An Analysis of The Impact of COVID-19 On Bank Loans and Real Estate Financing in UAE

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Abstract- This study examines the impact of the COVID-19 pandemic on the real estate sector in the United Arab Emirates, with a focus on the role of bank loans and real estate finance. The pandemic has led to a decline in the real estate market, affecting both the banking and real estate sectors. This research aims to investigate the issues faced by individuals and the real estate market, evaluate the role of banks in promoting the real estate industry, and determine the importance of bank loans in addressing people's problems and developing the UAE real estate market. The study will employ a quantitative research approach, using interviews to gather data. The findings will aid in formulating recommendations that benefit both the banking and real estate sectors.

Indexed Terms- COVID-19 pandemic, Real estate sector, Bank loans, Real estate finance, United Arab Emirates, Banking sector, Economic growth.

I. INTRODUCTION

1.1 Background

The COVID-19 pandemic has had severe implications that extend beyond the health sector. It has sparked a global crisis that is having (and will continue to have) an influence on several economic sectors, including real estate. All corporate activity ended in the initial phase of the pandemic, except for critical services such as food distribution, pharmacy, and manufacturing. Consumption, investment, and commerce all suffered because of the closures, resulting in demand and supply shock. Because of government-enforced "stay-at-home" policies, many people were "trapped" in their houses. Citizens began to work, learn, exercise, enjoy themselves, and form social bonds while confined within the confines of their homes. Technology has assisted individuals in maintaining ties and has led to the preservation of a feeling of community that is probably more entrenched than that experienced under normal circumstances. Virtual closeness proved to be a "benevolent weapon" capable of defeating society's "liquid modernity."

The real estate business is a type of business that deals with the purchase, sale, management, and investment of real estate holdings. Furthermore, property, land, air rights above the land, and subsurface rights below the land are all included in the definition of real estate business. The real estate sector of a nation is essential for a variety of reasons, including the fact that it influences economic growth and is often even referred to as a solution to the country's economic problems. The real estate industry is separated into numerous categories, including residential, commercial, industrial, raw land, and so on. A person can put his money into the real estate market by buying a house or renting a property, for example.

The real estate industry is a separate entity from the banking industry, yet both are intertwined through a variety of mechanisms and institutional structures, and both are seen as critical for rising economies (Herring & Wachter, 2015). Pricing is the most sensitive aspect in the real estate industry, and the banking sector is thought to have an impact on prices. The Price of real estate is influenced by a country's economic situation (Abuamsha, 2021).

The drop in the price of real estate diminishes bank capital, and as a result, the value of the banks' real estate assets declines as well. Because of the preservation incentives, banks have been known to overlook connected hazards. These issues may have an impact on real estate price collapses (Biery & Stats, 2014).

1.2 Research Aims and Objectives

The primary goal of this study is to examine the influence of COVID-19 on bank loans and real estate finance in the United Arab Emirates. The following are the main goals of this study:

- To investigate the issues that individuals and the real estate market are facing as a result of the COVID-19 epidemic.
- To evaluate the role of banks in promoting the real estate industry in the United Arab Emirates.
- To investigate the susceptibility of real estate pricing amid a downturn.
- Determine the importance of bank loans in addressing people's problems and developing the UAE real estate market.
- To provide ways for dealing with the issues that have arisen in the real estate market because of the COVID-19 epidemic.

1.3 Research Questions

The purpose of this study is to look at the following research questions:

- What function does the banking sector play in the real estate industry?
- Is there a link between real estate price fluctuations and loans in the banking sector?
- How can the UAE deal with the banking sector's troubles and their impact on real estate?
- Why is the cost of real estate the most sensitive component in a downturn?

1.4 Research rationale and significance

Based on the foregoing discussion, the purpose of this study is to investigate the influence of the banking sector in a country's real estate market. This study will concentrate on one country, the United Arab Emirates. The United Arab Emirates is an Arab country with one of the world's most open economies. The country has policies that encourage commerce and trade, and it is regarded as a rapidly rising economy due to its rapid economic growth. According to the study, the UAE's GDP growth rate was roughly 8.4% between 2000 and 2006, which was the highest among Gulf countries. According to figures released in 2014, the UAE's GDP was over 419 billion dollars, and there is an effect of the country's natural resources, which account for around 10% of global supply. Furthermore, the UAE possesses the fifth-largest gas reserves in the world. According to a study released in 2019, the GDP of the Emirate of Abu Dhabi has reached 38.4 billion dollars, and there are several chances for real estate businesses in the UAE since the number of real estate businesses in the nation is growing (Statista, 2021).

