



My oh 'May'! Monthly sales transaction volumes in May soar past 17k and obliterate the previous record set in April 2009 by more than 20%. Price appreciation returns to moderate pace with sub-1% growth.

Median prices in May



Pace of price appreciation moderates after recent spike; average prices up 0.69% in May

Highest ever sales transaction volumes recorded, up 47.7% month-on-month and 45.9% year-on-year

Mortgage activity rebounds with a nearly 58% month-on-month increase to reach second highest level of all-time

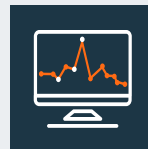
Launches for single family homes in new master communities push off-plan project launches to record high

Following the recent spike in price appreciation witnessed in March and April, Dubai's property prices returned to more modest price growth, recording a gain of 0.69% in May. According to the Property Monitor Dynamic Price Index (DPI), Dubai property prices currently stand at AED 1,360 per square foot, 10.25% over the previous all-time high and market peak of September 2014.

Sales transaction volumes soared 47.7% in May to a total of 17,139 transactions. First thoughts may lead one to assume that this monthly uptick is a result of pent-up demand from reduced trading days in April due to the historic rains and weeklong public holiday break for Eid al-Fitr, however daily transaction activity already rebounded once the ability to transact was restored and any backlog of transactions most likely were already accounted for during April. The impressive growth in May is more a story of the ongoing evolution and seemingly insatiable demand for properties in Dubai, with evidence of both significant purchase activity from UAE residents and international investors.

SNAPSHOT

May 2024



+0.69%

Dynamic Price Index
Monthly Change



AED 1,360/sq ft

Dynamic Price Index
Current Property Price



17,139

Number of Monthly
Transactions



AED 165.6m

Highest Recorded Sale
*Villa A9 | 8 Bedroom
Ritz Carlton Residences at Dubai
Creekside*



AED 134k

Lowest Recorded Sale
*Apt 114 | 1 Studio
Block K, Greece Cluster,
International City*

“ As we edge closer to the end of Q2 and with the summer months ahead, we anticipate that the market will continue with high transactional activity and experience little to no negative impact of what has historically been somewhat a slower period. ”

ZHANN JOCHINKE
Director of Market Intelligence & Research
Cavendish Maxwell

Investor activity being heavily skewed towards off-plan projects, while residents are largely split between the off-plan and ready property segments, with many opting for an off-plan project due to lack of affordable inventory for sale, coupled with a white hot rental market that has seen rental prices more than double in some communities post-pandemic. In May, residential transactions, encompassing apartments, townhouses, and villas, accounted for the majority of sales at 92.8% (10,659 transactions). The highest transacted commercial property types were hotel apartments (2.6%), office spaces (1.9%), and retail units (1.4%).

In May, 10,598 off-plan Qood transactions were recorded, a monumental increase of 47.1% from the previous month yet a negligible 0.2% slide in market share to 61.8%. Meanwhile, Title Deed sale volumes also witnessed a similarly impressive increase, growing by 48.6% and now accounting for 38.2% of all sales transactions. While Qood transactions are generally used to measure the off-plan market, several villa and townhouse sales are presented in the Dubai Land Department data as being issued with Title Deeds and as completed properties—instead of being under construction and sold off-plan. After adjusting for this technicality, off-plan transactions secure an even larger market share of 66.7%.

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 5,650 in May. This represents a market share of 33.0%, increasing by 0.5% month-on-month, driving initial developer sales market share down slightly, and likely temporally, to 67%.

New off-plan development project launches surge to reach record highs, with just over 15,500 off-plan units added to the market for sale with an anticipated combined gross sales value of ~AED 41.4 billion.

