



Property prices up 15% from a year ago with no sign of a fall back

Median prices in July



Prices rise again, with nine straight months of gains now recorded since November 2020

Upward trend continues, mirroring other global property markets

Gross rental yields have started to recover and are back above 6%

Properties in the high-end AED 10m+ price segment mark their strongest performance on record, with this upper tier expanding its share of the overall market to 3.4%

Apartment sales of over AED 10m beat villa sales on Palm Jumeirah as villa owners hold back on sales

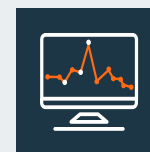
Average mortgage size up nearly 4% from June at AED 1.85m, with a loan-to-value (LTV) ratio of 74.3%

For the ninth consecutive month, the Dubai property market continued its stellar run, with property prices in July rising 1.9% on a monthly basis. The average property price per sq ft now stands at AED 941—levels last seen in Q2 2019 as the market claws back previous price falls.

Prices have risen 11.8% this year and are up more than 15% since this time last year. Although growth has been very strong, we expect the pace of recovery to slow over the rest of 2021, moving to a more sustainable pace across Dubai. Looking across the world, double digit price rises have been seen in the UK, US, Canada, Scandinavia and parts of Europe, so the local recovery is very much part of a global trend as the world recovers from the pandemic. The rate of price rises and demand remains varied between communities in Dubai, so care must be taken when investing and choosing where to live.

SNAPSHOT

July 2021



+1.89%

Dynamic Price Index
Monthly Change



AED 941/sq ft

Dynamic Price Index
Current Property Price



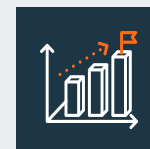
4,455

Number of Monthly
Transactions



6.17%

Gross Rental Yield



AED 121m

Highest Recorded Sale
*Villa JB-LV01
Jumeirah Bay Island*



AED 120k

Lowest Recorded Sale
*Building L-06 – 1 Bedroom
Block L Greece Cluster,
International City*



The price trends recorded over the last few months show clear similarities with the previous market recovery phase in 2013, which stretched over two years. If all else remains unchanged, we seem most likely to be heading in the same direction, with the stage set for a strengthening market over the next couple of years before any future correction is likely. This also reflects the worldwide trends referred to earlier – price rises show signs of cooling off in the developed markets but the recent price gains are being sustained in the UK and US and elsewhere.

ZHANN JOCHINKE

Chief Operating Officer
Property Monitor

The high end of the market (AED 10m+) continues to generate superior interest with another record transaction taking place in July—a villa in Jumeirah Bay Island which sold for AED 121 million. We also saw this AED 10m+ price tier marking its strongest performance on record, expanding its share of the market to 3.4% in July from 2.3% in June.

With this high level of interest in the AED 10m+ bracket, the number of available properties has naturally reduced. In the broader market for villas and townhouses too, we have seen instances of sellers and their brokers pushing for higher prices, which may prove unrealistic. This has led to many of these overvalued properties sitting on the market for an extended period of time. In contrast, if the property is priced correctly, we have also seen brokers altogether skipping the listing process on the portals—they are directly taking the properties to their most serious, qualified buyers and selling off-market.

Sales of villas, though still the most popular upper tier property type, seem to be dwindling as quality and well-priced inventory dries up. The Palm Jumeirah, which has consistently posted record villa sales started to witness higher apartment sales in July compared to villas in the AED 10m+ category. Overall, villas continue to dominate the majority of the 10m+ market in Dubai with 75 villa sales recorded among the 117 total transactions in the category.

There were a total of 4,455 transactions recorded in July, following a strong June. On a monthly basis, sales slipped over 30% given the truncated trading month on account of the long Eid Al Adha weekend; on an annual basis, sales have increased 80% since last July. A block of delayed registrations from previous months was recorded from Azizi Developments in July, including off-plan and initial sales from the developer. While this was a notable contributor to the rise in sales volumes for this month, even without these deals, the market recorded one of its best July performances for transactions since 2009.

