Knight Frank

DESTINATION DUBAI

The ultimate guide to global demand for real estate in Dubai

3rd edition

2025

THE DESIGN INSPIRATION: DESTINATION DUBAI

This year, Destination Dubai 2025 draws its design inspiration from *Sadu*—the intricate, handwoven textile deeply rooted in Emirati heritage. Characterised by geometric patterns and vibrant earthy tones, *Sadu* reflects the resourcefulness, resilience, and artistry of Bedouin life in the Arabian desert.

Much like Dubai itself, *Sadu* weaves tradition into modernity. Its motifs, passed down through generations, tell stories of belonging, identity, and movement—mirroring Dubai's own transformation from a nomadic past to a global metropolis. In choosing *Sadu*, we celebrate the cultural fabric that grounds the city's rapid evolution and honours the craftsmanship that continues to shape its aesthetic and spirit.

This ethos informs the visual language of this year's report—where every element, from texture to colour, is a nod to the emirate's cultural heritage and its ongoing journey of innovation rooted in tradition.

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FOREWORD

Welcome to our 2025 Destination Dubai report. Our annual flagship publication for the UAE is now in its third year.

The real estate market in Dubai continued to grow during 2024, with values and rents climbing to new highs in this cycle across all sectors. The total value of real estate transactions topped US$ 190bn, which is more than the combined total achieved in most major regional markets. For comparison, Saudi Arabia registered total real estate transactions of US$ 75bn in 2024.

Dubai's total real estate deal activity figure is comparable to the GDP of Greece, Qatar, and Kazakhstan, and it is four times the GDP of Jordan, highlighting the persistent and strengthening demand for property. This demand is underpinned by strong domestic demand, as well as unrelenting appetite from international HNWI for the city's most expensive homes.

Our residential buyer league table shows that Saudi nationals, alongside British and Indian nationals, dominate the international home buyer league table, while Turkish nationals and purchasers from China are also growing in number.

Unsurprisingly, the heightened activity has propelled the total number of home sales in the city to a fresh historic high of almost 170,000 sales in 2024, totalling close to US$ 100bn. In 2025, the milestone for achieving AED 100bn in home sales was reached by 4 March, ahead of the 22 March date for the same figure in 2024, making it the fastest pace on record.

If that wasn't impressive enough, Dubai has retained its title as the world's busiest market for US$ 10 million+ homes for the second consecutive year. The city recorded 435 sales in this exclusive price bracket last year, almost equalling the combined number of US$ 10 million+ home sales in London and New York.

In the office market too, demand continues to strengthen amongst occupiers, with our team recording 1.3 million sqft of new requirements in 2024. This is up on c800,000 sqft in 2023, highlighting the depth of demand. Nationally, 200,000 new business licenses were granted last year, taking the total number of companies operating in the UAE to 1.1 million.

Elsewhere, the city's hospitality sector remains robust, with hotel occupancy levels averaging 78.2% in 2024, supported by the busiest year on record for Dubai International Airport. The city's main gateway handled 92.3 million passengers, making it the busiest international airport for 11 years running and the second busiest overall (behind Atlanta's Hartsfield Jackson International Airport) when factoring for domestic traffic. Dubai also emerged as the 7th most visited city in the world, hosting 18.72 million tourists last year – another new record.

The robust activity in the city's real estate market as we approach the fifth year of price escalation in all sectors is something we continue to investigate and analyse. Understanding the city's appeal to global HNWI, who remain a core source of demand, is critical to the emirate's flourishing property market.

To support our research and analysis, this year we have spoken with 387 high-net-worth individuals (HNWI) from India, the UK, Saudi and East Asia (China, Hong Kong and Singapore) to understand their desire to invest in Dubai's property market. Each HNWI we surveyed has an average net worth of US$ 22 million, which is well above the traditional US$ 1 million threshold that defines HNWI. We have focussed our attention on nationals from these nations and territories as these are the locations that have been and continue to be top source markets for purchasers of property in Dubai.

I invite you to explore our market-leading insights and welcome the opportunity to discuss our findings with you in more detail.

James Lewis
Managing Director, MEA

Discover the report

ECONOMIC CLIMATE

Dubai's economy expanded by 3.1% during the first nine months of 2024, compared to 3.3% in 2023, buoyed by strong growth and activity in the all-important wholesale and trade sector. This historically significant sector expanded by 2.9% last year, contributing a total of AED 83bn (US$ 22.4bn) to the emirate's GDP, equating to almost 25% of total economic output. Meanwhile, the real estate sector grew by 3.6% year-on-year, contributing to 8% of GDP.

Record breaking year

Growth in the emirate's real estate market has been particularly notable, with rents and values across all sectors sustaining their upward trajectory for the last four and a half years. The residential sector alone registered deals of around US$ 100bn in 2024. The total value of property sales across all real estate sectors climbed to US$ 190bn, more than the combined total for all major property markets in the region.

