



## October prices resume decline, transactions display signs of demand exhaustion

**Median apartment price in October at AED 850,000 and villa price at AED 2,600,000**

**Prices declined approximately 1% compared to a nearly 2% increase in September**

**October transaction volumes stood at 3,483, recording a yearly decline of 27.3% and a 9.7% monthly decrease**

**Resale transactions in October reached 48.8% versus initial developer sales, the highest level in over three years**

After a surprise uptick last month, Dubai property prices resumed their downward trajectory in October 2020. Prices declined approximately 1% last month compared to the near 2% increase in September 2020. Presently, at AED 815 per sq ft, property prices are just below levels last recorded in May 2009.

On a yearly basis, prices have decreased by 10.2% in October 2020. This decline is slower than the trend set in October 2019 when a year-on-year decrease of 11.1% was recorded, suggesting a marginally weakening pace of price decline compared to previous years. However, the downward trend has sustained, raising the question of where the bottom of the market now lies.

In October, transaction volumes stood at 3,483, recording a yearly decline of 27.3% and a 9.7% month-on-month decrease. Historically, October has been a strong month for transactions building on the momentum of September, when sales activity generally picks up after the slow summer months. September witnessed heavy transaction activity as the lifting of restrictions imposed during the early months of the COVID-19 pandemic allowed some pent-up demand to be fulfilled. However, October's slower market activity displays signs of demand exhaustion and will likely set a similar trend for the upcoming months.

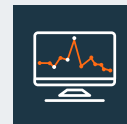
Transactions for completed properties continue to display relative resilience, with Title Deed transactions accounting for 62.8% of sales in October. Over the past five months, off-plan sales have declined and the volume of completed property deals has significantly increased due to several initial developer sales in completed properties and a stronger resale market overall. Resale transactions, which largely comprise completed property transactions with a clear differentiation from initial developer sales, reached 48.8% of the total market in October, the highest level in over three years and well above the 12-month average of 30.1%. These trends witnessed throughout the second half of the year suggest a maturing market characterised by demand being driven by well-informed buyers rather than by developers and more speculative investors.

Following one of the strongest months for mortgages in September, mortgage transactions stood at 1,618 in October—comprising initial mortgages as well as refinancing across all property types. Mortgage activity was down 6.7% on a monthly basis, whilst year-on-year mortgage volumes notably increased by 9.6%, showing a greater propensity by borrowers to avail loans and refinance. Lower mortgage activity in October was largely due to a decline in the volume of loans taken out for land purchases versus September. However, loans granted to finance villa purchases grew 9.8% month-on-month and 76.8% year-on-year, displaying the strong demand for this property type.

The recently announced initiatives by the government, including the provision of retirement visas and changes to personal laws, have the potential to underpin the market in 2021 and underlines the likely medium-term resilience of the market as a safe haven for international buyers.

