



Key Real Estate Trends

United Arab Emirates

Foreword

The United Arab Emirates (UAE) has long been recognised as a global hub for innovation and economic growth. Central to this reputation is its dynamic and ever-evolving real estate market, which has undergone remarkable transformation and growth over the past few decades, particularly with its robust recovery following the COVID-19 pandemic. This paper highlights the UAE government's strategic initiatives that have supported and enhanced the real estate sector, positioning the country as one of the most attractive markets for real estate investors worldwide.

The UAE government has implemented a series of visionary policies aimed at fostering a sustainable and resilient real estate market. These efforts encompass regulatory reforms, infrastructure development, and the promotion of foreign investment. By creating a transparent and investor-friendly environment, the government has bolstered confidence among local and international investors while continuously working to ensure the long-term stability and growth of the real estate market.

This paper explores the multifaceted approach taken by the UAE government, highlighting key initiatives, such as the development of world-class infrastructure projects, the continuous drive to provide a differentiated customer experience, and the focus on enhancing the well-being of the UAE population. Through these efforts, the UAE has positioned itself as a leading destination for real estate investment, offering opportunities for growth and development.

November 2024

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Blueprint for success : Shaping the cities of tomorrow

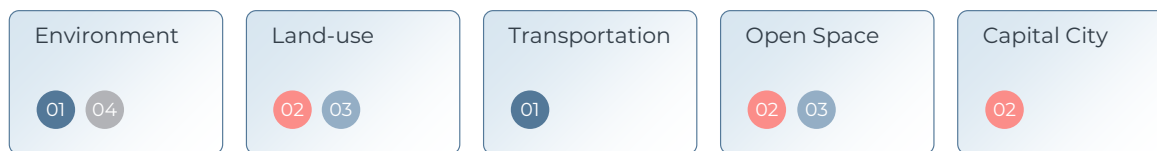
Real estate development in the UAE is guided by Urban Master Plans providing direction with a set of distinct and well-defined principles and time-bound goals. The integration of real estate market requirements and community needs plays a critical role in the UAE's evolution and success. In this paper, we highlight the cross section of key market requirements and planning principles for Abu Dhabi and Dubai.

Plan Abu Dhabi 2030

Plan Abu Dhabi 2030, the Urban Structure Framework Plan has been defined to steer the evolution of the city of Abu Dhabi emphasising a balanced approach to urbanisation, as well as integrating well-defined environmental, social and economic objectives. The plan is supported by Urban Structure Framework Plans covering the environment, land use, transportation, public open space and capital city as bases, with a focus on creating vibrant and connected communities that support innovation and economic diversification.

Plan Abu Dhabi 2030 Urban Structure Framework Plan

Based on the key directions of: Sustainability, Unique Environment, Evolving Culture Identity & Opportunity, Excellence & Liveability and Connectivity



Dubai 2040 Urban Master Plan

A holistic framework constituting: 7 strategy themes, 86 principles for sustainable growth, 8 aims, 34 policy directions and 3 indicators



Dubai 2040 Urban Master Plan

The Dubai 2040 Urban Master Plan outlines a people-centric plan that embodies global best practices towards sustainable urban development, with the vision of making Dubai "the best city to live in." The plan sets out a comprehensive Statutory Planning System replete with Framework Plans, Planning Overlays and Implementation, a Zoning Plan, and a Monitoring Plan; that ensures a holistic approach to urban planning with tracking progress.

We explore four key themes noted in the UAE's evolution, highlighting how each theme seeks to achieve at least one of the key strategic objectives outlined in the Plans, and highlight our perspective on the outlook in the short to medium term. The key themes covered are:

- Focus on infrastructure:** Infrastructure enhancement setting a solid foundation for future transformation.
- Cohesion in urban fabric:** Emerging patterns in the real estate landscape.
- Broadening the hospitality & tourism proposition:** Tourism momentum driving differentiation efforts in hospitality.
- Strengthening the 'liveability' quotient:** Core initiatives strengthening well-being, liveability, and lifestyle.

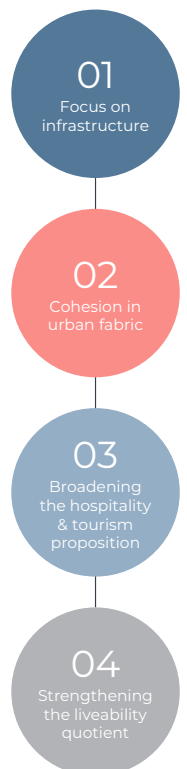


Figure 1 : Overview of the correlation between the Urban Plans and the 4 key themes covered.

Focus on infrastructure: Infrastructure enhancement setting a solid foundation for future transformation

The UAE has embarked on a series of ambitious infrastructure projects that have profoundly influenced its real estate market. These developments are part of the nation's broader strategy to diversify its economy and continuously elevate its global standing. Some key recent infrastructure initiatives include the streamlining of the industrial and logistics network, the expansion of transportation networks, and the enhancement of the drainage system.

Strategic Planning of Industrial & Logistics Centres

The UAE has strategically distributed its industrial and logistics centers across the country in proximity to urban hubs optimising connectivity while maintaining operational efficiency. Major logistics centers are distributed in strategic locations near key transportation hubs such as airports, seaports, and highways, and in many cases, located within free zones offering tax incentives and business-friendly regulations, attracting foreign investments and facilitating trade across the country.

In the case of Abu Dhabi, the Abu Dhabi Industrial Strategy 2031 (announced in 2022) outlines the key programs employed by the Government of Abu Dhabi to guide the growth of the industrial sector, with a particular focus on sustainability goals and local production and talent. Additionally, Abu Dhabi continues to focus on its industrial area and free zone system by consolidating several industrial areas.

