

Property Review

# UAE Real Estate Report

Q3 2023



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zsteco



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Al Tamimi & Co.

ABU DHABI



# Market Overview

## Supply\*

In Q3 2023, Abu Dhabi's real estate market recorded the delivery of 1,000 residential units, distributed across a number of communities but with a notable concentration in Al Raha Beach.

This period recorded the launch of key projects, such as Gardenia Bay on Yas Island, Vista 3 on Al Reem Island, Perla 3 in Yas Bay, Al Jurf Phase 2 in the Ghantoot area, Murjan Saadiyat on Saadiyat Island, Icon Tower in Yas Bay, and a new phase of Sadiyaat Lagoons. Additionally, Balghaiylam in New Bahia, northeast of Yas Island, debuted as a villa master plan development exclusively available to UAE national.

Looking ahead, there are numerous projects including residential, commercial and mixed-use developments in the planning/design stage, with official announcements expected within the next six months.

## Rental Rates

Average apartment rental rates recorded marginal growth over the quarter, but prime and high-end developments measured notable increases ranging from 4% to 6%. On an annual basis, these rates nearly reached 10% compared to the same period last year. It is worth noting that these changes primarily impacted new tenants, as opposed to existing ones.

Rental rates for apartments in buildings with lower quality specifications, primarily situated on Abu Dhabi Island, remained stable on a quarterly basis, with marginal year-on-year increments.

Notably, the villa market continued to exhibit robust demand, particularly in new communities. Saadiyat Island and Yas Island observed a marked 3% average quarter-on-quarter increase in villa rental rates.

Overall, apartments and villas recorded annual growth rates of approximately 3% and 4%, respectively.

Grade A office rental rates surged by 6% over the quarter and by 10% year-on-year. This increase was driven by the limited availability of prime office space, robust demand from expanding businesses, and the government's proactive initiatives to attract foreign investment.

## Sales Prices

Except for recently completed projects, apartment sales prices remained relatively stable over Q3 2023. Villa sales prices, on the other hand, experienced a modest 1% quarter-on-quarter and 3% year-on-year increase, driven primarily by the value appreciation of the Hidd Al Saadiyat development.

A total of 4,160 transactions were recorded in Q3 2023. This represents a significant uptick in transactional volumes for the Abu Dhabi real estate market, marking a 32% increase from the previous quarter and a notable 102% surge from the same period last year.

Off-plan sales constituted approximately 3,060 transactions, reflecting a 44% increase over the quarter, whilst ready properties (1,035 transactions) witnessed a moderate 5% increase during the same period.

Apartments comprised nearly 56% of total off-plan and almost 70% of the ready property transactions in Q3.

Demand for off-plan developments, particularly high-quality ones, remained high, with significant interest from foreign investors, particularly from Russian and Chinese nationals.

Notably, Gardenia Bay, launched in September 2023, recorded a remarkable ~15% increase in asking prices between the initial and most recent phases, underscoring the strength of demand for premium off-plan residential units. This trend signals a strong appetite for high-quality real estate offerings in the region, particularly from reputable master developers.

In summary, Abu Dhabi's residential sales market is poised for continued growth in the upcoming months. This optimistic outlook is fueled by increasing housing demand across diverse segments of the population and supported by proactive government initiatives geared toward fostering the expansion of the real estate sector.



\* It is important to note that whilst a number of projects may have received completion certificates, Asteco does not consider a project delivered until the handover process has been initiated and the units are available for lease in the open market.

# Abu Dhabi Supply

	Completed in H1 2023	Completed in Q3 2023	Projected Q4 2023
 <b>APARTMENTS</b> No. of units	<b>3,000</b>	<b>1,000</b>	<b>1,600</b>
 <b>VILLAS</b> No. of units	<b>50</b>	<b>-</b>	<b>850</b>



Abu Dhabi

# Apartment Rental Rates

(All figures in AED 000's p.a.)

		STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
<b>PRIME PROPERTIES</b>											
ABU DHABI ISLAND		60	65	65	110	100	155	155	215	0%	2%
INVESTMENT AREA*		60	95	95	180	120	240	180	360	3%	7%
<b>HIGH-END PROPERTIES</b>											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	55	70	65	90	75	150	105	210	3%	6%
	CENTRAL ABU DHABI	40	45	55	65	85	110	110	145	1%	3%
	CORNICHE	50	55	60	75	80	115	120	155	0%	1%
INVESTMENT AREA	AL RAHA BEACH	50	55	65	85	100	140	140	200	0%	2%
	MARINA SQUARE	40	45	50	75	75	120	110	160	1%	6%
	SAADIYAT BEACH RESIDENCES	-	-	70	80	115	140	155	165	0%	1%
	SHAMS ABU DHABI	45	50	50	75	80	120	110	160	0%	5%
	YAS ISLAND	47	55	65	80	105	125	155	180	1%	1%
<b>MID-END PROPERTIES</b>											
ABU DHABI ISLAND		40	50	48	70	60	115	90	150	1%	4%
INVESTMENT AREA	AL RAHA BEACH	42	45	50	65	80	110	145	150	1%	3%
	NAJMAT & TAMOUH	35	45	45	60	70	95	95	135	1%	4%
	SAADIYAT ISLAND	40	45	55	65	85	95	110	130	2%	2%
	SHAMS ABU DHABI	40	45	50	60	65	100	105	130	2%	6%
	YAS ISLAND	42	45	50	55	75	85	115	130	2%	4%
OFF ISLAND	KHALIFA CITY & MBZ CITY	23	40	42	70	60	115	120	130	0%	0%
<b>LOW-END PROPERTIES</b>											
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	25	35	35	45	50	65	65	80	0%	1%
	CENTRAL ABU DHABI	30	35	40	45	45	60	55	90	0%	1%
	CORNICHE	30	35	42	50	55	60	68	80	0%	0%
INVESTMENT AREA	AL REEF	32	38	45	52	58	68	80	90	0%	1%
OFF ISLAND	KHALIFA CITY & MBZ CITY	22	32	32	42	42	52	60	75	0%	0%



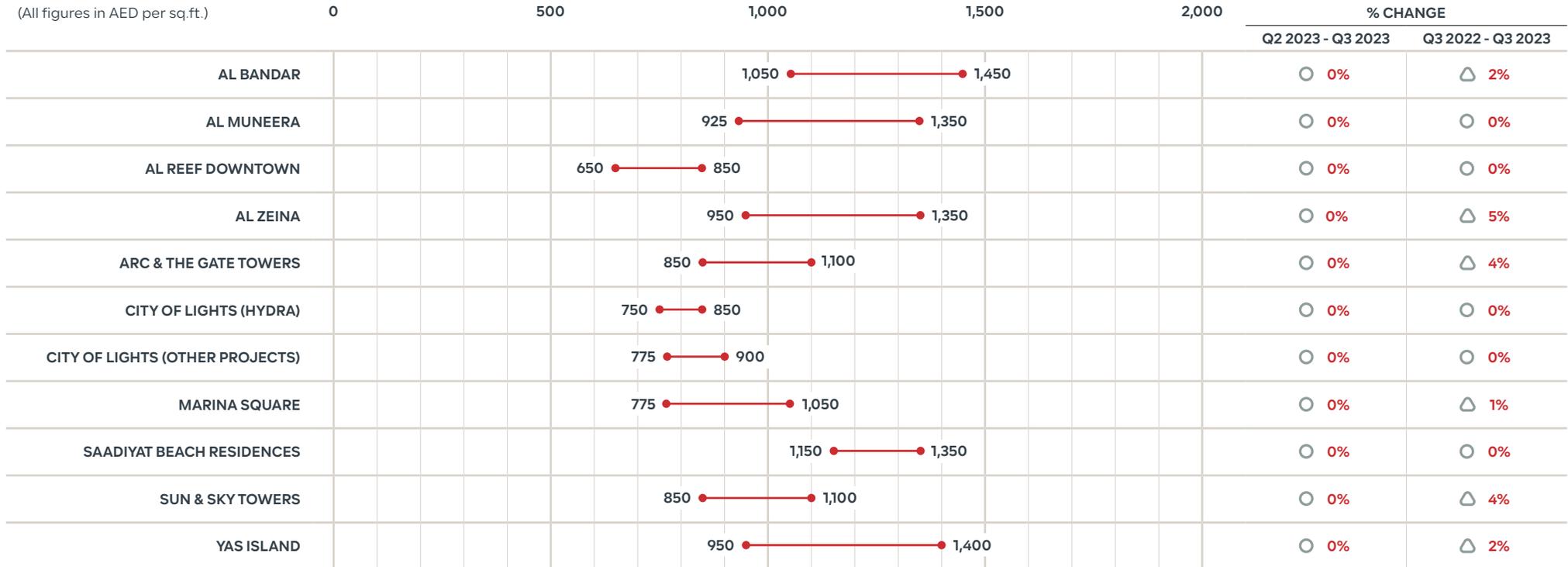
\* Includes Mamsha Al Saadiyat Development



Abu Dhabi

# Apartment Sales Prices

(All figures in AED per sq.ft.)





Abu Dhabi

# Villa Rental Rates

(All figures in AED 000's p.a.)

