Betterhomes.



Dubai Real Estate

Market Report

FY 2023

bhomes.com

Introduction

2023 marks a new set of records for the Dubai real estate market, with both the volume and value of sales transactions hitting new highs. In September 2023, average prices surpassed the previous peak set in September 2014, and this upward trajectory persisted through the final quarter despite a dip in off-plan transactions.

A combination of rising rents and a desire for long-term stability has motivated tenants to transition into buyers despite higher interest rates. Betterhomes noted a substantial shift toward domestic demand, with buyers identifying as end users increasing from 38% to 44%. This movement towards end user home ownership is a great sign of the maturing nature of the market and should give confidence to greater price stability in the years to come.

The predictions for an increase in new Dubai residents certainly came true, with the population increase surpassing 100,000 in 2023. This rapid population growth has cemented Dubai as the destination for global citizens, drawn by the promise of a safe haven, unparalleled lifestyle, and a favourable business and tax environment.

The number of new properties handed over in 2023 was relatively unchanged from the previous year, failing to keep up with the speed at which Dubai's population is expanding. This supply-demand imbalance has put pressure on rents, resulting in Betterhomes observing a 24% increase in the average rental price. We see more tenants opting for lease renewals, leading to a surge in tenant retention rates and record-breaking occupancy levels.

Dubai's luxury real estate market has had an unprecedented year, largely due to the influx of millionaires from across the globe. The UAE ranks above the United States and is second only to Australia in terms of wealth migration. The emirates attracted more high net-worth individuals than any European tax haven in 2023. In particular, the successful launch of Palm Jebel Ali and Palm Jumeirah's enduring allure showed the ongoing popularity of waterfront residences, whilst branded residences also remained in demand.

The anticipated increases in new property handovers in 2024 align with the continuous influx of expats to Dubai. Whilst we expect a slowdown in the rapid price increases observed since 2019, we foresee continued growth at more sustainable levels, reflecting the evolution and maturity of Dubai's real estate market.



Richard Waind

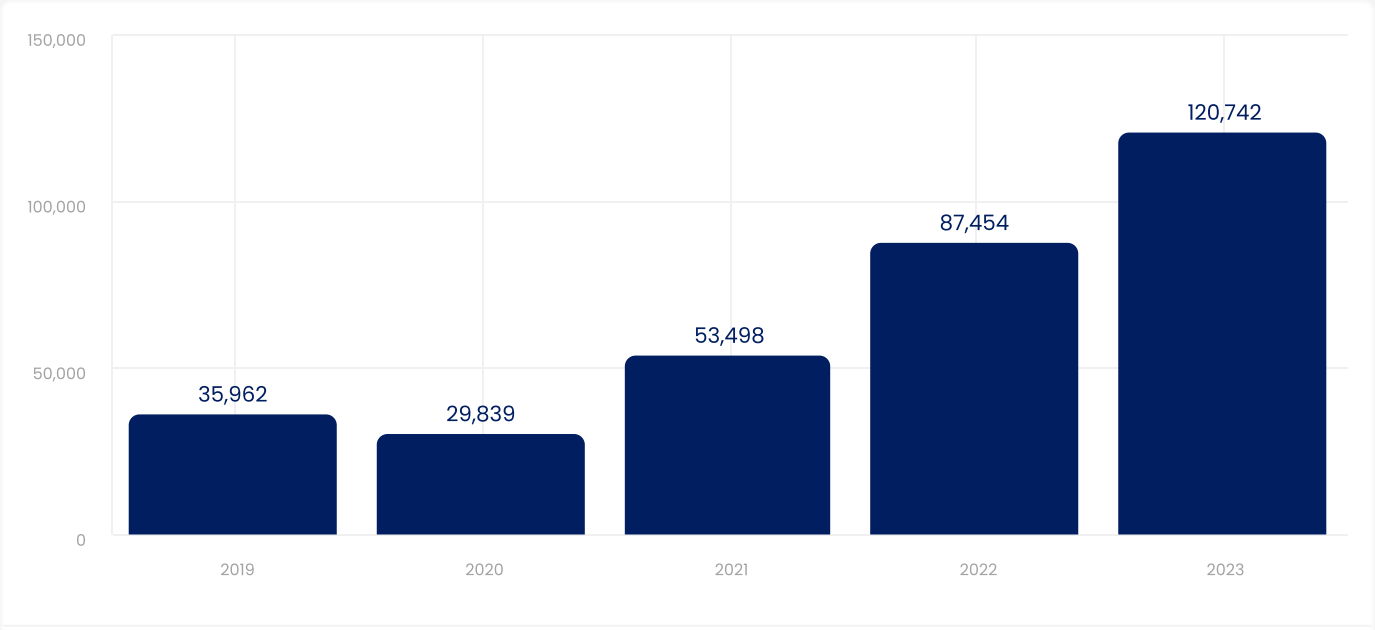
CHIEF EXECUTIVE OFFICER

Sales transactions

The Dubai real estate market continued to break records in 2023, with 120,742 residential sales transactions, up 38% on the previous record of 87,454 set in 2022. This growth came predominantly from apartment sales, which increased by 49% to 94,155. The villa and townhouse segment grew more modestly, up 9% to 26,587, largely due to a lack of supply in key communities.

Off-plan sales were responsible for the majority of the growth in transactions in 2023, up 48% year-on-year. This led to off-plan sales accounting for the majority of residential real estate sales, up from 48% to 54% of all transactions. This growth was from the sale of apartments, which grew by 63% year-on-year and made up 87% of transactions in the off-plan market.

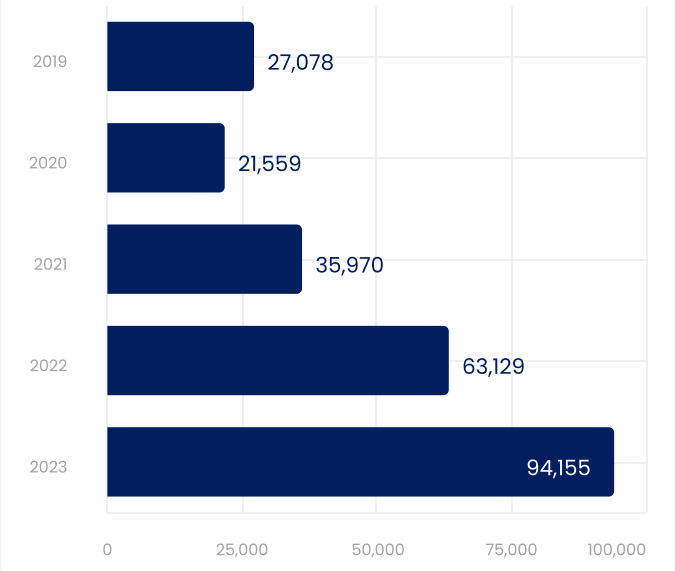
TOTAL SALES TRANSACTION VOLUMES, DUBAI LAND DEPARTMENT (DLD)