As for Dubai, the Dubai Industrial Strategy 2030 (announced in 2016) outlines the key growth objectives prioritised by the Government of Dubai to guide the growth of the industrial sector, with a strong focus on expanding the scale and complexity

of Dubai's industrial products and sustainability. Dubai Industrial Strategy 2030 builds upon the D33 Dubai Economic Agenda (which aims to double the size of Dubai's economy by 2033, making it one of the top 3 cities for living, investing, and working); and in turn underpins the expansion of business-friendly policies, expansion of residency rules as well as setting targets for foreign trade and the creation of global economic corridors.

These continuously streamlined strategies have enabled the UAE to maintain a robust and efficient logistics network that supports both domestic and international trade.

Etihad Rail Network

The UAE has been heavily investing in its public transportation network with the addition of various crucial projects in the last years on both national and emirate levels.

Etihad Rail, the UAE's national railway network, was mandated to develop and operate the country's national freight and passenger railway network. Once completed it will connect all emirates by rail and further facilitate the movement of passengers and freight across the nation. Moreover, Etihad Rail has plans to enhance connectivity between the UAE and other regional countries, including Saudi Arabia and the Sultanate of Oman. OE Rail, a joint venture (JV) between Etihad Rail and Oman Rail with a total value of AED 11 billion, has been established to build and operate the rail network connecting the UAE Rail Network to Sohar Port in Oman. OE Rail is intended to strengthen bilateral ties between the UAE and the Sultanate of Oman, facilitating national and regional trade.

Etihad Rail

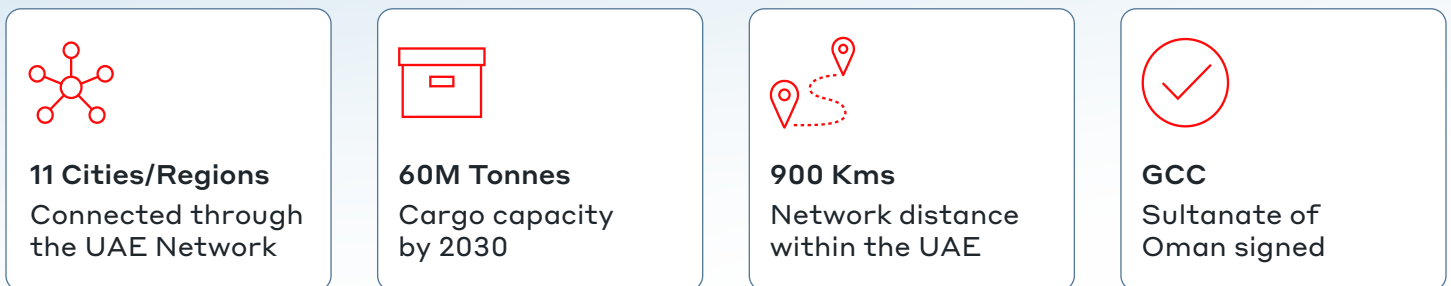


Figure 2 : Key statistics related to the Etihad Rail network.

Source: Etihad Rail, WSP Research & Analysis.

Upon completion, Etihad Rail is expected to enhance the UAE's connectivity facilitating movement across the nation, foster economic growth on a national level, and increase the demand and value of the real estate market surrounding each station and access point.

The following map showcases the Etihad Rail network within the UAE with the planned extension for future connection with Saudi Arabia through Ghuwaifat and the Sultanate of Oman through Al Ain, enhancing connectivity within the UAE and the wider GCC countries.

