



# Dubai Residential

## *All About Affordability*

Evaluating Dubai's Property Market Trends as  
Pertaining to Affordability

# Executive Summary

## - **Citywide Volume and Value Trends**

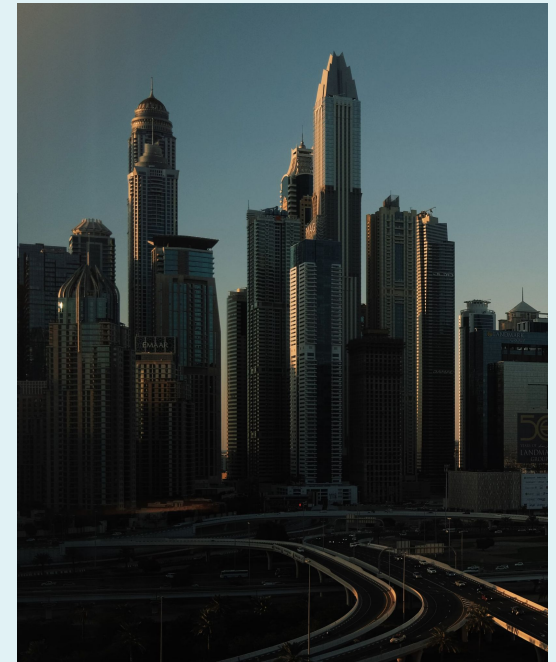
In 2014, which is largely considered to be the peak of Dubai's real estate market pre-COVID, ready property transactions exceeded their off plan counterparts both in terms of total sales volume and value. In the following years, the off plan market began to come into its own, steadily increasing year-on-year and consistently beating out the ready market. 2020 saw this trend halt abruptly due to the pandemic, but since then the trend has resumed, with the off plan segment of the property market reaching nearly 70% of both volume and value this year.

## - **Affordability Analysis**

Simultaneously, the property market was beginning to become more affordable until 2018, which saw a reversal of this trend. Over the last six years, real estate in Dubai has become increasingly less affordable, which is attributable to a number of factors. A prominent explanatory variable highlighted here is the concurrent increase in EMIs, which has seen buyers turn to developers as financiers.

## - **Community Breakdown**

Breaking down the top communities for sales volume and value each year largely turns up unsurprising results based on the previous two sections. The market has skewed increasingly towards luxury and newer communities, with Jumeirah Village Circle being the only consistent exception.



---

# Contents

- 1. Citywide Volume and Value Trends**
- 2. Affordability Analysis**
- 3. Community Breakdown**

## Citywide Volume and Value Trends

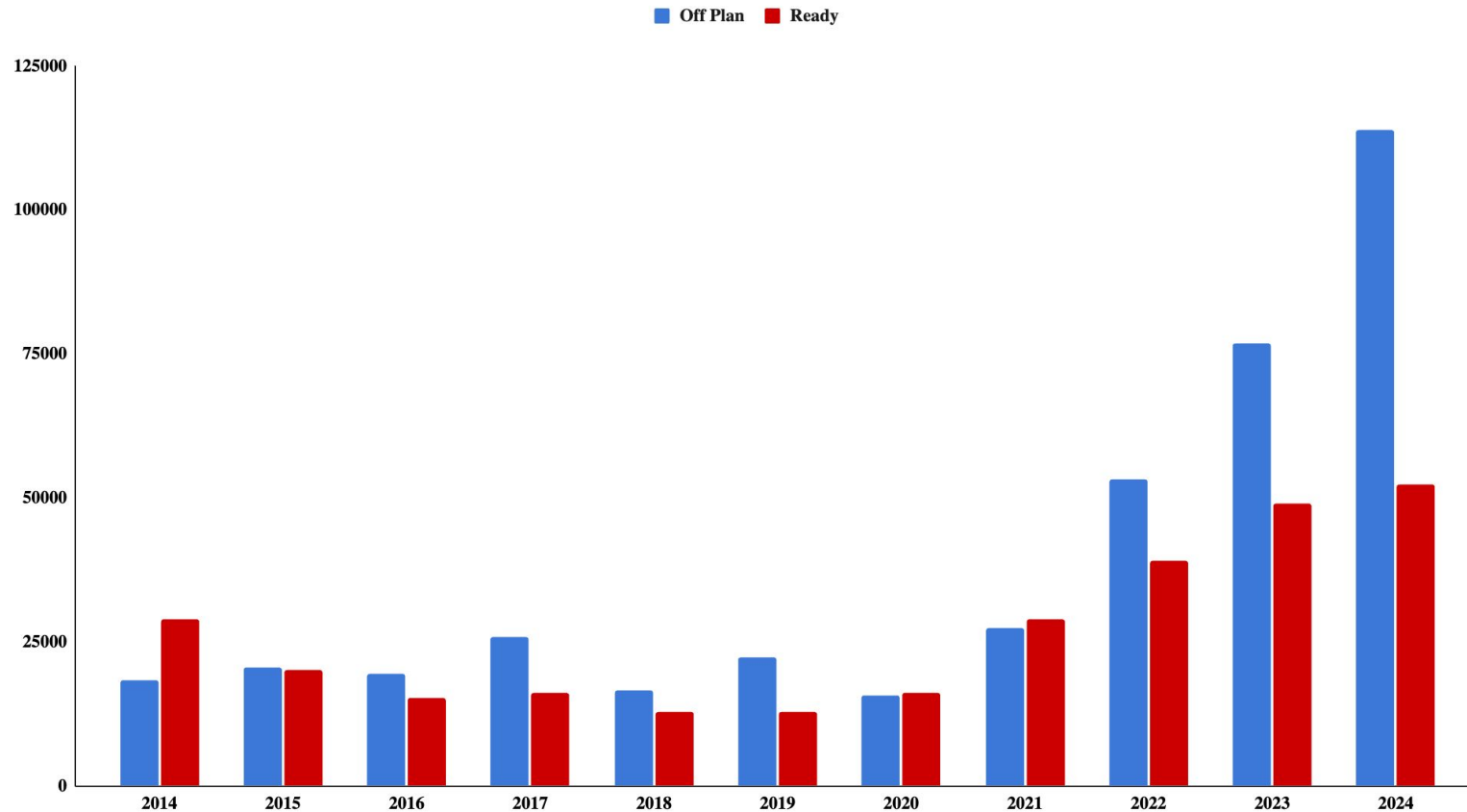
**"Once one is freed of their imbalances, they inherit the throne, and do their work for the whole."**

