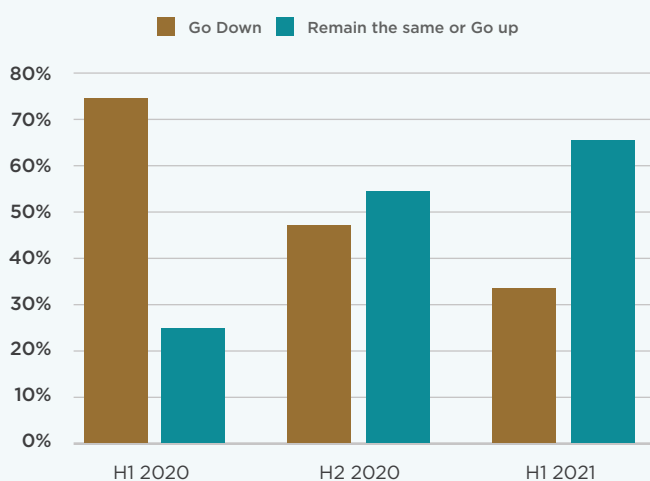


Home sentiment in the UAE continues to improve. Of our respondents, both UAE renters and homeowners, only **34% expect prices and rents to decrease in the coming 12 months.** This compares to **47% of respondents six months ago, and 74% one year ago.** While price increases have occurred, they have been concentrated at the high end of the residential market, which perhaps explains why the most common answer when asked about the residential market, accounting for **38% of responses, was ‘remain the same’.**

- ➔ **UAE homeowners** are getting more bullish. Only 9% of respondents expect prices to decline in the coming 12 months, with 23% expecting stability and 69% expecting price rises.
- ➔ **UAE renters**, for the first time in our survey, are evenly split between those who expect their rent to decline in the next 12 months, and those who expect either stability or an increase. Six months ago, 64% of respondents reported an expectation of rent declines in the coming 12 months; one year ago, 84% were expecting their rent to decline.

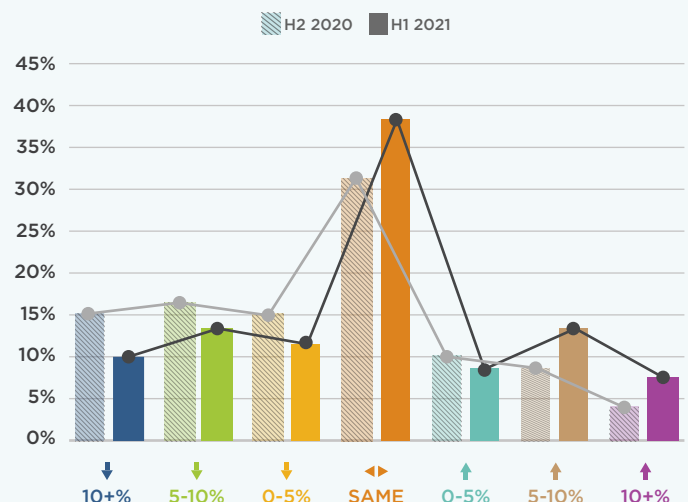
ALL RESPONDENTS

Prices and rent 12-month expectations in the UAE



ALL RESPONDENTS

H1 2021 price and rent expectations vs H2 2020



UAE RESIDENTIAL HOMEOWNERS MARKET

Since 2015, residential real estate in the UAE has been in a bear market; some estimates suggest that, on average, prices have declined by over 40% since the peak. Not surprisingly, Covid-19 exacerbated the trends of the previous years; especially given the likely population declines experienced in the country in 2020.

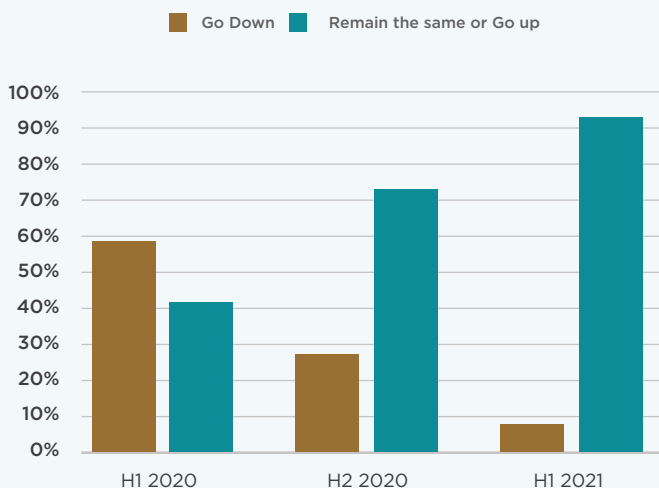
With the economy recovering, the UAE seems to be benefiting from a global rally in real estate. That said, so far, the recovery has been limited to the residential market and more specifically town houses and villas. So, while the Dubai Land Department, reported a 4.9% quarter-on-quarter price increase for single family homes at the end of March 2021, prices overall were 3.6% lower. This reflects continued weakness in the apartment market.

