



Pace of decline accelerates in June with lower priced properties in demand

Median apartment price in June at AED 762,819 and villa price at AED 2,358,000

June price decline of over 2% is the steepest monthly drop of 2020

Lower price tiers comprised 39.5% of all property transactions by volume compared to 30.6% in May

Dubai property prices continued their downward trajectory in June 2020 at a heightened pace, with prices declining close to 2.1% compared to a 0.92% decrease in May 2020. This has been the steepest monthly fall recorded in 2020. Property prices are now down close to 32% from the market peak in September 2014 and at levels last recorded in March 2012.

The wide month-on-month decrease is largely driven by the significant increase in the volume of transactions occurring in the lower price tiers of properties. The AED <500K and AED 500K–750K price tiers comprised 39.5% of all property transactions by volume for June compared to 30.6% in May.

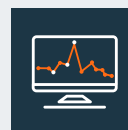
When looking at transaction volumes overall, at 2,329, June transactions were higher by 62.6% on a month-on-month basis, inching towards levels seen before the pandemic took hold in March. Continuing the trend witnessed in the end of May, where transactions picked up towards the end of the month, momentum continued into June as more movement and business restrictions were eased. Although transaction levels have displayed a monthly rebound, they remain lower on a year-on-year basis.

June also saw a spike in the percentage of resale transactions versus off plan, with the former increasing its share to 53.1% of total transactions from 33.7% recorded in May. This brings the weighting of resale transactions well above the 2019 average of 44.5% and bucks the trend of the previous two months which saw transactions heavily dominated by off plan sales. Increasingly more options in ready homes at attractive prices and the ability to now physically view the property have helped resale transactions achieve the re-balance in the transaction split.

Mortgage transactions in June, comprising initial mortgages as well as refinancing, displayed strong signs of revival owing to interest rates which are at multi-year lows. In June there were 1,273 mortgage transactions, up from 541 in May, translating to a monthly increase of 135.3%. On a yearly basis, mortgage transactions rose nearly 48.9% but were in line with the 12-month moving average of 1,204.

