



Prices hold firm suggesting the bottom of the market has been reached

The Property Monitor Dynamic Price Index recorded a monthly increase of +0.68% in November leaving prices now broadly flat over the last four months.

Median apartment price in November at AED 816,952, townhouse at AED 1,500,000, and villa price at AED 2,750,000.

With increased affinity for villas and townhouses during the pandemic, amid limited supply, the segment looks the most likely to benefit from the new market stability.

Transaction activity is likely to maintain momentum for as long as high-quality resale stock is available.

“ We are calling the bottom of the market in Dubai and see firm evidence of support for prices around current levels.

With the Property Monitor index recording a small 0.7% rise in Dubai property on a monthly basis in November 2020 after four months of remaining in a tight range, we are calling the bottom of the market. This may well prove to have been the best time

to buy and conversely the least lucrative time to sell. On an annual basis, overall prices have declined by 8.3% and 5.4% year-to-date. This decline is slower than the trend set in the same period last year where a year-on-year decrease of 11.6% was recorded, demonstrating a slower pace of price decline. Prices have been almost flat in the last four months, indicating that the end of 2020 will likely set the price floor for the current downward market cycle which has been dominating the Dubai market since 2014.

A number of facts support our view that 2020 will mark the bottom of the 7-year cycle.

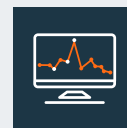
On a technical basis, over the past four months, our Dynamic Price Index has registered monthly changes of +0.68% in November, -0.97% in October, +1.98% in September, and -1.36% in August, showing clear support for prices around current levels. Presently at AED 820 per sq ft, property prices remain on par with levels last recorded between May and June 2009.

Oversupply has been a primary reason for the long-term downward pressure on prices and the COVID-19 pandemic that took hold in 2020 exacerbated the situation. Developers have now taken stock and are adjusting to the new reality, rethinking project launches and focusing on disposing of existing units.

Off-plan launches have slowed considerably, with Emaar Properties revealing that it has not announced new project launches during the pandemic. Furthermore, construction and material costs are increasing, and therefore, reducing the margin for developers.

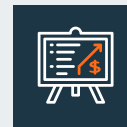
SNAPSHOT

November 2020



+0.68%

DPI MoM Change



AED 820

DPI AED/sq ft



3,940

Number of Monthly Transactions



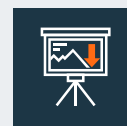
6.19%

Gross Rental Yield



AED 48.25M

Highest Recorded Sale
*Bvlgari Mansion 13 – 6 Bedroom
Jumeirah Bay Island*



AED 190K

Lowest Recorded Sale
*Apt 203 Bldg 6 – Studio
Emirates Cluster, International City*

“ The outlook for 2021 looks significantly brighter with the COVID-19 vaccine becoming available, the pause in new project launches arresting oversupply, and Dubai looking well priced compared to other major capitals and cities.

“ Based on time series forecasting, it is reasonable to conclude that transaction prices in the market have now reached their low point. Additional evidence is provided by the comparative attractiveness of UAE prices by comparison to other global cities.

With city-wide values presently in the low AED 800 range, new project launches have become increasingly unattractive for developers.

With new supply being restricted, quality existing stock is showing signs of greater scarcity, particularly in established villa and townhouse communities. Bank lending remains strong with favourable loan-to-value (LTV) ratios and low mortgage rates. This is particularly aiding villa and townhouse transactions, as well as people reconsidering high-rise and higher-density housing after the pandemic forced them to stay indoors.

Overall, some simple supply and demand economics are coming into play. At an emirate-wide level we are seeing prices reaching the bottom. At community levels, there are several that are seeing 3-4 months of positive month-on-month price appreciation, largely the result of higher demand and low supply.

With prices at their current historically low levels, many owners are now sitting tight and only transacting due to either job loss, income reduction, or repatriation. Those who are able to upgrade to a better property might also sell now if the 'cost to change' is favourable, with the loss on sale that they incur being offset by the attractive price of the upgrade.

