



Trend established as property prices climb nearly 5% in three months

Prices rose 1.9% in February after recording gains of 1.3% in January and 1.5% in December, and now stand at AED 858 per sq ft

A fourth consecutive month of rising prices establishes the market trend after prices bottomed out at the end of last year

Brokers report strong demand, especially in the popular locations, with a further acceleration in prices now likely as the world exits the pandemic

Property Monitor predicts the overall market will show further growth into the year with winners and losers emerging based on the desirability of the location and community

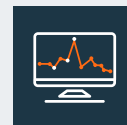
Median apartment price sits at AED 775,000, townhouse at AED 1,539,000, and villa price at AED 3,333,000

The property price recovery in Dubai gained further momentum in February, with monthly gains of 1.9% recorded at an emirate-wide level. The property market is increasingly displaying signs of healthy demand and stabilisation with price increases recorded consistently over the past four months, providing further evidence that we reached the bottom of the market in late 2020 – for the three months ending February, prices increased 4.6%. Presently, at AED 858 per sq ft, property prices are back to levels last recorded in July 2012.

On a 12-month basis, the declines seen month-by-month in 2020 have almost been erased by the recent strong performance, with overall prices decreasing by just over 1% in the year to February. This figure represents a very significant turnaround compared to the prior year period to February 2020, when a year-on-year decrease of 11.4% was recorded.

SNAPSHOT

February 2021



+1.89%

DPI MoM Change



AED 858

DPI AED/sq ft



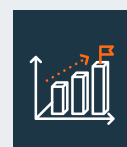
3,828

Number of Monthly Transactions



6.08%

Gross Rental Yield



AED 35M

Highest Recorded Sale
*Villa B-176 – 6 Bedroom
District One,
Mohammed Bin Rashid City*



AED 140K

Lowest Recorded Sale
*Apt 207 – 1 Bedroom
Building L-04 Greece Cluster,
International City*



Based on current trends and reports from brokers of strong demand, Property Monitor predicts that the market will show further growth into the year as the world starts to exit the pandemic and international travel links are restored. The question will then be whether the current price growth is sustainable if supply is again triggered with new developments and off-plan sales recover.

February transaction volumes stood at 3,828, recording a month-on-month increase of 13.8%. This is in line with historical trends where transaction activity tends to regain momentum in February and March, before slowing down again in the summer months.

For the ninth straight month, sales of completed properties dominated off-plan. Title Deed, or completed property transactions, accounted for 68.4% of sales in February versus only 31.6% for off-plan properties. Off-plan sales have declined partly because developers have refrained from announcing new launches, but more importantly because buyers are increasingly opting for ready-to-move-in properties. The pandemic and ensuing need for space seems to have triggered a sense of urgency among buyers and investors to secure ready properties that offer immediate possession in favourable locations, before prices appreciate further.

