



THE DUBAI SHORT-LET MARKET REPORT

Q3 2024



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The Dubai Short-Let Market Report Q3 2024

Awarded Dubai's Most Trusted Rental and Property Management Company 2024

Welcome to The Dubai Short-let Market Review Q3 2024 by AirDXB. This report provides insights on trends and statistics impacting investments into Dubai's real estate market, with a focus on short-let.

A Snapshot of Recent Activity in the Dubai Short-let Market

Investing in short-let properties in Dubai is a highly strategic decision, bolstered by the city's thriving tourism sector. Beyond traditional leisure tourism, Dubai is emerging as a global hub for corporate travel, medical tourism, and professional gaming.

The Dubai government has set ambitious goals, such as attracting 25 million visitors annually by 2025 under its Tourism Vision 2025 strategy. For 2024, projections indicate a continued strong performance, with the city already welcoming over 9.3 million visitors in the first half of the year.

This surge in diverse tourist segments fuels the demand for flexible, short-term accommodations, making short-let properties a lucrative investment.

Source: Dubai Economy and Tourism , General Commercial Gaming Regulatory Authority

The Intersect Between Gaming and Tourism

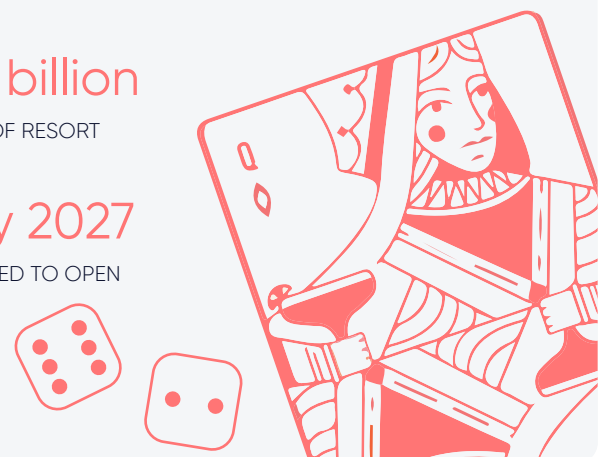
In a significant development for the UAE's entertainment sector, the General Commercial Gaming Regulatory Authority launched its website in July 2024 and began accepting applications, paving the way for commercial gaming in the UAE. Wynn Al Marjan Island has become the first venue to receive a gaming license, with a \$3.9 billion resort scheduled to open in early 2027, featuring a casino twice the size of its counterpart in Wynn Las Vegas.

\$3.9 billion

WORTH OF RESORT

Early 2027

SCHEDULED TO OPEN





Two Las Vegas-Inspired Spheres are Coming to the UAE

The first Sphere to be announced is part of MGM Resorts' major complex in Dubai known as 'The Island', which will include their iconic brands: MGM, Bellagio, and Aria. Positioned on a large podium, the MGM Dubai Sphere will stand 110 meters tall and offer seating for 300 people. MGM Resorts CEO and President Bill Hornbuckle has assured that it will be "equally compelling as the Las Vegas Sphere."

After already applying for a Gaming License in Abu Dhabi, MGM Resorts may pursue a gaming license for their Dubai project too, this has not been confirmed yet, especially considering the UAE's regulation that allows a maximum of one land-based license per emirate. It will be interesting to see who secures the Dubai license, they will certainly hit the jackpot!

Additionally, On October 15, Abu Dhabi's Department of Culture and Tourism announced that a landmark Las Vegas Sphere will be coming to the UAE capital. Mohamed Khalifa Al Mubarak, chairman of DCT Abu Dhabi, expressed excitement about the project, stating:

"We are excited to bring Sphere to Abu Dhabi in partnership with Sphere Entertainment, providing our residents and visitors with an extraordinary new form of entertainment. Sphere Abu Dhabi will seamlessly integrate advanced technology with captivating storytelling, creating unforgettable memories for everyone who visits."