		2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
ABU DHABI ISLAND	AL KHALIDIYA / AL BATEEN	-	-	150	160	155	200	180	240	0%	6%
	AL NAHYAN CAMP / AL MUROOR	-	-	145	160	160	170	170	180	3%	5%
	MUSHRIF / KARAMA / MANASEER	-	-	140	160	150	180	185	230	4%	9%
INVESTMENT AREA	AL RAHA BEACH	-	-	200	210	250	280	280	330	6%	10%
	AL REEF	75	80	95	105	130	140	150	155	1%	4%
	HIDD AL SAADIYAT	-	-	-	-	390	500	450	750	3%	10%
	HYDRA VILLAGE	50	60	60	65	-	-	-	-	0%	-1%
	LULUAT AL RAHA	-	-	-	-	295	300	350	360	0%	N/A
	SAADIYAT BEACH VILLAS	-	-	295	330	350	430	455	690	1%	4%
	WEST YAS	-	-	-	-	260	290	300	350	2%	11%
	YAS ACRES	175	200	220	250	265	335	335	410	4%	10%
OFF ISLAND	AL RAHA GARDENS	-	-	145	160	160	185	210	240	2%	3%
	GOLF GARDENS	-	-	200	210	225	245	270	350	0%	1%
	KHALIFA CITY	-	-	105	115	125	150	135	180	7%	10%
	MBZ CITY	-	-	105	115	110	130	120	160	1%	5%

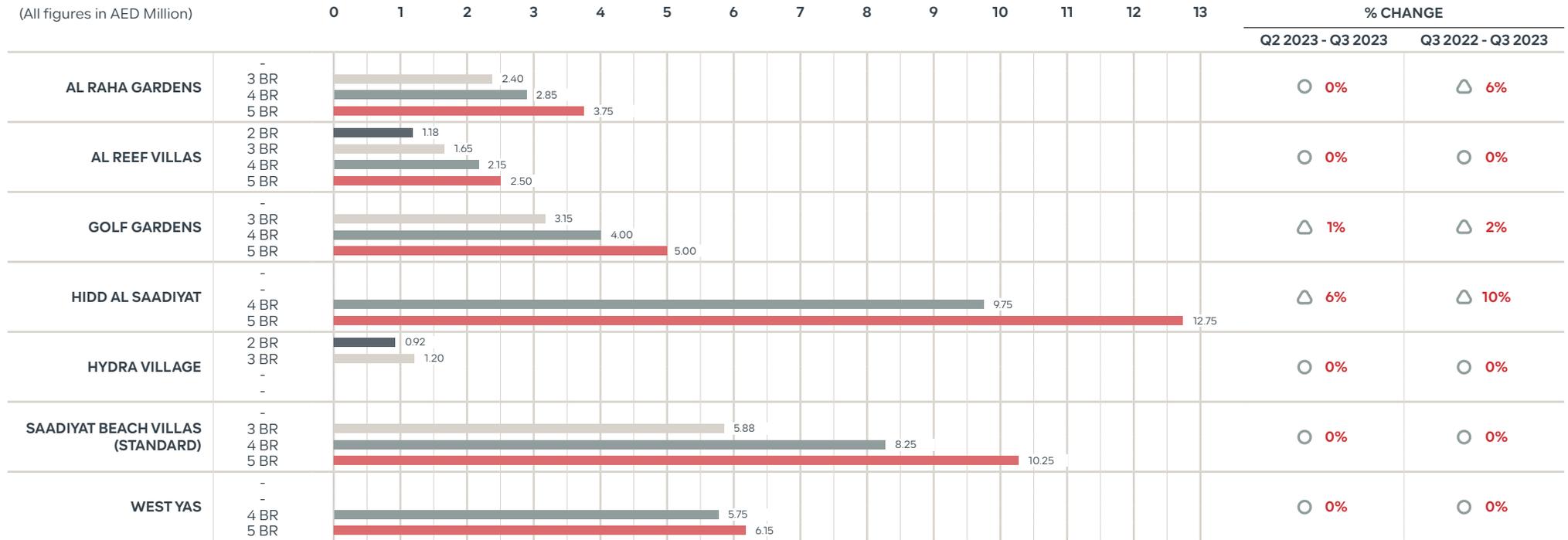




Abu Dhabi

# Villa Sales Prices

(All figures in AED Million)



## % Change



\* Includes Al Raha Gardens, Golf Gardens & Al Reef Villas only. Later averages are reflective of an increase in new developments of higher quality.



Abu Dhabi

# Office Rental Rates

(All figures in AED per sq.m. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
<b>PRIME STOCK</b>				
FITTED*	1,400	2,300	5%	9%
<b>QUALITY STOCK</b>				
FITTED	900	1,200	10%	13%
SHELL AND CORE	700	900	7%	11%
<b>OLDER STOCK</b>				
GOOD	600	800	5%	5%
TYPICAL BUILDING	550	650	3%	7%
LOW QUALITY BUILDING	425	450	3%	3%



**% Change**



\* Includes developments such as Al Maryah Island, Aldar HQ, International Tower, Nation Towers, Ittihad Towers, etc.

# Abu Dhabi

## Property Map

- 1 Al Bandar - Al Raha Beach
- 2 Al Bateen Wharf
- 3 Al Gurm
- 4 Al Maqtaa
- 5 Al Muneera - Al Raha Beach
- 6 Al Nahyan Camp
- 7 Al Raha Gardens
- 8 Al Rayyana
- 9 Al Reef
- 10 Al Zeina - Al Raha Beach
- 11 Baniyas
- 12 Al Bateen Airport Area
- 13 Al Bateen Area
- 14 Bawabat Al Sharq
- 15 Capital District (ADNEC)
- 16 Central Business District (CBD) / Tourist Club Area
- 17 Corniche
- 18 Danet Abu Dhabi
- 19 Eastern Mangroves
- 20 Golf Gardens
- 21 Hydra Village
- 22 Khalidiyah/ Al Hosn/ Al Manhal
- 23 Khalifa City A
- 24 Khalifa City B
- 25 Al Maryah Island
- 26 Mohamed Bin Zayed City (MBZ)
- 27 Al Mina
- 28 Al Mushrif/ Al Karamah/ Al Manaseer/ Al Muroor
- 29 Abu Dhabi Gate City
- 30 Rawdhat Abu Dhabi
- 31 Al Reem Island - Marina Square
- 32 Al Reem Island - Najmat Abu Dhabi
- 33 Al Reem Island - Rest of Shams Abu Dhabi
- 34 Al Reem Island - City of Lights
- 35 Al Reem Island - The Gate District
- 36 Saadiyat Beach District

- 37 Hills Abu Dhabi
- 38 West Yas
- 39 Yas Acres
- 40 Ansam
- 41 Al Raha Beach
- 42 Mamsha Al Saadiyat
- 43 Hidd Al Saadiyat
- 44 Masdar City
- 45 Al Jubail Island
- 46 Musaffah
- 47 Al Hudayriyat Island
- 48 Water's Edge





DUBAI



# Dubai Market Overview

## Supply\*

Ongoing momentum characterises the real estate landscape, marked by a continuous stream of new project launches.

Following the footsteps of industry giants like Emaar, Nakheel and Dubai Properties, several tier 2 developers have recently unveiled substantial projects. Noteworthy among them is Azizi's Venice in Dubai South, a 24 million sqft mixed-use development. This ambitious venture encompasses over 30,000 residential units across approximately 100 apartment complexes, complemented by 400 luxury villas and mansions.

The buzz surrounding the launch of the first Palm Jebel Ali villas, evoking queues reminiscent of pre-GFC market peaks, underscores the market's vigour. Although details about the development beyond the multimillion-dirham villas and plots launched across 4 fronds (out of 16) remain limited, any future progress is set to extend Dubai's southern trajectory. This strategic shift aligns with the planned expansion of the Al Maktoum International Airport, solidifying Dubai's growth trajectory.

Whilst these projects are slated for delivery in the future, they exemplify Dubai's ambitious developmental goals. These initiatives are poised to facilitate the city's exponential growth and transformation.

In the meantime, Asteco's records indicate the delivery of around 6,250 residential units in Q3 2023, including 4,450 apartments and 1,800 villas. Although this signifies a moderate decline compared to previous quarters, it remains a substantial volume. However, this volume pales in comparison to the anticipated delivery of over 130,000 dwellings slated to hit the market in the next 3 to 4 years.

Although notable new office completions have been limited in recent years, the handover of Uptown Tower, a 500,000 sqft Grade A development in Jumeirah Lakes Towers (JLT), presents a significant milestone. Additionally, the impending delivery of One Za'abeel The Offices on the Trade Centre Roundabout and Innovation One in Dubai International Financial Centre (DIFC) further underscores the market's dynamism. Rising demand for office space is likely to usher in new commercial launches in the foreseeable future.

Amidst discussions about an 'undersupply' in the market, a pertinent question emerges: who will occupy the sold units upon completion? This query highlights the need for a holistic perspective, considering not only the pace of sales and launches but also the occupancy dynamics, ensuring a sustainable and balanced market growth.

\* It is important to note that whilst a number of projects may have received completion certificates, Asteco does not consider a project delivered until the handover process has been initiated and the units are available for lease in the open market.

<sup>A</sup> The Dubai Government was expected to roll out a new rental index in 2023, with increases to be based on star ratings of each building, reflecting quality and amenities, rather than being subject to location and/or community trends. However, there had been no update at the time of writing the report.

## Rental Rates

In the face of a steadfast demand, primarily driven by newcomers (as existing tenants opt for continuity), the Dubai rental market has seen a gradual moderation in rate growth. Asteco's data for the third quarter reveals a definite slowdown, with rental gains at 3%, 2%, and 4% for apartments, villas and offices over the three-month period. On an annual scale, the changes stood at 18%, 19% and 29% respectively.

