GOVERNMENT OF DUBAI

تشجيع وإدارة الإستثمار العقاري
REAL ESTATE INVESTMENT PROMOTION

دائرة الأراضي والأملاك
Land Department

MO'ASHER

The Official Sales Price Index for the Emirate of Dubai

OCTOBER 2021

بروبرتي فايندر Property Finder

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MO'ASHER
DUBAI HOUSE PRICE INDEX

Key Findings For October 2021

- 5,352 sales transactions worth AED 13.12 billion

- To date in 2021, there has been 38.34 percent more sales transactions and the value has been 63.4 percent more when compared to the entire year of 2020

- 60 percent of sales transactions were in the secondary/ready market and 40 percent were off-plan

October 2021 Mo'asher Results

- Overall monthly Index recorded 1.132 and an index price of AED 1,086,969

- Apartments monthly Index recorded 1.16 and an index price of AED 974,621

- Villas/Townhouses monthly Index recorded 1.13 and an index price of AED 1,962,44

"Villa/townhouses continue to rise in the index and we expect this segment to continue to do well, due to the high demand by consumers."

Lynnette Sacchetto
Director, Research and Data
Property Finder Group

"June 2021 compared to June 2020 has increased by 173.46 percent in terms of volume and 204.55 percent in terms of value and when compared to June 2019, June 2021 has increased by 140.87 percent in terms of volume and 179.13 percent in terms of value."

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

October 2021 had 5,352 transactions worth AED 13.12 billion, making it the best October on record for the past eight years.

Including October 2021, this brings the year to date total to 48,651 sales transactions worth AED 117.44 billion. In just 10 months, the value of real estate sales transactions is 63.4 percent more than 2020 as a whole and is already the highest yearly sales figure since 2015.

In October 2021, 60 percent of all transactions were for secondary/ready properties and 40 percent were for off-plan properties. When we look at the volume of transactions, the off-plan market transacted 2,133 properties worth a total of AED 4.4 billion.

The ready market transacted 3,219 transactions worth AED 8.72 billion. Breaking this down further by developer sales and individual sales, developers had a total of 3,395 transactions worth AED 8.08 bn which included off-plan and prime, ready properties while individual sales accounted for 1,957 transactions worth AED 5.03 billion.
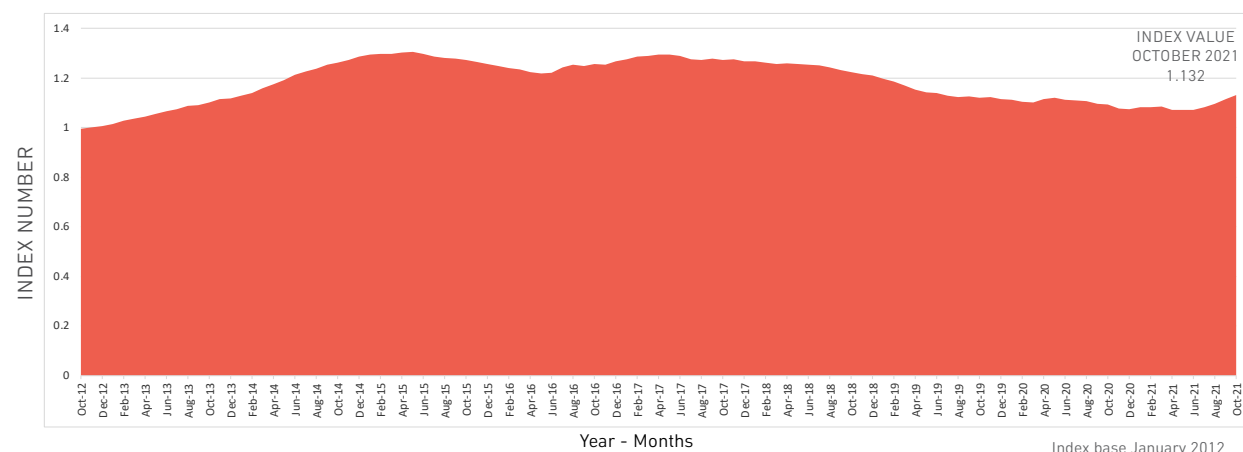
Ready Properties
According to proprietary Property Finder demand data, the top areas of transactions in the month of August 2021 for villas/townhouses in June 2021 were the Damac Hills 2, Nad Al Sheba, The Springs, Dubai Hills Estate and Arabian Ranches. As for apartments for the same period, the top areas of interest were Dubai Marina, Business Bay,Jumeirah Village Circle, Downtown Dubai and Jumeirah Lake Towers.

Off-plan Properties
For off-plan properties the top areas of transactions in the month of August 2021 for villas/townhouses in June 2021 were the Arabian Ranches 3, Tilal al Ghaf, The Valley, Dubai Land and Mohammed bin Rashid City. As for apartments for the same period, the top areas of interest were Dubai Harbour, Mohammed bin Rashid City, Dubai Creek Harbour, Business Bay and Downtown Dubai.

