MO'ASHER

The Official Sales Price Index for the Emirate of Dubai

JUNE 2022

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CONTENTS

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DUBAI HOUSE PRICE INDEX

Key Findings For June 2022

- Q2 2022 had 22,504 transactions worth AED 59,15 billion.

- Q2 2022 compared to the same quarter in 2021, the market witnessed an increase in sales volume by 45.86 percent.

- 59.68 percent of sales transactions were in the secondary/ready market and 40.32 percent were off-plan.

- June 2022 had 8,897 transactions worth AED 22.75 billion.

- Month-on-Month increase in value by 24.8 percent, increase in sales volume was 33.97 percent.

- 60.05 percent of sales transactions were in the secondary/ready market and 39.95 percent were off-plan.

June 2022 Mo'asher Results

- Overall quarterly Index recorded 1.328 and an index price of AED 1,266,195.

- Apartments quarterly Index recorded 1.352 and an index price of AED 1,153,034.

- Villas/Townhouses quarterly Index recorded 1.264 and an index price of AED 2,112,826.

- Overall monthly Index recorded 1.323 and an index price of AED 1,288,925.

- Apartments monthly Index recorded 1.393 and an index price of AED 1,200,353.

- Villas/Townhouses monthly Index recorded 1.347 and an index price of AED 2,157,668.

June 2022 witnessed the highest total sales transactions volume since October 2013, which recorded about 8,897 transactions worth AED 22.75 billion, that considered the highest volume of sales transactions for the first half of the last ten years.

Fouad Bekkar

VP of Data & AI
Property Finder Group

"June transactions witnessed the highest performance Month on month, volume and value of transactions broke through the June 2021 peak by 42.47 percent increase in terms of volume and 55.30 percent in terms of values."

Latifa Ibrahim Ahmed

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

June 2022 had the highest total sales transactions volume since October 2013, making it the highest monthly volume of property sales transactions in nine years. June 2022 had 8,897 transactions worth AED 22.75 billion, about 33.97 percent increase compared to May 2022 in terms of volume and a 24.78 percent increase in terms of value.

June transactions witnessed the highest performance Month on month, volume and value of transactions broke through the June 2021 peak by 42.47 percent increase in terms of volume and 55.30 percent in terms of value.

High sales transaction volumes in April, May, and June of 6,966 – 6,641 and 8,897 respectively made for an outstanding Q2, which had the highest quarterly volume of sales transactions for the last decade. Q2 2022 had a total of 22,504 transactions worth AED 59.154 billion, 9.61 percent more than Q1 2022 in terms of volume and 6.77 percent more in terms of value.

This brings the year to date total to 43,035 transactions worth AED 114.556 billion. To put this into perspective, all of 2021 had a total number of 60,573 sales transactions worth AED 149.951 billion.

In June 2022, 60.05 percent of all transactions were for secondary/ready properties and 39.95 percent were for off-plan properties. When we look at the volume of transactions, the off-plan market transacted 3,554 properties worth a total of AED 7.057 billion and the secondary market transacted 5,343 properties worth AED 15.692 billion. Comparing this to May 2022, the number of off-plan transactions in June

increased by 28.96 percent, and the secondary/ready property transactions increased by 37.53 percent.

Q2 2022

Q2 2022 when compared to Q2 2021 showed an increase of 45.86 percent for volume and an increase of 61.56 percent for value. When compared to Q2 2020, Q2 2022 showed a significant increase of 318.68 percent for volume and an increase of 451.68 percent for value.

