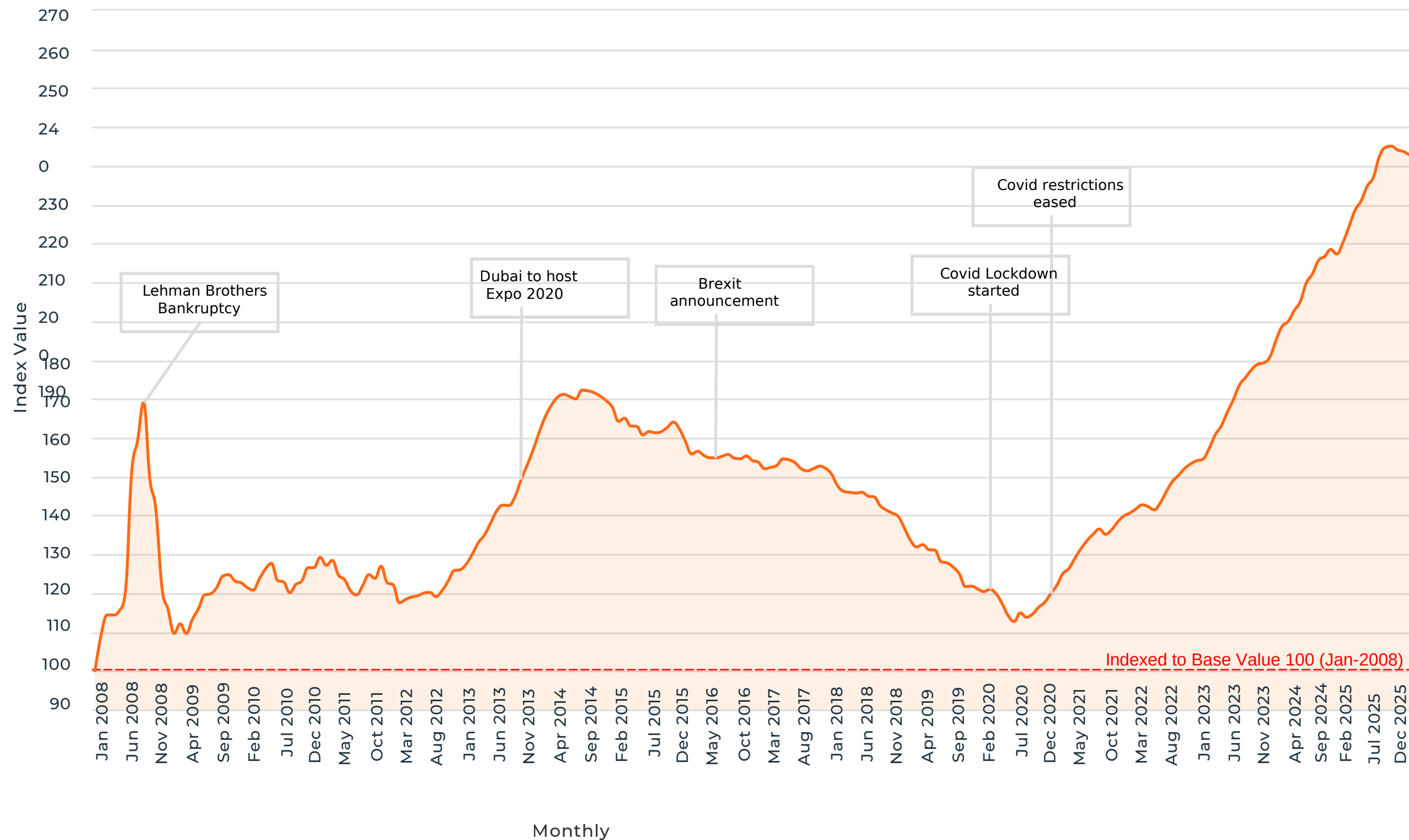




Dubai Market Crashes – History

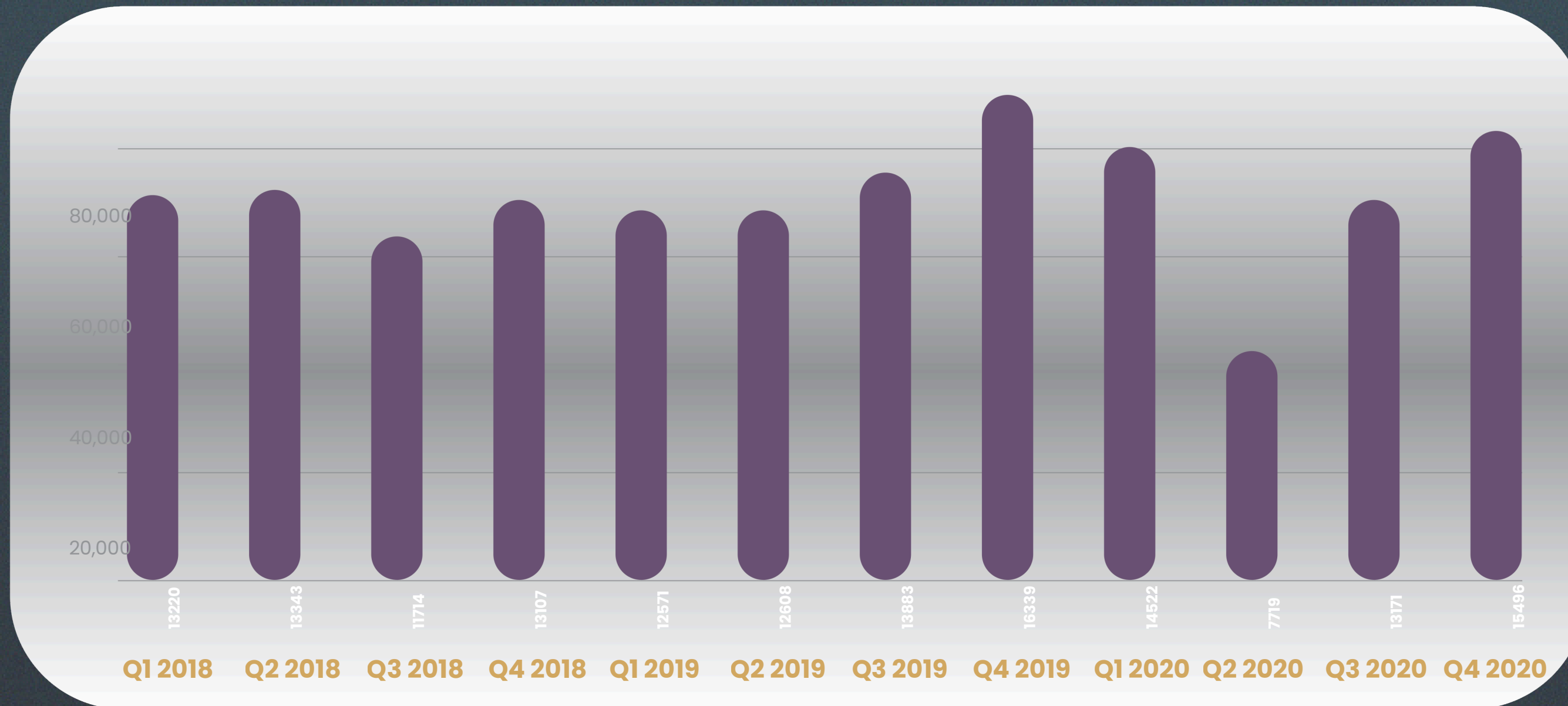
-Divya Wadhwa (@dxbbbydiv)



-2008 Crash - Lasted for 7 months, until market started inclining

