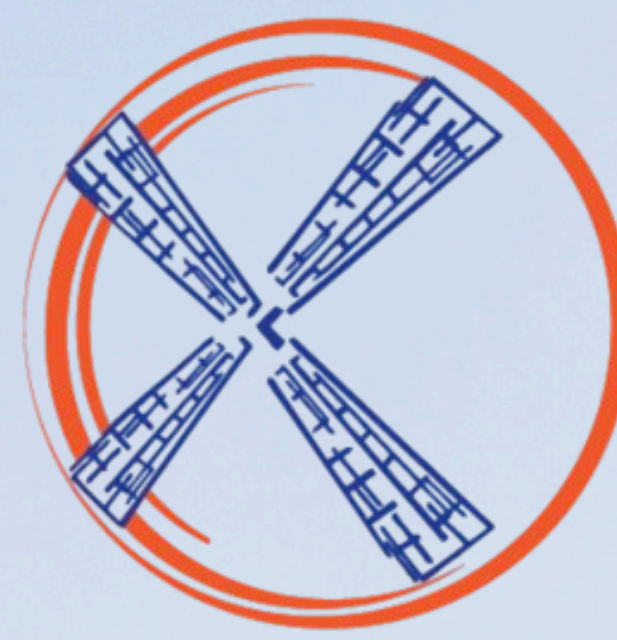




Windmills
Producing Opportunities

**Real Estate
Quarterly
Report**
**Q1
2025**

Producing Opportunities

The United Arab Emirates (UAE) real estate market continues to exhibit robust growth, marked by significant developments across various sectors in Q1 2025

Record-Breaking Transactions and Market Performance

Dubai's real estate sector has achieved unprecedented milestones, with total sales reaching AED 142.7 billion by March 2025—the fastest pace in the city's history. On a single day in March 2025, transaction volumes soared to AED 1.52 billion, underscoring the market's dynamism.

Stabilization in Property Prices

In January 2025, Dubai experienced a slight decline in real estate prices, with a 0.57% drop—the first since mid-2022—indicating potential market stabilization. Despite this, January 2025 recorded the highest-ever sales volume for the month, with 14,413 transactions.

Surge in Luxury Real Estate Development

The demand for ultra-luxury properties has led to the development of bespoke mansions, particularly on man-made islands like Dubai's "Billionaire Island." These properties, valued at up to AED 450 million, feature extravagant amenities such as private beaches, rotating parking tables, and custom-designed interiors. Developers cater to a global elite clientele, reflecting Dubai's status as a luxury hub.

Expansion of Housing Supply

To meet the growing demand, Dubai plans to increase its housing supply by approximately 182,000 units between 2025 and 2026. This expansion includes the completion of around 76,000 units in 2025, addressing both short- and long-term rental demands.

Sustainability Initiatives

Abu Dhabi's Masdar City continues its commitment to sustainable urban development, with the construction of "The Link," a mixed-use development covering 30,000 square meters. Scheduled for completion in 2025, this project exemplifies the UAE's dedication to integrating sustainability into its real estate ventures.

Overall, the UAE's real estate market in 2025 is characterized by rapid growth, strategic developments, and a focus on luxury and sustainability, positioning the nation as a leading destination for investors and residents alike.

About Windmills

Established in 2016, Windmills is a leading asset valuation, building consulting and management advisory services group in the United Arab Emirates. Our aim is to provide the most precise valuation in the fastest, most economical way whilst upholding high customer service to our esteemed clientele.

Our expertise spans across all property types and we value all kinds of residential, commercial, industrial and trade related properties. Our professional valuation reports on plant, machinery and equipment including aeroplanes, ship vessels, automobiles and industrial locomotives are unmatched.

We are the valuation industry leader in UAE and are widely approved by most banks and our clientele includes both corporate and individual clients. Our value propositions are: as precise valuations as possible based on scientific valuation calculation models, super-fast turn around time, low fee, global valuation solution and unmatched international expertise.



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UAE MARKET OVERVIEW

Dubai

Dubai’s real estate market continues its robust growth into 2025, with Q1 sales reaching AED 142.7 billion across residential, commercial and land segments. This momentum is driven by strong investor confidence, supportive government policies, and Dubai's status as a global business and lifestyle hub.

Abu Dhabi

Abu Dhabi’s real estate market continues its strong momentum with 6,925 transactions recorded in Q1 2025 alone. The full year of 2024 saw a 24.2% surge in total transactions, reaching 28,249 deals. Sales amounted to AED 58.5 billion across 16,735 transactions, while mortgage deals totaled AED 37.7 billion.

Ajman

The Department of Land and Real Estate Regulation in Ajman recorded 3,887 real estate transactions in the first quarter of 2025, with a total value exceeding AED5.55 billion, marking a 29 percent increase compared to the same period last year.

Sharjah

Sharjah’s property market has started 2025 on a strong note. The emirate recorded 24,597 real estate transactions worth AED 13.2 billion (\$3.6 billion) in the first quarter alone — a sharp 31.9% jump from Q1 2024

Ras Al Khaimah

Ras Al Khaimah's real estate market saw strong performance this period, with 736 property sales totaling AED 951.45 million — representing an 81% increase in sales value compared to Q1 2024.