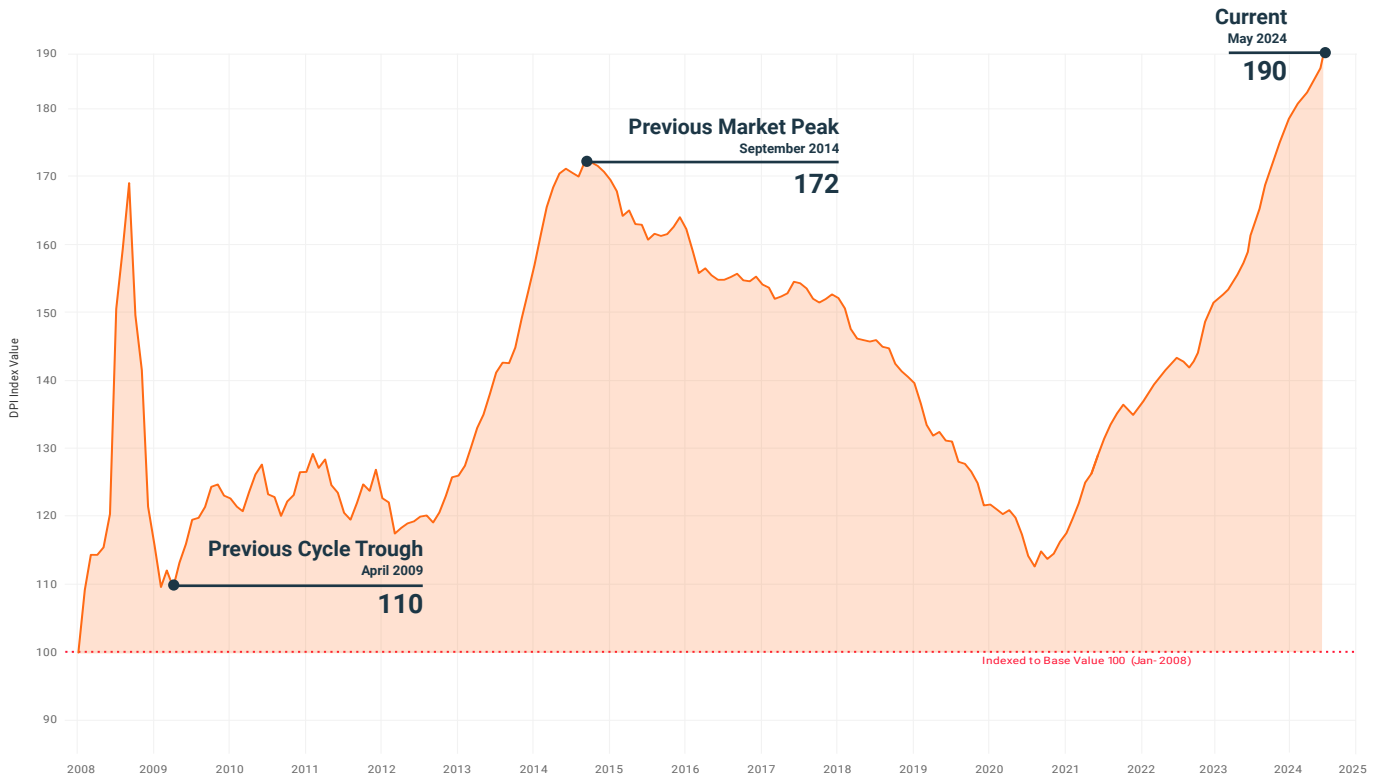
This sets a new record for the highest number of units launched in a single month with apartments representing 75.1% by volume of this new inventory. The remaining 24.9% was for single-family units—townhouses 19.4% and villas 5.5%—almost double their year-to-date market share of 12.6% and led by launches in new master communities of Athlon by Aldar, Riverside by DAMAC, and Palmiera 2 by Emaar. Year-to-date, new project launches have exceeded just over 59,500 units and are well on track to surpass last year’s ~96,000 units. Expect the fierce pace of project launches to continue, with a summer slowdown unlikely. Gauging by recent land acquisition and project planning activities, keep an eye out for new opportunities across various pricing segments in a variety of communities, particularly: Meydan Horizon, Jumeirah Garden City, The Valley, and Motor City.

Mortgage transaction volumes increased by 57.9% in May with a total of 3,359 loans recorded—the second highest level trailing only March 2023. Loans taken for new purchase money mortgages accounted for 53% (down 2.8% from last month) of borrowing activity, with the average amount borrowed being AED 1.85m at a loan-to-value ratio of 76.6%. Meanwhile, loans for refinancing and equity release saw their market share decrease by 9.5% to 29%. The remaining 18% (up by 12.3% from last month) was due to bulk mortgages—those taken by developers and larger investors with multiple units. The 605 bulk loans issued for the month were spread across several projects, most notably portfolio mortgage modifications at Bluebell Residence (98) in Jumeirah Village Circle and portfolio mortgage registrations at Residence 17 at The Residences at District One, MBR City.

