

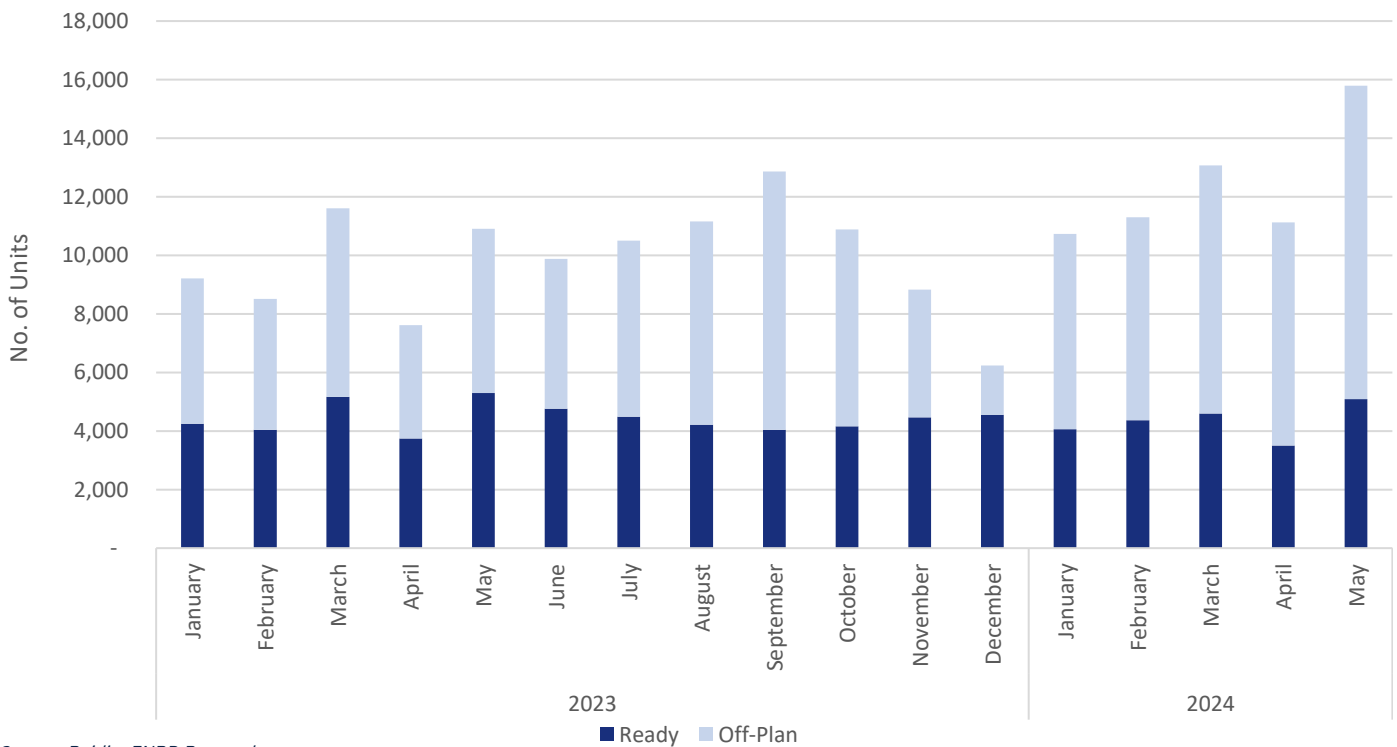


Residential Market Monthly

Real Estate | 14 June 2024

Demand for residential properties remained strong across Dubai in the month of May. Close to 15,800 residential units were transacted across the city, an increase of 42% m/m and a jump of 45% compared to May 2023. This is the first time, more than 15,000 units were sold in a month, setting a new all-time-high. This number is also significant as it highlights the increasing depth of the residential market in the city. Only three years ago, in 2021, the city witnessed an average of 10,100 transactions in the first quarter. Activity levels have since jumped significantly and in Q1 2024, more than 35,000 units were transacted. In the year-to-May, more than 62,000 units have already been sold across Dubai, an increase of 30% compared to the same period last year. Assuming demand continues to grow at the same rate, the city could witness close to 145,000 transactions by the end of the year.

