

Prices continue decline, full effect of restrictions to become evident over next few weeks

Median apartment price in March at AED 900,888 and villa price at AED 2,650,000

At AED 862 per sq ft, prices are now down over 30% from the market peak in September 2014

March transactions lower by 28% on a monthly basis

Dubai property prices continued to fall in March 2020 albeit at a slightly slower pace than the previous month, with prices declining 0.57% compared to 0.59% in February 2020. At AED 862 per sq ft in March, property prices are now down over 30% from the market peak in September 2014.

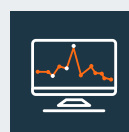
At 3,129, March transactions were lower by 27.9% on a monthly basis with the last two weeks of the month particularly being affected by the mobility restrictions in place to curb the spread of COVID-19. The wider impact on the real estate industry is expected to start to show only over the next six to eight weeks as transactions currently being recorded reflect sales that were agreed to earlier this year.

The Dubai Land Department has expanded registered trustee offices' capacity to transfer property digitally, paving the way for transactions to continue. This measure coupled with the UAE Central Bank increasing the loan-to-value ratio for first-time home buyers by 5% will go a long way to help stimulate activity and stabilise the market.

Two factors are expected to drive forthcoming delays. The first will be transactions that are currently pending where sales and purchase agreements have been signed but finance approvals are awaited. As valuers are unable to complete physical inspections, many of these transactions are on hold. The other factor will be the viewings by buyers in the ready property segment which are currently not taking place.

Whilst we are aware of initiatives extending to virtual inspections and viewings by surveyors and interested buyers, the actual decisions on deals are only expected to pick up once the restrictions are lifted.

SNAPSHOT MARCH 2020

**-0.57%**

DPI MoM Change

**AED 862**

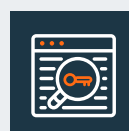
DPI AED/sq ft

**3,129**

Number of Monthly Transactions

**9,338**

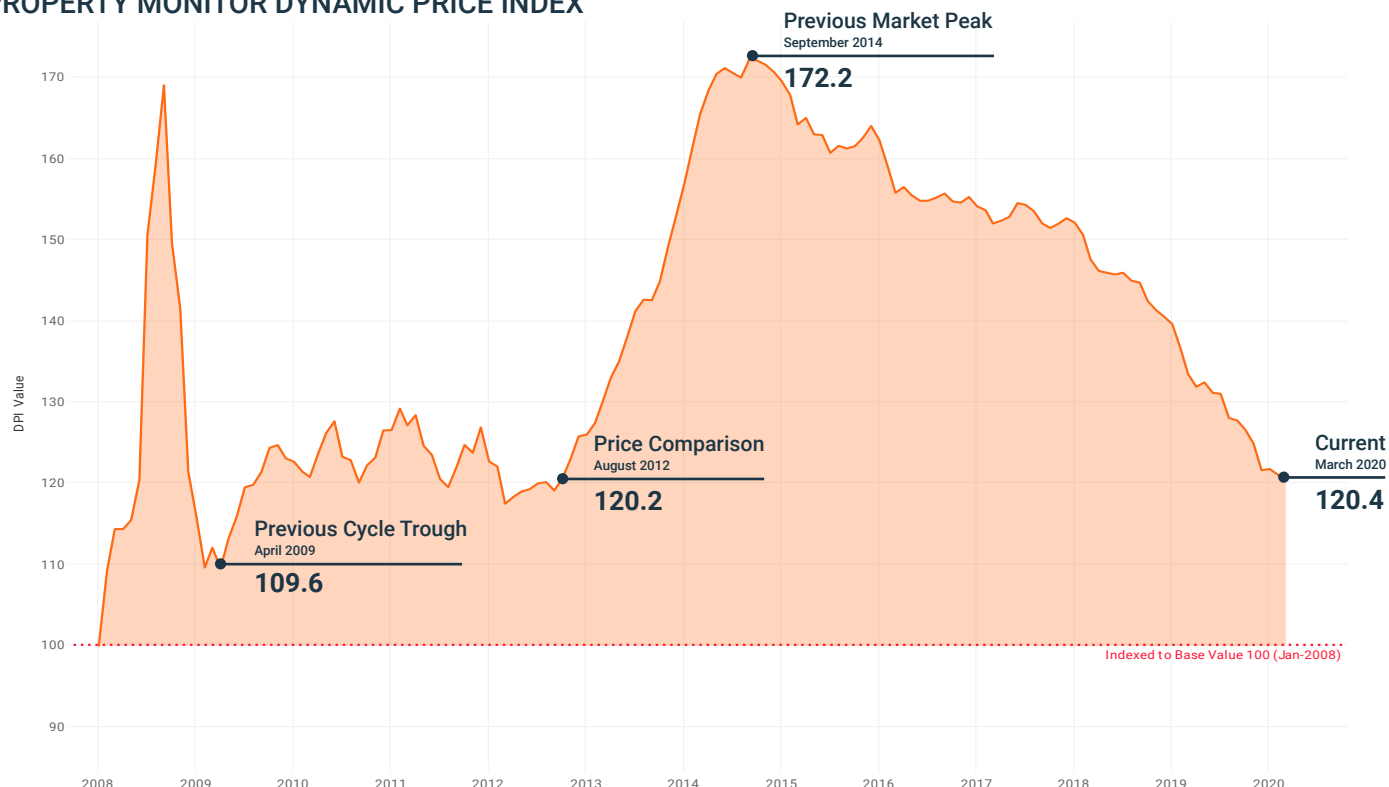
Number of Unique Active Listings for Sale

