

MARKET REPORT.

A Year of Strategic Growth and Development

**We Don't Just Create
Transactions, We Build
Relationships.**



2023

Provident.

Dubai Real Estate Market Report: An Overview.

The Dubai Real Estate Market Report for 2023 outlines a dynamic year of development and progress, reflecting strides toward Dubai's Vision 2040. The population reached 3,549,900 by Q4, a 3.16% increase pointing to a trajectory that could see the population surpass 5.5 million by 2040. A noteworthy aspect is the surplus of 1,165,855 temporary residents due to the Investor Visa initiative, effectively boosting the population to over 4.8 million.

The supply side saw the completion of 34,929 units, which represented only 30% of the needed residential supply. However, this was a modest increase from the 33,971 units completed in 2022. Key areas such as Palm Jumeirah, Jumeirah Village Circle, Mohammed Bin Rashid City, Dubai Creek Harbour, and Downtown marked significant completions, catering to the diverse housing demand.

A total of 118,645 property transactions were recorded in 2023, marking a substantial 37% increase from the previous year. This comprised 92,469 apartments, 16,750 townhouses, and 9,426 villas, each segment demonstrating a robust average sale price indicative of the market's high-end trajectory. Jumeirah Village Circle led the sales, followed by Business Bay, Mohammed Bin Rashid City, Dubai Hills, and Sobha Hartland.

The off-plan market was particularly vibrant, with 57,337 properties registered, a 74% leap from the previous year. Jumeirah Village Circle was the most popular for off-plan, reflecting significant investor interest and confidence in Dubai's property development future.

Resale of off-plan properties also showed a strong market with 7,138 transactions. Business Bay and Mohammed Bin Rashid City were the top areas for these transactions, indicating their status as premier investment locations.

The secondary market for ready properties resonated with this upward trend, with 38,544 resales, a marked increase from 2022's figures. The mortgage market paralleled this growth with a 43% increase in registrations, suggesting a robust financing environment. The Rental market analysis revealed 205,346 new contracts and 293,624 renewals, with a notable increase in rents across Dubai. This is attributed to the pandemic recovery and a strategic shift towards short-term leasing for higher returns.

Looking ahead to 2024, areas such as The Valley by Emaar and Tilal Al Ghaf are earmarked as investment hotspots. Furthermore, the revision in the UAE Golden Visa, which removes the minimum down payment requirement, is poised to broaden the appeal for long-term investments in Dubai's real estate market.

Population Growth.

Dubai is progressing well towards its 2040 population growth target, having seen an increase in residents from 3,549,900 in the fourth quarter of 2023. This represents an increase of 112,083 people, or 3.16%. If the population continues to grow at this consistent rate, the Emirate is projected to surpass 5.5 million.



3,549,900 Residents.

The population of Dubai as of the fourth quarter in 2023.



112,083 People.

Increase in the number of residents during the same period.



3.16% Percentage Growth.

Increase in the number of residents during the same period.



Over 5.5 Million.

Projected population of Dubai by 2040 if current growth trends.

Beyond Official Numbers.

As of the third quarter of 2023, Dubai's official resident population was recorded at 3.6 million. However, there was an additional presence of 1,165,855 individuals residing or working outside of Dubai as temporary residents, primarily due to the Investor Visa initiative.

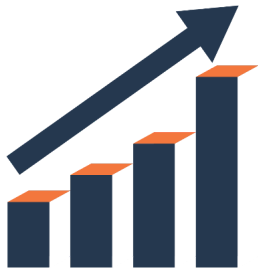
This Influx Raises the Effective Total Population of Dubai to Over



4,800,000

(Source: Dubai Statistics Center)

Supply Insights.



The real estate landscape underwent significant transformations, marked by a slew of property completions aimed at addressing the escalating housing demands of a rapidly growing population. Specifically, the number of completed properties represented only 30% of the residential supply in comparison to the population growth.

Total Number of Units Completed

34,929

Comprising of

YOY 2022 - 2023

81.43%

+

12.32%

+

3.72%

+

2.53%



Apartments



Townhouses



Commercial



Villas

Top Completion Areas

Compared to 2022, which saw the completion of 33,971 units, there was a significant increase in completions in 2023.



