

AirDXB Group
**DUBAI REAL
ESTATE MARKET
REVIEW Q4**



airdxb

Group



DUBAI REAL ESTATE MARKET REVIEW

Welcome to our all-new format for our quarterly reports where you will find insights on trends and statistics impacting the Dubai real estate sector for the previous quarter, covering the three key sub-sectors: transactions, long-term rentals, and, of course, short-let.

The Dubai real estate market is thriving: short-let continues to see high demand from tourists and business travellers, particularly around global events such as COP28; the long-term rental market is seeing an increase

in new and renewed contracts as the population grows and residents seek better deals; and confidence in off-plan developments is fuelling transaction activity for buyers. Discover more about each sub-sector in the following report.

ABOUT THE AIRDXB GROUP

The AirDXB Group was founded by Gregory Lewis in 2018 with a view of providing the first professional short-let management services of their kind in Dubai, streamlining the process for hundreds of property investors and delivering consistent financial returns. As client demand grew and our portfolio diversified, we are proud to have expanded our offering by forming AirDXB Investments, our boutique real estate consultancy covering transactions and long-term rentals.

Our key differentiator? We know the market, understand the trends and have the experience to ensure our property investors get the best deal. [Check out our latest insights on the Dubai real estate market across 2023 here.](#)

AWARDS

Winner - Real Estate Management Consultancy of the Year
IRECMS Dubai Awards 2023

Winner - Hospitality Company of the Year
Virtuzone Entrepreneur Awards 2023

CONTACTS

Gregory Lewis
Founder & Director | AirDXB Group
gregory@air-dxb.com

Joanna Plunkett
Head of AirDXB Investments
joanna@airdxbinvestments.com

We would like to thank the following sources for assistance in the development of this report: AirDNA, DXBInteract, PropertyFinder, Property Monitor, DataFinder, the Dubai Land Department.



THE DUBAI SHORT-LET MARKET Q4 2023

Key trends impacting the short-let market in Q4 2023



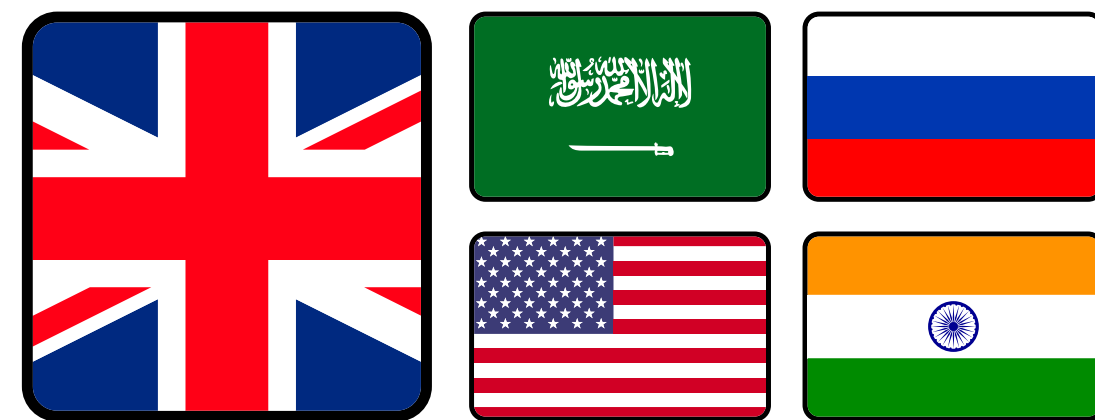
COP28, which took place 30 November to 12 December, had a great impact on the short-let market. Early December achieved 20 - 25% higher ADRs for AirDXB properties in comparison to 2022, due to the increase of business travellers and event-related travellers during this time. In fact, over 70 of our properties achieved their highest ever ADRs during this time. This bodes well for the future of the short-let market: not only are we seeing an increase in these types of global events being hosted in Dubai, but COP28 demonstrated that these types of guests are utilizing the short-let market when staying here.

November 2023 A STRONG MONTH

November was a strong month in general, where we saw 10% higher ADRs than 2022, while October also performed well, showcasing that the 2023/24 high season is surpassing that of 2022/23. As is the norm, once COP28 finished, we saw the usual decline in ADRs from mid-December onwards. The majority of tourists visiting Dubai come from Christian countries and therefore this period is spent at home with family, celebrating the holiday.

60% INCREASE
in our portfolio

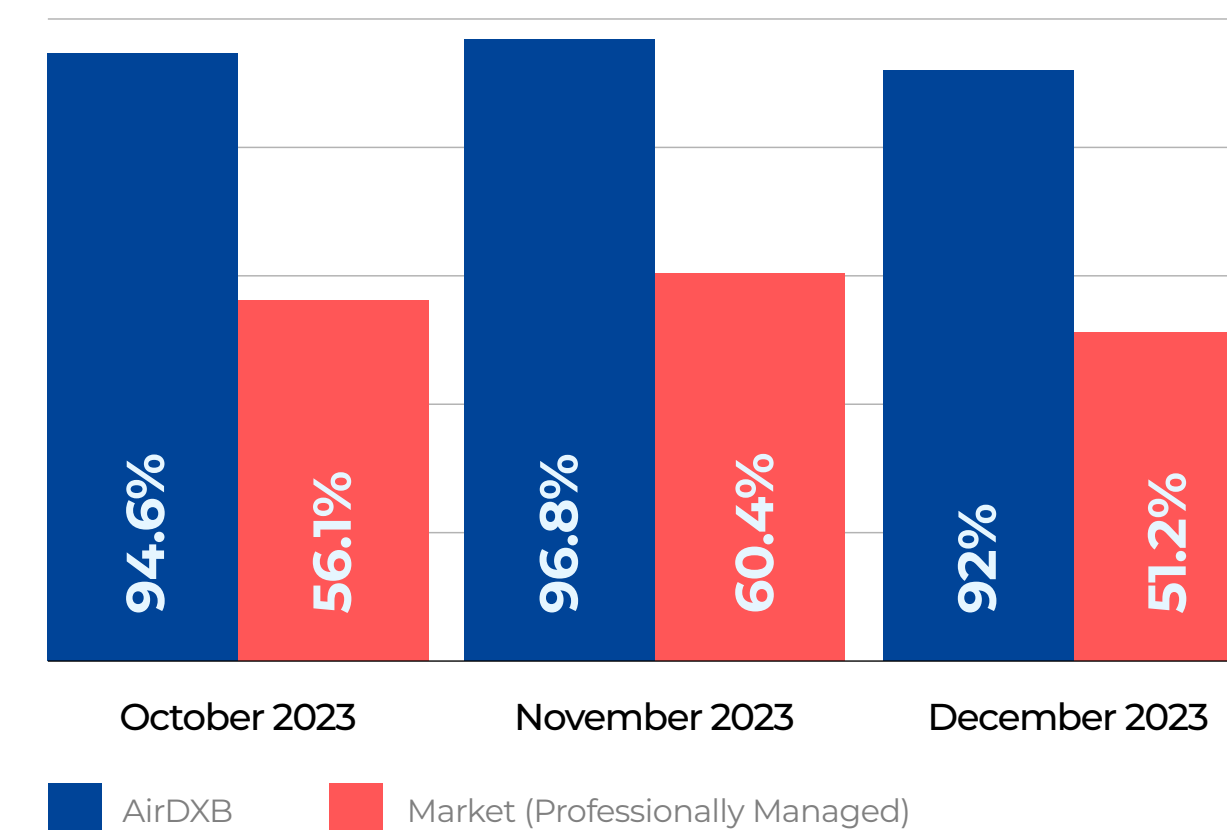
Stock in short-let is fluctuating. We track our competitors and have noted a decline in portfolios across the board. AirDXB appears to be the exception with a 60% increase in our portfolio, however AirDNA also reports an increase in overall stock levels for Q4 by 15% in comparison to 2022. We believe the AirDNA data is reflective of individuals taking advantage of market opportunities, listing their homes privately to earn extra income during the short-term influx of guests in Q4 (due to COP28 and other events). We believe the market will correct itself in 2024 as these private listings are removed. What we have seen, is that even with a spike of stock, demand still outweighs supply.



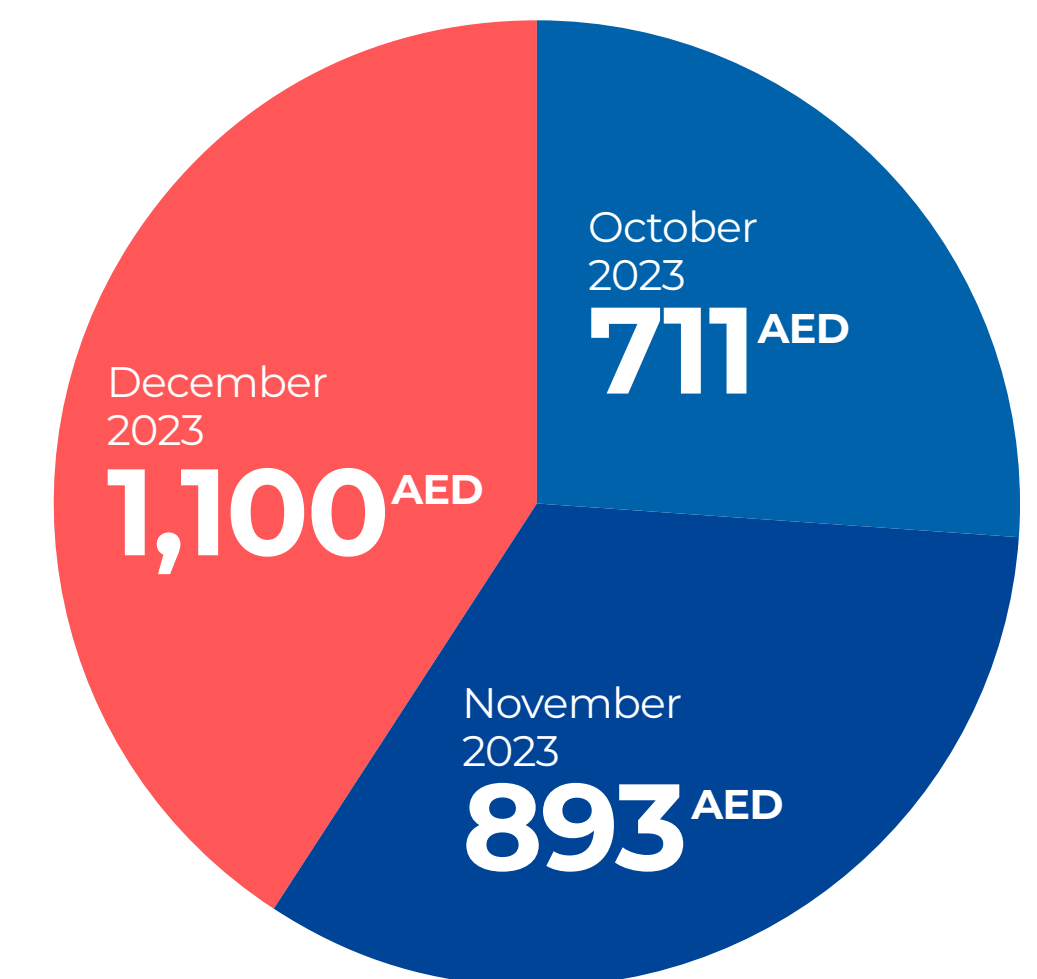
Guest nationality was what we would expect in Q4, with the top spot taken by visitors from the UK. This is due to the popularity of events such as the Formula 1 and Rugby Sevens with these guests, as well as the desire for quick getaways and 'winter sun'. Guests from other top countries, Saudi Arabia, Russia, the USA and India, are also stalwart visitors to the UAE in general, but particularly in winter months. There is a slight difference from 2022 where Russia held the top spot of traveller source countries for many months, due to the political situation. This has settled somewhat, with expatriates finding long-term accommodation solutions.

