



H1 2024

Real Estate Market Overview

UAE | Dubai

عقار
دبي

Trends

Based on the results of H1 2024, the Dubai real estate market retains its **appeal to investors**, which can be explained by competent tourism and labor market policies as well as rapidly developing economy across the board. The given trend will persist, whipping up demand for housing purchase and lease. Furthermore, **the recent exclusion of Dubai from the "grey list" of FATF** (Financial Action Task Force on Money Laundering) will greatly increase the attractiveness of this market for international investors, boosting their confidence and easing the procedure of property acquisition for foreign residents.

The abolition of the minimum initial installment of AED 1 million (USD 272,000) for a property, to qualify for the **Golden Visa**, simplifies the process of obtaining the latter for investors. Starting in 2024, a deposit of 10-20% of the property's value (minimum entry threshold is AED 2 million (USD 544,000)) is sufficient to qualify for the Golden Visa. Previously, it actually worked only after 100% payment would be entered and only for move-in ready real estate, but now it also applies to off-plan projects under construction. This measure will attract more investors, stimulating the development market, creating new jobs and contributing to the overall economic growth of the Emirate.

The **new Al Maktoum airport** will enable the development of the surrounding areas – Exhibition City (Expo City), Residential City, Emaar South (Golf City) and others. This will boost demand not only for residential real estate, but also for hotels, offices and retail.

The resilience of the Dubai economy, high standards of living and purchasing power, prudent tax policy, support of business activity by the government, a large influx of tourists – all of these creates favorable conditions for Russians to invest and open a business in the Emirates. In the first half of 2024, **9 new retailers from Russia** entered the Dubai market.

The **retail market** is rapidly developing. Today we see a clear trend towards **expansion of existing shopping centers (SCs) and renovation of antiquated SCs**. Quick adaptation to new trends and customers' needs is also obvious as new services are being added.

In the **office market** demand continues to outpace supply. There is **development activity in free economic zones** (Free Zones), for example, in the Expo City area, which is distinguished by a favorable location, advanced infrastructure and metro lines within a walking distance.

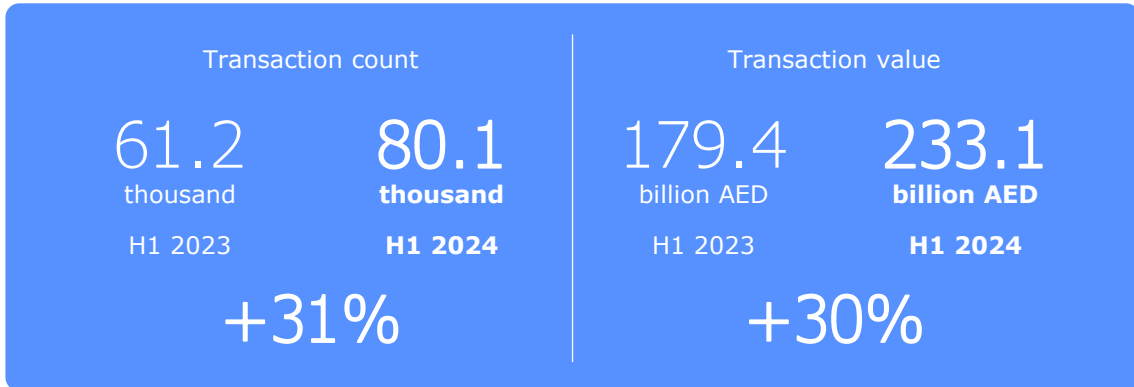
In the **residential real estate** market, there is a growing interest in **branded real estate** that provides access to luxury living, which many people already associate with Dubai. This trend can be explained by the influx of wealthy people to the UAE: Hanley & Partners forecasts that about 6,700 dollar millionaires will move to the Emirates in 2024. Examples of branded residence projects launched in the first half of 2024 include Six Senses by Select Group and Karl Lagerfeld Villas by Taraf.