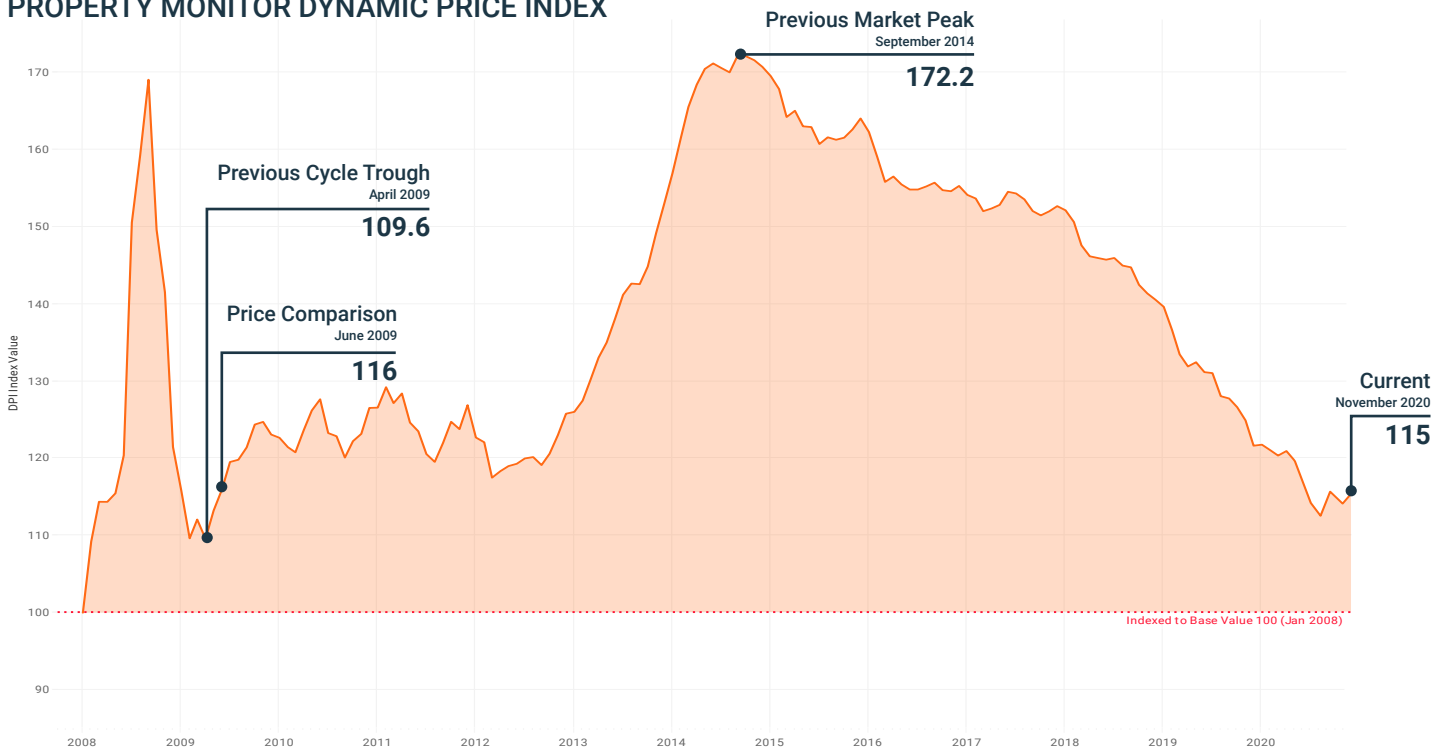
A slew of government measures in recent times may also have helped to begin to set a price floor for property values. After announcing retirement and remote-working visas and making sweeping changes to personal laws, the UAE now allows full ownership of onshore businesses by foreign nationals, further promoting foreign direct investment and likely home ownership.

After taking a breather in October, transaction volumes in November stood at 3,940, recording a 13.1% month-on-month increase but a yearly decline of 21.6%. Activity resumed the upward pace witnessed in September which was likely a result of pent-up demand from the previous months. Given the pause in new project launches, transaction activity is likely to maintain momentum as long as quality inventory is available.

Transactions for completed properties continue to dominate, with Title Deed transactions accounting for 60.7% of sales in November. Increased affordability has triggered a sense of urgency among buyers to move immediately rather than wait for an off-plan project to materialise.

Over the past six months, off-plan sales have declined and the volume of completed property deals has significantly increased due to 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 41.4% of the total market in November, which is well above the 12-month average of 31.6%. These trends witnessed throughout the second half of the year suggest a maturing market where well-informed buyers are driving demand rather than developers and speculators.

