

# Residential Market Monthly

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**Swapnil Pillai**

Director, Real Estate Research

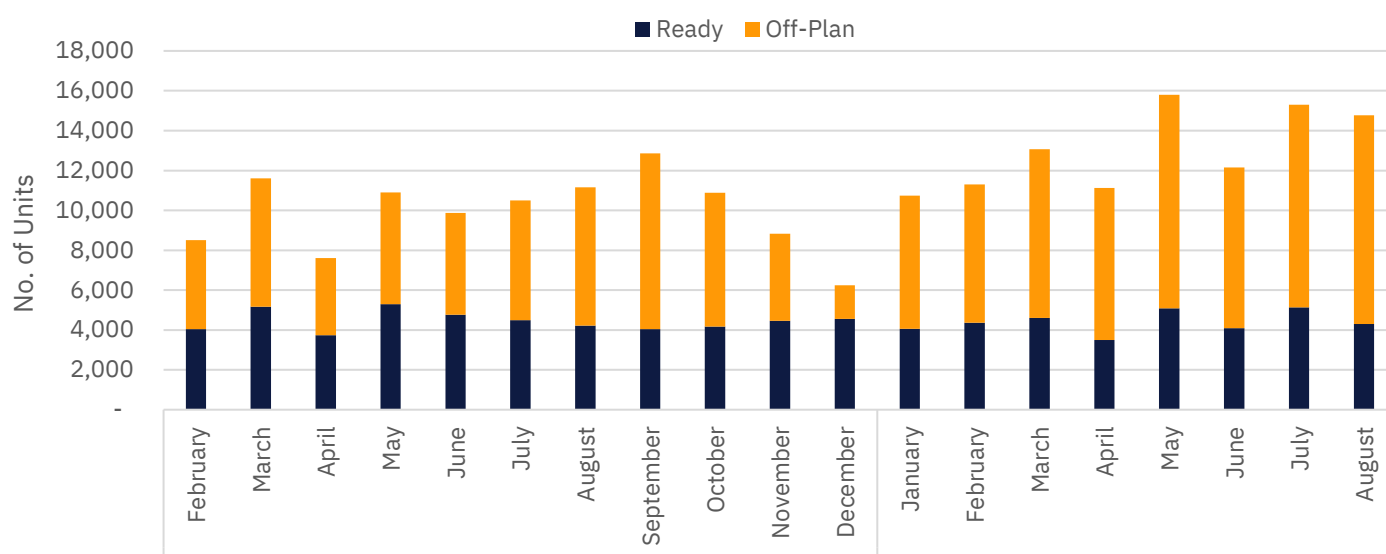
[swapnilp@emiratesnbd.com](mailto:swapnilp@emiratesnbd.com)

Residential activity remained relatively stable across Dubai as transaction volumes slipped to 14,700 units from 15,300 units in July. The latest transaction numbers recorded across the city have pushed the overall units sold in 2024 YTD to 104,250, only 14,000 units short of the total transactions recorded in 2023. We anticipate activity levels to remain relatively stable for the remainder of the year, thereby setting a record for the highest number of residential units sold across the city.

When compared to the previous year, the total units sold in August increased by 32% y/y. The YTD transaction numbers have also increase by 31% y/y compared to the 79,300 units sold between January to August in 2023.

The total value of properties sold in August reached AED 37.23bn, lower than the AED 40.5bn recorded in July. With the latest set of transactions, the total value of units sold across Dubai reached AED 265bn YTD, up 30% y/y and a new record for the city. The y/y increase in transactions and average sales price across the city and an increase in the launch of luxury and high-end developments have been the primary reason for the significant jump in the total value of properties transacted across the city.

## Monthly residential transaction trend



Source: Reidin, ENBD Research



Off-plan properties remain the preferred option for investment. A total of 10,470 units or 66% of the total transactions in August were off-plan properties. While the overall demand and market sentiment across the city has improved over the last few years, the off-plan segment has seen the biggest jump in transaction volumes. To put this in context, in 2018 a total of 17,600 off-plan units were sold across Dubai while more than 69,100 off-plan units have already been sold in the year through August 2024. At current transaction levels we could see more than 100,000 off-plan transactions for the full year, a circa 468% jump in transaction activity when compared to 2018.