Source: Property Monitor

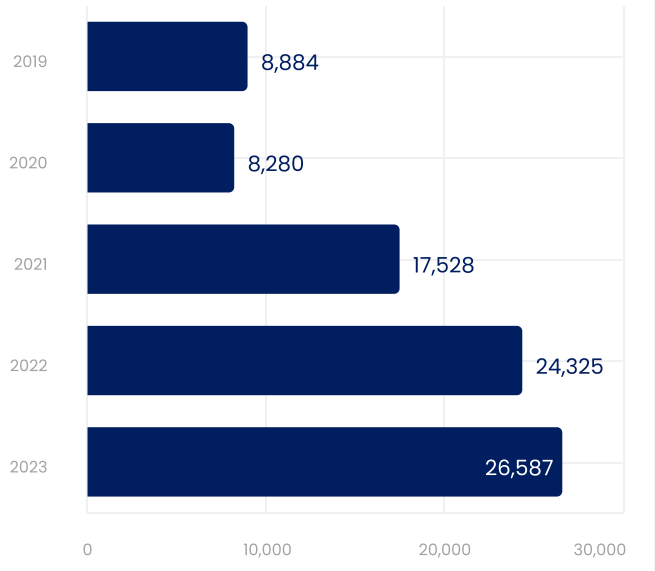
TRANSACTION VOLUMES BY PROPERTY TYPE, DLD

Apartments



Source: Property Monitor

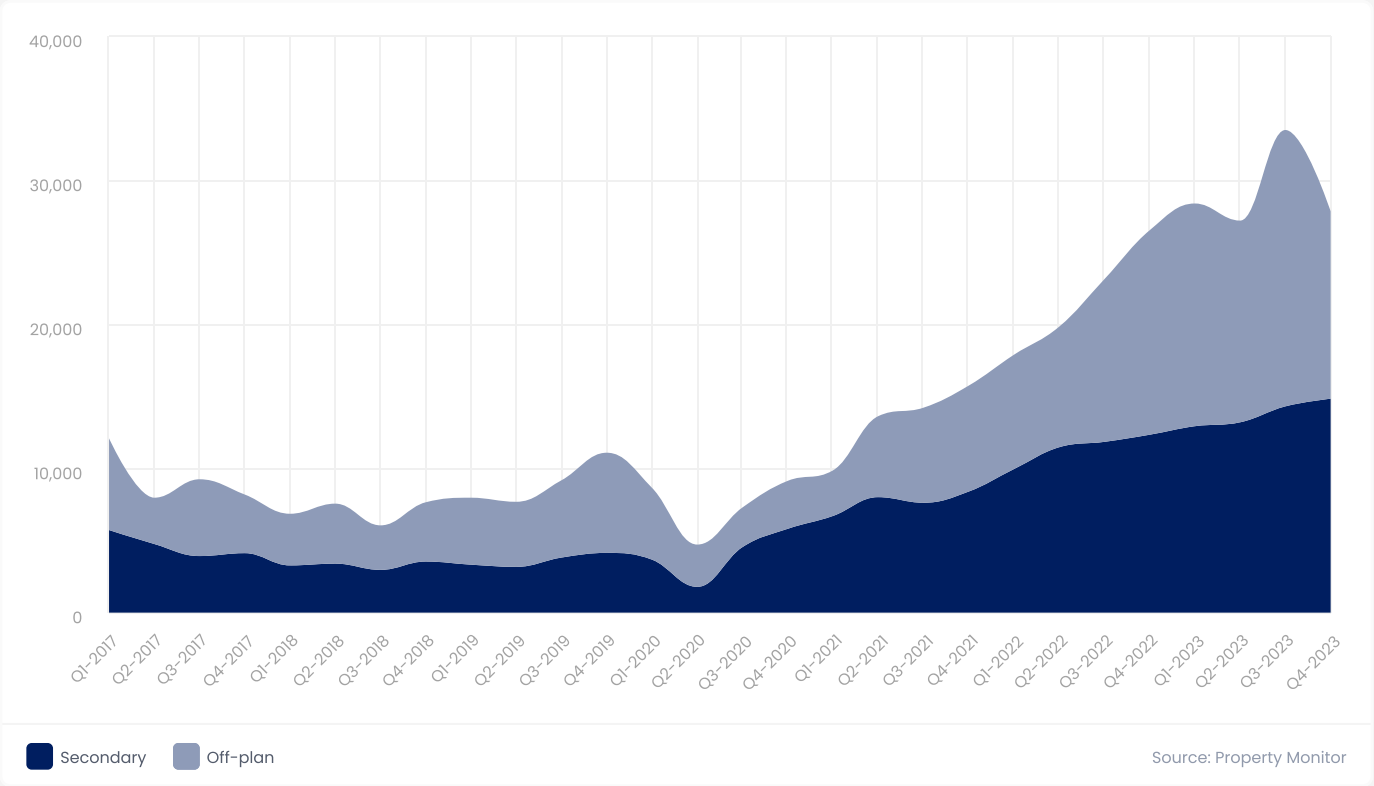
Villas and Townhouses



Source: Property Monitor

In the secondary market, transactions increased by 21%. The sale of apartments was up by 32%, whilst the sale of ready villas and townhouses grew by approximately 3%. The villa market continues its growth as many buyers move towards more readily available and affordable apartments due to stock restrictions and high purchasing costs.

