



As off-plan sales continue to dominate the market, Dubai is set to see three new master communities emerge in 2024—no better time than now.

Median prices in February



Prices rose by 0.83% in February, and moderate price appreciation is expected to continue

Highest ever sales transaction volumes for February, up 30.4% year-on-year

Mid-tier price points see market share growth with Dubai Maritime City emerging as a popular waterfront location

Mortgage activity declined marginally; however loans for new purchases gained strength

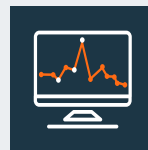
Off-plan launches continue full steam and new master communities lay groundwork for more to come

Dubai property price growth continued its modest trajectory in February with a monthly gain of 0.83% recorded. This follows last months' meagre 0.2% increase and aligns with our forecast for an overall slowing in price appreciation and annual gains anticipated to reach between 5-8%. According to the Property Monitor Dynamic Price Index (DPI), Dubai property prices currently stand at AED 1,294 per square foot, a little shy of 5% over the previous all-time high and market peak of September 2014.

While price appreciation remains subdued, the monthly volume of sales transactions continues to power on, increasing by 2.6% in February, rising to a total of 11,913 sales and recording as the highest volume ever for the month of February. This new record eclipses that which was set just last year by a whopping 30.4%. Residential transactions, encompassing apartments, townhouses, and villas, accounted for most sales at 92.1% (10,966 transactions). The highest transacted commercial property types were hotel apartments (2.8%), office spaces (2.2%), and land sales (1.7%). The consistently high sales volume is fueled by seemingly endless demand for off-plan properties, with particular strength in the apartment segment where sales volumes are moving in an uninterrupted upwards direction. Meanwhile, villa and townhouse activity remain flat by comparison, however we believe this has more to do with supply constraints than any shortfall in buyer demand.

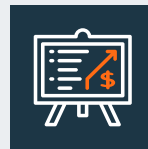
SNAPSHOT

February 2024



+0.83%

Dynamic Price Index
Monthly Change



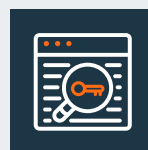
AED 1,294/sq ft

Dynamic Price Index
Current Property Price



11,913

Number of Monthly
Transactions



6.74%

Gross Rental Yield



AED 160m

Highest Recorded Sale
*Villa JB-MV19
Jumeirah Bay Island*



AED 100k

Lowest Recorded Sale
*Apt 211 | Studio
Building N09, Persian Cluster,
International City*

“ Beyond off-plan resales, it is crucial to monitor key data-driven indicators in the real estate landscape. These include a slowdown in monthly sales, a reduced uptake of new units from prominent developers, and an uptick in developer incentives like giveaways and payment plans. The occurrence of multiple such indicators may signal an impending shift in the market. ”

ZHANN JOCHINKE
Director of Market Intelligence & Research
Cavendish Maxwell

A total of 6,384 off-plan Oqood transactions were registered in January, marking a minor 0.5% month-on-month decrease in volume and a 1.6% decrease in market share, falling to 53.8%. Meanwhile, Title Deed sale volumes witnessed an increase, rising by 6.3% and now account for 46.4% of all sales transactions. While Oqood 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 hold an even more dominant market share of 59.8%, sitting right at the general long-term split between the off-plan and existing sales segments.

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 4,970 in February. This represented a market share of 41.7%, relatively static month-on-month, with initial developer sales maintaining their dominant market share of 58.3%, up just 0.1%.

Preliminary numbers for new off-plan project launches in February show close to 10,000 units being added to the market for sale throughout the month, with the bulk of launches being for apartments. Launches for single-family homes (villas and townhouses) have represented roughly 15% of new units brought to market in the current market cycle and remain a segment that is undersupplied, however this may soon be addressed.

As we reported last month, our tracking of recent land sales, and more specifically large “super” plots provided an indication that new master communities were on the horizon, something which has now been confirmed with Emaar announcing two new communities—The Heights Country Club and Grand Club Resort—as well as one other forthcoming in May from DAMAC. These projects, all located in south-west areas of Dubai along the E611 corridor, are set to add much needed villa and townhouse supply to the market, as well as usher in the next phase of expansion for the emirate.

