



Transactions surpass levels last seen in 2014 while new off-plan launches start to boom

Median prices in December



Apartments
AED 1,144,236



Townhouses
AED 1,892,888



Villas
AED 3,000,000

Property price growth resumes, after briefly faltering last month, increasing by 0.85% in December

Off-plan market surges with ~AED 6 billion worth of new projects launched in December

Year-end transaction volumes reached 61,304 in 2021, surpassing levels last seen back in 2014, and close to all-time highs

Property values end the year 17.17% higher than 2021

After recording a 0.85% rise in property prices in December, Dubai property values ended the year 17.17% higher than 2021 and now stand at AED 976 per sq ft according to the Property Monitor Dynamic Price Index (DPI). The DPI shows the pace of property price appreciation has been slowing since reaching a cyclical market monthly gain of 2.51% in June 2021. Over the past 3 months we have seen a pattern of fluctuation between small monthly price increases and decreases – an early indicator that property price growth is probably beginning to moderate, as we move into a more sustainable market trend of gentle upward long term growth. In the short term, prices may plateau as the current market recovery cycle continues to run its course, but generally higher global inflationary pressures and loose monetary policy should still see prices appreciate, especially given the relative affordability of Dubai compared to other investable locations. Short term global events could dampen down the market, but we still predict prices will grow modestly over the course of 2022.

Transactions in December came in at 5,660 predictably falling back by 19.3% on a monthly basis after reaching record breaking highs in November. Year-end transaction volumes reached 61,304, surpassing the volume of transactions completed in 2014 by 7.3% and falling a mere 5.5% short of reaching the ~65,000 transactions completed in 2013.

2021 closed out the year with the third highest yearly transaction volume ever recorded in Dubai.

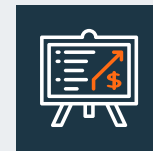
SNAPSHOT

December 2021



+0.85%

Dynamic Price Index
Monthly Change



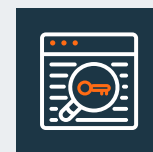
AED 976/sq ft

Dynamic Price Index
Current Property Price



5,660

Number of Monthly
Transactions



5.8%

Gross Rental Yield



AED 92m

Highest Recorded Sale
*Villa BRM-04 – 5 Bedroom
Bulgari Resort and Residences,
Jumeira Bay*



AED 150k

Lowest Recorded Sale
*Apt 906 – 1 BR
Lady Ratan Manor, CBD,
International City*

“ **As the resale and completed property market slows down under pressure from low inventory and asking prices that buyers aren't willing to meet, new off-plan development project launches are surging. In December, just under 2,800 residential units entered the market for sale with an anticipated combined gross sales value of ~AED 6 billion.** ”

ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

While this market volume rebound is positive, a deeper look at the composition of transactions shows a market where fundamentals are again changing, particularly in the latter half of the year, and activity appears to be returning to be driven by off-plan and initial developer sales. This is a pattern likely to continue during 2022 and could hold back overall price growth outside of the most favoured mature communities and new master developments.

As the resale and completed property market slows down under pressure from low inventory and asking prices that buyers aren't willing to meet, new off-plan development project launches are surging. In December, just under 2,800 residential units entered the market for sale with an anticipated combined gross sales value of ~AED 6 billion. Townhouses represent 67.2% by volume of this new inventory, while apartment and villas represent 4.5% and 28.3% respectively.

A total of 2,575 off-plan transactions were registered in December, down 20.1% month-on-month - however up 93.2% on a yearly basis. Completed property sales decreased by a similar amount of 18.6% month-on-month and also remain well up by 26.5% year-on-year. The market share of off-plan transactions fell marginally by 0.5% to 45.5%, but still notably the second-highest level in over a year, and with the significant amount of new development projects currently being launched, this is likely to increase further in the coming months.

