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دائرةالأراضي والأملاك Land Department



MO'ASHER

The Official Sales Price Index for the Emirate of Dubai MARCH 2022

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MARCH 2022

CONTENTS

MO'ASHER - DUBAI HOUSE PRICE INDEX	3
DUBAI SALES PRICE INDEX - MONTHLY	4
DUBAI SALES PRICE INDEX - QUARTERLY	6
METHODOLOGY	8

MO'ASHER DUBAI HOUSE PRICE INDEX

Key Findings For March 2022

- 01 2022 had the highest number of real estate transactions since 2010 registered in a single quarter with a total of 25,972 transaction.
- Real estate sales in Q1 2022 registered its highest volume since Q1 2014.
- Q1 2022 had a total of 20,539 sales transactions worth AED 55.51 billion.
- The secondary market in Q1 2022 represents 58.05 percent of total sales while the off-plan market was 41.95 percent of total sales.
- March was the highest month in the past 7 years in terms of sales transactions volumes with 8,399 transactions.
- March had the highest month ever on record for sales value worth AED 22.58 billion.

March 2022 Mo'asher Results

- Overall monthly Index recorded 1.249 and an index price of AED 1,215,672.
- Overall quarterly Index recorded 1.251 and an index price of AED 1,186,002.
- Apartments monthly Index recorded 1.285 and an index price of AED 1,100,294.
- Apartments quarterly Index recorded 1.26 and an index price of AED 1,067,385.
- Villas/Townhouses monthly Index recorded 1.297 and an index price of AED 2,100,519.
- Villas/Townhouses quarterly Index recorded 1.234 and an index price of AED 2,094,633.

After a significant year of growth in Dubai real estate, 2022 has started off just as strong as 2021 with a total of 20,539 sales transactions worth AED 55.51 billion as of March 31st. The secondary market had the largest share of sales transactions with a total of 11,923 sales transactions worth AED 39.39 billion, while the off-plan market had a total of 8,616 sales transactions worth AED 16.12 billion. In March, 82.7 percent of the overall transactions were apartments while 17.3 percent were for villa/townhouses. The secondary market represents 60.16 percent of total sales while the off-plan market represents 39.84 percent of total sales.

Q1 2022 individual months witnessed an outstanding performance and break all the monthly records, January was the all-time best January on record with 5,792 real estate sales transactions worth AED 16.66 billion. February followed suit with 6,348 sales transactions worth AED 16.26 billion making it the highest February ever recorded for both sales volume and value, and March took the market by storm with the highest month ever on record for sales value worth AED 22.58 billion and the highest month in the past 7 years in terms of sales with 8,399 transactions.



"When we compare Q1 2022 to Q4 2021, we saw a 14.76 percent increase in sales transactions volume and 18.93 percent increase in value which is a significant quarter-on-quarter growth."

Fouad Bekkar

VP of Data & Al Property Finder Group



"Dubai real estate sector continued its significant growth with a remarkable number of sales transactions considered the highest in seven years."

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

Comparing market performance M-o-M and Q-o-Q, March 2022 a 83 percent increase in number of sales transactions compared to March 2021 and a 109 percent increase in values. and Q1 2022 shows a 14.76 percent increase in sales transactions volume and 18.93 percent increase in value compared to Q4 2021.

In Q1 2022, we continued to see off-plan properties increase quarter-on-quarter by 9.31 percent. During the pandemic, many developers had to assess the market to understand the new market demand preferences and type of projects they need to build to attract investors and consumers alike. This is one of the key factors that has made the off-plan market in demand again coupled with low supply in prime residences, popular areas and prices have increased in the secondary market.

Top Areas by Demand

According to Property Finder proprietary data, the top areas searched for in Q1 for apartments were Dubai Marina, Downtown Dubai, Palm Jumeirah, Business Bay and Jumeirah Village Circle. The top areas searched for villa/townhouses were Dubai Hills Estate, Palm Jumeirah, Arabian Ranches, Damac Hills (Akoya By Damac) and The Springs.



DUBAI SALES PRICE INDEX MONTHLY

DUBAI OVERALL INDEX



DUBAI APARTMENTS INDEX



INDEX VALUE DUBAI VILLAS/TOWNHOUSES INDEX March 2022 1.297 1.6 1.4 1.2 0.4 0.2 Jan-12 Jan-22 Jul-25 Sep12 Sep12 Jul-43 Jul-43 Jul-42 Jul-

Year - Months

Index base January 2012

INDEX VALUE

DUBAI OVERALL MONTHLY INDEX In March 2022 the overall monthly Index recorded 1.249 and an index price of

AED 1,215,672.

Month-on-Month	+ 2.21%
3 Month Change	+ 5.94%
6 Month Change	+ 12.02%

DUBAI APARTMENTS MONTHLY INDEX

In March 2022 the Apartments monthly Index recorded 1.285 and an index price of AED 1,100,294.

Month-on-Month	+ 2.07%
3 Month Change	+ 6.46%
6 Month Change	+ 12.72%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX

In March 2022 the villas/townhouses monthly Index recorded 1.297 and an index price of AED 2,100,519.

Month-on-Month	
3 Month Change	+ 8.72%
6 Month Change	



MO'ASHER 5



DUBAI SALES PRICE INDEX QUARTERLY

DUBAI OVERALL INDEX



DUBAI APARTMENTS INDEX



DUBAI VILLAS/TOWNHOUSES INDEX



INDEX VALUE Q1 2022 1.251

INDEX VALUE Q1 2022 1.26

INDEX VALUE

DUBAI OVERALL QUARTERLY INDEX In Q1 2022 the Overall quarterly Index recorded 1.251 and an index price of AED 1,186,002.

Quarter-on-Quarter	+ 5.93%
6 Month Change	+ 10.90%
9 Month Change	+ 12.91%

DUBAI APARTMENTS QUARTERLY INDEX

In Q1 2022 the Apartments quarterly Index recorded 1.26 and an index price of AED 1,067,385.

Quarter-on-Quarter	+ 6.42%
6 Month Change	+ 11.11%
9 Month Change	+ 12.70%

DUBAI VILLAS/TOWNHOUSES QUARTERLY INDEX

In Q1 2022 the Villas/Townhouses quarterly Index recorded 1.234 and an index price of AED 2,094,633.

Quarter-on-Quarter	
6 Month Change	
9 Month Change	



MO'ASHER 7

TOP AREAS FOR SALES TRANSACTIONS MARCH 2022

Business Bay	913 Transactions
Marsa Dubai	682 Transactions
Al Hebiah Fifth	668 Transactions
Al Barsha South Fourth	539 Transactions
Burj Khalifa	455 Transactions
Al Merkadh	437 Transactions
Wadi Al Safa 5	359 Transactions
Hadaeq Sheikh Mohammed Bin Rashid	290 Transactions
Al Thanyah Fifth	278 Transactions
Al Wasl	255 Transactions



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:

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_{fish}

FISHER

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.



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

$${}_{her}^{0t} = \sqrt{\left[P_{laspeyres}^{0t} \cdot P_{paasche}^{0t}\right]}$$

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





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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