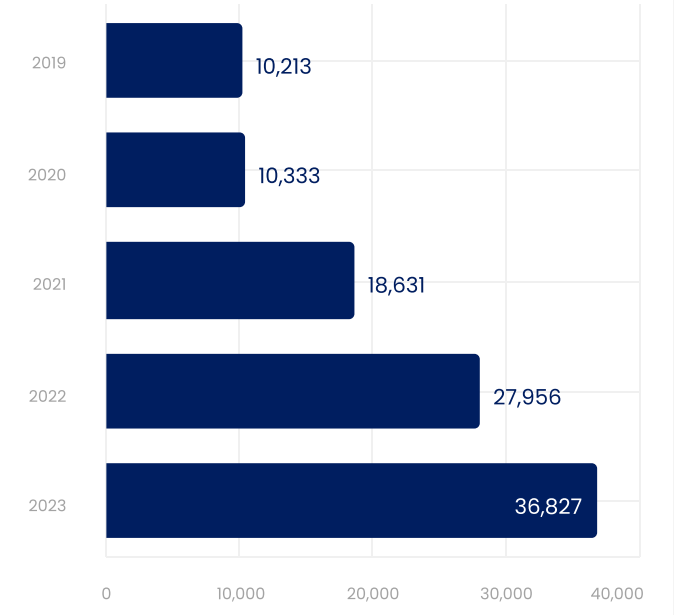
TOTAL SALES TRANSACTION VOLUMES (OFF-PLAN VS SECONDARY), DLD



Source: Property Monitor

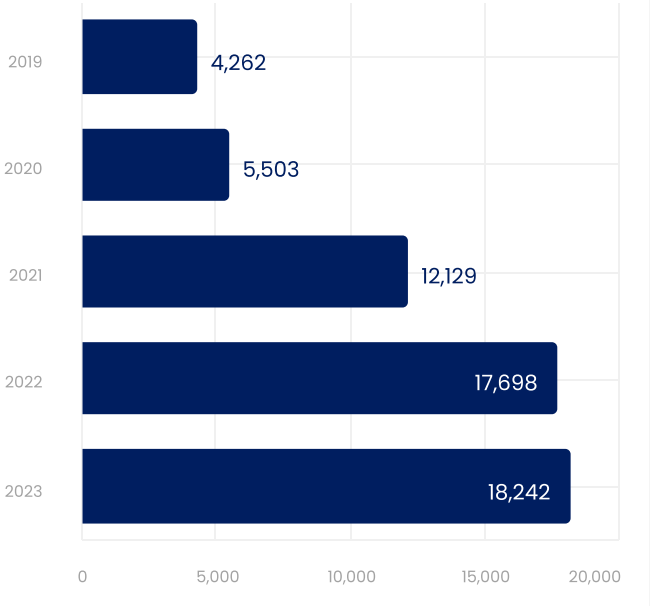
TOTAL SALES TRANSACTION VOLUMES BY PROPERTY TYPE IN SECONDARY MARKET, DLD

Apartments



Source: Property Monitor

Villas and Townhouses



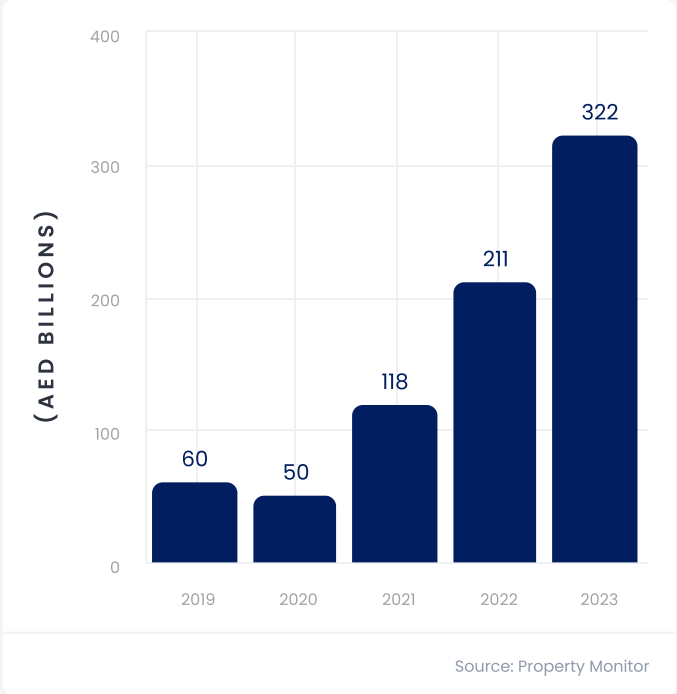
Source: Property Monitor

Prices

The total value of Dubai property sold in 2023 was AED322 billion, up 52% year-on-year. This outpaced transactional growth, giving a strong indication of rising prices. Overall, prices in Dubai rose by approximately 18% in 2023, an acceleration of the 11% increase seen in 2022. This has put average prices at a record high, more than 3% above the previous market peak seen in September 2014.

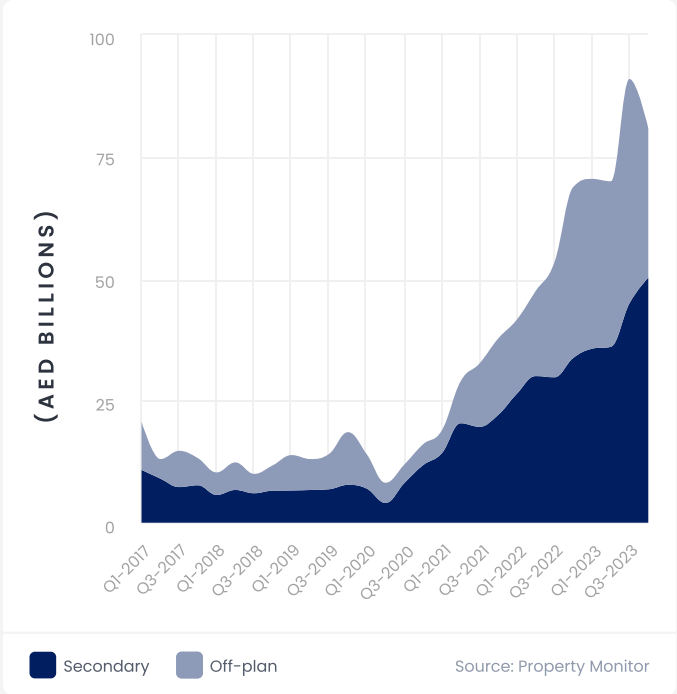
Recently, higher interest rates have gone some way to dampen demand and price increases in the secondary market. If, as the market currently expects, interest rates begin to fall sometime in 2024, this would make mortgages more affordable, increasing buyer demand and putting further upward pressure on prices. However, we expect a significant increase in the number of new homes delivered in 2024, as developers begin to complete projects announced in the post-Covid construction boom. If the new supply is delivered as expected, this could lead to a deceleration in the rate of price increase observed since 2021.

