



## Prices stage recovery in December as mortgages hit record levels

Median apartment price at AED 713,321, townhouse at AED 1,750,000, and villa price at AED 2,700,000.

Our prediction of having reached a market floor in Q3 2020 has proved accurate, with the Property Monitor Dynamic Price Index recording a monthly increase of 1.5% in December.

On a year-to-date basis, prices declined only 3.4% during 2020 versus 12.9% in the 2019 period.

At 2,192 loans recorded, mortgage transactions hit a record high in December.

Yields record slight decrease due to rising vacancies as more tenants turn buyers.

After a marginal increase in prices during the month of November, property prices continued to display signs of recovery and a return to growth in December, recording monthly gains of 1.5%. Presently, at AED 833 per sq ft, property prices are just below levels last recorded in June 2009 and have moved 6% away from April 2009 lows.

In our November report we called the bottom of the market, citing the diminishing concerns surrounding oversupply with limited project launches, a scarcity of quality units, supportive financing initiatives and a strong resale market. The recent peace agreement between the UAE and Israel seems certain to lead to a flood of new visitors from the latter—many of them will be actively looking for opportunities especially in the real estate sector.

In December, our bullish view is further supported by the data which shows a dramatic slowing in the pace of decline in 2020 compared to previous years. A year-to-date (YTD) decrease of 3.4% was recorded in the 12 months to December 2020 versus a 12.9% fall for the same period in 2019. On a yearly basis, prices in December declined less than 5%, setting the stage for a firm recovery in the months to come.

## SNAPSHOT

December 2020



**+1.52%**

DPI MoM Change



**AED 833**

DPI AED/sq ft



**3,772**

Number of Monthly Transactions



**6.09%**

Gross Rental Yield



**AED 40.5M**

Highest Recorded Sale  
*Villa L24 - 7 Bedroom  
Sector L, Emirates Hills*



**AED 152K**

Lowest Recorded Sale  
*Apt 405 | Studio  
Hanover Square South, JVC*



The recent peace agreement between the UAE and Israel seems certain to lead to a flood of new visitors from the latter—many of them will be actively looking for opportunities especially in the real estate sector.

In December, transaction volumes stood at 3,772, which represents a strong year-on-year increase of 25.5% compared to December 2019. The COVID-19 pandemic has meant that despite a busy period over the last four months of the year, during which property sales generally pick up after the slow summer months, total transaction volumes for 2020 remain lower by 13.5% versus 2019. Overall, the sector has displayed resilience in the face of the pandemic helped by government measures and with movement restrictions triggering people to upgrade their living spaces. We expect transaction volumes to maintain their upward momentum as long as quality and well-priced ready inventory is available to fulfil strong buyer demand.

Completed property transactions continued to outperform off-plan with Title Deed transactions accounting for 64.7% of sales in December. Over the past seven months, off-plan sales have declined, partly because of fewer new launches by developers, increased buyer preferences for ready homes and higher initial developer sales in completed properties. All this is set against the backdrop of a recovering and stronger resale market overall.

