



Summer Slow Down? The pace of price appreciation, volume of sales, volume of mortgages, and gross rental yields all see month-on-month declines, yet Dubai is still on track for a record year.

Median prices in June



Rate of property price appreciation halves in June after skyrocketing in May

Sales transaction volumes continue their volatile trend, yet remain on track to reach 120,000 by year-end and set a new all-time record, eclipsing 2009

Mortgage activity declines with refinancing and equity release being the hardest hit

Gross rental yields are down, yet relatively stable; is some relief for hard pressed renters coming into view?

After skyrocketing to the highest rate of price growth seen in over 2 years last month, the rate of Dubai property price appreciation moderated and recorded an increase of 1.2% in June, less than half the increase recorded during May. Dubai property values currently stand at AED 1,167 per sq ft according to the Property Monitor Dynamic Price Index (DPI), and now sit just 5.4% below the September 2014 peak of the last market cycle.

The welcome month-on-month slowdown in the pace of price appreciation brings monthly growth back towards the more modest and sustainable rates witnessed earlier in the year. Over the coming months, Property Monitor predicts that we may well see ongoing market turbulence and price fluctuations, especially given that new project launches have not taken a pause for the summer and continue in full swing. It seems all but certain that property values in Dubai will reach, and most likely surpass, the previous 2014 market peak towards the tail end of this year.

The total volume of sales transactions also moderated in June, decreasing by 10.4% month-on-month to 10,533 sales. This continues to mark the emerging trend of volatility in the volume of transactions occurring each month, with substantial swings in the range of ~1,000 to ~4,000 recorded sales having been a regular occurrence since February this year.

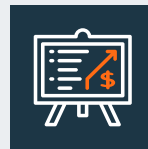
SNAPSHOT

June 2023



+1.20%

Dynamic Price Index
Monthly Change



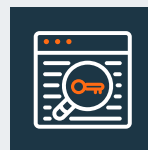
AED 1,167/sq ft

Dynamic Price Index
Current Property Price



10,533

Number of Monthly
Transactions



6.67%

Gross Rental Yield



AED 112m

Highest Recorded Sale
Apt 901 | 5 B/R
Bvlgari Lighthouse,
Jumeirah Bay Island



AED 160k

Lowest Recorded Sale
Apt 425 | Studio
Platinum One,
Arjan

“ **The Dubai real estate market is positioned to continue attracting investment from sources both locally and abroad, spurred on by the record number of new project launches.** ”

ZHANN JOCHINKE
Director of Market Intelligence & Research
Cavendish Maxwell

Average monthly transaction volumes in 2023 however, remain well above those ever previously recorded and currently have the market on track to eclipse the all-time annual sales record set way back in 2009. We currently predict close to 120,000 sales transactions this year.

Residential transactions, encompassing apartments, townhouses, and villas, accounted for the majority of sales at 90.3% (9,507 sales transactions). The highest transacted commercial property types were hotel apartments (4.9%), land sales (1.9%), and office spaces (1.8%).

A total of 5,207 off-plan Oqood transactions were registered in June, decreasing by 8.6% month-on-month yet still increasing by a noteworthy 48.9% on a yearly basis. Oqood transactions now account for 49.4% of the market, while Title Deed sale volumes fell to 50.6%. 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 55.6%.

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 5,049 in June representing a market share of 47.9%, increasing by a further 1.2% month-on-month following increases of 2.1% and 3.9% recorded in the preceding months. With this increase in overall resale activity, the portion of off-plan resales also continued to increase – up 1.3% in June, rising overall to 22.4%. Speculative activity is slowly making up a greater portion of off-plan resales, however most of these resales remain skewed towards properties that are within a year of anticipated completion.

With new project launches continuing to surge, and off-plan asking prices not increasing too aggressively, the scene is set for Dubai to provide an ample available pipeline of direct stock units from developers for the foreseeable future. This in turn means that it leaves little to be gained from buying a unit that's being 'flipped' by a speculating investor soon after its initial purchase.

It will however continue to make sense for investors holding those properties that are closer to handover to consider reselling, with a potential buyer being willing to pay a premium in exchange for a property that can be occupied in the near future.