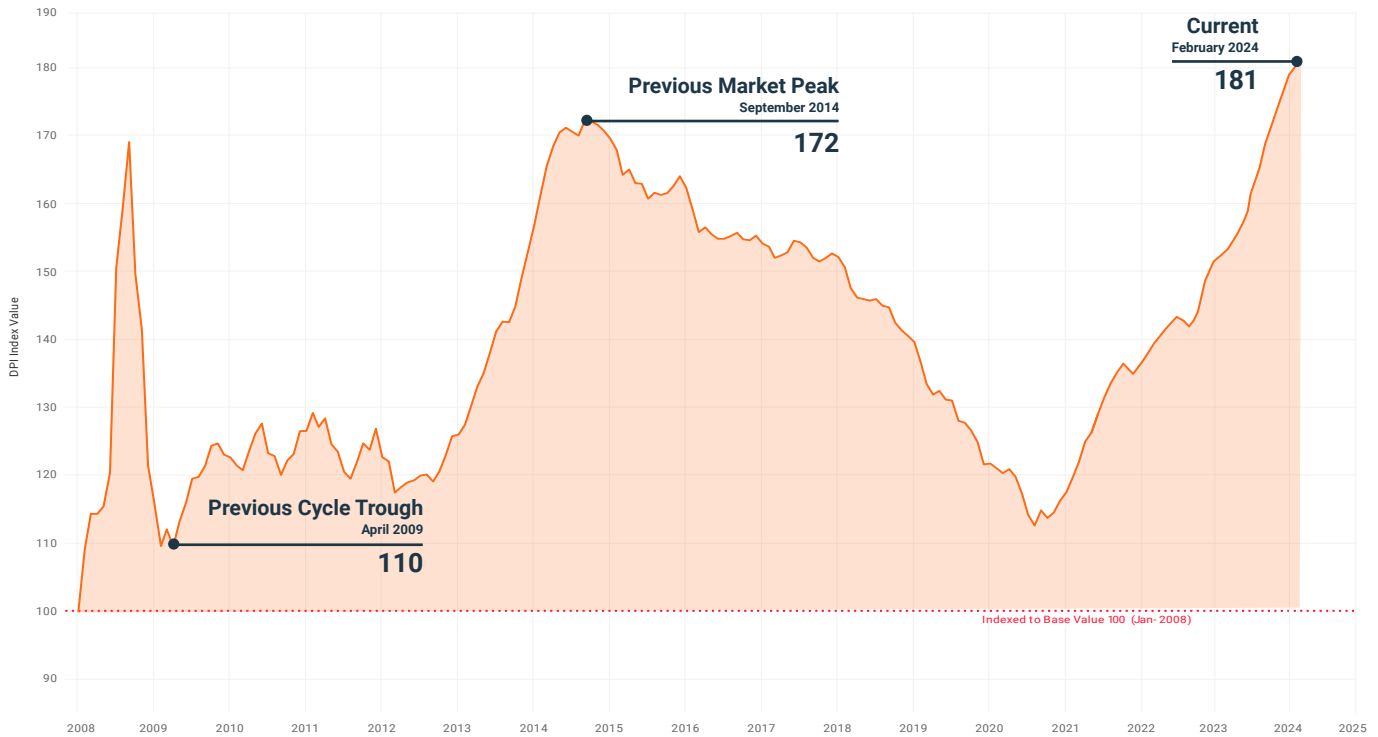
Mortgage transaction volumes decreased by just under 5% in February with a total of 2,868 loans recorded. Loans taken for new purchase money mortgages accounted for 46.1% (up 6.3% from last month) of borrowing activity, with the average amount borrowed being AED 1.77m at a loan-to-value ratio of 75.6%. Meanwhile, loans for refinancing and equity release saw their market share decrease by 0.3% to 37.6%. The remaining 16.3% (down by 6% from last month) was due to bulk mortgages—those taken by developers and larger investors with multiple units. The 468 bulk loans issued for the month were spread across several projects, most notably portfolio mortgage registrations at The Neighborhood (48) and Ashjar (46) in Al Barari, as well as portfolio mortgage modifications at Domus Indigo (216) in Dubai Production City and The Sustainable City (34). With the US Federal Reserve holding rates steady at their last 4 meetings and unlikely to change tack until the tail end of the year, overall mortgage activity will likely remain close to current levels with some minor fluctuations. As rates begin to fall, we anticipate that mortgage activity will surge to reach all-time highs, initially with new purchases and then, once rates drop by 75-100 basis points, refinancing will overtake and dominate lending activity.