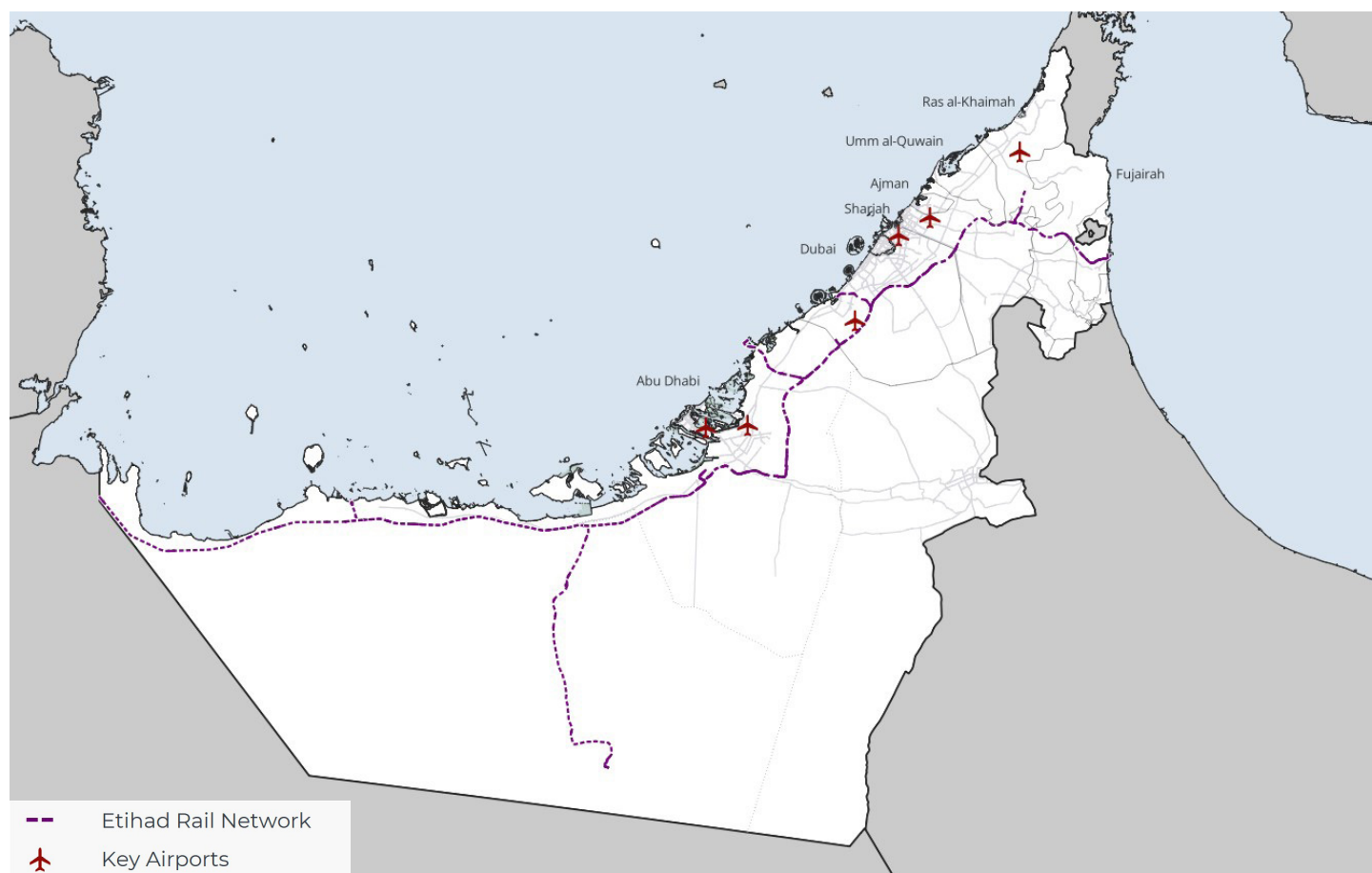


Figure 3 : Map showing the Etihad Rail network and key airports across the UAE.

Source: Etihad Rail, WSP Research & Analysis.

Dubai Al Maktoum International Airport

The expansion of Dubai's Al Maktoum International Airport, which aims to accommodate up to 260 million passengers annually by completion, is expected to have a significant impact on the emirate's real estate market and support Dubai's future economic growth and connectivity.

The airport expansion, with an estimated budget of AED 128 billion, is anticipated to stimulate extensive economic activity benefiting a broad range of real estate uses including residential, commercial, hospitality, retail, industrial and logistics sectors, and fuel investment demand for various asset classes located in proximity to the new airport location.

Historically, large infrastructure projects have led to an increase in property values in adjacent regions, and in the case of the Al Maktoum International Airport, investors are already positioning themselves to capitalise on the growth potential in Madinat Al Matar and surrounding districts.

According to the Dubai Land Department, in 2024 (YTD), Madinat Al Matar's sale transaction volume increased by 55% as compared to 2023, reaching 4,650 transactions in September 2024. Similarly, Madinat Al Matar's median price per square foot increased by 42% between 2023 and 2024 (YTD), reaching AED 1,250 per square foot. With the airport's expansion works moving forward, further growth is expected in Madinat Al Matar, making it a prime area for investment.

Dubai Metro Network Expansion

In November 2023, His Highness Sheikh Mohammad bin Rashid Al Maktoum approved the Dubai Metro Blue Line. This 30-kilometer metro expansion will add 14 stations to the current metro network to better serve the emirate's growing population. The blue line will connect to the current red and green lines further enhancing the city's connectivity and accessibility.

Dubai Metro Blue Line



Figure 4 : Key statistics related to the blue line expansion of Dubai's metro network.

Source: RTA, WSP Research & Analysis.