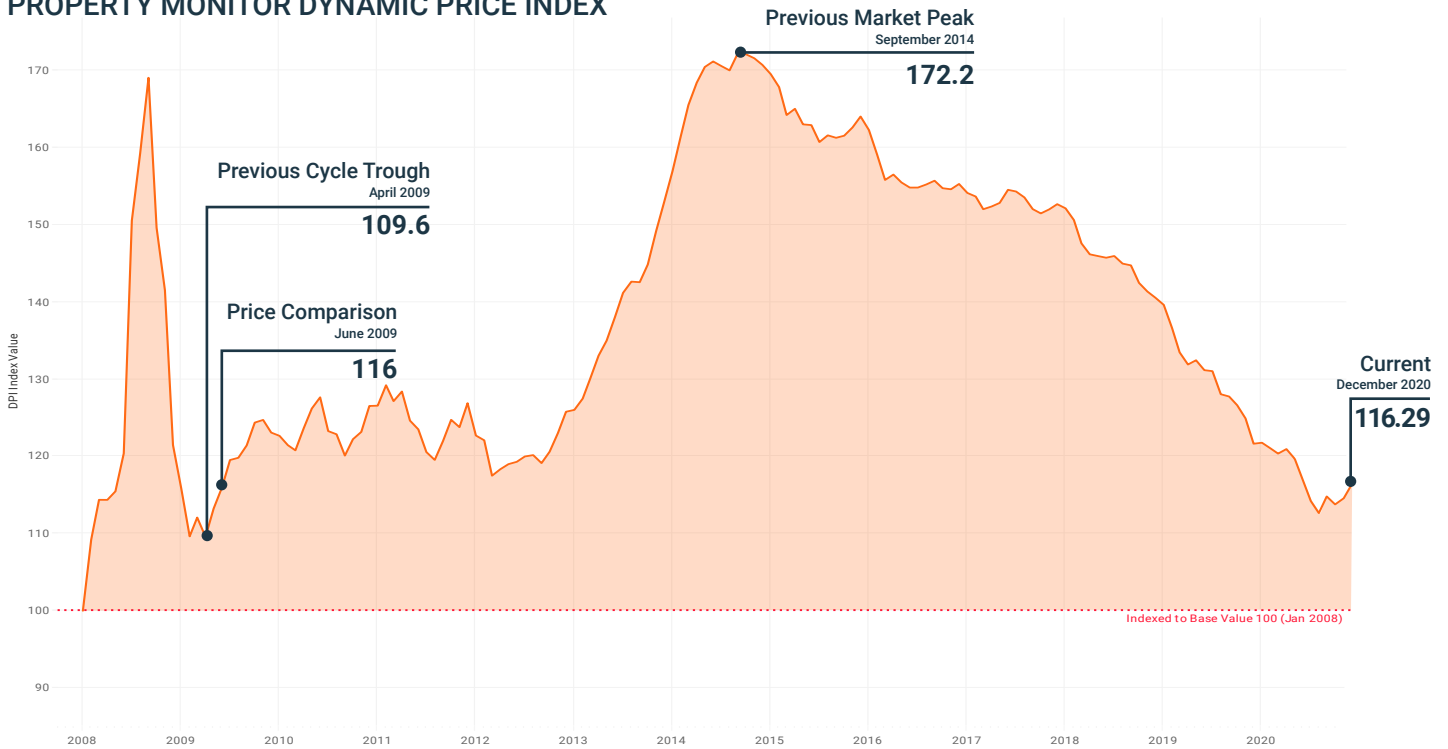
Resale transactions—subsequent sales of a property once purchased from the developer—reached 41.1% of the total market in December, which was well above the 12-month average of 33.2%. These trends also signal the market achieving a certain maturity where end-user and investment demand drives activity rather than speculation.

Mortgage transactions hit a record high in December with 2,192 loans recorded—comprising initial mortgages as well as refinancing. Mortgage activity grew a robust 25.1% on a monthly basis, and year-on-year mortgage volumes rose by an impressive 65.1%.

At first glance, these top-line numbers may show a very buoyant mortgage market for individual transactions. A deeper analysis reveals that over 30% of loans issued in December were for bulk developer mortgages and bulk refinancing. However, with 70% of mortgages still driven by end users, particularly purchasing and refinance in the villa and townhouse segments, the mortgage market is in good health. Most notable bulk mortgages were for Barcelo Residences in Dubai Marina, Vezul Residence in Business Bay, Al Hassen Residence in Dubai Industrial City, Building N-05 Persian Cluster International City, and The 8 and Five Palm Jumeirah on the Palm.

After remaining relatively stable in the ~6.5% range through most of 2020, emirate-wide average gross rental yields have started to weaken, first declining to 6.19% in November, and then to 6.09% in December. This suggests that rental declines in several communities are being outpaced by sales price increases in a strengthening investment market, and is also likely to be a result of higher vacancy rates as tenants turn into first-time buyers.