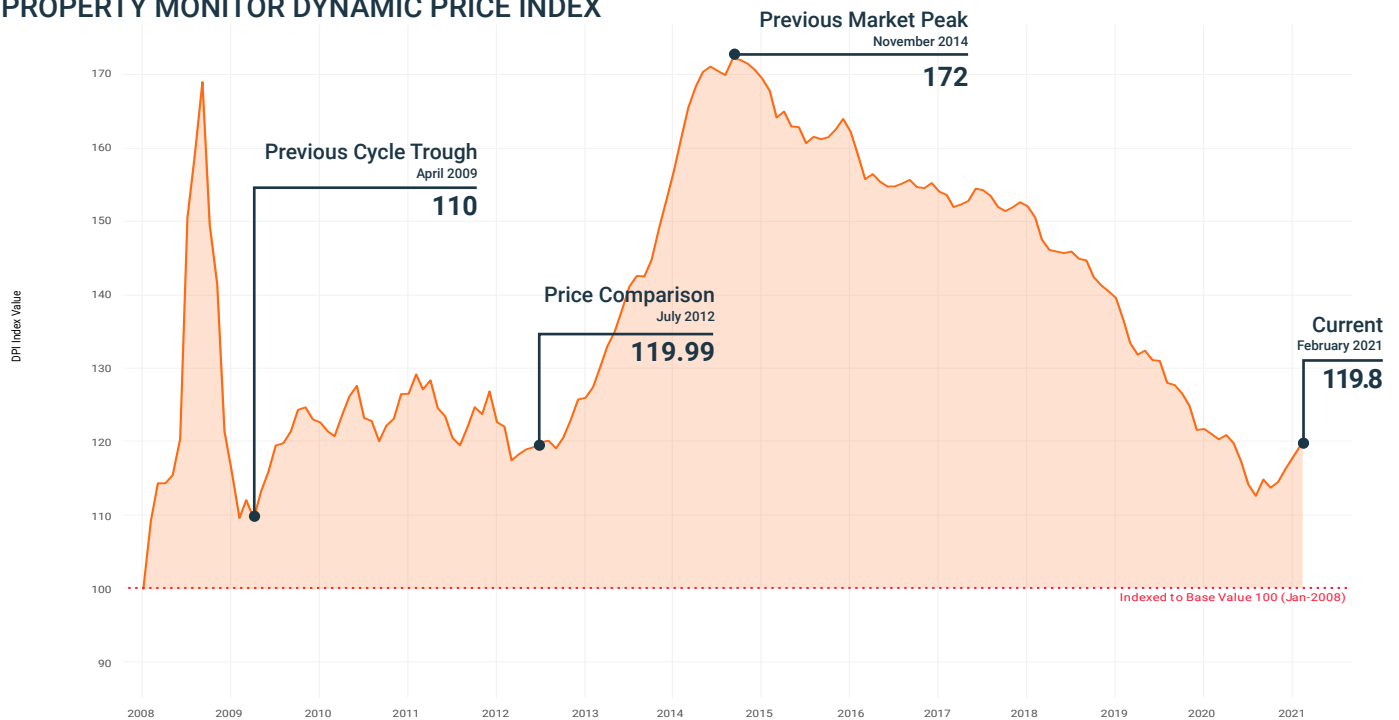
In a recovering market, properties in the most desirable communities tend to outperform, and we are seeing evidence of this trend emerging, especially in the market for villas and townhouses. The communities of Arabian Ranches, DAMAC Hills, Jumeirah Islands, Mudon and The Villa have all reported largely consistent monthly price appreciation over the past 3-6 months.

Resale transactions—subsequent sales of a property once purchased from the developer — stood at 49.9% of the total market in February, well above the 12-month average of 34.9%. This steady strengthening of the resale market is a telling sign of a maturing market where end-user and investment demand drives activity rather than speculation.

After setting a record-breaking volume of over 3,000 mortgages in January — where nearly 50% of mortgages occurred on a single day and are believed to have been the result of a bulk portfolio of loans — mortgage transactions, initial and refinancing, returned to expected levels in February with 1,465 loans recorded.

The supportive credit environment has undoubtedly provided a boost to the mortgage market, with many end users, investors and developers benefiting from historically low interest rates and some choosing to refinance mortgages. However, it is important to examine these transactions in depth, and clearly differentiate between mortgages taken out by each group. Of the 1,465 mortgages recorded in February, just under 70% were bulk mortgage transactions spread across several projects—Barcelo Residences in Dubai Marina (470), FIVE Jumeirah Village in Jumeirah Village Circle (252), The Sustainable City (180), Town Square (82) and Plaza Residences JVC (38).

After remaining relatively stable in the ~6.5% range through most of 2020, emirate-wide average gross rental yields started to weaken since November and now stand at 6.1%. This suggests that in many cases, property prices are stabilising or increasing in communities quicker than rental prices, which are declining. The lower yields are also likely a result of higher vacancy rates as tenants turn into buyers and as landlords compete to prevent vacant periods and loss of rental income.

PROPERTY MONITOR DYNAMIC PRICE INDEX


+1.89%
MoM Change


+4.58%
QoQ Change


-1.04%
YoY Change


AED 858
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Feb 2021	119.8	1.89%	4.58%	-1.04%	858
Jan 2021	117.57	1.10%	3.34%	-3.45%	842
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