Off-plan launches, though restrained, are beginning to attract higher demand. A total of 1,820 off-plan transactions were registered in July, down nearly 25% on a monthly basis, but up by a staggering 144% yearly as off-plan activity resumes after a lull. The process of launches also seems to have changed, with many developers doing away with the traditional 'queuing' system. They are now pre-issuing tokens for purchases in new launches and are vetting or qualifying potential buyers before issuing a token. In some cases, brokers are being limited both in the number of clients they can represent at a launch, and how many properties they can sell, levelling the playing field.

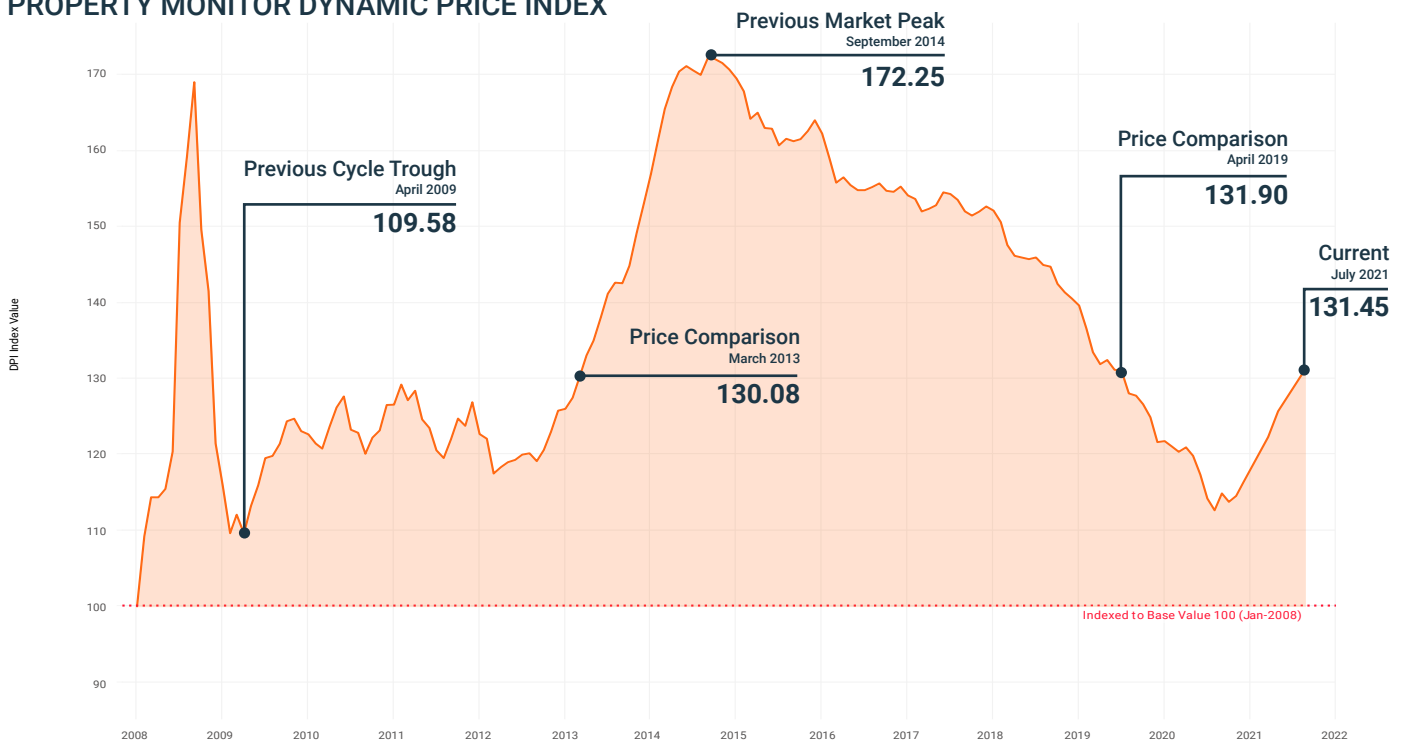
Completed properties took 59.1% market share in July 2021 versus 40.9% for off-plan, extending the year-long trend as buyers demonstrated a preference for ready-to-move properties. However, completed property transactions are starting to give up some of these market share gains as new project launches gather pace—off-plan market share has steadily increased from the 28.4% low point recorded in January this year.

