

A panoramic view of the Dubai skyline at dusk. The sky transitions from a deep blue to a warm orange glow near the horizon. Several prominent skyscrapers are visible, including the Burj Khalifa in the center. In the foreground, a large building with a distinctive square frame and a spire is illuminated. The city lights are beginning to glow, and a highway with traffic is visible in the lower right.

# Dubai Real Estate

## Follow the Money

A Cross-Comparison of Money Flows in Capital Markets and Real Estate

# Executive Summary

## - Citywide Performances

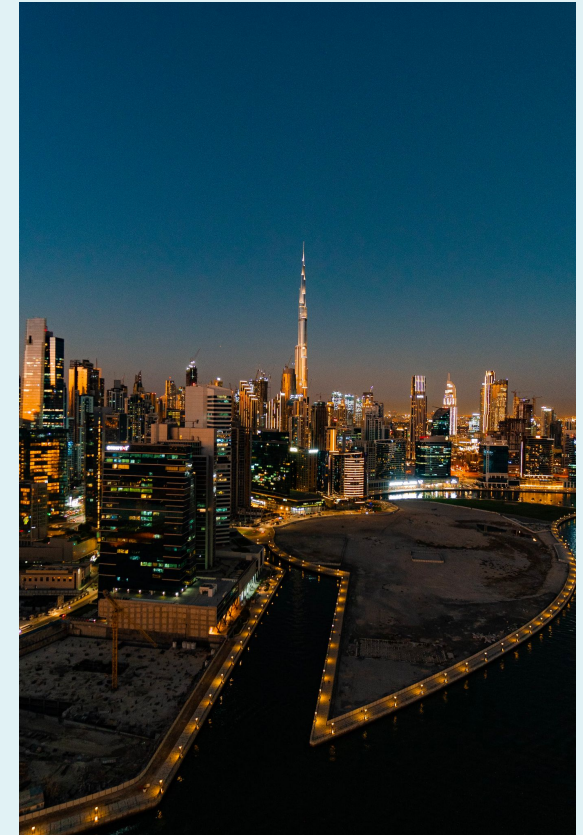
Both the Dubai Financial Market and the Abu Dhabi Exchange have seen index growth of over 50% across the last three years. This growth is attributable to a variety of factors, including relatively cheaper valuations and the formation of new companies in emerging markets. Across the same time period, citywide real estate prices have also seen growth in excess of 50%.

## - Domestic Stocks Total Returns

Looking at the range of IPOs that have debuted since 2021, we can see that total returns are skewed towards capital gains. In the case of some of the more recent debuts, this is often because the companies have yet to pay their first batch of dividends since going public. However, even among those that have paid dividends, capital gains tend to dominate, accounting for 40% of total returns.

## - Sales Values

Real estate sales values have seen over 100% growth over the last three years. Despite this, they are still dwarfed by the total values traded in capital markets, and by a greater margin than they were in 2021. The two are only comparable when isolating the secondary capital market, which serves to illustrate the dominance of the primary market.



