

[Dubai Property Analysis] [2024]

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[Institute of Emerging Careers]

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Dubai Real Estate Market Analysis Report

Introduction

This report presents a comprehensive analysis of Dubai's real estate market, utilizing a dataset of over 1.25 million transactions. The analysis covers long-term trends, property type preferences, transaction value patterns, and the impact of factors such as proximity to landmarks, malls, and metro stations. The findings provide actionable insights for investors aiming to make informed decisions in Dubai's rapidly evolving real estate landscape.

“What makes us proud of our nation is not the height of our buildings, the breadth of our streets, or the magnitude of our shopping malls, but rather the openness and tolerance of our nation. Our pride stems from the fact that we are a country where everyone thrives equally regardless of their differences.”

HH Sheikh Mohammed bin Rashid

Data Overview

The dataset captures a wide range of information on real estate transactions in Dubai, including property types, transaction values, and factors that influence property prices. This extensive data was carefully cleaned and processed to ensure the reliability of the analysis.

Data Cleaning and Wrangling Summary

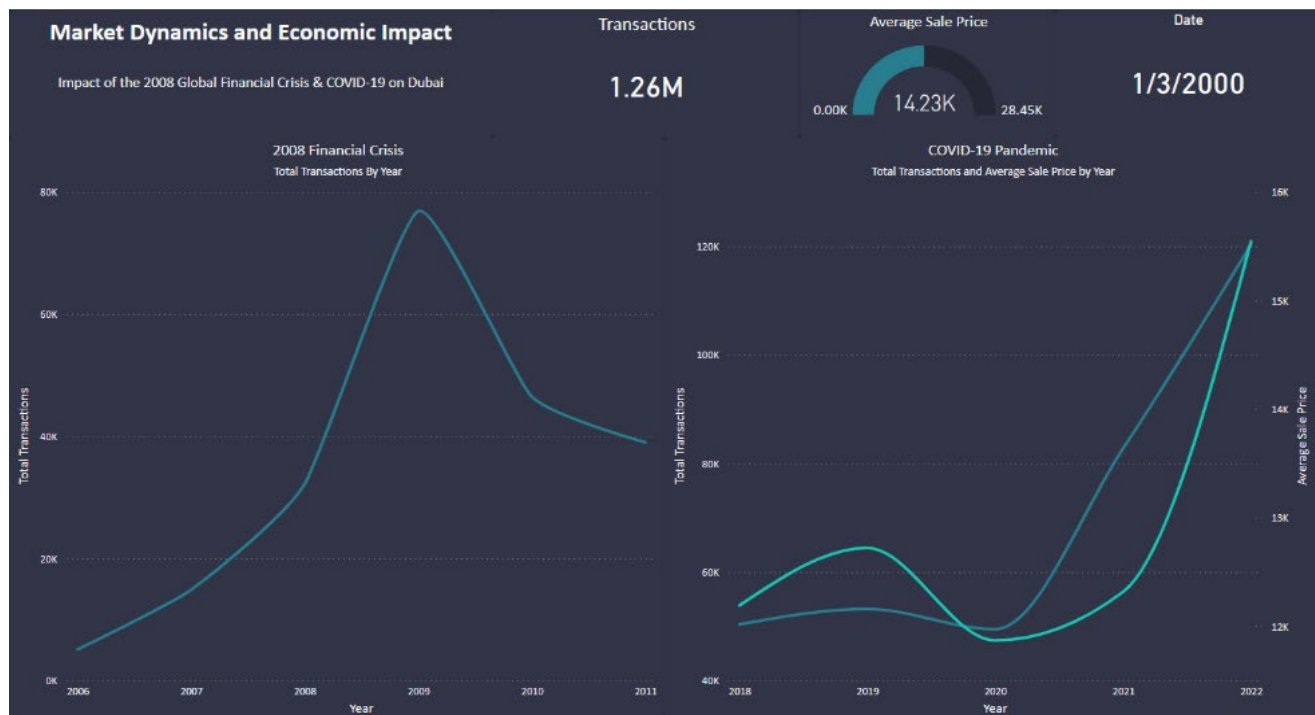
The data cleaning process was crucial for preparing the dataset for analysis. Key steps included:

1. **Standardizing Numeric Data:** Party count columns were standardized by converting any decimal values to integers, ensuring consistent data types.
2. **Date Parsing and Correction:** Dates were standardized, and any problematic entries were corrected to ensure accurate chronological analysis.
3. **Handling Missing Values:** Missing data in key columns were addressed by filling or removing them, ensuring the dataset's completeness.
4. **Filtering Data:** The dataset was filtered to include transactions from the year 2000 onwards, focusing on the most relevant and recent data.
5. **Ensuring Consistency in Categorical Data:** Categorical fields were reviewed and standardized to avoid discrepancies in the analysis.
- 6.

