



# Market Watch

## Residential Real Estate Report - Q2 2023

Abu Dhabi & Dubai



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# Economic Overview



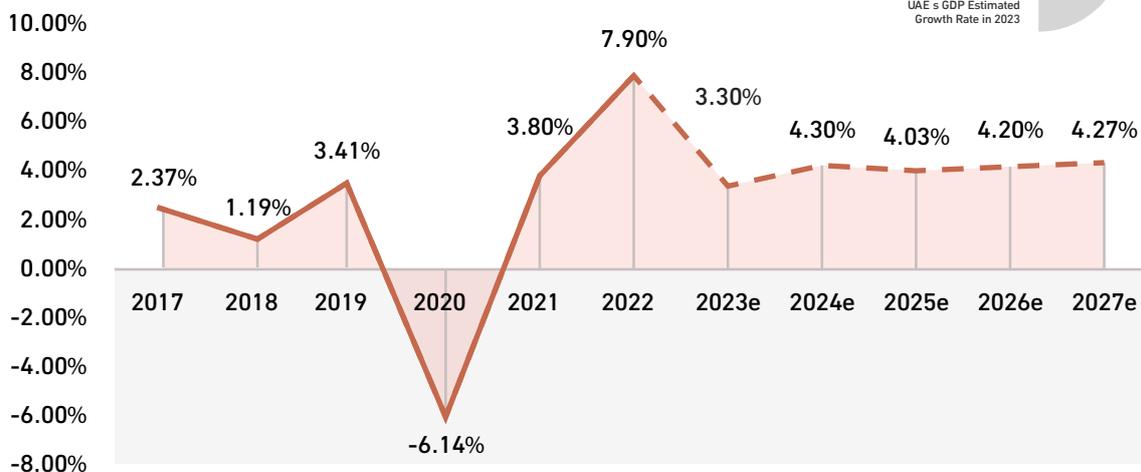
## United Arab Emirates

The Arab world's second-largest economy was among the fastest-growing in the world in 2022, enjoying strong GDP growth and moderate inflation. During the first quarter of 2023, the UAE economy demonstrated steady expansion driven by the impressive performance of the non-oil sector. However, there was a moderation in growth within the oil segment, which had a mitigating effect. As a result, the growth projection for 2023 has been revised downwards by 0.6 percentage points to 3.3%, reflecting the agreed-upon oil production cuts among OPEC+ members. Despite this adjustment, the non-oil sector is expected to continue contributing to overall economic output, albeit at a more moderate pace compared to 2022. Looking ahead to 2024, the CBUAE maintains an unchanged growth forecast of 4.3%.

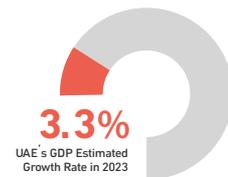
In May 2023, the Central Bank of the UAE (CBUAE) has decided to raise the Base Rate for the Overnight Deposit Facility (ODF) by 25 basis points from 4.90% to 5.15%, in response to the US Federal Reserve Board's recent increase in the Interest On Reserve Balances (IORB).

On the other hand, CBUAE has made a slight downward revision to its inflation forecasts for 2023, reducing it from 3.2% to 3.1%. This adjustment is primarily attributed to lower energy and food prices, along with a mild decrease in inflation observed in Dubai during the first quarter of 2023. Looking ahead to 2024, inflation is forecasted to decelerate further to 2.6%, aligning with the prevailing global trends, marking a downward revision from the previous estimate of 2.8%.

UAE Real GDP Growth Rate



Source: IMF - Central Bank of the UAE



# Abu Dhabi Real Estate Performance

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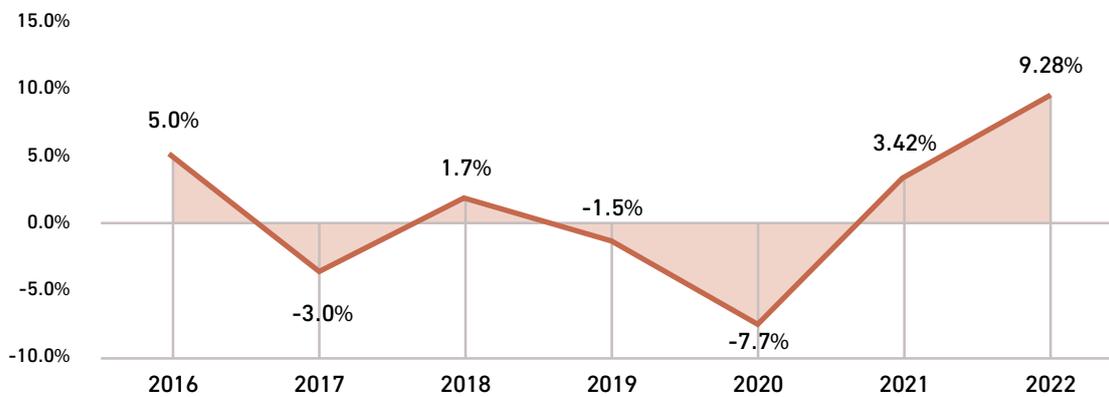
# Economic Overview

## The Emirate of Abu Dhabi

The latest report from the Statistics Centre - Abu Dhabi (SCAD) presents the Gross Domestic Product (GDP) estimates for 2022, revealing a remarkable 9.3% growth compared to the previous year, 2021. This places Abu Dhabi as the Middle East and North Africa region's fastest-growing economy.

Abu Dhabi's exceptional growth in various sectors throughout 2022 can be attributed to its strong economic framework supported by collaborative efforts from both the public and private sectors. The emirate has successfully solidified its international standing and sustained its competitive advantage while maintaining a stable macroeconomic environment.

Abu Dhabi's Real GDP Growth Rate

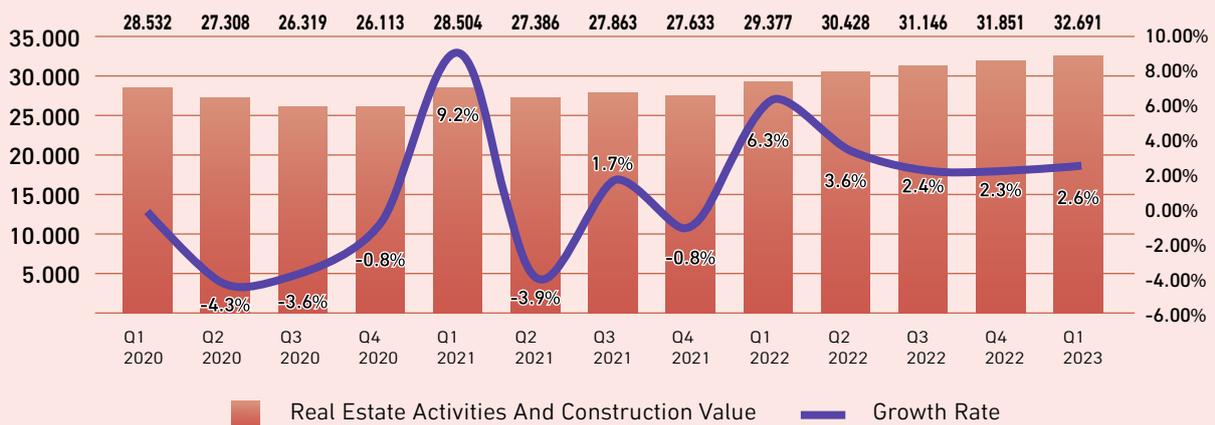


Source: Statistics Centre- Abu Dhabi (SCAD)

The real estate and construction sectors in Abu Dhabi witnessed approximately an 11.3% increase in Q1 2023 compared to Q1 2022 and around 2.6% compared to Q4 2022 while the contribution of sectors increased from 11.04% to 11.82% for the same period.

Additionally, according to the Quarterly Economic Review of the Central bank of The United Arab Emirates, the average price per square meter (sqm) residential index in Abu Dhabi recorded a 1.5% Y-o-Y increase in Q1 2023. However average prices declined marginally, from Q3 2022 to Q1 2023. Average rents declined by 1.5% Y-o-Y in Q1 2023, leading to a stable rental yield of 6.4% as the CBUAE announced.

