



Shortage of stock gives continued boost to the off-plan market. The inventory for completed properties remains under pressure.

Median prices in January



Highest monthly price rise since August 2021 as property prices increase by 1.47 in January

Off-plan market adds ~AED 8.9 billion worth of new projects in January

Strongest January transactions volumes on record

Despite imminent rate hikes, mortgage transactions fall to lowest level in 20 months

Rental yields hold at 5.8% for second month in a row

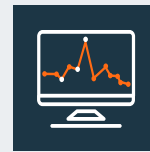
The recovery cycle has further to run

The Dubai property market's recovery continues with surprising strength as we enter 2022 with the highest monthly price appreciation seen since August 2021. This follows what has been a gradual tapering down in the pace of growth as the frantic market boom began to show signs of slowing down to a more sustainable rate in mid-2021. Recording a 1.47% rise in property prices in January, Dubai property values now stand at AED 990 per sq ft according to the Property Monitor Dynamic Price Index (DPI).

Transactions in January came in at 5,776 growing marginally by 2.1% on a monthly basis and reaching a record level as the highest performing January experienced in the Dubai market. This comes on the heels of an incredibly strong end to 2021 where transaction volumes for the year reached 61,304, averaging just under 6,000 monthly transactions throughout the last quarter.

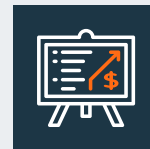
SNAPSHOT

January 2022



+1.47%

Dynamic Price Index
Monthly Change



AED 990/sq ft

Dynamic Price Index
Current Property Price



5,776

Number of Monthly
Transactions



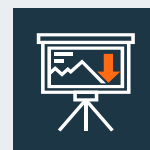
5.8%

Gross Rental Yield



AED 87m

Highest Recorded Sale
*Villa J-27 - 8 Bedroom
J Frond, Palm Jumeirah*



AED 168k

Lowest Recorded Sale
*Rukan Residence Bldg 2 - Studio
Rukan Residence, Rukan*



As the resale and completed property market slows down under pressure from this combination of low inventory and asking prices that buyers aren't willing to meet, new off-plan development project launches continue to surge. In January, just under 2,440 residential units entered the market for sale with an anticipated combined gross sales value of ~AED 8.9 billion. Apartments represent 75.7% by volume of this new inventory, while townhouses and villas represent 15.8% and 8.5% respectively. It should be noted that the launch of the ultra-high-end Six Senses Residences The Palm by Select Group accounts for over AED 4.2 billion of the total value and ~58% of the apartment launch volume.

ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

While this strong market volume is positive, a deeper look at the composition of transactions shows a market where fundamentals are again changing. As previously reported, activity appears to be returning to a market driven by off-plan and initial developer sales, with the proportion of off-plan sales recorded in January reaching their highest market share since June 2020, when we saw a trend emerging for completed properties. With a lack of completed inventory to choose from coupled with some ambitious pricing by sellers and their brokers, 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 this combination of low inventory and asking prices that buyers aren't willing to meet, new off-plan development project launches continue to surge. In January, just under 2,440 residential units entered the market for sale with an anticipated combined gross sales value of ~AED 8.9 billion. Apartments represent 75.7% by volume of this new inventory, while townhouses and villas represent 15.8% and 8.5% respectively. It should be noted that the launch of the ultra-high-end Six Senses Residences The Palm by Select Group accounts for over AED 4.2 billion of the total value and ~58% of the apartment launch volume.

A total of 2,710 off-plan transactions were registered in January, increasing 5.2% month-on-month and up a remarkable 182.3% on a yearly basis. Conversely, completed property sales volumes decreased by just under 1% month-on-month however they still remain up by 27.4% year-on-year. The market share of off-plan transactions grew to 46.9% of the whole, outperforming both 2021 and 2020 which showed off-plan capturing 39.5% and 45.2% respectively. The market trend is clear with a move back towards the longer-term trend of off-plan sales dominating the market. 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 1,723 in January representing a market share of 29.8%, down 5.6% month-on-month and at its lowest level since May 2020, when the initial COVID-19 mobility restrictions were

starting to be removed. Overall, having boomed post-COVID, these resale transactions have continued to decline since reaching a peak of 51.8% market share back in January 2021. This switch back to initial developer sales can be partly attributed to the recent resurgence of new project launches but also to a lack of resale sellers and the absence of affordable properties in the villa and townhouse segments continues to hang over the market.

