Dubai Residential Market Review

Q1 2026

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

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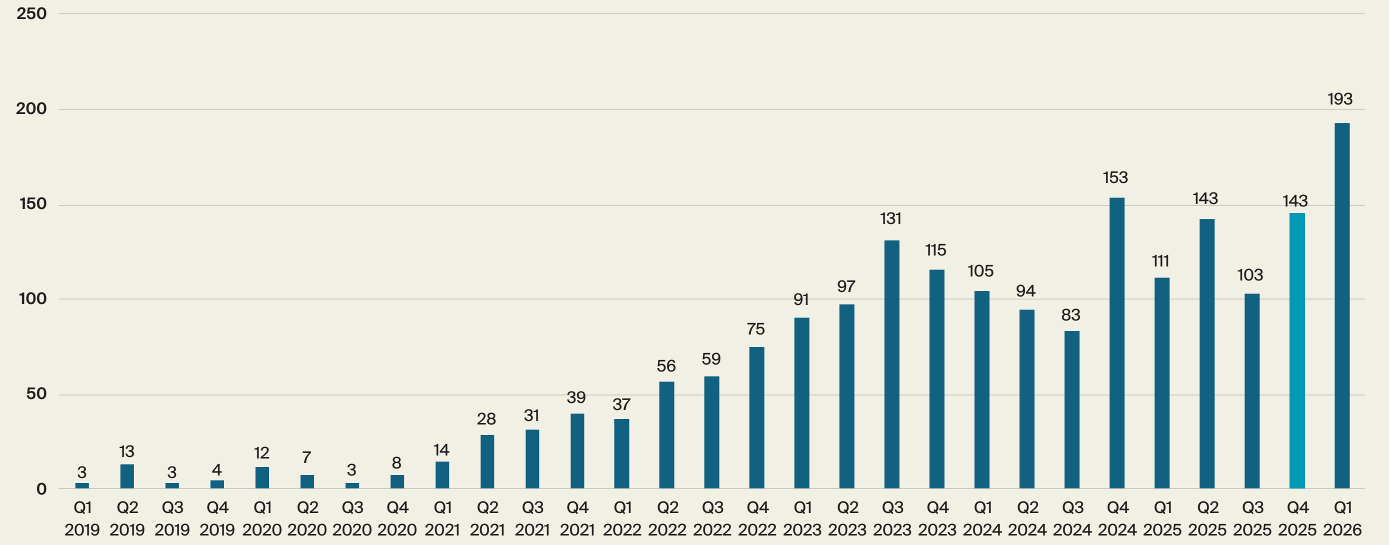
WHAT YOU NEED TO KNOW

