



Dubai property prices record their first yearly increase since 2015

Prices have increased 1.3% year-on-year, confirming the strong reversal of the downward trend of recent years

Transactions for the month of March at a 10-year high as strong market growth continues

Sales in high-end property tier of AED 10M+ surge 66.7% on month to reach record high market share

Median apartment price in March at AED 888,442, townhouse at AED 1,479,944, and villa price at AED 3,100,000

The Dubai property market continued to strengthen in Q1 2021, displaying new and promising markers for growth each month. In March, prices have recorded the first year-on-year increase since February 2015, with a rise of 1.3%. This marks a considerable sea-change in market sentiment and performance compared to March 2020 when a year-on-year decrease of 9.8% was recorded.

For the fifth month in a row, property prices in Dubai recorded a monthly increase, climbing a further 1.8% at an emirate-wide level in March. Since we called the bottom of the market in November 2020, prices have steadily recovered to record gains of 7% to date.

Presently, property prices are at AED 873 per sq ft. The last time rates were at this level in October-November 2012 during the previous cycle, prices went on to rise for a further two years.

Transaction volumes in March were highly robust at 4,601, recording a month-on-month increase of 20.2% and a year-on-year increase of 47%. This represents the highest number of transactions in any month this year since November 2019 when 5,009 sales were recorded, and is a strong indication of the pre-pandemic appetite for property returning to markets.

The spike in transaction levels was also fuelled by the growth in the high-end property segment. In March, the high-end price tiers, comprising properties above

SNAPSHOT

March 2021



+1.79%

DPI MoM Change



AED 873

DPI AED/sq ft



4,601

Number of Monthly Transactions



6.1%

Gross Rental Yield



AED 111.25M

Highest Recorded Sale
*Villa N100 – 5 Bedroom
N Frond, Palm Jumeirah*



AED 170K

Lowest Recorded Sale
*Building O-07 – Studio
Block O Persia Cluster,
International City*

BROKER VIEW



We have had a record-breaking quarter where we sold 63% more properties than the year ago period, with a 115% increase in our revenue. The percentage increase in value terms was greater than volume terms, because we transacted at much higher values than in previous years. For example, in Q1 2020, only 7% of our transactions were above the AED 5M mortgage cap threshold but in Q1 2021, 30% of our transactions were above this threshold.

There is an unquestionable resurgence in Dubai's luxury residential market, with a significant increase in equity, specifically flowing into high value villas in prime locations. We have sold a significant number of properties above AED 20 million.

John Lyons
Managing Director
Espace

AED 3M, saw a collective increase in demand of 2.4% month-on-month, securing their highest market share for high-end sales since 2016. Particularly the AED 10M+ price tier surged 66.7% month-on-month and reached a historic high of 2.5% of total market share. There were 84 transactions in this segment, higher than the 61 last recorded in December 2013.

Oversupply has been a recurring theme over the past few years and has been the primary driver of price declines. Yet, during the pandemic, many new areas have found favour with buyers who are seeking quality in addition to value, especially the villa and townhouse segments where demand continues to flow in for the established as well as newer communities.

