



Property Review

Dubai Real Estate Market Report

Q1 2020





PROPERTY MANAGEMENT

*Your gateway to stress-free
property ownership in Dubai*

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The property management team at MMP / Your Place have a wealth of experience and an in-depth knowledge of successful asset management, building transparency and effective property management methods which enable us to provide our Clients with a comprehensive management service.



**Guaranteed
Rental Income**



**Property Marketing
& Listing**



**Finding Reliable
Tenants**



**Regular Property
Inspections**



**Rent
Optimisation**



**We Are Always
Available**

DUBAI MARKET OVERVIEW

SUPPLY

New Apartment supply slowed significantly in the first quarter of 2020 with the handover of 5,750 units, compared to over 8,000 in the previous quarter.

Similarly, new Office inventory delivered in Q1 reached 500,000 sq.ft., down from 1.25 million sq.ft. in the last three months of 2019. Villa stock declined marginally by 550, recording an additional 2,150 units in Q1 2020.

Despite ambitious handover plans, new supply is likely to fall short of earlier estimates, especially given the current situation. Delivery is now expected to reach a total of just over 25,000 Apartments and 9,000 villas in 2020 (by year-end). These figures are likely going to be revised as circumstances change.

Whilst these numbers represent a marked decline on previous projections, it is still a significant volume and an increase from 2019, which recorded deliveries of 23,600 Apartments and 7,400 Villas. Government initiatives such as the formation of the Higher Real Estate Planning Committee (early September) to restore the supply-demand imbalance has yet to take effect and whilst this establishment is expected to boost the Real Estate market and economy over the medium to long term, no further details as to its implementation have been announced.

RENTAL RATES

Apartment, Villa and Office Rental rates continued a downward trajectory and recorded quarterly declines of 3%, 2% and 3%, respectively.

Annual changes remained more or less in double digits with drops of 12%, 9% and 12%, respectively. Asteco anticipates that this trend is likely to intensify in part due to the volume of supply expected for handover in the short to medium term, but mainly as a result of uncertainties surrounding the impact of the current pandemic.

Whilst the softening market conditions may be good news for some residents looking for discounts and incentives, we expect a reduced number of new leases and relocations as Tenants are likely to adopt a wait-and-see approach to re-evaluate their circumstances once the restrictions have been lifted.

Further pressure on Rental rates across all asset classes is expected for the year as global events weigh down heavily on market sentiment.

SALES PRICES

Sales price movement for Apartments, Villas and Offices recorded drops of 2% compared to the previous quarter, and declines of between 11% and 12% since Q1 2019.

Government initiatives continued to be rolled out to increase transparency, boost confidence and ultimately increase investment into the market.

The most recent development is the reduction of the LTV ratio by 5%, which is expected to stimulate pent-up Buyer demand, although the current lockdown means almost a complete hiatus on new Sales due to practicalities of viewings, arraying financing and general uncertainty.

Despite these efforts, prolonged economic headwinds mainly due to oil price tensions and the global pandemic, are likely to continue to weaken employment growth and spending, which will dampen Real Estate investment.



* It is important to note that whilst a number of projects may have received completion certificates, MMP/Your Place does not consider a project delivered until the handover process has been initiated, or the units are available for lease in the open market.

DUBAI SUPPLY ANALYSIS

	COMPLETED IN 2019	COMPLETED IN Q1 2020	EXPECTED BY END OF 2020
APARTMENTS NO.OF UNITS	23,600	5,750	39,000
VILLAS NO.OF UNITS	7,400	2,200	7,500
OFFICES NO.OF UNITS MILLION SQ.FT.	3.15	0.6	1.80



