

A wide-angle photograph of the Dubai skyline at sunset. The Burj Khalifa is the most prominent building on the left. In the center, a building with a distinctive golden, lattice-like spire stands out. The sky is filled with soft, orange and pink clouds. In the foreground, a highway with multiple lanes and overpasses is visible, with some construction cranes in the distance.

Property Review

Dubai Real Estate Market Report

Q3 2019





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 marginally in the third quarter of 2019 with the handover of 4,600 units, compared to over 5,000 in both Q1 and Q2.

Conversely, villa stock increased significantly, recording an additional 2,500 units in Q3 2019 (more than the first two quarters combined - 2,200 units). Similarly, new office inventory delivered in Q3 reached 950,000 sq.ft., exceeding the entire total of the first half of the year.

Despite ambitious handover plans, new supply is likely to fall short of earlier estimates. Delivery is now expected to reach a total of just over 20,000 apartments and 7,500 villas in 2019 (by year-end).

Whilst these figures represent a marked decline on previous projections, it is still a significant volume and a notable increase from 2018, which recorded deliveries of 12,000 apartments and 2,750 villas.

In an effort to achieve a more sustainable balance between supply and demand, the Dubai Government announced (early September) the formation of the Higher Real Estate Planning Committee consisting of leading government and industry figures.

The committee's objectives include:

- Reducing the risk of oversupply;
- Ensuring that Semi-Government Real Estate companies do not compete with private sector Developers; and
- Developing a comprehensive Real Estate development strategy for the Emirate over the next 10 years.

The committee will advise on matters relating to financing regulations with industry representatives suggesting that foreign competition in the banking/finance sector could help boost lending (currently only Emirati institutions are permitted to loan).

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 and villa rental rates continued their downward trajectory and recorded quarterly declines of 3% and 2%, respectively.

Annual changes remained in double digits with average drops of 12%, and 10%.

MMP anticipates that this trend is likely to solidify due to the sheer volume of supply expected for handover in the short to medium term.

Whilst the softening market conditions are good news for many Residents, it is important to note that securing reduced rents requires negotiating skills from the individual Tenants and a willingness to move should the Landlord prove unyielding.

It should also be mentioned that (long-term) Lessees who have been paying below market rents (as they are protected by the rental cap) could expect marginal rental increases in line with the law.

Residents also need to assess the financial benefits of discounts/incentives against the cost/stress of moving. Whilst in many cases the scale tips in favour of the latter, a growing disparity will likely lead to increased Tenant relocation in the face of intransigent Landlords.

SALES PRICES

Sales price movement for apartments and villas recorded similar drops of 2% to 3% compared to the previous quarter, and declines of between 13% and 16% since Q3 2018.

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

In addition to the formation of the Higher Real Estate Planning Committee and the New Jointly Owned Property Law**, RERA introduced 'Mollak' in July 2019, an electronic system that has been designed as the first phase to meet registration and regulation requirements for Owners Associations.

In fact, the Dubai Land Department (DLD) data revealed an increase in transactional activity (volume and value) over the last three months compared to same period last year. Whilst, in part, due to the increased choice, affordability, payment/finance options, etc., it is important to point out that the Dubai Real Estate market is greatly driven by sentiment meaning positive/encouraging government announcements often result in short term peaks in activity.

Despite these efforts, prolonged global economic headwinds, mainly due to US-China trade tensions and uncertainties surrounding Brexit, are likely to continue to weaken employment growth and spending, which will dampen Real Estate investment.