Despite the ongoing relatively high interest rate environment, borrowing activity remains strong and is not a deterrent for any of the mortgage market segments. We anticipate that mortgage volumes will remain consistent in the coming months with a slight dip leading into Q4 in anticipation of a rate decrease on the horizon at either the November or December US FOMC meetings. Once there is an easing of interest rates, bulk loans and refinancing activity should see even greater volumes and see new records set.

As we edge closer to the end of Q2 and with the summer months ahead, we anticipate that the market will continue with high transactional activity and experience little to no negative impact of what has somewhat historically been a slower period. With Ramadan and the Eid breaks moving earlier in the Gregorian year, the double punch of summer vacations and the holy period—which added to historic seasonality—will be mitigated. While we do not expect the market to slow overall, the divide between off-plan and completed property sales may widen further, in part due to the robust off-plan project pipeline and in part due to unescapable seasonal net migration of Dubai residents escaping the summer heat.

PROPERTY MONITOR DYNAMIC PRICE INDEX





+0.69%
MoM Change



+5.09%
QoQ Change



+17.94%
YoY Change



AED 1,360
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
May 2024	189.91	0.69%	5.09%	17.94%	1,360
Apr 2024	188.61	1.95%	5.23%	20.07%	1,351
Mar 2024	184.99	2.37%	3.41%	19.47%	1,325
Feb 2024	180.72	0.83%	1.82%	17.43%	1,294
Jan 2024	179.24	0.19%	2.17%	17.15%	1,284
Dec 2023	178.90	0.80%	3.14%	17.66%	1,281
Nov 2023	177.49	1.17%	4.55%	18.10%	1,271
Oct 2023	175.43	1.14%	5.37%	17.97%	1,256
Sep 2023	173.45	2.18%	6.44%	18.71%	1,242
Aug 2023	169.76	1.97%	5.43%	18.57%	1,216
Jul 2023	166.48	2.17%	5.98%	17.72%	1,192
Jun 2023	162.95	1.20%	5.24%	14.55%	1,167
May 2023	161.02	2.51%	4.63%	12.84%	1,153

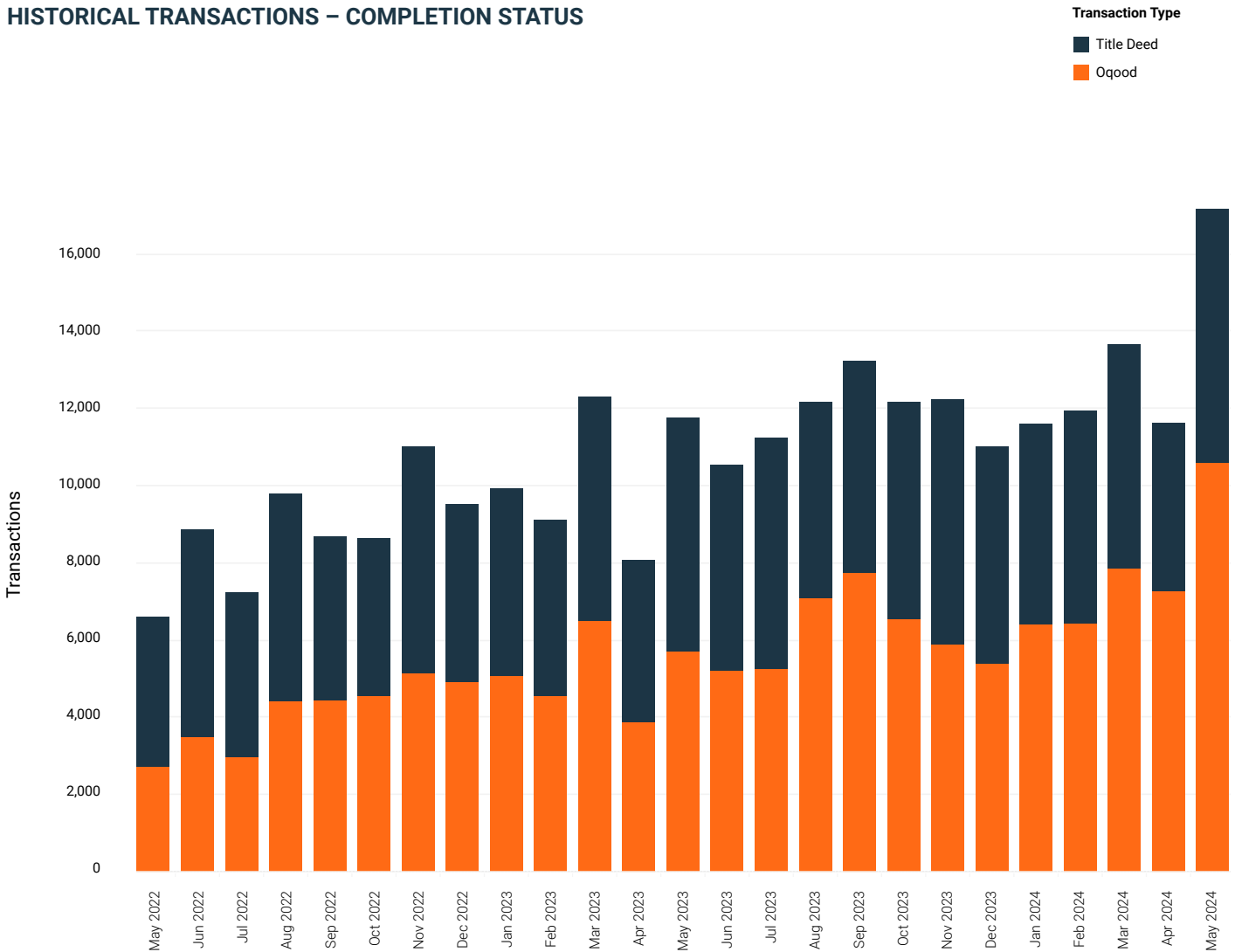
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for May 2024 increased by 1.30 index points to 189.91 from 188.61 in April 2024, representing a month-on-month increase of 0.69%.