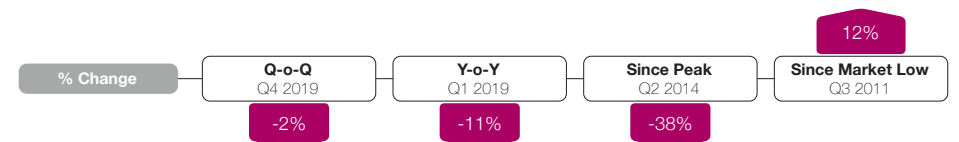
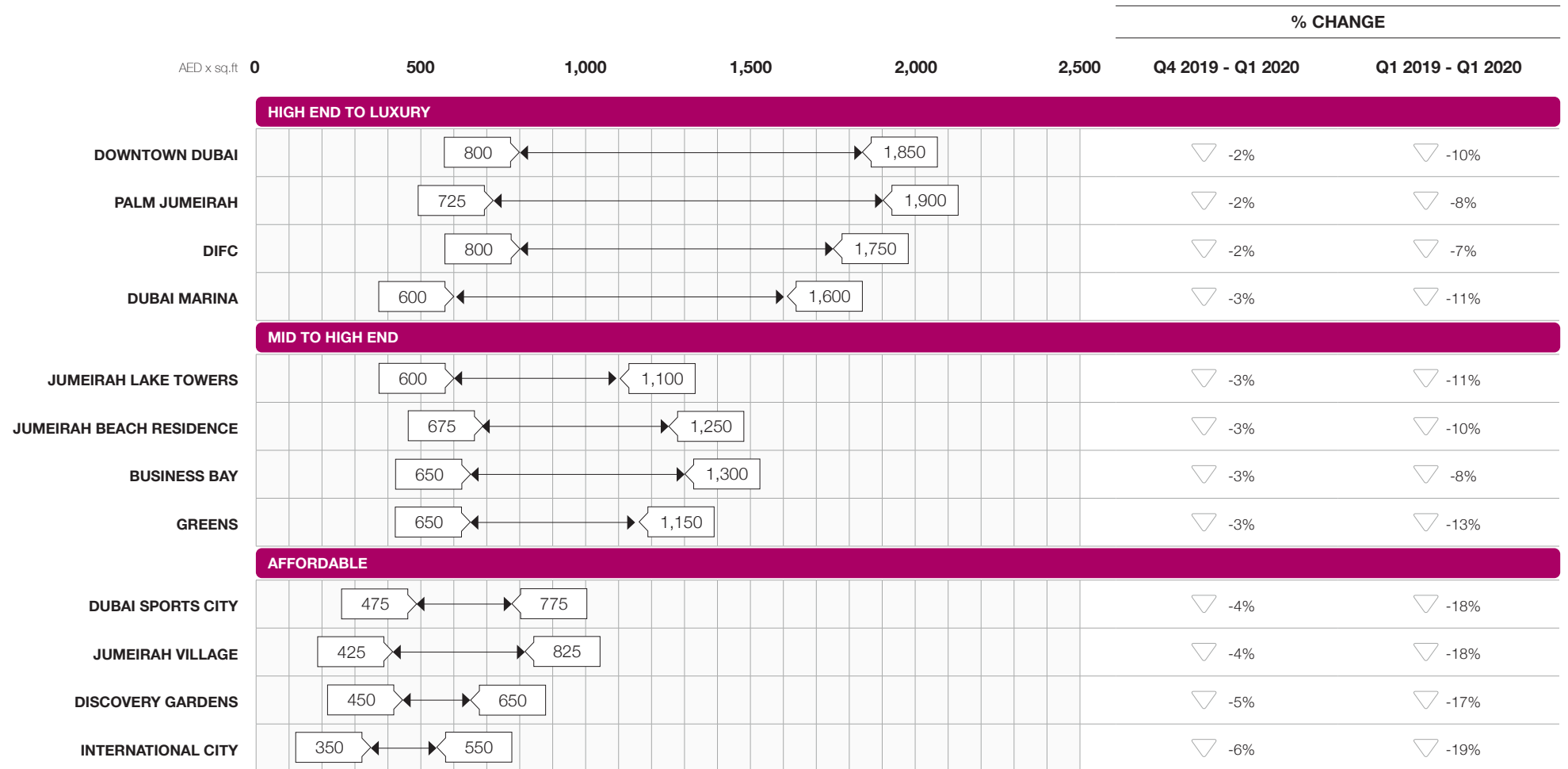
DUBAI APARTMENT RENTAL RATES

(All figures in AED 000's p.a)

