

REPORT

Abu Dhabi Residential Market

Q1 2025



Executive Summary

In 2024, Abu Dhabi's economy experienced significant progress, with real GDP climbing by 3.8% year-on-year, reaching a historic peak of AED 1.2 trillion, according to initial figures from the Statistics Centre – Abu Dhabi (SCAD). This performance was predominantly attributed to exceptional growth in the non-oil sector, which expanded by 6.2% and now represents 54.7% of the emirate's total GDP. The International Monetary Fund (IMF) anticipates this positive trend will continue, forecasting GDP increases of 4.2% in 2025 and 5.8% in 2026.

Amid this favourable economic climate, Abu Dhabi's residential real estate market continued to demonstrate stability, even as transaction volumes temporarily softened in Q1 2025 due to seasonal effects and a limited pipeline of new projects. Approximately 1,300 residential sales were recorded, with the ready property market remaining especially robust and average transaction values on the rise.

Sustained population growth, ongoing interest from both end-users and investors, and government initiatives to promote long-term residency and economic diversification are all expected to reinforce the resilience of the residential sector. With around 11,900 new homes anticipated to be handed over during the remainder of 2025, market demand is likely to remain ahead of new supply, contributing to further increases in both sales and rental prices.



Abu Dhabi Market Snapshot for Q1 2025

<div>+4.2%</div> <div>GDP Forecast 2025</div>	<div>1,300</div> <div>Sales Transactions Volume</div>	<div>AED 3.7B</div> <div>Sales Transactions Value</div>	<div>AED 2.3B</div> <div>Ready Sales Transactions Value</div>
<div>800</div> <div>Mortgage Transactions Volume</div>	<div>AED 1.7B</div> <div>Mortgage Transactions Value</div>	<div>Units 11,900</div> <div>Upcoming Supply for 2025</div>	<div>600</div> <div>Units Delivered</div>

Macroeconomic Overview and Outlook

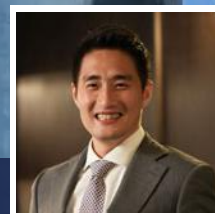
Preliminary figures from the Statistics Centre – Abu Dhabi (SCAD) indicate that the Emirate achieved robust economic expansion in 2024, with real GDP advancing by 3.8% year-on-year to a historic high of AED 1.2 trillion. This impressive growth was predominantly fuelled by the non-oil sector, which recorded an unprecedented 6.2% increase, raising its share of total GDP to 54.7%—the highest annual contribution on record.

The broad-based strength across various industries underscores Abu Dhabi's ongoing success in diversifying its economy and reducing dependence on hydrocarbons, paving the way for a more resilient and sustainable future. Notably, manufacturing and construction sectors achieved record output, each contributing AED 111.6 billion and AED 107.4 billion to GDP, representing 9.1% apiece. Additionally, the Emirate experienced a 16.0% uptick in new economic licenses issued on the mainland, emphasizing its growing reputation as a prime destination for business and investment.

The International Monetary Fund (IMF) anticipates that this positive momentum will continue, forecasting GDP growth rates of 4.2% in 2025 and 5.8% in 2026 as Abu Dhabi builds upon its recent achievements and outperforms global averages. This progress is being realized while maintaining low inflation, controlling government debt, and preserving a strong trade surplus.

Abu Dhabi's solid economic performance continues to demonstrate the effectiveness of its pro-business policies, transparent regulatory environment, and commitment to fostering investor confidence.

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In the first quarter of 2025, we've seen Abu Dhabi's residential real estate market shift more towards the secondary market, as fewer new off-plan projects came to market compared to before. Even with limited new launches, interest in ready-to-move-in homes has stayed strong. Towards the end of the quarter, we began to see prices rising more broadly, and we believe this trend will carry into the next quarter. Banks remain active, and we've continued to see steady project handovers through early 2025, clearly showing that Abu Dhabi's real estate sector remains both resilient and full of energy.