Mortgage transactions reached a record high in November with 1,752 loans recorded—comprising initial mortgages as well as refinancing. Mortgage activity grew 8.3% on a monthly basis, and year-on-year mortgage volumes rose by an impressive 50.5%. Increased activity in the mortgage market in recent months has largely been driven by growth in the financing of residential units, particularly villas and townhouses. Worth noting is the greater than 2,200% increase in mortgages for hotel apartments recorded for the month, consisting largely of a 240+ unit bulk mortgage at FIVE Jumeriah Village Circle.

PROPERTY MONITOR DYNAMIC PRICE INDEX


+0.68%
MoM Change


+1.68%
QoQ Change


-8.30%
YoY Change


AED 820
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Nov 2020	114.55	0.68%	1.68%	-8.30%	820
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

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 November 2020 increased by 0.78 index points to 114.55 from 113.77 in October 2020, representing a month-on-month gain of nearly 0.7% and a year-to-date decline of 5.4%.

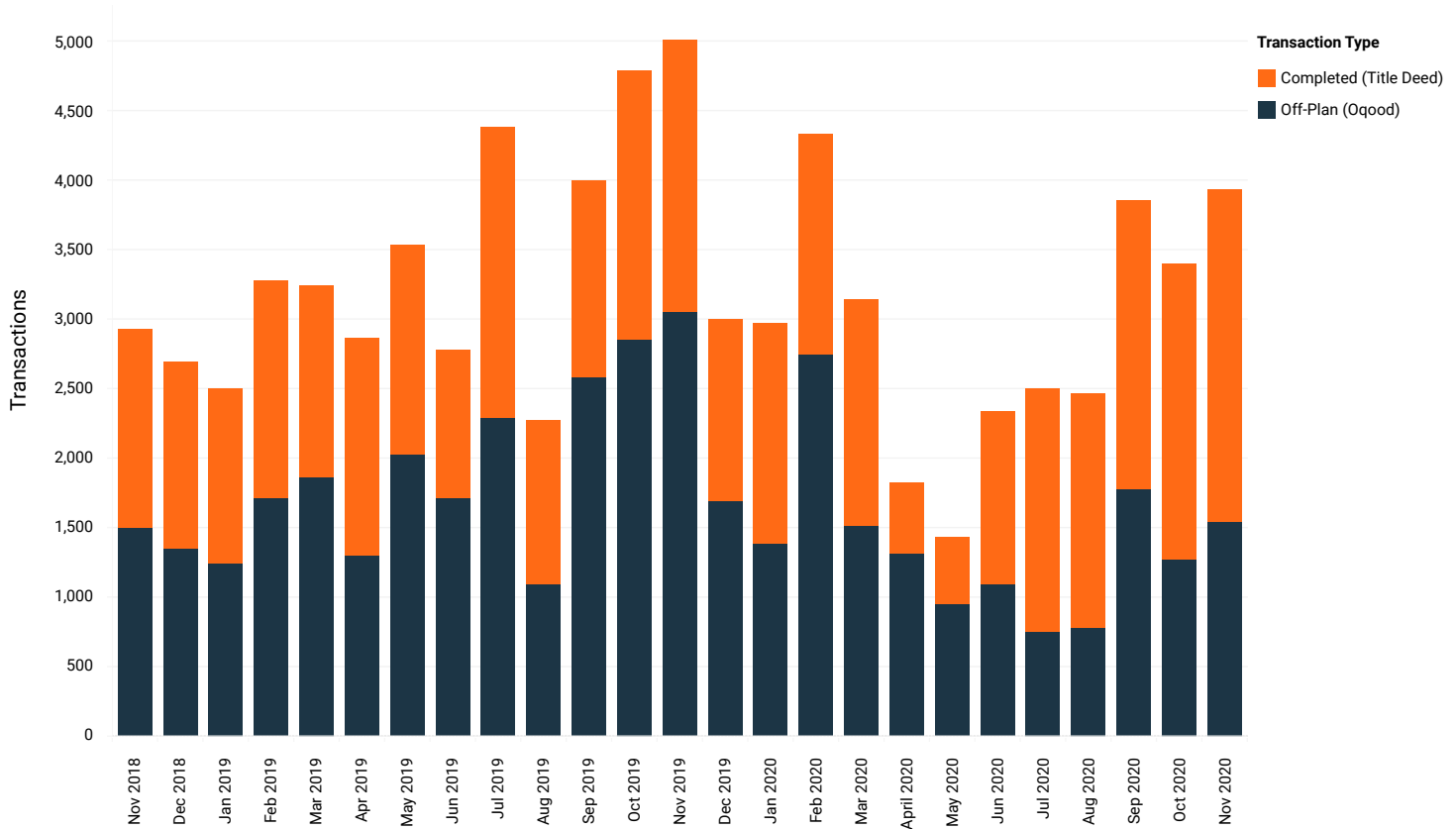
In November 2020, property prices stood at AED 820 per sq ft, down 33.5% from the market peak in September 2014 and are now 4.5% away from the market trough of April 2009. Property prices are at now around levels last recorded in May and June 2009 when they were AED 811 and AED 831 per sq ft, respectively.

