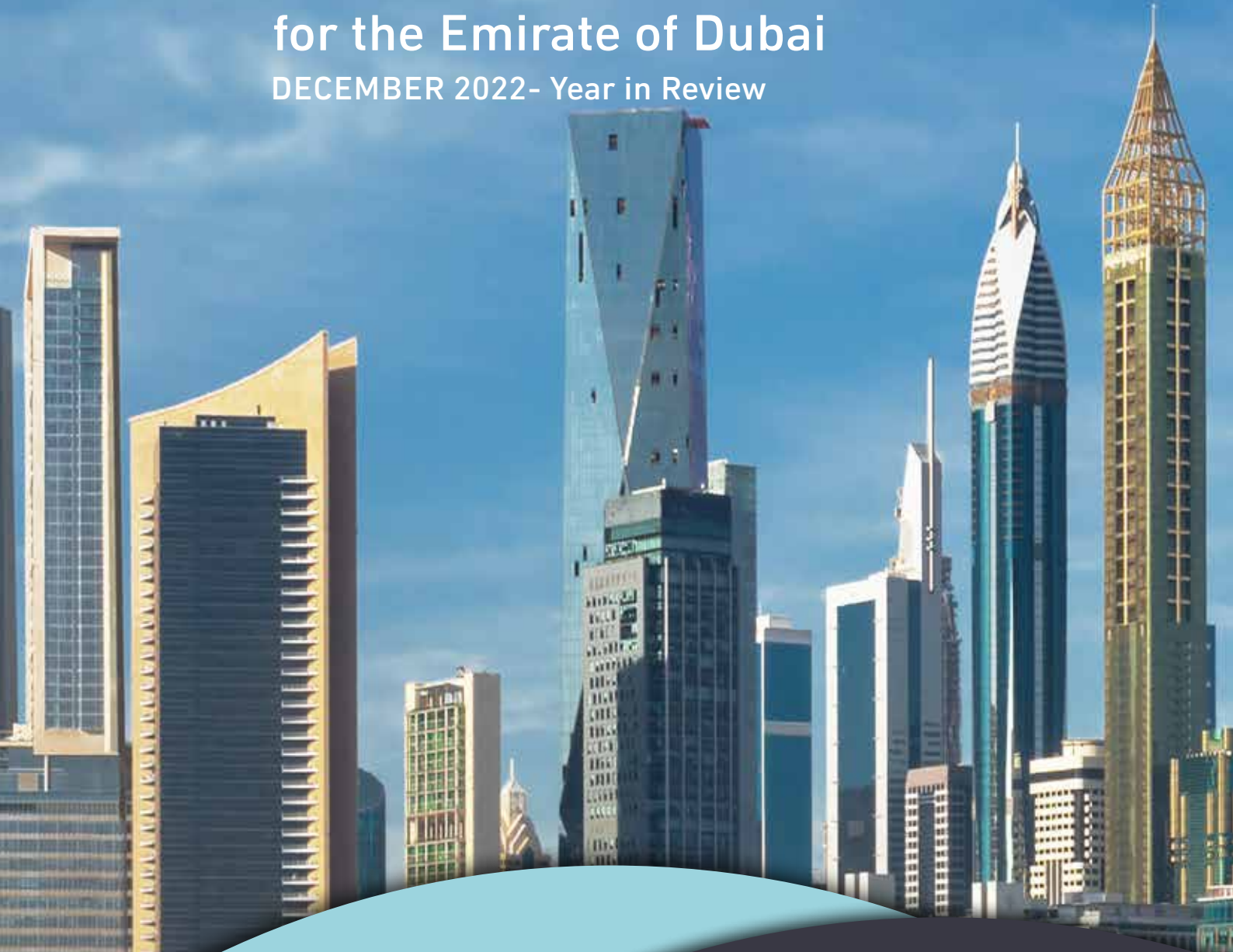




MO'ASHER

The Official Sales Price Index
for the Emirate of Dubai

DECEMBER 2022- Year in Review





MO'ASHER

The Official Sales Price Index
for the Emirate of Dubai

DECEMBER 2022

CONTENTS

| | |
|---|----|
| MO'ASHER - THE OFFICIAL SALES PRICE INDEX | 3 |
| DUBAI SALES PRICE INDEX - MONTHLY | 4 |
| DUBAI SALES PRICE INDEX - QUARTERLY | 6 |
| DUBAI SALES PRICE INDEX -YEARLY | 8 |
| METHODOLOGY | 10 |

MO'ASHER THE OFFICIAL SALES PRICE INDEX

Key Findings For December 2022

- 9,489 transactions worth AED 26.10 billion in December 2022.
- Year-on-year increase in sales value by 67.21 percent, and an increase in sales volume by 70.79 percent.
- 48.06 percent of sales transactions were in the secondary/existing market, while off-plan contributed to 51.94 percent of the total volume.