Key Points

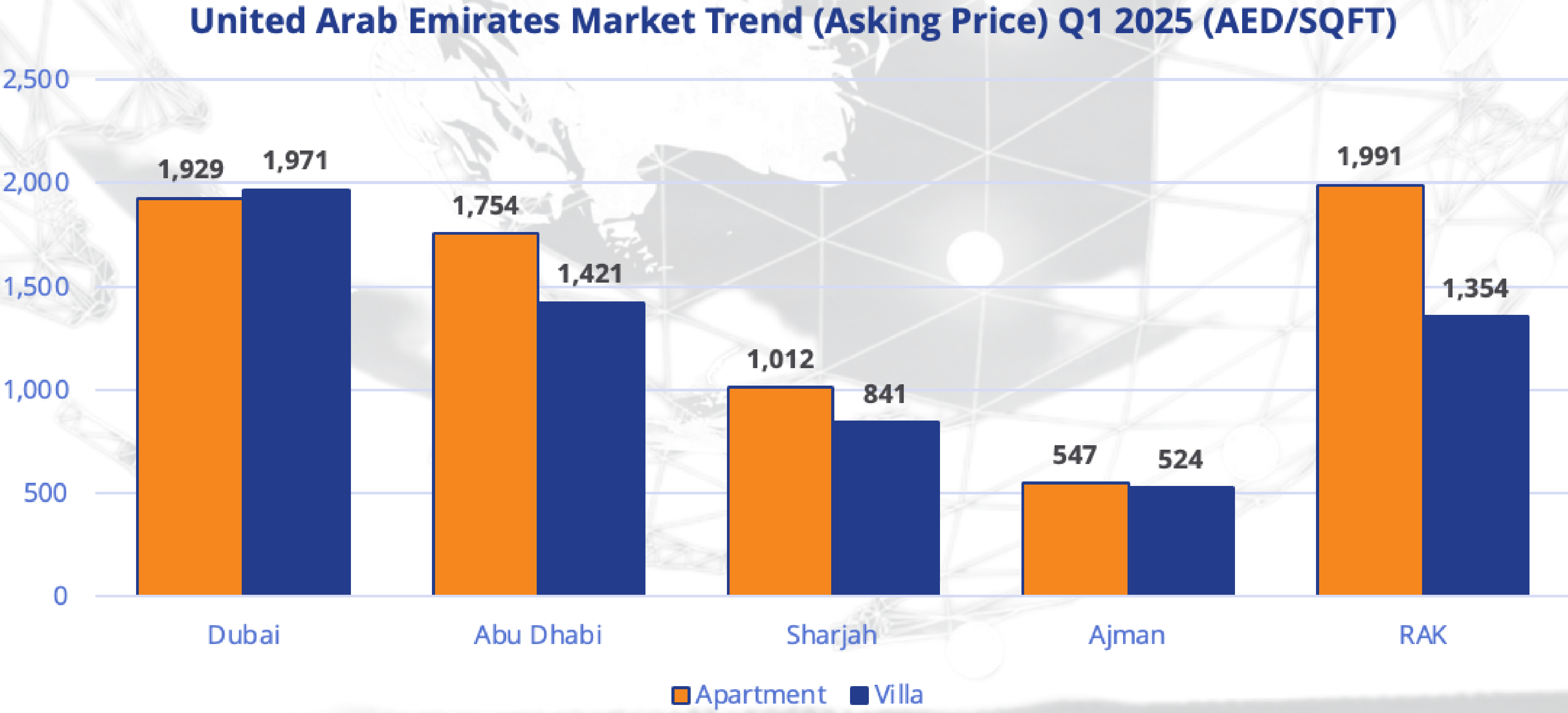
- Residential Sales Price in Dubai reached AED 1,597 per sq ft, marking a 20% increase in Q1 2025.
- Rental Yields: Average yields in Dubai range between 6% and 8%, outperforming many global markets.

Hotel Occupancy Rate(ADRs):

- Dubai: AED 720 — the highest in six years, marking a 4.6%.
- Abu Dhabi: City Hotels: AED 341 -Resorts: AED 764 Overall, an 11% year-on-year increase.
- Ras Al Khaimah: AED 591 — up nearly 11% from the previous year.
- Fujairah: AED 368 — a 3% increase year-on-year.

Dubai Office Rental Growth: 17% year-on-year, indicating strong demand for commercial spaces.

Warehouse Rental Growth JAFZA: 28%, driven by increased logistics and e-commerce activities.



Key Indicators DUBAI

SALES VOLUME
45,485
Transactions
22.8% Increase YoY

SALES VALUE
142.7B AED

30.3% Increase YoY

RESIDENTIAL



SALES VOLUME
42,045
Transactions
32% Increase vs Q1 2024

SALES VALUE
109.5B AED

COMMERCIAL



SALES VOLUME
1,214
Transactions
25% Increase vs Q1 2024

SALES VALUE
3.9B AED

LAND



SALES VOLUME
2,226
Transactions
123.5% Increase vs Q1 2024

SALES VALUE
29.6B AED



MARKET OVERVIEW

The residential market saw a 50% year-on-year increase in transaction volumes, Indicating strong investor interest and confidence.

DEMAND

With a daily population growth of approximately 1,000 residents and increasing global investor interest, Dubai remains a leading destination for real estate investment.

SUPPLY

Over 25,000 new apartment units and nearly 6,600 townhouses and villa units were registered in Q1 2025, with a total of 81,084 units expected by year end.

FORECAST

Residential supply The supply pipeline is expected to exceed 300,000 units by 2028, aligning with Dubai's 2040 Master Plan.

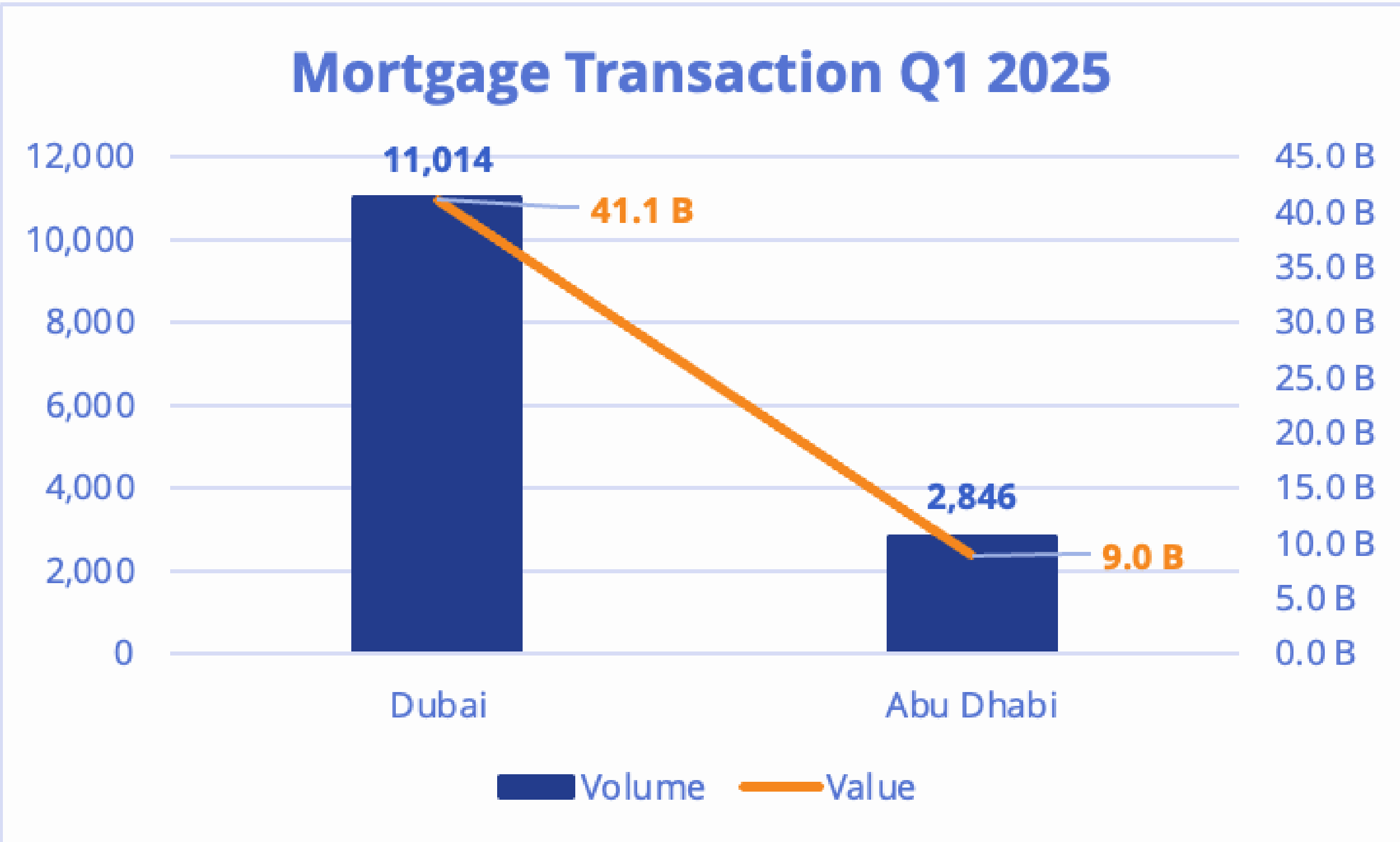
Although Dubai's residential market is smaller in size, it achieved a 90.1% occupancy rate by the end of 2024.