The volume of mortgages declined in July, down 13.6% over the previous month at 1,845 transactions. A total of 32.9% of loans taken were new purchase mortgages with the average amount borrowed being AED 1.85m, up 4% from June, with a loan-to-value (LTV) ratio of 74.3%.

A further 38% of mortgage loans were for refinancing or for loans taken out in the months post transfer. The remainder represent bulk mortgage transactions taken by developers and larger investors. These were spread across several projects, most notably Barcelo Residences in Dubai Marina (231), Boutique 7 Hotel and Suites in Barsha Heights (87), Majestic 1 in International City Phase 2 (57), and FIVE Palm Jumeirah where seven hotel assets were mortgaged for AED 731m.

The low interest rate environment in place since the onset of the pandemic on a global and local level has boosted property purchases and the uptake of mortgages. However, as inflation continues to gain prominence, one cannot rule out potential interest rate hikes which immediately impact rate-sensitive sectors such as real estate. Given that the AED is pegged to the USD, any rate decision taken in the US to curb inflation will be mirrored in the UAE market.

After recording a few months of weakening yields, emirate-wide average gross rental yields were back above 6% after touching lows of 5.8% in June. This suggests that property rents are beginning to increase in lockstep with property prices after months of moving in opposite directions.

PROPERTY MONITOR DYNAMIC PRICE INDEX

+1.89%
MoM Change

+5.15%
QoQ Change

+15.09%
YoY Change

AED 941
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
July 2021	131.45	1.89%	5.15%	15.09%	941
June 2021	129.01	2.13%	5.79%	9.92%	924
May 2021	126.32	1.05%	5.44%	5.41%	905
April 2021	125.01	2.51%	6.32%	3.36%	895
Mar 2021	121.94	1.79%	4.86%	1.32%	873
Feb 2021	119.80	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