Key Findings For Q4 2022

- 29,215 transactions worth AED 82.327 billion in Q4 2022.
- Year-on-year increase in sales value by 77.10 percent, and an increase in sales volume by 64.76 percent.
- 49.45 percent of sales transactions were in the secondary/existing market, while off-plan contributed to 50.55 percent of the total volume.

Key Findings 2022

- 97,465 transactions worth AED 266.347 billion in 2022.
- Year-on-year increase in sales value by 78.10 percent, and an increase in sales volume by 61.88 percent.
- 54.91 percent of sales transactions were in the secondary/existing market, while off-plan contributed to 45.09 percent of the total volume.

Mo'asher Results:

- The overall monthly index recorded 1.396 and an index price of AED 1,339,112.
- Apartments monthly index recorded 1.495 and an index price of AED 1,276,388.
- Villas/Townhouses monthly index recorded 1.34 and an index price of AED 2,204,459.
- Overall quarterly index recorded 1.424 and an index price of AED 1,348,521.
- Apartments quarterly index recorded 1.5 and an index price of AED 1,274,625.
- Villas/Townhouses quarterly index recorded 1.296 and an index price of AED 2,176,098.

- Overall annual index recorded 1.381 and an index price of AED 1,321,154.
- Apartments annual index recorded 1.398 and an index price of AED 1,218,131.
- Villas/Townhouses annual index recorded 1.305 and an index price of AED 2,135,491.

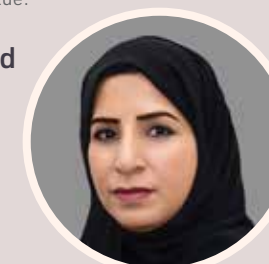
"The fourth quarter of 2022 was the strongest quarter ever recorded by registering 29,215 transactions worth AED 82,327 billion. Compared to Q4 2021, the transactions showed an increase of 64.76 percent while the value of transactions grew by 77.10 percent. On the other hand, comparing to Q3 2022, the volume of transactions increased by 14.92 percent while the value of transactions grew by 18.20 percent."

Fouad Bekkar
VP of Data & AI
Property Finder Group



"With 9,489 registered transactions worth AED 26.104 billion, December recorded the highest performance for the month of December in 12 years. The market witnessed a 70.79 percent year-on-year increase in terms of volume and 67.21 percent in terms of value."

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



Dubai's real estate market witnessed records being broken at all levels. In 2022, the market recorded 97,465 registered transactions worth AED 266,347 billion, which is remarkably higher than the total transactions recorded in 2021 by 61.88 percent in terms of volume and 78.10 percent in terms of value, to be the highest market record historically.

54.91 percent of all transactions were for secondary/existing properties, and 45.09 percent were for off-plan properties. When we look at the volume of sales transactions, the off-plan market transacted 43,951 properties worth a total of AED 94.948 billion to witness the highest record for off-plan transactions ever recorded in terms of volume and value of the sales transactions. The off-plan transactions grew by 83.67 percent compared to 2021 while the value of the transactions increased by 112.98 percent.

Likewise, the existing market witnessed a remarkable performance on an annual basis. The total registered sales for existing properties reached 53,514 transactions worth AED 171.399 billion, recording a significant increase of 47.50 percent in terms of the number of transactions while the value of the transactions grew by 63.29 percent compared to 2021.

Q4 2022

The fourth quarter of 2022 was the strongest quarter ever recorded by registering 29,215 transactions worth AED 82,327 billion; compared to Q4 2021. The transactions showed an increase of 64.76 percent while the value of transactions grew by 77.10 percent. On the other hand, compared to Q3 2022, the volume of transactions increased by 14.92 percent while the value of transactions grew by 18.20 percent.

In Q4 2022, 50.55 percent of all transactions were for off-plan properties, and 49.45 percent were for existing properties. When we look at the volume of transactions, the off-plan market transacted 14,767 properties worth a total of AED 36.089 billion which grew by 90.89 percent in terms of volume and 115.87 percent in terms of the value of the transactions

compared to Q4 2021, to be the highest quarter ever recorded for off-plan transactions.