- Paul Twitchell



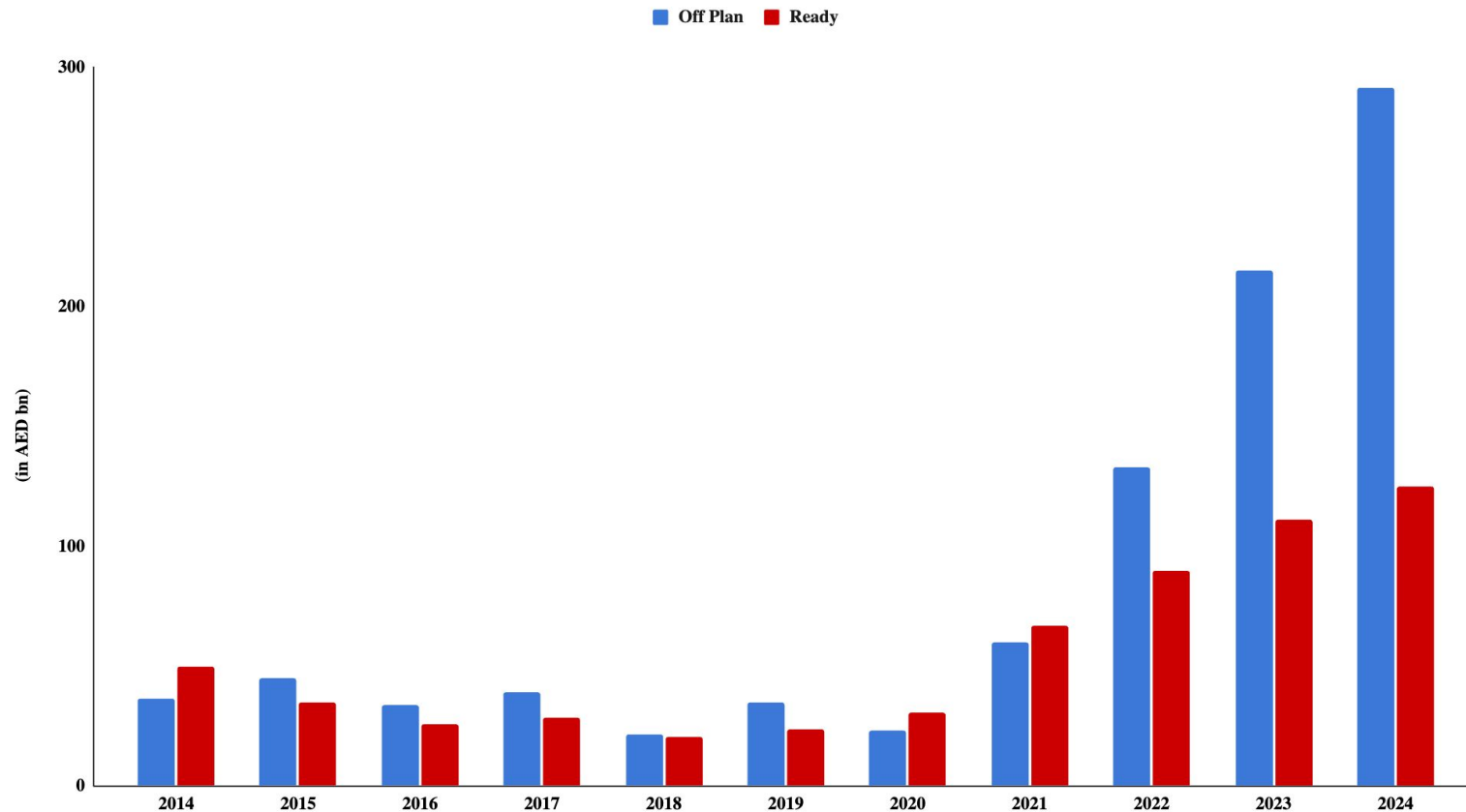
# Citywide Volume Trends

### Off Plan vs Ready Citywide Sales Volume 2014-2024



As seen in the graph above, ready sales exceeded off plan sales in 2014, comprising 61% of total citywide residential transactions. Over the next five years, off plan sales steadily outperformed their ready counterparts, peaking at 63.5% of citywide transactions in 2019. However, the pandemic in 2020 saw parity restored, but since then off plan sales have seen yet another surge, reaching 68.51% of all residential transactions in 2024 so far.

### Off Plan vs Ready Citywide Sales Value 2014-2024



Looking at value data reveals a similar picture. Yet again, 2019 was the pre-COVID peak for off plan's share of the market, where it accounted for 60% of total citywide property transaction value. In the post-pandemic era thus far, off plan transactions' share of total citywide value has consistently grown year-on-year, reaching 70% this year.

## Affordability Analysis

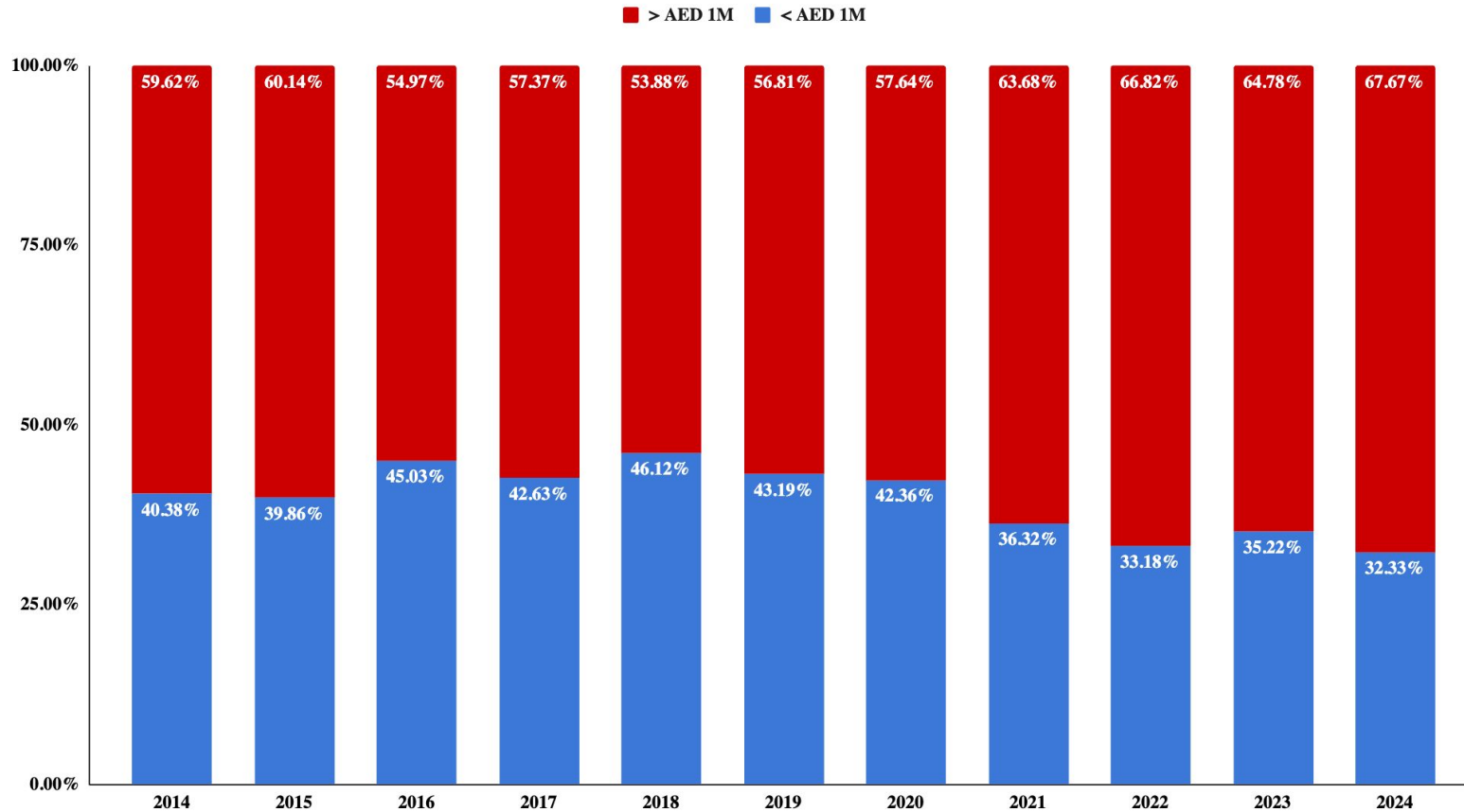
**“Wealth consists not in having great possessions but in having few wants”**

- Epictetus



# Residential Sales Affordability 2014-2024

### Citywide Residential Sales by Affordability 2014-2024



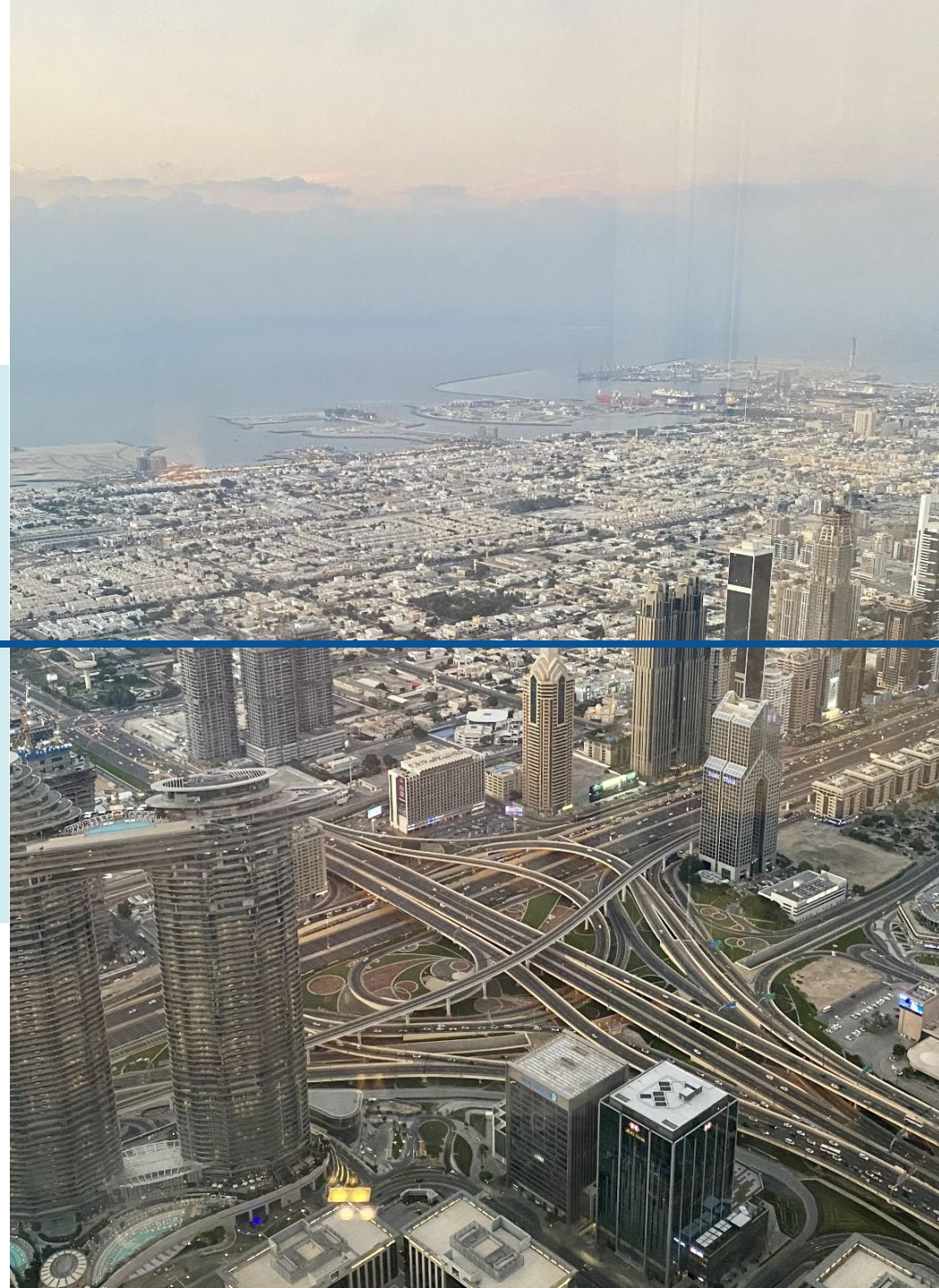
Looking at a simple metric of affordability, we can see that residential sales over the last ten years have skewed further away from the sub AED 1 million threshold post-2018 (which saw a peak of just over 46% of all transactions occurring below AED 1 million). This is because buyers have become increasingly unable to afford EMLs, and as developers have also become financiers (especially in the off plan space) offering more generous payment plans, buyers have responded by taking on larger ticket homes.