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 2,008 in December representing a market share of 35.5%, up 0.5% month-on-month. Overall, these transactions have continued to decline since reaching a peak of 51.8% market share in January 2021. This switch back to initial developer sales can be partly attributed to the recent resurgence of new project launches but a lack of resale sellers and affordable properties in the villa and townhouse segments continues to hang over the market.

At 1,865, the volume of mortgages increased slightly by 1.3% in December after falling consecutively for the last 3 months. The most prominent cause of this month's decrease is the 22.7% month-on-month decline of

mortgage transactions for Villas. Meanwhile, mortgages for apartments grew marginally by 1.7% and loans for townhouses increased by 3.9%.

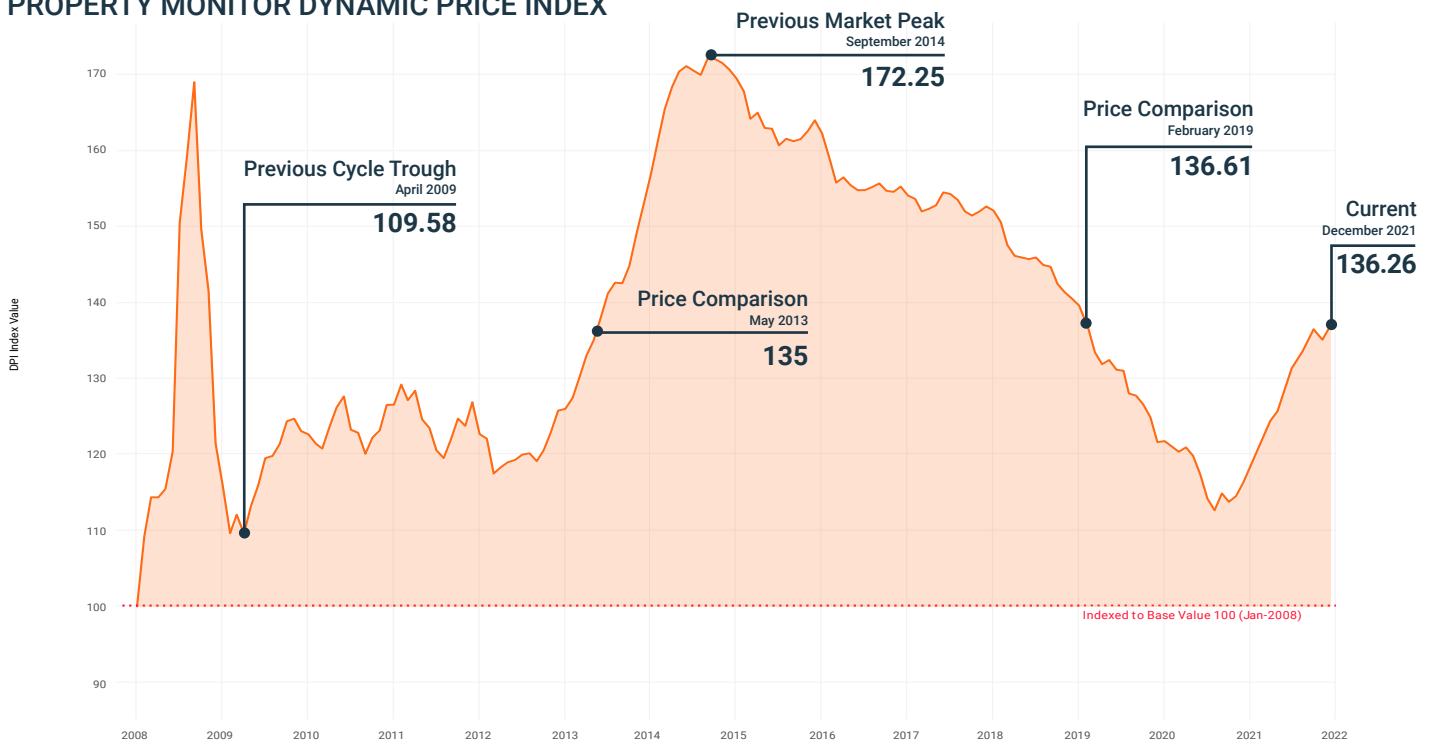
Breaking down the mortgage market further shows that bulk transactions (mortgages taken by developers and larger investors for multiple units) comprised 47.5% of all loans issued (up from 28.2% in November) and were spread across several projects, most notably Al Khail Heights 4A & 4B in Al Khail Heights (91), Taraf 1 Residence in Jumeirah Village Circle (72), Spring Oasis in Dubai Silicon Oasis (24), and Orchid Residence in Dubai Science Park (20). Another 24.2% of loans taken were new purchase money mortgages generally for residential properties that were also transferred during December, primarily by end-users with the average amount borrowed being AED 1.84m at a loan-to-value ratio of 74.5%. The remaining 28.3% represents refinancing or new mortgages taken out in the months post transfer.