TOTAL SALES TRANSACTION VALUES, DLD



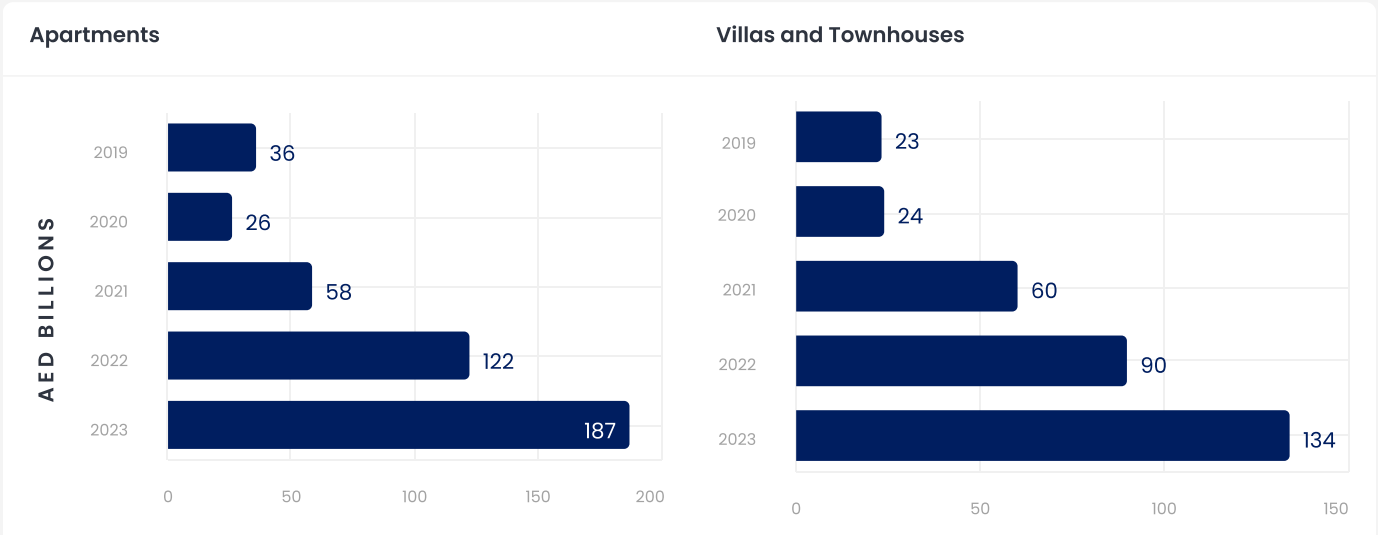
Source: Property Monitor

TOTAL SALES TRANSACTION VALUES (OFF-PLAN VS SECONDARY), DLD



Source: Property Monitor

TOTAL SALES TRANSACTION VALUES BY PROPERTY TYPE, DLD



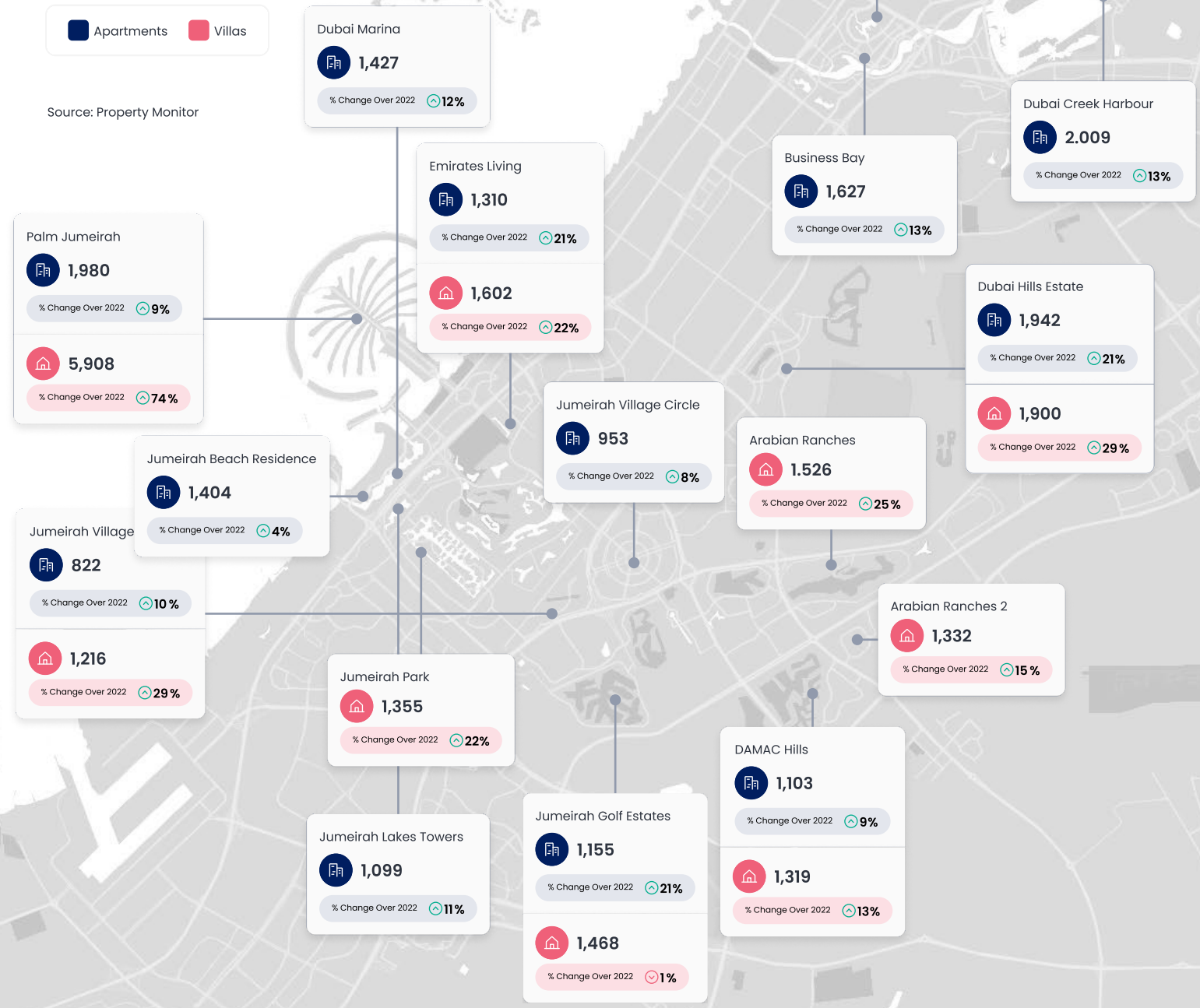
All figures have been rounded off to the nearest decimal

Source: Property Monitor

Average sales price (AED/sq. ft.)

In 2023, Dubai's key communities experienced a widespread increase in the average sales price of villas, ranging from 15% to 30%. A shortage of available inventory led to substantial increases in popular expat communities such as Arabian Ranches (up 25%), Dubai Hills Estate (up 29%), and Jumeirah Village Triangle (up 29%). Two noteworthy exceptions were Palm Jumeirah, where the average price of frond villas surged by 74%, and Jumeirah Golf Estates, where the average sales price saw a marginal decrease of 1%.

Apartment prices also rose, with a widespread increase in the average sales price of 8-20% in key communities across Dubai. In particular, Downtown Dubai (up 17%), Dubai Hills Estate (up 21%) and Jumeirah Golf Estates (up 21%) performed strongly.



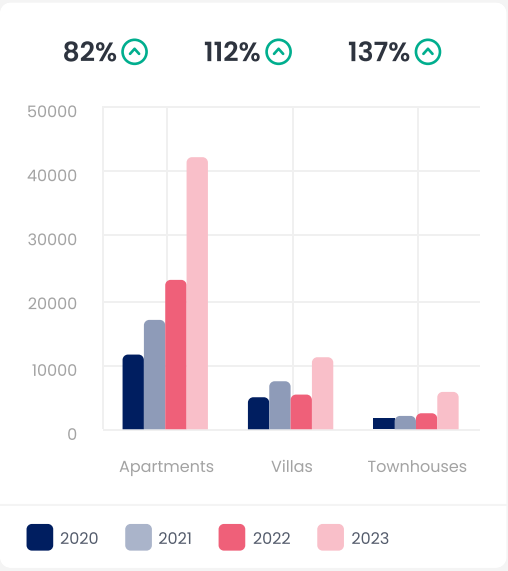
Demand

Betterhomes witnessed strong buyer interest throughout 2023, with a 91% increase in leads year-on-year. Rising rents and a desire to establish long-term foundations in Dubai pushed renters into the sales market, with the proportion of buyers at Betterhomes identifying as end users increasing from 38% to 44%. Higher interest rates deterred some mortgage buyers from entering the market, with the proportion of mortgage buyers decreasing from 45% to 39%.