## SNAPSHOT

October 2020



**-0.97%**

DPI MoM Change



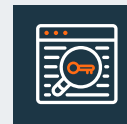
**AED 815**

DPI AED/sq ft



**3,483**

Number of Monthly Transactions



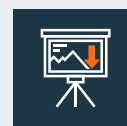
**6.55%**

Gross Rental Yield



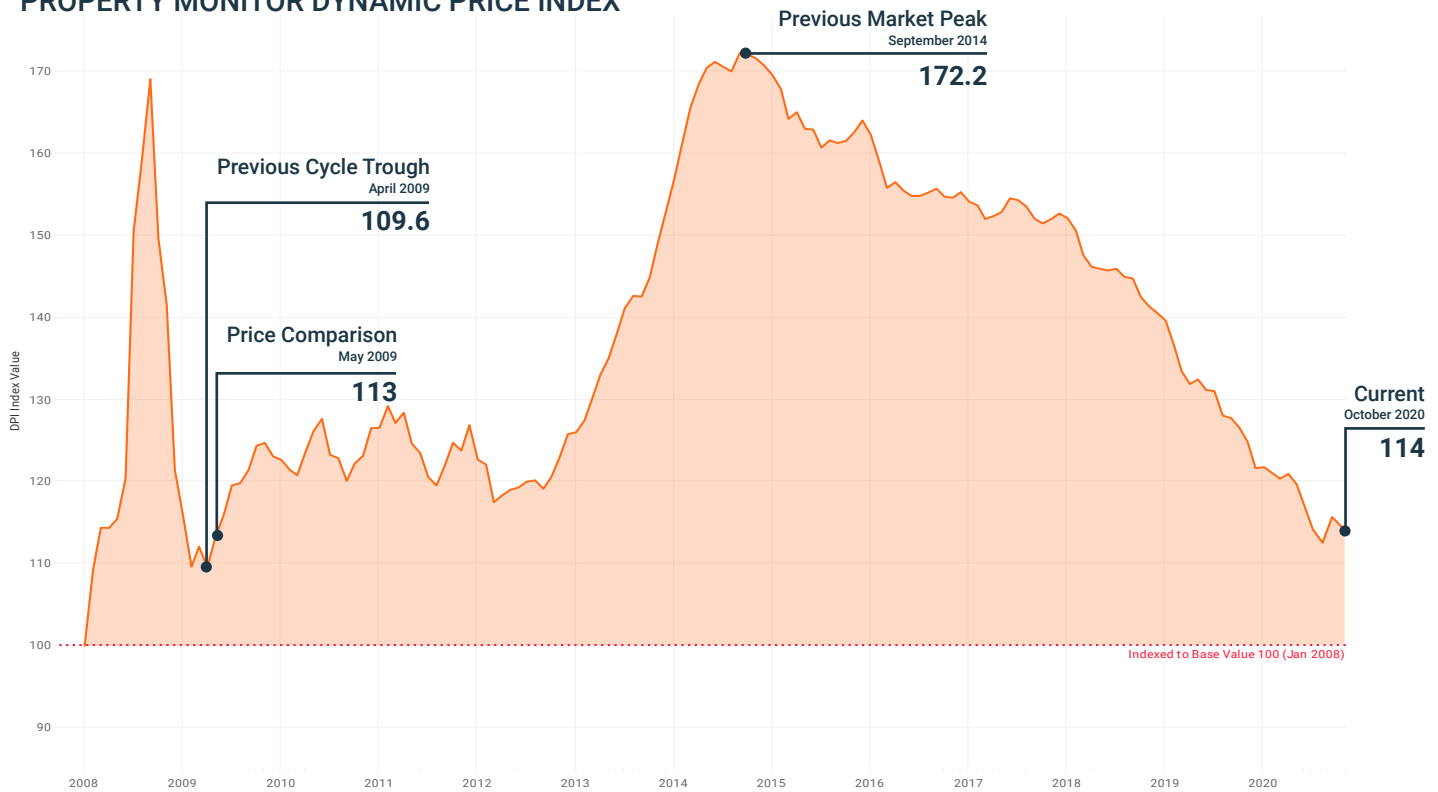
**AED 46M**

Highest Recorded Sale  
*Bvlgari Mansion 14 – 5 Bedroom Villa  
Jumeirah Bay*



**AED 105K**

Lowest Recorded Sale  
*1 Bedroom, Bldg Q04, France Cluster  
International City*

**PROPERTY MONITOR DYNAMIC PRICE INDEX**


**-0.97%**  
MoM Change


**-0.39%**  
QoQ Change


**-10.15%**  
YoY Change


**AED 815**  
Price Per Sq Ft

**DPI MONTHLY OVERVIEW**

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Oct 2020	113.77	-0.97%	-0.39%	-10.15%	815
Sep 2020	114.88	1.98%	-2.11%	-10.08%	823
Aug 2020	112.66	-1.36%	-5.99%	-12.02%	807
Jul 2020	114.21	-2.68%	-5.57%	-12.84%	818
Jun 2020	117.36	-2.07%	-2.49%	-10.53%	841
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