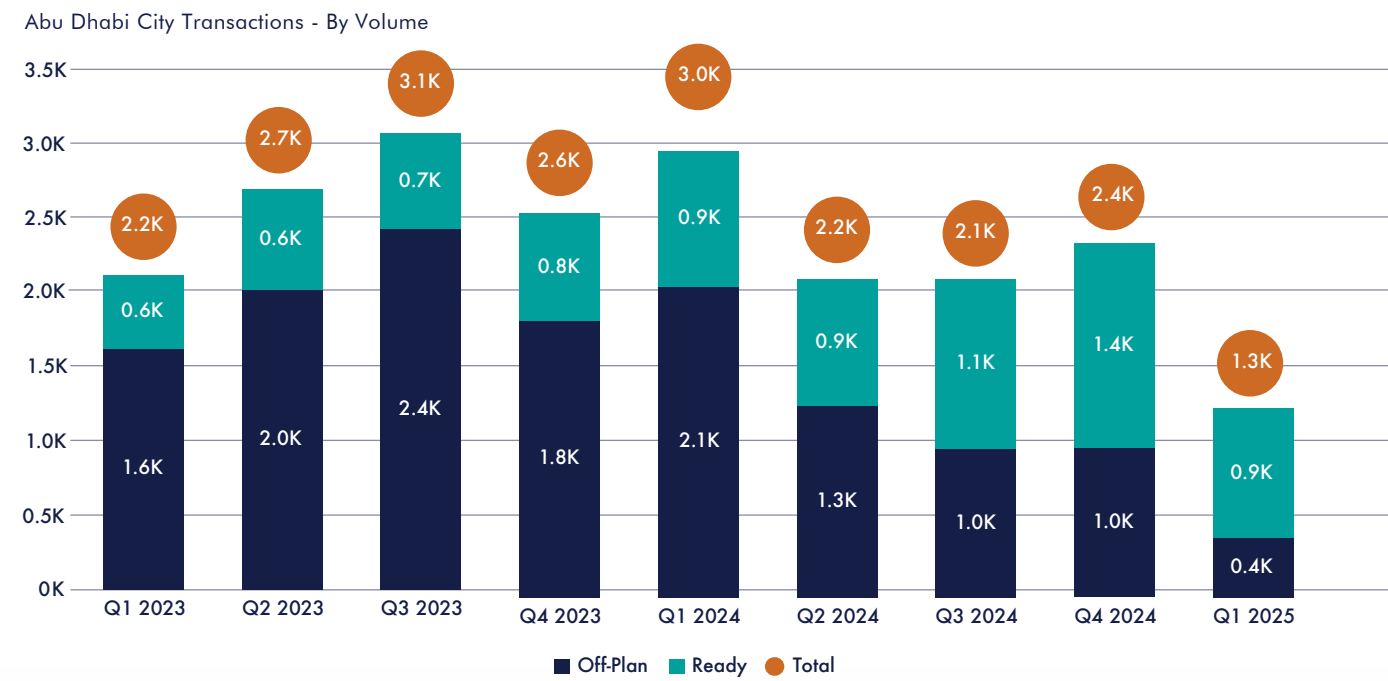
Kelvin Wu

Chief Executive Officer – Knightsbridge Partners

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Sales Transactions

During Q1 2025, Abu Dhabi City registered about 1,300 residential sales, with approximately 900 transactions for completed properties and 400 for off-plan units. Off-plan sales saw a decline both from the previous quarter and compared to the same period last year, largely reflecting a slowdown in new project launches. Although ready property sales dipped quarter-on-quarter, they rose year-on-year, signalling steady demand for completed homes despite some short-term market variability. The overall reduction in activity can also be linked to the seasonal effects of fewer trading days during Ramadan and Eid within this reporting period.



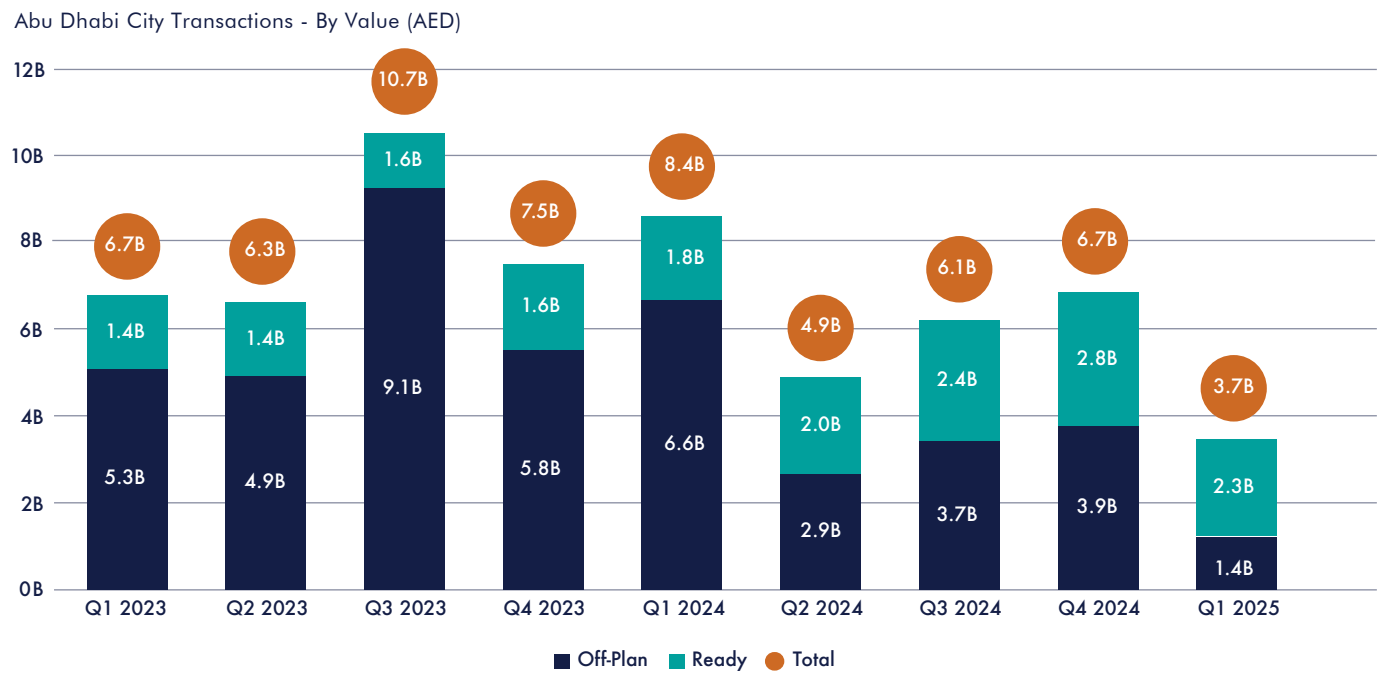
Change in Transaction Volume (%)			
Q-on-Q	-63.2%	-34.4%	-46.6%
Y-on-Y	-82.0%	+7.0%	-56.4%

Source: Abu Dhabi Real Estate Centre



The reduction in transaction volumes was also reflected in the overall value of transactions, which declined both quarter-on-quarter and year-on-year. In Q1 2025, total residential sales in Abu Dhabi City reached AED 3.7 billion, with ready properties accounting for the largest portion—approximately 62% (AED 2.3 billion).