Residential real estate sales continue to grow in tandem with the changing geographic mix of buyers. The Emirates market remains attractive both for European countries, where comparable returns on investment are simply impossible, and for many developing countries, which cannot boast comparable economic growth rates, investment security and stability of the national currency, typical of the UAE. In addition, the increase in demand for housing is associated with a significant influx of staff, including high-paid managers, corporate executives, financiers and IT experts. Company employees in senior positions are moving to Dubai with their families and often tend to favor freestanding villas and single-family houses.

Andrey Kosarev
Partner
Dubai Office



Demand All types of real estate

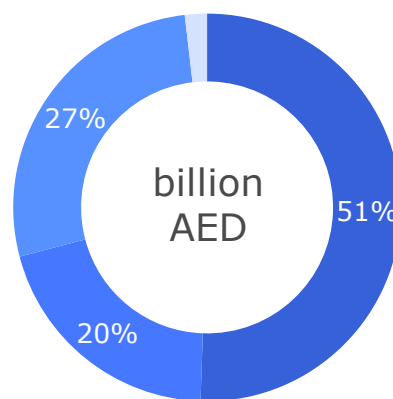
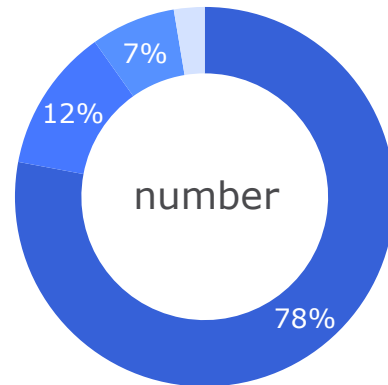


In the first half of 2024, 30% more real estate transactions in both quantitative and monetary terms were concluded in Dubai than in the same period of 2023. Demand for apartments prevails (78%); yet apartments account for half of the value of all transactions (51%), with a significant volume falling to the share of land and villas (27% and 20%, respectively).

Dubai has become a “safe haven” for buyers and investors because of the Emirate’s stable economy, liquidity of the real estate market both for subsequent resale and for potential lettings, convenient tax legislation and the legal system in general, the high level of security and quality of life.

According to the Kearney Middle East National Institute for Transformation, the UAE has risen from 18th to 8th place in attracting foreign direct investment. Local authorities support promising startups, create a comfortable business environment and initiate various business support programs.

Despite all of the above-mentioned factors, real estate in Dubai is still cheaper than in other world megacities. The city is developing, the population is rapidly growing: by 2040 it will reportedly be home to 5.8 million people. Such a demographic leap is associated with the influx of foreign investors and the opening of representative offices by overseas firms. This promotes both labor migration, capital inflow and migration of high net worth individuals.



- Apartments
- Villas
- Land
- Commerce

Prices All types of real estate

2.2
times

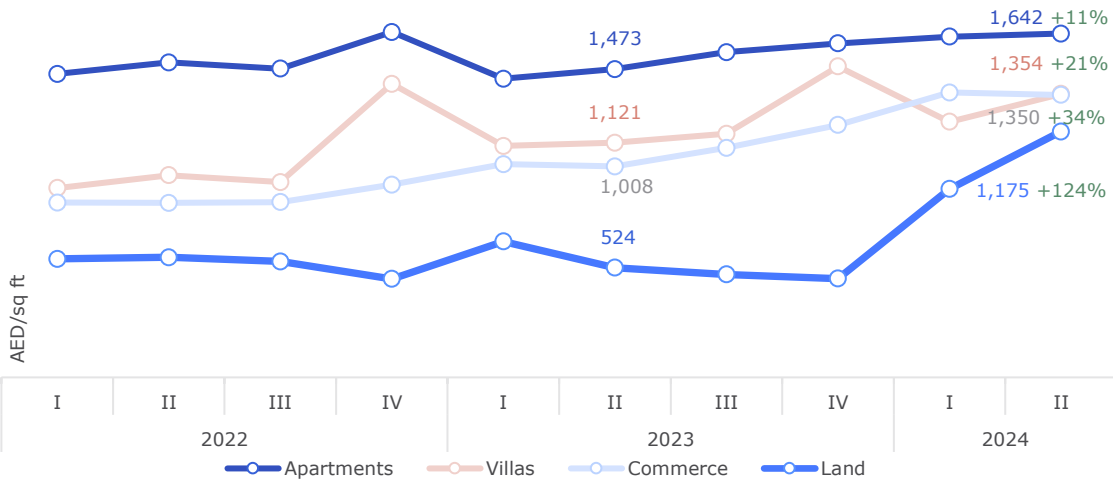
The growth of the median land prices per square foot in Q2 2024 as compared to a similar period of the previous year.