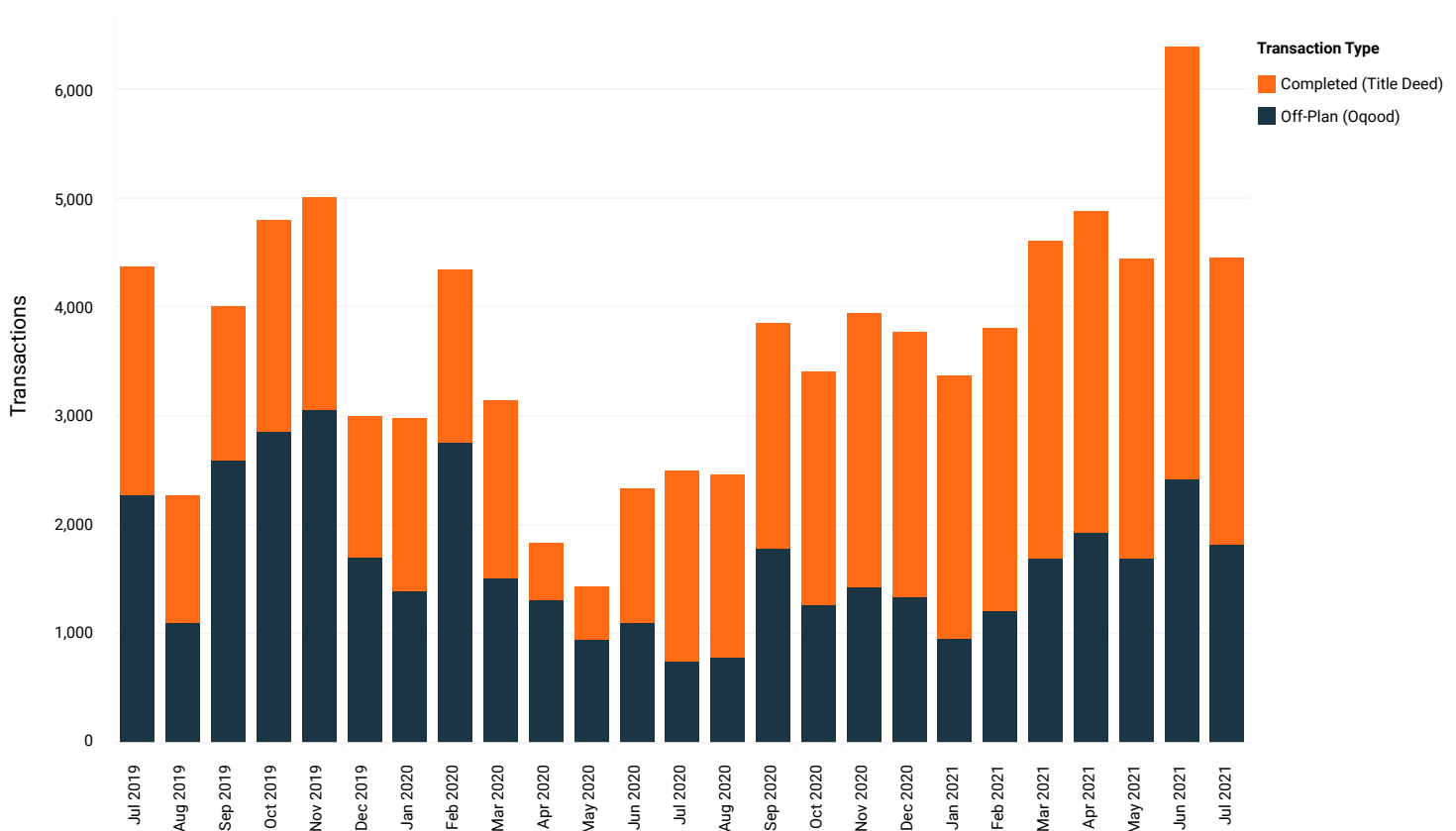
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for July 2021 increased by 2.44 index points to 131.45 from 129.01 in June 2021, representing a month-on-month gain of 1.89%.

In July 2021, property prices stood at AED 941 per sq ft, down 23.7% from the market peak in September 2014 and are 19.9% above the market trough of April 2009. Property prices were last at these levels in March/April 2013, which was the previous market cycle's recovery phase, and then again in Q2 2019 on their way towards the recent market bottom.

On a yearly basis, prices have increased by 15.1% in July 2021. When we compare this to July 2020 when a year-on-year decline of 12.8% was recorded, we can see a promising trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



Transaction volumes in July stood at 4,455, significantly lower by 30.3% on a monthly basis. The decline was largely expected after the significant spike in transaction volumes in June and the truncated trading month of July due to the long break for Eid Al Adha. A more accurate comparison would be with the same period a year ago, with transactions jumping 78.5% in July 2021 as deal activity picked up over the months. Similar to the last three months' multi-year high transaction figures, this has been the strongest performance in July since 2009.

In July, the split between off-plan and completed property transactions remained in favour of the latter with Title Deed transactions accounting for 59.1% of all transactions—completed properties have led the market for 14 months now. The 12-month rolling average has also reached an unprecedented level of 64% in July for completed properties.

During the month, Emaar Properties made up the bulk of developers' off-plan transactions, taking a market share of 23.1%. It reclaimed the top spot after temporarily coming in second to Azizi Developments, who had multiple delayed sales registrations in June. Transactions for Emaar were spread across a myriad of their projects with a higher concentration of sales at Emaar Beachfront, Dubai Harbour, most notably Palace Beach Residence with 155 transactions and Beach Isle with 89 transactions, followed by Arabian Ranchers III with 30 transactions.