Monthly residential transaction trend



Source: Reidin, ENBD Research

Off-plan properties saw the strongest demand in May. Almost 68% of all properties sold in May were under-construction (off-plan). The demand for off-

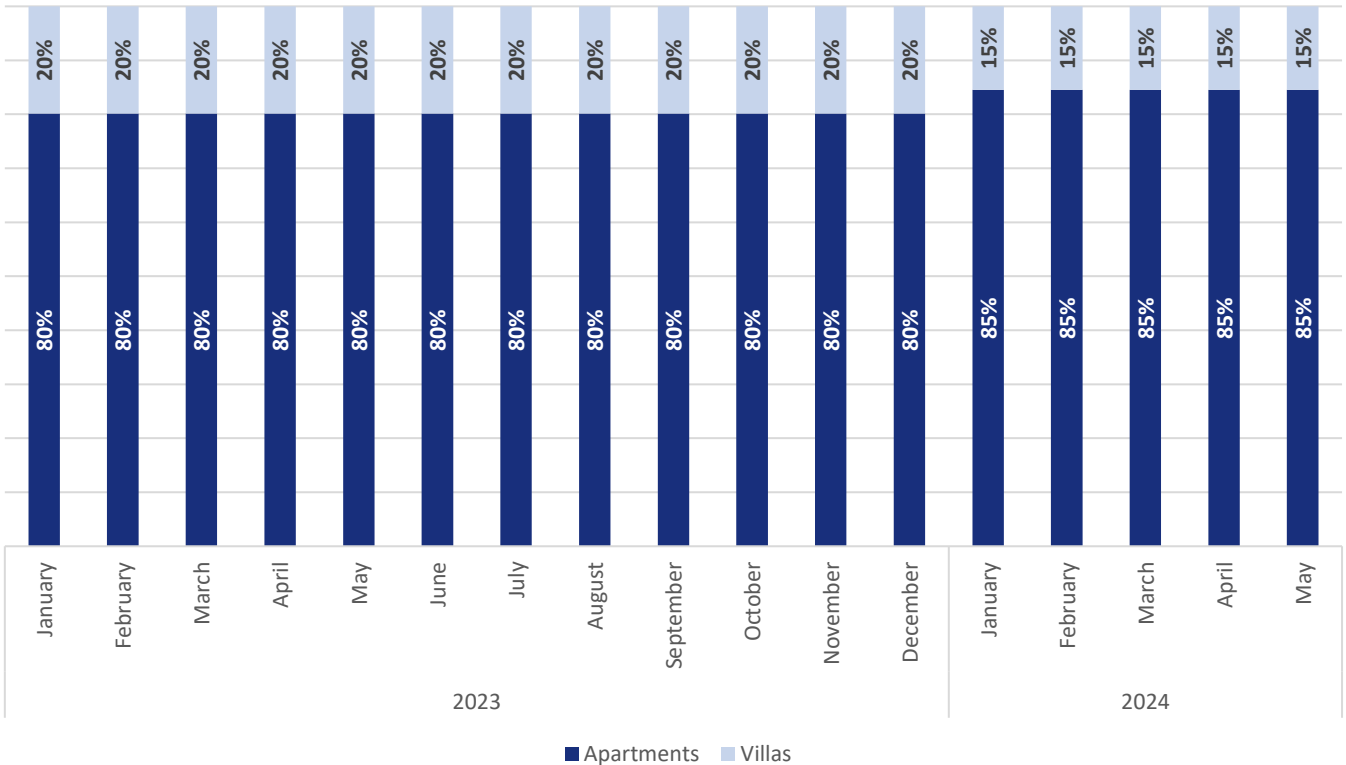


plan properties has steadily increased since the start of the year. YTD an average 65% of the total demand for residential properties was for off-plan developments. This is a marked increase from 2023 and 2022, when off-plan properties averaged 54% of total demand, and from 2021 when off-plan properties constituted only 44% of the total take-up. This could indicate a shift in buyer profile, with more demand emanating from investors.

Apartment developments emerge as the preferred typology.

