



Strongest ever start to the year with record transactions; Prices break through the AED 1,000/sq ft ceiling for first time in over 3 years

Median prices in February



Apartments
AED 1,039,414



Townhouses
AED 1,719,975



Villas
AED 3,948,400

Prices rise 1.12% in February with moderate price appreciation still expected to lead to an extended recovery and growth cycle

Off-plan market adds over 3,000 units, ~AED 7.5 billion worth of new inventory

Strongest February transaction volume on record driven by continuing off-plan surge

Dubai market predicted to remain resilient as international tensions and rising interest rates choke demand in other major capitals and markets

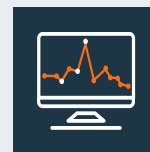
Rental yields rise to over 6% for the first time in 7 months

The Dubai property market recovery continues, recording a 1.12% rise in property prices in February. Dubai property values now stand at AED 1,001 per sq ft according to the Property Monitor Dynamic Price Index (DPI), a level not seen since January 2019 during the long market downturn and touched in the previous recovery cycle back in June-July 2013. Although there are indications that the pace of price appreciation is beginning to moderate, we still predict gentle price growth over 2022 as a whole, despite plenty of new off-plan inventory coming to market.

Since bottoming out in November 2020 the Dubai market is now 16 months into a recovery and growth cycle. If you make a direct comparison to the previous similar market cycle in 2012-2014, where prices went on to appreciate for 24 months before entering a long and drawn out downcycle, we are two thirds of the way there. However, at the same stage of the previous recovery cycle, prices were running away, increasing 2.5-3% on a monthly basis in marked contrast to the 1-1.5% of this cycle.

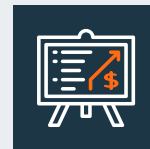
SNAPSHOT

February 2022



+1.12%

Dynamic Price Index
Monthly Change



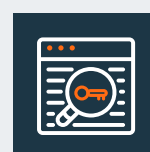
AED 1,001/sq ft

Dynamic Price Index
Current Property Price



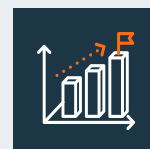
6,346

Number of Monthly
Transactions



6.02%

Gross Rental Yield



AED 88.2m

Highest Recorded Sale
Villa JB-MV22
Jumeirah Bay Island



AED 85k

Lowest Recorded Sale
Building X-19 Apt 213 - Studio
England Cluster, International City

“ Market headwinds and downside risks remain centred around the trajectory of inflation and interest rate rises amid global tensions. 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.

ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

Should the market continue to appreciate at this sustainable pace we continue to believe the market has further to run and that the overall recovery period will surpass that of 2012-2014 before finding a new level. This view is supported by transaction levels as well as wider positive sentiment.

Transactions in February came in at 6,346 growing by 9.9% on a monthly basis. This is a record level for any February experienced in the Dubai market. Additionally, this marks the strongest ever start to a year with a total of 12,119 sales transactions recorded year-to-date, a 17.7% increase over 2017 which was previous best start to a year.

While the resale and completed property market slows down—under pressure from a combination of low inventory and asking prices that buyers aren't willing to meet—new off-plan development project launches continue to surge. In February, just over 3,000 residential units entered the market for sale with an anticipated combined gross sales value of ~AED 7.5 billion. Townhouses represent 58.5% by volume of this new inventory, while apartment and villas represent 36.8% and 4.7% respectively.

A total of 2,576 off-plan transactions were registered in February, decreasing 4.9% month-on-month however up a by a healthy 112.9% on a yearly basis and follows a year-on-year increase last month of 182.3% which gives further evidence of a continued resurgence in off-plan market. Conversely, title deed sales volumes increased by 23% month-on-month and remain up by 45.5% year-on-year. While strengthening on transaction count basis, the market share of off-plan transactions fell to 40.6% of the whole from 46.9% last month, however with the significant amount of new development projects launched in recent months and several additional launches in the pipeline, market share of off-plan sales is likely to again increase 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 2,180 in February representing a market share of 34.4%, up 4.5% month-on-month. This increase is against the

trend where, for the last 12 months, resale transactions have been steadily declining and is likely an isolated occurrence with initial sales expected to increase market share in the coming months in line with the growing amount of new development project launches and the ongoing lack of affordable properties for resale in the villa and townhouse market.