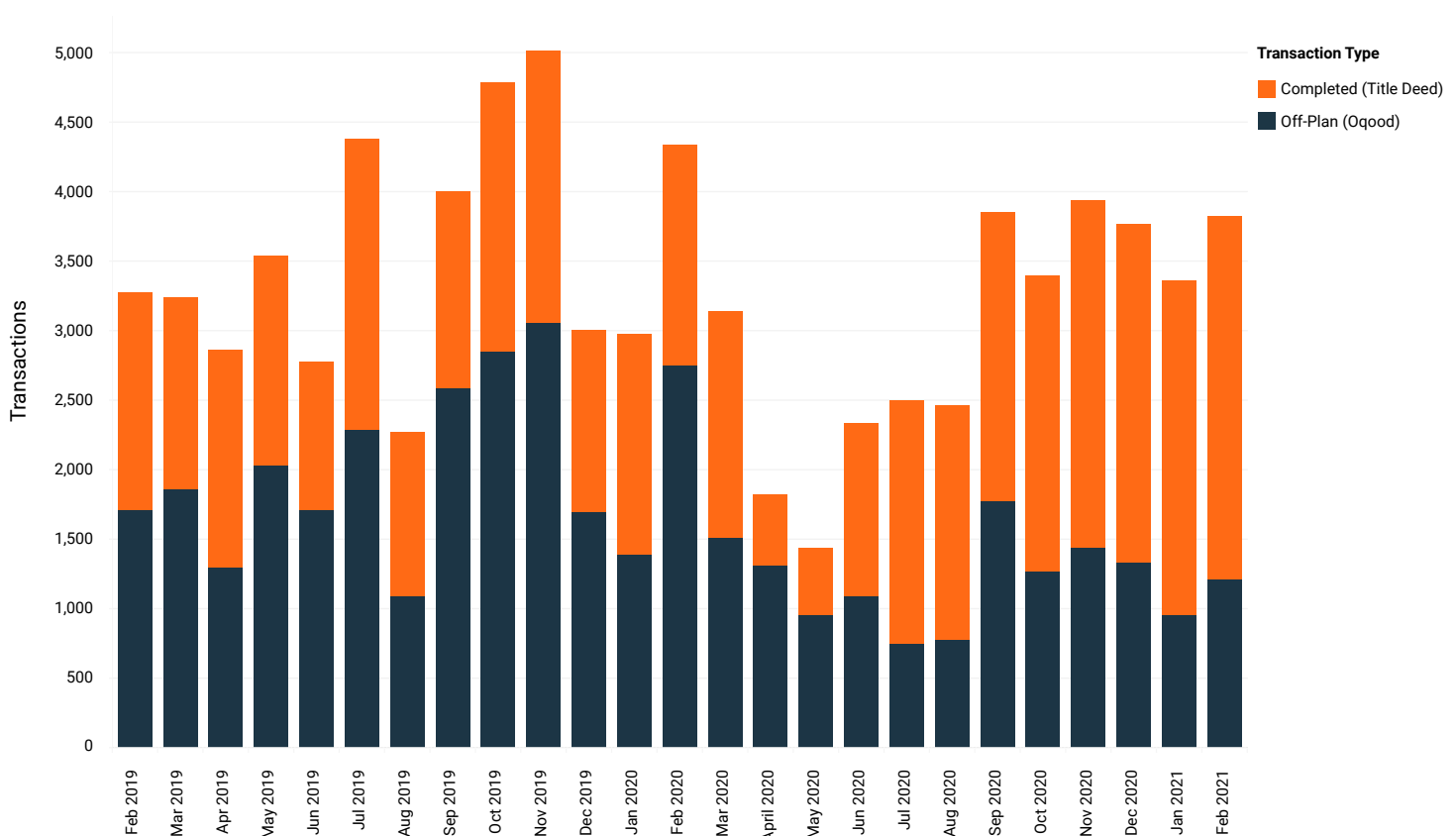
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for February 2021 increased by 2.22 index points to 119.80 from 117.58 in December 2020, representing a month-on-month gain of 1.89%.

In February 2021, property prices stood at AED 858 per sq ft, down 30.5% from the market peak in September 2014 and are 9.2% above the market trough of April 2009. Property prices are at now at levels last recorded in July 2012 when they were AED 859 per sq ft.

On a yearly basis, prices have decreased by just over 1% in February 2021. This number is significantly lower than February 2020 when a year-on-year decline of 11.4% was recorded, and also below the 12-month average of -9.2%, displaying a continued drastic slowing in the pace of the price decline.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



There were 3,828 transactions recorded in February representing a month-on-month increase of 13.8%. However, transactions fell by 11.8% compared to February 2020.