Despite the slowdown in activity, the average price per ready transaction increased on both a quarterly and annual basis, reaching AED 2.5 million in Q1 2025—marking the highest average recorded in recent quarters.



Change in Transaction Value (%)			
Q-on-Q	-64.6%	-16.7%	-44.6%
Y-on-Y	-74.0%	+70.4%	-44.5%

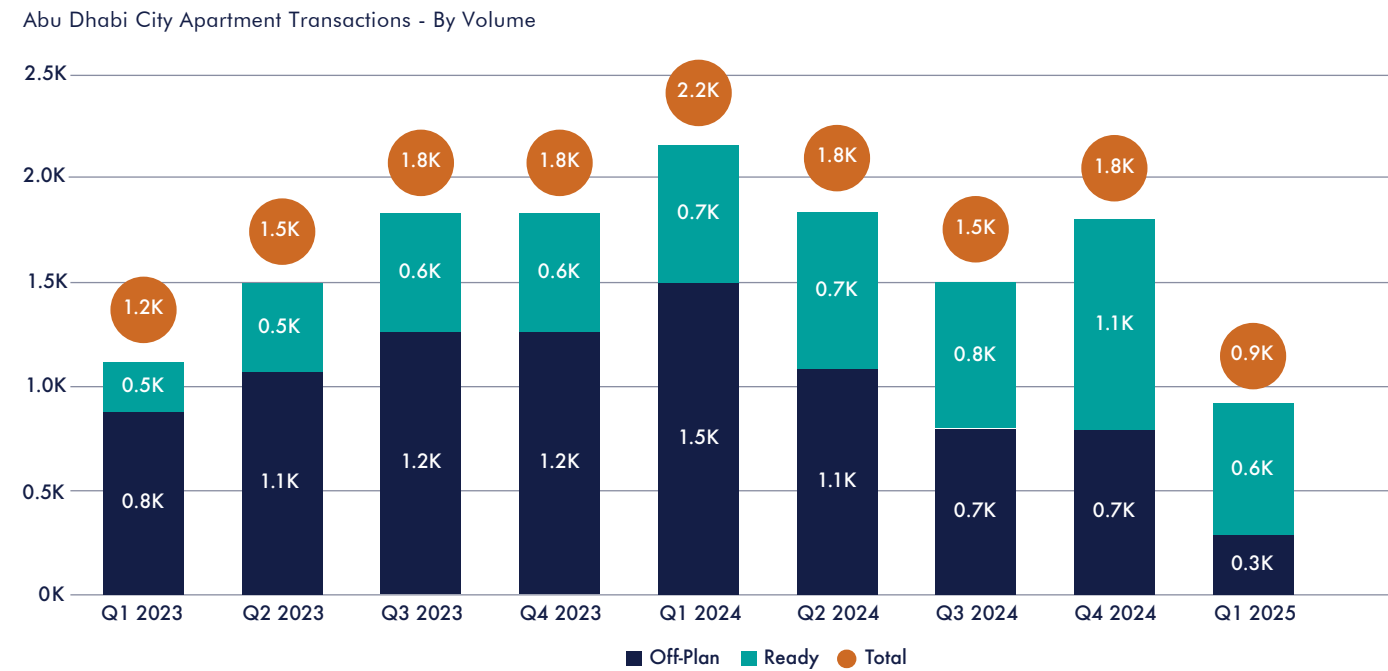
Source: Abu Dhabi Real Estate Centre

Sales Transactions

by Property Type: Apartments

Apartments remained the leading property type in Abu Dhabi City’s residential market during Q1 2025, representing 65.7% of all sales transactions. However, their share of the market was lower compared to the same quarter last year, reflecting a broader decrease in overall sales activity.

Transaction volumes for apartments dropped significantly—down 53.1% from the previous quarter and 60.5% year-on-year. Both ready and off-plan apartment segments experienced reduced sales, with the most pronounced decline observed in the off-plan segment.



Change in Transaction Volume (%)			
Q-on-Q	-63.2%	-46.6%	-53.1%
Y-on-Y	-82.2%	-13.3%	-60.5%

Source: Abu Dhabi Real Estate Centre





Sales Transactions by Property Type: Villas and Townhouses

In Q1 2025, villas and townhouses continued to play a significant role in Abu Dhabi City’s residential market. While these property types accounted for a smaller proportion of total transactions compared to apartments, they demonstrated relative stability in market share year-on-year.

Sales activity for villas and townhouses declined at a slower pace than apartments, with both ready and off-plan segments seeing moderate reductions in transaction volumes. Despite the overall decrease, demand for completed villas and townhouses remained resilient, supported by buyers seeking larger living spaces and established communities.