Apartments have been the most preferred asset type. More than 85% of the total transactions in May were in apartment units. Demand was observed across existing communities such as Jumeirah Village Circle (JVC) (1,436 units sold), Meydan (1,035 units), Business Bay (1,001 units), Dubai Hills Estate (896 units), Arjan (505 units) and Dubai Marina (478 units). This coincides with new project launches as 15% of the total units launched in 2024 has been across JVC followed by Business Bay at 8%.

Demand across apartments and villas



Source: Reidin, ENBD Research



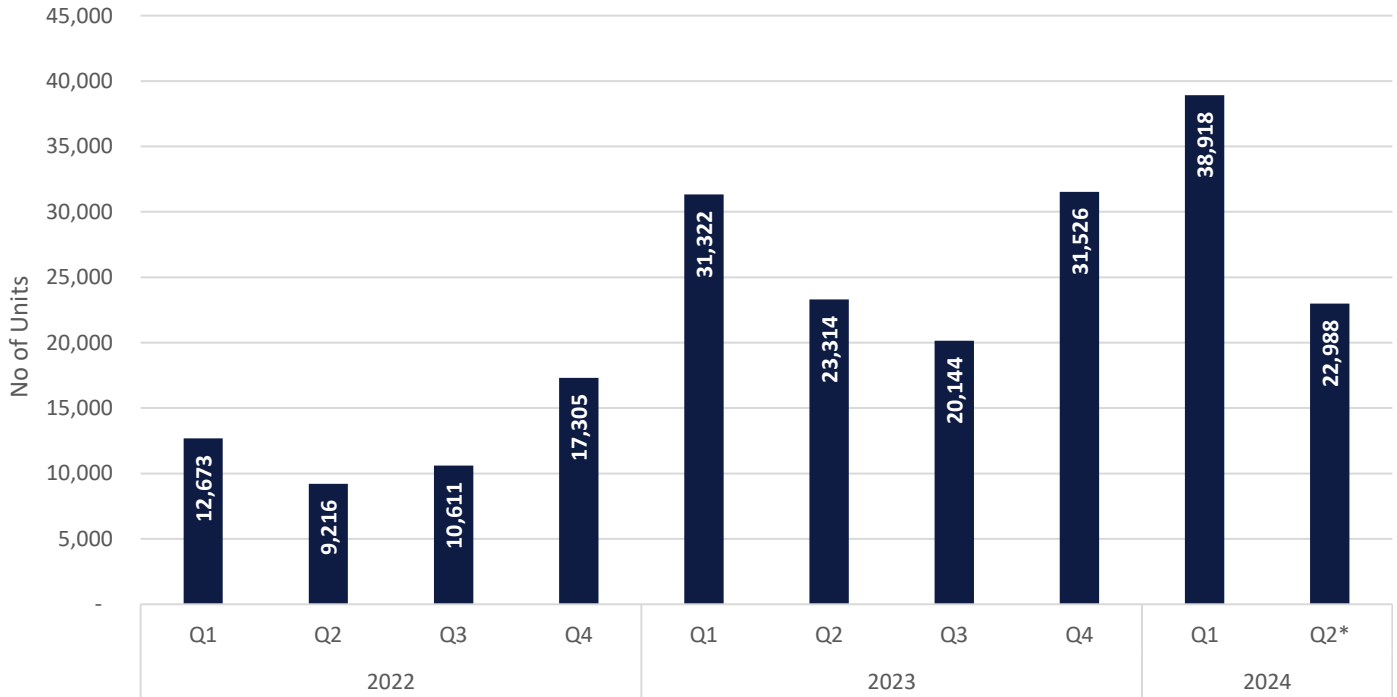
While the share of villa/townhouse transactions in the overall demand has dropped in the last five months from 20% in 2023 to circa 15% in 2024, the absolute number of villa/townhouses sold has increased from 9,928 units sold in 2023 to 10,244 transacted in 2024 YTD. In May alone, 2,700 villa/townhouse developments were sold, up 30% y/y. Demand was concentrated across new launches such as The Valley by Emaar (425 units), Athlon by Aldar (410 units), Damac Hills 2 (275 units), Damac Lagoons (119 units) and Tilal Al Ghaf (92 units). Damac Hills 2 has been the most active villa market in 2024 so far, with 1,232 units sold across the master planned community. This is followed by the recently launched The Valley (877 units) project by Emaar, Damac Lagoons (664 units), and Mudon (605 units). A total of 489 units have also been sold across the Athlon by Aldar project so far this year out of the circa 2,692 units that have been launched.

