



Dubai property prices increase at fastest rate since October 2022, while sales transaction volume drops sharply by nearly 35%

Median prices in April



Transaction volumes decrease by more than a third after record month and amidst holiday slowdown

Rate of property price appreciation surges to sixth month high, as prices rise 1.45%

New project launches surpass 29,000 YTD and on track to increase housing supply by 10% by year end

Mortgage volumes fall amidst sharp decrease in bulk portfolio loans

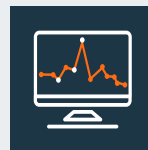
Gross rental yields for villas continue to slide, falling to their lowest level in 9 months

Following the first 3 months of the year where residential property prices increased by an average of 0.61% on a monthly basis, prices have jumped 1.45% in April, the largest month-on-month increase since October last year. Dubai property values currently stand at AED 1,125 per sq ft according to the Property Monitor Dynamic Price Index (DPI). These values were last seen in December 2016 when the market was falling, and were previously reached during an earlier upward cycle in January 2014. Prices now sit just AED 109/- from the peak of the last market cycle.

The total volume of sales transactions dipped in April, decreasing by 34.6% month-on-month to 8,043 sales. While a substantial decrease of this magnitude would typically ring alarms bells of a market correction commencing, it follows a month which saw a similar level increase of sales being recorded—the 4th highest of all time—which is more likely the anomaly and driven by end of quarter filings. Additionally, shortened working hours and vacation periods owing to the holy month of Ramadan typically result in a reduction in transaction activity and at this stage we see no cause for concern and anticipate sale transaction volumes to remain buoyant. Residential transactions, encompassing apartments, townhouses, and villas, accounted for the majority at 89.8% (7,222 sales transactions). The highest transacted commercial property types were hotel apartments (4.87%), office spaces (2.4%), and land sales (1.8%).

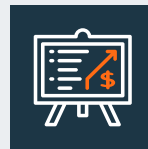
SNAPSHOT

April 2023



+1.45%

Dynamic Price Index
Monthly Change



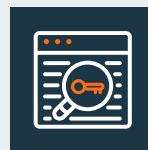
AED 1,125/sq ft

Dynamic Price Index
Current Property Price



8,043

Number of Monthly
Transactions



6.70%

Gross Rental Yield



AED 150m

Highest Recorded Sale
Villa V10
Sector V, Emirates Hills



AED 100k

Lowest Recorded Sale
Apt 204
Building Y21 England Cluster,
International City

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ZHANN JOCHINKE
Director of Market Intelligence & Research
Cavendish Maxwell

In April, a total of 3,864 off-plan Oqood transactions were registered, marking a 40.6% month-on-month decrease in volume, and seeing Oqood transactions lose their majority market share, now representing 48.0% of the market. Meanwhile, Title Deed sale volumes also witnessed a decline falling by 27.9% yet gaining market share and now accounting for 52% of all sales transactions. Although the market may appear to be slightly tilted in favour of completed properties over off-plan, a correctional adjustment by the Property Monitor team for registration technicalities within the Dubai Land Department (DLD), reveals that several villa and townhouse sales, presented as completed with issued Title Deeds, are indeed under construction and sold off-plan. In reality, off-plan transactions have held a dominant market share since Q4 2021, currently standing at 55.4%.

New off-plan development project launches remain in high gear with just shy of 4,500 off-plan units added to the market for sale at an anticipated combined gross sales value of ~AED 17.9 billion. Apartments represent 88.4% of this new inventory by volume, while townhouses and villas represent 10.7% and 0.9% respectively. Year-to-date new project launches have exceeded 29,000 units and more than AED 86 billion in aggregate sales value. With several additional projects already in the planning stages for many developers and the overall continued strength of the new development market, we anticipate that close to 90,000 new units will have entered the market by the end of the year thereby increasing the total overall housing supply by a further 10%.

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 3,590 in April representing a market share of 44.6%, increasing 3.9% month-on-month. With this increase in overall resale activity, the portion of off-plan resales continued to decrease—down 0.9% in April—falling to 21.4% after reaching a high of 28.3% in February this year. Off-plan resale activity at this level is something that can be viewed positively, indicating that there is a moderate amount of speculative or flipping activity which is not aggressively driving the market upwards.