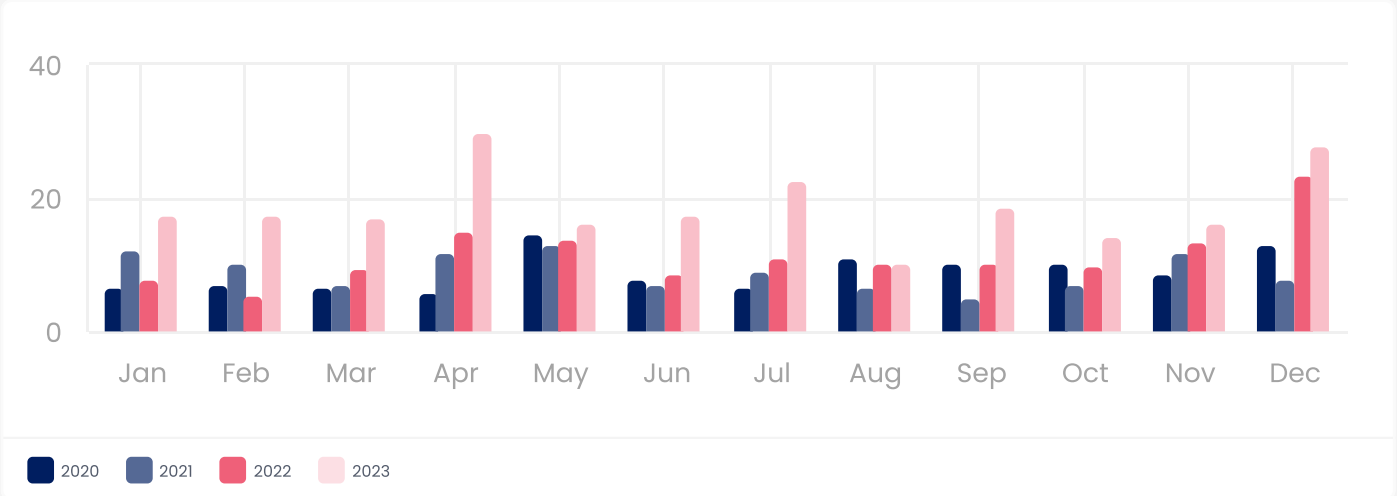
TOP COMMUNITIES BY BUYER DEMAND, BETTERHOMES