Whilst there has been activity in both lower and upper rental rate brackets, certain averages have remained static. In fact, Dubai Land Department's (DLD) data indicated marginal rental rate drops in newly registered contracts, hinting at a possible market cooldown, albeit at a modest scale. Conversely, upgrades have continued to drive the upper end of the market, particularly within established villa communities.

The rental landscape is diverse and continues to offer growth potential for specific developments and areas.

Leveraging the current buoyant market conditions, a strategic move has been transitioning annual leases into short-term rental properties. This shift has been further facilitated by the ongoing expansion of airline services, leading to the addition of new destinations and increased frequencies on existing routes.

Consequently, the market has witnessed a surge in the availability of new holiday homes. According to the latest data from the Dubai Department of Economy and Tourism, there has been a substantial 45% year-on-year increase in the number of registered holiday homes in Dubai, as of March 2023.

The reduced availability of units for annual leases and the lag in new deliveries stemming from Covid related development delays, has amplified the supply-demand dynamics, and ultimately heightened rental pressure.

Affordability has definitely been a focal point this year with many long-term tenants finding themselves priced out of their familiar buildings/communities. Whilst market sentiment has always been a key driver in Dubai's real estate market, it now verges on price gouging, particularly when considering the rapid rise of eviction notices being served by strata-title landlords stating self-use or sale as grounds for the eviction. Subsequently, these units are being re-let at rates significantly inflated, often exceeding 50%. Whilst such practises are technically prohibited, as the unit cannot be leased by the same landlord for the first 2 years following eviction, tenants bear the burden of proof and must file claims with the Rental Dispute Settlement Centre (RDSC). (Please refer to page 37 for more information from Al Tamimi & Co.). Moreover, an outdated rental calculator and delayed new index<sup>A</sup> exacerbate the tense situation, further complicating pricing dynamics.

Corresponding with the surge in short-term rentals, Asteco has observed a significant increase in the establishment of holiday home management companies. These entities, typically situated in business centres, have been actively seeking dedicated office space.

In addition to newcomers to the market, Asteco noted increased demand from companies looking to expand their existing footprint, either within the same development, or by moving to new, often better-quality premises. In fact, there are waiting lists for well managed (single landlord) buildings offered at competitive rates.

We also noted the preference for superior fully fitted space, as opposed to shell & core units, driven by both cost and time-saving considerations.

Dubai

# Market Overview [↗](#)

## Sales Prices

Despite ongoing global uncertainties with regard to inflation, interest rates, climate issues, conflicts and technological advancements, the Dubai property market is poised for a robust end to 2023. However, it is crucial to exercise caution amidst the current momentum.

Amidst the rush to capitalise on the current market fervour, the development of affordable housing options, essential for long-term stability, has been side-lined. In addition, Saudi Arabia is emerging as a notable point of interest.

Setting aside large ticket sales, although they remain prominent, average sales price growth continued to decelerate, with quarterly increases of 1% for apartments, 2% for villas and 3% for offices. On an annual basis, these changes stood at 12%, 14% and 19% respectively.

Whilst Dubai boasts a pro-business environment, extensive infrastructure and an advanced regulatory framework, it is imperative to implement more adaptive strategies. These strategies are necessary to sustain both rapid growth and ensure enduring stability in the real estate sector.



# Dubai Supply

	Completed in H1 2023	Completed in Q3 2023	Projected Q4 2023
 <b>APARTMENTS</b> No. of units	<b>17,000</b>	<b>4,700</b>	<b>6,900</b>
 <b>VILLAS</b> No. of units	<b>3,650</b>	<b>1,850</b>	<b>1,450</b>
 <b>OFFICES</b> Million sq.ft.	<b>-</b>	<b>0.5</b>	<b>0.4</b>



Dubai

# Apartment Rental Rates

(All figures in AED 000's p.a.)

	STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
<b>HIGH- TO LUXURY-END</b>										
DIFC	65	100	90	150	120	240	180	300	3%	22%
DOWNTOWN DUBAI	55	95	75	160	110	240	160	400	3%	22%
PALM JUMEIRAH	75	125	110	220	150	300	190	400	3%	26%
SHEIKH ZAYED ROAD	55	75	70	130	80	195	100	200	0%	16%
<b>MID- TO HIGH-END</b>										
BUSINESS BAY	45	90	60	120	90	180	130	240	3%	19%
DUBAI MARINA	50	100	65	145	90	210	120	300	3%	23%
JUMEIRAH BEACH RESIDENCE	70	100	90	160	120	180	150	230	2%	21%
JUMEIRAH LAKES TOWERS	40	65	50	100	75	150	120	180	2%	18%
THE GREENS & THE VIEWS	45	70	65	115	100	160	150	220	2%	22%
<b>AFFORDABLE</b>										
DEIRA	20	40	37.5	60	50	90	80	110	0%	13%
DISCOVERY GARDENS	32.5	45	45	65	70	85	-	-	3%	23%
DUBAI SPORTS CITY	30	45	40	70	55	90	80	110	3%	20%
INTERNATIONAL CITY	20	35	30	50	40	65	60	90	3%	19%
JUMEIRAH VILLAGE	30	65	40	90	60	125	90	160	3%	18%

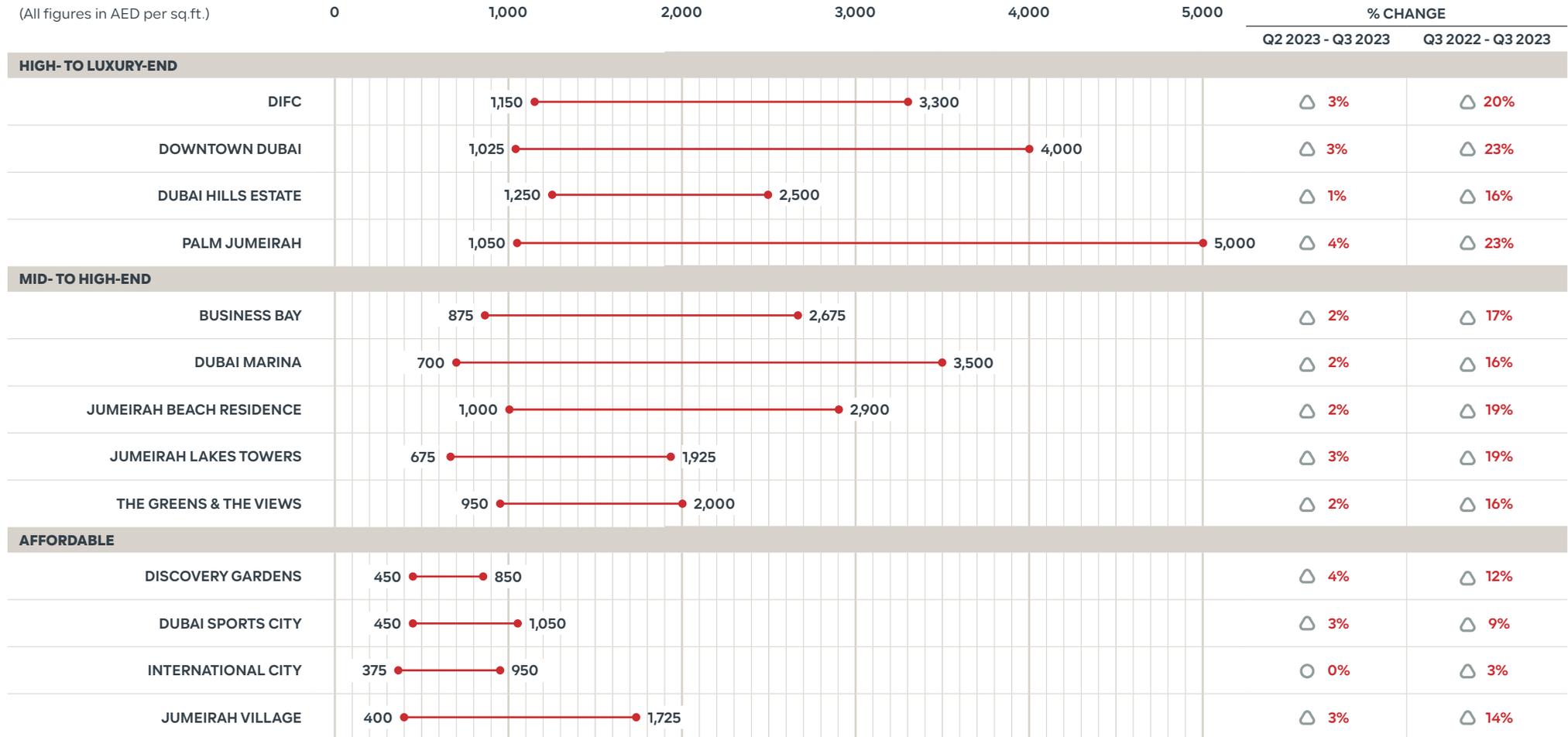




Dubai

# Apartment Sales Prices

(All figures in AED per sq.ft.)





# Dubai Villa Rental Rates

(All figures in AED 000's p.a.)

	2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
ARABIAN RANCHES	135	195	165	330	235	400	325	500	0%	15%
DAMAC HILLS 2 (AKOYA OXYGEN)	65	80	55	110	65	120	100	130	2%	12%
DUBAI HILLS ESTATE	-	-	210	385	240	500	275	575	1%	18%
JUMEIRAH / UMM SUQEIM	-	-	150	300	175	400	200	500	0%	19%
JUMEIRAH PARK	-	-	250	350	275	450	350	550	2%	19%
JUMEIRAH VILLAGE	120	200	130	200	140	220	160	260	0%	17%
THE MEADOWS	-	-	270	360	325	450	350	650	5%	27%
MIRDIF	55	95	80	160	100	180	120	200	1%	16%
PALM JUMEIRAH	-	-	350	750	500	900	650	1,200	3%	26%
THE SPRINGS	100	180	180	260	-	-	-	-	0%	17%
THE LAKES	-	-	240	360	270	450	350	550	4%	22%
TOWN SQUARE	-	-	120	160	150	190	-	-	2%	17%





# Dubai Villa Sales Prices [↗](#)

(All figures in AED per sq.ft.)

