



CHRISTIE'S
INTERNATIONAL REAL ESTATE

— DUBAI —

DUBAI REAL ESTATE MARKET H1 2023 OUTLOOK

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STRONG GROWTH

In the first half of 2023 (H1 2023), Dubai's real estate sector demonstrated a record-breaking performance, with the city registering 61,018 property sales transactions, amounting to approximately Dh179.40 billion. There were also 16,771 mortgage transactions, valued at Dh61.66 billion.

This period marked the most impressive semi-annual performance in the history of Dubai's real estate market.

Compared to the same period in the previous year, the value of sales grew by 57 percent, rising from Dh114.5 billion, while the volume of deals increased by around 42 percent from 42,971 transactions.

Dubai's commitment to constantly upgrade its facilities and embrace the newest technologies has been a key factor in its growth. These investments have been key to attract more tourists, and most importantly, foreign investments. This has led to increased job opportunities and, consequently, an increase in the number of people buying properties in Dubai.



TRANSACTIONS BREAKDOWN BY PROPERTY TYPE

Apartments

These made up 43,127 transactions, accounting for a total sales price of Dh86,136,650,440 for a built-up area of 44,905,654 square feet. The average sales price for apartments was Dh1,997,279, with an average built-up area of 1,041 square feet. The average price per square foot was AED 1,657.

Townhouses

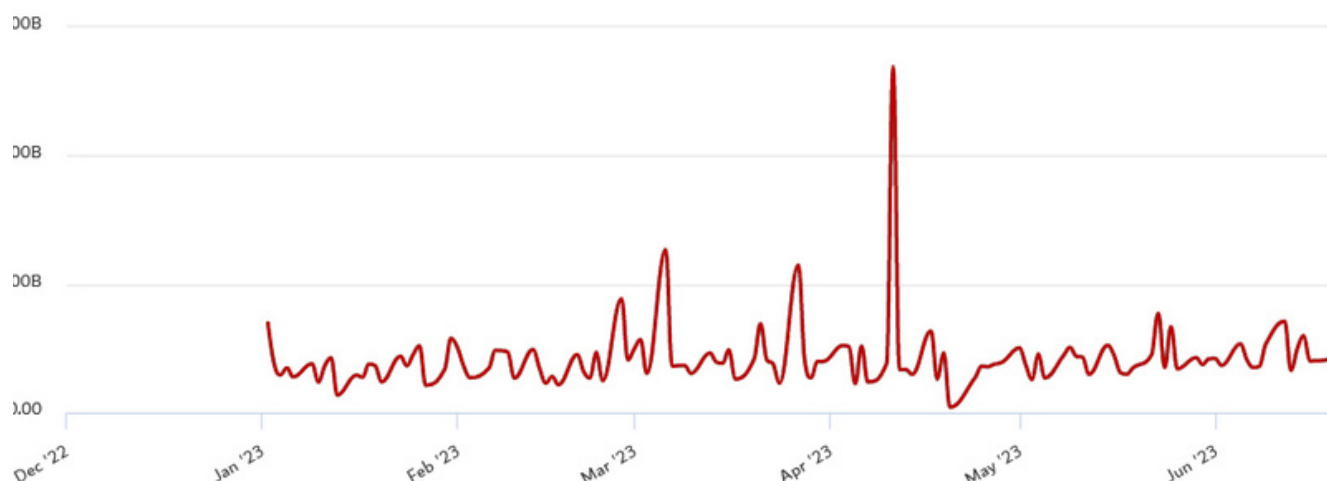
These accounted for 7,984 transactions, with a total sales price of Dh19,531,667,215 for a total built-up area of 15,580,803 square feet. The average sales price for townhouses was Dh2,446,351, with an average built-up area of 2,536 square feet and an average plot size of 2,284 square feet. The average price per square foot was AED 990.

Villas

A total of 3,815 transactions were recorded for villas, with a total sales price of Dh32,262,452,136 for a built-up area of 13,147,943 square feet. The average sales price for villas was Dh8,456,737, with an average built-up area of 5,314 square feet and an average plot size of 7,788 square feet. The average price per square foot was AED 1,681.

