



Strongest August on record, as new development launches and off-plan sales turbo-charge transaction volumes towards record high. Year-to-date sales just shy of passing 2021 with four months to spare, as prices bounce back.

Median prices in August



Apartments
AED 1,091,000



Townhouses
AED 1,844,000



Villas
AED 4,349,000

Property prices bounce back after two consecutive months of declines, increasing 1.24%

Highest sales transaction volumes since 2009

New development project launches and off-plan sales turbo-charge the market

Mortgages volumes up, yet new purchase activity falls 9.1%, as cash remains king

Gross rental yields strengthen for villas and townhouses

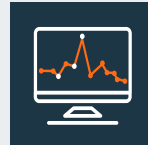
Following two consecutive months of price declines, Dubai property prices have bounced back increasing by 1.24% in August. Dubai property values now stand at AED 1,025 per sq ft according to the Property Monitor Dynamic Price Index (DPI), a level not seen since October 2018 during the long market downturn.

Since bottoming out in November 2020 the Dubai market is now 22 months into a recovery and expansion phase which characteristically perpetuate in the real estate cycles across the globe. Standing just 2 months away from reaching the peak of the previous market cycle (which lasted for 24 months), and amidst the predicted minor monthly price fluctuations and general slowing of price growth, we continue to believe the market is trending towards sustainable long-term growth. However, wider world economic and political pressures cannot be overlooked and may yet impact the Dubai market in either direction. We see further bumps in the road ahead in the coming months but have no expectations of a major market correction.

After an unseasonably slow July, the volume of transactions surged with turbo-charged force in August growing by 35.9% month-on-month to 9,775 registrations. Residential transactions—those for apartments, townhouses, and villas—accounted for 90.9% (8,882 sales transactions) of the total, with hotel apartments (4.8%), office (1.8%), and land sales (1.3%) being the highest transacted commercial property types. Transactions for the month reached a level that marks the strongest August on record and the sixth highest month of any previously seen, beaten only by five incredibly robust months way back in 2009 when the Dubai market was still in its formative years.

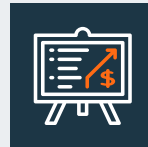
SNAPSHOT

August 2022



+1.24%

Dynamic Price Index
Monthly Change



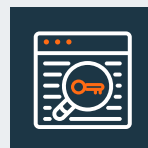
AED 1,025/sq ft

Dynamic Price Index
Current Property Price



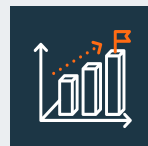
9,775

Number of Monthly
Transactions



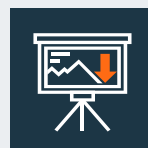
6.26%

Gross Rental Yield



AED 210m

Highest Recorded Sale
*Villa L45
Sector L, Emirates Hills*



AED 170k

Lowest Recorded Sale
*Apt 302 – Studio
Al Jawhara Tower, JVT*

“ **As we enter the tail end of the year it is likely that we will see a widening divergence in the Dubai property market, where there are in fact two separate markets running in parallel but with potentially markedly different rates of growth and price performance: the new development off-plan sales market, and the completed / resale property market.** ”

ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

Year-to-date there have been just under 60,000 transactions registered (88.4% of which were residential), an increase of 59% over the first eight months of last year and equal to 97.8% of the entire annual transaction volume of 2021. At the current annualised pace, sales transaction volumes will reach just shy of 88,000 and record the second highest year in Dubai market history. High transaction volumes indicate a positive demand-side dynamic, however it is important to note that there is a fundamental change occurring in the make up of transactions completing each month. The COVID-19 pandemic in many ways sparked the market recovery and it did so through buyer demand in the completed and resale property market. This first wave of the recovery cycle saw transaction activity favour ready villas and townhouses. Alongside a rapid increase in price appreciation for these property types, it was followed by a marked increase in new development project launches driving the market into a fresh wave of expansion. With this plethora of new development project inventory turbo-charging market volumes, off-plan sales are returning to prominence and are set to lead the market once again.