DUBAI APARTMENT SUPPLY ANALYSIS

| Total No. of Completed Residential Buildings | | APARTMENTS COMPLETED IN Q2 2019 | APARTMENTS COMPLETED IN Q3 2019 | APARTMENTS EXPECTED IN 12 MONTHS |
|--|-------------------------|---------------------------------|---------------------------------|----------------------------------|
| 194 | DUBAI MARINA | 740 | 374 | 2,838 |
| 51 | JUMEIRAH LAKE TOWERS | 0 | 0 | 1,701 |
| 133 | PALM JUMEIRAH | 104 | 300 | 1,984 |
| 127 | DOWNTOWN DUBAI | 577 | 335 | 4,610 |
| 85 | SPORTS CITY | 212 | 0 | 4,137 |
| 128 | BUSINESS BAY | 0 | 148 | 8,839 |
| 324 | JUMEIRAH VILLAGE CIRCLE | 895 | 472 | 11,312 |
| 480 | INTERNATIONAL CITY | 70 | 146 | 1,987 |
| 46 | DUBAI SOUTH | 964 | 132 | 4,852 |



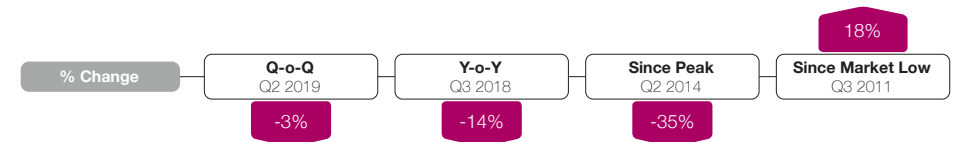
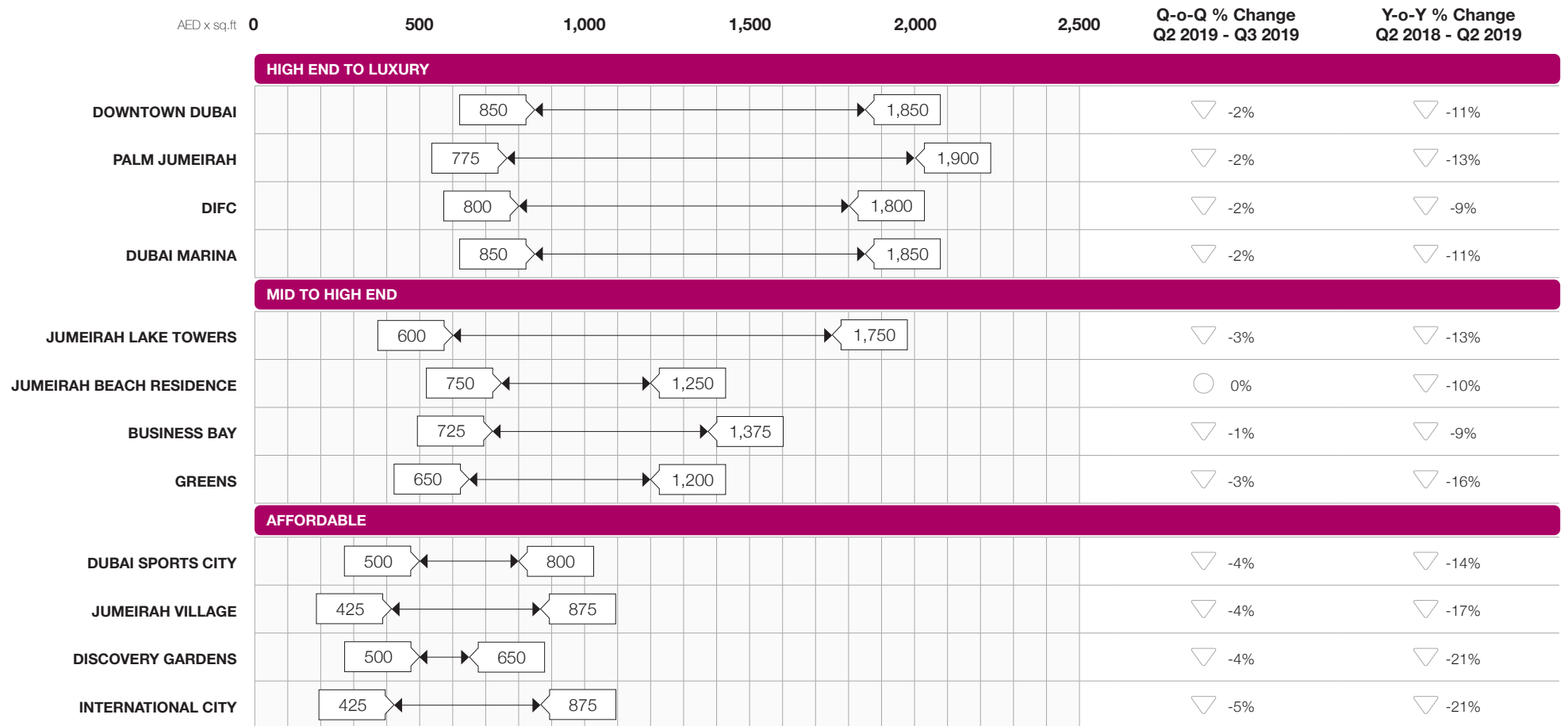
DUBAI APARTMENT RENTAL RATES