After steadily declining throughout the year, emirate-wide average gross rental yields grew by 0.12% month-on-month and currently stand at 5.8% in December. The year-to-date average sits at 5.9% after remaining relatively stable at ~6.5% through 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. Rents are still declining in some communities, particularly those heavily comprised of apartments. Should this continue, rental yields are likely to resume the lowering trend in the coming months. For investors however, rental yields in excess of 5% still look attractive in a period of capital growth and incentivised project launches.

Looking forward, while the Dubai property market continues to show signs of cooling off, particularly in the completed and resale markets, we predict that growth will continue, albeit at a subdued pace. Monthly changes may rise and fall as supply, demand, the effects of appreciation, and the global pandemic cause turbulence, but overall, we believe the market has further to run and that prices in 2022 will end the year higher than current levels. This view is bolstered by generally higher inflationary pressures across all markets and commodities and with accommodating monetary and central bank policies. Short term shocks may cause volatility, but for those investing for the longer term, growth still looks the most likely and favourable prospect.

While villa and townhouse affordability worsen, demand is expected to continue to gravitate towards off-plan alternatives where buyers will have to sacrifice an immediate move-in but be able to secure a property at an affordable price and with attractive payment options. Likewise, demand is also anticipated to increase for newly completed and ready to move-in apartments.

Market headwinds and downside risks are growing with potentially three to four interest rate hikes on the horizon in 2022, the first of which whilst small, is likely to occur in Q1. A series of interest rate rises would affect sentiment and raise a barrier to purchasing for some end-user buyers and would be likely to have a dampening effect on the property market. However, we believe that other positive factors will outweigh any increase in the cost of credit. An unexpected near-term side effect of any interest rate rises may be to prompt a surge in residential mortgage applications in an effort to lock in rates, but the availability of affordable and desirable properties will almost certainly dictate 2022 market transaction volumes.

PROPERTY MONITOR DYNAMIC PRICE INDEX


-0.85%
MoM Change



+0.8%
QoQ Change



+17.17%
YoY Change



AED 976
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Dec 2021	136.26	0.85%	0.80%	17.17%	976
Nov 2021	135.11	-0.99%	1.18%	17.95%	968
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