In May 2024, property prices continued climbing to all-time highs and now stand at AED 1,360 per sq ft. This is now 73.3% above the market trough of April 2009 and 10.25% above the market peak of September 2014. Absent any significant economic, geopolitical, or unforeseen global events, current market conditions are likely to provide for continued growth throughout 2024.

On a year-on-year basis, prices have increased by 17.9% in May and now marks 39 straight months of year-on-year increases, while on a year-to-date basis, prices have increased by 5.09% in May 2024 compared to 4.63% in May 2023.

HISTORICAL TRANSACTIONS – COMPLETION STATUS

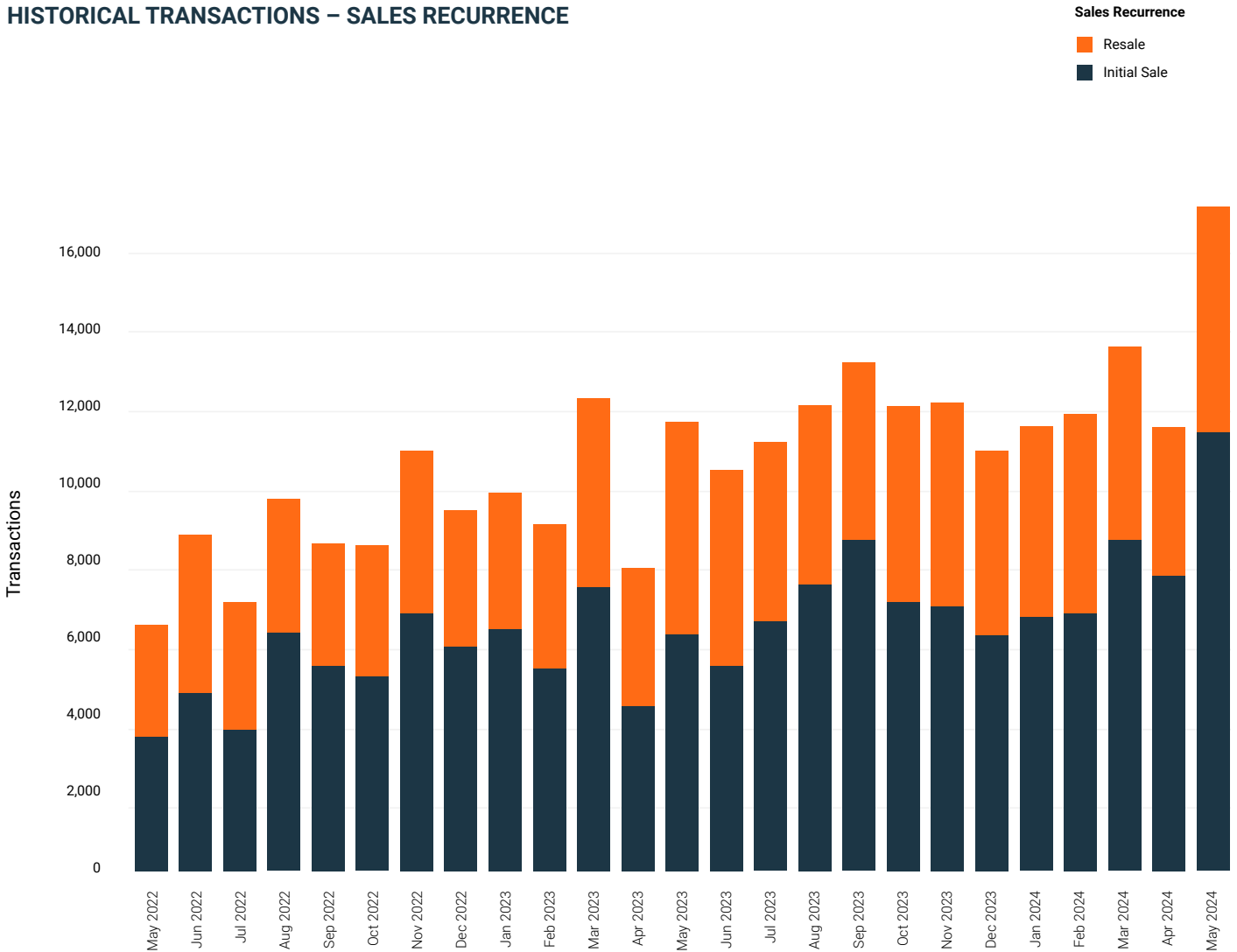


Sales transaction volumes in May were 17,139, increasing by an astounding 47.7% compared to April. During the month, the split between Oqood and Title Deed property transactions was weighted in favour of the former, with Oqood registrations accounting for 61.8% of all transactions, down negligibly by 0.2% 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 further bolstered to 66.7% in favour of properties under construction having been sold off-plan.

During the month, Emaar Properties reclaimed the top spot in the off-plan market with the developers' off-plan registrations taking a dominant market share of 17.3%. They recorded 1,728 transactions spread across a myriad of their projects, most notably Parklane in Dubai Hills where 531 sales were recorded. This was followed by Lillia in The Valley, Ocean Point in Mina Rashid, and Vida Residences in Dubai Hills with 356, 207, and 175 sales, respectively.