(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 | Q2 2019 - Q3 2019 | Q3 2018 - Q3 2019 |
| HIGH END TO LUXURY | | | | | | | | | | |
| DOWNTOWN DUBAI | 42.5 | 70 | 57.5 | 90 | 80 | 140 | 120 | 200 | -3% | -11% |
| PALM JUMEIRAH | 55 | 75 | 60 | 130 | 100 | 180 | 115 | 200 | -3% | -10% |
| DIFC | 50 | 70 | 65 | 110 | 75 | 150 | 95 | 220 | -5% | -9% |
| DUBAI MARINA | 35 | 65 | 45 | 85 | 65 | 130 | 80 | 190 | -3% | -11% |
| MID TO HIGH END | | | | | | | | | | |
| JUMEIRAH LAKE TOWERS | 35 | 50 | 40 | 70 | 50 | 95 | 75 | 135 | -3% | -15% |
| JUMEIRAH BEACH RESIDENCE | 55 | 70 | 60 | 85 | 80 | 120 | 105 | 150 | -3% | -12% |
| BUSINESS BAY | 40 | 55 | 50 | 70 | 70 | 110 | 110 | 140 | -2% | -11% |
| GREENS | 38 | 55 | 50 | 75 | 73 | 115 | 95 | 150 | -2% | -12% |
| AFFORDABLE | | | | | | | | | | |
| DUBAI SPORTS CITY | 25 | 42 | 40 | 55 | 50 | 75 | 70 | 85 | -5% | -16% |
| JUMEIRAH VILLAGE | 25 | 38 | 33 | 50 | 48 | 75 | 70 | 130 | -5% | -15% |
| DISCOVERY GARDENS | 24 | 35 | 38 | 55 | 70 | 85 | - | - | -2% | -10% |
| INTERNATIONAL CITY | 18 | 28 | 25 | 40 | 40 | 58 | 65 | 80 | -3% | -11% |



