

Dubai Residential Market Review

A monthly review of Dubai residential market's performance and key real estate trends

June 2024

Hamptons International's Valuations and Research Division consists of a multi-disciplinary group of qualified professionals who have extensive local and international experience in the real estate industry.

The team of qualified valuers uses a range of comprehensive methods to provide clients with up-to-date and accurate valuations for all property types. This includes individual properties, property portfolios, and all types of asset classes.



Residential
Valuations



Commercial
Valuations



Retail
Valuations



Hospitality
Valuations



Specialised
Property
Valuations



Corporate
Valuations

The process is carried out by professional valuers who are members of both RICS (The Royal Institution of Chartered Surveyors) and RERA (Real Estate Regulatory Authority), ensuring both expertise and licensing compliance.

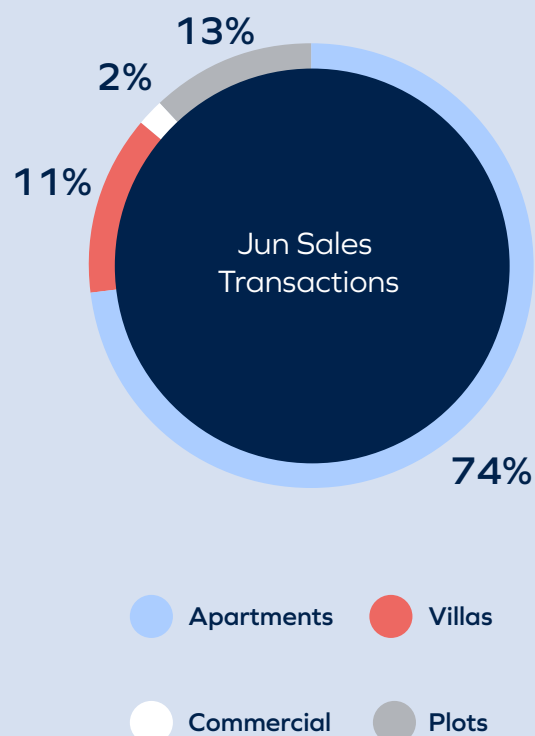
Valuation advice and reports are provided for a variety of purposes, which include the following:

- Mortgage Financing (Banks & Financial Institutions)
- Internal Purposes
- Accounting
- Mergers and Acquisitions
- Investment Due Diligence / Strategic Advice
- Government Programs (Golden Visa)

The team also provides Feasibility Studies and Development Appraisals for determining the highest and best use, which identify opportunities and assist investors and developers avoid potential pitfalls.

- The total number of transactions decreased from 17,539 in May to 14,370 in June, marking an 18.06% decrease.
- June 2024 recorded the highest transaction value for the year so far, showing a 52.6% increase compared to June 2023.
- Despite a decrease from 13,895 in May to 10,644 in June (-23.39%), apartments maintained their lead in total transactions, comprising 74% of all June sales transactions.
- Villa transactions remained nearly the same as May, with a slight decrease from 1,640 to 1,615 (-0.15%) in June.
- 67% of all transactions in June were related to off-plan sales, consistent with the previous month.
- Continuing the trend from the first half of the year, cash transactions remained dominant, totaling 12,727 compared to 3,356 mortgage transactions.
- New apartment rental transactions decreased to 13,811, while villa rentals decreased to 1,974, and commercial unit rentals totalled 10,222.
- In commercial transactions, offices constituted the majority of the transactions at 71%, with retail shops/showrooms following at 16%.





Apartments

Throughout the first half of 2024, apartment transactions have consistently dominated the market. It increased by 29.70% in June 2024 compared to the same month last year, totalling 10,644 transactions. This indicates that investors are still active in the market and looking for profitable investments.

Villas

Following a peak of 1,640 transactions in May, villa sales in June remained steady at 1,615 transactions, marking a slight increase of over 1.50% from June 2023.

Commercial

The commercial property sector experienced a decline in transaction volumes, reflecting a decrease of 27.81% compared to May 2024, despite an 11.20% increase over June 2023.

Plots (Land)

Transactions for vacant plots continued to soar, showing a year-on-year growth of approximately 364%, indicating a substantial increase in investor interest in land development projects within Dubai.

Dubai reached a peak in transactions in May with a total of 17,539, the highest recorded for any month in 2023 and 2024. While the market showed a slowdown in June, we expect a positive trend to continue at least into July, which is typically followed by slower summer months.