The Q4 2023 short-let market in numbers

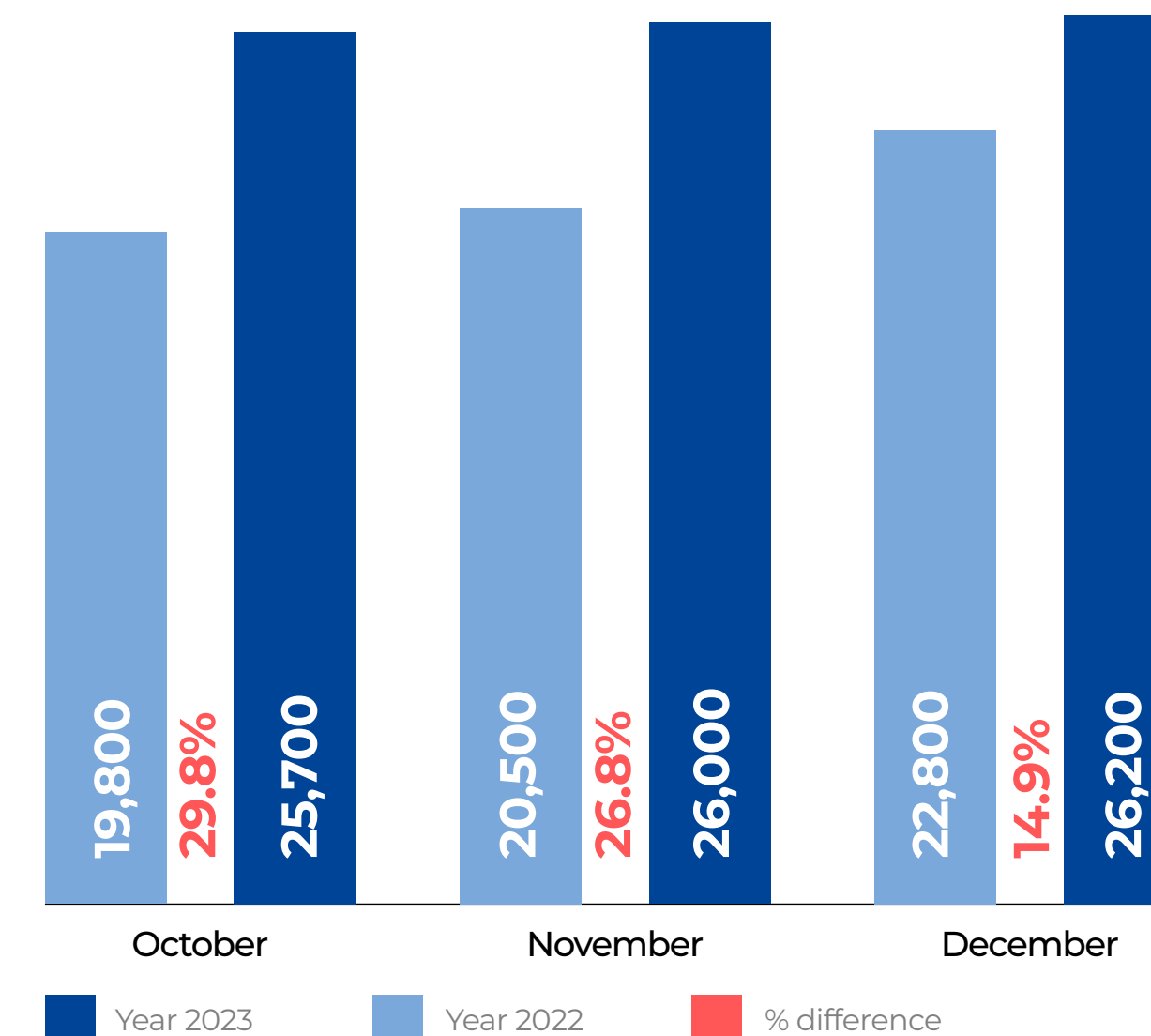
Occupancy rates in Q4 2023



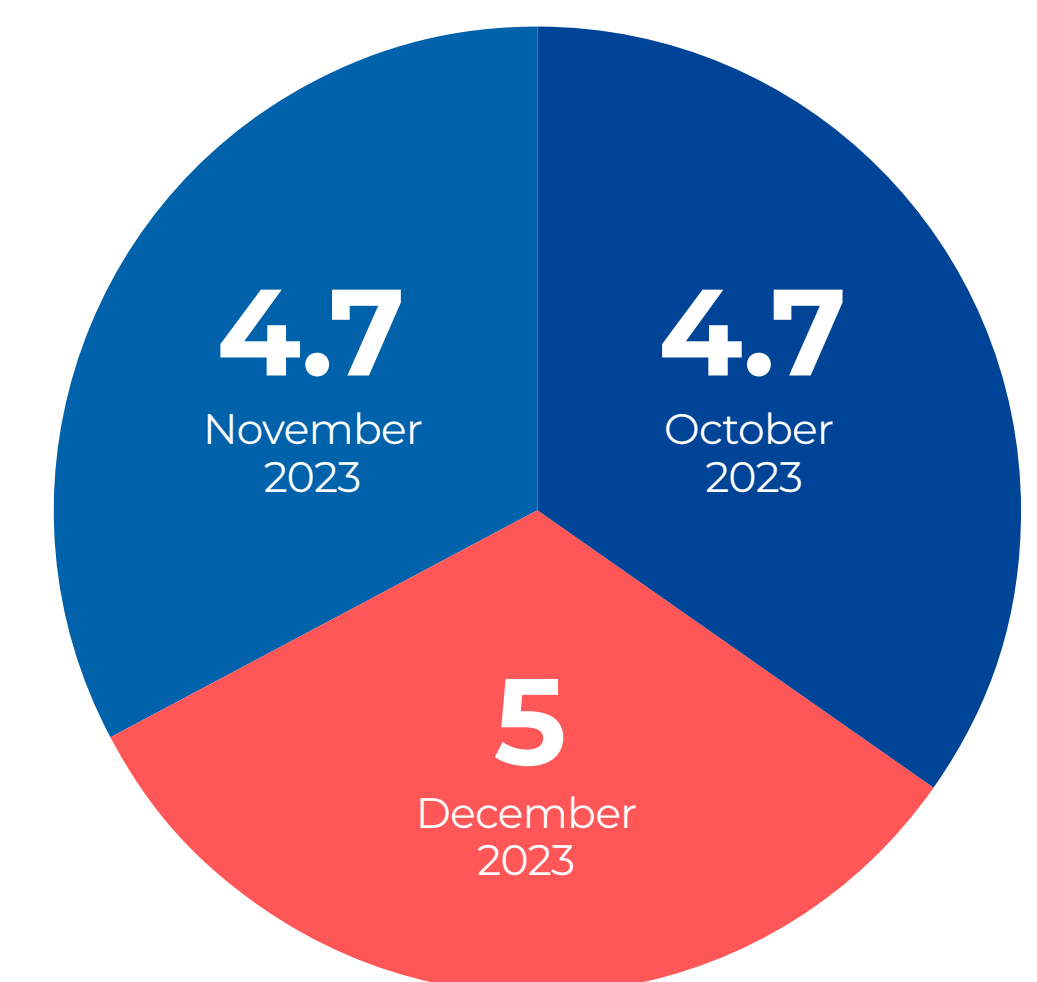
Average daily rates in Q4 2023



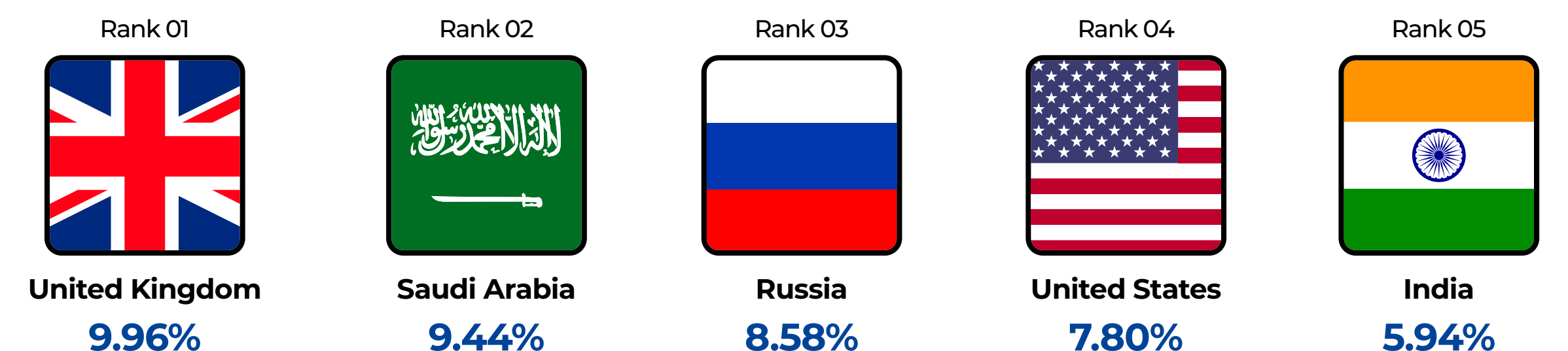
Active listings in Q4 2022 vs. 2023



Average length of stay in Q4 2023



Where were guests travelling from in Q4 2023





THE DUBAI TRANSACTION MARKET Q4 2023

Key trends impacting the transaction market in Q4 2023



35,430

Total property sale transactions in Q4 2023



Properties below AED1 million
33%
of all transactions



122.3B^{AED}

Total sales value in Q4 2023

There was a total of 35,430 property sale transactions in Q4 2023, up 23% vs. Q4 2022, but down -3.5% in comparison with Q3 2023, however the quarter still performed well. Total sales value amounted to AED122.3B, which was a massive 50.8% increase vs. Q4 2022 and also a 12% increase on Q3 2023. November was the best performing month of the of the year in terms of sales value, shortly followed by December, showcasing that high sale prices can still be achieved, and luxury options are still popular among Dubai residents and property investors alike.

