MO'ASHER

The Official Sales Price Index for the Emirate of Dubai

AUGUST 2022

بروبرتي فايندر Property Finder

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THE OFFICIAL SALES PRICE INDEX

Key Findings For August 2022

- August 2022 had 9,720 sales transactions worth AED 24.34 billion.
- August 2022 witnessed the highest number of sales transactions for a month in the past decade.
- August sales transactions volume increased by 69.57 percent and value increased by 63.58 percent, year-on-year.
- In terms of volume, around 54.81 percent of sales transactions were in the secondary/ready market and 45.19 percent were in the off-plan market.

August 2022 Mo'asher Results

- Overall monthly Index recorded 1.348 and an index price of AED 1,311,362.
- Apartments monthly Index recorded 1.428 and an index price of AED 1,229,308.
- Villas/Townhouses monthly Index recorded 1.343 and an index price of AED 2,158,214.

"August 2022 had witnessed the highest transactions for a month for a decade which overshot the highest peak Transactions that were achieved in October 2013, with an outstanding increase of 37.11 percent compared to July 2022".
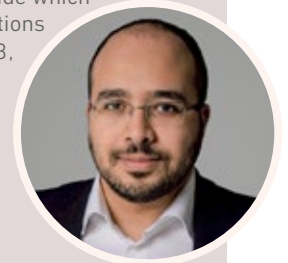
Fouad Bekkar

VP of Data & AI
Property Finder Group

"August 2022, sales transactions marked a 69.57 percent increase year-on-year and a 63.58 percent increase for sales value compared to August 2022 recording the best monthly performance over a decade".

Latifa Ibrahim Ahmed

Senior Director of Real Estate Studies & Research Dept.
Dubai Land Department

In August 2022, Dubai's real estate market registered 9,720 sales transactions, with a significant increase of 69.57 percent compared to august 2021, which recorded the highest performance for a month ever recorded in the last 10 years.

The secondary market still captures the largest transactions by 54.81 percent in terms of volume and 64.91 percent in terms of value. The secondary market witnessed the highest transactions volume ever reached in a month through the last decade which increased by 67.55 percent in terms of volume compared to August 2021, and around 57.35 percent in terms of value.

The off-plan sales transactions reached the highest transactions volume as well ever reached in a month which increased by 72.10 percent in terms of volume compared to August 2021, and around 76.50 percent in terms of value.

With regards to the apartments, the total sales transactions represented around 84.41 percent, whereas the villas/townhouses represented around 15.58 percent according to Property Finder's proprietary data.

Top Areas by demand

According to Property Finder's proprietary data, the top areas searched for sales in August were Dubai Marina, Downtown Dubai, Business Bay, Palm Jumeirah, Jumeirah Village Circle, and Jumeirah Lake Towers. The top overall searched areas for villa/townhouse sales in August were Dubai Hills Estate, Palm Jumeirah, Arabian Ranches, DAMAC Hills (Akoya by DAMAC), Mohamed bin Rashid City and Dubai Land.