Jumeirah Village Circle (JVC) was the hotspot for off-plan transactions in August. This micro-market has consistently been among the top three locations for off-plan transactions throughout the year. A total of 1,000 units were sold across the sub-market in August. This was followed by Dubai South with close to 860 transactions in August. Dubai South as a location has seen renewed interest from both investors and end-users on the back of recent government announcements with regards to the Al Maktoum International (DWC) airport. For the first six months of the year, this sub-market witnessed only 722 off-plan transactions and in the last two months alone, more than 1,290 units have been transacted.

Another upcoming area for off-plan transactions is Bu Kadra. The sub-market is located adjacent to Sobha Hartland and has seen a steady launch of new projects over the last few quarters. In August, 780 units were sold in this sub-market and more than 1,900 units have been sold so far this year.

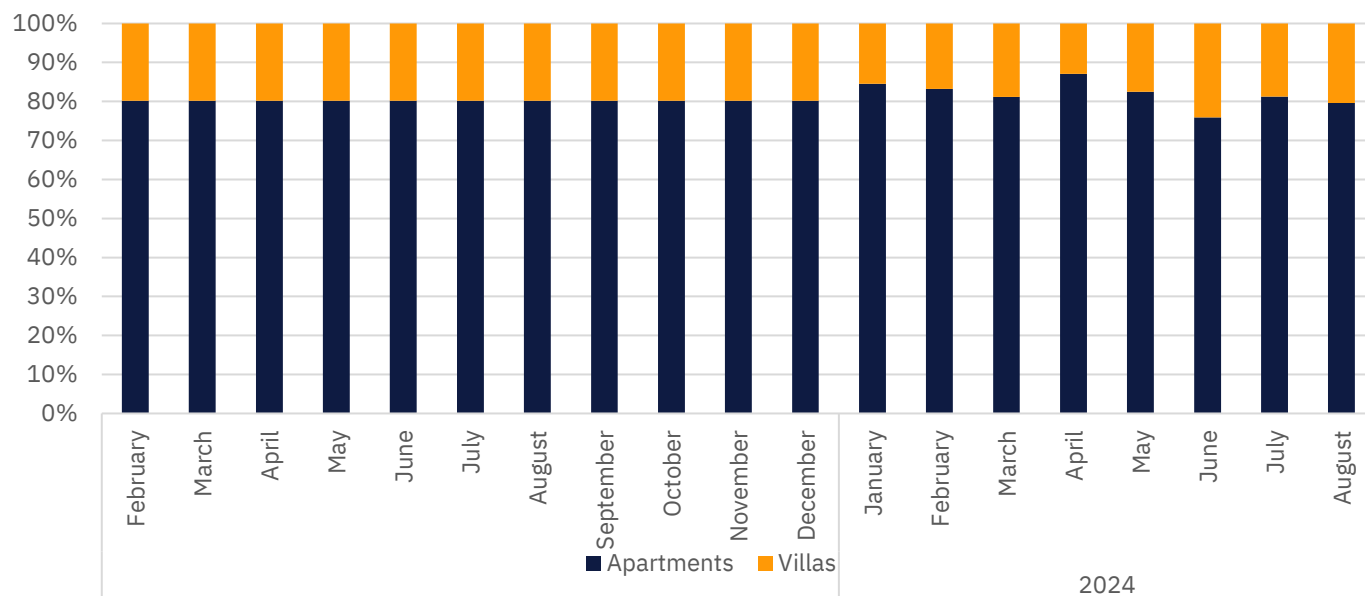
### Villa transactions remain stable.

Demand for villa transactions has remained stable throughout the year. In August, 3,000 villa units were sold, of which 2,270 (around three-quarters) were off-plan. As per industry sources, transaction activity across ready properties in established locations of the city has slowed in recent months. Existing landlords are either holding on to their properties or are expecting a significant premium resulting in most buyers opting for off-plan projects.

The Dubai South market was the preferred choice for off-plan villa developments in August. A total of 670 units or 30% of the total off-plan villa transactions was in this sub-market. At a project level, transaction activity was strong across the Athlon by Aldar project and The Valley project by Emaar. Both these projects have seen close to 1,000 transactions in August.

