



MO'ASHER

The Official Rental
Performance Index for
the Emirate of Dubai
SEPTEMBER 2022



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THE OFFICIAL RENTAL PERFORMANCE INDEX

Key Findings For September 2022

- September had a total of 50,775 rental contracts of which 59.26 percent of contracts were new and 40.74 percent were renewals.
- In September, 88.56 percent were annual contracts while 11.44 percent were Non-annual contracts.
- 71.59 percent were registered for residential purposes while 27.40 percent were for commercial purposes.
- Q3 2022 had a total of 140,685 rental contracts of which 58.71 percent of contracts were new and 41.29 percent were renewals.
- In Q3, 87.33 percent were annual contracts while 12.67 percent were Non-annual contracts.
- In Q3, 71.78 percent contracted for residential purposes while 27.12 percent were registered for commercial purposes.

September 2022 Mo'asher results

- Overall monthly Index recorded 0.988 and an index price of AED 54,570.
- Apartments monthly Index recorded 0.994 and an index price of AED 49,659.
- Villas/Townhouses monthly Index recorded 0.910 and an index price of AED 140,111.
- Overall quarterly Index recorded 0.988 and an index price of AED 53,843.
- Apartments quarterly Index recorded 1.011 and an index price of AED 49,001.
- Villas/Townhouses quarterly Index recorded 0.883 and an index price of AED 137,828.

"Q3 2022 witnessed a 13.59 percent increase compared to Q2 2022, driven by the quarter-on-quarter growth of the rental contracts for residential and commercial purposes."

Fouad Bekkar

VP of Data & AI
Property Finder Group



"The registered leases for residential purposes in Q3 witnessed an 11.80 percent increase compared to Q2 2022, to represent 71.78 percent of the total contracts, while 27.12 percent were registered for commercial purposes which rose by 17.67 percent compared to Q2 2022."

Latifa Ibrahim Ahmed

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



In September, the tenancy market reached 50,775 registered leases of which 59.26 percent were new contracts while 40.74 percent were renewed. The annual contracts acquired 88.56 percent of the total contracts while 11.44 percent were non-annual.

The registered leases for residential purposes acquired around 71.59 percent of the total contracts, while 27.40 percent were registered for commercial purposes.

September's rental contracts witnessed a 7.55 percent increase compared to August 2022, supported by the new contracts which increased by 5.30 percent compared to August 2022. Furthermore, the annual contracts grew by 9.13 percent on a monthly basis and 4.88 percent Year-on-Year, while the rental leases for commercial purposes witnessed an increase of 4.63 percent compared to August 2022. moreover, the rental leases for residential purposes increased by 8.56 percent on a monthly basis.

Q3 2022

In Q3, The rental market reached 140,685 leases compared to 123,856 contracts in Q2 2022, the tenancy leases rose by 13.59 percent, where 58.71 percent were new contracts while 41.29 percent were renew leases.

Looking at the timeframe for the contracts in Q3, the annual rents reached 122,866 contracts which rose by 21.85 percent compared to Q2 2022 to represent 87.33 percent of the contracts while 12.67 percent were non-annual contracts.

The registered leases for residential purposes in Q3 witnessed an 11.80 percent increase compared to Q2 2022, to represent 71.78 percent of the total contracts, while 27.12 percent were registered for commercial purposes which rose by 17.67 percent compared to Q2 2022.

Top Areas by Ejari Registrations

The top areas according to Ejari Registrations for the most rental transactions in September 2022 were Jabal Ali First (1,873 contracts), Business Bay (1,701), Marsa Dubai (1,660), Al Barsha South Fourth (1,638), Al Barsha first (1,555) and Al Warsan First (1,535).