NO. OF TRANSACTIONS

READY PROPERTIES



LUXURY PROPERTIES

The luxury property segment showed success. In H1 2023, Dubai was identified as the world's most active \$10 million-plus market, with a total of 176 high-end home sales. Furthermore, prime locations like Palm Jumeirah and Emirates Hills dominated sales, accounting for 63 percent of the \$10 million-plus transactions. The average sales price stood at \$16.5 million.

Transaction rates for luxury properties above AED 10 million substantially increased, with a total of 666 deals in H1 2023, marking a 51% surge from the previous year. Several factors contributed to this ascent into luxury, including the influx of high-net-worth individuals into the country and Dubai's appeal as a global hub for luxury living.

The strong interest in luxury real estate in Dubai is expected to continue in the next few years. As the city grows and draws more wealthy people, the value of luxury properties is likely to increase. This makes Dubai a great place for real estate investments, especially for those looking for high-value properties.

Dubai has become a leading destination for luxury homes and one of the busiest luxury residential markets globally, attracting a lot of attention worldwide. By investing one million US dollars, buyers can obtain around 1,130 square feet of high-quality residential space in Dubai, which is three times more than what they could get in cities like London, New York, or Singapore. This affordability, combined with Dubai's outstanding real estate options, has led to a high demand among affluent individuals.

In terms of property prices, by the end of June 2023, apartment prices witnessed an annual rate of change of 15 percent, while villa prices soared by an impressive 46 percent. Notably, 66 percent of buyers intended to personally use the properties.

There was a significant rise in interest in branded residences, boosted by record-breaking sales and remarkable sell-out achievements from esteemed brands such as Six Senses, Baccarat, and Bulgari. The Dubai branded residential market is expected to add 2,000 new units in 2023.

LUXURY PROPERTIES

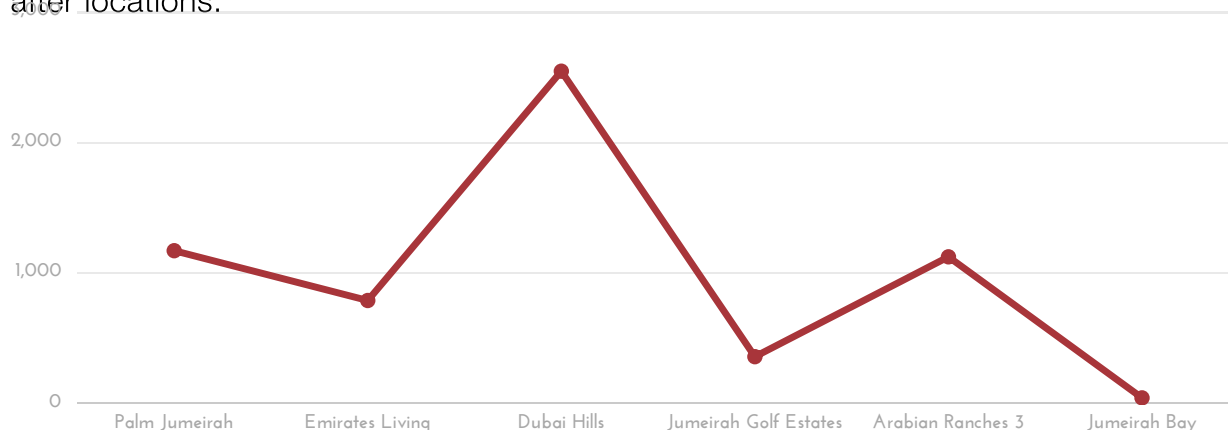
There has been a recent change in this trend, as new apartment launches are increasing, particularly in sought-after areas such as the Palm Jumeirah. It is projected that by 2025, a total of 289 homes will be completed, with 54% of them being villas. This indicates a positive shift in the real estate market, providing more options for homebuyers and investors in Dubai.