Month on Month | May 2024 - Jun 2024

	May Transactions	May Value (AED)	Jun Transactions	Jun Value (AED)	Value Change %
Apartments	13,895	25,200,000,000	10,644	20,000,000,000	-20.63%
Villas	1,640	5,800,000,000	1,615	8,500,000,000	46.55%
Commercial	549	1,100,000,000	298	794,100,000	-27.81%
Plots	1,455	13,700,000,000	1,813	17,000,000,000	24.09%
Total	17,539	45,800,000,000	14,370	46,294,100,000	1.08%

Transactions Value - Graph



DUBAI RESIDENTIAL MARKET REVIEW
JUNE 2024

2023 v/s 2024



2023 v/s 2024

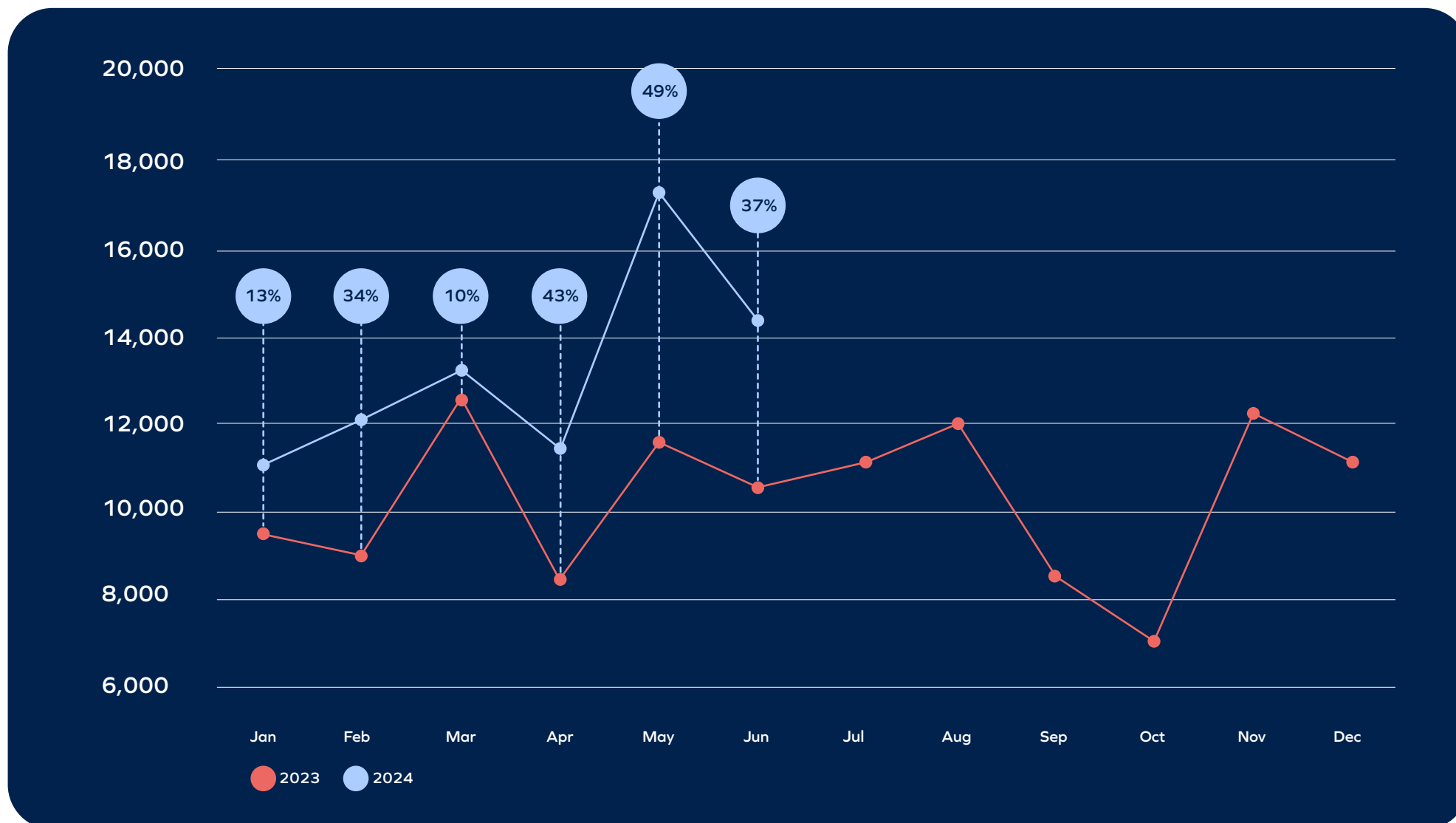
2023	Value	2024	Value
January	27,900,000,000	January	34,800,000,000
February	26,700,000,000	February	36,700,000,000
March	34,100,000,000	March	36,600,000,000
April	26,500,000,000	April	32,000,000,000
May	34,200,000,000	May	45,800,000,000
June	30,400,000,000	June	46,400,000,000
July	37,700,000,000	July	-
August	33,700,000,000	August	-
September	26,100,000,000	September	-
October	29,400,000,000	October	-
November	42,500,000,000	November	-
December	41,400,000,000	December	-