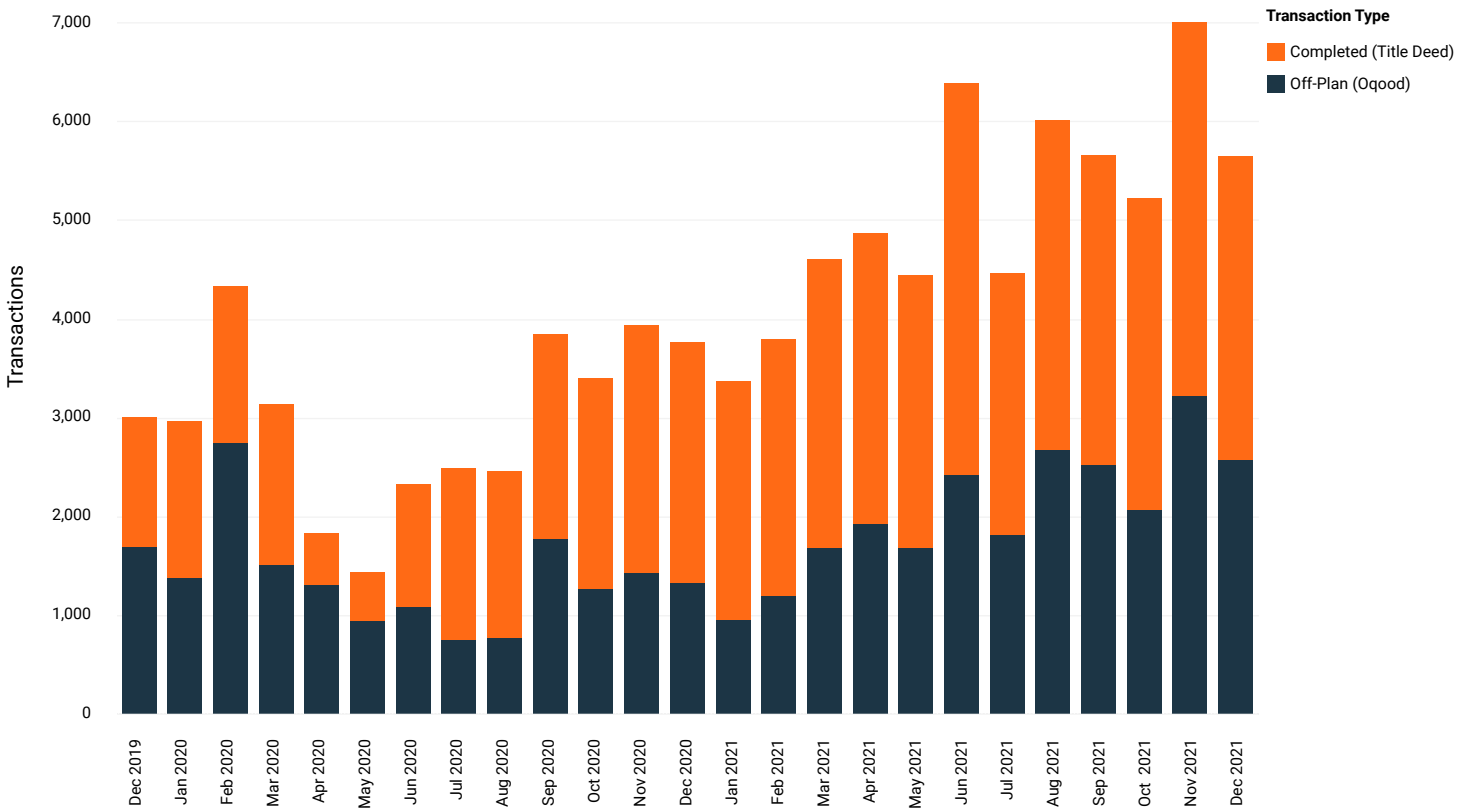
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for December 2021 increased by 1.14 index points to 136.26 from 135.11 in October 2021, representing a month-on-month increase of 0.85%.

In December 2021, property prices stood at AED 976 per sq ft, down 20.9% from the market peak in September 2014 and are 24.3% 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 and June 2013.

On a yearly basis, prices have increased by 17.20% in December 2021. When we compare this to December 2020 when a year-on-year decline of 4.4% was recorded, we can see a definite trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



Transaction volumes in December stood at 5,660, falling by 19.3% on a monthly basis after reaching record breaking highs in November. During the month, the split between off-plan and completed property transactions remained in favour of the latter with Title Deeds accounting for 54.5% of all transactions, up 0.5% month-on-month. Completed properties have led the market for 19 months now, however, have begun to weaken and have been declining since their record high in January of 71.5%. The 12-month rolling average remains strong at 60.5% in December for completed properties, however with off-plan launches gradually increasing this is likely to decrease further in 2022.