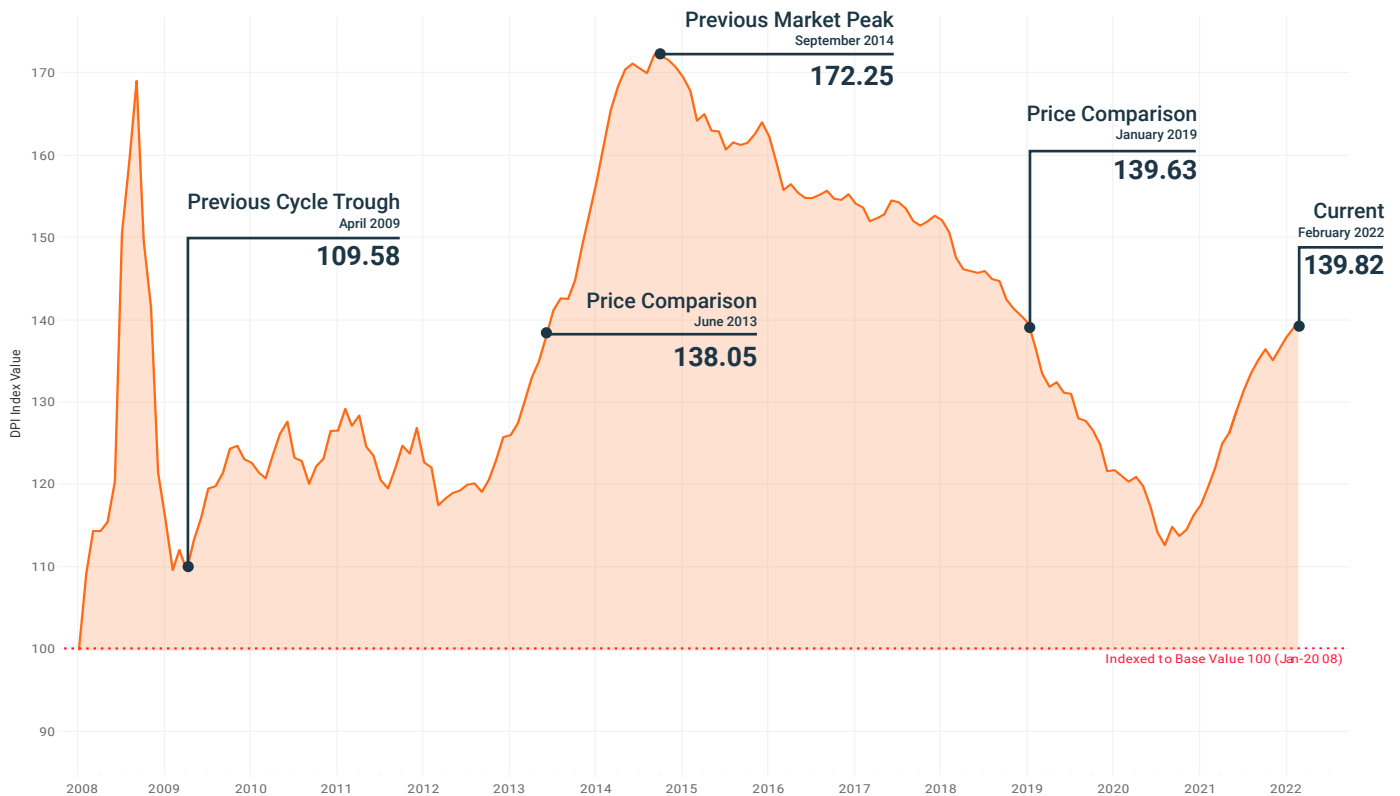
At 1,580, the volume of mortgages increased by 11.7% in February after reaching their lowest volume since June 2020 last month. This month-on-month increase is largely the result of newly handed over projects that are now eligible for home financing, particularly for townhouses which saw loan volumes increase by 58.9%. With the first of a series of interest rate increases expected next month we foresee mortgage volumes resuming their downward trend as the cost of home ownership inevitably increases.