In February, the split between off-plan and completed property transactions remained in favour of completed properties with Title Deed transactions accounting for 68.4% of all transactions—this marks the ninth straight month of completed properties leading the market. The 12-month rolling average in February has also reached an unprecedented level of 54.6%. While moving into a new home immediately is the primary benefit for buyers amid rising uncertainty, acquiring a tangible asset while avoiding risks that are associated with off-plan seems to be the motivation, thus driving a fundamental change in the market. We expect transaction volumes to maintain their upward momentum so long as quality and well-priced ready inventory is available to fulfil strong buyer demand.

During the month, the bulk of off-plan market transactions was by The First Group who took a market share of 13.5%. It comprised of a high volume of transactions recorded primarily for hotel apartments in Sky Bay Hotel in Business Bay, Ceil Tower in Dubai Marina and The One projects at JVC and Jumeirah Village Triangle. Seven Tides was next with 11.2% of Oqood (off-plan) registrations, with a high volume of transactions at their Seven Palm project in Palm Jumeirah and Golf Views Seven City in Jumeirah Lakes Towers. This was followed by MAG Group with several transactions at their MAG Eye towers in District 7, Mohammed Bin Rashid City and MBL Residences in Jumeirah Lakes Towers.

Following the trend that emerged in the early 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 1,917 initial developer sales recorded in February, 43.8% were in completed projects, significantly higher than the annual averages of 33.3% in 2020 and 20.5% in 2019.

It is increasingly noticeable that demand for off-plan properties is dwindling, with developers now routinely left with unsold units upon project completion. This is not limited to a single type of developer but is more evident among the bigger players. For instance, in February, 96.1% of sales for Nshama, 70.9% of transactions for DAMAC Properties and 78.8% of sales for Dubai Properties were for completed properties.

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	2	2	Dubai Marina	157	742,500	1,012,500	1,630,000	1,925,000
2	1	10	Business Bay	141	562,500	931,000	1,622,405	2,274,856
3	3	16	Town Square	83	467,388	626,388	927,888	1,599,888
4	5	4	International City	82	205,000	295,000	640,000	550,000
5	10	8	Dubai Sports City	82	250,000	460,000	750,000	-

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	-	Nad Al Sheba	75	-	2,398,000	2,808,000
2	2	1	Emirates Living	56	2,360,000	3,950,000	4,715,000
3	6	3	Dubai Hills Estate	39	3,295,000	4,077,500	4,970,000
4	3	5	Arabian Ranches	35	3,050,000	3,737,500	4,350,000
5	2	2	DAMAC Hills	33	2,250,000	-	3,623,685

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	1	Akoya Oxygen	43	-	849,300	1,300,000	-
2	5	5	Dubai Hills Estate	27	-	2,050,000	2,800,000	3,221,899
3	7	3	Mudon	24	1,300,000	1,725,000	2,370,000	3,190,000
4	3	-	DAMAC Hills	21	-	1,784,500	2,270,000	-
5	4	7	Town Square	19	-	1,376,000	1,620,000	-

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	2	1	Mohammed Bin Rashid City	218	450,430	1,162,240	2,255,311	3,800,930
2	1	6	Jumeirah Village Circle	146	432,500	674,747	1,078,535	1,320,630
3	4	4	Business Bay	71	990,266	1,513,719	1,778,127	1,661,440
4	3	32	Al Jaddaf	68	-	584,400	750,000	885,000
5	13	30	Jumeirah Lakes Towers	54	412,763	738,482	1,432,870	-