AREA	STUDIO		1 BEDROOM		2 BEDROOM		3 BEDROOM		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2019 - Q1 2020	Q1 2019 - Q1 2020
HIGH END TO LUXURY										
DOWNTOWN DUBAI	40	65	65	105	75	150	95	215	-1%	-11%
PALM JUMEIRAH	50	70	60	120	90	170	120	200	-1%	-9%
DIFC	45	65	65	105	75	150	95	215	-1%	-11%
DUBAI MARINA	35	65	40	80	60	120	80	175	-4%	-11%
MID TO HIGH END										
JUMEIRAH LAKE TOWERS	33	45	40	65	48	85	70	130	-3%	-10%
JUMEIRAH BEACH RESIDENCE	50	65	60	80	72.5	105	95	145	-3%	-11%
BUSINESS BAY	35	50	45	70	65	105	95	135	-5%	-13%
GREENS	38	50	48	75	70	110	95	145	-2%	-8%
AFFORDABLE										
DUBAI SPORTS CITY	20	33	33	50	45	70	60	85	-4%	-15%
JUMEIRAH VILLAGE	23	35	30	50	45	70	65	90	-4%	-17%
DISCOVERY GARDENS	25	32.5	37.5	50	65	80	-	-	-2%	-10%
INTERNATIONAL CITY	18	25	25	35	35	55	65	80	-1%	-10%