The financial industry in the UAE is now dealing with a number of challenges brought on by the COVID-19 epidemic, including the fact that the country's main banks have significant credit exposure to real estate, and it is clear that the UAE's property sector is feeling the effects of these concerns (Wei and Han, 2021).

According to a survey provided by S&P global ratings, the UAE real estate market would stay stagnant until at least 2023. (Jafri, 2021). The real estate industry in Dubai has the highest amount of property exposure, while banks have the lowest relative exposures at 12%, and this sector is the second largest in the country affected by the epidemic. The role of banks will be explored in this research based on information about the economic status of the real estate sector in the country, and recommendations will be given based on the analysis. The author's goal for this study is to investigate the present function of the banking sector in the real estate industry using quantitative research techniques. The comprehensive objectives, project outcomes, importance of the research, major research questions, and research techniques are the following components of the research.

1.5 Structure of Research

This study examines the link between bank loans and real estate prices in the United Arab Emirates. The findings will aid in the formulation of recommendations that will benefit both the banking and real estate sectors. Interviews will be used to gather data for this study's analysis. The second chapter is a literature review, which involves a thorough examination of the subject's literature. This chapter is significant because it aids in the identification of research gaps and the development of a theoretical and conceptual framework.

II. LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Issues Faced by People and Real Estate Market Due to COVID-19 Pandemic

The COVID-19 coronavirus pandemic altered the lives of billions of people throughout the world. Even with the introduction of vaccines, health professionals remain concerned since certain regions of the world continue to see exceptional outbreaks and viral varieties. As a result, the epidemic has wreaked havoc

on the world in every way: innumerable fatalities, border closures, political instability, and economic chaos— COVID-19 has wreaked havoc in inconceivable ways. The housing market is one sector that has been hit hard by this extraordinary crisis (Wang et al., 2021).

Research had highlighted that Even before the epidemic, oversupply in Dubai and Abu Dhabi threatened the offices, real estate, and residential values. The average price of the apartment also has been reduced from AED 1,178 in 2018 to AED 1,090 in September 2019. Meanwhile, villa rents fell 8.4% in Abu Dhabi during a 12-month period, resulting in an average drop of 8.7

2.1.2 Role of Banks in Promoting the Real Estate Industry Financing in UAE

According to research, the real estate industry is a company that is often impacted by economic activity, which drives the demand for real estate. This, like other business sectors such as labour and capital, is an element of production in a country's economy. When the government effectively utilises the real estate industry, it has a favourable impact on the country's economy (Maghyereh and Abdoh, 2021). When a country's economy improves, its banks become stronger, and the real estate industry thrives, increasing total demand (Parvathamma, 2020). This industry contains a supply chain that includes contractors, construction supply firms, and other experts that all play a part in this industry and decide how it interacts with other industries (Su et al., 2019). According to research, both the real estate and banking industries are separate businesses, yet they are linked by a variety of mechanisms. Real estate and banking are equally crucial for an economy to flourish; countries that are making economic progress have thriving banking and real estate industries (Mateev et al., 2021).

Despite the UAE's vibrant banking system and customers' broad usage of various sorts of loans for various purposes, the use of mortgages or home financing services is still less common than other forms of finance. People in the UAE save their entire life to be able to buy their own homes (Fendoglu, 2021). The banking industry has also been instrumental in the distribution of numerous administrations' fiscal initiatives (Dikau et al., 2020).

2.1.3 Importance of Bank Loans in Improving Real Estate Financing

As per the research, it has been noticed that the financial in real estate is crucial. Also, it is noticed that the prime interest rates, mortgage rates, and other home loans consideration have a major role in the determination of buying capability of the buyer (Zarrouk et al., 2021). Banks provide services such as loans, overdrafts, and advances in exchange for money (Deghi et al., 2021).