300 attendees

ACCOMMODATED AT MGM DUBAI SPHERE

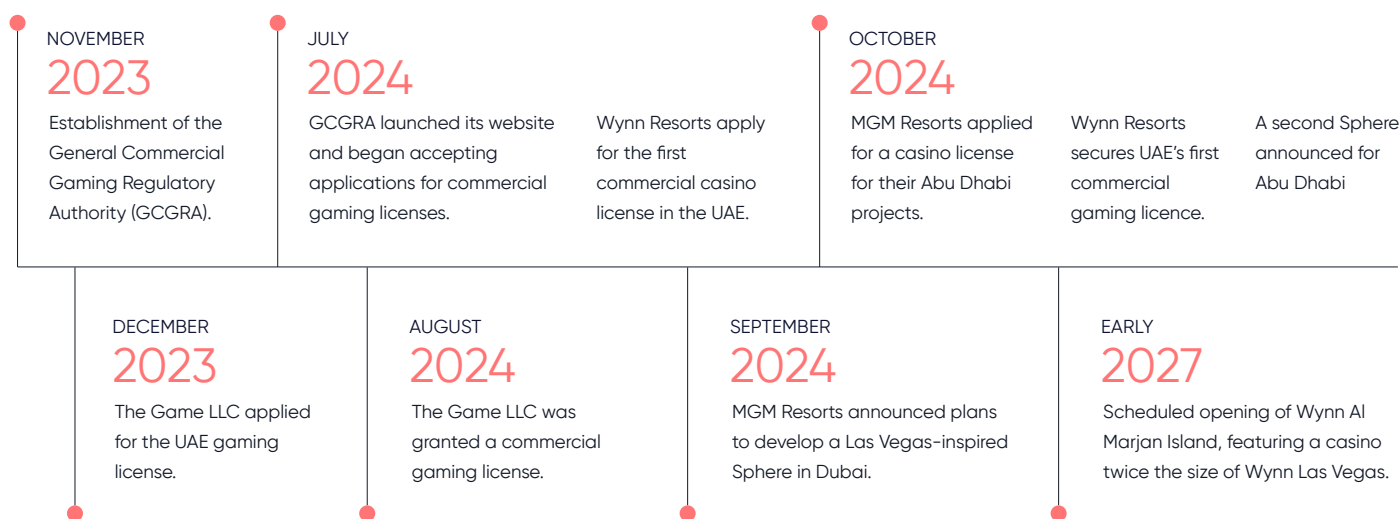
20,000 attendees

ACCOMMODATED AT THE ABU DHABI SPHERE

25 million

VISITORS IN DUBAI AND BROADER UAE

The UAE is seeing great traction in gaming and entertainment industries, the approval of Wynn Al Marjan's gaming license and the recent application from MGM are expected to significantly boost tourism in Dubai and the broader UAE, contributing to Dubai's ambitious goal of attracting 25 million visitors annually by 2025 under its Tourism Vision 2025 strategy.



Strengthened UAE-USA Partnership to Boost American Tourism in Dubai

In September, UAE President Sheikh Mohamed bin Zayed Al Nahyan and U.S. President Joe Biden solidified their partnership during a historic visit to the White House. This visit, the first-ever by a UAE President to Washington DC, marks a significant milestone in UAE-USA relations and is expected to greatly enhance tourism from the U.S. to the UAE. Given that Americans already represent the second-largest nationality of guests at AirDXB properties with 12% in Q3 2024, we anticipate a substantial increase in demand for short-term rentals in Dubai.

This represents a great example of where short-let fit with corporate travel as well as holiday makers. The growing collaboration between NASA, the UAE Space Agency, and the Mohammed bin Rashid Space Center is also contributing to this demand. This trend is especially beneficial for short-let properties in the Meydan and District One areas.