Analysis and Insights

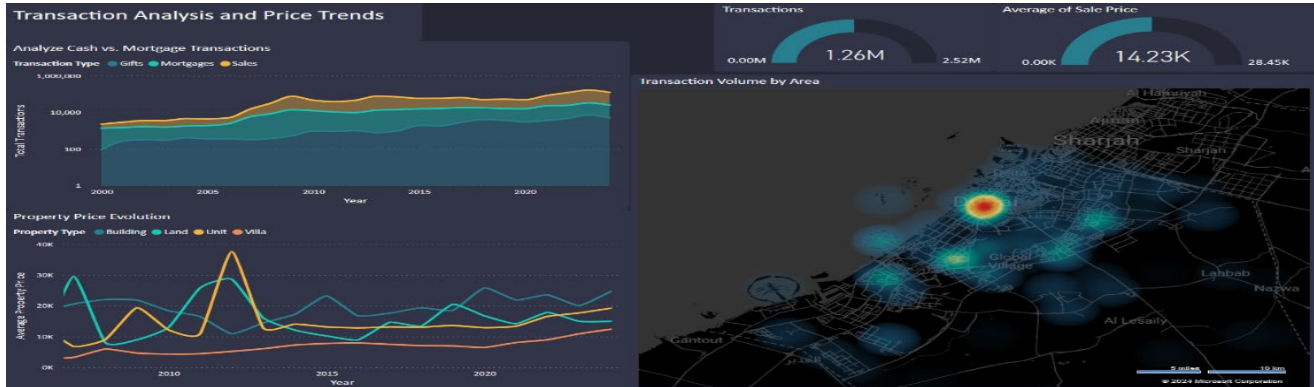
Market Dynamics and Economic Impact

The analysis reveals that Dubai's real estate market experienced significant downturns during the 2008 financial crisis and a quick recovery after the COVID-19 pandemic, demonstrating the market's resilience.



Transaction Analysis and Price Trends

Cash transactions dominate the market, though mortgage transactions are rising. Property prices, especially for buildings and units, were volatile around 2008 but have stabilized post-2020, reflecting market maturity.

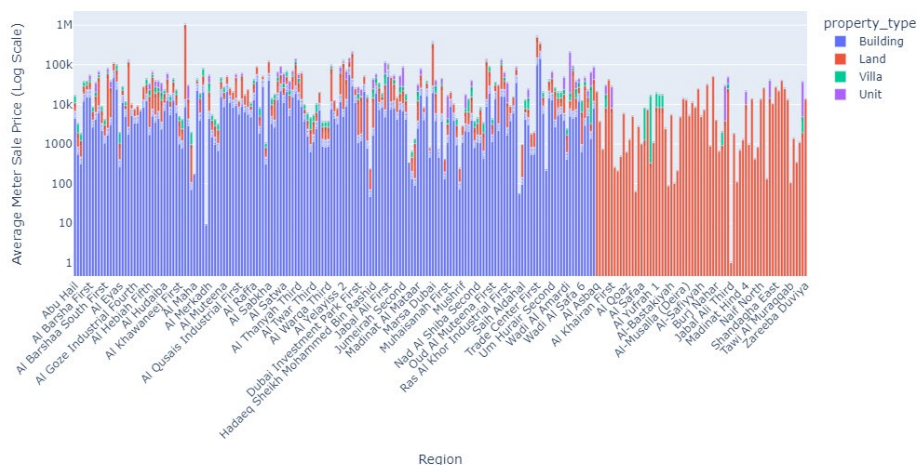


Impact of Property Types and Regions

Property Type Preferences: The analysis highlights that different regions prefer different property types. For example, villas are popular in suburban areas, while units dominate urban centres.

