



MO'ASHER

The Official Sales Price Index
for the Emirate of Dubai

SEPTEMBER 2022



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MO'ASHER THE OFFICIAL SALES PRICE INDEX

Key Findings For September 2022

- September 2022 had 8,649 transactions worth AED 24.417 billion.
- Year-on-Year increase in sales value by 51.66 percent, and an increase in sales volume by 52 percent.
- 48.68 percent of sales transactions were in the secondary/ready market and 51.32 percent were off-plan in terms of volume.
- Q3 2022 had 25,456 transactions worth AED 69.725 billion.
- Q3 2022 compared to the same quarter in 2021, the market witnessed an increase in sales volume by 61.69 percent.
- In Q3, 53.90 percent of sales transactions were in the secondary/ready market and 46.10 percent were off-plan.

September 2022 Mo'asher Results

- The overall monthly Index recorded 1.358 and an index price of AED 1,316,023.
- Apartments monthly Index recorded 1.442 and an index price of AED 1,240,859.
- Villas/Townhouses monthly Index recorded 1.353 and an index price of AED 2,176,692.
- Overall quarterly Index recorded 1.383 and an index price of AED 1,315,810.
- Apartments quarterly Index recorded 1.444 and an index price of AED 1,232,604.
- Villas/Townhouses quarterly Index recorded 1.276 and an index price of AED 2,134,295.

"The year to date, the real estate sector recorded a new high crossing the market peak in 2013 by recording 68,424 transactions worth AED 184.231 billion, alongside the remarkable performance of Q3 which recorded the highest transactions for a quarter in 12 years."

Fouad Bekkar

VP of Data & AI
Property Finder Group



"The off-plan market in September witnessed an outstanding increase in terms of volume and value which rose by 80.23 percent and 94.13 percent respectively, which is considered the best performance of the off-plan market over a decade."

Latifa Ibrahim Ahmed

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



September 2022 had an outstanding performance supporting the upwards trends of the sales transactions in Dubai in 2022, the registered transactions of September reached 8,649 transactions worth AED 24.417 billion. The market in September witnessed about a 52 percent increase in terms of volume and 51.66 percent in terms of value year-on-year, to be the highest performance for the month of September over the last 12 years.

The market witnessed the highest record of the off-plan transactions in terms of volume and value, the total registered sales for the off-plan properties reached 4,439 transactions worth AED 9.755 billion, which represented 51.32 percent of the total sales transactions in terms of volume, and 39.95 percent in terms of value. Furthermore, the off-plan market witnessed an outstanding increase in terms of volume and value which rose by 80.23 percent and 94.13 percent respectively.

In September, the existing market reached 4,210 transactions worth AED 14.662 billion. The existing sales witnessed an increase of 30.46 percent in terms of volume and 32.49 percent in terms of value Month-on-Month.

The year to date, the real estate sector recorded a new high crossing the market peak in 2013 by recording 68,424 transactions worth AED 184.231 billion compared to 60,370 transactions worth AED 129.737 billion in 2021.

With regards to the apartments, the total sales transactions represented around 83.94 percent, whereas the villas/ townhouses represented around 16.06 percent according to Property Finder's proprietary data.

Q3 2022

Q3 2022 recorded a remarkable performance for a quarter over the last decade, the registered sales reached 25,456 transactions worth AED 69.725 billion to be the highest record for a quarter in 12 years, the sales transactions considerably increased by 13.26 percent in terms of volume and 17.86 percent in terms of value on a quarterly basis, alongside a 61.69 percent increase Year-on-Year basis for sales transactions and a 65.64 percent increase in terms of the value of the transactions.

In Q3, 53.90 percent of all transactions were for secondary/ready properties and 46.10 percent were for off-plan properties in terms of volume. The off-plan market transacted 11,735 properties worth a total of AED 24.458 billion and the secondary market transacted 13,721 properties worth a total of AED 45.267 billion. Comparing this to Q2 2022, the off-plan transactions in Q3 increased by 29.63 percent, and the secondary/ready property transactions increased by 2.22 percent.