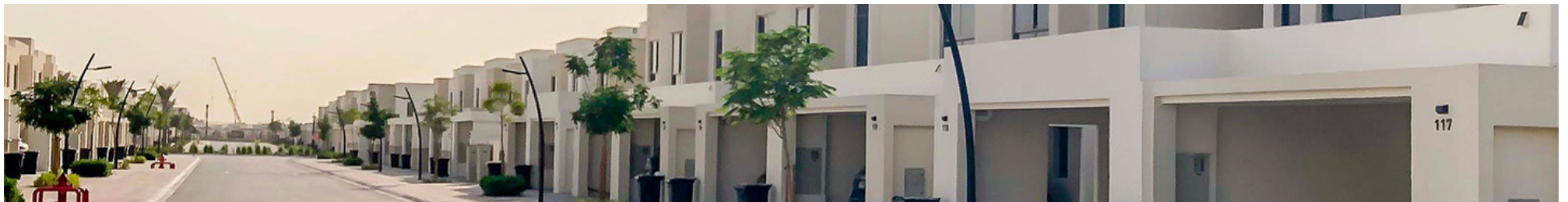
DUBAI APARTMENT SALES PRICES



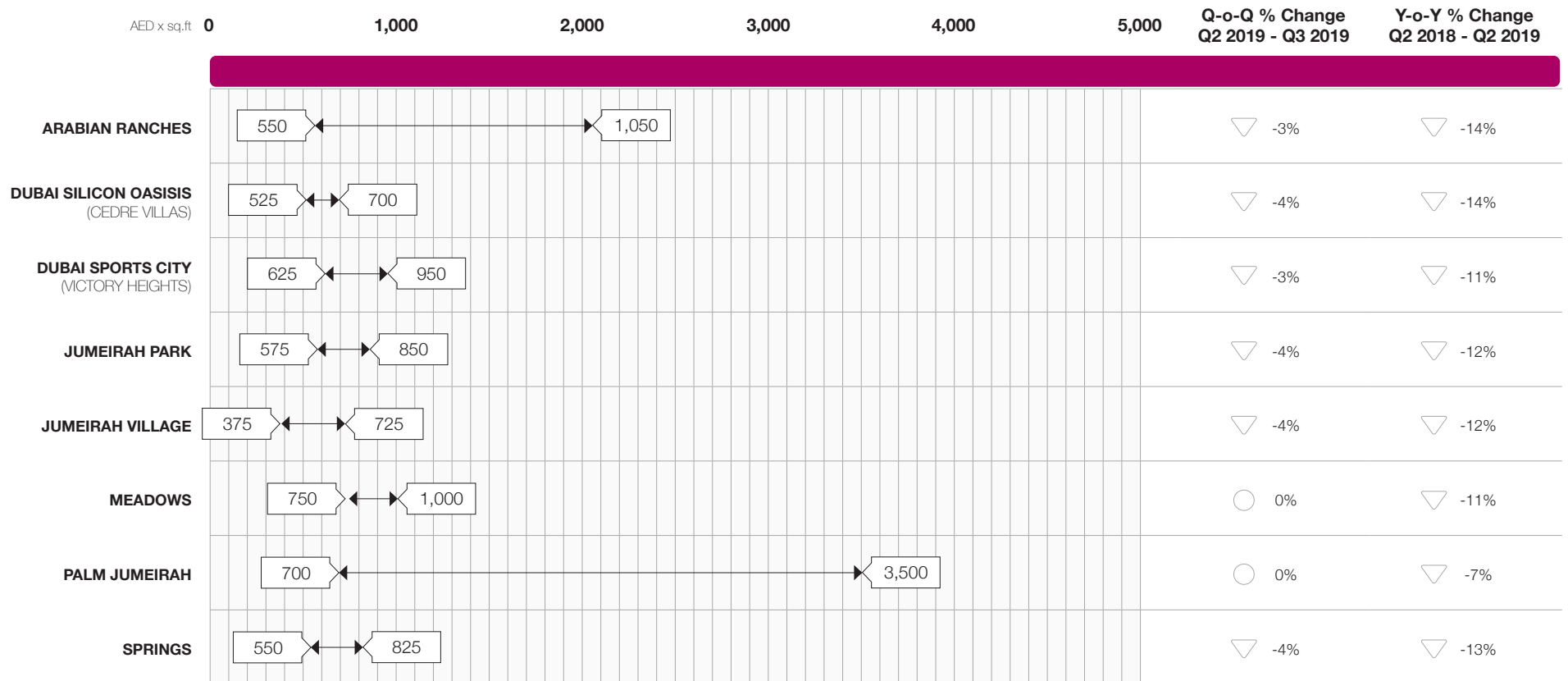
DUBAI VILLA RENTAL RATES

(All figures in AED 000's p.a)

AREA	2 BEDROOMS		3 BEDROOMS		4 BEDROOMS		5 BEDROOMS		% CHANGE	
	From	To	From	To	From	To	From	To	Q4 2019 - Q1 2020	Q1 2019 - Q1 2020
HIGH END TO LUXURY										
ARABIAN RANCHES	80	120	90	160	130	240	170	270	-2%	-7%
DUBAI SILICON OASIS (CEDRE)	-	-	125	138	130	140	150	160	-4%	-14%
DUBAI SPORTS CITY (VICTORY)	-	-	100	128	130	180	170	245	-2%	-12%
JUMEIRAH	-	-	110	190	125	215	140	250	0%	-6%
JUMEIRAH PARK	-	-	145	175	155	210	210	250	0%	-4%
JUMEIRAH VILLAGE	75	110	80	120	80	135	120	150	-3%	-11%
MEADOWS	-	-	145	185	160	200	175	250	0%	-8%
MIRDIF	55	85	65	110	80	125	85	130	-2%	-10%
PALM JUMERIAH	-	-	165	260	225	385	280	680	-1%	-9%
SPRINGS	75	115	100	140	-	-	-	-	-1%	-7%
THE LAKES	-	-	135	170	180	250	240	280	-2%	-5%
UMM SUQEIM	-	-	115	200	130	235	155	300	0%	-7%