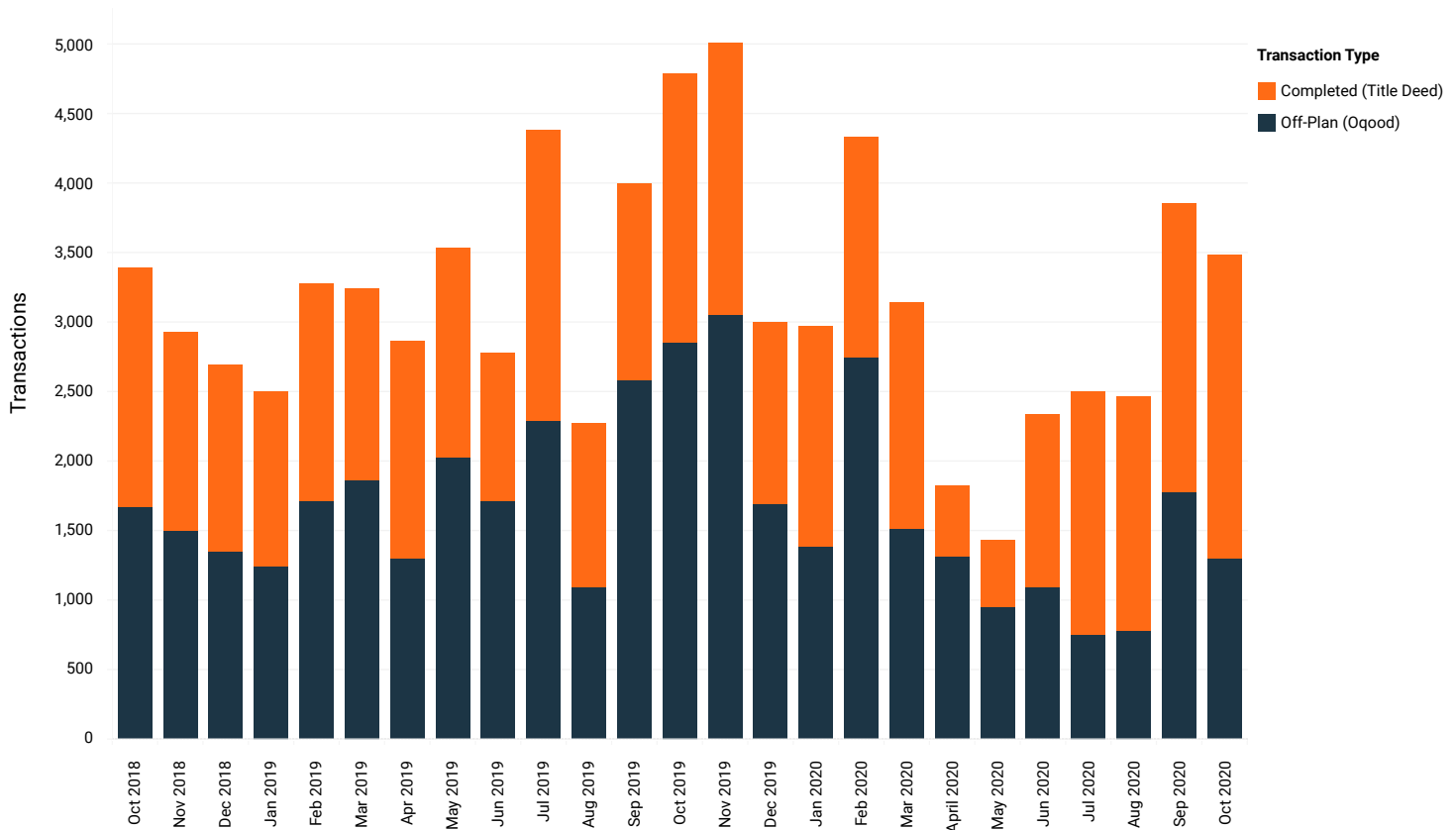
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for October 2020 decreased by 1.11 index points to 113.77 from 114.88 in September 2020, representing a month-on-month decline of nearly 1% and a year-to-date decline of 6.6%.

In October 2020, property prices stood at AED 815 per sq ft, down nearly 34% from the market peak in September 2014 and are now 3.8% away from the market trough of April 2009. Property prices are at now at levels last recorded in May 2009 when they were AED 811 per sq ft.

On a yearly basis, prices have decreased by 10.2% in October 2020. This number is lower than the trend of October 2019 where a year-on-year decline of 11.1% was recorded, and also below a similar 12-month average of -11.1%, suggesting a marginally weakening pace of price decline compared to previous years.

## HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



There were 3,483 transactions recorded in October representing a month-on-month decrease of 9.7%, the sharpest monthly decline since the lifting of COVID-19 mobility restrictions. Transactions also remain lower by 27.3% compared to October 2019 and down 15.7% on a year-to-date basis versus the same period in 2019.