Top Areas by demand

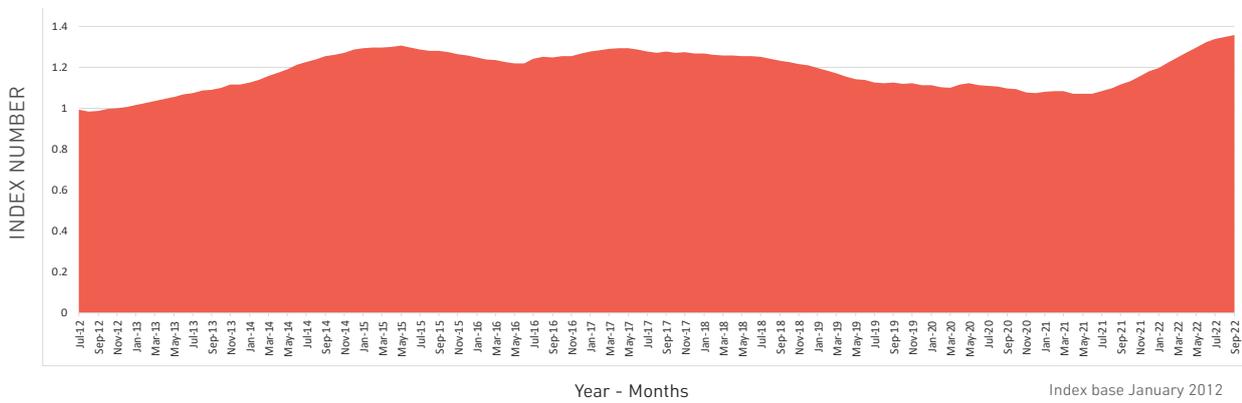
According to Property Finder's proprietary data, the top areas searched for sales in September were Dubai Marina, Downtown Dubai, Business Bay, Palm Jumeirah, Jumeirah Village Circle, and Jumeirah Lake Towers. The top overall searched areas for villa/townhouse sales in September were Dubai Hills Estate,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