2.2 Conceptual Framework

2.2.1 Strategies to Resolve the Issues in Real Estate Financing Due to Pandemic

2.2.1.1 Establishing Strong Relationships with Banks

Property developers must confess, according to studies, that funding plays a crucial role in real estate ventures. Prime interest rate, along with the rate of the mortgage, plays an important role as it determines the capability of whether the buyer can buy the property (Demirgüç-Kunt et al., 2021).

2.2.1.2 Special Cash-Flow Management Under the Epidemic

According to a study, property developers should create a cash flow budgeting and monitoring mechanism that is appropriate for dealing with epidemic situations by continuing to increase budget tracking, trying to improve analysis, developing for thorough budgetary control, and coordinating sourcing, technology, expense, revenues, and human capital agencies in budgeting process (Arfah et al., 2020).

2.2.1.3 Slowing Payment Collection for Credit Sales/Rentals Results in Sluggish Cash Flow

According to research, property developers should evaluate the amount that cannot be recovered as stipulated in the contract and begin tax planning as soon as feasible to avoid additional tax-related cash outflows for presently functioning commercial real estate projects (Abdallah et al., 2021).

2.2.1.4 Reduced Investment Opportunities and Improved Risks in Short Term

Businesses might seek collaboration within the sector through cooperative development to share resources and risks during the early and middle phases of the pandemic to prevent a cash flow crisis owing to investment risks (Deghi et al., 2021).

2.2.1.5 Costs Increasing During the Epidemic

Businesses should reduce or postpone unnecessary or low-priority expenses while implementing a more stringent expense approval system, which includes tightening approval authority, a second review for approval, centralised capital use coordination by the finance department, and daily capital reporting (Abdallah et al., 2021).

2.3 Empirical Framework

There is a lot of study evidence about the impact of banks in enhancing real estate company finance, particularly in terms of loans and price changes, but there is not much evidence from the UAE. The authors employed quantitative research methods for their study and created a questionnaire to gather data, which was separated into two sections: demographics and socioeconomics (Abdallah et al., 2021).

This research has only focused on one city, which might be considered a restriction. Another study investigates the ups and downs of Dubai's banking industry (Bertrand, 2010).

2.3.1 Application of Pricing Theory

The price theory is an economic theory that states that the price of a good or service is determined by the supply and demand relationship. The optimal market price, also known as equilibrium, is the price at which the total number of available items can be consumed by potential customers in a reasonable amount of time (Rehman et al., 2021). They first show that the theoretical equilibrium price of a piece of real estate can be described as a linear combination of attributes common to all pieces of real estate under defined technical conditions, using a dynamic portfolio optimization strategy (Kapur et al., 2020).

Financialization has changed many aspects of the economy in the United Kingdom, including the housing market (Mateev et al., 2021). From the 1980s onwards, deregulation of financial markets, along with the privatisation of social housing, has turned UK real estate from a common good shielded to some extent from consumer and financial markets, into a lucrative financial asset (Raza Rabbani et al., 2021). The property industry in China is extremely consolidated, with the top 200 developers controlling the majority of the market and sitting on massive inventories (Rehman et al., 2021).

2.3.1.1 Pricing in Real Estate Business During Pandemic

The most recent official numbers for March reveal that this tendency is accelerating. Property prices were 10.2% higher than a year ago, marking the strongest yearly increase rate in 14 years (Raza Rabbani et al., 2021).

According to data, many purchasers are competing for space. They desire larger houses with plenty of space for living and working, as well as a yard and easy access to the seaside or countryside. The problem is that they are few (Abdallah et al., 2021).

People have reviewed their priorities during Covid lockdowns; therefore, family houses are increasingly desirable. This, combined with the cladding situation, has rendered some city-centre apartments less appealing to purchasers (Demirgüç-Kunt et al., 2021). All of this implies that a lot of properties are being sold, especially when compared to the beginning of the first national lockdown, when the housing market was shut down (Abdallah et al., 2021).

Furthermore, customers who must pay more are borrowing more. According to one broker, they have "maxed out" on what they can receive from lenders (Mateev et al., 2021).