Real Estate Activities and Constructions Contributions to Abu Dhabi's GDP Value (AED Billions)



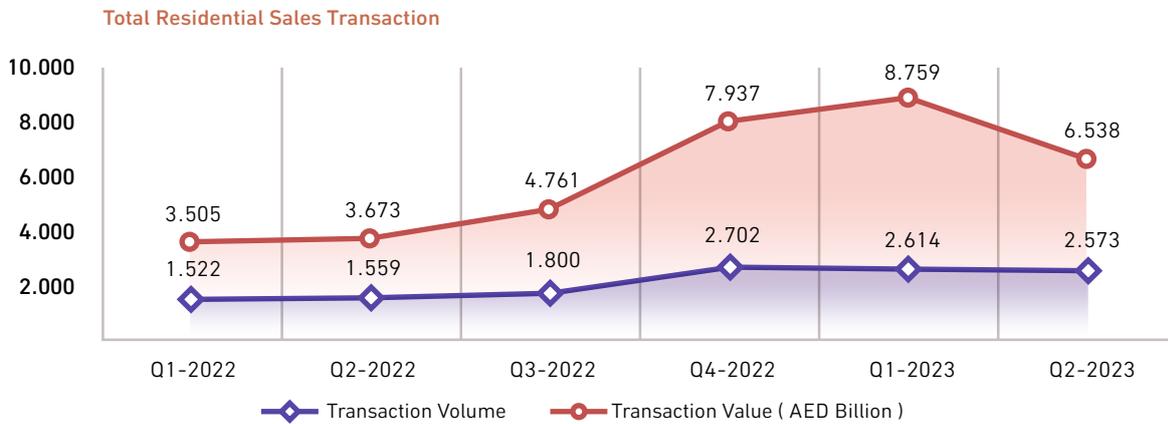
# Market Performance

## Total Sales Transactions - Q2 2023

According to data from the Department of Municipalities and Transport (DMT), Abu Dhabi experienced a significant surge in total sales transactions (both residential and commercial) during Q2 2023. The number of transactions reached a record high for a quarter, with 2,635 transactions compared to 1,671 transactions in the second first quarter of 2022, reflecting a substantial increase of 57.7%.

Residential transactions accounted for 97.6% of the total volume and approximately 89% of the overall value. In the second quarter of 2023, there were 2,573 residential transactions, a notable year-on-year increase of 65% in terms of volume compared to 1,559 transactions in the same period in 2022. The transaction value amounted to 6.5 billion AED, marking a remarkable 78% increase from AED 3.7 billion recorded in the previous year.

The surge in transaction numbers indicates the confidence of investors in the Abu Dhabi real estate market. This positive trend can be attributed to the government's ongoing efforts to enhance the investment environment and regulatory framework, which have contributed to fostering a favorable investment climate.



### Key Insights

YoY changes in Volume	YoY changes in Value	QoQ changes in Volume	QoQ changes in Value
<b>▲ 65%</b>	<b>▲ 78%</b>	<b>▼ -1.6%</b>	<b>▼ 25.4%-</b>

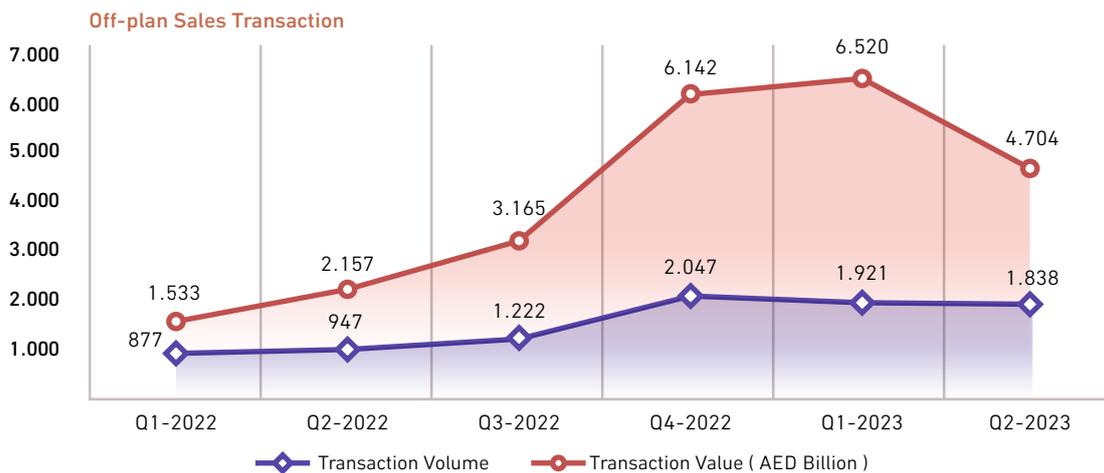
# Market Performance

## Off-plan Sales Transactions - Q2 2023

The off-plan market in Q2 2023 kept supporting the real estate market in Abu Dhabi, by recording 1,838 transactions compared to 947 transactions in Q2 2022 to represent 71.4% of the total transactions compared to 60.7% of the total transactions in Q2 2022.

This recorded a significant year-on-year surge by 94.1% in terms of volume along with a 118% increase for the same period in terms of value.

The off-plan sales transaction value in Q2 2023 contributed to 71.9% of the total sales transactions value compared to 58.7% in Q2 2022 by reaching AED 4.704 billion compared to AED 2.157 billion. Compared to Q1 2023, the value of off-plan transactions decreased by 27.9% compared to AED 6.520 billion, while the off-plan volume decreased by 4.3%.

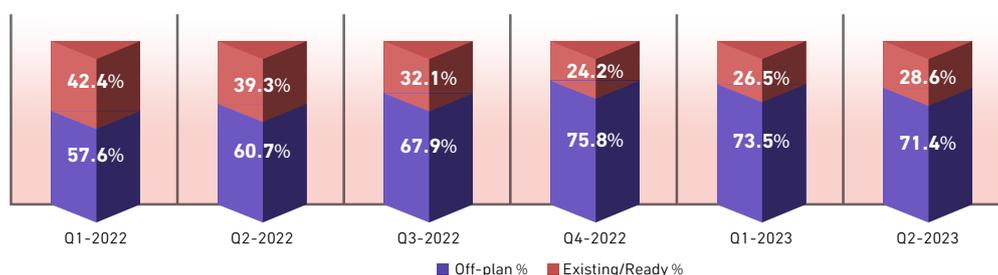


Source: Abu Dhabi Department of Municipalities and Transport

### Key Insights

YoY changes in Volume	YoY changes in Value	QoQ changes in Volume	QoQ changes in Value
▲ 94.1%	▲ 118.1%	▼ -4.3%	▼ -27.9%

### The Relative Distribution of the Total Transaction Volume



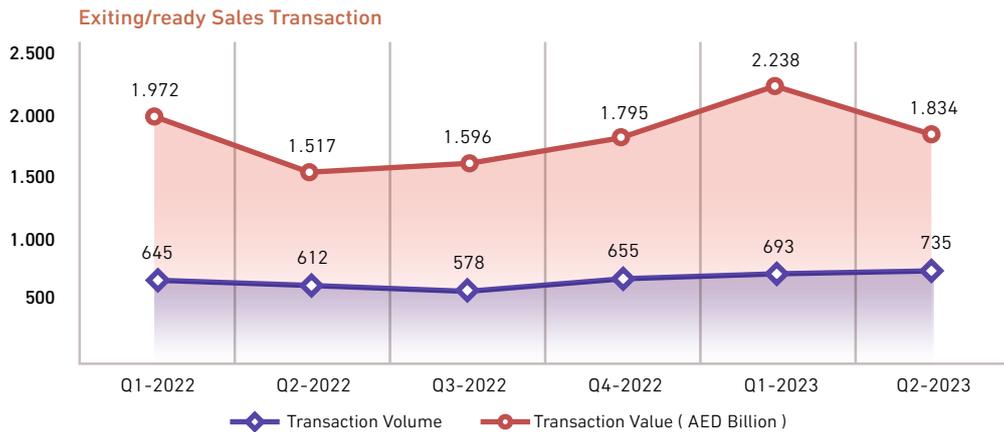
# Market Performance



## Existing/Ready Sales Transactions in Q2 2023

The existing/ready market in Q2 2023 registered 735 ready properties compared to 612 in Q2 2022, to represent around 28.6% of the total transactions compared to 39.3% in Q2 2022; witnessing a notable growth of 20.1% compared to Q2 2022. While the quarter-on-quarter performance witnessed a moderate increase with the number of transactions increasing by 6% compared to 693 transactions in Q1 2023.

The existing/ready transaction value in Q2 2023 contributed to 28.1% of the total sales transactions value compared to 41.3% in Q2 2022, by reaching AED 1.834 billion. The existing/ready transaction value witnessed a notable increase of 20.9% compared to AED 1.517 billion in Q2 2022.

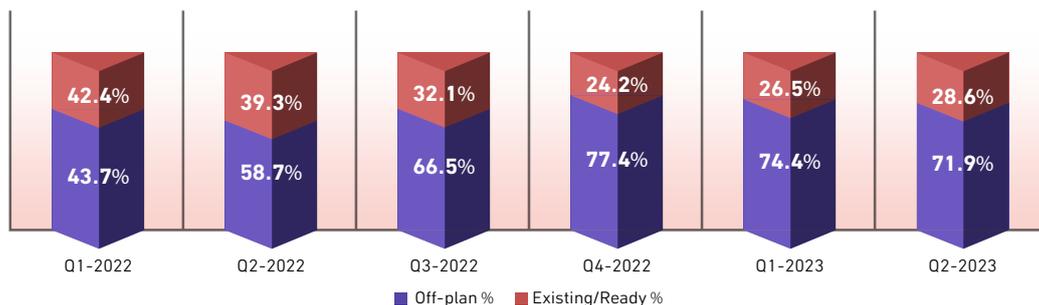


Source: Abu Dhabi Department of Municipalities and Transport

### Key Insights

YoY changes in Volume	YoY changes in Value	QoQ changes in Volume	QoQ changes in Value
▲ 20.1%	▲ 20.9%	▲ 6.1%	▼ -18.1%

### The Relative Distribution of the Total Transaction Value



# Market Trends

## Abu Dhabi Market Trends - Q2 2023

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In this part, we are going to identify the top five areas according to Property Finder's most searched areas. The top areas are determined as per the listings in our search engine, classified by residential apartments and villas/townhouses for sale or rent purposes, along with the price movement for each location.