Breaking down the mortgage market further shows that bulk transactions (mortgages taken by developers and larger investors for multiple units) comprised 12.8% of all loans issued, down from 20.5% in January and 47.5% in December. Another 41.8% of loans taken were new purchase money mortgages generally for residential properties that were also transferred during February, primarily by end-users with the average amount borrowed being AED 1.78m at a loan-to-value ratio of 75.2%. The remaining 40.4% represents refinancing or new mortgages taken out in the months post transfer.

After steadily declining throughout 2021, emirate-wide average gross rental yields jumped to just over 6.0% in February, with yields for townhouses experiencing the highest increase growing from 5.2% to 5.6%. Gross yields for apartments now stand at just over 7% and villas at 5.1%. This increase in yields supports our earlier prediction that rental rates will start moving closer in line with sales price appreciation and will re-ignite investor confidence. We anticipate that rental market behaviour will mirror that of the sales market with the newer and most attractive developments being in high demand and leading yield curves higher. Equally, older and less desirable communities and towers may suffer with slower demand and rents which do not rise with the wider market. This trend again favours investors buying the latest inventory being brought to the market driving prices higher.

Market headwinds and downside risks remain centered around the trajectory of inflation and interest rate rises amid global tensions. 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. Dubai remains very affordable by international standards with many European markets raising barriers to external investment, coupled with rising interest rates and inflation headwinds dampening the post-COVID recovery, this combination of factors could be added momentum for Dubai as a safe haven market in the near term.

In the absence of affordable completed villas and townhouses, demand is expected to continue to gravitate towards off-plan alternatives where not only is there more bang for your buck, but developer payment plans offer an alternative to conventional mortgages which are soon to adjust against the changes in monetary policy, particularly increases in the US federal funds rate which due to the dirham-dollar peg, has a direct impact on the UAE market.

PROPERTY MONITOR DYNAMIC PRICE INDEX

+1.12%
MoM Change

+3.48%
QoQ Change

+16.71%
YoY Change

AED 1,001
Average Property
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Feb 2022	139.82	1.12%	3.48%	16.71%	1,001
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