In the first half of 2024, when compared to the first half of 2023, the median value per square foot increased for all property types.

The largest increases are typical of land (limited supply) and commercial real estate. The growth of commercial real estate value is attributed to demand outpacing supply, as well as to the entry of new foreign companies.

Prices keep growing in the residential real estate market, which is due to the transformation and development of neighborhoods, as well as the launch of new infrastructure projects. These factors are a catalyst for attracting more people to the Emirate. Competent government policies, booming tourism and development of various industries make Dubai attractive for foreign investment.

Dynamics of the median price per sq ft of real estate in 2022-2024



Mortgage-backed transactions

17.6
thousand

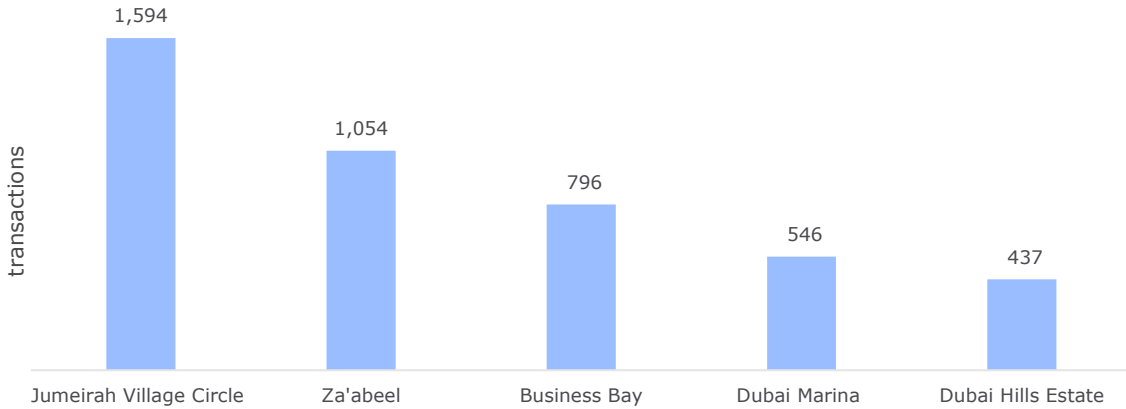
The number of mortgage-backed transactions in H1 2024; they amounted to more than AED 90 billion.

- In the first half of 2024, 22% of all transactions were backed by mortgage loans. This type of transactions are concluded only with move-in ready real estate. As for off-plan projects under construction, developers may offer an interest-free installment plan.
- Compared to a similar period of 2023, the number of such transactions has increased by 5%.