	0 1,000 2,000 3,000 4,000 5,000 6,000 7,000							% CHANGE	
								Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
ARABIAN RANCHES	1,200 — 2,300							△ 2%	△ 16%
DAMAC HILLS 2 (AKOYA OXYGEN)	475 — 1,100							○ 0%	△ 11%
DUBAI HILLS ESTATE	1,425 — 4,000							△ 3%	△ 24%
JUMEIRAH PARK	1,250 — 2,000							△ 2%	△ 16%
JUMEIRAH VILLAGE	425 — 1,350							○ 0%	△ 13%
THE MEADOWS	1,550 — 2,150							△ 6%	△ 24%
PALM JUMEIRAH	2,250 — 7,000							△ 1%	△ 16%
THE SPRINGS	1,200 — 1,850							△ 2%	△ 17%
THE LAKES	1,450 — 2,100							△ 4%	△ 16%
TOWN SQUARE	800 — 1,075							△ 3%	△ 12%



## % Change





# Dubai Office Rental Rates [↗](#)

(All figures in AED per sq.ft. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
BARSHA HEIGHTS (TECOM)	60	100	4%	27%
BUR DUBAI	60	90	4%	16%
BUSINESS BAY	60	150	7%	33%
DIFC	120	350	5%	29%
JUMEIRAH LAKES TOWERS	70	120	7%	36%
SHEIKH ZAYED ROAD	80	220	5%	29%



## % Change

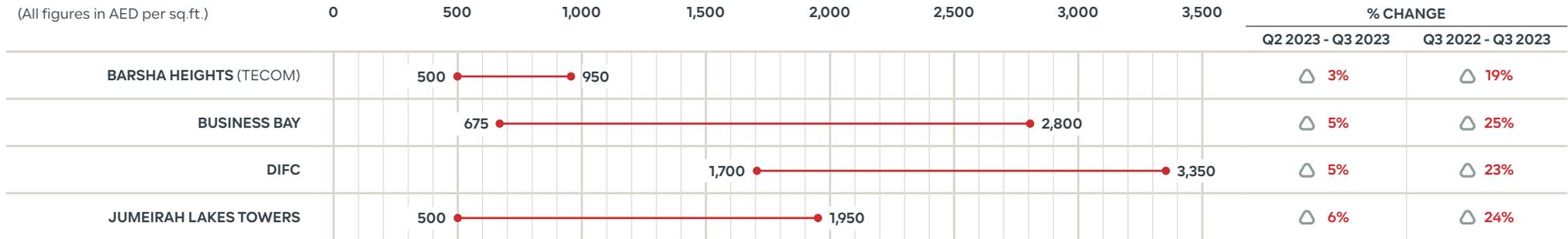




Dubai

# Office Sales Prices

(All figures in AED per sq.ft.)

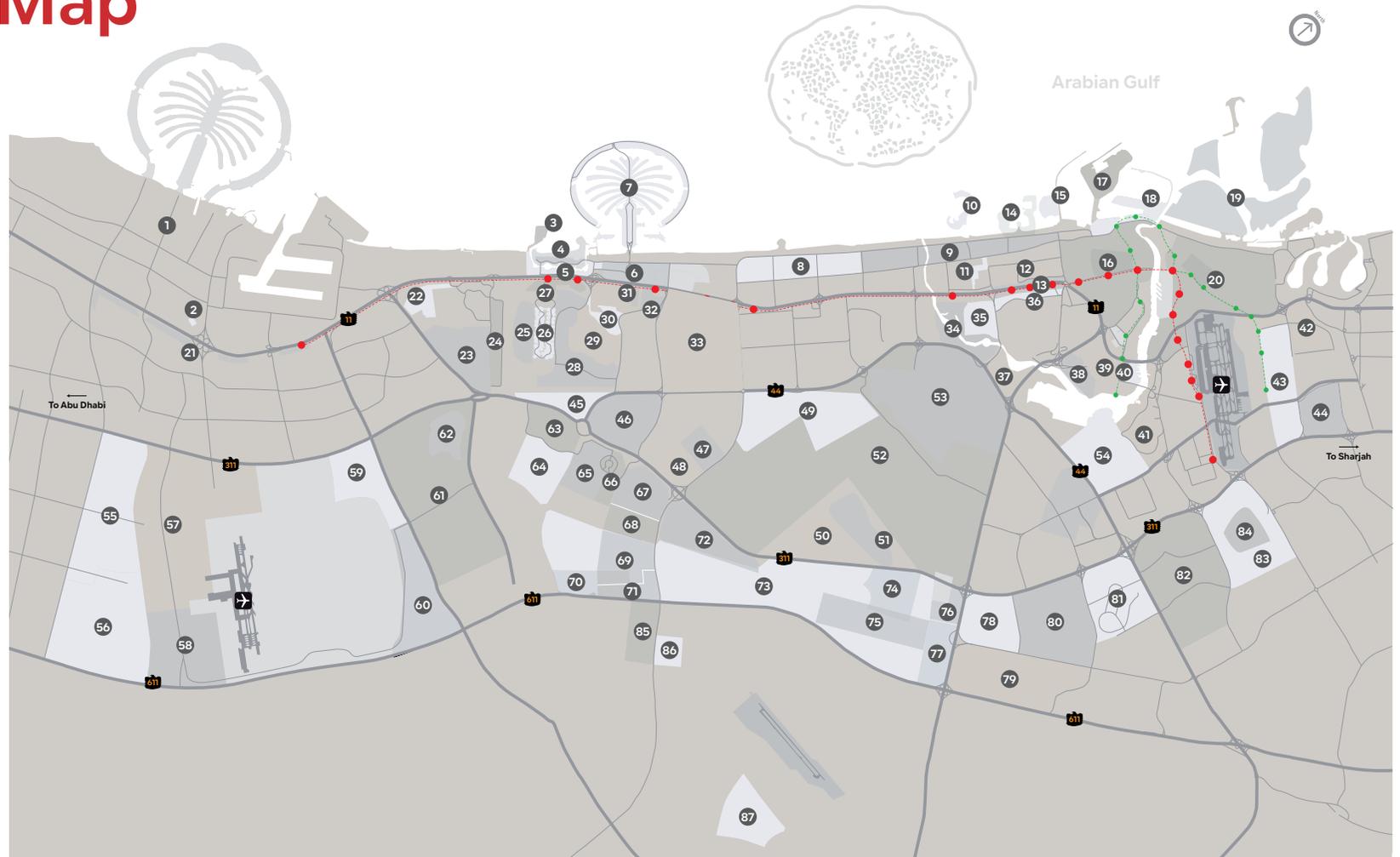


**% Change**



# Dubai Property Map

- 1 Veneto
- 2 Badrah
- 3 Bluewater Island
- 4 Jumeirah Beach Residence
- 5 Dubai Marina
- 6 Dubai Internet City, Dubai Media City & Dubai Knowledge Park
- 7 Palm Jumeirah
- 8 Umm Suqeim
- 9 Jumeirah
- 10 Jumeirah Bay
- 11 City Walk
- 12 Al Satwa
- 13 Sheikh Zayed Road
- 14 La Mer
- 15 Pearl Jumeirah
- 16 Bur Dubai
- 17 Dubai Maritime City
- 18 Port Rashid
- 19 Dubai Islands
- 20 Deira
- 21 Downtown Jebel Ali
- 22 Wasl Gate
- 23 Al Furjan
- 24 Discovery Gardens
- 25 Jumeirah Park
- 26 Jumeirah Islands
- 27 Jumeirah Lakes Towers
- 28 The Springs / The Meadows
- 29 Emirates Hills
- 30 The Lakes
- 31 The Greens
- 32 Barsha Heights (Tecom)
- 33 Al Barsha
- 34 Business Bay
- 35 Downtown Dubai
- 36 DIFC
- 37 Dubai Design District
- 38 Dubai Healthcare City - Phase 2
- 39 Al Jaddaf
- 40 Jaddaf Waterfront (Culture Village)



- |                              |  |                          |                                 |                           |                                   |                  |
|------------------------------|--|--------------------------|---------------------------------|---------------------------|-----------------------------------|------------------|
| 41 Dubai Festival City       | 48 Arjan                               | 55 Commercial District   | 63 Dubai Production City (IMPZ) | 70 Remraam                | 77 DubaiLand Residence Complex    | 83 Mirdif        |
| 42 Al Nahda                  | 49 Dubai Hills Estate                  | 56 Golf District         | 64 Jumeirah Golf Estates        | 71 Mudon                  | 78 Dubai Silicon Oasis            | 84 Uptown Mirdif |
| 43 Al Qusais                 | 50 Living Legends                      | 57 Logistics District    | 65 Victory Heights              | 72 Arabian Ranches        | 79 Dubai Academic City            | 85 Town Square   |
| 44 Muhaisnah                 | 51 Al Barari                           | 58 Aviation District     | 66 Dubai Sports City            | 73 Dubailand              | 80 International City Phase 2 & 3 | 86 Mira          |
| 45 Jumeirah Village Triangle | 52 Mohammed Bin Rashid City (MBR City) | 59 Expo 2020             | 67 Motor City                   | 74 Falcon City of Wonders | 81 International City             | 87 Damac Hills 2 |
| 46 Jumeirah Village Circle   | 53 Meydan                              | 60 Residential District  | 68 Dubai Studio City            | 75 The Villa              | 82 Al Warqaa                      |                  |
| 47 Dubai Science Park        | 54 Dubai Creek Harbour                 | 61 Dubai Investment Park | 69 Damac Hills                  | 76 Liwan                  |                                   |                  |
|                              |  | 62 Green Community       |                                 |                           |                                   |                  |

**NORTHERN  
EMIRATES**



# Northern Emirates Market Overview

Average apartment rental rates in the Northern Emirates continued their steady rise, albeit modestly, with a 2% increase in Q3 2023 and a 4% annual uptick. Established areas in Sharjah and Ras Al Khaimah (RAK) saw limited movement in rents, yet high-end properties predominantly located within master plan communities experienced notable growth of 6% and 4%, respectively. Tenants capitalised on improved amenities and superior-quality apartments, driving this surge.