A total of 4,411 off-plan Oqood transactions were registered in August, increasing by an impressive 49.1% month-on-month and 71% on a yearly basis. Title deed sales volumes also increased for the month, however at a slower pace, with transactions growing by 26.6%. Oqood registrations now represent 45.1% market share rising from 41.1% last month. While initial Oqood registrations are often considered representative of the off-plan market, several off-plan villa and townhouse transactions—for properties that are under construction—are registered as title deed transactions for parcels of 'land' by the Dubai Land Department. If we adjust for these registration technicalities the accurate breakdown of market share is 57.9% in favour of properties under construction having been sold off-plan.

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 3,329 in August representing a market share of 34.1%, down 8.4% month-on-month, their lowest level this year.

New off-plan development project launches soared in August adding a further 4,854 units to the market for sale at an anticipated combined gross sales value of ~AED 15.5 billion. Apartments represent 90.7% by volume of this new inventory while townhouses and villas represent 6% and 3.3% respectively. Ultra-luxury projects—those with price per square foot sales values above the 97th percentile—accounted for 25.1% of

new launches and demonstrate that several developers are keen to capture the rapid rise in demand for ultra-high-end properties. Year-to-date new project launches are just shy of 30,000 units and more than AED 83 billion in aggregate sales value.

After dipping last month, mortgages volumes increased 26.2% in August with a total of 2,158 loans recorded. While the volume of mortgages increased month-on-month there was a notable shift in the type of borrowing, with new purchase money mortgages falling 9.1% and refinance and bulk mortgage activity increasing. This contrasting activity reflects the rising interest rates being set across the Atlantic and the ongoing strength of ready cash within the new purchase market. Breaking down the mortgage market shows that 41.2% of loans taken were new purchase money mortgages with the average amount borrowed being AED 1.77m at a loan-to-value ratio of 77.7%. A further 42.6% of loans (up 2.5% from last month) were for refinancing, while the remaining 16.2% of loans (up 6.6% from last month) were bulk mortgage registrations—those taken by developers and larger investors with multiple units. These bulk registrations were spread across several projects, most notably SLS Dubai Hotel and Residences in Business Bay (90), Souk Warsan in Warsan Village (56), and Park View Tower in Jumeriah Villa Circle (49).