UAE Mortgage Transactions

In Q1 2025, the UAE witnessed strong mortgage activity, driven by sustained demand and investor confidence.

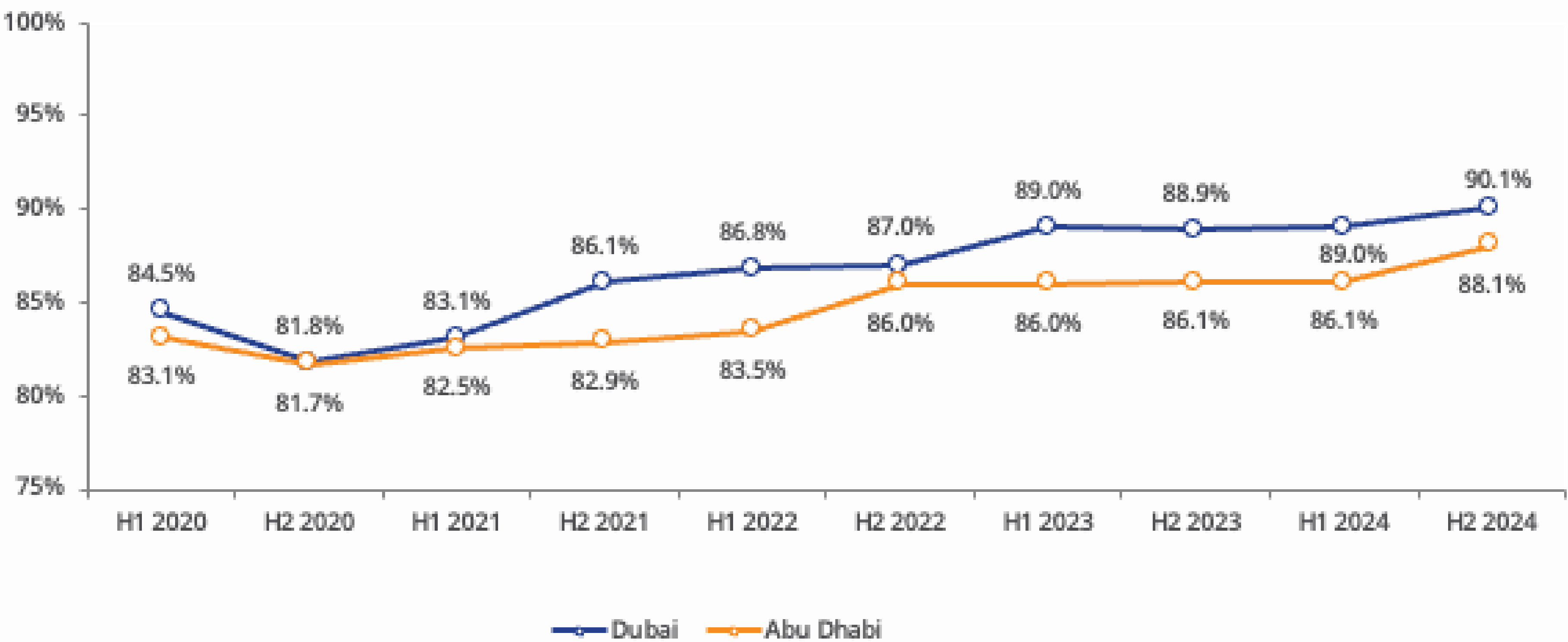
- Dubai recorded 11,014 mortgage transactions in Q1, with total mortgage value of AED 41.1 billion.
- Abu Dhabi reported AED 9.0 billion in mortgage transactions across 2,846 deals during Q1 2025.

This growth reflects a maturing market, supported by favorable lending conditions and ongoing demand in both ready and off-plan property segments.



Source : Reidin

Dubai & Abu Dhabi Residential Occupancy Rate



DUBAI MARKET OVERVIEW RESIDENTIAL

Investment Opportunities Forecast, project names,

- Luxury Waterfront Properties: High ROI in areas like Dubai Creek Harbour and Bluewaters Island.
- Short-Term Rental Market: Increasing tourism enhances profitability of vacation rentals.
- Off-Plan Properties: Flexible payment plans from developers make off-plan investments attractive.
- Commercial Spaces: High demand for office spaces offers stable rental income.

Challenges and Risks

- Regulatory Changes: New laws may impact ownership structures and investor strategies.
- Market Fluctuations: Economic shifts, including oil price volatility, can influence property prices and rental yields.
- Supply and Demand Balance: A forecasted 41% year-on-year increase in residential handovers in 2025 may affect market dynamics.

