



# THE DUBAI SHORT-LET MARKET REVIEW

Q2 2024

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Welcome to The Dubai Short-let Market Review Q2 2024 Report by The AirDXB Group. 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 global short-let market

The global short-let market faces varying regulatory challenges and impacts. In countries like the UK, US, and Spain, criticism has intensified over the economic and social implications of short-term rentals on local communities. Barcelona, for instance, plans to eliminate thousands of short-term rentals by 2028.

Looking at this globally, we have already seen a similar scenario unfold in New York City in 2023. Under their new "Local Law 18", NYC significantly reduced short-term rentals, aiming to regulate the market. Unfortunately, this move has had a negative impact on tourism, effected income on homeowners who relied on short-let to supplement their income and we expect cities who adopt these harsh measures will see a rise in illegal renting.

Nathan Rotman, Airbnb's Northeast policy lead found

**"New York City's short-term rental rules have significantly reduced accommodation options for visitors and contributed to higher hotel prices that are making it more expensive to visit the Big Apple."**

In contrast, Dubai exemplifies a successful model with well-regulated short-term rentals that support both investors and tourists. Tourism is predicted to contribute to 12% of total GDP this year, as highlighted by **H.E. Bin Touq, Minister of Economy** at the Arabian Travel Market in May 2024.



Dubai's success in achieving this balance is shown by various accolades such as the **Tripadvisors Travelers Choice Awards 2024** (*third year in a row*). As debates continue globally, Dubai's approach highlights potential pathways for balancing economic growth with housing and tourism concerns.

## Our Viewpoint

It is easy to point the finger at short-let and state that it is to blame for housing crises for residents. However, when you dig deeper you quickly see that this is not the case.

As a global investment hub, Dubai recognizes the immense value of the tourism industry and its related sub-sectors. These contribute significantly to the broader economy, ultimately enhancing the standard of living for residents.

We won't see a change of short-let regulations in Dubai anytime soon, and rightly so, given the negative impact seen in the UK and USA.

**12% Total GDP**

Dubai Tourist Sector 2024

**No. 1  
Global Destination**

Tripadvisors Travelers Choice Awards 2024

## About The AirDXB Group

The AirDXB Group 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.



**Gregory Lewis**

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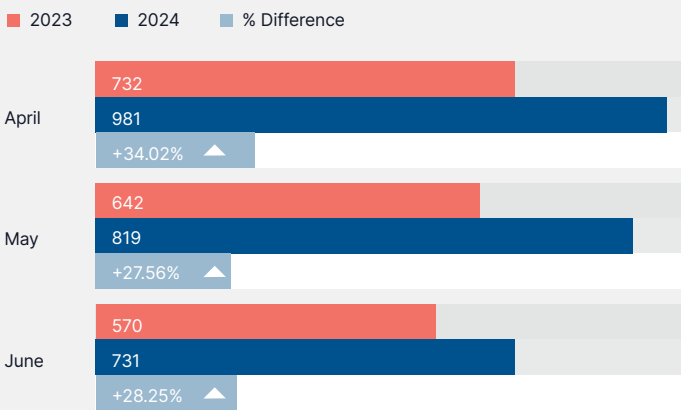
## Celebrating Excellence: AirDXB Group's Recent Award Triumphs



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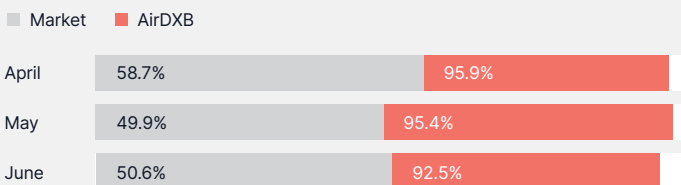
## Average Daily Rates In Q2 For Professionally Managed Properties

The Dubai short-let market is performing well with average daily rates (for professionally managed properties) showing a 34% increase in April, 28% increase in May and 28% increase in June, year-on-year. This correlates with the increased number of tourists visiting Dubai, as well as decreasing available short-let stock on the market, driving up demand and ultimately rates & returns for short-let investors.



## Occupancy Rates

In April, the average occupancy rate for short-term rentals in Dubai was 58%. However, AirDXB outperformed with an impressive 95% occupancy rate. In May, the average rate dipped slightly to 49.9%, but AirDXB maintained its high performance at 95.4%. We're thrilled to report that our success continued in June, achieving a remarkable 92.5% occupancy rate despite the low season.



## Average Length Of Stay

Occupancy rates are important, particularly in low season, the keep cash flow for property investors fluid. They also increase opportunity for 5\* reviews which garners more guest attention when looking at listings and choosing where to stay.