At 1,414, the volume of mortgages decreased markedly by 24.2% in January reaching its lowest volume since June 2020 and returning to a continued slowdown in borrowing after a brief respite in December—when mortgage volumes grew marginally for the first time in over a quarter. While the most prominent cause of this month's decrease is the 27% month-on-month decline of bulk mortgage transactions, it should be noted that the longer-term downward trend for mortgage volumes is driven largely by the increasing lack of completed properties that are realistically priced on the market for sale. At a time when mortgage rates increases are imminent, we would expect to see a surge in residential mortgages in an effort to lock in historically low rates. However, this is yet to transpire into the number of new purchase mortgages.

Breaking down the mortgage market further shows that bulk transactions (mortgages taken by developers and larger investors for multiple units) comprised 20.5% of all loans issued, down from 47.5% in December. Another 32.6% of loans taken were new purchase money mortgages generally for residential properties that were also transferred during January, primarily by end-users with the average amount borrowed being AED 1.87m at a loan-to-value ratio of 75.3%. The remaining 46.9% represents refinancing or new mortgages taken out in the months post transfer, which was up 18.6% month-on-month and points to a segment of the market that is opting to lock in favorable rates in advance of credit policy and interest rate changes.

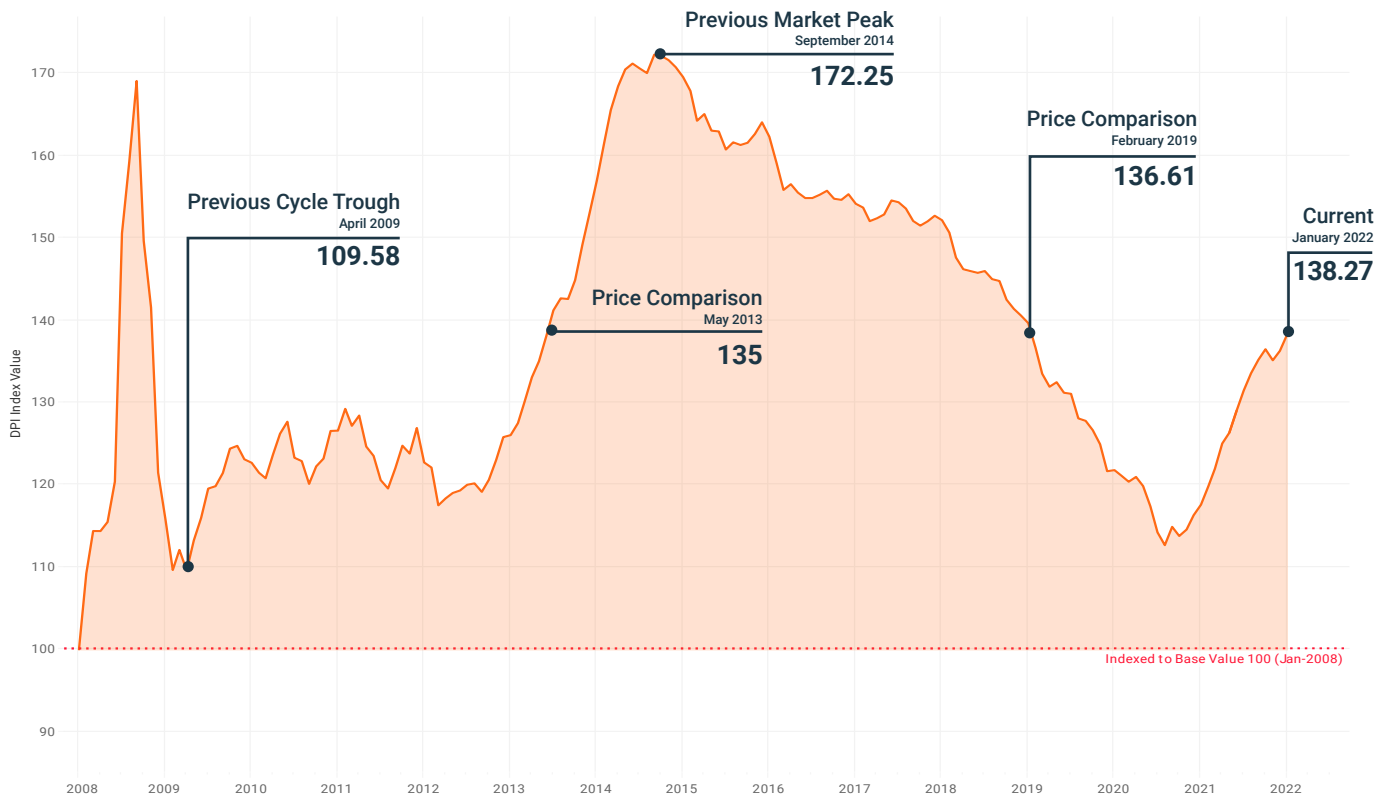
After steadily declining throughout the year, emirate-wide average gross rental yields held firm at 5.8% in January with no month-on-month change. This is just slightly below the 2021 year-end average of 5.9% and suggests that after falling from a relatively stable ~6.5% in 2020 that yields are beginning to plateau and that rental rates are likely to be moving closer inline with sales price appreciation.