Palm Jumeirah: Seven Tides Residence: 896 units, The Royal Atlantis Resort and Residences: 1,031 units.



Jumeirah Village Circle: 4 Binghatti projects (over 700 apartments), Belgravia Square by Ellington (225 apartments), Oxford212 (212 apartments).



Mohammed Bin Rashid City: 46 projects, 5,622 apartments completed.



Dubai Creek Harbour: 9 projects, 3,291 apartments completed.



Downtown: 3 projects (Burj Crown, Forte, The Address Dubai Opera), 2,212 apartments completed.

Sales Transactions.

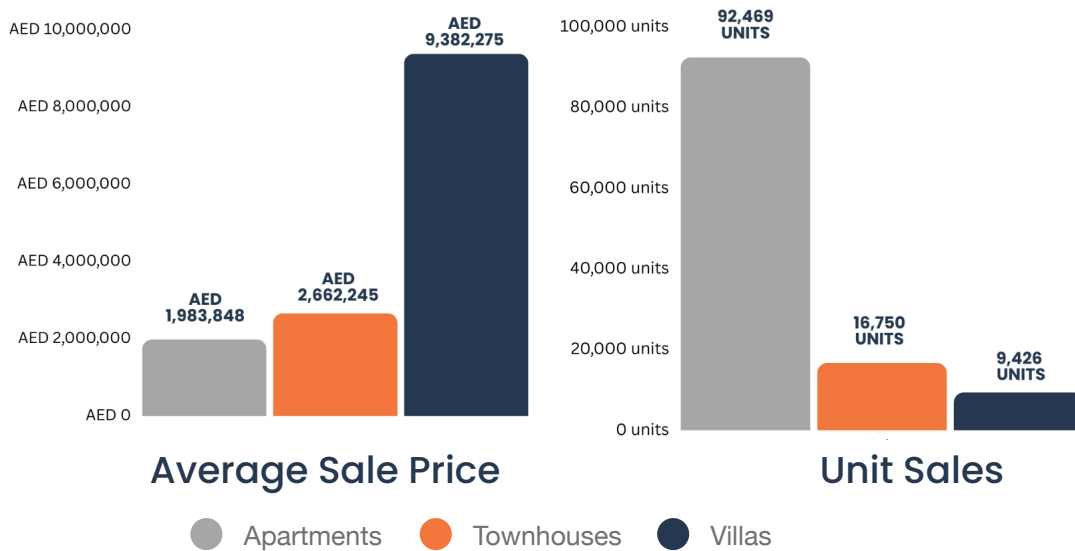
The real estate market showed significant growth, marked by a rise in sales transactions across various sectors, including apartments, townhouses, and villas. The year highlighted shifts in buyer preferences and average sale prices, reflecting the evolving landscape of the property market.

The Total Number of Property Transfers

118,645

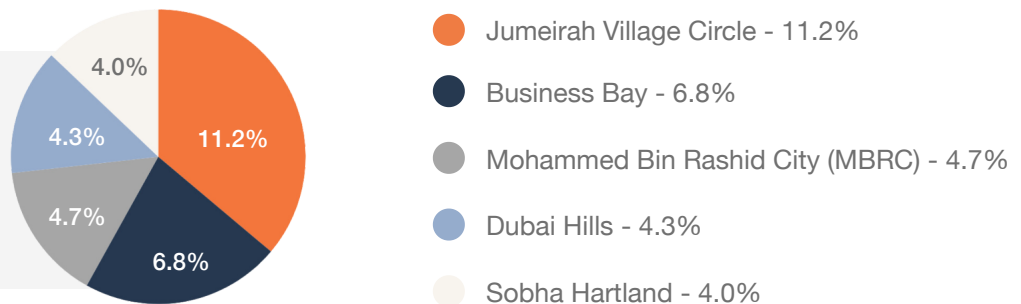
This year, there were 118,645 residential property transfers, reflecting a 37% increase from 2022.

The Breakdown.



This volume comprised 92,469 apartments with an average sale price of AED 1,983,848 each, 16,750 townhouses at an average of AED 2,662,245 per unit, and 9,426 villas, each fetching an average of AED 9,382,275.

Top Selling Areas.