Likewise, the existing market transactions in Q4 2022 witnessed a significant increase of 44.54 percent by registering 14,448 transactions compared to 9,996 in Q4 2021, while the value of transactions increased by 55.33 percent by recording AED 46,238 billion compared to AED 29,769 billion in Q4 2021.

December 2022

With 9,489 registered transactions worth AED 26.104 billion, December recorded the highest performance for the month of December in 12 years. The market witnessed a 70.79 percent year-on-year increase in terms of volume and 67.21 percent in terms of value.

Both existing and off-plan sales recorded an outstanding performance for the month of December in 12 years. The off-plan transactions grew by 95.29 percent and the value of the off-plan transactions increased by 109.71 percent by recording AED 11,792 billion compared to December 2021 to record a new peak in the off-plan market. While the existing properties witnessed a 50.40 percent increase compared to December 2021 in addition to a 43.29 percent increase in terms of value compared to the same period.

Property Finder's data showed that apartment sales represented 83.82 percent of the total sales, whereas villas/townhouses represented 16.18 percent of the total.

Top Areas by demand

According to Property Finder's proprietary data, the top areas searched for apartments in 2022 were Dubai Marina, Downtown Dubai, Palm Jumeirah, Business Bay, Jumeirah Village Circle and Jumeirah Beach Residence. Dubai Hills Estate, Palm Jumeirah, Arabian Ranches, Arabian Ranches 2, and DAMAC Hills (Akoya by DAMAC) were popular when it came to searches for villas/townhouses.

DUBAI SALES PRICE INDEX MONTHLY

DUBAI OVERALL INDEX

INDEX VALUE
December 2022
1.396



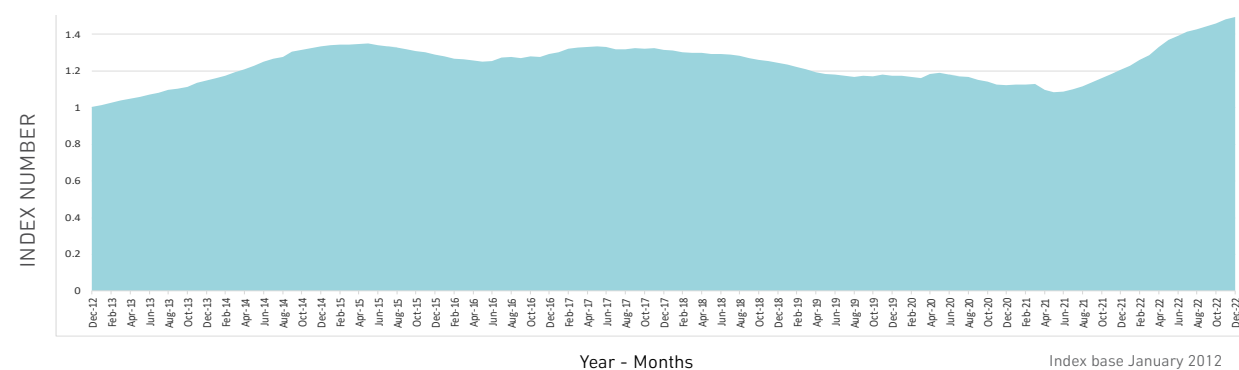
DUBAI OVERALL MONTHLY INDEX

In December 2022, the overall monthly Index recorded 1.396 and an index price of AED 1,339,112.

| | |
|----------------|---------|
| Month-on-Month | + 0.65% |
| 3 Month Change | + 2.80% |
| 6 Month Change | + 5.52% |