An investment magnet

In 2024, Dubai ranked the world's number one destination for greenfield foreign direct investment projects for the fourth consecutive year. The emirate attracted US$ 14.2bn in FDI capital, a 33% increase on 2023, marking the highest FDI value recorded in a single year since 2020. With 1,117 greenfield FDI projects and a total of 1,826 announced FDI projects, Dubai marked its highest deals per year on record.

Economic buoyancy persists

The positive economic momentum has also been reflected in the emirate's non-oil sector PMI reading which stood at 53.4 in March 2025. Similarly, the S&P Global index showed that Dubai's headline PMI reading recovered after a slight dip in January 2025 to 55.3 (from 55.5 in December 2024) but still remains above the 50-mark, indicating continued business expansion and growth.

Total value of all real estate trasnsactions

Territory	Dubai	Saudi Arabia	Abu Dhabi	Kuwait	Sharjah	Oman	Ras Al Khaimah	Qatar	Bahrain
Value of all real estate transactions (US$ billions)	207	75.7	26.2	12.1	10.9	8.75	4.1	4	2.8
Y/Y change (2024 vs. 2023)	20%	47%	11%	33%	47%	30%	117%	-13%	-1%

Source: Knight Frank, REIDIN, Sakan Property Report

S&P Global United Arab Emirates PMI

sa, >50 = improvement since previous month

Source: S&P Global PMI.

Infinity Bridge Dubai

OUR SURVEY

Knight Frank's Destination Dubai surveys were conducted in partnership with YouGov. This year, we spoke with 387 global HNWI respondents across the UK, India, Saudi Arabia and East Asia (China, Hong Kong, Singapore) to understand their attitudes, appetites, and aspirations towards investing in property in Dubai.

We selected nationals from these nations and territories to reflect Dubai's historic source markets for real estate purchasers and our own experience of the market.

The globally recognised definition of a high net worth individual (HNWI) is usually US$ 1 million; however, our survey sample this year has an average net worth of US$ 22 million, excluding the value of their main home or primary residence.

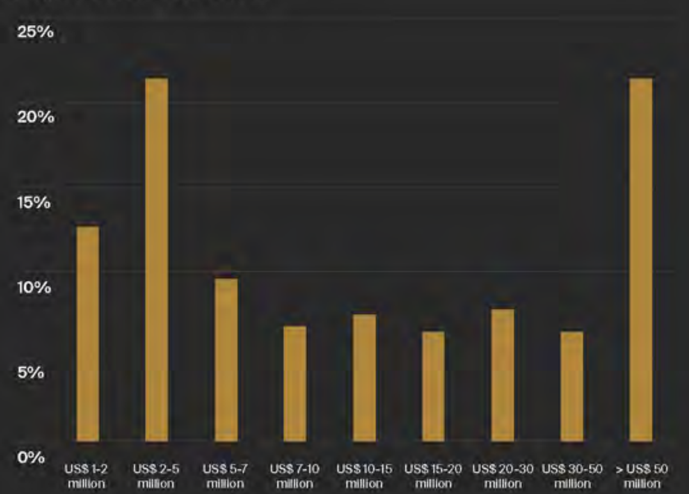
387
Respondents

6
Countries/terittories covered

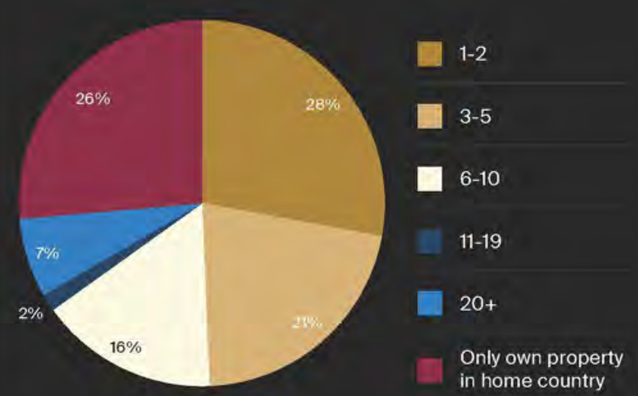
US$ 22 million
Average net worth

US$ 8.3bn
Combined net worth

Respondents' net worth



Size of global residential property portfolio



Source: Knight Frank, YouGov

Respondents' country/territory of residence

UK 27%

China 9%

Hong Kong 9%

India 26%

Saudi Arabia 14%

Singapore 9%

Source: Knight Frank, YouGov

Number of homes owned globally (by respondents' home location)

UK 321

China 151

Hong Kong 165

India 603

Saudi Arabia 284

Singapore 88

Source: Knight Frank, YouGov

GLOBAL DEMAND FOR UAE REAL ESTATE

THE UAE'S GLOBAL APPEAL

In our Destination Dubai 2024 report, where we surveyed 317 global HNWI, 49% of those with personal net wealth in excess of US$ 20 million (UHNWI) were interested in making a purchase anywhere in the UAE. The figure for 2025 has climbed to 52% among this cohort, reflecting the UAE's growing attractiveness as a real estate investment destination, especially amongst the super-rich.