In Q2 2022, 59.68 percent of all transactions were for secondary/ready properties and 40.32 percent were for off-plan properties. When we look at the volume of transactions, the off-plan market transacted 6,025 properties worth a total of AED 18.565 billion and the secondary market transacted 13,430 properties worth a total of AED 40.589 billion. Comparing this to Q1 2022, the number of off-plan transactions in Q2 increased by 5.75 percent, and the secondary/ready property transactions increased by 12.38 percent.
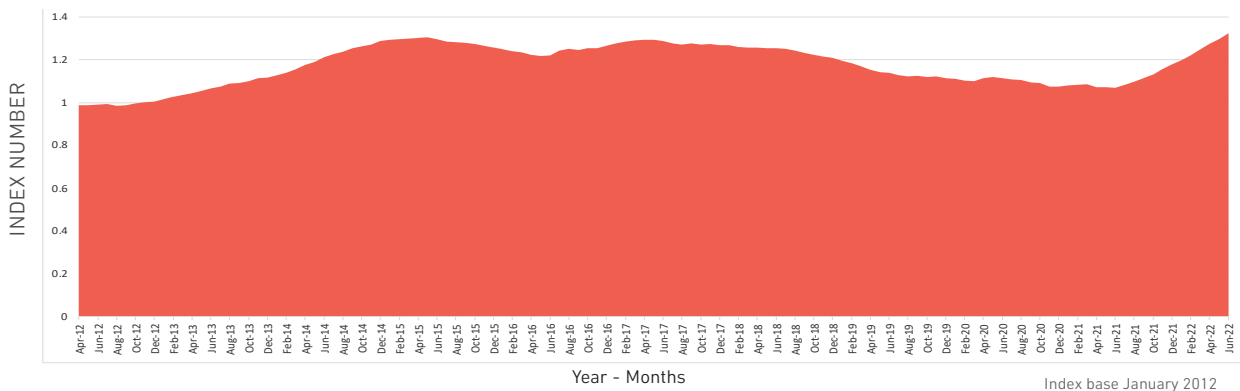
Top Areas by demand

According to Property Finder's proprietary data, the top areas searched for sales in June were Dubai Marina, Downtown Dubai, Business Bay, Palm Jumeirah, Jumeirah Village Circle, and Jumeirah Beach Residence. The top overall searched areas for villa/townhouse sales in June were Arabian Ranches 2, Arabian Ranches 3, Dubai Hills Estate, DAMAC Hills (Akoya by DAMAC), and Palm Jumeirah.

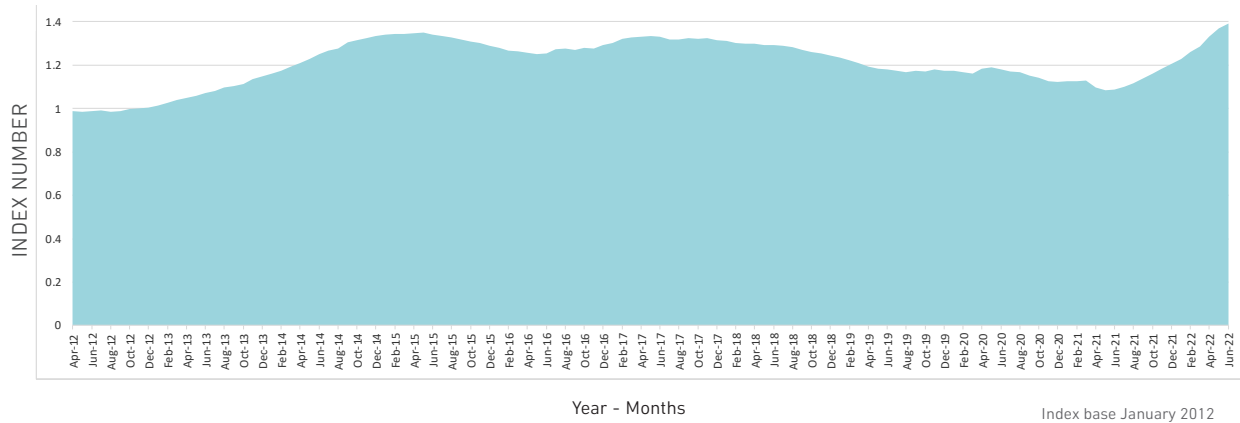# DUBAI SALES PRICE INDEX
MONTHLY
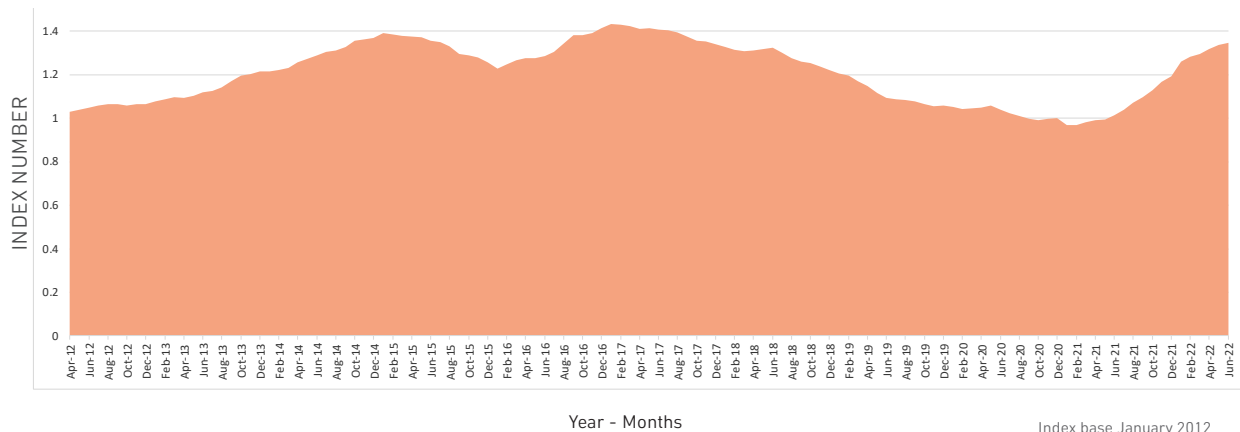
DUBAI OVERALL INDEX