The Return-on-Capital-Gains (ROCG) is calculated by comparing the average asking price of properties in Q2 2022, to their current value in Q2 2023. The Return on Investment (ROI) is calculated by dividing the annual return on a rental property by the total investment on the property in Q2 2023.



# TOP AREAS

## FOR SALE IN Q2 2023



### Apartments

1. Al Reem Island
2. Yas Island
3. Al Raha Beach
4. Saadiyat Island
5. Masdar City



### Villas & Townhouses

1. Yas Island
2. Saadiyat Island
3. Al Reef
4. Al Reem Island
5. Khalifa City





# Market Trends



## Sales Market Trends for Apartments - Q2 2023

Property Finder proprietary data revealed that Al Reem Island, Yas Island, Al Raha Beach, Saadiyat Island and Masdar City are still the preferred choices for those who want to own an apartment for investment or residence purposes in Q2 2023.

Based on proprietary data from Property Finder, there has been a moderate increase in the average asking price for apartments during Q2 2023, with a reported increase of 4.1% compared to Q2 2022. This upward trend was predominantly driven by two and three-bedroom apartments.

Furthermore, the data reveals that the average sales price for a one-bedroom apartment witnessed a decrease from AED 1.2 million to AED 1.02 million, while that of a two-bedroom apartment increased from AED 1.7 million to AED 2.2 million. The sales price for a three-bedroom apartment also increased from AED 2.9 million to AED 3.1 million.

Saadiyat Island experienced the most significant change in average prices among the most searched areas in Abu Dhabi, with a

30.4% ROCG for two-bedroom apartments compared to Q2 2022 and 30% for three-bedroom apartments.

Despite the global economic changes, the luxury real estate market on Saadiyat Island demonstrated impressive durability. Upscale properties maintained their value, exhibiting a consistent rate of growth during the initial half of 2023.

One Bedroom	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Al Reem Island	838,000	830,000	-0.95%
Yas Island	911,000	950,000	4.24%
Al Raha Beach	1,200,000	1,188,000	-0.97%
Saadiyat Island	2,157,000	2,094,000	-2.90%
Masdar City	800,000	750,000	-6.25%

Two Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Al Reem Island	1,300,000	1,400,000	7.69%
Yas Island	1,600,000	1,700,000	6.25%
Al Raha Beach	1,600,000	1,725,000	7.81%
Saadiyat Island	3,360,000	4,380,000	30.36%
Masdar City	1,230,000	1,072,500	-12.81%

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Al Reem Island	1,945,000	2,000,000	2.83%
Yas Island	1,800,000	1,850,000	2.78%
Al Raha Beach	2,600,000	2,500,000	-3.85%
Saadiyat Island	6,000,000	7,800,000	30.00%
Masdar City	2,100,000	1,180,000	-43.81%

# Market Trends

## Sales Market Trends for Villas - Q2 2023

According to Property Finder proprietary data, the average asking price for villas decreased by 5% compared to Q2 2022, due to the decrease of asking prices for four and five-bedroom villas. When it comes to affordable and luxurious villas or townhouses, home buyers' top picks for Q2 2023 were Yas Island, Saadiyat Island, Al Reef, Al Reem Island and Khalifa City.

In terms of the average sales price for villas or townhouses in Q2 2023, the data reveals that while the sales price for three-bedroom villas or townhouses increased from AED 3.9 million to AED 4.04 million, the sales price for a four-bedroom villa or townhouses decreased from AED 4.8 million to AED 4.3 million, and the sales price for five-bedroom villa or townhouses decreased from AED 7.3 million to AED 5.7 million.

In the top five areas, Al Reef stood out as the only region that experienced steady and moderate growth. The average asking price of three-bedroom villas in Al Reef increased by 1.6% compared to Q2 2022. Additionally, five-bedroom villas in the area saw an increase of 2.5%, while five-bedroom villas witnessed a growth of 1.4%.

Saadiyat Island emerged as one of the most searched areas for home seekers in Abu Dhabi during the second quarter of 2023. The average asking price for a three-bedroom villa reached AED 7 million, registering the highest Return on Capital Gains by recording a growth of 22%.

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Yas Island	4,900,000	4,400,000	-10.20%
Saadiyat Island	5,750,000	7,000,000	21.74%
Al Reef	1,575,000	1,600,000	1.59%
Al Reem Island	3,622,000	3,150,000	-13.03%
Khalifa City	4,370,000	2,565,000	-41.30%

Four Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Yas Island	5,900,000	5,734,000	-2.81%
Saadiyat Island	8,390,000	8,271,000	-1.42%
Al Reef	2,160,000	2,213,000	2.45%
Al Reem Island	3,500,000	3,322,000	-5.09%
Khalifa City	4,500,000	3,837,000	-14.73%

Five Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Yas Island	6,400,000	6,250,000	-2.34%
Saadiyat Island	13,800,000	11,900,000	-13.77%
Al Reef	2,533,000	2,568,000	1.38%
Al Reem Island	NA	NA	NA
Khalifa City	6,500,000	5,620,000	-13.54%

# TOP AREAS

## FOR RENT IN Q2 2023



### Apartments

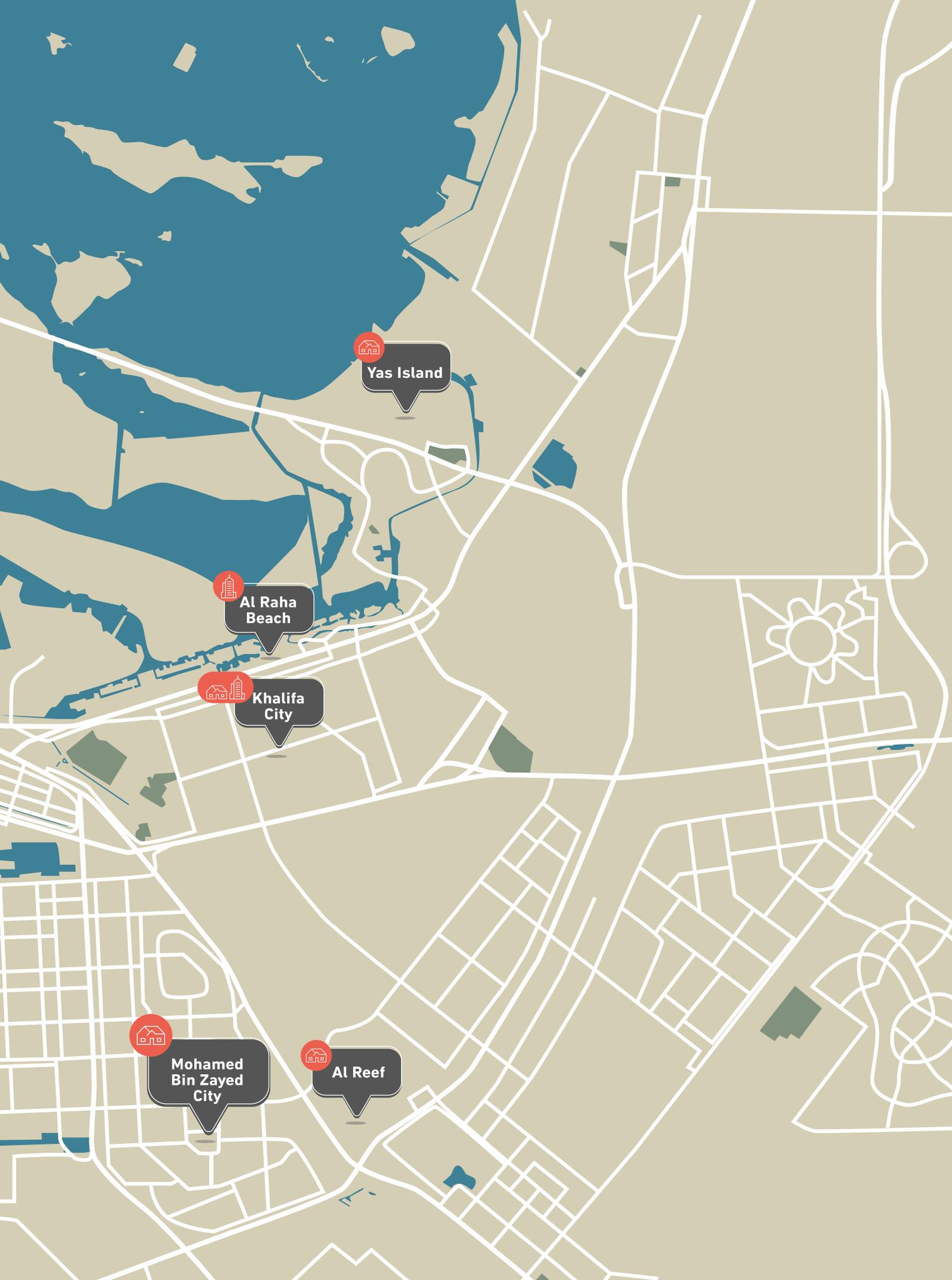
1. Al Reem Island
2. Al Raha Beach
3. Khalifa City
4. Corniche Road
5. Al Khalidiya



### Villas & Townhouses

1. Khalifa City
2. Mohamed Bin Zayed City
3. Yas Island
4. Al Reef
5. Saadiyat Island





  
**Yas Island**

  
**Al Raha Beach**

  
**Khalifa City**

  
**Mohamed Bin Zayed City**

  
**Al Reef**

# Market Trends



## Rental Market Trends for Apartments - Q2 2023

Property Finder proprietary data revealed that Al Reem Island, Al Raha Beach, Khalifa City, Corniche Road and Al Khalidiya remained the preferred choices among renters in Q2 2023 for Apartments.