Allure of the Emirates

The UAE's enduring policy of fostering an investor-friendly environment in the Middle East continues to yield substantial benefits and is a key contributing factor to the country's international investor appeal. Indeed, the UAE has been ranked first globally for the fourth year running in the Global Entrepreneurship Monitor (GEM) 2024-2025 report, with the country sustaining its top ranking globally for its entrepreneurial environment.

Aside from this strong pro-business mindset, the quality of life in the Emirates is also a significant draw. In fact, in the 2024 InterNations Quality of Life Index, the UAE ranked third, just behind Spain and Austria. 'Local culture and nightlife', the 'culinary variety', excellent transportation infrastructure, 'affordable public transport', 'political stability' and overall safety all contribute to the country's high standing among global expat populations.

Lifestyle factors

These factors, along with the availability of some of the world's most luxurious, yet competitively priced real estate, especially beachfront homes, continue to elevate the UAE's appeal—especially among the global elite, who have shown heightened activity in Dubai's prime residential and US$ 10 million+ home markets, a theme we will return to later in the report.

33% of all our survey respondents intend to invest in UAE real estate this year. Saudi HNWI have the strongest desire overall, with two-thirds (66%) planning a purchase in 2025. Additionally, 27% are considering a property acquisition within the next two to three years.

After Saudi nationals, Indian HNWI have the strongest desire to invest in real estate in the UAE this year at 41%. While just 17% of East Asian HNWI respondents would like to purchase real estate in the UAE during 2025, the appetite is strongest amongst those from Hong Kong (22%).

A global wealth magnet

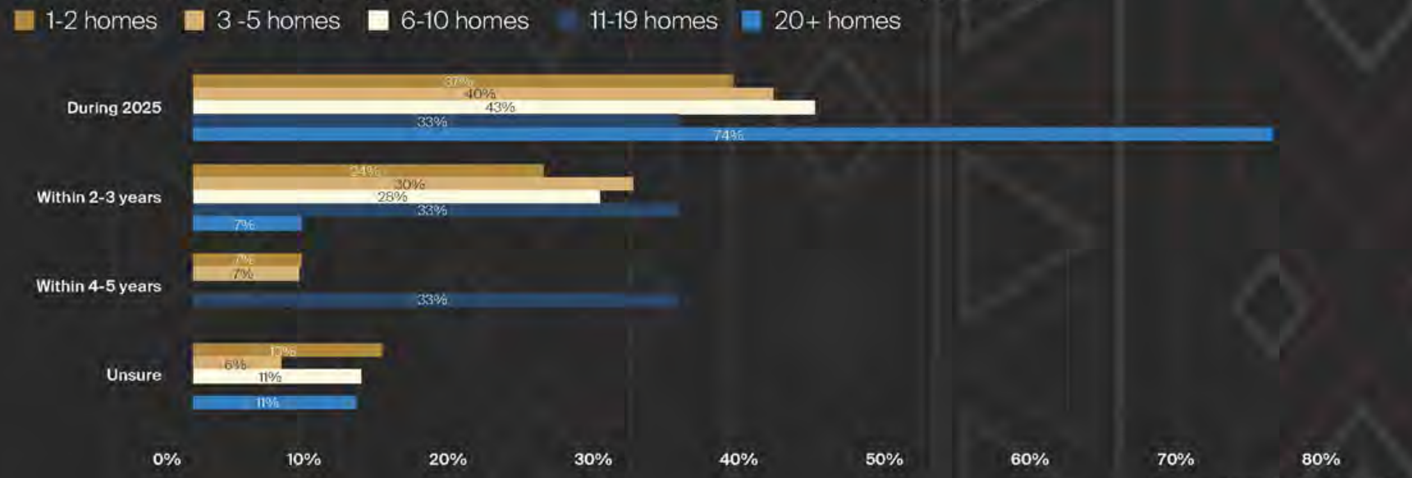
As we have found in our research in previous years and mirroring the experience of our teams, the strongest appetite for a real estate purchase in the UAE comes from those with the highest levels of wealth. 68% of those with a personal wealth of between US$ 30-50 million would like to invest in property in the Emirates this year, compared to just 12% of those worth US$ 2-5 million.

The strongest desire to purchase a home in the country within the next 2-3 years is amongst those with a personal wealth of between US$ 10-15 million (34%).

