



Prices continue to rise, but the market starts to show signs of levelling off, since bottoming out last November

Median prices in October



Pace of recovery slows, after recording the first month this year of less than 1% growth

Recovery remains, especially in apartment sales where affordability and availability attract purchasers

Year-to-date transaction volumes now at 48,629 and on track to reach levels last seen in 2013/2014

Despite healthy transaction volumes, an unseasonable slowdown is seen for the second month in a row

Price ceilings appear for villas and townhouses despite limited available stock

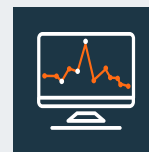
Rental yields hold at 5.7% for second month in a row

A year after bottoming out, the Dubai property market's recovery continues as prices increased by just under 1% in October to stand at AED 977 per sq ft. After recording a massive 2.51% gain in June, monthly price growth continues to slowly lose momentum and for the first time in eleven months recorded a more sustainable month-on-month growth of less than 1%.

Although the monthly pace of growth is easing, the annual trend has continued to rise, after the market hit a low point in November 2020. With property prices up 19.9% year-on-year and the current price recovery continuing to mirror that of the previous cycle, where the first 12-months prices increased 19.7% year-on-year during Oct 2012–Sep 2013, we still see further growth in the months ahead.

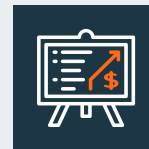
SNAPSHOT

October 2021



+0.95%

Dynamic Price Index
Monthly Change



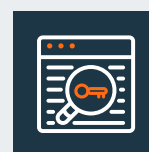
AED 977/sq ft

Dynamic Price Index
Current Property Price



5,224

Number of Monthly
Transactions



5.7%

Gross Rental Yield



AED 54.21m

Highest Recorded Sale
*Villa V-08 | 7 Bedroom
XXII Carat (Club Villas),
Palm Jumeirah*



AED 180k

Lowest Recorded Sale
*Building X-10 – Studio
England Cluster,
International City*

“ Looking forward, while the Dubai property market is starting to show signs of cooling off, it is likely that growth will continue although at a slower, sustainable rate of appreciation. Headwinds and downside risks are rising as property affordability in the villa and townhouse segments hits a ceiling locally and inflation continues to grow in the United States and Europe. However, the relative affordability of Dubai compared to other major global cities and the likely influx of new buyers, could help the Dubai market out-perform.

ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

The recovery has been powered by the strong performance of the villa and townhouse segments, especially in traditionally sought-after locations. However, as inventory has dried up amid the seemingly insatiable appetite for this segment, a widening buyer-seller expectation gap has emerged. Aggressive pricing by sellers and their brokers, after blockbuster months for sales, have led to overpriced properties staying on the market as buyers look for value and explore other options, rather than indulge property owners' inflated demands. This leads us to confirm our expectations of the focus shifting to apartment sales where volumes have been more subdued, price growth slower and affordability more attractive for investors and new overseas buyers. This trend is likely to be supported by the impact of EXPO 2020, bringing new buyers into the market attracted by the pricing and simplicity of apartment ownership.

Transactions in October came in at 5,224 falling a further 7.9% on a monthly basis after a 2.2% decline in September. However, it was still the strongest October performance since 2015. Despite these encouraging numbers, it is unusual for there to be a slowdown in transactions in the month of October. We would normally expect to see activity follow the historic seasonal trend of month-on-month growth from September through November. This, coupled with the slowing pace of price appreciation are early indicators of the market cooling off to a more sustainable pace.

Year-to-date transaction volumes now stand at 48,629, surpassing 2020 year-end numbers by more than 35%, and up by over 16.5% compared to 2019. Even in the face of this unseasonal slowdown in sales, with two months of the year remaining, we are on track to reach total sales transactions of ~58,000 and record numbers that were last seen during the boom years of 2013 and 2014.