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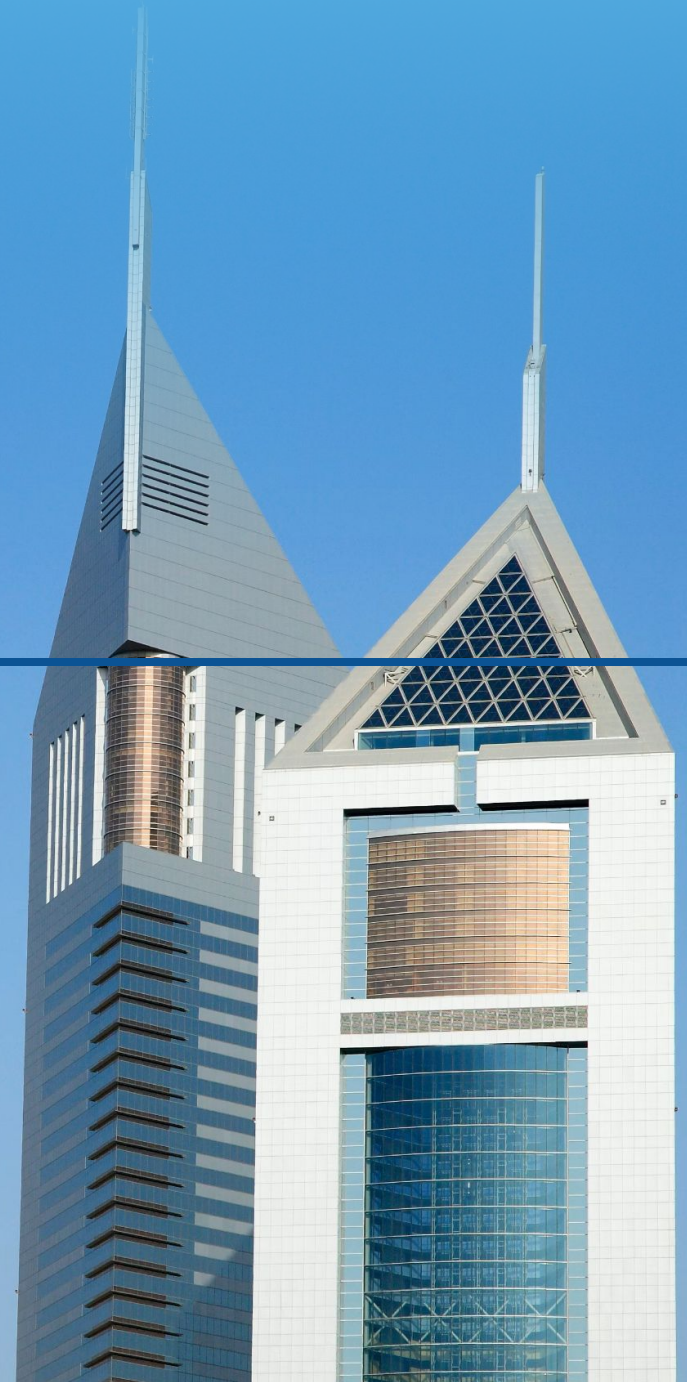
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- 1. Citywide Performances**
- 2. Domestic Stocks Total Returns**
- 3. Sales Values**