The top areas for property sales included Jumeirah Village Circle, Business Bay, Mohammed Bin Rashid City, Dubai Hills, and Sobha Hartland.

Off-Plan Property.

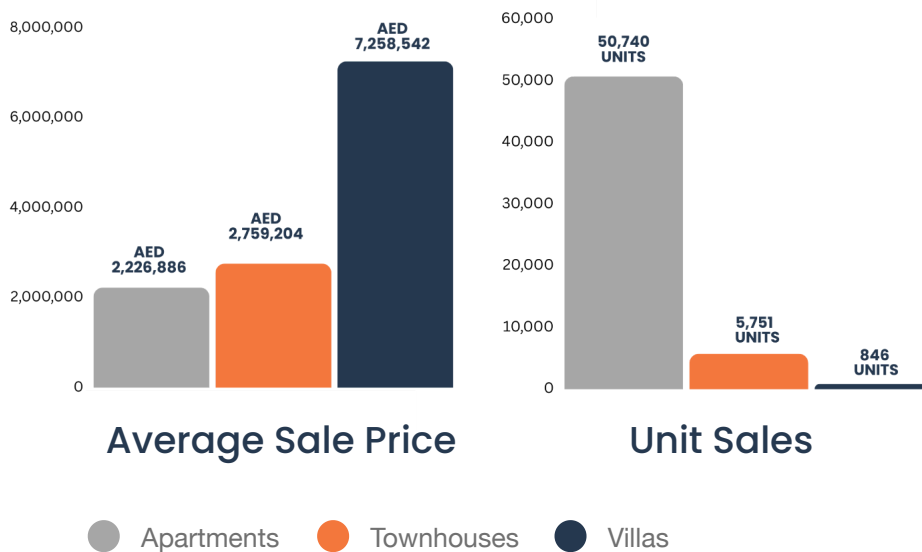
The year was marked by a significant growth in sales, with a substantial number of properties registered for off-plan purchases, reflecting a robust increase from the previous year. It's important to clarify that not all transactions reported as sales in 2023 were necessarily made within that year. This is to provide a rough estimate of sales activity. Typically, Oqood Registration occurs within 3-4 months after signing the reservation form. Therefore, some sales recorded in the first quarter (Q1) of 2023 might have been finalized in the fourth quarter (Q4) of 2022. Similarly, sales concluded at the end of 2023 might not be reflected until the Q1 2024 report.

Properties Registered for Off-Plan Purchases

57,337

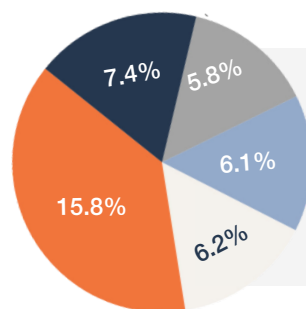
In total were registered with the DLD for off-plan purchases (initial sales directly from the developer). This represents a 74% increase in sales compared to 2022.

The Breakdown.



The breakdown includes 50,740 apartments with an average price of AED 2,226,886, 5,751 townhouses at AED 2,759,204, and 846 villas at AED 7,258,542

- Jumeirah Village Circle - 15.8%
- Business Bay - 7.4%
- Sobha Hartland - 6.2%
- Arjan - 6.1%
- Mohammed Bin Rashid City (MBRC) - 5.8%



Most Popular Areas.

The top areas for property sales included Jumeirah Village Circle, Business Bay, Mohammed Bin Rashid City, Dubai Hills, and Sobha Hartland.