We continue to see Dubai hotspots such as Downtown and the Palm Jumeirah in the top performing locations by sales value – people who are buying here have the means to pay higher prices for what many still see as the best locations. However, the top performing rankings by sales volume in Q4 tell a different story, with the most popular areas including further out areas or areas in early stages of development, such as Jumeriah Village Circle and Al Merkadh. Dubai Marina and Business Bay are the only locations to achieve high sales volume and value showcasing the range of types of properties they have to offer, from affordable studio apartments to multi-bedroom luxury penthouses and townhouses.

The majority of sales in Q4 were for properties listed below AED1 million (33%) and between

AED1 million and AED2 million (28%), while only 11% of all sale transactions were in relation to properties listed over AED5 million. This shows the continued trend of first-time buyers, those looking to further out locations for better deals, as well as property investors who are looking to secure multiple properties for rentals. The high-end buying market has topped out – with exception - and, while you will continue to see a lot of noise surrounding luxury deals, we expect this trend to continue into 2024 for the general market.

Confidence in off-plan developments has rocketed and the market is active. Sales volume in Q4 was 58% of the market while sales value was 68% in favour of off-plan developments vs. ready developments.

What off-plan developments were popular?

Looking at apartments, the top areas in Q4 were:



1. Jumeirah Village Triangle
2. Dubai Marina
3. Business Bay
4. Arjan
5. Dubai Creek Harbour



For villas, the top off-plan areas in Q4 were:

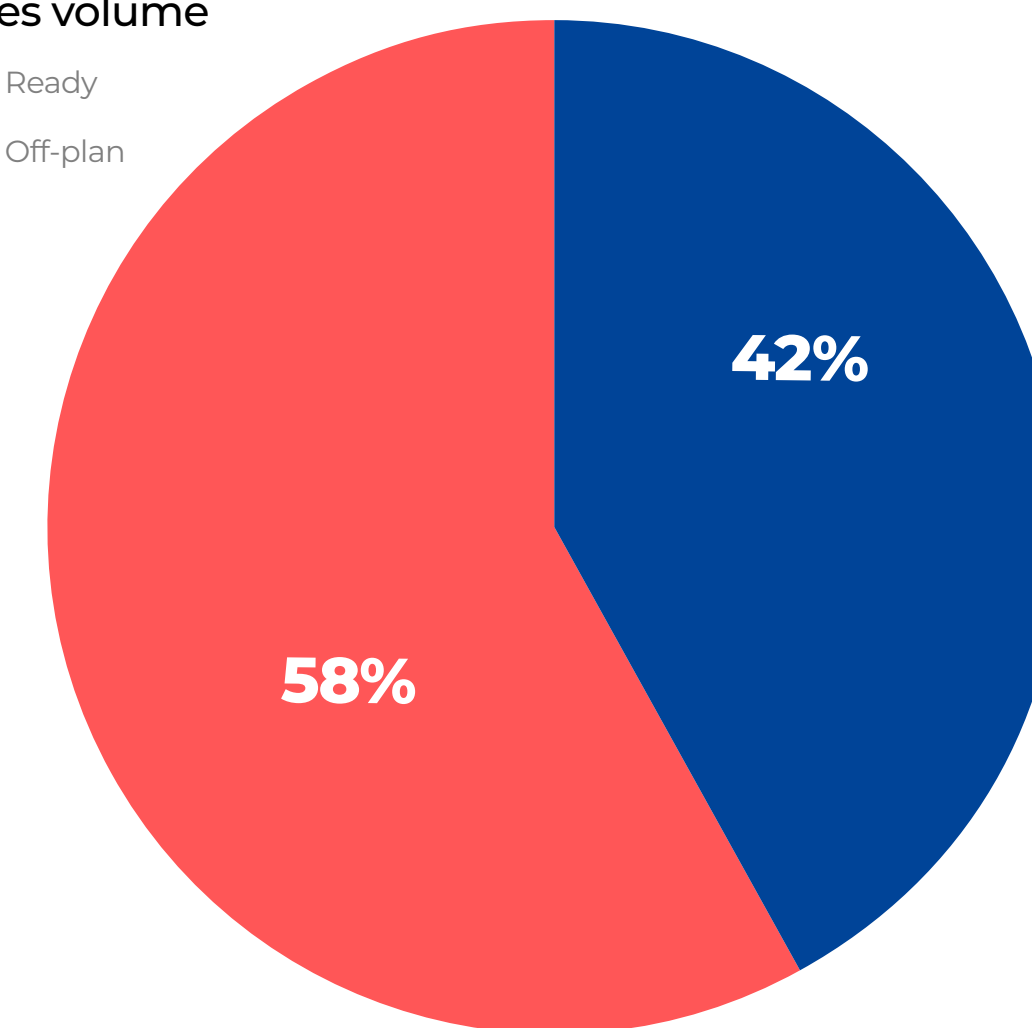
1. Damac Lagoons
2. Arabian Ranches 3
3. The Valley
4. Mudon
5. Town Square