In line with this, the forecast of the country's GDP overall has been conducted, with which it is elaborated that it will be rebound till 2023 as per the levels of 2019. Also, PJSC, which is the commercial bank of Abu Dhabi, has the major amount of exposure of property by 29% of a gross loan of the amount mentioned in the loan book, which was 250.45 billion dirhams that were loaned by real estate businesses and industry in 2020. The bank Emirates NBD has the

lowest exposure for about 12%, which is the gross loan but is the highest absolute amount to real estate, which makes this bank the second-largest sector exposure after the loans of the government (Dikau et al., 2020). Despite the boost tourism and real estate investments are projected to get from the recent repair of diplomatic relations with Israel and Qatar, the agency forecasts minimal gains in the industry in 2021. Real estate businesses' profitability is projected to be under pressure, and indebtedness is expected to be significant. Some companies may reduce dividends or liquidate assets (Kapur et al., 2020).

2.4 Research Gap

According to studies, COVID-19 has had an impact on the global economy, impacting financial decisions made by businesses and households all across the world. New financial products, such as rent relief packages, mortgages, personal loans, credit cards, SMEs, and corporate organizations, have swiftly emerged in the UAE (Mateev et al., 2021).

The study also found that, despite all of the uncertainty caused by COVID-19 in the United States during the last six months, one thing is certain: the pandemic has re-ordered real estate markets on an unprecedented scale. It is possible that some of this will be irreparable. This time, the re-sorting of real estate is not merely due to market crashes, political turbulence, or financial speculation, after which there is a broad belief that overall consumer demand and buyer preferences will return to normal sooner or later (Kapur et al., 2020). The current study concluded that real estate plays an important role in the economy of the country, based on many studies. Families are housed in residential real estate. For many people, it is their primary source of wealth and savings. Commercial real estate, which includes apartment buildings, generates employment and provides retail, office, and manufacturing space.

III. METHODOLOGY

3.1 Research Design

The selection of the appropriate research approach is critical since it guides the entire study to a conclusion that may match the objectives set forth in the first chapter. Primary data will be gathered using surveys. The study design in primary research gives researchers

a mechanism to get to a conclusion that answers the research questions and meets the investigation's goals. The following are the specifics of the method used:

3.2 Research Approach

The approach for the study will be deductive and inductive. It is because deductive study supports quantitative analysis while inductive study supports qualitative analysis. As per the aims and objectives, it has been noticed that both should be considered as the researchers will be conducting mixed-method analysis.

3.3 Research Philosophy

The researchers have previously embraced numerous ideologies such as realism, pragmatism, positivism, and interpretivism. The most often used theories, however, were positivism, pragmatism, and interpretivism (Mertens, 2018). Because pragmatism leads to both quantitative and qualitative analysis, the researchers will use it in this study.

3.4 Data Collection

Based on the needs, the researchers adopt one of two fundamental data gathering procedures for the study. Furthermore, researchers frequently select data from two sources: primary and secondary data. This study uses both primary and secondary data gathering; primary research refers to data gathered directly by the researcher through surveys and interviews.

3.5 Data Collection Instrument

In a research endeavour, data collecting instruments are tools that the researcher uses to acquire vast volumes of data from reliable primary sources. Surveys, questionnaires, and interviews are the most regularly used research instruments. Quantitative questionnaires with closed-ended questions were used in this study to gather information on the effects of the COVID-19 epidemic on bank loans and real estate company financing.

3.6 Sample Size and Target Population

To execute the survey instrument for explicit reporting, the sample size and target population are examined. The sample size specifies the estimated size of the population to be included in the research instrument's identification. The sample size affects the target population, which is an individual requirement.

The sample size for this study was determined by the surveys, and the total number of respondents is 29. The study's target demographic includes those who are familiar with the study's issue, such as bank employees, real estate professionals, and other UAE residents interested in purchasing a property.

3.7 Literature Search & Collection

The methodology portion of the study should include a detailed description of the research and data gathering approach employed in the study. The data description aids the readers and analysts of the research in confirming that all secondary data included came from credible and legitimate sources equivalent to the study region. Secondary data for this study was gathered via JSTOR, EBSCO, Research Gate, and Google Scholar, which are all online digital libraries that give authentic and in-depth resources from trusted writers. Because this study is primarily concerned with the effects of the COVID-19 epidemic on bank loans and real estate finance in the United Arab Emirates, the most relevant terms and phrases from these various web postings were most likely employed to organise the data. Real estate market; COVID 19; UAE housing market; bank loans are some of the essential terms and phrases.