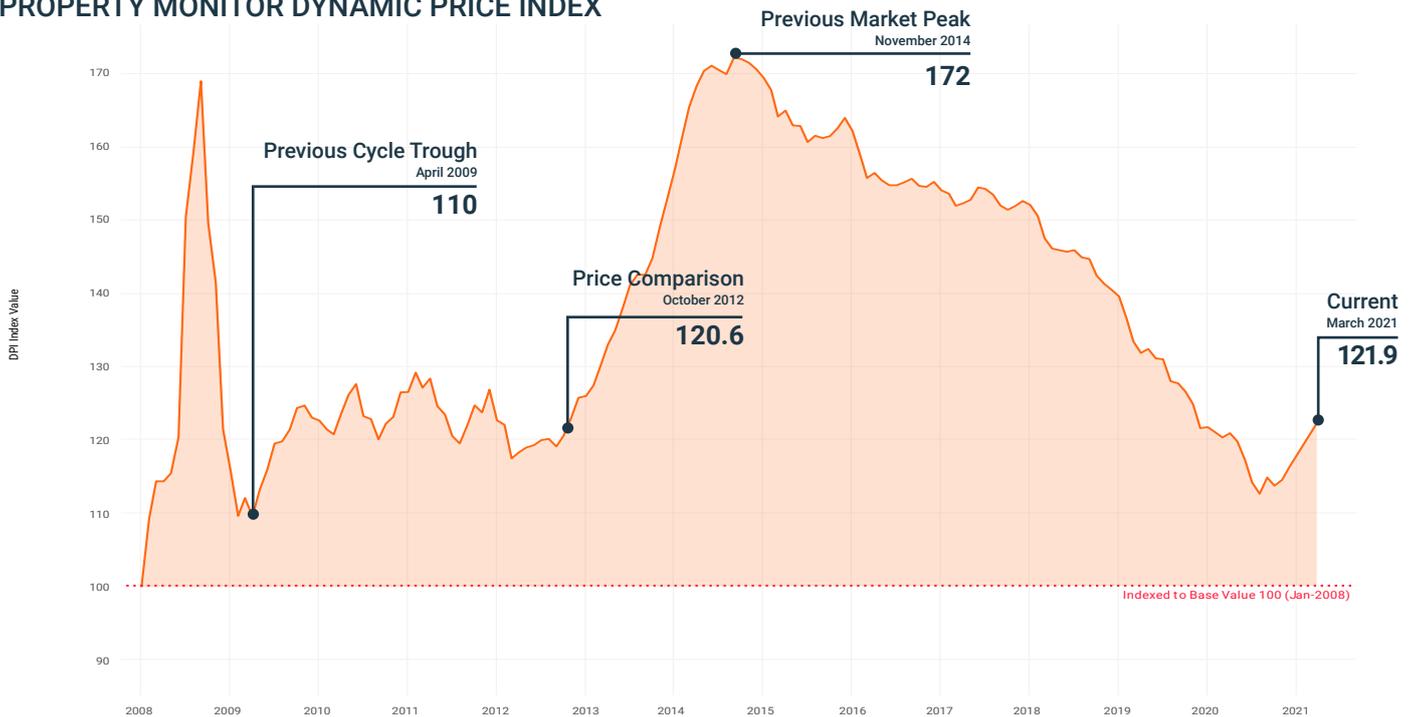
The trend of completed property transactions dominating off-plan has now been firmly established in the market for the better part of a year. In March, Title Deeds accounted for 63.2% of sales versus only 36.8% for off-plan. While off-plan sales indeed lost ground to completed properties, in part we believe due to the inability of buyers to occupy immediately, the fall in the number of new project launches also had a significant role to play. With new launches now gradually resuming, it remains to be seen if and when the scales will tip in favour of off-plan deals again.

Meanwhile, resale transactions—subsequent sales of a property once purchased from the developer—accounted for 46.6% of transactions, falling slightly month-on-month but remaining well above the 12-month average of 36.9%. This indicates that end-user and investment activity is still firmly driving market demand.

With interest rates at historic lows and a dovish stance from global policy makers on future rate hikes, mortgage transactions—comprising initial mortgages as well as refinancing—contributed to the strongest March on record with 2,328 loans issued.

While on the surface we are witnessing a strong mortgage market which is scaling new heights every month, it is important to examine these transactions in depth and understand the actions of all the borrower groups: end users, investors and developers. Of all the mortgages recorded in March, a little over 30% were bulk mortgage transactions by developers and larger investors spread across several projects, most notably Hera Tower in Dubai Sports City (319), Ashjar and Seventh Heaven in Al Barari (122) and Town Square (79). A further 28.1% were loans taken as initial mortgages for properties that were also transferred during March, primarily by end-users, with an average loan amount of AED 1.76M and a loan-to-value (LTV) ratio of 74.8%. The remaining 41.4% represents refinancing or initial mortgages taken out in the months post transfer.

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 still declining. The lower yields are also likely a result of higher vacancy rates in some areas as tenants turn into buyers and as landlords compete to limit vacant periods and loss of rental income.