Transactions Volume - Graph



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JUNE 2024

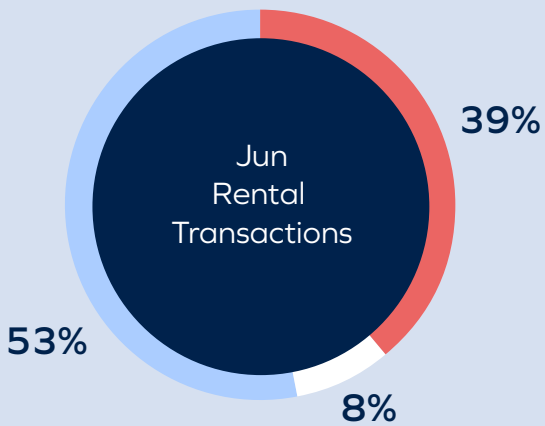
2023 v/s 2024



2023 v/s 2024

2023	Volume	2024	Volume
January	9,800	January	11,029
February	9,000	February	12,025
March	12,200	March	13,394
April	8,100	April	11,608
May	11,800	May	17,539
June	10,500	June	14,370
July	11,100	July	-
August	12,000	August	-
September	8,200	September	-
October	7,100	October	-
November	12,150	November	-
December	11,287	December	-

New Rental Transactions



● Apartments ● Commercial ● Villas

	May Transactions	Jun Transactions	Volume Change %
Apartments	17,200	13,811	-19.70%
Villas	2,300	1,974	-14.17%
Commercial	19,209	10,222	-46.79%
Total	38,709	26,007	-32.81%

Rental transactions in June decreased by 33% compared to May 2024. Data also indicates a decrease in transactions in apartments, villas, and commercial properties.

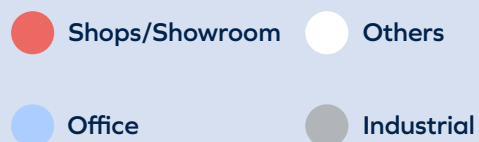
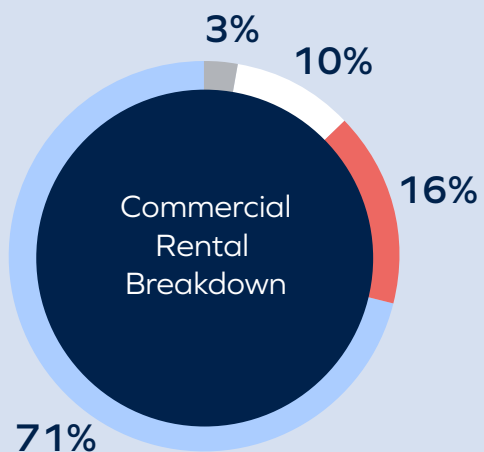
Apartment rentals saw the highest demand, followed by commercial properties. Among commercial transactions, 71% were related to offices, with retail shops/showrooms trailing at 16%.

The most popular apartment rental locations in June mirrored those in May: Jumeirah Village Circle, International City, Business Bay, Dubai Marina, and Downtown. For villas, the top rental locations in June were Damac Hills 2, Mirdiff, Villanova, Town Square, and Dubai Hills.