The average rental prices in Q2 2023 decreased by 1.3% compared to Q2 2022. One-bedroom apartment rents decreased from AED 63.7 thousand to AED 60 thousand, two-bedroom apartment rents declined from AED 91 thousand to AED 88.4 thousand, while three-bedroom apartment rents increased from AED 124 thousand to AED 132 thousand. However, only Khalifa City and Al Khalidiya experienced a rise in average rent prices for the most in-demand areas.

In Khalifa City, one-bedroom apartment rents increased by 3.7%, two-bedroom apartment rents rose by 3.3%, while three-bedroom apartment rents went down by 0.23%.

While Al Reem saw a 3.5% increase in one-bedroom apartment rents and a 1.5% rise in two-bedroom apartment rents, three-bedroom apartment rents decreased by 4% compared to Q2 2022.

Regarding the Return On Investment (ROI) for the most in-demand areas in Abu Dhabi, not all areas have units for sale to calculate rental yields. Property Finder's listings reveal that Al Reem Island has the highest ROI for one and two-bedroom apartments, with 7.23% and 6.7%, respectively, followed by Al Raha Beach with roughly 5.5% for one-bedroom apartments and 6.3% for two-bedroom apartments.

One Bedroom	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Al Reem Island	58,000	60,000	7.23%
Al Raha Beach	65,000	65,000	5.47%
Khalifa City	40,500	42,000	4.20%
Corniche Road	85,000	80,000	NA
Al Khalidiya	70,000	55,000	NA

Two Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Al Reem Island	92,000	94,000	6.69%
Al Raha Beach	108,000	109,000	6.29%
Khalifa City	60,000	62,000	6.20%
Corniche Road	120,000	115,000	NA
Al Khalidiya	85,000	75,000	NA

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Al Reem Island	125,000	120,000	6.00%
Al Raha Beach	159,000	161,000	6.43%
Khalifa City	86,000	86,000	3.43%
Corniche Road	160,000	155,000	NA
Al Khalidiya	95,000	100,000	NA



# Market Trends



## Rental Market Trends for Villas in Q2 2023

Property Finder proprietary data revealed that Khalifa city, Mohamed Bin Zayed, Yas Island, Al Reef and Saadiyat Island were the preferred choices among renters in Q2 2023 for villas.

Regarding Q2 2023 rental prices, the data indicates an increase in the average rent prices for villas, with a 7.9% rise compared to Q2 2022. This increase is primarily supported by the rise in rents for three and five-bedroom villas. The average rent for a three-bedroom villa increased from AED 169 thousand to AED 180 thousand, while the rent for four-bedroom villas/townhouses increased from AED 206 thousand to AED 234 thousand. On the other hand, average rent for five-bedroom villas/townhouses increased from AED 254.5 thousand to AED 278.6 thousand.

In Q2 2023, the most demanded areas showed varied results in terms of rental prices. Saadiyat Island witnessed the highest increase in rental prices for four-bedroom villas/townhouses, with a 32% rise, followed by Yas Island, with a 9% increase. In terms of Return on Investment (ROI), the most demanded areas in Abu Dhabi had different yields.

According to the listings on Property finder, Al Reef had the highest ROI for three and four-bedroom villas, with 6.25% for three-bedroom and 6.3% and 6% for four and five-bedrooms, respectively. Yas Island had an ROI of around 5.45%, 5.23%, and 5.12% for three, four, and five-bedroom villas, respectively.

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Khalifa City	125,000	130,000	5.07%
Mohamed Bin Zayed City	110,000	105,000	4.24%
Yas Island	230,000	240,000	5.45%
Al Reef	95,000	100,000	6.25%
Saadiyat Island	285,000	325,000	4.64%

Four Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Khalifa City	152,500	155,000	4.04%
Mohamed Bin Zayed City	130,000	130,000	1.53%
Yas Island	275,000	300,000	5.23%
Al Reef	135,000	140,000	6.33%
Saadiyat Island	340,000	449,000	5.43%

Five Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Khalifa City	165,000	170,000	3.02%
Mohamed Bin Zayed City	150,000	150,000	2.31%
Yas Island	307,500	320,000	5.12%
Al Reef	150,000	153,000	5.96%
Saadiyat Island	500,000	600,000	5.04%



# Dubai Real Estate Performance

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# Economic Overview

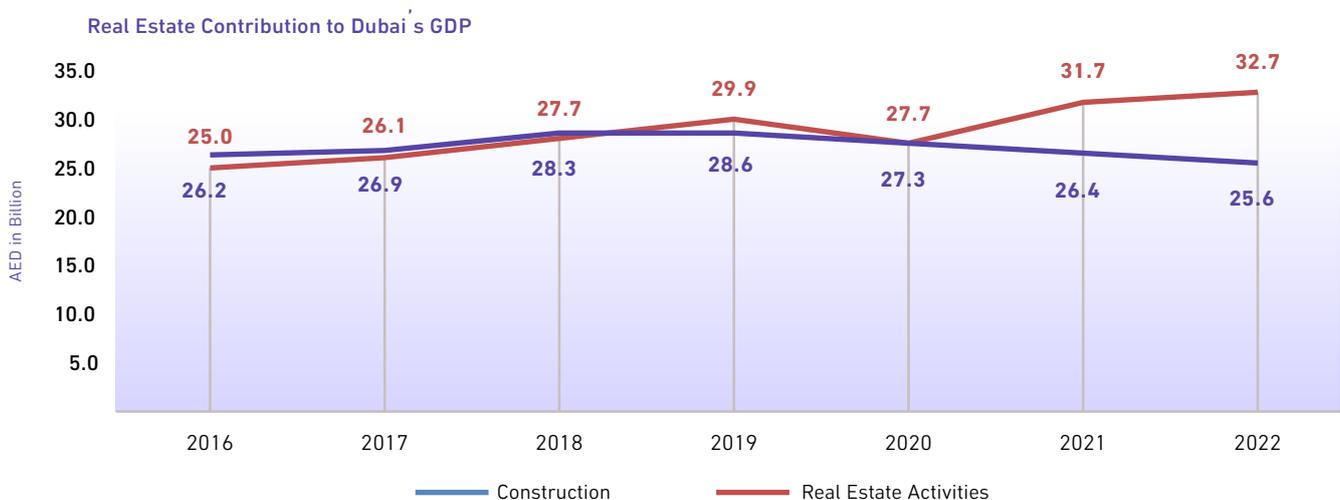
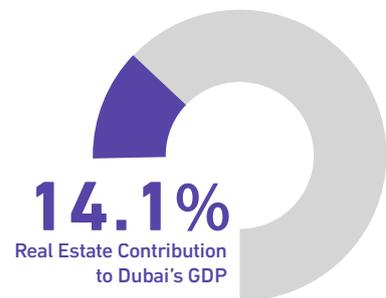
## The Emirate of Dubai

According to the recent data released by the Dubai Statistics Center, (The Real Estate activities and Construction Sector) in Dubai made up approximately 14.1% of the city's GDP in 2022. The sector experienced a notable increase of 3.1% compared to the previous year. However, the construction sector witnessed a decline of 3% in 2022 when compared to 2021.

According to the Central Bank of the United Arab Emirates, in Q1 2023, Dubai witnessed a significant number of tourists, with a total of 4.7 million visitors. This figure was only 80 thousand less compared to the same period in 2019, showcasing a remarkable recovery. Furthermore, it represented an increase of 700 thousand tourists compared to the first quarter of 2022.

Despite the growth in the number of tourist establishments from 769 in Q1 2022 to 814 in Q1 2023, and an additional 8000 rooms becoming available, the hotel occupancy rate in Dubai remained relatively stable at 83% during the first quarter of 2023.

Simultaneously, there were changes in the average daily room rate. It rose by 22% when compared to 2019, indicating an increase in prices. However, in comparison to 2022, the average daily room rate experienced a decline of 6%. This decline could be attributed to the larger number of accommodations becoming available in the market.