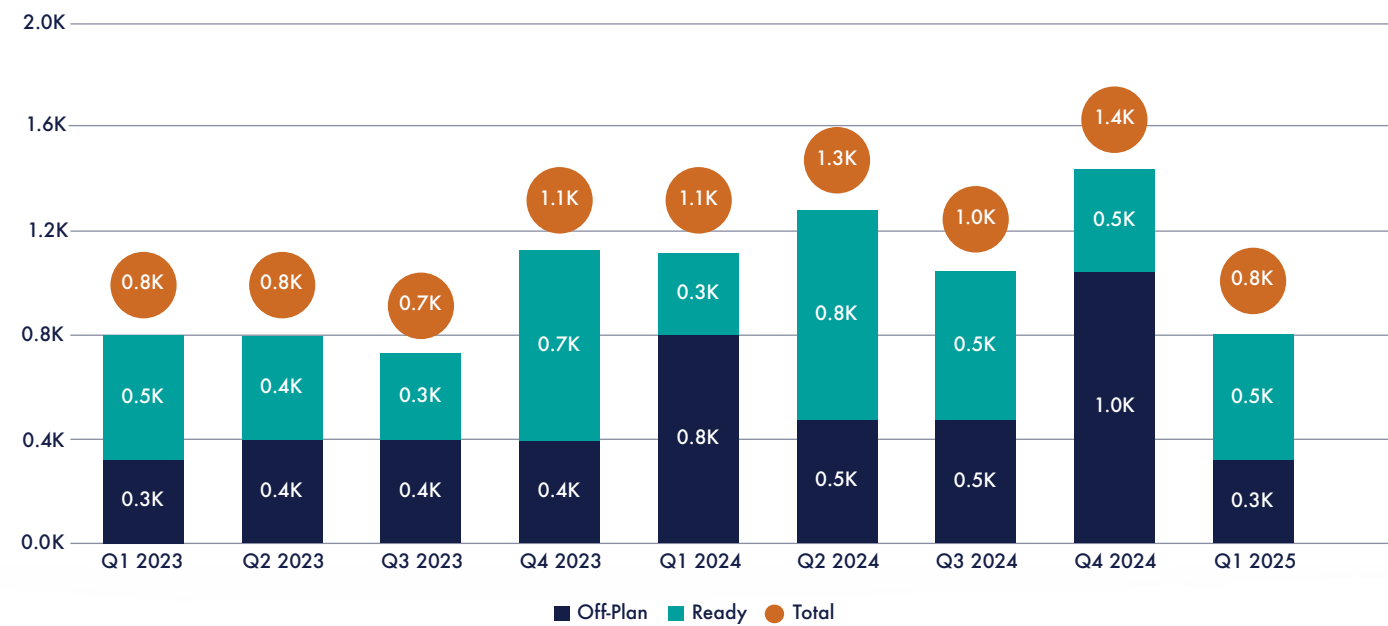
Change in Transaction Volume (%)			
Q-on-Q	-63.1%	+10.4%	-27.4%
Y-on-Y	-81.7%	+84.4%	-45.4%

Source: Abu Dhabi Real Estate Centre

Mortgage Transactions

Reflecting the broader slowdown in sales, residential mortgage activity in Abu Dhabi City declined both quarter-on-quarter and year-on-year, largely driven by fewer mortgage transactions for apartments. In contrast, mortgage activity for villas and townhouses increased during the quarter, suggesting a shift in buyer profile towards end-users rather than investors. This trend underscores robust demand from end-users, who are more likely to utilize mortgage financing—especially given the higher average prices associated with villas and townhouses.

Abu Dhabi City Mortgage Transactions - By Volume



Change in Transaction Volume (%)			
Q-on-Q	-68.5%	+3.5%	-44.5%
Y-on-Y	-61.5%	+58.1%	-27.4%