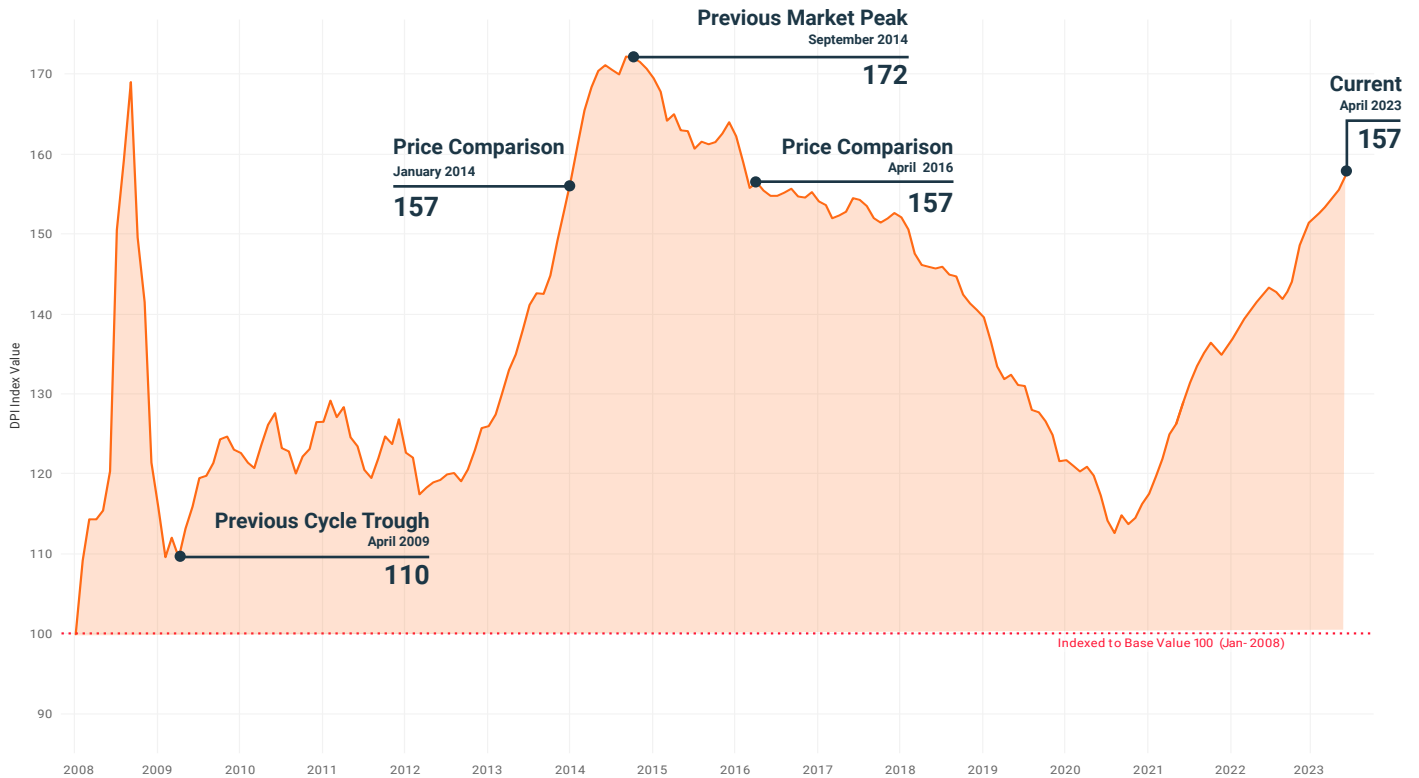
After reaching an all-time record high last month, the volume of mortgage transactions declined by 43.1% in April with a total of 2,424 loans recorded. The sudden drop in mortgages is not surprising and is directly related to the increased bulk mortgage activity witnessed in March. This drop now brings the monthly volume back in line with the 12-month moving average of 2,397. Bulk mortgages—those taken by developers and larger investors with multiple units—still comprise the majority share of the market at 39.3% (down 15.7% MoM).

The 953 loan transactions were spread across several projects, most notably portfolio mortgage registrations for apartments in Mirdif Hills (528), and villas at Cedre Villas in Dubai Silicon Oasis. Meanwhile, refinancing and equity release also increased their market share, growing by 8.6% to 30.7%. The remaining 30.0% (up 7.1% from last month) of loans taken were new purchase money mortgages with the average amount borrowed being AED 1.72m at a loan-to-value ratio of 77.1%.

