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### **Dubai apartment, villa rents continue to increase**

Deutsche Bank says apartment rents rose 1.1 per cent and villas, 1.3 per cent, in March.

*By Staff Writer*

Apartment and villa rents continued to rise in March this year, as property prices fell due to oversupply, Deutsche Bank said.

Rents for apartment rose 1.1 per cent in March, compared with the previous month, the bank said in a note to clients. Villa rents jumped 1.3 per cent during the same period.

However, average apartment prices declined 1.1 per cent and villa prices fell 1.7 per cent in March compared with the previous month, the note said, based on the bank's proprietary price index that covers 13 main locations in Dubai.

"While monthly data are volatile and should be reviewed cautiously, we note that the stability has continued for almost eight months now," the note said.

"The decline could be a consequence of new supply, as evidenced by the most affected locations, such as Business Bay and Sports City," the analysts said.

Housing oversupply and lack of financing are the impediments to any meaningful recovery in the property market, the note said.

Last week, Cluttons, a real estate research company, said average residential rent had declined by more than five per cent in the first quarter, while the market was yet to reach its bottom in terms of pricing.