## Citywide Performances

**“To succeed in life you need two things:  
ignorance and confidence.”**

– Mark Twain

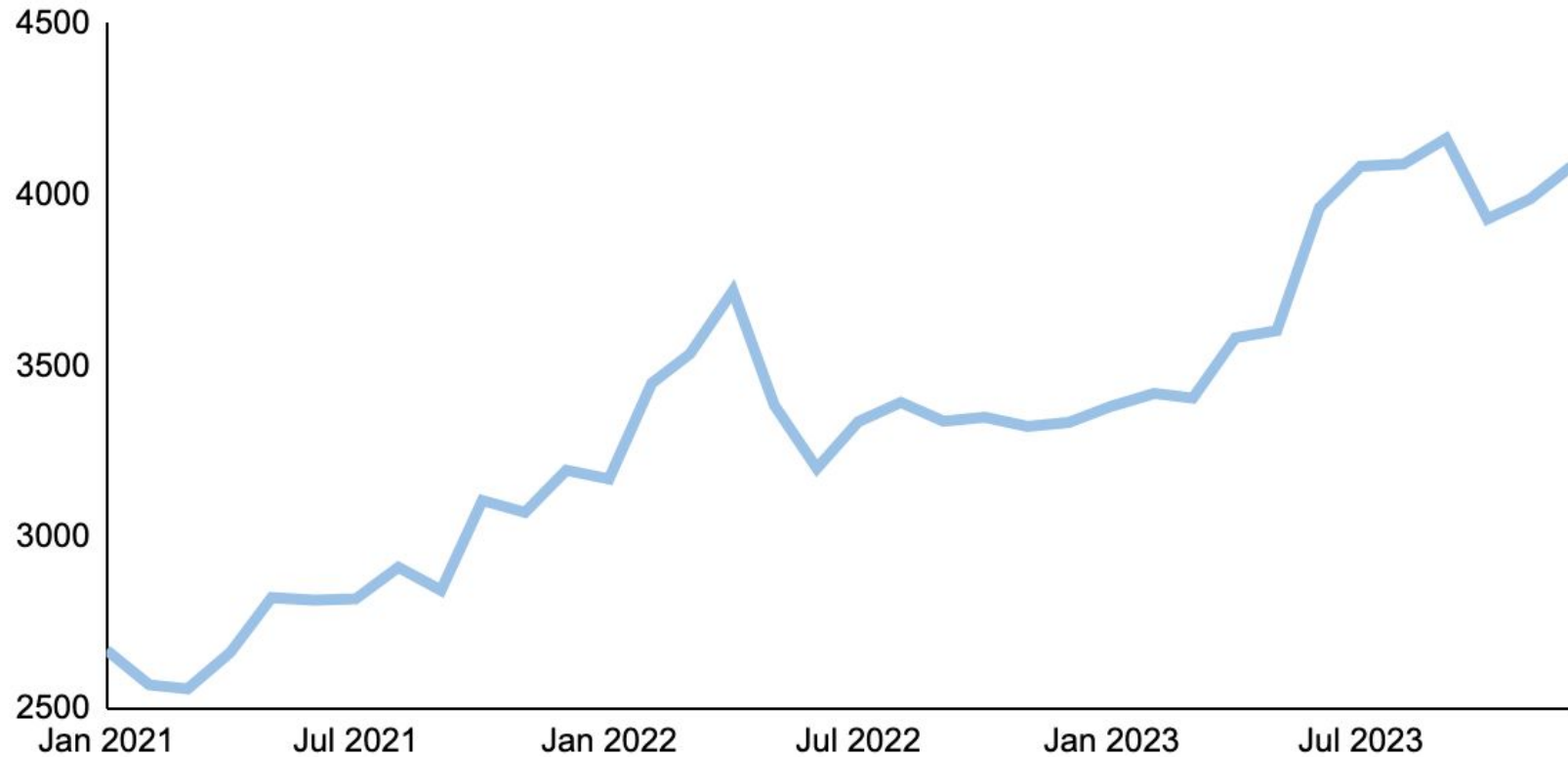


# Dubai Financial Market Performance

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## DFMGI 2021-2023



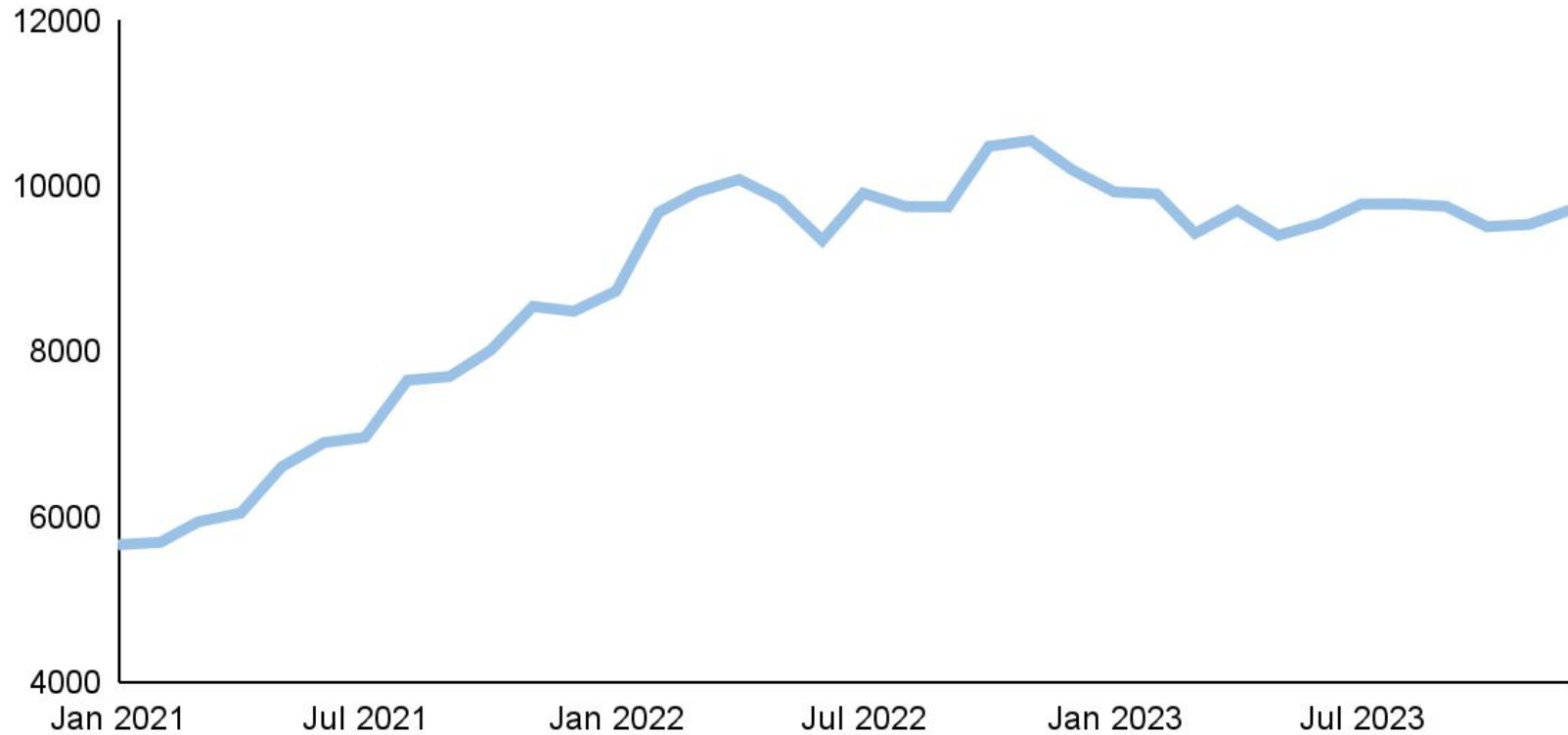
Over the span of three years, the Dubai Financial Market General Index (DFMGI) has seen an overall increase of 52.9%. This likely owes to its superior value for money metrics compared to international markets. The DFMGI had a P/E ratio of 9.1 compared to the NASDAQ's 26.07 and the S&P 500's 24.71 in 2023, as well as a P/BV of 1.29 compared to the Nasdaq's 5.187 and the S&P 500's 3.748.