During the month, Emaar Properties dominated the off-plan market with the bulk of developers' Oqood (off-plan) registrations, taking a dominant market share of 26.5%. They recorded just over 650 transactions spread across a myriad of their projects with a higher concentration of sales at Emaar Beachfront Dubai Harbour (189)—most notably Beach Mansion with 125 transactions, and Palace Beach Residence and Grand Bleu Towers with 26 and 23 transactions respectively. This was followed by Downtown Dubai at 157 transactions in total with Opera District was the most favoured sub-community recording the greatest number of transactions at Grande (42), Forte (36, and Act One | Act Two (21).

Sobha Group was next at 8.7% of all Oqood registrations with the bulk of their sales occurring at Creek Vistas Reserve (67), One Park Avenue (64), and Sobha Hartland Waves (40) in Sobha Hartland, Mohammed Bin Rashid City. This was followed by DAMAC Properties taking 6.7% market share with the most notable activity in their newly launched Cavalli Tower project in Media City which recorded 98 Oqood registrations.

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 3,652 initial developer sales recorded in December, 24.3% were in completed projects.

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	6	2	Mohammed Bin Rashid City	296	491,400	973,095	1,650,000	2,232,698
2	1	6	Business Bay	214	661,123	987,391	1,771,405	2,503,119
3	2	11	Dubai Harbour	206	-	1,941,888	3,080,888	6,059,388
4	5	12	Downtown Dubai	184	850,000	1,806,888	2,473,777	4,405,399
5	11	8	Arjan	173	438,000	651,000	923,000	-

Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)
1	1	-	Dubai South	12	1,110,000	-
2	2	1	Dubai Hills Estate	9	3,330,888	4,675,000
3	6	-	Mohammed Bin Rashid City	5	1,404,000	4,200,000
4	3	-	Rukan	4	1,600,000	-
5	-	-	Jumeirah Bay Island	1	12,100,000	-

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	5	6	Town Square	120	-	1,700,888	1,910,888	-
2	1	1	Tilal Al Ghaf	106	-	1,846,000	2,837,120	-
3	3	4	Villanova	104	1,325,000	1,493,000	1,959,500	-
4	2	12	Arabian Ranches 3	67	-	1,848,888	3,180,888	4,252,388
5	4	7	The Valley	26	-	1,459,888	1,678,888	-

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	3	1	Business Bay	199	745,000	1,228,385	1,843,143	2,764,489
2	2	2	Dubai Marina	182	560,000	982,500	1,712,500	3,025,000
3	1	4	Jumeirah Village Circle	145	385,474	667,845	1,037,500	1,243,550
4	6	10	International City	94	212,000	296,500	490,000	550,000
5	5	7	Jumeirah Lakes Towers	91	415,000	800,000	1,240,000	1,572,500