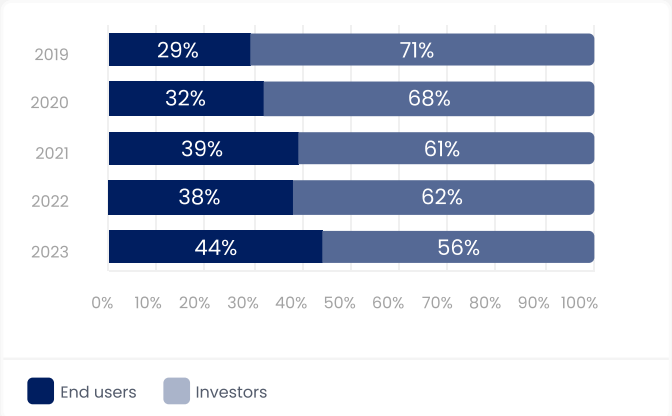
BUYER DEMAND BY SEGMENT, BETTERHOMES



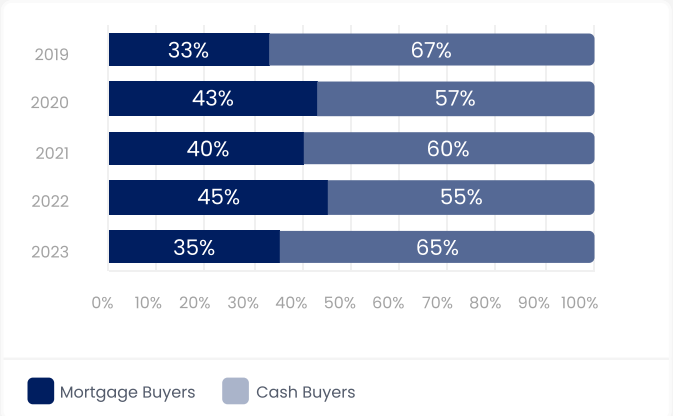
BUYER - SELLER RATIO, BETTERHOMES



END USERS VS INVESTORS, BETTERHOMES



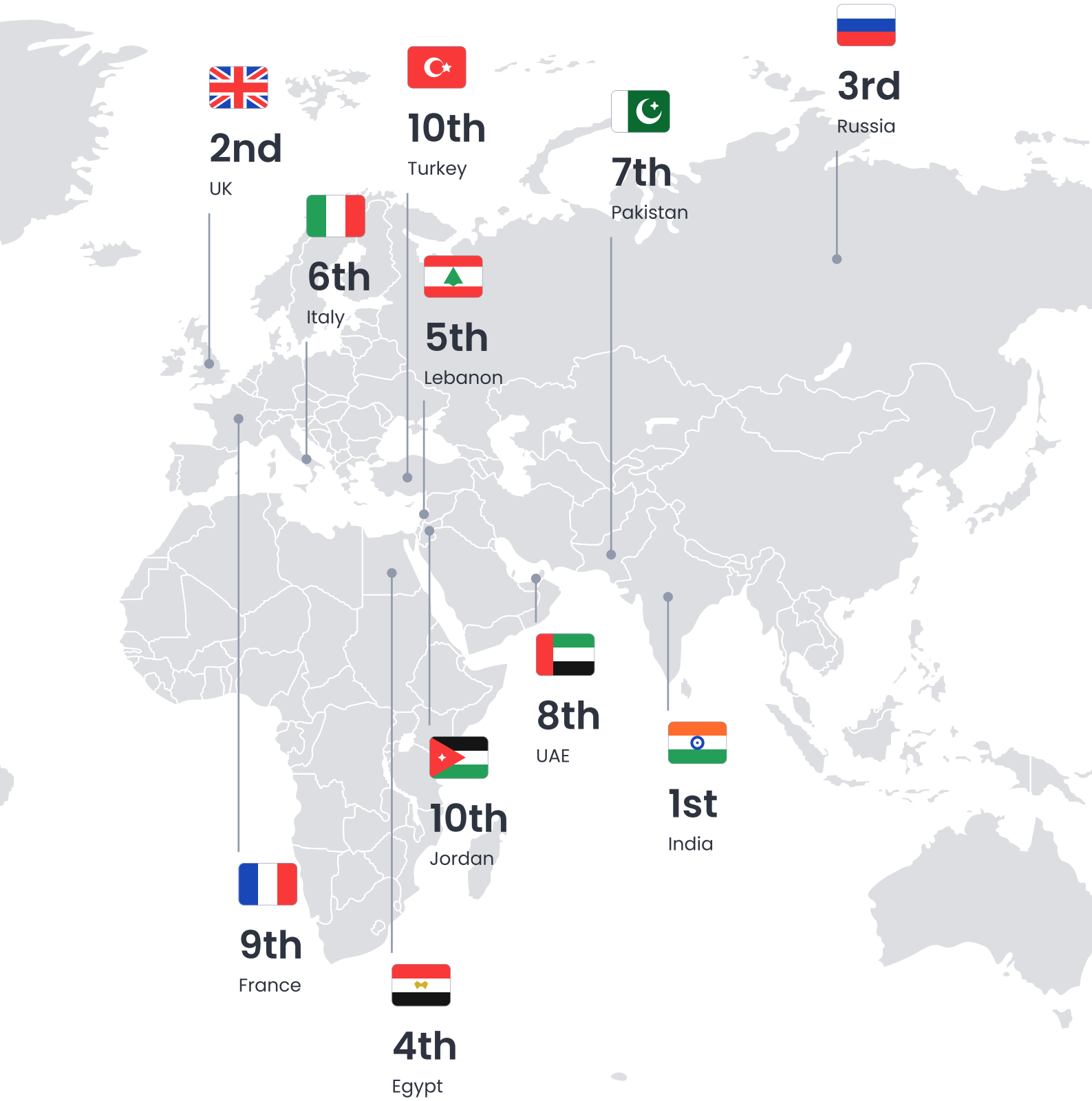
MORTGAGE VS CASH BUYERS, BETTERHOMES



Buyer nationality, Betterhomes

Dubai's real estate market continued to draw global attention, offering attractive returns to investors, as well as security, a great lifestyle, tax efficiency, and a business-friendly environment for its expatriate population. Dubai experienced a substantial population increase, surpassing 100,000 new residents in 2023, emphasising the city's sustained growth and enduring appeal.

At Betterhomes, buyers from India and the United Kingdom accounted for the most transactions, with Russians ranking as the third-largest buyers. Notably, there was a significant increase in buyers from Egypt, Lebanon, Pakistan and Turkey, indicating Dubai's continued role as a global safe haven for geopolitical and economic stability.

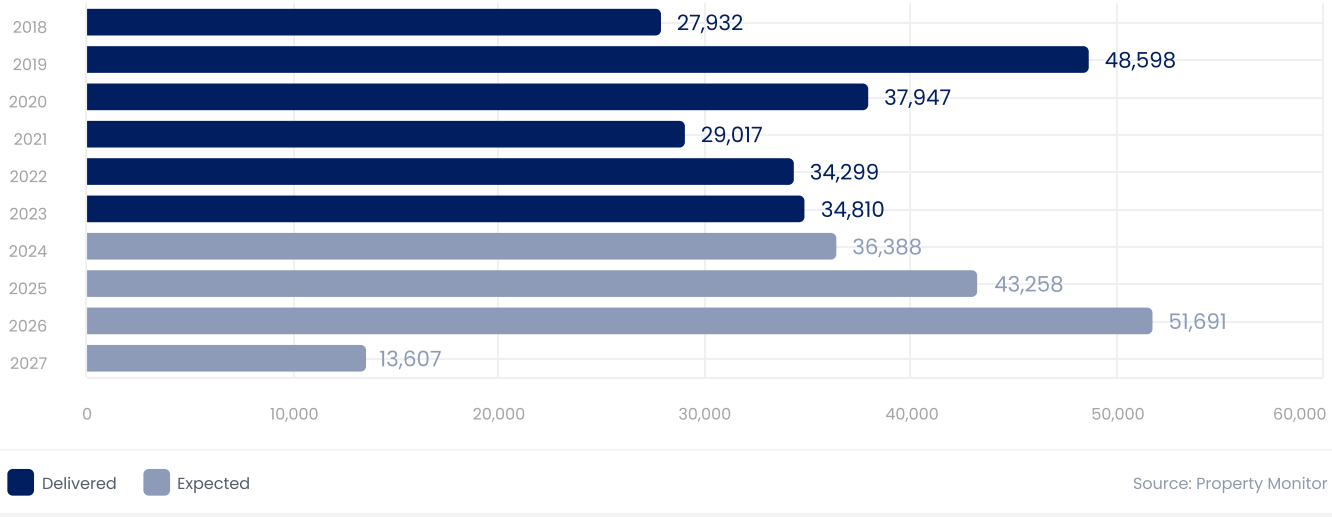


Supply

There were 34,810 homes delivered in 2023, a modest 1.5% increase on the previous year. This was considerably lower than the current market conditions required, which supported a continued increase in prices throughout the year.

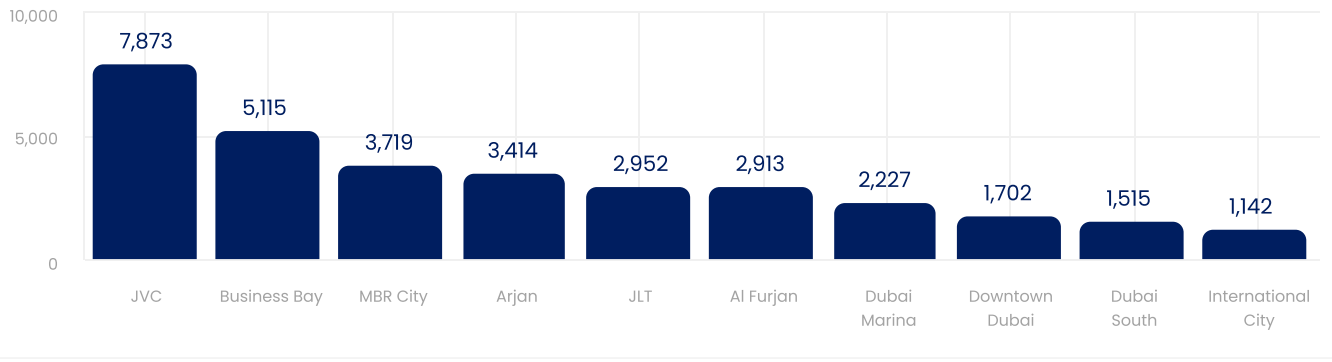
Whilst buoyant market conditions prompted developers to announce over 80,000 new homes in 2023, their delivery is not anticipated until late 2025 and into 2026. The modest increase in supply projected for 2024 is unlikely to keep up with demand, amidst Dubai's rapidly growing population, offering little relief to tenants.