Sharjah's office rental rates recorded a marginal 1% rise over the last three months due to enhanced market sentiment and business expansion; although net effective rents may have been influenced by additional incentives. Annual changes stood at 5%. However, limited new office supply could impact future growth, highlighting a potential challenge.

Similar to Dubai, the Northern Emirates witnessed a continuous flow of new project launches. Sharjah's Arada unveiled 'Saro,' the final phase of the Masaar residential woodland project in the Al Suyoh district. The release of the 597 homes followed heightened investor interest in the project, with 813 villas and townhouses valued at AED 2.34 billion sold in the first half of 2023. Furthermore, Arada launched 'CBD Building 3: Wing' in Aljada's 4.3 million sqft Central Business District, offering Grade A office space for sale, slated for completion in Q4 2025.

Further north, RAK Properties introduced 'Cape Hayat,' a 668-unit residential project on Hayat Island, Mina Al Arab, comprising studios, 1 BR, and 2 BR apartments, along with 4 BR penthouses, scheduled for handover in Q1 2026. Additionally, Nikki Beach Global collaborated with Aldar Properties to develop three luxury beachfront residential buildings on Al Marjan Island. RAK Properties also joined forces with Nikki Beach Global to introduce Nikki Beach Resort & Spa Ras Al Khaimah, a branded resort in Mina Al Arab including 155 rooms and villas. Further details about unit configurations and completion timelines are pending announcement. These collaborations signify notable additions to RAK's growing real estate landscape.

The above developments influenced the real estate market, with RAK's master plan communities witnessing average quarterly increases of 3% and 2% in apartment and villa sales prices, respectively.

In general, transaction activities surged across the Northern Emirates, evident from the Sharjah Real Estate Registration Department (SRERD) reporting 59,258 real estate transactions for the first 9 months of 2023, a 15% increase compared to the same period last year. Ajman's Department of Land and Real Estate Regulation noted a 61.5% year-on-year growth in real estate transactions for August 2023, underlining the region's expanding market dynamics.





Northern Emirates

# Apartment Rental Rates [↗](#)

(All figures in AED 000's p.a.)

		STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
SHARJAH	TYPICAL	9	15	13	20	16	25	25	34	2%	1%
	HIGH-END	15.5	30	20	45	30	70	35	75	6%	9%
AJMAN	TYPICAL	10	15	13	15	15	20	21	30	1%	0%
	HIGH-END	15	18	16	27	22	36	34	50	1%	4%
UMM AL QUWAIN		10.5	17	15	20	20	30	30	40	1%	4%
RAS AL KHAIMAH	TYPICAL	12.5	16	16	24	18.5	30	35	45	2%	4%
	HIGH-END	17	30	25	50	36	70	62.5	100	4%	10%
FUJAIRAH	TYPICAL	15	18	20	25	24	34	32	45	2%	4%
	HIGH-END	20	25	30	38	35	55	55	70	1%	4%





Sharjah

# Apartment Rental Rates [↗](#)

(All figures in AED 000's p.a.)

	STUDIO		1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
AL MAJAZ	15.5	18.5	18	31	20	46	30	65	2%	3%
AL QASIMIA	10	16.5	15	26	18	35	30	45	1%	1%
AL NAHDA	15	23	18	36	19	48	37.5	66	2%	3%
AL KHAN / AL MAMZAR	16.5	20.5	18	36	25	51	35	70	1%	2%
ABU SHAGARA	12	18	14	27.5	18	37	30	42	2%	2%
AL BUTINA	9	12.5	13	21	16	26	25	35	1%	3%
AL YARMOOK	10	13	13.5	17	17	20	27	40	0%	-1%
ROLLA	10	14	14	21	18	26.5	27	34	1%	1%

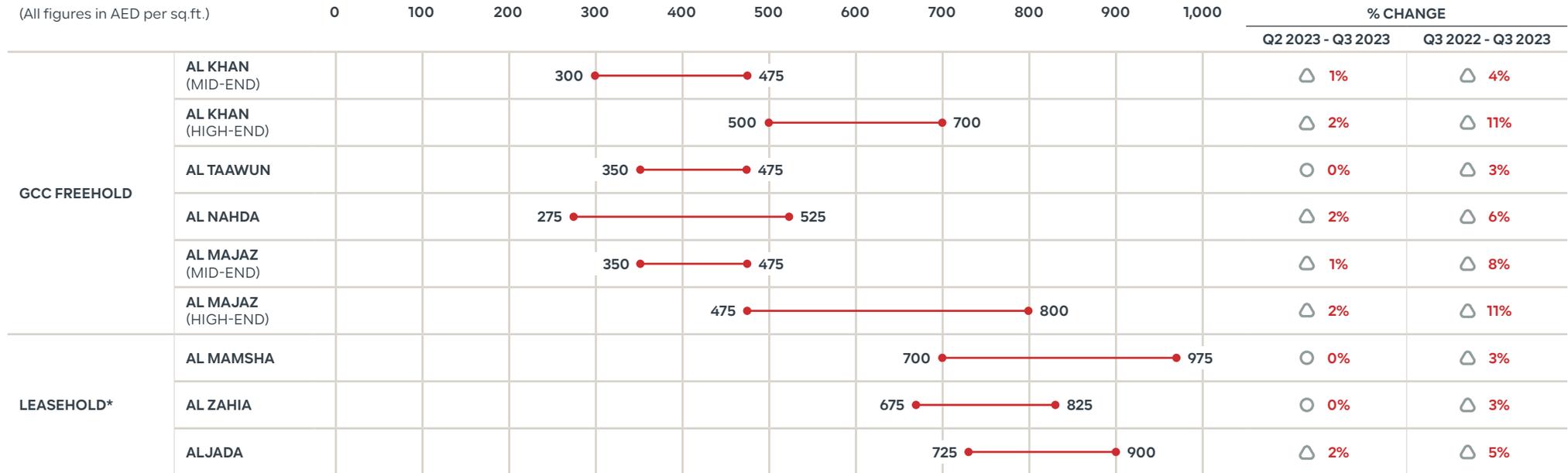




Sharjah

# Apartment Sales Prices

(All figures in AED per sq.ft.)



**% Change**

**1%**

Q-o-Q  
Since Q2 2023

**5%**

Y-o-Y  
Since Q3 2022

\* Leasehold ownership (up to 100 years) for all nationalities.



# Sharjah Office Rental Rates

(All figures in AED per sq.ft. p.a.)

	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
AL TAAWUN ROAD	25	37.5	2%	5%
CORNICHE AREA	30	52.5	1%	5%
AL WAHDA	25	35	2%	7%
AL QASIMIA	20	35	2%	5%
CLOCK R/A	25	35	1%	4%
AL YARMOOK	25	35	1%	5%
INDUSTRIAL AREA	20	35	2%	6%





Ras Al Khaimah

# Apartment Sales Prices

(All figures in AED per sq.ft.)

0 100 200 300 400 500 600 700 800 900 1,000 1,100 1,200

% CHANGE

Q2 2023 - Q3 2023 Q3 2022 - Q3 2023

AL HAMRA VILLAGE				375														△ 5%	△ 15%
AL MARJAN ISLAND				400														△ 4%	△ 9%
MINA AL ARAB	(TYPICAL)			375														△ 5%	△ 10%
	(HIGH-END)																	△ 3%	△ 13%