- **The Middle East Conflict:** For the region's commercial nerve centre, Dubai, confidence levels amongst the largely expat population will undoubtedly be tested. However, the decisive response by the authorities will have gone a long way to allay personal security concerns. Still, for new migrants to the country, the proximity of the conflict to the shores of the UAE will have tested their staying power. Indeed, based on anecdotal evidence from our on-the-ground teams, we believe prices may have dipped by as much as 10% across the city, ending the 5 ½ year bull run of uninterrupted growth. Prime neighbourhoods are faring better for the time being, with prices dipping by 1-2%, if that, on average.
- **A look back at Q1:** Looking back at the market's performance in Q1, there were 45,158 transactions – a 4.2% year-on-year increase and a 17% quarter on quarter decrease – with total sales values reaching AED 137.3bn, up 19.4% compared to Q1 2025. The market's performance in Q1 builds on a record-breaking 2025, in which transaction volumes reached a historic high of 205,431 deals and total sales values touched AED 544.2bn.
- **Off-plan vs ready sales:** The market continues to be dominated by off-plan sales, which accounted for 72% of all transactions in Q1 – the same as in 2025. Between January and March there were 32,607 off-plan sales, compared to 12,551 ready transactions.
- **Price performance during Q1:** Citywide residential prices rose by 1.8% in Q1 2026 reaching AED 1,933 psf, marking a 10.5% year-on-year uplift. Notably, this is a decline on the 12.7% annual growth recorded in 2025 and builds on our previous analysis showing a gradual slowing in the rate of house price increases over the last four quarters as we entered 'late-cycle' territory. Apartments values climbed by 1.7%, reaching AED 1,872 psf, pushing them 25% above the last market peak in 2014. Villa values grew at a faster pace to AED 2,369 psf, equating to a 13.5% year-on-year rise, which corresponds to 62.8% above the 2014 market peak.
- **Neighbourhood performance:** At a submarket level, prices on Palm Jumeirah reached AED 4,525 psf in Q1 2026 – a 19% year-on-year increase, while Emirates Hills climbed to AED 5,288 psf, up 14% year-on-year. In the apartment segment, DIFC values rose to AED 3,290 psf, up 47% year-on-year, Downtown Dubai edged up to AED 3,010 psf (+4%), and Business Bay registered an 11% annual increase to AED 2,613 psf.
- **Prime market:** Unlike the mainstream residential market, prices in prime neighbourhoods dipped by 0.8% between Q4 2025 and Q1 2026. The relatively lower number of transactions (2,044 vs c. 45,000 for the market as a whole) means this segment is likely more reflective of the impact of the regional conflict on sentiment levels and more importantly, 'real' deal volumes. At the end of Q1, prices across our 10 prime neighbourhoods averaged AED 4,317 psf, reflecting a 13% year-on-year increase.
- **The US$ 10 million+ segment:** Dubai's ultra-luxury segment extended its record run, with 193 transactions over US$ 10 million registered during Q1 - the highest quarterly total ever recorded. This is 35% above the 143 luxury deals recorded in Q4 2025 alone. However, as noted above, this standout performance has been largely driven by strong performance during January and February and may be masking the true impact of the regional conflict, which began on 28 February.
- **Residential supply:** The residential supply pipeline of registered projects continues to be dominated by apartments, which account for 85% of our forecasted supply, versus 14% for villas. Jumeirah Village Circle leads all communities with 35,780 units in the pipeline, followed by Business Bay (23,923) and Dubailand Residence Complex (22,084). Emaar Properties is the dominant developer with 55,025 units registered, ahead of DAMAC Properties (49,019) and Azizi Developments (40,778).
- **Supply risk and outlook:** The projected delivery of approximately 350,000 residential units by 2030 implies that sustained annual population growth in the region of 5% will be required to preserve equilibrium between supply and demand. Noting that 34% of units due this year are still at the sub 20% completion stage, we expect just 95,649 units to be completed on time, instead of the 144,888 previously forecast. Similarly, looking ahead, we anticipate a much lower figure of total completions that promised by developers, noting for instance that the materialisation rate between 2021-2025 was 60%.

Given the residential sector's established sensitivity to shifts in investor sentiment, alongside its reliance on inward migration dynamics, evolving perceptions of market confidence will serve as a critical driver of price stability in the near term. Any erosion of confidence may prompt a wave of divestment in off plan assets, introducing a degree of downside risk to a market that has otherwise demonstrated resilience over the last five and a half years. In addition, any sentiment driven repositioning by investors or more recent market entrants is likely to intensify downward pressure on pricing. That said, this potential softening may be partially offset by a measured response from developers, who we expect may recalibrate delivery timelines and project pipelines, thereby mitigating the risk of a pronounced oversupply scenario and supporting a more orderly market adjustment in the mainstream segment.

