

Opening Doors

INSIGHTS, TRENDS, AND FORECASTS FOR REAL ESTATE IN THE UAE



MAY 2024

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A long-lasting culture of inclusivity and safety is driving growth and opening doors for more end-users in UAE real estate

When I'm asked about the number one growth factor in the UAE's property market, the answer is simple: it's people. With visionary policies, economic development, attractive lifestyles, and welcoming open doors, the UAE has managed unparalleled population growth in the past few decades, going from 3.5 million in 2000 to 9.6 million in 2024. Factors such as ease of doing business, combined with policies that promote inclusivity and safety, attract a diverse set of people, more and more of whom intend to set up home in the UAE.

The UAE has been proactive in creating a culture of tolerance and inclusivity, while implementing initiatives that foster a sense of belonging. The real estate sector has benefitted from continued regulatory clarity and best practices when it comes to transparency in advertising, open data, and licensing.

A natural consequence of these is a shift in the property landscape, which has increasingly become user-oriented rather than investor-focused, as it used to be.

When consumers clarify what they

would like to see in a home, it has a positive impact on the quality of the property supply and its ability to preserve and increase value.

Real estate marketplaces such as Property Finder are the first touchpoint in a consumer's journey when they move to the UAE. In that sense, we believe we are the show window of the country, where our product presents the most compelling reasons to be here, supported by images, descriptions, and contextual information necessary for making informed decisions. Ensuring transparency and creating trust is an ongoing endeavour, which extends to existing residents in support of their search for investment opportunities across primary and secondary markets.

With this in mind, we commissioned a qualitative survey to hear from our consumers, both renters and buyers, about their experience and what would make their journey to buy, rent, or invest in a property in Dubai or Abu Dhabi seamless and more rewarding.

Culturally integrated community living is the biggest ask from a majority of respondents. Even as new communities are developed, seemingly in the middle of undeveloped desert areas, we find that they become integrated into the city in no time, as the infrastructure keeps pace. Increasingly, we notice that the starting point for a consumer is not a standalone building but a multi-faceted neighbourhood, which creates a sense of home right from inception.

Spacious living areas, water views, greenery, sustainability, and conveniences are all part of the wish list today. Walkable communities with good fundamentals and quality



finishing occupy the premium segment. Affordability with quality and not necessarily luxury, remains a key demand and will influence supply as we go forward. As the country's population develops depth and breadth favouring a variety of lifestyles, we expect to see more curated communities. With neighbourhoods comes neighbourliness – a beautiful house and lovely surroundings are considered along with the profile of the people next door. In other words, a buyer looks for curated communities, where they have been selected akin to members in a private club. After all, the consumer is an integral part of the real estate ecosystem, adding value to the communities they inhabit.

By placing this white paper in your hands, Property Finder aims to open doors to a vibrant and responsive real estate market in the UAE. I encourage you to use this valuable data to help inform your decisions in the year ahead. All of us together can create and set standards that strengthen the sector from a long-term perspective.

As one of the catalysts of the real estate ecosystem, along with government, developers, agents, and property managers, Property Finder believes that fostering and nurturing trust across the value chain is only possible when we place the community at the centre of all our endeavours.

Why we did this research: Property Finder believes in opening doors to opportunities through knowledge. This is why we conducted a survey of consumers to understand what they are looking for. The verdict is clear: they want vibrant, integrated communities where they feel a sense of belonging.

INSIGHTS 2024: WHAT MOVES HOME-SEEKERS?

The Property Finder UAE Community Living Survey was commissioned to explore consumer aspirations related to the quality of their homes and neighbourhoods. The survey, conducted in 2023 in the form of Focus Groups and In-depth Interviews of investors, buyers, and renters in the UAE, forms the basis on which this white paper has been developed, supported by contextual research and stakeholder interviews.



Real estate consumers – including investors, end-users, and renters – are increasingly looking for community-centric living.

Available stock in the market needs to cater to emerging aspirations, delivering planned communities with all amenities, recreational facilities, and green spaces.



Spacious layouts that can be personalised and a strong sustainability score are high on the consumers' list of demands.

Limited supply of affordable options needs to be addressed at all levels to support the long-term sustainability of the sector.



Data-driven indices can help increase trust, gauge consumer confidence, and inform better pricing decisions.

A property aggregator portal is the first touchpoint for investors and end-users. The demand-supply dynamic can be seen clearly on aggregator platforms, which can be strengthened with collaborative efforts.



Consumers prefer verified agents and complete and updated listings of verified properties. An informed consumer can increase trust in the ecosystem.

Ratings and reviews of both agents and properties can help ensure greater transparency.



The property ecosystem – comprising the municipality, development authority, roads and transport authority, developers, and intermediaries – needs to work together to meet consumer aspirations.

SECTION 1

The UAE emerges as a coveted destination for community living

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The UAE's attraction as a coveted destination for a home drives growth

Urban areas are home to more than half of the global population. By 2050, 70% of people are expected to live in cities¹. In the UAE, about 88% of the inhabitants live in the country's larger cities, with urbanisation growing by 1.1% annually².

For instance, the UAE's population reached 9.44 million in 2022. Dubai added 100,240 people to its numbers in 2023, to reach a population of 3.65 million on December 17, 2023^{2,3}. This is driving not only a growth in property values but also a conversation on what consumers – including renters, end-users, and investors – perceive as a home that resonates with their needs and aspirations.