Market Trends

The Dubai real estate market has experienced significant growth, driven by:

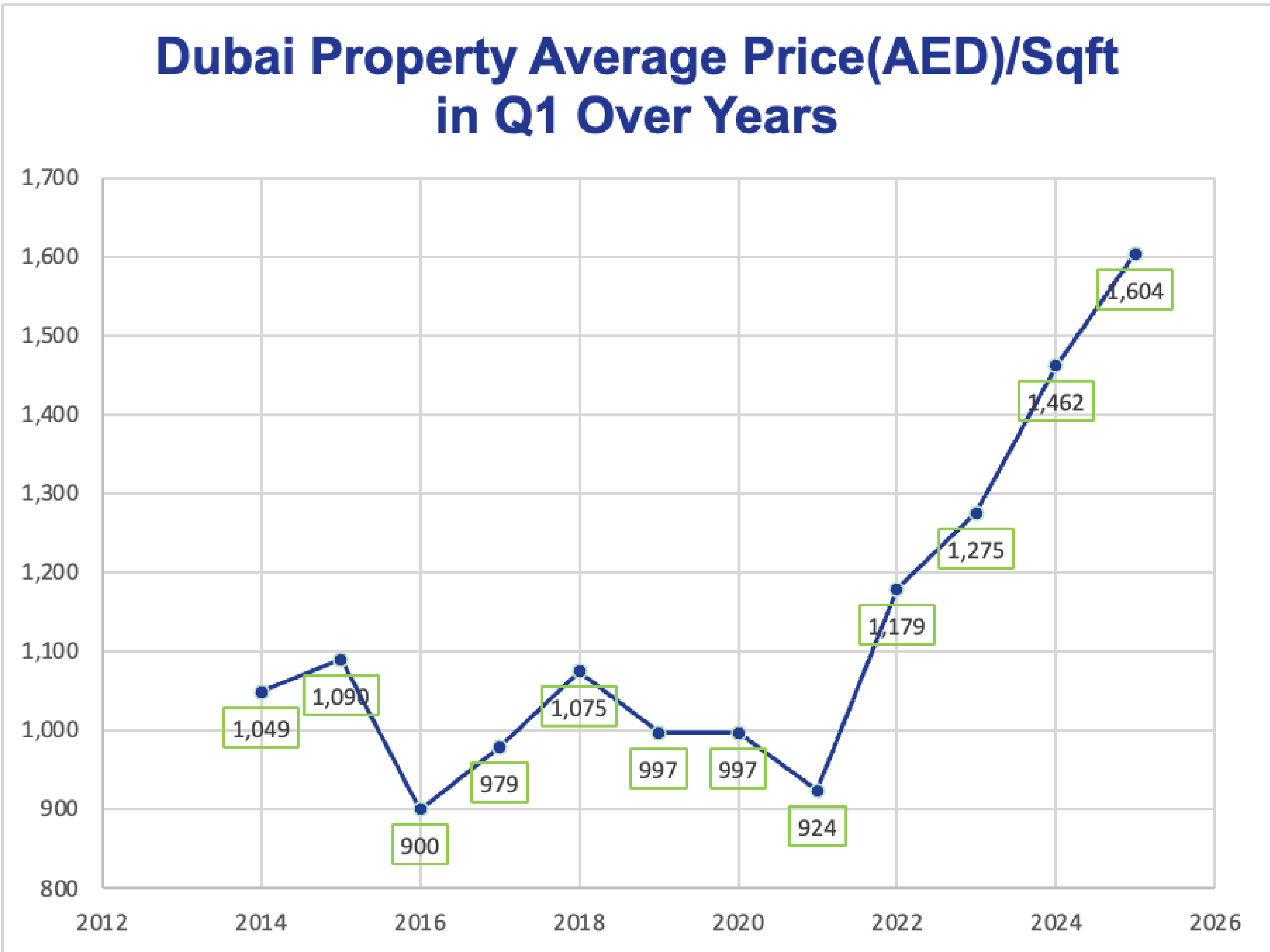
- Government Initiatives: Long-term residency visas, Golden Visas, and Economic Agenda D33 have strengthened investor confidence.
- Population Growth: Dubai's increasing population, particularly expatriates, has fueled demand for properties.
- Institutional Investment: Large-scale acquisitions by institutional investors have boosted confidence in high-demand areas.

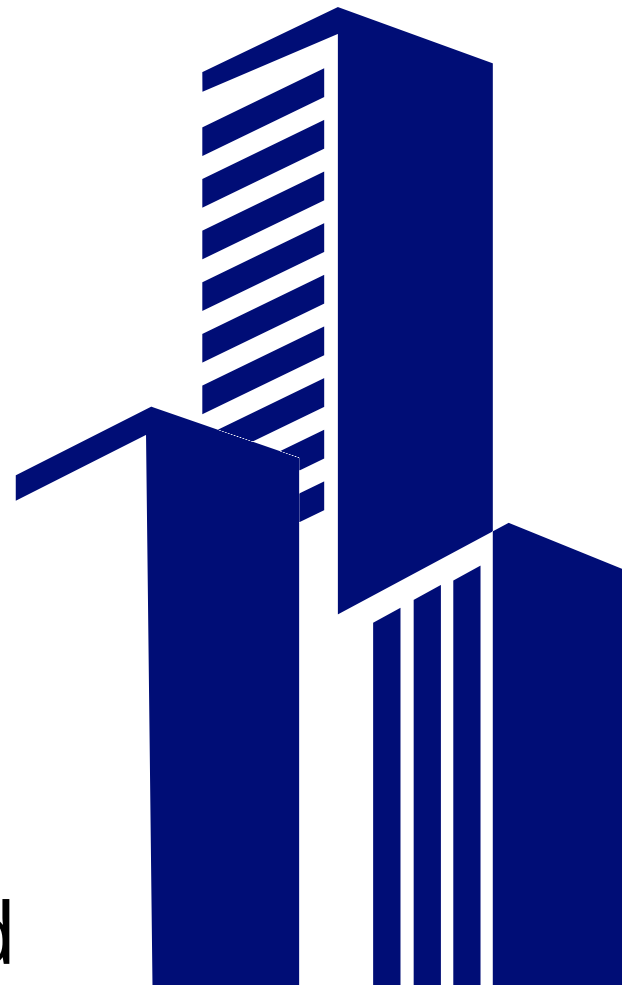
Metric	Q1 2025
Price Growth (YoY)	4.4%
Transaction Volume Growth (YoY)	22.8%
Mortgage Transactions (YoY)	27%
Transactions Sale Value (YoY)	30.3%

TOP PERFORMING AREAS

DUBAI RESIDENTIAL PROPERTY TRANSACTIONS

AREA	TRANSACTIONS	TOTAL VALUE (AED)
Jumeirah Village Circle (JVC)	3,605	4.559 BILLION
Wadi Al Safa	3,596	7.642 BILLION
Business Bay	2,782	7.265 BILLION





COMMERCIAL SEGMENT

Dubai Commercial Real Estate Sector

Dubai’s commercial real estate sector continued its upward trajectory in Q1 2025 with office, retail, and mixed-use segments showing positive trends.