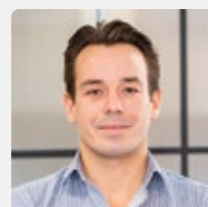
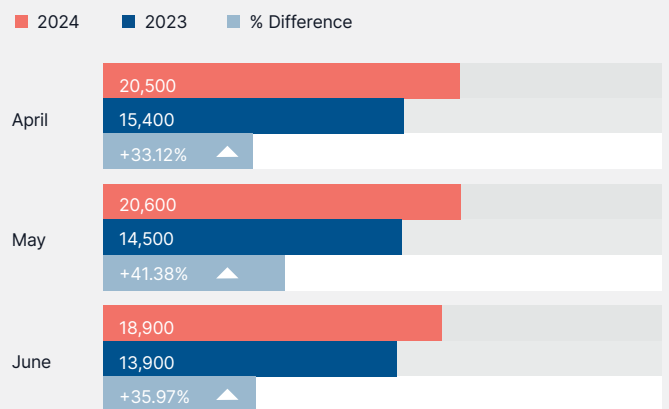


## Revenue For Professionally Managed Listings

YoY comparison for market revenue showed that Dubai short-let returns for professionally managed apartments was up 24.5% in April, 12.09% in May and 29.5% in June, showing that the market continues to be, and increasingly so, prosperous for investors. With the governments' continued focus on driving forward the tourism sector and the various initiatives under "The UAE Tourism Strategy 2031", investors can expect strong financial returns from the short-let sector for years to come.

## Total Active Listings Decrease = Higher Demand

The second quarter of 2024 saw a 15% decrease in the number of active short-let listings. This is not surprising as we enter the short-let low season as some homeowners don't stay the course and shift into the long-term market or sell. This decrease in available stock is great news for short-let investors: with fewer short-term rental properties available, demand will rise leading to higher occupancy rates for existing properties and drive up average daily rates. The short-let market allows investors to adapt to market fluctuations more effectively, and unlike long-term leases, which lock homeowners into fixed rates and contractual obligations. Short-term rentals allow flexibility and the ability to take full advantage of the high returns available in peak tourist times.



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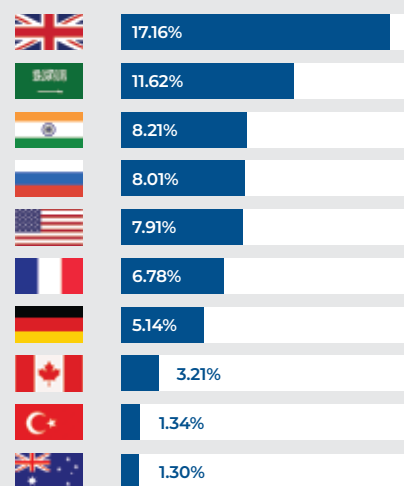
## Spotlight on: Your short-let investment in Sport City

Sports City is a vibrant district brimming with diverse sports amenities- cricket, football, rugby, golf, field hockey, and swimming.

It offers a variety of modern residences, ranging from trendy studios to luxury family villas. Conveniently located near key areas like Dubai Marina and Jumeirah Village Circle.

Dubai Sports City provides direct access to Sheikh Mohammed Bin Zayed Road and Hessa Street. Notably, it features a 25,000-capacity international stadium, making it a popular destination for sports enthusiasts and athletes worldwide.

### Where are guests travelling from in Q2?



Bedroom	Studio	1	2	3	
Transaction Price AED (Average)	464,143	659,980	996,576	1,388,802	
Long Term Letting Rate AED (Average)	38,396	56,096	77,873	97,268	
Short Term Letting Rate AED (Average)	73,902 (238.39/night) 85% Occupancy	112,943 (364.33/night) 85% Occupancy	138,943 (448.20/night) 85% Occupancy	172,043 (554.98/night) 85% Occupancy	
Running Costs (avg. AED)*	Short Term 18,476	28,236	34,736	43,011	
Net Return AED	Long Term Short Term	8.27% 38,396 11.94% 55,427	8.50% 56,096 12.83% 84,707	7.81% 77,873 10.46% 104,207	7.00% 97,268 9.29% 129,032
Short Term vs Long Term % Yield Difference (-/+)	44.35%	51.00%	33.82%	32.66%	

\*Booking, Management and Utilities - Sources AirDXB, Property Finder, Bayut, Dubizzle & RERA, Last 3 Months

Disclaimer: The figures given are averages and should be used for guidance purposes only and should not be relied upon as statements or facts.