A total of 2,078 off-plan transactions were registered in October, down 17.8% month-on-month but 63.9% higher on a yearly basis. Off-plan transactions claimed a 39.8% market share compared to 60.2% for completed properties, stopping the trend since January of the gap narrowing between the two. This is likely to be brief with the trend expected to resume going forward as the existing unsold inventory with developers is absorbed and new projects are launched.

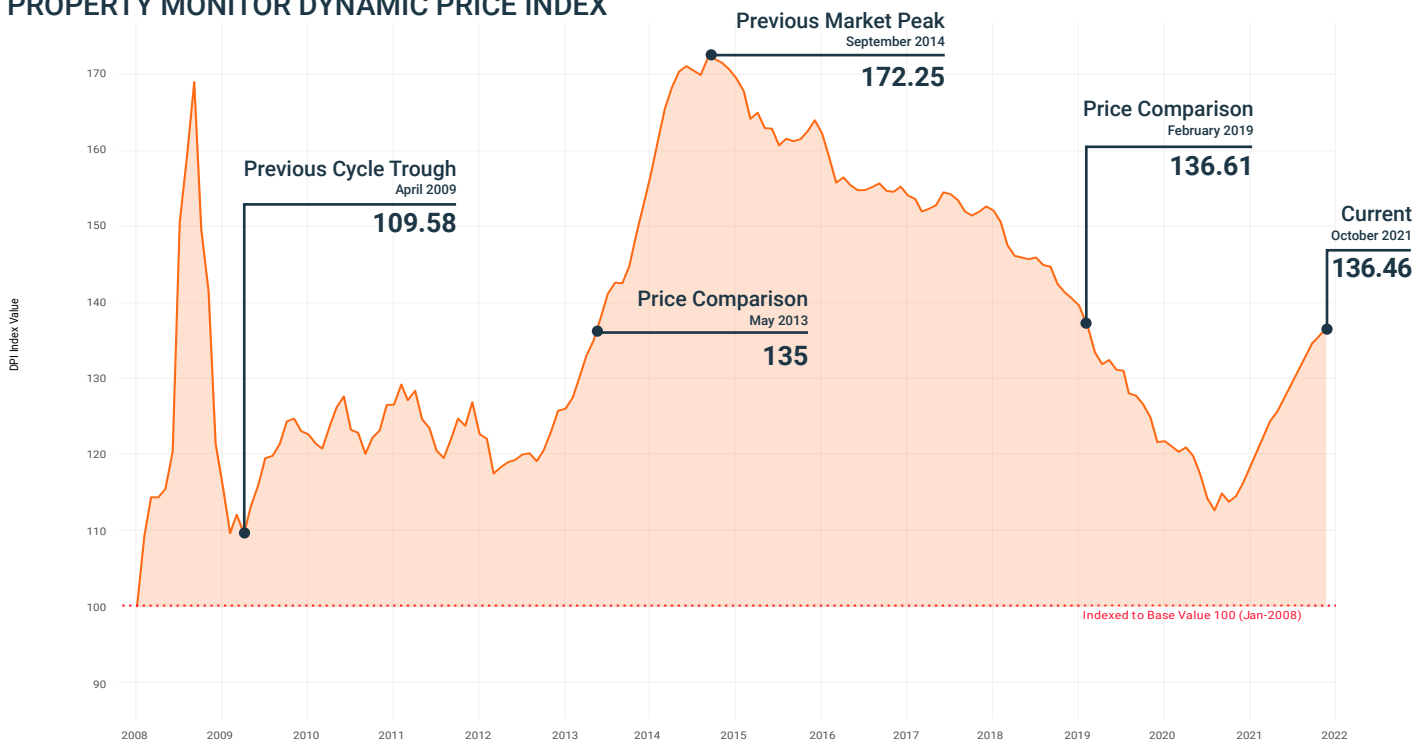
Meanwhile, resales transactions—any subsequent sale of a property that follows the initial first-time sale from the developer, for an off-plan or completed project—stood at 1,908 in October representing a market share of 36.5%. Overall, these transactions have continued to slide since reaching a peak of 51.8% market share in January 2021, which can be attributed to the lack of attractive and affordable supply in the villa and townhouse segments, which heavily drove the early phases of recovery.