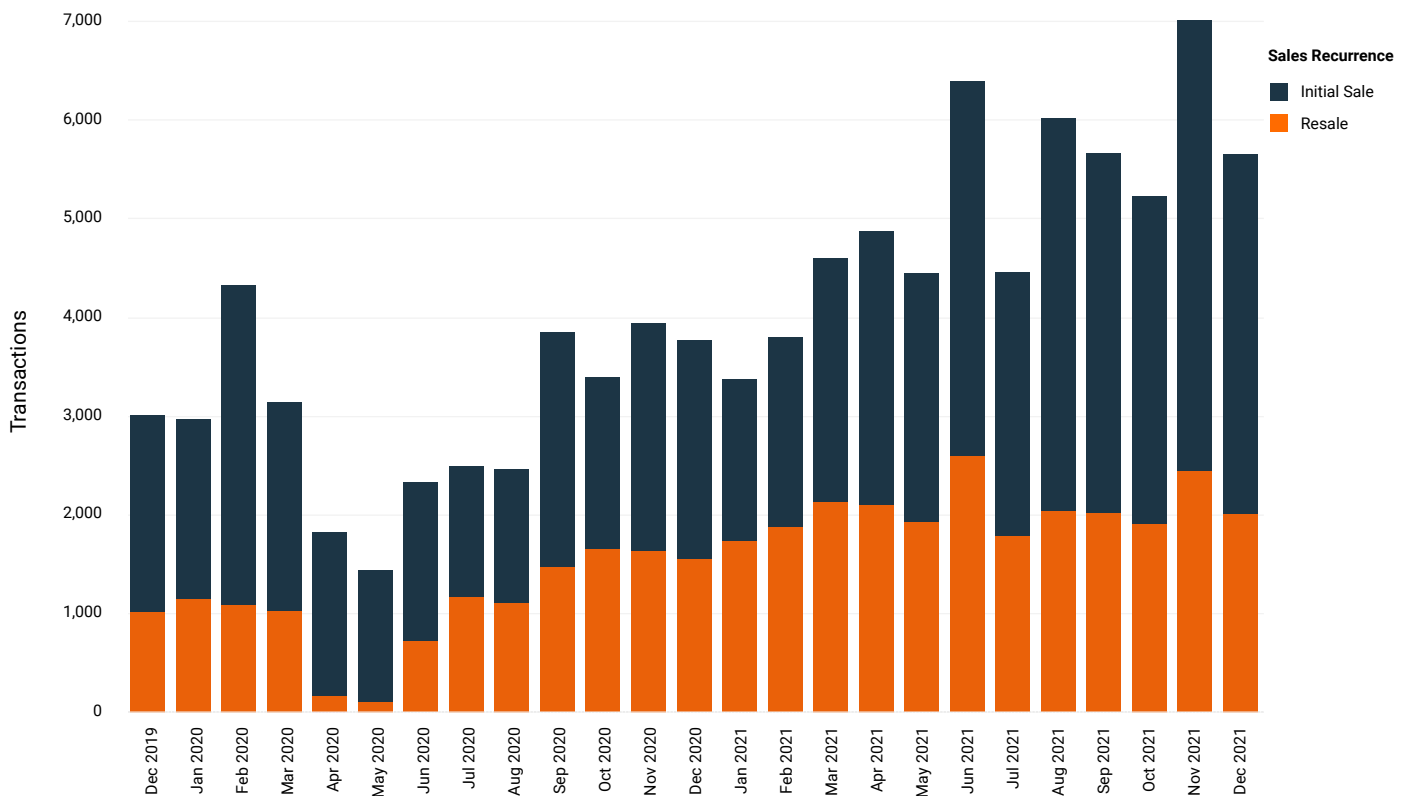
Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	3	17	Al Furjan	178	2,335,000	4,150,000	-
2	1	-	DAMAC Hills 2	98	947,500	1,260,000	1,575,000
3	5	2	Nad Al Sheba	63	-	2,688,000	-
4	6	1	Emirates Living	36	2,610,000	4,000,000	13,925,000
5	7	7	Dubai Hills Estate	36	4,487,500	4,925,000	6,350,000

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	-	Arabian Ranches 3	74	-	0	4,738,888	5,340,888
2	5	11	Serena	24	1,467,000	1,700,000	-	-
3	7	10	Villanova	23	1,428,000	1,515,000	2,560,000	3,401,000
4	2	3	Dubai Hills Estate	20	-	2,725,000	3,150,000	3,600,000
5	6	4	Town Square	19	-	1,570,000	1,500,888	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In December 2021, the market share of initial developer sales fell by 0.5% to 64.5% versus resale transactions. Despite this marginally decline, initial developer sales have slowly been clawing back market share throughout the year after resales gaining popularity in June 2020 following the lifting of COVID-19 mobility restriction. The 12-month rolling average now stands at 41.0% for resale, which still remains considerably higher than the 2019 and 2020 of 33.2% and 33.8% respectively.

