

By Staff Writer

Mo 29 Jan 2024

Five Dubai real estate trends driving property market in 2023: Record sales, luxury boom, tenants become buyers and more.

Dubai's D&B Properties identifies real estate trends and predicts further growth in the year ahead.



The Dubai real estate market witnessed historic heights in both transaction volume and value in 2023, according to specialists at D&B Properties.

The historic year solidified the city's position as a global real estate powerhouse and the records set in 2023 underscore the resilience and

attractiveness of Dubai's property market, even amid global economic challenges.

Soliman Hossameldin, Director of Digital Marketing at D&B Properties, said: "The remarkable successes in Dubai's real estate market in 2023 underline the dynamic nature of the landscape, continuing to capture the attention of investors and residents worldwide.

Dubai real estate trends

"These milestones truly emphasise the strength and maturity of Dubai's real estate sector."

The key highlights of city's real estate achievements in 2023 include:

Record-breaking Transactions: The volume and value of sales transactions reached unprecedented levels in 2023, surpassing all previous records.

Notably, average prices in September 2023 exceeded the peak set in September 2014, maintaining an upward trajectory throughout the final quarter despite a dip in off-plan transactions.

Tenant to Buyer Transition: A combination of rising rents and a desire for long-term stability has driven tenants to transition into buyers, defying higher interest rates.

D&B Properties observed a significant shift toward domestic demand, with the percentage of buyers identifying as end users increasing from 38 per cent to 44 per cent.

This shift signals the maturation of the market and instils confidence in greater price stability.

Population Surge: Predictions for an increase in new Dubai residents proved accurate, with the population growing 100,000 in 2023.

The rapid growth cements Dubai as a preferred destination for global citizens, drawn by the promise of a safe haven, unparalleled lifestyle, and a favorable business and tax environment.

Supply-Demand Dynamics: The number of new properties handed over in 2023 remained relatively unchanged from the previous year, failing to keep up with the speed of Dubai's population expansion.

This supply-demand imbalance put pressure on rents, resulting in a 24 per cent increase in the average rental price.

More tenants are opting for lease renewals, leading to a surge in tenant retention rates and record-breaking occupancy levels.



Luxury Real Estate Boom: Dubai's luxury real estate market experienced an unprecedented year, driven by an influx of millionaires globally.

The UAE surpassed the United States and ranked second only to Australia in wealth migration.

Palm Jebel Ali and Palm Jumeirah continued to attract high-net-worth individuals, showcasing the ongoing popularity of waterfront residences, with branded residences also in high demand.

Anticipated Growth in 2024: The anticipated increases in new property handovers in 2024 align with the continuous influx of expats to Dubai.

While a slowdown in the rapid price increases observed since 2019 is expected, continued growth at more sustainable levels reflects the evolution and maturity of Dubai's real estate market.