



*Real value in a changing world*

# Dubai Residential Market *Snapshot*

Q2 2009



## Key Takeaways...

### Residential Supply

- \$24 billion worth of residential projects have either been cancelled or put on hold
- 22,400 units expected to be handed over in 2009

### Transaction levels

- Transactional volume decreased by 58% between Q2 2008 and Q2 2009
- Transactional volume remained stable between Q1 2009 and Q2 2009

### Sales Performance

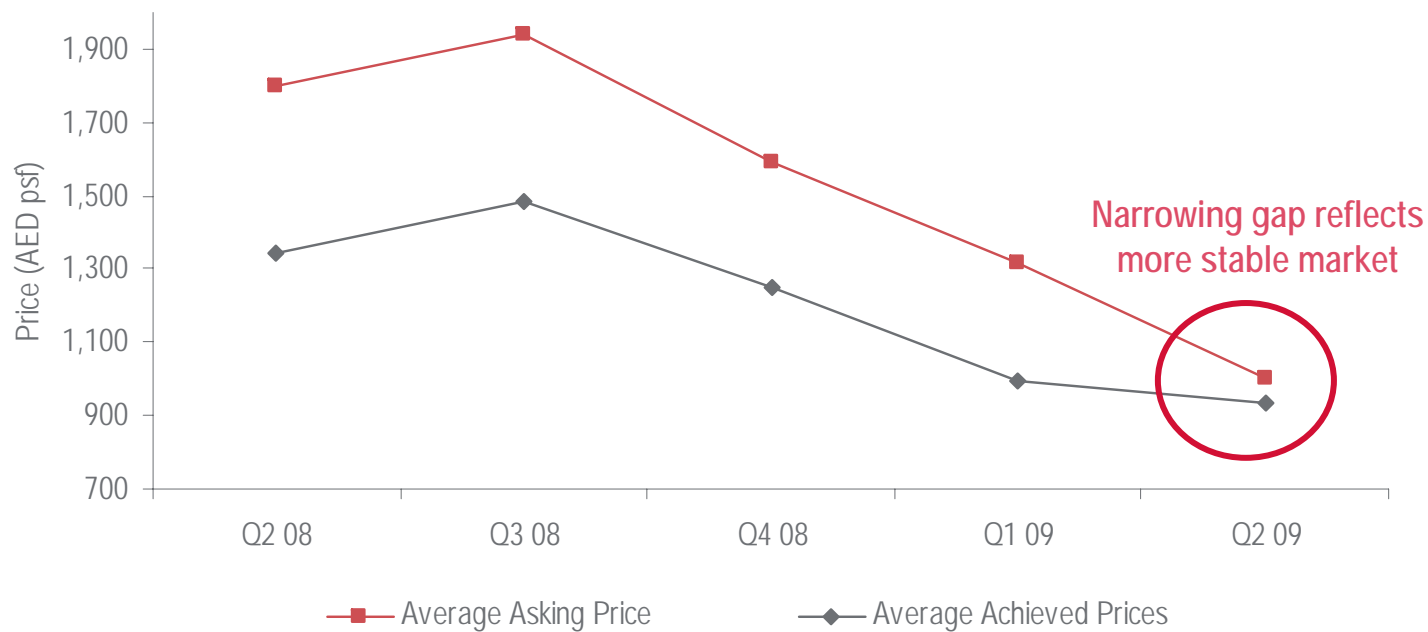
- Asking prices have fallen 49% from peak in Q3 2008, with achieved prices down by 37%.
- Rate of decline has slowed in Q2/2009 reflecting signs of stabilization
- Since Q2 2008, achieved prices have averaged 20% lower on average than asking prices, but this gap has narrowed to 7% in Q2/2009

### Rental Performance

- Rents declined by an average of 35% since Q4 2008
- Rents declined by an average of 18% since Q1 2009
- Rents have decreased more in villas than apartments

