

**Research Highlights:**

A monthly Real Estate market update – Aug-12

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- Dubai,
- Kuwait,
- Riyadh - KSA,
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## MENA RE Monthly Round Up

**Transactions:** Real estate transactions in key MENA markets lost momentum towards the end of the month during Jul-12, due to seasonal slowdown and the onset of Ramadan. However, transactions trends for the month as a whole for all reported markets were moving upwards driven mainly by the continued upward trends reported in Jordan. The indexed number of transactions moved up 7.9% from Jun-12, while the value transacted increased 16.8% over the same period. Compared to a year ago, declines were not as extensive, as number of transactions were lower by 0.5% and a value transacted down by 7.7%. On a year-on-year basis, transaction indices were driven down mainly due to the 53.2% lower transaction activity in KSA, while activity levels in Dubai, Kuwait & Jordan remained higher than their past year levels.

**Dubai:** Data from Dubai Land Department (DLD) revealed that real estate transactions in Jul-12 decreased compared to the previous month, but were higher than the levels compared to a year ago. The number of transactions was down (-7.7%) compared to Jun-12, while value transacted declined 22.1% over the same period. Compared to the previous year, the number of transactions in Jul-12 surged 63.1% while value transacted increased by a lower 48.1% to AED 3,128 Mn.

**Kuwait:** As per the Ministry of Justice (MOJ), Kuwait's real estate transactions in Jul-12 receded from the previous month, as both number of transactions & value transacted declined 12.0% & 23.8% respectively. However, on a Y-o-Y basis, the number of transactions grew by over half of what was recorded the previous year, while value transacted grew 42.0% to KD 203 Mn.

**KSA:** An analysis of MOJ data for Jul-12 shows that, KSA number of transactions continued to witness a downtrend, both compared to the previous month and a year ago. As compared to the prior month, KSA's number of transactions was down 7.5%, while value transacted increased substantially (-62.4%). Furthermore, the number of transactions receded 53.2% from a year ago, while the value transacted increased by almost a quarter and reached SAR 12,148 Mn.

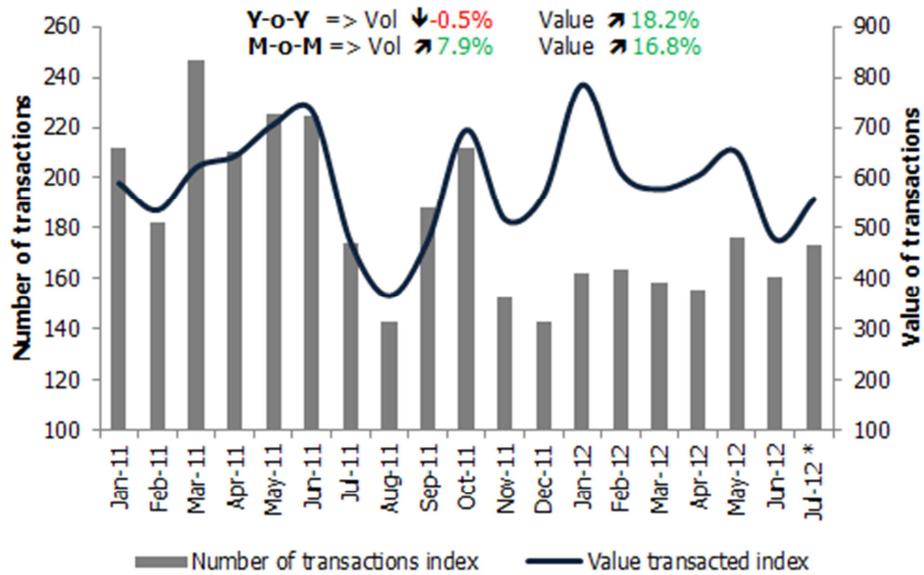
**Jordan:** According to Department of Lands & Survey, transactions in Jordan grew both compared to last month, and from a year ago in Jul-12. The number of transactions grew 17.6% from Jun-12, while value transacted increased moderately (-3.7%). Also, compared to Jul-11, the number of transactions increased 39.1%, whereas value transacted increased significantly by 65.0% to JOD 537 Mn.

**Housing & rental costs:** Housing component of CPI data indicated that housing & rental costs remained largely flat in the region in Jul-12 compared to the previous month. No changes were recorded in Kuwait, Dubai and Abu Dhabi, marginal increases were reported for Qatar (+0.4%) & KSA (+0.2%), and marginal declines were reported in Egypt (-0.4%). However, compared to a year ago, housing costs were higher in KSA (+8.3%), Kuwait (+1.5%) and Egypt (+6.7%) during Jul-12. Lower housing costs were reported for Dubai (-5.4%), Abu Dhabi (-2.2%) & Qatar (-3.9%).

**Real estate lending:** Reported lending to the real estate sector in Qatar increased in Jul-12 compared to the previous month (+0.8%) and a year ago (+36.1%), while real estate credit trends in Kuwait remained flat compared to Jun-12, but moved up c4.1% as against a year ago.

Further, the number of mortgages in Dubai declined slightly from a year ago, but a jump of 82.6% was seen in value of mortgages disbursed. As compared to June-12, the number of mortgages and value disbursed were both down at -38.8% and -42.1% respectively.

**Real Estate Transactions Index – MENA – Jan-11 to Jul-12**



Source: Multiple Sources, Markaz Analysis, \*does not include Qatar (not released) and trends would vary once included

Transactions are sourced from various individual official sources and signify representative levels of the number of transactions and value transacted in each month. The indices also do not constitute a change in absolute transaction levels or represent a unit or currency.

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