Top Areas by Demand

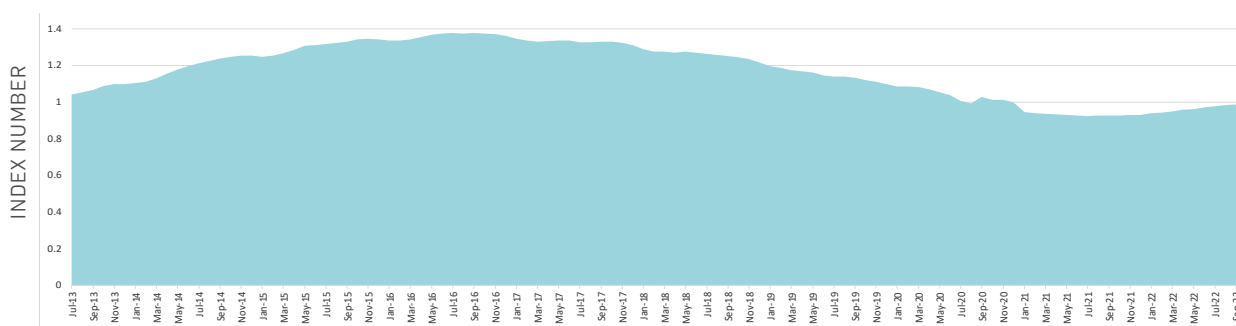
According to Property Finder proprietary data, the top searched areas for apartment rentals in September were Dubai Marina, Downtown Dubai, Business Bay, Jumeirah Village Circle, and Jumeirah Lake Towers. While the top searched areas for villas/townhouses were Dubai Hills Estate, Jumeirah, Akoya, Al Barsha, and Arabian Ranches.



DUBAI RENTAL PERFORMANCE INDEX MONTHLY

DUBAI OVERALL INDEX

INDEX VALUE
September 2022
0.988

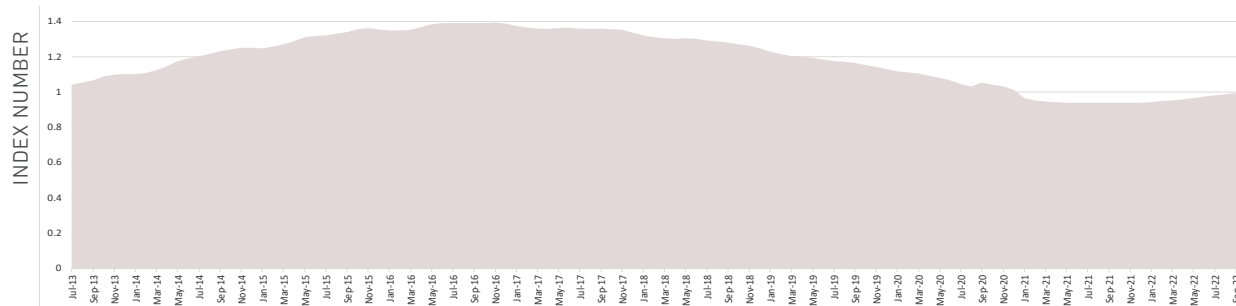


Year - Months

Index base January 2013

DUBAI APARTMENTS INDEX

INDEX VALUE
September 2022
0.994

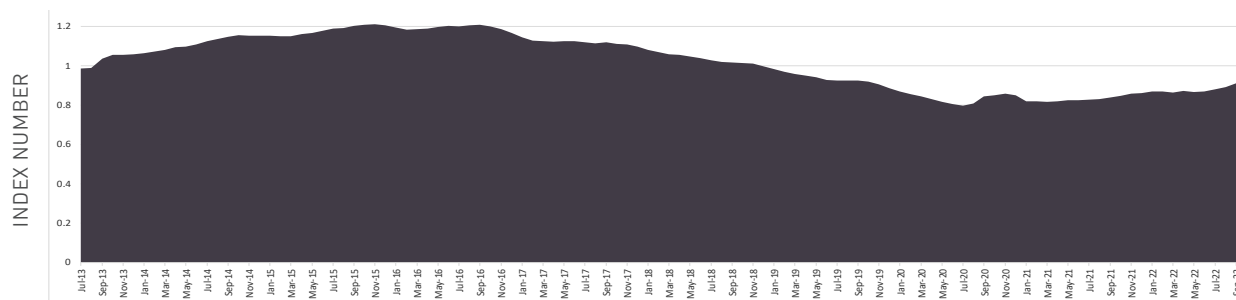


Year - Months

Index base January 2013

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
September 2022
0.910



Year - Months

Index base January 2013

DUBAI OVERALL MONTHLY INDEX

In September 2022 the Overall monthly Index recorded 0.988 and an index price of AED 54,570.