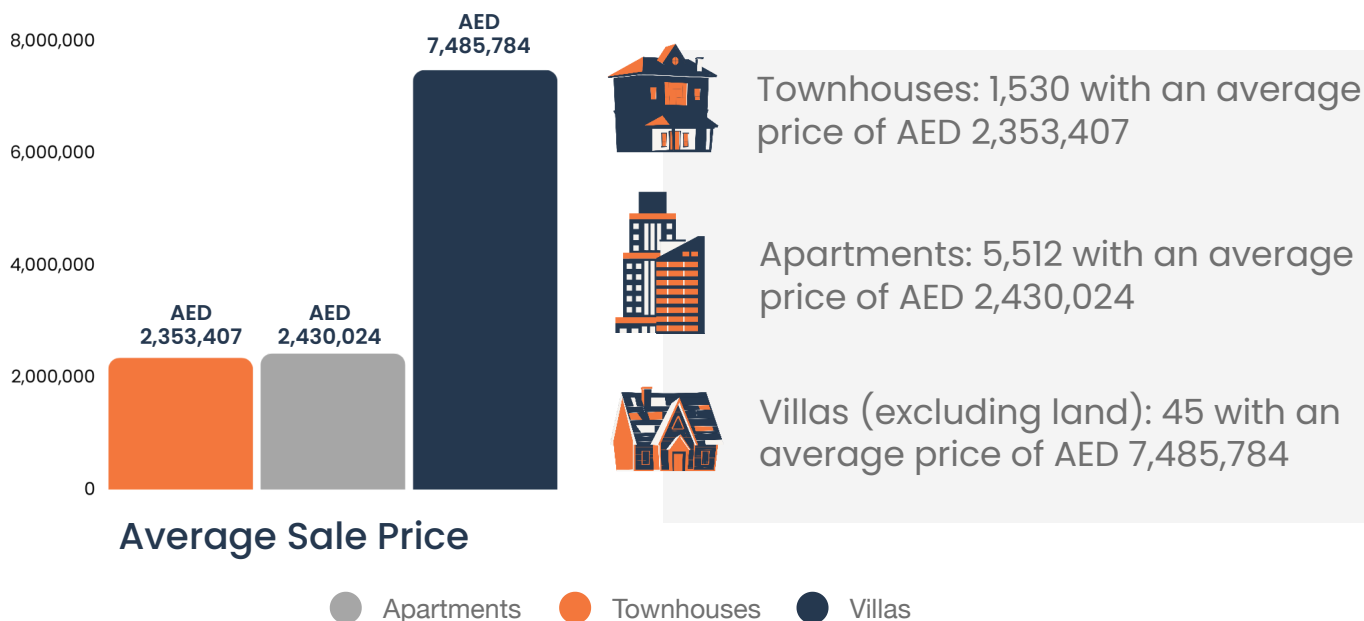
Resale Off-Plan.

The data focuses on the resale of off-plan properties that are yet to be handed over or are still on oqood. It's observed that investors typically achieve the best return on equity if they sell 12 months before handover.

Total Transactions

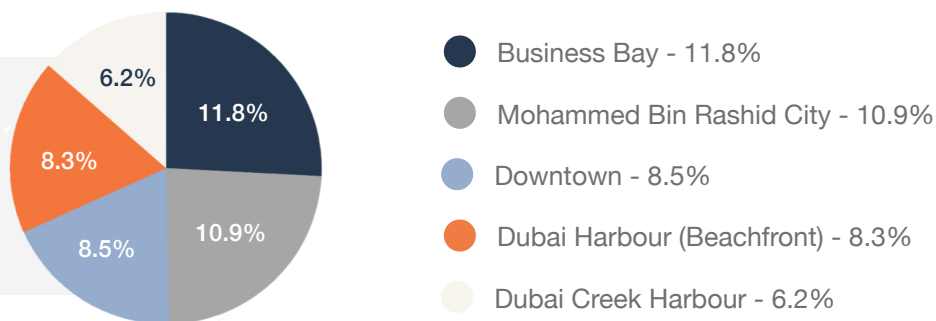
7,138

A detailed breakdown of the transactions highlighting the volume and average prices across different property types includes:



This transaction data also reveals the most favored locations, as indicated by the percentage of total sales in each area

Most Popular Areas.



Business Bay, Mohammed Bin Rashid City, Downtown, Dubai Harbour, and Dubai Creek Harbour stand out as the top choices for property transactions.

Resale Returns In 2023: Example Case.



To illustrate the profitability of off-plan property investments, the subsequent cases highlight the returns realized by resellers in 2023, with particular attention to high-value beachfront properties at Dubai Harbour.