Key Market Metrics

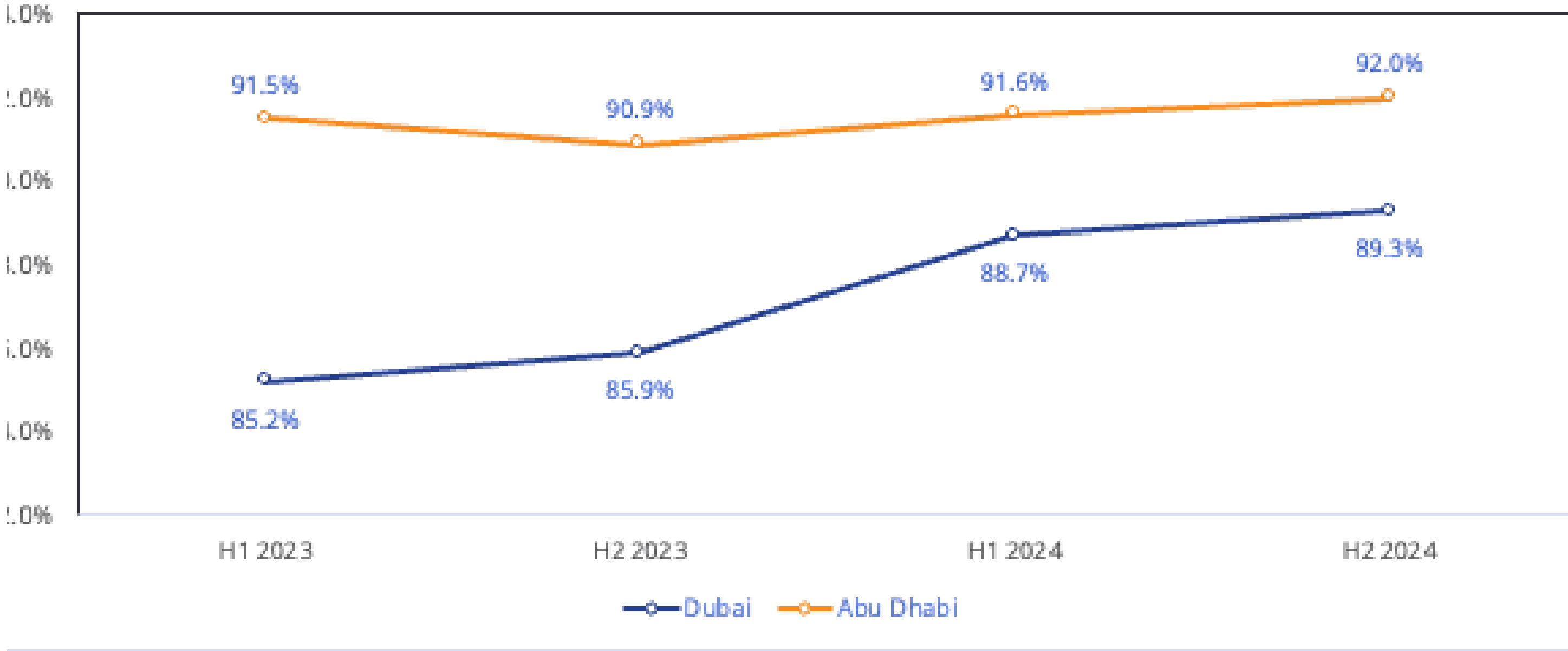
Segment	Occupancy Rate	Prime Yields	Rental Growth (YoY)	Investor Sentiment
Office	85–92%	6–7%	12%	High – Focusing on Grade A
Retail	80–90%	6.5–7.5%	10%	Moderate – F&B and experiential retail in demand
Mixed-use	75–85%	6.8–8%	8%	Increasing – Integrated developments popular



Dubai’s commercial real estate sector is poised for continued growth in 2025, with solid investor confidence, high occupancy, and rising rents. Developments are strategically targeting high-demand zones and integrated environments. Expect steady rental increases, driven by limited new Grade A supply and sustained demand from business and retail occupiers.

Sector	Upcoming Supply (2025)	Key Locations	Forecast Trend
Office	1.2 million sq. ft.	DIFC, Business Bay, Dubai South	Steady absorption, rental growth expected
Retail	900,000 sq. ft.	Jumeirah, Dubai Hills Mall, Deira	Positive with focus on experience-based tenants
Mixed-use	750,000 sq. ft.	Dubai Creek Harbour, Expo City	Strong long-term potential

Dubai & Abu Dhabi Office Occupancy Rate



Source : Reidin, psinv

ABU DHABI MARKET OVERVIEW

Abu Dhabi's real estate market is thriving, with

Total Transactions (Q1 2025): 6,925 transactions recorded, comprising 3,702 sales transactions and 3,223 mortgage and usufruct transactions.

Market Performance

- **Total Transactions (2024):** 28,249, reflecting a 24.2% increase
- **Sales Transactions:** 16,735, valued at AED 58.5 billion
- **Mortgage Transactions:** 11,514, worth AED 37.7 billion

Newly Launched Projects

- **ALDAR Properties:** Launched five new projects, including The Source 1 and 2 on Saadiyat Island, Sustainable City on Yas Island, Manarat Living on Saadiyat Island, and Rayhan Living in El Shamkha
- **ALDAR Properties and Al Qudra Holding:** Announced nine projects offering 3,700 residential units
- **Bloom Holding:** Developing the Bloom Living project in Zayed City, a modern residential complex with 4,500 units
- **43 New Housing Projects:** Launched in 2024, contributing to nearly 10,000 new homes across several islands, with Saadiyat Island being a focal point

Government Initiatives

- Abu Dhabi Department of Municipalities and Transport: Recorded AED 46.33 billion in real estate transactions in H1 2023, with 10,557 property transactions
- New Investment Areas: Seven new real estate investment areas announced in 2022, open to foreign investors, providing diverse and affordable options
- Investor Confidence: Strengthened by government policies, transparency, and sustainable infrastructure development

Top-Performing Areas

- **Saadiyat Island:** Topped the list with transactions worth AED 3 billion in H1 2023
- Yas Island: Recorded transactions worth AED 2.6 billion in H1 2023
- **Al Reem Island:** Ranked third, with Al Jubail Island and Al Shamkha City following closely





HOSPITALITY

With continued government support and visionary planning, the UAE is not only expanding its hospitality capacity—it is setting new global standards in luxury, innovation, and sustainability. AI technology has been used globally in the hospitality sector but the UAE has gone a step further to provide a unique blend of tradition and innovation to create an overwhelming guest experience.

DEMAND

Beyond traditional offerings, demand is rising for eco-tourism, wellness retreats, and cultural experiences, especially in emerging destinations like Ras Al Khaimah and Fujairah.

