

August 2024

Greetings from Washington,

The Middle East and North Africa (MENA) region's real estate market is rapidly emerging as a prime destination for investment, thanks to a mix of economic, demographic, and policy-driven factors. This growth is particularly evident in countries like Egypt, the UAE, and Saudi Arabia, where rising property prices signal robust market activity.

In Egypt, the real estate sector's growth is fueled by rapid urbanization and significant economic reforms. The government's ambitious projects, such as the development of the New Administrative Capital are integral to broader economic growth strategies. By enhancing infrastructure and creating new urban hubs, Egypt is positioning itself as a key player in attracting both local and foreign investments in the real estate sector. However, the rise in property prices, especially in premium developments, is raising concerns about affordability, particularly for the average Egyptian buyer. Despite these challenges, if the government continues its reform agenda, the Egyptian real estate market is likely to sustain its growth track, albeit with potential corrections.

In the UAE, particularly in Dubai and Abu Dhabi, the real estate market remains highly attractive, driven by the country's reputation as a global business hub and its strategic location. Residential property prices in Dubai and Abu Dhabi saw significant annual increases of 18.3 percent and 8.6 percent respectively in 2023-2024, further solidifying the UAE's position as a leading player in the global luxury housing market.

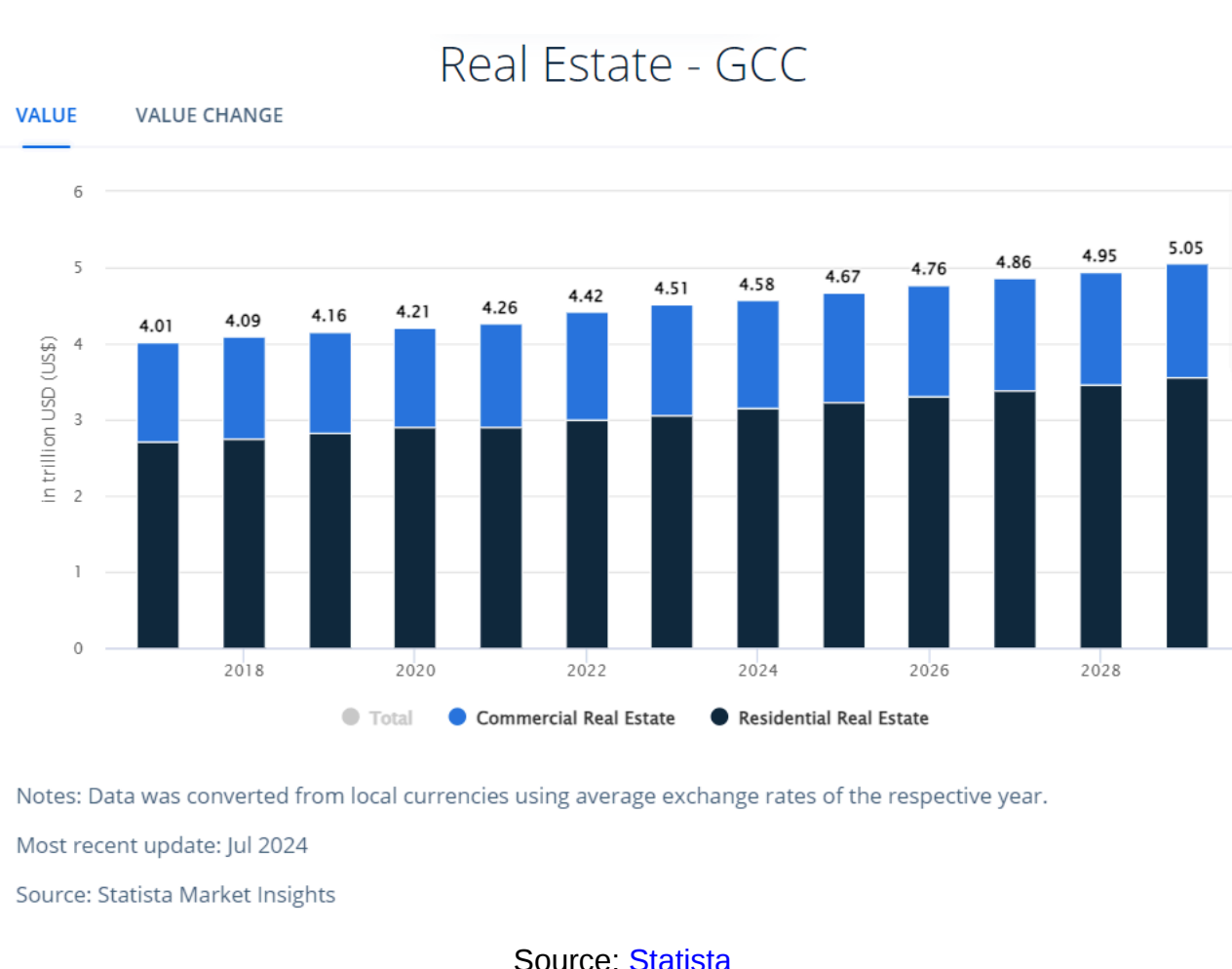
Demand for luxury real estate in the UAE has been bolstered by factors such as political stability, a favorable tax environment, and an influx of foreign investors, including Russians seeking safe investment havens amid geopolitical tensions. Events like Expo 2020 and COP28 have also spurred infrastructure development, further boosting real estate demand. However, the market's heavy reliance on foreign investment poses risks, especially in the face of global economic uncertainties. Continued regulatory reforms to enhance market transparency and sustainability could help mitigate these risks and ensure the UAE remains a top destination for real estate investment.