At 1,904, the volume of mortgages decreased a further 14.3% in October following a 19.5% decrease in September. Part of this decrease is the result of a reduction in mortgages of hotel apartments when there were 533 and 284 transactions recorded in August and September. Mortgages for apartments and villas fell by 22.5% and 5.2%, respectively, while loans for townhouses increased by 147.2% due to several bulk registrations, otherwise this would also have decreased. There looks to be no shortage of cash liquidity in the marketplace which is a further indicator of price growth still to come.

Breaking down the mortgage market further shows that bulk transactions (mortgages taken by developers and larger investors for multiple units) comprised 37.4% of all loans issued and were spread across several projects, most notably Green Community West in Dubai Investments Park (151), Souk Warsan in Warsan Village International City (76), Bloom Heights in Jumeirah Village Circle (74), and Marina Sail in Dubai Marina (39). Another 26.9% of loans taken were new purchase money mortgages generally for residential properties that were also transferred during October, primarily by end-users with the average amount borrowed being AED 1.76m at a loan-to-value ratio of 74.2%. The remaining 35.7% represents refinancing or new mortgages taken out in the months post transfer.

After momentarily recovering to 6.2% in July, rental yields have fallen back slightly and are holding at 5.7% in October. The year-to-date average sits at 5.93% after remaining relatively stable at ~6.5% throughout most of 2020. This suggests that property prices are increasing in several communities—especially where people are buying for end-use — at a more rapid pace than rental prices, which are still declining in some communities, particularly those heavily comprised of apartments. Should this continue, rental yields are likely to trend even lower in the coming months especially if apartment prices continue to pick up.

Looking forward, while the Dubai property market is starting to show signs of cooling off, it is likely that growth will continue although at a slower, sustainable rate of appreciation. Headwinds and downside risks are rising as property affordability in the villa and townhouse segments hits a ceiling locally and inflation continues to grow in the United States and Europe. This raises the prospect of a tightening in credit policy, and makes ever more likely the possibility of an interest rate increase. An interest rate hike would likely raise a barrier to purchasing for many end-user buyers and therefore have an immediate dampening effect on the property market, despite the prevalence of cash. However, the relative affordability of Dubai compared to other major global cities and the likely influx of new buyers, could help the Dubai market out-perform even in a less accommodating credit environment.

PROPERTY MONITOR DYNAMIC PRICE INDEX

+0.95%
MoM Change

+3.81%
QoQ Change

+19.94%
YoY Change

AED 977
Average Property
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Oct 2021	136.46	0.95%	3.81%	19.94%	977
Sep 2021	135.18	1.22%	4.78%	17.66%	968
Aug 2021	133.54	1.60%	5.72%	18.54%	956
Jul 2021	131.45	1.89%	5.15%	15.09%	941
Jun 2021	129.01	2.13%	5.79%	9.92%	924
May 2021	126.32	1.05%	5.44%	5.41%	905
Apr 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