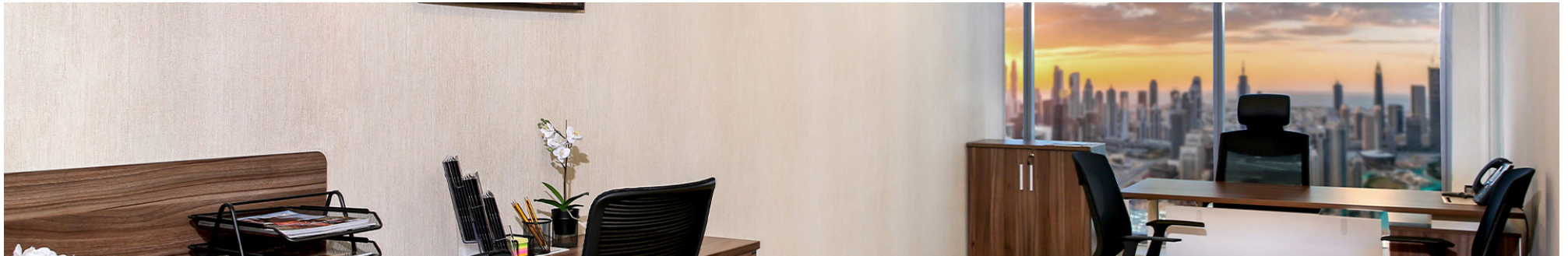
DUBAI VILLA SALES PRICES



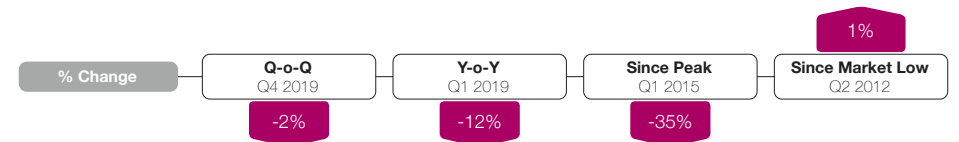
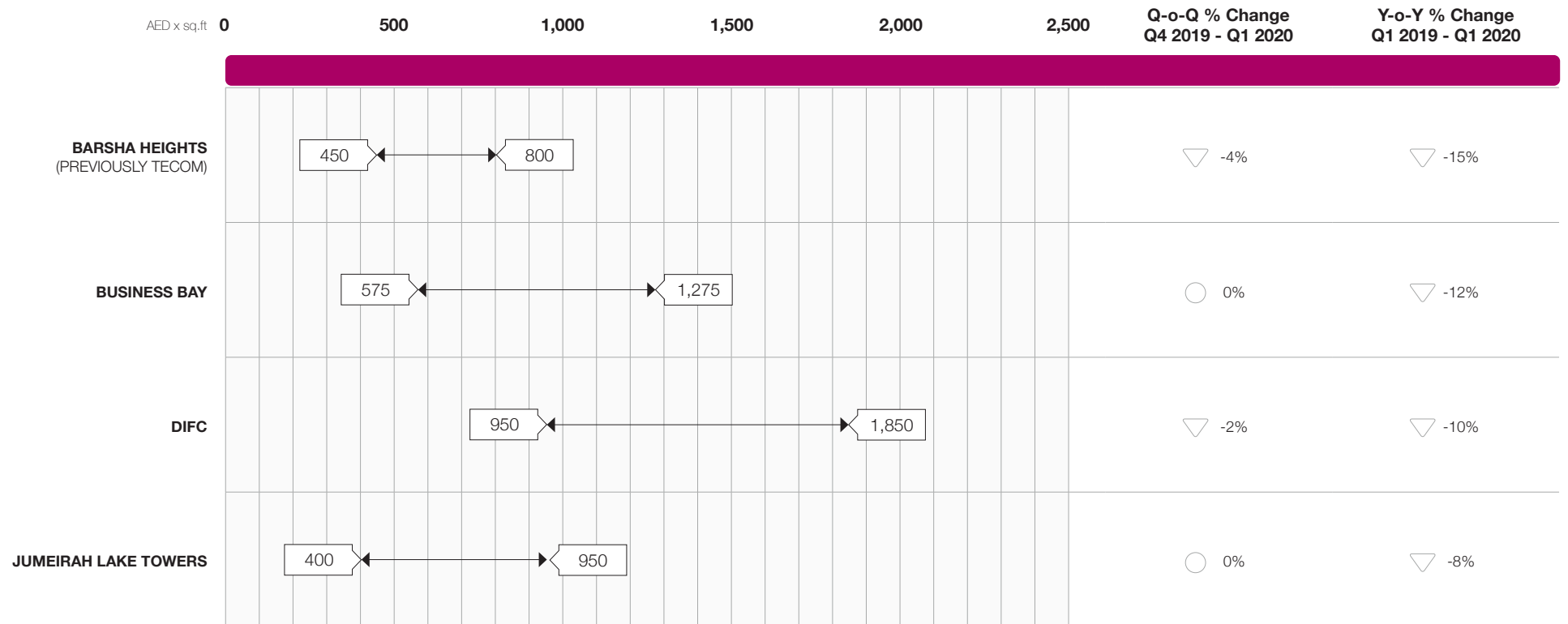
DUBAI COMMERCIAL RENTAL RATES