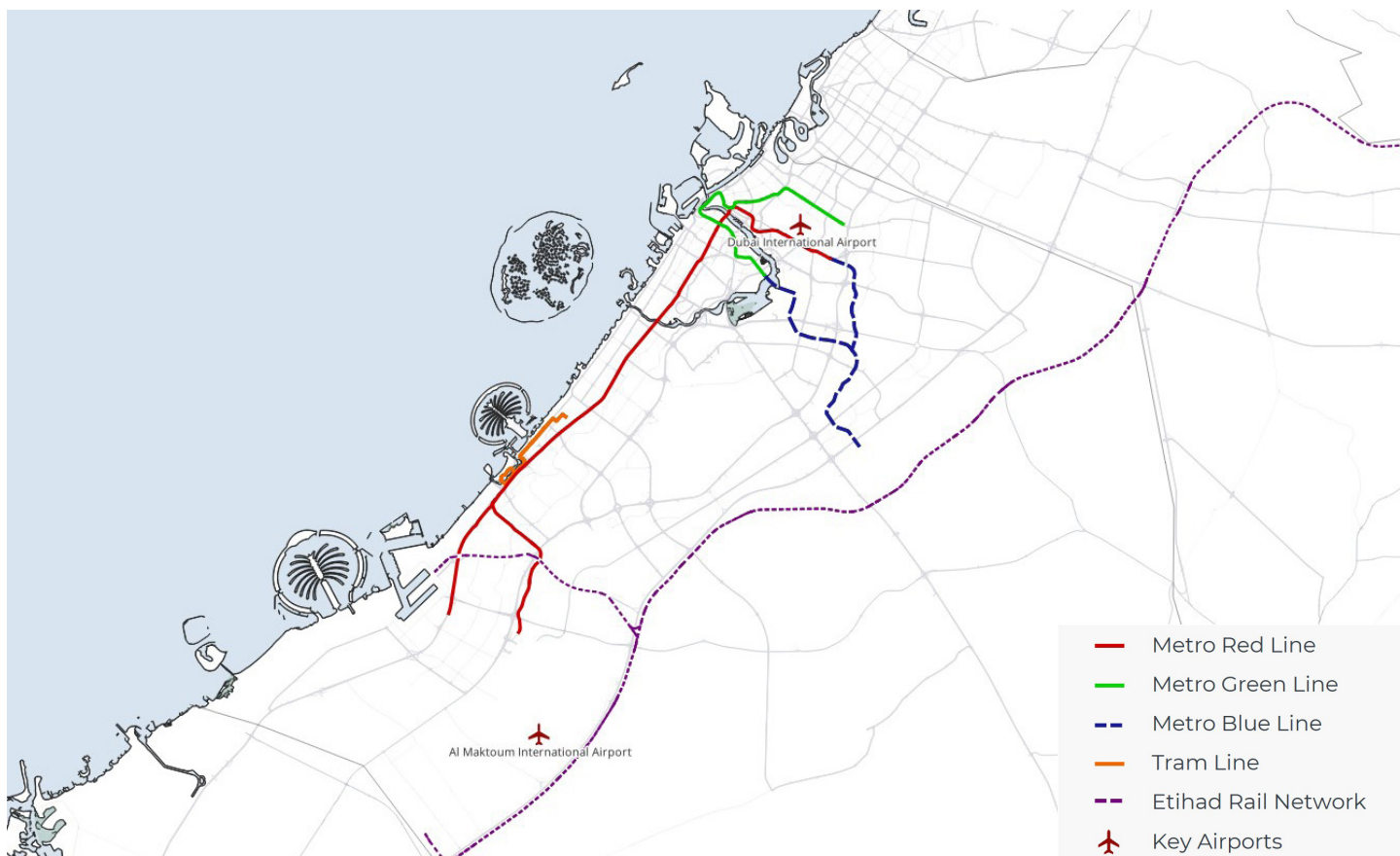


Figure 5 : Map showing the Dubai metro network with the planned addition of the blue line, along with both Dubai International Airport and Al Maktoum International Airport, and the Etihad Rail network across the Emirate.

Source: WSP Research & Analysis.

“Tasreef” Rainwater Drainage Network

Earlier this year (April 2024), the UAE witnessed the heaviest rains recorded in 75 years. As a result of the flood damages caused by the rain, His Highness Sheikh Mohammed bin Rashid Al Maktoum approved the “Tasreef” project with the aim of developing Dubai’s rainwater drainage network, one of Dubai’s largest strategic infrastructure projects with a total cost estimated at AED 30 billion. “Tasreef” is expected to be completed

by 2033, in phases, and it will enhance Dubai’s rainwater drainage system capacity by 700%, to more than 20 million cubic meters of water daily.

With the approval of “Tasreef”, Dubai is expected to further strengthen its resiliency and position as a future-ready city by addressing the impacts of one of the key climate-related challenges that the UAE and the region have been facing lately.

Tasreef Project

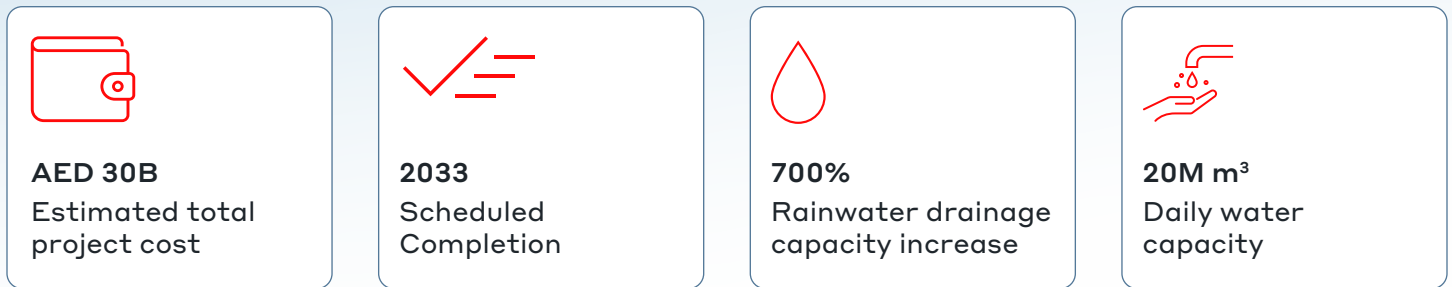


Figure 6 : Key statistics related to the “Tasreef” rainwater drainage network.
Source: Dubai 2040, WSP Research & Analysis.

Overall, the infrastructure investments led by governmental and federal efforts across the UAE are expected to have significant positive impacts on the real estate market setting a solid foundation for future transformation by:

1. Improving accessibility and connectivity,
2. Driving economic growth,
3. Increasing residential & commercial demand, and
4. Making the city more sustainable and resilient.

Theme In Action – Singapore’s Concept Plan

Singapore’s evolution of the Concept Plan since 1971 has placed infrastructure and public transport at the heart of the country’s long-term master planning.

Public works dedicated to boosting connectivity via major road projects, as well as the continued investment in the expansion and advancement of the Mass Rapid Transit system, which is a rapid transit system that stretches across 140 stations with 3 million daily ridership.



Aerial view of The Star mixed-use complex alongside the Buona Vista MRT Station.
Source: RawPixel.com

Cohesion in urban fabric: Emerging patterns in the real estate landscape

On the back of significant growth over the past few decades, with increasing focus on economic diversification away from the oil sector, the country has seen an evolution in the real estate market through the improvement of its offering across various asset classes.

The UAE continues to dominate the list of global destinations chosen by wealthy migrants, particularly from India, the Middle East, Russia and Africa, with an influx of over 6,700 High Net Worth Individuals (HNWIs) estimated in 2024. Naturally, the upcoming urban offering takes into consideration the preferences of the wealthy, alongside more standard housing options, creating a diverse, well-rounded product that offers multiple price points and appeals to a larger audience.

The Prominence of Residential Real Estate

The ambitious Urban Plans define and guide density requirements, with relatively dense urban centres forming the nuclei of multi-use real estate development, tapering in intensity as the development direction diffuses towards secondary locations in the cities. The Plans recognise the need to balance market requirements and community needs, thus advocating for a cohesive, mixed-use, and sustainable real estate profile. The “People” prioritisation approach makes amenities, diverse housing options, the pedestrian realm, and connectivity, focal points of the city fabric.

Abu Dhabi is making impressive strides towards sustainable living, with notable projects aiming to make a positive impact on the planet. Newer launches in Dubai also follow themes of vibrant and healthy communities, lifestyle and wellness as well as sustainability. Upcoming projects are slated to offer ‘living’ integrated with ‘activity’, boasting walking and cycling loops, parks, green spaces, and sports facilities, among others, to provide an active lifestyle to residents, while also addressing open space and park allocations required by the Urban Master Plans.

National housing and affordable residential options also form an important focus area of the Government’s efforts. The UAE Cabinet issued over 2,600 housing approvals exceeding AED 2 Billion in value during H1 2024, showcasing the ongoing commitment towards providing suitable housing options to residents.