Investment Hotspots: High-demand areas like Dubai Marina and Downtown Dubai are prime for unit investments, while Palm Jumeirah is ideal for luxury villas.

Average Meter Sale Price by Property Type and Region (Log Scale)



Proximity to Landmarks and Amenities

Landmarks: Properties near iconic landmarks like Burj Khalifa command premium prices due to their prestige.

Malls and Metro Stations: Proximity to major malls and metro stations significantly increases property values, reflecting the importance of accessibility and lifestyle amenities.

Location	Average Motor Sale Price	Nearest Landmark
Al Maktoum International Airport	4,111.877777777778	Al Maktoum International Airport
Burj Al Arab	15,650.892842151656	Burj Al Arab
Burj Khalifa	23,122.902489190026	Burj Khalifa
Downtown Dubai	17,701.629173925503	Downtown Dubai
Dubai Cycling Course	8,022.056242355518	Dubai Cycling Course
Dubai International Airport	13,063.725909645168	Dubai International Airport
Dubai Parks and Resorts	3,000.000000000000	Dubai Parks and Resorts
Expo 2020 Site	8,880.10181179728	Expo 2020 Site
Global Village	7,062.148097991297	Global Village
Hamdan Sports Complex	6,079.992509012443	Hamdan Sports Complex
JNG World Adventures	27,792.653732563482	JNG World Adventures
Jebel Ali	3,000.000000000000	Jebel Ali
Motor City	9,888.246814165819	Motor City
Sports City Swimming Academy	9,928.665932155518	Sports City Swimming Academy

Nearest Mall	Average Meter Sale Price
City Centre Mall	8673.138948915936
Dubai Mall	19439.726758342446
Jumeirah Mall	9291.585768498826
Mall of the Emirates	11617.792038059117
Marina Mall	12035.72666413778

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Transactions involving more parties tend to have higher values, especially in large-scale property deals, indicating the complexity and value of these transactions.

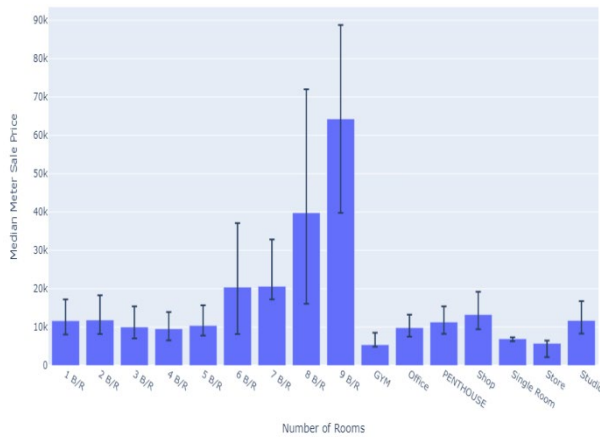
The line graph illustrates the relationship between the total number of parties and the average transaction value. The x-axis, 'Total Number of Parties', ranges from 0 to 700. The y-axis, 'Average Transaction Value', ranges from 0 to 14B. The data shows a highly volatile pattern with several peaks, most notably at 320 parties where the value reaches approximately 14B. After a period of low values, a steady increase begins at 540 parties, reaching about 6.8B at 700 parties.

Total Number of Parties	Average Transaction Value (B)
0	0.0
20	0.0
40	0.0
50	1.5
60	3.5
70	0.5
80	4.2
90	1.5
100	9.2
110	1.8
120	0.2
130	1.5
140	0.5
150	0.2
160	0.1
170	0.1
180	0.5
190	0.2
200	0.5
210	0.2
220	0.5
230	0.1
240	0.5
250	0.1
260	0.2
270	0.1
280	0.2
290	0.8
300	0.8
310	0.2
320	14.0
330	0.2
340	0.8
350	0.1
360	0.8
370	1.2
380	1.5
390	1.2
400	1.0
410	1.5
420	1.5
430	1.2
440	1.0
450	0.8
460	0.5
470	0.2
480	0.2
490	0.2
500	0.2
510	0.2
520	0.2
530	0.2
540	0.2
550	0.5
560	1.0
570	1.5
580	2.0
590	2.5
600	3.0
610	3.5
620	4.0
630	4.5
640	5.0
650	5.5
660	6.0
670	6.5
680	6.8
690	7.0
700	6.8