Business Bay was the most popular master development for initial sales, where 9.7% of all such transactions occurred. This was led by Regalia which had the highest demand in the master development with a total of 125 initial sales.

Taking second place was Mohammed Bin Rashid City, where initial sales held 9.1% market share. Sobha Hartland was the most sought-after sub-community in the master development, recording a total of 221 initial sales. Coming in third for December was Al Furjan which claimed 7.3% market share with 266 sales spread across several projects, most notably Murooj Al Furjan with 160 transactions recorded.

The top master developments for resale transactions were Dubai Marina with 8.2% of such transactions across multiple projects—the highest level of sales occurred at The Residences Marina Gate (21). This was followed by Business Bay with 7.8% share and the highest number of transactions in DAMAC Towers by Paramount (16) and lastly Downtown taking a 6.6% share with the most popular buildings in the community being Address Fountain Views, Burj Royale, and The Address Residences BLVD all recording 9 transaction each.

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	2	Business Bay	326	679,163	1,033,358	1,833,989	2,773,026
2	8	3	Mohammed Bin Rashid City	296	515,143	971,190	1,650,000	2,232,698
3	4	1	Jumeirah Village Circle	203	399,000	755,948	1,170,828	2,166,640
4	11	4	Arjan	194	440,000	651,000	926,000	-
5	2	12	Dubai Harbour	193	-	2,014,888	3,070,388	5,819,888

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	3	8	Al Furjan	159	2,482,500	3,029,400	-
2	2	-	DAMAC Hills 2	62	919,000	1,349,500	1,919,500
3	-	-	Damac Lagoons	28	-	-	-
4	4	1	Damac Hills	23	-	-	5,138,090
5	6	7	Dubai Hills Estate	21	3,330,888	4,800,000	-

Initial Sale Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	17	Arabian Ranches 3	134	1,888,888	3,379,888	4,271,888
2	5	8	Town Square	122	1,700,888	1,900,888	-
3	4	5	Villanova	104	1,492,000	1,982,000	3,302,000
4	1	3	Tilal Al Ghaf	97	1,847,000	2,985,500	-
5	3	12	The Valley	24	1,481,894	1,678,888	-

Resale

Resale Apartments

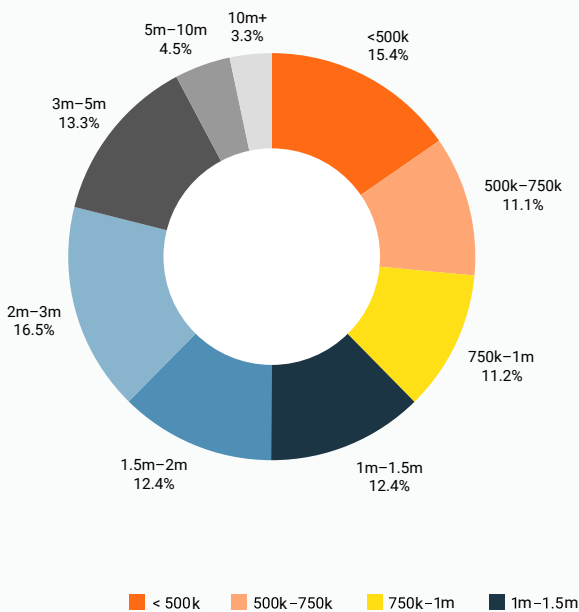
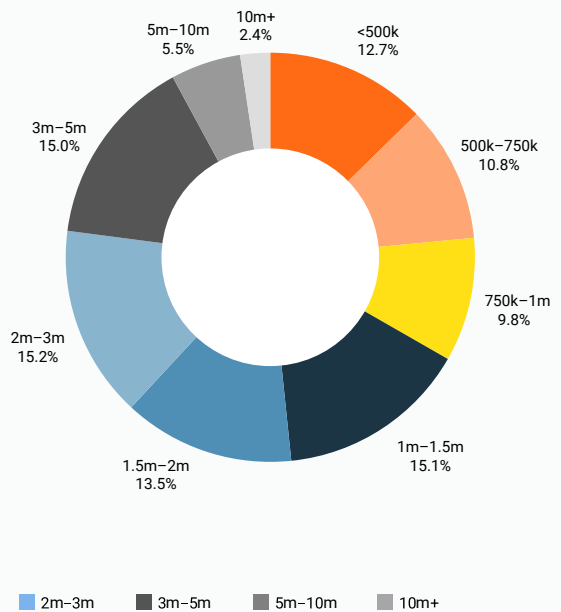
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	1	Dubai Marina	160	540,000	900,000	1,650,000	3,100,000
2	2	2	Jumeirah Village Circle	93	350,000	648,767	930,000	1,242,600
3	4	7	International City	91	212,000	300,000	490,000	550,000
4	3	4	Downtown Dubai	90	760,000	1,300,000	2,000,000	3,585,000
5	5	5	Business Bay	87	650,000	725,371	1,390,000	2,250,000