12% Americans

AIRDXB GUESTS IN Q3 2024

Growing Collaboration

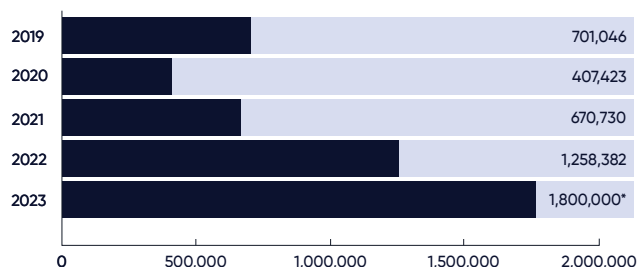
BETWEEN NASA & THE UAE SPACE AGENCY



Where Health Meets Hospitality

A new agreement between the Dubai Health Authority and the Dubai Department of Economy and Tourism is set to supercharge medical tourism in the Emirate. This means more international visitors coming to Dubai for healthcare which is fantastic for short-term rentals. As these medical tourists arrive, the demand for a home away from home will skyrocket, giving property owners a golden opportunity to boost their bookings. It's a win-win for the economy, making Dubai not just a health hub but also a hot spot for short stays. Dubai will compete with global medical tourist hotspots such as Turkey, leveraging its world-class infrastructure and strategic location to attract a growing number of medical tourists. The number of medical tourists visiting Turkey has seen remarkable growth, from 700,000 in 2019 to an impressive 1.8 million in 2023 a 157% increase in 4 years.

The Growth of Medical Tourism: Spotlight on Turkey



Seeing The Impact of Short-Let Restrictions

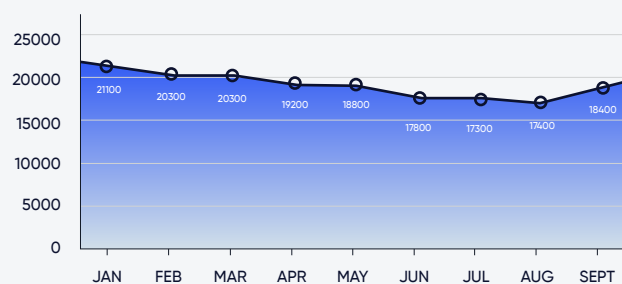
In June 2024, Barcelona implemented measures to ban short-term rentals by 2028 in an effort to tackle housing affordability and stabilize the market. However, this move has led to significant negative consequences. Economically, the ban is expected to result in a loss of around €1 billion in annual tourism revenue, which would hurt local businesses that depend on tourist spending. The short-term rental sector also supports thousands of jobs, with estimates suggesting that up to 10,000 jobs could be at risk. Ironically, while the intention was to increase long-term rental availability, studies indicate that rental prices have continued to rise in banned areas, with increases of up to 20% in some neighbourhoods.

Spain could benefit from adopting Dubai's approach, where well-regulated short-term rentals effectively balance the interests of investors, tourists, and the local economy. In Dubai, short-term rentals are a key component of a successful tourism model, which is a key contributor to the economy. Tourism is predicted to account for 12% of Dubai's total GDP this year. By following this model, Spain could achieve similar economic benefits while supporting both the tourism sector and local businesses.

Source: Clinics on call, AirDNA, BBC News

Adapting to Change: Active Listings, Tourism Numbers, and Major Events

Entire Place Active Listings



Source: AirDNA 04/10/2024

The short-let market in Dubai experienced significant changes in Q3 2024. According to AirDNA, the number of active short-let listings showed a notable decline, dropping from 21,100 in January to 18,400 in September.

With fewer units available, short-let properties are commanding premium prices, contributing to revenue growth for homeowners.

The city's appeal as a premier tourist destination, along with major industry events such as GITEX, Gulfood Manufacturing, and Big 5 Global, has significantly driven this increased demand. Dubai is on track for a record-breaking year, having welcomed 9.3 million visitors in the first half of the year, reflecting a 9% year-on-year increase.