88%

of the inhabitants of the UAE live in the country's larger cities



Savvy and aspirational home-seekers are driving up demand

The Property Finder UAE Community Living Survey has clarified some of the personas of home-seekers in the UAE:

Elias, a father of two, has chosen to live in a community in Abu Dhabi, so that the children can experience “the old communal lifestyle” and easily access the outdoors and all facilities.

Mariam, a doctor’s assistant, loves the calm and greenery in her residential community in Dubai. She likes the ease of parking, and the fact that her studio is always well-lit but cool.

Hamad, a father of two, and a government employee, says that his “calm and serene” home in Dubai, close to his workplace, and

less than a mile from his parents, located in a community with all daily necessities, is the best thing that ever happened to him.

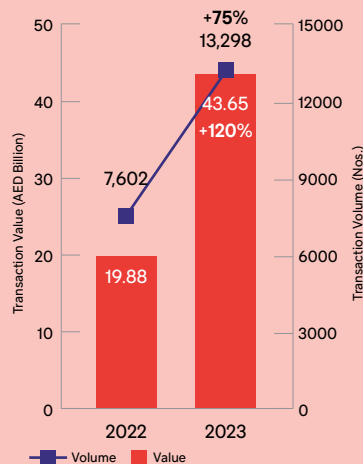
Juxtaposing population growth data with real transactions shows that the number of people setting up homes in the UAE is increasing. Official data show an uptick in home ownership in Dubai in 2023 with sales transactions rising 38% from 2022. Similarly, total transactions in Abu Dhabi increased 75% over 2022.

The momentum has continued in January 2024, according to Property Finder’s proprietary data. The market witnessed a YoY increase of 17% with 11,000 recorded sales transactions, compared to 8,712 in January 2023.

Blue and green spaces, with responsive urban infrastructure

and facilities can turn buildings into neighbourhoods, the demand for which is increasing.

Property transactions in Abu Dhabi



Source: Property Finder research

Connected, lifestyle-oriented communities are increasingly sought after

Research shows that mixed-use communities with facilities planned around metro connectivity are preferred by end users. These walkable and cycle-friendly neighbourhoods outperform the wider market in Dubai, showing price increases of 26.7% on average, compared to an average overall increase in all properties of 24.1% between Q1 2010 and Q4 2022⁴.

Properties in these developments also command as much as 11% higher rental growth even while the average rental rates of all properties may have declined⁴.

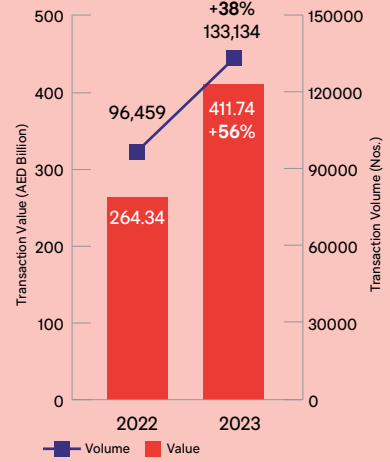
Key mixed-use neighbourhoods in Dubai include Palm Jumeirah,

Emirates Hills, Al Barari, Jumeirah Golf Estates, Jumeirah Bay Island, Emaar Beachfront, Downtown, Business Bay, District One, and Dubai Hills Estate.

Suburban communities such as Damac Hills, Mira, The Villa, Serena, and Town Square dot the skyline around the emirate.

In Abu Dhabi, locations such as Saadiyat Island, Reem Island, Al Raha, Al Bateen, and Abu Dhabi Gate City offer not only exclusive lifestyle, but are also home to gated communities such as Nalaya Villas, Jawaher Al Saadiyat, Al Raha Golf Gardens, the Hills, and Mangrove Village, among others.

Property transactions in Dubai



Source: Property Finder research



A wide range of property and opportunities for growth

Research findings

3 reasons for choosing UAE to set up a home

Safety and infrastructure

Abu Dhabi and Dubai residents are most attracted by the sense of safety and the availability of facilities such as hospitals, schools, public transport, malls, and entertainment within a community, as well as the convenience of services.

Opportunities and ease of living

The many job opportunities in the UAE are a highlight in choosing the country to live in. Plus, it's easy, well-organized, clean, and up to date with the latest developments.

There is something for everyone

The country offers living options across the range – luxury, budget-friendly, and everything in between.

Source: Property Finder UAE Community Living Survey 2023

Why investors choose the UAE

ROI in a dynamic real estate market

A safe and secure destination

Favourable tax and regulatory environment

Flexible payment options like payment plans and mortgages

Prevalence of property management to ensure ROI

Source: Property Finder UAE Community Living Survey 2023

"There's a lot of opportunities... if one wants to improve, there are many opportunities for the future."

Arab expat, Abu Dhabi

"The lifestyle is what draws me the most...the services are convenient and digitalised, and it's very safe."

Western expat, Dubai



Consumers demand sustainability; regulators and developers respond positively

The increasing consumer demand for sustainability is now being factored into community design. The consumer demand for sustainable lifestyles is now making its presence felt in the real estate sector, where the demand for LEED and other certifications is increasing.

Research shows that 66% of affluent buyers prefer brands that are sustainable and eco-friendly, even if they cost more. In the real estate sector, key buyer groups demand sustainability and living spaces that include energy-efficient products⁵. In the UAE, 47% of respondents in a recent survey said they want to make their home as

environmentally friendly as possible⁶.

The United Nations Climate Conference (COP28), hosted in the UAE in December 2023, included urban planning as one of the topics, and is expected to usher in sustainable practices across sectors. COP28 delegates discussed that the real estate sector is responsible for 40% of carbon emissions⁷. Buildings contribute 38% of all energy-related greenhouse gas emissions⁸.

