MO'ASHER

The Official Sales Price Index for the Emirate of Dubai

NOVEMBER 2022

بروبرتي فايندر Property Finder

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THE OFFICIAL SALES PRICE INDEX

Key Findings For November 2022

- 10,941 transactions worth AED 30.49 billion in November 2022.

- Year-on-year increase in sales value by 70.81 percent, and an increase in sales volume by 58.45 percent.

- 53.24 percent of sales transactions were in the secondary/ready market, while off-plan contributed to 46.76 percent of the total volume.

- Year to date, 60.94 percent increase in sales transactions in terms of volume, and a 79.39 percent increase in terms of value, compared to the same period in 2021.

November 2022 Mo'asher Results

- The overall monthly Index recorded 1.387 and an index price of AED 1,334,010.

- Apartments monthly Index recorded 1.482 and an index price of AED 1,268,623.

- Villas/Townhouses monthly Index recorded 1.343 and an index price of AED 2,189,579.

"The market keeps breaking records. Sales transactions in November were the highest transactions ever recorded in a month in 12 years. The existing transactions reached 5,825 for the first time in a decade. Likewise, the off-plan market witnessed a significant increase by reaching 5,116 transactions worth AED 12.676 billion."

Fouad Bekkar

VP of Data & AI
Property Finder Group

"Year-to-date, the sales transactions recorded a remarkable performance compared to the total sales transactions in 2021 both in terms of volume and value of transactions; total sales transactions recorded a 46.09 percent increase in volume and 60.67 percent in terms of value."

Latifa Ibrahim Ahmed

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

With 10,941 registered transactions worth AED 30.49 billion, November recorded the highest performance for a month in 2022. The market witnessed a 58.45 percent year-on-year increase in terms of volume and 70.81 percent in terms of value.

Year to date, the sales transactions were remarkably higher than the total sales transactions in 2021 in terms of volume and value of transactions. While the volume of total sales transactions grew by 46.09 percent, the value grew by 60.67 percent.

The existing sales recorded the highest number of transactions not just for a month in 2022 but over 12 years by clocking 5,825 transactions worth AED 17.82 billion, recording a 54.84 percent percent increase in terms of volume and 60.85 percent in terms of value compared to November 2021.

Likewise, the off-plan market witnessed a remarkable performance for a month, with the highest off-plan transactions in 12 years. The total registered sales for off-plan properties reached 5,116 transactions worth AED 12.676 billion, representing 46.76 percent of the total sales transactions in terms of volume and 41.57 percent in terms of value.

With regards to the apartments transactions, Property Finder's data showed the total sales represented 83.88 percent, whereas the villas/townhouses represented 16.12 percent of the total.

Top Areas by demand

According to Property Finder's proprietary data, the top areas searched for apartments were Dubai Marina, Downtown Dubai, Palm Jumeirah, Business Bay, Jumeirah Village Circle and Jumeirah Lake Towers. Palm Jumeirah, Dubai Hills Estate, Arabian Ranches, DAMAC Hills (Akoya by DAMAC), and Mohammed Bin Rashid City were popular when it came to searches for villas/townhouses.

DUBAI SALES PRICE INDEX MONTHLY

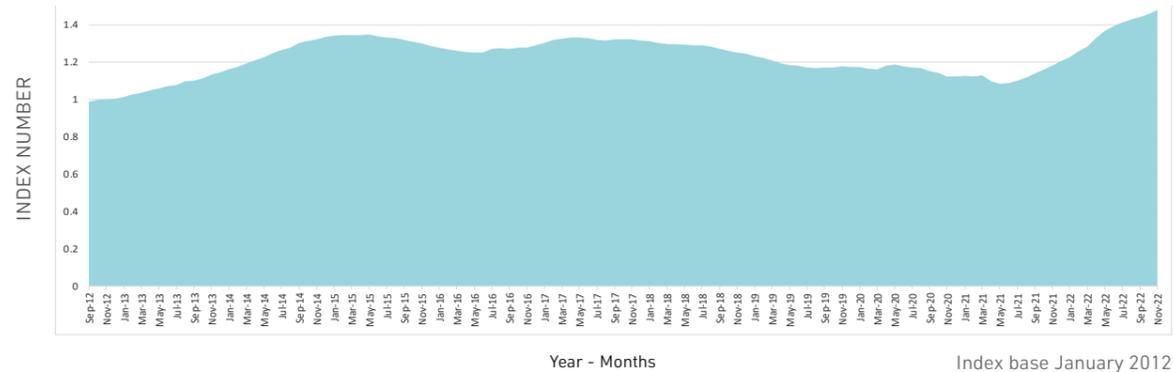## DUBAI OVERALL INDEX

INDEX VALUE
November 2022
1.387

Year – Months
Index base January 2012
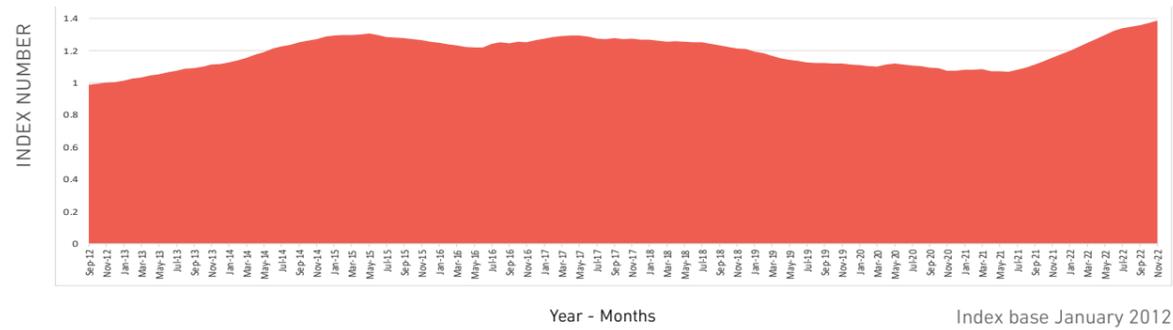
DUBAI OVERALL MONTHLY INDEX

In November 2022 the overall monthly Index recorded 1.387 and an index price of AED 1,334,010.

Month-on-Month	+ 1.17%
3 Month Change	+ 2.89%
6 Month Change	+ 7.02%

DUBAI APARTMENTS INDEX

INDEX VALUE
November 2022
1.482

Year – Months
Index base January 2012

DUBAI APARTMENTS MONTHLY INDEX

In November 2022 the Apartments monthly Index recorded 1.482 and an index price of AED 1,268,623.

Month-on-Month	+ 1.58%
3 Month Change	+ 3.78%
6 Month Change	+ 8.33%

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
November 2022
1.343

Year – Months
Index base January 2012

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In November 2022 the villas/townhouses monthly Index recorded 1.343 and an index price of AED 2,189,579.

Month-on-Month	- 0.89%
3 Month Change	+ 0.00%
6 Month Change	+ 0.37%

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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