# Abu Dhabi Exchange Performance

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## FADGI 2021-2023



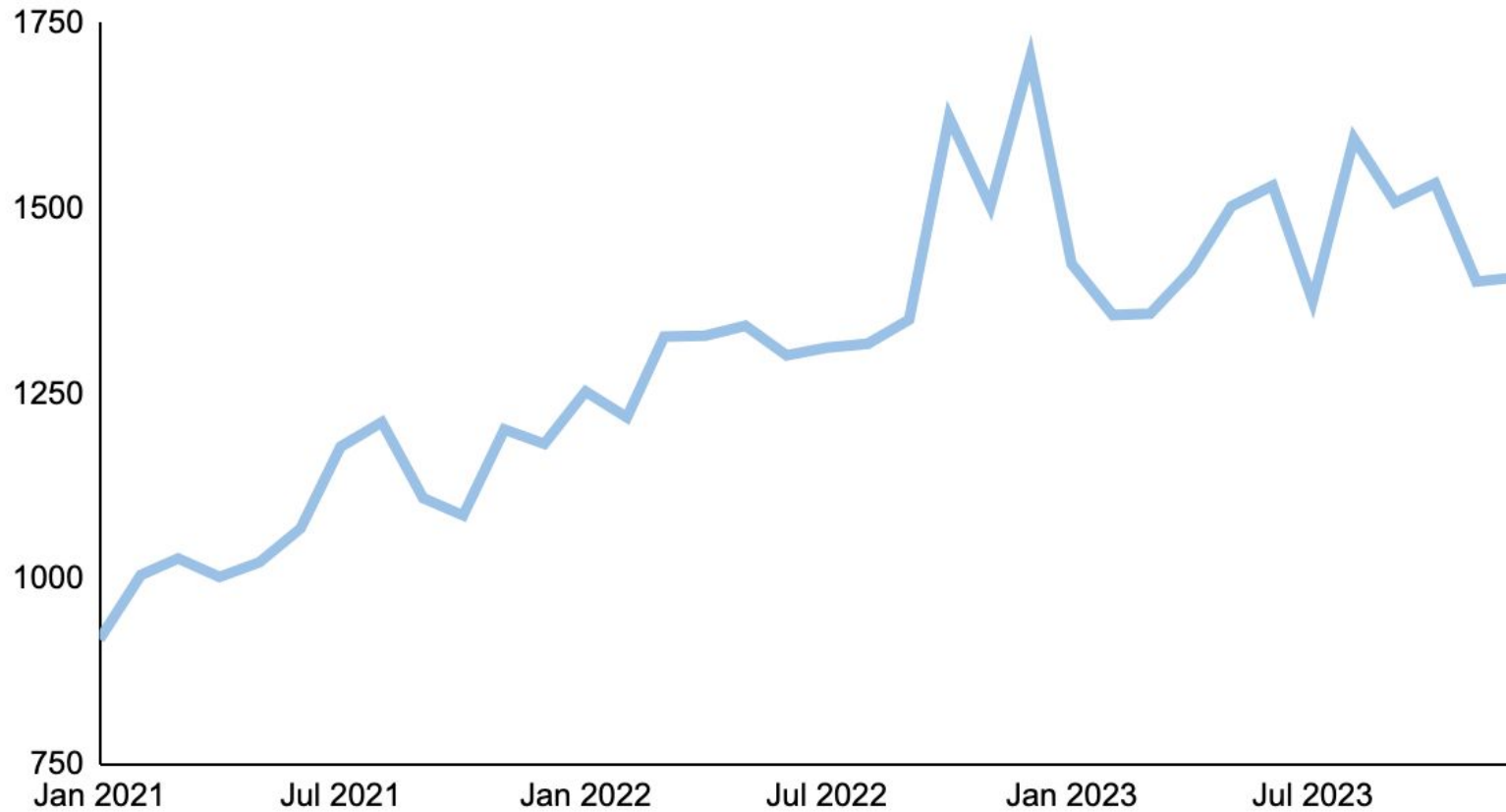
In the same time period, the FTSE ADX General Index has seen a 71.53% uptick, spurred by the formation of new companies in emerging markets such as Bayanat and Presight in the artificial intelligence industry, Pure Health in the health technology industry and Phoenix Group in the cryptocurrency and blockchain space.