AREA	ROI	PRICE PER SQ.FT	Avg. Price/sq.ft	Change from H2 2022	3-BED	4-BED	5-BED
Dubai Hills Estate	5.13%	2,057	6,976,699	14.02%	4,735,000	6,027,000	17,103,000
Arabian Ranches	6.05%	1,211	5,616,642	17.63%	3,290,000	4,662,000	7,658,000
Palm Jumeirah	3.78%	4,542	30,446,406	13.60%	24,454,000	27,771,000	55,823,000
Jumeirah Park	9.64%	1,256	5,059,806	6.16%	4,875,000	5,869,000	8,633,000
DAMAC Hills	7.04%	1,271	4,154,348	0.47%	2,715,000	2,792,000	6,093,000

Luxury Apartments

Dubai Marina has consistently been a top choice among investors for luxury apartment sales in Dubai. The average sales price per square foot for apartments in Dubai Marina experienced a 5.61% appreciation, reaching an average of AED 1,679. This indicates a positive growth in property values in this area.

Investors seeking high-end apartments have also shown a strong interest in properties located in Downtown Dubai, Business Bay, Palm Jumeirah, and Jumeirah Beach Residence. In these districts, the average sales price per square foot has increased by up to 13%. This significant price increase can be primarily attributed to the growing demand for properties in these sought-after locations.



LUXURY PROPERTIES

Luxury Villas

As per experts from Christie's International Real Estate Dubai, the average sales price for luxury villas in prominent neighborhoods of Dubai has continued to rise during the first half of 2023.

Arabian Ranches has emerged as the top choice for buyers looking for luxury villas with the intention of renting them out. The sales price per square foot for villas in Arabian Ranches has averaged at AED 1,316, experiencing a modest increase of 2.81%.

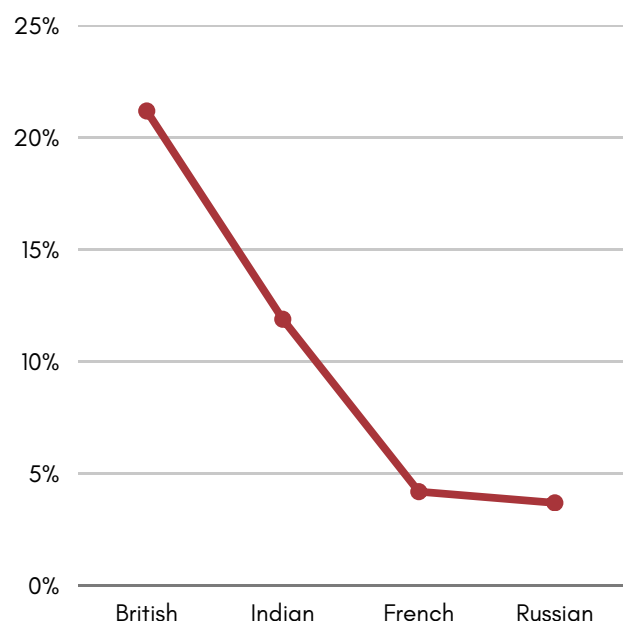
Dubai Hills Estate has also attracted the attention of high-net-worth buyers. The average price per square foot for villas in Dubai Hills Estate has seen a significant uptick of 11.9% in the first half of 2023, reaching AED 1,833.

Buyers and investors have also shown interest in the upscale villas available in Palm Jumeirah, Jumeirah Park and DAMAC Hills. Prices in these areas have witnessed increases of up to 17%. Notably, Palm Jumeirah experienced the most notable movement in prices, which can be attributed to the growing demand for properties in that area.

TOP BUYERS

The most active buyers of luxury properties in Dubai during H1 2023 were British nationals. Dubai has historically been a popular destination for British investors and individuals seeking luxury properties.

Other nationalities that made up the top 10 list included Chinese, Italian, Lebanese, Egyptian, Turkish, and Emirati nationals.