Damac Hills 2, Villanova and Al Furjan were the most active markets for ready villa transactions. Relatively affordable price points, easy access to the various commercial hubs of the city and presence of support retail have driven demand for properties across these locations.

### Demand across apartments and villas



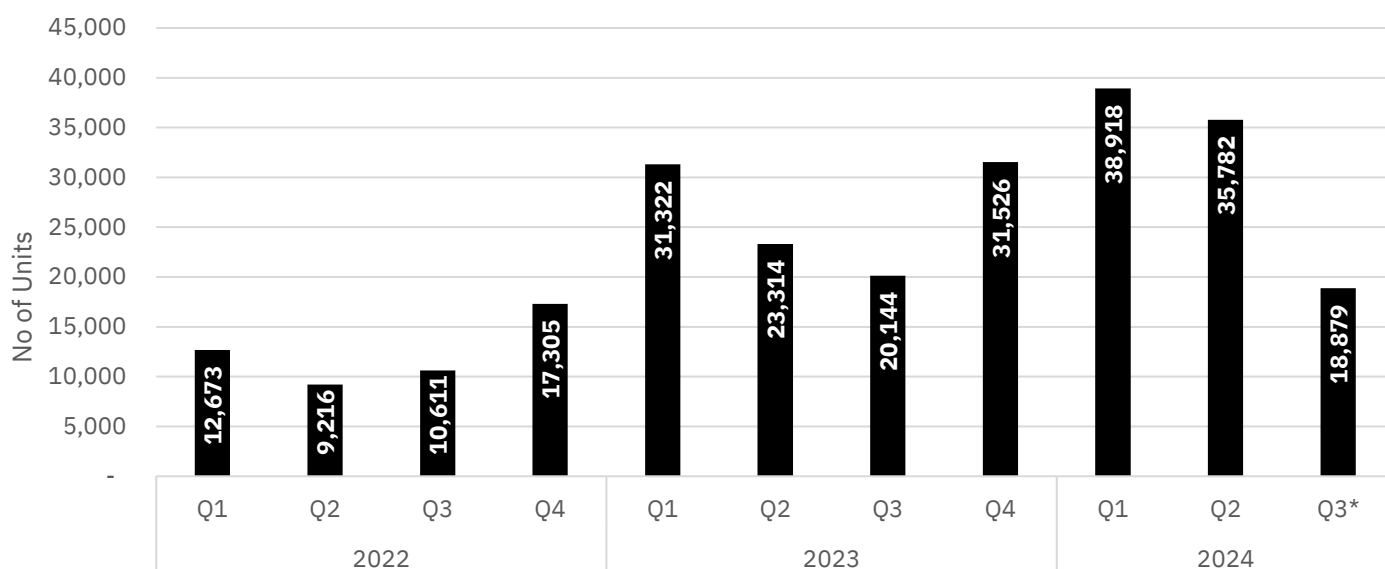
Source: Reidin, ENBD Research

Dubai is among the few global cities with significant new supply.

New project launches across the city have been buoyant. So far this year, Dubai has seen more than 93,000 new units launched across various sub-markets. This is the highest number of units launched in the city's development history. However, unlike in previous years, where supply was concentrated across few master-planned communities, most of the new unit launches have been part of existing master-planned communities or as stand-alone developments. We have also noticed an increase in supply from relatively smaller developers (in-terms of past development track-record and completed stock).

Going forward, we anticipate supply addition will remain strong as the city matures and developers capitalize on the growth momentum. Most of the new supply is expected across locations such as Dubai South, JVC, Al Furjan and Business Bay. We may also witness significant new unit launches across upcoming locations such as Bu Kadra, Dubai Maritime City, Dubai Islands and along the E311 and E611.