In response to the robust demand for the residential sector, the Government is expanding the number of designated investment areas and sub-markets to accommodate newer construction. The move is aimed at diversification of available housing options and attracting further foreign investment, thus collectively ensuring long-term growth and sustainability in the UAE.

Economic Upturn Accelerating Commercial Real Estate Demand

The well-rounded approach of the framework plans, together with economic initiatives in parallel to boost growth and explore new economic sectors, continue to warrant the need for premium office spaces.

The draw of the Emirates is also reflected in their office market dynamics. Strong demand trends persist in both Abu Dhabi and Dubai, presenting a combination of larger spatial requirements from global occupiers and modern, flexible spaces from Small and Medium-sized Enterprises (SMEs). Driven by expansionary economic trends and a promising real estate market outlook, the demand for quality offices is outpacing existing and future supply; presenting opportunities for further supply injections.

Both Abu Dhabi and Dubai benefit from strengthening investor confidence and foreign direct investment. This is further endorsed by performance levels of Abu Dhabi Global Market (ADGM) and Dubai International Financial Centre (DIFC), barometers for the overall health and growth of the UAE’s financial sector.

Theme In Action – Portland’s Comprehensive Plan

Continuously building off the 1980 Comprehensive Plan, the city of Portland in the US has served as a leader in sustainability, & urban planning & design.

Portland has been able to integrate high density land uses with compact neighborhoods and districts that offer walkable access to everyday services – allowing for complete communities that offer a range of eco-friendly housing options with varied amenities and green space.



Aerial view of the Vista Bridge in Portland, which connects vehicles and pedestrians to King's Hill and Vista Ridge districts.

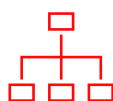
Source: Wikimedia.org

ADGM



226%

Y-o-y growth in Assets Under Management (AUM)



110+

Wealth & Asset management firms



31%

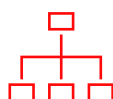
Y-o-y increase in operational entities

DIFC



58%

Y-o-y growth in Assets Under Management (AUM)



370+

Wealth & Asset management firms



24%

Y-o-y growth in company registrations

Figure 7 : Key Performance Indicators (H1 2024).

Source: Abu Dhabi Global Market (ADGM) and Dubai International Financial Centre (DIFC).

Abu Dhabi Global Market's (ADGM) strategic jurisdiction expansion announcement in 2023 to include Al Reem Island fanned further interest. To tap into the demand presented and alleviate supply pressures, new commercial projects are expected to add to Abu Dhabi's office supply in the medium term. These include projects in Yas, Al Maryah and Saadiyat Islands, injecting net leasable area (NLA) of over 80,000 sqm by 2027.

Dubai International Financial Centre (DIFC) will inject over 130,000 sqm of LEED certified commercial space over the next 3 years, underscoring its role in bringing premium and sustainable real estate spaces to the office market.

Mixed-Use and Efficient Development

The UAE real estate development strategy follows an integrated land-use approach, thereby fostering hierarchical mixed-use locations that service housing, employment, hospitality, leisure and other community needs with easy access to public transit. This ensures vibrant and socially cohesive developments and encourages sustainable urban environments by decarbonising transport, reducing urban sprawl and preserving green spaces.

There is a noticeable shift from disjointed development characterised by large, single-use building footprint to active ground-floor use, resulting in more accessible communal environments, and more efficient use of space. The focus on liveability, community-building and multi-amenity offering is likely to continue influencing future real estate supply. Furthermore, introductions in the hospitality segment are also increasingly integrating wellness and lifestyle, as well as sustainability and technology within their overall product offering, endorsing UAE's consistent efforts at adopting global trends and attracting global demand.

The overall outlook for the UAE real estate market is positive across all segments. The country's strategic initiatives, economic growth, and strong demand for quality real estate continue to drive the market forward. Management of market supply and demand dynamics as well as ongoing investment in sustainable and innovative practices will be crucial to maintaining its upward trajectory.