The Q4 2023 transaction market in numbers

Off-plan vs. ready property sales in the Q4 2024

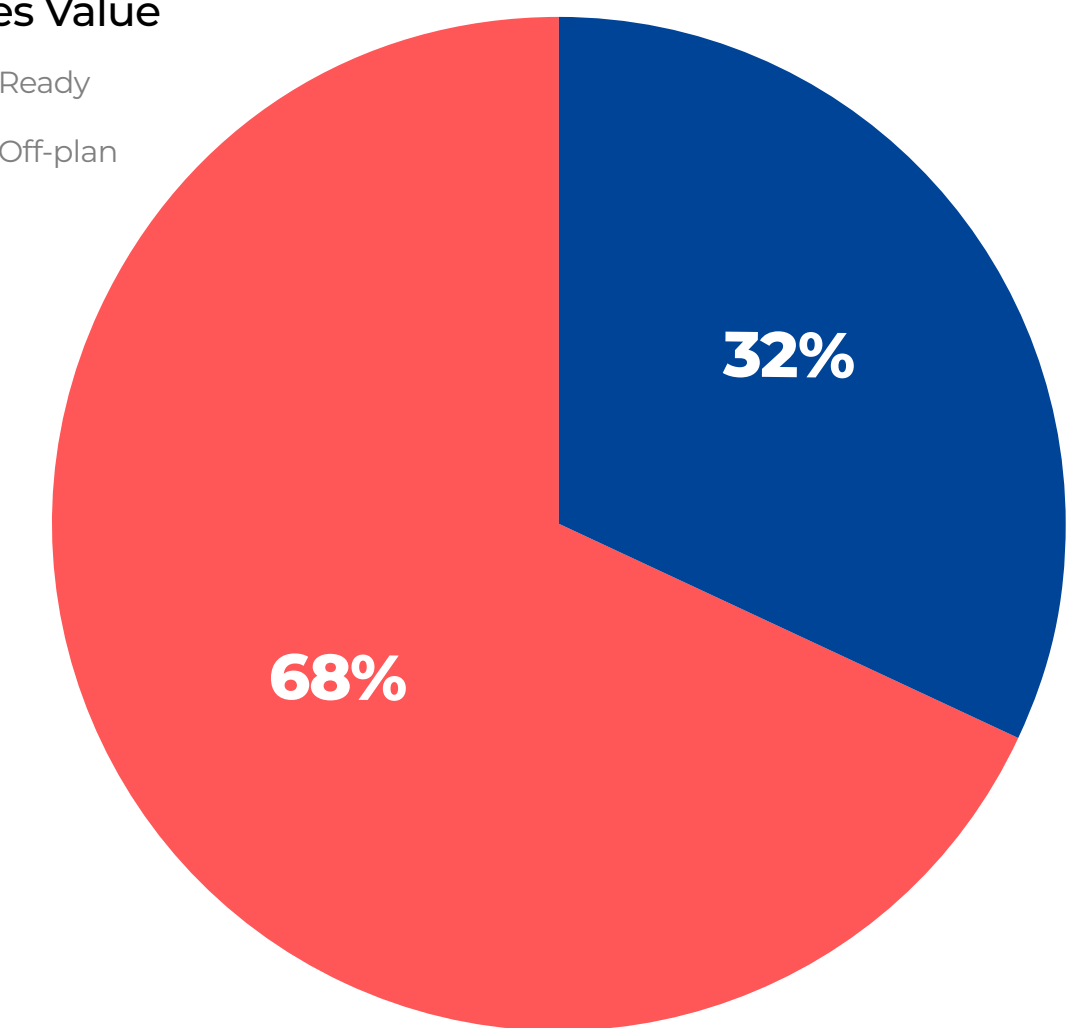
Sales volume

Ready
Off-plan

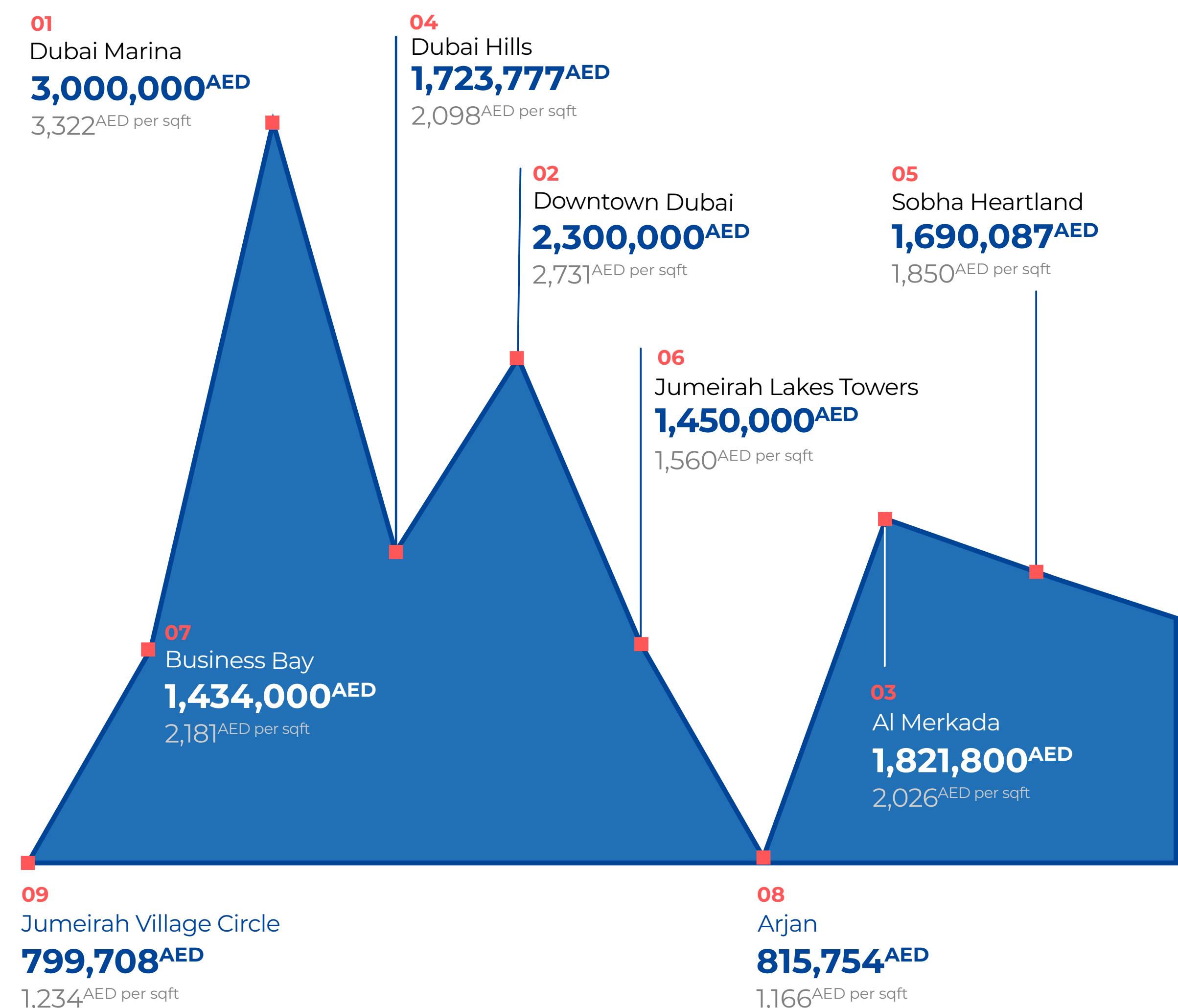


Sales Value

Ready
Off-plan



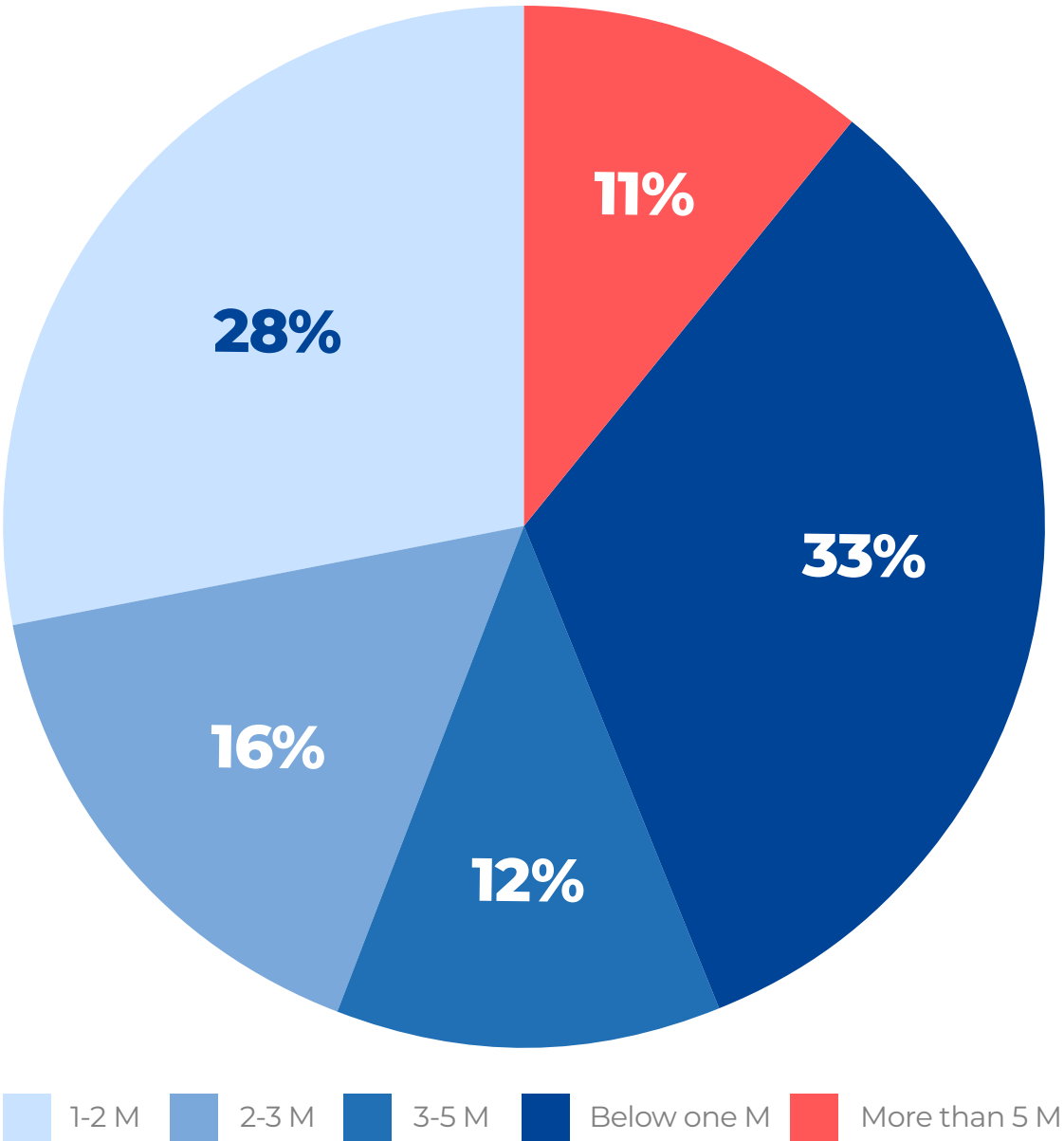
Apartment average price in the top 10 areas



