

Dubai Residential Market Review



Q1 2025

A quarterly review of key trends and the performance of Dubai's residential market

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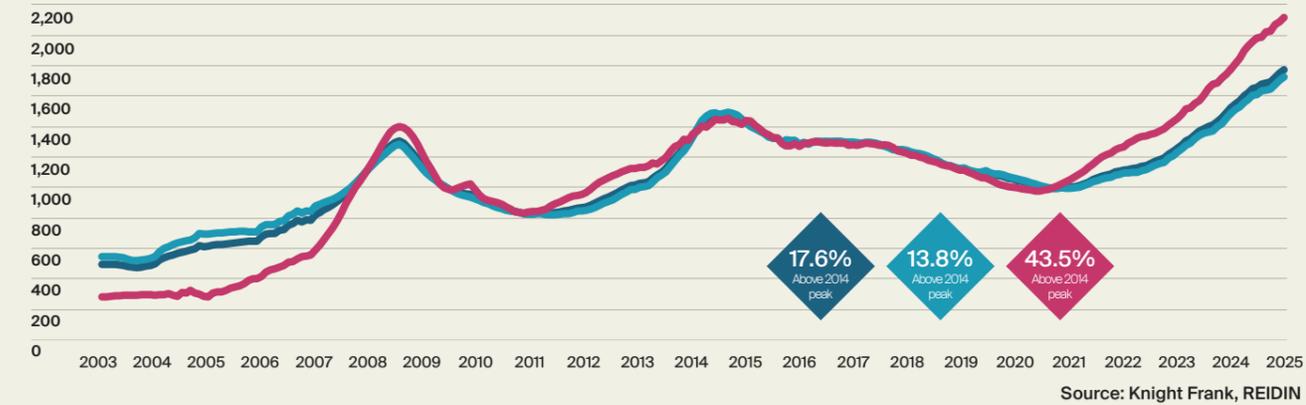
WHAT YOU NEED TO KNOW

- Dubai's residential market has maintained its strong momentum into the first quarter of 2025, with home values continuing their upward trajectory.
- Citywide residential prices rose by 3.7% in Q1 2025, reaching AED 1,749 psf – now 17.6% higher than the previous market peak in 2014.
- Villas remain the standout performer, with values climbing to AED 2,088 per sq ft. This represents a 3.9% increase over the quarter and an impressive 43.5% surge since 2014.
- There were 43,000 deals recorded during Q1, totalling AED 114.7bn. The market continues to be dominated by off-plan sales, which accounted for 69% of all transactions.
- Despite a sharp increase in mortgage activity, cash buyers continue to lead, contributing to 87% of all purchases.
- Dubai's prime residential market has expanded, both in value and in the number of qualifying communities.
- Prime areas are defined as communities where high-value sales exceeding AED 10 million consistently represent more than 10% of total transaction value over at least three years – a benchmark of sustained luxury demand and value retention. As of Q1 2025, the number of communities meeting our definition has expanded from four to ten. Based on this refined methodology, the Dubai Prime Index now stands at AED 3,846 psf – up 17.8% year-on-year.
- The luxury segment also opened the year with robust activity. There were 111 transactions above US\$10 million in Q1 2025 – a 5.7% increase compared to Q1 2024. While down from the Q4 2024 record of 153 sales, this marks the strongest Q1 performance on record.

