

Sentiment in the UAE has for the first time in a year turned positive, with more respondents (53% versus 47%) expecting prices and rents to be stable or go up in the next 12 months. This is a sharp turnaround from October 2020, when only 31% of respondents expected prices and rents either to be stable or rise.

- ➔ **UAE homeowners** are bullish on their prospects. Only 27% of respondents reported expecting prices to continue to decline, with 30% expecting price stability. The largest group, 43%, expect prices to rise in the coming 12 months.
- ➔ **UAE renters** are getting less confident that there are likely to win further rent concessions from their landlords when their current lease expires. While 65% of renters expect rents to decline, that's significantly down from 80% at the end of Q3 2020.

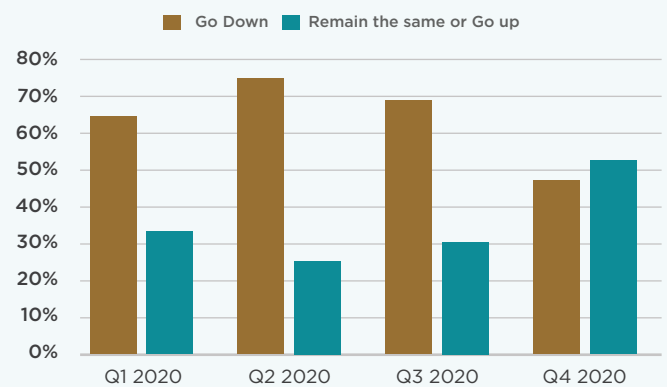
UAE RESIDENTIAL SALES AND RENTAL MARKET

The residential real estate market in both Abu Dhabi and Dubai was very weak in 2020, with apartment rents in Dubai declining by over 15%, and sales prices falling by as much as 10%. Since the peak of the cycle, both rents and sales prices have roughly halved. With sentiment now turning, 2021 may be the first year since 2014 during which the market strengthens.

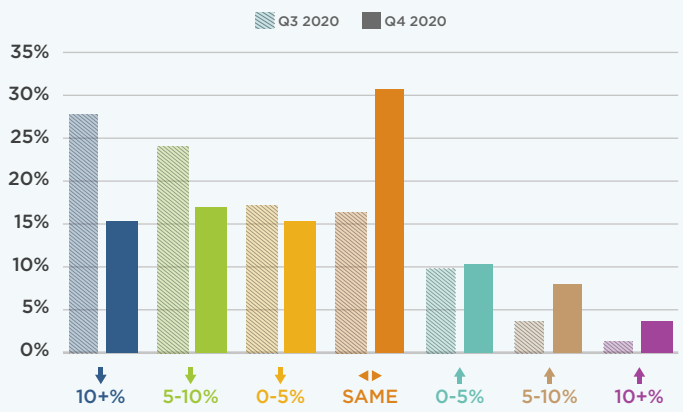
For the first time since Q1 2020, when we began conducting our sentiment survey, the majority of respondents do not now expect prices and rents to fall in the coming 12 months.

Comparing Q4 with Q3 2020, the percentage of respondents expecting prices and rents to go down by 10% or more has fallen by 12 percentage points, from 28% to 15%. Counterbalancing that, the percentage of respondents that now believe prices and rents will remain the same in the next 12 months has increased by 14 points, from 16% to 31%. 'Remain the same' is, by some margin, the most common response, making up 31% of total responses.

Prices and rent 12-month expectations in the UAE

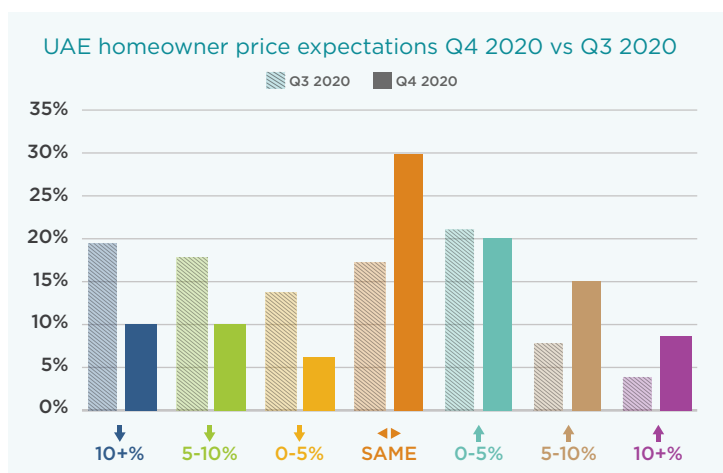
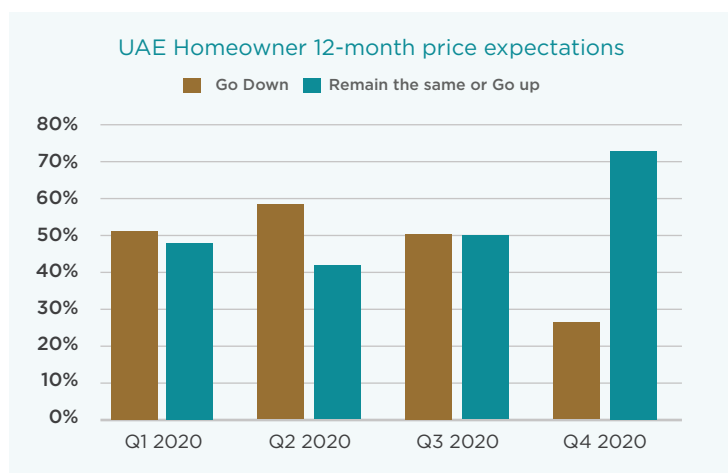