The UAE has created a regulatory and target-based foundation for smart and sustainable cities. Estidama, the Arabic word for

sustainability, is a 2010 initiative of the Abu Dhabi Urban Planning Council (UPC). Abu Dhabi's Plan 2030 establishes a clear vision for sustainability as the foundation of any new development in the emirate. It encourages water, energy, and waste minimisation, local material usage, and aims to improve supply chains for sustainable and recycled materials and products⁹.

Similarly, the Dubai Clean Energy Strategy 2050 seeks to make Dubai a global hub for clean energy and the green economy, and comes in line with the Dubai 2040 Urban Master Plan, which emphasises sustainable urban development¹⁰.





Effective urban planning creates healthier, more liveable cities

Counting a diverse, talent-rich population as its strength, the UAE adopted new laws and updated its regulations to augment its attractiveness to both investors and residents.

Given their importance to growth and development, creating cities that are sustainable, resilient, and inclusive is a priority for policymakers and urban planners. Increasingly, there is a focus on creating vibrant communities that balance building density with green spaces, shopping, entertainment, education, and healthcare – all within easy reach.

Research shows that proximity to open, green spaces with water bodies, and easy access

to educational facilities, food, and healthcare, have better mental health outcomes in an urban setting¹¹.

Incorporating child-friendly

design, and creating walkable neighbourhoods that facilitate physical activity are increasingly being highlighted as potential areas of focus in urban planning¹².

Recent UAE measures include:

- Changes in residency law, including investor visas, multiple entry visas, and a 10-year Golden Visa granted to property buyers, entrepreneurs, and exceptional talents.
- 100% ownership of companies for foreign nationals in most sectors, and other regulatory reforms related to anti-money laundering, sanctions, cybercrime, data privacy, and bankruptcy, among others^{13,14}.
- Facilitating the creation of master-planned communities.



How policymaking supports the UAE's attraction

In the UAE, policymakers have created human-centric visions for future cities, prioritizing "happiness" as a core value¹⁵. Launched in 2014, Dubai's Vision talks about the city as "an experience" that would make it the "preferred place to live, work, and visit"¹⁶. Similarly, Plan Abu Dhabi 2030 focuses on urban infrastructure and considers "sustainability" and "liveability" among the key outcomes.

Urban planners aim to create

comprehensive, integrated communities that take into account the daily movement of people from housing units into business units, connecting A to B in such a way that the quality of life is enhanced.

These policies work at two levels: the regulatory framework and economic policies combine to make it attractive for people to move to the location, while the urban offering ensures that those who move to such a community form a strong human bond.

105%
increase in the size of green and recreational areas in the Dubai 2040 Urban Master Plan

60%
of land to comprise of nature reserves and natural areas in the Dubai 2040 Urban Master Plan

Family size and financial savvy are among the reasons to move house

"My kids are married and have their own families; I no longer need a large house. I'm looking to downsize to a 3-bedroom apartment with a nice view and amenities."

Emirati end-user, Abu Dhabi

Why people move homes

Growing or reducing family size

Too much construction/too many buildings

Commute, traffic, and search for lifestyle

Rent changes

Source: Property Finder UAE Community Living Survey 2023

"The traffic is insane. I queue for 20 minutes just to cross the traffic light and reach my house. The urban development plan in the area is bad."

Western expat end-user, Dubai



INTERVIEW || Amira Sajwani

Managing Director of Sales and Development at DAMAC Properties, Co-founder and CEO of PRYPCO, Co-founder of Amali Properties

We expect greater demand for sustainable, diverse communities that provide a strong sense of belonging

Is there a science or process that you employ when developing a community living project?

At DAMAC Properties, our philosophical approach to each project is univocal across our portfolio – to empower residents to 'Live the Luxury' within a family-centric, enriching, well-equipped, and holistic community.

However, we look beyond Dubai and the UAE when planning a community. We draw inspiration from the best of the best, studying successful projects from around the world that still stay true to our city's unique character. We incorporate global best practice in sustainability and engineering and stay updated on different governmental and urban planning policies to future-proof our projects. We also constantly engage with local stakeholders: existing and potential investors, residents and local authorities.

Coupled with our own real estate expertise and knowledge of the region, our approach allows us to set new benchmarks of quality and creativity that change how people view master-planned communities as a whole.

The success of this multi-faceted approach is already being seen. Our first master development DAMAC Hills enjoys a thriving, all-encompassing lifestyle; our second, DAMAC Hills 2, is Dubai's most-transacted community; and the upcoming DAMAC Lagoons was named the UAE's pre-certified LEED Platinum community development under the Leadership in Energy and

Environmental Design (LEED) Cities and Communities Rating System.

How is the development of a community different?

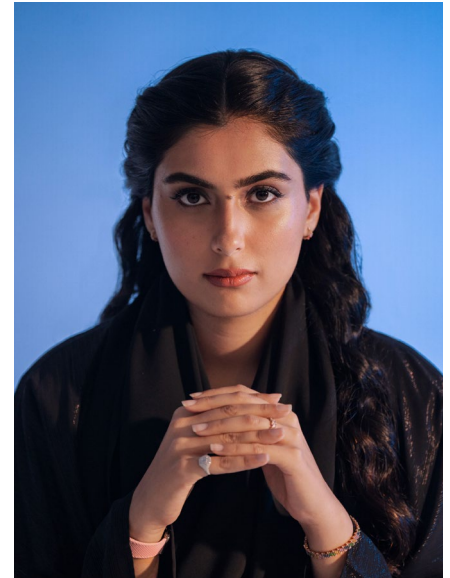
When it comes to investor-centric projects, a focus on maximising returns, prioritising financial performance, and deeply understanding what the audience wants is key to creating lucrative opportunities for them.