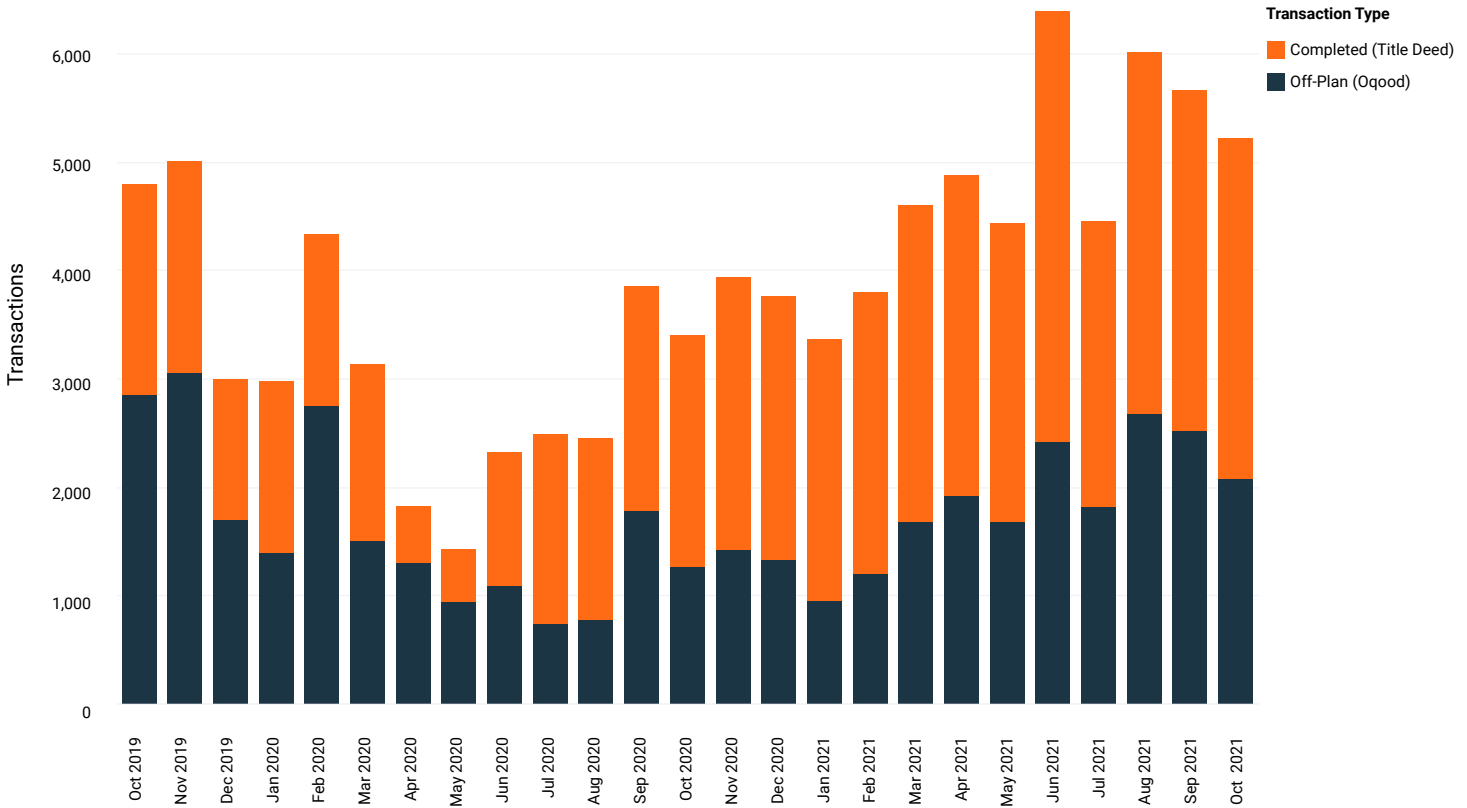
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for October 2021 increased by 1.29 index points to 136.46 from 135.18 in September 2021, representing a month-on-month gain of 0.95%.

In October 2021, property prices stood at AED 977 per sq ft, down 20.8% from the market peak in September 2014 and are 24.5% above the market trough of April 2009. Property prices were last at these levels during the recovery phase of the previous market cycle in May 2013.

On a yearly basis, prices have increased by 19.9% in October 2021. When we compare this to October 2020 when a year-on-year decline of 10.2% was recorded, we can see a definite trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



Transaction volumes in October stood at 5,224, falling by 7.9% on a monthly basis and recording a decline for the second month in a row. However, this was the strongest performance in October since 2015, and the third strongest October on record. While October numbers were encouraging, it is unusual for activity during the month to be lower than September, where instead we would expect to see activity follow the historic long-term seasonality trend of month-on-month transaction growth from September through November.