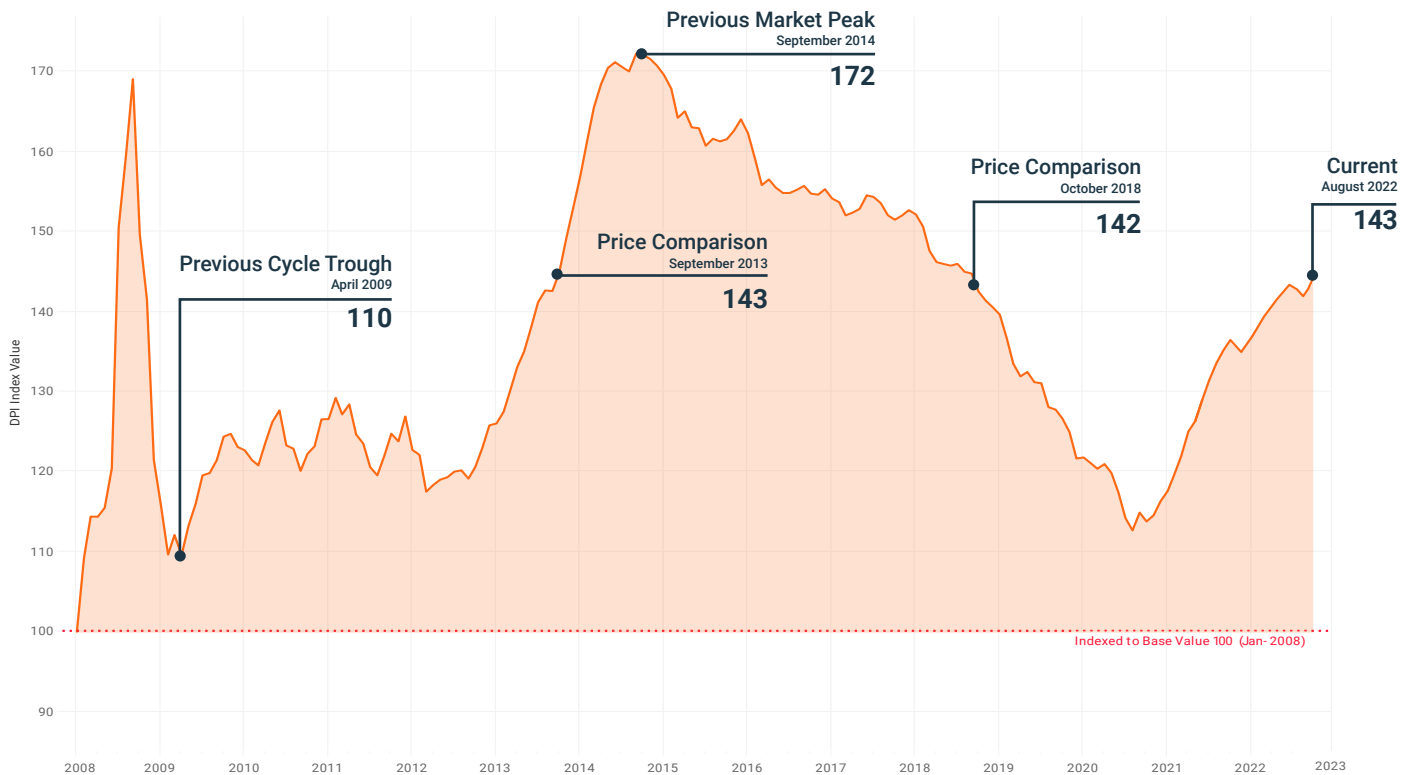
In August, Emirate-wide average gross rental yields fell by 0.14% to 6.26%, with yields for apartments decreasing marginally by 0.04% to 6.81%, while gross yields for townhouses and villas increased by 0.23% and 0.22% to reach 5.64% and 5.04% respectively. The increase in yields for single family homes is in line with expectations as sales price appreciation for villas and townhouses has reached a level that many prospective homebuyers are not willing to meet, leaving these buyers to turn to the rental market, which in turn has put further upwards pressure on rental rates.

As we enter the tail end of the year it's likely that we will see a widening divergence in the Dubai property market, where there are in fact two separate markets running in parallel but with potentially markedly different rates of growth and price performance: the new development off-plan sales market, and the completed / resale property market.

The continued resurgence in the off-plan market will largely rely on developers acting with caution and paying close attention to demand at a hyper-specific level – property type, unit size, community location, price point, and overall quality are just a few key considerations. To mitigate supply-based issues of market cycles past, upcoming project launches need to cater towards where the demand is now while also considering where it will likely be in the future. A considerable headwind that may lay ahead for developer sales is the strength of the US dollar and subsequent strength of the UAE dirham, which reduces purchasing power of most foreign investors that traditionally look towards Dubai.

On the other hand, in our view, the outlook for the completed and resale property market is skewed more towards the downside as it competes with the tailored supply of new launches and developments. Sellers may need to battle additional headwinds. On top of dollar-dirham strength ever increasing mortgage rates further erode the purchasing power for many homebuyers, inflation continues to drive the cost of living up for nearly every resident of the UAE, and a lack of suitably and affordably priced homes for sale, all pose challenges for this market segment.

PROPERTY MONITOR DYNAMIC PRICE INDEX



+1.24%
MoM Change

+0.33%
QoQ Change

+7.21%
YoY Change

AED 1,025
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Aug 2022	143.17	124%	0.33%	7.21%	1,025
Jul 2022	141.42	-0.58%	-0.16%	7.59%	1,013
Jun 2022	142.25	-0.31%	1.19%	10.26%	1,019
May 2022	142.70	0.74%	2.06%	12.97%	1,022
Apr 2022	141.65	0.76%	2.45%	13.31%	1,014
Mar 2022	140.58	0.54%	3.17%	15.28%	1,007
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