On a yearly basis, prices have decreased by 8.3% in November 2020. This number is lower than the trend of November 2019 where a year-on-year decline of 11.6% was recorded, and also below the 12-month average of -11.1%, suggesting that we are reaching a pricing floor.



The Property Monitor Dynamic Price Index is the market leading and independent measure of housing activity and prices in Dubai. Property Monitor provides an unparalleled level of data, market intelligence and insight to banks, developers, business and consumers in the Dubai market. Our data and opinion is published without interference or external influence.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



There were 3,940 transactions recorded in November representing a month-on-month increase of 13.1%. However, transactions remain lower by 21.6% compared to November 2019 and down 16.5% on a year-to-date basis versus the same period in 2019.

In November, the split between off-plan and completed property transactions remained in favour of completed properties with Title Deed transactions accounting for 60.7% of all transactions—this marks the sixth straight month of completed properties leading the market. This consistent performance could be an early indicator of a longer-term trend where buyers and end-users choose ready properties to move into immediately as opposed to waiting for a project to be completed.

During the month, the bulk of off-plan market transactions was by Emaar Properties who took a market share of 19.8%. It comprised of a high volume of transactions recorded for Summer in Creek Beach – Dubai Creek Harbour, Marina Vista in Emaar Beachfront – Dubai Harbour, and Burj Royale in Downtown Dubai. This was followed by The First Group with 18% of Oqood (off-plan) registrations primarily for hotel apartments in Ceil Tower in Dubai Marina and The One at Jumeriah Village Triangle. Majid Al Futtaim followed with a market share of over 9% with transactions continuing to trickle in from sold out phases released in Elan at Tilal Al Ghaf.

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 Nakheel where 100% of transactions were Title Deeds, primarily for Nad Al Sheba Villas in Nad Al Sheba 3. Similarly, 85.7% of first-time sales transactions for Dubai Properties, and 91.2% 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	3	11	Business Bay	128	575,000	1,012,213	1,663,713	2,036,787
2	1	2	Dubai Marina	101	540,000	820,000	1,200,000	2,075,000
3	11	10	Town Square	62	315,000	740,888	854,888	1,120,888
4	2	7	Jumeirah Village Circle	61	400,000	542,500	665,000	1,500,000
5	10	14	Dubai Silicon Oasis	60	267,500	400,000	790,000	1,150,000

Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	2	Emirates Living	78	2,200,000	3,600,000	4,412,500
2	5	1	Damac Hills (Akoya By Damac)	46	2,015,000	1,975,000	3,823,875
3	3	3	Arabian Ranches	44	2,650,000	4,175,000	4,000,000
4	1	-	Nad Al Sheba	39	-	2,398,000	2,748,000
5	8	8	Al Furjan	28	1,767,500	3,225,000	2,550,000

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	5	Town Square	42	-	1,240,000	1,455,000	-
2	-	14	Dubai Investments Park	40	-	3,066,558	-	-
3	4	2	Mudon	30	1,165,000	1,600,000	2,150,000	2,760,000
4	3	4	Dubai Hills Estate	26	-	2,050,000	2,400,000	3,249,571
5	5	3	Reem	19	-	1,450,000	1,750,000	-

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	3	15	Jumeirah Village Circle	162	1,000,000	650,000	870,920	1,027,500
2	1	4	Mohammed Bin Rashid City	115	506,279	920,828	1,318,539	2,337,010
3	7	2	Business Bay	101	695,612	980,000	1,592,956	2,929,000
4	4	5	Downtown Dubai	87	-	1,231,099	1,880,888	4,275,888
5	28	27	Town Square	69	458,888	616,888	-	-