### Units launched across Dubai.



Source: Reidin, ENBD Research\*Only till August

### Asset prices have remained largely stable.

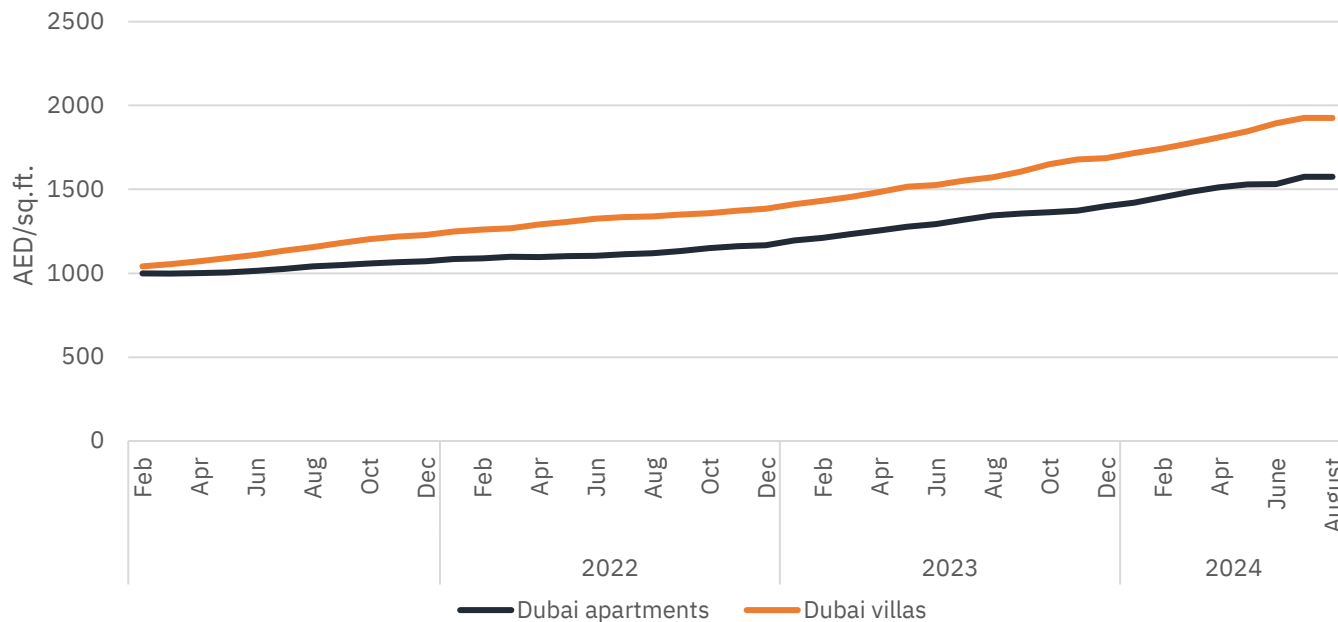
Asset prices across apartments have increased by an average 12% y/y across the mature sub-markets of the city. However, on a m/m basis, prices have remained relatively stable. Most of the price increase was witnessed across locations with limited new supply and negligible development potential.

Price growth across the villa segment was more robust compared to apartments. On average, a 23% y/y increase in prices across the villa segment was observed in August. Similar to apartments, prices have remained stable on a m/m comparison.

We note that new launches have been introduced to the market at a premium to the existing developments in their respective sub-markets. In some cases, these premiums have been observed to be as high as 30% when compared to the current average price points. This is likely to push the average prices across a few established communities higher once these projects are handed over to the market.