Month-on-Month	+ 0.61%
3 Month Change	+ 1.86%
6 Month Change	+ 4.00%

DUBAI APARTMENTS MONTHLY INDEX

In September 2022 the Apartments monthly Index recorded 0.994 and an index price of AED 49,659.

Month-on-Month	+ 0.61%
3 Month Change	+ 2.05%
6 Month Change	+ 4.30%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In September 2022 the Villas/Townhouses monthly Index recorded 0.910 and an index price of AED 140,111.

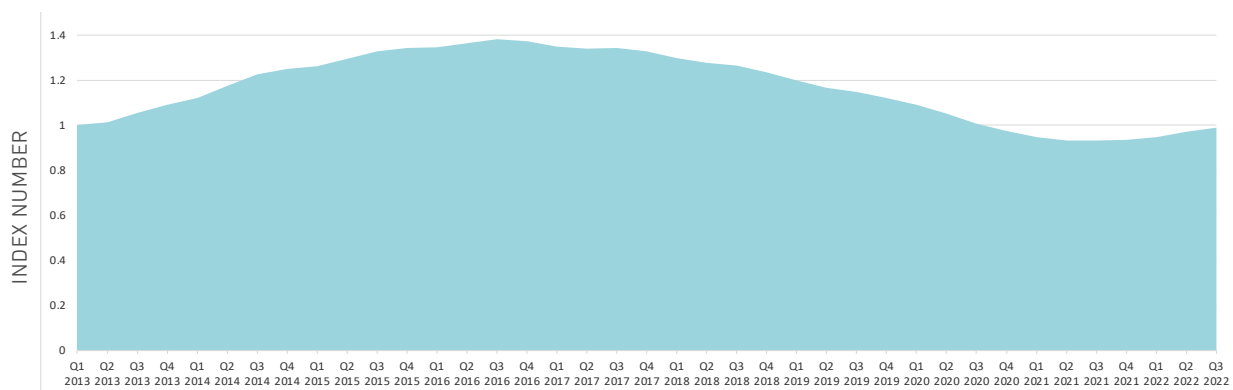
Month-on-Month	+ 2.13%
3 Month Change	+ 4.60%
6 Month Change	+ 5.20%