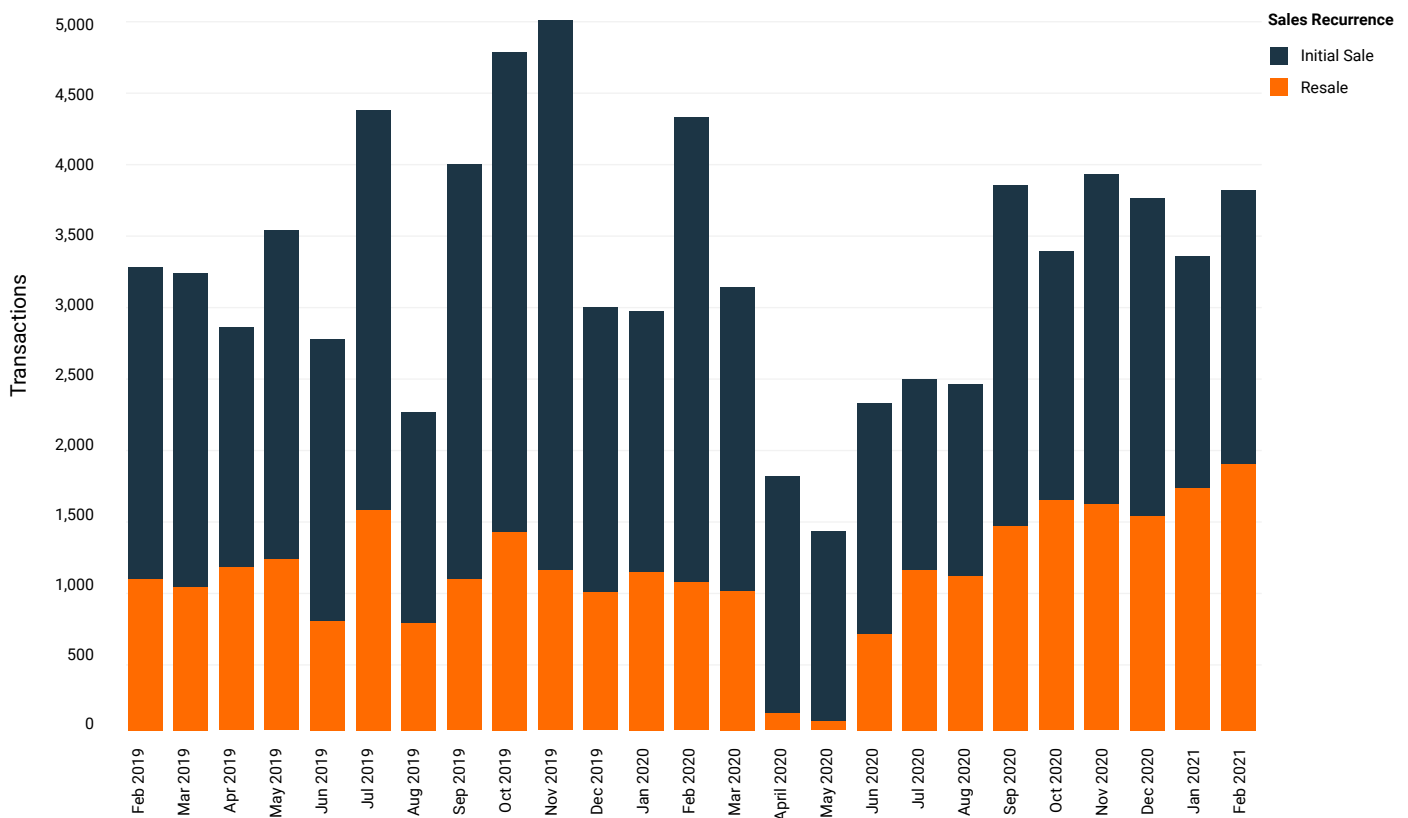
Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	-	-	Tilal Al Ghaf	88	-	3,385,000	4,226,000
2	2	-	Jumeirah Bay Island	6	6,200,000	8,090,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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	6	-	Mohammed Bin Rashid City	14	1,349,975	1,710,000	2,762,500	-
2	9	11	Arabian Ranches 2	14	-	1,479,944	1,857,583	-
3	2	-	Tilal Al Ghaf	13	-	1,433,500	1,716,000	-
4	4	1	Arabian Ranches 3	11	-	1,260,000	1,639,047	-
5	1	4	Villanova	10	-	1,229,000	1,626,000	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In recent months within the completed properties segment, we have witnessed a significant rise in the volume of resale transactions versus initial developer sales. In February 2021, resale transactions stood at 49.9%, following the strong performance of January when they were the highest since December 2016, and well above the 12-month average of 34.9%. Meanwhile, initial sales transactions stood at 1,917 in February, up 18% month-on-month by transaction volume.

The trend of a strengthening resale market is a positive one and showcases a certain level of maturity reached in the Dubai property market. The dynamics are no longer predominantly governed by off-plan and initial developer sales, but by discerning buyers and investors who aim to establish a reliable market for subsequent sales and purchases.