# The Dubai Real Estate Market Q2 2024: Key Trends for Investors

Dubai's real estate market continues to make headlines as it experiences unprecedented growth and attracts high-net-worth investors. Here are the key highlights from Q2 2024.

## Market Growth and Transaction Volume

In the second quarter of 2024, residential real estate transactions surged by an impressive 20.5% year-on-year. This surge indicates robust market dynamics and heightened buyer interest. Total property sale transactions reached a staggering 43,612, reflecting the market's resilience and positive outlook.

## High-End Market Insights

High-net-worth individuals are increasingly investing in Dubai property. Cristiano Ronaldo's recent purchase of an almost AED 1 Billion, plot of land in Jumeirah Bay exemplifies this trend. Dubai remains a magnet for high net worth individuals seeking exclusive real estate opportunities.

## Dubai's Response To The Flooding

The unprecedented 48-hour storm in April brought approximately 25 cm of rain, roughly twice the UAE's yearly average resulting in widespread damage and disruptions to the city's infrastructure. Quick to react and rectify this, Sheikh Mohammed approved AED 30 Billion Rain Drainage Network. The Tasreef project will increase Dubai's rainwater drainage capacity by 700 percent.

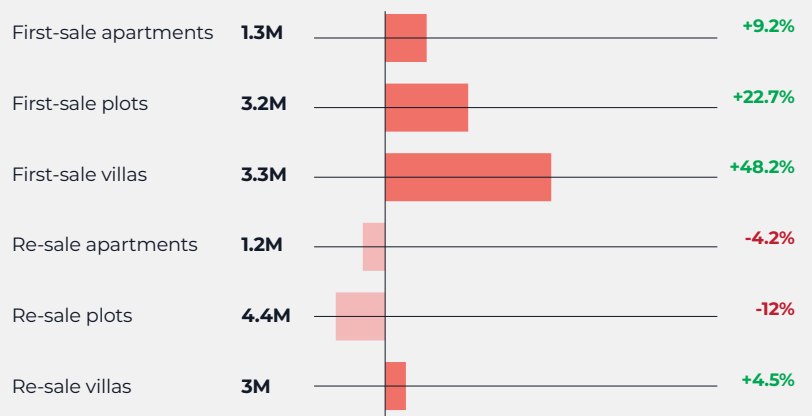
For property investors, the Tasreef project is reassurance for the real estate market's stability. By investing in infrastructure to manage heavy rains effectively, Sheikh Mohammed is demonstrating his commitment to maintaining property values and minimizing damage risks.

This protects existing investments but also enhances the city's attractiveness as a prime destination for real estate investment.

## Sales Value and Property Price Trends

The total sales value in Q2 2024 reached AED 124.6 billion, marking a substantial 15.1% increase quarter-on-quarter and an impressive 36.6% increase year-on-year.

### Year-on-Year Change (%)



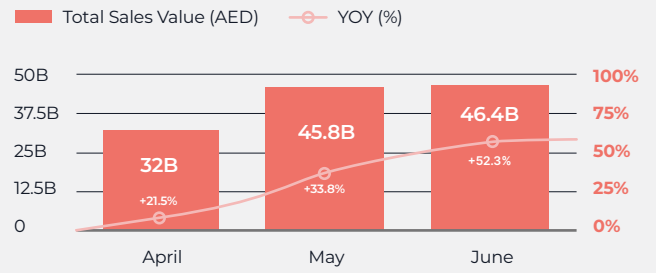
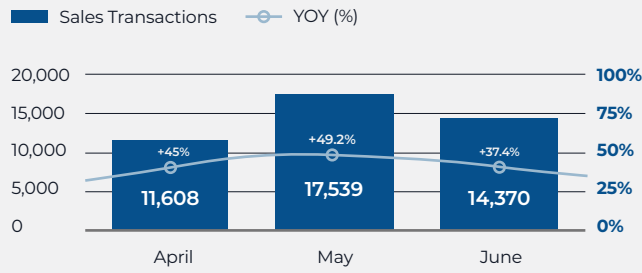
## Dubai's Real Estate Market Resilience Tested (and remained strong)

Despite the impact of Ramadan, Eid, and heavy rain, Dubai's real estate market remained strong. Although we saw trustee offices closed, resulting in zero title deed sales, transaction volumes rebounded immediately after Eid. Additionally, and surprisingly, the rain had minimal effect on overall transactions. However, speculation now arises about whether extreme weather will shift buyers' focus from location to elevation and drainage. Valuations are now mandatory only for mortgaged properties, raising questions about potential adoption of practices seen in the USA, where home inspections and appraisals play a more significant role in negotiations.