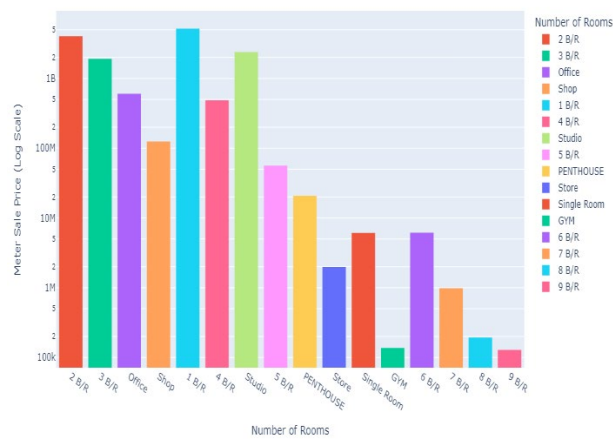
Property Price Distribution by Number of Rooms

Properties with more rooms, particularly 8 or 9 bedrooms, generally have higher median meter sale prices. However, there is significant variability within these categories, especially in luxury segments.

Median Meter Sale Price by Number of Rooms with IQR



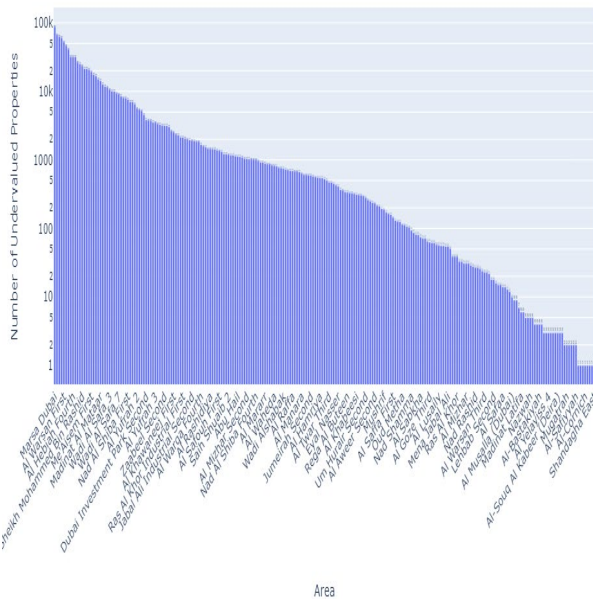
Price Distribution by Number of Rooms (Log Scale)



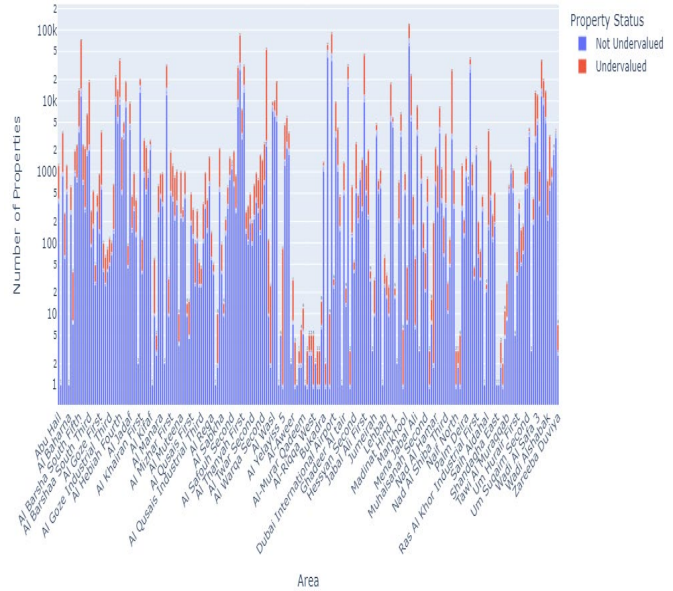
Undervalued Properties by Area

Certain areas, such as Abu Hail and Al Aweer First, have a high concentration of undervalued properties, presenting opportunities for investors to purchase below market value.