New project launches hit a record high in 2024.

Supply addition across the city has been buoyant in line with the strong increase in demand that has been observed since 2021. Close to 38,918 new units were launched in Q1 2024, an increase of 23% q/q compared to 31,526 units launched in Q4 2023 and 24% y/y higher than the 31,322 units launched in Q1 2023. Along with new project launches, we have also observed projects which were initially introduced on a lease only model, now being offer for sale to individual investors. This has further contributed to an overall increase in the number of units that are available in the market for sale. The approx. 61,900 units that have been introduced to the market till May is already 12% more than the total supply that was introduced during the first half of 2023. If project launches continue their current momentum, a total of 120,000 new units could be introduced to the market by year-end 2024 in addition to the 106,300 units that were launched in 2023.



Units launched across Dubai.

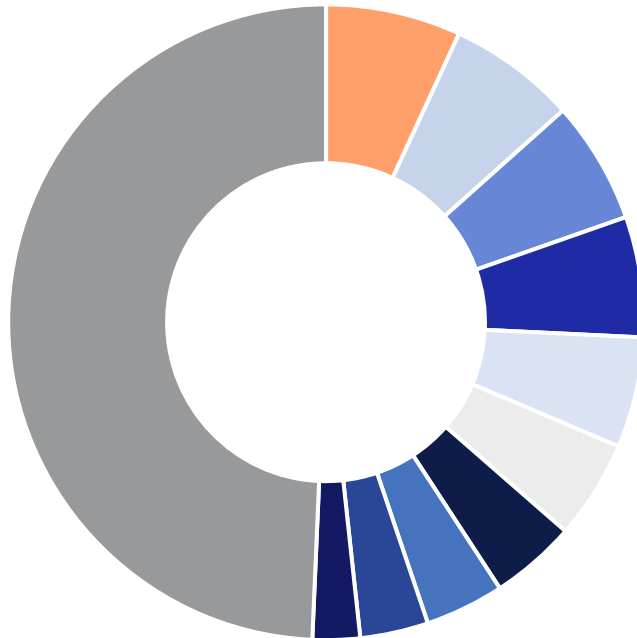


Source: Reidin, ENBD Research, *Till May

Supply addition in 2024 YTD was driven by established developers such as Emaar Properties, Damac, Azizi Developments, and Binghatti Holdings, among others. The top ten developers accounted for 53% of the 61,900 units that have been launched. Notable projects launched during April and May include the Athlon by Aldar (2,692 units), Damac Riverside (1,902 units), Binghatti Hills Tower 1 and 2 (1,666 units) at Dubai Science Park, and Skyscape Avenue (585 units) at Bu Kadra by Sobha Real Estate, Valo (291 units) at Dubai Creek Harbour and Greenway (232 units) at Emaar South by Emaar Properties, among others. Only a few new communities have been launched across the city in 2024, and bulk of the new supply has been introduced across existing communities in the city.

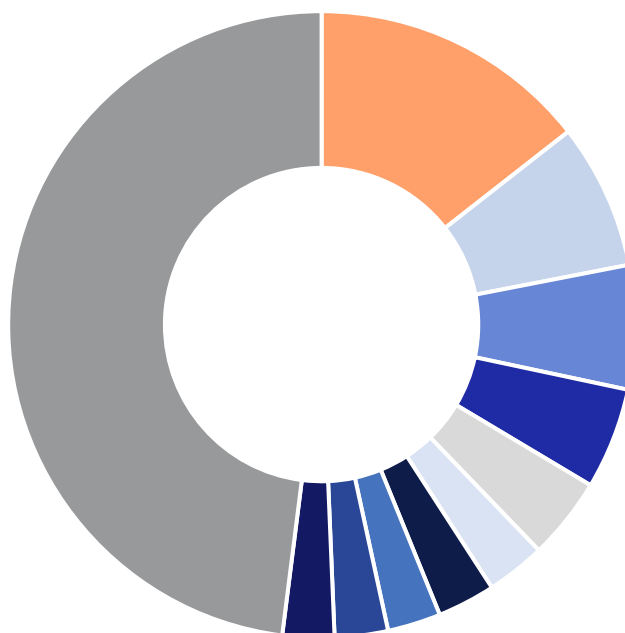


Top developers based on new supply in 2024.