Looking ahead, our perspective remains optimistic, anticipating a sustained and reasonable growth in property values, with a minimal likelihood of a market bubble. Nevertheless, there will come a juncture when the expansion phase plateaus, transitioning into a phase characterised by hyper-supply. During this period, the delicate equilibrium between supply and demand will shift, leading to a decline in prices. Such fluctuations are inherent in any real estate market and form part of its natural cycle. The critical questions revolve around the timing of this transition, the characteristics of the market downturns, and the duration of these phases.

Despite the seemingly rapid pace of new project launches, raising concerns about potential supply imbalances, the absorption rate remains robust. Both end-users and rental investors are swiftly acquiring the newly launched units. Notably, speculative activity has not gained significant traction, with off-plan resales primarily occurring for units nearing the 12-month handover mark—a crucial aspect to monitor closely.

In addition to off-plan resales, key data-driven indicators warrant careful attention in the coming months. These include a notable deceleration in monthly sales transaction volumes, a slowdown in the absorption of new units from prominent developers, and a general uptick in developer incentives and concessions, such as giveaways, post-handover payment plans, and developers covering DLD transfer fees. The occurrence of several of these indicators could signal an impending market shift.

PROPERTY MONITOR DYNAMIC PRICE INDEX



+0.83%
MoM Change



+1.82%
QoQ Change



+17.43%
YoY Change



AED 1,294
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

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

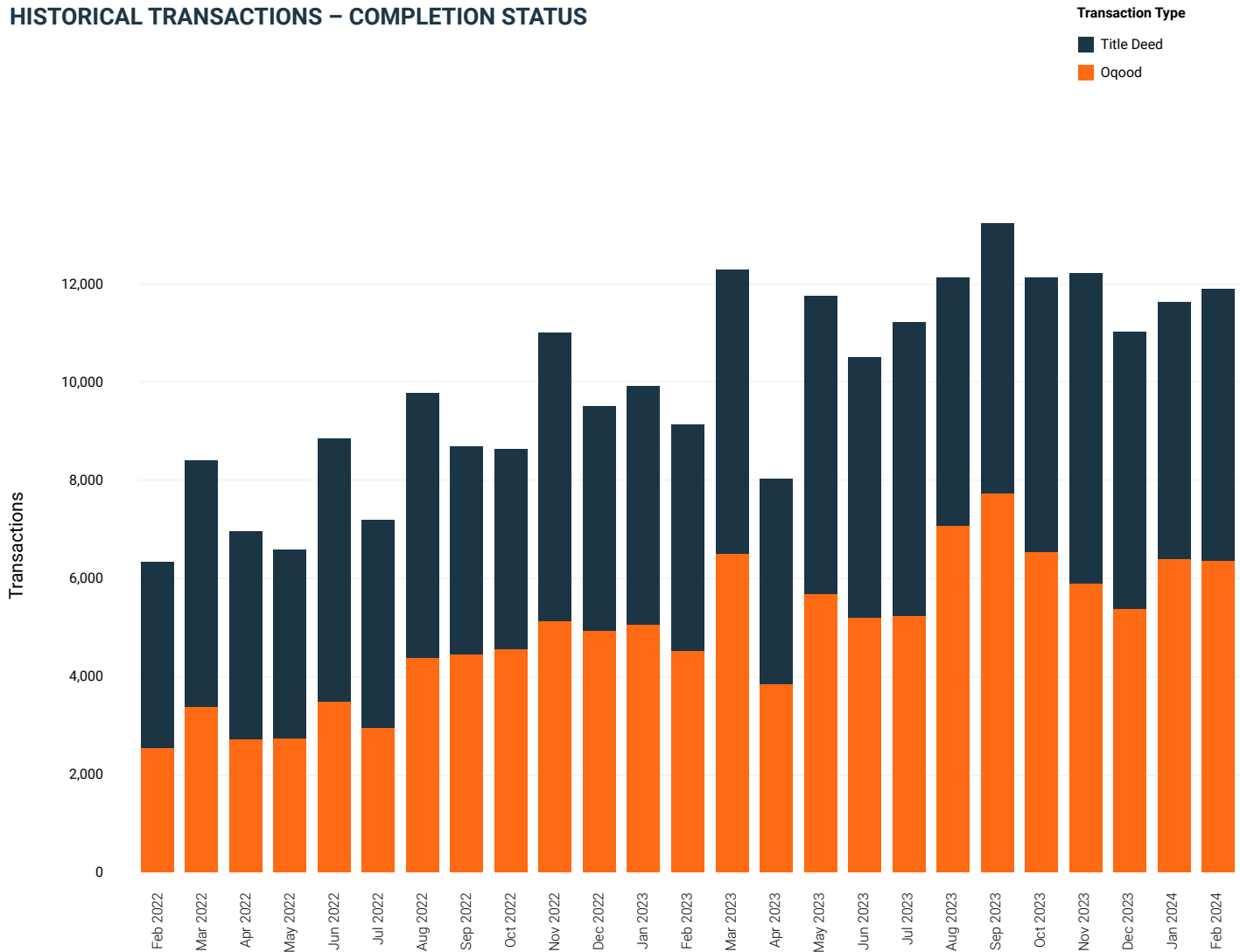
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for February 2024 increased by 1.48 index points to 180.72 from 179.24 in January 2024, representing a month-on-month increase of 0.83%.