% Change

5%

△  
Q-o-Q  
Since Q2 2023

11%

△  
Y-o-Y  
Since Q3 2022

# Northern Emirates

## Property Map

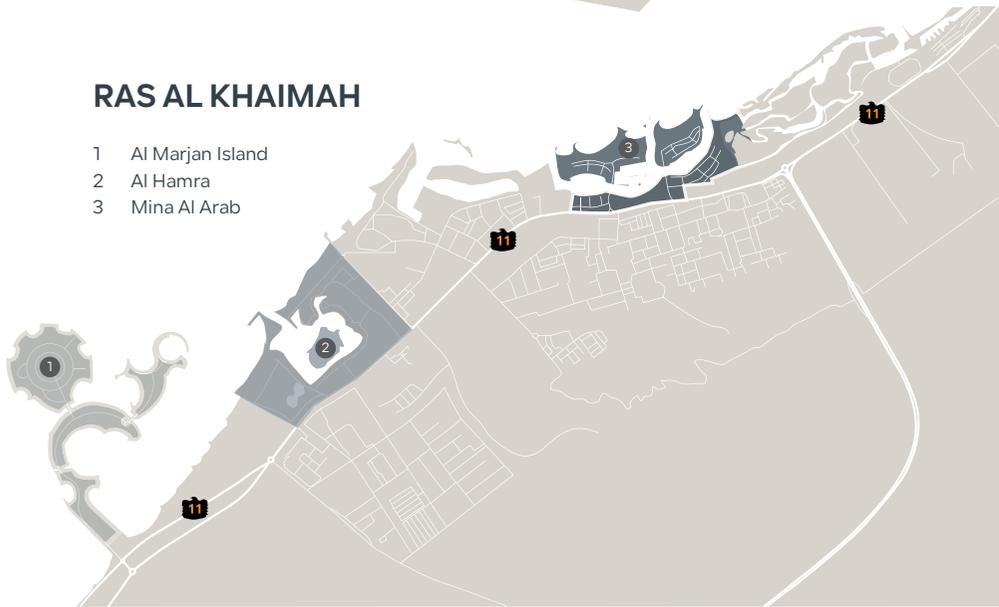


UNITED ARAB EMIRATES

ABU DHABI

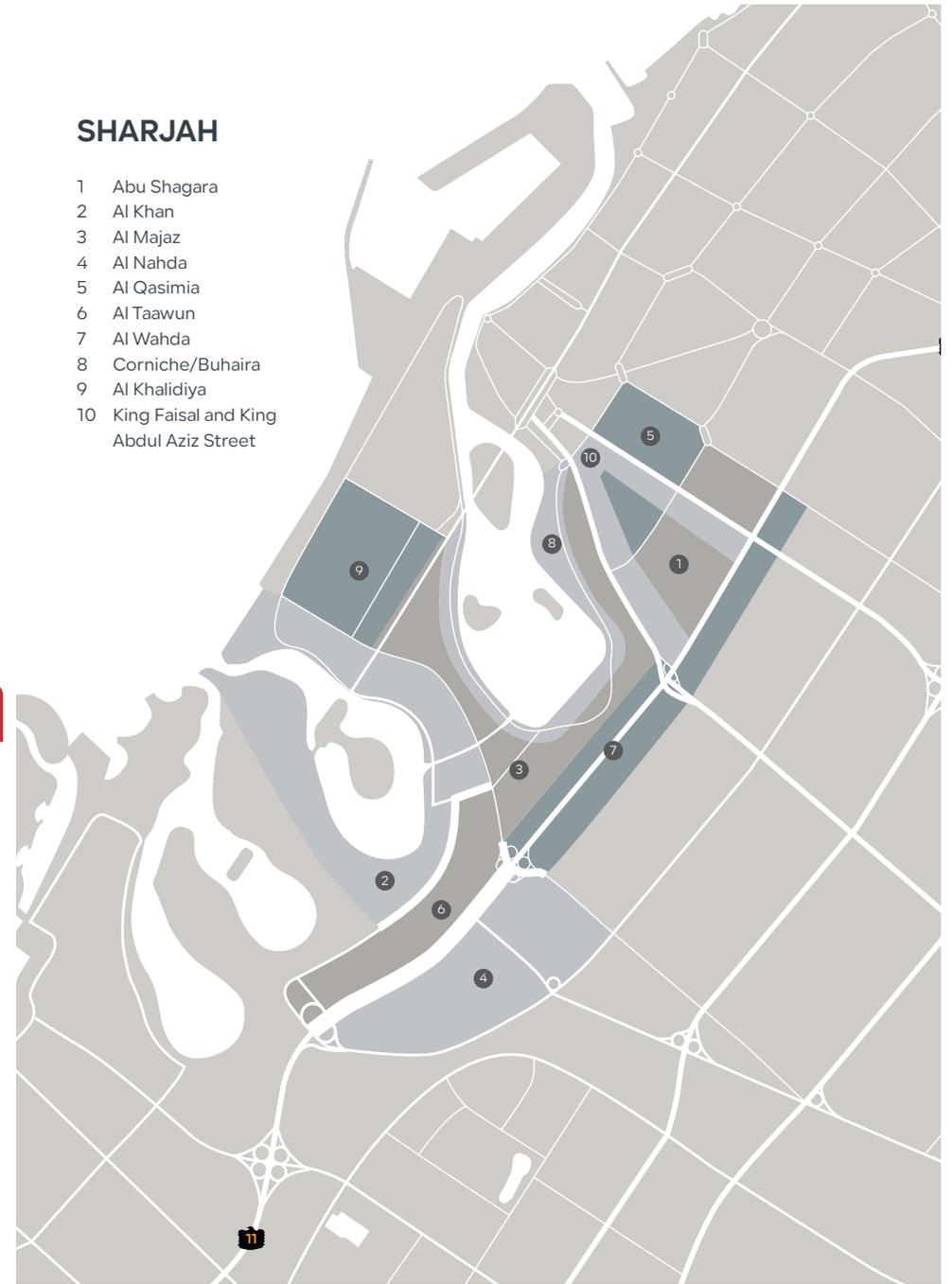
### RAS AL KHAIMAH

- 1 Al Marjan Island
- 2 Al Hamra
- 3 Mina Al Arab



### SHARJAH

- 1 Abu Shagara
- 2 Al Khan
- 3 Al Majaz
- 4 Al Nahda
- 5 Al Qasimia
- 6 Al Taawun
- 7 Al Wahda
- 8 Corniche/Buhaira
- 9 Al Khalidiya
- 10 King Faisal and King Abdul Aziz Street



AL AIN



# Al Ain Market Overview [↗](#)

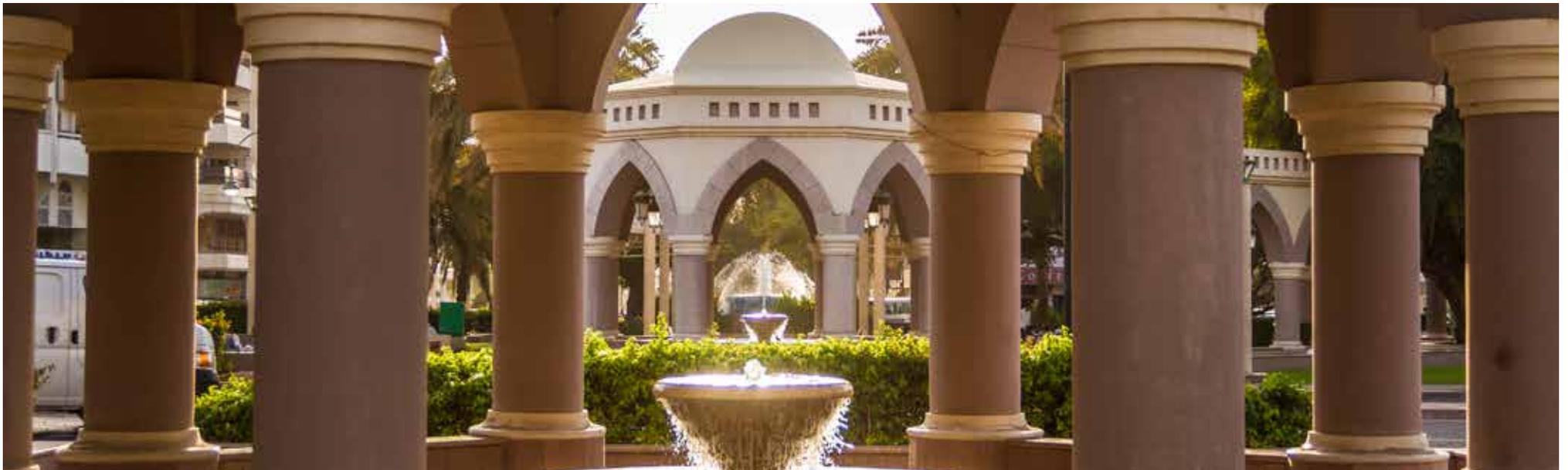
The Al Ain real estate market continued to exhibit robust demand across all asset classes, indicating positive overall market sentiment.

After a period of stagnant rental growth, recent data highlights a notable increase in rental rates for good-quality villas, ranging from 3% to 5% on average over the quarter. This growth varied based on unit location and quality, particularly in properties where rental rates had not kept pace with market averages. In response to the rising demand for residential properties, landlords adjusted their incentives, reducing or eliminating them, marking a shift in the market dynamics.

Similar trends were observed in the office market, where gradual growth in absorption rates over the last six months directly impacted asking rates. Rental rates for high-quality office space increased by an average of 2% in Q3. It is important to note that these increases primarily stem from new lease agreements rather than renewals of existing contracts.

The retail sector in Al Ain City experienced sustained demand, driven primarily by F&B shops. Although retail rental rates saw marginal average increments, they remained within previously reported ranges. This uptick in rental rates reflects the city's improving economic vibrancy.

Regarding new supply, several residential buildings were handed over in different areas of Al Ain, mainly concentrated in the Town Centre areas, further diversifying the available options in the market. These developments, coupled with the evolving rental landscape and increasing demand, signify a positive trajectory for the Al Ain real estate market.





Al Ain

# Apartment Rental Rates [↗](#)

(All figures in AED 000's p.a.)

	1 BEDROOM		2 BEDROOMS		3 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
MATURE BUILDINGS	21	26	31	35	43	48	0%	0%
NEW BUILDINGS	26	29	34	37	52	62	0%	0%
PRIME COMPOUNDS	30	35	42	48	60	80	0%	0%



Al Ain

# Villa Rental Rates [↗](#)

(All figures in AED 000's p.a.)