OFF-PLAN PROPERTIES

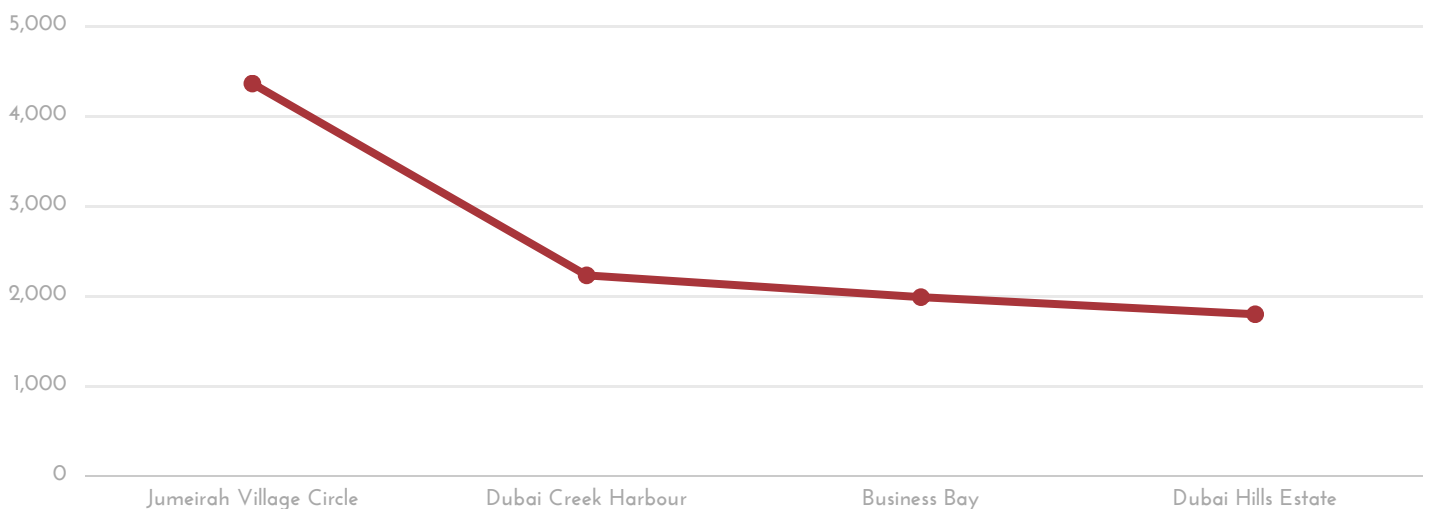
Dubai's off-plan sales market showed exceptional strength during H1 2023. The total number of transactions hit 30,624, amounting to AED 70.65 billion in value. Compared to the same period in 2022, the number of transactions saw an 80.5% increase, and the total value of transactions experienced an 84.2% rise.

This impressive performance is attributed to several factors. Among them are the robust economic growth in Dubai, the city's rising popularity as a destination for business and leisure, and the attractive investment opportunities in the Dubai real estate market.

Marsa Dubai led the list of the top five communities with transaction values of AED 7.05 billion, followed by Burj Khalifa at AED 5.09 billion, Dubai Creek Harbour at AED 5.01 billion, Palm Jumeirah at AED 3.49 billion, and The Views at AED 3.25 billion.

In the affordable segment of the market, District 10 in Jumeirah Village Circle (JVC) has continued to be the favored choice for off-plan apartments. Buyers seeking reasonably priced off-plan villas have shown a preference for Villanova in Dubai land.