Likelihood of making a property purchase in the UAE in 2025 (by net worth)

Source: Knight Frank, YouGov

Likelihood of making a property purchase in the UAE in 2025 (by size of property portfolio)

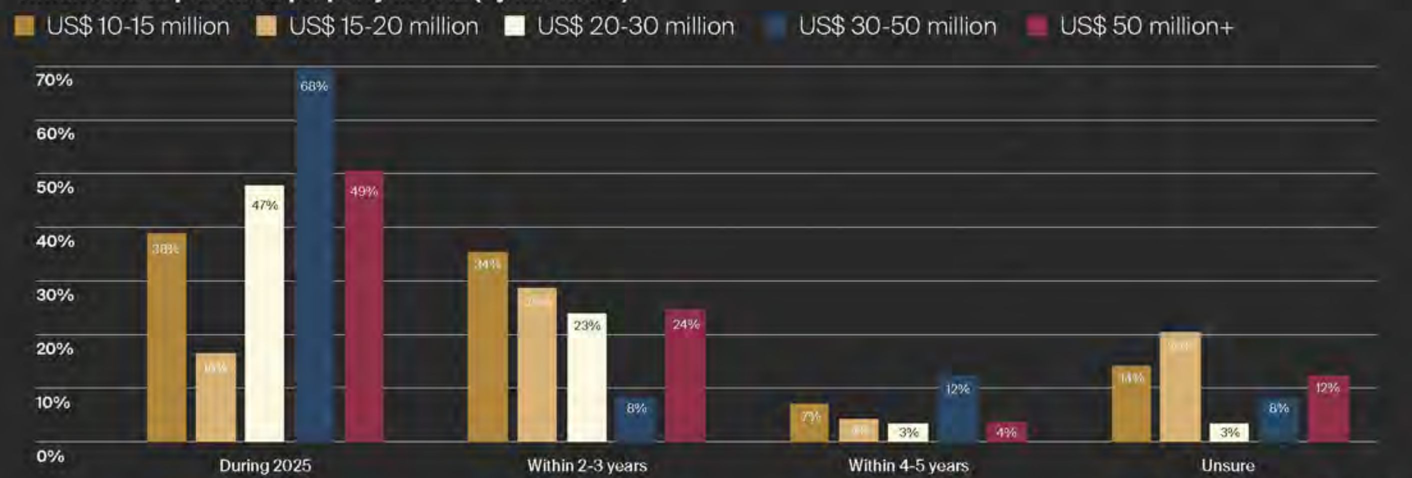


Source: Knight Frank, YouGov

Likelihood of making a property purchase in the UAE (by respondents' home location)

Source: Knight Frank, YouGov

Timeframe to purchase property in UAE (by net worth)



Source: Knight Frank, YouGov

RESIDENTIAL: THE MAIN DRAW

Our research has shown that the UAE's residential market has historically been the most attractive sector for global HNWI, and our survey results this year continue to support this. Indeed, 68% of our HNWI survey sample have named the UAE's residential sector as their most preferred asset class target.

Residential commands strong interest

The UAE's residential sector is the top target for Saudi HNWI (79%), who favour the sector more so than any of our other survey respondents. East Asian HNWI follow in second place (68%), while potential buyers from the UK follow in third place (67%).

While the residential sector is a clear favourite, irrespective of personal wealth levels, its appeal does appear to vary based on net wealth, ranging from 52% amongst those with a personal wealth of US$ 10-15 million and climbing to 82% for those with a net worth of US$ 1-2 million.

The UAE, and Dubai in particular, boasts some of the world's highest concentrations of branded homes, and it is no surprise to see this residential subsector emerge as the second most sought-after real estate sector at 49%. We will return to the theme of branded residences later in the report.

The country's office market rounds off the top three real estate sector preferences at 47%.

Main motivations

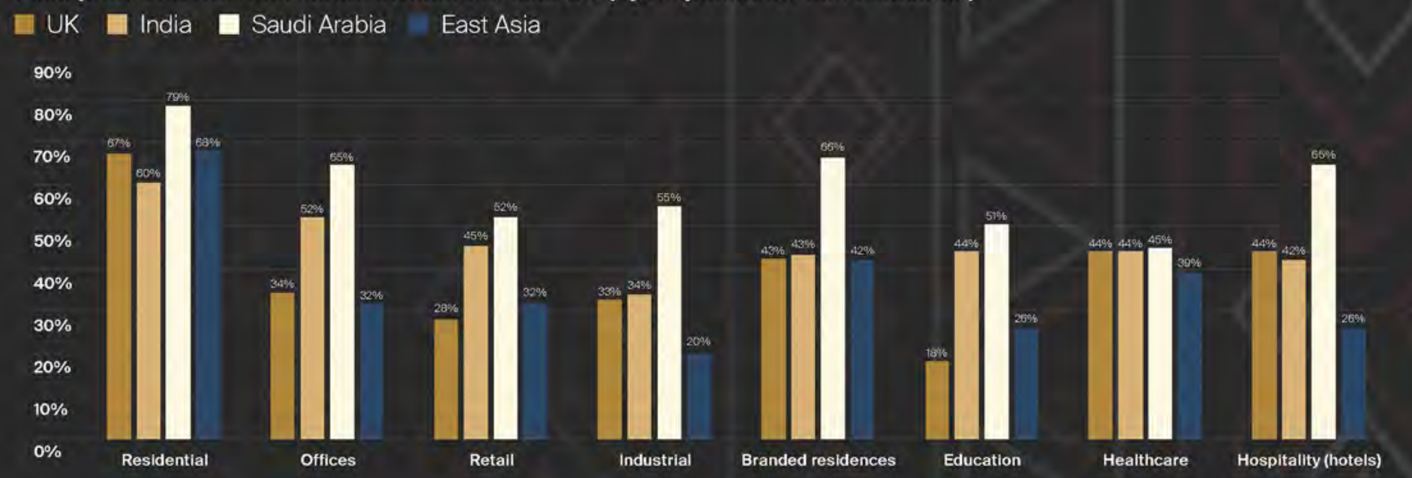
What makes a property purchase in the Emirates attractive varies for our survey respondents, but 'high-quality infrastructure' ranks as the number one motivator for 69% of global HNWI. The second most important pull factor is 'better value for money' (63%), closely followed by the country's position as a leading 'global tourist destination' (59%).