9.3 million
VISITORS

9%
YEAR-ON-YEAR INCREASE

About airdxb

AirDXB simplifies the process for investors aiming to benefit from the city's dynamic real estate market.

Through AirDXB, investors gain access to a curated selection of properties ideal for short-term rental, strategically located to maximise rental income. AirDXB offers comprehensive management services, handling everything from bookings and guest communications to property maintenance.

By leveraging market insights, AirDXB optimises pricing strategies to ensure competitive rates and high occupancy levels throughout the year. With our expert guidance and exceptional services, you can secure your dream property and a lucrative asset which will accumulate value over time whilst earning you a monthly income.



AirDXB turns 6!

"Over the past six years, we have grown and achieved remarkable success, thanks to the unwavering support of our clients and partners. Our journey has been filled with milestones and memorable moments, and we are delighted to have established ourselves as a trusted name in the industry. As we look forward to the future, we remain committed to delivering exceptional service and innovative solutions to meet the evolving needs of our clients."



Gregory Lewis
CEO & Founder
AirDXB

Celebrating Excellence: AirDXB Group's Recent Award Triumphs


MEA Business Awards
Most Trusted
Short-Term Rental &
Property Management
Agency 2024 - Dubai


WORLD BUSINESS OUTLOOK
Best Real Estate
Management
Consultancy
UAE 2024


VIRTUZONE
AWARDS 2023
Hospitality Company
of the Year


IRECMS
DUBAI AWARDS 2023
Best Real Estate
Management
Consultancy
of the Year


INNOVATION
AWARDS
Property
Management
Company
of the Year - UAE


MOST INNOVATIVE
COMPANIES
TO WATCH 2024
Shortlisted by
Business Insight
Review


INTERNATIONAL
AWARD WINNERS
Best Host
Management
UAE 2024


INTERNATIONAL
AWARD WINNERS
Excellence in
Hospitality
For Short Term
Rentals UAE 2024


INNOVATION
AWARDS
Property
Management
Service of The Year
2024


BUILD
REAL ESTATE & PROPERTY
MANAGEMENT
FIRM OF THE YEAR 2024
Dubai

Occupancy Rates in Q3 2024

In Q3 2024, Dubai's short-let market experienced a typical seasonal dip in occupancy rates due to the hotter summer months, with temperatures soaring to 45°C+ and media reporting the "feels like" temperature of 60°C.

The cyclical nature of Dubai's tourism ensures that while Q3 sees a natural decline, it sets the stage for a strong rebound in the high season, maintaining sustained demand and profitability for property owners.

Professionally Managed

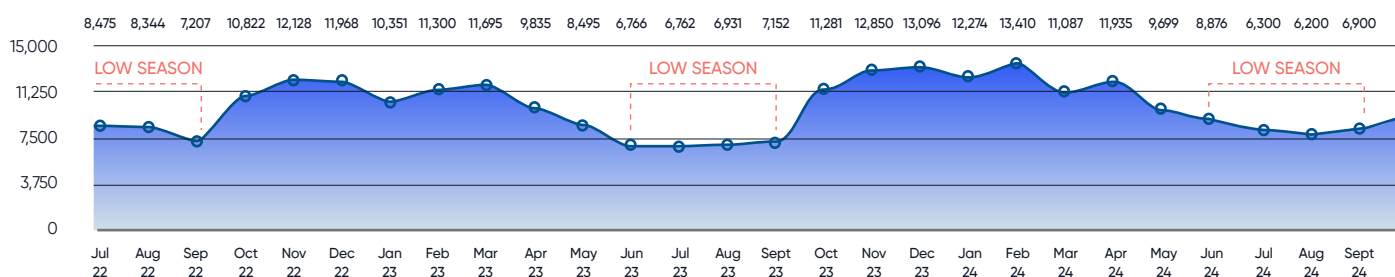


Total Market Revenue for Professionally Managed Short-let Apartments Q3 2024

The short-let high season from September 2023 to May 2024 has been the most profitable in recent years. December 2023 stood out as the top month for the highest returns, while 2024 overall showcased the best performance to date. As in previous years, revenue dipped during the Q3 low season.