DUBAI APARTMENTS INDEX

INDEX VALUE
December 2022
1.495



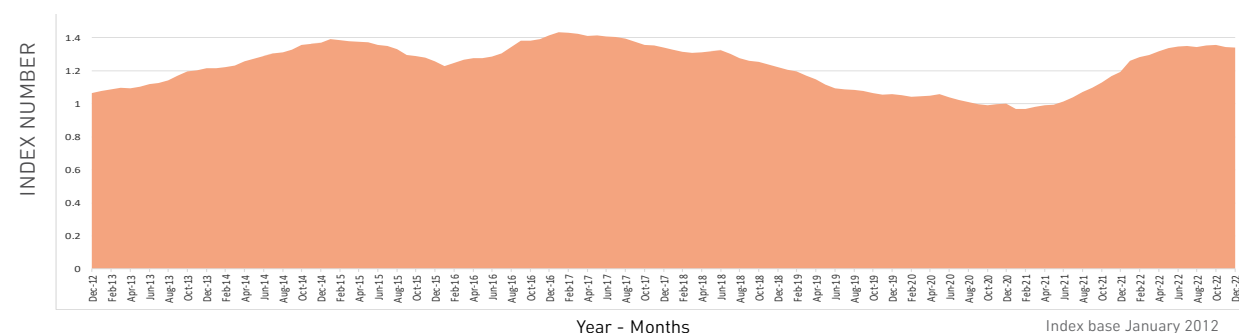
DUBAI APARTMENTS MONTHLY INDEX

In December 2022, the Apartments monthly Index recorded 1.495 and an index price of AED 1,276,388.

| | |
|----------------|---------|
| Month-on-Month | + 0.88% |
| 3 Month Change | + 3.68% |
| 6 Month Change | + 7.32% |

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
December 2022
1.340



DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

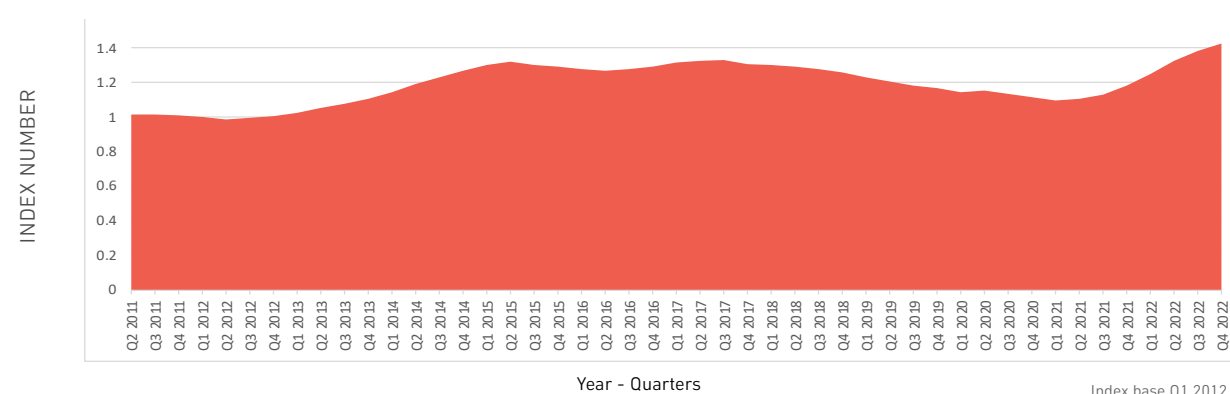
In December 2022, the villas/townhouses monthly Index recorded 1.340 and an index price of AED 2,204,459.

| | |
|----------------|---------|
| Month-on-Month | - 0.22% |
| 3 Month Change | - 0.96% |
| 6 Month Change | - 0.52% |

DUBAI SALES PRICE INDEX QUARTERLY

DUBAI OVERALL INDEX

INDEX VALUE
Q4 2022
1.424



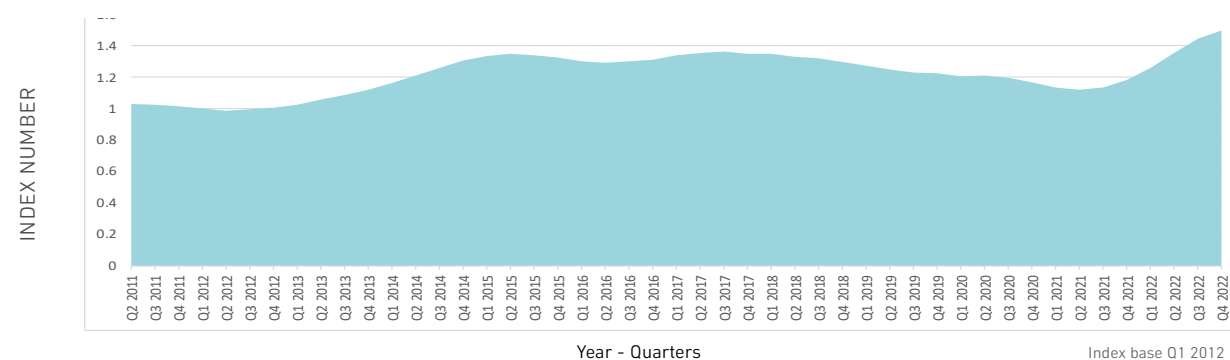
DUBAI OVERALL QUARTERLY INDEX

In Q4 2022, the Overall quarterly Index recorded 1.424 and an index price of AED 1,348,521.