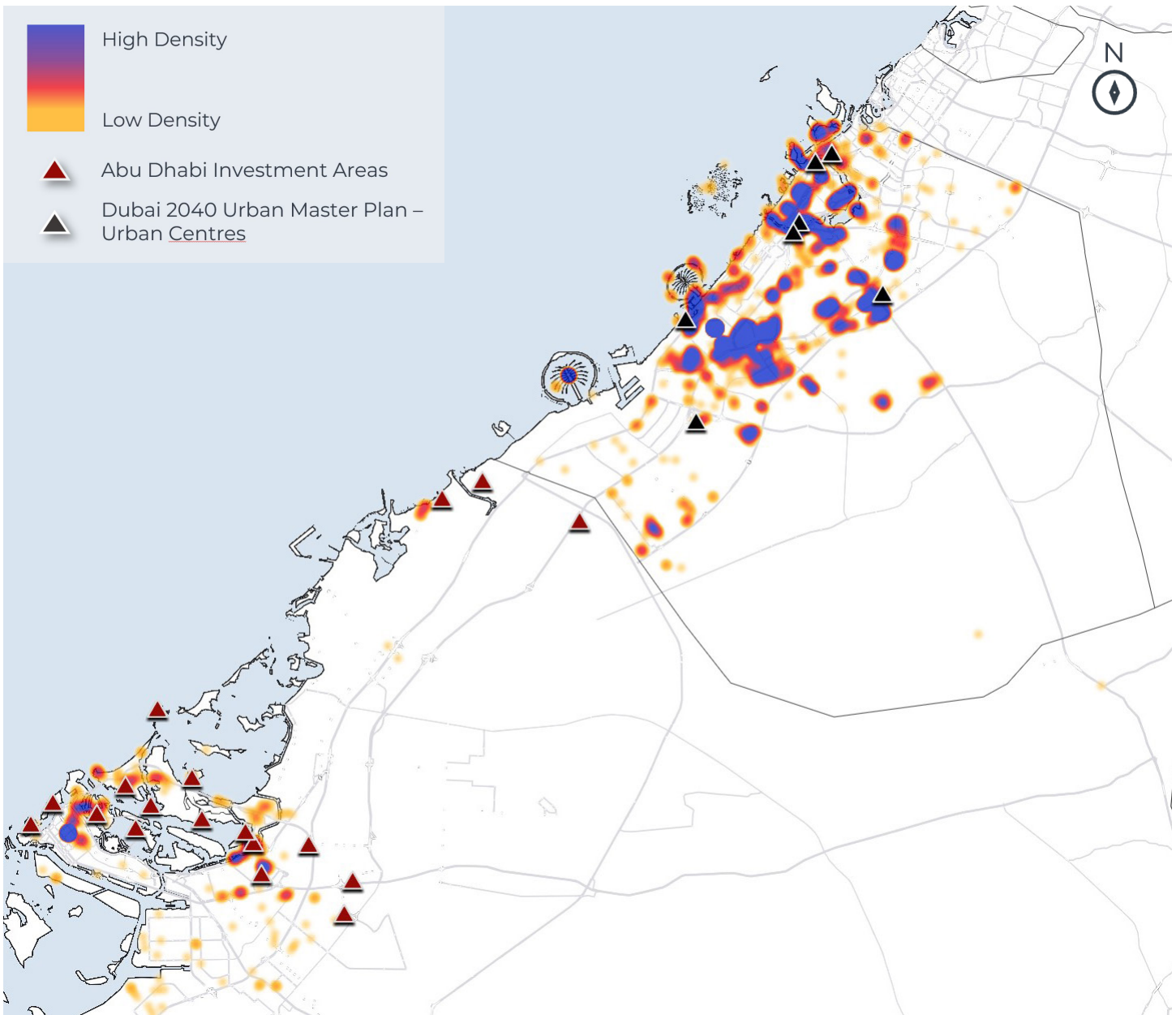


Figure 8 : Map showing density/concentration of upcoming real estate activity in Abu Dhabi and Dubai, investment areas in Abu Dhabi and designated Urban Centres in Dubai as per the Dubai 2040 Urban Master Plan.

Source: MEED Projects, WSP Research & Analysis.

The map above showcases upcoming real estate development activity in Abu Dhabi and Dubai, the density of which is defined by the number of upcoming projects in the location(s). Future supply highlights the urban sprawl, with a growing focus on investment areas in Abu Dhabi, urban centre prioritisation in Dubai as well as spread of development into secondary locations.

Key locations with notable activity in Abu Dhabi include the main island Saadiyat, Al Maryah, Al Reem and Al Rahah islands and Khalifa City. Similarly, in line with the Dubai 2040 Master Plan's spatial structure, Dubai is expected to witness significant development, particularly in locations earmarked as urban,

multi-sector and sector centres. Robust demand continues to dictate development in the existing centres of Downtown Dubai and Dubai Marina, whereas revitalisation efforts drive upcoming construction in Bur Dubai / Deira. Activity is also suggestive of a shift in focus to Dubai Silicon Oasis and District 2020, the two other designated priority urban centres until 2040.

Development activity in both Abu Dhabi and Dubai leverages prime real estate and tourism offering across the residential, office, hospitality and mixed-use sectors, all aimed at enhancing real estate development standards in the UAE.

Broadening the hospitality & tourism proposition: Tourism momentum driving differentiation efforts in hospitality

Backed by a strong tourist influx and an increasingly promising outlook, the UAE continues to benefit from its strategic position as a premier global tourism hub. The UAE's early recognition of its potential as a tourism destination drives a multi-faceted approach to developing the sector, more so, by differentiating itself in a highly competitive regional and global environment.

Strategic Amplification of Tourism Leading to Further Growth

Timely initiatives by the government have also contributed to the country's forward-looking approach and success. The UAE Tourism Strategy 2031 launched in November 2022 follows four key directions and 25 initiatives and policies to support the development of the sector and is expected to further strengthen the UAE's position among the world's top tourism destinations.

Abu Dhabi boasts a world-class events calendar, garnering global recognition and steady visitor influx through a well-diversified

event offering as well as partnerships and collaborations of international repute. While Abu Dhabi has the Grand Prix, NBA Abu Dhabi Games and a host of cultural festivals to its name, Dubai continues to bolster its popularity as a destination for corporate events, congresses and conferences. In H1 2024, the city won an impressive 175 bids to host forthcoming events from 2024 onwards, with the event pipeline extending to 2028, steadily moving closer to achieving the economic goals of the Dubai Economic Agenda 2033.

On the domestic tourism front, the UAE upped the ante by launching the "World's Coolest Winter" campaign for a fourth season, with an exclusive website that lists over 290 'things to do' for visitors to the Emirates. Ranging from bazaars to theme parks and outdoor adventure activities to heritage landmarks, the campaign aims to support domestic tourism within the UAE. Persistent efforts at leveraging the country's culture and heritage to augment tourist experience are also expected to lend themselves well to a comprehensive offering.

Key Directions

Strengthen the unified national tourism identity

Develop and diversify specialised tourism products

Build tourism capabilities & encourage the contribution of national cadres to the sector

Increase investments in all tourism sectors

Goals for 2031



Raise sector's GDP contribution to **AED 450B** with an annual increase of AED 27M



Attract **AED 100M** as additional tourism investments



Welcome **40M** hotel guests

Figure 9 : The UAE Tourism Strategy 2031: Key Directions and Goals.

Source: The UAE Tourism Strategy 2031, WSP Research & Analysis.

Differentiation Strategy Adopted by the Emirates

The tourism initiatives provide a further drive to hospitality-focused activity in the UAE. Notably, each emirate is leveraging its unique features and strengths to collectively create and contribute to a diverse tourism experience.

Upcoming developments in Abu Dhabi blend luxury with culture, with more global brands expanding their footprint in the Emirate. The development direction aims to complement major tourism island assets, creating well-rounded destinations for domestic and international visitors alike.