New Commercial Rental Breakdown



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JUNE 2024



Jun Transactions

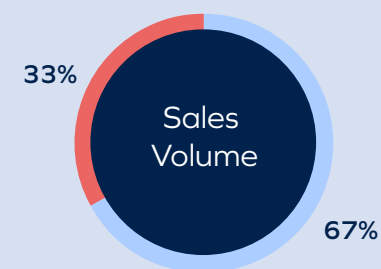
Shops/Showroom	1,607	16%
Office	7,344	71%
Industrial	321	3%
Others	1,070	10%
Total	10,342	100%

Off Plan v/s Secondary Sales Transactions

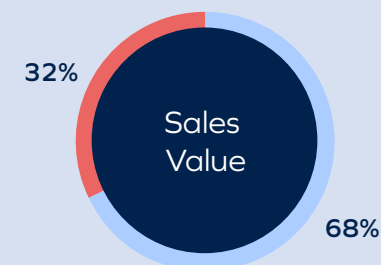


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JUNE 2024

Sales Volume



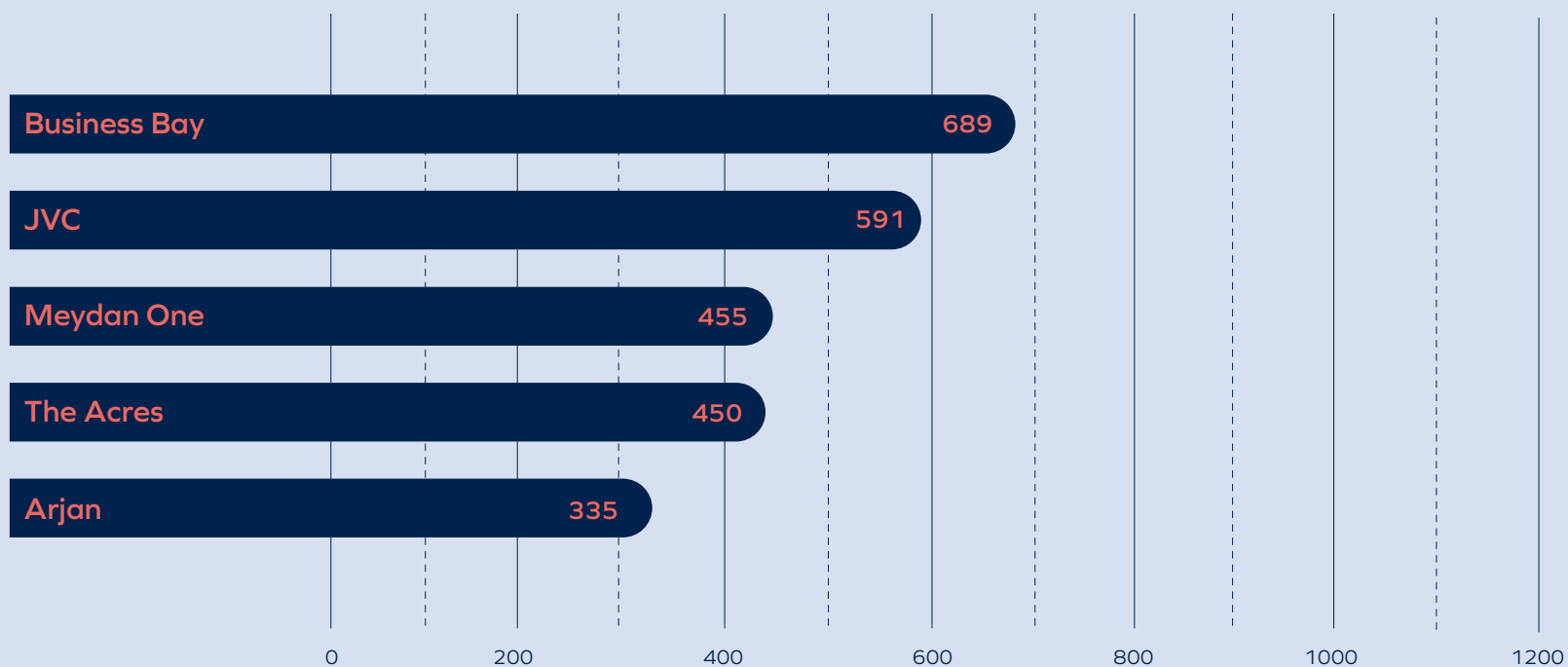
Sales Value (AED)