3.8 Data Analysis

Various evaluations need an understanding of various qualitative and quantitative data research approaches. This research will be examined using both quantitative and qualitative analysis in the current study. Closed-ended surveys were used in this study to get quantitative data on the influence of the covid epidemic on bank loans and real estate company finance in the United Arab Emirates. Closed-ended questions are the ones that can be responded to by the respondents in a much quicker way in comparison with the interviews. Closed-ended queries are also more easily analysed by computers. The data will be analysed by having mixed-method consideration in which both qualitative and quantitative data will be used.

IV. ANALYSIS & IMPLICATION

The questionnaire was shared Google forms by emails to all the respondents from different companies across the real estate, banking and other sectors for investors

covering all the regions in the United Arab Emirates, the good number of the data from those interested in the sectors both investors and stakeholders. The sample size were 76 individuals which comprises of males and females and data collected, the total responses were filtered into different classes. In other to proceed with the analysis of the data a sample test carried out with the confidence level at 95% and margin of error at 5% with total sample size of 76 to justify the number of respondents. Around 67 percent of the participants were from the real estate business, 21% from the banking industry, and 12.5% from other industries. In a survey, it is critical to inquire about several company sectors. The primary business sectors in the UAE are travel and tourism, real estate and property, transportation, and construction (Postolache, 2019).

4.1 DESCRIPTIVE STATISTICS

The profile of the participants in the questionnaire covers gender, age, years of experience, to which business sector each belong to as well as have if already applied for bank loan to buy real estate before or not. Another question was the kind of impact participant think the pandemic had on bank loans and real estate financing either positive or negative. The survey received replies from a total of seventy-six people, and the following is an analysis of their responses. The gender question can be used to guarantee that the sample is representative or to investigate the influence of gender on the research (Reza et al., 2020). Every survey should contain a question about age as a typical demographic question. The age range of the respondent was between 28years to 52 years which consist of the majority of people actively working within the sector and investors People will want to know the participant's age and whether or not they suit the target demographic (Prakash, 2020). The majority of the respondents aged 35 years above that constitute the 13.2% of the whole participants in the survey.

4.2. STATISTICAL ANALYSIS

In accordance to the research objective established for the purpose of this analysis, a questionnaire used to conduct the survey with the all variables together with factors of variables included which are important for the formation of the hypotheses. The survey form was developed using 5 points scale starting with strongly

disagree to strongly agree. However the first part of the questionnaire comprises of the demographics of the respondents stating the gender, age, years of experience, application of bank loan and position on effect of covid 19 on bank loan and real estate financing. All the responses of those who participated in the survey are accurately recorded and used for the analysis and research. In regards to years of experience more than 18% of the respondents have more than 10years in service or business. The questionnaire covered most people who maybe or already bought or looking to buy real estate either for residence or commercial property. The government of UAE policies on real estate development and protection of the investor in the sector coupled with the impact of a well regulated banking sector to offer best facilities to those looking to buy property in the country is a contributing factor.

In other to ensure internal consistency in the data collected from the survey, a reliability test is conducted for all the factors and variables (Table 1.1) Firstly, the variable price fluctuation, the cronbach's Alpha coefficient was 0.703 for all the factor of the variables .This shows there is strong establishment and validity of the response of the participants for the variable. The respondent rated each question based on 5 points likert scale from strongly disagree (1) to strongly agree (5).

The variable increased in real estate activities, the cronbach's Alpha coefficient was 0.773 for all the factor of the variables.

Lastly the variable increased in real estate activities, the cronbach's Alpha coefficient was 0.653 for all the factor of the variables.

Table 1.1 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.703	12

The Table 1.2 below represent the data consist of mean, standard deviation for variables that further support the study. The overall performance of the real estate market in the UAE decreased during the pandemic which has mean of 3.39 while during the pandemic, the demand for the commercial estate in UAE decreased has a mean of 3.46 .Most of the respondents are admitted that there is a decrease in the real estate market which significantly affect the financing of the real estate sector. Also, due to price fluctuations during the pandemic decline in business will be seen after the pandemic ends has a mean of 3.20 while the price is the most notable factor that is impacted by the pandemic in UAE has a mean 3.34 which implies the most respondents support the effect of price fluctuation on the sector and significantly have impact on financing the real estate during and post pandemic era.