Current market performance

AED psf

■ All residential ■ Apartments ■ Villas

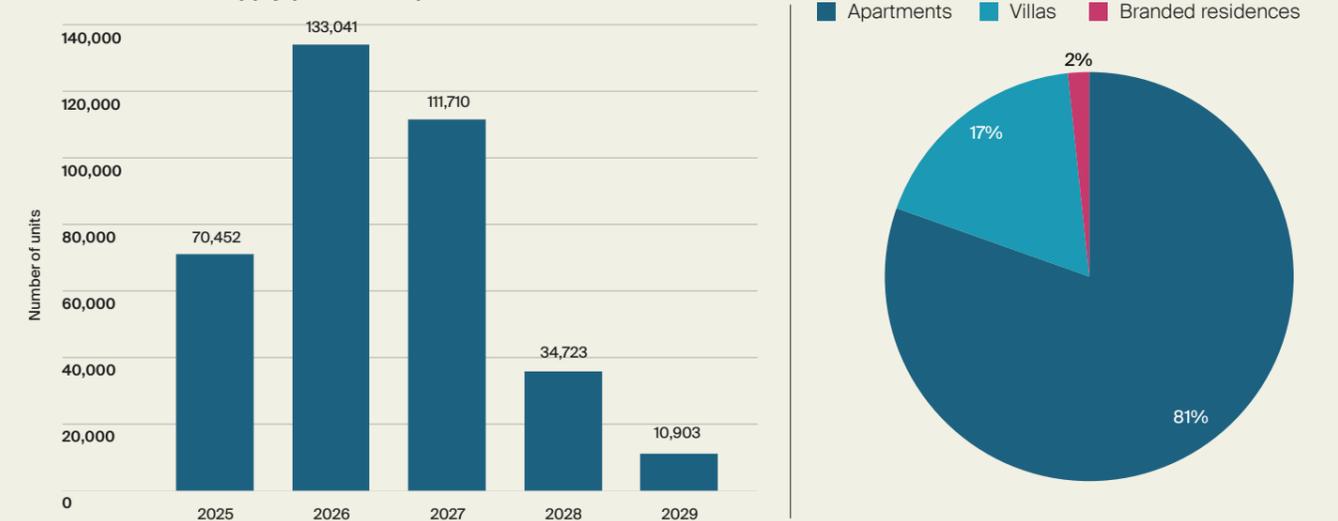


Total value and number of residential transactions in Dubai

■ Number of sales in Q1 (LHS) ■ Total number of sales (LHS) ■ Total value (AED) (RHS)



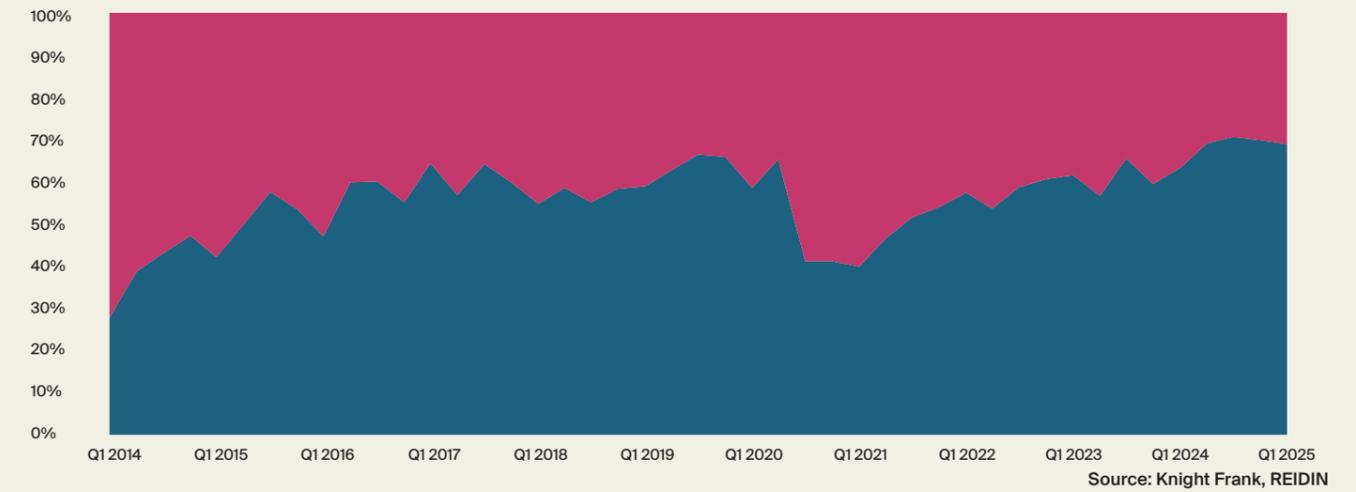
Dubai residential supply (2025-2029)



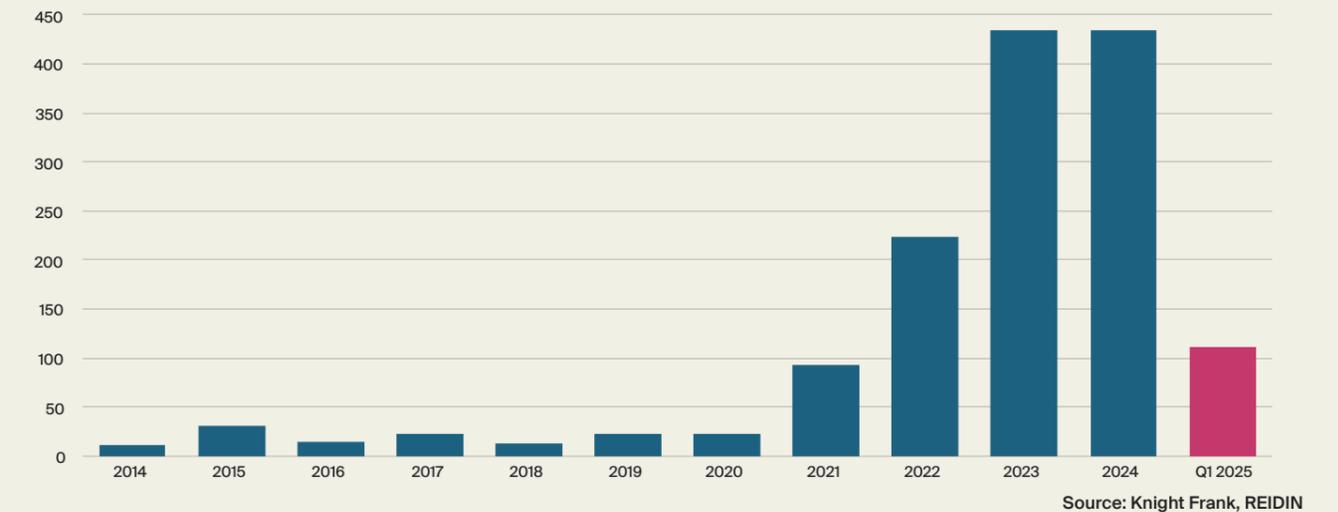
Source: Knight Frank, REIDIN

Dubai residential off-plan vs. secondary sales (number of transactions)