## Community Breakdown

**“Someone is sitting in the shade today because someone planted a tree a long time ago.”**

– Warren Buffett



# 2014 Top Communities

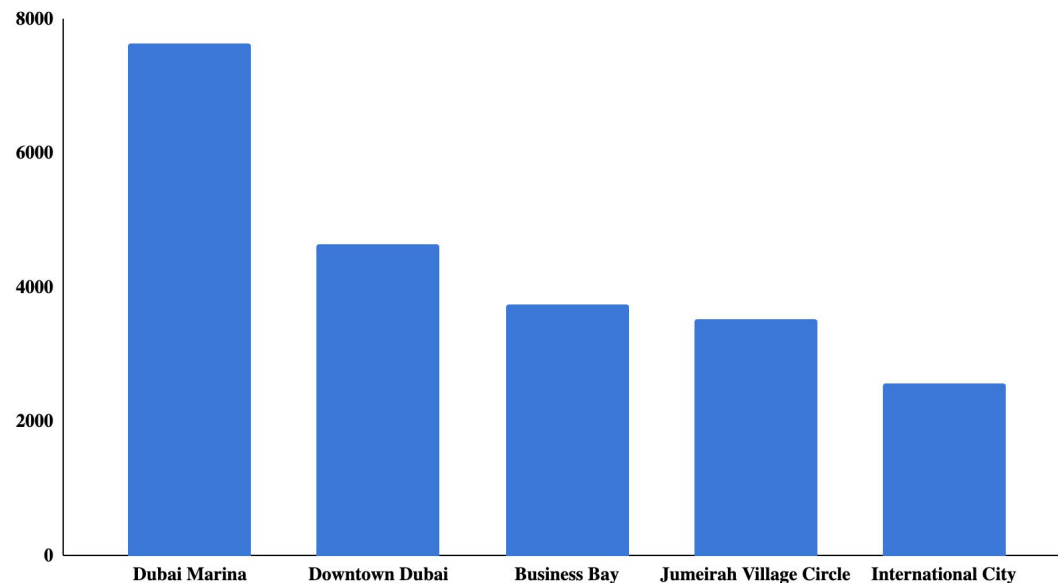
GCP

In 2014, we can see that luxury communities dominated sales volumes, making up the top three communities in terms of overall transactions for the year. However, the mid market also saw some representation in the form of JVC and International City rounding out the top five.

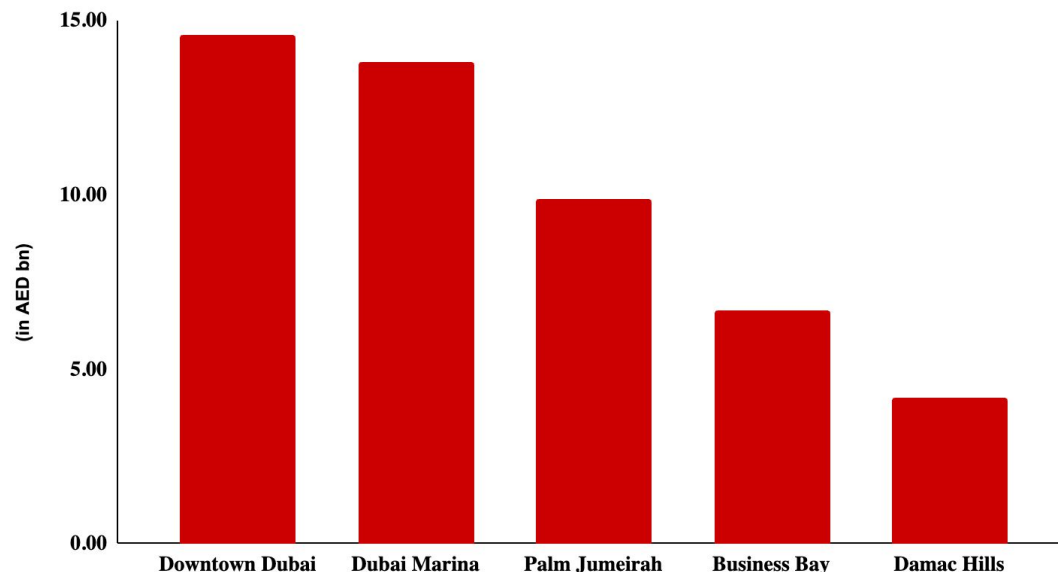
When it comes to sales value however, luxury unequivocally takes the cake, with the usual suspects of Downtown Dubai, Dubai Marina, Palm Jumeirah and Business Bay standing head and shoulders above the rest.

### Top 5 Communities by Sales Volume 2014

REIDIN



### Top 5 Communities by Sales Value 2014



# 2015 Top Communities

GCP

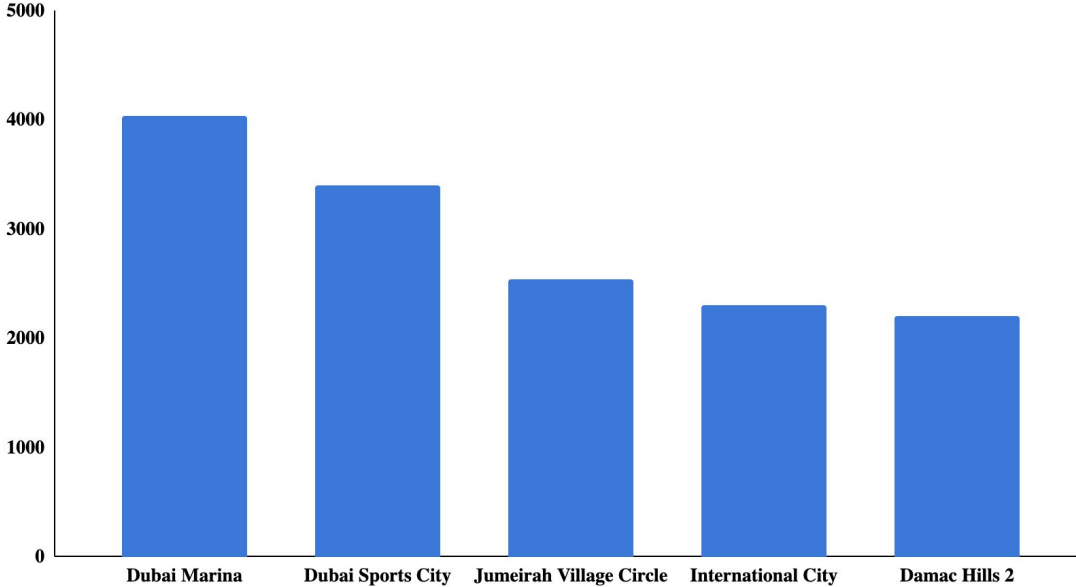
Moving into 2015, we see the mid market begin to take on more prominence, with Dubai Sports City shooting up to second place on the sales volume leaderboard. Dubai Marina reprises the top spot, despite seeing a 47% percent reduction in its annual transaction volume.

Once again, luxury dominates the citywide transaction value, with District One entering the otherwise unchanged top five\*.