# MARKET Performance

## Total Sales Transactions Volume - Q2 2023

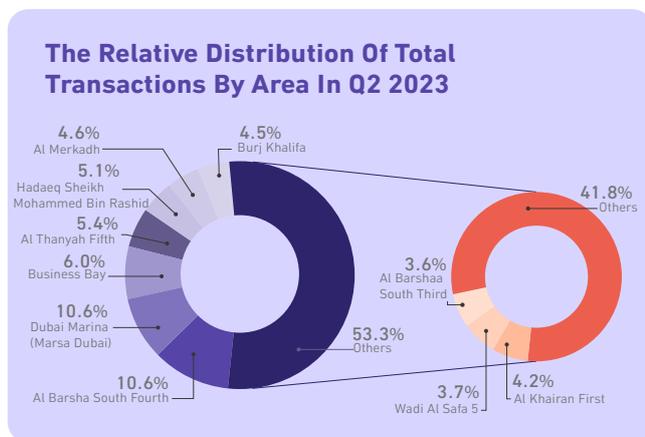
Q2 2023 witnessed a remarkable record for a quarter over the last decade. The registered sales reached 30,098 transactions compared to 22,322 transactions in Q2 2022, recording a sharp increase of 34.84% YoY to be the second highest performance for a quarter for the last decade compared to Q1 2023, driven by the outstanding performance of ready transactions.

In Q2 2023, a total of 158 areas saw real estate transactions, with 58.2% of the total transactions being accounted for by just ten areas. Leading the pack was Al Barsha South Fourth, which contributed 10.6% of the total transactions, followed by Dubai Marina at 10.6%, and Business Bay with almost 6%. Interestingly, there was a significant increase in demand for places out of the top ten areas, such as Wadi Al Safa 3 which saw an almost 290% increase in transactions, as well as Zabeel Second with around 314% and Al Hebiah first with 281% compared to Q2 2022.

Looking at the top ten areas in terms of transaction volume, Al Barsha South third saw a notable increase of 172%, followed by Al Barsha South Fourth with an increase of 155.5% and Hadaeq Sheikh Mohammed Bin Rashid with a 129% increase.



Source: Dubai Land Department



Source: Dubai Land Department

Top 10 Areas in Terms of Total Volume of Transactions	Q2 2023 vs Q2 2022
Al Barsha South Fourth	155.5%
Dubai Marina (Marsa Dubai)	66.0%
Business Bay	12.6%-
Al Thanyah Fifth	80.5%
Hadaeq Sheikh Mohammed Bin Rashid	129.2%
Al Merkadh	64.1%
Burj Khalifa	28.6%-
Al Khairan First	33.2%
Wadi Al Safa 5	19.2%
Al Barsha South Third	172.5%

Source: Dubai Land Department

The existing/ready transactions in Q2 2023 presented 51.12% of the total sales transactions compared to 60% in Q2 2022. The market witnessed powerful support from the off-plan properties in terms of the transactions volume; in Q2 2023 the off-plan percentage reached 48.88% of the total transactions compared to 40% in Q2 2022 to drive the market into a new record for a quarter.

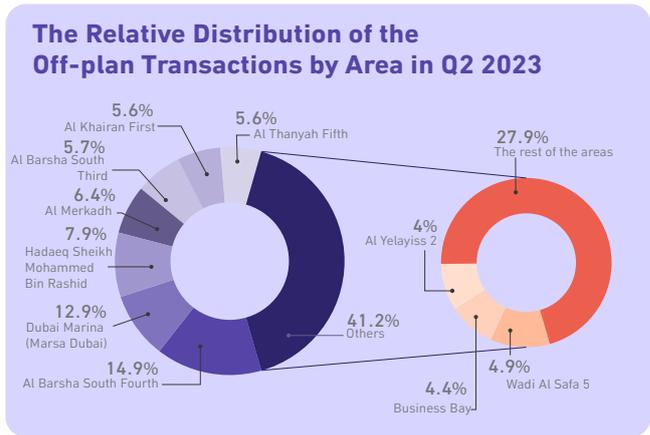
# MARKET Performance

## Off-plan Sales Transactions Volume - Q2 2023

Off-plan sales witnessed a notable record by reaching 14,712 transactions in Q2 2023 compared to 8,929 in Q2 2022 recording around a 65% increase. Off-plan transactions contributed to 48.9% of the total transactions, which is around a 9% difference compared to Q2 2022 that contributed by around 40%.

In Q2 2023, a total of 49 areas saw off-plan transactions, with 72.1% of the total transactions being accounted for by just ten areas. Leading the pack was Al Barsha South Fourth, which contributed to 15% of the total transactions, followed by Dubai Marina at 12.8%, and Hadaeq Sheikh Mohammed Bin Rashid with over 7.9%. Interestingly, there was a significant increase in demand out of the top areas, such as Umm Suqeim Third which saw an almost 283% increase in transactions, as well as Al Barsha South Fifth with around 245.6%. It's worth mentioning that Q2 2023 noted the emergence of Al Hebiah Second which witnessed 202 transactions compared to only five in Q2 2022.

Looking at the top ten areas for the off-plan market in terms of transaction volume, Al Thanyah Fifth witnessed a 1272% increase which the transactions increase from 60 transactions to record 823 transactions in Q2 2023, Al Yelayiss 2 saw a remarkable increase of 430% while Hadaeq Sheikh Mohammed Bin Rashid increased by 347%.



Source: Dubai Land Department

Top 10 Areas in Terms of Volume of Transactions - Off-plan	Q2 2023 vs Q2 2022
Al Barsha South Fourth	320.3%
Dubai Marina (Marsa Dubai)	180.4%
Hadaeq Sheikh Mohammed Bin Rashid	346.9%
Al Merkadh	75.7%
Al Barsha South Third	232.3%
Al Khairan First	9.3%
Al Thanyah Fifth	1271.7%
Wadi Al Safa 5	22.8%
Business Bay	-44.7%
Al Yelayiss 2	429.7%

Source: Dubai Land Department

### Off-plan Sales Transactions - Q2 2023



Source: Dubai Land Department

# MARKET Performance

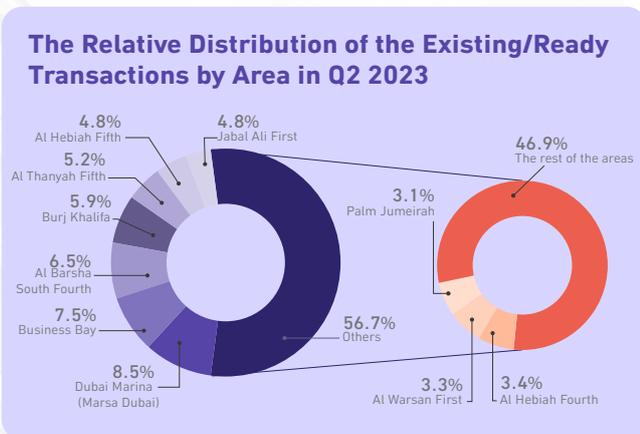
## Existing Sales Transactions Volume - Q2 2023



Existing sales witnessed a new record by reaching 15,386 transactions in Q2 2023 compared to 13,393 in Q2 2022 to be the highest performance for a quarter ever. Compared to Q2 2022, the ready/existing transactions witnessed a year-on-year increase of 14.88% increase and a 2.5% increase compared to the existing transactions in Q1 2023. Existing transactions contributed to 51.12% of the total transactions, which is around a -9% difference compared to Q2 2022 that contributed by around 60%.

In Q2 2023, a total of 157 areas saw existing/ready transactions, with 53.1% of the total transactions being accounted for by just ten areas. Leading the pack was Dubai Marina, which contributed 8.5% of the total transactions, followed by Business Bay at 7.5%, and Al Barsha South First with over 6.5%. Interestingly, there was a significant increase in demand out of the top areas, such as Al Khairan First which saw an almost 119.6% increase in transactions, as well as Wadi Al Safa 5 with around 300%. It's worth mentioning that Q2 2023 noted the emergence of Umm Nahad Fourth which witnessed 433 transactions, compared to Q2 2022.

Looking at the top ten areas for the ready/existing market in terms of transaction volume, Burj Khalifa saw a notable increase of 44.5%, followed by Al Hebiah Fourth with an increase of 42.6% and Al Barsha South Fourth with a 39.5% increase.



Top 10 Areas in terms of Volume of Transactions - Existing/Ready	Q2 2023 vs Q2 2022
Dubai Marina (Marsa Dubai)	4.7%
Business Bay	28.7%
Al Barsha South Fourth	38.2%
Burj Khalifa	44.5%
Al Thanyah Fifth	-4.4%
Al Hebiah Fifth	-53.7%
Jabal Ali First	0.4%
Al Hebiah Fourth	42.6%
Al Warsan First	18.8%
Palm Jumeirah	-8.5%

# MARKET Performance

## Total Sales Transactions Value - Q2 2023

In Q2 2023, the market value of sales transactions recorded the highest value ever for a quarter by reaching AED 90.75 billion compared to AED 58.96 billion in Q2 2022. The market value of the sales transactions increased by 53.93% compared to Q2 2022 forming a new high for the total sales value. The strong economic growth and tourism industry have led to steady demand for housing, in addition to the instability of the global economy.