| | |
|--------------------|----------|
| Quarter-on-Quarter | + 2.96% |
| 6 Month Change | + 7.23% |
| 9 Month Change | + 13.83% |

DUBAI APARTMENTS INDEX

INDEX VALUE
Q4 2022
1.5



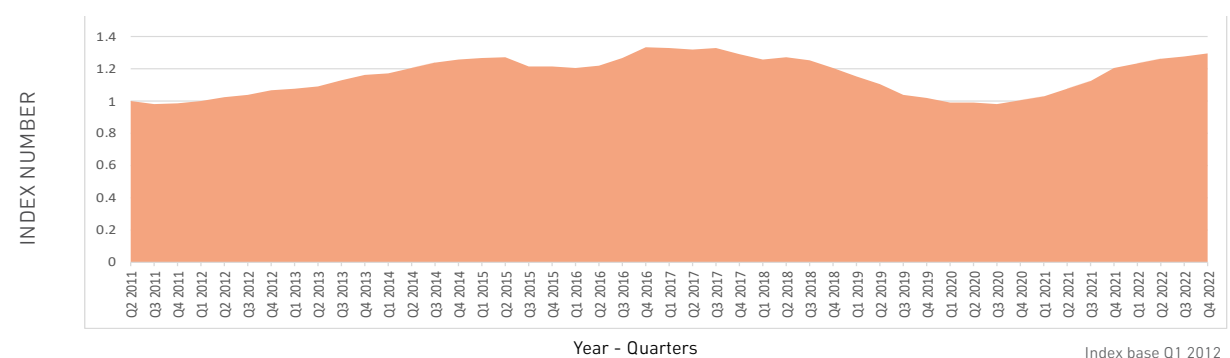
DUBAI APARTMENTS QUARTERLY INDEX

In Q4 2022, the Apartments quarterly Index recorded 1.5 and an index price of AED 1,274,625.

| | |
|--------------------|----------|
| Quarter-on-Quarter | + 3.88% |
| 6 Month Change | + 10.95% |
| 9 Month Change | + 19.05% |

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
Q4 2022
1.296



DUBAI VILLAS/TOWNHOUSES QUARTERLY INDEX

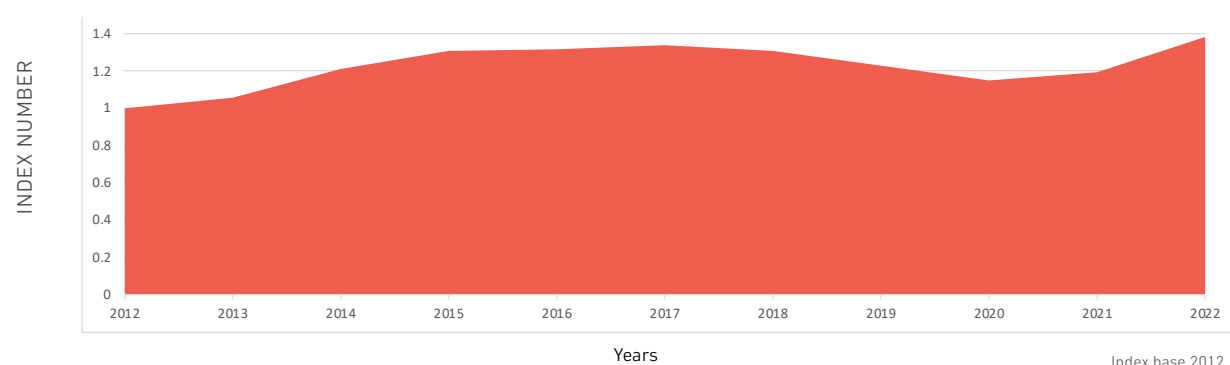
In Q4 2022, the Villas/Townhouses quarterly Index recorded 1.296 and an index price of AED 2,176,098.

