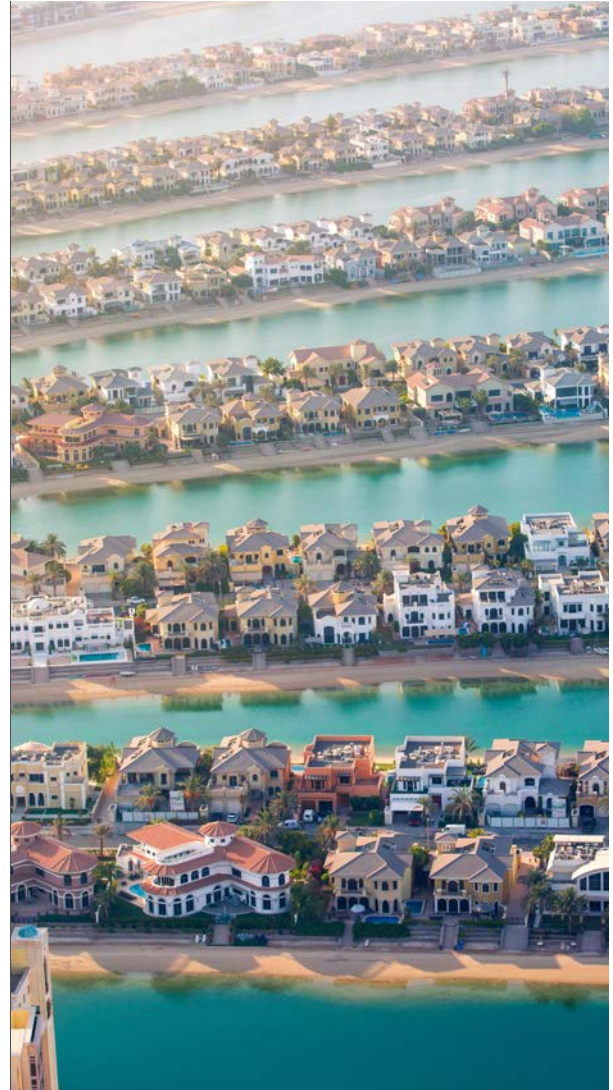
Community	2023	Change
MBR City	742	352.4%
Dubai South	685	307.7%
Palm Jebel Ali	526	N/A
Nad Al Sheba	336	65.5%
Damac Hills 2	279	87.2

Ready | Villa

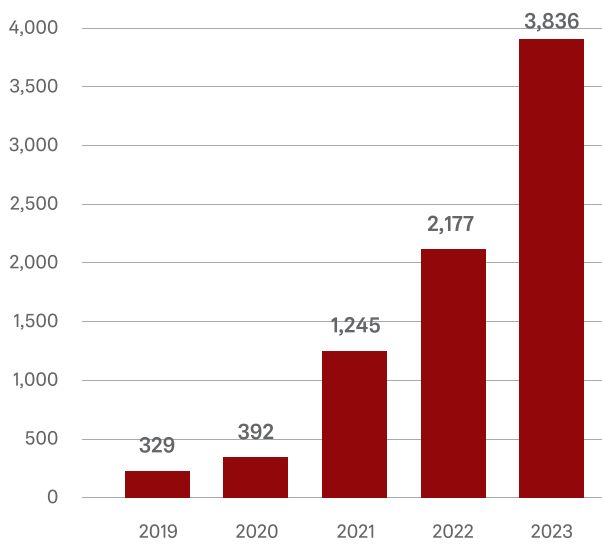
Community	2023	Change
Damac Hills	354	98.9%
Al Furjan	321	137.8%
Jumeirah Park	273	-6.8%
Dubai Hills Estate	262	-3.3%
Emirates Living	255	-2.7%

Increased demand for luxury properties in Dubai

Throughout 2023, Dubai's luxury property market experienced a notable influx of international high-net-worth individuals, leading to a substantial 76% increase in the sale of luxury units priced above AED 10 million. The iconic Palm Jumeirah and Palm Jebel Ali were at the forefront in terms of the total number of units sold in this exclusive price range. They were closely followed by Mohammed Bin Rashid City and Dubai Harbour, highlighting their growing status as preferred destinations for luxury living and high-end investment in Dubai's vibrant real estate landscape.