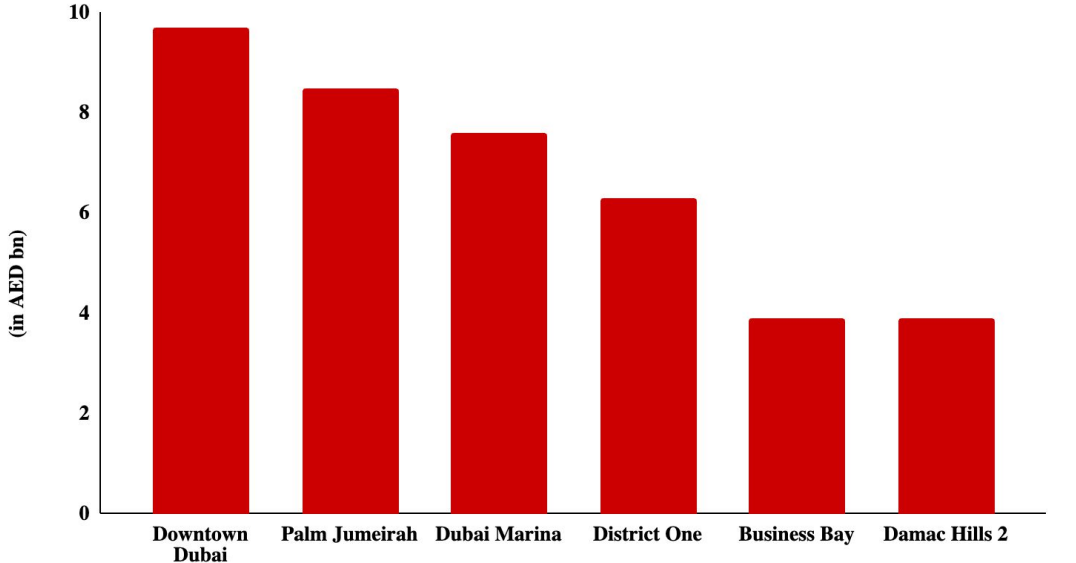
\*Business Bay and Damac Hills 2 had the same sales value for the year.

Top 5 Communities by Sales Volume 2015

REIDIN



Top 5 Communities by Sales Value 2015



# 2016 Top Communities

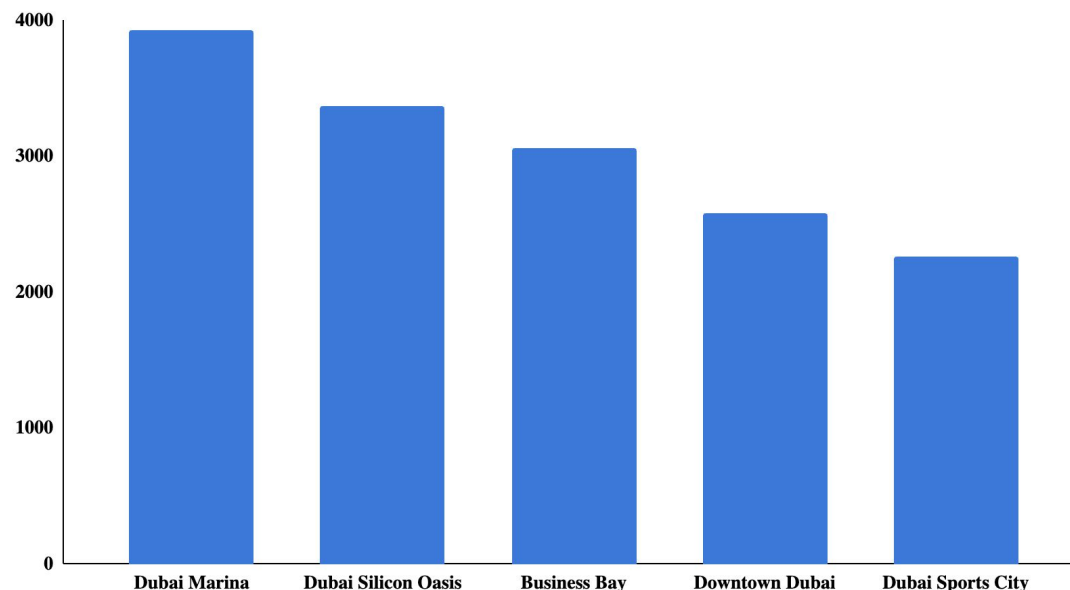
GCP

In 2016, we begin to see the decline of the mid market as a dominant force in citywide sales volume, as both Jumeirah Village Circle and International City slide out of the top five and Dubai Sports City drops to fifth. Dubai Silicon Oasis enters the picture, but as we will see, this is not sustained.

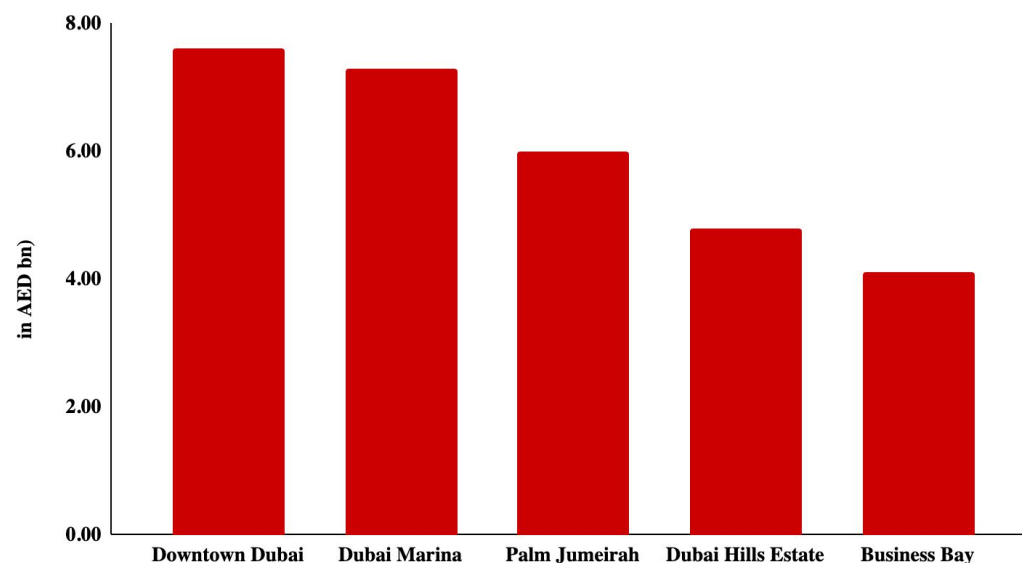
Dubai Hills Estate emerges as a new player in the luxury-dominated citywide sales value realm, taking the place of Damac Hills. The rest of the field sees familiar faces continue to maintain their pre-eminence; this is one trend that largely remains unchanged over the last ten years.

### Top 5 Communities by Sales Volume 2016

REIDIN



### Top 5 Communities by Sales Value 2016



# 2017 Top Communities

GCP

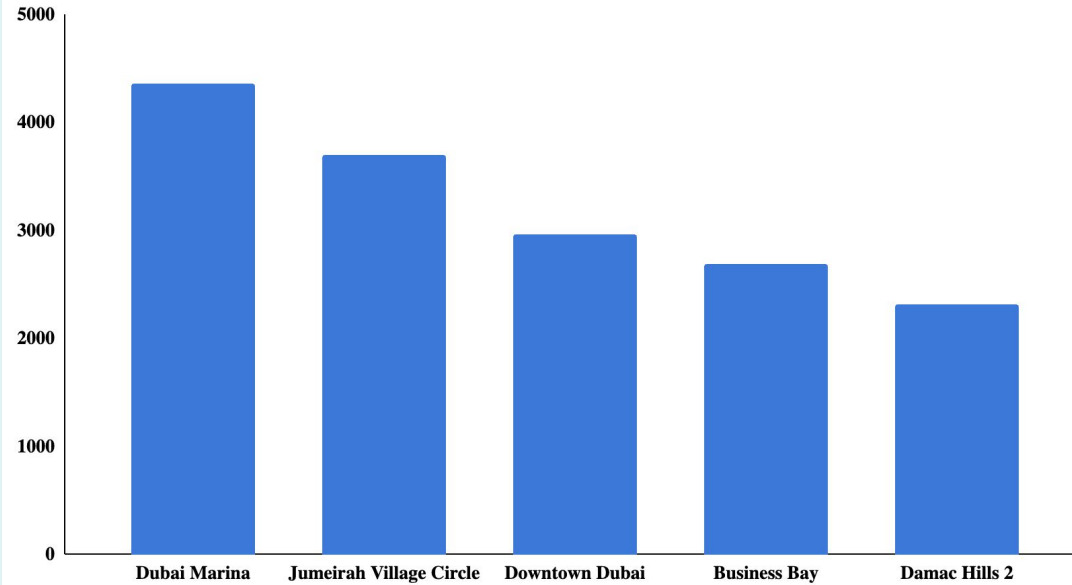
In 2017, we begin to see the mid market fading into the background, as both Sports City and Silicon Oasis drop out of the top five. Jumeirah Village Circle seems to be the only exception to this trend, as its sales volume has tended to be higher than most other communities in general over the past two years (irrespective of whether the communities in question are in the luxury or mid market space). At its peak, there are years where JVC comprises nearly 10% of citywide residential sales volume.\*

Luxury continues to dominate the city's top communities in terms of sales value for the year. The five communities seen in the bottom graph on the right largely remain unchanged for the next seven years.