At DAMAC Properties, we take a holistic approach, including looking at overarching metrics such as ROI, rental yields, and capital appreciation. We also conduct exhaustive market analysis to identify projects that will meet supply-demand projections (taking historic trends into account), identify the right type of asset class (residential, commercial, hospitality), location (access to public infrastructure, real estate mix in the area); and innovative design to attract savvy investors and boost the financial viability of a property.

Meanwhile, community and solely end-user-focused communities place a greater emphasis on inclusive projects that enhance quality of life. However, even in an investor-centric project, the ultimate lifestyle of the people who will be living there is always paramount.

How do you see community living evolving in future?

We have been privileged to not just witness but set new standards for community living in the UAE. Historically, communities were largely basic residential developments



with a limited spectrum of facilities and services. Today, they have transformed beyond just being housing into integrated, self-sustaining hubs with recreational facilities, retail outlets, parks, schools, medical centres, and more. We expect to see a greater demand for sustainable, eco-friendly, and wellness-focused communities from residents, with the prevalence of green spaces set to rise. Moreover, as the population of the UAE gets more diverse, communities will have to embrace inclusivity and social cohesion and inculcate a strong sense of belonging.

How much of this evolution is driven by consumer aspirations?

It is the result of both, consumer aspirations and developer vision. Consumers inspire developers to understand and meet their changing preferences for integrated, high-quality living spaces. Developers play a crucial role by envisioning, planning, and executing projects that go beyond basic housing, incorporating innovative design, amenities, and sustainability. At DAMAC Properties, we recognise this collaboration and are committed to creating communities that exceed consumer expectations and enrich lives.

INTERVIEW || Nina Klishevich
General Manager Dubai, Blueground

Short-term renters with families are increasingly opting to live in vibrant communities

What is Blueground's business model and how is it performing in Dubai?

Blueground is the largest global operator of furnished, flexible midterm rentals for stays of 30+ days. The company has 15,000 units in 32 cities and 17 countries around the world. Dubai was our third city, launched nearly 10 years ago. We now have about 1,000 properties in varying locations and communities ranging from studio apartments to three-bedrooms. A majority of guests stay with us for temporary work or a new job. While our average length of stay portfolio-wide is around 4.5 months, in Dubai we're seeing guests typically stay for longer periods as it is difficult to find mid- to long-term furnished rentals.

Blueground partners with local landlords and property management companies to lease apartments in the most desirable buildings and neighborhoods, design and furnish them, and make them available to rent instantly on our website. We cater to both individual consumers and about 4,000 Fortune 500 corporations.

How have your customers' requests evolved over the past 5 years?

The biggest evolution across markets since COVID-19 is that all our properties have one or more workspaces. Lots of people still work from home. People also want flexibility. We're seeing more guests wanting to get out of the heavily populated areas and into locations that offer more of a community feel.

What kind of properties are in highest demand? Is there any trend towards community living?

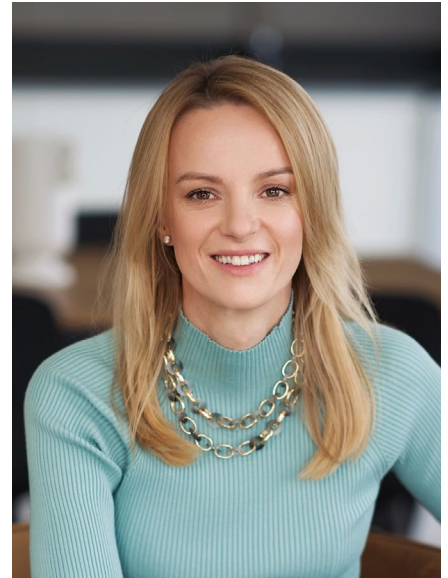
We have seen 15% to 20% of our stock shift from unfurnished to furnished in the past few years. As for community living, Dubai offered mixed-use neighbourhoods very early on, in popular locations like Downtown and Marina, which have entertainment, shopping, and restaurants. In those days, healthcare and education were outside, but now every neighbourhood has a clinic, a small or specialised hospital, and a school. Green spaces are included in the newer neighbourhoods and, in some cases, also in the older ones. We see these kinds of neighbourhoods in very high demand.

Where is the demand for rentals within communities coming from?

Single people or couples without kids tend to stay more in Marina and Downtown. Families choose calmer neighbourhoods, closer to schools, healthcare facilities, and parks.

The third category is business professionals, which are not always here full-time. They come for a project or are still exploring the city. They prefer locations close to where they work. DIFC, for example, is in high demand. It's another level of a community where you live in a tower, go down, go through the gates, and find all the facilities as well as your office.

As communities emerge, they aren't all developed similarly. City Walk, for instance, is a low-rise



European-style community with a hospital, restaurants, entertainment, a beach nearby, and schools. That's super popular among families too.

How important is technology and how much of a role will it play in the UAE property sector?

Technology for us is both an enabler and a differentiator. Guests can view available apartments on our website in real-time, take 3D tours, and book with a few clicks. Once they book, they get access to our guest app, which allows them to manage their stays from start to finish – from check-in to check-out – including booking cleaning and working with our customer experience team.

The Dubai government is digitally advanced and integration allows for seamless operations. One innovation was introduced just three weeks ago. Earlier, each landlord needed to sign the papers, which we uploaded to receive a permit [to operate a holiday home]. Now, the system connects the Dubai Land Department to the landlord, who can insert their information, which is then sent on to Dubai Economy and Tourism, who send a link to the landlord to approve. Simple, easy, and seamless.