Looking forward, while we believe the market has further to run and that prices in 2022 will end the year higher than current levels, we anticipate a moderation in buyer demand as we go through the year — particularly in the completed property segment for villas and townhouses. Affordability is set to erode further due to high listing asking prices and inevitable mortgage rate hikes ahead.

While villa and townhouse affordability worsens, 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 remain centered around the trajectory of inflation and interest rate rises, however, while this may affect sentiment and raise a barrier to purchasing for some end-user buyers, we believe that other positive factors will outweigh any increase in the cost of credit and the market will continue its bull run.

PROPERTY MONITOR DYNAMIC PRICE INDEX



+1.47%
MoM Change

+1.32%
QoQ Change

+17.6%
YoY Change

AED 990
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Jan 2022	138.27	1.47%	1.32%	17.60%	990
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

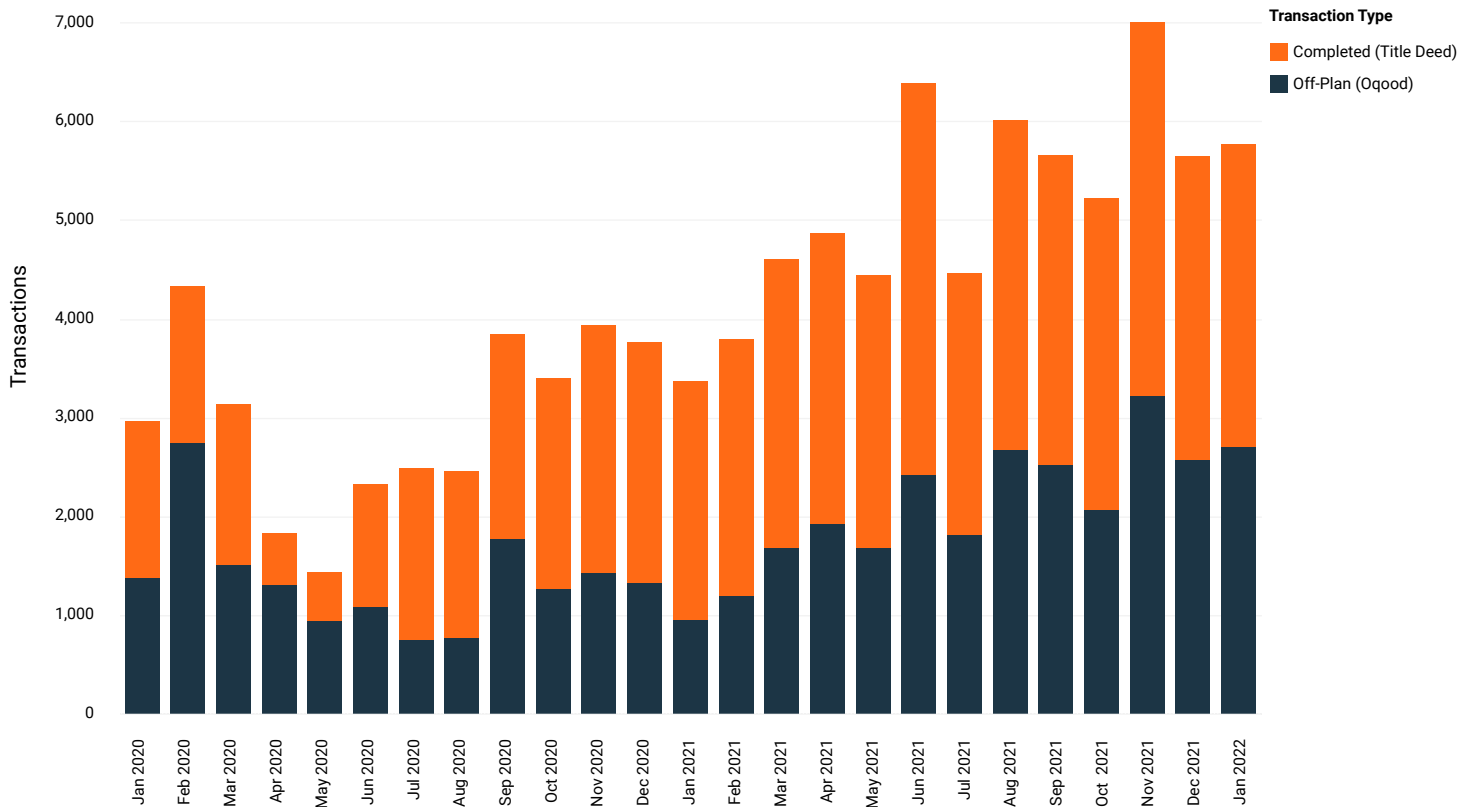
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for January 2022 increased by 2.01 index points to 138.27 from 136.26 in December 2021, representing a month-on-month increase of 1.47%.