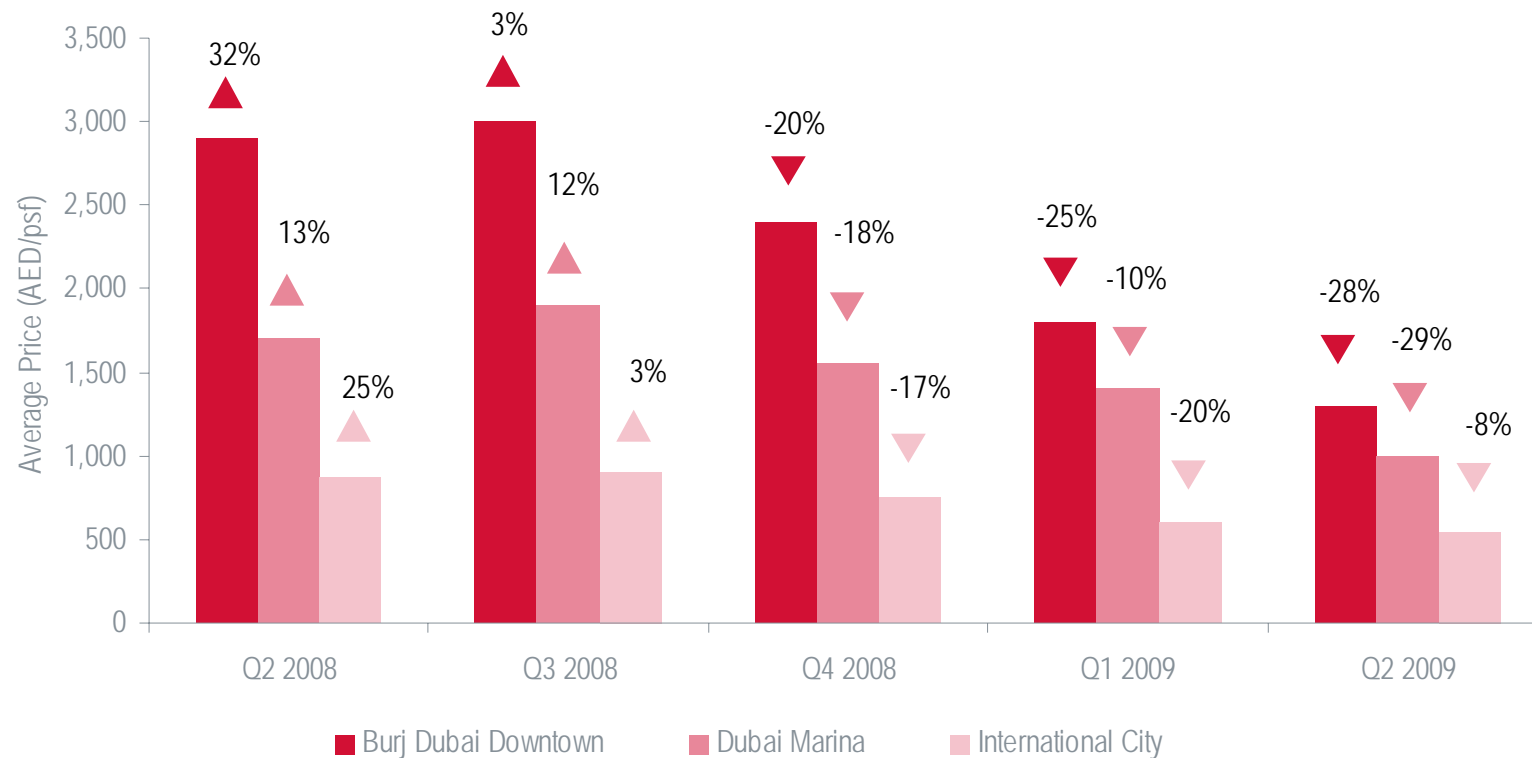
## Convergence of Asking & Achieved Prices

- Decline in average prices has reduced to just -6% between Q1 and Q2 / 2009.
- Since Q2 2008, achieved prices have typically been around 20% lower than asking prices, but this gap has narrowed to around 7% in Q2 / 2009.
- Asking prices have fallen more sharply than achieved prices during 2009, suggesting price stabilization.