Saudi Arabia's real estate sector is also transforming as part of the country's Vision 2030 initiative, which aims to diversify the economy away from oil dependency. Mega-projects like NEOM and the Red Sea Project are central to this strategy, aiming to position Saudi Arabia as a global economic powerhouse. However, the ambitious pace of development raises concerns about potential market saturation if supply outpaces demand. Additionally, the success of these projects will depend heavily on the government's ability to attract foreign investment and implement necessary regulatory reforms.

Overall, while the real estate markets in Egypt, the UAE, and Saudi Arabia offer significant opportunities, they are not without challenges. Market volatility, regulatory uncertainties, geopolitical instability, and economic fluctuations pose risks that investors and developers need to navigate carefully. However, the region's ongoing technological advancements, such as smart city initiatives and the adoption of digital technologies in property management, offer promising solutions to enhance efficiency and sustainability in the sector. These innovations could play a crucial role in addressing some of the market's inherent challenges, ensuring long-term growth, driving employment, and promoting stability across the MENA region.

Sincerely,
Racha Helwa
 Director, empowerME
 Rafik Harii Center for the Middle East
 Atlantic Council

Big Data



Source: [Statista](#)

Upcoming Event

INAUGURAL DISCUSSION: THE STATE OF WOMEN'S ENTREPRENEURSHIP IN SAUDI ARABIA

Wednesday, September 18 | 11:00 a.m. (ET); 6:00 p.m. (KSA)

#WinFellowship

To kick off the 2024-2025 Saudi Arabia Win Fellowship Cohort, the Atlantic Council will host a hybrid event in Riyadh and virtually on Wednesday, September 18th, at 11 am ET/ 6:00 pm KSA. The event will address the state of women's entrepreneurship in the Kingdom and explore ways forward for continued growth and innovation as the kingdom shift its economic ecosystem.

[Register Here](#)