In October the split between off-plan and completed property transactions once again grew in favour of completed properties with Title Deed transactions accounting for 62.8% of all transactions. Off-plan transactions had regained some lost ground momentarily in September when the split narrowed to 46.1% for off-plan and 53.9% for completed properties of all transactions. This marks the fifth straight month of completed properties leading the market and could be an early indicator of a longer-term trend.

In October 2020, the bulk of the off-plan market transactions was by Emaar Properties who took a market share of 23.7%. It comprised of a high volume of transactions recorded for Marina Vista and Beach Vista in Emaar Beachfront – Dubai Harbour, Camelia 2 in Arabian Ranches 2, Burj Royale in Downtown Dubai, and Palace Residences in Dubai Creek Harbour. They were followed by Majid Al Futtaim with 22% of Oqood (off-plan) registrations for Elan 3 at Tilal Al Ghaf. Sobha Group followed with a market share of 8.8% with over 100 transactions recorded across their various projects in Sobha Hartland, Mohammed Bin Rashid City.

Following the trend of the previous two quarters, a significant portion of Title Deed transactions were initial sales registered directly by developers for unsold inventory in completed projects. An example is Nshama where 88.5% of transactions were Title Deeds throughout various projects in their Town Square master development. Similarly, 85.7% of first-time sales transactions for Dubai Properties, and 60.9% for DAMAC Properties were Title Deed registrations as opposed to Oqood.

## TOP 5 COMMUNITIES TABLE – COMPLETED AND OFF PLAN

### Completed / Title Deed

#### Completed Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	3	Dubai Marina	112	395,000	750,000	1,190,000	1,565,000
2	2	11	Jumeirah Village Circle	81	390,000	625,000	1,100,000	1,500,000
3	4	9	Business Bay	79	870,890	947,000	1,420,000	2,043,740
4	8	7	Jumeirah Lakes Towers	72	370,000	600,000	1,162,908	1,966,701
5	21	36	Motor City	68	-	515,000	1,025,421	1,471,311

#### Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	-	Nad Al Sheba	76	-	2,398,000	2,748,000
2	2	1	Emirates Living	68	1,877,500	3,425,000	5,437,500
3	3	4	Arabian Ranches	43	2,565,000	3,100,000	4,275,000
4	6	6	Jumeirah Park	33	2,800,000	2,825,000	4,437,500
5	4	3	DAMAC Hills (Akoya By DAMAC)	32	1,800,000	2,020,000	3,256,170

#### Completed Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	3	Town Square	52	-	1,200,000	1,530,000	-
2	14	10	International City	43	-	1,070,000	-	-
3	6	5	Dubai Hills Estate	25	-	1,972,500	2,998,888	2,560,000
4	4	1	Mudon	22	1,162,500	1,660,000	1,977,500	2,475,000
5	3	7	Reem	19	-	1,480,000	1,675,000	-

### Off-Plan / Oqood

#### Off-Plan Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	3	Mohammed Bin Rashid City	176	482,700	888,000	1,310,100	2,115,514
2	2	1	Dubai Creek Harbour	89	-	1,078,888	1,927,388	2,853,888
3	3	6	Jumeirah Village Circle	85	492,560	687,900	1,091,136	-
4	4	4	Downtown Burj Khalifa	61	1,044,828	1,445,888	1,946,888	4,686,888
5	24	-	Downtown Jebel Ali	56	487,545	705,320	1,151,500	-