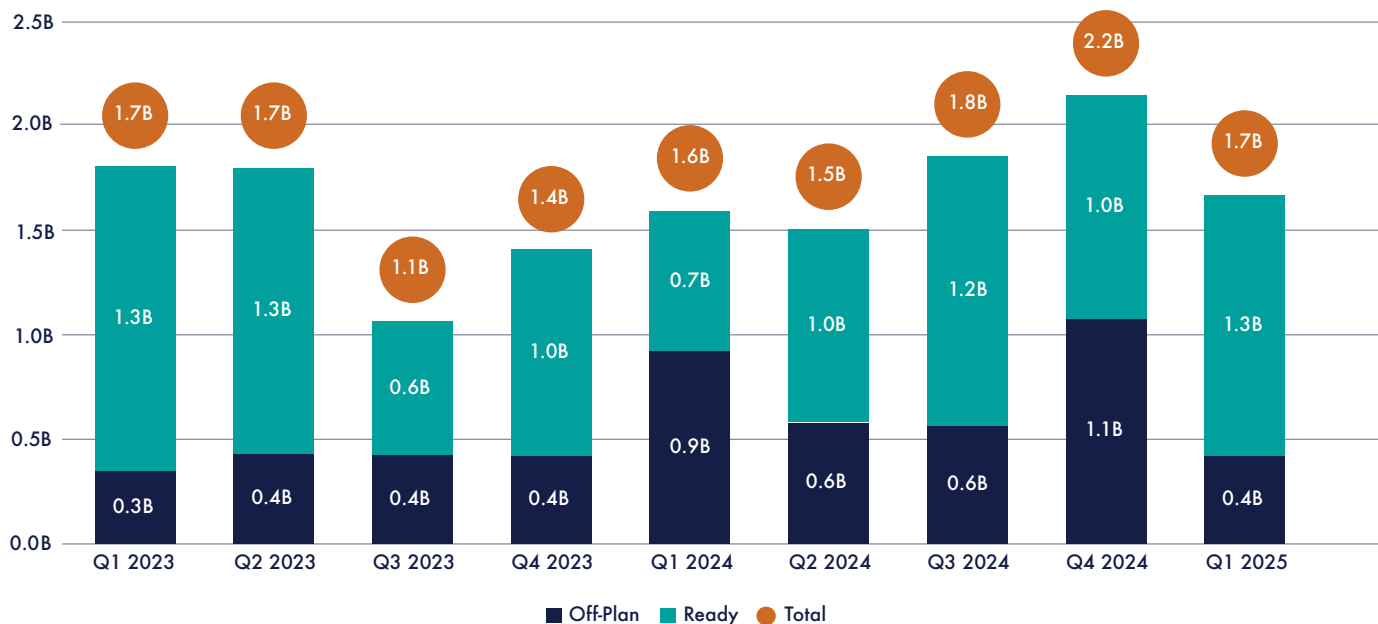
Source: Abu Dhabi Real Estate Centre





In Q1 2025, residential mortgage transactions in Abu Dhabi City totalled AED 1.7 billion, with villas and townhouses making up the majority at AED 1.3 billion. The period was marked by a rise in financing for higher-value homes, contributing to a noticeable increase in the average size of mortgage loans.

Abu Dhabi City Mortgage Transactions - By Value (AED)



Change in Transaction Value (%)

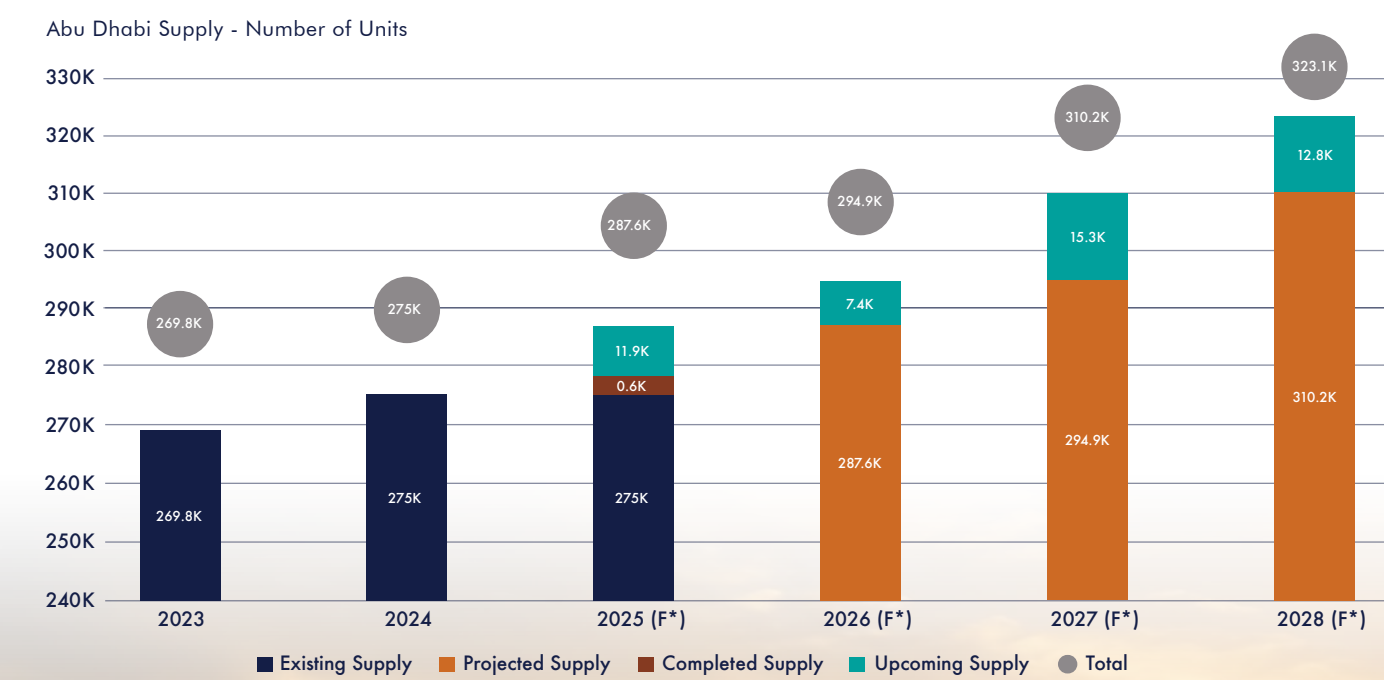
Q-on-Q	-65.3%	+24.1%	-22.6%
Y-on-Y	-55.4%	+70.9%	+2.9%

Source: Abu Dhabi Real Estate Centre

Existing and Future Supply

In Q1 2025, approximately 600 new residential units were completed in Abu Dhabi City. Looking ahead, an additional 11,900 units are scheduled for delivery by year-end, with another 7,000 expected in 2026. Despite this healthy supply pipeline, demand for housing is projected to exceed new supply in 2025, fuelled by ongoing population growth and a rising number of end-user buyers.

Government initiatives to foster knowledge-based sectors are attracting international talent and supporting Abu Dhabi’s long-term housing needs. Additionally, residency programmes such as the Golden Visa and other long-term visas are making it easier for skilled professionals and investors to relocate, further underpinning demand for high-quality residential properties.