In February 2024, property prices continued climbing to all-time highs and now stand at AED 1,294 per sq ft. This is now 64.9% above the market trough of April 2009 and 4.9% 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 17.4% in February and now marks 36 straight months of year-on-year increases, while on a year-to-date basis, prices have increased by 0.83% in February 2024 compared to 0.58% in February 2023.

HISTORICAL TRANSACTIONS – COMPLETION STATUS

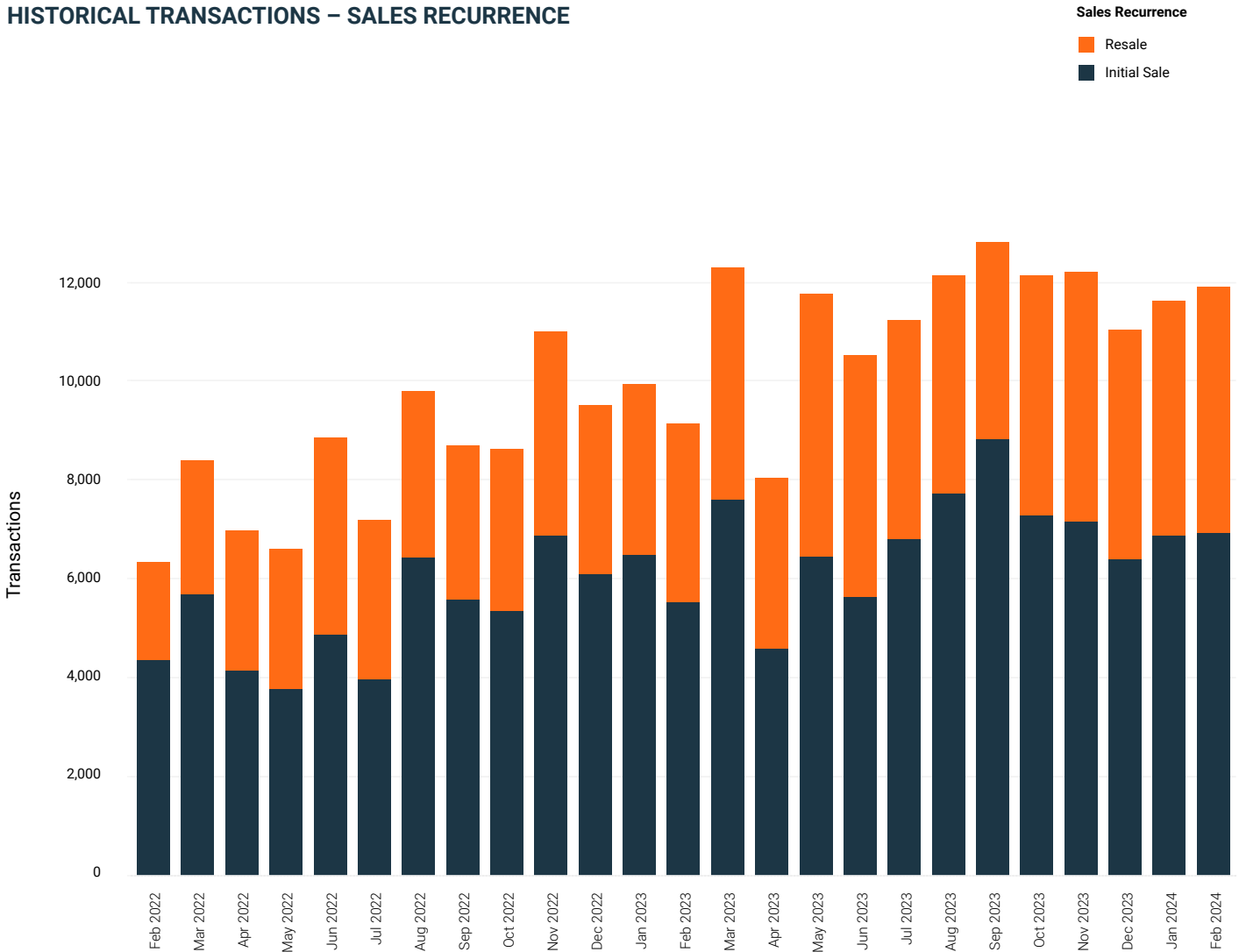


Sales transaction volumes in February were 11,913, increasing by 2.6% over January. During the month, the split between Oqood and Title Deed property transactions were weighted in favour of the former, with Oqood registrations accounting for 53.6% of all transactions, down 1.6% month-on-month. After 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 59.8% in favour of properties under construction having been sold off-plan.

In a historic first, Danube Properties took the top spot in the off-plan market for the month with the developers' off-plan registrations taking a dominant market share of 15%. They recorded 883 transactions with most of their sales activity split between two projects; Oceanz in Dubai Maritime City, where 710 sales were recorded, and Elitz 3 in Jumeirah Village Circle, with 93 sales.