PROPERTY MONITOR DYNAMIC PRICE INDEX


+1.79%
MoM Change


+4.86%
QoQ Change


+1.32%
YoY Change


AED 873
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Mar 2021	121.94	1.79%	4.86%	1.32%	873
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

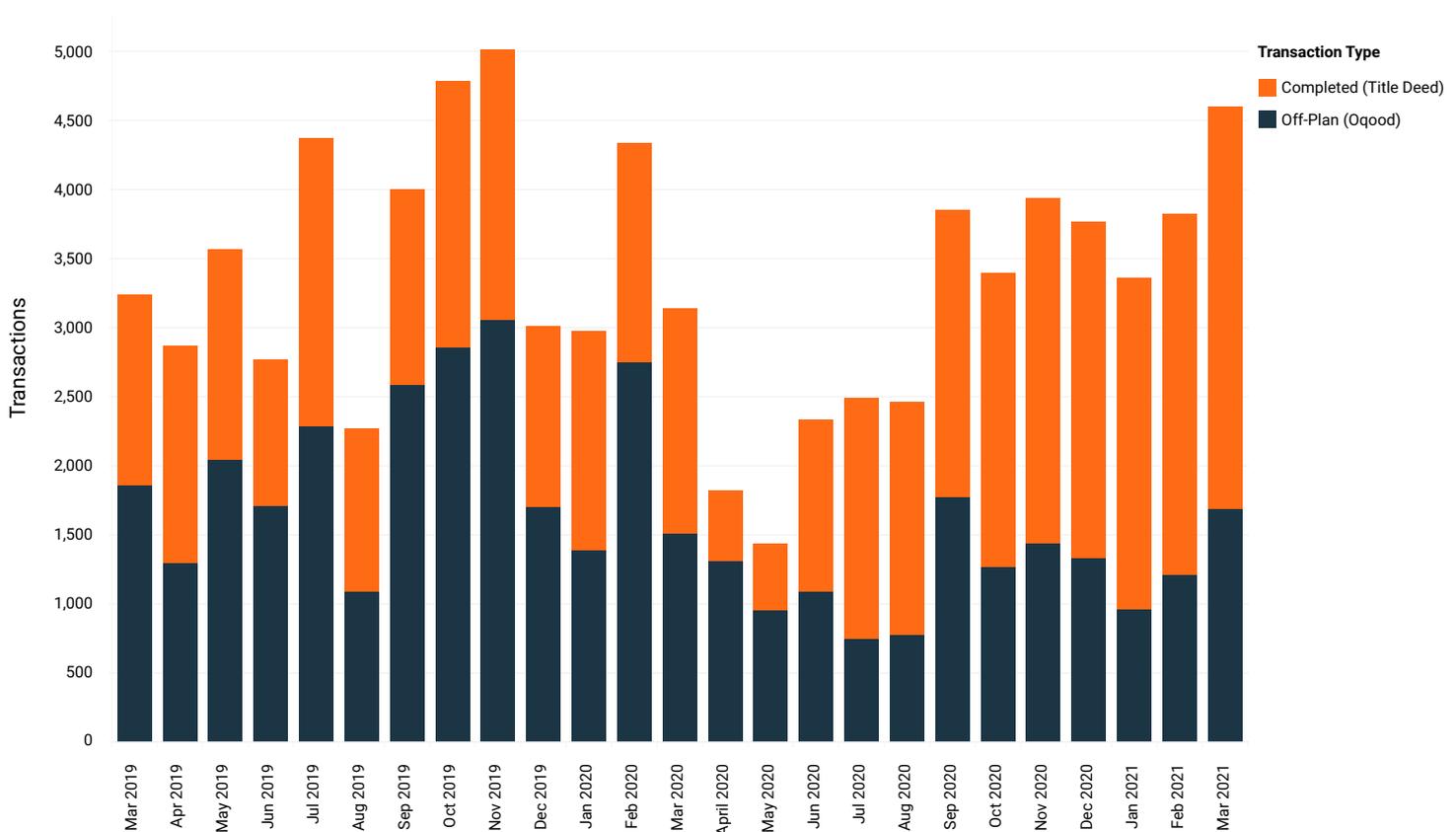
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for March 2021 increased by 2.15 index points to 121.94 from 119.80 in February 2021, representing a month-on-month gain of 1.79%.