In January 2022, property prices stood at AED 990 per sq ft, down 19.7% from the market peak in September 2014 and are 26.2% 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 17.6% in January 2022. When we compare this to January 2021 when a year-on-year decline of 3.5% was recorded, we can see the ongoing trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



Transaction volumes in January stood at 5,776, growing marginally by 2.1% on a monthly basis however reached a record high for January transactions. During the month, the split between off-plan and completed property transactions remained in favour of the latter with Title Deeds accounting for 53.1% of all transactions, down 1.4% month-on-month. Completed properties have led the market for 20 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 59% in January 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 19.7%. They recorded just over 650 transactions spread across a myriad of their projects with a higher concentration of sales at Emaar Beachfront Dubai Harbour (206)—most notably Beach Mansion with 124 transactions, and Beach Isle and Palace Beach Residence with 29 and 25 transactions respectively. This was followed by Dubai Creek Harbour at 145 transactions in total with Creek Beach the most favoured sub-community and recording the greatest number of transactions at Grove (62).

DAMAC Properties was next at 15.9% of all off-plan registrations with the bulk of their sales occurring at the Santorini (347) and Costa Brava (40) phases of the newly launched DAMAC Lagoons master community, as well as continued strong registrations at Cavalli Tower (45) in Media City. This was followed by Nakheel taking 6.9% market share with the most notable activity in their newly launched Murooj Al Furjan villa projects in Al Furjan which recorded a total of 211 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 4,053 initial developer sales recorded in January, 16.7% 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	1	2	Mohammed Bin Rashid City	336	510,549	1,027,383	1,578,598	2,143,051
2	2	4	Business Bay	315	730,887	1,033,304	1,710,023	2,433,741
3	3	6	Dubai Harbour	213	-	2,038,888	3,211,888	6,276,888
4	6	1	Jumeirah Village Circle	171	484,659	729,325	763,840	841,900
5	5	15	Arjan	149	445,000	652,410	936,000	1,597,326

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	62	1,350,000	1,525,000
2	4	3	Rukan	56	1,271,850	-
3	2	-	Dubai Hills Estate	8	3,323,388	4,125,388
4	5	-	The Valley	2	-	1,782,888
5	3	-	Mohammed Bin Rashid City	2	2,150,000	3,250,000

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	3	1	Villanova	161	1,208,400	1,499,000	1,980,500	-
2	4	4	Arabian Ranches 3	70	-	1,535,000	3,181,888	3,534,888
3	1	7	Town Square	53	-	1,450,888	1,550,888	-
4	2	2	Tilal Al Ghaf	35	-	1,837,000	2,449,000	-
5	7	8	Dubai South	25	-	1,145,888	1,475,000	-

