



Prices reverse downtrend in April as off plan registrations eclipse resale

Median apartment price in April at AED 1,282,292 and villa price at AED 2,500,000

April transactions lower by 47% on a monthly basis and 36% on a yearly basis

Off plan registrations in April remarkably higher than the rolling 12-month average

Dubai property prices experienced what most would consider an unexpected uptick in April 2020, with prices increasing 0.49% from a month ago. Prices in April stood at AED 866 per sq ft, marginally higher than the AED 862 per sq ft recorded in March.

As anticipated, the volume of closed transactions in April was significantly lower than last month as mobility restrictions impacted financing and purchase decisions. A total of 1,825 transactions were recorded during the month, down 47% from March.

The reversal in the downward trend in the index value, and therefore prices, can be attributed to the disproportionate level of off plan transactions recorded—off plan accounted for 72.1% of transactions in April compared to only 27.9% for resale. Historically, this transaction split has averaged 55% off plan to 45% resale. Off plan properties command higher ticket prices than resale as developer incentives including attractive payment plans, discounts and fee waivers are often built into the sales price. On a monthly basis, resale transactions were lower by 68.4%, whilst off plan sales were only down 13.4% for the same period.

This increase is likely artificial and temporary in nature as closing resale deals in the absence of physical viewings is a greater challenge than for off plan. Now that the mobility restrictions have been eased and online modes of transfer for both off plan and resale properties have become available, a more normal market mix should result. The outlook for prices will be closely watched by brokers, developers, lenders and surveyors alike for any evidence of the renegotiation of existing deals and the inevitable activities of short term bargain hunters. Any of these short term price movements would not necessarily point to a sustained, more rapid or longer term softening of prices. It is too soon to judge the longer term impacts of lockdown and the effectiveness of the mitigation measures being adopted around the globe.

There is also evidence of an upswing of mortgage financing activity, with physical inspections now resumed and expediting bank lending approvals.