In March 2021, property prices stood at AED 873 per sq ft, down 29.2% from the market peak in September 2014 and are 11.3% above the market trough of April 2009. The last time rates were at this level in October-November 2012 during the previous market cycle, prices went on to rise for a further two years.

On a yearly basis, prices have increased by 1.3% in March 2021 and represent the first yearly increase since February 2015 when prices rose 3.9%. This compares to March 2020 when a year-on-year decline of 9.8% was recorded, confirming a trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



There were 4,601 sales transactions recorded in March representing a month-on-month increase of 20.2% and a year-on-year increase of 47%.

In March, the split between off-plan and completed property transactions remained in favour of the latter with Title Deed transactions accounting for 63.2% of all transactions—this marks the tenth straight month of completed properties leading the market. The 12-month rolling average has also now reached an unprecedented level of 57.3% in March.

On a market share basis, demand for off-plan is heavily outweighed by completed properties. However, at 1,691 off-plan transactions, March marks the strongest month on a volume basis since September 2020 for the segment when 1,778 transactions were recorded.

During the month, the bulk of developer off-plan transactions was by Seven Tides who claimed a market share of 14.9%. It comprised solely of hotel apartment transactions recorded for Golf Views Seven City in Jumeirah Lakes Towers and Seven Palm in Palm Jumeirah. Emaar Properties was next with 14.4% of Oqood (off-plan) registrations—transactions were spread across a myriad of their projects with a higher concentration of sales at the Collective 2.0 Towers in Dubai Hills Estate, the Grand Bleu Towers, Beach Isle, and Marina Vista projects in Emaar Beachfront, Dubai Harbour, and Ruba in Arabian Ranches III. This was followed by MAG Group at 10.8% comprising of sales for 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 2,459 initial developer sales recorded in March, 39.9% were in completed projects, moving closer to the 2020 average of 33.3% but well above the 2019 average of 20.5%.

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	1	Dubai Marina	225	418,200	1,025,000	1,475,000	2,500,000
2	2	15	Business Bay	155	580,000	854,545	1,625,800	2,127,050
3	9	7	Jumeirah Village Circle	141	356,800	616,035	800,000	1,112,500
4	6	6	Downtown Dubai	94	750,000	1,177,500	1,975,000	3,400,000
5	8	14	Palm Jumeirah	82	850,000	1,600,000	1,980,000	3,315,000

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	-	Nad Al Sheba	75	-	2,478,000	-
2	1	-	Tilal Al Ghaf	70	-	3,411,000	4,185,000
3	3	1	Emirates Living	64	2,262,500	4,000,000	4,095,000
4	4	3	Dubai Hills Estate	55	3,400,000	4,180,000	5,200,000
5	6	6	DAMAC Hills	39	1,825,000	2,400,000	4,200,000

Completed Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	2	Dubai Hills Estate	61	2,300,000	2,767,576	3,479,026
2	5	10	Town Square	45	1,355,444	1,700,888	-
3	3	3	Mudon	27	1,656,875	2,562,500	3,150,000
4	4	-	DAMAC Hills	24	1,548,000	1,557,000	-
5	1	1	Akoya Oxygen	24	1,012,500	1,254,000	-

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	5	9	Jumeirah Lakes Towers	157	413,675	793,728	1,373,000	-
2	1	2	Mohammed Bin Rashid City	141	494,419	1,167,271	2,025,128	3,722,666
3	3	3	Business Bay	98	772,000	1,137,368	1,715,000	1,918,278
4	2	4	Jumeirah Village Circle	97	475,051	675,000	817,500	1,100,000
5	10	5	Dubai Harbour	74	-	1,453,444	2,717,888	4,454,300