DUBAI SALES PRICE INDEX MONTHLY

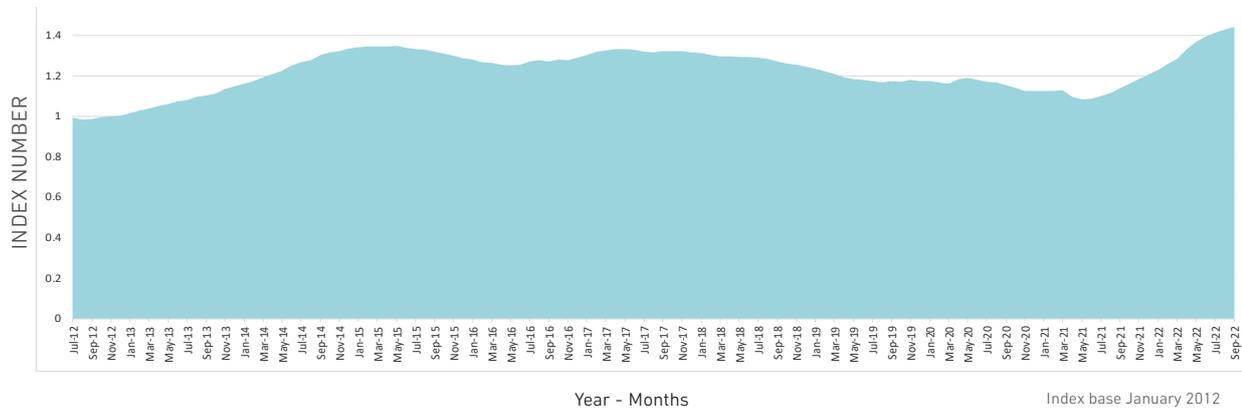
DUBAI OVERALL INDEX

INDEX VALUE
September 2022
1.358



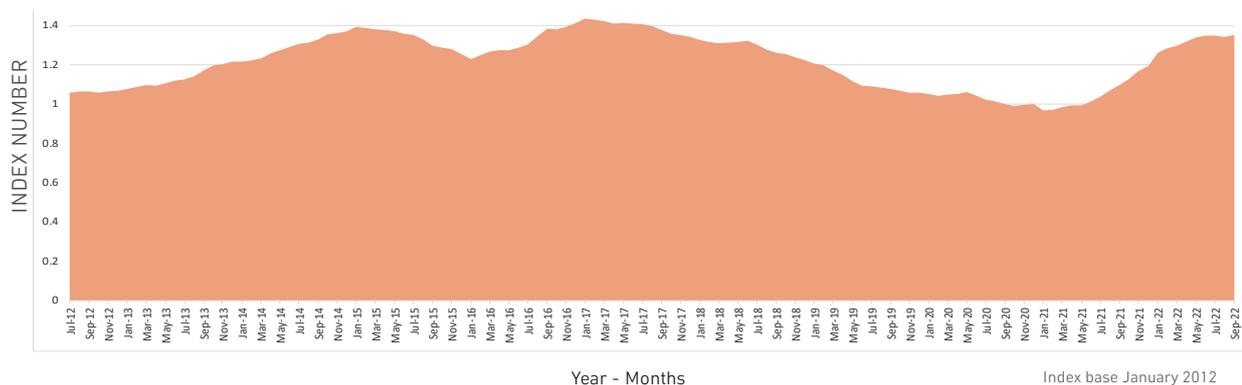
DUBAI APARTMENTS INDEX

INDEX VALUE
September 2022
1.442



DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
September 2022
1.353



DUBAI OVERALL MONTHLY INDEX

In September 2022 the overall monthly Index recorded 1.358 and an index price of AED 1,316,023.

Month-on-Month	+ 0.74%
3 Month Change	+ 2.65%
6 Month Change	+ 8.73%

DUBAI APARTMENTS MONTHLY INDEX

In September 2022 the Apartments monthly Index recorded 1.442 and an index price of AED 1,240,859.

Month-on-Month	+ 0.98%
3 Month Change	+ 3.52%
6 Month Change	+ 12.22%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In September 2022 the villas/townhouses monthly Index recorded 1.353 and an index price of AED 2,176,692.

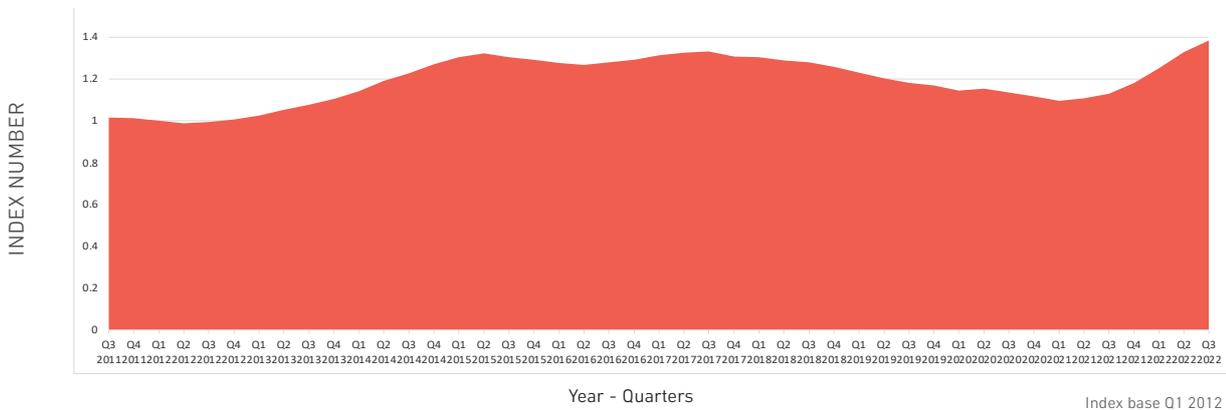
Month-on-Month	+ 0.74%
3 Month Change	+ 0.45%
6 Month Change	+ 4.32%