SNAPSHOT

APRIL 2020



+0.49%

DPI MoM Change



AED 866

DPI AED/sq ft



1,825

Number of Monthly Transactions



6,841

Number of Unique Active Listings for Sale



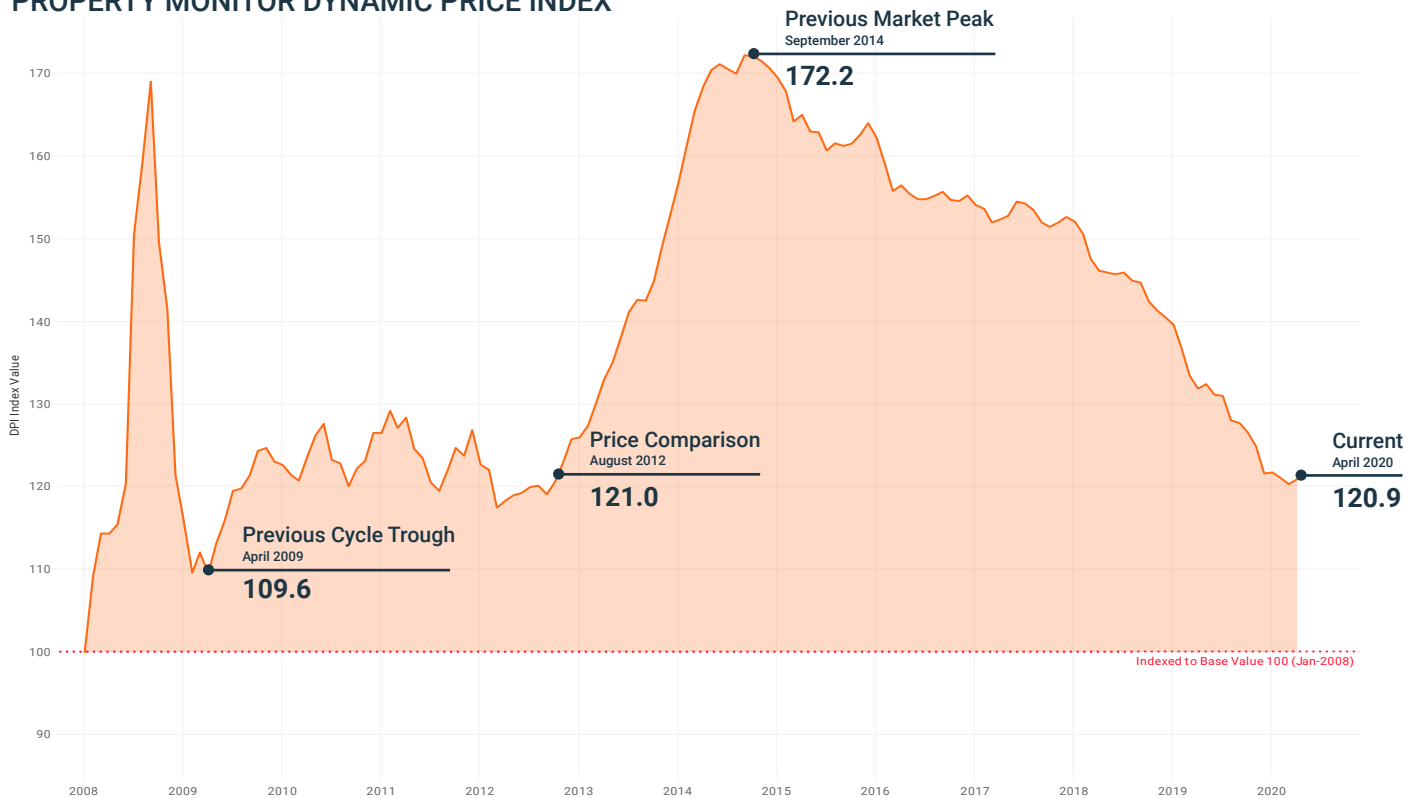
6.28%

Gross Rental Yield



AED 40M

Highest Recorded Sale
*Serenia Residences
PH-A901, Palm Jumeirah*

PROPERTY MONITOR DYNAMIC PRICE INDEX


+0.49%
MoM Change

-0.68%
QoQ Change

-8.30%
YoY Change

AED 866
Price Per Sq Ft
DPI MONTHLY OVERVIEW

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Apr 2020	120.95	0.49%	-0.68%	-8.30%	866
Mar 2020	120.36	-0.57%	-1.05%	-9.83%	862
Feb 2020	121.05	-0.59%	-3.09%	-11.39%	867
Jan 2020	121.77	0.11%	-3.83%	-12.79%	872
Dec 2019	121.64	-2.62%	-4.79%	-13.46%	871
Nov 2019	124.92	-1.35%	-2.45%	-11.63%	895
Oct 2019	126.63	-0.88%	-3.37%	-11.12%	907
Sept 2019	127.76	-0.23%	-2.60%	-11.74%	915
Aug 2019	128.05	-2.28%	-3.32%	-11.67%	917
Jul 2019	131.04	-0.10%	-0.65%	-10.22%	939
Jun 2019	131.17	-0.97%	-1.73%	-10.00%	939
May 2019	132.45	0.42%	-3.04%	-9.25%	949
Apr 2019	131.90	-1.18%	-5.53%	-9.77%	945

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.

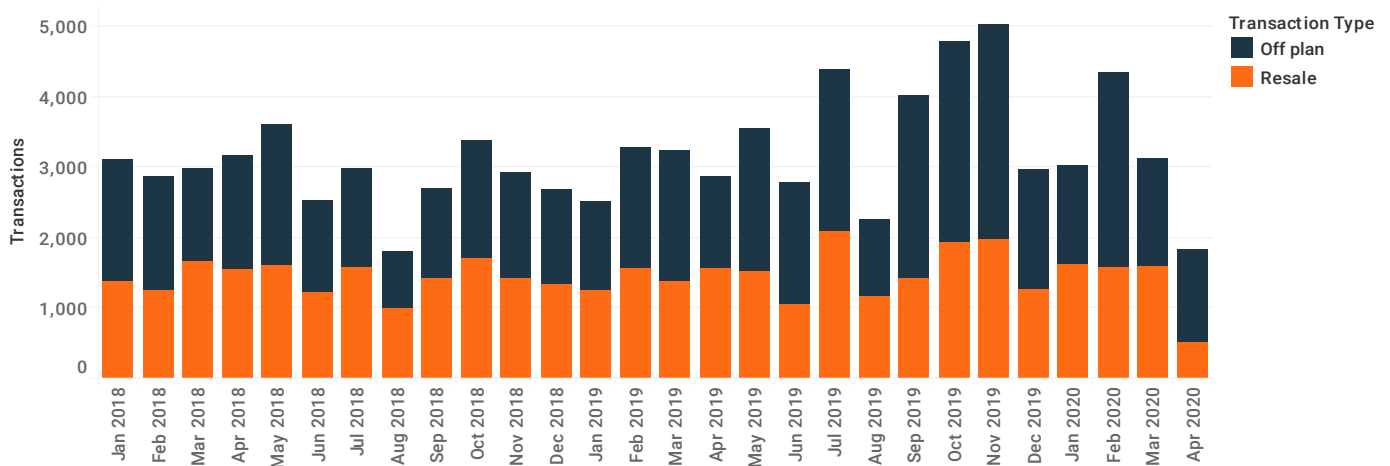
At an emirate-wide level, the index value for April 2020 increased by 0.59 index points to 120.95 from 120.36 in March, representing a month-on-month increase of 0.49%.

In April 2020, property prices stood at AED 866 per sq ft, down nearly 30% from the market peak in September 2014, and are now 10.4% away from the market trough of April 2009.