- Emaar Properties PJS
- Damac Properties
- Azizi Developments
- Binghatti Holding Limited
- Sobha Real Estate L.L.C
- Dubai Holding
- Danube Properties
- Reportage Real Estate
- Samana Developers
- Hijazi Real Estate Development LLC
- Others

Top locations based on new supply in 2024.



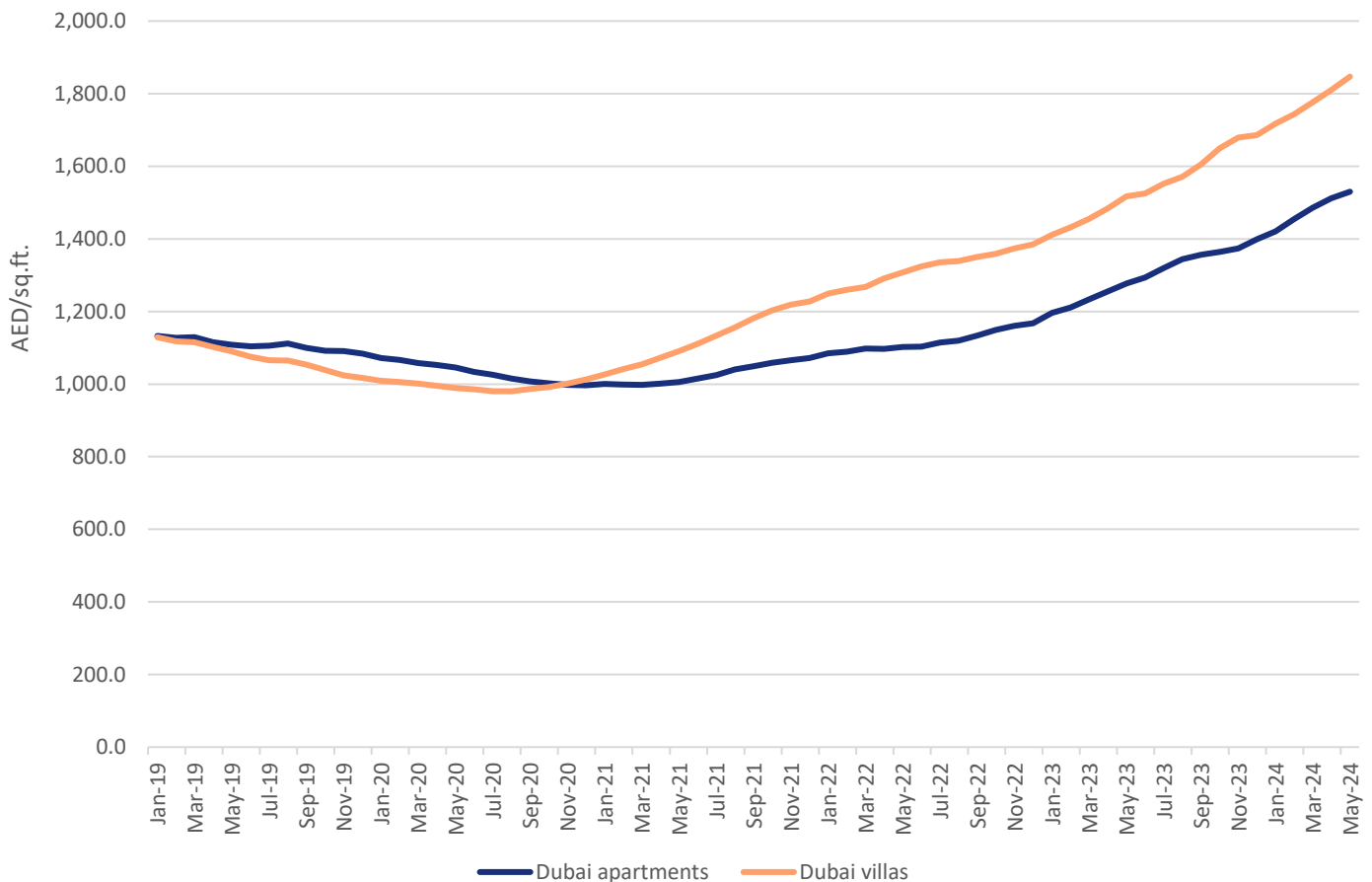
- Jumeirah Village Circle
- Business Bay
- Dubai South
- Dubai Science Park (Dubitech)
- Wadi Al Safa 5
- Motor City
- Dubai Investment Park Second
- Bu Kadra
- Majan
- Zaabeel First
- Others