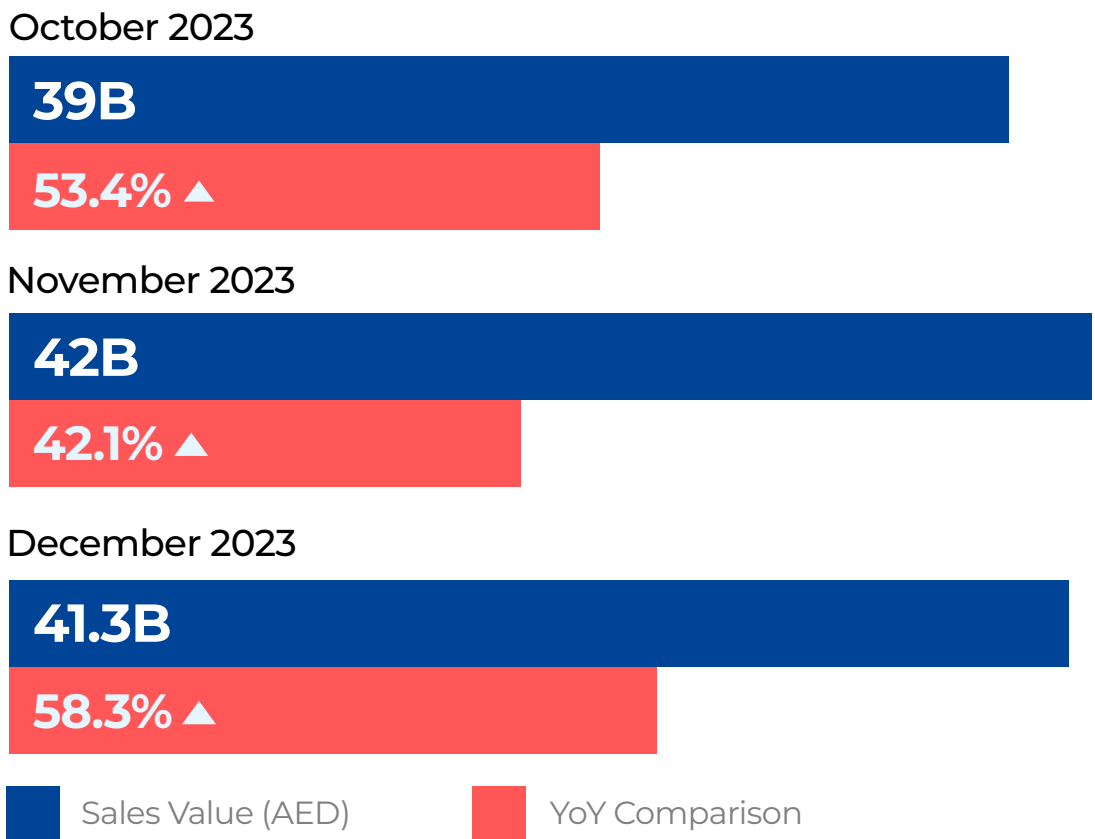


The Q4 2023 transaction market in numbers

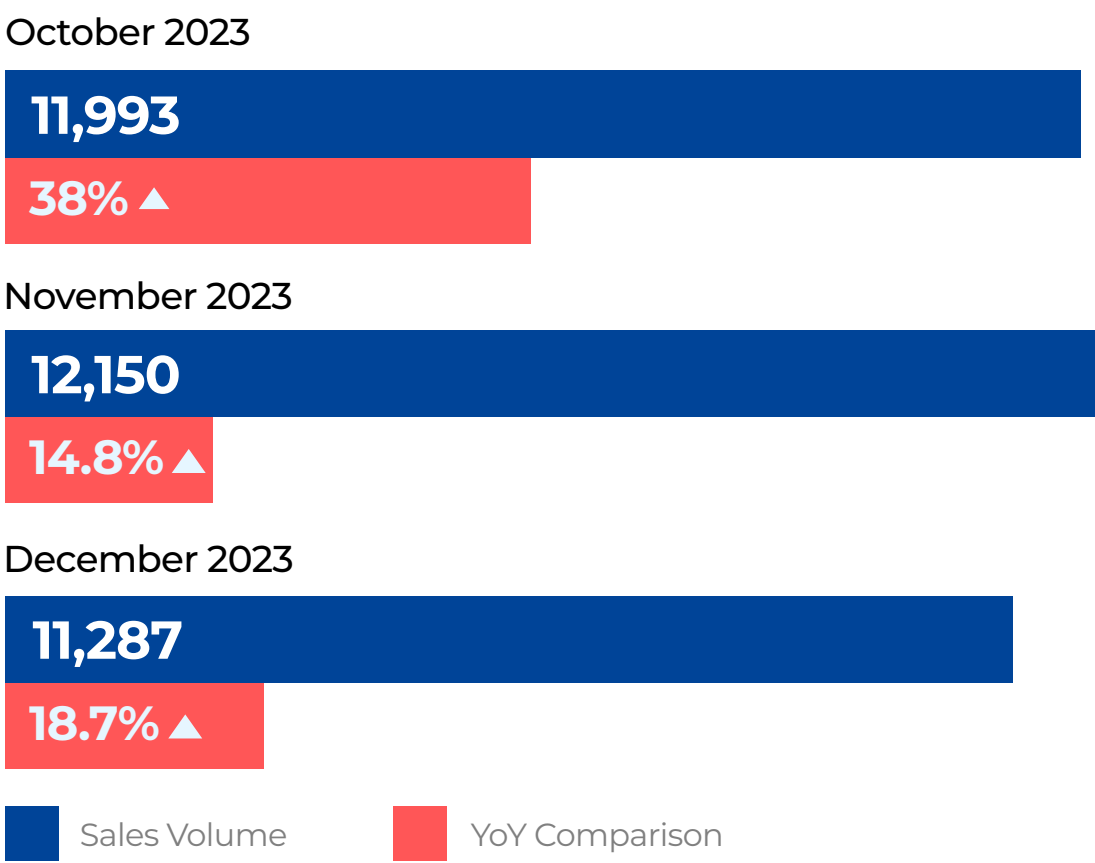
Property sales by price-range in the Q4 2024



Total property sales value



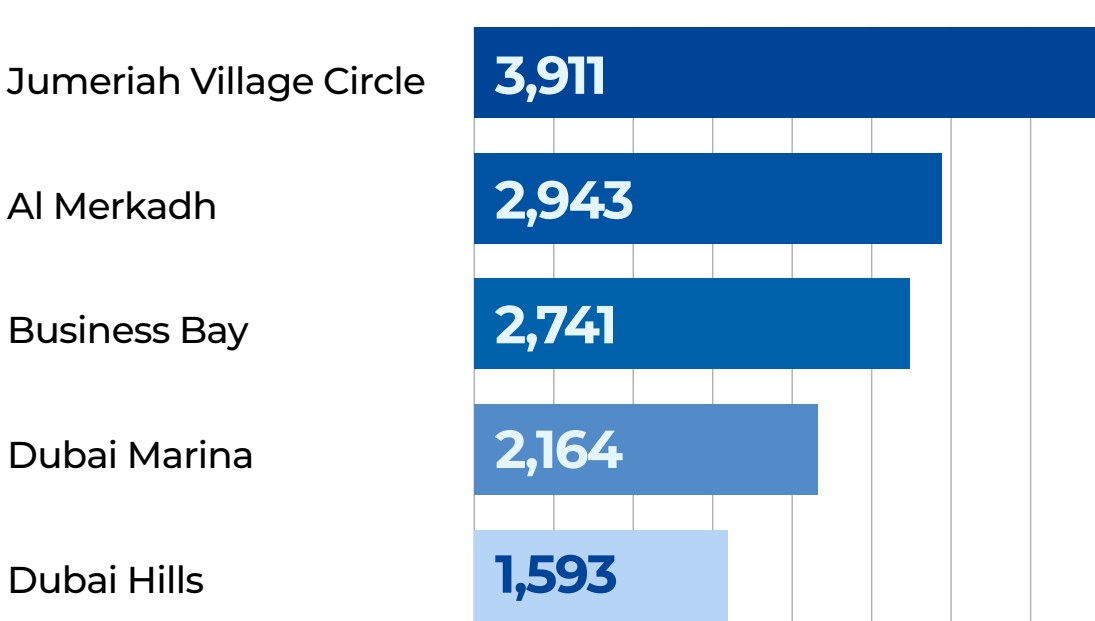
Total property sales transactions



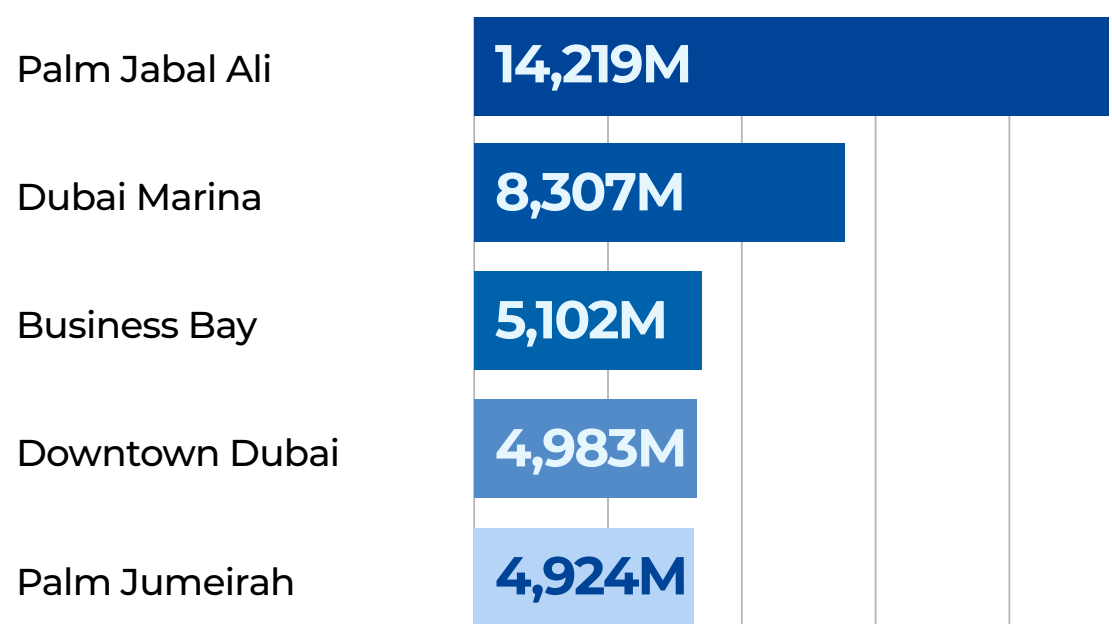
Sale prices for villas by number of bedrooms Q4 2023



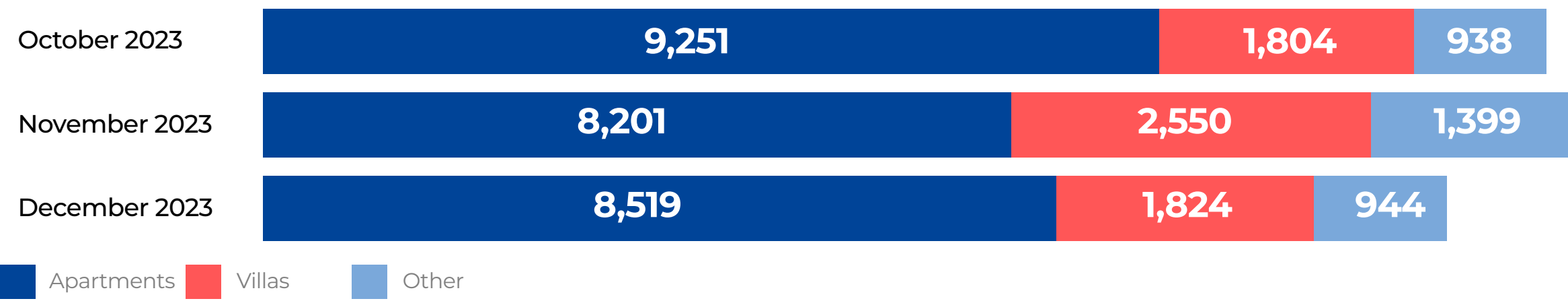
Top 5 performing locations By sales volume