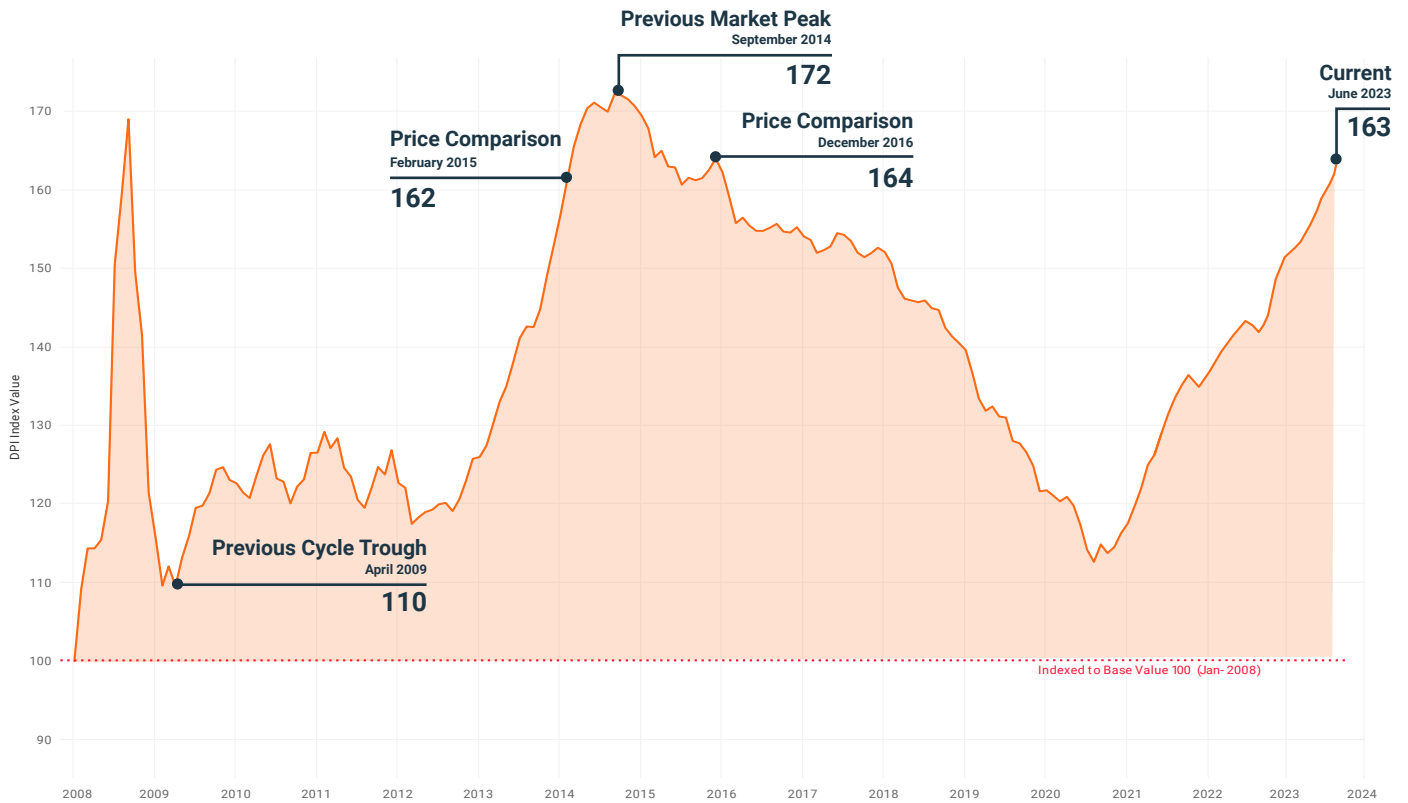
Mortgage transaction volumes decreased by 5.5% in June with a total of 2,724 loans recorded. Loans for refinancing and equity release were a significant contributor to this decline, seeing their market share drop by 6.7% to 33.6%. Meanwhile, bulk mortgages—those taken by developers and larger investors with multiple units—grew by 6.2% to 26.3% in June. The 717 bulk loan transactions were spread across several projects, most notably portfolio mortgage registrations at District One West (470), Orra Marina (33) in Dubai Marina, and City Walk Building 17 (31), as well as portfolio mortgage modifications at Shams 1 (64) in Jumeirah Beach Residence. The remaining 40.1% (up 0.5% from last month) of loans taken were new purchase money mortgages, with the average amount borrowed being AED 1.89m at a loan-to-value ratio of 75.9%.