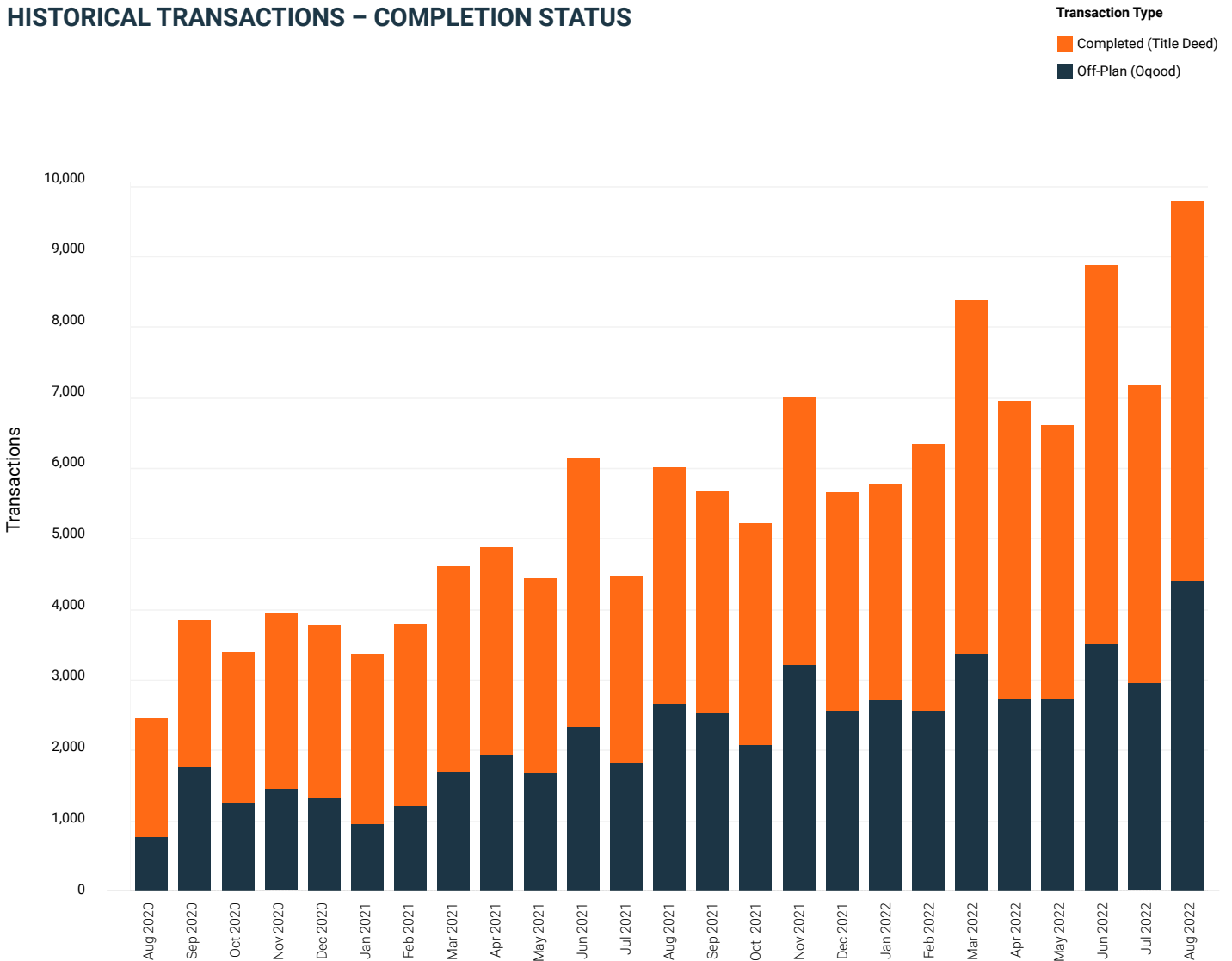
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for August 2022 increased by 1.75 index points to 143.17 from 141.42 in July 2022, representing a month-on-month increase of 1.24%.