TOTAL NUMBER OF UNITS DELIVERED AND EXPECTED (2018-2026), DLD



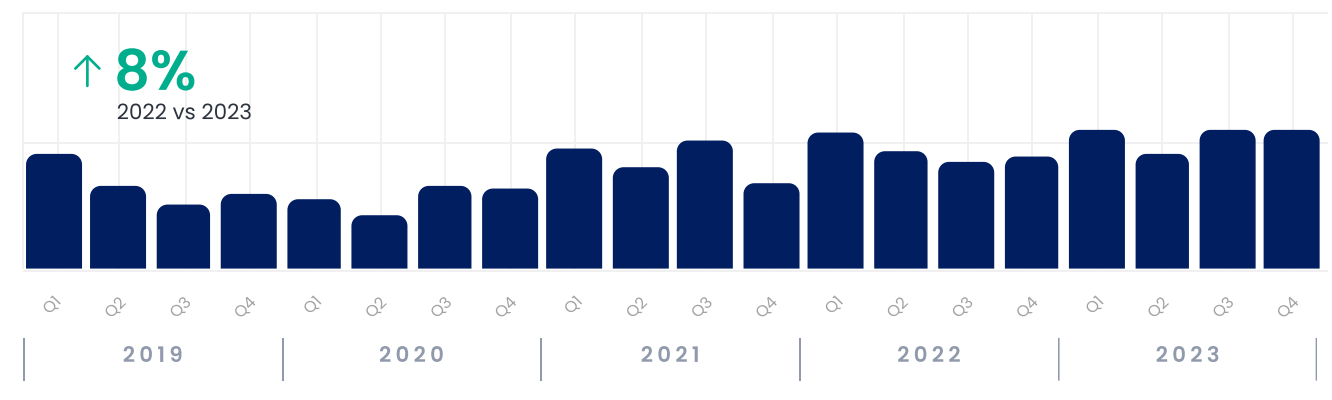
Source: Property Monitor

TOP COMMUNITIES FOR EXPECTED NEW HOMES IN 2024, DLD



Source: Property Monitor

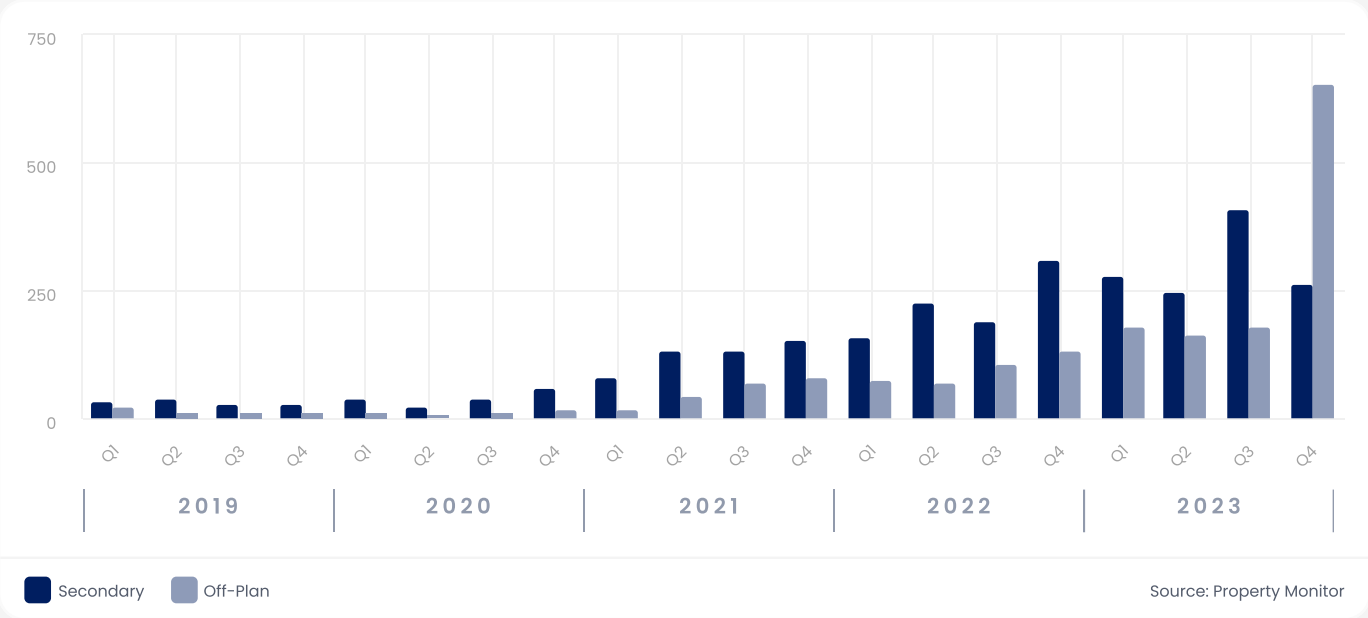
NEW RESIDENTIAL LISTINGS, BETTERHOMES



Luxury market

After a record-breaking 2022, Dubai's luxury real estate market maintained its momentum in 2023, witnessing an impressive 89% growth in transactions over AED15 million. The appeal of long-term visas, a favourable tax regime, the lifestyle, and the relative affordability of luxury homes in Dubai attracted wealthy investors from across the globe, with 4,500 millionaires expected to have moved to the UAE in 2023.

LUXURY PROPERTY TRANSACTIONS, DLD (AED 15M AND ABOVE)



Source: Property Monitor

VOLUME OF TRANSACTIONS OVER AED 15M, DLD

Secondary	36% ↑	Off-plan	210% ↑	Total	89% ↑
872	1,188	377	1,167	1,249	2,355
2022	2023	2022	2023	2022	2023

PRIME by Betterhomes.

The launch of Palm Jebel Ali villas resulted in 526 sales over AED15 million, accounting for 22% of all luxury transactions. The ever-popular Palm Jumeirah recorded 206 off-plan and 247 secondary-market luxury transactions, demonstrating the huge demand for luxury waterfront properties in Dubai. In the secondary market, villa communities dominated. In particular, Mohammed Bin Rashed City recorded 274 secondary market transactions over AED15 million, with Dubai Hills Estate and Tilal Al Ghaf also proving popular.

Top luxury communities by sales transactions, FY 2023

Off-plan	Trx	Secondary	Trx
Palm Jebel Ali	526	MBR City	274
Palm Jumeirah	206	Palm Jumeirah	247
Dubai Media CIty	73	Dubai Hills Estate	115
Dubai Harbour	73	Tilal Al Ghaf	92
Downtown Dubai	64	DAMAC Lagoons	64

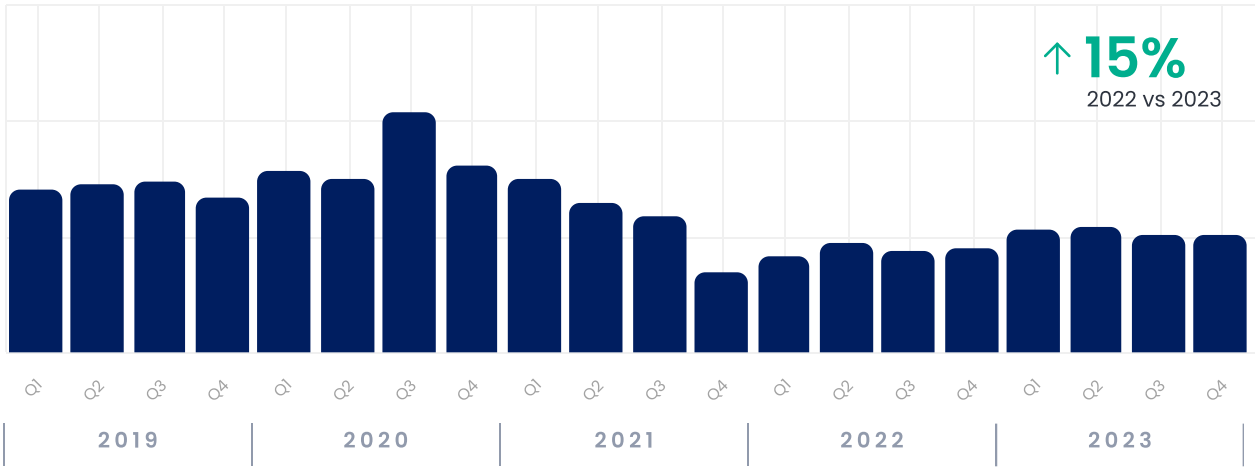
Source: Property Monitor

Residential leasing

Rents continued to increase in 2023, with Betterhomes seeing a 24% increase in the average rental price of new tenancies. Rising prices have resulted in higher tenant retention rates, with occupants opting to renew their contracts instead of searching for new housing, leading to an 18% decline in leasing transactions at Betterhomes.