Time will tell whether or not the rally broadens to cover all residential real estate. While sentiment is improving, economic fundamentals remain challenging and may not support a protracted boom.

- ▶ UAE homeowners are optimistic about the next 12 months. Of our respondents, 23% expect price stability, 20% expect prices to increase by 0 to 5%, 31% expect prices to increase by 5 to 10%, and 17% expect prices to increase by more than 10%.
- ▶ Perhaps coinciding with improved sentiment, our survey has evidenced an increased willingness of respondents to put their existing home on the market. At the end of H1 2021, 26% of respondents reported that they were considering selling their house in the next 12 months. This compared to 22% six months ago, and only 13% 12 months ago.

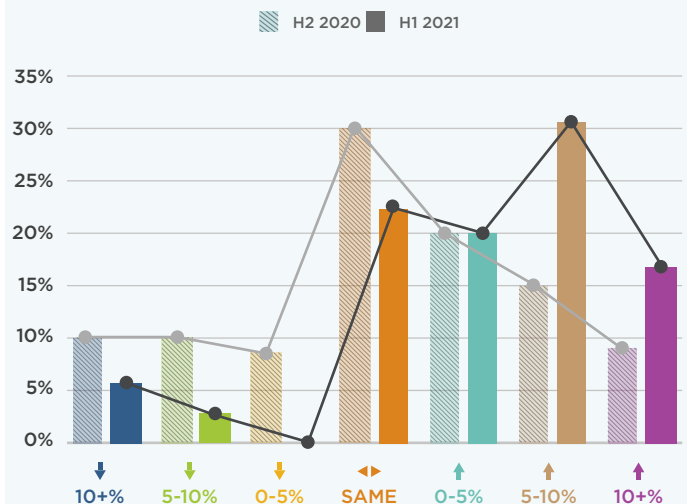
HOMEOWNERS

UAE homeowner 12-month price expectations



HOMEOWNERS

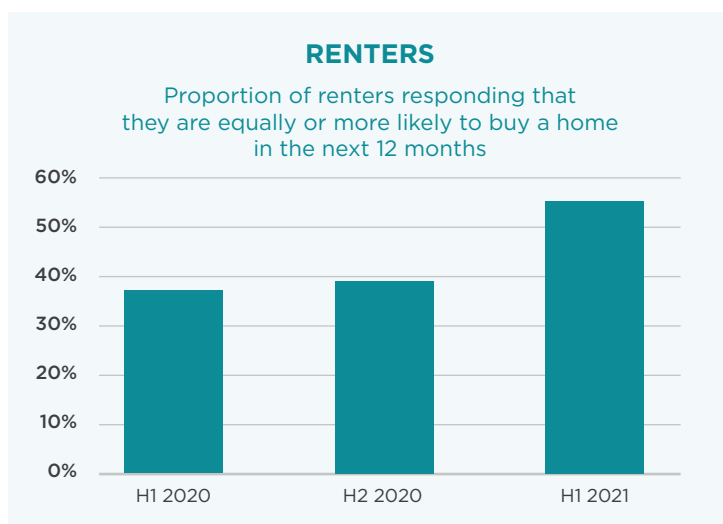
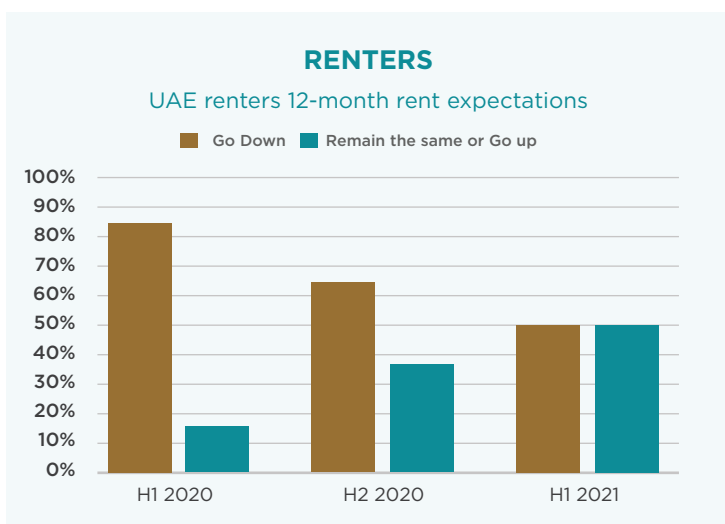
UAE homeowner expectations H1 2021 vs H2 2020



UAE RESIDENTIAL RENTERS MARKET

For the first time since we began conducting our survey, there is a 50/50 split between those reporting an expectation for rents to decline in the coming 12 months, and those expecting stability or an increase in rent. That said, very few respondents (2%) expect to see their rent increase.

We have also seen a rise in the number of renters contemplating buying a home. Of our respondents, 55% reported that they were equally, or more, likely to buy a home in the next 12 months. This compares to 39% six months ago and 37% one year ago.



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.