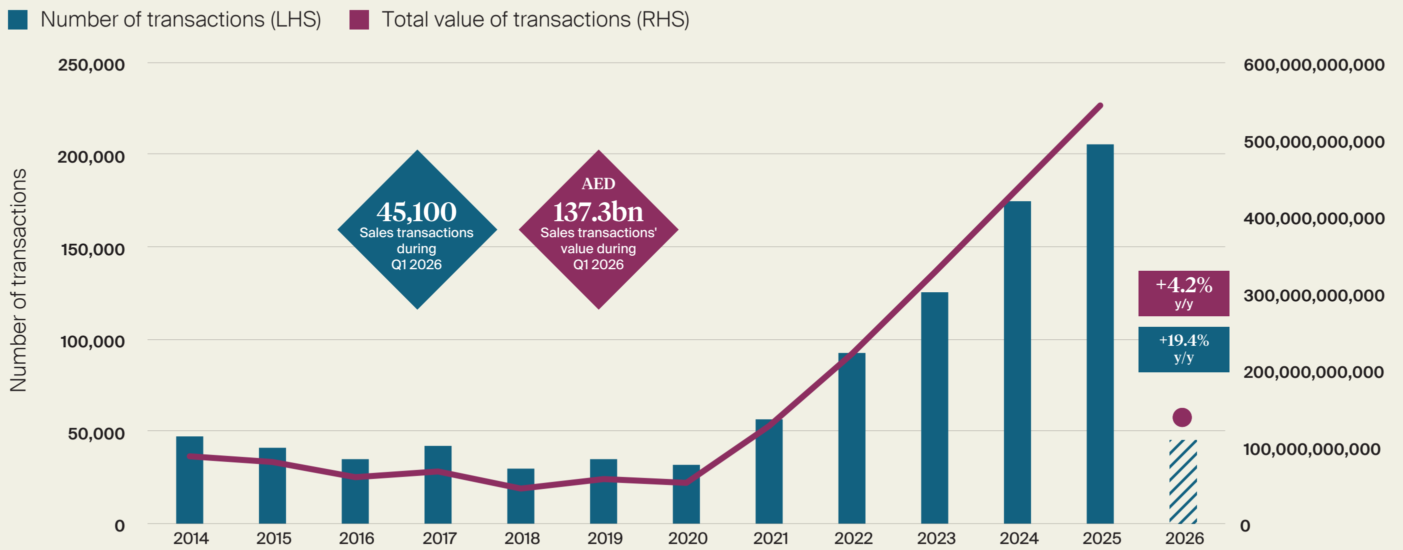
Pending the conclusion of the regional conflict, near-term investment activity may also slow or pause as investors reassess their geopolitical risk tolerances. We may already be seeing this in the UAE's Shariah-compliant bond market, which shows a clear shift in market confidence. Investors are no longer treating all developers the same. Instead, they are focusing on financial strength and the gap between stronger and weaker developers is widening. This is not just about geopolitical tensions, but a reflection of late-cycle concerns, including an exacerbation of downside risks linked to slowing demand, possible oversupply, and tighter access to financing.