INDEX VALUE
June 2022
1.323

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI APARTMENTS INDEX

INDEX VALUE
June 2022
1.393

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
June 2022
1.347

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI OVERALL MONTHLY INDEX

In June 2022 the overall monthly Index recorded 1.323 and an index price of AED 1,288,925.

Month-on-Month	+ 2.08%
3 Month Change	+ 5.92%
6 Month Change	+ 12.21%

DUBAI APARTMENTS MONTHLY INDEX

In June 2022 the Apartments monthly Index recorded 1.393 and an index price of AED 1,200,353.

Month-on-Month	+ 1.83%
3 Month Change	+ 8.40%
6 Month Change	+ 15.41%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In June 2022 the villas/townhouses monthly Index recorded 1.347 and an index price of AED 2,157,668.
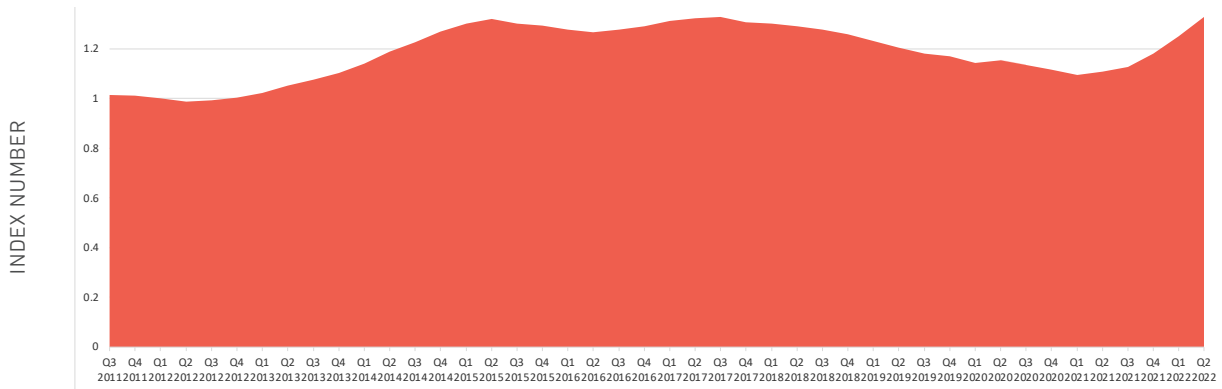
Month-on-Month	+ 0.67%
3 Month Change	+ 3.86%
6 Month Change	+ 12.91%