Notably, the 'range of residential visa options' at 46% and lack of personal taxation at 45% ranked as the lowest considerations for our HNWI survey sample. The UAE authorities introduced a wide range of residency visa options in the wake of the pandemic in an effort to attract and retain talent. However our survey results suggest this is not as important to the global super-rich, as it may be to other buyer groups.

Dubai Hills Estate

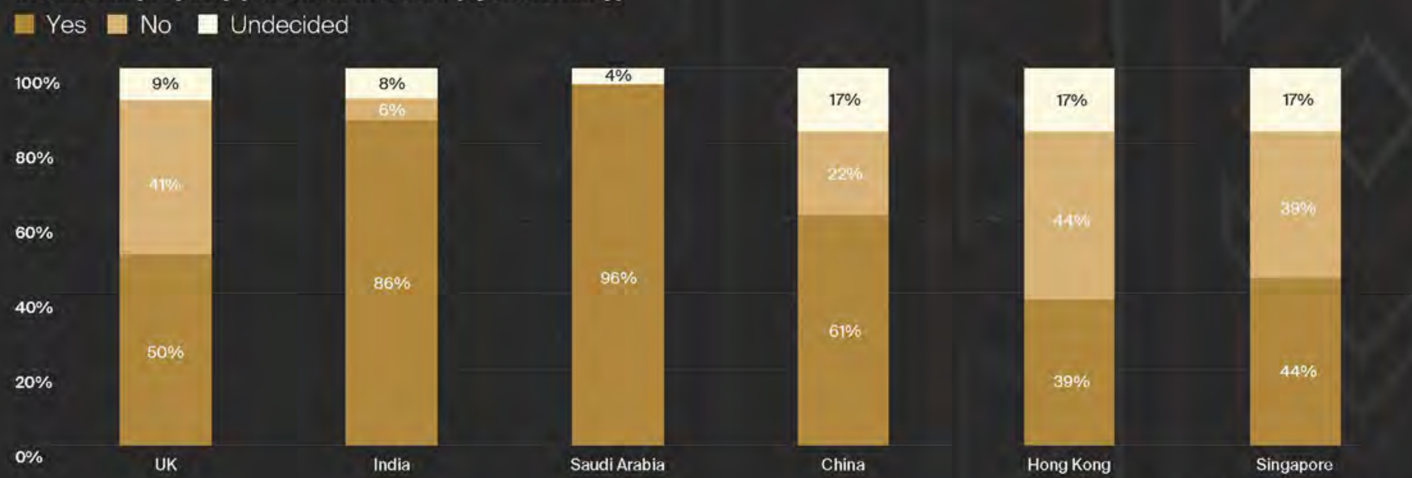
Discover the data

Most preferred UAE real estate investment sectors (by respondents' home location)