The Table 1.3 below shows the crosstab of two variables the real estate transaction activity increased during the pandemic and the demand for commercial real estate increased was rejected by more than 50% of the respondents who completely disagree. The real estate financing during the pandemic era was affected by decrease in real estate activity and decrease in commercial real estate demand.

Table 1.2. Statistics

Statistics			
	Mean	Std. Deviation	N
The overall performance of the real estate market in the UAE decreased?	3.39	1.307	76
During the pandemic, the demand for commercial real estate increased?	2.17	1.112	76
During the pandemic, the demand for the commercial estate in UAE decreased?	3.46	1.183	76

Due to price fluctuations during the pandemic decline in business will be seen after the pandemic ends?	3.20	1.178	76
Price is the most notable factor that is impacted by the pandemic in UAE?	3.34	1.161	76
The supply of residential real estate during the pandemic has increased?	2.97	1.286	76
Real estate transaction activity increased during the pandemic?	2.50	1.238	76
Banks are the sector that is most influenced by the pandemic in UAE?	3.33	1.204	76
The overall performance of the real estate market in the UAE increased?	2.39	1.212	76
The price fluctuations due to pandemics will last longer even after the end of the pandemic?	3.03	1.211	76

Table 1.3 Statistics on Crosstab of two variables

Crosstab						
	Real estate transaction activity increased during the pandemic?					
	1	2	3	4	5	Total
During the pandemic, the demand for commercial real estate increased 1	16	6	1	0	2	25
2	2	13	7	3	1	26
3	1	5	5	4	0	15
4	0	0	1	5	1	7
5	0	0	0	2	1	3
Total	19	24	14	14	5	76

4.3. CORRELATION ANALYSIS

This analysis is based on some grounding principles which uses Spearman's rank correlation order technique having margin and confidence interval of 5% & 95% respectively. Correlation technique of Spearman's measures degree of association present among the variables & this technique also applies to categorical data. One assumption of the Spearman's correlation is that data obtained must be in the ordinal scale & variables must be uniform with one another. Criteria adopted for analysis is that significance value is 0.05. If p= 0.05 is less then reject the null hypotheses and vice versa is the case.

There are different types of correlation among the variables. If there is positive correlation, the both variables move ahead in the same direction. When one variable increases then second variable also increases. I there is negative correlation, then both variables move in opposite direction. If one increases then the other variable decreases. Lastly, there is also sometime zero correlation among the variables, which indicates no relationship among the variables. Correlation can be expressed as the correlation coefficient whose value ranges from +1 to -1. This can easily identifies if any relationship exists among the variable.

Table 1.4. Statistics on Correlations using Spearman approach

Correlations

		Bank loans are influenced by the pandemic as it becomes difficult for the customers to return loans during the pandemic?	Real estate transaction activity increased during the pandemic?	The price fluctuations due to pandemics will last longer even after the end of the pandemic?	The overall performance of the real estate market in the UAE decreased?	Due to price fluctuations during the pandemic decline in business will be seen after the pandemic ends?	Price is the most notable factor that is impacted by the pandemic in UAE?
Spearman's rho	Bank loans are influenced by the pandemic as it becomes difficult for the customers to return loans during the pandemic?	Correlation Coefficient	1.000	.082	.361**	.154	.210	.153
		Sig. (2-tailed)	.	.479	.001	.183	.069	.186
		N	76	76	76	76	76	76
	Real estate transaction activity increased during the pandemic?	Correlation Coefficient	.082	1.000	.217	-.240*	.155	.061
		Sig. (2-tailed)	.479	.	.060	.037	.181	.600
		N	76	76	76	76	76	76
	The price fluctuations due to pandemics will last longer even after the end of the pandemic?	Correlation Coefficient	.361**	.217	1.000	.208	.632**	.274*
		Sig. (2-tailed)	.001	.060	.	.071	<.001	.017
		N	76	76	76	76	76	76
	The overall performance of the real estate market in the UAE decreased?	Correlation Coefficient	.154	-.240*	.208	1.000	.213	.132
		Sig. (2-tailed)	.183	.037	.071	.	.065	.257
		N	76	76	76	76	76	76
	Due to price fluctuations during the pandemic decline in business will be seen after the pandemic ends?	Correlation Coefficient	.210	.155	.632**	.213	1.000	.315**
		Sig. (2-tailed)	.069	.181	<.001	.065	.	.006
		N	76	76	76	76	76	76
	Price is the most notable factor that is impacted by the pandemic in UAE?	Correlation Coefficient	.153	.061	.274*	.132	.315**	1.000
		Sig. (2-tailed)	.186	.600	.017	.257	.006	.
		N	76	76	76	76	76	76