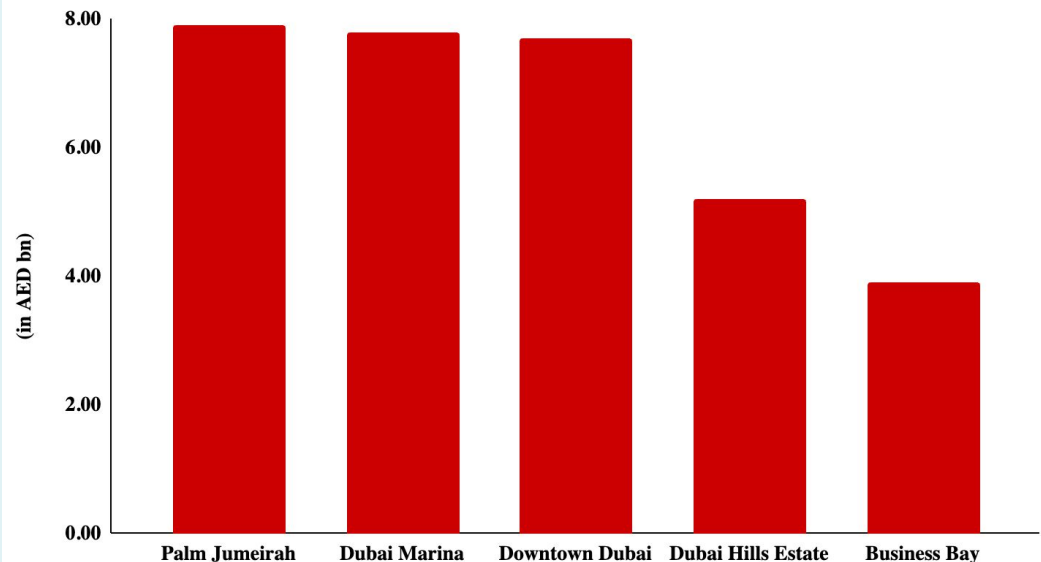
\*See our previous report entitled "It Takes a Village" for more on JVC's unusual dominance.

### Top 5 Communities by Sales Volume 2017

REIDIN



### Top 5 Communities by Sales Value 2017



# 2018 Top Communities

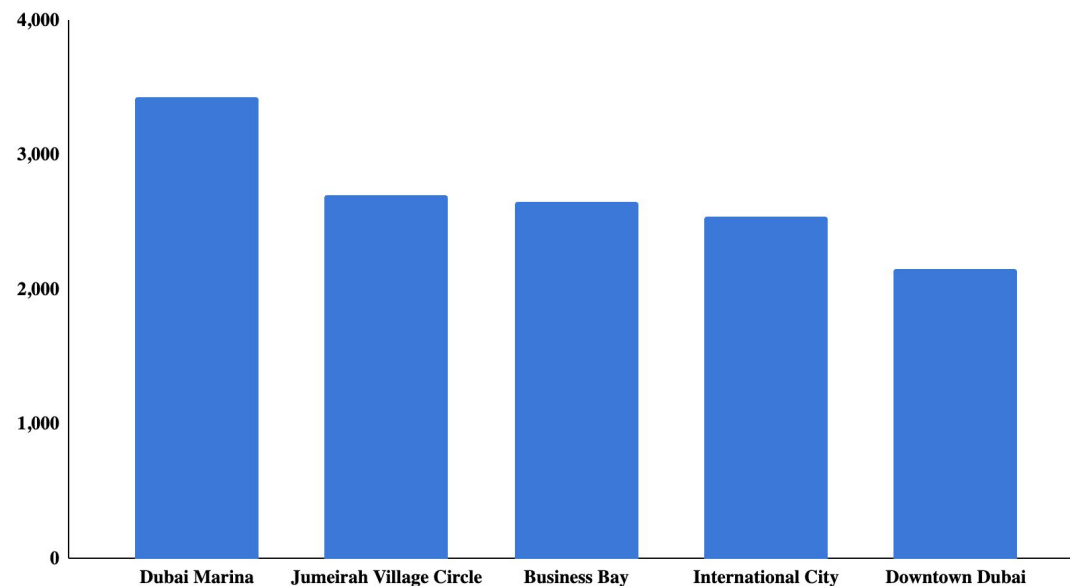
GCP

International City features in the top five communities for total sales volume for the last time (so far) in 2018. The remainder of the pack remains unchanged.

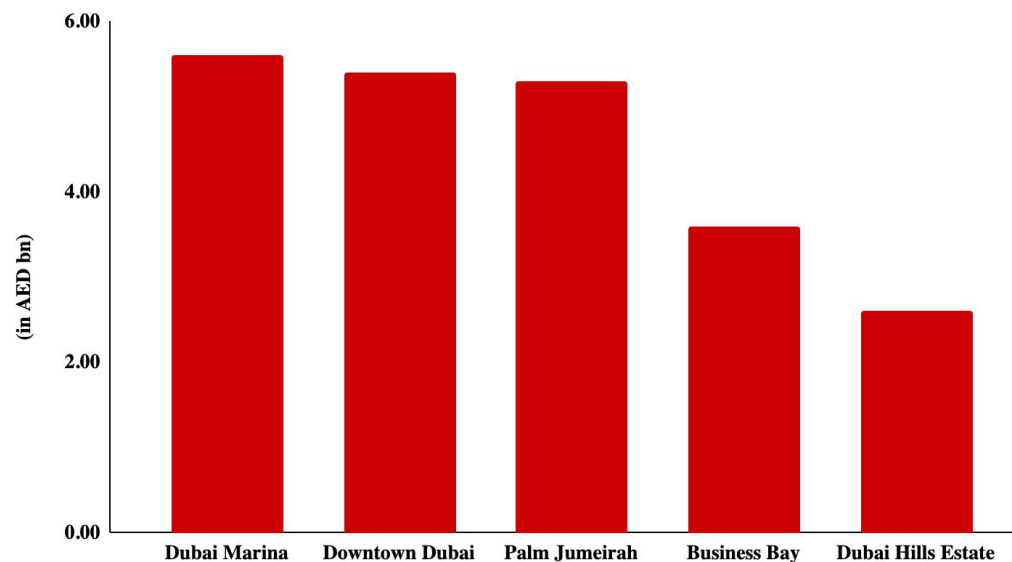
Aside from some reshuffling in terms of exact ranking, the top five communities in terms of total sales value for the year is exactly as it was the previous year. Notably, sales volume and value were down this year for the top five, even though the constituent communities were unaltered for the most part.

### Top 5 Communities by Sales Volume 2018

REIDIN



### Top 5 Communities by Sales Value 2018



# 2019 Top Communities

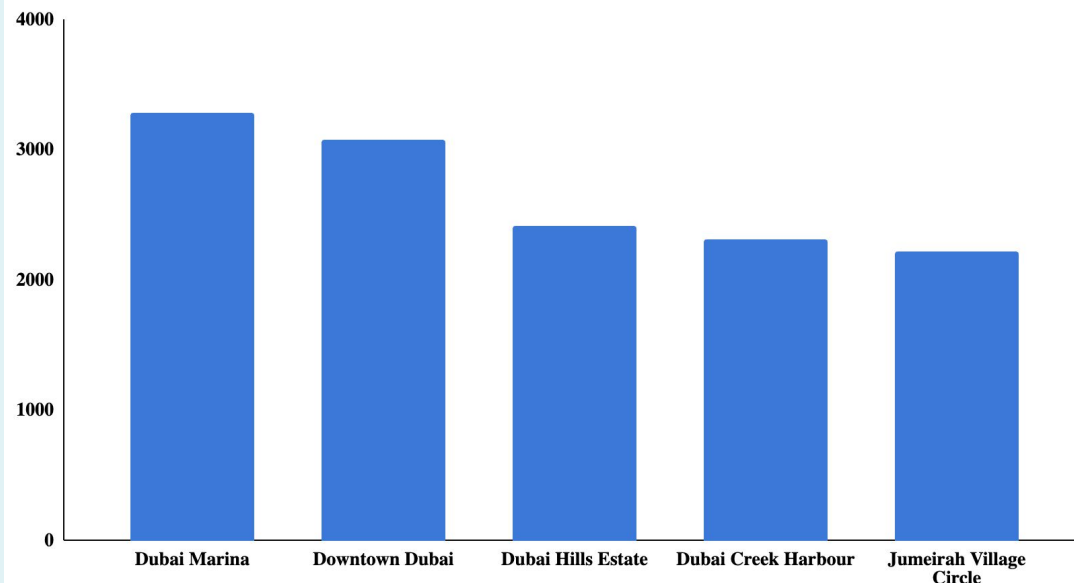
GCP

Dubai Hills Estate saw a surge in 2019, featuring in the top five communities for sales volume for the first time across this ten year period. Dubai Creek Harbour also features for the first time in a dominant year for luxury, as JVC slides down to fifth place.

