

LUXHABITAT

Sotheby's

INTERNATIONAL REALTY

DUBAI PRIME RESIDENTIAL MARKET SHOWS STRONG RECOVERY IN Q3 2020



Over half of the most expensive properties sold so far from this year were from Dubai Hills & District One, MBR City

DUBAI, 18TH OCTOBER 2020

Over 2,297 apartments and 438 villas were transacted within Q3 2020 in the Dubai prime residential market, bringing a 24% increase in overall number of units sold quarter-on-quarter. Total volume of transactions in the prime residential market was **AED 7.4 billion**, compared to **AED 5 billion** in Q2 2020 (**a 49% increase**), according to analysis by LUXHABITAT Sotheby's based on data from the Dubai Land Department.

There has also been a 10% correction in price/AED sqft across the prime residential market from AED 1,327 to AED 1,194, thereby indicating positive levels of recovery and a strong surge in buyer activity. The Dubai prime residential market areas used for the analysis included Al Barari, Arabian Ranches, Downtown Dubai, Dubai Marina, Business Bay, Emirates Living, Jumeirah, Jumeirah Beach Residence, Mohammed bin Rashid City, Jumeirah Golf Estates, Jumeirah Islands, Jumeirah Lake Towers and Palm Jumeirah.

The top 3 areas in terms of sales volume were MBR City (AED 2.2 billion), Downtown Dubai (AED 1.2 billion) and Palm Jumeirah (AED 1 billion). The Jumeirah Islands area showed the highest growth of sales at AED 72.9 million

(24x times higher than the previous quarter), followed by Al Barari (5x growth in sales at AED 64.3 million) and Jumeirah (3x growth in sales at AED 197 million).

The data is indicative that due to the on-going Covid-19 pandemic, many are opting for homes and villas with larger spaces, outdoor areas and pools, the sales of villas doubled from 203 villas sold in Q2 and 265 villas sold in Q1 to 438 villas sold in Q3.

“Being forced to spend more time at home due to the current Covid-19 pandemic has certainly demonstrated people have been looking for more space to occupy. We have seen the demand rise for townhouses and villas as they are more appealing to end-users; especially those properties with good outdoor spaces and swimming pools. Palm Jumeirah, MBR City District 1, Arabian Ranches, Al Barari and Dubai Hills Estate amongst others have witnessed a significant spike in interest from end users. Add this to the fact that banks are currently offering low fixed rate mortgages as well as higher loan to value rates. This has triggered a flurry of first time buyer purchases as buyers now see the long term benefits of owning opposed to renting.” said Andrew Cleator, Managing Director of Luxhabitat Sotheby’s International Realty.

5 BEST PRIME RESIDENTIAL AREAS IN TERMS OF SALES VOLUME

#	Prime Residential Area	Sales Volume, in AED
1	Mohammed Bin Rashid (MBR) City	2,268,315,772
2	Downtown Dubai	1,201,817,272
3	Palm Jumeirah	1,017,314,913
4	Business Bay	650,154,624
5	Emirates Living	621,935,554

Source: LUXHABITAT Sotheby’s Analysis, October 2020

SECONDARY MARKET

The secondary prime residential market has doubled in sales volume QoQ. The volume of transactions in the secondary market was AED 6 billion in Q3, compared to AED 2.7 billion in Q2 2020 (a 2.2x increase). There also has been a price correction of 12%, from AED 1,169 in Q2 to AED 1,028 in Q3 for the average price/sqft transacted. The number of apartments sold in the secondary market doubled quarter-on-quarter (from 520 apartments sold in Q2 to 1,177 sold in Q3) and the number of villas sold nearly doubled from 188 villas sold in Q2 to 418 villas sold. The average price of an apartment in the secondary prime residential market is now AED 1.8 million and a villa is AED 6 million.

“As the off-plan segment hasn’t been able to absorb the capital with enough new releases, cash is diverted to the most stable secondary property markets and we have seen a big increase in the prime residential markets. This will only strengthen further as Dubai will play a key role in the post-pandemic scenario. The UAE will attract a significant influx of expats as well as capital mainly because of how it has handled the pandemic issue on a global level while keeping the economy open. This has helped with a positive and sustainable image worldwide and will surely help in recovering the industries in the near future.” comments George Azar, CEO of LUXHABITAT Sotheby’s International Realty.

OFF-PLAN MARKET

Off-plan registration volumes decreased by 13% from the previous quarter to AED 4.5 billion, mainly due to lack of development releases. An average price per transaction recorded at AED 1,930 per square foot. The average price for an off-plan villa is AED 1,834,964 million & for an apartment is 1,848,953 million.

TOP 10 RESIDENTIAL TRANSACTIONS SO FAR IN 2020

Two Il Primo units sold during Q3 for AED 58.6 million per unit, thereby making them part of the top 10 most expensive residential transactions of the year. Half the most expensive transactions this year so far are from MBR City – Dubai Hills and District One developments form part of the area.

#	Area – Development	Price, in AED	Built Up Area, in sq ft
1	Dubai Hills Grove – Dubai Hills villa	75,000,000	42,543
2	Emirates Hills – Sector L villa	69,000,000	39,562
3	District One – Cluster C villa	60,000,000	34,006
4	Downtown Dubai – Il Primo	58,655,744	16,885
5	Downtown Dubai – Il Primo	58,655,744	16,885
6	District One – Cluster A villa	58,000,000	22,757
7	District One – Cluster A villa	56,000,000	22,598
8	District One – Cluster C villa	55,000,000	31,133
9	Umm Suqeim – Marsa Al Arab	48,000,000	10,483
10	Umm Suqeim – Marsa Al Arab	48,000,000	9,147

Source: LUXHABITAT Sotheby's Analysis, October 2020

About LUXHABITAT Sotheby's International Realty

Headquartered in Dubai, LUXHABITAT Sotheby's International Realty focuses on residential and commercial luxury sales and leasing, luxury property management, institutional investments, and luxury project developments in the UAE and beyond. LUXHABITAT Sotheby's International Realty represents the marketing and sales partnership between Sotheby's International Realty brand in the entire GCC region and LUXHABITAT, a design-led real estate marketing and technology company. Together, we are now the biggest and strongest marketing and selling platform for luxury real estate in Dubai, making us the foremost luxury real estate brokerage in the market today. We are focused in sourcing the best quality properties in premium residential areas such as Emirates Hills, Palm Jumeirah, Al Barari, Jumeirah Islands, Jumeirah Golf Estates, Meadows, Lakes and Arabian Ranches; and also, the best apartments and penthouses in upscale buildings such as Le Reve, Index Tower, Six Towers, Burj Khalifa, The Address Hotels, among others. For more information, visit its award-winning website at www.luxhabitat.ae

For further press information, images or to arrange interviews please contact Aneesha Rai

E: ar@luxhabitat.ae | M +971 50 42 60 432 | T +971 4 432 79 72