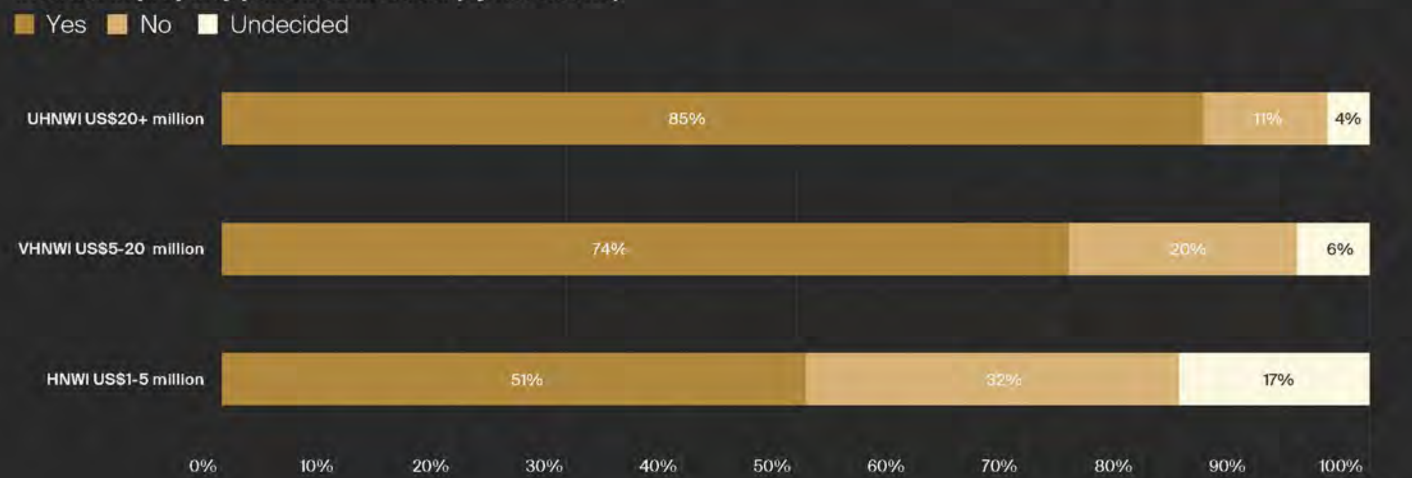
Source: Knight Frank, YouGov

Interest in property purchase in Dubai (by nationality)



Source: Knight Frank, YouGov

Interest in property purchase in Dubai (by net wealth)



Source: Knight Frank, YouGov

RESIDENTIAL: THE MAIN DRAW

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Dubai still top target

Overall, 71% of our global HNWI survey respondents have named Dubai as their most preferred emirate in the UAE for a real estate acquisition. This figure is highest among Saudi HNWI (80%), followed by UK HNWI (74%). Indian HNWI follow in third place (69%), while 61% of East Asian HNWI put Dubai ahead of other locations in the UAE for a property purchase.

The demand for an asset in Dubai is highest amongst HNWI, with a net worth of between US$ 1-2 million (79%) and those with a personal wealth of US$ 7-10 million (79%). Similarly, for those with personal wealth amounting to between US$ 20-30 million and US$ 30-50 million, the city holds strong appeal at 70% and 67%, respectively. This aligns with our own experience in the market, with the super-rich remaining laser-focused on purchasing luxury homes in the city.

Indeed, this unrelenting demand has been a critical driver of Dubai being the world's busiest US$ 10 million+ homes market for the second year running. We explore this theme later in the report.

US$ 1.3bn takes aim at Abu Dhabi

Away from Dubai, the UAE capital, Abu Dhabi is also fast rising as a key contender for global HNWI, emerging as the second most popular real estate investment target at 19%. For comparison, Abu Dhabi was being targeted by just 14% of the global HNWI we surveyed last year, albeit this year, we have reduced our geographic focus to just four countries/territories/regions.

Excluding Dubai, we have uncovered US$ 2bn of potential private capital amongst our 387 HNWI survey respondents that is actively circling the Emirates' real estate markets.

Notably, US$ 1.3bn, or 65% of this total, is focused exclusively on Abu Dhabi.

Discover our expert insights

> Dubai's relative affordability to other global gateway cities further adds to the city's appeal. For instance, US$ 1 million in Dubai's prime markets secures around 840 square feet of space, which is 2-3x times more than other major global gateway cities such as London, New York or Singapore.

Aliaa M Elesaaki
Research Manager - Egypt & UAE

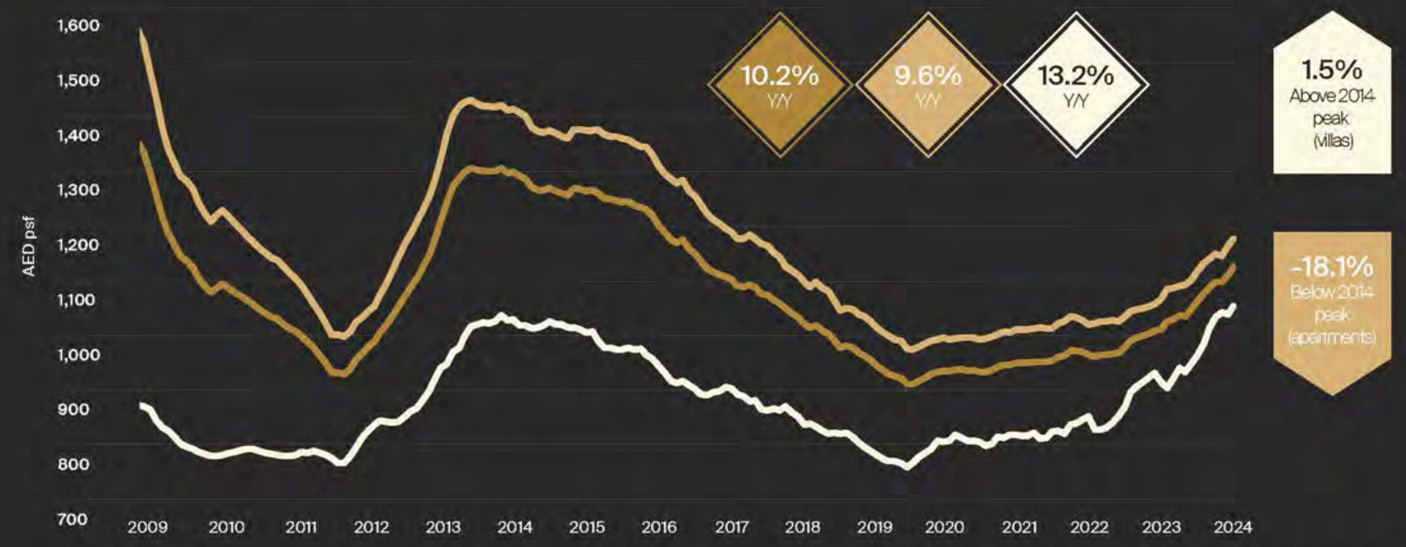
US$ 1.3bn of private capital is taking aim at Abu Dhabi's property market