In August 2022, property prices stood at AED 1,025 per sq ft, down 16.9% from the market peak in September 2014 and are 30.7% above the market trough of April 2009. Property prices were last at these levels during the recovery phase of the previous market cycle between October and November 2013.

On yearly basis, prices have increased by 7.2% in August 2022 and now mark 18 straight months of year-on-year increases, while at a year-to-date basis, prices have increased by just 3.6% in August 2022 compared to 13.6% in August 2021.

HISTORICAL TRANSACTIONS – COMPLETION STATUS



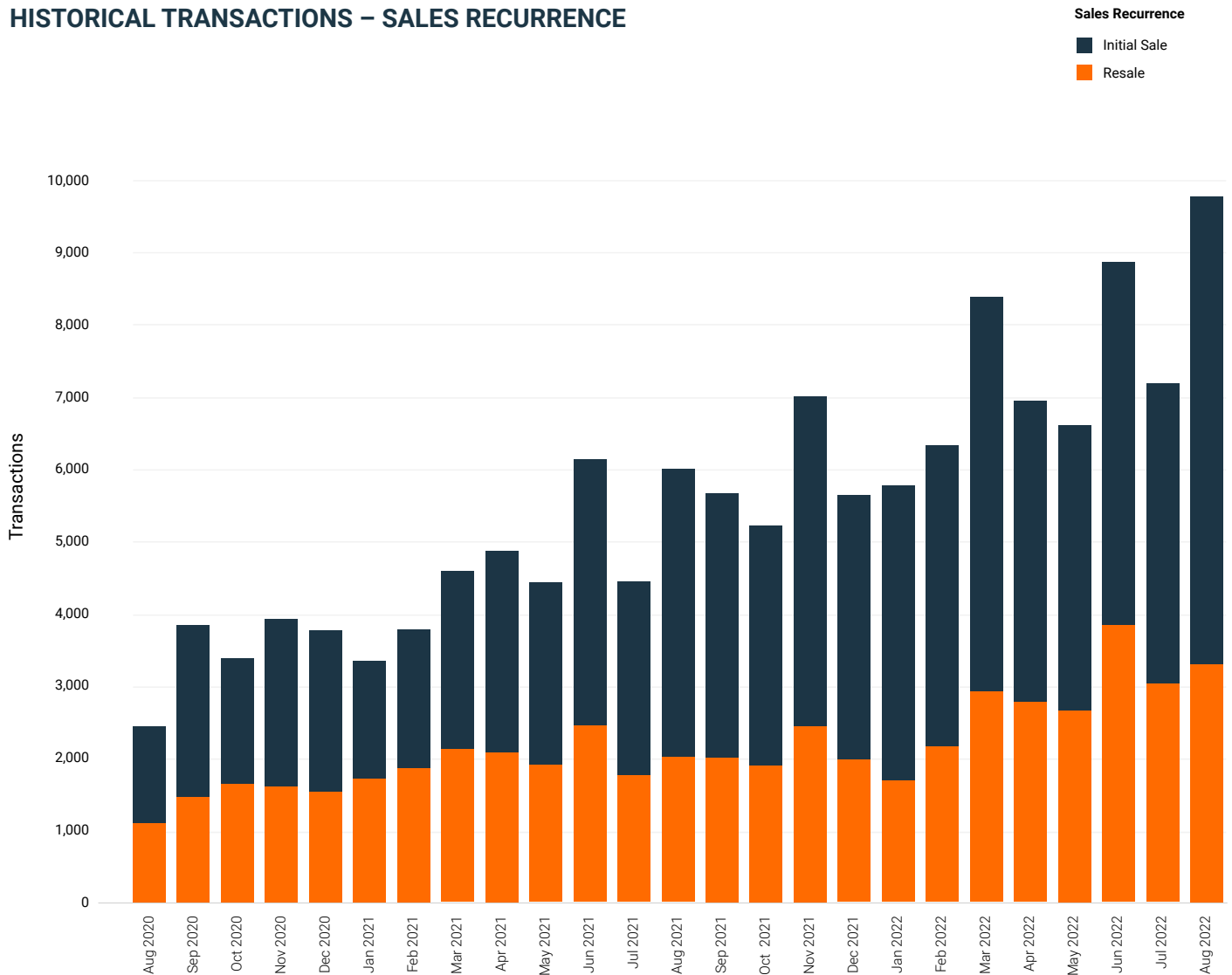
Transaction volumes in August stood at 9,775, increasing significantly by just shy of 36% month-on-month and registered as the highest August ever and sixth highest for any month on record. During the month, the split between off-plan and completed property transactions remained in favour of the latter with Title Deeds accounting for 54.9% of all transactions, down 4% month-on-month. Completed properties have led the market for 27 months now, however, after reaching their record high in January 2021 of 71.5% have been generally declining except for sporadic short-term rises. The 12-month rolling average remains strong at 56% in August for completed properties, however with sales from recent off-plan launches starting to reach registration at the DLD we expect further declines and for off-plan sales to soon resume their market leading position.