**PROPERTY MONITOR DYNAMIC PRICE INDEX**


**+1.52%**  
MoM Change


**+1.23%**  
QoQ Change


**-4.39%**  
YoY Change


**AED 833**  
Price Per Sq Ft

**DPI MONTHLY OVERVIEW**

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Dec 2020	116.29	1.52%	1.23%	-4.39%	833
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

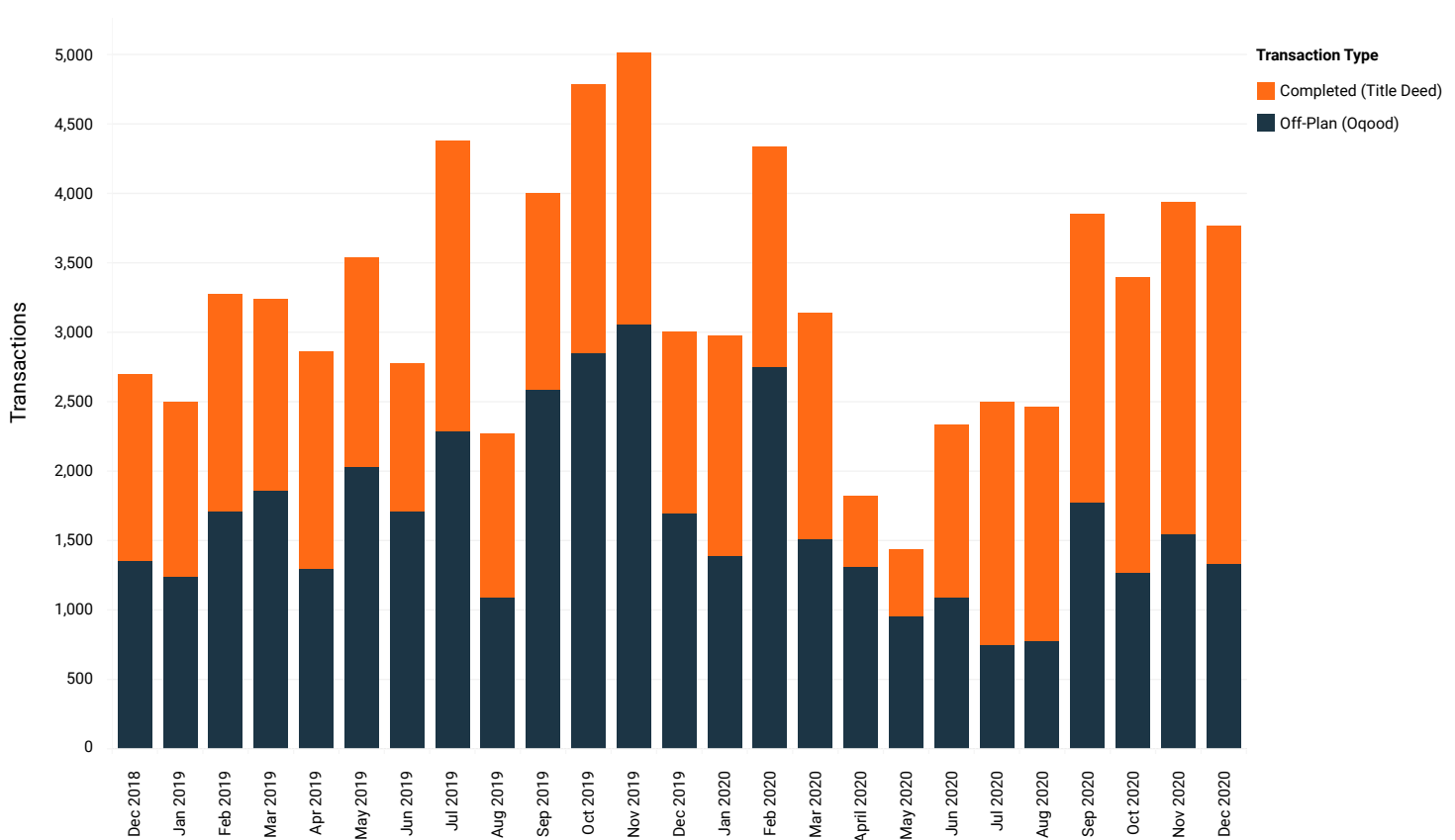
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for December 2020 increased by 1.75 index points to 116.29 from 114.55 in November 2020, representing a month-on-month gain of 1.5% and a YTD decline of 3.4%.

In December 2020, property prices stood at AED 833 per sq ft, down 32.5% from the market peak in September 2014 and are now 6.1% away from the market trough of April 2009. Property prices are at now at levels last recorded in June 2009 when they were AED 831 per sq ft.