Sobha Group was next, taking 15.1% of all Oqood (off-plan) registrations with all 249 transactions occurring in Sobha Hartland, Mohammed Bin Rashid City. Its Creek Vistas Reserve led the way with 108 transactions, followed by One Park Avenue (56), Creek Vistas (55), and Hartland Waves (30). Seven Tides was third with a 9.8% market share, with nearly all sales occurring in their Golf Views Seven City project in Jumeirah Lakes Towers.

Following the trend that emerged in 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 2,663 initial developer sales recorded in July, 37.8% were in completed projects. With a year-to-date average of 40.9%, this figure continues to move further away from the 2020 average of 33.3% and also remains 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	2	8	Business Bay	188	769,400	1,236,912	1,888,938	2,596,769
2	1	2	Dubai Marina	172	610,000	970,000	1,550,000	2,815,500
3	5	3	Jumeirah Village Circle	103	364,665	675,000	1,060,000	1,250,000
4	4	9	Jumeirah Lakes Towers	85	420,000	803,583	1,237,500	2,312,500
5	6	11	Palm Jumeirah	79	-	1,900,000	2,485,000	3,300,000

Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	4	5	Dubai Hills Estate	66	3,800,000	4,796,444	6,000,000
2	11	-	DAMAC Hills 2	58	1,040,000	1,325,000	-
3	3	2	Emirates Living	55	2,850,000	4,362,500	6,750,000
4	2	6	DAMAC Hills	39	2,323,150	-	-
5	5	7	Arabian Ranches	32	3,300,000	4,835,000	4,775,000

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	-	Dubai Investments Park	31	-	2,969,452	-	-
2	3	6	Dubai Hills Estate	30	-	2,525,000	2,936,888	3,250,000
3	7	2	Town Square	23	-	1,550,000	2,000,000	-
4	9	1	Mudon	22	1,400,000	1,612,500	2,687,500	4,500,000
5	4	4	Reem	22	-	1,815,000	2,200,000	-

Off-Plan / Oqood

Off-Plan Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	3	Mohammed Bin Rashid City	400	499,200	947,266	1,397,188	2,202,422
2	4	12	Dubai Harbour	303	-	1,783,444	3,200,917	4,787,037
3	2	19	Jumeirah Lakes Towers	162	411,931	778,882	1,093,090	-
4	5	1	Jumeirah Village Circle	150	462,702	661,856	702,095	-
5	3	5	Business Bay	93	615,750	979,500	1,925,676	2,821,559