Number of US$ 10 million + sales transactions



Source: Knight Frank, REIDIN

Total value and number of residential sales transactions in Dubai

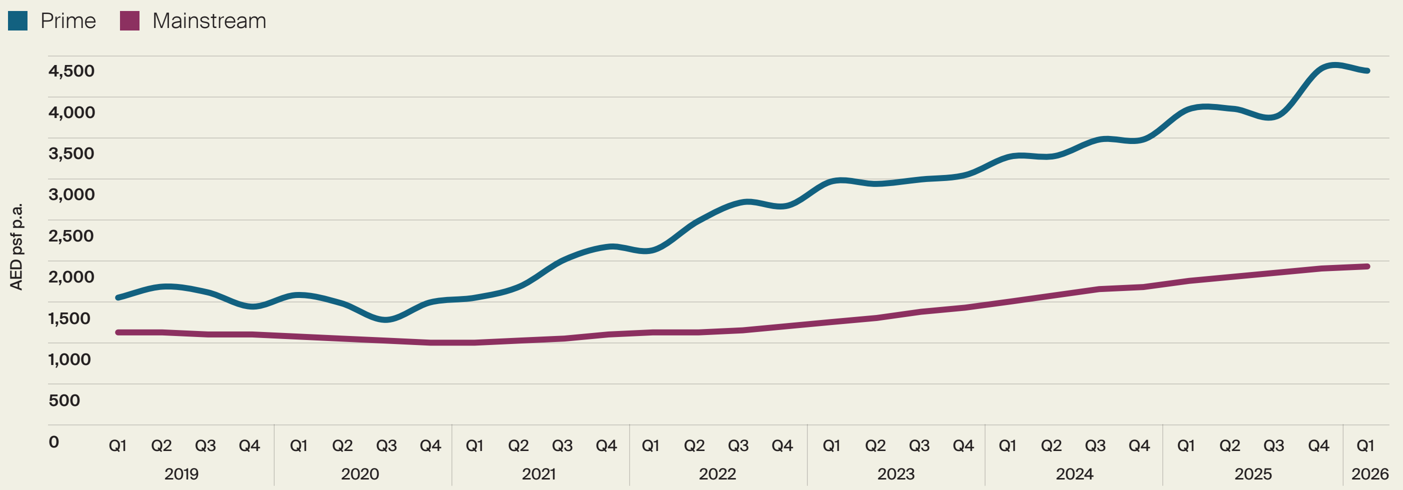


Source: Knight Frank, REIDIN

Performance of sales prices

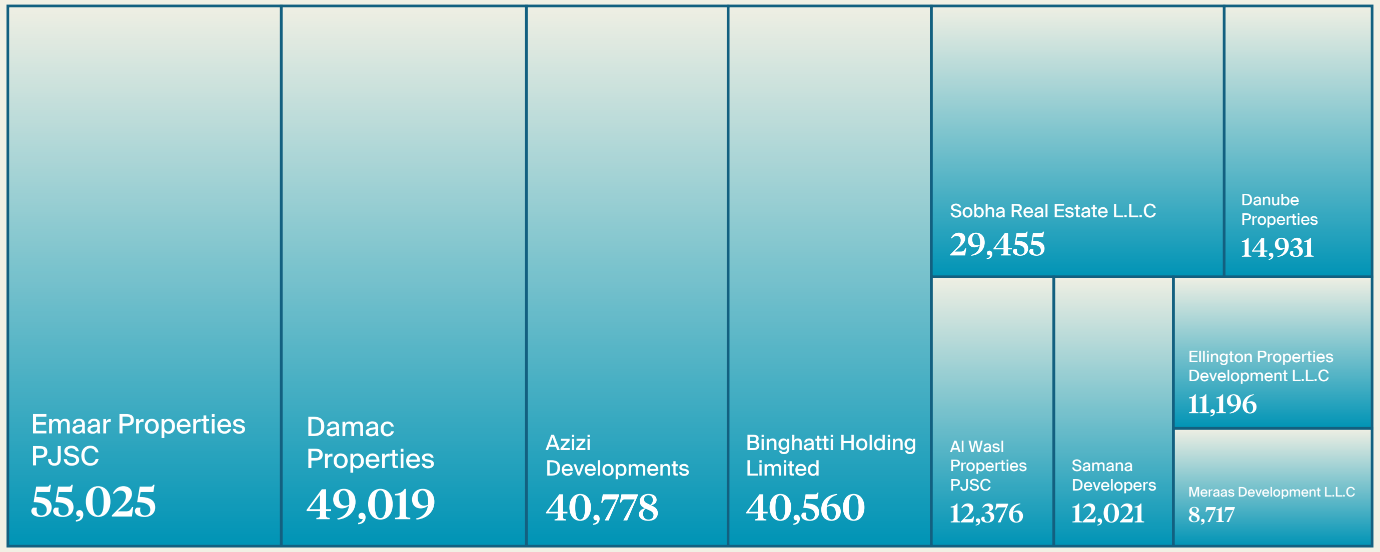
AED psf

Prime Market: Al Barari, District One, Dubai Hills Estate, Emirates Hills, Jumeirah Bay Island, Jumeirah Golf Estates, Jumeirah Islands, La Mer, Palm Jumeirah, Tilal Al Ghaf