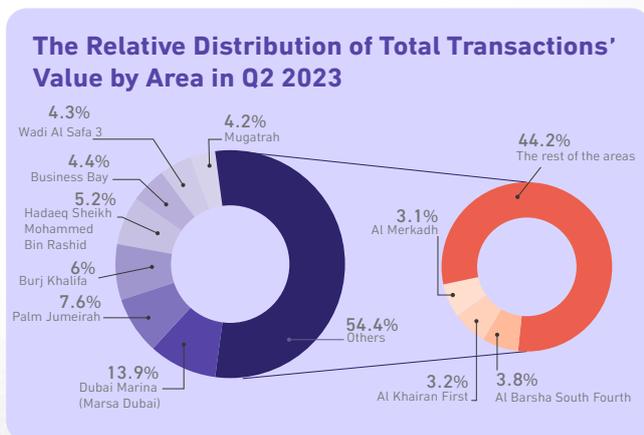
During Q2 2023, real estate transactions took place in 158 areas. The top ten areas accounted for 55.8% of the total transactions, with Dubai Marina leading at 14% of the total transaction value, followed by Palm Jumeirah at 7.6% and Burj Khalifa with over 6%. It's worth noting that there was a remarkable surge in demand for areas outside of the top ten. For instance, Me'Aisem first saw a nearly 118% increase in transaction value, recording AED 1.9 billion compared to AED 886 million, while Island 2 and Umm Suqeim Third recorded around 265.5% and 153% increases, respectively, compared to Q2 2022.

Also, Madinat Dubai Almelaheyah saw a significant jump in transaction value, from almost AED 33.5 million in Q2 2022 to over AED 979 million in Q2 2023, most of them being off-plan transactions. Moreover, new communities entered the list with noteworthy transactions, such as Zaabeel First, which recorded transactions worth AED 798 million, with all of them being ready properties.

Looking at the top ten areas in terms of transaction volume, Wadi Al Safa 3 saw a notable increase of 586.1%, followed by Al Barsha South Fourth with an increase of 188% and Dubai Marina with a 149% increase compared to Q2 2022.



Source: Dubai Land Department



Source: Dubai Land Department

Top 10 Areas in Terms of Total Value of Transactions	Q2 2023 Vs Q2 2022
Dubai Marina (Marsa Dubai)	149.1%
Palm Jumeirah	40.0%
Burj Khalifa	-2.7%
Hadaeq Sheikh Mohammed Bin Rashid	73.8%
Business Bay	25.8%
Wadi Al Safa 3	586.1%
Mugatrah	-
Al Barsha South Fourth	188.2%
Al Khairan First	46.7%
Al Merkadh	-17.6%

Source: Dubai Land Department

# MARKET Performance

## Off-plan Sales Transactions value - Q2 2023



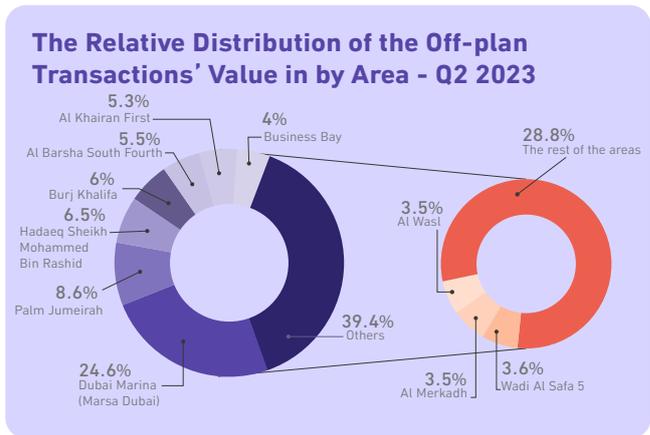
Source: Dubai Land Department

The off-plan sales value saw significant growth by recording transactions worth AED 35.06 billion in Q2 2023 compared to AED 18.34 bn in Q2 2022 recording around an 91.18% increase. Off-plan transactions contributed to 38.64% of the total transactions' value, which is around a 7.5% increase compared to Q2 2022 that contributed by around 31.11%.

In Q2 2023, a total of 49 areas saw off-plan transactions, with 71.19% of the total transactions' value being accounted for by just ten areas. Leading the pack was Marsa Dubai, which made up for 24.6% of the total transactions' value, followed by Palm Jumeirah at 8.64%, and Hadaeq Sheikh Mohammed Bin Rashid with over 6.47%.

Interestingly, there was a significant increase in demand out of the top areas, such as Al Thanyah Fifth which saw transactions worth AED 1.2 Billion compared to AED 58 million in Q2 2022, as well as Island 2 by recording transactions worth AED 592 million compared to AED 33 million for the same period.

Looking at the transaction values for the top ten areas in the off-plan market, Hadaeq Sheikh Mohammed Bin Rashid saw a remarkable surge of 529%, with Al Barsha South Fourth following closely at 449% and Dubai Marina at 329% compared to Q2 2022.



Source: Dubai Land Department

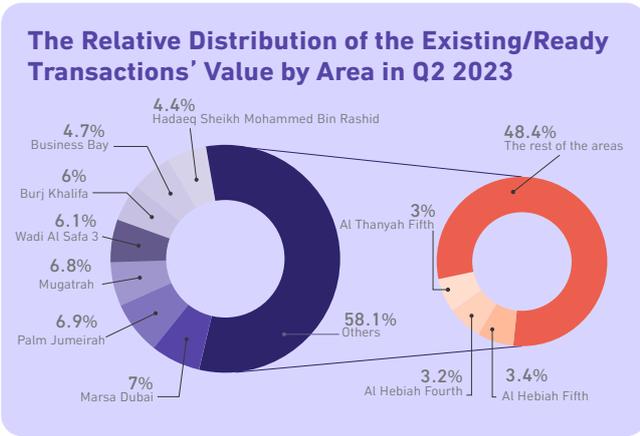
Top 10 Areas in Terms of Transaction Value - Off-plan	Q2 2023 Vs Q2 2022
Dubai Marina (Marsa Dubai)	328.8%
Palm Jumeirah	120.1%
Hadaeq Sheikh Mohammed Bin Rashid	528.9%
Burj Khalifa	-44.0%
Al Barsha South Fourth	449.8%
Al Khairan First	26.9%
Business Bay	-6.1%
Wadi Al Safa 5	20.7%
Al Merkadh	56.5%
Al Wasl	1.9%

Source: Dubai Land Department

# MARKET Performance



## Existing/Ready Sales Transactions Value - Q2 2023



Source: Dubai Land Department

Top 10 Areas in terms of the transaction value-Existing/Ready	Q2 2023 Vs Q2 2022
Dubai Marina (Marsa Dubai)	28.8%
Palm Jumeirah	8.5%
Mugatrah	-
Wadi Al Safa 3	651.9%
Burj Khalifa	85.4%
Business Bay	55.1%
Hadaeq Sheikh Mohammed Bin Rashid	3.6%
Al Hebiah Fifth	-52.9%
Al Hebiah Fourth	26.1%
Al Thanyah Fifth	1%

Source: Dubai Land Department

In Q2 2023, the Existing/ Ready sales value hit a new record high of AED 55.7 billion in comparison to AED 40.6 billion in Q2 2022, marking a remarkable increase of 37.11%. Moreover, it is the highest transaction value ever recorded for a quarter, with a 4.2% increase from the previous quarter (Q1 2023).

In Q2 2023, a total of 158 areas saw existing/ready transactions, with 51.2% of the total transactions' value being accounted for by just ten areas. Leading the pack was Dubai Marina, which made up 7% of the total transactions' value, followed by Palm Jumeirah at 6.9%.

It's worth noting that in Q2 2023, certain areas experienced a significant surge in demand, such as Mugatrah which noted one transaction for a plot of land worth AED 3.9 billion, as well as with Madinat al Matar seeing a remarkable 646.6% increase in transaction value.

Looking at the top ten areas for the existing/ready market in terms of transaction value, Burj Khalifa saw a remarkable increase of 85.1% followed by Business Bay which saw an increase of 55.1%, followed by Dubai Marina with an increase of 28.8%.



# MARKET Performance



## Total Rental Contracts - Q2 2023

Dubai has a relatively stable rental market compared to the global markets. In Q2 2023, the rental contracts witnessed a year-on-year increase of 6% by registering 131,293 contracts compared to 123,856 contracts in Q2 2022. It is noteworthy that tenants changed their behaviour, preferring to own a home instead of renting, driven by the surge in average market value for renting.

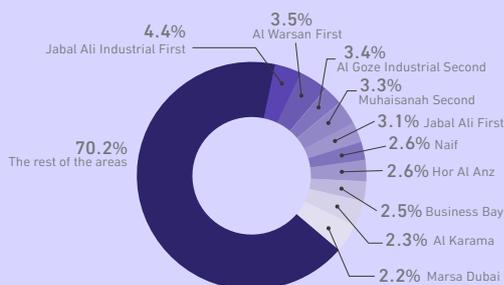
According to Dubai Land Department's data, in Q2 2023 around 53.4% of the total rental contracts were new contracts, while 46.6% were renewals. Annual contracts contributed to 91.24% of total contracts compared to 81.41% in Q2 2022 while the non-annual contracts shrunk by 10% to represent just 8.76% of the total contracts. Moreover, the residential contracts represented around 70.9% of the total rental contracts while 28.2% were registered for commercial contracts and others.