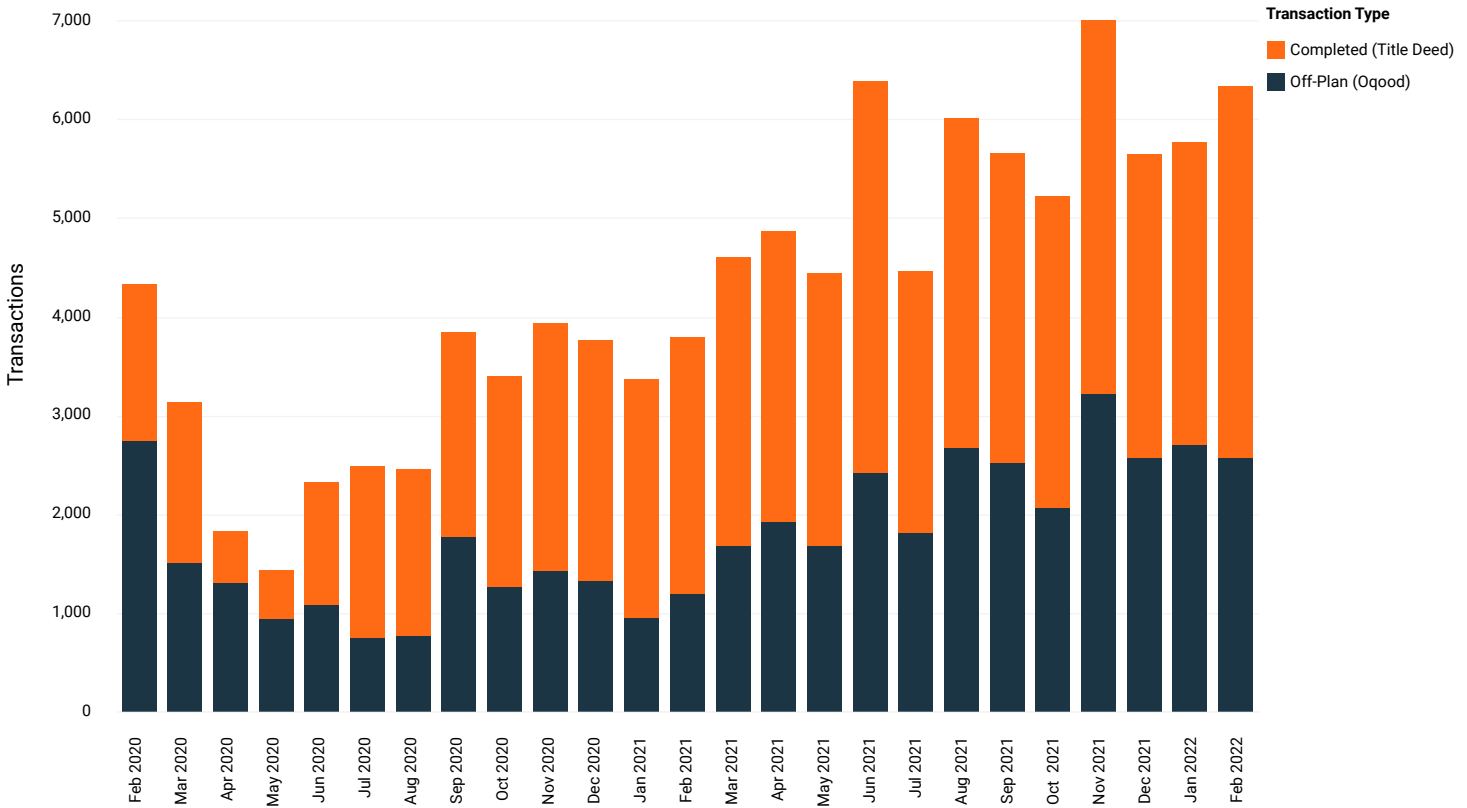
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for February 2022 increased by 1.55 index points to 139.82 from 138.27 in January 2022, representing a month-on-month increase of 1.12%.

In February 2022, property prices stood at AED 1,001 per sq ft, down 18.8% from the market peak in September 2014 and are 27.6% above the market trough of April 2009. Property prices were last at these levels during the recovery phase of the previous market cycle in June 2013 and July 2013.

On a yearly basis, prices have increased by 16.7% in February 2022. When we compare this to February 2021 when a year-on-year decline of just over 1% was recorded, we can see the ongoing trend reversal from declines to gains.

HISTORICAL TRANSACTIONS CHART – COMPLETION STATUS



Transaction volumes in February stood at 6,346, growing by nearly 10% on a monthly basis and recording a record high for February transactions—43.5% higher than any other February on record. During the month, the split between off-plan and completed property transactions remained in favour of the latter with Title Deeds accounting for 59.4% of all transactions, up 6.3% month-on-month. Completed properties have led the market for 21 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 58.3% in February for completed properties, however with off-plan launches gradually increasing this is likely to decrease further in 2022.