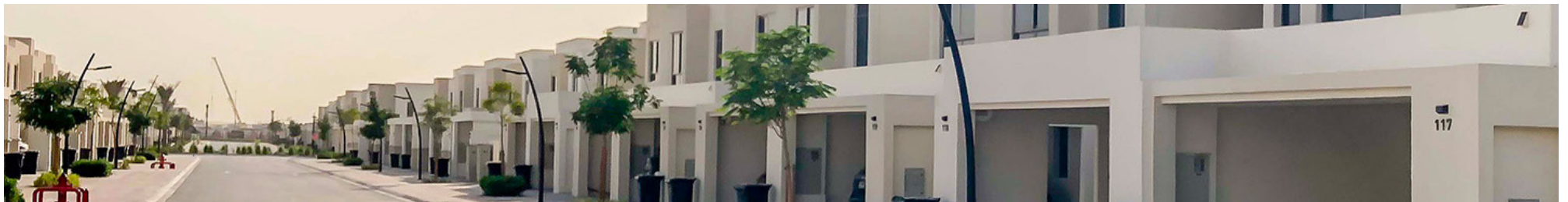
DUBAI APARTMENT SALES PRICES



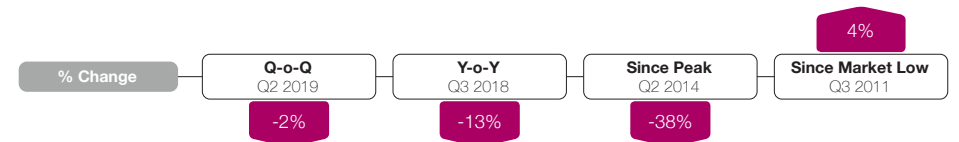
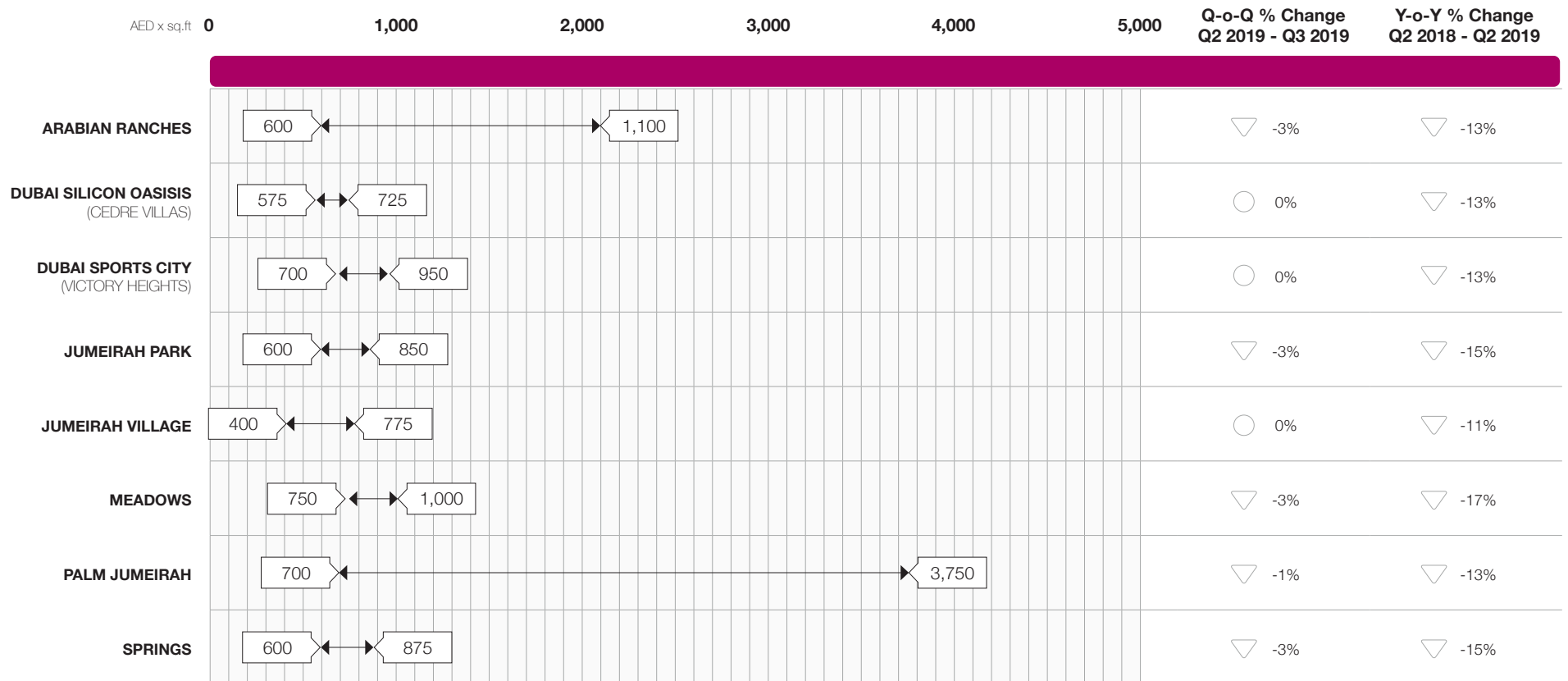
DUBAI VILLA RENTAL RATES