(All figures in AED 000's p.a)

AREA	AVERAGE RENTAL RATES		% CHANGE	
	From	To	Q4 2019 -Q1 2020	Q1 2019 - Q1 2020
BARSHA HEIGHTS	50	80	-4%	-19%
BUR DUBAI	50	100	-3%	-9%
BUSINESS BAY	40	85	-4%	-14%
DIFC	95	275	-5%	-12%
JUMERIAH LAKE TOWERS	30	85	-4%	-20%
SHEIKH ZAYED ROAD	60	130	-3%	-17%



DUBAI COMMERCIAL SALES PRICES



DUBAI LOCATIONS AREA MAP



- | | |
|----------------------------------|-------------------------------------|
| 1 Bluewater Island | 40 Jumeirah Village Circle |
| 2 JBR | 41 Dubai Hills Estate |
| 3 Dubai Marina | 42 Living Legends |
| 4 Palm Jumeirah | 43 Al Barari |
| 5 Umm Suqeim | 44 Meydan |
| 6 Jumeirah | 45 Dubai Creek Harbour |
| 7 Jumeirah Bay Island | 46 Commercial District |
| 8 City Walk | 47 Golf District |
| 9 Sheikh Zayed Road | 48 Logistic District |
| 10 La Mer | 49 Aviation District |
| 11 Pearl Jumeirah | 50 Al Maktoum International Airport |
| 12 Bur Dubai | 51 Expo 2020 |
| 13 Dubai Maritime City | 52 Residential District |
| 14 Port Rashid | 53 Dubai Investment Park |
| 15 Rigga Al Buteen | 54 Green Community |
| 16 Deira | 55 Dubai Production City (IMPZ) |
| 17 Downtown Jebel Ali | 56 Jumeirah Golf Estates |
| 18 Al Furjan | 57 Victory Heights |
| 19 Discovery Gardens | 58 Dubai Sports City |
| 20 Jumeirah Park | 59 MotorCity |
| 21 Jumeirah Islands | 60 Dubai Studio City |
| 22 Jumeirah Lakes Towers | 61 Damac Hills |
| 23 Springs / Meadows | 62 Remraam |
| 24 Emirates Hills | 63 Mudon |
| 25 The Lakes | 64 Arabian Ranches |
| 26 The Greens | 65 Dubailand |
| 27 Barsha Heights (Tecom C) | 66 The Villa |
| 28 Al Barsha | 67 Liwan |
| 29 Business Bay | 68 Dubai Residence Complex |
| 30 Downtown Dubai | 69 Dubai Silicon Oasis |
| 31 DIFC | 70 International City |
| 32 Dubai Design District | 71 International City Phase 2 & 3 |
| 33 Dubai Healthcare City Phase 2 | 72 Al Warqaa |
| 34 Culture Village | 73 Mirdif |
| 35 Dubai Festival City | 74 Uptown Mirdif |
| 36 Al Nahda | 75 Town Square |
| 37 Al Qusais | 76 Akoya Oxygen |
| 38 Muhaisnah | |
| 39 Jumeirah Village Triangle | |

About

Your Place / MMP, launched in 2007 was founded to provide a full 360 degree solution for property owners in Dubai giving you the opportunity to enjoy a stress-free investment.

Our Property Management solution covers all aspects of managing an investment property, from marketing, finding and screening tenants to maintaining your asset, and collecting and cashing the rent and handling any maintenance issues that arise.

Your Place / MMP's main focus is to ensure that each property owner is provided with professional property management services whilst having complete peace of mind.

Additionally Your Place are ISO 9001:2014 Management Certified

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