In February, the most popular master development for initial sales was Business Bay, where 15.1% of all initial sales transactions occurred. These were spread across several projects in the master development led by Elite Business Bay Residence with 74 sales followed by Sky Bay Hotel with 48 sales and the One Hotel with 43. This was followed by Mohammed Bin Rashid City at 12.2% with two projects dominating the sales for the month—The Residences at District One where 105 transaction took place, and MAG Eye in District 7 where 76 sales occurred.

Initial sales at JVC were at 9.8% with Bloom Towers, Oxford Boulevard, and The One at JVT being the most sought-after projects recording 38, 23, and 19 initial sales, respectively.

The top master developments for resale transactions were Dubai Marina with 7.6% of all such transactions across multiple projects, followed by Business Bay with 7% and JLT with 6.8%.

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	116	530,000	900,000	1,300,000	1,600,000
2	4	2	Downtown Dubai	83	965,000	1,040,000	2,012,500	3,625,000
3	3	3	International City	82	205,000	295,000	352,500	550,000
4	6	5	Jumeirah Lakes Towers	68	365,000	600,000	1,123,000	946,760
5	5	6	Palm Jumeirah	64	-	1,500,000	1,700,000	2,900,000

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	-	Nad Al Sheba	69	-	2,398,000	-
2	2	1	Emirates Living	56	2,360,000	3,950,000	4,715,000
3	3	2	Arabian Ranches	35	3,050,000	3,737,500	4,350,000
4	5	10	Dubai Hills Estate	32	3,315,000	3,900,000	4,950,000
5	4	11	Jumeirah Park	24	2,957,152	3,937,500	5,125,000

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	4	Town Square	21	-	1,376,000	1,620,000	-
2	6	9	Akoya Oxygen	18	-	930,000	1,300,000	-
3	3	-	Villanova	16	-	1,230,000	1,515,000	-
4	2	1	Dubai Hills Estate	16	-	2,050,000	2,750,000	2,800,000
5	8	-	Dubai South	15	750,000	1,010,000	1,270,958	-

Initial Sale

Initial Sale Apartments

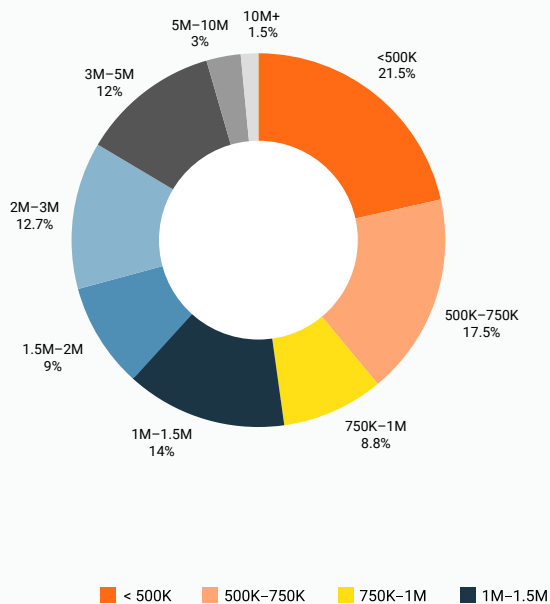
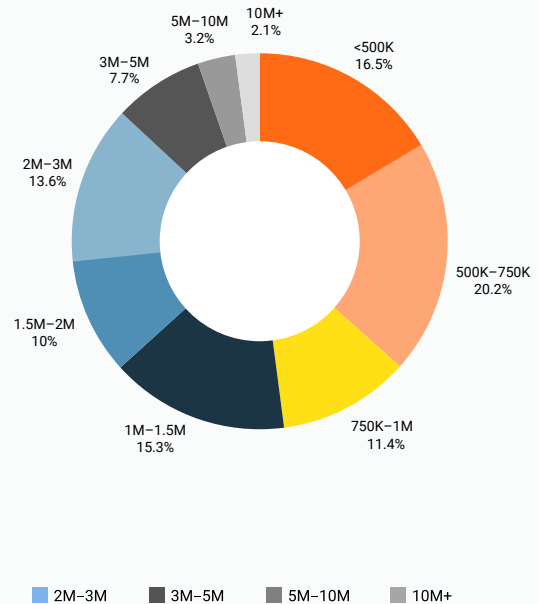
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	3	1	Mohammed Bin Rashid City	213	453,445	1,162,240	2,256,883	3,800,930
2	2	4	Jumeirah Village Circle	174	425,000	674,000	1,065,134	1,320,630
3	1	5	Business Bay	149	614,990	1,100,000	1,696,073	2,212,932
4	4	8	Town Square	73	467,388	630,888	950,888	1,625,388
5	5	35	Al Jaddaf	68	-	584,400	750,000	885,000