SNAPSHOT

June 2020



-2.07%

DPI MoM Change



AED 841

DPI AED/sq ft



2,329

Number of Monthly Transactions



7,282

Number of Unique Active Listings for Sale



6.38%

Gross Rental Yield



AED 60M

Highest Recorded Sale

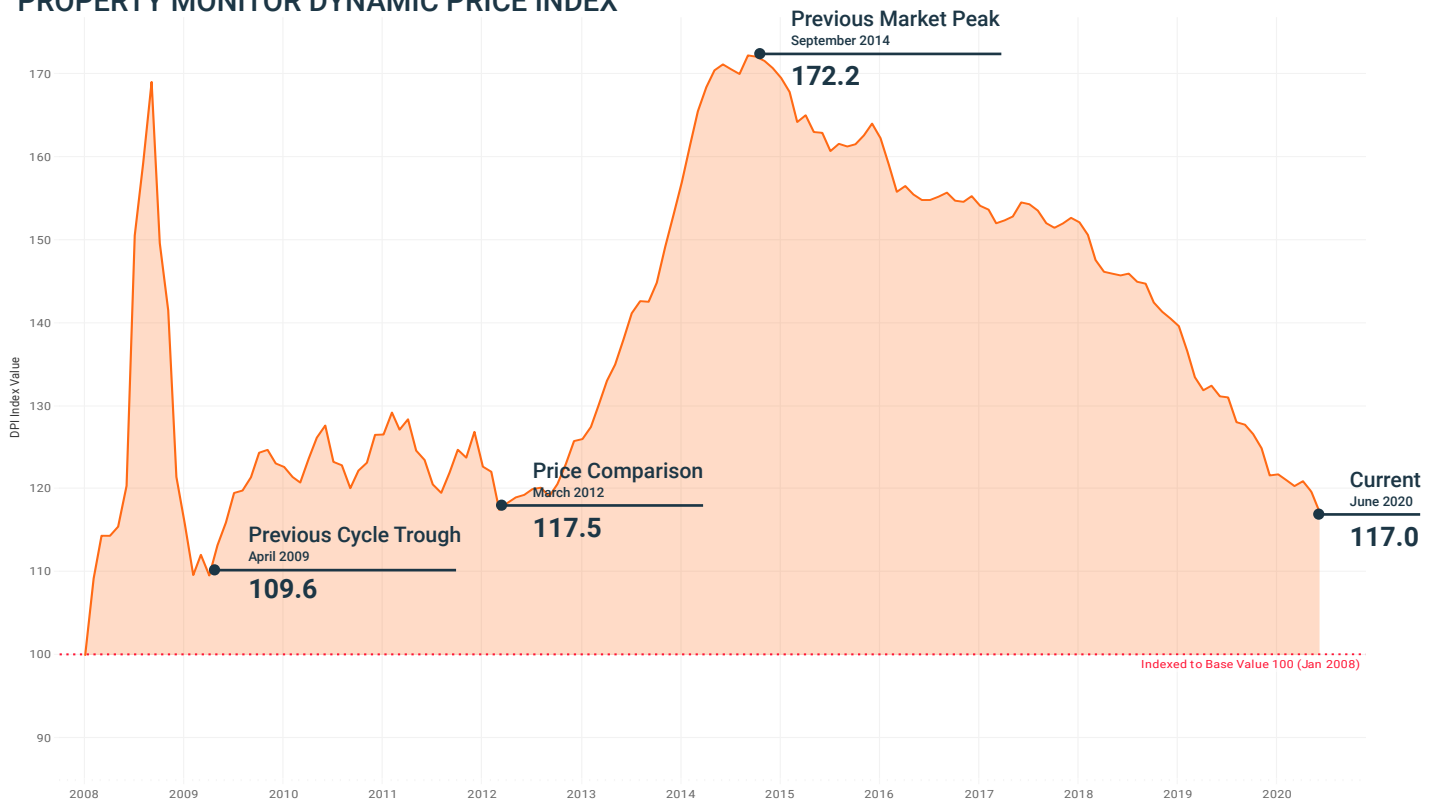
Villa C01.135
District One, MBR City



AED 168K

Lowest Recorded Sale

Studio Block 1
Lawnz By Danube, International City

PROPERTY MONITOR DYNAMIC PRICE INDEX


-2.07%
MoM Change


-2.49%
QoQ Change


-10.53%
YoY Change


AED 841
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Jun 2020	117.36	-2.07%	-2.49%	-10.53%	841
May 2020	119.84	-0.92%	-1.01%	-9.52%	858
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

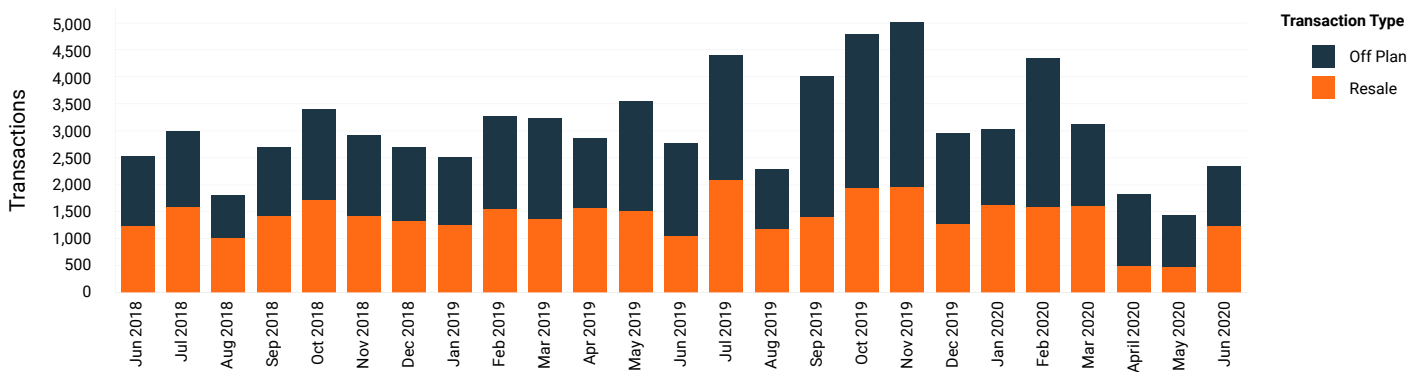
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for June 2020 decreased by 2.48 index points to 117.36 from 119.84 in May 2020, representing a month-on-month decline of 2.07% and a year-to-date decline of 3.62%.