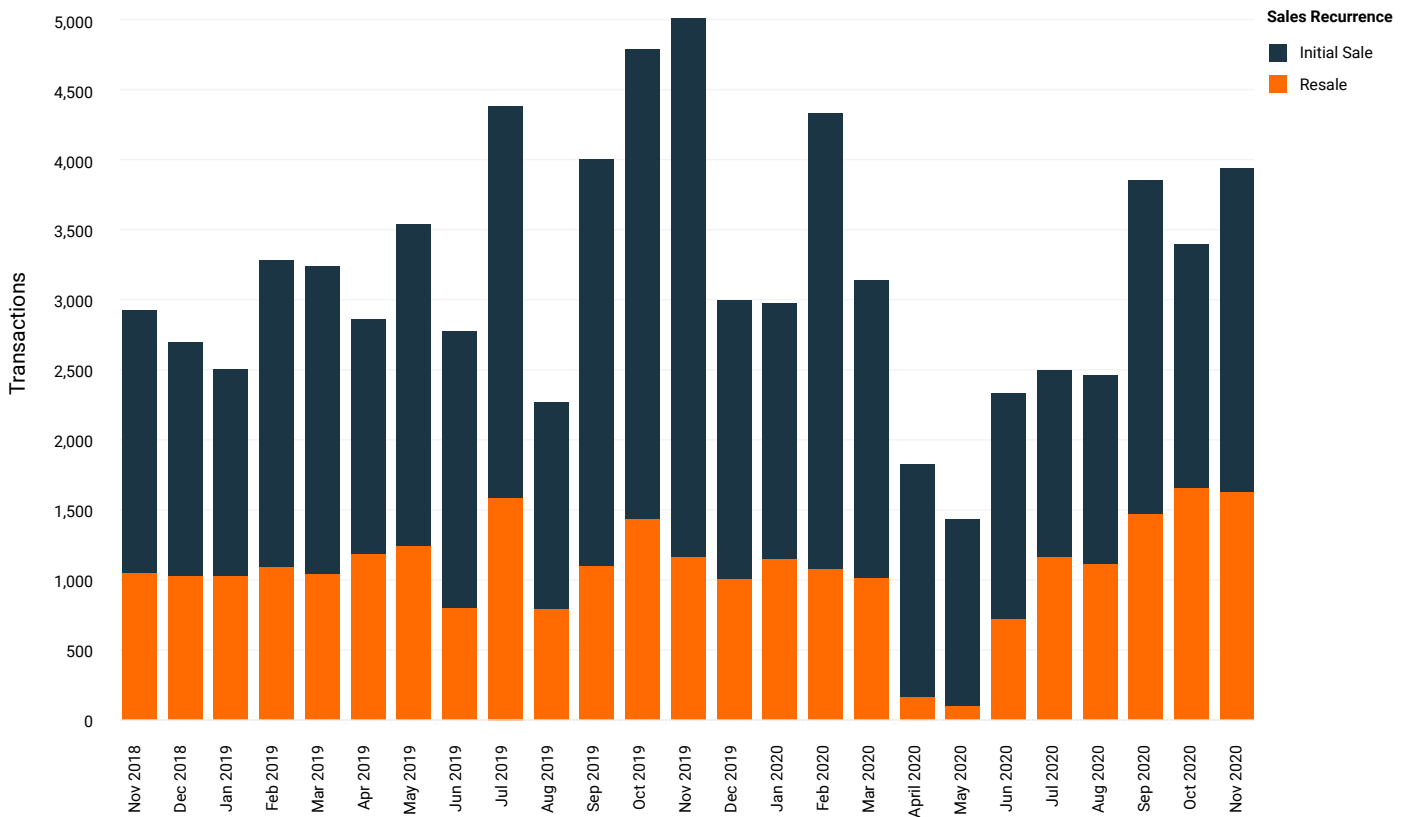
Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	4	Dubai Hills Estate	17	3,109,888	4,343,944	-
2	3	1	Dubai South (Dubai World Central)	13	1,109,888	1,398,888	-
3	-	-	The Valley	5	1,186,888	-	-
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	135	-	1,404,000	1,724,000	-
2	4	2	Arabian Ranches 3	25	-	1,320,888	1,733,888	-
3	3	9	Town Square	12	-	1,250,000	1,654,888	-
4	2	10	Arabian Ranches 2	4	-	1,494,888	1,810,000	-
5	6	3	Cherrywoods	3	-	1,625,000	-	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In recent months, not only have we witnessed a rise in the volume of transactions for completed properties compared to off-plan, but within completed properties, a marked increase in resale transactions versus initial developer sales. In November 2020, resale transactions reached 41.4%, well above the 12-month average of 31.6%.

