

"As more people from around the world chose to make Dubai their home, we are energised by the growth in organic market behaviour."

N.B. Within the report we refer to secondary (completed) and primary (off-plan) properties. Below are the definitions for the purpose of

Secondary properties refer to those where the buyer is purchasing property from a previous owner.

Primary property is where the buyer is purchasing from a developer and generally committed to the purchase prior to construction (off-plan). The mortgage taken on this property is to cover the handover/final payment required to the developer.

As we continue to take a leading role in enabling the growth and maturity of the real estate market in the UAE, we're excited to publish our second annual Mortgage Market Report. We hope to empower home buyers and real estate industry professionals by sharing data, insights and analysis using Mortgage Finder's transaction data.

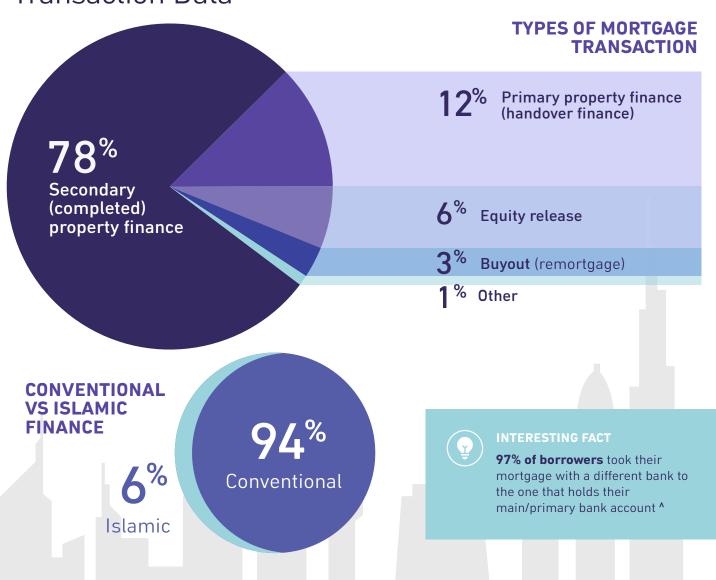
The mortgage industry as a whole experienced a record breaking year in 2021 with transaction volumes exceeding previous highs recorded back in 2017 by 26%, according to data from the Dubai Land Department (DLD). The first quarter of 2021 saw the most mortgage registrations ever in a single quarter. Mortgage transaction volumes recorded the highest year on year growth (YoY) seen since 2007, with more than 50% YoY growth and an all time high of 19,524 mortgage transactions, according to DLD data.

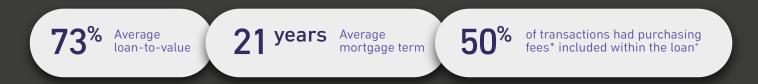
As more people from around the world chose to make Dubai their home, we are energised by the growth in organic market behaviour. 82% of our borrowers were first time home buyers and 91% of our borrowers used the mortgage to purchase their main residence.

We hope you enjoy the content of our report and look forward to supporting more home buyers in realising their dream of home ownership.

this report:

Mortgage Transaction Data





AVERAGE LOAN (MORTGAGE) AMOUNT





- Applicable to UAE resident transactions only
- * DLD and real estate agent fee
- + Applicable only to transactions where it was possible to include fees i.e. employed UAE residents

Property Price and Valuation Trends



LEGEND 2020 2021

SECONDARY PROPERTIES

(COMPLETED)

Average property purchase price

VILLA/TOWNHOUSES AED 3.96M	APARTMENTS	AED 2.17M
VILLA/TOWNHOUSES AED 2.79M	APARTMENTS	AED 1.55M
Average valuation		LEGEND 2020 2021
VILLA/TOWNHOUSES AED 4.07M	APARTMENTS	AED 2.30M
VILLA/TOWNHOUSES AED 2.83M	APARTMENTS	AED 1.61M
		LEGEND 2020 2021

PRIMARY PROPERTIES

(HANDOVER FINANCE)

Average property purchase price

VILLA/TOWNHOUSES AED 3.41M	APARTMENTS	AED 2.78M
VILLA/TOWNHOUSES AED 3.01M	APARTMENTS	AED 1.99M
		LEGEND 2020 2021
Average valuation		
VILLA/TOWNHOUSES AED 3.29M	APARTMENTS	AED 2.66M
VILLA/TOWNHOUSES AED 2.74M	APARTMENTS	AED 1.77M

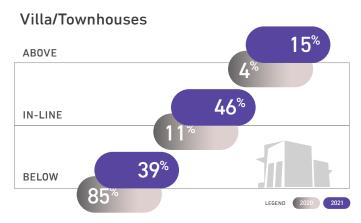
Percentage of mortgage transactions where the property valution was above, in-line or below the property purchase price.