Average gross rental yields for residential properties in the Emirate continued to remain stable in June, decreasing by just 0.05% to 6.67%. Yields for all three residential property types saw modest declines with apartments down 0.04% to 7.12%, townhouses down 0.13% to 6.14%, and villas down 0.02% to 4.79%. The decline in yields is looking very much as Property Monitor predicted in previous monthly commentary. As a result of many communities appearing to have reached their peak in achievable rental rates, coupled with sales prices plateauing in several communities - particularly those that saw the highest price appreciation in the early phases of the market recovery – some relief for renters is within sight. This most likely won't be immediate in the form of significantly lower rents, but rather rental prices stabilising and showing a halt from the recent runaway increases over the coming quarter, with a further cooling off towards the end of the year.

With June recording month-on-month declines across the spectrum of measures analysed in this report it may at first appear that we are facing a seasonal summer slowdown. However, these same measures have all been setting records on a near monthly basis in recent times and it was inevitable that the trend would slow or revert at some point.

Is the summer season the driving factor? Maybe, maybe not. What is more certain is that the Dubai real estate market is positioned to continue attracting investment from sources both locally and abroad. This is spurred on by the record number of new project launches with marketing campaigns that dominate the billboards and hoardings along Sheikh Zayed Road as well social media and digital channels. With several new master communities for villas and townhouses now making their way to launch, would be buyers who had decided to sit out from the completed market will have greater options in the off-plan segment and are likely to jump into the market and keep the demand faucet turned on for the remainder of this year. What happens in 2024 may be a different picture which we will return to as the third quarter numbers play out.

PROPERTY MONITOR DYNAMIC PRICE INDEX





+1.20%
MoM Change



+5.24%
QoQ Change



+14.55%
YoY Change



AED 1,167
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Jun 2023	162.95	1.20%	5.24%	15.55%	1,167
May 2023	161.02	2.51%	4.63%	12.84%	1,153
Apr 2023	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

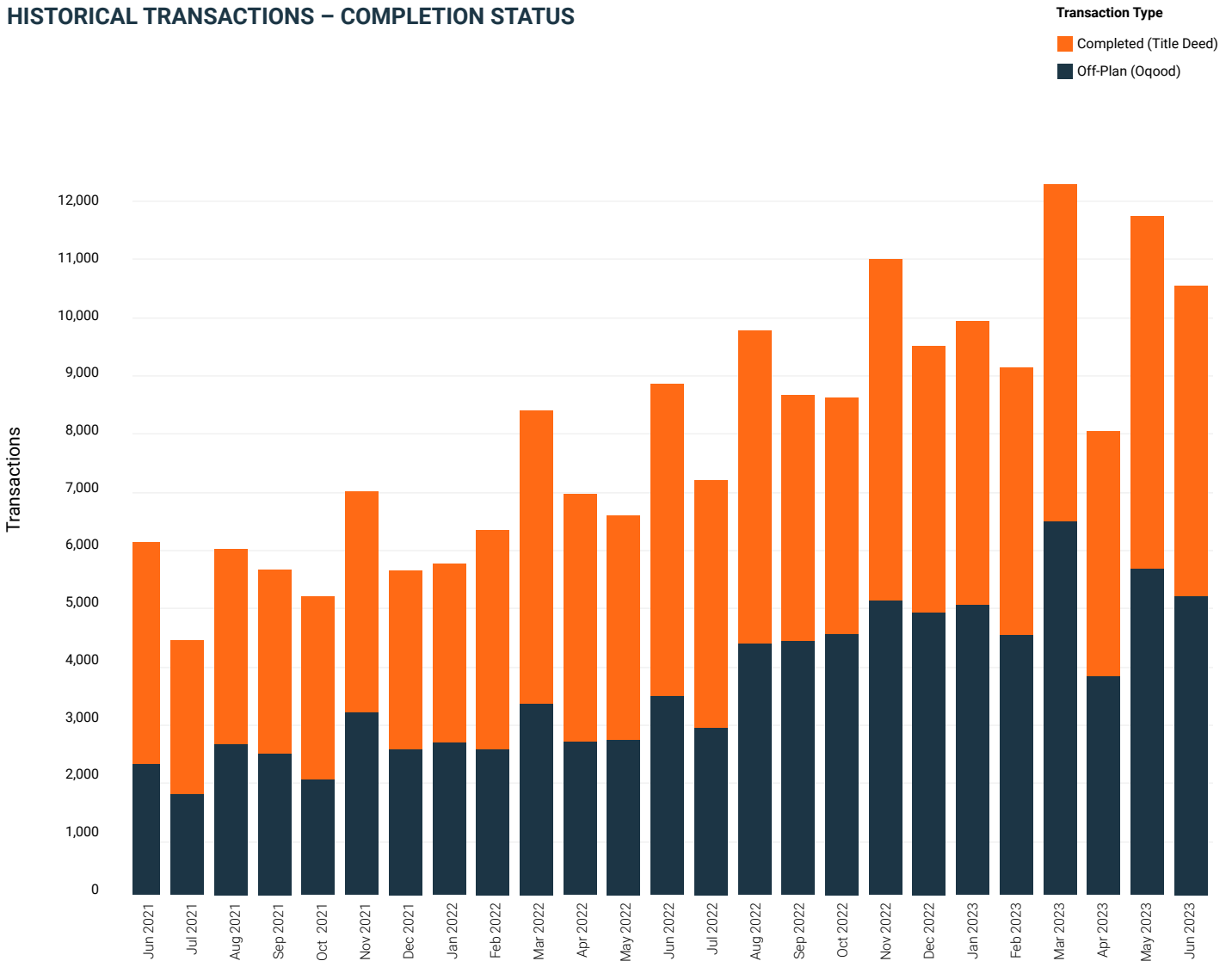
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an Emirate-wide level, the index value for June 2023 increased by 1.93 index points to 162.95 from 161.02 in May 2023, representing a month-on-month increase of 1.20%.

