In summary, many visitors remark that the drive down Sheikh Zayed Rd (Dubai’s main thoroughfare) is reminiscent of SimCity. Dubai is now taking the virtual analogy to the next level and is developing a city for the global citizen rather than the local population. Dubai is perhaps the most virtual city in the world, driven by high levels of capital inflow and visitors, rather than a large local population.

Dubai has deliberately pursued a high growth strategy, by ensuring that its infrastructure and real estate is developed ahead of end user demand. This build it and they will come mentality saw property as a key part of nation building and the city ensured that there were few constraints to potential development in terms of land supply, zoning restrictions or delays in addressing the concerns of neighbouring land owners. The development of Free Trade Zones and the opening up of the real estate market to foreign ownership in particular, resulted in a massive development boom in Dubai in the mid-2000’s. In estimates that 50% to 60% of all the world’s construction cranes were located in the city in 2006.

This unprecedented period came to an abrupt end with the global financial crises in 2008/2009. The now unattainable high levels of debt required to fund the rapid expansion of the city and the previous reliance upon overseas capital, resources and expertise, resulted in a sharp contraction in the Dubai economy and a significant size of population and employment in 2020-2021, with a resulting major impact upon the local real estate market.

The withdrawal of capital, for example, saw average residential prices decline by more than 40% between October 2008 and December 2016 with Dubai experiencing the greatest fall in real estate values anywhere in the region. At the height of the crisis in 2009, prices were overwhelmingly negative towards the Dubai real estate market, forcing many banks, developers, Dubai and Abu Dhabi’s banks, and the Dubai real estate market to expect no recovery in the Dubai market for at least 24 months.

Three years later, both the economy and the real estate market are recovering strongly and there are many signs that the city is regaining much of its previous vibrancy. Population growth, for example, is running at around 5% per annum while the average price of residential accommodation grew by more than 20% in 2013. Interestingly, the model for Dubai’s future remains largely unchanged; it is a low tax environment that is open to overseas capital and labour flows, high levels of spending on global marketing and a continued emphasis on investment in the physical and social fabric. The city vision remains that of being a true global gateway.

The success of Dubai in pursuing this very different city building approach is now markedly evident in levels of investment confidence and the matching capital it is attracting. Dubai’s recapturing of momentum is highlighted by its placing third in a recent survey of dynamism and momentum across 111 global cities undertaken by Jones Lang LaSalle.

Dubai is in many ways unique: a city known worldwide for its scale, size and growth but still with a residential population of only 2 million. It is a city of truly international dynamism characterized by extraordinary global connectivity. Dubai’s vision has historically been expressed largely in terms of ambitious economic and demographic growth targets.
Dubai, United Arab Emirates

**Coordinates:**
25°15'00"N 55°18'00"E

**Area (federal district):**
1,588 sq mi

**Population:**
2,106,177

**Density:**
1,199.6 sq mi

The model for Dubai’s future remains largely unchanged: low tax environment that is open to overseas capital and labour flows, high levels of spending on global marketing and investments in the physical and social fabric.

Since 2013, Dubai’s population and employment rates are growing by 5% per year.

Since 2013, the average price of a residential unit in Dubai grew more than 20%.

**Sources:**
1, 2, 3

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