Average gross rental yields for residential properties in the Emirate continued to remain stable as a whole in April, increasing by just 0.01% to 6.7%. However, when analysed at the property type level there is a clear split between multi-family and single-family properties, with the latter under ongoing downwards pressure resulting in yields for both townhouses and villas decreasing by 0.04% and 0.23% respectively.

Meanwhile, yields for apartments saw a small increase of 0.06%. Villa yields now stand at their lowest level in nine months. Their continued decline can be attributed to multiple factors, the most significant of which is that rental rates have reached their peak in several mature communities, with renters now opting for newer communities where handovers have recently started bringing much needed new single-family rental supply to the market.

PROPERTY MONITOR DYNAMIC PRICE INDEX





+1.45%
MoM Change



+2.67%
QoQ Change



+10.89%
YoY Change



AED 1,125
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
April	157.08	1.45%	2.67%	10.89%	1,125
Mar 2023	154.84	0.62%	1.83%	10.15%	1,109
Feb 2023	153.89	0.58%	2.40%	10.06%	1,102
Jan 2023	153.00	0.62%	2.88%	10.66%	1,096
Dec 2022	152.05	1.17%	4.06%	11.59%	1,089
Nov 2022	150.29	1.06%	4.97%	11.23%	1,076
Oct 2022	148.71	1.77%	5.15%	8.98%	1,065
Sep 2022	146.12	2.06%	2.72%	8.10%	1,047
Aug 2022	143.17	1.24%	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

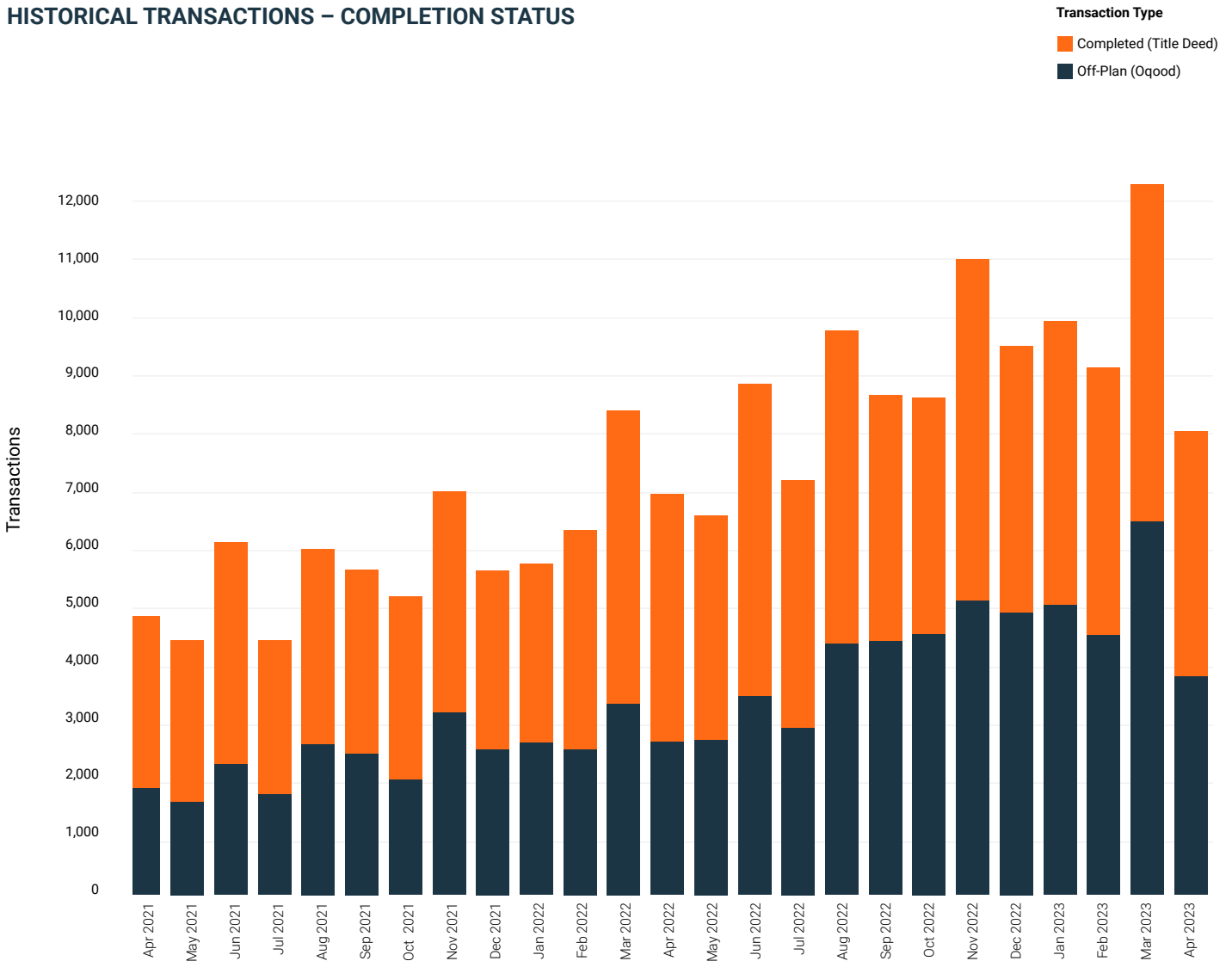
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of February 2008.