In June 2023, property prices stood at AED 1,167 per sq ft, down 5.4% from the market peak in September 2014 and are 48.7% above the market trough of April 2009. Property prices were last at these levels during the expansion phase of the previous market cycle in February 2014.

On a year-on-year basis, prices have increased by 14.55% in June and now marks 29 straight months of year-on-year increases, while on a year-to-date basis, prices have increased by 6.98% in June 2023 compared to 4.33% in June 2022.

HISTORICAL TRANSACTIONS – COMPLETION STATUS



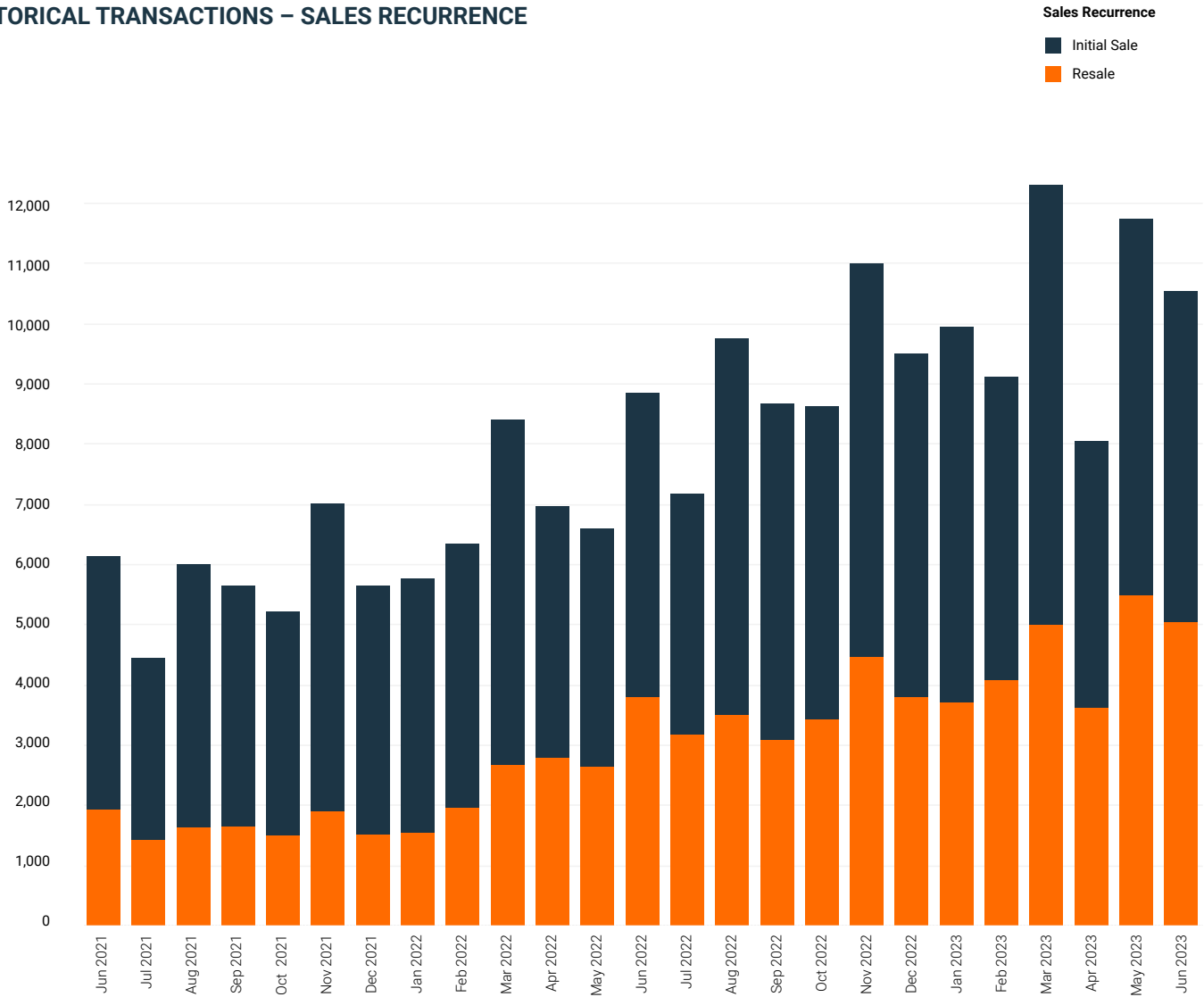
June saw 10,533 sales transactions, decreasing by 10.4% month-on-month. During the month, the split between Oqood and Title Deed property transactions remained in favour of the latter, with Title Deed registrations accounting for 50.6% of all transactions, down 0.9% month-on-month. After adjusting for registration technicalities where several off-plan villa and townhouse transactions are shown as Title Deed, the true breakdown of market share is 55.6% in favour of properties under construction having been sold off-plan (normally represented purely by Oqood transaction volumes).

