REIDIN

DUBAI LAND PRICE INDEX GUIDE

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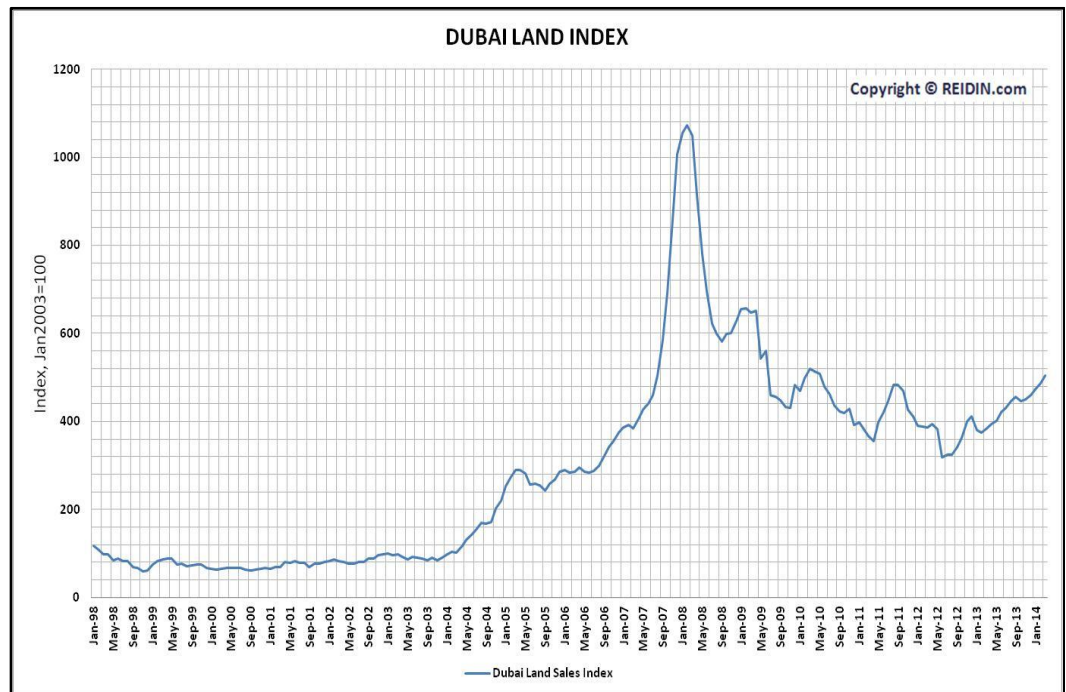
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CONCEPTS AND DEFINITIONS

- REIDIN Dubai Land Price Index is designed to be reliable and consistent benchmark of land prices in Dubai. The main purpose of Dubai Land Price Index is to measure the average change in land sales prices in a particular geographic market during a particular time range. Index series are calculated monthly, and cover Dubai overall.

DATA AVAILABILITY

- REIDIN Dubai Land Price Index uses a monthly sample data set of **transacted properties** price data and then processed and cleaned-up carefully each month.

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METHODOLOGY

- Monthly Dubai Land Price Index is calculated based on moving average median prices– an approach that is widely used for indexing prices – which involves median of sales prices of properties in a corresponding region. The median series of sales price data (UAE Dirham) is constructed by taking "**the median price/sqm**" of all properties in Dubai during a certain time period.
- Dubai Land Price Index employs Dubai overall median land prices for the calculation of the monthly index series.
- Index is also calculated by using the **Laspeyres price index formula** and a **moving average algorithm**. A moving average is commonly used with time series data to smooth out short-term fluctuations and highlight longer-term trends or cycles.

$$L(p) = \frac{\sum_{j=1}^{N} p_{j,t} q_{j,0}}{\sum_{j=1}^{N} p_{j,0} q_{j,0}} \quad \text{(Laspeyres price index)}$$

Where,

$p_{j,t}$ is the median of price/sqm, t months after the base period

$p_{j,0}$ is the median of price/sqm during the base period

$q_{j,0}$ is quantity of the base period as weights

- **Outliers and extreme values** (as a result of incomplete, inconsistent or erroneous data) are excluded by the outlier detection procedure of the inter-quartile range (IQR) based on the calculated price per square meter of each property. This commonly used methodology considers any data that is more than 1.5 times the IQR from the upper or lower quartile to be an outlier.

OUTPUTS AND DISSEMINATION

- **Frequency& Index Reference Period:** The REIDIN Dubai Land Index represents the changes for Dubai overall throughout the month and index series are set at January 2003=100 and goes back to January 1998.
- **Index Revisions:** The REIDIN Dubai Land Index is published as "final" and is not subject to revision unless an error or mistake is found. Major changes in methodology are announced in advance, while information on minor methodological changes is provided in methodological explanations in the monthly reports.
- **Publication of the RDLI:** Updates are produced on a monthly basis, and are disseminated in between 10:00-11:00 AM on the 15th of each following reference month by a "News Bulletin".