Sobha was next at 12.7% of all off-plan transactions with Sobha One in Ras Al Khor being a clear leader for the month, clocking up 1,107 sales and was then followed by 330 Riverside Crescent in Sobha Hartland II (40) and Verde (37) in the DMCC Enterprise Zone. Taking third place was Azizi Development securing an 11.2% market share, with sales activity largely concentrated across several buildings in Azizi Riviera, with more than 80% of their 1,122 sales being in buildings that had sales launches commence several years ago.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



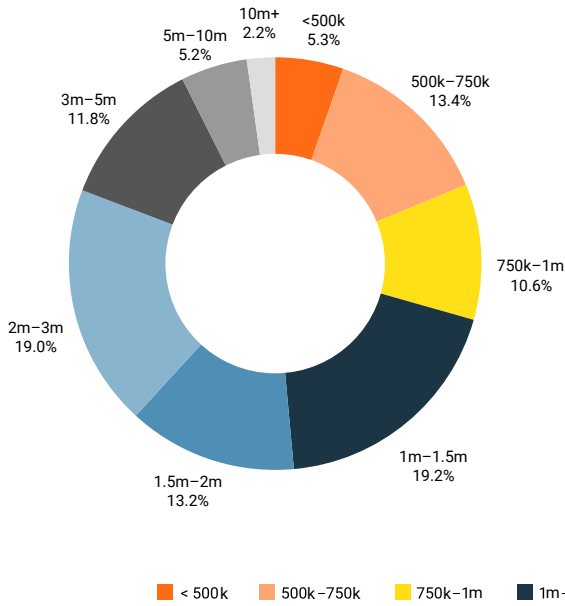
In May 2024, the market share of initial developer sales decreased slightly by 0.5% falling to 67% versus resale transactions. The 12-month rolling average now stands at 61% for initial sales and 39% for resales, the latter of which, after reaching a high of 51.8% in April 2021, has been slowly trending 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 9.9% (1,109) of all such transactions occurred. Binghatti Azure took the top spot for the month with 134 registrations, then was followed by Binghatti Phantom (127), Cello Residences (84), Ozone1 (55), and Maimoon Gardens (53).