UNDERSTANDING ABU DHABI'S RESIDENTIAL MARKET

Unlike Dubai, Abu Dhabi's house prices have experienced more moderate growth, rising by an average of 21% since January 2020. Villas, with a rise of 31%, have outperformed apartments, which experienced 11% growth. Demand has been largely catalysed by domestic purchasers, using the relative stability in pricing over the last seven years as an opportunity to transition from being tenants to homeowners. Meanwhile, homeowners have been upgrading where possible. Home values in the UAE capital currently average around AED 1,124 psf, some 34% cheaper than those in Dubai. Below we summarise the performance of Abu Dhabi's housing market.

Abu Dhabi residential values

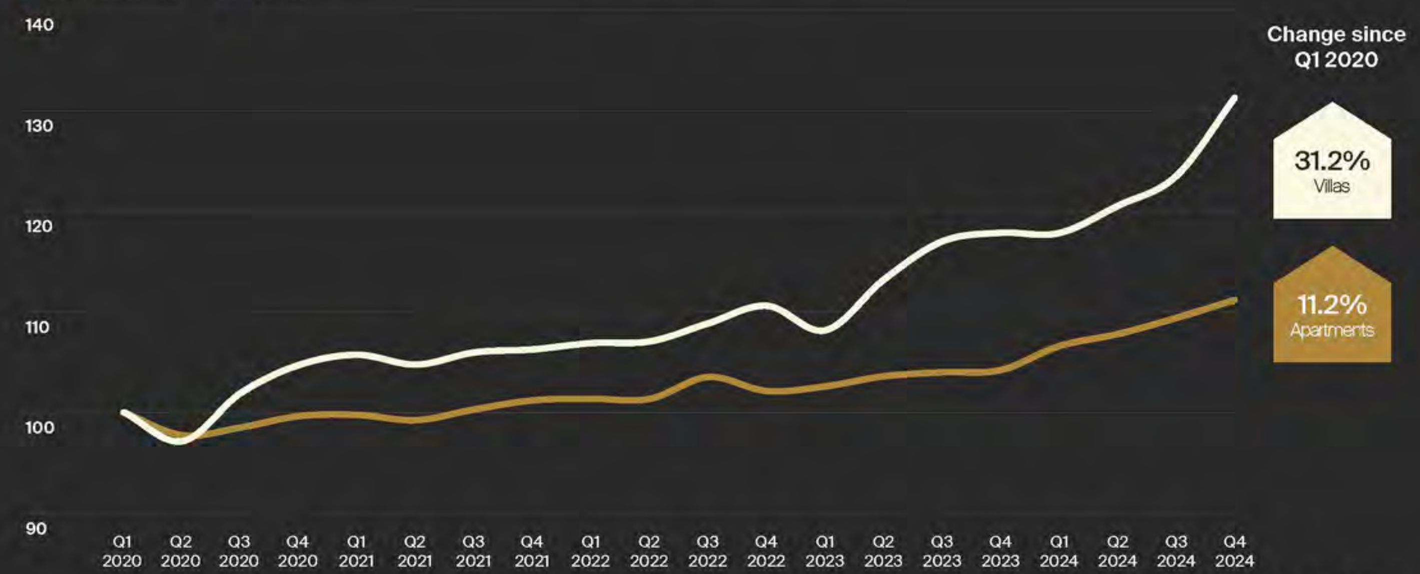
All residential · Apartments · Villas



Source: Knight Frank, Quanta

Indexed performance of residential values in Abu Dhabi (Q1 2020 = 100)

