



Prices resume downward trajectory as transactions display early signs of revival

Median apartment price in May at AED 1,016,400 and villa price at AED 2,000,000

May transactions lower by 21.5% month-on-month but slip nearly 60% from a year ago

Property prices are now down over 30% from the market peak of September 2014

Following an unexpected uptick in April and as we anticipated, Dubai property prices returned to their downward trajectory in May 2020, with prices declining close to 1% compared to a 0.49% increase in April 2020. Property prices are now down over 30% from the market peak in September 2014.

The increase in April was likely due to the disproportionate level of off plan transactions recorded compared to resale. At 66.3% in May, off plan continues to be higher versus the historical average of 55%. However, the spread has now narrowed and as business activity continues to return to normality, a balance in the transaction split is expected to be achieved.

When looking at transaction volumes overall, at 1,432, May transactions were lower by 21.5% on a month-on-month basis. The decrease marked the third straight month of significant monthly declines in transaction volumes but displayed early signs of recovery. April transactions were hardest hit by the movement restrictions and were lower by 47% on a monthly basis whilst March transactions declined 28% from the previous month.

This trend can be directly attributed to the COVID-19 pandemic and the resulting movement restrictions which impacted normal business activity. As mobility restrictions began to be lifted in May, transactional activity picked up with the end of May displaying stronger performance compared to the month as a whole.

As restrictions continue to ease in June, the recovery in transaction levels is likely to continue. Additional support can come from the increase in the loan-to-value (LTV) ratio on mortgages for first-time buyers and lower interest rates.