High occupancy rates, particularly in premium segments evidenced by a 2% growth in average daily rates (ADR) from AED 638 to AED 647. Dubai is on track to welcome over 22 million international visitors in 2025. January to March 2025, Dubai recorded a total of 5.31 million overnight visitors, marking a 3% YOY increase of visitors to Dubai compared to the same period in 2024 with 22% of the visitors being from Western Europe.

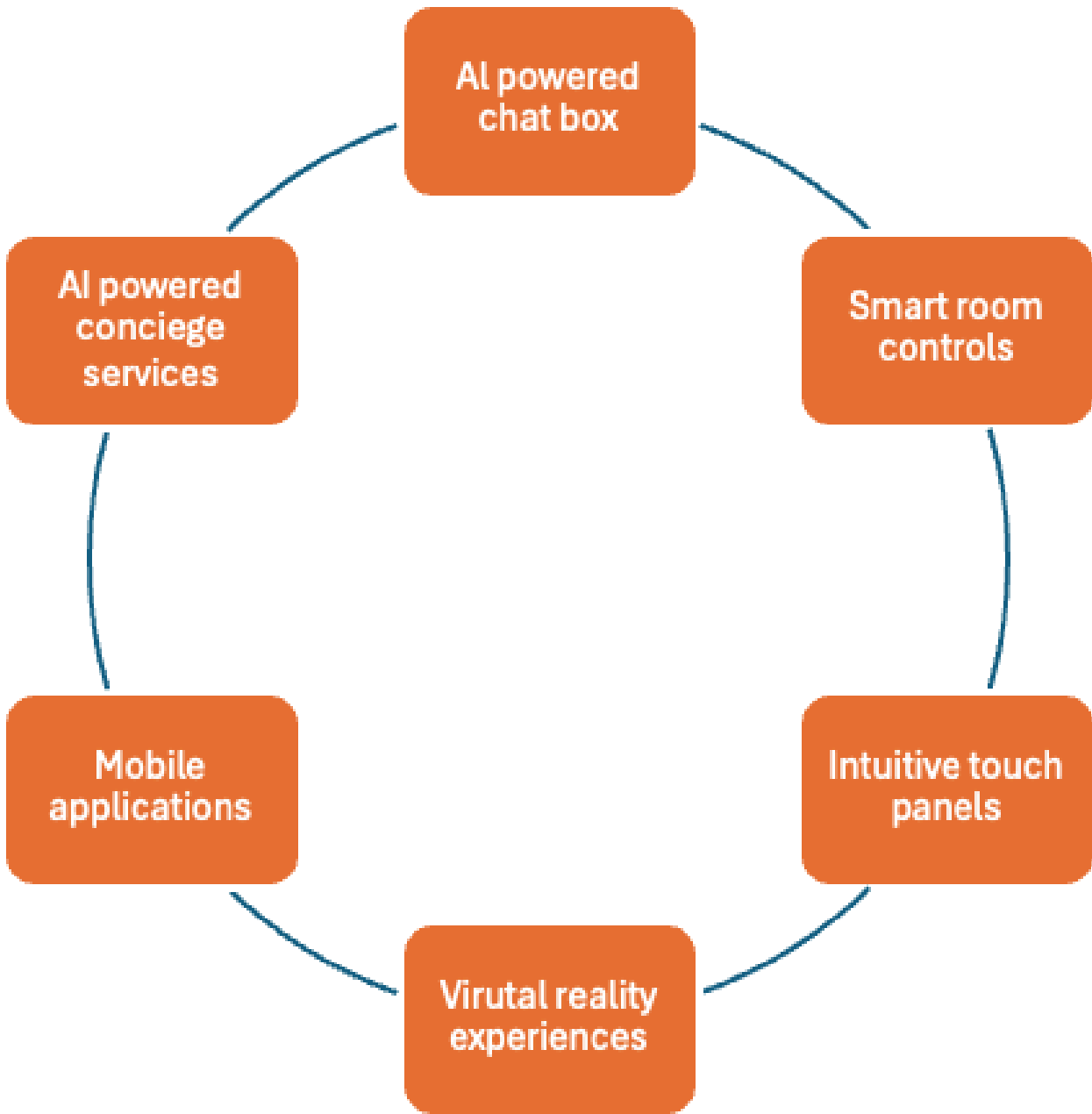
SUPPLY

42% of upcoming hotels fall in the luxury or upper luxury category, however there is also an increase in midscale tourism brands.

FORECAST

Some of the AI innovations in the UAE hospitality industry are indicated in the graph below alongside the upcoming hospitality projects