Top 5 Performing Areas - Off Plan Sales



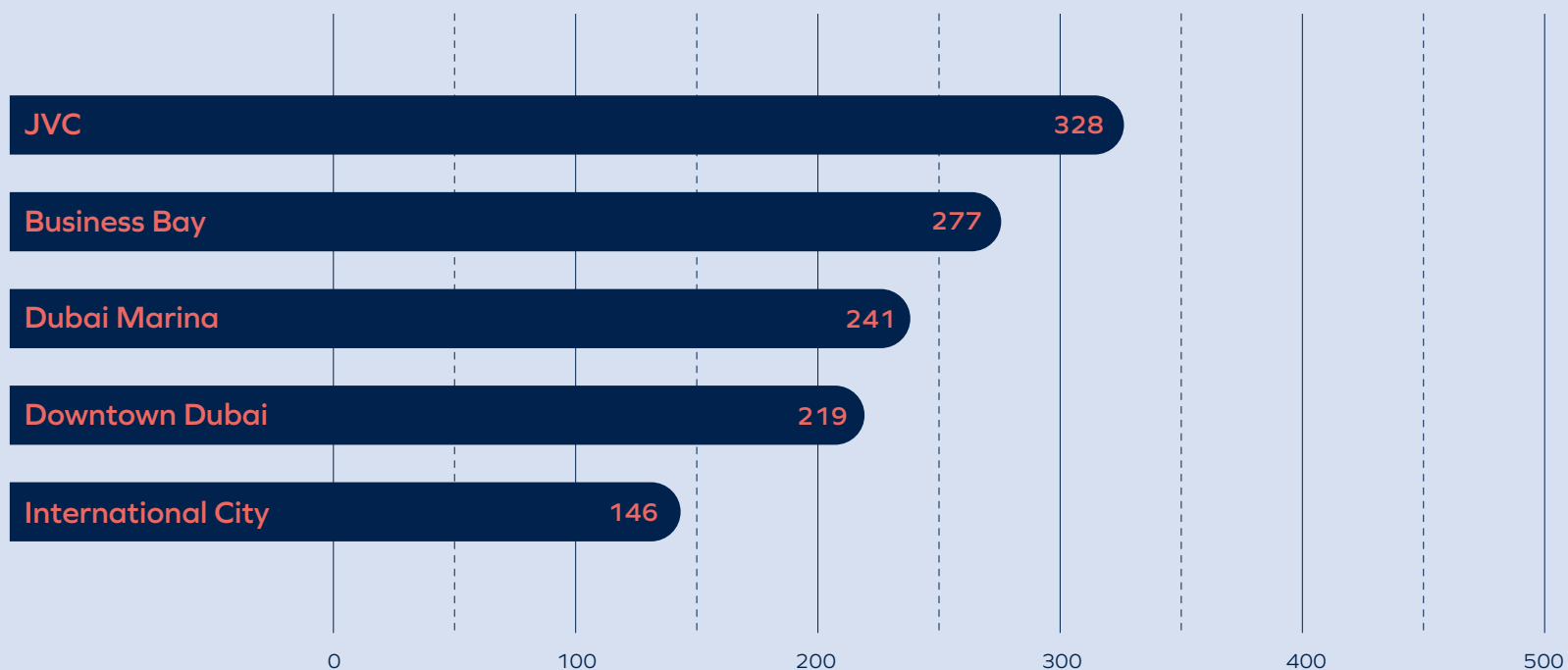
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JUNE 2024