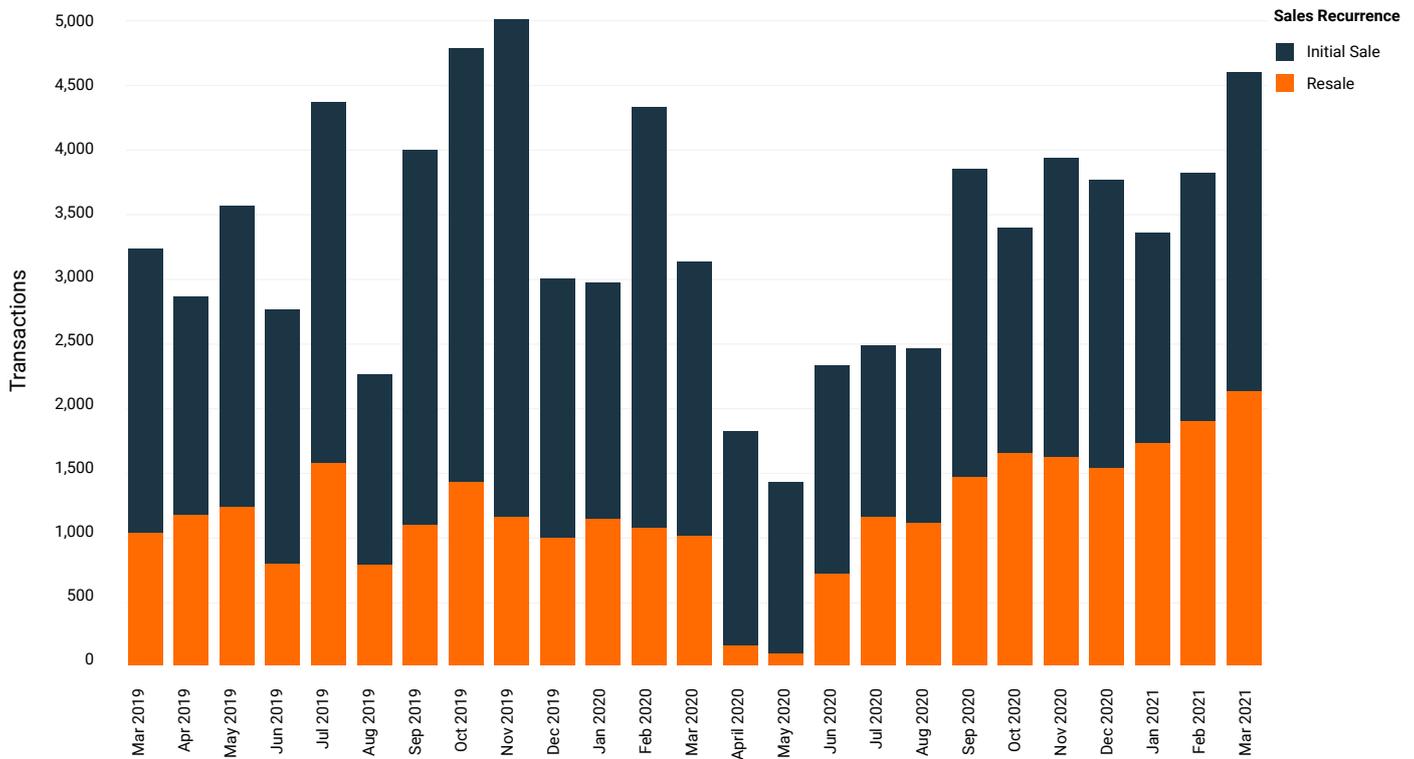
Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	-	-	Rukan	52	1,175,000	-	-
2	-	2	Dubai Hills Estate	4	3,054,382	3,300,000	-
3	-	-	Tilal Al Ghaf	1	1,367,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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	7	Mohammed Bin Rashid City	97	1,249,500	1,600,000	2,737,000	-
2	9	1	Dubai South	41	-	1,068,888	-	-
3	4	2	Arabian Ranches 3	36	-	1,511,130	1,889,444	-
4	5	4	Villanova	24	1,005,000	1,300,000	1,625,000	-
5	2	10	Arabian Ranches 2	21	-	1,537,000	1,791,388	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In March 2021, resale transactions accounted for 46.6% of the market, down slightly from the previous month’s 49.9% but well above the 12-month average of 36.9%. Meanwhile, initial sales transactions—the first sales occurrence of a property from the developer for an off-plan or completed project—stood at 2,459 in March, up 28.3% month-on-month by transaction volume.

Similar to last month, the most popular master development for initial sales was Business Bay, where 9.8% of all initial sales transactions occurred—Elite Business Bay Residence was the most favoured project with 54 sales followed by Noora Al Habtoor Residences with 29, both of which are completed projects with units ready for occupancy.