Should this continue in the following months, it will be a major shift in the trend for the Dubai real estate market where completed properties have recorded robust growth compared to off-plan. More importantly, it would showcase a certain market maturity whereby market dynamics are not governed as much by new construction and developer sales but by end-users.

Initial sales transactions, the first sales occurrence of a property from the developer for an off-plan or completed project, stood at 2,310 in November, up 29.4% month-on-month and down 39.9% year-on-year. However, a significant portion of this monthly growth can be attributed to hotel apartment sales.

The most popular master development for initial sales was Dubai Marina where 11.8% of all initial sales transactions occurred. Dubai Marina taking the top place is driven solely by sales of hotel apartments, where 94.9% (259) of all initial sales were hotel apartments in three buildings developed by The First Group: Ciel Tower, Wyndham Dubai Marina and Millennium Place Marina. This was followed by Business Bay at 10.1% with Elite Business Bay Residence and Safer Tower being the most sought-after developments recording 66 and 30 initial sales, respectively. Initial sales in Jumeirah Village Circle were at 8.5% and largely spread-out through several projects in the master development with the most notable proportion of sales recorded for hotel apartments at The One, representing 23.4% of all initial sales in Jumeriah Village Circle.

The top master developments for resale transactions, which are subsequent sales of a property once purchased from the developer, were Dubai Marina with 6.9% of all resale transactions across multiple projects, followed closely by Business Bay at 6.8% with transactions spread across a wide array of projects. Emirates Living followed as the third most popular community for resale transactions at 6.7% where there were 34 sales in The Springs, 23 in The Meadows, and 17 in The Greens.

TOP 5 COMMUNITIES TABLE – INITIAL SALE 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	1	Dubai Marina	89	540,000	805,000	1,182,500	1,680,000
2	5	4	Downtown Dubai	53	1,125,000	1,200,000	1,420,000	3,750,000
3	7	7	Business Bay	51	460,000	1,000,000	1,500,000	2,036,787
4	3	3	Jumeirah Lakes Towers	47	392,500	600,000	1,235,000	1,655,000
5	4	5	Jumeirah Village Circle	42	342,500	505,000	665,000	1,500,000

Resale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	1	Emirates Living	75	2,200,000	3,600,000	4,412,500
2	3	2	Arabian Ranches	41	2,650,000	4,175,000	4,000,000
3	2	-	Nad Al Sheba	32	-	2,398,000	-
4	8	4	Al Furjan	26	2,175,000	3,225,000	2,550,000
5	4	7	Jumeirah Park	25	2,730,000	3,502,500	5,150,000

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	-	17	Dubai Investments Park	40	-	3,066,558	-	-
2	1	1	Town Square	39	-	1,222,500	1,450,000	-
3	3	2	Reem	19	-	1,450,000	1,750,000	-
4	4	3	Dubai Hills Estate	15	-	2,037,500	2,300,000	-
5	2	4	Serena	11	1,100,000	1,525,000	-	-