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	2	Nad Al Sheba	55	-	2,678,000	-
2	2	1	Emirates Living	36	2,610,000	4,000,000	13,925,000
3	3	-	DAMAC Hills 2	36	999,999	1,060,000	1,300,000
4	4	3	Arabian Ranches	24	4,500,000	2,205,000	5,824,950
5	5	5	Dubai Hills Estate	24	4,200,000	4,837,500	6,350,000

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	5	Villanova	23	1,325,000	1,532,500	1,825,000	3,500,000
2	8	7	Serena	19	1,370,000	1,700,000	-	-
3	3	2	Dubai Hills Estate	18	-	2,725,000	3,150,000	3,600,000
4	5	3	Town Square	17	-	1,570,000	1,850,000	-
5	2	4	Reem	10	-	1,812,500	2,090,000	-

PRICE TIERS (AED) – DECEMBER 2021

PRICE TIERS (AED) – NOVEMBER 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	December 2021	November 2021	MoM Change
<500K	15.3%	12.7%	2.63%
500K-750K	11.1%	10.8%	0.29%
750K-1M	11.2%	9.8%	1.40%
1M-1.5M	12.4%	15.1%	-2.69%
1.5M-2M	12.4%	13.5%	-1.13%
2M-3M	16.5%	15.2%	1.34%
3M-5M	13.3%	15.1%	-1.75%
5M-10M	4.5%	5.5%	-1.03%
10M+	3.3%	2.4%	0.94%

After losing market share and declining steadily for most of the year the three low-tier segments – properties <AED 1m – all witnessed gains in December with the <AED 500k tier experiencing the largest growth at 2.63% and attributed largely to new development Oqood registrations at Prime Residency 3 in Al Furjan, and Skyz by Danube in Arjan. Similarly, off-plan sales at Skyz as well as Regalia in Business Bay, and Creek Vistas Reserve in Sobha Hartland, MBR City boosted growth in the AED 500-750k and AED 750k-1m price tiers.

In addition to the increases of the low-tier segments, the AED 2-3m segment also experienced growth in December reaching 16.5%, its highest market share since November 2013. This growth can be attributed to off-plan sales registration of townhouses and villas at Aura Gardens in Tilal Al Ghaf, Murooj Al Furjan, Santorini in DAMAC Lagoons, and La Rosa VI in Villanova, as well as off-plan apartment sales at Beach Mansion in Emaar Beachfront and Cavalli Tower in Media City.

In December, properties mid-tier of AED 1m-3m again accounted for the largest share of the market at 41.3%, decreasing from 43.8% last month. The high-price tiers with property values greater than AED 3m now represents 21.1% of the market, down from 22.9% in November, while the lower price tiers of properties under AED 1m displayed a solid rebound after recording their weakest performance since March 2015 last month, growing 4.3% month-on-month to 37.6%.

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.



ZHANN JOCHINKE
Chief Operating Officer
zhann@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.