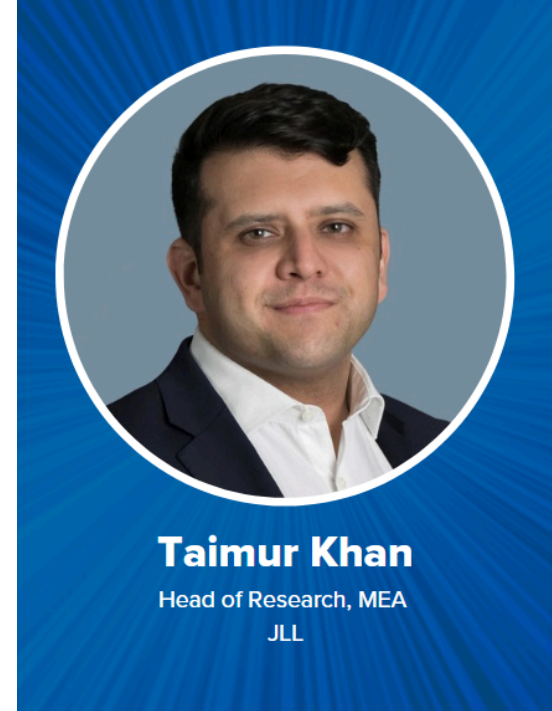
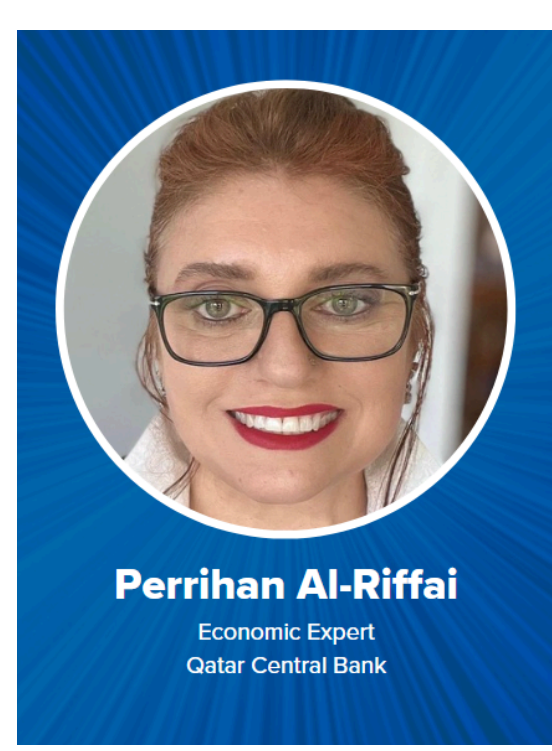
Big Question

The real estate market in the MENA region is expanding rapidly, with price appreciation continuing to rise, especially in key markets such as the UAE, Saudi Arabia, and Egypt. What are the long-term implications for real estate investors and homeowners in the region?



"For both real estate investors and homeowners in the MENA region, the long-term outlook is generally positive, with opportunities for capital appreciation, rental income, and enhanced quality of life. However, it is crucial to remain vigilant about potential risks, such as market corrections, regulatory changes, and the sustainability of price appreciation. Strategic planning and staying informed about market trends will be key to maximizing benefits in this rapidly growing region."