On a yearly basis, prices have decreased by 4.4% in December 2020. This number is lower than December 2019 when a year-on-year decline of 13.46% was recorded, and also below the 12-month average of -10.77%.

## HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



There were 3,772 transactions recorded in December representing a month-on-month decrease of 4.3%. However, transactions remain higher by 25.5% compared to December 2019 and down 13.5% in 2020 versus 2019.

In December, the split between off-plan and completed property transactions remained in favour of completed properties with Title Deed transactions accounting for 64.7% of all transactions—this marks the seventh straight month of completed properties leading the market. This continuing performance could be an indicator of a longer-term trend where buyers and end-users opt for ready-to-move properties rather than wait for developers to complete off-plan or under-construction projects.

During the month, the bulk of off-plan market transactions was by The First Group who took a market share of 11.5%. It comprised of a high volume of transactions recorded primarily for hotel apartments in Ceil Tower in Dubai Marina and The One projects at Jumeriah Village Circle and Jumeriah Village Triangle. MAG Group was next with 9.3% of Oqood (off-plan) registrations, with a high volume of transactions at their MAG Eye towers in District 7, Mohammed Bin Rashid City. This was followed by Samana Developers at 7.1% with a large amount of transactions in the affordable sub-AED 1M price range at their Samana Golf Avenue and Samana Hills buildings in Dubai Silicon Oasis and Arjan, respectively.

Following the trend that emerged early in the summer of 2020, a significant portion of Title Deed transactions were initial sales registered directly by developers for unsold inventory in completed projects. Out of a total of 2,221 initial developer sales recorded in December 2020, 44.7% were in completed projects. When compared to the 2019 average of 20.5%, it is evident that demand for off-plan properties has dwindled with developers unable to sell out a project during the construction phase.

## 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	14	Business Bay	212	624,499	1,041,339	1,618,560	2,000,000
2	2	1	Dubai Marina	132	415,000	1,004,808	1,415,000	2,143,000
3	10	24	Arjan	124	330,000	560,000	900,000	1,100,000
4	4	4	Jumeirah Village Circle	79	299,000	670,000	863,000	960,000
5	11	7	Dubai Sports City	59	285,000	450,000	554,762	850,000

#### Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	1	Emirates Living	60	1,830,000	3,025,000	4,600,000
2	4	24	Nad Al Sheba	56	-	2,398,000	3,178,000
3	2	7	DAMAC Hills	42	1,856,250	2,409,860	3,616,470
4	3	5	Arabian Ranches	33	2,587,500	2,580,000	3,750,000
5	7	11	Mohammed Bin Rashid City	26	-	7,900,000	11,450,000

#### 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	2	14	Dubai Investments Park	96	-	3,056,454	-	-
2	3	2	Mudon	46	1,250,000	1,595,000	2,050,000	2,312,500
3	4	1	Dubai Hills Estate	29	-	2,065,000	2,550,000	2,602,941
4	1	3	Town Square	24	-	1,230,000	1,580,000	-
5	10	-	Dubai South	22	1,119,388	1,152,814	-	-

### 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	8	Jumeirah Village Circle	199	450,000	653,000	976,580	1,116,656
2	2	3	Mohammed Bin Rashid City	155	452,160	870,446	1,728,400	1,189,370
3	17	4	Dubai Science Park (DuBiotech)	76	497,248	747,122	1,231,165	-
4	5	20	Town Square	64	450,888	619,388	-	-
5	14	-	Dubai Studio City	53	405,125	638,775	1,260,000	-