# Citywide Real Estate Performance

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## Citywide Average Price per Square Foot (2021-2023)



The average price per square foot for real estate sales has also followed a similar trend. Citywide, Dubai has experienced a 53.16% price appreciation across all sales (including residential, commercial and land transactions).

## Domestic Stocks Total Returns

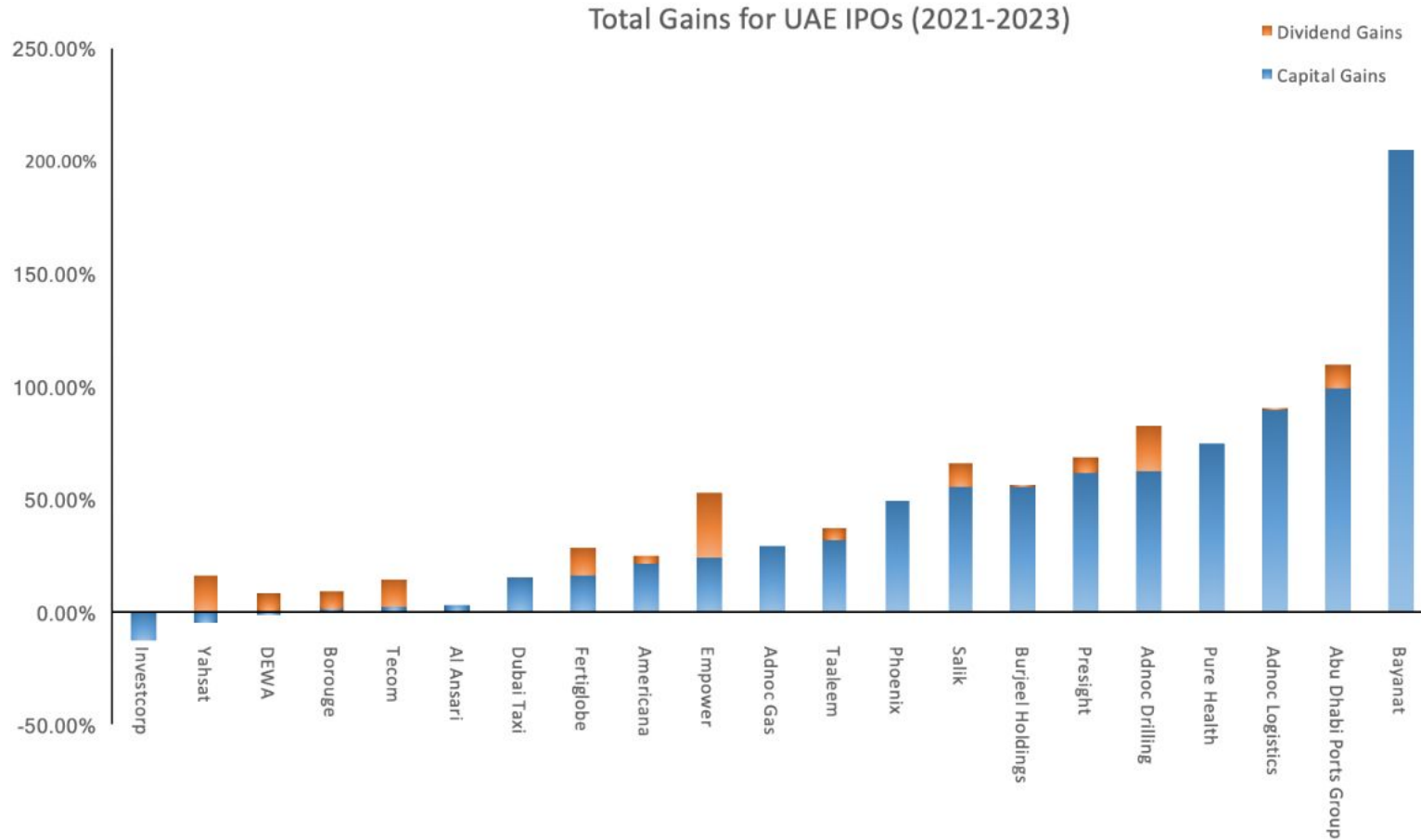
**“It is not the strongest of the species that survive,  
nor the most intelligent, but the ones most  
responsive to change.”**