In a close second spot, initial sales at Mohammed Bin Rashid City were at 9.6%, spread across several projects in the master development. However, the MAG Eye projects alone represented 54.5% of all initial sales in MBR City, dominating the proportion of sales recorded in the community. Initial sales in Jumeirah Village Circle stood at 7.4%, with Rigel being the most sought-after project registering 28 sales, followed by Aria with 16, and Ghalia Constella, Oxford Boulevard, and Pantheon Elysee II, all with 13 transactions each for the month.

The top master developments for resale transactions were Dubai Marina with 8.5% of all such transactions across multiple projects, followed by Business Bay with 6.7% and Downtown Dubai with 6.2%.



With a fifth continuous month of gains, Dubai’s price recovery is well underway though not uniformly spread across communities. Villa and townhouse communities have particularly emerged as hot spots with a further acceleration in prices expected over the coming months. Newer communities have joined the established locations as the preferred options for buyers with many also opting for turnkey houses in the absence of finding homes where they can renovate as per their requirement. Further, the encouraging data on transactions is a strong and reliable sign of a buoyant market and contradicts concerns about oversupply and a shrinking population impacting real estate demand.

Zhann Jochinke
 Chief Operating Officer
 Property Monitor

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	175	408,000	825,000	1,242,500	2,420,000
2	3	4	Downtown Dubai	101	700,000	1,175,000	1,900,438	3,318,444
3	5	9	Palm Jumeirah	78	850,000	1,550,000	2,060,000	3,507,500
4	2	2	International City	64	200,000	289,000	483,000	-
5	12	5	Jumeirah Village Circle	62	300,000	485,000	658,500	-

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	68	-	2,478,000	-
2	2	1	Emirates Living	64	2,200,000	3,800,000	4,095,000
3	4	4	Dubai Hills Estate	43	3,350,000	4,050,000	4,800,000
4	3	2	Arabian Ranches	37	3,257,500	4,000,000	4,500,000
5	7	13	Palm Jumeirah	25	-	10,500,000	16,450,000

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	6	-	Dubai South	38	722,500	1,068,888	-	-
2	3	-	Villanova	35	1,005,000	1,265,000	1,607,500	-
3	1	4	Town Square	34	-	1,400,000	1,740,000	-
4	4	1	Dubai Hills Estate	32	-	2,300,000	2,700,000	3,000,000
5	7	5	Reem	21	-	1,600,000	2,100,000	-

Initial Sale

Initial Sale Apartments

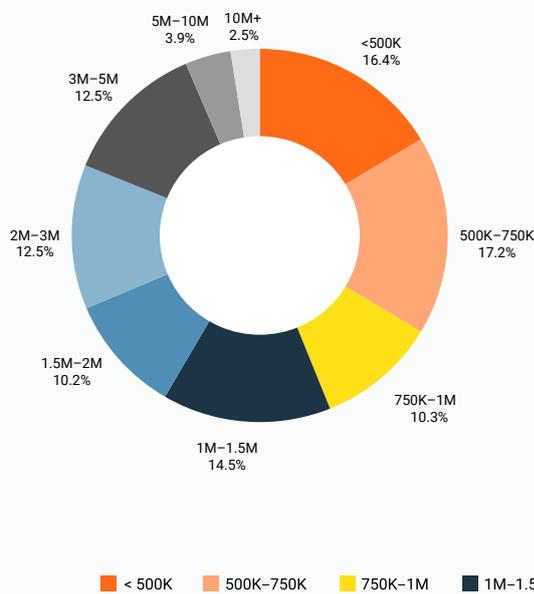
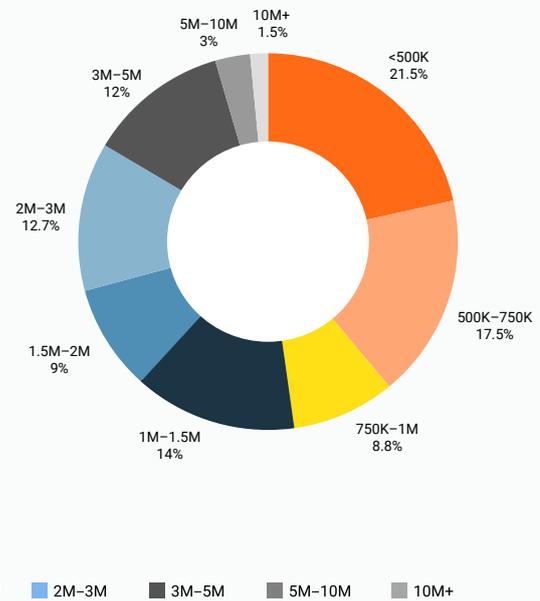
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	3	3	Business Bay	196	675,000	912,500	1,694,007	2,066,373
2	2	4	Jumeirah Village Circle	176	433,000	697,000	850,000	1,109,000
3	6	11	Jumeirah Lakes Towers	163	413,675	805,276	1,373,000	-
4	1	1	Mohammed Bin Rashid City	137	480,000	1,166,327	2,025,128	3,722,666
5	4	17	Town Square	72	483,888	630,888	945,888	1,428,888