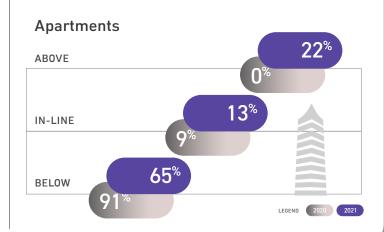
SECONDARY PROPERTIES



Apartments ABOVE 26% IN-LINE 35% BELOW 26% LEGEND 2020 2021

PRIMARY PROPERTIES





Property type and location data



TOP 5 AREAS WITH MOST TRANSACTIONS IN DUBAI

- 1. Arabian Ranches
- 2. Dubai Marina
- 3. Palm Jumeirah
- 4. Dubai Hill Estate
- 5. The Springs & Jumeirah Golf Estates



TOP 3 AREAS WITH MOST TRANSACTIONS IN ABU DHABI

- 1. Yas Island
- 2. Al Reef
- 3. Al Raha Beach



TYPES OF PROPERTY PURCHASED

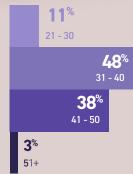


64%	2021	36%
51%	2020	49%

Borrower Demographics

RESIDENCY STATUS OF BORROWERS





AGE RANGES



WHAT NATIONALITY WERE THE MAJORITY OF BORROWERS?





BUYER STATUS



Experienced Buyers

PURPOSE OF PURCHASE



TOP 5
INDUSTRIES
THE MAJORITY
OF BORROWERS
OPERATED IN



SINGLE VS JOINT



EMPLOYMENT STATUS

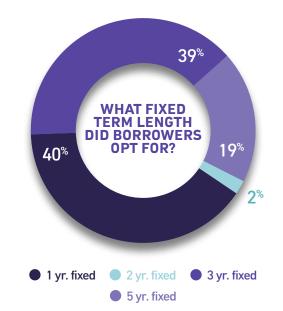


INCOME RANGES (AED / PER MONTH)

13%		under 20K
17%		21 - 40K
	37%	41 - 60K
27%		61 - 80K
6%		81K+

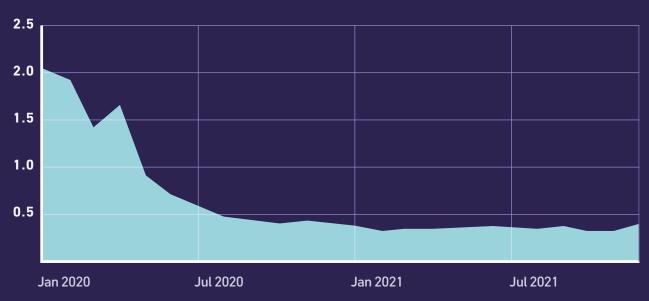
Mortgage rates and products







TREND IN 3-MONTH EIBOR FROM 2020 TO 2021



"Interest rates remained consistent throughout 2021..."

The trend in 3-month EIBOR maintained a downward trajectory since falling by almost 80% since the beginning of the year in 2020. Interest rates remained consistent throughout 2021, and are still at historic lows. The one-year fixed was the most popular mortgage product followed closely by three-year fixed.

Some banks allow borrowers to include transaction fees in the loan and this was a popular feature with more than 50% of our borrowers. We also saw a trend with many lenders offering exclusive (reduced interest rate) mortgage products for specific communities.

^{*} Applicable to UAE resident transactions only



"The villa/townhouse segment remained the most popular with borrowers, a continued trend from 2020."

At the time of writing this report, we continue to have a positive outlook on the market as the momentum in home buying activity remains.

An interesting and compelling sign of maturing market behaviour in 2021 was valuations aligning more closely with market movements, specifically on primary property transactions. 61% of villa/townhouse valuations came in above or in-line with purchase prices in 2021, versus 15% in the previous year. 35% of primary apartment transaction prices were above or in-line with valuation, versus 18% in the previous year.

This improved alignment between valuations and property purchase prices makes the mortgage process far easier for buyers, especially those who purchased primary properties.

The villa/townhouse segment remained the most popular with borrowers, a continued trend from 2020. Demographics also remained consistent, with UAE residents accounting for 94% of borrowers.

We saw a 44% increase in borrowers earning below AED 20,000 per month. In our 2020 report, this segment only accounted for 9% of our market. We attribute this growth to a couple of factors that made home buying more achievable. The first being the 5% increase in loan-to-value ratios introduced by the UAE Central Bank in March 2020. This increase meant first-time buyers could enter the market with a lower down payment percentage of 20% for non-UAE nationals and 15% for nationals. The second reason is the general low-interest rate environment experienced in 2021, which in some cases made mortgage payments lower or equal to rental costs.

Our founders were pioneers in the UAE's mortgage industry nearly two decades ago. Along with our team of highly experienced mortgage advisors, we look forward to helping more people realise their dream of home ownership. Home ownership makes a lasting impact on people's lives and we are here to make getting the right mortgage possible, easy and transparent.