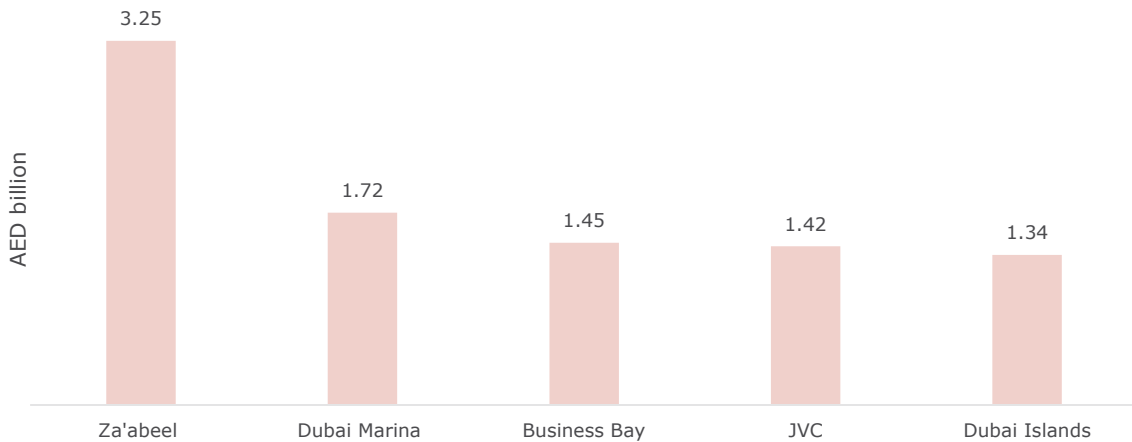
Sought-after communities

All types of real estate

Dubai communities in highest demand by the number of sale transactions concluded in H1 2024



Dubai communities in highest demand by the volume of sale transactions concluded in H1 2024, AED billion



Lease

With growing demand for property purchase, the demand for property lease is also burgeoning. Over the year the median lease prices have grown in all real estate segments. The highest growth rates were observed in commercial real estate, which can be explained by limited supply on the market, insignificant amount of commissioned space and a large number of buildings in need of reconstruction and reconception.

Median property lease prices in H1 2024



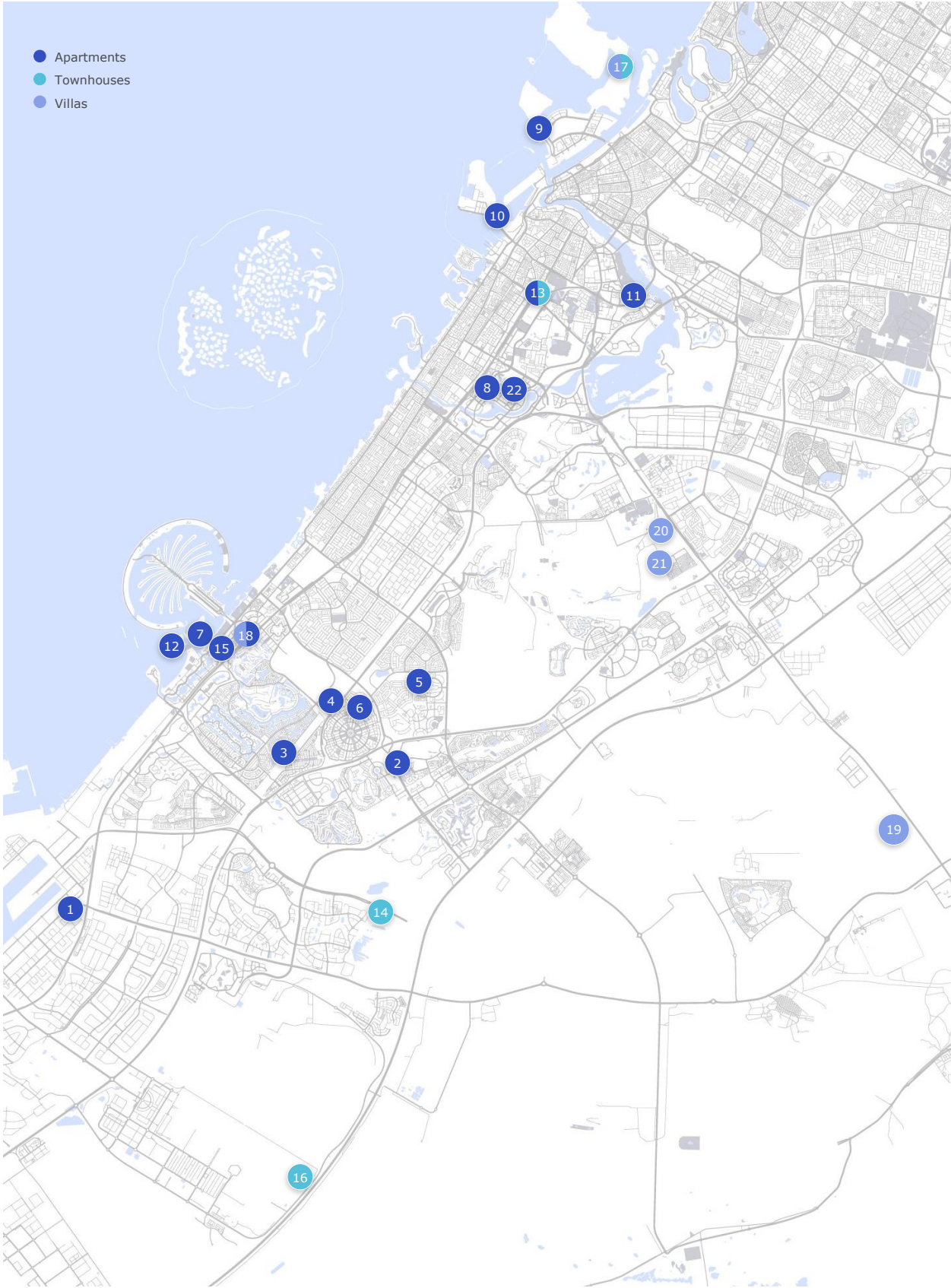
* Apartments — 20,400 USD/year, villas — 45,500 USD/year, commercial real estate — 25,300 USD/year.