Source: Abu Dhabi Real Estate Centre



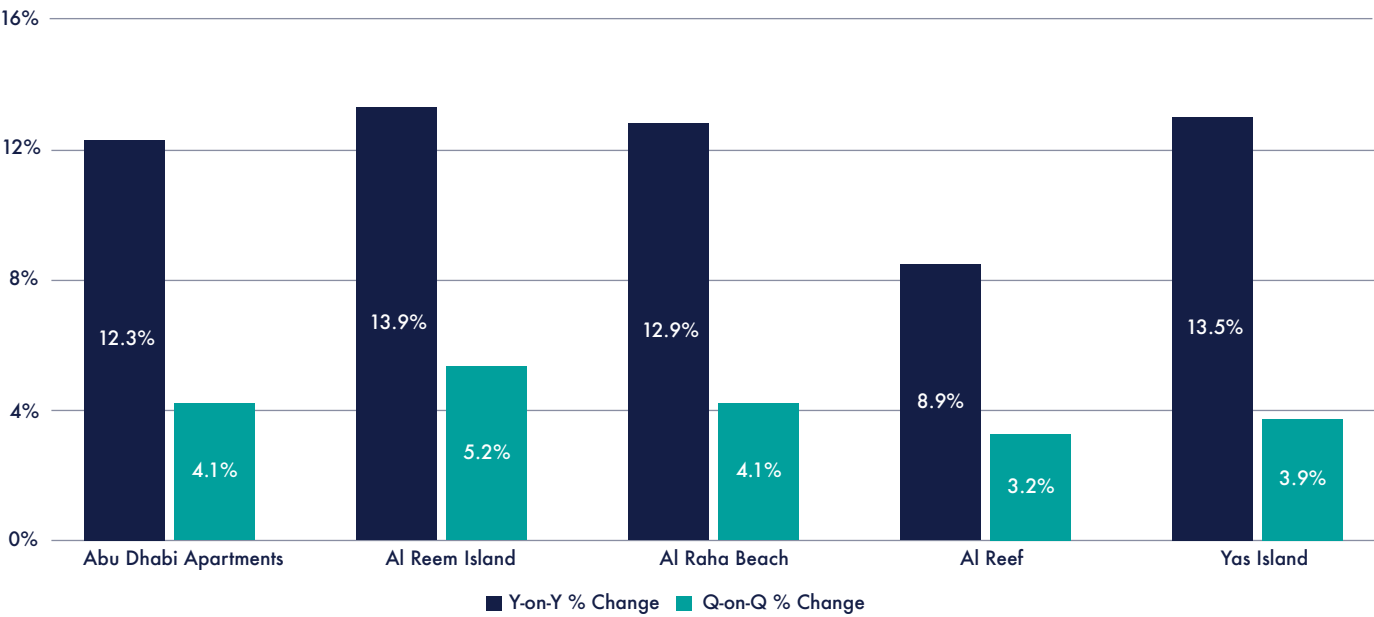


Abu Dhabi Sales Price Change

Apartment prices in Abu Dhabi continued their upward trajectory in Q1 2025, rising by 4.1% over the previous quarter and 12.3% year-on-year. Despite a dip in transactional volumes, demand remained robust, buoyed by steady end-user interest and sustained investor confidence. This strength reflects Abu Dhabi’s stable macroeconomic backdrop and appealing rental yields, especially in sought-after locations.

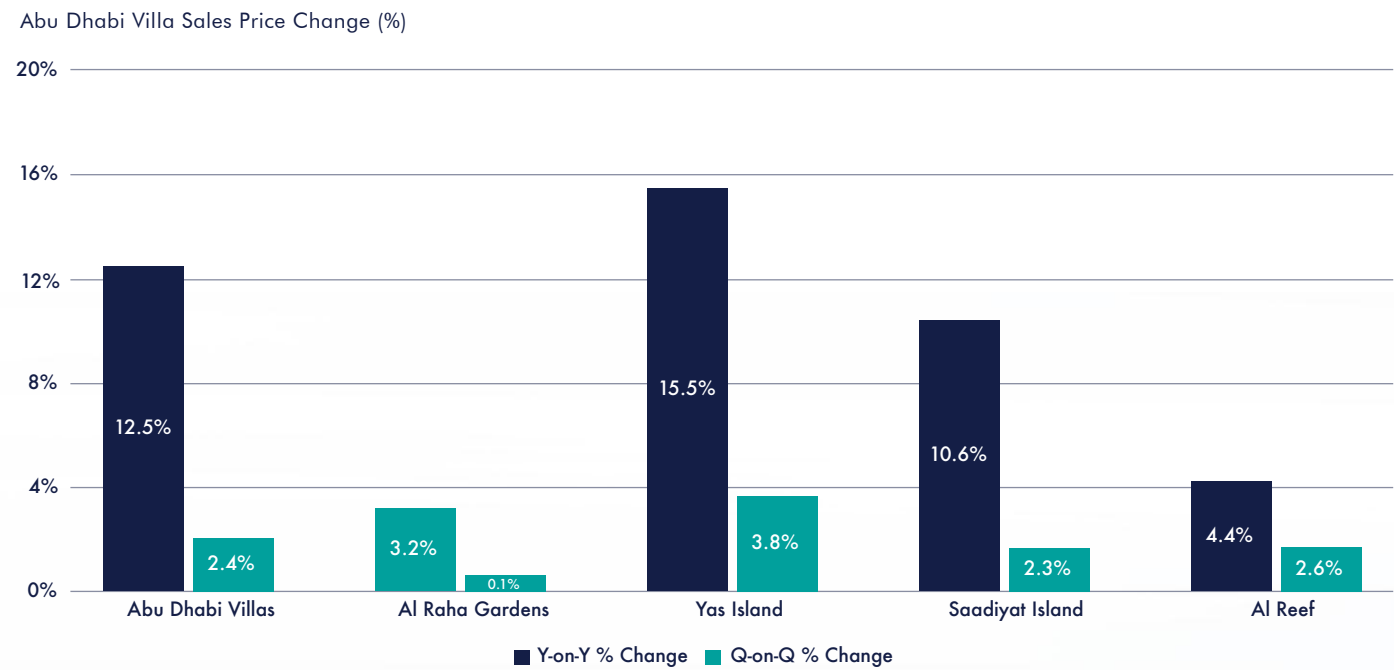
Additionally, measures introduced by the government and developers—including flexible payment options, ongoing infrastructure enhancements, long-term residency programmes, and initiatives to improve quality of life—have played a key role in encouraging buyer activity and supporting the ongoing growth in prices.