(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 | Q2 2019 - Q3 2019 | Q3 2018 - Q3 2019 |
| HIGH END TO LUXURY | | | | | | | | | | |
| ARABIAN RANCHES | 85 | 125 | 100 | 160 | 140 | 240 | -2% | -10% | -2% | -10% |
| DUBAI SILICON OASIS (CEDRE) | - | - | 130 | 150 | 140 | 160 | -2% | -9% | -2% | -9% |
| DUBAI SPORTS CITY (VICTORY) | - | - | 120 | 145 | 150 | 185 | -3% | -10% | -3% | -10% |
| JUMEIRAH | - | - | 115 | 190 | 130 | 215 | -3% | -11% | -3% | -11% |
| JUMEIRAH PARK | - | - | 145 | 175 | 160 | 210 | -1% | -4% | -1% | -4% |
| JUMEIRAH VILLAGE | 80 | 120 | 85 | 125 | 80 | 140 | 120 | 170 | -4% | -14% |
| MEADOWS | - | - | 155 | 190 | 160 | 210 | 175 | 250 | -2% | -14% |
| MIRDIF | 55 | 90 | 65 | 110 | 80 | 140 | 100 | 150 | -4% | -13% |
| PALM JUMERIAH | - | - | 165 | 265 | 225 | 385 | 320 | 800 | -3% | -9% |
| SPRINGS | 80 | 115 | 110 | 140 | - | - | - | - | 0% | -8% |
| THE LAKES | - | - | 115 | 200 | 130 | 240 | 160 | 300 | -3% | -10% |
| UMM SUQEIM | - | - | 115 | 200 | 130 | 240 | 160 | 300 | -3% | -10% |