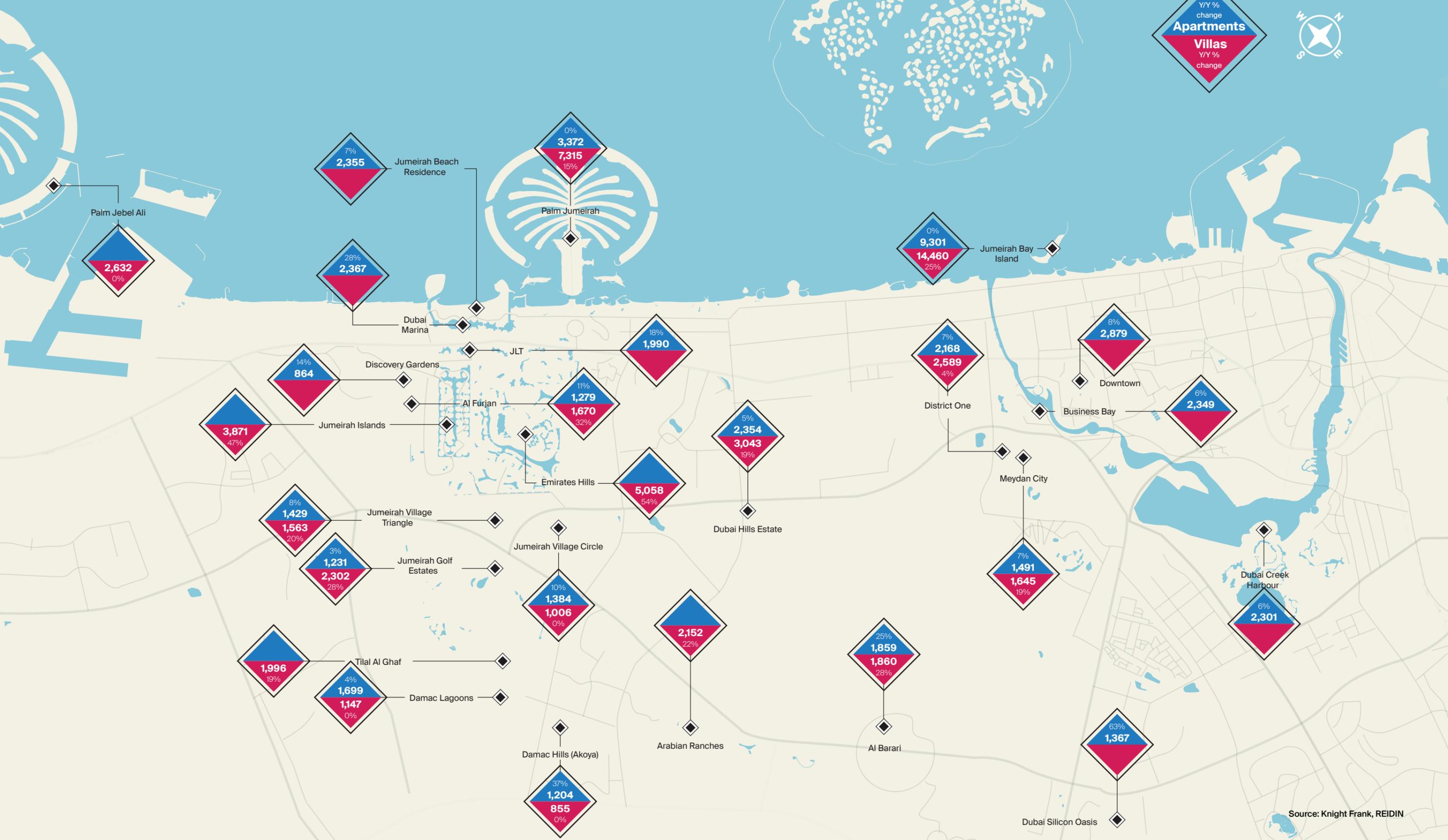
■ Off-plan transactions ■ Secondary transactions



Number of US\$ 10 million+ transactions



HOME PRICE PERFORMANCE ACROSS DUBAI



Source: Knight Frank, REIDIN

We like questions. If you've got one about our research, or would like some property advice, we would love to hear from you.

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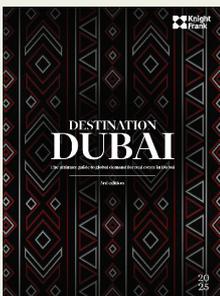
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