Abu Dhabi Apartment Sales Price Change (%)



Source: Abu Dhabi Real Estate Centre

Villas continued to see strong demand in Q1 2025, with sales prices increasing by 2.4% quarter-on-quarter and 12.5% year-on-year. Notable price growth was observed in prominent locations such as Yas Island and Saadiyat Island.



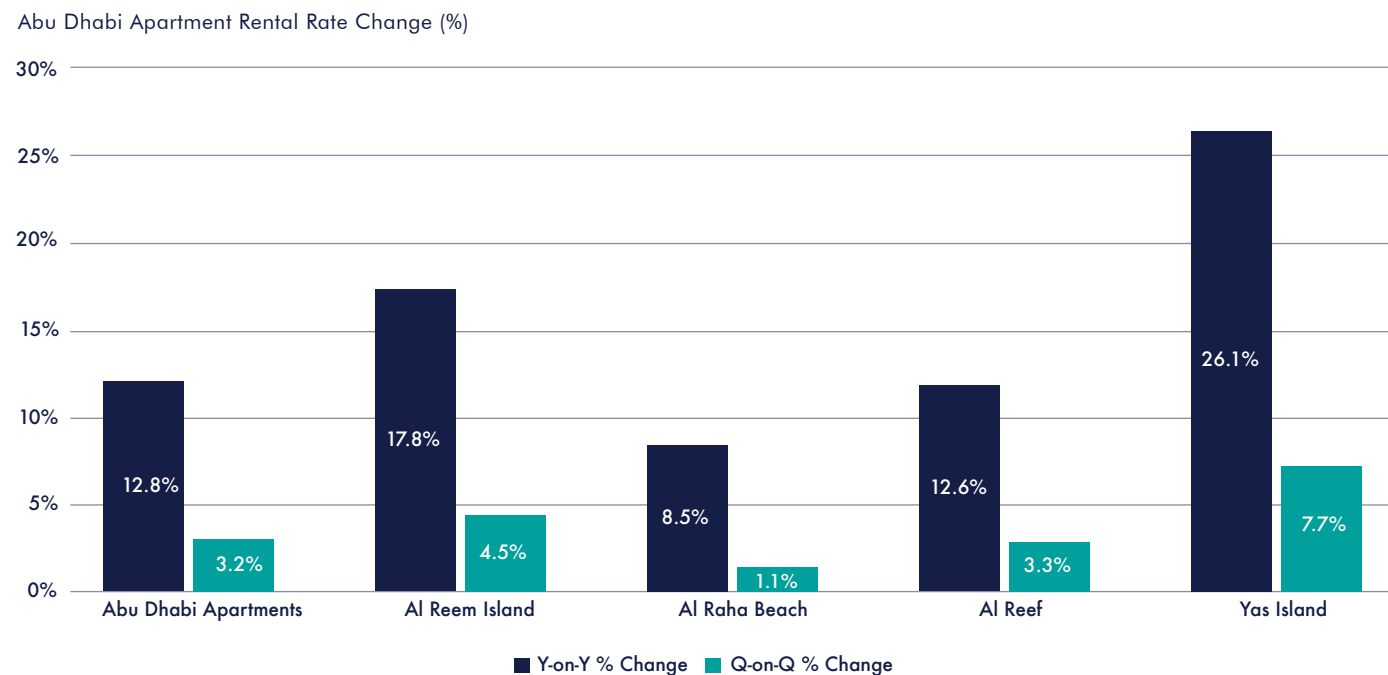
Source: Abu Dhabi Real Estate Centre



Abu Dhabi

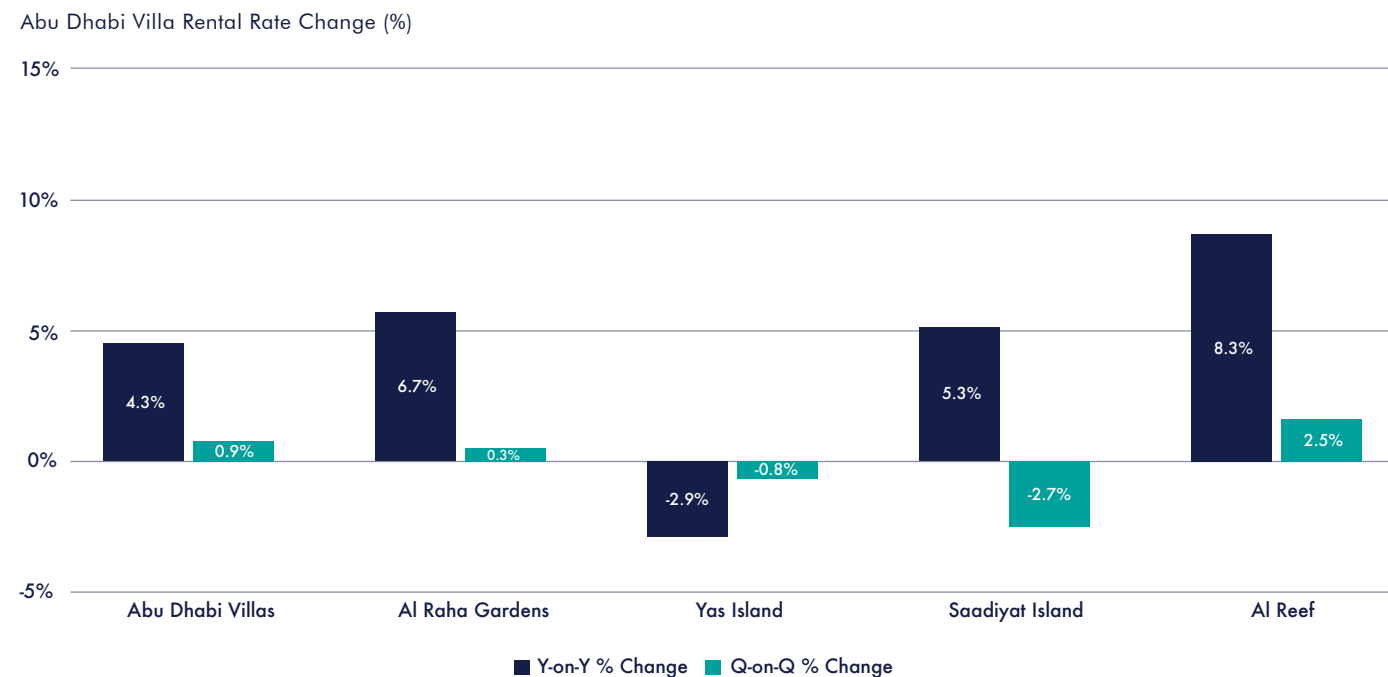
Rental Rate Change

Rising demand has continued to outstrip supply, resulting in higher occupancy rates across Abu Dhabi. This trend is underpinned by ongoing population growth, an improving economy, and a stronger job market that has attracted a steady flow of expatriates. As a result, apartment rental rates increased by 3.2% quarter-on-quarter and 12.8% year-on-year in Q1 2025.



Source: Abu Dhabi Real Estate Centre

Villa rental rates also saw growth, rising by 0.9% on a quarterly basis and 4.3% year-on-year. However, some areas—most notably Yas Island and Saadiyat Island—experienced slight quarterly declines, likely reflecting temporary seasonal adjustments. Nonetheless, demand for villas is expected to remain robust, driven by an increasing number of families seeking more spacious homes.



Source: Abu Dhabi Real Estate Centre

2025 Real Estate Market Outlook

The first quarter of 2025 saw a slowdown in market activity, largely due to fewer new project launches and the impact of seasonal holidays such as Ramadan and Eid. Despite this, the overall outlook for the remainder of the year remains positive. Demand from both investors and end-users continues to be strong, supported by ongoing economic growth, government initiatives, and population increases driven by employment and long-term residency options.