For the 8th month in a row, Emaar Properties led the off-plan market with the bulk of developers’ Oqood (off-plan) registrations, taking a market share of 17.3%. They recorded just over 600 transactions spread across a myriad of their projects with a higher concentration of sales at Talia in The Valley (126). This was followed by Rosewater in Creek Beach, Dubai Creek Harbour (75) and then Beach Mansion at Emaar Beachfront (36).

DAMAC Properties was next and close behind, at 16.8% of all off-plan registrations with the bulk of their sales occurring at the Santorini (223) and Costa Brava (120) phases of the newly launched DAMAC Lagoons master community, as well as continued strong registrations at Cavalli Tower (75) in Media City. This was followed by Azizi taking 10.8% market share with the vast majority of activity in their Azizi Riviera project in Mohammed Bin Rashid City which recorded a total of 348 Oqood registrations spread across 20 buildings.

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 4,166 initial developer sales recorded in February, 10.3% were in completed projects. It is important to note that several off-plan villa and townhouse transactions are registered as title deed transactions for parcels of ‘land’ by Dubai Land Department, these are omitted from this calculation to provide a true reflection of unsold inventory in completed projects.

TOP 5 COMMUNITIES TABLE – OFF-PLAN AND COMPLETED

Off-Plan / Ogood

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	1	Mohammed Bin Rashid City	568	500,650	927,200	1,650,000	1,682,752
2	2	3	Business Bay	266	744,100	1,035,819	1,620,025	2,489,980
3	6	20	Dubai Creek Harbour	169	-	1,279,888	2,018,888	3,191,888
4	4	2	Jumeirah Village Circle	161	470,000	642,500	712,500	920,000
5	7	6	Downtown Dubai	95	801,655	1,443,050	2,611,800	4,467,888

Off-Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)
1	-	-	Dubai Investments Park	7	-	1,329,080
2	1	-	Dubai Hills Estate	5	3,700,000	-
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	-	-	-	-	-	-

Off-Plan Townhouses

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	5	Villanova	148	1,341,750	1,678,650	1,962,000	-
2	7	9	The Valley	134	-	1,523,888	1,892,270	-
3	3	4	Arabian Ranches 3	44	-	1,510,000	2,338,888	4,215,388
4	6	3	Tilal Al Ghaf	35	-	1,776,000	2,830,000	-
5	4	-	Rukan	30	866,301	1,052,940	-	-

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	9	Jumeirah Village Circle	217	392,500	704,000	1,055,929	1,334,652
2	1	2	Business Bay	182	763,670	1,025,000	1,739,925	2,634,511
3	3	1	Dubai Marina	150	590,250	1,250,000	1,775,000	2,200,000
4	9	-	Badr	108	-	1,049,800	1,632,816	2,366,800
5	6	5	International City	97	212,500	315,000	440,000	1,508,000