Looking ahead, we predict this marks the beginning of an exciting upward trend for Q4 2024 and into 2025. The UAE Tourism Strategy 2031, part of the 'Projects of the 50', is set to be a key focus area in the coming years.

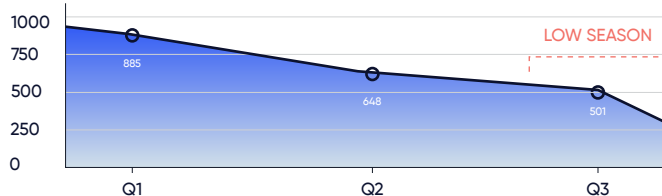
This strategy aims to enhance the tourism sector, which is expected to significantly boost the short-let market and contribute to sustained growth and profitability.



Source: AirDNA

Average Daily Rates for Professionally Managed Properties in Q3 2024

As anticipated, there is a noticeable decline in average daily rates (ADR) from Q1 to Q2 and onto Q3, which aligns with the seasonal trend of Q2 being the tail end of the high season and Q3 firmly in the low season.



However, it is noteworthy that the ADR for Q3 2024 has increased compared to the same period in 2023. This upward trend can be attributed to a significant reduction in the supply of active short-term rental listings, creating a more competitive market and driving prices up.

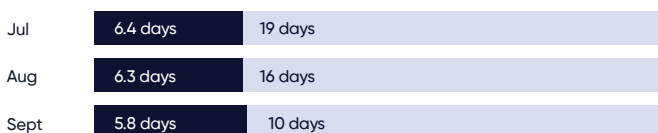
Average Daily Rates (AED) 2024



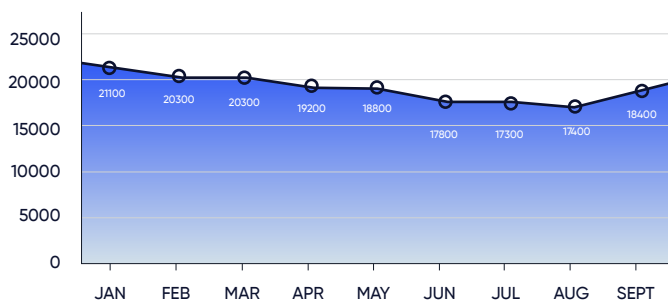
Average Length of Stay in Q3 2024 For Professionally Managed Properties

Longer occupancy rates, especially during the low season, help maintain a steady cash flow, ensuring financial stability for property investors. Additionally, extended stays increase the likelihood of receiving 5-star reviews, which attract more guests and enhance the property's visibility and desirability in the market. AirDXB's Q3 2024 average stay of 15 days significantly surpasses the market average of 6.1 days, this extended stay duration is more advantageous for property owners as it drives down unoccupied nights.

Market Average



Total Active Entire Place Listings



The decreasing supply of active short-let listings is being met with increasing demand, driven by a surge in tourism. Dubai is on track for a record-breaking year, having welcomed 9.3 million visitors in the first half of the year, a 9% year-over-year increase. This upward trend continued into Q3, with an influx of additional visitors further boosting the market. With fewer units available, short-let properties are commanding premium prices, contributing to revenue growth for property managers and owners. The city's appeal as a premier tourist destination, coupled with key industry events and attractions, has significantly contributed to this heightened demand.

This trend has resulted in the lowest supply of active short-let listings since November 2023. Some homeowners are opting to sell their properties or transition to long-term leasing; however this is good news for those who remain in the short-let market as it reduces competition, which means better financial rewards for you.