Source: DXB Interact

Market launch of residential projects in H1 2024

Nº	Project name	Developer	Min. cost of one unit, AED	Scheduled commissioning	Neighborhood
1	Eleve	Deyaar	555,000	Q2 2027	Jebel Ali
2	Beach Oasis Tower 2	Azizi	570,000	Q2 2024	Dubai Studio City
3	Cavendish Square	Leos	580,000	Q4 2025	JVT
4	Alta	Meteora Developers	600,000	Q3 2026	JVC
5	Binghatti Hills	Binghatti	780,000	Q3 2026	Al Barsha South
6	Binghatti Phantom	Binghatti	1,000,000	Q3 2025	JVC
7	Dubai Harbour Residence	H&H Development	1,100,000	Q4 2027	Dubai Harbour
8	Bayz 101	Danube	1,180,000	Q2 2028	Business Bay
9	Azura Residences	MAG Group	1,500,000	Q2 2026	Dubai Islands
10	Ocean Point	Emaar	1,660,000	Q2 2028	Rashid Yachts and Marina
11	Art Bay	Ellington	1,700,000	Q3 2026	Al Jaddaf
12	Aeternitas	London Gate	1,700,000	Q2 2027	Dubai Marina
13	Address Residences Zaabel	Emaar	1,800,000	Q3 2029	DIFC
14	Riverside	Damac Properties	1,900,000	Q4 2027	Dubai Investments Park
15	Kempinski Marina Residences	ABA Group	2,200,000	Q1 2028	Dubai Marina
16	Greenway	Emaar	3,150,000	Q2 2028	Dubai South
17	Bay Villas	Nakheel	4,000,000	Q2 2027	Dubai Islands
18	Six Senses Residences	Select Group	5,800,000	Q2 2028	Dubai Marina
19	Farm Gardens Villas 2 at The Valley	Emaar	9,284,000	Q1 2028	The Valley
20	The Woodland Residences	Amis Properties	13,500,000	Q2 2026	Meydan
21	Karl Lagerfeld Villas	Taraf	15,000,000	Q4 2027	Meydan
22	Mercedes-Benz Places	Binghatti	16,500,000	Q4 2026	Downtown Dubai

Market launch of residential projects in H1 2024 on the map



Russian brands in the UAE market

Retail

The UAE has been ranked among the world’s best countries to start a business in 2024. This position highlights the favorable conditions for trade and commerce in Dubai and reinforces confidence in the development prospects. Russian companies continue to show interest in the UAE market, particularly Dubai. In Q2 2024, it became known that large companies such as Wildberries and Lada would soon enter this market.