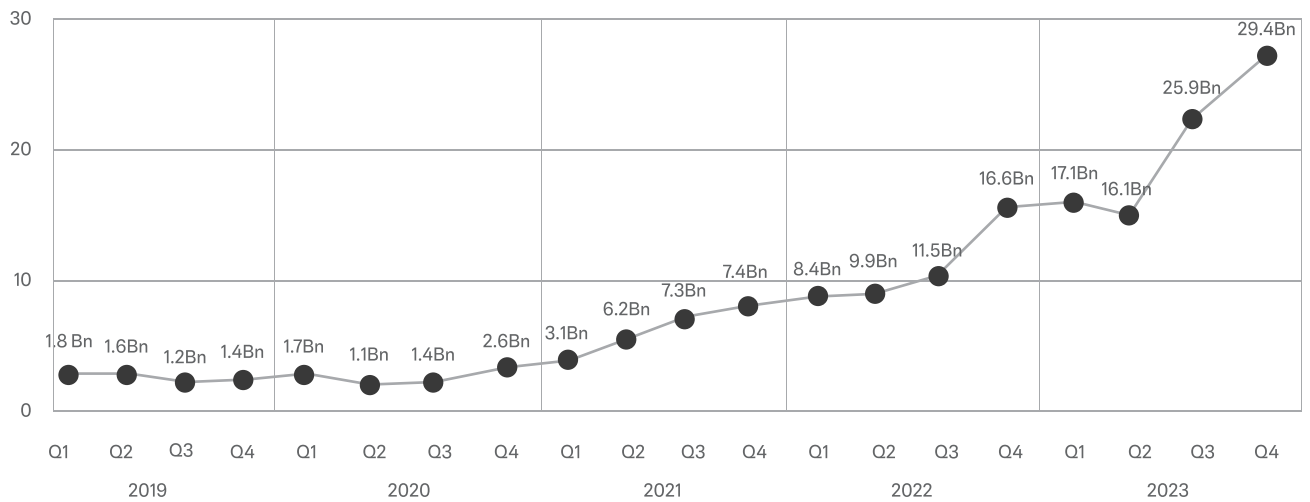


Sales transactions above AED 10M (2019 - 2023)



Source: Property Monitor

Luxury sales transactions trend QoQ (AED 10 M+)







Source: Property Monitor

Most popular luxury communities in 2023

Community	Units Sold
Palm Jumeirah	602
Palm Jebel Ali	528
Mohammed Bin Rashid City	517
Dubai Harbour	191
Dubai Hills Estate	181
Tilal Al Ghaf	161
Jumeirah Golf Estates	155



Highest sales transactions in 2023

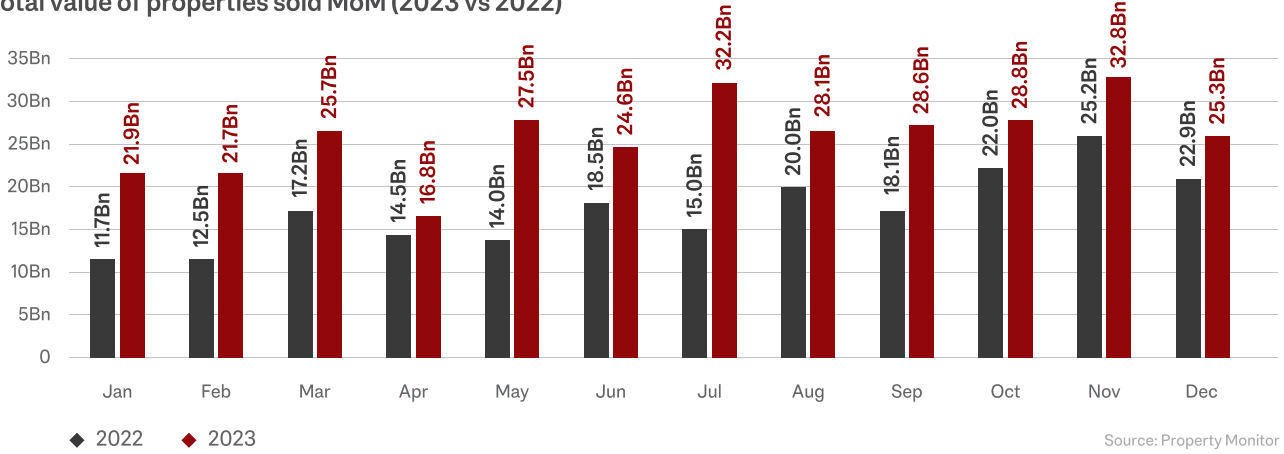
 APARTMENT (TRANSFERRED)	 APARTMENT (PRIMARY)	 VILLA (TRANSFERRED)	 VILLA (PRIMARY)
Bulgari Resort and Residences	Como Residences, Palm Jumeirah	Frond N, Palm Jumeirah	EOME, Palm Jumeirah
AED 122 Million	AED 500 Million	AED 600 Million	AED 202 Million
4 BEDROOMS	5 BEDROOMS	8 BEDROOMS	4 BEDROOMS