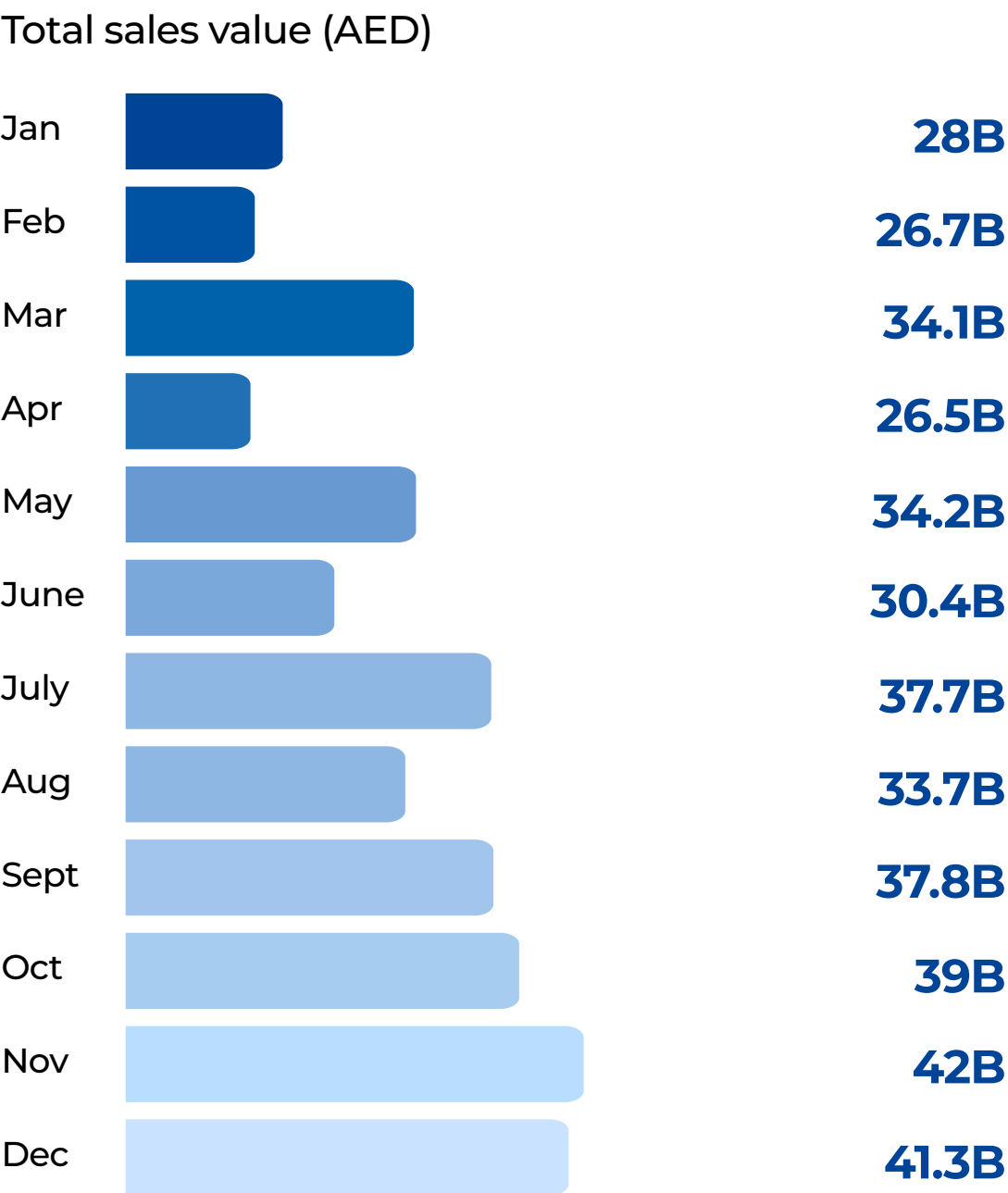
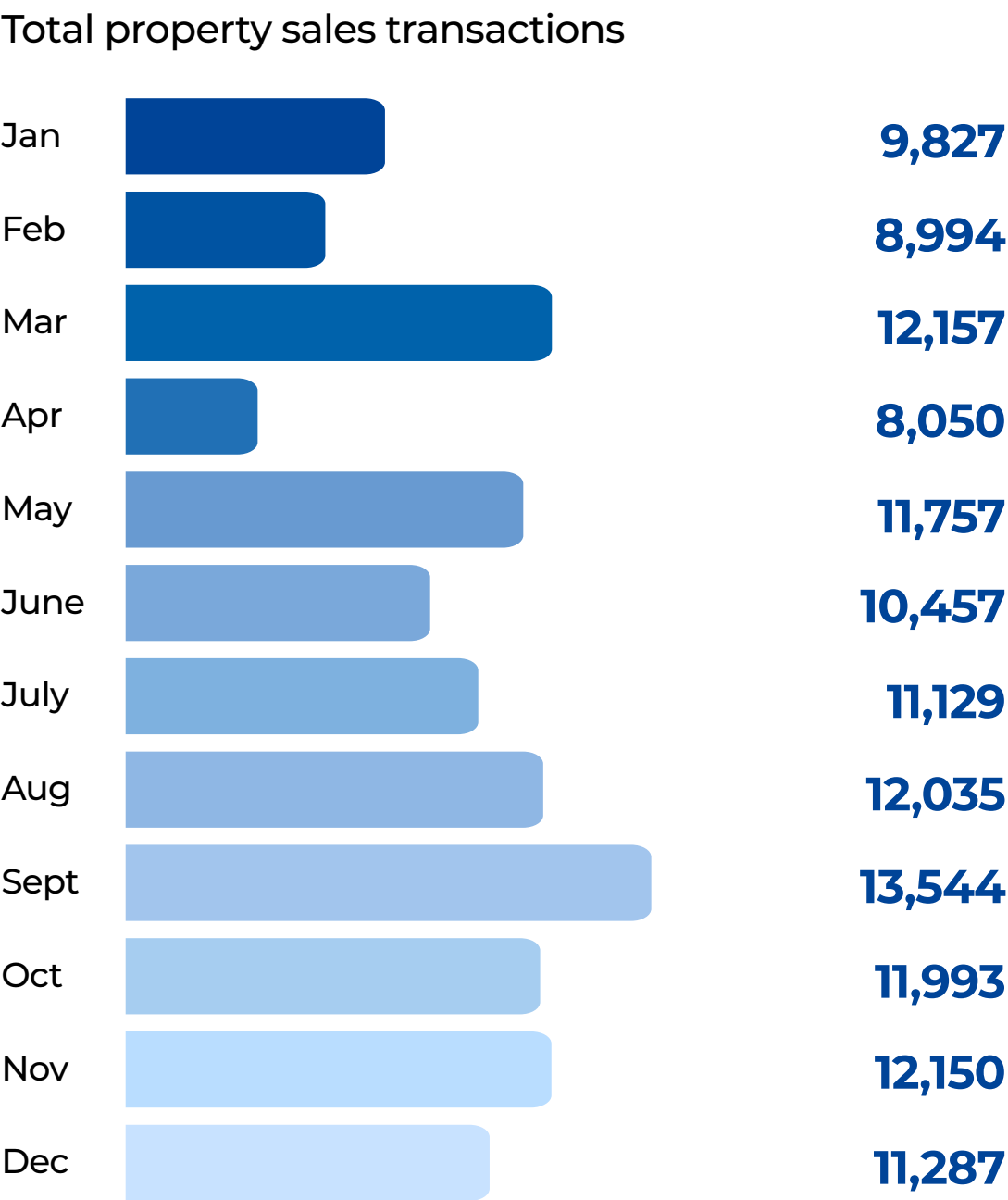
Top 5 performing locations By sales value