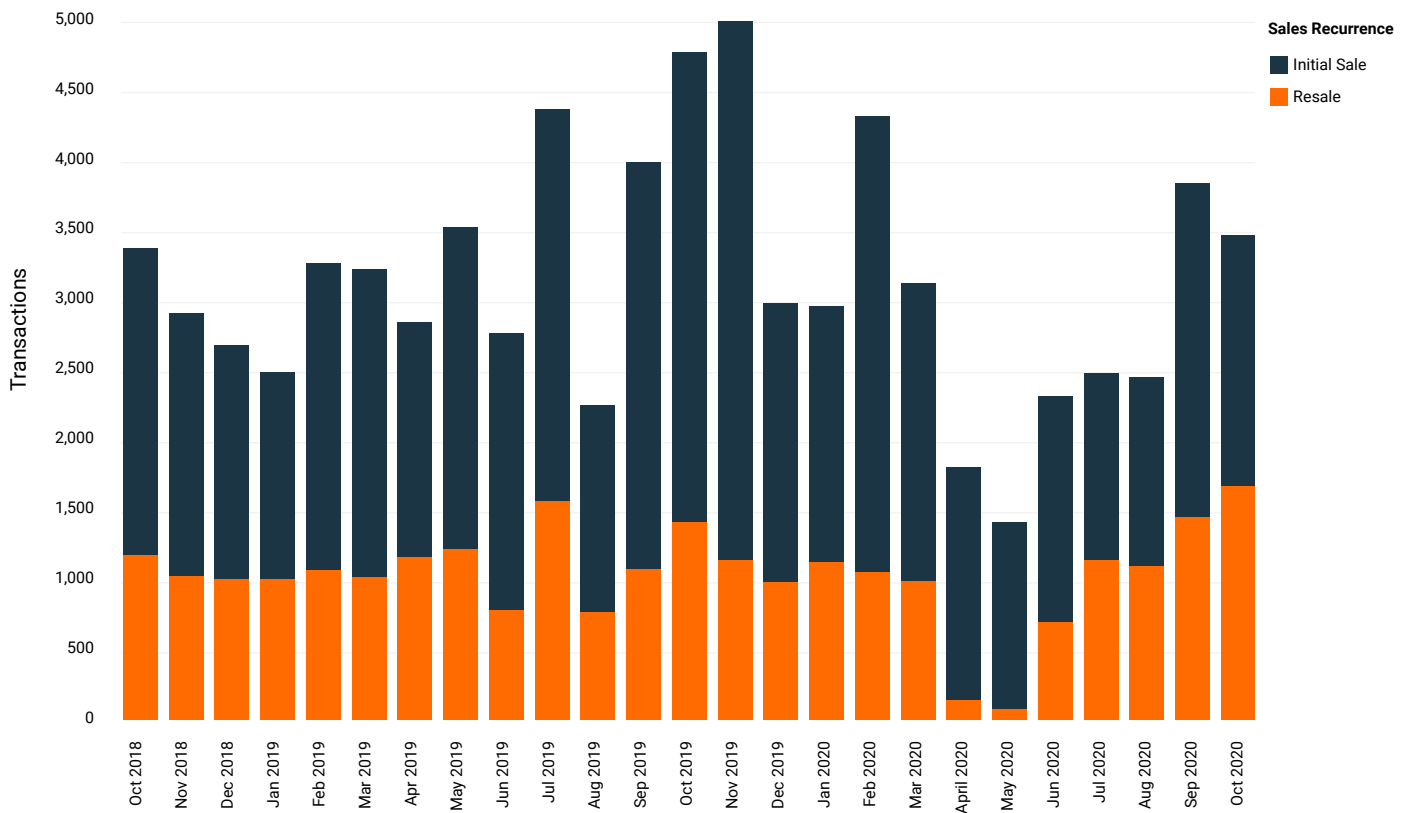
#### Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	3	Dubai Hills Estate	8	3,018,944	4,348,388	-
2	1	1	Arabian Ranches 2	4	1,350,000	1,820,888	-
3	-	-	Dubai South (Dubai World Central)	4	1,081,888	1,401,888	-
4	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-

#### Off-Plan Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	-	Tilal Al Ghaf	284	-	1,404,000	1,734,000	-
2	5	9	Arabian Ranches 2	34	1,735,888	1,475,888	1,790,888	-
3	3	5	Town Square	8	-	1,182,972	1,620,888	-
4	2	2	Arabian Ranches 3	7	-	1,354,388	1,821,888	-
5	6	1	Villanova	6	1,225,000	1,202,500	1,506,000	-

### HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In recent months, following the lifting of COVID-19 mobility restrictions, not only have we witnessed a sustained increase in the level of transactions for completed properties versus off-plan, but also within completed properties, a significant increase in resale transactions as opposed to initial developer sales. In October 2020 resale transactions reached 48.8% which is the highest level in over three years and well above the 12-month average of 30.1%.

Should this trend continue in the following months, it will be a major turning point for the Dubai real estate market. More importantly, it would serve as a sign of reaching a certain market maturity whereby market dynamics are not driven as heavily by new construction and developer sales.