DUBAI RENTAL PERFORMANCE INDEX QUARTERLY

DUBAI OVERALL INDEX

INDEX VALUE
Q3 2022
0.988

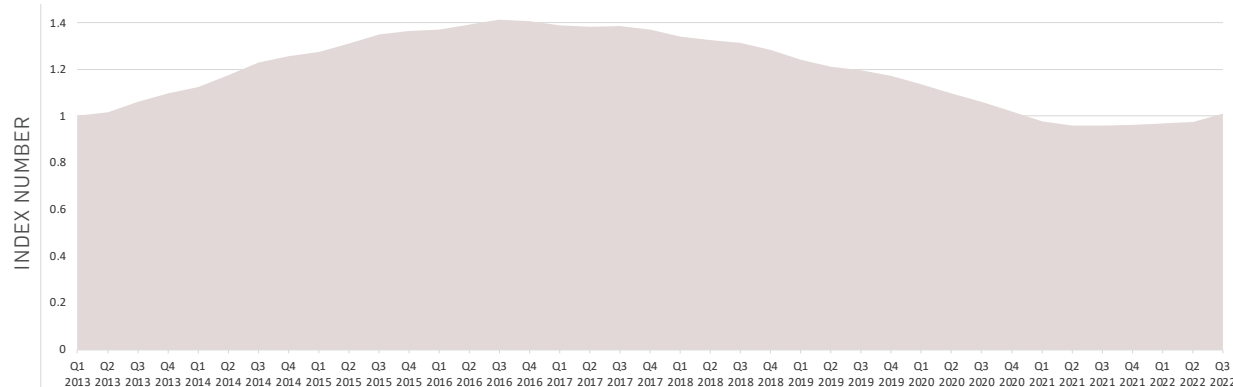


Year - Quarter

Index base Q1 2013

DUBAI APARTMENTS INDEX

INDEX VALUE
Q3 2022
1.011

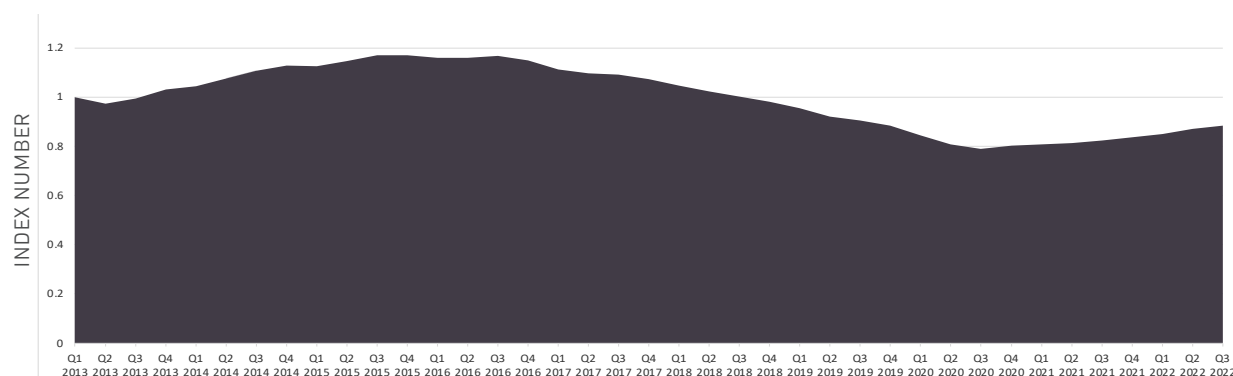


Year - Quarter

Index base Q1 2013

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
Q3 2022
0.883



Year - Quarter

Index base Q1 2013

DUBAI OVERALL QUARTERLY INDEX

In Q3 2022 the Overall Quarterly Index recorded 0.988 and an index price of AED 53,843.

Quarter-on-Quarter	+ 2.17%
6 Month Change	+ 4.33%
9 Month Change	+ 5.67%

DUBAI APARTMENTS QUARTERLY INDEX

In Q3 2022 the Apartments Quarterly Index recorded 1.011 and an index price of AED 49,001.