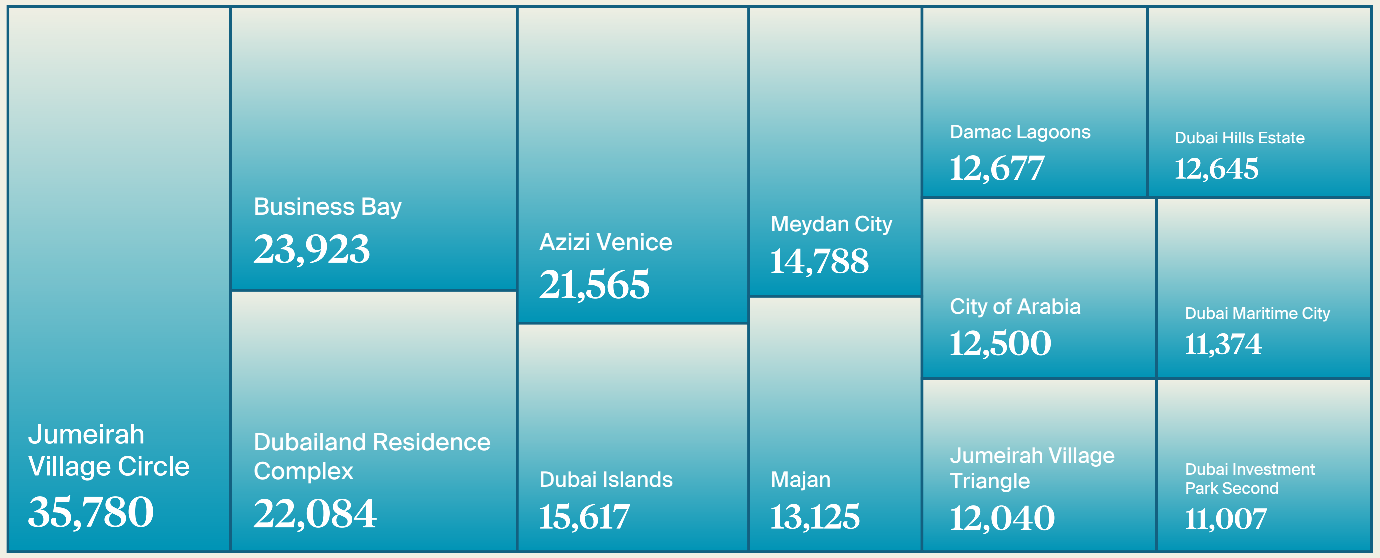
Source: Knight Frank, REIDIN

Top developers by pipeline supply



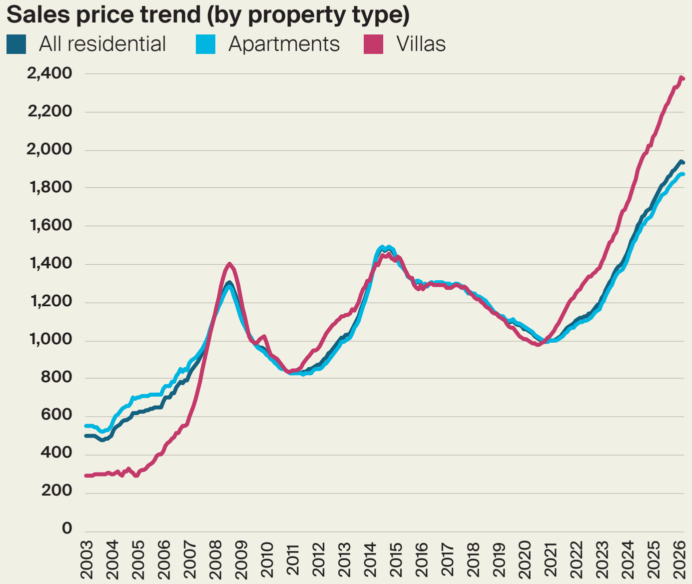
Source: Knight Frank, REIDIN

Top 10 communities by pipeline supply

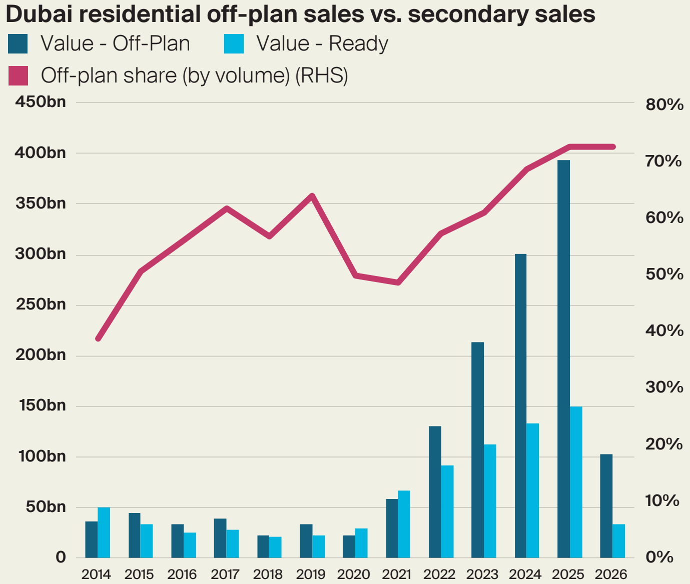


Source: Knight Frank, REIDIN

Sales price trend (by property type)