In June 2020, property prices stood at AED 841 per sq ft, down 31.9% from the market peak in September 2014 and are now 7.1% away from market trough of April 2009. June's property prices represent the lowest month of this market cycle and are at now at levels last recorded in March 2012.

On a yearly basis, prices have fallen by 10.53% in June 2020. This is in line with the trend of June 2019 where a year-on-year decline of 10% was recorded. They have declined at a slightly slower pace when compared to the 12-month average of -10.97%.

HISTORICAL TRANSACTIONS



There were 2,329 transactions recorded in June representing a 62.6% month-on-month increase. However, transactions remain lower by 16.1% in comparison to June 2019 and down by 11.65% year-to-date compared to 2019.

At 1,273, mortgage transactions in June jumped 135% from May. Mortgage numbers comprised initial mortgages as well as refinancing or buyouts—lower interest rates and the removal of the 3% early settlement fee spurred refinancing agreements. Apart from securing a favourable interest rate, individuals also opt to refinance mortgages to release home equity and have cash on hand for refurbishment or other property purchases.

The split between off plan and resale transactions reversed in June—swinging in favour of resale—with Title Deed transactions accounting for 53.1%, up from 33.7% recorded in May. The revival in mortgage activity was likely a key driver of the improving share of resale transactions.

In June 2020, the bulk of off plan market transactions were by Emaar Properties at 30.1% with a high volume of transactions registered for Expo Golf Villas in Dubai South, Burj Royale in Downtown Dubai, Grande at The Opera District, and Emaar Beachfront in Dubai Harbour. Meydan Group was next at 8.9% with the majority of their Oqood registrations recorded in The Residences at District One (Mohammed Bin Rashid City). They were followed closely by DAMAC Properties at 8.5% with a significant volume of Oqood registrations at their Business Bay Projects: Paramount Tower, Zada Residences, and Aykon City.

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	33	38	Dubai Residence Complex	79	307,620	455,093	670,519	-
2	6	10	Business Bay	67	585,000	1,006,000	1,700,000	3,261,403
3	7	22	Town Square	57	359,888	620,888	867,888	1,036,888
4	1	3	Dubai Marina	55	630,000	900,000	1,425,000	2,080,000
5	2	9	Dubai Sports City	52	587,486	450,000	700,000	1,500,000

Off Plan Apartments

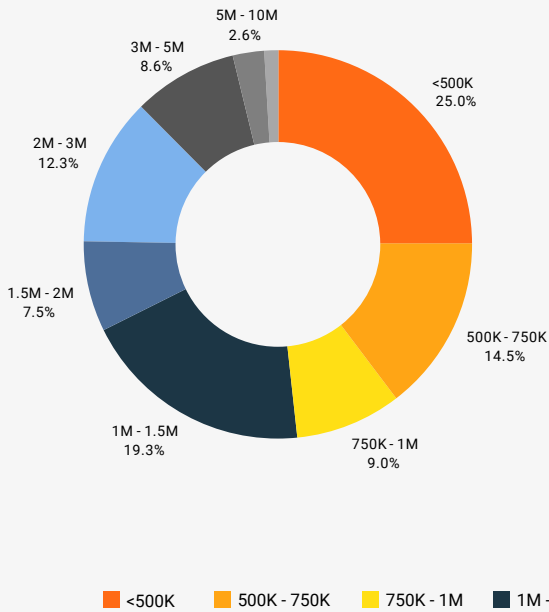
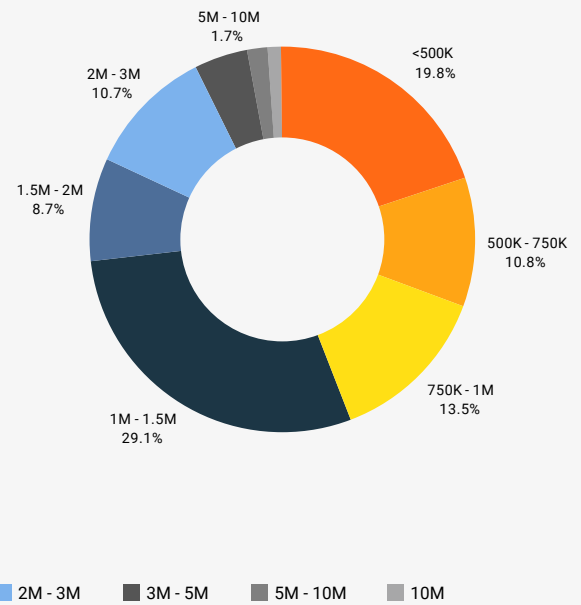
Rank (this month)	Rank (last month)	Rank (last year)	Community	# Transactions	Studio (Median Price)	1BR (Median Price)	2BR (Median Price)	3BR (Median Price)
1	1	4	Mohammed Bin Rashid City	184	435,000	1,177,566	1,789,009	2,881,202
2	2	6	Jumeirah Village Circle	122	450,000	700,000	1,067,500	1,158,981
3	12	1	Downtown Burj Khalifa	76	-	1,398,888	2,286,888	4,372,888
4	4	9	International City	72	323,000	524,650	719,750	-
5	5	8	Business Bay	56	779,000	743,000	1,512,300	3,874,113