DUBAI SALES PRICE INDEX
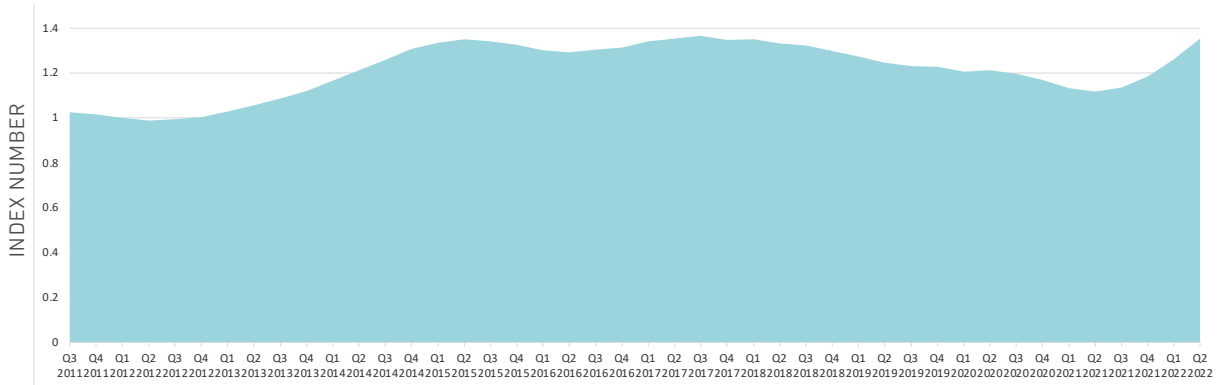## QUARTERLY

DUBAI OVERALL INDEX

INDEX VALUE
Q2 2022
1.328

INDEX NUMBER

Year - Quarters

Index base Q1 2012
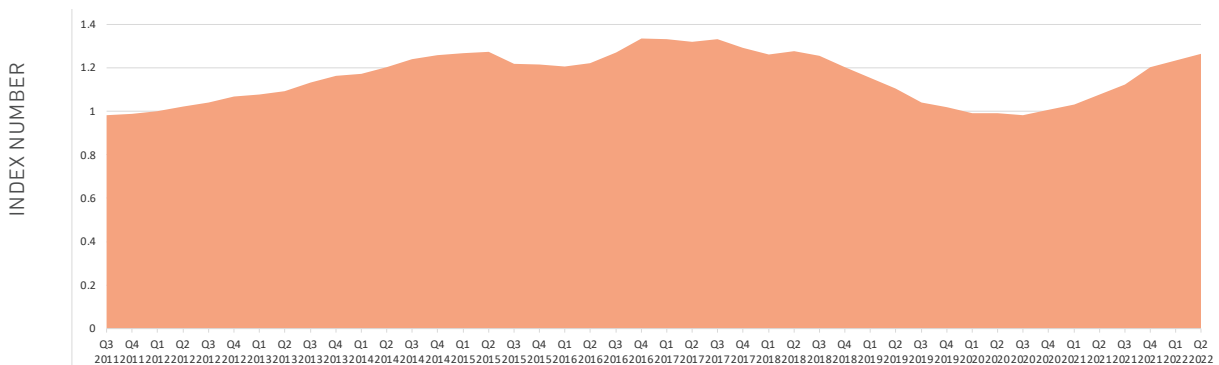
DUBAI APARTMENTS INDEX

INDEX VALUE
Q2 2022
1.352

INDEX NUMBER

Year - Quarters

Index base Q1 2012

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
Q2 2022
1.264

INDEX NUMBER

Year - Quarters

Index base Q1 2012

DUBAI OVERALL QUARTERLY INDEX

In Q2 2022 the Overall quarterly Index recorded 1.328 and an index price of AED 1,266,195.

Quarter-on-Quarter	+ 6.16%
6 Month Change	+ 12.45%
9 Month Change	+ 17.73%

DUBAI APARTMENTS QUARTERLY INDEX

In Q2 2022 the Apartments quarterly Index recorded 1.352 and an index price of AED 1,153,034.

Quarter-on-Quarter	+ 7.30%
6 Month Change	+ 14.19%
9 Month Change	+ 19.22%

DUBAI VILLAS/TOWNHOUSES QUARTERLY INDEX

In Q2 2022 the Villas/Townhouses quarterly Index recorded 1.264 and an index price of AED 2,112,826.

Quarter-on-Quarter	+ 2.43%
6 Month Change	+ 4.98%
9 Month Change	+ 12.46%

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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