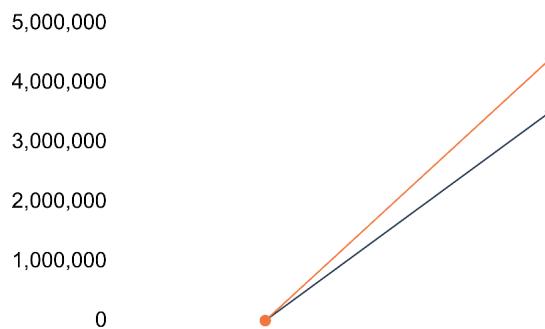
The case presents the potential returns for resellers in the 2023 market, using the example of a two-bedroom unit in Palace Beach Residence, a beachfront property in Dubai Harbour.



The initial purchaser had made a 50% payment to the developer, totaling AED 1,754,444, and incurred additional costs including a 4% Dubai Land Department fee, bringing their total investment to AED 1,894,800.

- Initial Sale Price
- Resale Price

Unit 1403 was initially sold for **AED 3,508,888** and later resold in December 2023 for **AED 4,400,000**.



Initial Sale Price vs Resale Price

The sale resulted in a premium of AED 891,112 over the original price, equating to a 47% return on investment. The analysis also forecasts that the new purchaser stands to gain from the scarcity of beachfront properties and the historical completion prices of such units once ready.

Payment by Initial Purchaser to Developer	50% (AED 1,754,444)
Additional Costs	DLD 4% (AED 140,356)
Total Investment by Original Purchaser	AED 1,894,800
Premium Over Original Price	AED 891,112
Return for Original Purchaser	47%

The new purchaser is expected to benefit from an additional premium due to the limited supply of beachfront properties and the established resale values of ready units.

Ready Properties – Secondary Market.

The secondary market for ready properties witnessed a significant surge in activity, underscoring a robust demand for completed apartments, townhouses, and villas. This trend highlights a dynamic and growing interest in the real estate sector’s ready-to-move-in segment.

Resold Properties

38,544

In 2023, a total of 38,544 properties with completed Title Deeds were resold across various areas, showing a significant increase from 2022’s total of 26,273. The properties comprised apartments, townhouses, and villas, with Dubai Marina leading the market in sales. Distribution of resales by area (from highest to lowest percentage):

Remarkable

46.71%

Increase In Sales



Apartments: 29,205 with an average price of AED 1,638,573



Townhouses: 4,950 with an average price of AED 2,725,178



Villas (excluding land): 4,389 with an average price of AED 8,799,092

77.0%

Dubai Marina

7.4%

Jumeirah Village Circle (JVC)

6.0%

Business Bay

5.5%

Downtown Dubai

5.1%

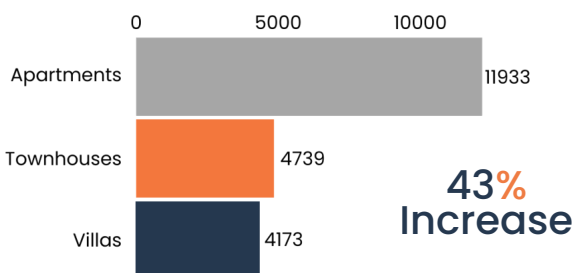
International City

3.9%

Dubai Hills

Mortgage Transactions

The mortgage market demonstrated notable growth in 2023, a 43% increase in total mortgage registrations compared to the previous year.



Mortgage Registrations

23,108

Rentals.

Rents in Dubai have been on the rise, attributed to several key factors. Initially, there was a drop in rent prices during the pandemic, but as the situation has stabilized, demand has surged. A significant number of investors, particularly those owning apartments, are shifting towards short-term leasing. This strategy is aimed at achieving a higher return on investment (ROI).

New Contracts Signed

205,346

Renewed Contracts

293,624

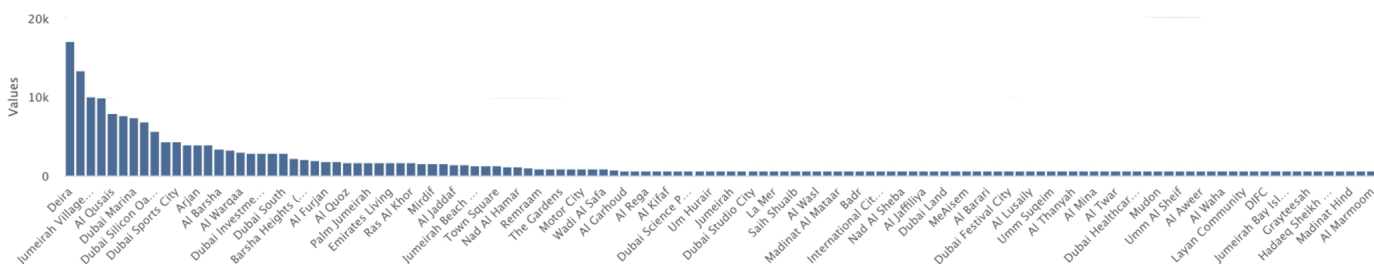
This trend underscores the growing interest and activity in Dubai’s rental market.