Source: Jones Lang LaSalle, REIDIN 2009

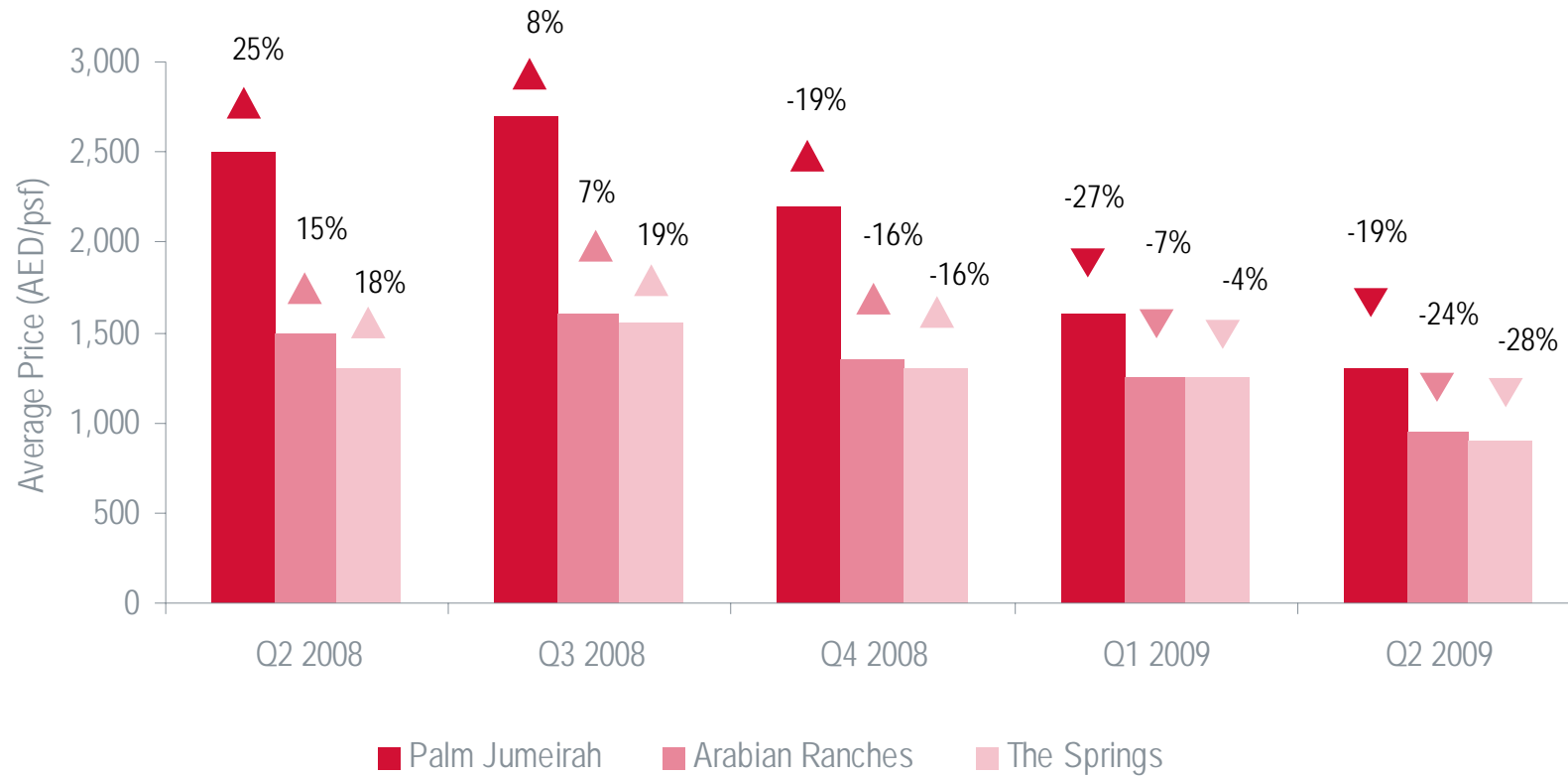
## Apartment Sales Performance (Q2 2008 to Q2 2009)



\*Prices reflect average asking prices for both off-plan sales and the sales of completed units in freehold areas

Source: Jones Lang LaSalle

## Villa Sales Performance (Q2 2008 to Q2 2009)



\*Prices reflect average asking prices for both off-plan sales and the sales of completed units in freehold areas

Source: Jones Lang LaSalle

# Transactional Volumes

Number of residential transactions have decreased by 58% over past year but remained stable in Q2 2009