At an emirate-wide level, the index value for April 2023 increased by 2.24 index points to 157.08 from 154.84 in February 2023, representing a month-on-month increase of 1.45%.

In April 2023, property prices stood at AED 1,125 per sq ft, down 8.8% from the market peak in September 2014 and are 43.3% above the market trough of April 2009. Property prices were last at these levels during the expansion phase of the previous market cycle in January 2014.

On a year-on-year basis, prices have increased by 10.89% in April and now marks 26 straight months of year-on-year increases, while on a year-to-date basis, prices have increased by 3.27% in April 2023 compared to 3.9% in April 2022.

HISTORICAL TRANSACTIONS – COMPLETION STATUS



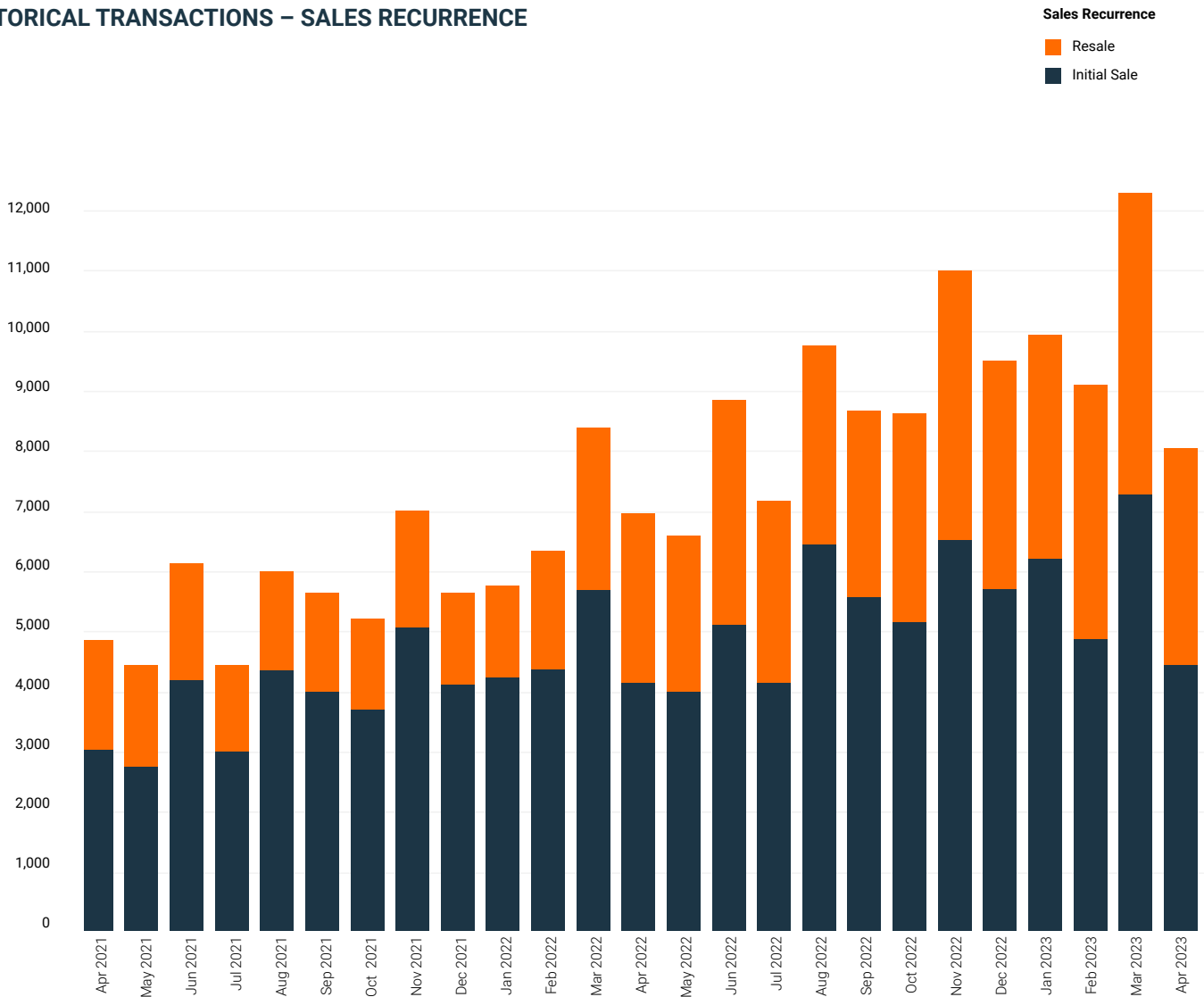
Sales transaction volumes in April were 8,043, decreasing by 34.6% month-on-month. During the month, the split between Oqood and Title Deed property transactions once again reversed trend back in favour of the latter, with Title Deed registrations accounting for 52.0% of all transactions, up 4.9% month-on-month. After adjusting for registration technicalities where several off-plan villa and townhouse transactions are shown as Title Deed, the true breakdown of market share is 55.4% in favour of properties under construction having been sold off-plan.