Sales activity for ready properties is expected to remain stable, while the off-plan segment will depend on the timing and scale of new developments. Approximately 11,900 new residential units are scheduled for completion by year-end, though the final number may be lower than projected.

With demand expected to outpace new supply, upward pressure on both sales and rental prices is likely to persist, though any increases are anticipated to be gradual. The market is expected to remain steady, supported by consistent demand, a disciplined approach from developers, and ongoing improvements to Abu Dhabi's infrastructure.

In summary, the residential property market in Abu Dhabi is projected to remain healthy and stable through 2025, benefiting from strong economic and demographic trends as well as continuous development across the emirate.



Abu Dhabi Key Projects



MUHEIRA

REEM ISLAND

 **Starting Price:**
AED1,400,000

 **Location:**
Reem Island

 **Facilities:**
Gym, Parks, Sky Lounge,
Pool, Cycling & jogging
trails and more



Nawayef

 **Starting Price:**
AED2,000,000

 **Location:**
Hudariyat Island

 **Facilities:**
Gym, Clubhouse, Park,
Beach, Coworking space,
Pool and more



THE BEACH HOUSE FAHID

 **Starting Price:**
AED1,800,000

 **Location:**
Fahid Island

 **Facilities:**
Gym, Parks, Health Care
Center, Pool, Running
Track, Beach and more

Key Contacts



Michael Li

Business Development Director
michael.li@knightsbridge-partners.com



Lois Ho

Product Development Director
lois@knightsbridge-partners.com

Hong Kong

+852 5494 6198

info@knightsbridge-partners.com

1501-03, Fu Fai Commercial Center, 27 Hillier Street, Hong Kong, China

Dubai | Hong Kong | Shanghai | Bangkok | Ho Chi Minh | Ha Noi



knightsbridge-partners.com

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