SECTION 2

Communities with a vibrant asset mix are in high demand

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- 22 The global principles of planning sustainable neighbourhoods
- 23 Scalable foundational infrastructure comprises the building blocks of UAE communities

Dubai's community development has accelerated with demand

The UAE's thriving, vibrant community life was traditionally built around mosques, souqs, livelihoods, and trading hubs. In contemporary times, population growth has driven the development of cities. For instance, the population of Dubai has multiplied 80 times from 40,000 in 1960 to 3.3 million in 2020, while the urban and built area of the emirate has increased 170-fold from 3.2 sq km¹⁷.

From the construction of its early developments, including the relatively low-rise residential and commercial mixed-use Al Ghurair Centre in Deira, built in 1981, to modern global landmarks such as the Burj Khalifa, Dubai

continues to provide multiple options for a varied demographic mix in multiple localities.

In 2006, Dubai designated freehold areas for property ownership by foreigners¹⁸. The Dubai 2040 Urban Master Plan focuses on development in five main urban centres that support the growth of economic sectors, increase job opportunities for the diverse population, and provide a wide range of lifestyle facilities for all sections of the population. It includes the creation of easily accessible integrated service centres and communities with green spaces, commercial centres, and recreational spaces¹⁰.

80x

is the growth in Dubai's population in 60 years since 1960

170x

is the increase in Dubai's built area in 60 years since 1960



Abu Dhabi uses urban master-planning to support growth

An early adopter of urban master-planning, Abu Dhabi has emerged as one of the fastest growing cities in the world. Abu Dhabi saw as many as 628 commercial and mixed use buildings constructed between 1975 and 1979.

In Abu Dhabi, the first census conducted in 1975 put its population at 120,000, with a built area of 54 sq km; the population increased to 1.3 million in 2019, with a built area of 758 sq km¹⁹.

In mid-2000, the property ownership law was changed, allowing the sale of grant land

by nationals, and introducing a form of ownership by expats¹⁹. Since 2019, the real estate law has allowed foreigners to own freehold property in designated zones²⁰.

Plan Abu Dhabi 2030 envisages a mixed-use Central Business District encompassing Al Suwwah Island, along with the edges of Al Mina, Al Reem, and Abu Dhabi islands. A second city centre in the Capital District with medical centres, higher education facilities and government buildings, with residential developments at its centre, is also part of the plan⁹.

758

sq km was the recorded built area of Abu Dhabi in 2019, from 54 sq km in 1975





Research findings

The property investor's checklist

Budget

ROI

Well-developed, calm neighbourhoods

Rental/resale demand for location and property type

Developer's reputation and track record

Quality of construction/ neighbourhood

Phase of construction

Source: Property Finder UAE Community Living Survey 2023

Investors and end-users make their preferences clear

Preferred elements of structural layout

Spacious rooms to accommodate a growing family

Large picture windows and balcony with a view

Extra space (maid's room, storeroom, etc.) to personalise

A majlis with independent access

High ceilings and appealing exteriors

Source: Property Finder UAE Community Living Survey 2023



Communities with a blend of lifestyle and culture emerge at the top of the wish-list

Communities that offer a blend of residential, commercial, lifestyle, and cultural uses in a locality are preferred options for end-users, and, by extension, developers. Research shows that a well-planned package of business and lifestyle elements in one locality leads to higher spend and dwell time, the two markers for sustained economic value for commercial occupiers²¹.

In Dubai, the asset mix varies by development. Some are residential-led with complementary offerings of retail, services, and leisure; others are led by commercial spaces. The abundance of land until recently has

allowed for a more planned creation of mixed-use developments, relatively unhampered by the legacy built environment that typifies global cities.

Property buyers in the UAE reflect the diverse demographic that the country attracts. In addition to investor markets such as the GCC, India, Pakistan, US, and UK, buyers from Monaco, Switzerland, Singapore, Hong Kong, mainland China, and South America are also investing in real estate in the UAE. Communities reflect the demands of a varied set of consumers, placing beach access or shorter

commute as a central feature, depending on the target group.

Access to routine services such as a local supermarket, pharmacy, cafés, neighbourhood shopping centres, gyms, salons, and spas are foundational elements. Access to schools, hospitals, clinics, retail, and restaurants, as well as nearby business districts, are sought after elements²². The Property Finder UAE Community Living Survey 2023 confirms that lifestyle elements drive community living. These include a sense of serenity in beautiful surroundings, viewable from the residence.

Quality of the location and the property are equally important

Research findings

"The management is excellent... There is someone to address any issues. Another great feature is cleanliness... The pool and gym are well-maintained. There is a sauna and a recreation room with games. There is an in-house maintenance company."

Western expat investor, Dubai

Preferred location attributes

Calm, and far from street noise

Green surroundings, accessible parks and gardens

Ease of access to work and family

Close to key facilities: school, hospitals, malls, metro

Grocery, laundry, restaurants, pharmacies nearby

The security of a gated community

Easy parking

Appealing view, preferably a sea view

Source: Property Finder UAE Community Living Survey 2023

15K

people per sq km is seen as optimal by the UN for efficient land use

What goes into choosing a building?