Q4 2020 price and rent expectations versus Q3 2020



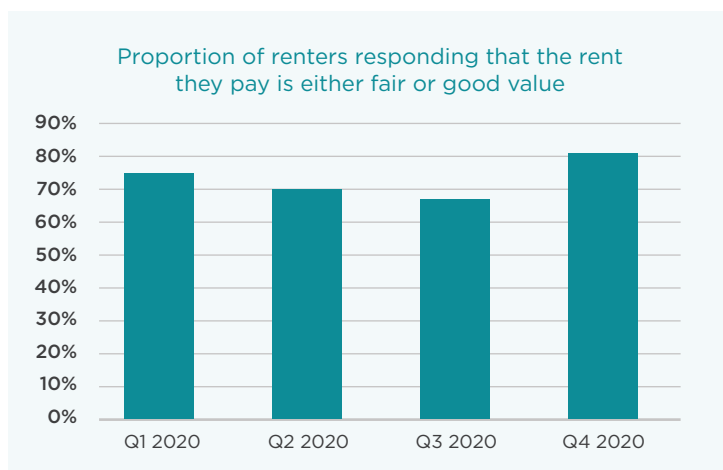
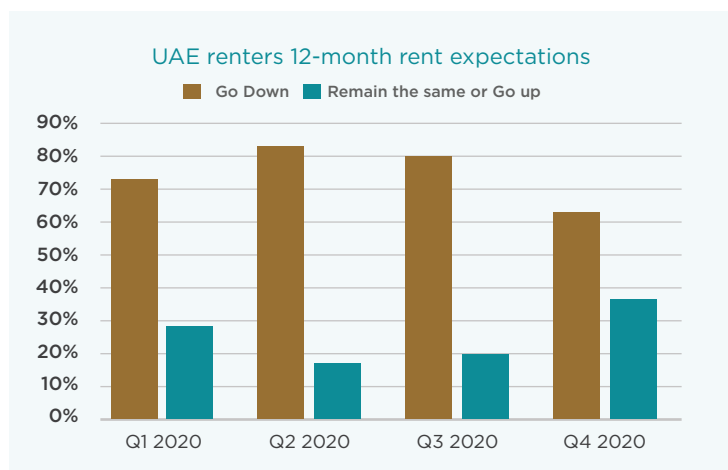
UAE Homeowners are bullish on their prospects. Only 27% of respondents expect prices to continue to decline, with 30% expecting price stability. The largest group, 43%, expect prices to rise in the coming 12 months.

This marks a hugely significant improvement in sentiment. In Q1 and Q2 2020, the majority of homeowners expected price declines over the following 12 months. At the end of Q3 2020, responses were split 50/50. The large positive skew is also clearly demonstrated in the contrast between Q4 and Q3 2020.



UAE renters are less confident that they will win further rent concessions from their landlords when their current lease expires. 65% of renters still expect rents to decline, but that's down from 80% at the end of Q3 2020.

Throughout the last 12 months, a majority of renters have considered the rent they pay to be fair or good value. With further rent declines during 2020, this proportion has now risen to 81% of respondents.



What is a Home Sentiment Survey?

A Home Sentiment Survey measures consumer sentiment towards the residential property market. It allows for the creation of an index, which is derived from regular surveys of a representative sample of homeowners and renters. The survey can determine sentiment regarding buying, selling, investing in, renting of and renovating property, as well as property market conditions in general.

Why do a Home Sentiment Survey?

Survey findings are useful in informing a variety of decisions made by stakeholders: from developers, government authorities, individual buyers, renters and investors.

Where did we collect data from?

- Received responses from residents and investors in 22 countries, including 9 in the Middle East North Africa region
- in 2021, our survey will be conducted twice a year.
- Data only presented on countries where we received a sufficient number of responses.



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