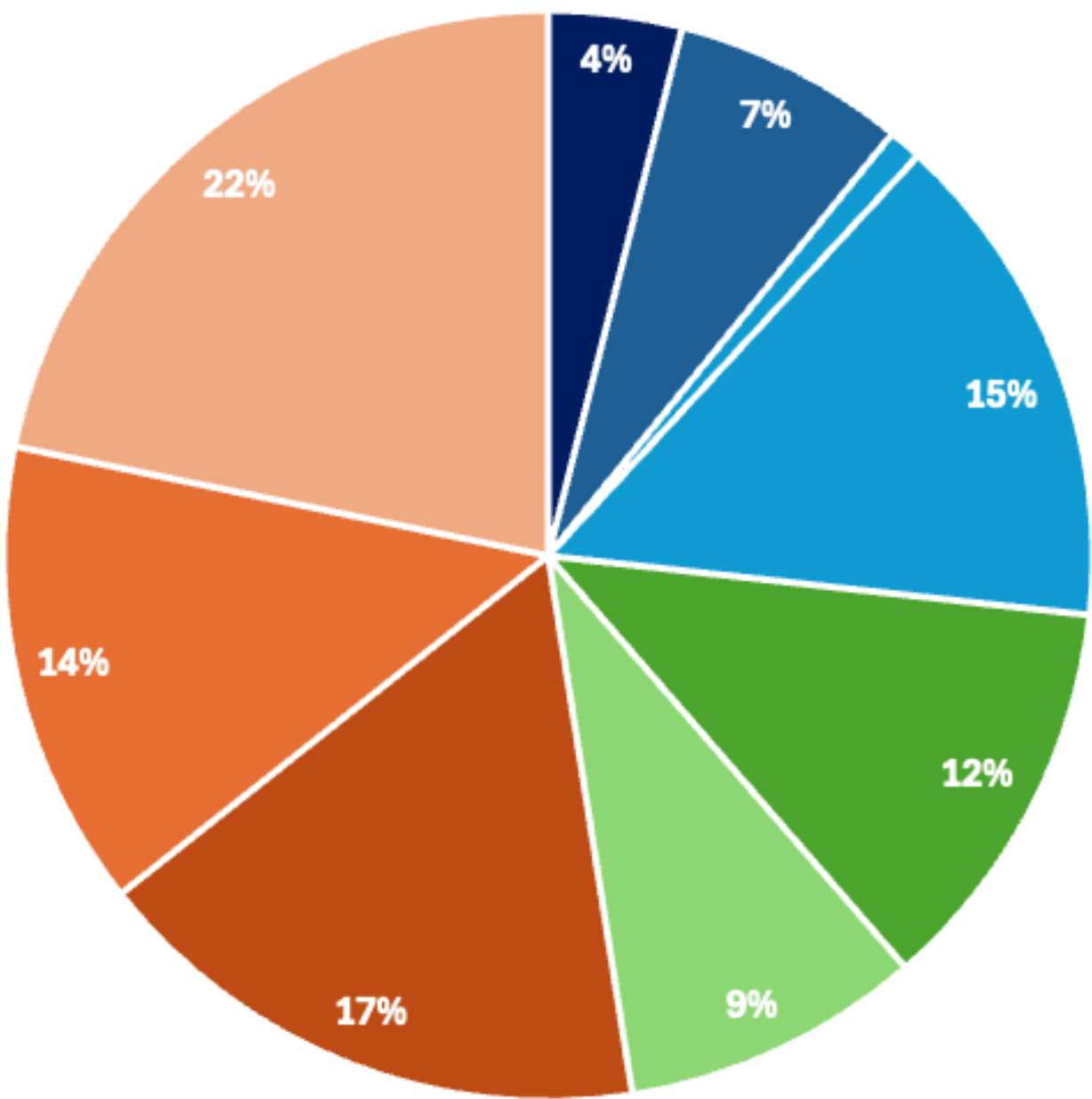
AI Innovations Trend



Forecast Hospitality Projects

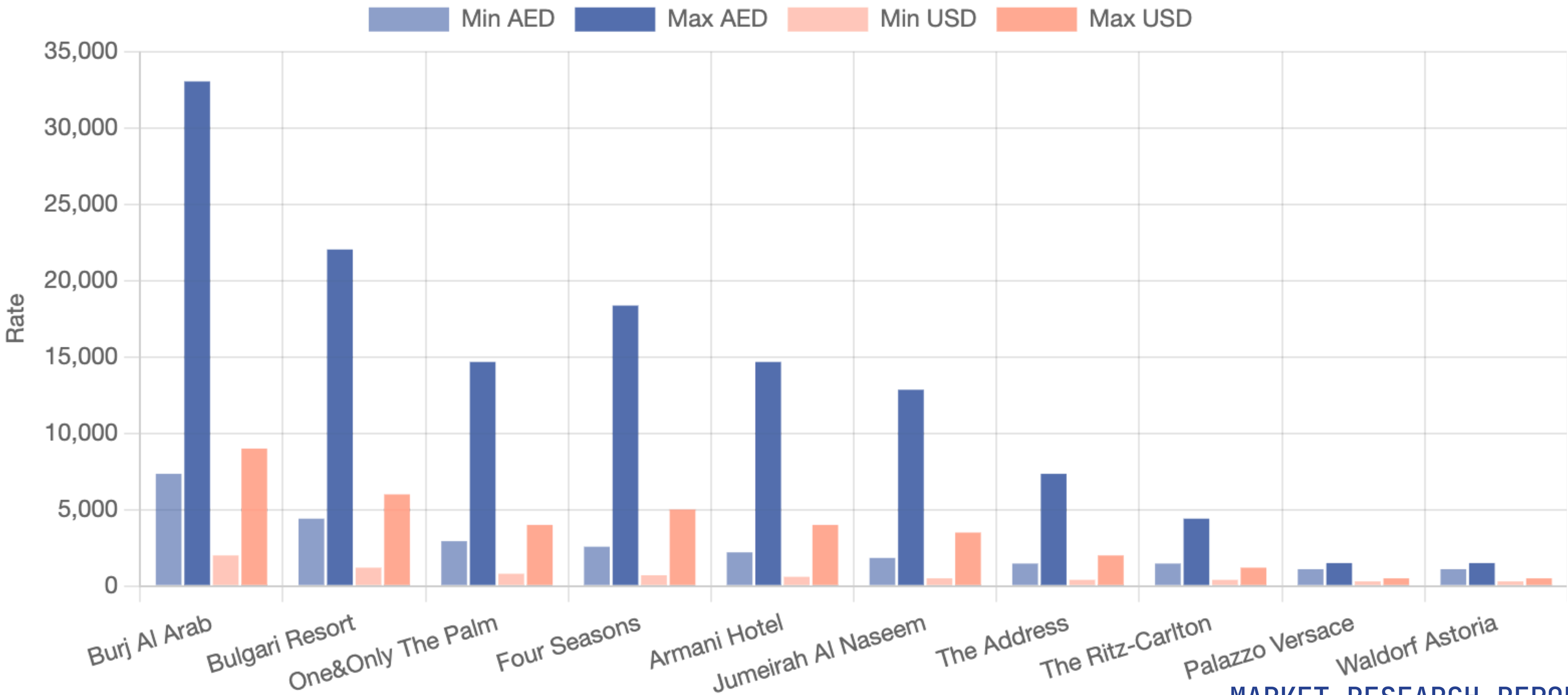


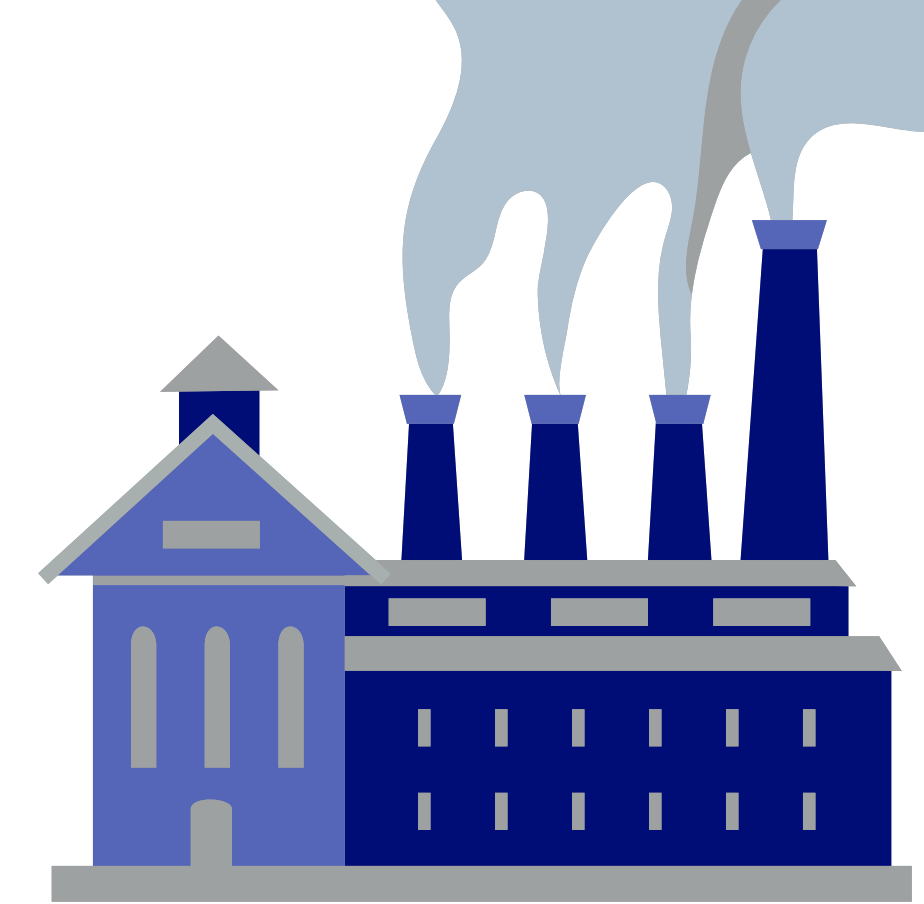
Q1 Visitor Performance By Source Market



■ Africa ■ Americas ■ Australasia ■ GCC ■ MENA ■ North Asia & South ■ CIS and Eastern Europe ■ South Africa ■ Western Europe

Average Daily Rates of Top 10 Dubai Hotels (AED & USD)





INDUSTRIAL SEGMENT

Demand

Industrial demand remains strong driven by E-commerce, light manufacturing, FMCG and agri-processing Government incentives and nearshoring trends support sustained activity, particularly in Dubai and Abu Dhabi, with growing interest in Sharjah and Ras Al Khaimah for cost- effective space.

Occupancy Rates & Yields