During the month, the split between off-plan and completed property transactions remained in favour of completed properties, with Title Deeds accounting for 60.2% of all transactions, up 4.8% month-on-month. Completed properties have led the market for 17 months but have now begun to weaken and have been declining since their record high in January of 71.5%. The 12-month rolling average remains strong at 62.2% in October for completed properties.

During the month, Emaar Properties dominated the off-plan market with the bulk of developers' Oqood (off-plan) registrations, taking an unprecedented market share of 45.6%. They recorded 871 registrations, which is more than seven and a half times the share of any other developer for the month.

These Emaar transactions were spread across a myriad of their projects with a higher concentration of sales at The Valley—most notably Nara with 252 transactions, and Eden with 60 transactions. This was followed by Emaar Beachfront, Dubai Harbour with 139 transactions and then by Arabian Ranches III with 138 transactions, with the Ruba and Bliss sub-communities recording 73 and 50 transactions, respectively.

Sobha Group was next at 5.9% of all Oqood registrations with the most notable activity in Creek Vista Reserve (35), Sobha Hartland Waves (31), and One Park Avenue (30). This was followed by DAMAC Properties taking 5.6% market share with the bulk of their sales occurring at Carson in DAMAC Hills (51).

In the ongoing 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 3,316 initial developer sales recorded in October, 42.4% were in completed projects. At a year-to-date average of 40.1%, this figure continues to move further away from the 2020 average of 33.6% and remains well above the 2019 average of 20.5%.

TOP 5 COMMUNITIES TABLE – OFF-PLAN AND COMPLETED

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	7	Business Bay	203	678,100	986,419	1,682,392	2,561,930
2	1	1	Mohammed Bin Rashid City	168	495,892	890,000	1,648,914	2,210,018
3	4	6	Dubai Harbour	162	-	1,898,226	3,724,388	5,104,995
4	7	2	Dubai Creek Harbour	97	-	1,243,888	2,170,888	3,247,888
5	5	4	Downtown Dubai	95	1,054,000	1,597,888	2,672,479	5,945,838

Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)
1	-	-	The Valley	33	1,373,888	1,762,388
2	5	-	Mohammed Bin Rashid City	18	1,759,000	3,400,000
3	2	-	Rukan	14	-	-
4	3	1	Dubai Hills Estate	7	3,606,888	4,511,944
5	-	-	Villanova	4	1,323,500	1,762,000

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	3	-	The Valley	284	-	1,400,888	1,748,888
2	2	4	Arabian Ranches 3	148	-	1,838,388	2,348,388
3	1	5	Villanova	74	1,312,500	1,416,000	1,821,000
4	5	1	Tilal Al Ghaf	67	-	1,849,000	2,767,000
5	6	2	Arabian Ranches 2	14	-	1,762,500	1,755,388

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	1	Dubai Marina	180	695,000	1,130,000	1,800,000	2,500,000
2	1	3	Business Bay	179	611,750	1,136,231	1,778,244	2,740,000
3	3	2	Jumeirah Village Circle	143	380,120	625,000	1,080,030	1,200,000
4	6	5	Jumeirah Lakes Towers	99	445,666	836,485	1,330,000	1,353,650
5	4	7	Downtown Dubai	99	946,914	1,420,000	2,375,000	3,250,000