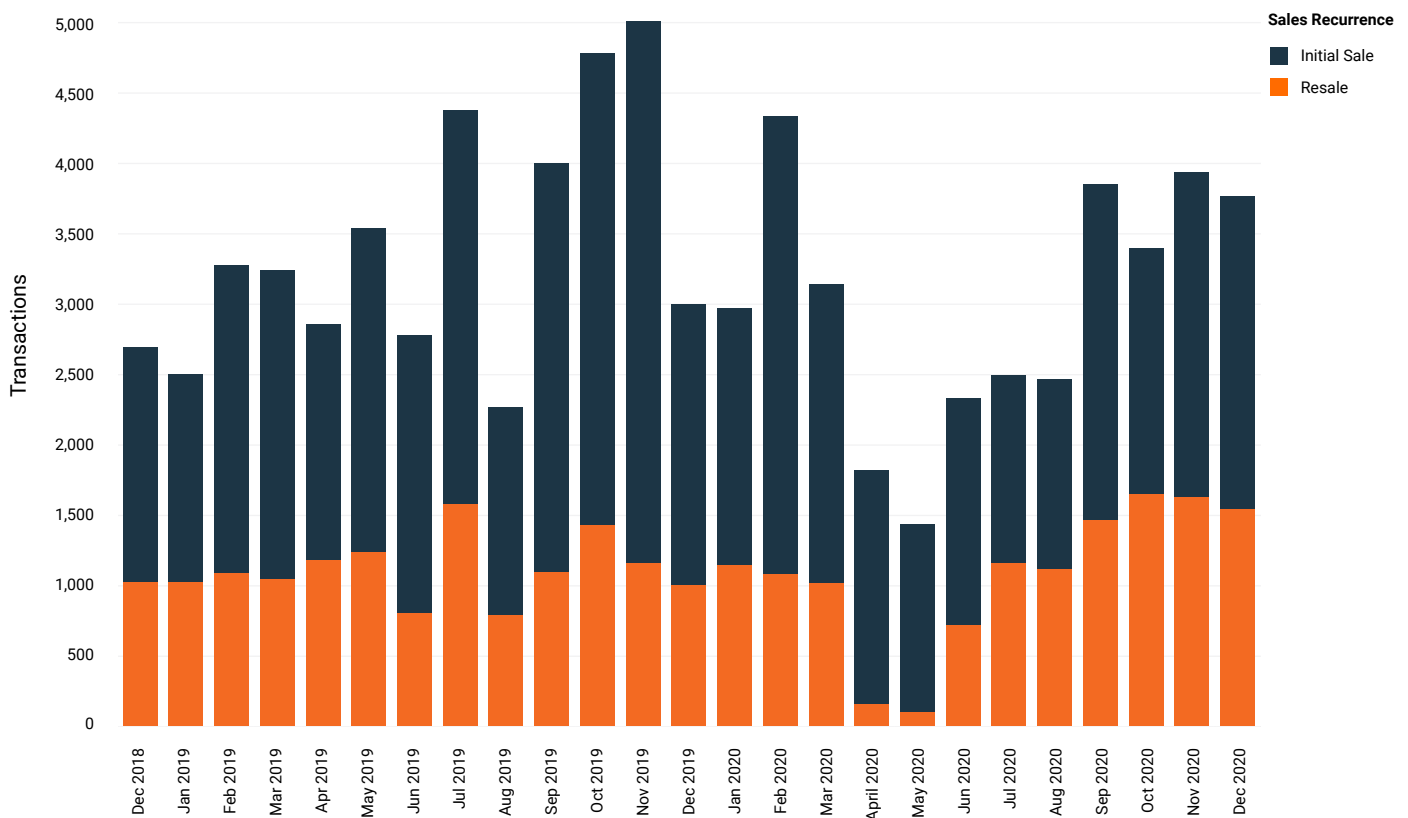
#### Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	1	Dubai South	20	1,068,888	1,452,888	-
2	3	-	The Valley	3	1,333,888	1,695,888	-
-	4	3	Jumeirah Bay Island	2	5,409,000	-	-
-	1	2	Dubai Hills Estate	1	3,850,000	-	-
-	-	-	-	-	-	-	-

#### 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	30	-	1,378,500	1,712,000	-
2	-	12	Mohammed Bin Rashid City	27	1,524,500	1,769,000	-	-
3	6	6	Cherrywoods	23	-	1,653,000	1,952,000	-
4	5	1	Villanova	21	1,221,000	1,280,000	1,583,000	-
5	3	9	Town Square	9	-	1,075,888	1,511,444	-

## HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In recent months, we have witnessed a significant increase in resale transactions versus initial developer sales. In December 2020, resale transactions reached 41.1%, well above the 12-month average of 33.2%. Meanwhile, initial sales transactions, the first sales occurrence of a property from the developer for an off-plan or completed project, stood at 2,221 in December, down 3.9% month-on-month.