Initial Sale

Initial Sale Apartments

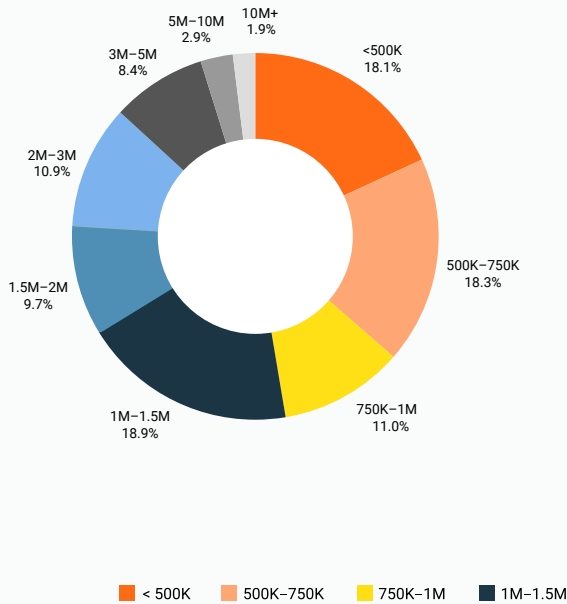
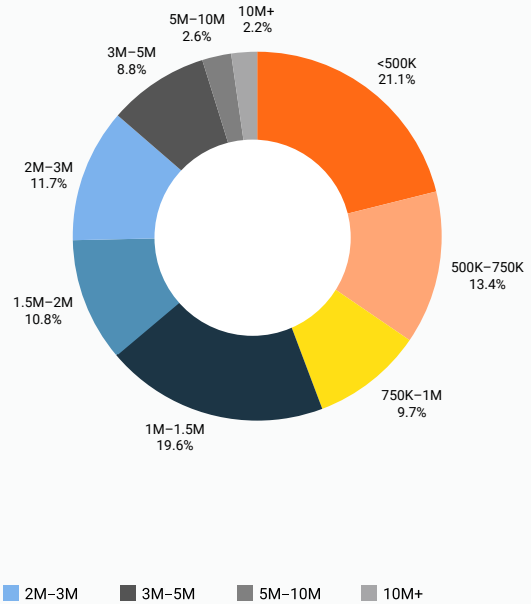
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	2	16	Jumeirah Village Circle	181	1,000,000	655,000	847,995	1,027,500
2	5	2	Business Bay	178	688,181	1,012,213	1,664,545	2,929,000
3	1	5	Mohammed Bin Rashid City	120	501,720	926,674	1,335,647	2,337,010
4	11	32	Town Square	120	458,888	619,888	918,388	1,120,888
5	4	7	Downtown Dubai	93	-	1,495,780	1,893,388	4,271,888

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	3	3	Damac Hills (Akoya By DAMAC)	35	1,737,315	3,418,030	3,640,500
2	2	4	Dubai Hills Estate	23	3,095,888	4,777,888	6,837,888
3	5	6	Mohammed Bin Rashid City	19	-	10,200,000	7,625,000
4	7	1	Dubai South (Dubai World Central)	12	1,136,888	1,398,888	-
5	1	-	Nad Al Sheba	7	-	2,648,000	2,748,000

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	135	-	1,404,000	1,724,000	-
2	8	2	Arabian Ranches 3	24	-	1,320,888	1,734,388	-
3	4	7	Mudon	23	1,165,000	1,540,000	2,200,000	2,760,000
4	5	12	Town Square	15	-	1,370,388	1,650,888	-
5	7	9	Dubai Hills Estate	12	-	2,373,888	2,639,599	3,249,571

PRICE TIERS (AED) – NOVEMBER 2020

PRICE TIERS (AED) – OCTOBER 2020

PRICE TIERS (AED) MONTHLY COMPARISON

	Oct 2020	Nov 2020	MoM Change
<500K	21.1%	18.1%	-3.00%
500K-750K	13.5%	18.3%	4.80%
750K-1M	9.7%	11.0%	1.30%
1M-1.5M	19.6%	18.9%	-0.70%
1.5M-2M	10.8%	9.7%	-1.10%
2M-3M	11.7%	10.9%	-0.80%
3M-5M	8.8%	8.4%	-0.40%
5M-10M	2.6%	2.8%	0.20%
10M+	2.2%	1.9%	-0.30%

The segmentation of transactions by price tiers remained relatively consistent month-on-month. The most notable changes in activity occurred in the AED <500 price tier which decreased 3% from the previous month, while the AED 500K-750K and AED 750K-1M tiers increased 4.8% and 1.3%, respectively. The strengthening of sales in the tiers between AED 500K and AED 1M can largely be attributed to the ongoing popularity of Town Square where Nshama continues to attract buyers through a combination of quality, affordability and incentives.

The historically dominant segment of the market—the AED 1M-1.5M price tier—was stable, recording only a modest decrease in November to 18.9% from 19.6%.

The higher price tiers of AED 3M and above witnessed small fluctuations in activity.

Overall, the lower price tiers, or properties under AED 1M, now collectively account for over 47% of total market activity versus 44.3% last month. The mid-tier between AED 1M-3M now represents 39.5%, and the high-price tiers with property values greater than AED 3M account for just under 13.1% of total market transactions.

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

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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