SNAPSHOT

May 2020



-0.92%

DPI MoM Change



AED 858

DPI AED/sq ft



1,432

Number of Monthly Transactions



6,487

Number of Unique Active Listings for Sale



6.39%

Gross Rental Yield



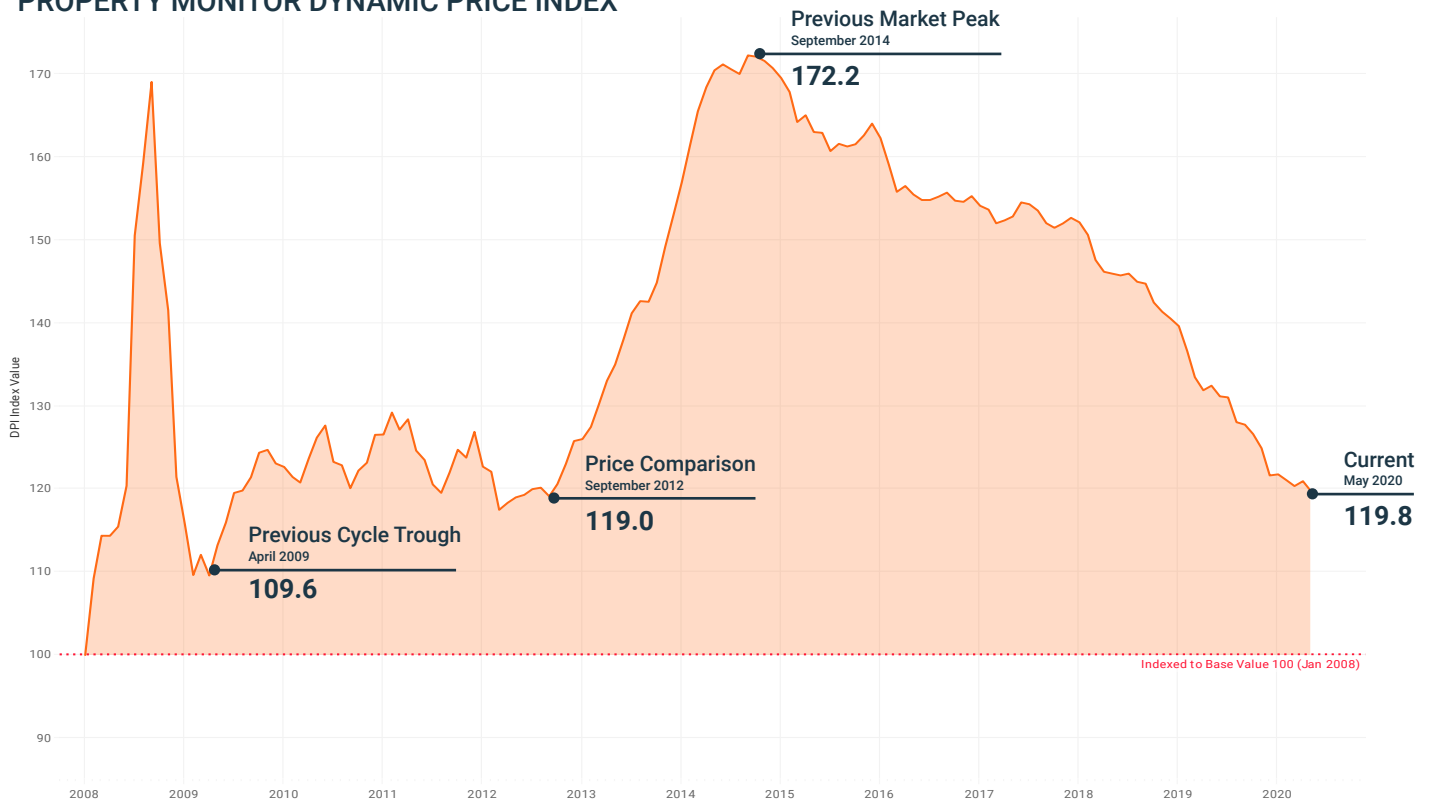
AED 58M

Highest Recorded Sale
Villa A101, District One, MBR City



AED 180K

Lowest Recorded Sale
*Apt 512, MAG 5 Boulevard,
MAG 545, Dubai South*

PROPERTY MONITOR DYNAMIC PRICE INDEX


-0.92%
MoM Change

-1.01%
QoQ Change

-9.52%
YoY Change

AED 858
Price Per Sq Ft
DPI MONTHLY OVERVIEW

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
May 2020	119.84	-0.92%	-1.01%	-9.52%	858
Apr 2020	120.95	0.49%	-0.68%	-8.30%	866
Mar 2020	120.36	-0.57%	-1.05%	-9.83%	862
Feb 2020	121.05	-0.59%	-3.09%	-11.39%	867
Jan 2020	121.77	0.11%	-3.83%	-12.79%	872
Dec 2019	121.64	-2.62%	-4.79%	-13.46%	871
Nov 2019	124.92	-1.35%	-2.45%	-11.63%	895
Oct 2019	126.63	-0.88%	-3.37%	-11.12%	907
Sept 2019	127.76	-0.23%	-2.60%	-11.74%	915
Aug 2019	128.05	-2.28%	-3.32%	-11.67%	917
Jul 2019	131.04	-0.10%	-0.65%	-10.22%	939
Jun 2019	131.17	-0.97%	-1.73%	-10.00%	939
May 2019	132.45	0.42%	-3.04%	-9.25%	949

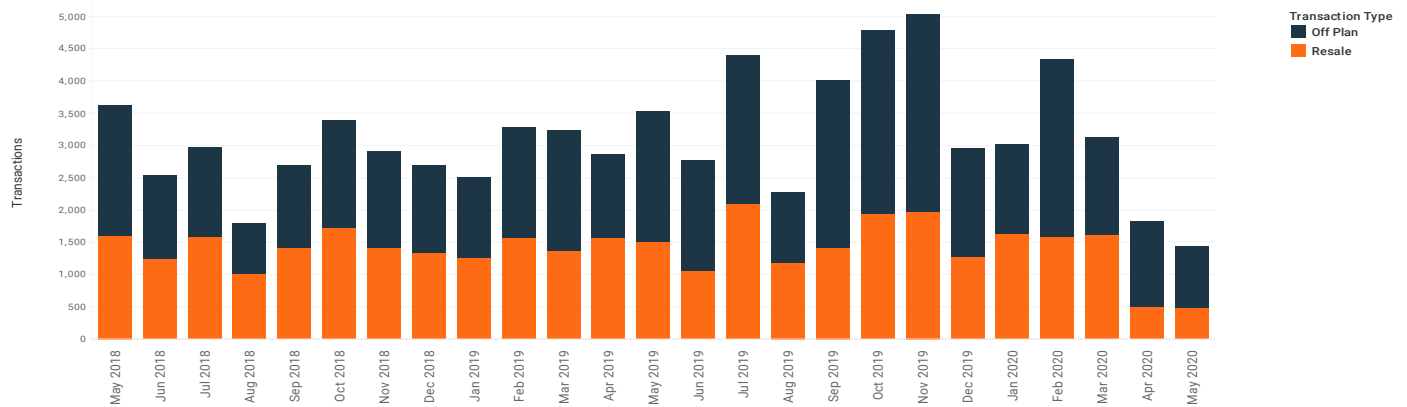
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for May 2020 decreased by 1.11 index points to 119.84 from 120.95 in April 2020, representing a month-on-month decline of 0.92%.

In May 2020, property prices stood at AED 858 per sq ft, down 30.4% from the market peak in September 2014 and are now 9.4% away from market trough of April 2009.

On a yearly basis, prices have fallen by 9.5% in May 2020. This is in line with the trend of May 2019 where a year-on-year decline of 9.3% was recorded and performs better than the 12-month average of -11%.

HISTORICAL TRANSACTIONS



There were 1,432 transactions recorded in May representing a 21.5% month-on-month decrease and a steep 59.62% year-on-year decline.

The split between off plan and secondary market transactions was once again weighted heavily in the favor of new development projects, however, the spread has narrowed. Off-plan transfers (Oqood registrations) accounted for 66.3% of total properties transferred in May compared to a 72.1% weighting in April. This figure remains higher than the rolling 12-month average of 55.4% for off plan registrations.

In May 2020, the bulk of off plan market transactions were by Meydan Group at 23.4% with a high volume of Oqood registrations throughout The Residences at District One (Mohammed Bin Rashid City). This was followed by Sobha Group at 20% with the majority of their Oqood registrations being recorded in their MBR City development projects: Creek Vista and One Park Avenue.