Looking at the top ten areas in terms of contract volume, Hor Al Anz saw a notable increase of 222.5%, followed by Muhaisnah Second with an increase of 40%, and Al Goze Industrial Second with a 36.7% increase.

### Total Rental Contracts - Q2 2023



### The Relative Distribution of the Total Rental Contracts by Area in Q2 2023



Source: Dubai Land Department

### Top 10 Areas in Terms of the Contracts' volume

### Q2 2023 Vs Q2 2022

Jabal Ali Industrial First	-6.4%
Al Warsan First	-13.0%
Al Goze Industrial Second	36.7%
Muhaisnah Second	40.5%
Jabal Ali First	-3.1%
Naif	5.9%
Hor Al Anz	222.5%
Business Bay	-8.6%
Al Karama	6.9%
Marsa Dubai	-15.3%

Source: Dubai Land Department

# MARKET Performance

## New Rental Contracts Volume - Q2 2023

In Q2 2023, the new contracts witnessed a decrease of 4.88% by registering 70,074 contracts compared to 73,667 contracts in Q2 2022. In addition to the quarter-on-quarter analysis, Q2 2023 witnessed a decrease of 17.26% compared to 84,694 registered contracts in Q1 2023.

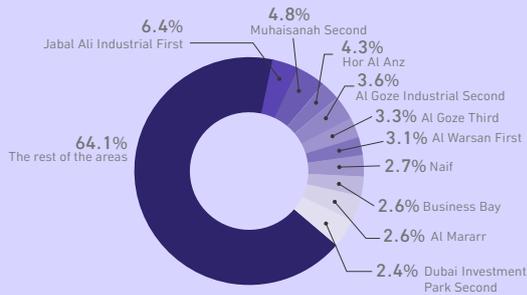
Looking at the top ten areas in terms of contract volume, Hor Al Anz saw a notable increase of 442%, followed by Muhaisanah Second with an increase of 60.8%, and Al Mararr with a 53.1% increase.

### New Rental Contracts - Q2 2023



Source: Dubai Land Department

### The Relative Distribution of the New Rental Contracts by Area in Q2 2023



Source: Dubai Land Department

### Top 10 Areas in Terms of New Contracts' Volume

### Q2 2023 Vs Q2 2022

Jabal Ali Industrial First	-15.5%
Muhaisanah Second	60.8%
Hor Al Anz	441.5%
Al Goze Industrial Second	17.6%
Al Goze Third	-3.1%
Al Warsan First	-5.4%
Naif	16.2%
Business Bay	-13.8%
Al Mararr	53.1%
Dubai Investment Park Second	38.2%

Source: Dubai Land Department



# MARKET Performance



## Renewed Contracts Volume - Q2 2023

In Q2 2023, the renewed contracts supported the rental market by registering 61,219 renewed contracts to witness an increase of 21.98% compared to 50,189 contracts in Q2 2022. In contrast with the quarter-on-quarter analysis, compared to Q1 2023, the renewed market witnessed a decrease by 15% comparing to 72,002 registered contracts in Q1 2023.

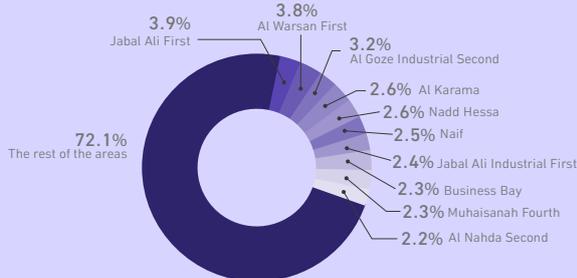
Looking at the top ten areas in terms of contract volume, Al Goze Industrial Second saw a notable increase of 68.6%, followed by Jabal Ali Industrial First with an increase of 30.6%, and Jabal Ali First with a 17.7% increase.

### Renewed Contracts - Q2 2023



Source: Dubai Land Department

### The Relative Distribution of the Renewed Rental Contracts by Area in Q2 2023



Source: Dubai Land Department

### Top 10 Areas in Terms Of The Renewed Contracts Volume

### Q2 2023 Vs Q2 2022

Jabal Ali First	17.7%
Al Warsan First	-18.6%
Al Goze Industrial Second	68.6%
Al Karama	-3.6%
Nadd Hessa	-6.8%
Naif	-3.7%
Jabal Ali Industrial First	30.6%
Business Bay	-1.9%
Muhaisanah Fourth	-10.8%
Al Nahda Second	-7%

Source: Dubai Land Department

# MARKET Trends

## DUBAI MARKET TRENDS - Q2 2023

In this part, we are going to identify the top five demanded areas according to Property Finder's most searched areas. The top areas are determined as per the listings in our search engine, classified by residential apartments and villas/townhouses for sale or rent purposes, along with the price movement for each location.

The Return-on-Capital-Gains (ROCG) is calculated by comparing the sales average asking price of properties in Q2 2022, to its current value in Q2 2023. The Return on Investment (ROI) is calculated by dividing the annual return on a rental property by the total investment on the property in Q2 2023.



# TOP AREAS

## FOR SALE IN Q2 2023



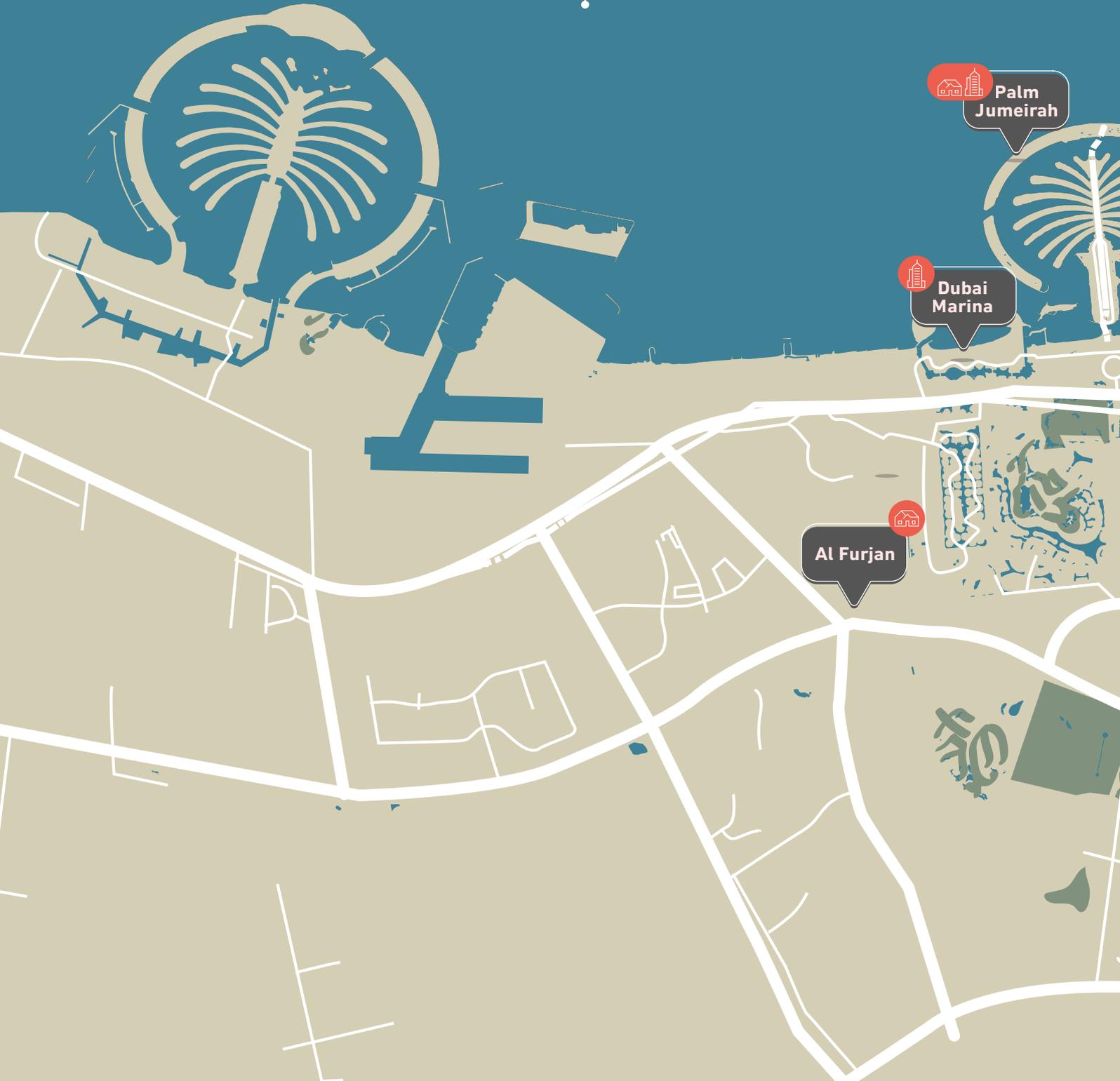
### Apartments

1. Dubai Marina
2. Downtown Dubai
3. Business Bay
4. Jumeirah Village Circle
5. Palm Jumeirah



### Villas

1. Dubai Hills Estate
2. Palm Jumeirah
3. Arabian Ranches
4. DAMAC Hills
5. Al Furjan





# MARKET Trends



## Sales Market Trends

Property Finder proprietary data revealed that Dubai Marina, Downtown Dubai, Business Bay, Jumeirah Village Circle and Palm Jumeirah are the top preferred choices for those who want to own an apartment, while Dubai Hills Estate, Palm Jumeirah, Arabian Ranches, Damac Hills and Al Furjan were the top preferred areas for villas either for investment or residence purposes in Q2 2023.

