

Dubai's Residential Real Estate Market Witnesses Record-Breaking Growth in Q1 2024

DUBAI, UAE, May 1, 2024

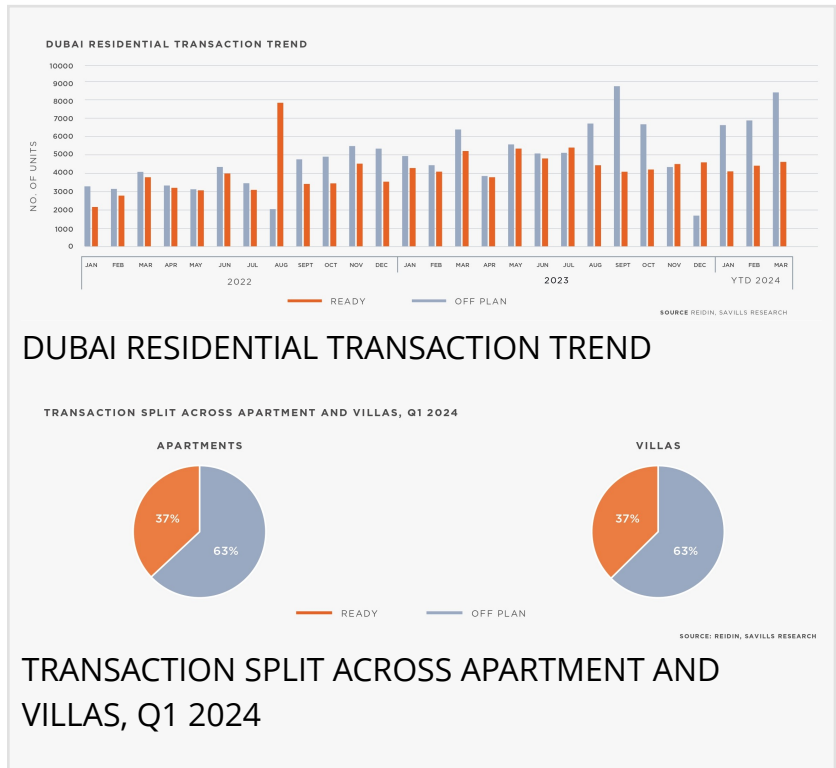
/EINPresswire.com/ -- Dubai's real estate market has seen exponential growth over the first quarter of 2024, driven by the increase in expatriate population, real estate investor policy changes to the Golden Visa, and a strong performance in non-oil sectors. Global real estate services provider Savills released the [Dubai Residential Market - Q1 2024 report](#), which revealed a record-breaking first quarter in 2024.

- A substantial 35% quarter-on-quarter increase in transaction volumes, reaching an all-time high of 35,100 units.
- 63% of transactions in Q1 were properties under construction.
- Off-plan sales surged by 73% quarter-on-quarter.
- Apartments continued to dominate the market, accounting for 83% of all transactions.
- Rental rates in Dubai saw an average increase of 7% across the city.

Andrew Cummings, Head of Residential Agency at Savills Middle East, said, "Dubai's residential real estate market has continued an upward trajectory fuelled by factors such as population growth, economic resilience, business confidence, and a thriving tourism and hospitality sector."

Off-plan sales witness a surge

Off-plan sales experienced a remarkable 73% jump compared to the previous quarter and accounted to 63% of the total transaction in Q1 2024. This surge in interest can be attributed to strong demand for high-quality assets from reputable developers, coupled with attractive incentives offered to buyers during project launches.



Market activity shifts towards Dubai Southeast submarkets

Market activity is concentrated largely in the Dubai Southeast submarkets, particularly in micro-markets such as Jumeirah Village Circle (JVC), Arjan, Dubai Hills Estate, Meydan One, and Damac Hills 2. Across other areas, demand remained robust in locations such as Business Bay, Downtown Dubai, Dubai Marina, and Jumeirah Lake Towers (JLT).

Apartments continued to dominate the real estate market

Apartments continued to dominate the market, accounting for 83% of all transactions, with primary sales accounting to 63% of the demand. Meanwhile, villa transactions surged as well, with notable locations including Damac Lagoons, Damac Hills 2, The Valley, and Tilal al Ghaf.

"In the first quarter of 2024, approximately 5,000 units were introduced to the market. Notable launches included Mercedes-Benz Places, Claydon house by Ellington, Franck Muller Aeternitas Tower in Dubai Marina, and Vida Dubai Hills by Emaar, with apartments making up 84% of these launches, signalling the confidence in this market segment going ahead," Alec James Smith, Director of Sales and Leasing at Savills Middle East, commented.

More than a thousand transactions exceeded AED10 million

High-end luxury properties remain attractive, but the surge in demand for affordable options reflects a pragmatic approach by buyers. In the first quarter of 2024, over 1,000 transactions exceeding AED 10 million were recorded, representing 41% year-on-year growth. Additionally, the quarter saw a 51% increase in transactions involving apartments priced at AED 10 million or more compared to the previous quarter. Notably, Palm Jumeirah, Business Bay, and Bluewaters Island lead the list of upscale locations in terms of per square foot rates for apartments. Meanwhile, Dubai Hills, Palm Deira, District One, and Tilal Al Ghaf command the highest per square feet rate in villa transactions.

Capital values

Dubai's real estate market has maintained an upward trajectory in capital value growth. According to the [Savills World Cities Prime Residential Index](#), which tracks property prices across 30 global cities, Dubai led the way in 2023 with an impressive 17.4% growth in capital values. On average, property values increased by 20% year-on-year for apartments and 21% year-on-year for villas and townhouses. However, certain well-established locations and segments command a premium due to their superior accessibility, quality, and range of amenities.

Rental rates in Dubai saw an average increase of 7% across the city, with apartments having experienced an 8% rise, while villas grew by 6% quarter-on-quarter.

Cumming concluded, "The recently revised rental index may lead to higher rents in specific areas, potentially ranging from 10% to 20%. As a result of this, tenants might consider relocating, downsizing, or even exploring property ownership. Dubai's residential real estate market is expected to perform well in the near future, given the upward trend in both rentals and capital value appreciation."

- Ends -

About Savills Middle East:

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