Short-term Leasing in Dubai Offers Distinct Advantages Over Long-term Leasing



Flexibility in Pricing

Ability to adjust rental rates based on demand, season, and market conditions.



High Occupancy Rates

Cater to a constant influx of tourists and business travelers, ensuring steady bookings.



Property Maintenance

Frequent turnover allows for regular cleaning and maintenance, keeping the property in top condition.



Personal Use

Owners can block off dates for personal use, enjoying their property when it's not rented out.



Market Adaptability

Easier to adapt to market changes and trends, such as shifts in tourism patterns.



Selling

If you wish to sell your property, it's better to sell chain-free, as properties sold without a long-term tenant can achieve up to 10% higher sale prices and sell 25% faster compared to those with a tenant.



Investment Guide for Short-Let

Dubai is one of the most affordable cities in the world for real estate investment. With competitive prices per square foot and no stamp duty or capital gains tax, it's a great place for investors. The high rental yields and strong legal framework add to its appeal. If you turn your investment into a short-let property, you can benefit from Dubai's thriving tourism industry.

*Currency in UAE Dirhams

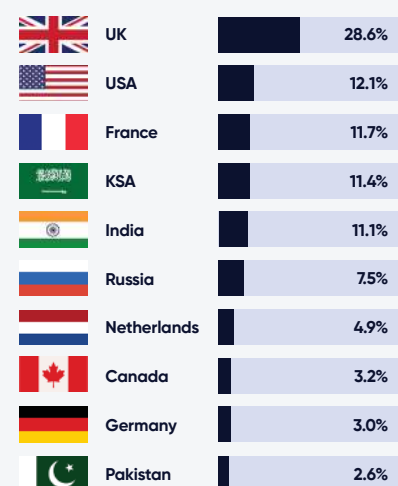


Let's look at an example

Spotlight on: Your short-let investment in Dubai Creek Harbour

- **Luxurious Amenities:** resort-style living with a waterfront promenade, yacht club, marina, fine dining, premium hotels, and more.
- **Excellent Connectivity:** many transportation options with major roads and public transport, including the Creek Metro Station and Dubai Creek Harbour Marine Transport Station.
- **Convenient Lifestyle:** easy access to Downtown Dubai, shopping destinations, and beaches.
- **Dubai's largest neighborhoods,** spanning approximately 1,360 acres.
- **Perfect blend of modern living and natural surroundings** across nine distinct districts.

Where Are Guests Travelling from in Q3 2024?



		1	2	3	4+
Transaction Price (avg, AED)		1,752,158	2,805,990	4,168,387	7,673,130
Long Term 12 month Revenue (avg, AED)		85,346	157,192	248,990	361,234
Short Term 12 month Revenue (avg, AED)		165,123	241,167	355,190	409,217
Short Term Rate Per Night		501.89	733.03	1079.6	1243.82
Running Costs (avg, AED)*					
Net Returns (AED)	ST	41,281	60,292	88,798	102,304
	LT	85,346	157,192	248,990	361,234
Yield	ST	123,842	180,875	266,393	306,913
	LT	4.87%	56.02%	5.97%	4.71%
Short Term vs Long Term - % Yield Difference	ST	7.07%	64.46%	6.39%	4.00%
	+/-	45.11%	15.07%	6.99%	-15.04%

Sources: AirDXB, Property Finder, Bayut, Propsearch, Dubizzle & RERA
(ST= Short term) (LT = Long term)

The Dubai Real Estate Market Q3 2024

Key Trends for Investors

The Dubai real estate market exhibited significant resilience and growth in Q3 2024. Property prices maintained their upward trajectory, and transaction volumes remained robust, with 50,423 transactions recorded in Q3, reflecting strong market activity. The total transaction value for Q3 reached AED 141.9 billion, highlighting substantial investment interest. Notably, the transaction volume and value from May to August were significantly higher than any other months in 2023/24.