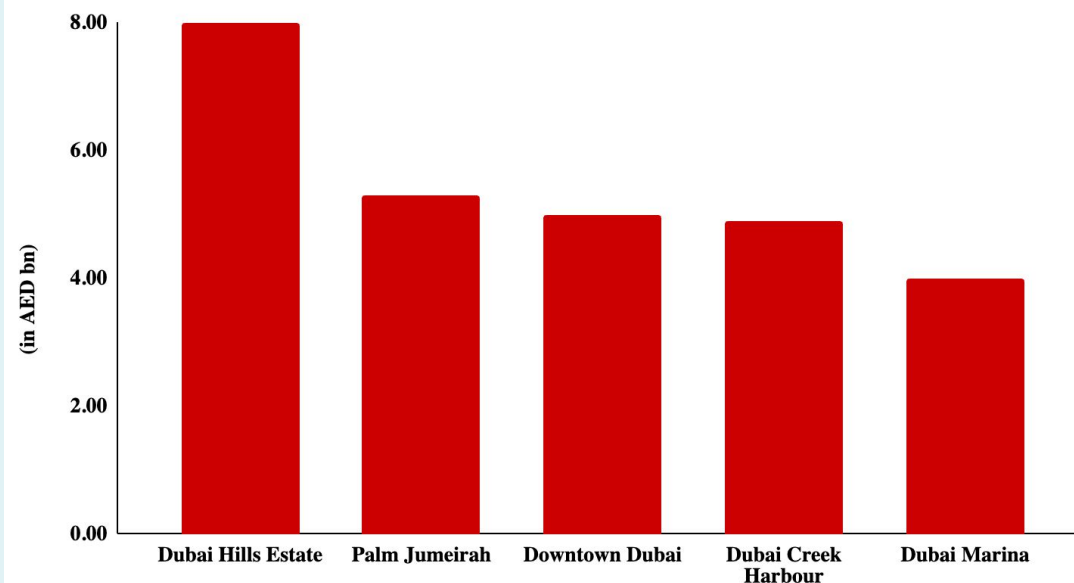
The increase in sales volume propelled Dubai Hills Estate to the top of the sales value rankings, with Dubai Creek Harbour also featuring for the first time on the back of its sales volume spike.

### Top 5 Communities by Sales Volume 2019

REIDIN



### Top 5 Communities by Sales Value 2019



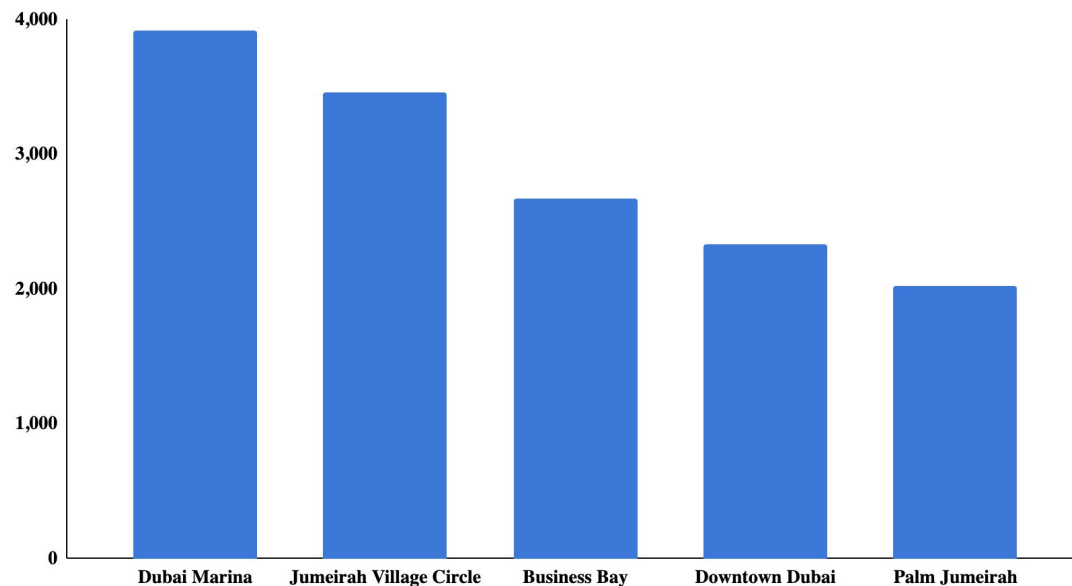
# 2020 Top Communities

GCP

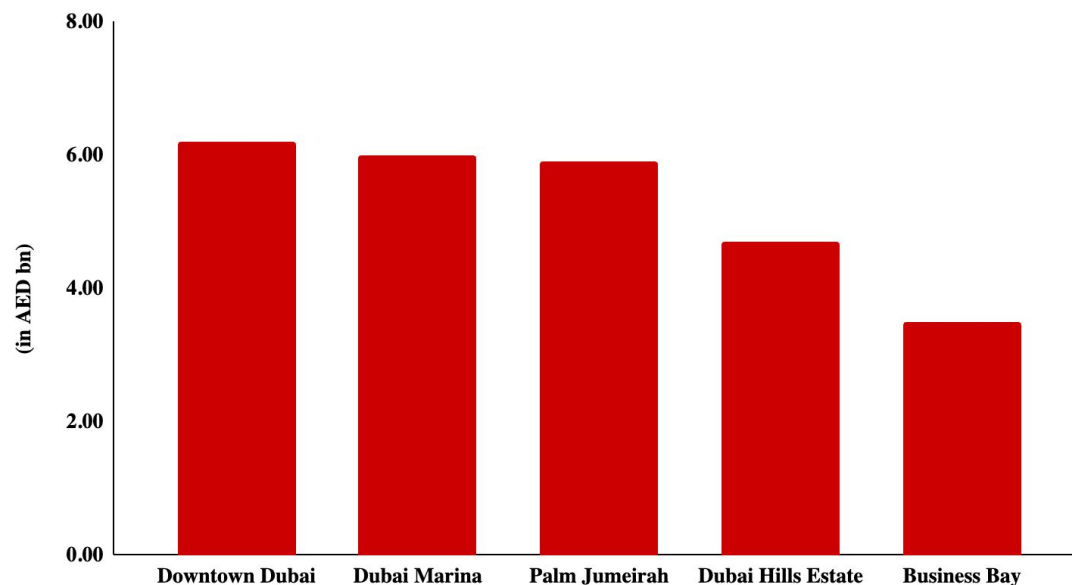
2020 saw normal service resumed, with no new names featuring in the top five for either sales volume or sales value. Both charts saw the typical five communities return to their places.

### Top 5 Communities by Sales Volume 2020

REIDIN



### Top 5 Communities by Sales Value 2020





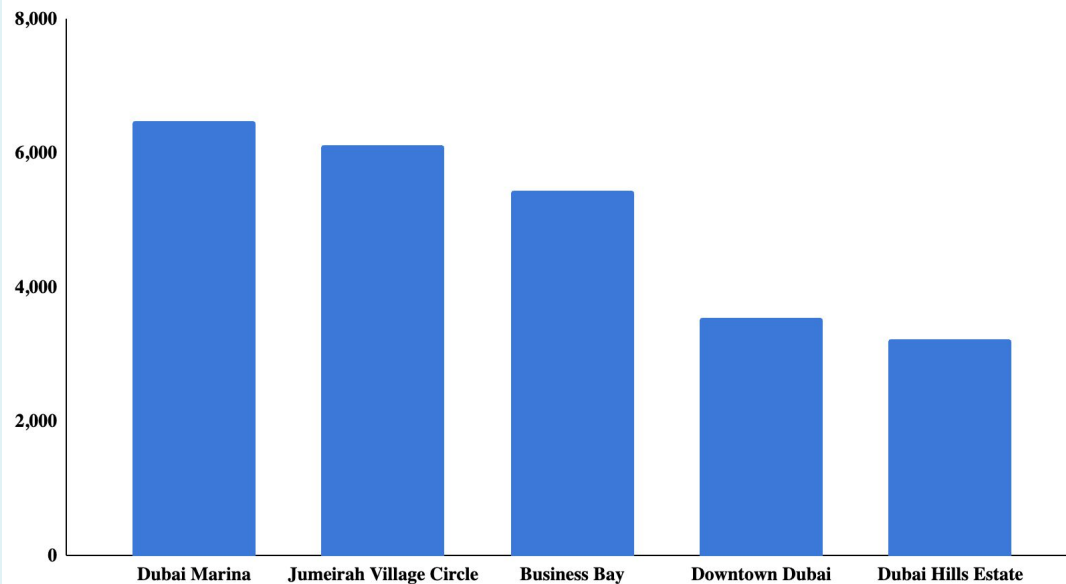
# 2021 Top Communities

GCP

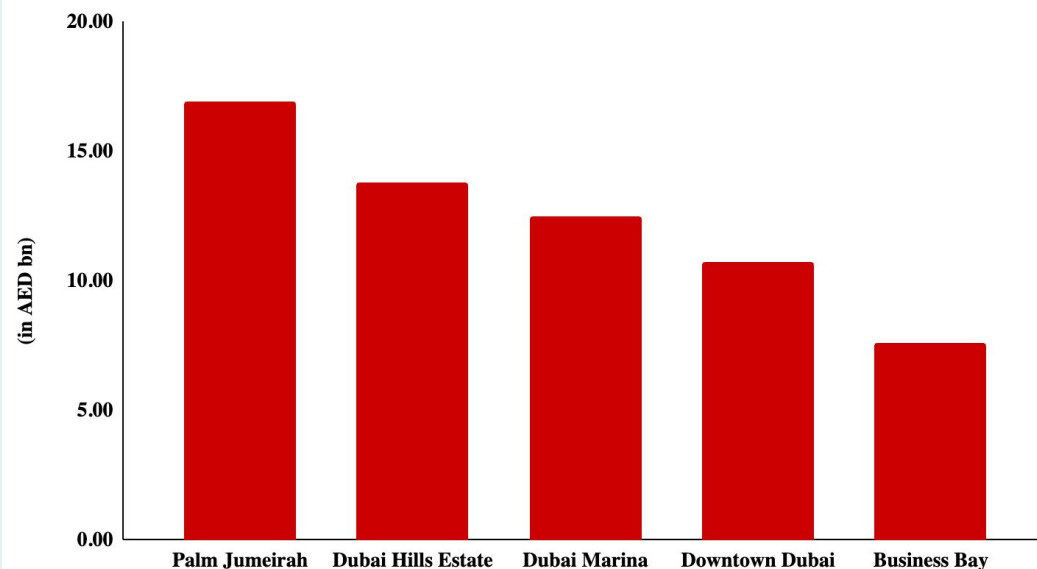
In 2021, as Dubai emerged from the pandemic, we began to see the beginnings of the new era of luxury dominance. Both sales volumes and values were up - especially values, which reached heights that hadn't been touched since 2014.