Should this continue in the following months, it will be a major shift in the conventional Dubai market trend of initial developer sales holding dominance over resale transactions. 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.

The most popular master development for initial sales in December was Business Bay where 14.4% of all initial sales transactions occurred—MAG 318 was the most favoured project with 63 sales, followed by Sol Bay with 51 and Elite Business Bay Residence with 42. This was followed by Jumeriah Village Circle at 9.8% with Pantheon Elysee, Bloom Towers and Aria being the most sought-after projects recording 31, 30, and 25 initial sales, respectively. Initial sales in Mohammed Bin Rashid City were at 9.4% and were spread over several projects in the master development. However, the MAG Eye project alone represented 50% of all initial sales in MBR City, dominating the proportion of sales recorded in the community.

The top master developments for resale transactions were Dubai Marina with 7.9% of all such transactions across multiple projects, followed closely by Dubai Investment Park at 7.8% with a bulk registration of townhouses in Green Community West. Jumeriah Village Circle followed as the third most popular community for resale transactions at 7.7%. However, as 40% of resales recorded in Jumeriah Village Circle were for Park View Tower and a bulk transfer of off-plan units occurred at AED 400 per sq. ft., this does not accurately represent end-user transaction activity.



## 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	97	385,000	725,000	1,250,000	1,885,000
2	5	4	Jumeirah Village Circle	65	260,000	446,000	635,024	916,024
3	4	7	Jumeirah Lakes Towers	54	387,000	600,000	940,000	1,550,000
4	2	3	Downtown Dubai	54	625,000	1,250,000	2,200,000	2,900,000
5	3	10	Business Bay	48	530,000	963,766	1,678,597	1,977,000

#### 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	60	1,830,000	3,025,000	4,600,000
2	3	-	Nad Al Sheba	49	-	2,398,000	-
3	2	4	Arabian Ranches	33	2,587,500	2,580,000	3,750,000
4	5	2	Jumeirah Park	20	2,850,000	3,500,000	5,800,000
5	7	10	Dubai Hills Estate	19	3,150,000	3,725,000	4,537,500

#### Resale Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	18	Dubai Investments Park	96	3,056,454	-	-
2	4	1	Dubai Hills Estate	21	2,050,000	2,405,000	2,650,000
3	2	4	Town Square	20	1,280,000	1,565,000	-
4	3	3	Reem	17	1,435,000	1,800,000	-
5	6	-	Villanova	12	1,185,000	1,640,000	-

### Initial Sale

#### Initial Sale Apartments

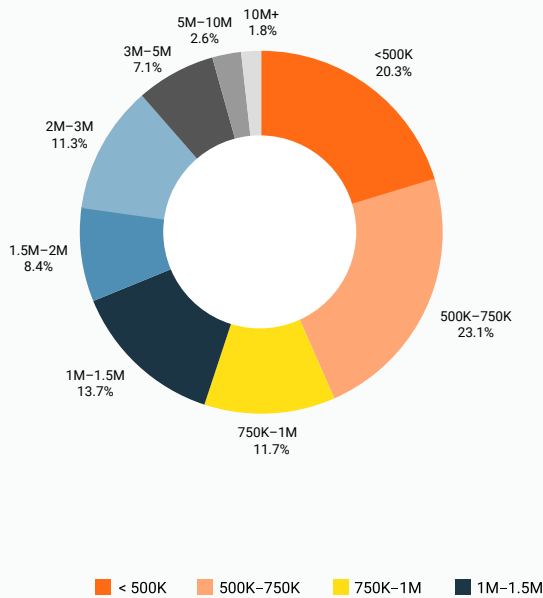
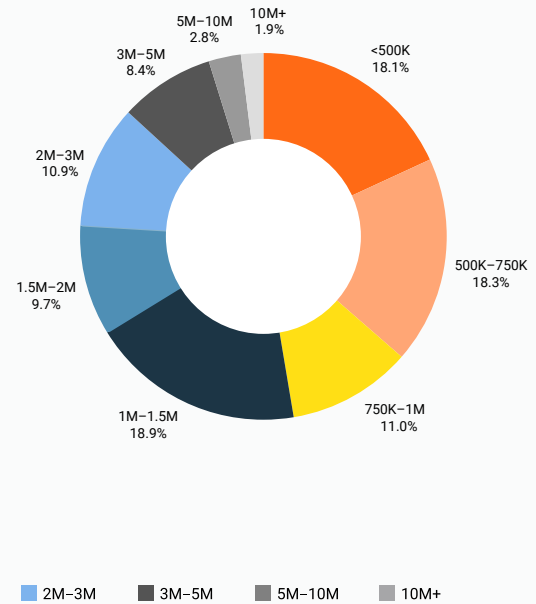
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	2	21	Business Bay	214	636,521	1,054,294	1,813,380	2,580,600
2	1	5	Jumeirah Village Circle	213	449,999	675,872	956,000	1,292,040
3	3	4	Mohammed Bin Rashid City	154	452,160	870,446	1,728,400	1,189,370
4	9	30	Arjan	143	439,000	623,040	900,000	1,100,000
5	4	23	Town Square	112	448,888	626,888	938,888	1,419,888