Grade A assets in zones like JAFZAA and Dubai Industrial City have maintained over 90% occupancy with prime yields ranging between 6.5-7.5%. Older asset yields are in the range of 8-9.5%, reflecting higher risk. Quality and location continue to dictate performance.

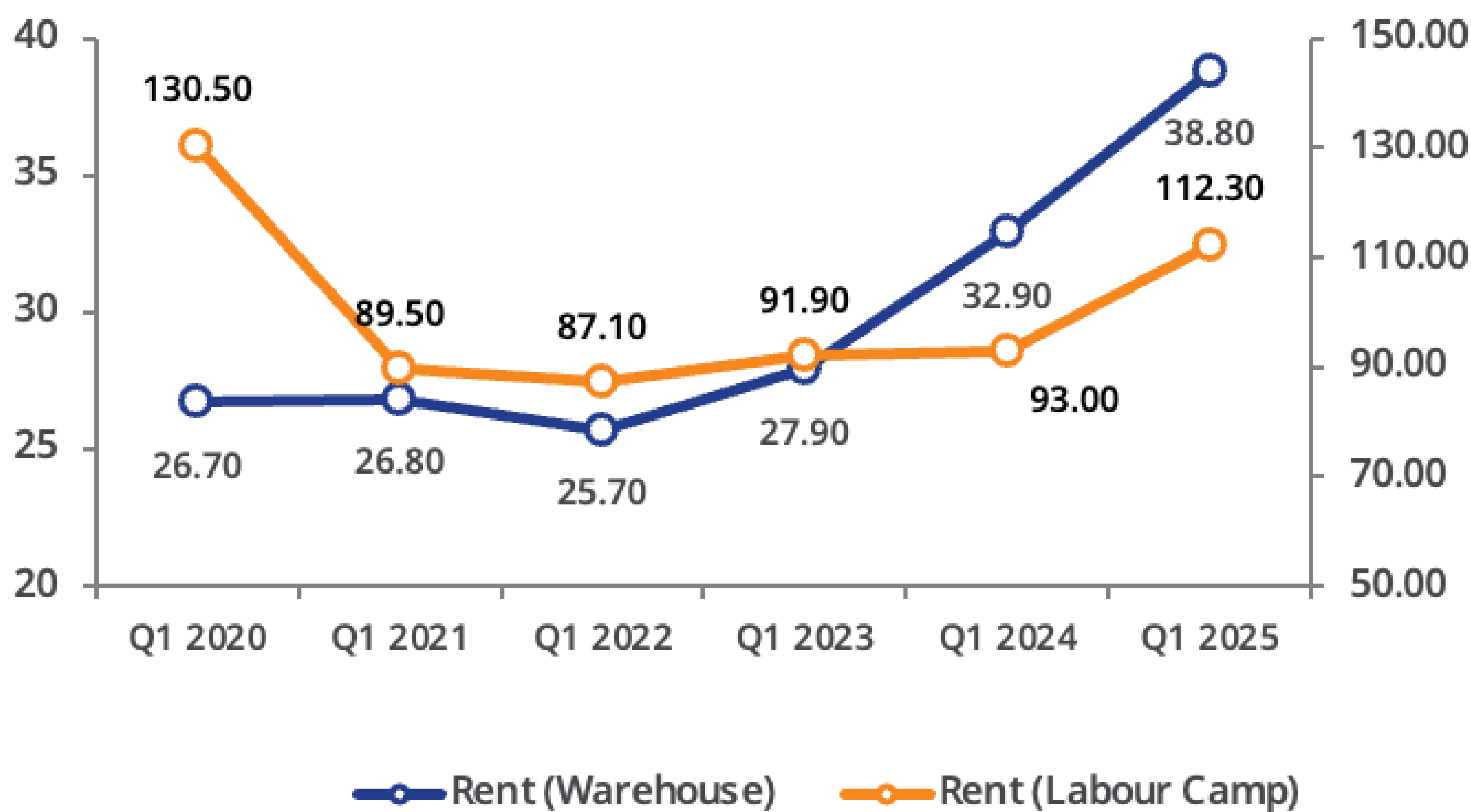
Investor Expectations & Rental Growth

Investors seek stable, long-term income and favor built-to-suit logistics.. Rents in prime areas have increased by 10-15% YoY, driven by limited new stock and high tenant demand. Lease restructures and asset upgrades are key value-add strategies.

Supply & Forecast

Supply remains controlled, with most new developments being pre-leased. Activity is high in Jebel Ali South, Ras Al Khor, and the Northern Emirates, supporting decentralization and catering to cold storage and last-mile needs

Dubai Industrial Rent (AED/SQFT)



Thank You



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