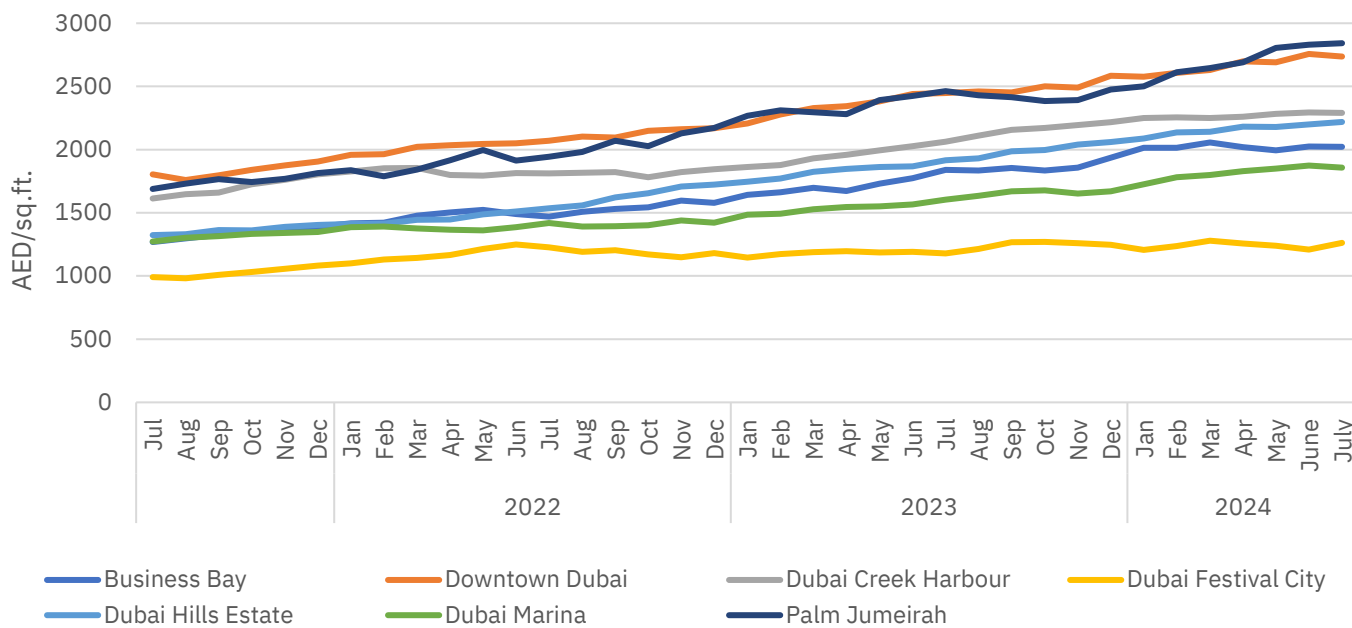


### Average capital value trend across apartments and villas



Source: Reidin, ENBD Research

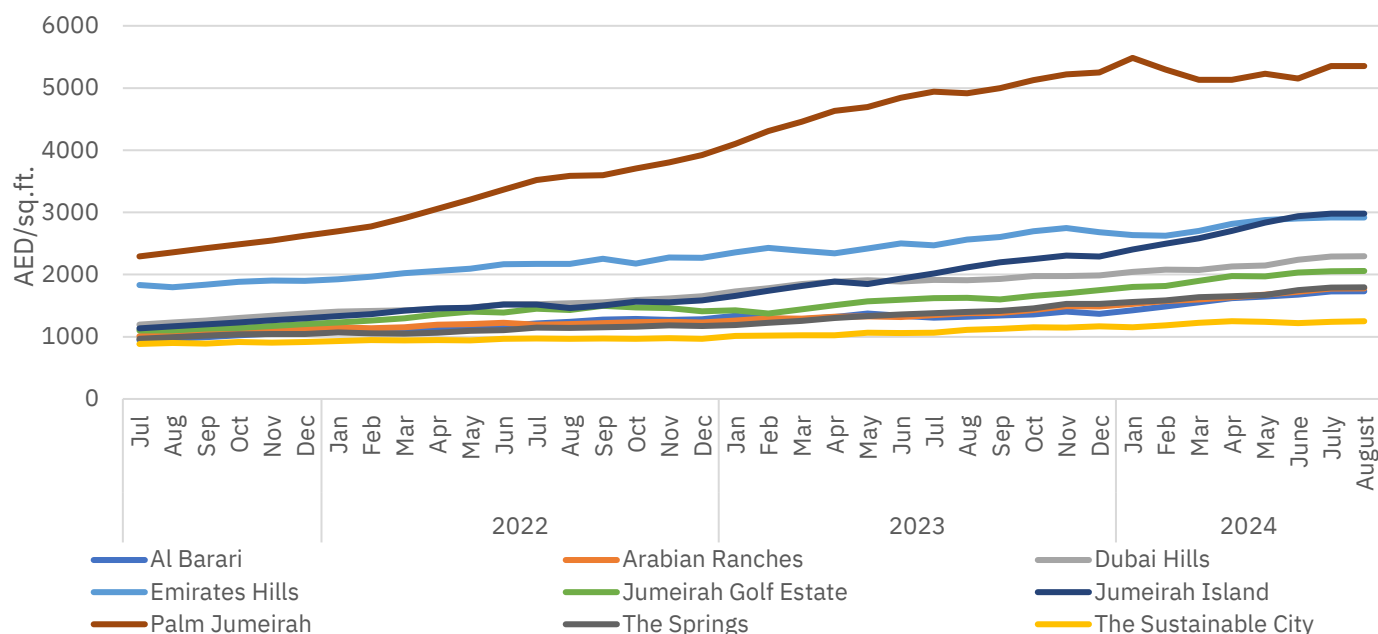
### Apartment capital value trend across selected locations