#### 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	1	8	DAMAC Hills	33	2,043,000	2,319,720	4,003,545
2	4	1	Dubai South	22	1,069,888	1,462,388	-
3	3	3	Mohammed Bin Rashid City	21	-	11,637,889	13,299,639
4	5	13	Nad Al Sheba	7	-	2,563,000	3,178,000
5	8	-	Mudon	6	2,282,500	2,655,000	-

#### 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	3	6	Mudon	39	1,250,000	1,597,500	2,050,000	2,312,500
2	1	-	Tilal Al Ghaf	29	-	1,378,500	1,716,000	-
3	-	15	Mohammed Bin Rashid City	27	1,524,500	1,769,000	-	-
4	10	7	Cherrywoods	20	-	1,653,000	1,924,000	-
5	9	1	Villanova	20	1,214,000	1,334,000	1,620,000	-

**PRICE TIERS (AED) – DECEMBER 2020**

**PRICE TIERS (AED) – NOVEMBER 2020**

**PRICE TIERS (AED) MONTHLY COMPARISON**

	Nov 2020	Dec 2020	MoM Change
<500K	18.1%	20.3%	2.20%
500K-750K	18.3%	23.1%	4.80%
750K-1M	11.0%	11.7%	0.70%
1M-1.5M	18.9%	13.7%	-5.20%
1.5M-2M	9.7%	8.4%	-1.30%
2M-3M	10.9%	11.3%	0.40%
3M-5M	8.4%	7.1%	-1.30%
5M-10M	2.8%	2.6%	-0.20%
10M+	1.9%	1.8%	-0.10%

In December, the historically dominant segment of the market—the AED1M to 1.5M price tier—witnessed yet another decline, with its market share falling from 18.9% to 13.7%, a decline of 5.2% to its lowest levels in over 10 years.

Meanwhile, the AED 500K to 750K price tier grew by 4.8%. Growth in this segment can be attributed to off-plan sales in various projects in Town Square, Jumeirah Village Circle, and Dubai Science Park.

Overall, the lower price tiers, or properties under AED 1M, now collectively account for a little over 55% of total market activity versus 47.4% last month. The mid-tier between AED 1M-3M now represents 33.4%, and the high-price tiers with property values greater than AED 3M account for 11.5% of total residential market transactions.

This shift in price segmentation has occurred by design and by default. By design, in recent years, developers have strategically launched projects that are geared towards the affordable housing segment where the bulk of units available are in the sub-AED 1M price tiers—Dubai South, Town Square, and Jumeirah Village Circle are leading examples. By default, due to the continued downward trajectory of property prices, units that may have previously traded in the AED 1-1.5M tier have now fallen below the AED 1M price threshold, increasing the volume of properties in the lower price tiers.



## 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](https://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.



### ZHANN JOCHINKE

Chief Operating Officer

[zhann.jochinke@propertymonitor.ae](mailto:zhann.jochinke@propertymonitor.ae)

### CONTACT US

+971 4 453 9525  
[info@propertymonitor.ae](mailto:info@propertymonitor.ae)  
 2205 Marina Plaza, Dubai Marina  
 P.O. Box 118624 Dubai, United Arab Emirates

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