		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
		From	To	From	To	From	To	Q2 2023 - Q3 2023	Q3 2022 - Q3 2023
MATURE VILLAS	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	42	46	65	70	82	91	0%	0%
	AL TOWAYA	60	70	85	90	90	100	1%	1%
	PRIME COMPOUNDS	75	90	93	105	115	120	3%	3%
RECENT BUILD	AL JIMI, TOWN CENTRE, ZAKER, OTHER*	55	62	70	78	95	105	0%	0%
	AL TOWAYA	70	80	90	100	110	120	7%	7%
	PRIME COMPOUNDS	85	95	120	135	130	140	8%	8%

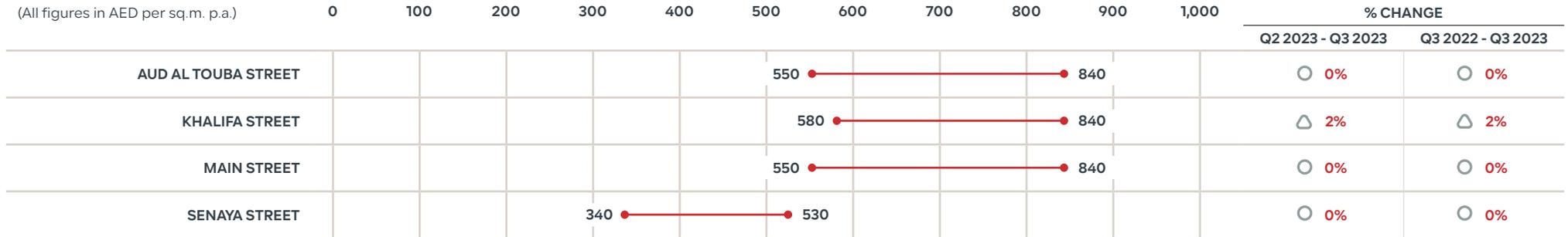


\* Includes Al Khabisi, Al Muwajji, Al Manasir and Al Masoudi areas.



# Al Ain Office Rental Rates [↗](#)

(All figures in AED per sq.m. p.a.)



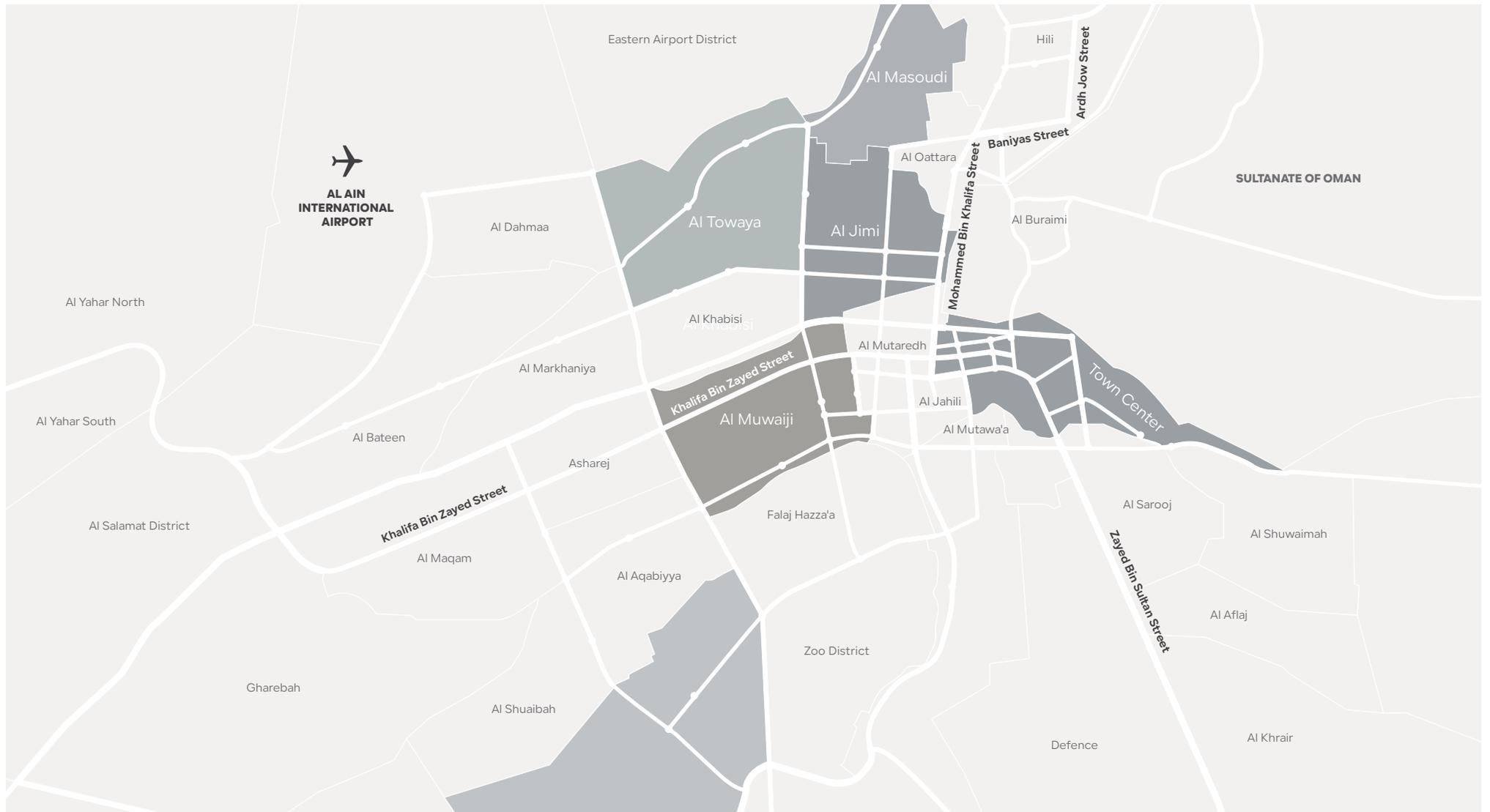
# Al Ain Retail Rental Rates [↗](#)

(All figures in AED per sq.m. p.a.)



Al Ain

# Property Map



## ECONOMIC OVERVIEW

After slowing slightly over the summer, business conditions have improved in September with the S&P Global UAE Purchasing Managers' Index rising to 56.7 from 55.0 in August as businesses reported strong growth in activity and new work. Export orders also rose sharply in September after being relatively soft in H1 2023. Perhaps the most interesting part of the survey was the level of optimism reported by businesses at the end of the third quarter, which rose to the highest levels since March 2020.

Data for the UAE and wider GCC have pointed to resilient non-oil growth in 2023 particularly when compared with much weaker PMI readings for the world's largest economies, including China, the US and the Eurozone.

Dubai's economy grew 3.6% y/y in Q2 2023, faster than in the first quarter, underpinned by double-digit growth in transport and hospitality. International visitor numbers to Dubai reached 9.8mn in the year to July, up 2.6% from the same period in 2019. Hotel indicators also show a full recovery from the pandemic, with hotel occupancy and revenue per available room well above pre-Covid

levels. The outlook for the coming high season is also positive, with many hotels reporting full occupancy through Q4 2023, on the back of the COP28 event to be held in Dubai, and strong bookings for the first couple of months in 2024.

Another factor that may be supporting domestic demand in the UAE and wider region is public sector spending and investment. Consolidated budget spending in the UAE grew 8.3% y/y in H1 2023, even as budget revenues declined almost 20% y/y in the same period. The situation was similar in Saudi Arabia where budget spending increased 9.4% y/y in the first half of this year while revenues fell -15% y/y.

Finally, anecdotal evidence points to population growth both in the UAE and Saudi Arabia this year, which has likely also contributed to aggregate demand growth. This is particularly evident in the sharp rise in housing costs in both countries, which has been the main driver of official inflation as well.

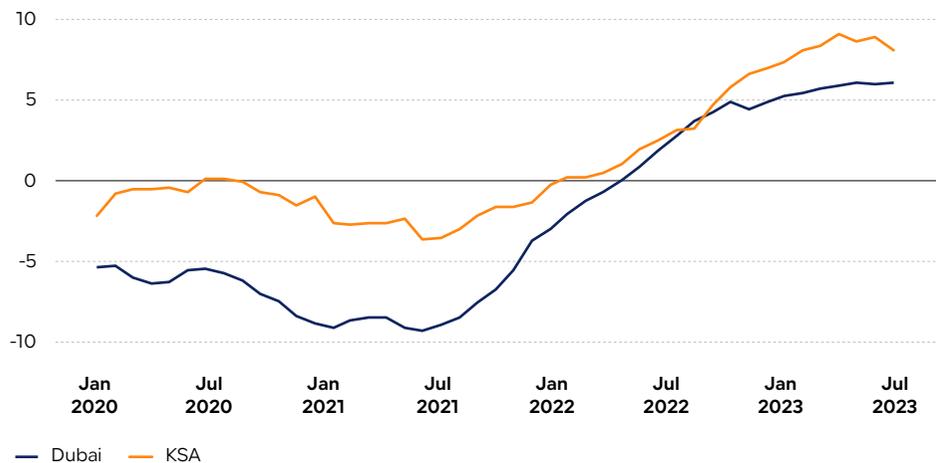
Housing costs in the CPI are running at around 6% y/y in Dubai in Q3 2023, but housing in the CPI is a lagging indicator with market rents having risen significantly more than 6% over the last 12 months.

Consequently we expect inflation in Dubai to rise further in Q4, as the housing component of the index continues to rise and the drag from lower petrol prices seen in the first half of this year dissipates.