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

V. RESULT AND DISCUSSION

In order to understand the purpose of the study, factor analysis is also carried out which is quite useful in understanding of the patterns and relationships among the variables. It is the most commonly adopted method that is helpful in making effective interpretation. This method help the researcher to make conclusions & develop the concepts that is helpful in making the conclusions. Factor analysis is used for exploring statistical accuracy for the given data by undergoing reduction method for finding the variables which are correlated with one another. Factor analysis finds factors as well as variables for finding the association between the factor and the variable through the factor loading. It is one of the oldest method and considered effective in analysing the frameworks.

To examine the impact of COVID-19 on bank Loans and real estate financing in UAE & for finding the relative measure of the variance [resent among the variables. The results obtained from factor analysis shows that KMO= 0.647 & p-value for the Barlett's test Sphericity obtained is significant at p=0.01.

Table 1.1. KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.730
Bartlett's Test of Sphericity	Approx. Chi-Square	109.798
	df	36
	Sig.	0.001

Table 1.2. Rotated Component Matrixa

Rotated Component Matrix^a			
	Component		
	Increased Real Estate Activities	Price Fluctuation	Increased Defaults
As soon as the pandemic begins the hiring ratio changed in the real estate market?			.739
The overall performance of the real estate market in the UAE increased?	.757		

Due to price fluctuations during the pandemic decline in business will be seen after the pandemic ends?		.536	
Price is the most notable factor that is impacted by the pandemic in UAE?		.817	
The supply of residential real estate during the pandemic has increased?	.750		
Real estate transaction activity increased during the pandemic?	.773		
Banks are the sector that is most influenced by the pandemic in UAE?		.707	
Bank loans are influenced by the pandemic as it becomes difficult for the customers to return loans during the pandemic?			.785
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

VI. LIMITATION AND FUTURE RESEARCH

Considering the research pattern adopted, there are some study limitations found. First of the limitation identified is the limited size of sample to undertake for research. A small sample size is considered because of the difficulty in gathering responses from the questionnaire. Secondly, this study only focuses on the impact of COVID-19 on bank loans and real-estate financing and therefore targets the people of UAE only. Additionally, this study targets only quantitative methodology for finding the impact of COVID-19 on bank loans and real estate financing.

With consideration of limitations, there are some future research implications identified as well. In future, this study can be conducted through qualitative study for analysing in-depth research. In addition, in future, sample size can be increased by including people from other countries as well. Moreover, in future studies more topics can be included for research like impact of COVID-19 on the capital market and bank restructuring.

5.1. IMPLICATION
By undergoing through this research, there are some implications needed from various sectors. Through this research, government regulators would reform their decision making part to form decisive & far-reaching goals.

This study paves the way for Banks in UAE to perform the gap analysis in the case of crisis management & operating needs, with regard to different time horizons. Banks must need to prepare organization structure, digital assets, and systems to offer the government support provided to the clients. Moreover, it is also important to review the digital transformation plan for reassessing priorities for the launch of the new products.

5.2. CONCLUSION
This pandemic poses serious and significant impact on the bans sustainability all around the globe. It proved worse in the emerging and developing economies that have weak financial systems. All other countries around the world faced serious impact on their banks from the COVID-19 but this research study also focuses on the UAE. The findings founds from the research can be used for the future warning for developing and emerging countries. It is important for the banking sector to make strong regulatory framework and strong policies so that in any future not any pandemic likely to impact heavily on the economy. In future, the impact of COVID-19 on the non-financial institutions can be analysed.

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