Quarter-on-Quarter	+ 2.64%
6 Month Change	+ 4.66%
9 Month Change	+ 5.31%

DUBAI VILLAS/TOWNHOUSES QUARTERLY INDEX

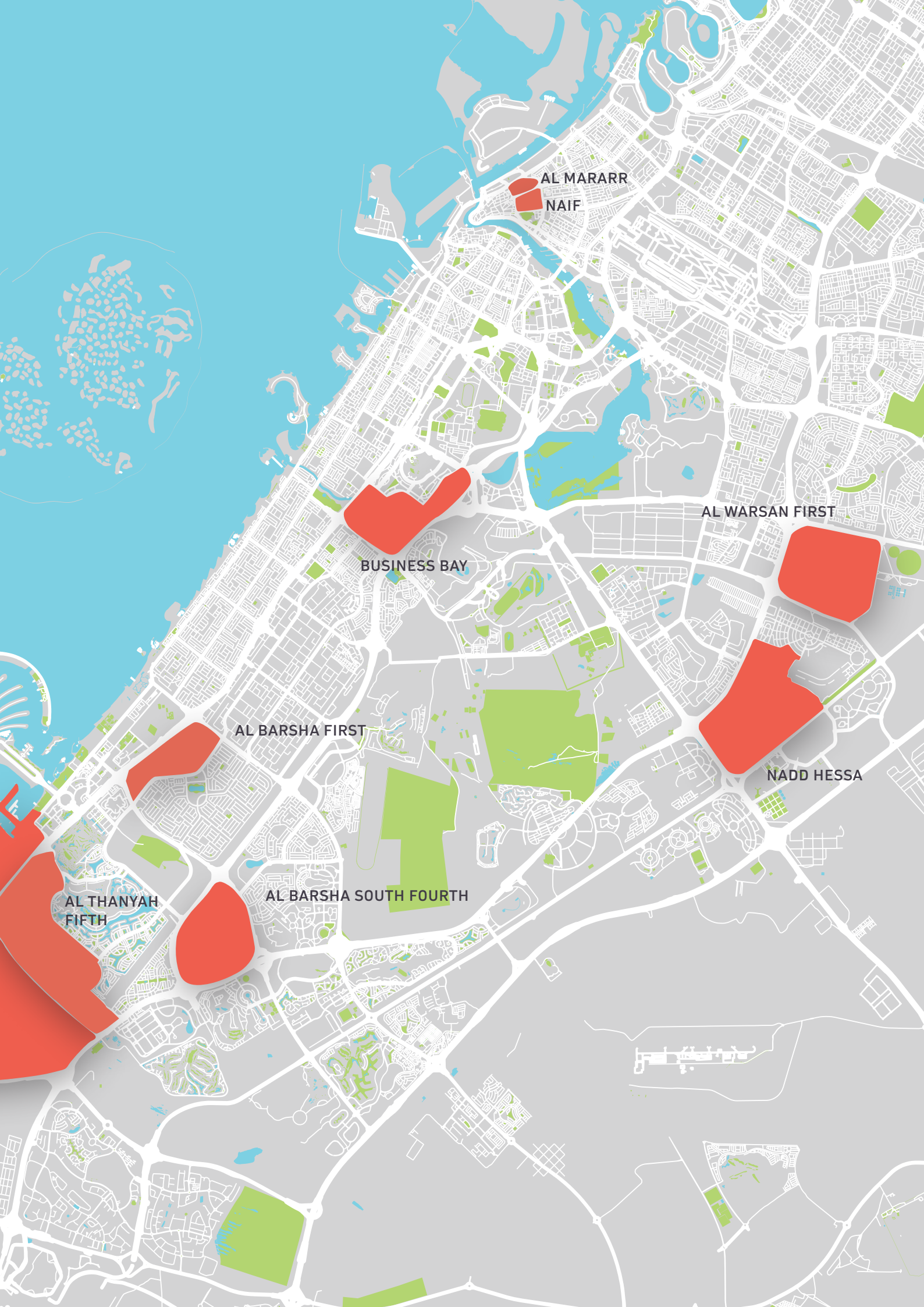
In Q3 2022 the Villas/Townhouses Quarterly Index recorded 0.883 and an index price of AED 137,828.

Quarter-on-Quarter	+ 2.91%
6 Month Change	+ 3.76%
9 Month Change	+ 5.62%

TOP AREAS FOR RENTAL TRANSACTIONS SEPTEMBER 2022

Jabal Ali First	1,873 Transactions
Business Bay	1,701 Transactions
Marsa Dubai	1,660 Transactions
Al Barsha South Fourth	1,638 Transactions
Al Barsha First	1,555 Transactions
Al Warsan First	1,535 Transactions
Al Mararr	1,433 Transactions
Nadd Hessa	1,414 Transactions
Al Thanyah Fifth	1,097 Transactions
Naif	1,036 Transactions





AL MARARR
NAIF

BUSINESS BAY

AL WARSAN FIRST

AL BARSHA FIRST

NADD HESSA

AL THANYAH
FIFTH

AL BARSHA SOUTH FOURTH



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:

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

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.



Disclaimer

At present, we do not provide any accuracy metrics, and although all due care and statistical rigour is taken with the index generation, we do not claim any forecast accuracy. Property Finder and the Dubai Land Department reserve the right to adjust methodologies at any given time, and these changes will be published with appropriate user notes. Users seeking financial guidance from the RPPI do so at their own risk and should note that some external macroeconomic features will not be captured in the model.

The RPPI should not be used for any commercial purposes, including pricing and investment decision making or performance measurement.

You can download a copy of the index from www.datafinder.ae

RESEARCH

Fouad Bekkar

VP of Data & AI
Property Finder
fouad@propertyfinder.ae

Aasem Abou-Elezz

Data & Market Insights
Manager
Property Finder
Aasem@propertyfinder.ae

Ahmed Mohammed Aloqal

Senior Statistical Analyst
Department of Real-Estate Studies and Research
Dubai Land Department
ahmed@dubailand.gov.ae

MARKETING

Raghad El Assi

Head of PR and Corporate
Communications
Property Finder
raghad.elassi@propertyfinder.ae

Manal Mahmoud Haroun

Corporate Communication Officer
Dubai Land Department
manal.haroun@dubailand.gov.ae