For an impressive fourth month in a row DAMAC Properties has claimed first place recording the highest volume of off-plan sales, with a market share of 20.1%. They recorded a notable 1,256 transactions spread across several projects with the highest concentration of sales at Malta (384), Portofino (86), Venice (78), and Nice (77) in DAMAC Lagoons, followed by Aykon City (104) in Business Bay and then by Safa One (37) in Safa Park.

Emaar Properties was next, at 14.9% of all off-plan registrations with the bulk of their sales occurring at The St. Regis Residences Downtown (254), Orchid Creek Beach (145) in Dubai Creek Harbour, and Address Residences The Bay (143) in EMAAR Beachfront. This was followed by Azizi taking a relatively modest 5.6% market share with the greatest activity grouped in buildings at their newly handed-over Phase 1 of Aziz Riviera in Mohammed Bin Rashid City.

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 6,446 initial developer sales recorded in August, 20.3% were in completed projects. It is important to note that several off-plan villa and townhouse transactions (for properties that are under construction) are registered as title deed transaction for parcels of 'land' by Dubai Land Department, these are omitted from this calculation to provide a true reflection of the sales of unsold inventory in completed projects.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



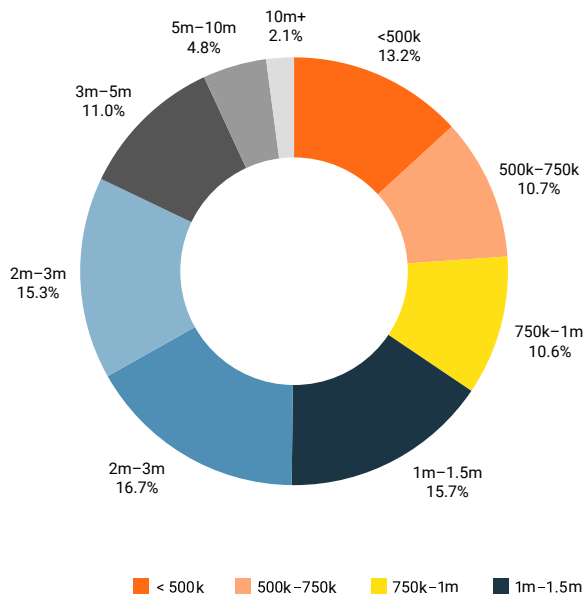
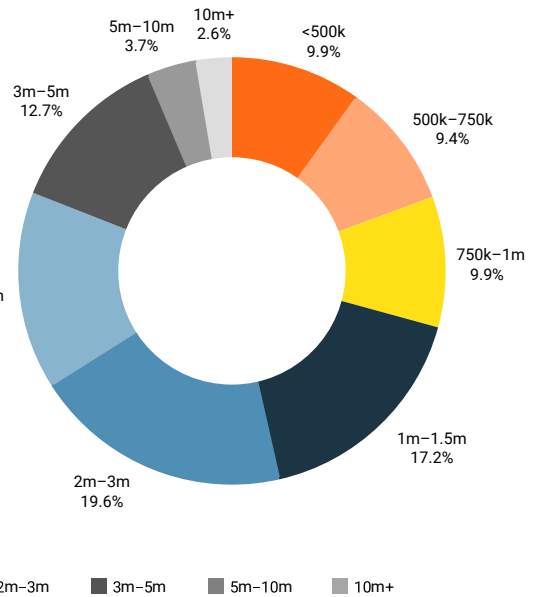
In August 2022, the market share of initial developer sales grew by 8.4% to 65.9% versus resale transactions. The 12-month rolling average now holds for second month at 63.1% for initial sales and 36.9% for resales, the latter of which, after reach a high of 51.8% in January 2021 is continually trending back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