Source: Reidin, ENBD Research



### Villa capital value trend across selected locations

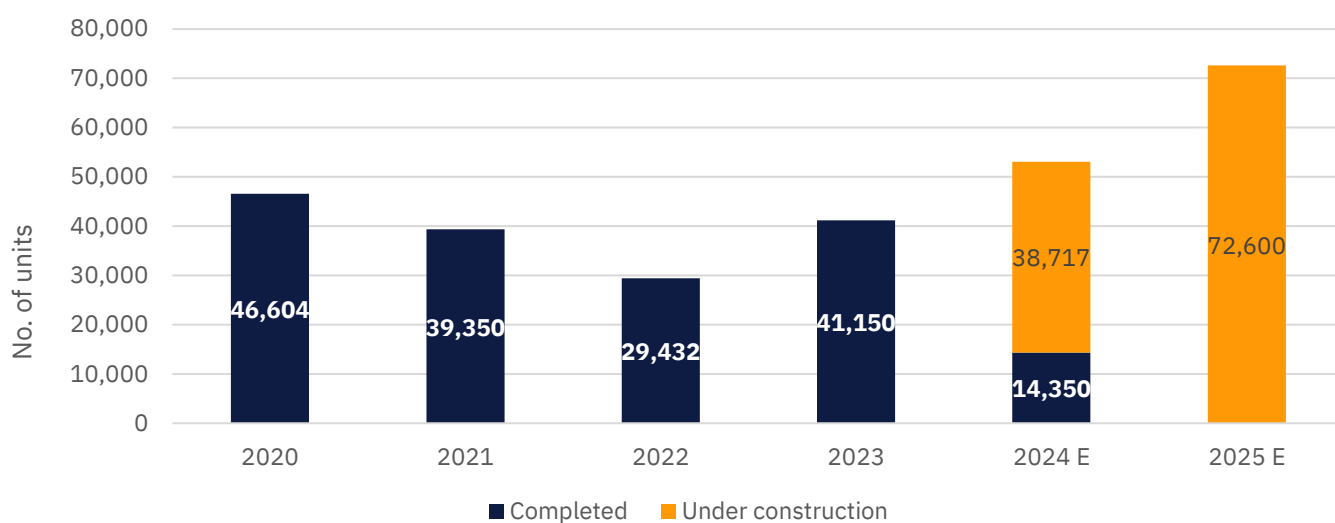


Source: Reidin, ENBD Research

Significant number of unit handovers in the next 12 months.

More than 15,000 units have been handed over across the city till August this year. There are an additional 38,700 units due for completion by the end of the year.

### Residential unit handovers



Source: Reidin, ENBD Research



#### Selected project launches in 2024.

Project Name	Developer	Location	No. of units	Launch Timeline	Tentative completion timeline
Riverside Crescent	Sobha Real Estate	Bu Kadra	758	Q3 2024	Q1 2027
One Sky Park	Iman Developers	Jumeirah Village Circle	581	Q3 2024	Q3 2027
11 Park Hills	Binghatti Holdings	Dubai Science Park	558	Q3 2024	Q3 2026
Neila Azizi	Azizi Developments	Al Furjan	270	Q3 2024	Q2 2026
BNH Apartments	BNH Real Estate	Al Warsan Fourth	112	Q3 2024	Q3 2027

Source: Reidin, ENBD Research

#### Selected transactions in August 2024.

Location	Property Name/Sub-market	Type	No. of Beds	Price (AED)	Area (sq. ft.)	Transaction Type
Dubai Hills Estate	Address Hillcrest	Villa	5-Beds	38,348,000	4,200	Secondary
Jumeirah Golf Estate	Redwood Avenue	Villa	5-Beds	12,000,000	9,100	Secondary
Al Wasl	Verve Tower A	Apartment	3-Beds	8,903,000	2,900	Primary
Dubai South	Golf Lane	Villa	4-Beds	4,607,888	4,043	Primary
Culture Village	Art Bay East	Apartment	2-Beds	2,901,000	1,694	Primary

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



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