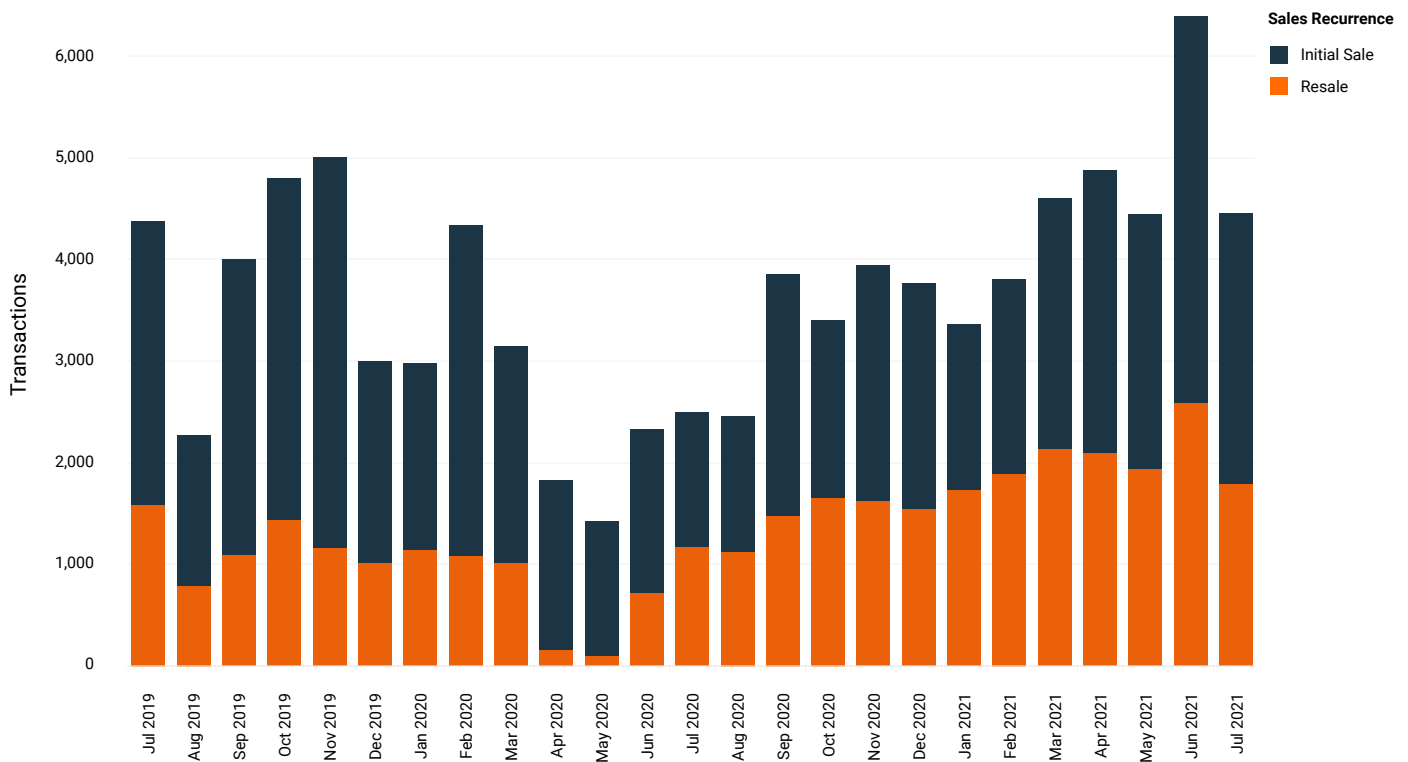
Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	-	3	Dubai Hills Estate	10	3,200,000	3,939,888	-
2	2	-	Al Furjan	8	1,918,350	-	-
3	1	-	Mohammed Bin Rashid City	7	2,060,000	-	-
4	4	-	Jumeirah Golf Estates	3	-	4,100,389	4,150,000
5	-	-	Dubai Sports City	1	-	1,960,000	-

Off-Plan Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)
1	5	-	Tilal Al Ghaf	90	-	1,575,000	2,727,000
2	1	3	Arabian Ranches 3	35	-	1,545,888	2,027,888
3	3	5	Villanova	33	1,259,500	1,360,000	1,712,000
4	6	1	Dubai South	13	-	1,012,500	3,010,888
5	2	8	Mohammed Bin Rashid City	12	1,450,000	1,800,000	3,225,000

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In July 2021, the market share balance between initial and resale transactions remained relatively stable with a 59.8% to 40.2% split, largely unchanged month-on-month. However, the 12-month rolling average has continued to grow for resale and is now at 44.7%. The stability in the trend indicates a certain market maturity has been achieved, with less reliance on new project releases and a developer-led initial sales market.

Mohammed Bin Rashid City was the most popular master development for initial sales where 16.4% of all such transactions occurred, down from 25.7% last month. Sobha Hartland was the most sought-after sub-community in the master development with a total of 264 initial sales spread across several projects.

Taking second place was Dubai Harbour, where initial sales claimed a 10.9% market share. All initial sales recorded in Dubai Harbour were off-plan apartment sales in Emaar Beachfront projects.

The third highest market share for July was claimed by Business Bay at 9.2%. Two completed (title deed) projects accounted for the lion's share of initial sales in the community: Al Habtoor Residences at Al Habtoor City and SLS Dubai Hotel & Residences with 55 and 45 sales, respectively.