During the month, EMAAR Properties took the top spot in the off-plan market with the bulk of developers' off-plan registrations, narrowly edging out DAMAC Properties by only 2 sales transactions, and taking a market share of 12.4%. They recorded 568 transactions spread across a myriad of their projects, most notably Creek Waters (173) at Dubai Creek Harbour, Golf Grand (149) in Dubai Hills, and Seapoint (91) at EMAAR Beachfront in Dubai Harbour.

DAMAC Properties was next at 12.3%, of all off-plan transactions, with most of their sales activity occurring at DAMAC Bay by Cavalli (374) in Dubai Harbour, Ibiza (52) in DAMAC Lagoons, and Camelia (19) in DAMAC Hills 2. This was followed by Danube taking a 9% market share with sales activity highly concentrated in Viewz (368) in Jumeirah Lakes Towers.

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 5,484 initial developer sales recorded in June, 13.9% were in completed projects.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



In June 2023, the market share of initial developer sales fell 1.2% to 52.1% versus resale transactions. The 12-month rolling average now stands at 58.2% for initial sales and 41.8% 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.

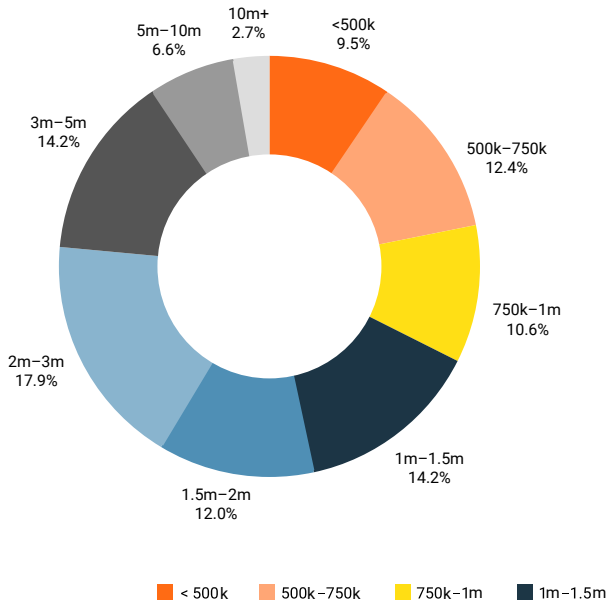
Jumeirah Village Circle was once again the most popular master development for initial sales, where 11.6% (619) of all such transactions occurred. Binghatti Onyx topped the leaderboard at 106 registrations and was followed by Binghatti Emerald with 57, and Samana Waves 2 with 32 sales.