Pool, kids play area, gym, sauna, Jacuzzi, and barbeque area

Part of a gated community

Security personnel

Parking availability

Pet friendly building/community

Building maintenance standards

Cleanliness of the building/community

Neighbourhood and community suitable for families

Low-rise buildings

Source: Property Finder UAE Community Living Survey 2023



The global principles of planning sustainable neighbourhoods

Globally, as urban areas gain recognition as centres for economic growth, there is also a focus on creating sustainable neighbourhoods that address challenges such as population growth, urban sprawl, equality, pollution, congestion, biodiversity, mobility, and energy. UN Habitat lists five principles²² of sustainable neighbourhood planning:

1

Adequate space and an efficient street network.

At least 30% of land and 18 km of street length per sq km for roads and parking is recommended in a high-density city, with walkable and cycle-friendly streets.

2

Optimal population density.

At least 15,000 people per sq km is considered optimal density for efficient land use and ensures lower costs of public services, reduced car dependency, and more open spaces.

3

Mixed land-use.

At least 40% of floor space allocated for economic use in any neighbourhood is recommended for job creation and economic growth, reduced landscape fragmentation, and better access to public services.

4

Social mix.

A diverse residential space mix is recommended with 20% to 50% floor area for low-cost housing, and no more than 50% of the total for each tenure type, to promote social interaction and cohesion.

5

Limited land-use specialisation.

Single-function blocks limited to less than 10% in a neighbourhood are recommended to combine compatible land-uses into one block and neighbourhood.



Scalable foundational infrastructure comprises the building blocks of UAE communities

One of the advantages of the UAE is that the government leads the development of business-friendly mixed-use communities with foundational infrastructure that can be scaled to provide improved services to residents, visitors, and business professionals.

One example is Dubai South, the city's largest single urban master development, anchored by the Al Maktoum International Airport. The township contains a free zone, a residential community, a retail destination, an entertainment zone, and Expo City Dubai, the bedrock of Expo 2020 and the venue for COP28. Expo Village has

not only residential options but also gymnasiums, swimming pools, play parks, supermarkets, health clinics, restaurants, and cafés²³.

In Abu Dhabi, several locations are seeing a flurry of activity in the residential space. Khalifa City, Yas Island, and Ramhan Island have announced new supply, including luxury beachfront villas and branded residences, as part of mixed-use development comprising a hotel and a marina²⁴.

Waterfront living is a key draw in both Dubai and Abu Dhabi, and includes developments in Dubai Creek Harbour, Dubai Maritime City, Mina Zayed, and Al Jubail island.

"The location is key... I would also look at its proximity to schools, to the mall."

Arab expat investor, Dubai

"What I like is that it is a very quiet area, you feel like this is a little far from traffic. My home is also somewhat close to my husband's work, 10 minutes to the highway, and it is very well-serviced."

Arab expat end-user, Dubai



Vibrant communities have higher sales velocity and yield

How can trust and transparency in the buying and renting process be enhanced?

There are multiple ways to do that. Chief amongst these is the data lag, due to which one cannot gauge consumer confidence month on month. If we can have a portal where we can track live transactions as they happen, we can increase transparency in the real estate market. This is one way that agents, developers, and regulators can work together. This will help consumers better understand the variances and work out their purchase decisions analytically. Something like a Property Trust Index, similar to a consumer confidence index, would be very helpful.

On the behavioural side of things, consumers can make better decisions if they have a way to access the wisdom of the crowd to gauge confidence. There is a role here for the private sector, working with the Land Department, to aggregate and develop more analytical industry reports with deep dives into various locations and communities.

What role are the aggregator portals playing? What are their strengths and opportunities?

The demand side comes alive through the aggregator portals. Their traffic and search data are a big gauge of understanding consumer confidence, market demand, regulation, etc. Analytical pieces on demand and supply dynamics add depth to the market. If you can see that, say, 30 villas in Jumeirah Islands came to market in Q4 2023 compared to five in Q1 2024, we can predict an increase in price.

What are renters and buyers asking for most, with a specific focus on community experiences?

One of the most important things consumers are about today is community sustainability and liveability. Are there schools nearby? Healthcare facilities nearby? Can I ride my bike in the community? Can I walk with my son safely? We see a lot more focus on the sustainability front, especially at an institutional level, especially blue-chip companies.

Buyers and renters are becoming a lot more sophisticated and a lot more specific about their needs and attitudes, and they are much more inclined to live in a community living space or a master-planned development rather than a single building.

How are developers responding?

Large developers are better positioned to respond effectively because they have better access to land banks as well as the capacity to establish communities at scale. Smaller developers less so. We're seeing developers less and less keen on launching master plans and then selling plots to smaller developers. So, we're seeing communities like Dubai Hills, Downtown, Creek Harbour, etc. emerge as single-developer areas where it truly becomes community living that is integrated. Living the journey, that's what today's consumer really looks for. So, these developers are responding well enough. You have master plans like La Mer and City Walk. These are single-developer master-planned communities, which adds to the



vibrancy and the community living that today's consumer wants.

Are consumers willing to pay a higher value?

Absolutely. Take the example of Jumeirah Islands in Dubai, where 63% of the area is green space and community areas. It has become one of the most sought-after communities as it focuses on liveability and sustainability rather than building more and selling more. Another example is Tilal Al Ghaf, with an ecosystem that includes a lot of greenery, lakes, larger roads, and more amenities. Such developments also hold their price advantage in the secondary market and yield higher rental returns.

How can policymakers and regulators support development?

It is an ecosystem play. The municipality, development authority, roads and transport authority, etc. all work together with the developers to meet the aspirations of consumers. They could also get together to educate the market.

INTERVIEW || Kika Pavese
Managing Director, MD Properties

70% of clients look for community-centric experiences

What percentage of buyers/renters are looking for a community experience?