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	Business Bay	176	804,000	1,339,450	1,834,502	2,883,050
2	3	9	Jumeirah Village Circle	139	433,140	704,850	1,081,006	1,268,250
3	2	2	Dubai Marina	124	715,000	1,125,000	1,750,000	2,800,000
4	6	7	Downtown Dubai	107	1,669,274	1,150,000	2,500,000	5,276,599
5	5	8	Jumeirah Lakes Towers	95	500,000	1,000,000	1,630,000	1,080,000

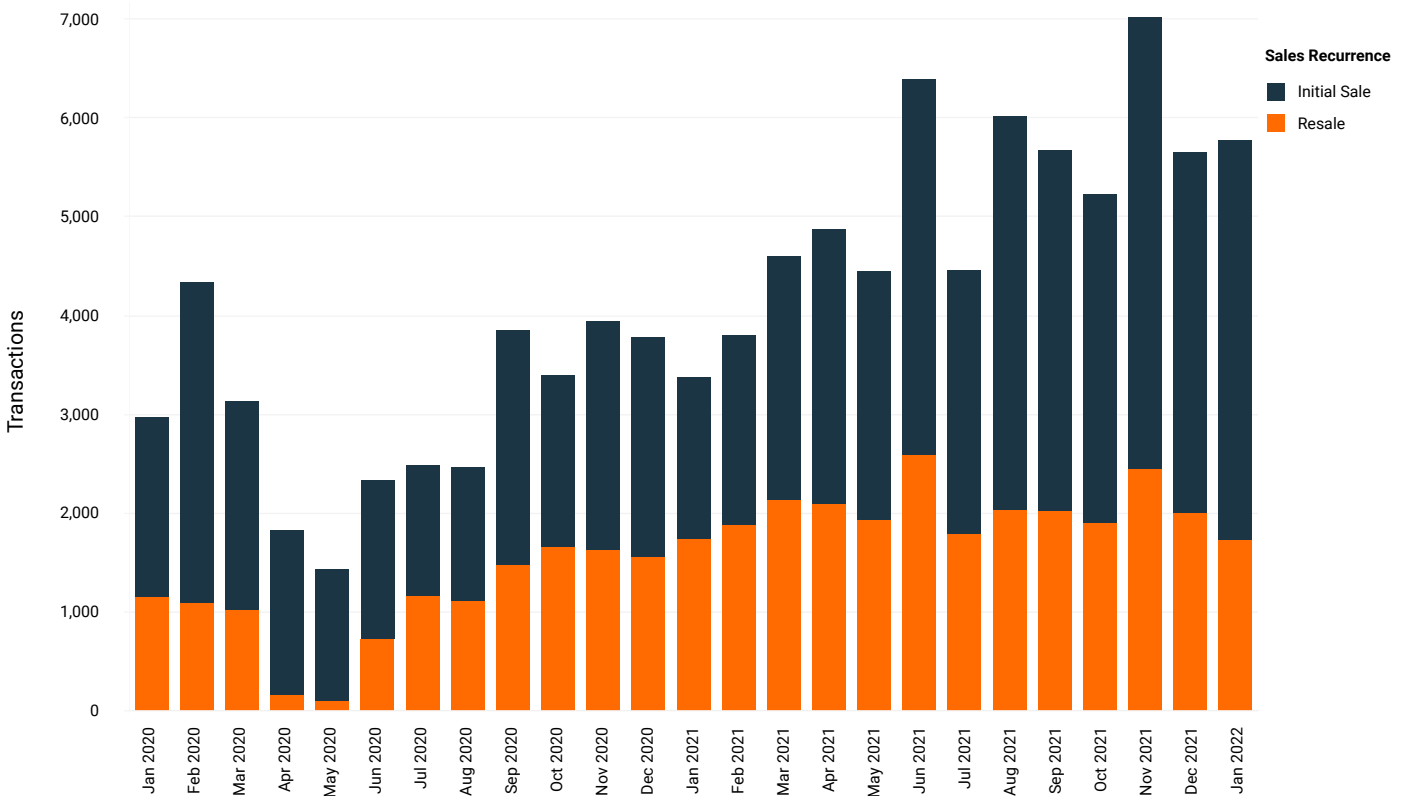
Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	7	-	DAMAC Lagoons	387	-	-	-
2	1	10	Al Furjan	226	2,265,000	3,377,909	-
3	2	-	DAMAC Hills 2	71	1,117,000	1,550,000	1,189,500
4	5	2	Emirates Living	45	2,937,500	3,500,000	9,250,005
5	3	1	Nad Al Sheba	35	-	2,678,000	-