- Charles Darwin





# UAE Domestic IPOs - Total Gains



Looking at all the UAE domestic IPOs between 2021 and 2023, we see a mixed bag of returns from capital gains and dividend payments. Many of the more recent IPOs (i.e. those that went public towards the end of 2023) have yet to pay dividends, such as Dubai Taxi, Al Ansari, Phoenix, Pure Health, Adnoc Logistics and Adnoc Gas. The structure of total returns for the recent IPOs has been skewed towards capital gains; it is over the longer term that dividends tend to dominate, accounting for as much as 40% of total returns.

## Sales Values

**“Better a diamond with a flaw than a pebble without.”**

- Confucius



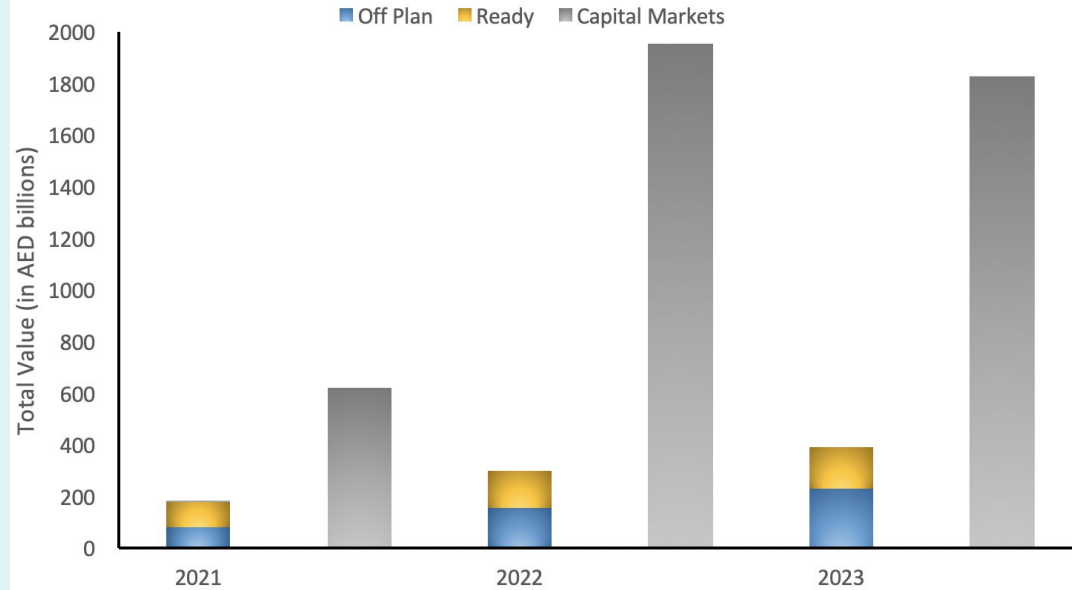
# Off Plan and Ready Sales versus Capital Market Value



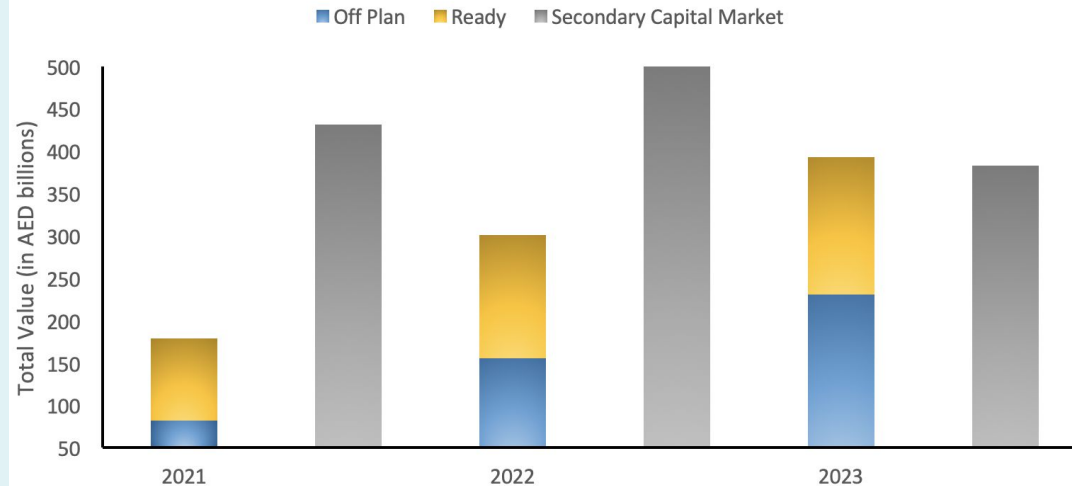
Off plan sales have grown over the past three years from accounting for 46.13% of total citywide sales value in 2021 to 59.1% in 2023. Just as the primary capital markets have taken off, off plan sales too have now come to dominate the real estate space with the launch of several hotly in-demand new projects (such as Sobha Hartland, Tilal al Ghaf and Palm Jebel Ali, among many others).