Moreover, “lighter impact” eco-resorts are focused along environmentally-sensitive areas or city outskirts, to provide an immersive nature-led experience and minimise environment disruption, highlighting the strategic prominence of impactful real estate.

Dubai continues to push boundaries with iconic luxury and innovation, incorporating brand association, strong culinary product, global destination-themed experience and advanced digital solutions. Being the hospitality hub, it is imperative for Dubai to differentiate its offering, particularly in the wake of robust urban activity in the region.

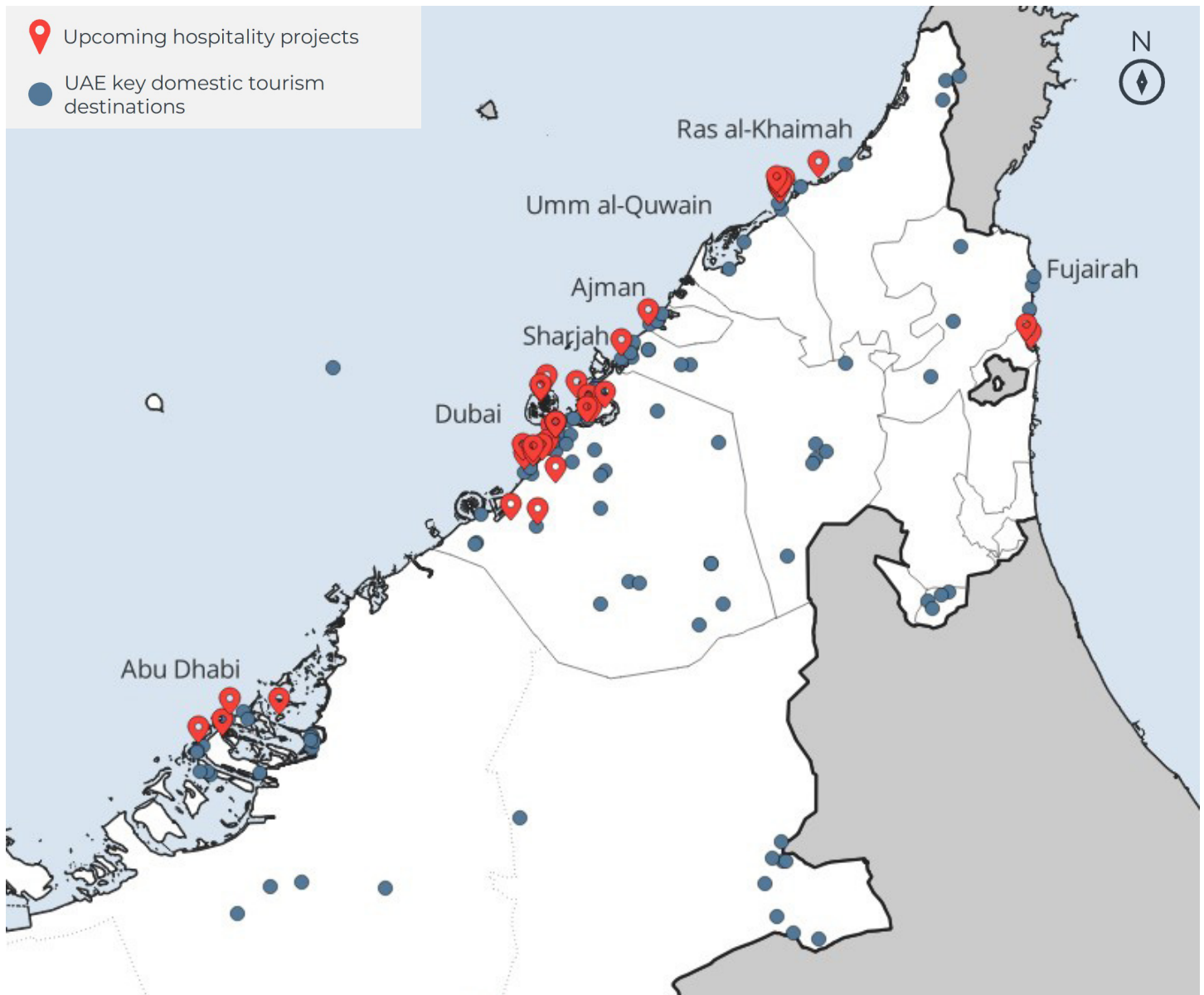


Figure 10 : Map showing key domestic tourism destinations in the UAE and key upcoming hospitality projects.

Source: MEED Projects, World's Coolest Winter, WSP Research & Analysis,

The concentration of upcoming projects near key tourism locations, especially along the northern coast, illustrates an intentional effort to create synergy between the hospitality and tourism offering.

The locational considerations ensure that new hospitality projects support and elevate the tourist experience in both, areas with a relatively strong pull, as well as those growing in popularity among visitors. These new hospitality projects are expected to cater to existing demand and stimulate further tourism activity, creating a self-reinforcing cycle of growth.

The UAE's strategic location, robust aviation infrastructure and global prominence contribute to its positive outlook. The tourism and hospitality markets are poised for sustained growth fuelled by strategic investments, persistent innovation and the UAE's ability to adapt timely to global trends.

Theme In Action – Vienna's Integration of Tourism in Urban Design

Vienna has implemented tourism integration as a core characteristic of its master planning. Districts such as MuseumsQuartier have evolved to become one of the largest cultural quarters in the world, including over 60 cultural destinations across 90,000 sqm within Vienna's city center.

Successful integration of tourism destinations with surrounding retail, and entertainment offerings have continued to drive visitation throughout the year. The hospitality sector has stock for varying market segments, with hotel brands and boutique hotels tailored to heritage, wellness, sustainability and luxury.