In Abu Dhabi, we've witnessed a notable shift in buyer/renter preferences towards community-centric living experiences. Approximately 70% of our clients express a specific interest in such environments, indicating a growing desire for social connectivity and shared amenities. This trend has seen a gradual increase over the past 2 to 5 years, not only reflecting the evolving lifestyle preferences of residents but also due to the new communities that have been developed and handed over in the capital.

What is the profile of consumers looking for such living?

The profile of consumers seeking community living in Abu Dhabi is diverse. Today we not only see families and expatriates but we also see the young professionals embracing Abu Dhabi life. There's a common thread here: a preference for safety and convenience. Consumers are prioritising well-designed developments with modern amenities, recreational facilities, and ample green spaces.

Location is a very important factor as well; the young consumer wants to be in a community that is close to Dubai. Most of the time, an apartment will suffice, but families look for a community that is close to work and school with green spaces and recreational facilities where children can go out and play. Single expatriates and couples look for something more luxurious, like Maryah Island or St. Regis in Saadiyat Island.

We also see an interest among UAE nationals in joining such communities, where there is a cultural mix they can identify with.

What are the top three non-negotiable demands of consumers in terms of property profile?

Location reigns supreme in Abu Dhabi. Depending on the profile of the client, they prioritise prime locations with easy access to the essential services that fit their profile – facilities, amenities, educational institutions, and leisure attractions, for example. Additionally, it is a common trend to seek properties with spacious layouts.

When it comes to renters, the mode of payment plays a very important and non-negotiable role. For example, if the housing allowance is paid monthly, the consumer will be looking at a property that allows 12 cheques and if the housing allowance is paid yearly, the consumer can then negotiate a better price for just one payment. The way consumers pay their rent is also very important.

Where do you see the gaps?

Despite the growing demand for community-centric properties in Abu Dhabi, there remains a gap in the availability of affordable options, particularly in sought-after locations. Limited supply and affordability constraints pose challenges for prospective buyers/renters. And this is where developers like Aldar, Lead, Bloom, and Modon are playing an important role in developing Abu Dhabi to be the city that has an



option for everyone and where the access to these properties won't be as challenging as it is today.

What are the top three factors shaping price trends?

Price trends in the Abu Dhabi real estate market, like any other market, are influenced by location desirability, infrastructure development, and market sentiment. Additionally, demand-supply dynamics, government regulations, and economic conditions play significant roles.

How important is the role of a facilitator like you?

This is everything. As a leading real estate agency in Abu Dhabi, at MD Real Estate we are committed to educating the market, our clients, and consumers in general about the immense opportunities available. Our role is not just to facilitate. We need to hear, understand, shape, and advise clients with knowledge and market experience to meet their expectations and develop a bond of trust.

SECTION 3

Fostering trust and transparency through collaboration

27 Stakeholders have a collaborative role to play in enhancing value

28 Effective public-private partnerships make for enhanced consumer experiences

29 Technology plays an increasingly important role in consumer decision-making

30 Proptech firms like Property Finder have been at the forefront of digital delivery

Stakeholders have a collaborative role to play in enhancing value

Stakeholders such as government, regulators, developers, realtors, and proptech companies all have a role to play in enhancing the value of the UAE's real sector in line with consumer expectations.

Transparency is one of the primary drivers of consumer experience. With the UAE open-data policy framework in place, it is possible for the private sector to collaborate with the government to deliver real-time transaction data to facilitate decision-making.

"When you visit, you find the space and the kitchen size are wrong, and sometimes the balcony doesn't even exist. It's frustrating because details are missing."

Asian expat, Dubai

"A property portal is a way to research and get market information. It provides information on property prices... and gives you an idea of the property trends in the area."

Western expat, investor, Dubai



Effective public-private partnerships make for enhanced consumer experiences

Several aspects of the UAE real estate market are already benefitting from public-private initiatives, where government data and licence information about agents has created better consumer experiences.

Given the diversity in consumer, developer, and agent demographics, technology becomes a great leveller. Offering a seamless experience by integrating technology can become a communication bridge and foster greater trust and transparency.

Training the cadre of customer-

facing personnel and creating pathways for private sector collaborations can be helpful. Technology can also help in optimising the process and building efficiencies.

In this context, applying and setting international best practice in real estate sector can engender greater trust in not just the market but the process as well.

A responsive platform for customer engagement is one that speaks to not just the end-users based locally but also global

investors. A cross-platform, hub-based approach can help smoothen the experience for the investor, by bringing together all aspects, such as property search, finalisation, registration, legal, and subsequent management.

AML compliance best practice is increasingly important in a globalised world²⁵. Agents are on-ground and have the benefit of knowing market norms and deviances first-hand. This is strengthened by integrating KYC across the process²⁶.



Technology plays an increasingly important role in consumer decision-making

When “Laila” began on her home search in February 2024, she had already decided that she would live close to work. Having shortlisted two or three buildings, based on factors like room sizes, unobstructed view, and nearness to the Metro, she zeroed in on one because of the transaction data provided. Knowing the last five rentals gave her a clear idea of how much to offer, instead of only relying on the asking price.

Laila’s experience demonstrates the role of property technology classified, such as Property Finder, in consumer decision-making. The global proptech market, valued at USD 24.75 billion in 2022,

\$24B

is the estimated value of the global proptech market in 2022

15.8%

is the forecast CAGR of the global proptech market to 2028

is experiencing robust growth with a CAGR of 15.8% to 2028²⁷.

While digital transformation has influenced the real estate sector, including efficiencies in machinery and equipment management, data-driven decision-

making has transformed the consumer experience as well.