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	-	-	Tilal Al Ghaf	88	-	3,385,000	4,226,000
2	1	3	DAMAC Hills	15	2,454,000	-	5,121,600
3	9	1	Dubai Hills Estate	7	3,258,888	5,078,888	5,480,888
4	3	-	Nad Al Sheba	6	-	-	2,808,000
5	16	11	Mudon	4	3,100,000	3,125,000	3,750,000

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	2	5	Akoya Oxygen	25	-	849,300	-	-
2	4	-	DAMAC Hills	21	-	1,784,500	2,270,000	-
3	8	10	Mudon	18	1,300,000	1,750,000	2,300,000	3,190,000
4	11	-	Mohammed Bin Rashid City	14	1,349,975	1,710,000	2,762,500	-
5	9	13	Dubai Hills Estate	11	-	-	2,923,351	3,237,468

PRICE TIERS (AED) – FEBRUARY 2021

PRICE TIERS (AED) – JANUARY 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	Jan 2021	Feb 2021	MoM Change
<500K	16.5%	21.5%	5%
500K-750K	20.2%	17.5%	-2.7%
750K-1M	11.4%	8.8%	-2.6%
1M-1.5M	15.3%	14%	-1.3%
1.5M-2M	10%	9%	-1%
2M-3M	13.6%	12.7%	-0.9%
3M-5M	7.7%	12%	4.3%
5M-10M	3.2%	3%	-0.2%
10M+	2.1%	1.5%	-0.6%

In February, the AED 3M-5M price tier witnessed a marked increase in popularity rising to 12% from 7.7% in January. This rise can largely be attributed to the launch of the Harmony Villas in Tilal Al Ghaf which accounted for 25% of all transactions in this tier, and is therefore likely to be a temporary occurrence. Supporting factors for growth in this price tier is the continued demand for mature villa properties, with a large number of sales for three- and four-bedroom villas in Jumeirah Golf Estates, Arabian Ranches and Jumeirah Park.

Meanwhile, mid-range price tiers between AED 1M-3M all lost ground in February, collectively falling by 3.2%.

Despite slightly weaker performance in February, properties under AED 1M still account for the largest share of the market, taking 47.8% of the pie versus 48.1% last month. The mid-tier of AED 1M-3M now represents 35.7% of the market, down from 38.9%, and the high-price tiers with property values greater than AED 3M account for 16.5% of total residential market transactions, up from 13% in January 2021.

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.com/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.

Initial Sale

The first sale of a property, usually directly from the developer or project sponsor to a buyer. Typically, an initial sale would occur during the construction phase of a project and get registered as an off-plan transaction with an Oqood. However, should the developer hold unsold units after the project is completed, an initial sale would be recorded with a Title Deed. An initial sale only occurs once and every subsequent sale thereafter is a 'resale'.

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 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 Property 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.

Resale

Any subsequent sale of a property that follows the initial first-time sale from the developer, irrespective of the completion status of the property or registration type (Oqood or Title Deed). A resale may occur during the construction phase of a project whereby a buyer previously purchased a property from the developer and registered as an off-plan transaction with an Oqood, and then resold to a new buyer prior to project completion.

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.com

CONTACT US

+971 4 453 9525
info@propertymonitor.com
 2205 Marina Plaza, Dubai Marina,
 P.O. Box 118624, Dubai, United Arab Emirates

FOLLOW US ON



Disclaimer

All material presented herein is intended for information purposes only and has been compiled from multiple sources deemed reliable including; Dubai Land Department, Dubai Municipality, Property Monitor's vast proprietary database, as well as from publicly available datasets. Though information is believed to be correct, it is presented without any warranty or representations as to its accuracy and is subject to errors, omissions, changes or withdrawal notice.