Year-on-year property prices have fallen by 8.3%. This is an improvement on the previous 12 months to April 2019 where a year-on-year decline of 9.7% was recorded. The current figures do however serve to emphasise once again that short term movements can be misleading. The longer term trend of median prices is the metric that can and should be relied upon.

In all likelihood, we are amid an artificial and temporary easing of price declines due to the weighting towards off plan, lower volume of transactions recorded, and the overall slowdown in market activity.

HISTORIC TRANSACTIONS



There were 1,825 transactions recorded in April representing a 47.1% month-on-month decrease and a 36.2% year-on-year decline.

The split between off plan and secondary market transactions was weighted heavily in the favour of new development projects with 72.1% of properties transferred in April being off plan transfers (Oqood registrations). This figure is remarkably higher than the rolling 12-month average of 55.4% for off plan registrations.

The bulk of off plan market transactions were by Dubai Properties at 26.2% with a high volume of Oqood registrations at La Vie (Jumeirah Beach Residences), Madinat Jumeirah Living, and Villa Nova. This was followed by Emaar at 23.5% with the majority of their Oqood registrations at Marina Vista (Dubai Harbour), and various projects at Dubai Creek Harbour and the Opera District.

TOP 5 COMMUNITIES BY TRANSACTION VOLUME

Resale Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	13	8	Palm Jumeirah	24	-	1,500,000	2,112,500	2,250,000
2	24	18	Town Square	15	-	762,888	990,888	1,451,888
3	1	1	Dubai Marina	15	850,000	805,000	1,409,000	2,200,000
4	7	5	Downtown Burj Khalifa	14	-	1,415,000	1,825,000	4,245,444
5	18	16	Bluewaters Island	12	-	-	3,322,000	4,169,000

Off Plan Apartments

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	7	8	Dubai Creek Harbour	120	-	1,064,888	1,638,888	2,716,888
2	22	22	Madinat Jumeirah Living	105	-	1,315,500	2,438,500	3,230,500
3	4	2	Jumeirah Village Circle	104	479,988	664,000	931,734	-
4	13	27	Jumeirah Beach Residence	75	-	1,407,000	3,096,000	4,759,000
5	2	1	Mohammed Bin Rashid City	60	516,269	1,278,074	1,886,526	2,843,238

Resale Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	20	10	Mudon	17	-	2,104,000	2,782,000	2,799,000
2	1	5	Dubai Hills Estate	15	-	1,725,000	3,662,500	2,315,000
3	4	2	Arabian Ranches	12	1,835,000	2,200,000	3,250,000	4,000,000
4	2	1	Emirates Living	8	1,170,000	1,740,000	2,685,000	3,788,250
5	10	13	Mohammed Bin Rashid	7	-	-	-	11,000,000

Off Plan Villas

Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	2BR (Median Price)	3BR (Median Price)	4BR (Median Price)	5BR (Median Price)
1	1	1	Dubai South (Dubai World Central)	17	-	1,080,888	1,444,888	-
2	N/A	N/A	Arabian Ranches 3	3	-	1,319,388	1,758,888	-
3	2	N/A	The Valley	2	-	1,227,888	-	-
4	3	N/A	Jumeirah Park	2	-	-	2,600,000	-
5	N/A	N/A	Town Square	1	-	1,298,888	-	-

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.ae/pmdpi.html

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 resale segment.

Median Price Per Square Foot

The exact middle recorded price per square foot among all residential apartments and villas (townhouses are excluded) that transferred during the month that included square footage information recorded in transaction records of the Dubai Land Department.

Median Sales Price

The exact middle sales price among all recorded sales prices for residential apartments and villas (townhouses are excluded) that transferred during the month. In general, median values are more accurate than average values, which may be skewed by price outliers (a few sales that are extremely expensive or extremely inexpensive).

Off Plan Transaction

Consists of transactions that are recorded on the Dubai Land Department's official interim register (Oqood) for all sales and purchase agreements and other contracts of sale pertaining to the transfer of a property which is in a new development project that has either yet to have construction commence or has yet to have construction completed. Typically, it refers to the initial first-time sale of a property between developers and buyers, however it also includes any subsequent transfers between the initial buyer and new buyer up until the property is issued a Building Completion Certificate (BCC) and then eligible for transfer by Title Deed.

Price Tiers

All recorded transactions, in the off plan and resale segments for residential apartments and villas (townhouses are excluded) are placed into one of nine price tiers based on recorded transfer price. Values that fall on the exact tier upper limit, i.e. 500,000 are placed into the higher tier, in this case 500K-750K.

Resale 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 BCC and is available to purchase and ready for occupancy. Typically, it refers to the subsequent resale(s) of a property and transfer of ownership which take 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.

Unique Active Listings

Is the count of all currently listed residential properties (excluding off plan units) that are unique. The full dataset of active listings is cleansed and duplicate listings for any individual property are merged and counted as a single active listing. Active listings are measured on the last calendar day of the month and provide a snapshot as of that day.

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.



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