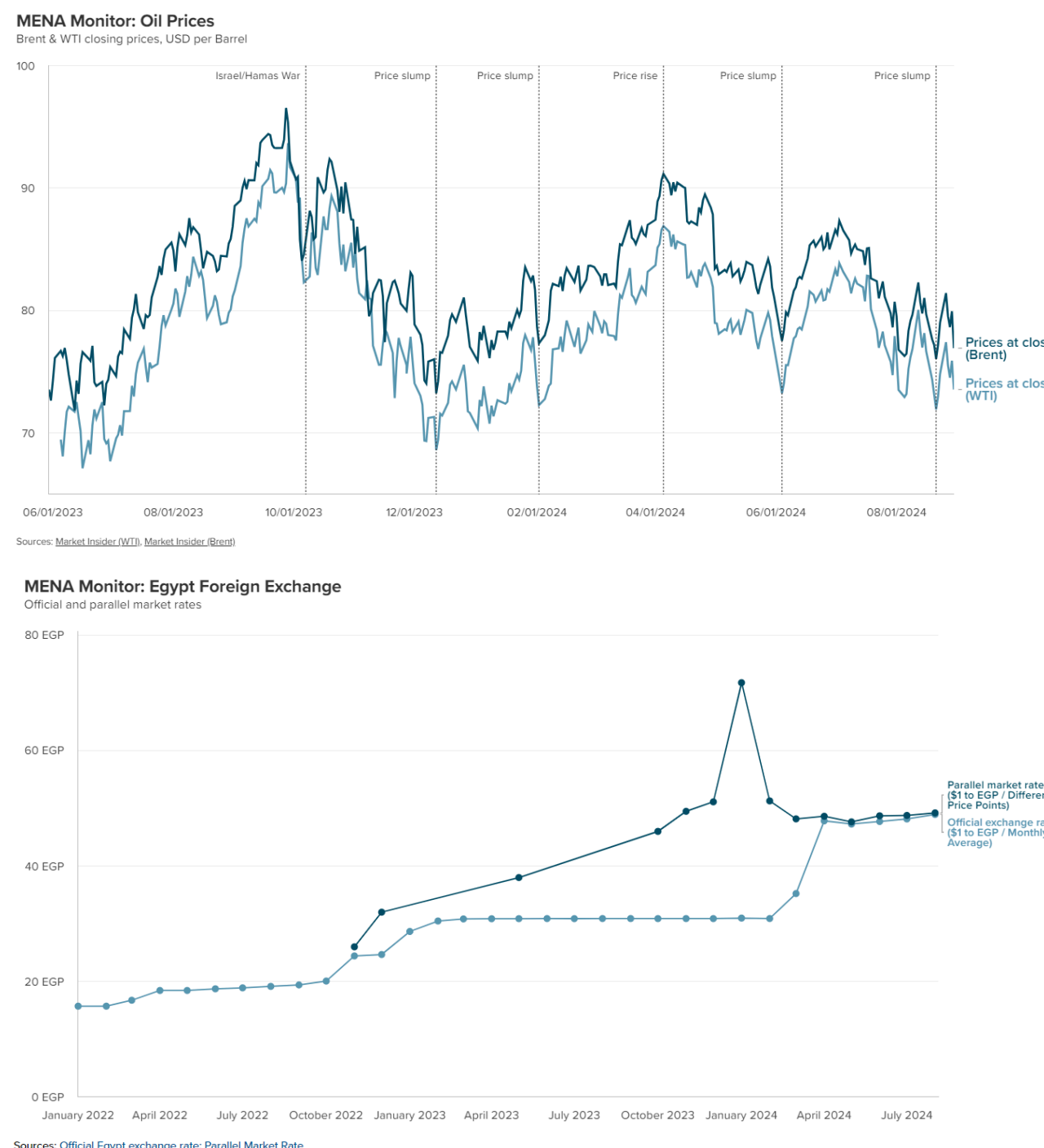
"Country-specific drivers are spurring the appreciation in real estate prices across the region. Over the longer-term, policy makers must remain vigilant, ensuring that potential homeowners aren't priced out of the market and, that market corrections do not bring about negative wealth effects. Likewise, investors should diversify their portfolios to mitigate the risks associated with potential price corrections."



"Real estate markets with the MENA region have seen, and are continuing to see, strong levels of price appreciation. This increase in prices has been underpinned by a surge in demand across a number of markets, with the likes of the UAE, Saudi Arabia and Egypt attracting the majority of demand. Buoyant demand has presented investors with many opportunities to provide a unique range of developments, across different market segments, from affordable community focused developments to mixed use and increasingly grandiose branded developments, with the latter continually elevating quality and price levels. For homeowners and occupiers, the changing landscapes in the region offer a range of investment and owner-occupier opportunities, often at very attractive price points compared to other global destinations. Whilst the development of premium assets is lucrative, the importance of the provision of quality and afford stock cannot be overlooked if the region is to continue to attract and retain talent."

MENA Monitors: Oil & Foreign Exchange

Check out our latest updates to the [MENA Monitors](#), which tracks the fluctuations in the oil and foreign exchange markets in select MENA countries, considering the escalating geopolitical crisis in the region:



[View Monitors](#)

The MENA Economic Digest

- [IMF shows growing trust in Egypt's economic reforms but warns of challenges ahead](#) (The National News)
- [AI In Real Estate: Is The Sector Ready?](#) (Business Monthly Egypt)
- [How remittances from the Middle East empower global economies](#) (Economy Middle East)
- [Global Real Estate Transparency Index 2024](#) (JLL)

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