Dubai residential off-plan sales vs. secondary sales



Source: Knight Frank, REIDIN

RESIDENTIAL VALUES IN DUBAI

Average AED psf

Al Barari

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,465	1,860	2,400
Total deals	59	51	1,985

Al Furjan

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,163	1,360	1,454
Total deals	1,004	979	582

Arabian Ranches

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,753	2,148	2,398
Total deals	86	87	82

Arabian Ranches Phase 2

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,458	1,746	1,983
Total deals	42	37	25

Arabian Ranches Phase 3

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,159	1,446	1,617
Total deals	156	143	103

Barsha Heights

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,321	1,289	1,539
Total deals	27	21	18

Business Bay

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,227	2,350	2,613
Total deals	2,443	2,352	1,732

Damac Hills

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,497	1,548	1,641
Total deals	668	325	366

Damac Hills 2

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	969	889	885
Total deals	841	1,347	349

DIFC

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,456	2,246	3,290
Total deals	315	105	131

Discovery Gardens

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	760	864	1,042
Total deals	139	227	337

District One

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,123	2,324	2,433
Total deals	273	107	83

Downtown Dubai

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,670	2,885	3,010
Total deals	1,061	951	568

Dubai Creek Harbour

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,183	2,301	2,569
Total deals	780	535	1,203

Dubai Hills Estate

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,274	2,424	2,527
Total deals	1,179	1,069	2,527

Dubai Marina

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,856	2,388	2,054
Total deals	785	1,630	525

Dubai Silicon Oasis

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	840	1,367	1,202
Total deals	471	920	486

Emirates Hills

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	3,289	4,623	5,288
Total deals	10	20	5

Jumeirah Bay Island

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	11,305	12,249	13,188
Total deals	14	7	6

Jumeirah Beach Residence

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,203	2,355	2,761
Total deals	192	192	136

Jumeirah Golf Estates

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,601	2,138	2,159
Total deals	129	113	244

Jumeirah Islands

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,630	3,871	3,206
Total deals	19	25	71

Jumeirah Lake Towers

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,684	1,991	1,744
Total deals	965	1,022	431

Jumeirah Village Circle

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,259	1,370	1,479
Total deals	3,885	3,437	3,092

Jumeirah Village Triangle

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,320	1,443	1,653
Total deals	414	533	1,052

La Mer

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,703	2,855	5,363
Total deals	41	56	58

Meydan City

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,393	1,510	3,465
Total deals	317	104	1,078

Palm Jebel Ali

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	2,717	2,633	3,451
Total deals	83	318	218

Palm Jumeirah

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	3,811	3,801	4,525
Total deals	334	349	350

Pearl Jumeirah

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,544	3,045	4,719
Total deals	2	2	2

Tilal Al Ghaf

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	1,644	1,922	2,085
Total deals	177	119	93

World Islands

	Q1 2024	Q1 2025	Q1 2026
Average price (AED psf)	4,274	4,554	4,026
Total deals	1	3	5

Dubai Land

	Q1 2026
Average price (AED psf)	1,103
Total deals	4

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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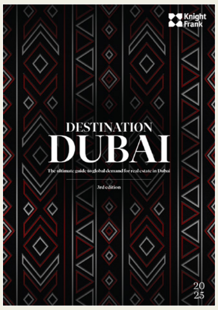

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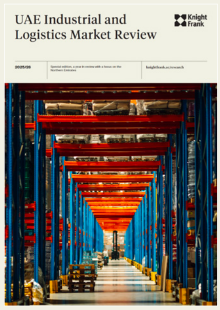

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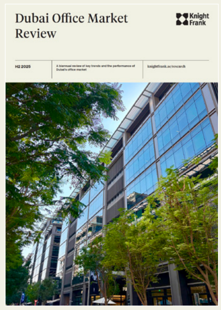

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