Virtual reality (VR) and augmented reality (AR) technologies can create immersive property tours, allowing prospective tenants or buyers to explore properties remotely.



Proptech firms like Property Finder have been at the forefront of digital delivery

Data and analytics facilitate accurate property valuations and investment analysis, drawing more investors to the market.

The UAE government's Open Data policy has stringent reporting requirements and partnerships with technology companies.

As the region's proptech pioneer, Property Finder has been at the forefront of this digital transformation since 2007. In 2019, the Dubai Land Department (DLD) and Property Finder launched Dubai's first official sales and rental price index, Mo'asher, to reveal property demand-supply dynamics as part of Data Finder²⁸. In March 2024, The Abu Dhabi Real Estate Centre (ADREC) signed MoUs with private sector entities, including Property Finder, to ensure the consumer receives accurate, non-conflicting transaction information²⁹.

In addition to AR and VR, proptech applications such as GIS mapping, 3D printing, AI-powered big data analysis, blockchain, and digital twinning can add value

to all stakeholders across the value chain of real estate entities including investors, agents, landlords, and the government.

As the disruptor of the traditional classifieds model, Property Finder has expanded its offering to SuperAgent, the MENA's first artificial intelligence (AI)-driven ranking system, and Mortgage Finder.



Research findings

Typical steps in a property search

Property portals are the starting point to filter neighbourhoods / properties

Check with friends / family

Visit the location

Find a trusted agent

Visit the property

Check social media groups

Source: Property Finder UAE Community Living Survey 2023

Consumer demands from proptech

Better accuracy / validity of listings

Consumer reviews / ratings

Info on property condition

DLD authentication of agents and properties

Source: Property Finder UAE Community Living Survey 2023



The industry's biggest growth opportunity is to open doors to trust and transparency

What are the challenges and opportunities presented by the current community landscape in the UAE?

The UAE, probably more than any other part of the world, has a very sound history of building great communities. The journey started 40-50 years ago and offered a strong learning curve. Historically building quality and finish, delays in communication and completion and infrastructure management posed challenges, however in today's landscape, we are seeing an increasingly sophisticated operational approach, that sets the UAE apart on the global stage.

Another example of best practice across communities in the UAE, is the nation's ability to cater to the diverse needs of multiple nationalities, ensuring touchpoints of relevance and personalisation to each. Within this remit, we are also fortunate to see a strong pipeline of developments underway, which further cements the UAE's commitment to building impactful communities.

If you were to focus on three things that can boost the UAE property sector, what would these be?

At Property Finder, we believe transparency is the main enabler to unlocking the potential of the real estate industry. Home buying and renting is one of the most significant decisions to be made by any individual, as this encompasses both financial and emotional considerations. While there has been significant progress in growing transparency, which in turn has elevated trust in the market, we still see opportunities for further development of this space.

Today, Dubai ranks 31st on the Global Real Estate Transparency Index, indicating room for improvement. It is promising to see the Dubai Land

Department alongside wider relevant authorities, are actively working to tackle this objective and drive change. At Property Finder, we will continue to facilitate this shift, by creating innovative technologies and products that empower homeseekers to make informed decisions.

How important is sustainability?

In comparison to developed markets around the globe, the UAE government continues to make strides as it builds communities within a growing urban landscape. A key consideration here is the extensive effort to realise its Sustainable Development initiative, in the journey to become a global hub, modelling the future of green economies.

Adding significance to the sustainability mandate, the findings of our consumer survey spotlight the attractiveness of greener operations from the consumer perspective. This aligned focus of both consumer and regulator, creates the opportunity for stakeholders to contribute towards environmentally conscious communities that will ultimately bring to life the nation's vision.

How do portals like Property Finder fit into this landscape?

We have billions of data points generated every month from more than 40 million user sessions. This enables us to draw insight and understand the search behaviour of consumers. Fueled by this understanding, our goal as a brand is very simple - addressing any pain points in the journey of finding the perfect home, through innovative tools and resources that help consumers do their homework before closing any deals.

Buying or renting a home is one of the most important decisions in a



person's life. Our recent study finds that people don't pick homes, they pick lifestyles. Therefore our role is to create meaningful conversations about the amazing communities across the UAE, driving greater trust and transparency in real estate. We want our users to move into their new homes with the peace of mind that it was the right decision.

What other goals are you working towards?

Our goal is to bring trust and transparency to real estate. To this end, we have multiple innovative programs and projects underway utilising our innovative technology to decrease any friction in the consumer journey. At a fundamental level, the basic user journey can always be elevated. Products such as DataGuru pull market insights across units, buildings and broader communities to the fingertips of consumers within seconds, while SuperAgent helps homeseekers find the best agents in the market to support in this all important decision making process. These are examples of the key innovations we offer, which we also take pride in perfecting on an ongoing basis.

We are embedding artificial intelligence into our pipeline of features and products, that anticipate consumer needs, personalise the search experience accordingly and make the experience an enjoyable one.

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METHODOLOGY

Property Finder commissioned a qualitative survey by Mindshare that includes in-depth interviews and focus group discussions with investors and residents in Dubai and Abu Dhabi, including Local Emiratis, Arab Expats, Asian Expats, and Western Expats.

9 Focus Group Discussions on renting and buying were conducted among residents interested in buying / renting a residential property in the coming 12 months and / or bought or rented a residential property in the past 12 months.

8 In-depth Interviews were conducted with investors interested in investing in residential property in the coming 12 months and/or invested in a residential property in the past 12 months.

The survey findings were put into perspective using contextual research by White Paper Media Consulting. Images were supplied by Property Finder.

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