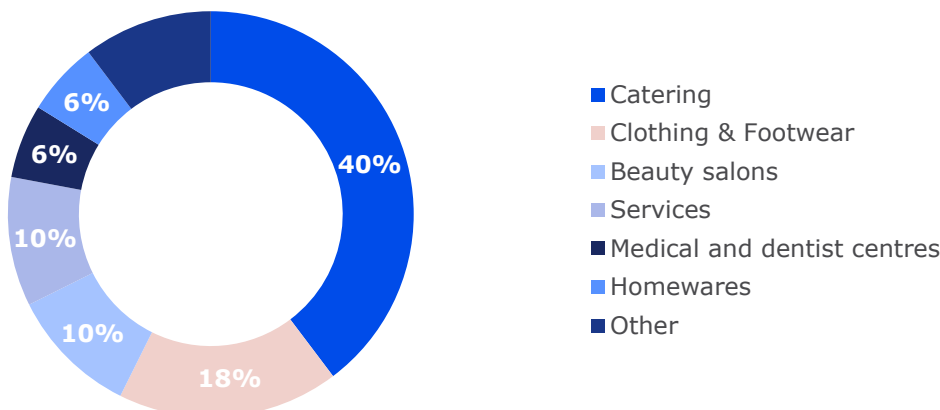
At the moment, 68 Russian retailers are already represented on the Dubai market, of which nine entered the market in the first half of 2024.

Examples of Russian brands that have entered the Dubai market in 2024

Profile	Brand	Name	Location
Catering	Frank By Basta	Frank Meats&Taps	Bluewaters
	MetaFoodies	Alba	Downtown
		Bisou	
	Pinskiy&Co	Loona	Downtown
	Chistaya Liniya		O!Eskimo
JBR			
Homewares	Ribambelle	Ribambelle	Bluewaters
	Bork	Bork	Dubai Mall
	KuchenLand	KuchenLand	Dubai Hills Mall
Abu Dhabi Mall*			
Jewelry	Poison Drop	Poison Drop	Dubai Hills Mall
Tobacco & spirits	Pair. Wine and cigarettes	Pair. Wine and cigarettes	DIFC

The greatest interest in entering the Dubai market is observed among retailers in the catering category. 26 domestic brands (50 outlets) are already represented in Dubai, and 15 are only planning or preparing to launch their business in the Emirate. For example, Zemskiy Group’s The Market Island Food Hall in Dubai Festival City and Sakhalin Restaurant are expected to open soon. The Bluewaters, Downtown and DIFC are the most popular communities for launching catering outlets among Russian brands.

The number of Russian retailers that have entered the Dubai market, %



* The SC is located in Abu Dhabi.

Source: Nikoliers



New development **Shopping centres**

The UAE market of shopping centres is rapidly expanding, the focus being shifted to swiftly changing trends, introduction of new services, and the construction of new shopping malls. To be competitive, the owners of shopping malls carry out renovation, reconception, redevelopment and modernization of their premises, also introducing technologies and innovations to provide more opportunities for online and offline shopping.

Currently, there is a shortage of retail space in popular shopping centres. In the next couple of years, new leasable retail space of more than 500,000 sq m is expected to hit the market.

Multiple formats in SCs

Today shopping centers are more and more focused on multiple formats, providing their visitors with a comfortable environment: in addition to stores, a wide variety of cafes, restaurants, family and children’s fun centres, gyms, beauty salons and a lot more are being opened.

Growing demand for online shopping

The demand for online shopping and merchandise delivery services keeps rising; therefore, SCs get adapted to new digital trends by offering respective solutions to their customers.

Expansion of Russian brands

Russian retailers are quite keen on Dubai’s shopping malls. While some are only getting ready to enter the Dubai market, others expand their footprint, opening new points of sale.

Growing number of catering outlets

The shopping centres place a marked emphasis on satisfying all kind of gastronomic needs of their visitors, so the number of new food halls and catering outlets keeps growing.