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	-	Tilal Al Ghaf	70	-	3,411,000	4,185,000
2	-	12	Rukan	52	1,175,000	-	-
3	2	6	DAMAC Hills	26	1,800,000	-	5,190,500
4	3	1	Dubai Hills Estate	16	3,515,299	4,677,444	5,336,126
5	-	-	Akoya Oxygen	8	1,247,400	1,420,000	-

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	8	Mohammed Bin Rashid City	97	1,249,500	1,600,000	2,737,000	-
2	5	11	Dubai Hills Estate	29	-	-	2,868,653	3,498,068
3	14	2	Arabian Ranches 3	27	-	1,541,388	1,933,430	-
4	3	-	DAMAC Hills	23	-	1,557,000	1,557,000	-
5	4	7	Mudon	22	-	1,650,000	2,450,000	3,200,000

PRICE TIERS (AED) – MARCH 2021

PRICE TIERS (AED) – FEBRUARY 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	Mar 2021	Feb 2021	MoM Change
<500K	16.4%	21.5%	-5.1%
500K-750K	17.2%	17.5%	-0.3%
750K-1M	10.3%	8.8%	1.5%
1M-1.5M	14.5%	14%	0.5%
1.5M-2M	10.2%	9%	1.2%
2M-3M	12.5%	12.7%	-0.2%
3M-5M	12.5%	12%	0.5%
5M-10M	3.9%	3%	0.9%
10M+	2.5%	1.5%	1%

In March, all the high-end price tiers of properties above AED 3M witnessed some gains. They collectively increased the demand across the higher tiers by 2.4% month-over-month and secured their highest market share since 2016.

Particularly, the AED 10M+ price tier surged 66.7% month-on-month and reached a historic high of 2.5%. There were 84 transactions in this segment, higher than the 61 last recorded in December 2013. Sales on the iconic Palm Jumeirah dominated sales activity, accounting for over 55% of all sales alone.

Record transaction

Date: 8 March 2021
Property: Villa N100, Palm Jumeirah
Price: AED 111.25M
Broker: Leigh Borg and Michelle Liddiard, Luxhabitat Sotheby's International Realty
Buyer: Swiss family

This is also the second highest sale on record for a residential property in Dubai. In 2015, Villa D106, spread over three plots on the D Frond on Palm Jumeirah had been sold for AED 185 million by Chris Boswell of the CBLR Group.

In March 2021, the AED 3M-5M price tier witnessed a further, yet small, increase in popularity rising to 12.5% from 12% in February. Similar to February, this rise can largely be attributed to the recent launch of the Harmony Villas in Tilal Al Ghaf—sales for the project accounted for 20% of all transactions in this tier and with 72% of the project already transferred to buyers, this is likely to be a temporary occurrence.

The largest shift in market share was for the <AED 500K price tier which shrank by 5.1% in March to 16.4% from 21.5% in February.

Despite the weaker performance in March, properties under AED 1M still account for the largest share of the market with a little under 44% of total market activity versus 47.8% last month. The mid-tier of AED 1M-3M now represents 37.2% of the market, up from 35.7%, and the high-price tiers with property values greater than AED 3M account for 18.9% of total residential market transactions, up from 16.5% in February 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.