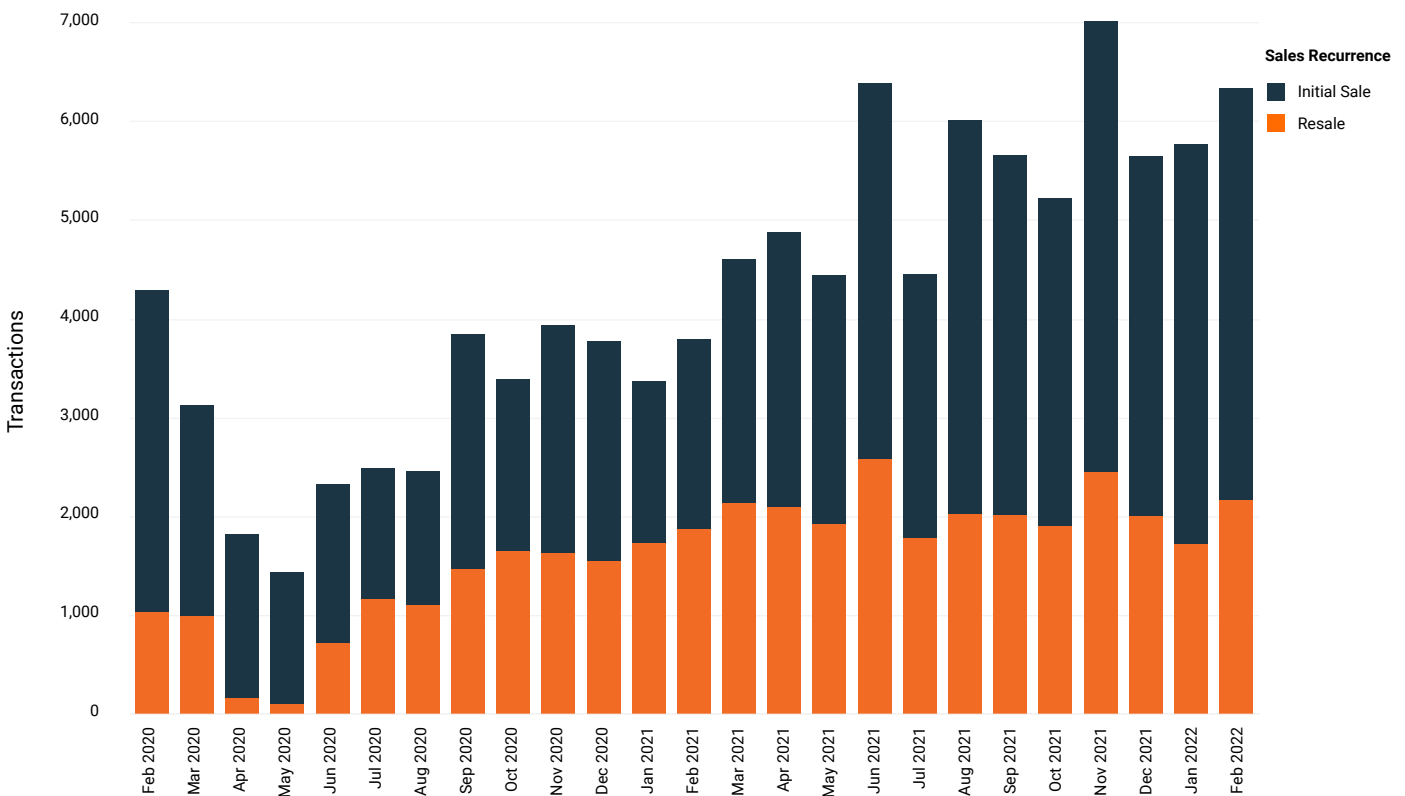
Completed Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	-	DAMAC Hills 2	69	894,000	1,724,000	1,052,000
2	3	2	Nad Al Sheba	63	-	2,663,000	3,688,000
3	2	3	Emirates Living	46	2,687,500	5,400,000	6,575,000
4	6	4	Dubai Hills Estate	36	3,619,444	4,999,999	6,800,000
5	14	14	Mohammed Bin Rashid City	33	-	11,925,000	15,300,000

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	8	1	DAMAC Hills 2	57	1,114,000	1,137,500	1,711,500	1,676,500
2	6	8	Villanova	30	1,365,000	1,725,000	2,350,000	-
3	3	5	Town Square	26	-	1,700,000	2,220,000	-
4	4	2	Dubai Hills Estate	25	-	2,687,500	3,220,000	3,550,000
5	12	16	Arabian Ranches 2	18	-	1,611,388	2,191,888	-

HISTORICAL TRANSACTIONS CHART – SALES RECURRENCE



In February 2021, the market share of initial developer sales fell by 4.5% to 65.6% 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. February’s month-on-month decline is likely an isolated occurrence with the trend of initial sales expected to resume a growth trajectory in the coming months. The 12-month rolling average now stands at 37.9% for resale, which is continually trending back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

Mohammed Bin Rashid City was the most popular master development for initial sales, where 15.7% of all such transactions occurred. Azizi Riviera which had the highest demand in the master development with a total of 348 initial sales, then followed by MAG City with 109 transactions and Sobha Hartland Waves with 35.