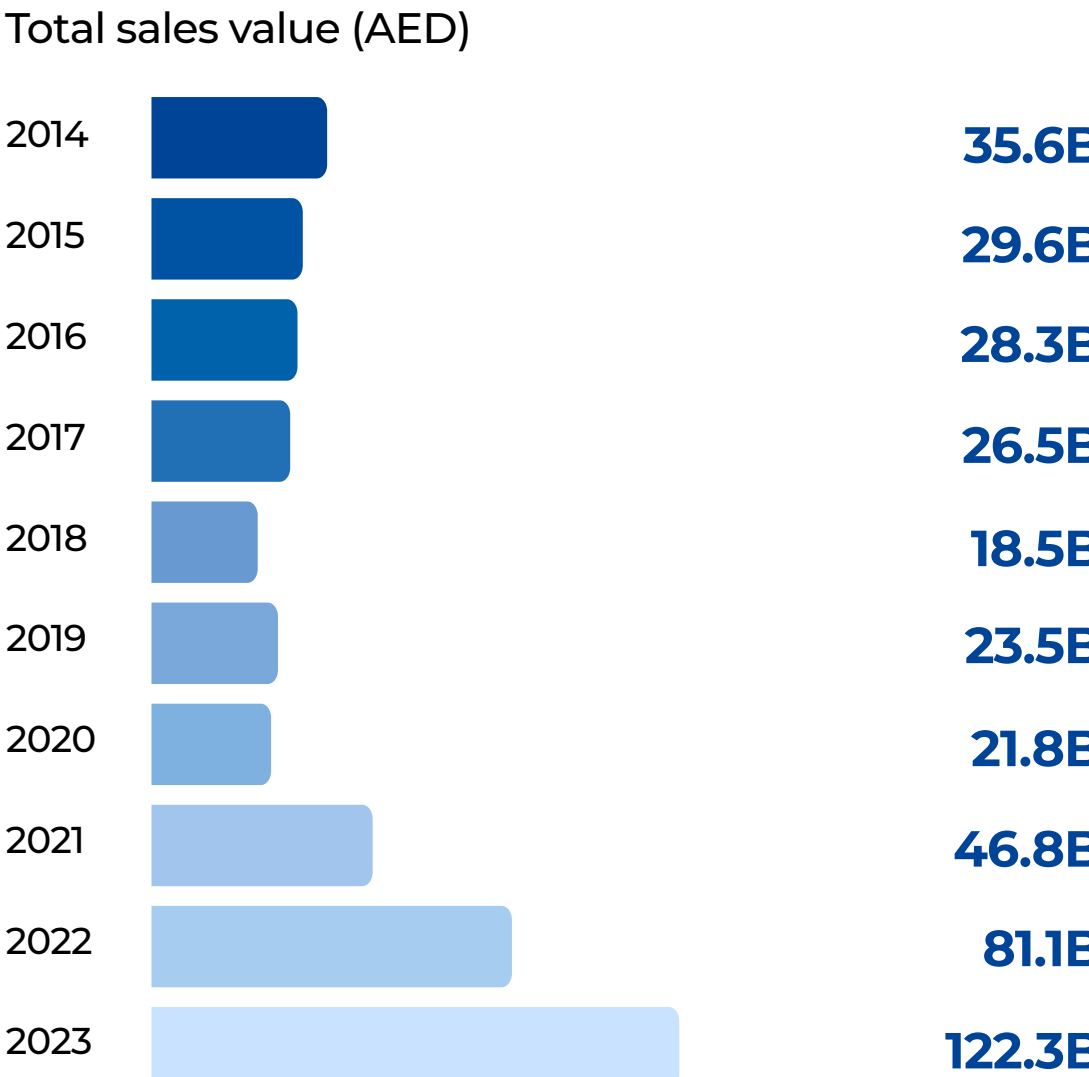
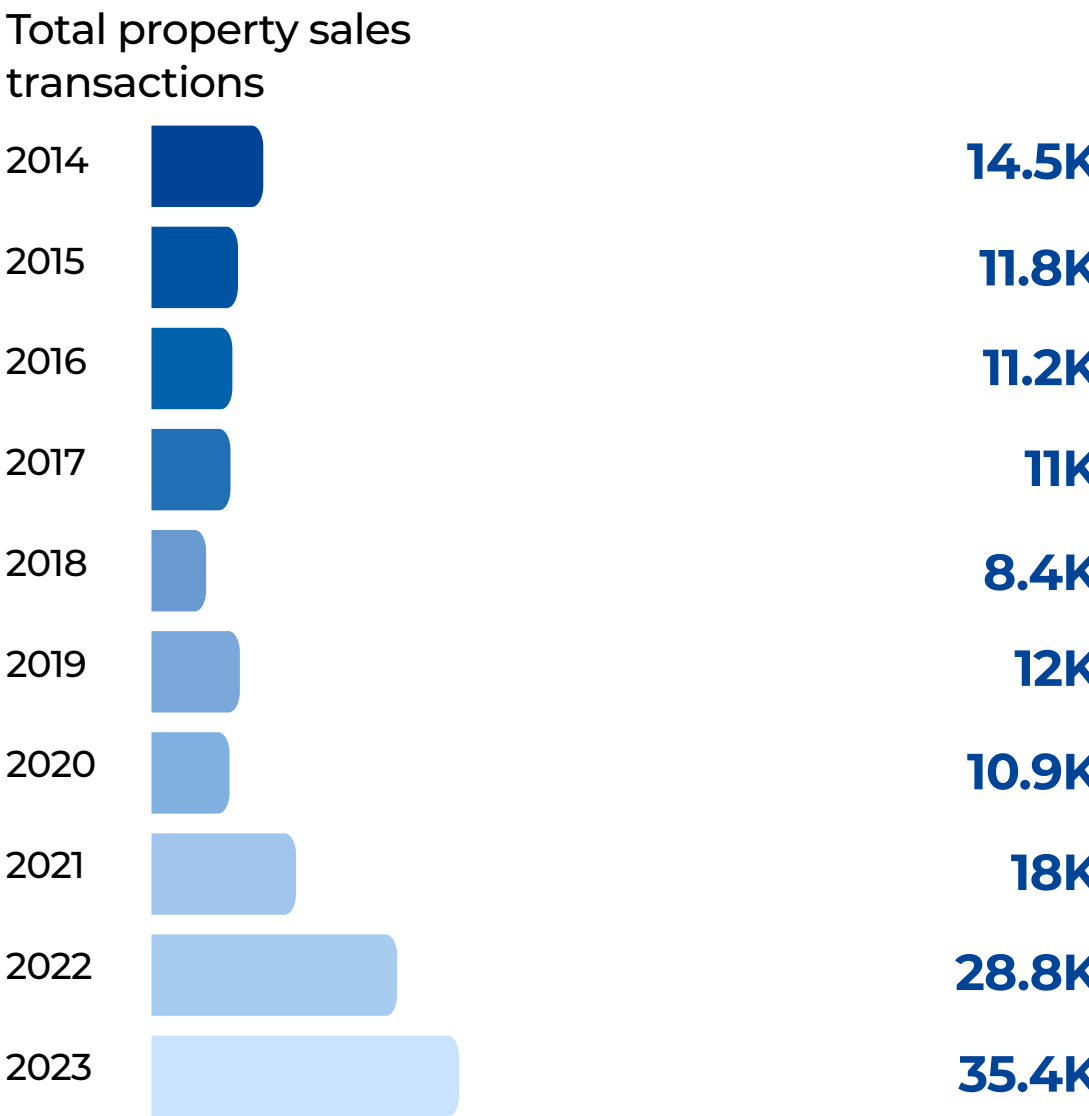
Type of properties by volume



12 month overview: Rolling tracker



Q4 performance: 2014 – 2023





THE DUBAI LONG-TERM RENTAL MARKET Q4 2023

Key trends impacting the long-term rental market in Q4 2023



Apartment contracts increased

8%



Villas contracts increased

5%

The quarter performed well for volume of long-term rental contracts for 2023, in comparison to the same period in previous years. The number of rental contracts for apartments increased by 8%, while villas increased by 5% versus 2022, which in-turn had gradual increases from previous years. For both apartments and villas, we see a slump in November, showcasing that this tends to not be a popular time to move for residents.

There continues to be an extremely broad range in the contract prices which can be achieved in the long-term rental market. For example, the average rental contract for a 3 bedroom apartment in Dubai generally is AED249,990, whereas the same statistic for the Palm Jumeriah is AED315,000 – 26% higher than market average. This is why we are continuing to see further out locations feature in the most popular rankings. The top 5 most popular areas for new and renewed contracts (apartments) in Q4 were: Jabal Ali First, Al Warsan First, Al Barsha South Forth, Marsa Dubai and Nadd Hessa.

We are seeing a similar trend with villa long-term rental contracts as some of the traditionally popular areas are now too expensive for renters. Arabian Ranches I & II, the Springs & Meadows and even Al Furjan have been pushed out of the top spots by: (1) Mirdif, (2) Madinat Hind 4 (Damac Hills 2), (3) Al Thanyah Forth, (4) Wadi Al Safa 5 and (5) Wadi Al Safa 7 [in order]. This is part of the same mid-market trend: these types of ‘buyers’ are seeking value and deals, and they are dominating

the market whereas as the high-end customer base, who are willing to spend more on rent, has topped out.



Rental contracts have
**INCREASE
8% IN Q4**

Rental contracts have increased by 8% in Q4 2023 vs. Q4 2022 for apartments and 5% for villas. This is reflective of increased population figures, as Dubai reached 3.65 million residents in December 2023, up 3% from 3.55 million at the end of 2022. To put this number in perspective, the population of the world only increased by 0.88% in 2023 vs 2022. Dubai continues to contract foreign talent and expatriates looking for the lifestyle on offer.

The Q4 2023 long-term rental market in numbers

Average long-term rental prices in Dubai Q4 2023

October 2023



November 2023



December 2023



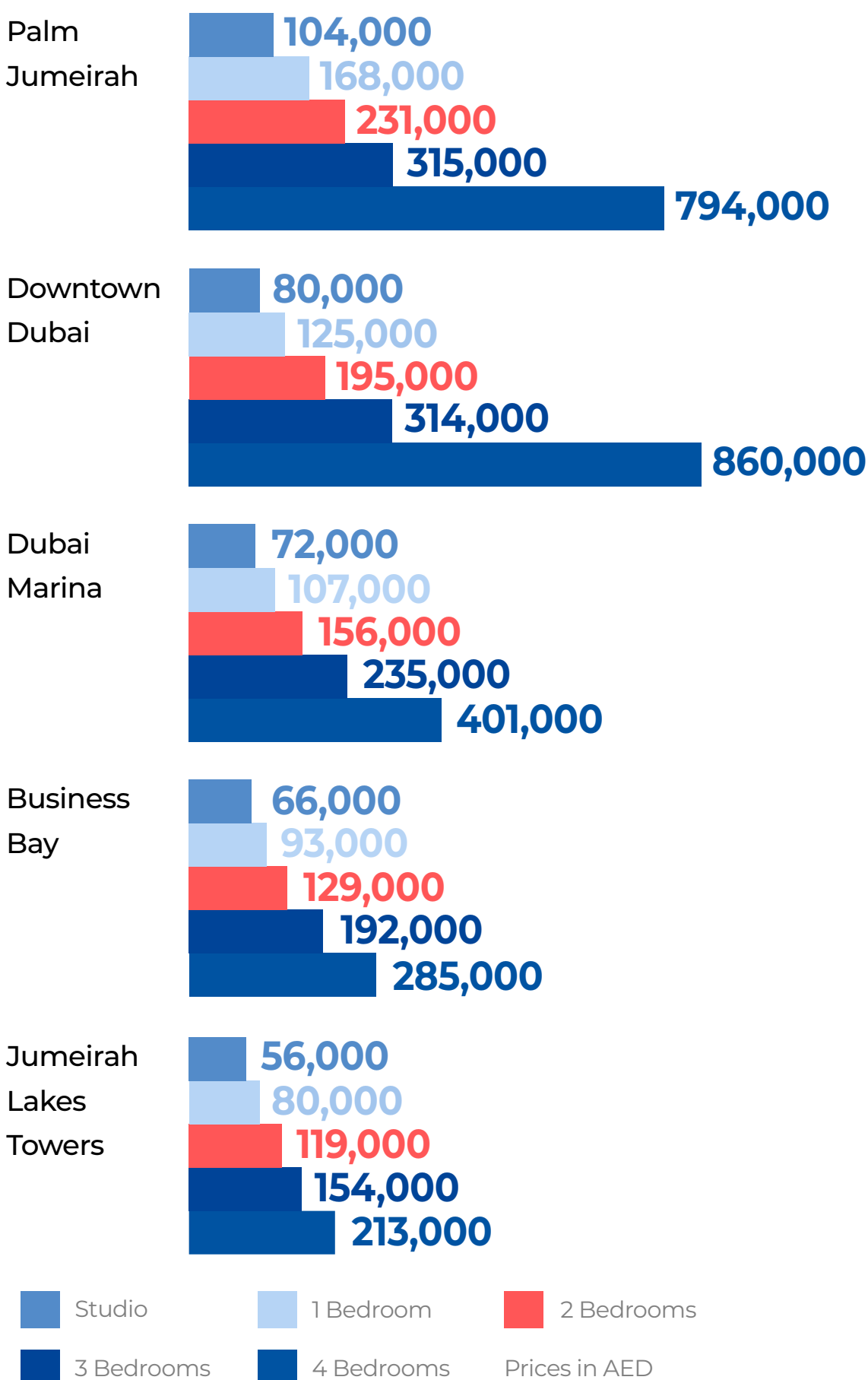
■ Villa (AED) ■ Apartment (AED)