However, the total real estate sales values are consistently dwarfed by the amounts traded on the capital markets. In 2023, the total value traded on UAE capital markets was 4.65 times higher than the total value of ready and off plan sales combined.. However, when we isolate the secondary capital markets, the combined value of off plan and ready sales is 2.5% greater, showing the dominance of the primary capital markets.

### Off Plan and Ready Sales vs Capital Markets Total Value REIDIN



### Off Plan and Ready Sales vs Secondary Capital Markets Total Value



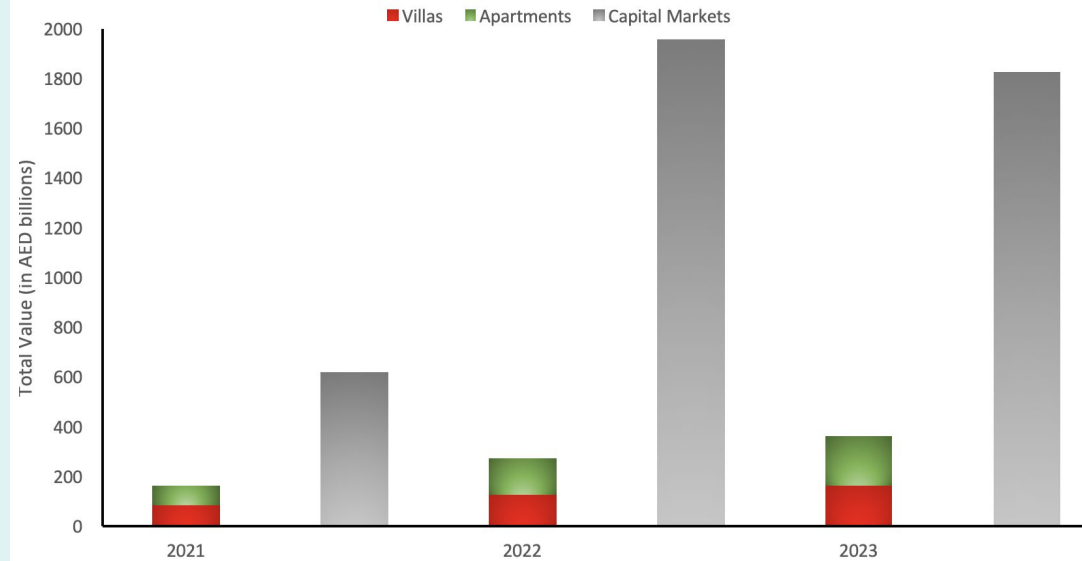
# Villa and Apartment Sales versus Capital Market Value