**6.04%**

Gross Rental Yield

**AED 42.8 M**Highest Record Sale
Bvlgari Mansion #9

PROPERTY MONITOR DYNAMIC PRICE INDEX



-0.57%
MoM Change



-1.05%
QoQ Change



-9.83%
YoY Change



AED 862
Price Per Sq Ft

DPI MONTHLY OVERVIEW

Months	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
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

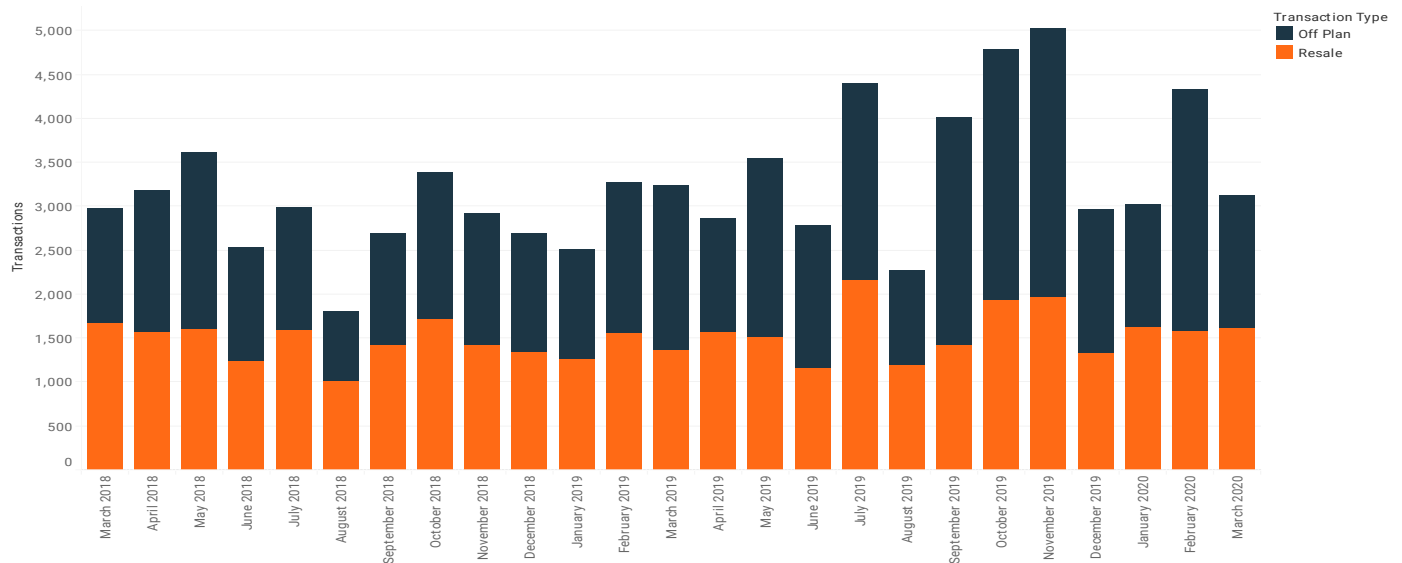
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for March 2020 decreased by 0.69 index points from 121.05 in February 2020 to 120.36, representing a month-on-month decline of 0.57%. The index was last seen at this level in August 2012 when property prices were AED 861 per sq ft. This month-on-month decline represents the 21st month out of the past 24 months where prices have fallen across the Emirate.