Business Bay was the most popular master development for initial sales, where 13.7% (881) of all such transactions occurred. Peninsula Three topped the leaderboard at 160 registrations and was followed by Akyon City (104), Binghatti Canal (90), and then Ahad Residence (76).

Taking second place was DAMAC Lagoons, where initial sales held 10.7% market share and 690 transactions were recorded. Malta was the most prominent project phase of the master development with 384 sales, then Malta followed with 108, and Portofino with 86 for the month.

Coming in third was Mohammed Bin Rashid City which claimed 9.7% market share with a total of 624 sales. Azizi Riviera 7 led the way in the community registering 61 initial sales and was followed by Azizi Riviera 10 with 58 sales, then by Lagoon Views with 52.

The top master developments for residential resale transactions were Dubai Marina with 7.4% of such transactions across multiple projects—the highest level of sales occurred at Princess Tower and Marina Pinnacle each with 10 sales. This was followed by Business Bay at a 6.6% market share with AG Tower recording 26 transactions and closing out the top 3 master developments for resale was Jumeirah Village Circle holding 6% of the market with Bloom Towers recording 24 sales.

PRICE TIERS (AED) – AUGUST 2022

PRICE TIERS (AED) – JULY 2022

PRICE TIERS (AED) MONTHLY COMPARISON

	August 2022	July 2022	MoM Change
<500k	13.2%	9.9%	3.30%
500k-750k	10.7%	9.4%	1.30%
750k-1m	10.6%	9.9%	0.70%
1m-1.5m	15.7%	17.2%	-1.50%
1.5m-2m	16.7%	19.6%	-2.90%
2m-3m	15.2%	14.9%	0.30%
3m-5m	11.0%	12.7%	-1.70%
5m-10m	4.8%	3.7%	1.10%
10m+	2.1%	2.7%	-0.60%

Growing at the fastest rate and reaching their largest share of the market this year, was the <AED 500k price tier which increased by 3.3% in August to reach a total of 13.2% market share. Growth in this price tier can be largely attributed to the leading budget-friendly developers ORO24 and Danube Properties with their new project launches respectively at Torino Residences and Skyz by Danube. Sales prices in these projects averaged AED 1,182 and AED 1,262 per sq ft. Meanwhile, the biggest market share loser for the second month in a row was the AED 1.5m-2m tier which decreased by a further 2.9% falling to 16.7%.

At the higher end of the market, the 5m-10m price tier experienced strong growth increasing its market share by 1.1% to 4.8% with the main drivers of growth being new projects launched by EMAAR, namely The St. Regis Residences Downtown and Address Residences the Bay in Dubai Harbour. Demand for these branded residence projects continues to be strong with average price per square foot values of AED 2,682 and AED 2,886 respectively, putting the projects well into the ultra-luxury quality segment of the market.

Also, of note for the month is the continued strength in the AED 10m+ tier, which, even though shrank by 0.6% in August to a market share of 2.1%, it still represents the second highest historic volume of deals for the tier with 184 sales. The make-up of this tier continues to change with an increasing number of apartments sales occurring as inventory for high-end villas remains in short supply.

Condensing the individual 9 price tier segments to 3 main groups, properties in the mid-tier of AED 1m-3m again accounted for the largest share of the market at 47.6%, shrinking by 4.1% from last month. The low-price tiers with property values under than AED 1m now represents 34.5% of the market, up by 5.3% from July, while the high-end price tiers—properties over AED 3m—now represents 17.9% of the market, down by 1.2% 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.



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.