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	29	-	-	4,722,888	6,222,388
2	5	4	Town Square	22	-	1,700,000	2,150,000	-
3	4	5	Dubai Hills Estate	20	-	2,800,000	3,125,000	3,700,000
4	2	12	Serena	15	1,447,500	1,900,000	-	-
5	7	24	Al Furjan	14	-	2,150,000	-	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In January 2021, the market share of initial developer sales grew by 5.6% to 70.2% versus resale transactions. Initial developer sales have slowly been clawing back market share after resales gaining popularity in June 2020 following the lifting of COVID-19 mobility restriction. The 12-month rolling average now stands at 39.1% for resale, which is continually edging back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

Business Bay remained the most popular master development for initial sales, where 11.7% of all such transactions occurred. This was led by Regalia which had the highest demand in the master development with a total of 173 initial sales, then followed by Peninsula One with 109 transactions.

Taking second place was DAMAC Lagoons, where initial sales held 9.6% market share. Santorini, which launched in November 2021, topped the leaderboard with 347 initial sales and was followed by Costa Brava with 40, which launched more recently in December 2021. Coming in third for January was Al Furjan which claimed 9% market share with 365 sales

spread across several projects, most notably Murooj Al Furjan, Prime Residency 3, and Azizi Star with 211, 68, and 64 transactions recorded respectively.

The top master developments for resale transactions were Jumeirah Lakes Towers with 7.2% of such transactions across multiple projects—the highest level of sales occurred at MBL Residence (24). This was followed by Downtown Dubai with 7.1% market share and the highest number of transactions in Burj Khalifa, Address Fountain Views, and Bahwan Tower all recording 10 transactions 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	1	Business Bay	439	736,854	1,049,772	1,786,597	2,503,119
2	2	3	Mohammed Bin Rashid City	326	515,200	1,027,383	1,570,420	2,143,051
3	3	2	Jumeirah Village Circle	228	460,550	722,950	821,085	841,900
4	5	19	Dubai Harbour	202	-	2,041,888	3,197,388	6,289,888
5	7	31	Dubai Creek Harbour	192	-	1,406,888	2,153,888	3,251,888

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	-	DAMAC Lagoons	387	-	-	-
2	1	5	Al Furjan	208	2,500,000	2,700,000	-
3	6	-	Dubai South	66	1,350,000	1,525,000	-
4	11	-	Rukan	55	1,271,850	-	-
5	2	-	DAMAC Hills 2	44	1,277,500	1,705,000	1,329,000

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	3	1	Villanova	159	1,208,400	1,496,000	1,992,500	-
2	1	12	Arabian Ranches 3	91	-	1,364,388	3,266,954	4,250,888
3	2	13	Town Square	53	-	1,450,888	1,550,888	-
4	4	3	Tilal Al Ghaf	28	-	1,846,000	2,998,000	5,000,000
5	7	17	Dubai South	21	999,837	1,350,000	1,475,000	-