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	7	3	Dubai Hills Estate	38	-	2,637,500	2,932,888	4,350,000
2	1	1	Emirates Living	31	1,250,000	1,950,000	2,930,000	4,900,000
3	9	5	Damac Hills (Akoya By Damac)	17	-	1,873,500	2,300,000	4,611,825
4	10	17	Mudon	17	-	1,725,000	1,863,000	-
5	13	-	Nad Al Sheba	16	-	-	2,358,000	2,684,850

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)	72	1,078,388	1,426,888	-	-
2	N/A	2	Central	19	2,161,888	2,828,888	3,187,888	-
3	N/A	N/A	Dubai Hills Estate	1	-	3,000,000	-	-
4	N/A	N/A	Jumeirah Park	-	-	-	-	-
5	N/A	N/A	N/A	-	-	-	-	-

PRICE TIERS (AED) - JUNE 2020

PRICE TIERS (AED) - MAY 2020

PRICE TIERS (AED) MONTHLY COMPARISON

	May 2020	June 2020	MoM Change
<500K	19.8%	25.0%	5.2%
500K - 750K	10.8%	14.5%	3.7%
750K - 1M	13.5%	9.0%	-4.5%
1M - 1.5M	29.1%	19.3%	-9.8%
1.5M - 2M	8.7%	7.5%	-1.2%
2M - 3M	10.7%	12.3%	1.6%
3M - 5M	4.5%	8.6%	4.1%
5M - 10M	1.7%	2.6%	0.9%
10M+	1.2%	1.2%	0.0%

Transaction volumes in June saw a significant uptick in activity in the lower price tiers from the previous month.

The AED <500K tier expanded to 25% from 19.8% in May and the AED 500K–750K tier increased to 14.5% from 10.8% earlier. Collectively these two tiers represented 39.5% of all transactions in June up from 30.6% in May, a rise of 8.9%.

Off plan sales at MAG Eye (MBR City), Olivz By Danube (International City), and Pantheon Elysee (JVC) as well as bulk resale transactions in Skycourt Towers (Dubai Residence Complex) fueled growth in these segments. The bulk sales at DRC helped improve its ranking from 33 last month to 1 this month on our tracker for 'Top 5 Communities by Transaction Volume'.

The historically dominant segment of the market, the AED 1–1.5M price tier, saw a marked decline of 9.8%, falling from 29.1% to 19.3%. The price tiers on either side of this, the AED 750K–1M and AED 1.5–2M, saw smaller declines of -4.5% and -1.2%, whilst the AED 3.5–5M price tier increased by 4.1% and was primarily driven by developer sales within Noora at Al Habtoor Residences and Sidra Villas in Dubai Hills Estate.

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.

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 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).

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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