Dominance of Off-Plan Sales

Off-plan properties have dominated the market, accounting for a 68% of all transaction's year to date. Both residential and commercial properties have experienced strong demand. For example, in August, off-plan properties accounted for 65% of all transactions, with 10,739 deals worth AED 22.9 billion.

Mortgage Volumes

In Q3 2024, Dubai's real estate market experienced remarkable growth, highlighted by a 38.7% increase in mortgage transactions compared to the same period in 2023.

11,693

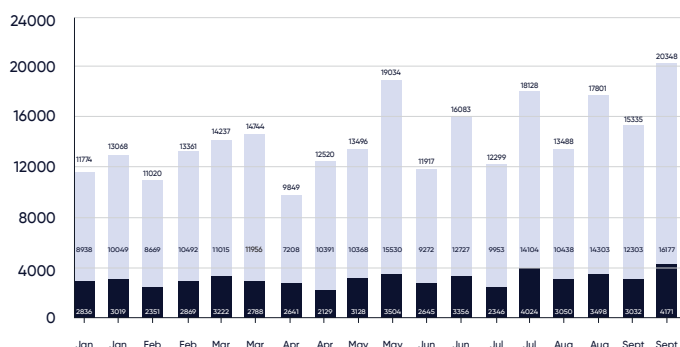
NO. OF TRANSACTIONS

↑38.7% VS. Q3 2023

This surge underscores the robust demand and investor confidence in Dubai's property sector. Notably, July 2024 set a new monthly record with 4,015 mortgage transactions, nearly doubling the figures from July 2023. Several factors are driving this trend: competitive mortgage rates make borrowing more affordable, while Dubai's stable economy and favourable business environment boost investor confidence. Government initiatives, such as relaxed visa regulations and incentives for foreign buyers, have made property ownership more accessible. Additionally, Dubai offers high rental yields, attracting investors looking for rental income.

Mortgage Vs. Sales Property Sales Volume

■ Mortgage ■ Sale



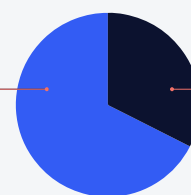
Source: DXB Interact

Value of Property Sales in All Areas

2024 YEAR TO DATE

187.7 B

OFF PLAN



90.18 B

READY

Source: DXB Interact

Millionaire Migration

Property investors in Dubai have received a significant confidence boost from recent announcements about the migration of ultra-high-net-worth individuals into the city. By the end of 2024, an estimated 6,700 wealthy migrants are projected to move to Dubai, making it the top destination for millionaires for the third consecutive year. According to Henley and Partners' annual Private Wealth Migration Report 2024, Dubai's significant growth in its millionaire population is primarily driven by inflows from the UK and Europe. The city's appeal to the affluent is bolstered by its zero-income tax policy, golden visa program, strategic geographical location, and attractive real estate market.

For instance, media report Giorgio Armani acquired a high-end property in Downtown Dubai in August for approximately AED 110million and Bollywood actress Shilpa Shetty purchased a new villa in Palm Jumeirah in September for approximately AED 92 million.

From high-net-worth individuals to expatriates and local residents, Dubai continues to attract a diverse range of people with its latest real estate developments announced in Q3 2024. These new projects span both residential and commercial sectors, offering a variety of options to suit different preferences and budgets.



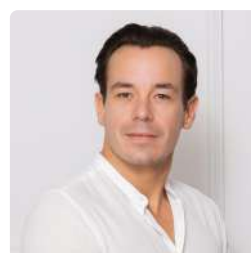
New Developments Announced in Q3 2024

Speak To an Investment Advisor

Development	Announcement Date	Planned Completion Date	Type of Project	Developer	Price Range (AED)
Dubai Creek Harbour Expansion	July 2024	Ongoing	Apartments, Commercial	Emaar Properties	1.3M - 11M
Jumeirah Village Circle (JVC)	August 2024	Various (2025-2027)	Apartments, Townhouses	Nakheel Properties	800K - 3M
Dubai South Growth	July 2024	Various (2025-2028)	Apartments, Villas, Commercial	Dubai South	700K - 5M
Sustainable City Phase 2	September 2024	2026	Villas, Townhouses	Diamond Developers	2M - 8M
New Luxury Projects in Downtown	August 2024	Various (2025-2026)	Luxury Apartments	Emaar Properties	3M - 15M