DUBAI SALES PRICE INDEX
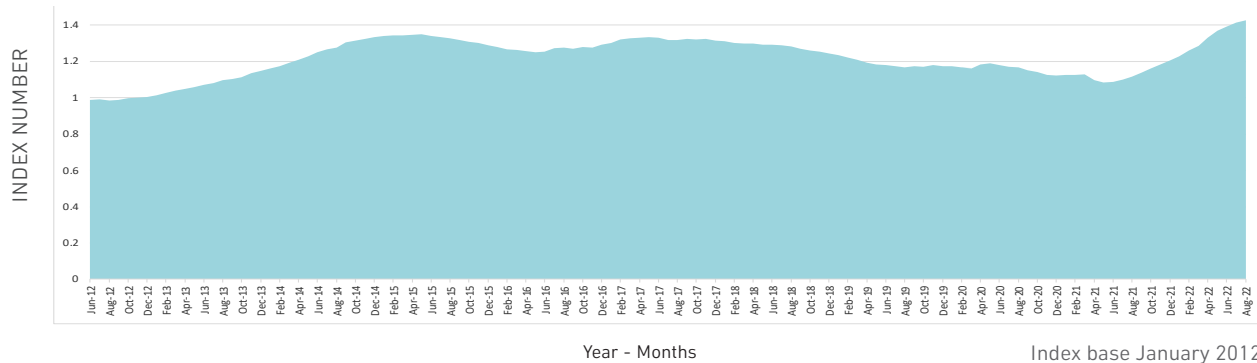## MONTHLY

DUBAI OVERALL INDEX

Year - Months

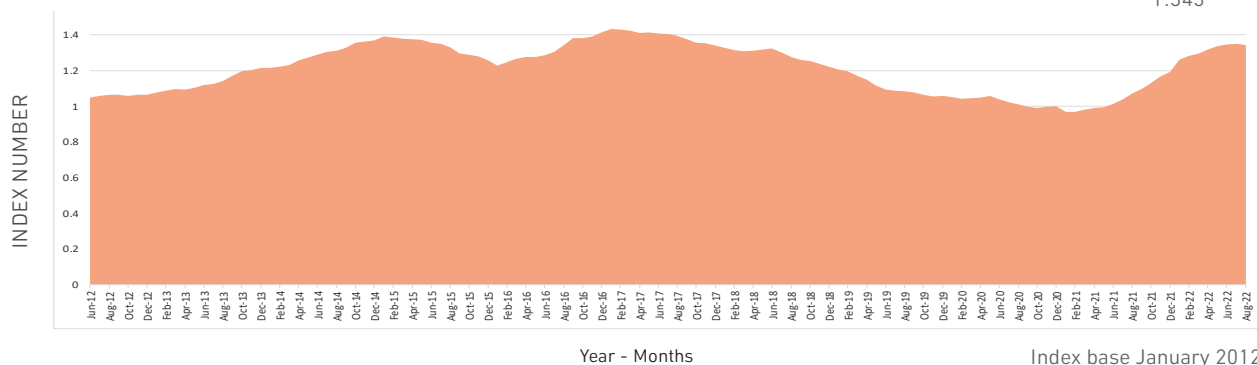Index base January 2012
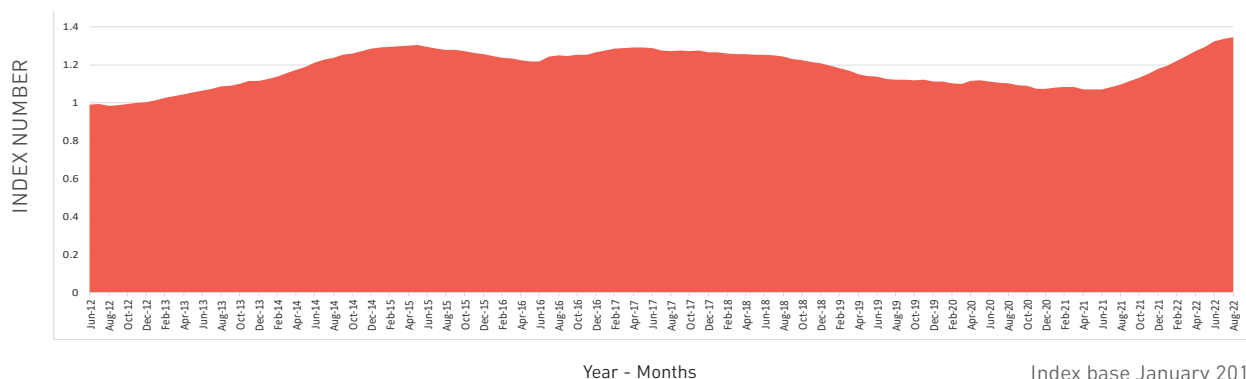
DUBAI APARTMENTS INDEX

Year - Months

Index base January 2012

DUBAI VILLAS/TOWNHOUSES INDEX

Year - Months

Index base January 2012

DUBAI OVERALL MONTHLY INDEX

In August 2022 the overall monthly Index recorded 1.348 and an index price of AED 1,311,362.