DUBAI SALES PRICE INDEX
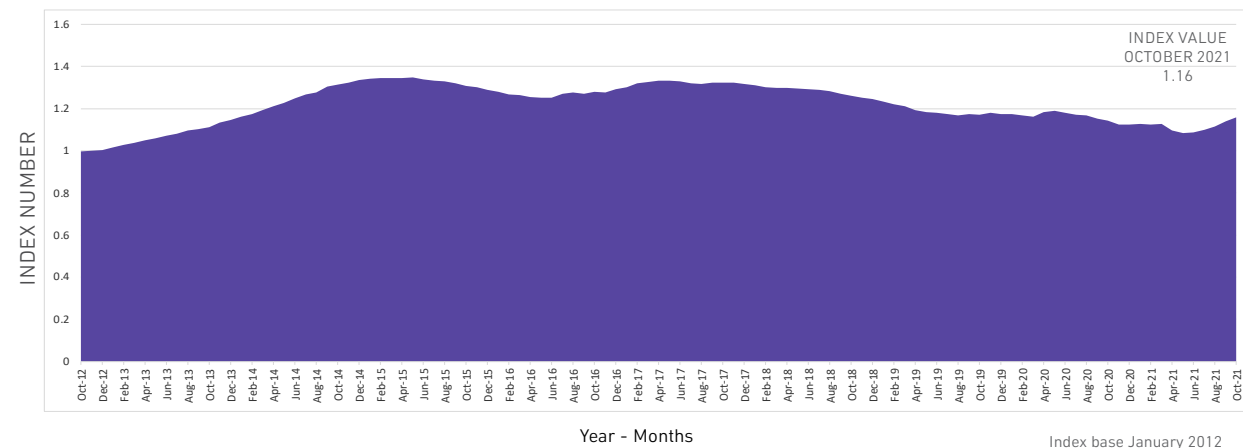## MONTHLY

DUBAI OVERALL INDEX

INDEX VALUE
OCTOBER 2021
1.132

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI APARTMENTS INDEX

INDEX VALUE
OCTOBER 2021
1.16

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI VILLAS/TOWNHOUSES INDEX

INDEX VALUE
OCTOBER 2021
1.13

INDEX NUMBER

Year - Months

Index base January 2012

DUBAI OVERALL MONTHLY INDEX
In October 2021 the overall monthly Index recorded 1.132 and an index price of AED 1,086,969.

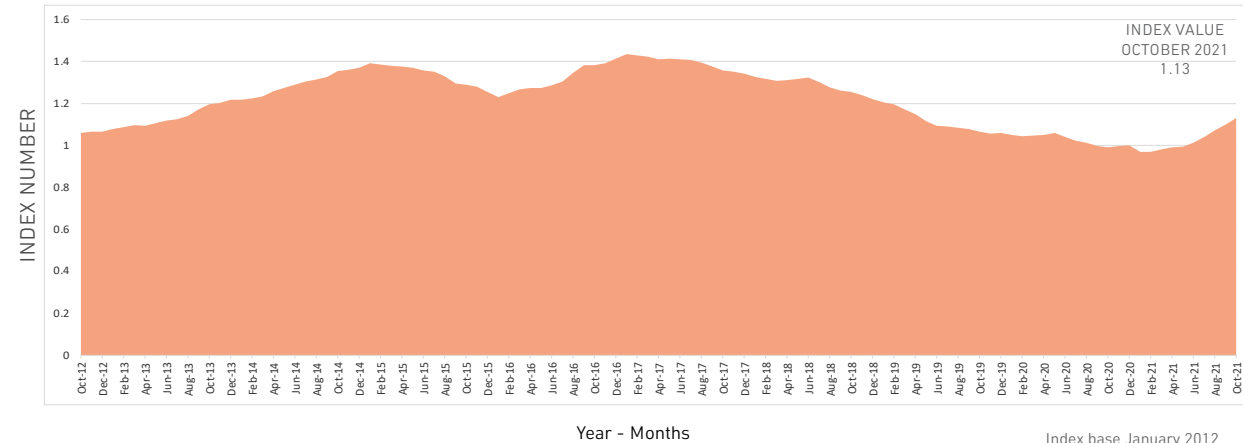| Month-on-Month	+ 1.52%
3 Month Change	+ 4.52%
6 Month Change	+ 5.60%

DUBAI APARTMENTS MONTHLY INDEX
In October 2021 the Apartments monthly Index recorded 1.16 and an index price of AED 974,621.

Month-on-Month	+ 1.75%
3 Month Change	+ 5.36%
6 Month Change	+ 5.74%

DUBAI VILLAS/TOWNHOUSES MONTHLY INDEX
In October 2021 the villas/townhouses monthly Index recorded 1.13 and an index price of AED 1,962,448.

Month-on-Month	+ 2.91%
3 Month Change	+ 8.76%
6 Month Change	+ 13.91%

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.

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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