New development

Examples of shopping centres under construction



Nad Al Sheba Mall

Planned opening: Q2 2024

GLA ≈ 47,000 sq m

Developer: Nakheel (Dubai Holding)

Location: Nad Al Sheba

Concept: a community centre specifically designed for residents of the Nad Al Sheba community. The mall is focused on satisfying various needs of its visitors.

Roughly 200 stores, 24 restaurants, a cinema, children’s play area, gym, rooftop food court, a mosque, 1,153 parking slots.



Al Khail Avenue Mall

Planned opening: Q4 2025

GLA ≈ 110,000 sq m

Developer: Nakheel (Dubai Holding)

Location: Jumeirah Village Triangle

Concept: a new bustling centre featuring stores, restaurants and entertainments.

350 stores, 14-screen multiplex theatre, a hotel, a 4,200-sqm food hall, a skate park, gyms, a medical centre, children’s play areas.



Expo City Mall

Planned opening: Q2 2026

GLA ≈ 36,000 sq m

Developer: Emaar

Location: Expo Village Boulevard

Concept: it is part of the mixed-use project Expo City Dubai, exemplifying Dubai’s aspiration for innovations and sustainable development.

Over 175 stores and 1,000 parking slots, family entertainment centres, food hall, direct access to Expo 2000 metro station.

New development Offices

Developed infrastructure and favorable tax legislation make Dubai attractive for investment and start-ups. There is a robust **inflow of financial companies** ready to vigorously expand their positions in the Emirate. Local authorities create a comfortable business environment, initiating various business support programs.

Demand for office space continues to **exceed the existing supply**. With the influx of foreign companies opening their offices in Dubai, owners are forced to upgrade old premises, as the average age of office facilities in Dubai is 15 years, whereas companies require up-to-date quality space. For the same reason, there is persistent **demand for flexible and serviced office spaces**, given that for companies new to the Dubai market, this office format is the most suitable option in the initial stages.

New office construction in Dubai has been **extremely limited** in recent years and is predominantly carried out within single projects in Free Zones. In May 2024, 6 Falak in Dubai Internet City was completed. The total floor area amounts to 18,100 sq m. The plan also calls for the completion of construction on Wasl Tower, which will house Mandarin Oriental Hotel. The building will feature more than 17,000 sq m of office space.



6 Falak



Wasl Tower

The Expo City area is being actively transformed into a new free economic zone with a prime location and metro within walking distance. In addition, a new blue metro line is scheduled to be completed in 2029, to connect the Emirate's five key neighborhoods.

High demand for office space amid rising rental rates and sale prices in Dubai's high-end locations is **a driver for robust new development**, especially in the mainland areas.

Services



Offices



Industrial



Retail



Residential



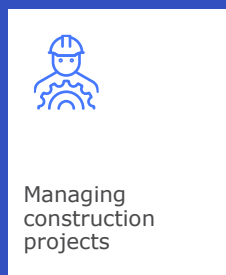
Hotels



Land plots



Property management



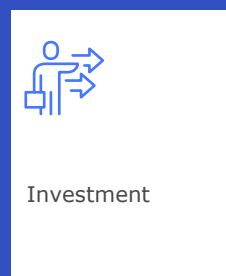
Managing construction projects



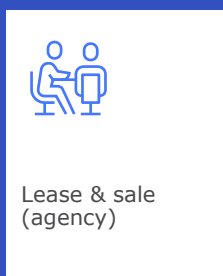
Strategic consulting



Property and business valuation



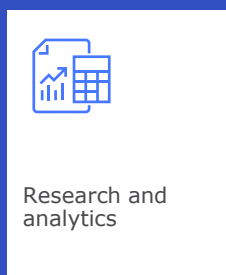
Investment



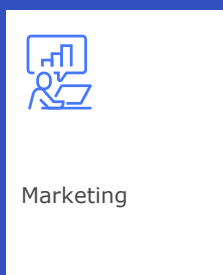
Lease & sale (agency)



Representation of tenants



Research and analytics



Marketing

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