The top master developments for resale transactions were Business Bay with 8% of such transactions across multiple projects—the highest number of sales occurred at DAMAC Towers By Paramount (29), Burlington Tower (18), and The Executive Towers (16). This was followed by Dubai Marina registering 7.4% of all such transactions, with the most transactions at Marina Diamonds (11). Downtown Dubai came in third, holding a 6.4% market share, with Address Fountain Views (12), Address Residences Skyview (10), and Burj Crown (10) being the most popular.

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	128	600,000	892,500	1,375,000	2,375,000
2	2	4	Downtown Dubai	84	645,000	1,332,500	2,185,888	2,800,000
3	3	9	Palm Jumeirah	70	-	1,700,000	2,225,000	3,300,000
4	8	3	Jumeirah Village Circle	69	287,500	620,000	1,032,148	1,250,000
5	4	7	Jumeirah Lakes Towers	63	410,000	632,500	1,237,500	2,312,500

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	1	Emirates Living	55	2,850,000	4,362,500	6,750,000
2	3	4	Dubai Hills Estate	36	3,750,000	4,500,000	6,000,000
3	16	-	DAMAC Hills 2	33	950,000	1,075,000	-
4	2	2	Arabian Ranches	31	3,300,000	4,835,000	4,775,000
5	5	3	Jumeirah Park	25	3,950,000	5,150,000	5,500,000

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	-	Dubai Investments Park	31	-	2,969,452	-	-
2	4	3	Dubai Hills Estate	29	-	2,525,000	2,943,444	3,250,000
3	5	17	Villanova	28	1,259,500	1,437,500	1,717,000	-
4	2	1	Town Square	27	-	1,542,500	1,950,000	-
5	3	2	Reem	20	-	1,750,000	2,200,000	-

Initial Sale

Initial Sale Apartments

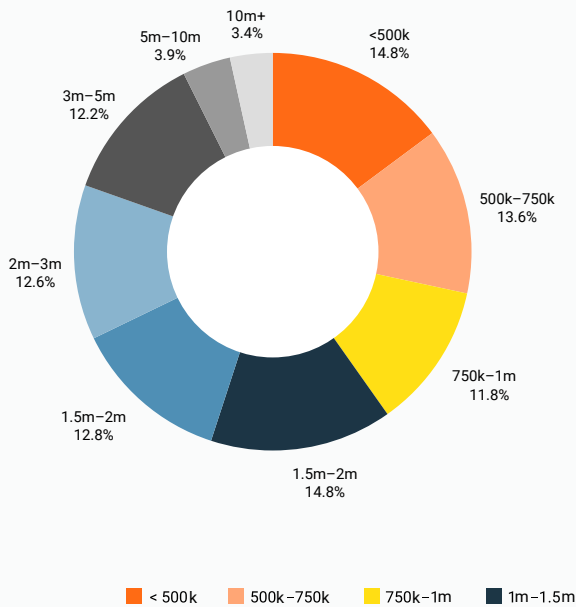
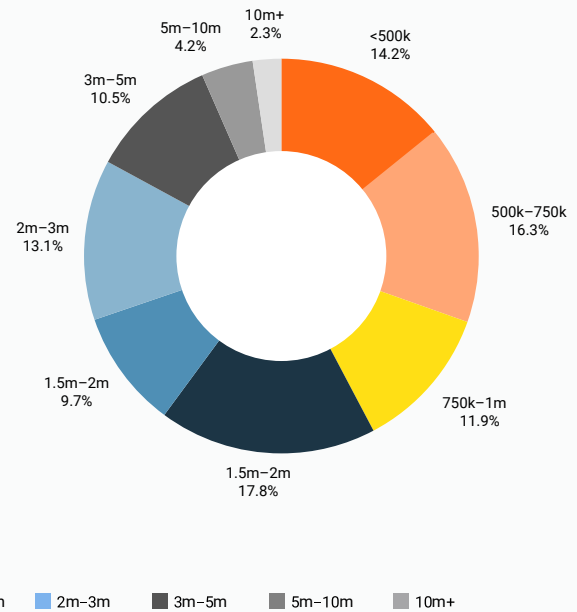
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	4	Mohammed Bin Rashid City	410	505,120	943,517	1,431,658	2,202,422
2	6	19	Dubai Harbour	292	-	1,808,369	3,201,834	4,788,971
3	2	6	Business Bay	222	657,836	1,133,678	1,892,754	2,740,711
4	4	2	Jumeirah Village Circle	184	442,500	678,605	706,985	-
5	3	22	Jumeirah Lakes Towers	184	412,833	789,124	1,093,090	2,540,500