Long-term rental prices for apartments by bedrooms Q4 2023



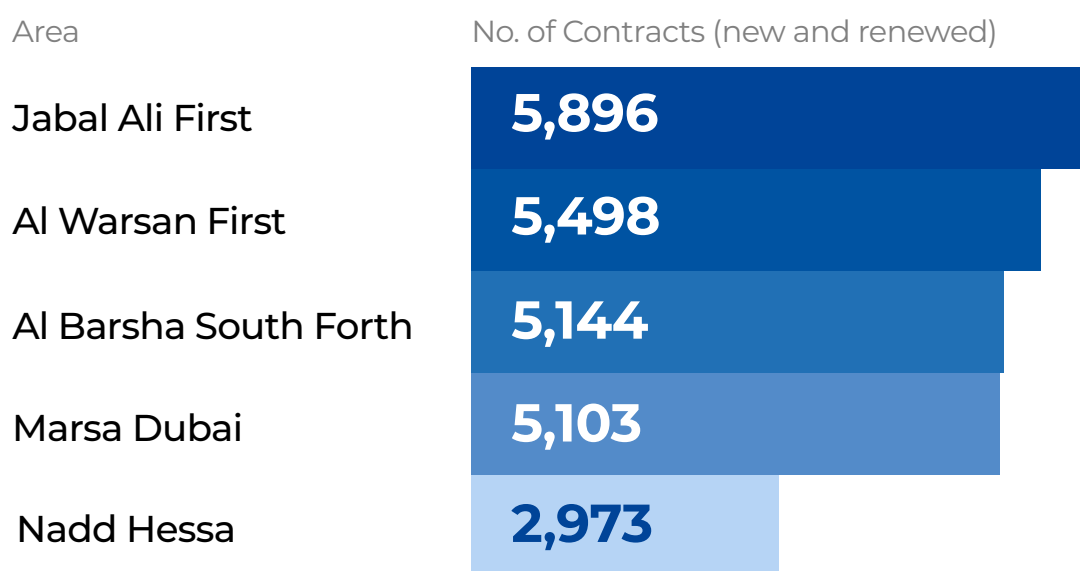
■ Highest (AED) ■ Average (AED) ■ Lowest (AED)

Average long-term rental prices for apartments in Dubai hotspots

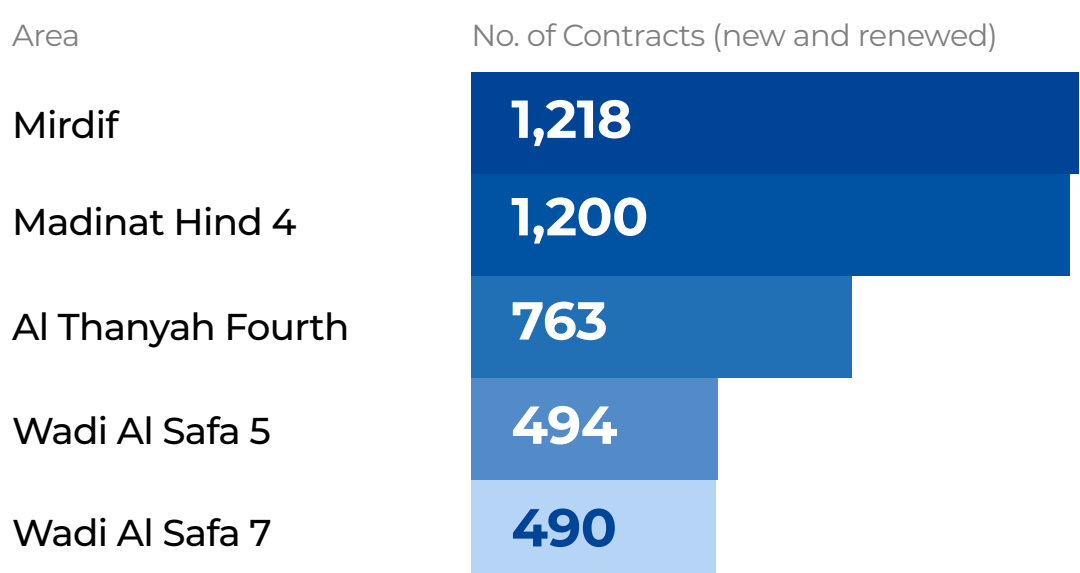


■ Studio ■ 1 Bedroom ■ 2 Bedrooms ■ 3 Bedrooms ■ 4 Bedrooms ■ 5 Bedrooms
Prices in AED

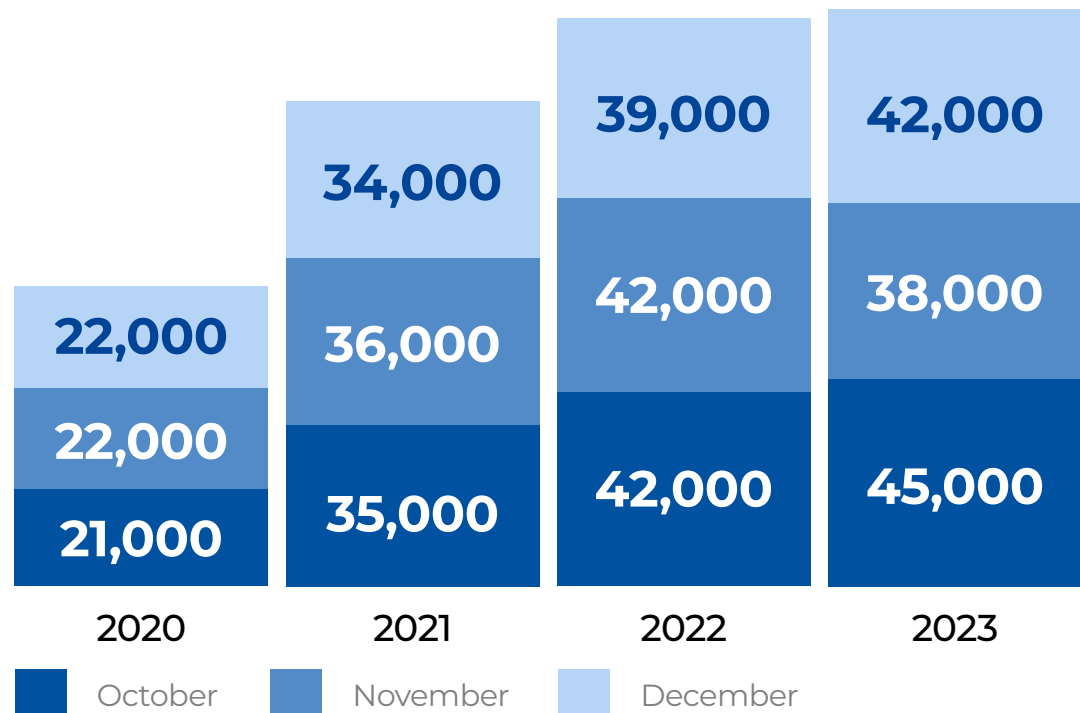
The most popular areas for long-term rentals Q4 2023 – Apartments



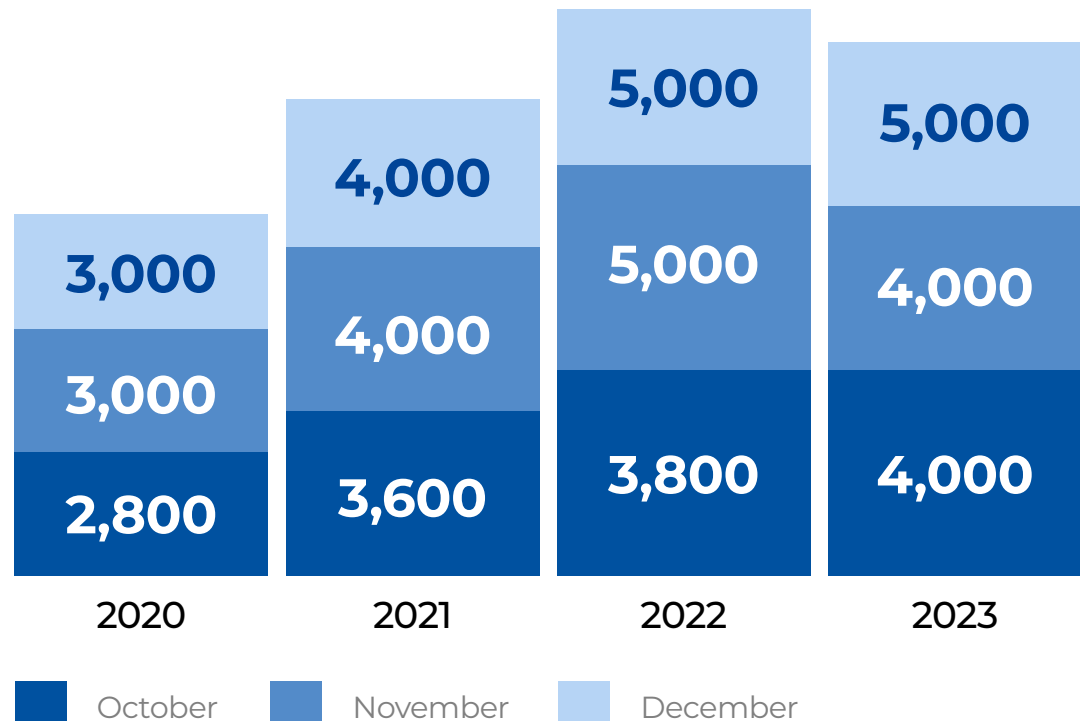
The most popular areas for long-term rentals Q4 2023 – Villas



YoY comparison – No. of contracts - Apartments Q4



YoY comparison – No. of contracts - Villas Q4





CONTACTS

Gregory Lewis

Founder & Director | AirDXB Group

gregory@air-dxb.com

Joanna Plunkett

Head of AirDXB Investments

joanna@airdxbinvestments.com

[f](#) [@](#) [in](#) [▶](#) AirDXB

air-dxb.com