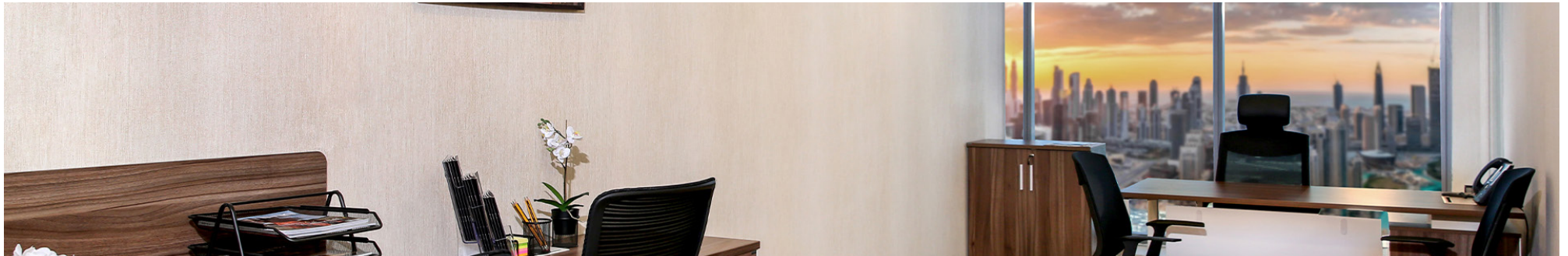
DUBAI VILLA SALES PRICES



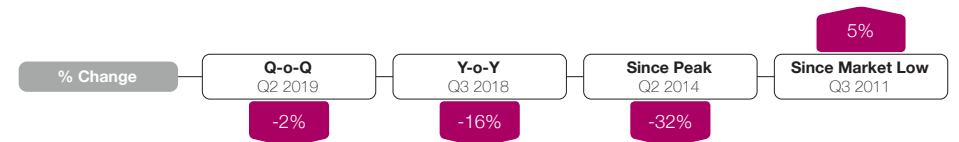
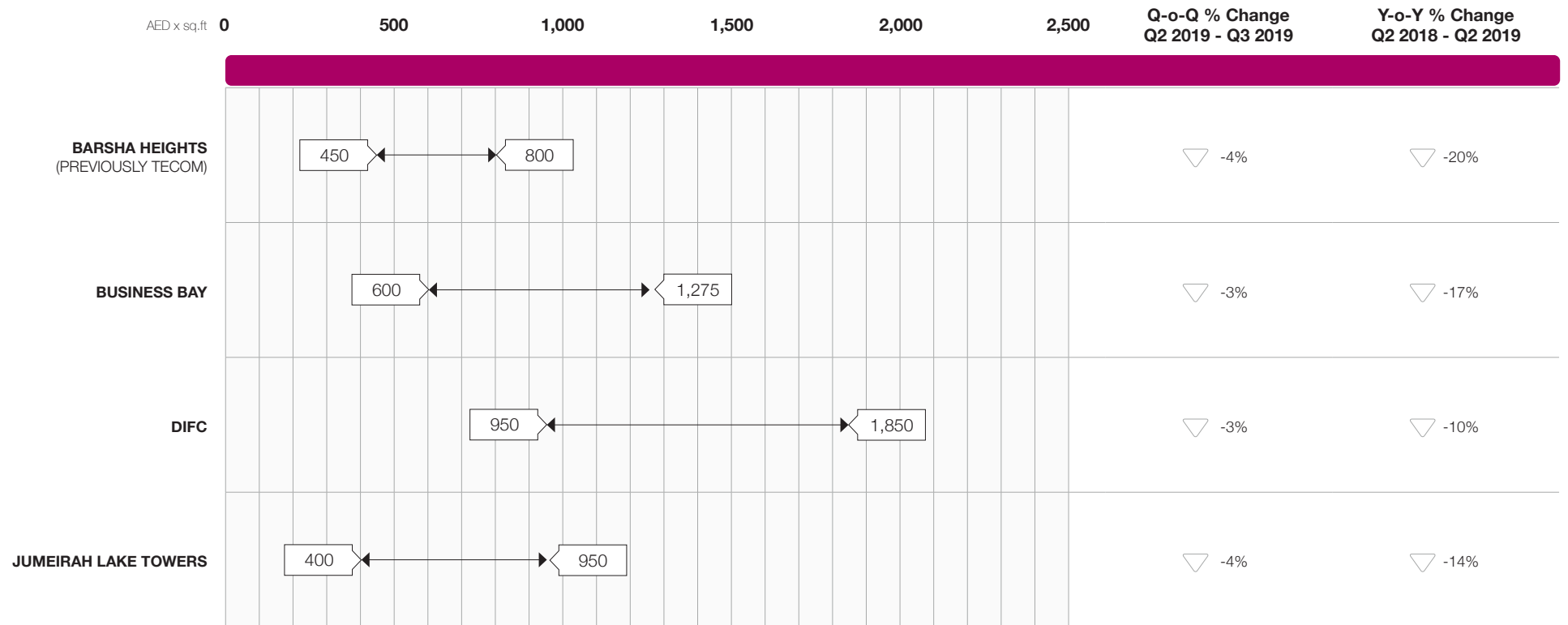
DUBAI COMMERCIAL RENTAL RATES