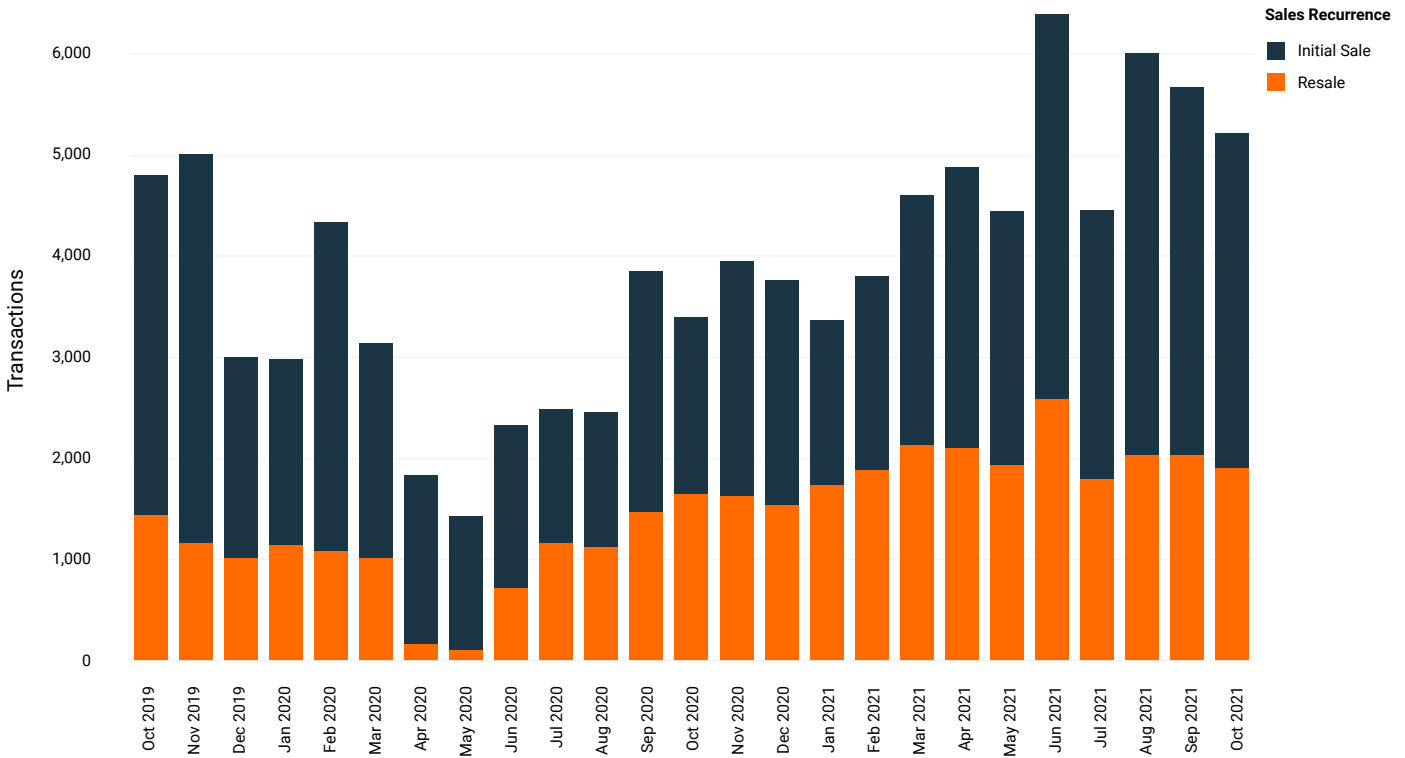
Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	6	DAMAC Hills	149	2,289,200	2,750,000	6,738,000
2	1	-	DAMAC Hills 2	134	965,000	1,705,000	1,496,000
3	43	-	Tilal Al Ghaf	122	0	3,970,000	5,071,000
4	4	2	Emirates Living	56	2,850,000	4,575,000	7,750,000
5	5	1	Nad Al Sheba	48	-	2,688,000	-

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	7	DAMAC Hills 2	44	1,058,000	1,270,000	1,517,000	1,833,000
2	6	-	Arabian Ranches 3	25	-	-	-	3,458,888
3	9	16	Villanova	16	-	2,193,000	1,910,000	3,590,500
4	4	3	Dubai Hills Estate	15	-	2,480,000	3,150,000	4,461,830
5	-	-	Tilal Al Ghaf	13	-	-	-	5,401,000

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In October 2021, the market share of initial developer sales fell by 0.9% to 63.5% versus resale transactions; it had reached its highest level last month since June 2020 after which resale had gained popularity. The 12-month rolling average now stands at 42% for resale, which continues to indicate that the market has matured to become less reliant on new project releases and developer-led initial sales.