Dubai's real estate market in Q3 2024 has shown impressive strength and growth. Property prices are on the rise, and transaction volumes are booming, with excess of 16,000 transactions occurring monthly and a total value of AED 141.9 billion for the quarter.

Off-plan sales are leading the charge, and mortgage volumes are hitting record highs. The influx of HNWI moving to Dubai is also boosting confidence in the market. With new residential and commercial projects rapidly announced Dubai continues to be a top choice for a wide range of investors and residents. The city's strategic advantages and vibrant market make it a global hotspot for real estate investment.



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Dubai Real Estate Market

Q3 2024

Total Property Sales Transactions

Month	Sales Volume	YoY Comparison
July 2024	16,247	+45.5%
August 2024	16,159	+36.9%
September 2024	18,045	+32.7%

Total Property Sales Value

Month	Sales Value (AED)	YoY Comparison
July 2024	50.1B	+32.9%
August 2024	47.3B	+40.8%
September 2024	44.6B	+18.1%

Type of Properties by Volume

Month	Apartments	Villas
July 2024	12,651	2,363
August 2024	12,268	2,126
September 2024	14,158	1,953



Top 5 Performing Locations in Q3 2024

Sales Volume

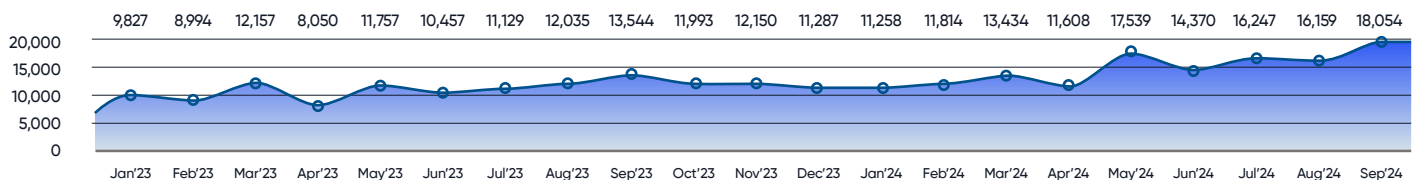
1 Jumeirah Village Circle	4467
2 Dubai South	2910
3 Business Bay	2651
4 Dubailand	2382
5 Dubai Hills	2358

Sales Value

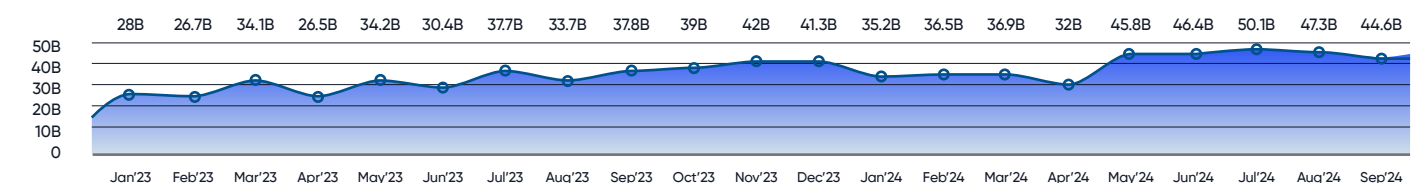
1 Dubai South	8.2B
2 Dubai Marina	8.1B
3 Dubai Hills	7.3B
4 Business Bay	7.2B
5 Palm Jumeirah	5.9B

Dubai Real Estate Rolling Tracker


Total Property Sales Transactions



Total Sales Value (AED)







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