So far at least, higher interest rates have not significantly dampened non-oil growth in the UAE, although of course, there can be long and variable lags when it comes to the impact of higher interest rates on the real economy. With interest rates now expected to remain higher for longer into 2024 – given the apparent resilience of the US economy to tighter monetary policy – uncertainty around the outlook for 2024 remains high. Higher borrowing costs are likely to weigh on private sector consumption and investment, and a strong US dollar makes the region a more expensive destination for visitors from emerging markets.

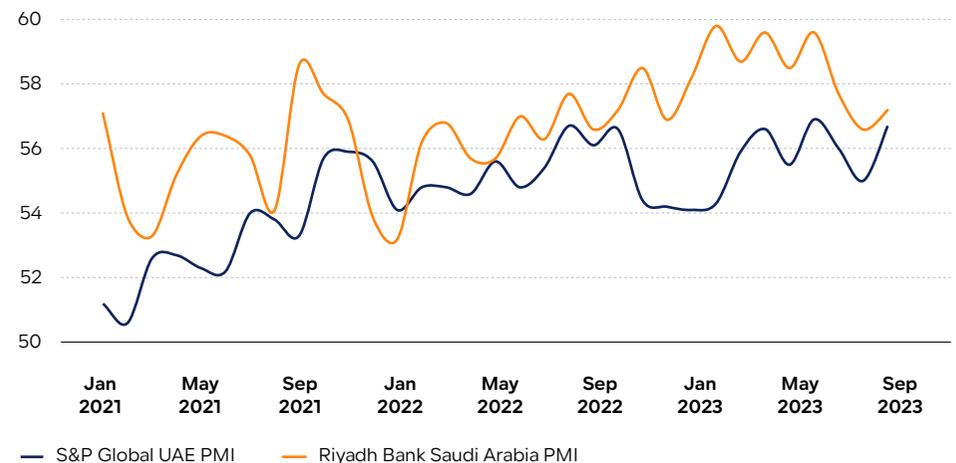
Nevertheless, we remain relatively optimistic about the outlook for growth in the UAE and wider GCC next year, with long-term government investment in strategic sectors across the region, and continued structural reform, expected to underpin growth in the non-oil sectors over the medium term.

## Housing inflation in the CPI



Source: Haver Analytics, Emirates NBD Research

## PMI surveys point to solid growth in Q3



Source: S&P Global, Emirates NBD Research



Author: **Mohammed Kawasmi**, Partner, Partner, Real Estate at Al Tamimi & Company  
**Yara Hifni**, Knowledge Administrator, Al Tamimi & Company

# Navigating Dubai's Tenancy Landscape: Eviction and Rental Increase

The UAE has seen a rise in eviction notices issued to tenants under false pretences, as some landlords seek to exploit the high demand for rental properties and increase their profits. Tenants who receive such notices should be aware of their legal rights and options, as well as the regulations that govern landlord-tenant relationships and evictions in Dubai. Law No 26 of 2007 as amended by Law 33 of 2008, known as the "Dubai Tenancy Law," plays a pivotal role in shaping the tenant-landlord relationship.

## UNDERSTANDING DUBAI'S RENTAL LAWS

At the heart of tenant protection in Dubai lies the Dubai Tenancy Law. This legislation governs the rental market, ensuring that the rights and obligations of both tenants and landlords are explicitly defined.

According to the Dubai Tenancy Law, a landlord can only evict a tenant before the lease expires if the tenant violates a lease condition or the law. Consequently, the landlord must give 30 days' written notice delivered by the notary public or registered mail stating the grounds for eviction.

Article 25(1) of the Law states that landlords must have a legally justifiable reason to evict a tenant. Some of the valid grounds for eviction include failure to pay rent, subleasing without approval, using the property for illegal or immoral activities, leaving the property vacant for 30 consecutive or 90 non-consecutive days, intentionally damaging the property, or using the property for non-permitted uses. If the tenant disputes the notice, the landlord can file a case with the Rental Dispute Settlement Centre (RDSC), which is the judicial body that handles rental disputes in Dubai.

Similarly, the eviction of a tenant follows a strict legal framework. Landlords are exclusively permitted to evict a tenant after the lease has naturally expired, provided they issue a 12-month written notice through a notary public or registered mail. Prominently,

such eviction can only occur for one of the four exclusive reasons stipulated in Article 25(2) of the Dubai Tenancy Law. These legitimate grounds for eviction encompass scenarios where the owner seeks to demolish or expand the existing structure, the property requires renovation as per a municipality report, the owner intends to use the property for personal or familial purposes (with the caveat that re-renting is restricted for 2-3 years), or the owner plans to sell the property.

If the tenant believes that the landlord has not given proper notice or there is no valid reason for eviction, the tenant can file a claim with the RDSC and challenge the eviction and claim for renewal of the lease.

## UNDERSTANDING RENT INCREASE CAPS

A key provision of the Dubai Tenancy Law stipulates that landlords must notify tenants of any impending rent increase at least 90 days prior to the contract's expiration unless the lease provides for another notice period. When faced with a rent surge, the tenant has the option to either accept or decline the proposed increase. However, if the tenant decides to reject the increase, the Rental Dispute Settlement Center is authorised to decide on the amount of the rent.

Moreover, Article 9 of the Dubai Tenancy Law and Article 1 of Decree No. 43 of 2013 prescribe a clear mechanism for rental increases. The Laws mandate that, during the renewal of a lease agreement, the annual rent increase can be in the range from 5% to 20%, depending on the existing rental rate in comparison to the average market rates in the area. In cases where the rent is more than 40% less than the market average, the cap is set at 20%. Conversely, if the rent is within 31% to 40% of the market average, the cap is 15%. If the rent is situated within 21% to 30% of the average market rates, the limit is set at 10%. Furthermore, in cases where the rent falls within 11% to 20% of the market average, the

cap is established at 5%. It is important to note that if the rent is less than 10% of the market average, there is no increase in the rental value of the property.

## COURSES OF ACTION

As a tenant, it is essential to thoroughly examine the Lease Agreement to understand the stipulated tenant rights, including the notice period and the reasons for eviction. The Law can be invoked in cases where unjust eviction occurs, whereby the eviction does not adhere to the stipulated conditions. The tenant can file a claim with the RDSC by drafting a formal complaint specifying the issues and reasons for dispute, along with the relevant documents.

Filing a case with the RDSC involves a fee which is calculated as 3.5% of the annual rent paid in favour of the leased premises and not less than AED 500 or more than AED 15,000 for the financial claims. For eviction or contract renewal, the maximum fee is AED 20,000. If both financial and eviction claims are filed, the maximum total fees amount to AED 35,000. The RDSC typically resolves disputes in one to three months. However, complex cases may require an expert's study, extending the process up to nine months, which ensures a swift and fair resolution to disputes.

## CONCLUSION

The Dubai Tenancy Law provides substantial protection to tenants against unjust evictions and unlawful practices. Emphasizing Articles 25(1) and 25(2) under the Law ensure that eviction notices adhere to specific conditions, upholding the tenants' rights, and fostering a fair tenant-landlord relationship. Equally important is an understanding of the RDSC filing process, its fees, and its respective timelines, which empowers tenants to warrant their rights and seek justice when needed. This in turn ensures that the real estate landscape remains equitable and just.

# About Asteco



Asteco is a major regional and international award-winning full-service real estate services company that was formed in 1985 and has gained enormous respect for consistently delivering high quality, professional, value-added real estate services in a transparent manner. The company is also widely recognised for its involvement with many of the projects that have defined the landscape and physical infrastructure of the United Arab Emirates.

The world-class company has a distinguished and important combination of local knowledge and international expertise and has been renowned for its application of the latest technological tools and innovations, its commitment to transparency, winning strategies, and human expertise.

Undisputed Real Estate experts with a regional presence to serve its customers, Asteco proudly represents a significant number of the region's top property Owners, Developers, and Investors.

Asteco offers a wide range of services and solutions to its clients from Valuation Advisory and Building Consultancy, Property Management, Sales & Leasing as well as Franchising services. The company applies innovative solutions and cutting-edge technology to add tangible value for its Clients at every stage of the property lifecycle and to continuously elevate customer experiences.

## VALUATION & ADVISORY

Our professional advisory services are conducted by suitably qualified personnel all of whom have had extensive Real Estate experience within the Middle East and internationally.

Our valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) and International Valuation Standards (IVS) and are undertaken by appropriately qualified valuers with extensive local experience.

The Professional Services Asteco conducts throughout the region include:

- Consultancy & advisory services
- Market research
- Valuation services

## SALES

Asteco has a large property Sales division with multi-lingual representatives based all over the UAE. Our Sales teams have extensive experience in the negotiation and sale of a variety of assets.

## LEASING

Asteco has been instrumental in the Leasing of many high-profile developments across the GCC.

## PROPERTY MANAGEMENT

Asteco provides comprehensive Property Management services to all property Owners, whether a single unit (IPM) or a regional mixed-use portfolio. Our focus is on maximising value for our Clients.

## BUILDING CONSULTANCY

The Building Consultancy Team at Asteco have a wealth of experience supporting their Clients throughout all stages of the built asset lifecycle. Each of the team's highly trained surveyors have an in-depth knowledge of construction technology, building pathology and effective project management methods which enable us to provide our Clients with a comprehensive building consultancy service.

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**Note:** It should be noted that the number of developments/areas has changed over the years in line with the delivery of new stock. As such, the average in the earlier years is derived from a lower number of projects. Whilst representing the apartment/villa/office average at the time, it is not a like for like comparison.