During the month, EMAAR Properties took the top spot in the off-plan market with the bulk of developers' off-plan registrations, taking a dominant market share of 24.0%. They recorded 866 transactions spread across a myriad of their projects, most notably Elvira (316) in Dubai Hills, Cedar (107) and Savanna (99) at Creek Beach in Dubai Creek Harbour, and Elora (78) in The Valley.

DAMAC Properties was next at 9.2% of all off-plan transactions, with the bulk of their sales activity occurring at Ibiza (158), and Marbella (21) in DAMAC Lagoons, as well as Camelia (33) in DAMAC Hills 2. This was followed by Danube Properties taking an 8.2% market share with sales activity occurring across several projects, with the highest concentration at Elitz (202) in Jumeriah Village Circle, and Petalz (55) in International 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 4,453 initial developer sales recorded in April, 17.2% were in completed projects.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



In April 2023, the market share of initial developer sales fell 3.9% to 55.4% versus resale transactions. The 12-month rolling average now stands at 59.1% for initial sales and 40.9% for resales, the latter of which, after reaching a high of 51.8% in February 2021, has been slowly trending back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

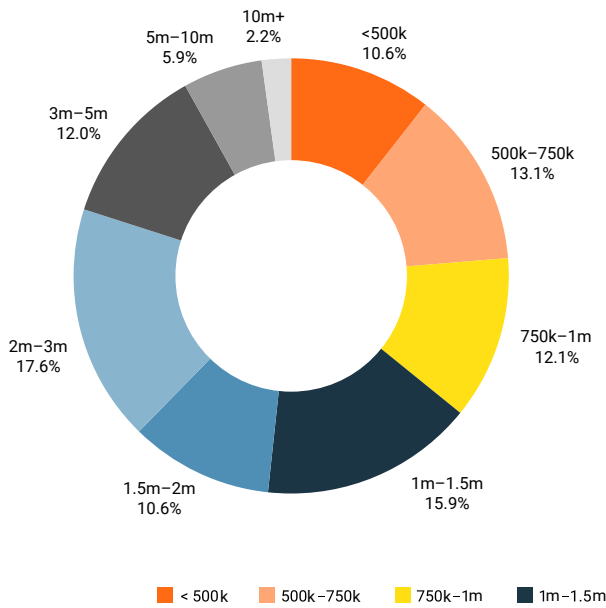
Jumeirah Village Circle was the most popular master development for initial sales, where 18.0% (780) of all such transactions occurred. Elitz by Danube topped the leaderboard at 202 registrations and was followed by Binghatti Corner with 139 sales.

Taking second place was Dubai Hills, where initial sales held 9.2% market share and 399 transactions were recorded. Elvira was the clear leader for the month, registering 316 initial sales and was followed by The Grove by Iman (22) and Ellington House II (18).