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

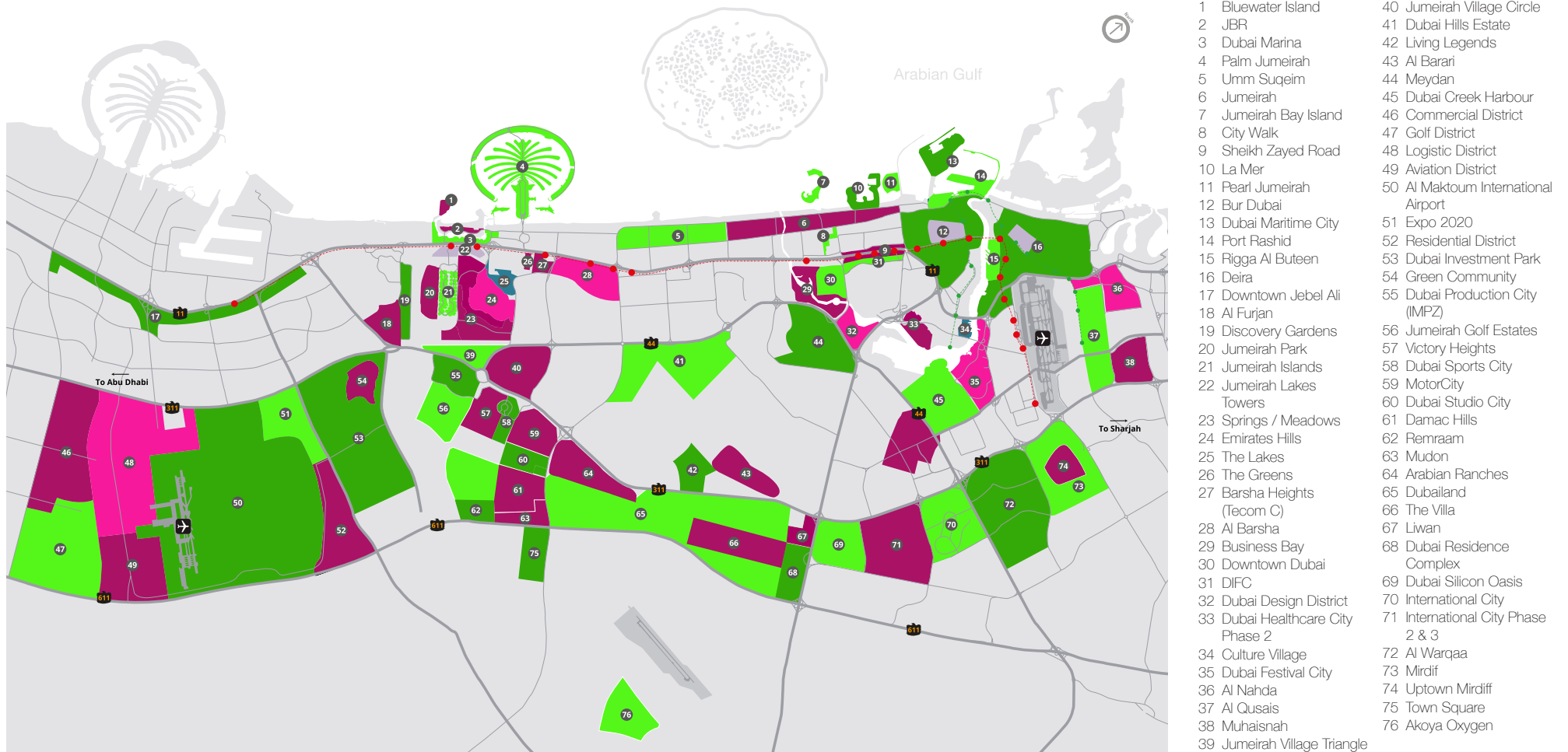
| AREA | AVERAGE RENTAL RATES | | % CHANGE | |
|-----------------------------|----------------------|-----|-------------------|-------------------|
| | From | To | Q2 2019 - Q3 2019 | Q3 2018 - Q3 2019 |
| BARSHA HEIGHTS | 50 | 90 | -7% | -22% |
| BUR DUBAI | 50 | 110 | 0% | -11% |
| BUSINESS BAY | 40 | 95 | -4% | -16% |
| DIFC | 100 | 300 | 0% | -11% |
| JUMERIAH LAKE TOWERS | 30 | 100 | -4% | -21% |
| SHEIKH ZAYED ROAD | 60 | 140 | -5% | -20% |



DUBAI COMMERCIAL SALES PRICES



DUBAI LOCATIONS AREA MAP



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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