## Sales Market Trends for Apartments

Based on the proprietary data from Property Finder, the average asking price for apartments in Q2 2023 surged by 21.7% compared to Q2 2022. The reason behind this upward trend is the high national and foreign demand for residential properties in Dubai, which is considered to be one of the most appealing real estate markets globally.

The data shows that one-bedroom apartments' average sales price increased from AED 1.47 million to AED 1.74 million, while two-bedroom apartments' prices rose from AED 2.32 million to AED 3 million. Moreover, the three-bedroom apartments' asking price significantly increased from AED 3.5 million to AED 4.7 million.

The average apartment asking price varied from location to location. Palm Jumeirah experienced the highest average price for two and three-bedroom apartments leading to a surge in ROCG by 75%, and 84% respectively compared to Q2 2023.

Business Bay and Jumeirah Village Circle (JVC) also observed a notable increase in Q2 2023 compared to Q2 2022. The one and two-bedroom apartments in Business Bay areas witnessed a 35% and 33% increase, respectively. Additionally, one-bedroom apartments in JVC had 21.4%, while two and three-bedroom apartments recorded a 35% and 27.4% increase, respectively.

One Bedroom	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Marina	1,290,000	1,400,000	8.53%
Downtown Dubai	1,791,000	1,900,000	6.09%
Business Bay	1,148,000	1,550,000	35.03%
Jumeirah Village Circle	700,000	850,000	21.43%
Palm Jumeirah	2,400,000	3,000,000	25%

Two Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Marina	2,100,000	2,350,000	11.90%
Downtown Dubai	3,500,000	4,000,000	14.29%
Business Bay	1,877,500	2,499,000	33.10%
Jumeirah Village Circle	1,110,000	1,500,000	35.14%
Palm Jumeirah	3,000,000	5,250,000	75.00%

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Marina	3,317,000	3,700,000	11.53%
Downtown Dubai	5,800,000	6,600,000	13.79%
Business Bay	2,700,000	3,800,000	40.74%
Jumeirah Village Circle	1,538,230	1,960,000	27.42%
Palm Jumeirah	4,025,000	7,400,000	83.85%



# MARKET Trends



## Sales Market Trends for Villas

In Q2 2023, there has been a significant increase in the average asking price for villas, ranging from 25% compared to Q2 2022. The data indicates that the average sales price of three-bedroom villas has risen from AED 3.7 million to AED 5 million, while four-bedroom villas have seen an increase from AED 6.5 million to AED 10 million. Furthermore, the sales price for five-bedroom villas has seen a significant surge from AED 10.5 million to AED 13.9 million.

The average price of villas varied depending on the location. Palm Jumeirah witnessed the highest average price for three and four-bedroom villas, leading to a respective 70.9%, and 88% increase in Return-on-Capital-Gains (ROCG). However, the surge in the average price was not exclusive to Palm Jumeirah, as Dubai Hills Estate recorded a significant increase in ROCG, with a 53.6% increase for five-bedroom villas. Additionally, Al Furjan joined the top five areas which witnessed a significant increase in the average asking price by 41.7% (ROCG) for four-bedroom villas followed by five-bedroom villas with 18% (ROCG).

three Bedroom	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Hills Estate	4,300,000	5,500,000	27.91%
Palm Jumeirah	6,180,000	10,562,500	70.91%
Arabian Ranches	2,950,000	3,600,000	22.03%
DAMAC Hills	2,773,500	2,800,000	0.96%
Al Furjan	2,500,000	2,750,000	10%

four Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Hills Estate	4,000,000	4,600,000	15.00%
Palm Jumeirah	17,000,000	32,000,000	88.24%
Arabian Ranches	5,050,000	6,500,000	28.71%
DAMAC Hills	3,950,000	3,600,000	-8.86%
Al Furjan	2,435,000	3,450,000	41.68%

five Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROCG
Dubai Hills Estate	5,925,000	9,100,000	53.59%
Palm Jumeirah	29,000,000	40,000,000	37.93%
Arabian Ranches	7,199,999	8,500,000	18.06%
DAMAC Hills	6,050,000	6,900,000	14.05%
Al Furjan	4,400,000	5,200,000	18.18%



# TOP AREAS

## FOR RENT IN Q2 2023



### Apartments

1. Dubai Marina
2. Jumeirah Village Circle
3. Downtown Dubai
4. Business Bay
5. Jumeirah Lake Towers



### Villas & Townhouses

1. Dubai Hills Estate
2. DAMAC Hills 2
3. Al Barsha
4. Jumeirah
5. DAMAC Hills





Jumeirah

Business Bay

Downtown Dubai

Al Barsha

Dubai Hills Estate

DAMAC Hills

DAMAC Hills 2

# MARKET Trends



## Rental Market Trends for Apartments

Property Finder proprietary data revealed that Dubai Marina, Jumeirah Village Circle (JVC), Downtown Dubai, Business Bay and Jumeirah Lake Towers (JLT) remained the preferred choices for apartments for the renters in Q2 2023

According to Property Finder asking price data, rents in Dubai in Q2 2023 increased significantly compared to Q2 2022. On average, rent prices increased by 19%. The increase was more significant for studio, one, two and three-bedroom apartments with an increase of 18.2%, 20.5%, 15%, and 22.2%, respectively. The most searched area, JLT, witnessed the highest average rent price increase for one-bedroom apartments, with a 33% increase for two-bedroom apartments, followed by JVC with a 30% increase.

One Bedroom	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Marina	90,000	105,000	7.50%
Jumeirah Village Circle	50,000	65,000	7.65%
Downtown Dubai	110,000	130,000	6.84%
Business Bay	75,000	90,000	5.81%
Jumeirah Lake Towers	65,000	80,000	6.67%

Two Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Marina	135,000	155,000	6.60%
Jumeirah Village Circle	75,000	90,000	6%
Downtown Dubai	210,000	220,000	6.29%
Business Bay	125,000	145,000	5.80%
Jumeirah Lake Towers	90,000	120,000	6.58%

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Marina	200,000	240,000	6.49%
Jumeirah Village Circle	115,000	130,000	6.63%
Downtown Dubai	300,000	370,000	6.27%
Business Bay	165,000	210,000	5.53%
Jumeirah Lake Towers	120,000	150,000	6.12%

JVC, one of the most searched areas, witnessed the highest ROI for one and three-bedroom apartments with 7.65% and 6.63%, respectively. While Dubai Marina had the highest rental yields (ROI) for two-bedroom apartments with 6.6%.



# MARKET Trends



## Rental Market Trends for Villas

Property Finder's proprietary data revealed that in Q2 2023, Dubai Hills Estate, Damac Hills 2, Al Barsha, Jumeirah and Damac Hills emerged as the top choices among renters searching for villas. However, prospective renters should prepare to pay a higher price than in the previous year, as average rental prices for villas in Dubai increased by around 25.5% compared to Q2 2022, according to Property Finder's asking price data. The average rental price for a three-bedroom villa rose by 30%, while four-bedroom villas experienced a 35.1% hike, and five-bedroom villas saw an increase of 19.2%.

Al Barsha was the most profitable area in Q2 2023 for renting a three-bedroom villa, with the highest return on investment (ROI) of 8.33%, followed by Damac Hills with 8.21% while the same area recorded 8.9% for four-bedrooms.

Damac Hills 2 also topped the list for rental yields (ROI) in the most sought-after areas of Dubai for three-bedroom villas with a 6.12% yield for four-bedroom villas and a 6.7% yield for five-bedroom villas. Therefore, for those who can afford it, investing in the rental property market in Dubai's most popular areas could lead to significant returns.

Three Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Hills Estate	270,000	310,000	5.64%
Damac Hills 2	61,000	79,500	6.12%
Al Barsha	165,000	300,000	8.33%
Jumeirah	197,500	250,000	2.81%
DAMAC Hills	155,000	229,999	8.21%

Four Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Hills Estate	235,000	280,000	6.09%
Damac Hills 2	75,000	100,000	6.67%
Al Barsha	220,000	325,000	6.37%
Jumeirah	300,000	350,000	2.80%
DAMAC Hills	225,000	320,000	8.89%

Five Bedrooms	Q2 2022 Average Price	Q2 2023 Average Price	ROI
Dubai Hills Estate	300,000	350,000	3.85%
Damac Hills 2	90,000	130,000	7.03%
Al Barsha	320,000	400,000	3.33%
Jumeirah	370,000	450,000	2.41%
DAMAC Hills	405,000	440,000	6.38%



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