Taking second place was Business Bay, where initial sales held 9.8% market share. Peninsula One, topped the leaderboard with 131 initial sales and was followed by another wave of registrations at Regalia (47) bringing the total recorded sales in the project to 87%. Coming in third for February was DAMAC Lagoons which claimed 9.3% market share with 348 sales and was led by Santorini, which launched in November 2021, with 223 initial sales and was followed by Costa Brava with 120, launched more recently in December 2021, then by Nice with 5 sales which formally launched in January 2022.

The top master developments for residential resale transactions were Dubai Marina with 8.1% of such transactions across multiple projects—the highest level of sales occurred at 52|42 (13). This was followed by Jumeirah Village Circle with 7.6% market share and the highest number of transactions in Bloom Heights (31) and Bloom Towers (28).

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	2	1	Mohammed Bin Rashid City	570	500,681	931,305	1,766,992	1,682,752
2	1	3	Business Bay	367	757,700	1,052,868	1,665,106	2,623,805
3	3	2	Jumeirah Village Circle	252	439,170	684,414	730,000	950,000
4	5	23	Dubai Creek Harbour	203	-	1,288,888	2,178,888	3,309,388
5	12	39	Badr	108	-	1,049,800	1,632,816	2,366,800

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	1	Tilal Al Ghaf	68	-	4,014,000	-
2	1	-	DAMAC Hills 2	52	955,000	1,724,000	1,461,080
3	2	-	DAMAC Lagoons	42	-	-	-
4	-	-	Jebel Ali	29	-	-	4,578,800
5	4	-	Arabian Ranches 3	29	-	4,921,888	6,396,388

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	1	-	DAMAC Lagoons	306	-	1,497,000	1,681,000	2,559,000
2	2	17	Al Furjan	190	-	1,893,800	-	-
3	3	6	Villanova	149	1,344,000	1,683,400	2,166,000	-
4	9	11	The Valley	134	-	1,523,888	1,892,270	-
5	5	14	Arabian Ranches 3	35	-	1,432,888	2,642,888	4,215,388

Resale

Resale Apartments

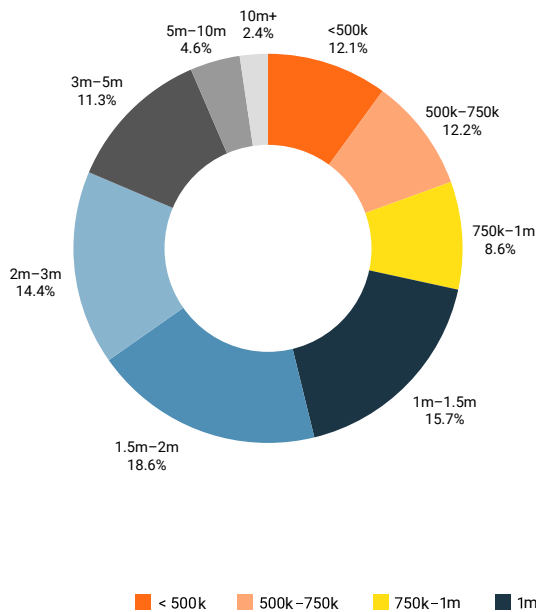
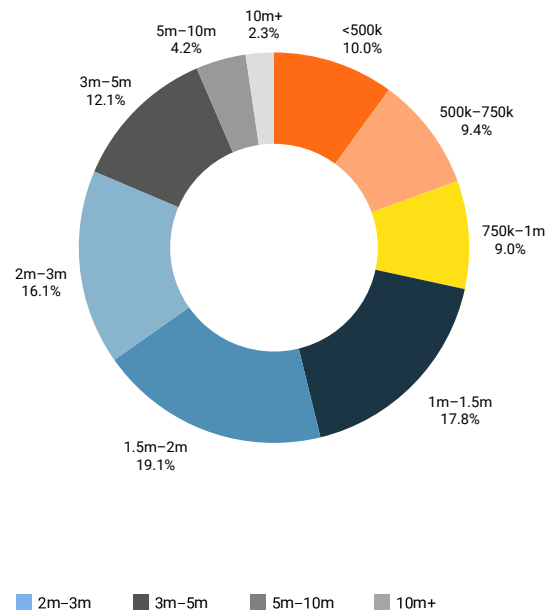
Rank (this month)	Rank (last month)	Rank (last year)	Community	Total # Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	1	Dubai Marina	147	552,750	1,260,000	1,875,000	2,200,000
2	3	12	Jumeirah Village Circle	126	350,000	697,655	1,046,351	1,510,152
3	2	3	Downtown Dubai	111	760,000	1,287,444	2,450,000	4,400,000
4	5	2	International City	99	215,000	315,000	440,000	1,508,000
5	7	7	Business Bay	81	685,000	795,540	1,770,000	2,525,820