NO. OF TRANSACTIONS



OFF-PLAN PROPERTIES

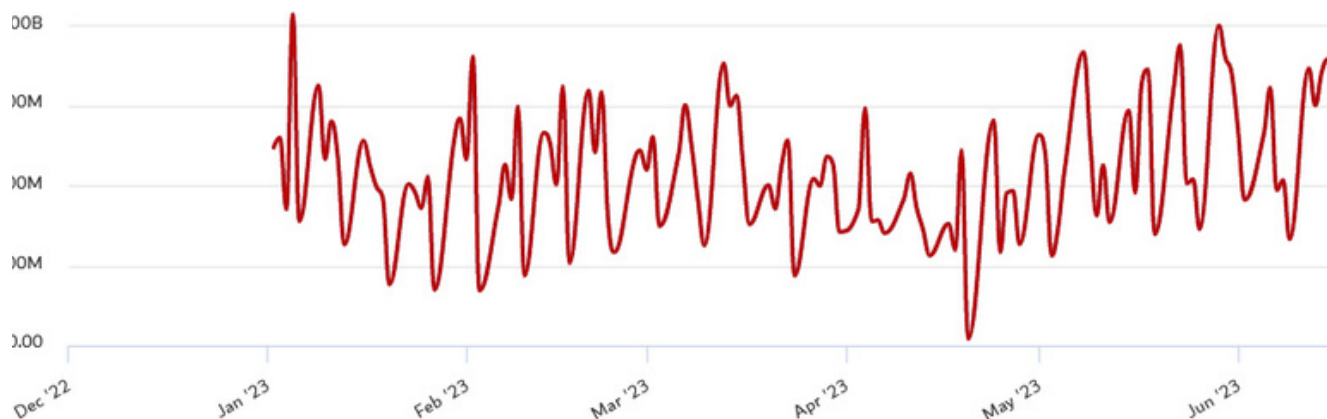
A number of key trends emerged in the H1 2023 off-plan property market. High demand was observed from both local and international buyers. Real estate prices, especially for high-end properties, were on the rise. Additionally, mortgage financing grew in popularity, reflecting its role as a key enabler for property ownership.

This momentum is anticipated to continue into the second half of 2023, with further growth in transaction numbers and total transaction values. The off-plan sales market presents an attractive investment opportunity for both local and international buyers and is predicted to remain resilient in the foreseeable future.

With 27,956 transactions, the total value of transactions for off-plan sales stood at AED 68.5 billion. The average price per transaction was AED 2,448,000. Marsa Dubai led the top five communities in terms of transaction value, with the other communities mirroring the overall market trends.

For luxury off-plan apartments, Emaar Beachfront in Dubai Harbour has emerged as the most popular development. It has garnered significant interest from buyers looking for high-end apartments in Dubai.

On the other hand, Alaya in Tilal Al Ghaf has remained the most preferred option for those seeking luxury off-plan villas. This development has attracted considerable attention from buyers interested in upscale villa properties in Dubai.



DUBAI RESIDENTIAL SUPPLY

The Dubai real estate market is expected to see a significant increase in supply in 2023. The increase in supply is being driven by a number of factors, including the strong demand for real estate in Dubai, the influx of foreign investment, and the government's efforts to stimulate the economy.

The increase in supply is expected to put downward pressure on prices in the Dubai real estate market. However, it is important to note that the market is still expected to grow in 2023. This is due to the strong demand for real estate in Dubai and the limited supply of land.

Overall, the increase in supply of Dubai real estate is a positive development for the market. It will make it more accessible to a wider range of buyers and it will create more competition among developers. This will lead to better quality and more affordable properties for everyone.

The shortage of luxury properties in Dubai is expected to continue this year, as demand continues to outstrip supply. This is likely to impact the market prices.

Some of the factors that are driving the demand for luxury properties in Dubai are:

- The strong economy of Dubai
- The growing population of high net worth individuals in Dubai
- Dubai's status as a global hub for business and tourism
- The emirate's relaxed visa and residency rules
- The availability of world-class amenities and services in Dubai

The government of Dubai is taking steps to increase the supply of luxury properties in the emirate. These measures include:

- Relaxing the regulations governing the development of luxury properties
- Investing in infrastructure projects that will make it easier to develop luxury properties
- Providing incentives to developers to build luxury properties

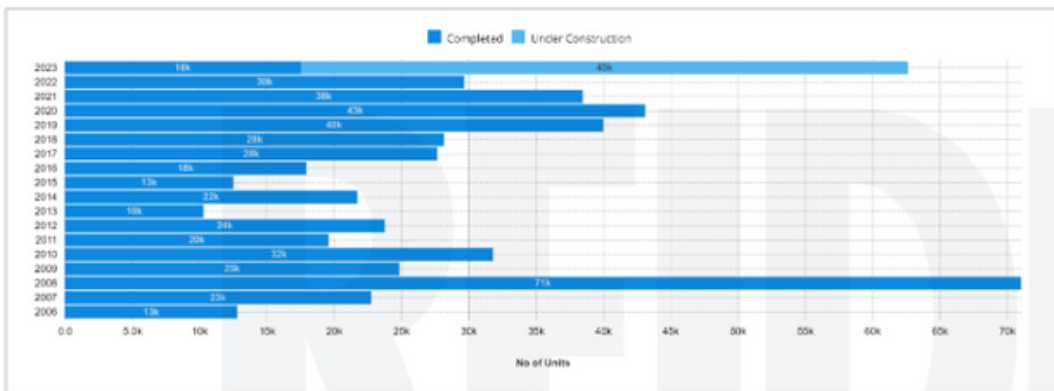
It is expected that these measures will help to increase the supply of luxury properties in Dubai in the coming years. However, the shortage of supply is likely to continue, as demand for luxury properties in Dubai continues to grow.