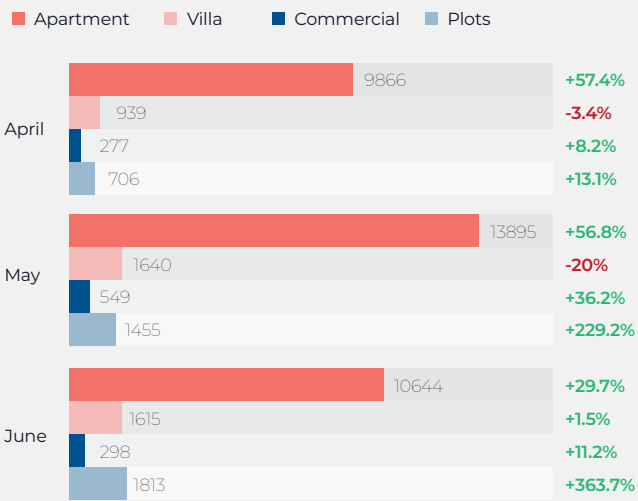
## Recording-Breaking Sales Continue

Building on this growth we saw record-breaking sales this quarter when Dubai's market hit a new record with 17,000 properties sold in May, the highest since 2009. This surge was largely driven by off-plan sales (67%). While some attribute this growth to pent-up demand from reduced trading days in April due to rain and Eid holidays, daily transaction activity had already rebounded. The ongoing demand for properties in Dubai remains strong, attracting both UAE residents and international investors.

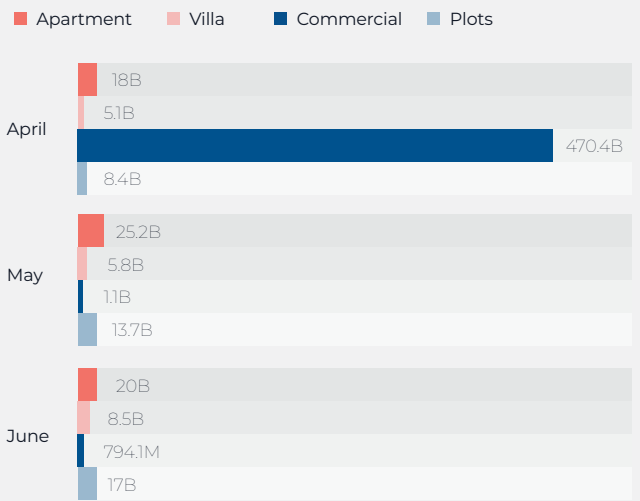
### Total Property Transactions



### Sales Transaction Breakdown



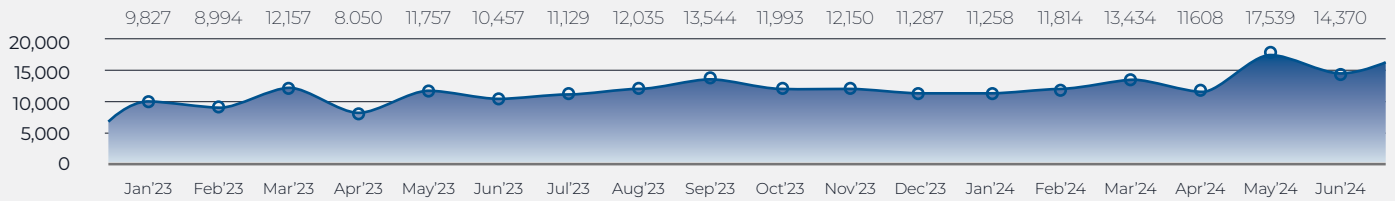
### Sales Value Breakdown



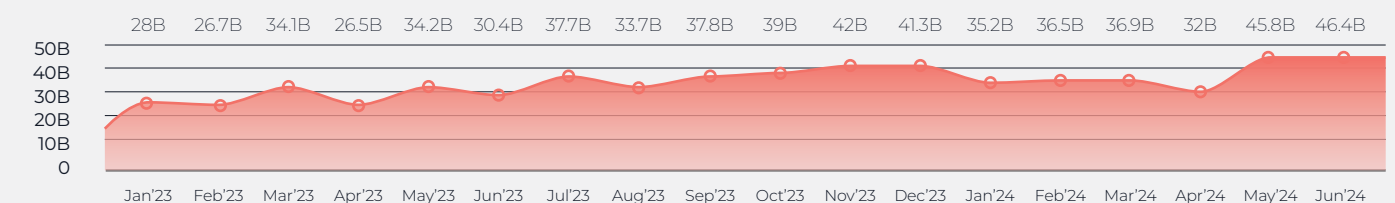
### Top Performing Areas



### Top Property Sales Transactions



### Top Sales Value (AED)





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