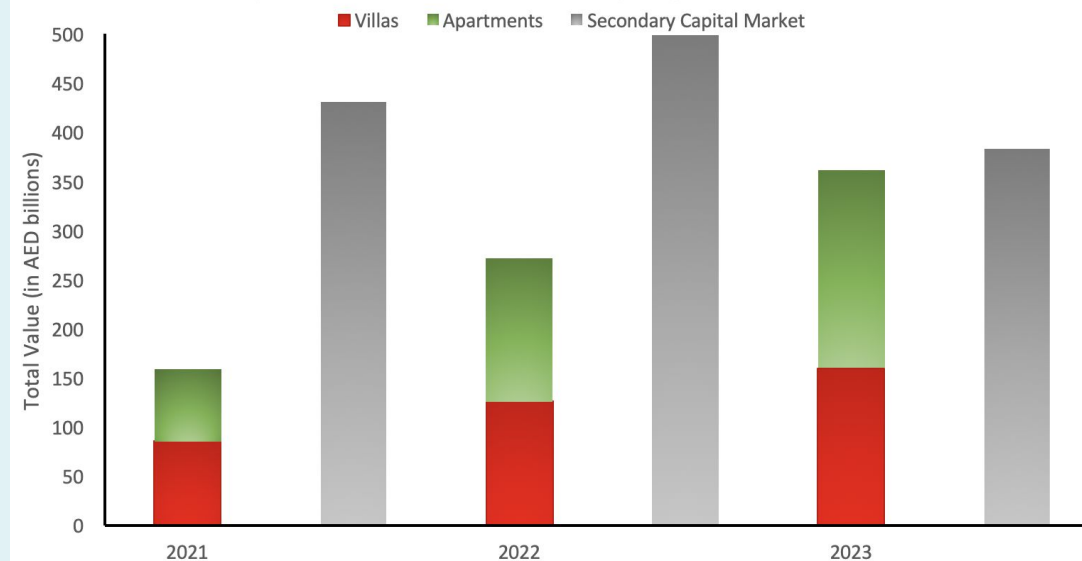
A similar trend is apparent with villa and apartment sales (if not more prominently so). Apartments have grown from constituting 46.51% of the total residential citywide sales value in 2021 to 55.75% in 2023.

Once again, capital markets far outshadow apartment and villa sales. In 2023, the total value traded on domestic capital markets was over 5 times greater than the combined value of apartment and villa sales. Despite the value of residential sales having more than doubled in the last three years, they are still 5.76% lower (in terms of total value in AED billions) than the total value traded on secondary capital markets alone.

### Villa and Apartment Sales vs Capital Markets Total Value



### Villa and Apartment Sales vs Secondary Capital Markets Total Value



# Conclusions

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## Citywide Performances

Since 2021, both capital markets and real estate prices across Dubai have grown by more than 50%. On the capital market side, this has likely been due to the performance of recent IPOs, like Adnoc Logistics and DEWA. In the real estate space, the price appreciation can be attributed to the abundance of successful new projects that have been launched, including Tilal al Ghaf and Palm Jebel Ali (to name a few).

## Domestic Stocks Total Returns

Returns from the IPOs launched between 2021 and 2023 have been a mixed bag. Some (often the more recent debutants) like Dubai Taxi have yet to pay dividends, and only have returns in the form of capital gains. Others, like Fertiglobe and Empower have a relatively even split of capital gains and dividend returns.

## Sales Values

Despite the total values of off plan and ready sales and villa and apartment sales having increased by 119.32% and 127.49% respectively, they both remain dwarfed by the total value traded on capital markets as of 2023. They are more comparable to the value of secondary capital market trades, which only further illustrates the dominance of the primary market.

## Conclusions

The increased liquidity in capital markets seems to indicate increased signs of secondary capital market activity, and given the fact that investors are catching on to the relatively cheaper valuations of capital assets compared to real estate (both domestic and internationally), capital market volumes and returns can be expected to increase relative to real estate. For a more in-depth discussion regarding valuations of capital and real estate assets, see our previous report entitled "The Book of Valuations."

*Among all the IPOs launched between 2021 and 2023, Bayanat has seen the most total returns, although all 204.55% of those returns are tied up in capital gains. Empower has yielded the most dividend returns, with 28.76%.*

*The total value of capital market trades in 2023 was 4.65 times higher than the combined value of off plan and ready sales, and 5.05 times higher than the combined value of villa and apartment sales (up from being 3.47 and 3.9 times higher respectively in 2021).*



Global Capital Partners Group believes in in-depth planning and discipline as a mechanism to identify and exploit market discrepancy and capitalize on diversified revenue streams.

Our purpose is to manage, direct and create wealth for our clients.

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Indigo Icon, 1708  
Jumeirah Lake Towers,  
P.O. Box 500231 Dubai,  
United Arab Emirates  
Tel. +971 4 447 7220  
Fax. +971 4 447 7221  
[www.globalcappartners.com](http://www.globalcappartners.com)  
[info@gcp-properties.com](mailto:info@gcp-properties.com)



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Concord Tower, No. 2304  
Dubai Media City,  
P.O. Box 333929 Dubai,  
United Arab Emirates  
Tel. +971 4 277 6835  
Fax. +971 4 360 4788  
[www.reidin.com](http://www.reidin.com)  
[info@reidin.com](mailto:info@reidin.com)

# Our Aspiration and Motto

**“No barrier can withstand the strength of purpose.”**

-HH General Sheikh Mohammed Bin Rashid Al Maktoum  
The Ruler of Dubai, Prime Minister and Vice President of the UAE