REIDIN

### Top 5 Communities by Sales Volume 2021



### Top 5 Communities by Sales Value 2021



# 2022 Top Communities

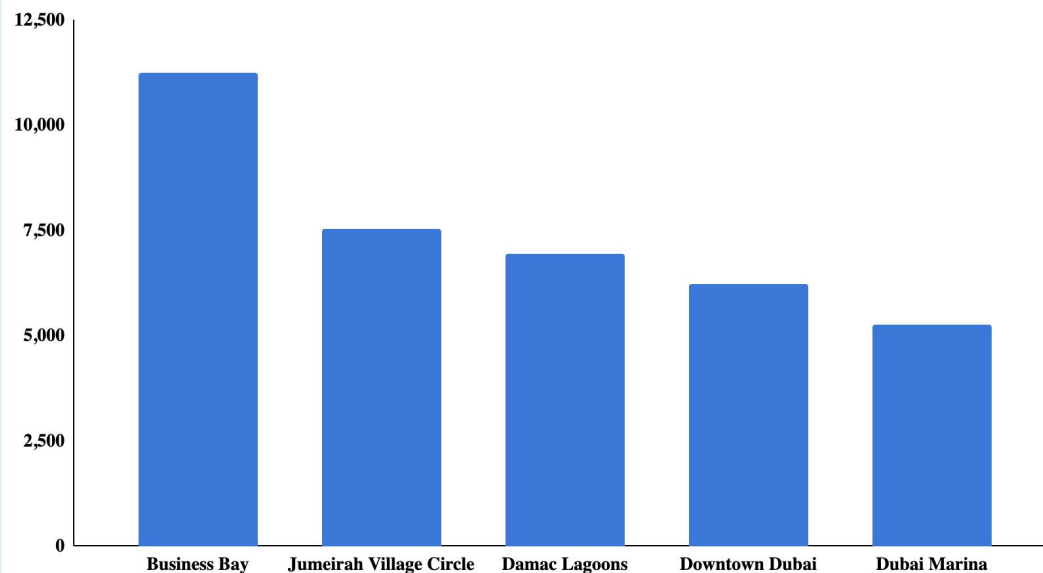
GCP

2022 saw this trend only escalate further, with both volumes and values now surging past the 2014 highs. Damac Lagoons enters the fray for the first time with nearly 7,000 transactions for the year - a figure that would have seen it top the sales volume charts in any other year as far back as 2015. Strong years for JVC and (in particular) Business Bay, however, relegates Damac Lagoons to third place for 2022.

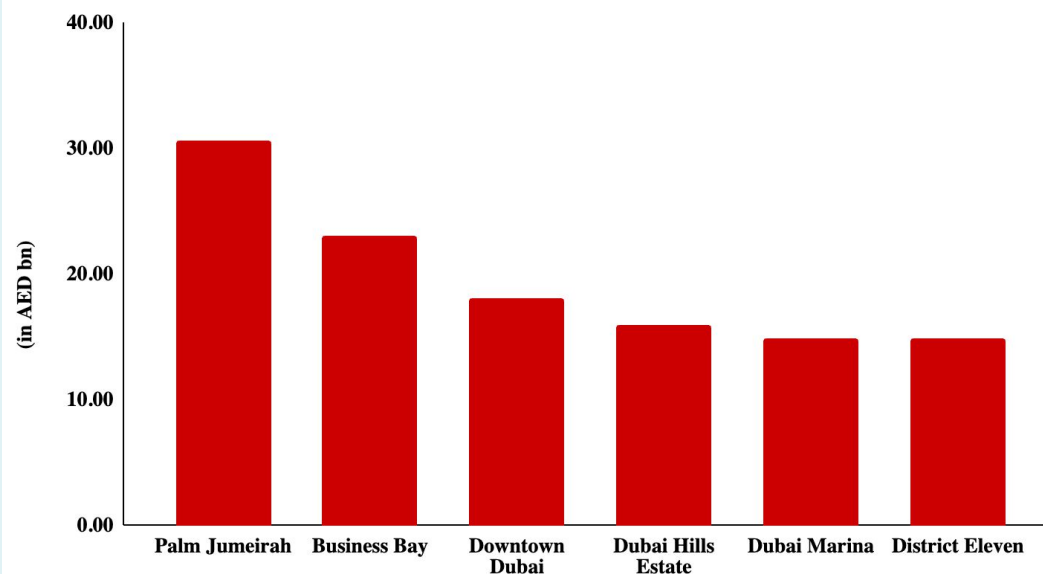
District Eleven enters the top five communities for sales value in 2022, tying Dubai Marina's AED 14.9 billion in total transaction value for the year in fifth place. In any other year between 2014 and 2020, this figure would have seen these communities top the charts, which serves to highlight the magnitude of the post-COVID boom.

REIDIN

### Top 5 Communities by Sales Volume 2022



### Top 5 Communities by Sales Value 2022



# 2023 Top Communities

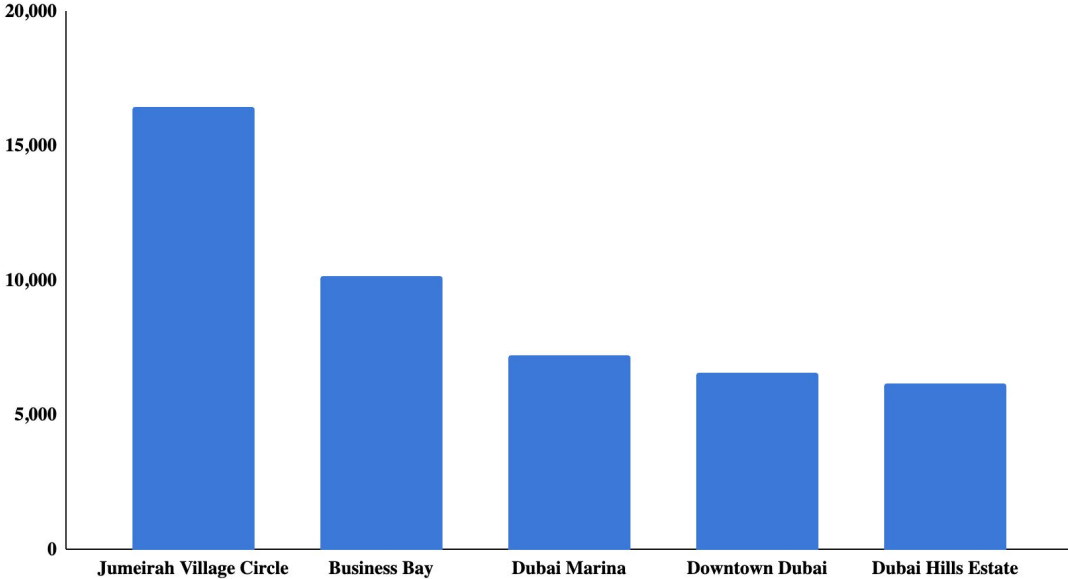
GCP

JVC tops the sales volume rankings for the first time in 2023, but remains the sole mid market community among the usual suspects in the top five.