Sobha was next at 8.6% of all off-plan transactions with their 330 Riverside Crescent project being a clear leader for the month, clocking up 272 sales and was then followed by healthy sales volumes at Sobha Reserve (77) and Sobha Seahaven (52). Completing the top 3 for the month was Emaar Properties taking a 7.4% market share and recording 432 transactions spread across a myriad of their projects, most notably Aeon in Dubai Creek Harbour where 198 sales were recorded.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



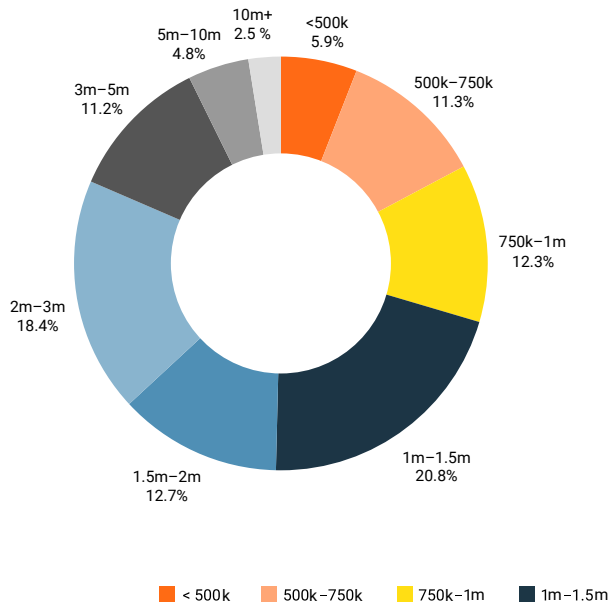
In February 2024, the market share of initial developer sales remained relatively unchanged at 58.3% (up just 0.1%) versus resale transactions. The 12-month rolling average is now 58.4% for initial sales and 41.6% for resales, the latter of which, after reaching a high of 51.8% in February 2021, has been slowly trending back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

Dubai Maritime City was the most popular master development for initial sales, where 15.2% (1,027) of all such transactions occurred. Oceanz topped the leader board with 710 registrations, then was followed by Nautica Two (131) and Nautica One (122).