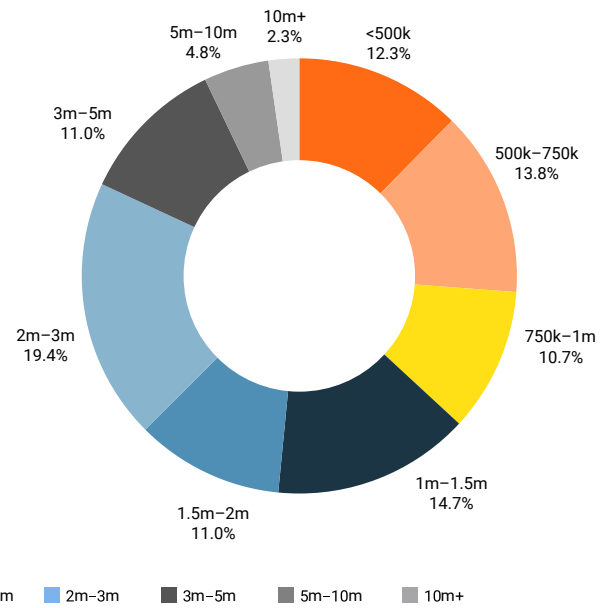
Coming in third for April was Dubai Creek Harbour which claimed 6.7% market share with a total of 290 sales. The Cedar and Savanna projects in the Creek Beach area were the most popular in the master development with 107 and 99 sales respectively, and were followed by Palace Residences North and Creek Edge Tower 1 which recorded a respective 23 and 22 sales for the month.

The top master developments for residential resale transactions were Dubai Marina with 8.1% of such transactions across multiple projects, with the highest level of sales occurring at The Torch Tower with 11 for the month. This was followed by Business Bay with just over 7.6% market share, with The Bay recording 29 transactions. Closing out the top 3 master developments for resale was Jumeirah Village Circle holding 7.6% of the market, with Elitz by Danube recording 20 sales.

PRICE TIERS (AED) – APRIL 2023



PRICE TIERS (AED) – MARCH 2023



PRICE TIERS (AED) MONTHLY COMPARISON

	April 2023	March 2023	MoM Change
<500k	10.6%	12.4%	-1.80%
500k-750k	13.1%	13.8%	-0.70%
750k-1m	12.1%	10.7%	1.40%
1m-1.5m	15.9%	14.7%	1.20%
1.5m-2m	10.6%	11.0%	-0.40%
2m-3m	17.6%	19.4%	-1.80%
3m-5m	12.0%	11.0%	1.00%
5m-10m	5.9%	4.8%	1.10%
10m+	2.2%	2.2%	0.00%

Growing their share of the market at the fastest pace was the AED 750k-1m price tier, which increased by 1.4% in April to reach a total of 12.1%, while the AED 1m-1.5m tier followed closely recording a 1.2% MoM increase. Growth of these price tiers was primarily driven by sales of off-plan apartments at Elitz by Danube and Binghatti Crescent in JVC, where sales prices averaged AED 1,280 per sq ft and 995 per sq ft respectively, as well as by sales at Cedar and Savanna in Creek Beach where average sales prices were between AED 2,048-2,139 per sq ft. Meanwhile, the biggest market share loser was the AED 2m-3m tier which decreased by 1.8%, falling to 17.6%.

Also experiencing notable growth during the month were the adjacent AED 3m-5m and AED 5m-10m price tiers which collectively grew by 2.1%. This growth can be largely attributed to the success of several off-plan apartment projects, most notably the ultra-luxury projects Bluewaters Bay on Bluewaters Islands and Address Residences The Bay at EMAAR Beachfront, where average sales prices recorded were AED 3,764 and AED 4,079 per sq ft respectively, as well as high-end apartments at Elvira in Dubai Hills where average prices of AED 2,172 per sq ft were achieved.

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 44.1%, shirking by 1.0%. The low-price tiers with property values under AED 1m now represent 35.8% of the market, down by 1.1% from March, while the high-end price tiers—properties over AED 3m—now represent 20.1% of the market, up by 2.1% 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. As of 2022, we are proud to officially be part of the Cavendish Maxwell group of companies.

Please get in touch with us for our detailed community reports and any other specific requirements you might have.



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After being processed and cleansed, transaction data for the monthly market report is extracted on the first day of each month and includes transactions as posted by the Dubai Land Departments as of midnight of the last day of the relevant reporting period. Comparison of the data, the periodic MoM and YoY periods, and other values printed in the monthly reports may not correlate from time-to-time, this is due to additional transactions being added to the underlying data which are post-dated or otherwise not released prior to publication.