TOP 5 COMMUNITIES BY TRANSACTION VOLUME

Resale Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	3	1	Dubai Marina	36	630,000	935,000	1,450,000	2,080,000
2	8	8	Dubai Sports City	23	521,763	421,694	-	1,400,000
3	9	2	International City	22	242,500	447,565	600,000	-
4	2	5	Downtown Burj Khalifa	18	477,500	1,195,000	1,950,000	3,000,000
5	12	6	Business Bay	15	-	1,325,500	2,600,188	2,073,000

Off Plan Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	5	1	Mohammed Bin Rashid City	414	-	1,134,882	1,788,415	2,881,620
2	3	4	Jumeirah Village Circle	83	454,217	694,617	1,095,000	-
3	15	11	Jumeirah Lakes Towers	58	390,100	718,209	-	-
4	6	14	International City	43	323,000	525,000	-	-
5	11	7	Business Bay	37	744,124	727,000	1,590,246	-

Resale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	5	1	Emirates Living	16	1,145,000	1,700,000	3,255,000	-
2	4	10	Mohammed Bin Rashid City	14	-	-	6,800,000	11,000,000
3	3	2	Arabian Ranches	14	1,670,000	2,600,000	3,100,000	3,155,000
4	7	4	Jumeirah Village Circle	6	-	1,550,000	-	-
5	11	12	Al Furjan	6	-	3,000,000	2,525,000	-

Off Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	1	Dubai South (Dubai World Central)	29	1,099,388	1,466,888	-	-
2	N/A	N/A	N/A	-	-	-	-	-
3	N/A	N/A	N/A	-	-	-	-	-
4	N/A	N/A	N/A	-	-	-	-	-
5	N/A	N/A	N/A	-	-	-	-	-

METHODOLOGY AND METRICS

Dynamic Price Index

The Property Monitor Dynamic Price Index family (DPI) are calculated using a moving average algorithm of median prices and the Dutot price index formula with cleansing of extreme values and outliers. The indices are published at the end of each calendar month and are subject to backward revision should any new datapoint or datasets become available. This is a unique feature of the Property Monitor DPI as it always uses the fullest data set available and takes into account data which was not available at the point of original index compilation. Detailed index methodology and notes are available at propertymonitor.ae/pmdpi.html

Gross Rental Yield

Is the annual rent as a percentage of the purchase price or value of a property and is presented in this report as a value that represents the blended average rental yield of properties in Dubai across all communities.

Highest Recorded Sale

The single transaction of an apartment or villa that achieved the highest recorded transferred sales price during the month either in the off plan or resale segment.

Median Price Per Square Foot

The exact middle recorded price per square foot among all residential apartments and villas (townhouses are excluded) that transferred during the month that included square footage information recorded in transaction records of the Dubai Land Department.

Median Sales Price

The exact middle sales price among all recorded sales prices for residential apartments and villas (townhouses are excluded) that transferred during the month. In general, median values are more accurate than average values, which may be skewed by price outliers (a few sales that are extremely expensive or extremely inexpensive).

Off Plan Transaction

Consists of transactions that are recorded on the Dubai Land Department's official interim register (Oqood) for all sales and purchase agreements and other contracts of sale pertaining to the transfer of a property which is in a new development project that has either yet to have construction commence or has yet to have construction completed. Typically, it refers to the initial first-time sale of a property between developers and buyers, however it also includes any subsequent transfers between the initial buyer and new buyer up until the property is issued a Building Completion Certificate (BCC) and then eligible for transfer by Title Deed.

Price Tiers

All recorded transactions, in the off plan and resale segments for residential apartments and villas (townhouses are excluded) are placed into one of nine price tiers based on recorded transfer price. Values that fall on the exact tier upper limit, i.e. 500,000 are placed into the higher tier, in this case 500K-750K.

Resale Transaction

Consists of transactions that are recorded on the Dubai Land Department's official Title Deed register for all sales of completed property which has been issued a BCC and is available to purchase and ready for occupancy. Typically, it refers to the subsequent resale(s) of a property and transfer of ownership which take place between two or more private parties, however it may also include any initial first-time transfers between developers and buyers whereby a BCC has been issued and the developer had not previously sold the property.

Unique Active Listings

Is the count of all currently listed residential properties (excluding off plan units) that are unique. The full dataset of active listings is cleansed and duplicate listings for any individual property are merged and counted as a single active listing. Active listings are measured on the last calendar day of the month and provide a snapshot as of that day.

ABOUT PROPERTY MONITOR

Property Monitor is the region's leading real estate intelligence platform and the only data source powered by RICS-accredited professionals, bringing unprecedented transparency and accuracy to local property markets. Through Property Monitor, market stakeholders can directly access real-time, transparent and accurate intelligence, unmatched anywhere else in the region. The platform empowers investors, property specialists and banking professionals with authoritative data, analytics and insights that closely correlate with market movements, empowering confident and informed property-related decisions.



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