Capital values continue their upward trend albeit at a slower pace.

Capital values significantly increased across apartments and villas over the last few years. However, the pace of capital value growth has moderated in recent months. Nevertheless, on an annual comparison, prices have increased by an average 19.8% and 22% y/y across apartments and villas respectively.

Average capital value trend across apartments and villas.



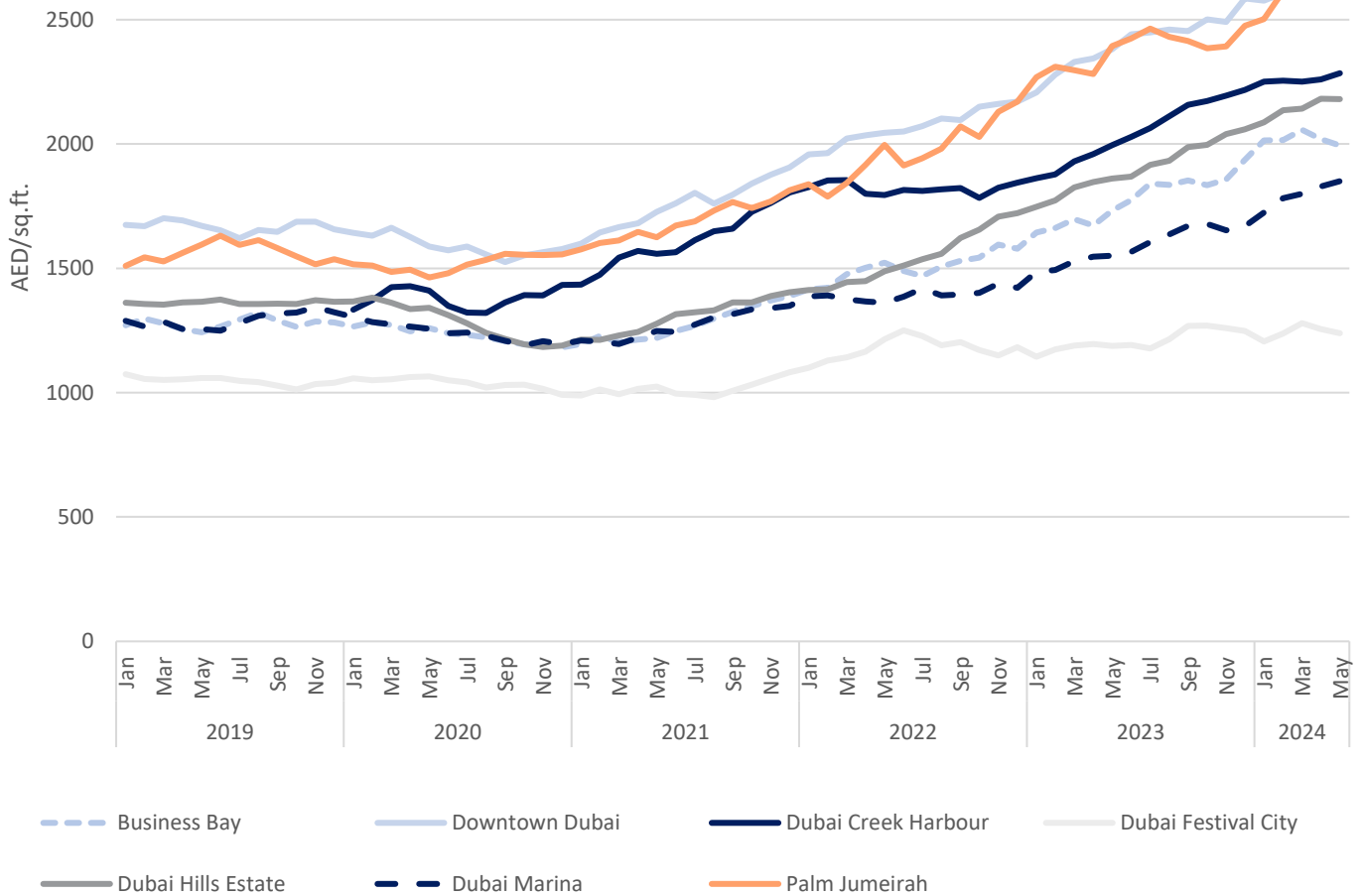
Source: Reidin, ENBD Research

A tiered market is now evident across Dubai with more established and prime locations witnessing sustained demand and price growth while peripheral locations with more supply seeing moderate or no price increase.



For apartments, capital values have increased by an average 17% y/y across the Palm Jumeirah, and a 4% m/m increase was also noted. After more than 25 months of sustained price growth, average capital values for apartments on the Palm Jumeirah are currently estimated at AED 2,804 sq. ft.