Initial sales transactions, the first sales occurrence of a property from the developer for an off-plan or completed project, stood at 1,785 in October, down 25% month-on-month and 46.6% year-on-year. The most popular master development for initial sales was Tilal Al Ghaf where 15.7% of all initial sales transactions occurred in the Elan community. This was followed by Mohammad Bin Rashid City at 10.3% with the Sobha Harland and District 7 being the most sought-after communities recording 117 and 43 initial sales, respectively. Initial sales in Jumeirah Village Circle were at 6.7% and largely spread-out through several projects in the master development.

The top master developments for resale transactions, which are subsequent sales of a property once purchased from the developer, were Dubai Marina with 7.5% of all resale transactions across multiple projects, followed by Emirates Living at 6% with 34 resale transactions in the Springs, 17 in the Greens and 16 in the Meadows.

## TOP 5 COMMUNITIES TABLE – INITIAL SALES AND RESALE

### Resale

#### Resale Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	3	Dubai Marina	106	365,000	785,000	1,190,000	1,560,000
2	19	30	Motor City	68	-	515,000	1,025,421	1,471,311
3	6	5	Jumeirah Lakes Towers	67	370,000	605,000	1,162,908	2,533,402
4	7	8	Jumeirah Village Circle	58	380,000	580,000	890,000	1,600,000
5	3	4	Downtown Burj Khalifa	58	950,000	1,200,000	1,500,000	2,660,000

#### Resale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	1	Emirates Living	68	1,877,500	3,425,000	6,600,000
2	3	-	Nad Al Sheba	59	-	2,398,000	3,008,000
3	1	2	Arabian Ranches	41	2,565,000	2,600,000	4,275,000
4	5	5	Jumeirah Park	26	2,800,000	3,300,000	4,437,500
5	6	3	Dubai Hills Estate	23	3,000,000	3,660,000	4,375,000

#### Resale Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	2	Town Square	39	-	1,200,000	1,500,000	-
2	3	9	Serena	18	1,093,000	1,300,000	-	-
3	2	3	Reem	16	-	1,450,000	1,437,500	-
4	4	1	Dubai Hills Estate	13	-	1,922,500	2,350,000	2,505,000
5	5	18	Akoya Oxygen	12	-	700,000	830,000	-

### Initial Sale

#### Initial Sale Apartments

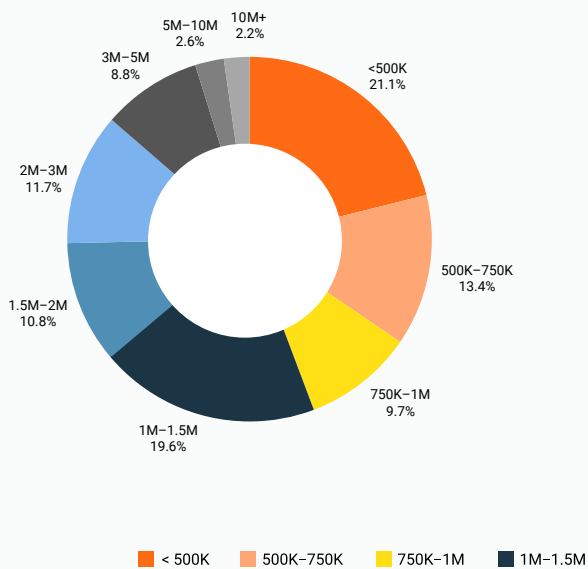
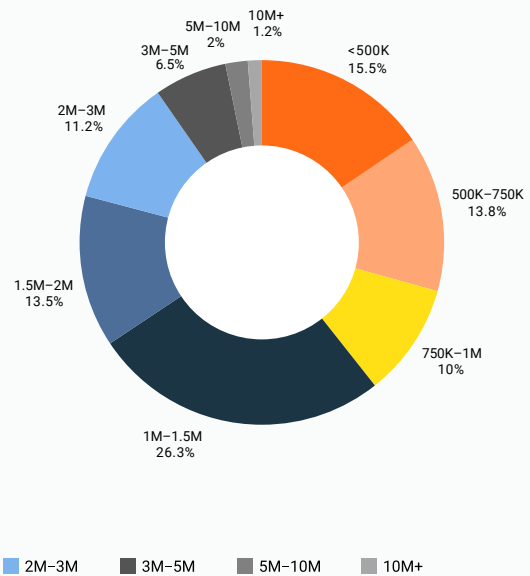
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	3	Mohammed Bin Rashid City	173	482,700	888,000	1,303,377	2,115,514
2	2	6	Jumeirah Village Circle	108	460,000	687,900	1,110,000	1,500,000
3	3	1	Dubai Creek Harbour	83	-	1,135,888	1,943,888	2,931,388
4	4	4	Downtown Burj Khalifa	66	1,044,828	1,607,888	1,978,888	4,553,888
5	5	2	Business Bay	62	665,000	1,091,713	1,813,248	3,559,814