Business Bay was the most popular master development for initial sales where 9.8% of all such transactions occurred. Regalia had the highest demand in the master development with a total of 90 initial sales.

Taking second place was The Valley, where initial sales took 9.4% market share. Nara was the most sought-after sub-community in the master development, recording a total of 252 initial sales.

Coming in third for September was Mohammed Bin Rashid City which claimed 7% market share with 231 sales spread across a myriad of projects, most notably Sobha Hartland Waves and Creek Vistas Reserve both with 35 sales recorded.

The top master developments for resale transactions were Dubai Marina with 8.4% of transactions across multiple projects—the highest level of sales occurred at The Residence at Marina Gate (11). This was followed by Business Bay with 7.8% share and the highest number of transactions in Executive Towers (13) and DAMAC Towers by Paramount (12) and lastly Jumeirah Lakes Towers taking a 6.7% share with New Gate Dubai 1 (5) being the most popular.

TOP 5 COMMUNITIES TABLE – INITIAL SALE AND RESALE

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	5	Business Bay	308	672,966	1,017,094	1,814,998	2,700,508
2	2	1	Mohammed Bin Rashid City	198	511,660	890,781	1,647,697	2,202,422
3	7	3	Dubai Creek Harbour	173	-	1,264,888	2,231,888	3,220,888
4	5	8	Dubai Harbour	150	-	1,898,226	3,810,388	5,420,888
5	4	2	Jumeirah Village Circle	121	427,628	710,600	1,000,500	1,670,250

Initial Sale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	3	4	DAMAC Hills	132	2,675,745	3,042,900	6,738,000
2	22	-	Tilal Al Ghaf	121	-	3,970,000	5,071,000
3	2	-	DAMAC Hills 2	98	955,000	1,705,000	1,496,000
4	-	-	The Valley	33	1,373,888	1,762,388	-
5	4	2	Dubai Hills Estate	30	3,607,888	4,097,835	-

Initial Sale Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	4BR (Median Price)
1	3	-	The Valley	279	-	1,401,888	1,748,888	-
2	1	9	Arabian Ranches 3	163	-	1,838,888	2,352,015	3,458,888
3	5	1	Tilal Al Ghaf	69	-	1,864,500	2,795,000	5,401,000
4	2	15	Villanova	61	-	1,428,000	1,835,000	3,631,000
5	6	10	DAMAC Hills 2	32	1,058,000	1,260,000	1,705,000	1,858,000