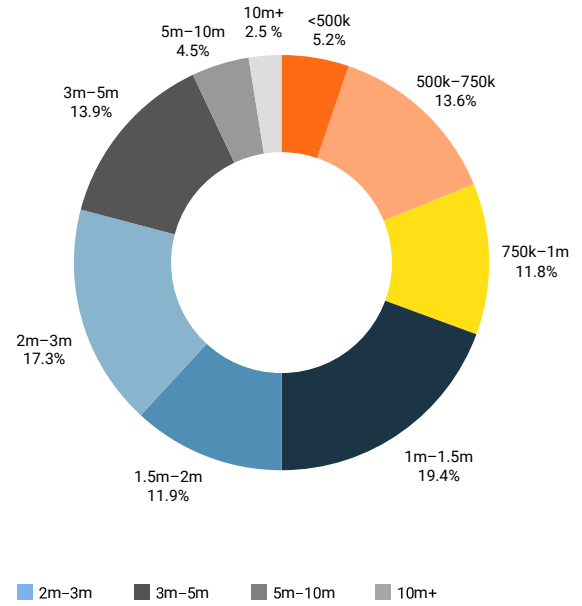
Taking second place was Ras Al Khor, where initial sales held a 9.9% market share. The five towers within the Sobha One project accounted for all of the 1,107 transactions recorded. Coming in third for May was Azizi Riviera claiming 8.3% market share with a total of 930 sales within various buildings across the project and most notably Azizi Riviera 46 with 172 registrations.

The top master developments for residential resale transactions were Jumeirah Village Circle with 8.5% of such transactions spread across multiple projects, with the highest level of sales occurring at Binghatti Heights (17) and Bloom Towers (14). This was followed by Business Bay with a 7.5% market share, with Bayz by Danube (18) being the highest transacted. Closing out the top 3 master developments for resale was Dubai Marina holding 5.6% of the market, with The Residences at Marina Gate recording 18 sales for the month.

PRICE TIERS (AED) – May 2024



PRICE TIERS (AED) – April 2024



PRICE TIERS (AED) MONTHLY COMPARISON

	May 2024	April 2024	MoM Change
<500k	5.3%	5.2%	0.10%
500k-750k	13.4%	13.6%	-0.20%
750k-1m	10.6%	11.8%	-1.20%
1m-1.5m	19.2%	19.4%	-0.20%
1.5m-2m	13.3%	11.9%	1.40%
2m-3m	19.0%	17.2%	1.80%
3m-5m	11.8%	13.9%	-2.10%
5m-10m	5.2%	4.5%	0.70%
10m+	2.2%	2.5%	-0.30%

Growing their share of the market at the fastest pace was the AED 2m-3m price tier which increased by 1.8% in May to reach a total of 19%. The growth of this price tier can be largely attributed to the successful new development launches of mid-market townhouses at Lillia in The Valley and upper-mid apartments at Sobha One in Ras Al Khor, where sales prices averaged AED 950 and AED 2,126 per sq ft respectively. Meanwhile, the biggest market share loser was the AED 3m-5m tier, which decreased by 2.1% falling to 11.8%.

Also experiencing notable growth during the month was the adjacent AED 1.5m-2m price tier which grew by 1.4%. Growth in this segment can also be largely attributed to the same projects as well as off-plan sales for high-end priced apartments at Parklane Hills in Dubai Hills where price per square foot values averaged AED 2,292.

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 51.5%, up by 3%. The low-price tiers with property values under AED 1m now represent 29.3% of the market, down by 1.3% from April, while the high-end price tiers—properties over AED 3m—now represent 19.2% of the market, down by 1.7% 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/pmdpi.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.