Apartment capital value trend across selected locations



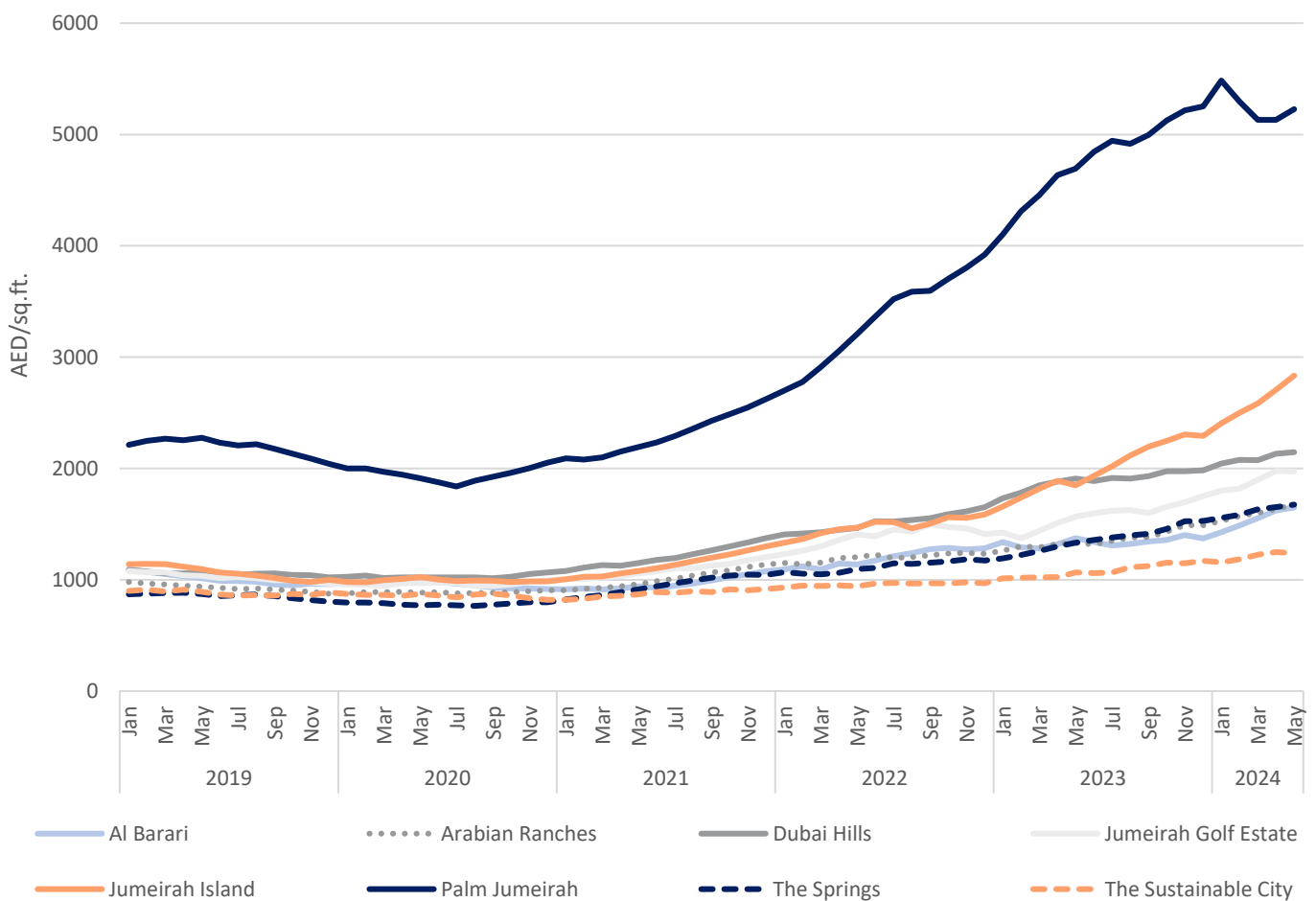
Source: Reidin, ENBD Research

Similarly, capital values have increased by 19% y/y across Dubai Marina, 17% y/y across Dubai Hills Estate, an average 15% y/y across Business Bay, and 14% y/y across Downtown Dubai and Dubai Creek Harbour.



Price growth across villa/townhouse developments have been more pronounced. Prices across locations such as Jumeirah Island have increased by 53% y/y, while prices across Al Barari, Arabian Ranches, Jumeirah Golf Estate and the Springs have increased between 20% - 25% y/y in May.

Villa/townhouses capital value trend across selected locations



Source: Reidin, ENBD Research

Project handovers have ramped-up.

As developers launch new projects, their focus has also been towards completing existing developments to better allocate their resources. This has led to a steady increase in the number of project handovers. After the approx. 41,150 units handed over in 2023, a total of 9,600 units have been handed over across Dubai in 2024 YTD. There is an additional 46,800 units currently under construction and ready to be completed by the end of the year. However, based on historic trend, it is assumed that 60% of this supply (approx. 37,700) may get completed



by the end of the year, bringing the yearly total to 47,200 units, while the rest of the handover is likely to be deferred to 2025.