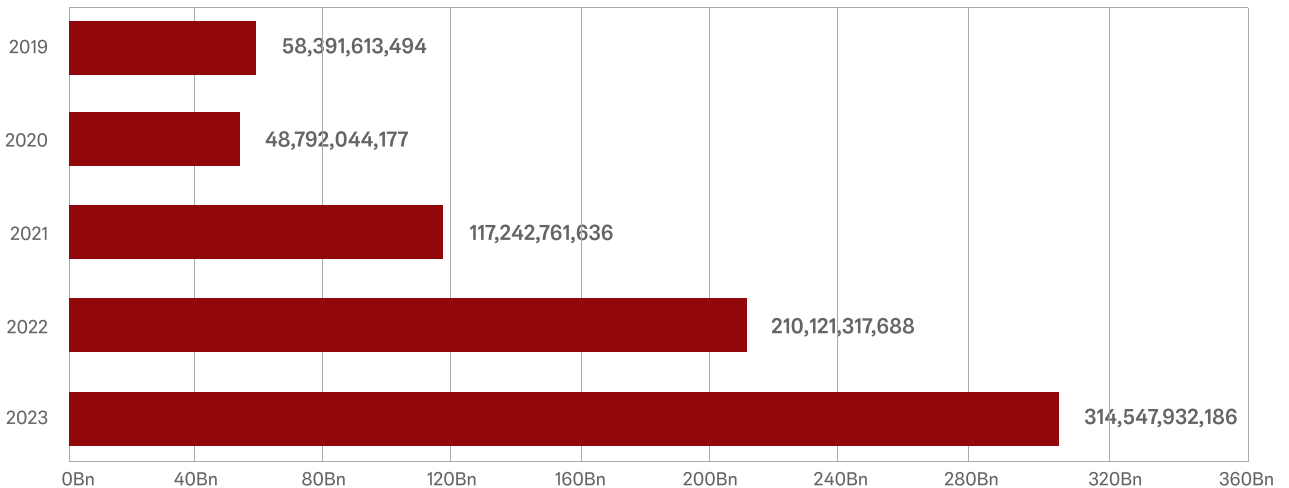
Residential sales prices in 2023

The residential property market witnessed a substantial increase in sales volume throughout 2023, surpassing the figures from 2022 by 50%. Property prices continued to increase throughout the year in Dubai, with just a minor number of communities recording price decreases last year. Notably, May 2023 experienced an impressive 80% surge in sales volume compared to May 2022. November held the highest sales volume in 2022, while September claimed the top spot in 2023 AED 32.8 billion.