Month-on-Month	+ 0.75%
3 Month Change	+ 4.01%
6 Month Change	+ 10.31%

DUBAI APARTMENTS MONTHLY INDEX

In August 2022 the Apartments monthly Index recorded 1.428 and an index price of AED 1,229,308.

Month-on-Month	+ 0.99%
3 Month Change	+ 4.39%
6 Month Change	+ 13.42%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In August 2022 the villas/townhouses monthly Index recorded 1.343 and an index price of AED 2,158,214.

Month-on-Month	- 0.44%
3 Month Change	+ 0.37%
6 Month Change	+ 4.60%

METHODOLOGY

House price indices serve as important guides that consumers, financial institutions, governments and investors look to in order to understand the market movements of a particular city or country's housing market. An index will allow one to show the value of an asset over time by tracking its performance. An index is created by selecting a base year in a data set and then indexing that number as 100, which is the natural base for what all other price points will be measured against. When an index is updated monthly it will produce an updated average house price as well as the % changes in price for a given time period such as the last three months, six months or twelve months.

Mo'asher will be created using a hedonic regression model, which is a model that is based on attributes such as view, property size, number of bedrooms and other important features in a property that have an impact on its value. These methods utilize information on the relevant property characteristics to estimate quality-adjusted price indices using regression techniques, though it may prove difficult to sufficient control for location. One of the challenges of building a property price index is to isolate the effect of the properties price change over time. Nevertheless, this is challenging because the quality mix in the real estate market is diverse. The characteristics of every property is unique, and it is hard to keep track of individual property features because they continue to be upgraded or modified without informing the authorities.

HEDONIC IMPUTATION INDEX

Hedonic imputation indices use predicted prices, evaluated at fixed characteristics, based on the hedonic regressions for all time periods. In doing so, it is possible to evaluate the period t prices of properties sold in period 0. There are multiple imputation techniques, but three common ones are: Laspeyres, Paasche and Fisher.

$$P_{laspeyres}^{0t} = \frac{\beta_0^t + \sum_{k=1}^{K} \beta_k^t z_{nk}^0}{\beta_0^0 + \sum_{k=1}^{K} \beta_k^0 z_{nk}^0}$$

LASPEREYES

The Laspeyres method imputes period t prices for the properties belonging to the base period sample S(0), evaluated at base period characteristics to control for quality changes. It is also known as a base period weighted index, and it provides a meaningful comparison over time. It helps answer the following question: what would be the relative price today of a real estate unit that was typically offered for sale in the base month.

The hedonic imputation Laspeyres index is an example of a single imputation index in which the observed prices are left unchanged. Using the Laspeyre method, assuming that the log-linear hedonic model holds true for all t periods, the quality-adjusted price in period t is defined as:

$$P_{paasche}^{\ 0t} = \frac{\beta_0^{\ t} + \sum_{k=1}^{K} \beta_k^{\ t} z_{nk}^{\ t}}{\beta_0^{\ 0} + \sum_{k=1}^{K} \beta_k^{\ 0} z_{nk}^{\ t}}$$

PAASCHE

The Paasche method imputes base period prices for the properties belonging to the period t sample S(t) , evaluated at period t characteristics. It is also known as a current period weighted index, and reflects current trends. It helps answer the following question: what is the price of a typical real estate unit today relative to the price of the same unit in the base month?

The hedonic imputation Paasche index is an example of a single imputation index in which the observed prices are left unchanged. Assuming that the log-linear hedonic model holds true for all t periods, the quality-adjusted price Paasche index is defined as:

$$P_{fisher}^{\ 0t} = \sqrt{\left[P_{laspeyres}^{\ 0t} \cdot P_{paasche}^{\ 0t} \right]}$$

FISHER

The hedonic double imputation Fisher index is found by taking the geometric mean of the Laspeyres Price Index and the Paasche Price Index. It is deemed the ideal index as it corrects the positive price bias in the Laspeyres Price Index and the negative price bias in the Paasche Price Index.

Assuming that the log-linear hedonic model holds true for all t periods, the Fisher Price Index is defined as:

The Dubai House Price Indices are calculated using the hedonic double imputation Fisher index.

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