| | |
|--------------------|---------|
| Quarter-on-Quarter | + 1.57% |
| 6 Month Change | + 2.53% |
| 9 Month Change | + 5.02% |

DUBAI SALES PRICE INDEX YEARLY

DUBAI OVERALL INDEX

INDEX VALUE
2022
1.381



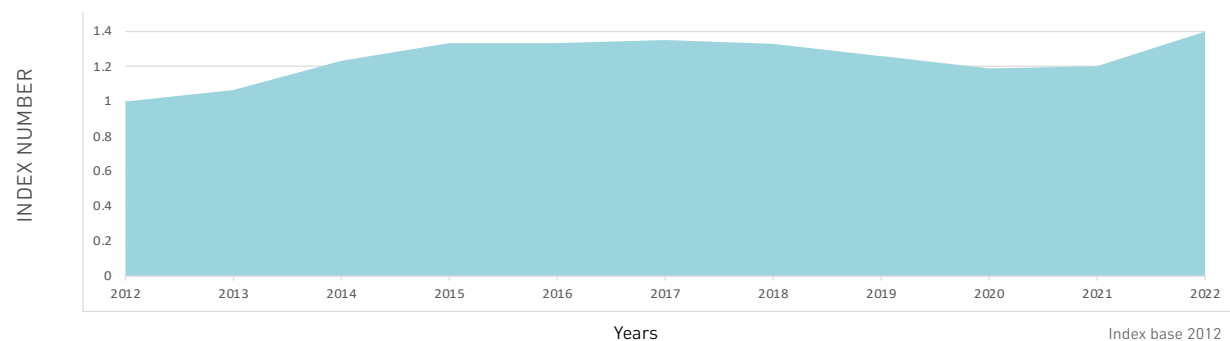
DUBAI OVERALL YEARLY INDEX

In 2022, the Overall yearly Index recorded 1.381 and an index price of AED 1,321,154.

| | |
|---------------|----------|
| Year-on-Year | + 15.76% |
| 2 Year Change | + 20.09% |
| 3 Year Change | + 12.64% |

DUBAI APARTMENTS INDEX

INDEX VALUE
2022
1.398



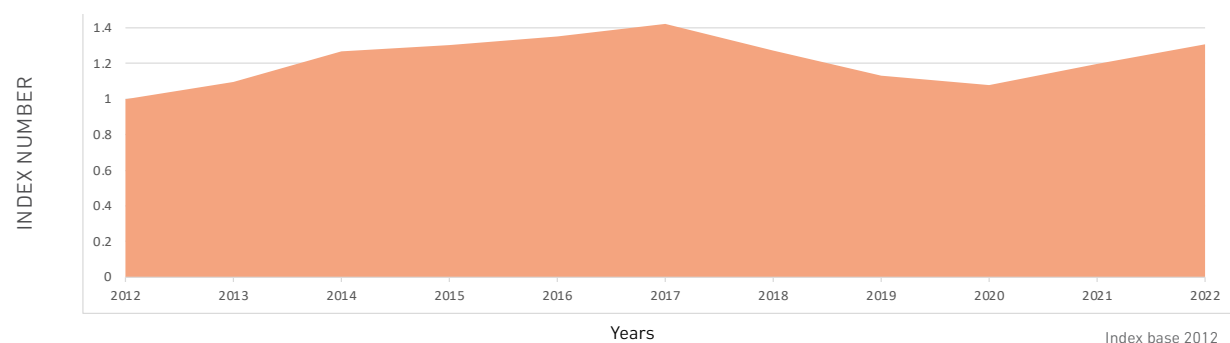
DUBAI APARTMENTS YEARLY INDEX

In 2022, the Apartments yearly Index recorded 1.398 and an index price of AED 1,218,131.

| | |
|---------------|----------|
| Year-on-Year | + 16.40% |
| 2 Year Change | + 17.88% |
| 3 Year Change | + 10.95% |

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
2022
1.305



DUBAI VILLAS/TOWNHOUSES YEARLY INDEX

In 2022, the Villas/Townhouses yearly Index recorded 1.305 and an index price of AED 2,135,491.

| | |
|---------------|----------|
| Year-on-Year | + 8.93% |
| 2 Year Change | + 21.17% |
| 3 Year Change | + 15.59% |

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.



LASPEYRES

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 Laspeyres method, assuming that the log-linear hedonic model holds true for all t periods, the quality-adjusted price in period t is defined as:

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

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:

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

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:

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

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

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