Total value of properties sold MoM (2023 vs 2022)

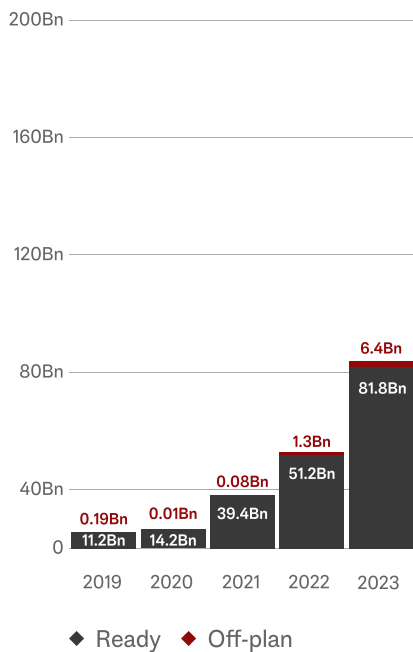


Total value sold (2019 - 2023)

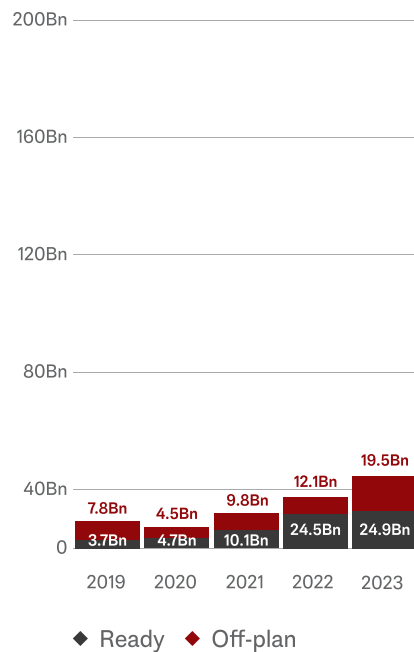




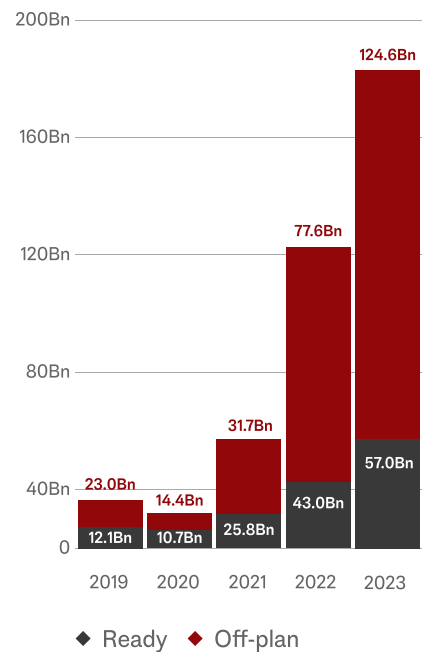
Total transaction value
Villa



Total transaction value
Townhouse



Total transaction value
Apartment

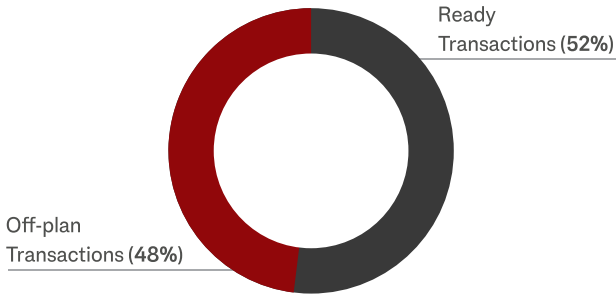


Source: Property Monitor

The total value of villas sold increased by a remarkable 68% compared to the previous year, with a 386% increase in off-plan transaction values. There is substantial growth in the 2-bedroom villa segment, with a remarkable 121% increase in volume sold. Additionally, the value sold for 2-bed villas has surged by an impressive 190% when compared to data from 2022.