Number of Undervalued Properties by Area (Log Scale)



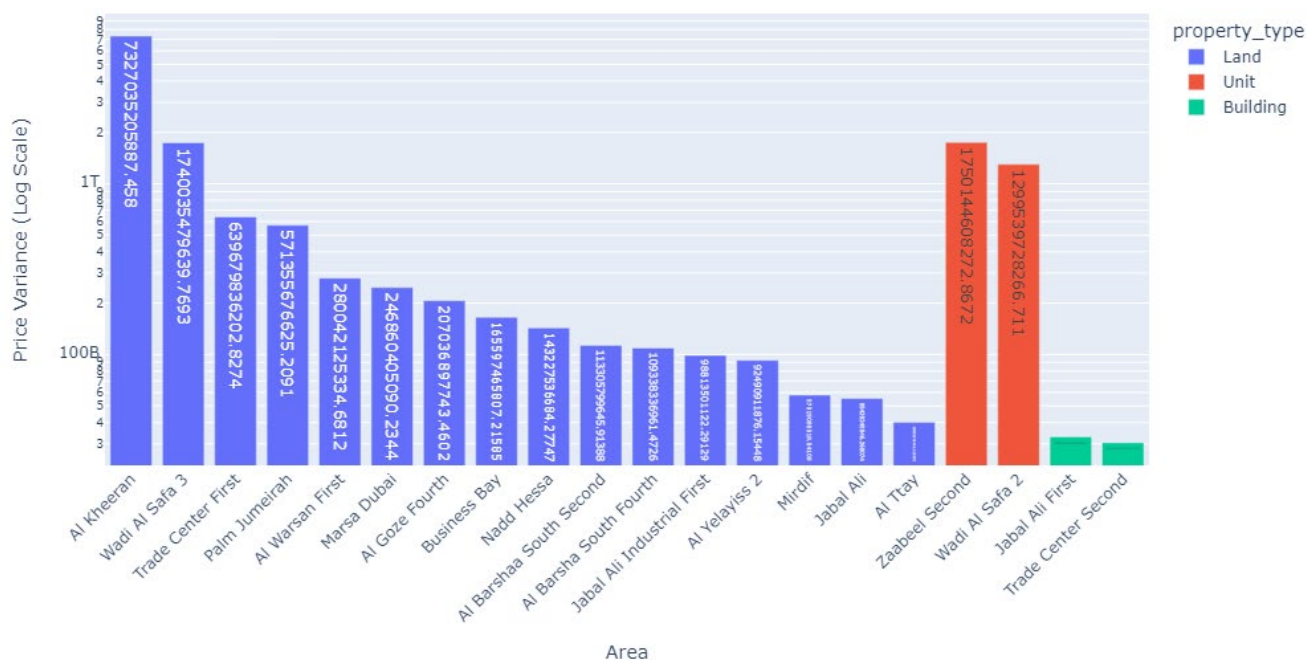
Undervalued vs. Non-Undervalued Properties by Area (Log Scale)



Transaction Value Volatility

Areas like Al Kheeran and Zaabeel Second exhibit high transaction value volatility, suggesting opportunities for high returns in exchange for greater risk.

Top 20 Areas and Property Types by Transaction Value Volatility (Log Scale)



Summary of Dashboard Insights

Market Dynamics and Economic Impact

This dashboard highlights the significant impact of the 2008 financial crisis and the COVID-19 pandemic on Dubai's real estate market, demonstrating the market's ability to recover from global economic shocks.

Transaction Analysis and Price Trends

The dashboard offers a detailed analysis of transaction types, property price trends, and areas with high transaction volumes, providing insights into the most active and valuable segments of the market.

Recommendations

Focus on Resilient Markets: Investors should prioritize well-established areas like Dubai Marina and Downtown Dubai, which have shown consistent demand and resilience during economic downturns.

Leverage Proximity to Landmarks: Properties near iconic landmarks or major malls should be key targets for investment due to their potential for higher value appreciation.

Parking as a Value Add: Properties with parking facilities are in higher demand and command higher prices, making them a critical consideration for investments.

Diversify Across Property Types and Regions: A diversified investment strategy that includes a mix of property types and regions, particularly those with undervalued or volatile markets, can help manage risk and optimize returns.