Resale

Resale Apartments

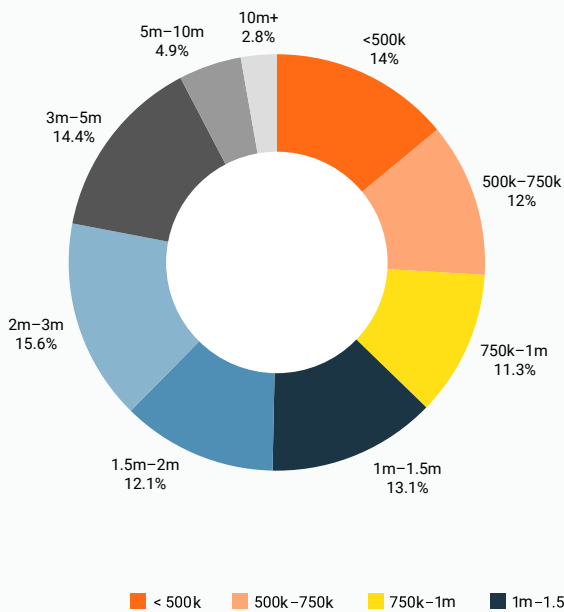
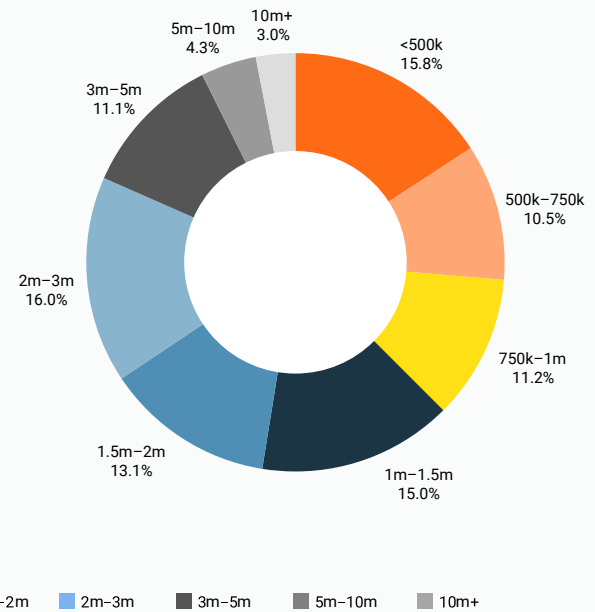
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	1	Dubai Marina	151	480,000	1,075,000	1,775,000	2,500,000
2	4	5	Jumeirah Village Circle	91	350,000	613,460	1,085,000	1,200,000
3	3	2	International City	88	207,050	312,500	465,000	655,000
4	2	6	Downtown Dubai	84	946,914	1,420,000	2,282,500	3,300,000
5	7	7	Business Bay	74	532,034	860,000	1,536,000	2,450,000

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	55	2,850,000	4,575,000	7,000,000
2	4	2	Nad Al Sheba	39	-	2,678,000	-
3	5	-	DAMAC Hills 2	36	1,047,077	1,205,000	1,400,000
4	3	3	Arabian Ranches	27	3,425,000	3,900,000	5,950,000
5	2	5	Dubai Hills Estate	21	4,000,000	4,850,000	6,400,000

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	3	9	Villanova	29	1,312,500	1,485,000	1,760,000	3,550,000
2	2	1	Town Square	13	-	1,650,000	1,825,000	-
3	8	2	Serena	13	1,312,500	1,875,000	-	-
4	5	4	Dubai Hills Estate	12	-	2,480,000	3,125,000	-
5	7	6	DAMAC Hills 2	12	-	1,290,000	1,000,000	1,000,000

PRICE TIERS (AED) – OCTOBER 2021

PRICE TIERS (AED) – SEPTEMBER 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	October 2021	September 2021	MoM Change
<500K	14%	15.8%	-1.80%
500K-750K	12%	10.5%	1.50%
750K-1M	11.3%	11.2%	0.10%
1M-1.5M	13.1%	15.0%	-1.90%
1.5M-2M	12.1%	13.1%	-1.00%
2M-3M	15.6%	16.0%	-0.40%
3M-5M	14.4%	11.1%	3.20%
5M-10M	4.9%	4.3%	0.50%
10M+	2.8%	3.0%	-0.22%

Though not a record month, the AED 10m+ price tier, which has so far been the highlight of 2021, continued to display strength in September, registering 105 transactions compared to 122 in September. In terms of market share, the tier reduced slightly to 2.8% in October compared to 3% in September.

Year-to-date, there have been 982 transactions in this tier, a phenomenal 148% increase over all of 2020. Even if we were to compare to the pre-pandemic period, the YTD 2021 figures dwarf the 207 and 302 transactions recorded in all of 2018 and 2019, respectively.

Meanwhile, on a market share basis, the lower price tiers of properties under AED 1m displayed the weakest performance year-to-date among the tiers, shrinking 7.2% compared to 2020. While the mid-tier of properties between AED1-3m were largely unchanged, the higher price tiers of over AED 3m expanded by 7%. This performance indicates the steady appetite for not only the luxury AED10m+ market but for higher priced properties in general and will likely continue over the upcoming months.

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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