Top 5 Performing Areas - Secondary Sales



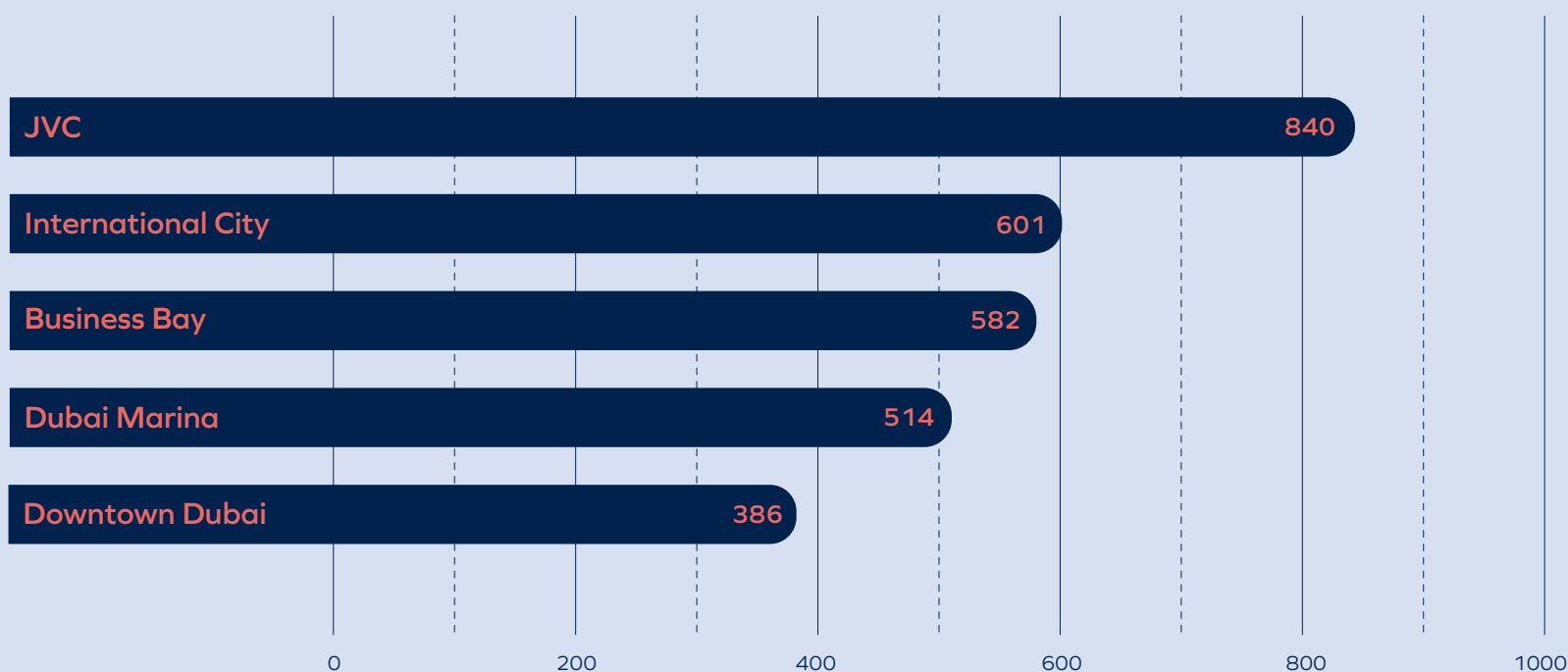
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JUNE 2024



Top 5 Performing Areas - New Apartment Rentals



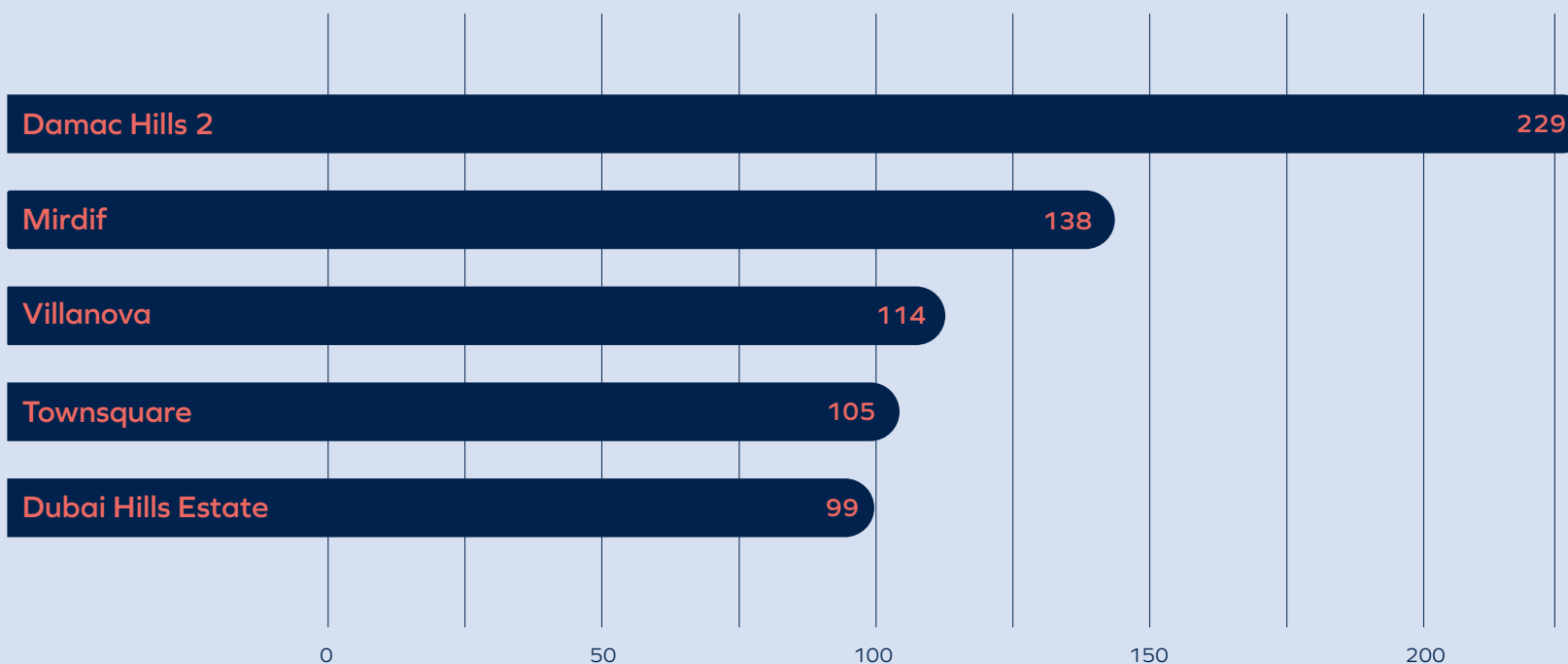
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JUNE 2024