In March 2020, property prices stood at AED 862 per sq ft, down over 30% from the market peak in September 2014 and now are now less than 10% away from market trough of April 2009.

Year-on-year property prices have fallen by 9.8% and continue to remain in line with the trend of March 2019 where a similar year-on-year decline of 9.6% was recorded.

HISTORIC TRANSACTIONS



After recording stronger than normal performance in February, total transactions recorded in March were 3,129 which represents a 27.9% month-on-month decrease, however when compared to March 2019 transaction volume was closer to the norm with only a 3.4% year-on-year decline.

The split between off-plan and resale transactions was weighted in the favor of resale with 51.5% of properties transferred in March being transfers of completed property (Title Deed registrations) and is notably higher than the rolling 12-month average of 44.3%.

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	1	2	Dubai Marina	125	562,500	980,000	1,715,000	2,484,795
2	4	1	International City	69	230,000	330,000	455,000	660,000
3	3	11	Jumeirah Beach	66	875,000	985,000	1,250,000	2,370,000
4	6	6	Residence	47	410,000	620,000	935,000	1,900,000
5	2	4	Jumeirah Lakes Towers	44	413,749	495,000	900,000	-

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	2	2	Downtown Burj Khalifa	137	-	1,112,388	2,125,388	2,694,888
2	1	4	Mohammed Bin Rashid City	135	540,388	1,000,414	1,720,944	2,879,493
3	4	3	Business Bay	122	650,000	725,590	1,642,368	2,766,000
4	6	10	Jumeirah Village Circle	86	435,819	720,819	1,114,819	-
5	9	6	Dubai Harbour	70	-	1,725,388	2,965,888	4,562,388

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	2	6	Dubai Hills Estate	34	-	2,366,888	2,340,000	4,826,944
2	1	1	Emirates Living	31	1,090,000	1,835,000	3,400,000	8,000,000
3	9	7	Jumeirah Golf Estates	19	1,420,000	2,700,000	4,134,698	4,900,000
4	7	3	Arabian Ranches	16	1,750,000	2,887,500	3,550,000	6,240,000
5	13	9	Jumeirah Park	16	-	2,800,000	3,650,000	4,600,000

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)	33	-	1,103,888	1,438,888	-
2	2	N/A	The Valley	24	-	1,212,888	1,560,888	-
3	6	N/A	Jumeirah Park	10	-	-	2,685,000	-
4	4	2	Dubai Hills Estate	6	-	2,212,644	2,926,888	-
5	N/A	N/A	World Islands	1	-	-	-	-

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.



ZHANN JOCHINKE

Chief Operating Officer

zhann.jochinke@propertymonitor.ae

CONTACT US

+971 4 453 9525

info@propertymonitor.ae

2205 Marina Plaza Dubai Marina

P.O. Box 118624 Dubai, United Arab Emirates

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