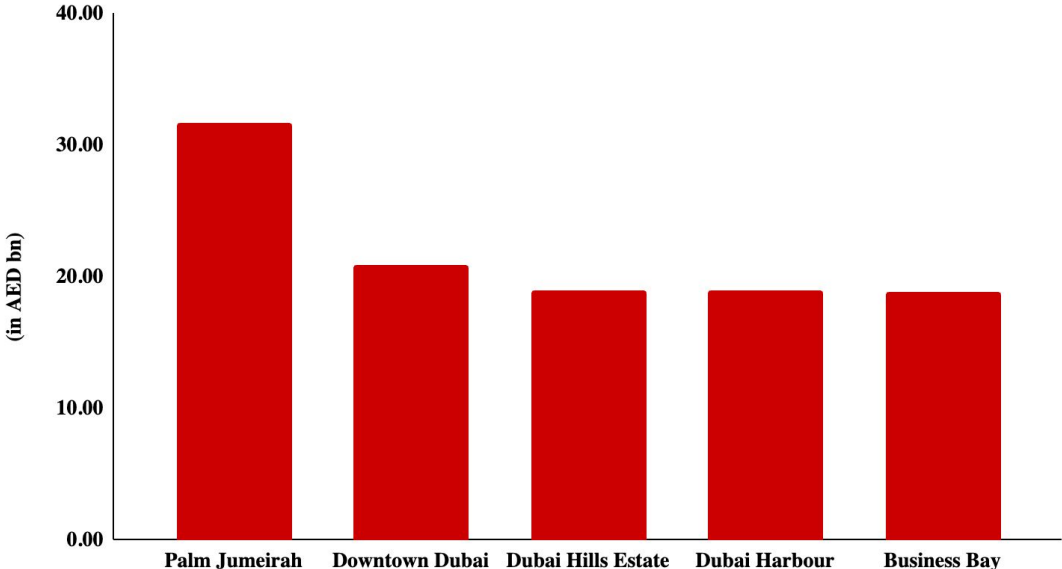
Dubai Marina slips out of the top five communities in terms of sales value for the first (and only) time across the ten year time frame in question, with the newer community in Dubai Harbour taking its place. Palm Jumeirah maintains its post-COVID dominance, seeing AED 31.7 billion in sales value for the year - a record thus far.

### Top 5 Communities by Sales Volume 2023

REIDIN



### Top 5 Communities by Sales Value 2023



# 2024 Top Communities

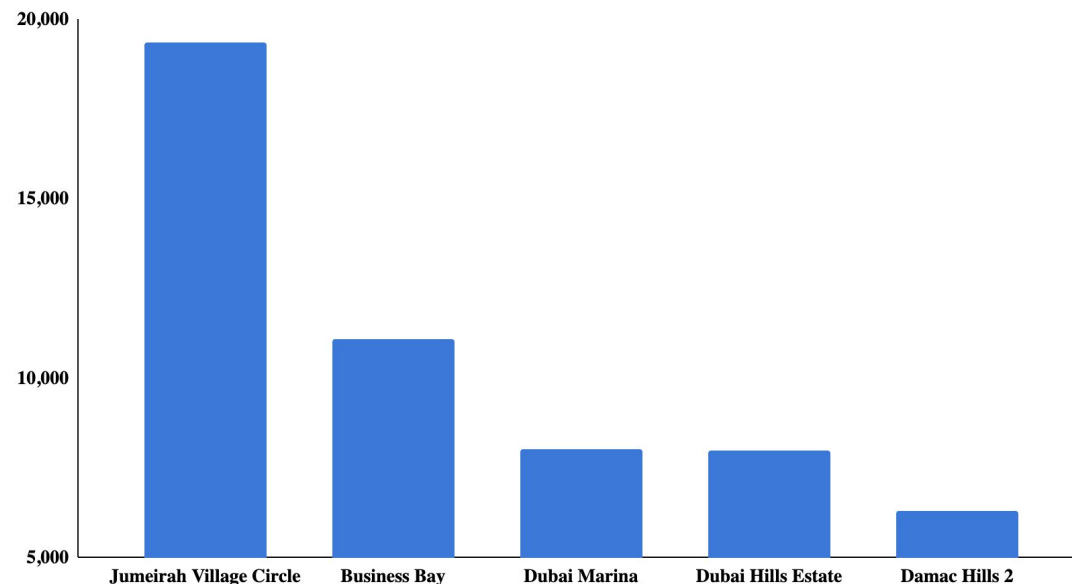
GCP

2024 has been a dominant year for JVC in sales volume, as it has seen nearly double the amount of transactions of Business Bay in second place (and more than three times the amount of transactions of Damac Hills 2 in fifth place).

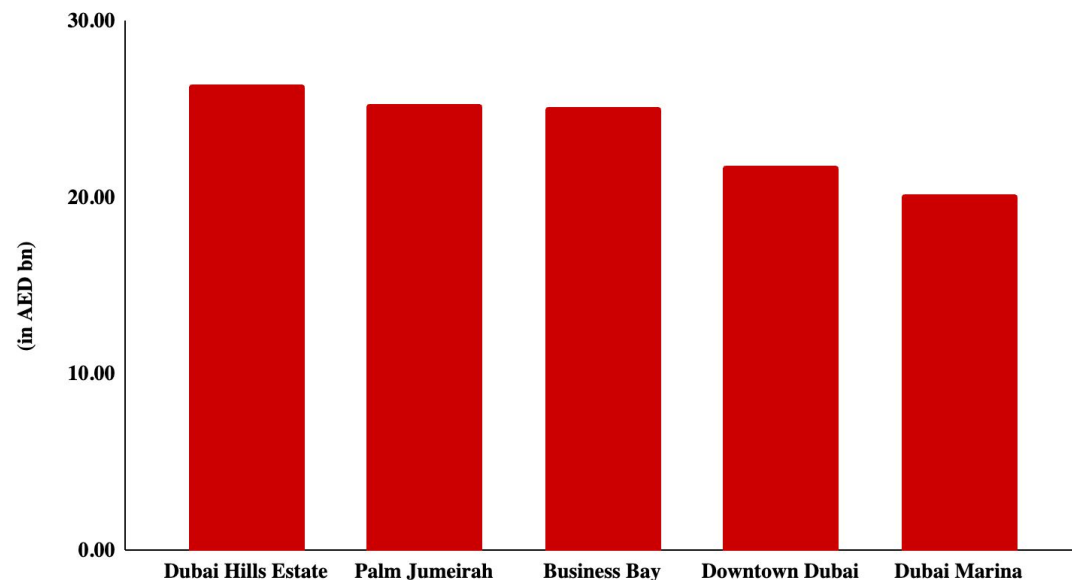
Despite the astronomical sales volume figures for JVC this year, it still has not managed to crack the stranglehold held by the luxury market on the top five communities for sales value. This partly owes to the lower average ticket size in JVC, but also to the fact that luxury had another strong year in 2024 (even if it did not manage to quite reach the heights seen in 2023).

### Top 5 Communities by Sales Volume 2024

REIDIN



### Top 5 Communities by Sales Value 2024



# Conclusions

## Citywide Volume and Value Trends

Over the last ten years, the off plan portion of the market has become increasingly more prominent in terms of both total sales volume and value - to the point where it now comprises the lion's share of the overall property market. Whether this dominance continues to extend or a mean reversion occurs remains to be seen.

## Community Breakdown

Looking at the top communities for sales volume and value only confirms the findings of the previous two sections. The market has trended further in favor of luxury (i.e. the less affordable) and newer (i.e. those with more off plan projects) communities. JVC has been the only older mid market community to resist this shift, with communities like Sports City, Silicon Oasis and International City (which has previously regularly featured in the top community rankings) having seemingly fallen by the wayside.

## Affordability Analysis

A simple ten-year affordability analysis shows that property prices were slowly trending towards becoming more affordable until their peak in 2018. Since then, we have seen a steady decline in properties considered to be "affordable," which is in part due to buyers preferring the more generous payment plans offered by developers as opposed to increasingly expensive EMIs.

## Conclusion

In their 2024 Country Report on the United Arab Emirates, the IMF highlighted concerns over housing affordability based on rising price-to-rent ratios and declining affordability indices. To foster more mid market activity, Dubai can introduce initiatives like the Voluntary Inclusionary Housing program employed in New York. Such an initiative would permit developers to receive a density bonus for their projects, conditional on that extra density being allocated to more affordable housing units. Another possible option suggested by the IMF would be to levy taxes on real estate.

*2024 saw ten-year record lows in property transactions under AED 1 million, with only 32.33% of all citywide residential transactions falling below the aforementioned threshold.*



Global Capital Partners Group believes in in-depth planning and discipline as a mechanism to identify and exploit market discrepancy and capitalize on diversified revenue streams.

Our purpose is to manage, direct and create wealth for our clients.

These research reports are authored by GCP.

Indigo Icon, 1708  
Jumeirah Lake Towers,  
P.O. Box 500231 Dubai,  
United Arab Emirates  
Tel. +971 4 447 7220  
Fax. +971 4 447 7221  
[www.globalcappartners.com](http://www.globalcappartners.com)  
[info@gcp-properties.com](mailto:info@gcp-properties.com)



Reidin is the leading real estate information company focusing on emerging markets.

Reidin offers intelligent and user-friendly online information solutions that help professionals access data and information in a timely and cost effective basis.

Reidin is the data provider for these research reports.

Concord Tower, No. 2304  
Dubai Media City,  
P.O. Box 333929 Dubai,  
United Arab Emirates  
Tel. +971 4 277 6835  
Fax. +971 4 360 4788  
[www.reidin.com](http://www.reidin.com)  
[info@reidin.com](mailto:info@reidin.com)

# Our Aspiration and Motto

**“No barrier can withstand the strength of  
purpose.”**

-HH General Sheikh Mohammed Bin Rashid Al Maktoum  
The Ruler of Dubai, Prime Minister and Vice President of the UAE