DUBAI SALES PRICE INDEX QUARTERLY

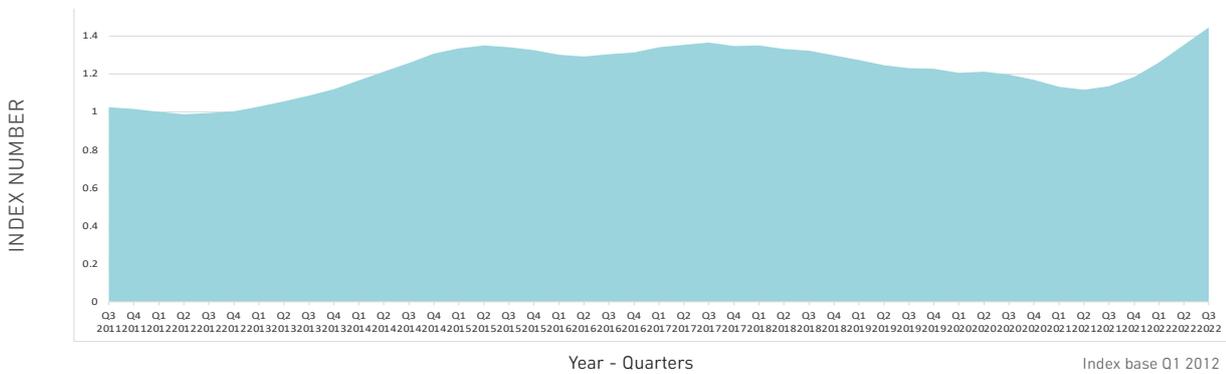
DUBAI OVERALL INDEX

INDEX VALUE
 Q3 2022
 1.383



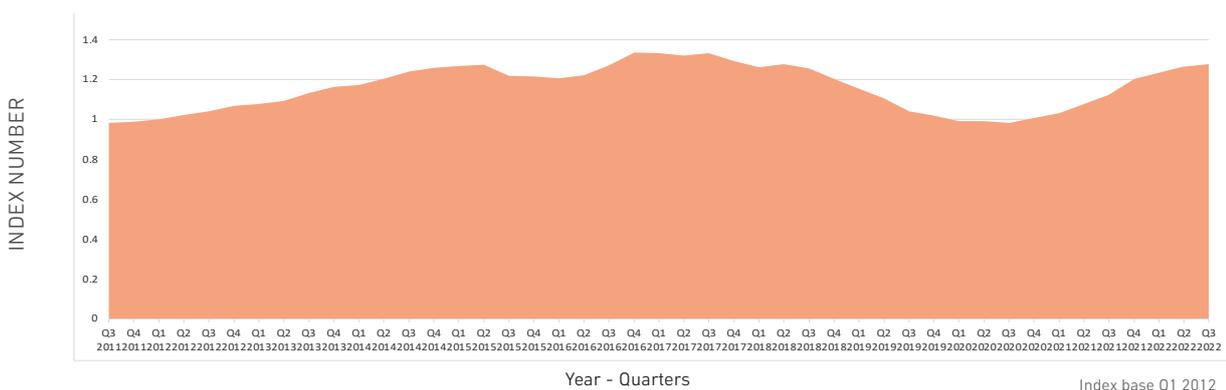
DUBAI APARTMENTS INDEX

INDEX VALUE
 Q3 2022
 1.444



DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
 Q3 2022
 1.276



DUBAI OVERALL QUARTERLY INDEX

In Q3 2022 the Overall quarterly Index recorded 1.383 and an index price of AED 1,315,810.

Quarter-on-Quarter	+ 4.14%
6 Month Change	+ 10.55%
9 Month Change	+ 17.10%

DUBAI APARTMENTS QUARTERLY INDEX

In Q3 2022 the Apartments quarterly Index recorded 1.444 and an index price of AED 1,232,604.

Quarter-on-Quarter	+ 6.80%
6 Month Change	+ 14.60%
9 Month Change	+ 21.96%

DUBAI VILLAS/TOWNHOUSES QUARTERLY INDEX

In Q3 2022 the Villas/Townhouses quarterly Index recorded 1.276 and an index price of AED 2,134,295.

Quarter-on-Quarter	+ 0.95%
6 Month Change	+ 3.40%
9 Month Change	+ 5.98%



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 DHPI do so at their own risk and should note that some external macroeconomic features will not be captured in the model.

The DHPI 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

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