#### Initial Sale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	-	Nad Al Sheba	17	-	2,398,000	2,698,000
2	5	3	Dubai Hills Estate	17	3,450,388	3,919,888	6,193,729
3	3	4	DAMAC Hills (Akoya By DAMAC)	13	1,854,915	-	4,007,250
4	16	-	Dubai Sports City	13	-	2,250,000	-
5	12	17	Mudon	8	2,425,000	2,500,000	3,600,000

#### Initial Sale Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	-	Tilal Al Ghaf	280	-	1,404,000	1,734,000	-
2	6	12	International City	38	-	1,070,000	-	-
3	3	7	Arabian Ranches 2	27	-	1,492,888	1,790,888	-
4	2	2	Town Square	21	-	1,325,888	1,708,888	-
5	7	1	Mudon	20	1,162,500	1,650,000	2,030,000	2,475,000

**PRICE TIERS (AED) – OCTOBER 2020**

**PRICE TIERS (AED) – SEPTEMBER 2020**

**PRICE TIERS (AED) MONTHLY COMPARISON**

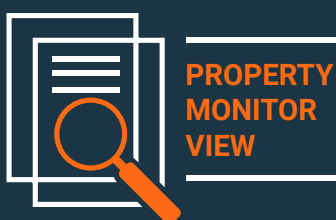
	Sep 2020	Oct 2020	MoM Change
<500K	15.5%	21.1%	5.60%
500K-750K	13.8%	13.5%	-0.30%
750K-1M	10.0%	9.7%	-0.30%
1M-1.5M	26.3%	19.6%	-6.70%
1.5M-2M	13.5%	10.8%	-2.70%
2M-3M	11.2%	11.7%	0.50%
3M-5M	6.5%	8.8%	2.30%
5M-10M	2.0%	2.6%	0.60%
10M+	1.2%	2.2%	1.00%

Transactions in the historically dominant segment of the market—the AED 1M–1.5M price tier decreased in October to 19.6% from 26.3%. The AED 1.5M–2M price tier also recorded fewer transactions after showing increased activity in September, falling to 10.8% from 13.5% in October. The decreased activity in these two price tiers is expected as figures from September were boosted by the release of Elan 3 at Tilal Al Ghaf where all transactions were recorded between AED 1.26M to AED 1.88M.

Meanwhile, the AED <500 price tier gained strength once again and increased by 5.6% from the previous month, whereas activity in the AED 500K–750K and 750K–1M price tiers slowed slightly.

The higher price tiers all witnessed small increases. The most notable is the AED 3M–5M tier where month-on-month activity grew by 2.3% and was primarily driven by resale transactions of villas in established communities such as Jumeirah Golf Estates, Jumeriah Park, Emirates Living, and Arabian Ranches.

Overall, the lower price tiers, or properties under AED 1M, now collectively account for a just under 45% of total market activity versus nearly 39.3% last month. The mid-tier between AED 1M–3M now represents 42.1%, and the high-price tiers with property values greater than AED 3M account for just under 13.6% of total market transactions.



With prices back to 2009 levels, have we reached the bottom of the market or will we see a fresh low? It might still be early to call

Further price declines seem likely in the final two months of 2020 before the global economy starts to recover

Off plan sales will likely remain subdued going forward as buyers give preference to completed units and developers clear stock

## 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](http://propertymonitor.ae/pmdpi.html)

### Completed 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 building completion certificate (BCC) and is available to purchase and occupy. Typically, it refers to the subsequent resale(s) of a property and transfer of ownership which takes 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.

### 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 completed segment. Excludes plot/raw land only sales.

### Lowest Recorded Sale

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

### Median Price Per Sq Ft

The exact middle recorded price per sq ft 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 completed 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.

## 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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