-2020 Covid Crash - Lasted for 7 months, and the market inclined more than ever before.

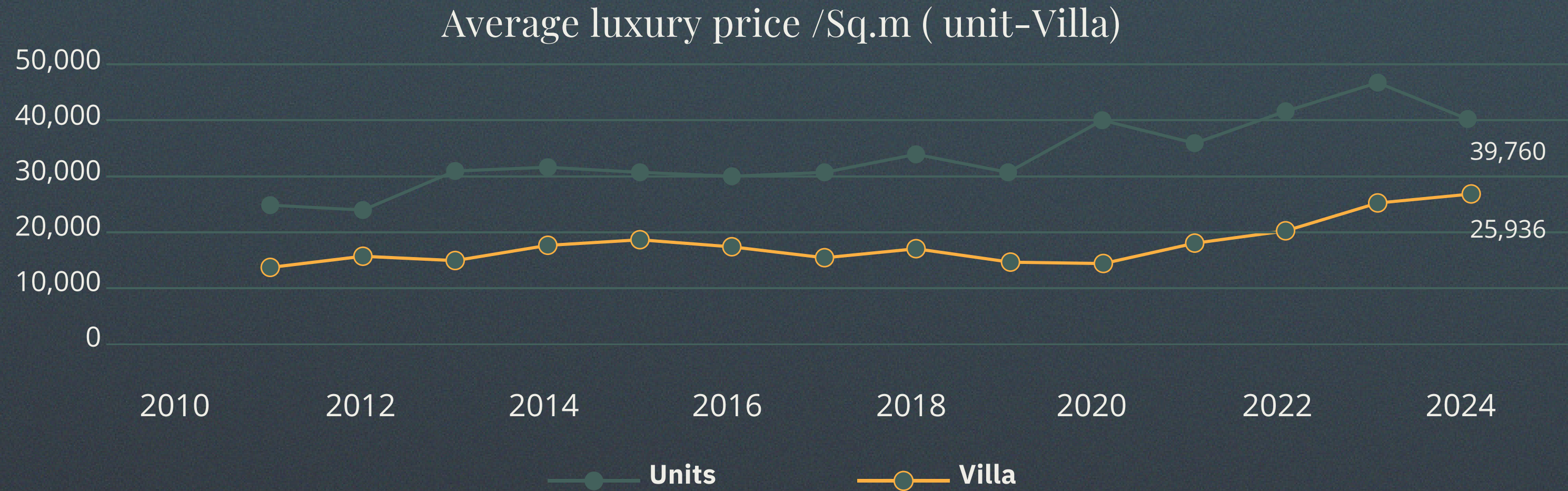
-As soon as the market hits rock bottom, everyone starts buying a lot more, hence bettering the market again.