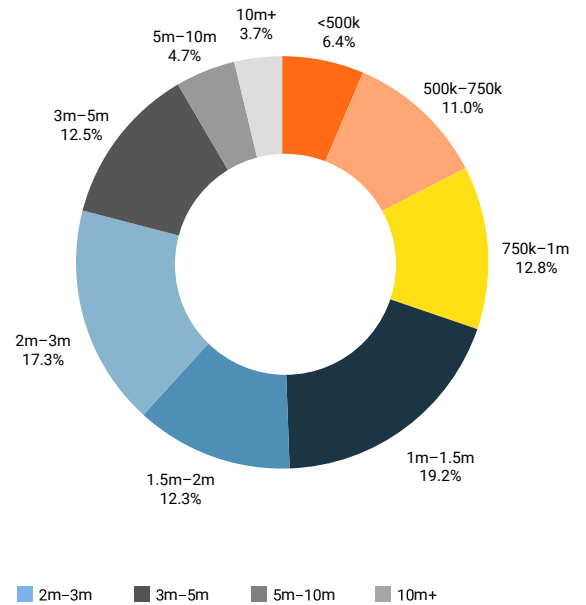
Taking second place was Jumeirah Village Circle, where initial sales held a 11.9% market share with 807 transactions recorded. Elitz 3 and Samana Manhattan 1 were the clear leaders for the month, registering 93 and 68 initial sales respectively. Coming in third for February was Business Bay which claimed 6.2% market share with a total of 419 sales. Aykon City 3 and The Edge were the most popular in the master development with 59 and 42 sales respectively, then were followed by Al Habtoor Tower which recorded 33 sales for the month.

The top master developments for residential resale transactions were Jumeirah Village Circle with 8.1% of such transactions spread across multiple projects, with the highest level of sales occurring at Binghatti Luna (14) and Binghatti Crest (12). This was followed by Business Bay with a 7.4% market share, with Bay Square Building 9 (16) being the highest transacted. Closing out the top 3 master developments for resale was Downtown Dubai holding 5.7% of the market, with Address Residences Dubai Opera recording 18 sales for the month.

PRICE TIERS (AED) – February 2024



PRICE TIERS (AED) – January 2024



PRICE TIERS (AED) MONTHLY COMPARISON

	February 2024	January 2024	MoM Change
<500k	5.9%	6.4%	-0.50%
500k-750k	11.3%	11.1%	0.20%
750k-1m	12.4%	12.8%	-0.40%
1m-1.5m	20.8%	19.2%	1.60%
1.5m-2m	12.7%	12.3%	0.40%
2m-3m	18.4%	17.3%	1.10%
3m-5m	11.2%	12.5%	-1.30%
5m-10m	4.8%	4.7%	0.10%
10m+	2.5%	3.7%	-1.20%

Growing their share of the market at the fastest pace was the AED 1m-1.5m price tier which increased by 1.6% in February to reach a total of 20.8%. The growth of this price tier can be largely attributed to the successful new development launches of Oceanz by Danube in Dubai Maritime City and Grove on the Park in Town Square, where sales prices averaged AED 2,684 and AED 1,169 per sq ft respectively. Meanwhile, the biggest market share loser was the AED 3m-5m tier, which decreased by 1.3%, falling to 11.2%.

Also experiencing notable growth during the month were the adjacent AED 1.5m-2m and AED 2m-3m price tiers which collectively grew by 1.5%. Growth in these segments can be largely attributed to the success of off-plan sales for high quality category waterside apartments at the Oceanz and Nautica projects in Dubai Maritime City, 330 Riverside Crescent in Sobha Hartland 2, and Aeon in Dubai Creek Harbour where price per square foot values ranged between AED 2,250 to AED 2,528.

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 51.9%, up by 3.1%. The low-price tiers with property values under AED 1m now represent 29.6% of the market, down by 0.7% from January, while the high-end price tiers—properties over AED 3m—now represent 18.5% of the market, down by 2.4% 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.