DUBAI RESIDENTIAL SUPPLY

A total of 6,949 new units were delivered in Q2 2023 out of which 6,483 are apartments and serviced apartments while the remaining are villas. Apartments accounted for over 93% of the total deliveries while villas accounted for less than 7%.

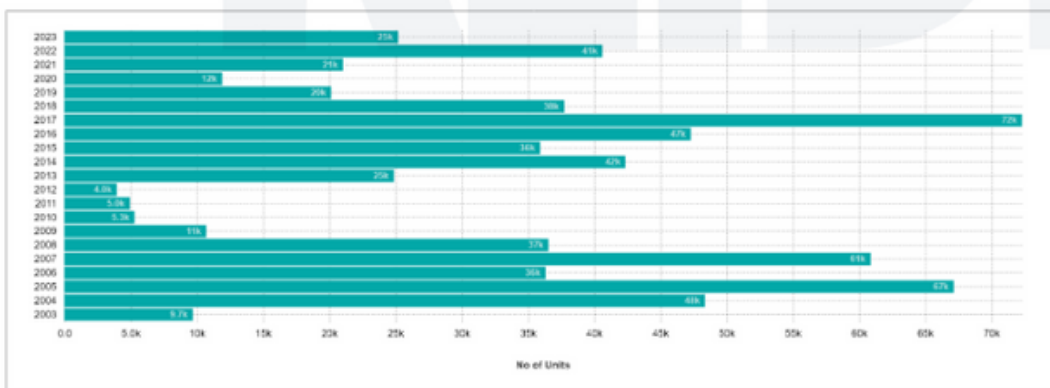
As of July 2023, the number of delivered projects stood at 65. In Q2 2023, 33 new projects were completed. These included 3 were villa projects and the remaining 30 were apartment projects.

Around 16,475 units delivered as of July 2023, and over 46,000 units are announced for delivery in the second half of 2023 and over 135,000 in the coming years.



A total of 56 new projects were launched in this quarter which will add around 13,400 units to the market in the coming years.

Dubai Residential Launches (Freehold)



CONCLUSION

Investing in Dubai's real estate market in 2023 offers numerous advantages. The city's tax-free environment, booming economy, and strong tourism industry make it an attractive destination for investors. Despite the growth, Dubai's real estate prices remain competitive compared to other major global cities, and world-class developers ensure high-quality property development.

Overall, the market outlook for 2023 in the UAE is positive. The strong economic growth, increasing demand for real estate, and development of new infrastructure projects are all expected to support the market.

Experts from Christie's International Real Estate Dubai predict that the total value of property transactions in Dubai will reach around AED 300 billion by the end of 2023. This large sum indicates that the Dubai real estate market is projected to remain robust throughout the second half of the year.

They anticipate that the bulk of these sales will be residential properties, with key areas for property sales in H2 2023 predicted to be The Palm Jumeirah, Jumeirah Beach Residences, Emirates Hills, and Downtown Dubai.

It's important to note that while actual sales figures may differ, these predictions provide a good sense of what we might see in the Dubai real estate market in the coming months.

Here are some of the factors that could impact expected sales in H2 2023:

- Global macroeconomic conditions like interest rates and inflation
- The political situation in other regions.
- The demand for real estate in Dubai.
- The availability of new properties on the Dubai market.

The UAE government is also investing heavily in the development of new infrastructure projects, such as roads, railways, and airports. This investment is expected to boost economic growth and create jobs, which will further support the real estate market.