Residential unit handovers



Source: Reidin, ENBD Research

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Selected project launches in 2024

Project Name	Developer	Location	No. of Units	Launch Timelines	Tentative Completion Timelines
Azizi Venice 7	Azizi Developers	Dubai South	3,536	Q1 2024	Q3 2027
Athlon by Aldar	Aldar/Dubai Holdings	Wadi Al Safa 5	2,692	Q1 2024	Q2 2028
Sobha Orbis Tower A, B and C	Sobha Real Estate	Motor City	1,938	Q1 2024	Q4 2027
Address Residences Zabeel Tower 1, 2,3 and 4	Emaar Properties	Zabeel First	1,658	Q1 2024	Q3 2029
Bayz 101	Danube Properties	Business Bay	1,340	Q1 2024	Q2 2028
Diamondz by Danube	Danube Properties	JLT	1,208	Q1 2024	Q3 2027

Source: Reidin, ENBD Research

Selected transactions in May 2024

Location	Building/Property Name/sub-community	Type	No. of Beds	Price (AED)	Area (sq. ft.)	Transaction Type
Al Barari	Seventh Heaven	Apartment	2-beds	5,200,000	3,500	Secondary
Palm Jumeirah	Signature Villas Frond F	Villa	6-beds	59,000,000	7,000	Secondary
Emirates Hills	Sector R	Villa	5-beds	73,000,000	18,998	Secondary
The Springs	Springs 14	Villa	3-beds	4,300,000	2,195	Secondary
Downtown Dubai	St. Regis Residences Tower 2	Apartment	2-beds	4,933,888	1,349	Primary

Source: Reidin, ENBD Research; Secondary Transaction indicates resale while primary transactions are units sold by the developer



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