Townhouses/Villas



The chart presented within this report has been sourced directly from PropertyMonitor.ae. This inclusion is based on data meticulously compiled and analyzed in their comprehensive report. The use of this chart is intended to provide a visual representation of the trends and data discussed herein, underlining the insights with authoritative figures from a trusted industry source

Apartments



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(Source: Property Monitor)

Most Notable Transactions of 2023.

In Dubai’s dynamic real estate market, Provident Real Estate has once again made headlines by brokering a record-setting deal. The sale of the COMO Penthouse by our agent, Sam Horani, for AED 500,000,000 from Nakheel on the Palm Jumeirah, has not only become the most expensive penthouse transaction in Dubai but also ranks as the third priciest globally.



Provident Real Estate Sets Record With Sale Of Dubai’s Most Expensive Penthouse At

500,000,000

Prominent news outlets such as Mansion Global, Gulf News, CNN, Khaleej Times, and many more featured this remarkable transaction, underscoring its widespread recognition and impact in both local and international media.

2024 Dubai’s Investment Hotspots.

Dubai’s Investment Hotspots for 2024 spotlight emerging and established neighborhoods promising lucrative opportunities in a dynamically evolving real estate landscape.



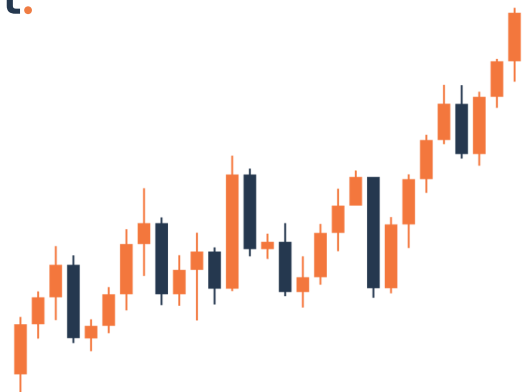
In The News: UAE Golden Visa Update.

In a significant policy revision that broadens access to the United Arab Emirates' (UAE) coveted Golden Visa, the Dubai government has recently announced the removal of the minimum down payment requirement for property buyers aspiring to secure long-term residency.



Impact on the Property Market.

Analysts predict that these changes will inject vitality into Dubai's property market, encouraging both local and international investors to consider longer-term investments in the region. The adjustment in policy could lead to an uptick in property sales, particularly in the luxury sector, as more investors seek to capitalize on the benefits of the Golden Visa.



The UAE's official immigration and residency websites provide up-to-date information and guides on application procedures, eligibility criteria, and the benefits of obtaining a Golden Visa.

About Provident.

Launched in 2008, Provident Estate are pioneers in the region’s real estate market. With a stronghold of 150 employees and counting, we are at the forefront of the market as the most trusted real estate agent and feature among the top-10 agencies for the world’s most reputed developer. With a 360° real estate solution approach, we have proven time and again that we understand the needs of our clients best, and always provide results that fit their targets. We prioritise them and always strive to solve their pain points with innovative and digital solutions. Our end goal is to create relationships with our clients that are long-lasting.



Mission

We aim to be at the forefront of the real estate industry from service standards and customer service to technological solutions. We want to continue to provide the best-tailored services at every step.



Vision

To create honest, trustworthy, & transparent relations with home buyers, tenants & investors. We strive to achieve perfection in the digital age with the best tools in the industry and providing an environment for employees to thrive in.

Our Services.



Residential Sales & Leasing



Commercial Sales & Leasing



Property Management

“ We Don’t just Create Transactions
We Build Relationships. ”

THE END.



2023

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Provident – Palm Jumeirah
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