Above chart shows the quarterly number of transactions. The lowest numbers were in Q2 of 2020. As soon as the prices hit rock bottom, the number of transactions almost doubled in the next quarter! As the prices started rising more and more, all the buyers who were waiting for the lowest point of the crash (and missed it), starting buying quickly, hence increasing the transactions volume even further.

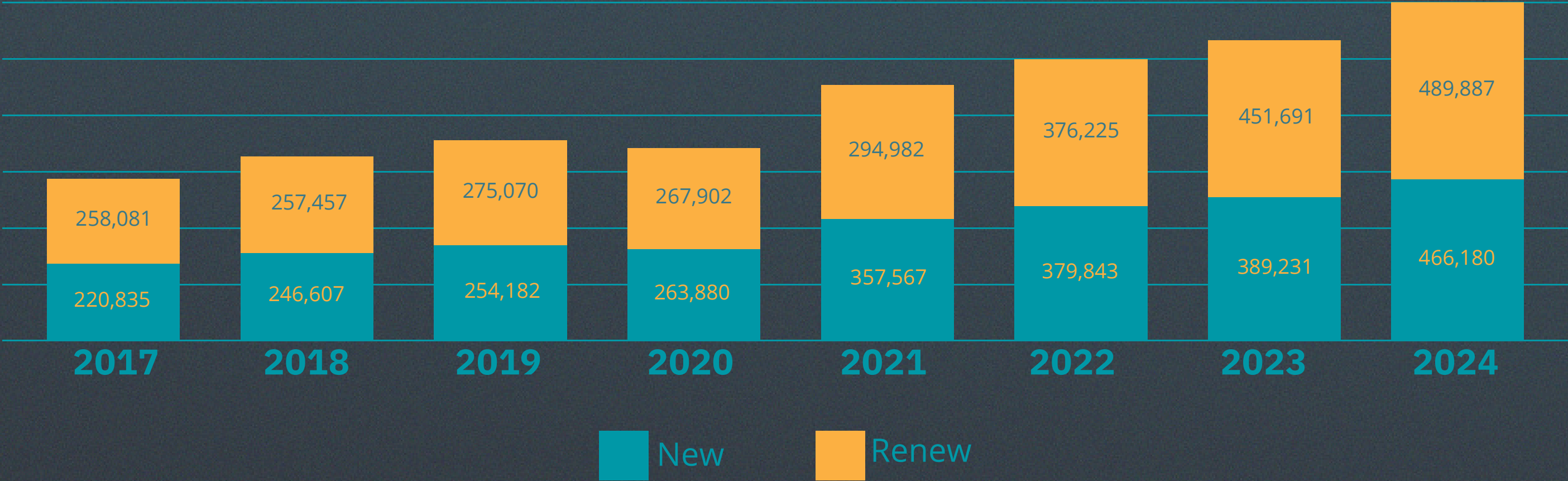


Commercial properties took the longest time to properly recover. This is because whenever the economy of the country goes down, business are affected. When businesses shut down, office spaces remain vacant and it becomes difficult to rent them out. Hence, commercial properties are high ROI, but also high risk for any crashes. If a property is not renting easily, it does not sell easily either, that's when prices fall harder than the rest of the market.



Meanwhile the luxury sector was barely affected. Specially villas stayed strong, with barely any decrease in price per sqm. And units (apartments etc), had an brief peak as well in 2020 and then a small decline Q3 of 2020, and started rising in Q4.

Total Count Of Rental Contracts



Volume of rental contracts had no affect as people who were staying in the Dubai, did not leave. Or only left for small durations and came back. Post covid, Dubai’s population has been increasing drastically hence increasing the volume of rental transactions quickly.

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