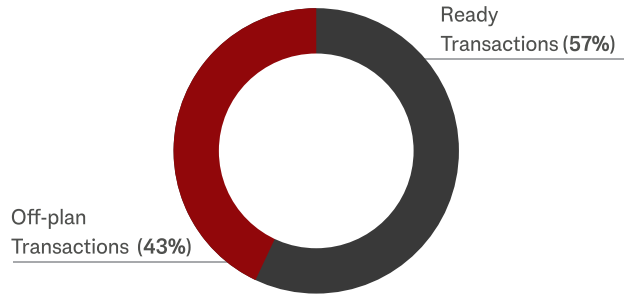
On the other hand, the apartment sector led the market growth in terms of value. Off-plan apartments experienced a substantial 60.5% increase in total value sold, underscoring the strong demand for new apartment projects. Additionally, the value of ready apartments sold also rose by 32.4%, indicating a healthy and robust market for existing apartment units.

Off-plan vs ready transaction value, 2023



Source: Property Monitor

Off-plan vs ready transaction value, 2022



Source: Property Monitor



Residential selling prices in 2023

YoY change in average selling prices (2022 - 2023)



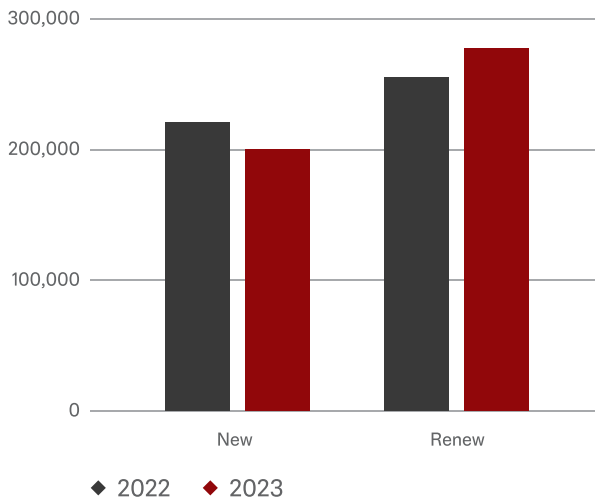
◆ Townhouses ◆ Apartments

Residential Leasing

Residential leasing transactions in 2023

In 2023, Dubai's rental market witnessed a significant shift, driven by rising rental prices as the influx of new residents added pressure on the rental market. The majority of tenants chose to renegotiate their current contracts rather than move to a new place with the current market prices, with many even relocating to more affordable emirates, such as Sharjah. As a result, the number of new rental contracts registered in 2023 fell by 9.5%.

New & renewed listings



Source: Property Monitor

Townhouse

Community	2023	Change
Emirates Living	2,476	-14.4%
DAMAC Hills 2	2,156	-0.3%
Reem	1,868	-12.2%
Town Square	1,566	-9.7%
Dubai Hills Estate	1,229	-6.4%

Apartment

Community	2023	Change
Jumeirah Village Circle	17,788	3.4%
Dubai Silicon Oasis	15,541	-5.7%
Dubai Marina	14,254	-7.5%
Business Bay	12,808	4.4%
Discovery Gardens	12,617	-3.7%

Villa

Community	2023	Change
Mirdif	4,760	-3.1%
DAMAC Hills 2	2,576	7.0%
Jumeirah	2,487	-2.5%
Umm Suqeim	1,668	-5.0%
Deira	1,630	-1.6%

The escalating rental costs also had a ripple effect on property ownership patterns. As rents climbed, there was a surge in property purchases, indicating that more residents were opting to buy homes rather than face escalating rents.

Residential leasing prices in 2023

YoY change in average selling prices (2022 - 2023)



◆ Townhouses ◆ Apartments



Daniel Hadi, currently the CEO of Engel & Voelkers Dubai and a seasoned expert in the world of real estate with an impressive 17-year track record. Daniel's journey in the real estate industry began nearly two decades ago, his expertise to the industry stands out as a true luminary. He continues to excel offering his expertise, guidance, and unwavering commitment to each client's unique journey in the world of real estate. Whether you are a seasoned investor or a first-time homebuyer, Daniel Hadi is the trusted partner you can rely on to make your real estate goals a reality.

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Tamer Hasan used to work in the banking industry for more than 6 years. He used his business knowledge to help his clients in the Dubai real estate market. He stayed informed about global and UAE developments that could impact the market. Tamer has been in the real estate industry since February 2018, working as a broker and collaborating with top developers. His main focus is to put his clients first at all times.

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