Resale

Resale Apartments

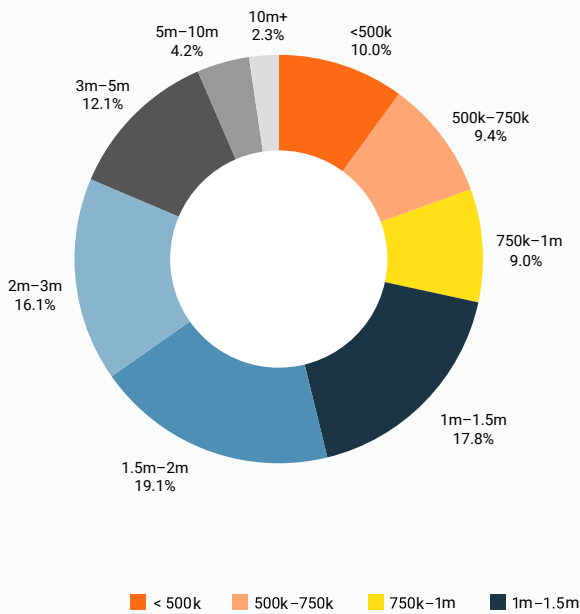
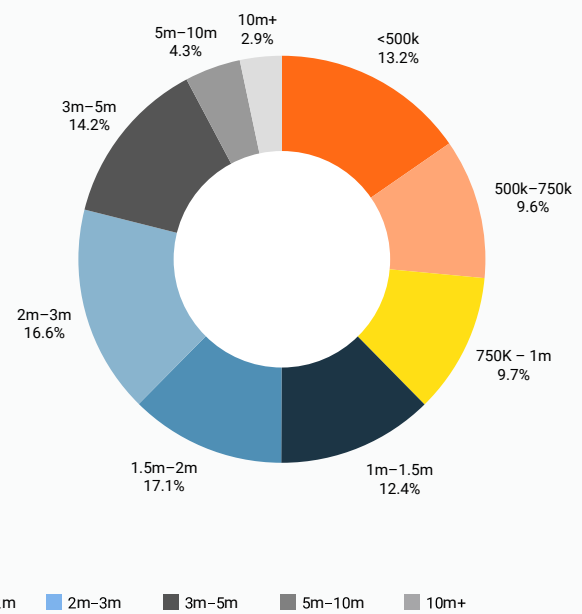
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	1	Dubai Marina	109	715,000	1,083,500	2,000,000	2,800,000
2	4	4	Downtown Dubai	93	1,669,274	1,125,000	1,887,500	4,620,944
3	2	8	Jumeirah Village Circle	82	355,000	711,018	1,081,000	1,268,250
4	7	6	Jumeirah Lakes Towers	72	490,000	896,635	1,538,021	2,700,000
5	3	3	International City	70	210,000	310,000	500,000	1,508,000

Resale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	2	2	Emirates Living	45	2,937,500	3,500,000	9,250,005
2	1	1	Nad Al Sheba	34	-	2,678,000	-
3	3	-	DAMAC Hills 2	27	900,000	1,337,500	1,050,000
4	4	3	Arabian Ranches	27	3,650,000	6,800,004	5,800,000
5	5	6	Dubai Hills Estate	26	4,250,000	5,520,000	6,150,000

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	4	1	Town Square	22	-	1,700,000	2,150,000	-
2	3	2	Dubai Hills Estate	16	-	2,800,000	3,097,500	3,545,110
3	1	3	Villanova	15	1,425,000	1,540,000	1,870,000	3,850,000
4	5	5	Reem	12	-	2,100,000	2,195,000	-
5	2	9	Serena	12	1,425,000	1,925,000	-	-

PRICE TIERS (AED) – JANUARY 2022

PRICE TIERS (AED) – DECEMBER 2021

PRICE TIERS (AED) MONTHLY COMPARISON

	January 2022	December 2021	MoM Change
<500K	10.0%	13.2%	-3.24%
500K-750K	9.4%	9.6%	-0.15%
750K-1M	9.0%	9.7%	-0.71%
1M-1.5M	17.8%	12.4%	5.41%
1.5M-2M	19.1%	17.1%	1.94%
2M-3M	16.1%	16.6%	-0.47%
3M-5M	12.1%	14.2%	-2.10%
5M-10M	4.2%	4.3%	-0.13%
10M+	2.3%	2.9%	-0.55%

After momentarily losing market share last month, activity in the mid-tier segments of the market witnessed gains in January with the AED 1m-1.5m tier experiencing the highest growth at 5.41%, attributed largely to new development Oqood registrations at Santorini in DAMAC Hills, Murooj Al Furjan in Al Furjan, and La Rosa in Villanova. Similarly, off-plan sales at Santorini, Murooj Al Furjan, and La Rosa, as well as Regalia in Business Bay, and The Pulse Villas 2 in Dubai South boosted growth in the AED 1.5m-2m price tier by 1.94% month-on-month.

While the mid-tier segments increased in popularity in January the high-end-tier segments—properties over AED 3m—lost steam, particularly the AED 3m-5m segment. In recent months this segment had reached near historic highs however due to a lack of available inventory in the completed and resale market, coupled with the disproportionate amount of new development launches geared at the sub-3m price point, the price tier was unable to maintain its high market share.

In January, properties mid-tier of AED 1m-3m again accounted for the largest share of the market at 53%, increasing by nearly 7% from last month. The high-price tiers with property values greater than AED 3m now represents 18.6% of the market, down 2.8% from December, and after briefly rebounding last month the lower price tiers—properties under AED 1m—resumed their downwards trajectory falling 4.1% month-on-month to 28.4% and now stand at their lowest levels since May 2008.

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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