The Museum of National History Vienna located in the Museums Quartier in Vienna

Source: Wikimedia.org

Strengthening the 'liveability' quotient: Core initiatives strengthening well-being, liveability, and lifestyle

The UAE has been increasingly focusing on the liveability of its real estate offering and the well-being of its population. The country has been launching multiple initiatives and projects with the aim of enhancing the quality of life for UAE residents, therefore, allowing the UAE to continue to welcome new residents; similarly, residents already living in the UAE extend the time of their planned stay.

These initiatives encourage residents to plan for a longer-term life in the UAE, which is expected to positively impact the economy by incentivising UAE residents to invest and increase their spending habits in the country which would positively impact the residential, hospitality, retail, and Food & Beverage (F&B) markets.

UAE Visa Reforms

On a national level, the UAE has implemented significant visa reforms in the past years to continue attracting global talent. These reforms include flexible visa options, making it easier for professionals and skilled workers to live and work in the UAE.

With regards to real estate investments, the UAE has recently made significant reforms to its Golden Visa program. Previously, AED 1 million down payment was required to be eligible for a Golden Visa; today the relevant criterion of eligibility through real estate investment is the acquired property value of AED 2 million+, irrespective of the property's completion status (off-plan or completed) and the acquisition means of financing (all equity or mortgaged).

These visa reforms were in large part introduced to support the real estate sector and make it easier for investors to obtain long-term residency in the UAE.

AED 1 Billion Healthcare Endowment Fund & Establishment of New Hospitals

In June 2024, Abu Dhabi launched the AED 1 Billion Healthcare Endowment Fund. This fund is dedicated to addressing specialised healthcare needs within the community, ensuring that residents across the emirate have access to high-quality medical care.

Similarly, as part of its commitment to healthcare, Abu Dhabi has initiated the establishment of 10 hospitals specifically for underprivileged communities. This initiative aims to provide essential medical services to those who need them most, improving health outcomes across the region. From a real estate perspective, these initiatives are expected to have a direct positive impact on the healthcare segment.

Dubai Quality of Life Strategy

In Dubai, the Dubai Quality of Life Strategy aims to significantly enhance the city's green spaces. The plan includes the creation of 200 new parks, a 300% increase in cycling tracks on beaches, and the introduction of additional community facilities.

This initiative is designed to improve the overall quality of life for residents by providing more recreational areas and essential services which is expected to boost the healthcare and education segments.

Dubai Pilot Program for a 4-Day Work Week for the Public Sector

Dubai Government Human Resources Department (DGHR) recently launched the “Our Summer is Flexible” pilot scheme to improve employees’ well-being and enhance productivity.

This program was applied to 15 government organisations and was in effect from August 12, 2024, to September 30, 2024. Employees benefited from a 4-day work week as work was suspended on Fridays and working hours during the 4 working days were reduced to 7 hours a day. DGHR is monitoring “Our Summer is Flexible” and gather feedback to submit final recommendations for potential long-term implementation.

Jebel Ali Beach Development Project

The Jebel Ali Beach Development Project is a major initiative focused on both recreation and environmental preservation. The project spans 6.6 km and includes a 5 km sandy beach and a 1.6 km mangrove beach. It emphasises the protection of local ecosystems while providing recreational spaces for the community.

The development is expected to positively impact the surrounding real estate submarket by boosting tourism and providing new recreational opportunities for residents and visitors including hotel and F&B concepts, and exceptional services, facilities, and public amenities to enhance the visitors’ experience.

Involuntary Loss of Employment Insurance Scheme

The Involuntary Loss of Employment (ILOE) insurance scheme in the UAE, introduced in January 2023, is designed to provide financial support to employees who lose their jobs due to circumstances beyond their control. This scheme is a significant step towards enhancing job security and financial stability for employees in the UAE.

The insurance scheme is expected to have a positive impact on the economy in general by strengthening consumer confidence which would encourage spending.

With respect to the real estate market, with the additional layer of financial security it provides, the ILOE is expected to stabilise the rental market, boost demand for property investments, and decrease exposure to foreclosure, further supporting the UAE’s property market.

Theme In Action – Copenhagen’s Finger Plan

Having served as the overarching masterplan for Copenhagen since 1947, the Finger Plan has enabled the city to become world renowned for its high-levels of livability and quality of life – ranking 2nd in the Global Livability Index 2024.

Copenhagen has served as a modern smart city that places an emphasis on providing a high quality of life for its residents – with 80% of residents within 300m of green space, an urban design catered to fitness with pedestrian zones and cycling lane; and commitment to sustainability with the city reducing 80% of its CO₂ emissions between 2009 and 2022.



Waterfront rowhouses and restaurants in Copenhagen's Nyhavn District.

Source: PublicDomainPictures.net

Looking ahead: Strategic themes shaping the future of real estate across the UAE

Concluding Thoughts

Combining visionary leadership, iconic infrastructure, diverse offerings and world-class events and marketing, the UAE continues to transform itself into a global business and tourism hub, offering valuable lessons in destination-making.

The plans recognise the impact and potential of holistic real estate development that prepares the urban landscape for future needs

and challenges. As we observe the impact of these governmental efforts, it becomes evident that the UAE's real estate market is poised for continued success. Reinforced by the latest Real Estate Strategy 2033 announcement aiming at doubling the sector's contribution to economic diversification, the strategic vision and proactive measures taken by the government have not only enhanced the market's attractiveness but also contributed to the overall economic prosperity of the nation.



Figure 11 : Diagram showing the impacts of the careful and well-planned destination-making efforts on the UAE real estate market
Source: WSP Research & Analysis.

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Assumptions are a necessary part of this Paper. While assumptions are made with careful consideration of factors known to WSP at the date of the Paper, the risk that any of the assumptions may be incorrect must be accounted for. Accordingly, potential investors or developers are encouraged to carry out their own analysis. WSP does not warrant or represent the accuracy or correctness of the information impacting our assumptions.

Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events, in addition to the ongoing effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Investment decisions should reflect this heightened level of volatility and caution is advised in this regard.

You should note that the conclusions set out in this paper are current as at the date outlined only. Where appropriate, we recommend that market conditions are monitored closely, as we continue to track how market participants respond to current events.

Sources

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