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Dubai real estate breaks another record as transactions boom, CBRE report finds.

The average residential prices in Dubai saw a 19.1 percent increase in the year leading up to October 2023, with average apartment prices rising by 18.7 percent and average villa prices increasing by 21.4 percent.



Palm Jumeirah topped the list for villa sales.

Residential transactions in the booming Dubai real estate market has reached new milestones exceeding previous records, according to a new report released by CBRE. The ‘Dubai Residential Market Snapshot’ reveals insights into the current residential market in the city.

In October 2023, the total number of residential transactions in Dubai stood at 6,407, marking a decrease of 23.6 percent compared to the same period last year.

The decline in transactions was primarily driven by a significant drop of 57.2 percent in off-plan transactions. However, secondary market transactions experienced growth of 29.5 percent during the same period.

Despite the recent slowdown, the year-to-date residential transactions up until October 2023 reached a total of 93,590, surpassing the full-year record of 92,178 transactions set in 2022. This new record highlights the continued strength and resilience of the Dubai residential market.

Dubai apartment and villa price trends

The average residential prices in Dubai witnessed a 19.1 percent increase in the year leading up to October 2023. Although slightly lower than the 19.6 percent growth rate recorded a month earlier, it still reflects a robust market performance.



Downtown Dubai recorded the highest sales rate per square foot for apartments.

Average apartment prices rose by 18.7 percent during this period, while average villa prices saw a significant increase of 21.4 percent. In October 2023, the average price per square foot for apartments was AED1,364, while for villas, it stood at AED1,649.

While the average apartment sales rates per square foot are still 8.3 percent below the peak levels reached in 2014, several communities have already exceeded their 2014 figures. On the other hand, average villa sales rates have surpassed their 2014 levels by 14.1 percent, indicating strong demand and growth in this segment.

Downtown Dubai recorded the highest sales rate per square foot for apartments, reaching AED2,500. In the villa segment, Palm Jumeirah topped the list with a sales rate of AED5,125 per square foot.

Dubai rental market growth moderates

The rental market in Dubai has experienced a moderation in growth rates since the beginning of the year. Average rents increased by 19.7 percent in the year leading up to October 2023, slightly lower than the 20.6 percent growth recorded in September 2023.

Average apartment rents rose by 19.9 percent during this period, while average villa rents grew by 18 percent. As of October 2023, the average yearly apartment rent stood at AED110,080, while the average yearly villa rent was AED322,891. The highest apartment and villa rents were found in Palm Jumeirah, with average rents of AED256,204 and AED1,096,675, respectively.

Taimur Khan, Head of Research – MENA at CBRE in Dubai, said: “Whilst the total transaction volumes have decreased in October 2023 by 23.6 percent compared to last year, this does not mean that demand has weakened.

Given high levels of demand for off-plan properties and deteriorating levels of supply, off-plan sales have fallen by 57.2 percent in the year to October 2023.

The absorption that we have seen within the off-plan segment of the market has been almost unprecedented. Looking at off-plan sales of units which

were launched from 2022 onwards, our headline analysis shows that 67.5 percent of these units have been sold to date, and for prime and core markets, this number is north of 90 percent on average.”

The report suggests that despite the decrease in transactions and a moderation in growth rates, the Dubai residential market remains robust. The record-breaking number of residential transactions in 2023 demonstrates the continued appeal of Dubai’s real estate sector to investors and buyers alike.