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	1	Nad Al Sheba	48	-	2,658,000	3,468,000
2	1	2	Emirates Living	46	2,687,500	5,400,000	6,575,000
3	5	4	Dubai Hills Estate	33	3,701,386	4,975,000	6,675,000
4	4	3	Arabian Ranches	23	3,050,000	2,600,000	6,400,000
5	8	37	The Sustainable City	19	3,302,250	3,556,800	-

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	5	Villanova	29	1,245,000	1,615,000	1,920,000	-
2	1	1	Town Square	26	-	1,700,000	2,220,000	-
3	15	2	DAMAC Hills 2	24	-	987,500	1,400,000	1,520,000
4	2	4	Dubai Hills Estate	23	-	2,687,500	3,200,000	3,550,000
5	4	6	Reem	16	-	1,800,000	2,500,000	-

PRICE TIERS (AED) – FEBRUARY 2022

PRICE TIERS (AED) – JANUARY 2022

PRICE TIERS (AED) MONTHLY COMPARISON

	February 2022	January 2022	MoM Change
<500K	12.1%	10.0%	2.14%
500K-750K	12.2%	9.4%	2.76%
750K-1M	8.6%	9.0%	-0.36%
1M-1.5M	15.7%	17.8%	-2.09%
1.5M-2M	18.6%	19.1%	-0.48%
2M-3M	14.5%	16.1%	-1.63%
3M-5M	11.3%	12.1%	-0.83%
5M-10M	4.6%	4.2%	0.45%
10M+	2.4%	2.3%	0.08%

After steadily losing market share for eight months, activity in the low-tier segments of the market witnessed significant gains in February with the AED 500k-750k tier experiencing the highest growth at 2.76% and the AED <500k growing by 2.14%. Growth in these two budget segments can be attributed largely to new development Oqood registrations at Azizi Riviera where 240 sales were recorded.

While the low-tier segments increased in popularity in February the mid-tier segments—properties between AED 1m-3m—declined, with all three segments experiencing month-on-month negative growth.

After abating momentarily last month the AED 5m-10m and 10m+ price tiers experienced a modest rebound increasing 0.45% and 0.08% month-on-month and lifted back by sales of premium off-plan properties at Alaya in Tilal Al Ghaf, Elie Saab in Arabian Ranches III and Beach Mansion in Emaar Beachfront.

In February, properties mid-tier of AED 1m-3m again accounted for the largest share of the market at 48.8%, falling 4.2% from last month. The low-price tiers with property values under than AED 1m now represents 32.9% of the market, up by a noteworthy 4.5% from January and after briefly falling last month the high-end price tiers—properties over AED 3m—now represents 18.3% of the market, down marginally by 0.3% from month-on-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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