In the current market, one-cheque payments remain the most popular choice, making up 33% of new tenancy agreements. There was a significant shift from four-cheque payments (down 6%) to two-cheque payments (up 6%), suggestive of the competitive nature of the current rental market and landlords' ability to negotiate favourable terms. As Dubai's population continued to grow and the supply of rental properties remained limited, residential occupancy rates increased in both freehold and leasehold areas to 93% and 97% respectively.

RESIDENTIAL LISTINGS PUBLISHED, BETTERHOMES



RESIDENTIAL OCCUPANCY RATES IN MANAGED UNITS, BETTERHOMES

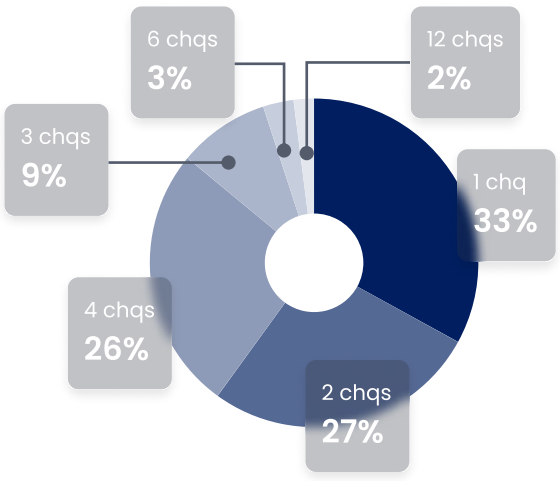
Freehold

2022 **89%** 2023 **93%**

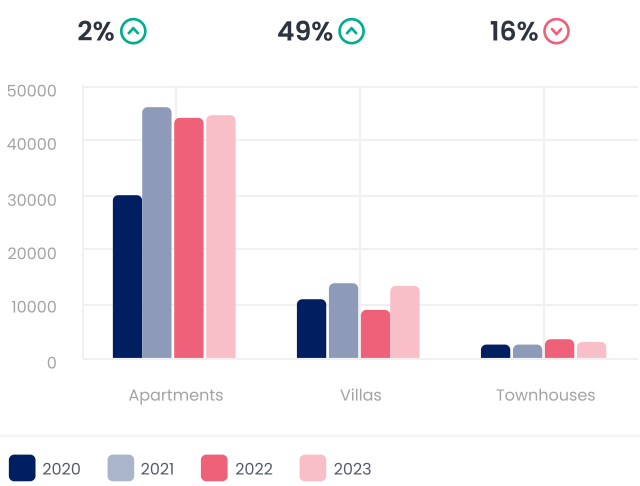
Leasehold

2022 **92%** 2023 **97%**

Number of rental cheques, Betterhomes



Tenant demand by property type, Betterhomes



Average leasing price (AED)

A shortage of available properties in key communities across Dubai led to a continued increase in average rental prices in 2023. In particular, apartment rents witnessed a remarkable surge, with widespread increases of 20%-30%. Whilst price increases were relatively consistent across many popular communities, notable growth was seen in Dubai Creek Harbour (up 37%), Palm Jumeirah (up 34%), Jumeirah Golf Estates (up 29%) and JBR (up 28%).

Whilst average villa rental prices also increased in key communities across Dubai, these rises were typically in the range of 10%-20%. But, several popular communities saw average rental prices increase by 20%+, including Jumeirah Golf Estates (up 25%), Damac Hills (up 21%), Arabian Ranches 2 (up 20%) and Emirates Living (up 20%).



Methodology

Residential real estate leasing and sales figures are derived from Betterhomes Group data, as well as from Property Monitor's intelligence platform with the full DLD information and statistics. To showcase the full size of the residential real estate market in Dubai, we used Property Monitor's data that include overall sales transactions. Our market experts have analysed our leasing and sales data to provide a comprehensive overview of the market.

Meet the team



Richard Waind
Chief Executive Officer



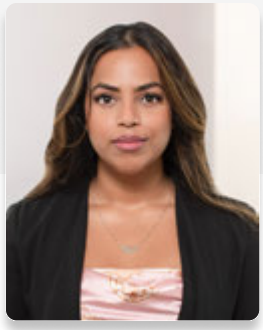
Louis Harding
Managing Director



Leon Mantock
Head of Marketing



Sidharth Appaiah
Investments Analysis Manager



Elsa Angelo
Public Relations Manager

Our services

Residential sales	Residential leasing	Property management	Off-plan investments
Villas & townhouses	Villas & townhouses	Individual units	UAE off-plan
Apartments	Apartments	Buildings	

What makes us different?

38

Years of market experience

Homegrown since 1986.

300+

Betterhomes brokers

Offering residential sales services in Dubai, Abu Dhabi, and Sharjah

7000+

Managed units

We have the local knowledge that makes the difference

7

Days a week to serve you

We are open
Mon - Sat, 8am - 8pm
Sun - 9am - 8pm

30,000+

Homes Sold

UAE's largest brokerage team across 5 offices

2400+

Positive reviews on Trustpilot

We have been awarded 5 stars



Technology



We operate on GoYzer, a versatile and easy to use property management software which helps us in managing our day to day operations.

Betterhomes is more than just a brokerage; it's a community itself, full of passionate and expert friends and neighbours. Our agents live, breathe and work in their communities – that's why they're more than agents; they're locals. They know the best beaches for an early morning run, where to get the best coffee, and they'll show you the best places for you to live.

Trust.
With over 38 years in the UAE property market, we know the business of real estate.

Accessibility.
With our branches open six days a week and phone lines open seven days a week, we're always within reach.

Reliability.
Our property consultants are handpicked and trained to the highest standards to professionally represent our brand and your interests.

Largest reach.
We have the biggest selection of properties and clients in the country.

Local knowledge.
Our solid team of 300+ agents boasts unrivalled community expertise across Dubai, Abu Dhabi, Sharjah, and the GCC.

Comprehensive service.
From residential and commercial sales and leasing to property management, off-plan and short-term rentals, we've got you covered.



Betterhomes.

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