Taking second place was Dubai Harbour, where initial sales held an 8.9% market share with 477 transactions recorded. DAMAC Bay by Cavalli and Seapoint were the clear leaders for the month, registering 374 and 91 initial sales respectively.

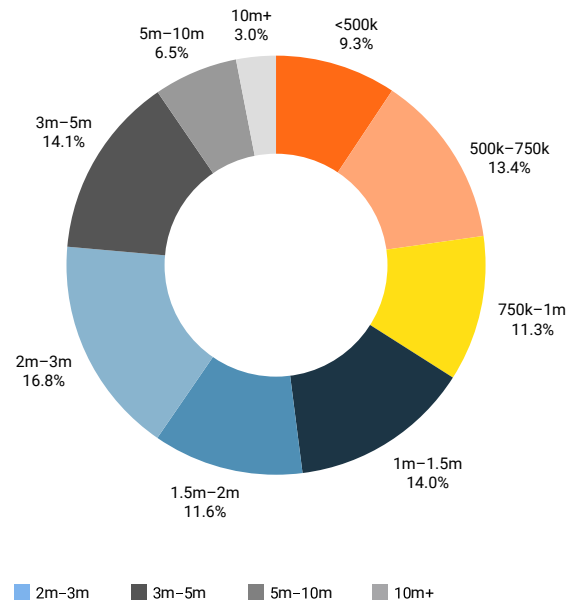
Coming in third for June was Dubai Hills which claimed 7.7% market share with a total of 407 sales. Golf Grand led with 149 sales and was followed by The Grove by Iman (104) and 399 Hills Park (59).

The top master developments for residential resale transactions were Downtown with 7.9% of such transactions across multiple projects, with the highest level of sales occurring at Address Residences Dubai Mall (30), Burj Khalifa(27), and Burj Royale (26). This was followed by Dubai Marina with just over a 6.5% market share with Cayan Tower being the highest transacted, recording 10 sales. Closing out the top 3 master developments for resale was Business Bay holding 6.4% of the market, with Regalia recording 17 sales for the month.

PRICE TIERS (AED) – JUNE 2023



PRICE TIERS (AED) – MAY 2023



PRICE TIERS (AED) MONTHLY COMPARISON

	June 2023	May 2023	MoM Change
<500k	9.4%	9.3%	0.10%
500k-750k	12.4%	13.4%	-1.00%
750k-1m	10.6%	11.2%	-0.60%
1m-1.5m	14.2%	14.0%	0.20%
1.5m-2m	12.0%	11.7%	0.31%
2m-3m	17.9%	16.8%	1.10%
3m-5m	14.2%	14.1%	0.10%
5m-10m	6.6%	6.5%	0.10%
10m+	2.7%	3.0%	-0.30%

Growing their share of the market at the fastest pace was the AED 2m-3m price tier which increased by 1.1% in June to reach a total of 17.9%. Growth of this price tier was primarily driven by sales of high quality off-plan apartments at Creek Waters in Dubai Creek Harbour, Golf Grand in Dubai Hills, and Design Quarter at D3, where average prices of AED 2,251, AED 2,029, and AED 2,478 per sq ft were respectively achieved. Meanwhile, the biggest market share loser was the AED 750k-1m tier which decreased by 1% falling to 12.4%.

While the AED 2m-3m was the growth leader for the month, the neighbouring price tiers above and below both experienced modest growth during the month, with the tiers for properties from 1m to 2m increasing by 0.51% and the tiers for 2m-5m up by 0.2%. For the lower price tiers, this growth can be largely attributed to the success of the same high-quality off-plan projects as well as those at Viewz by Danube where sales prices averaged AED 2,212 per sq ft, while the growth in the higher price tiers was largely driven by sales of ultra-luxury apartments at DAMAC Bay by Cavalli where average sales prices recorded were AED 3,938 per sq ft.

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%, growing by 1.6%. The low-price tiers with property values under AED 1m now represent 32.4% of the market, down by 1.5% from May, while the high-end price tiers—properties over AED 3m—now represent 23.5% of the market, down by just 0.1% 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.