Top 5 Performing Areas - New Villa Rentals



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JUNE 2024



Mortgage v/s Cash Buyer



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JUNE 2024

Jun 2024



Mortgage



Cash Buyer

3,356

12,727

Cash buyers recorded 12,727 transactions in June, accounting for over 79% of all buyers and significantly surpassing mortgage buyers.

May 2024 Breakdown

Mortgage

Cash Sales

Apartment

2,039

12,555

Commercial

117

507

Plot

517

907

Villa

831

1,544

Jun 2024 Breakdown

Mortgage

Cash Sales

Apartment

2,118

9,473

Commercial

73

285

Plot

474

1,684

Villa

691

1,285



In June, Dubai's real estate market demonstrated resilience and positive indicators across various segments. Despite a decrease in total transactions compared to May, there was a notable increase in transaction values, marking the highest for the year so far. Apartments continued to lead the market, while villa transactions remained stable.

Investor confidence remained evident with a significant preference for off-plan sales, highlighting optimism for future developments. Cash transactions continued to dominate, reflecting robust liquidity in the market.

In the rental market commercial unit rentals remained stable. Offices maintained a strong presence in commercial transactions, indicating ongoing demand for office spaces. Overall, despite some fluctuations in transaction volumes, the market exhibited resilience and positive momentum, underpinned by sustained interest across different property types.

Looking ahead to the second half of 2024, Dubai's real estate market is poised for continued stability and growth. The increase in transaction values in May and June suggests a strengthening market, likely driven by robust investor sentiment and ongoing infrastructure developments. The preference for off-plan sales and dominance of cash transactions further indicate a healthy investment environment, supported by many new launches over the summer months.

Samuel Hitchcock

Sales Manager

Dubai's real estate market continued its upward trajectory in June, albeit with a more muted growth compared to May 2024. Property prices remained on the rise for both purchases and rentals, but the breakneck pace of growth seen in 2023 appears to be leveling off. Notably, villas saw greater price increases, while apartments, consistent with previous months, had higher transaction volumes.

Transaction activity in June remained robust compared to a very strong May, with overall sales activity throughout the month staying positive. However, the activity in June did decrease compared to May, suggesting that May's market reflected a temporary lull from April. Despite this, June showed strong performance compared to the first four months of 2024 and June 2023.

A significant factor on the horizon is the influx of new residential units expected throughout 2024. This surge in supply, which includes villas, townhouses, and apartments, is poised to impact market dynamics. While some experts predict that prices will continue to rise due to sustained demand for Dubai properties, the pace of increase might stabilize as buyers have more options to choose from. This new supply could lead to a more balanced market, giving buyers a stronger hand in negotiations in the coming months.



Overall, the Dubai real estate market in June 2024 displayed continued growth, stronger than the first four months of 2024. While price increases remain positive, the pace might be settling. Despite a temporary dip in transaction activity compared to May, the market remains strong and healthy. The significant influx of new supply throughout the year presents a wildcard, potentially influencing future price trends and giving buyers more bargaining power.



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