Initial Sale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)
1	4	6	Dubai Hills Estate	40	3,278,888	9,568,888
2	3	4	DAMAC Hills	31	2,323,150	-
3	8	-	DAMAC Hills 2	25	1,192,000	1,325,000
4	7	1	Nad Al Sheba	16	-	2,908,000
5	5	3	Al Furjan	15	1,937,925	1,550,000

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	14	-	Tilal Al Ghaf	81	-	-	2,727,000	-
2	3	5	Arabian Ranches 3	21	-	1,661,888	2,175,888	-
3	7	1	Mudon	16	1,400,000	1,600,000	2,712,500	4,500,000
4	6	9	Villanova	15	-	1,320,500	1,712,000	-
5	2	15	Mohammed Bin Rashid City	13	1,450,000	1,800,000	4,148,025	-

PRICE TIERS (AED) – JULY 2021

PRICE TIERS (AED) – JUNE 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	July 2021	June 2021	MoM Change
<500K	14.8%	14.2%	0.63%
500K-750K	13.6%	16.3%	-2.69%
750K-1M	11.8%	11.9%	-0.02%
1M-1.5M	14.8%	17.8%	-3.02%
1.5M-2M	12.8%	9.7%	3.13%
2M-3M	12.6%	13.1%	-0.53%
3M-5M	12.2%	10.5%	1.67%
5M-10M	3.9%	4.2%	-0.30%
10M+	3.4%	2.3%	1.12%

After contracting last month, the AED 10m+ price tier has regained market share climbing from 2.3% to 3.4% in July, marking its strongest month on record. Monthly transaction volumes for the tier matched the previous record high set in May of 117 transactions. Sales on the iconic Palm Jumeirah continued to lead sales activity in this tier, accounting for 32.5% (38) of all sales followed by Dubai Hills Estate where 27.4% (32) high-end sales were recorded. Interestingly, of the 38 sales recorded on the Palm, 30 were apartment sales, which is a sharp contrast to the earlier trend of villas sales beating apartments. YTD there have been 133 villa sales above AED 10m on the Palm which are now showing signs of exhaustion with very few owners open to selling.

Record Transaction

Date: 25 July 2021

Property: Villa JB-LV01, Jumeirah Bay Island

Price: AED 121m

Brokers: Taieser Al Saati of Luxhabitat Sotheby's International Realty and Carine Abi Nader of Pulse Real Estate

Buyer: Russian oligarch

The AED 1m-1.5m tier displayed the largest contraction in market share for July, falling just over 3% month-on-month to 12.8%. This decline was expected, given the misleading growth in the tier last month due to the delayed sales registrations in Azizi Riviera, MBR City.

Meanwhile the AED 1.5-2m tier recorded a notable increase of 3.1%, driven by a large volume of sales in projects at Emaar Beachfront, Dubai Harbour (102).

In July, properties under AED 1m and those between AED 1m-3m each accounted for the largest share of the market at 40.2%, both marginally declining from 42.3% and 40.6%, respectively, last month. The high-price tiers with property values greater than AED 3m accounted for 19.6% of total residential market transactions, up from 17.1% last month.

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/pmddpi.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.

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.

Please get in touch with us for our detailed community reports and any other specific requirements you might have.



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