Apartments · Villas



Source: Knight Frank, Quanta

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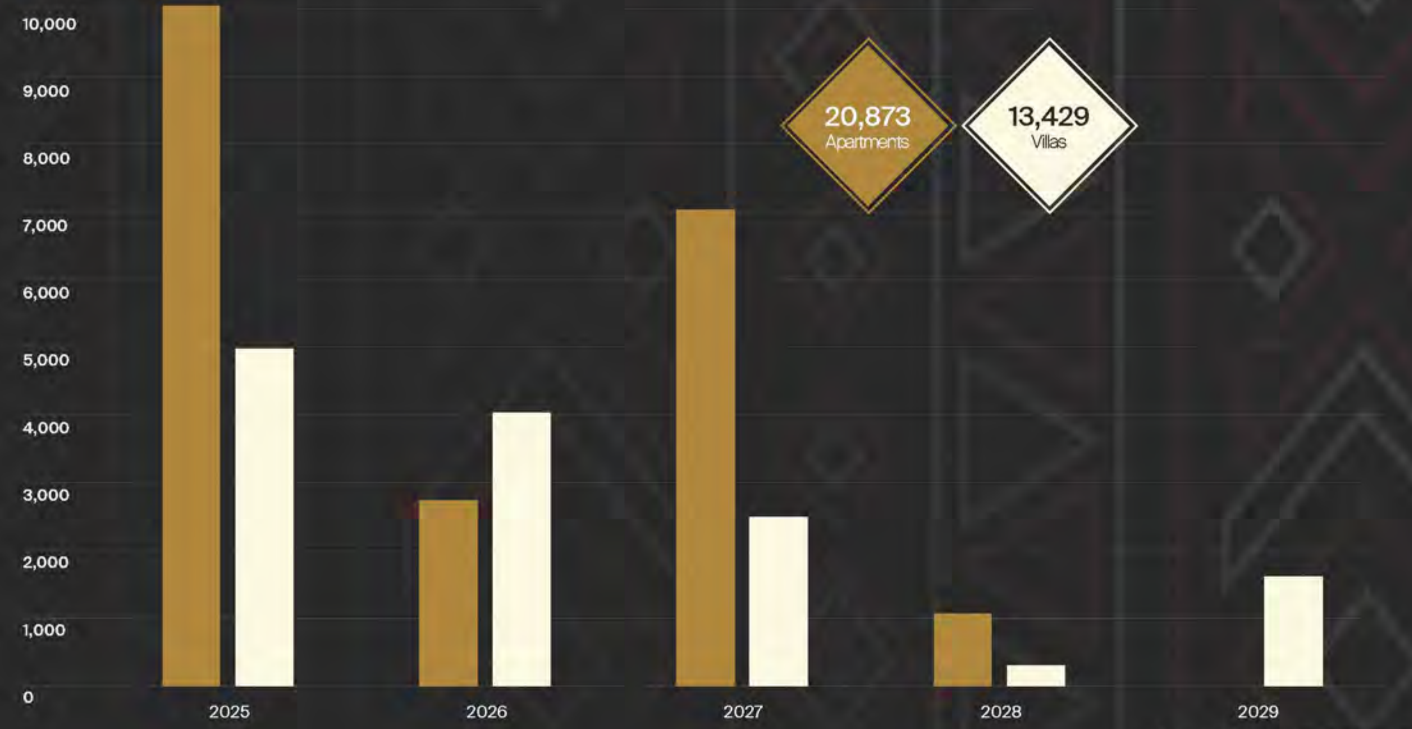
Abu Dhabi residential supply

Apartments · Villas



Source: Knight Frank, Quanta

An emerging magnet for global capital

Anecdotal evidence suggests that more international purchasers are active in the UAE capital's housing market, tempted by Abu Dhabi's often perceived greater family-oriented culture as well as by its relative affordability.

The UAE capital's growing international appeal is also reflected in the value of sales of developers like Aldar. It has seen the total volume of sales to international buyer not residing in the UAE jump from 3% of home sales in 2021 to 28% at the end of 2023. Looking ahead, Abu Dhabi's continuing emergence as a regional hub for global financial institutions as it vies for pole position as the Middle East's leading financial centre alongside Dubai and Riyadh is likely to pave the way for increased levels of private real estate investment. One of the most notable recent market arrivals has been Singapore's Temasek Holdings' US$ 54bn asset management business, Seviora.

Seviora joins the likes of BlackRock, Polen Capital, PGIM, Nuveen, General Atlantic and Morgan Stanley, among others, who began operations at ADGM last year. The city's financial freezone registered a 245% increase in assets under management during 2024.

NEED TO KNOW

UNDERSTANDING RAS AL KHAIMAH'S RESIDENTIAL MARKET

Contributor
Abdulaziz Zabalawi
Associate Partner - Real Estate Strategy & Consulting

Away from the glitz and glamour of Dubai and Abu Dhabi, the UAE's northern most emirate of Ras Al Khaimah (RAK) is blazing a trail as it looks to complement the more well-known emirates in the country by nurturing its own property market. In its economic diversification efforts, RAK will become the first emirate in the UAE and indeed the first city in the GCC to house a responsible gaming resort. The US$ 5.1bn 70-storey Wynn Resort & Casino, set to open in 2027 on Marjan Island is at the heart of RAK's rapidly emerging property scene. Below we take a closer look at the performance of RAK's residential market.

Ras Al Khaimah's property market is considered one of the rising stars in the UAE, especially after the announcement of the 1,500 room Wynn resort. The Wynn resort has triggered other developments on Al Marjan Island, such as branded residential developments by Four Seasons, Nikki Beach and, Nobu, amongst others. These have been well received by the market, with over 100 different nationalities investing in the RAK market over the past two years, according to our data.

Furthermore, our analysis suggests that most developments have achieved absorption levels exceeding 80%, which could be attributed to the fact that the RAK is perceived to offer "affordable luxury", in comparison to Dubai, or Abu Dhabi.

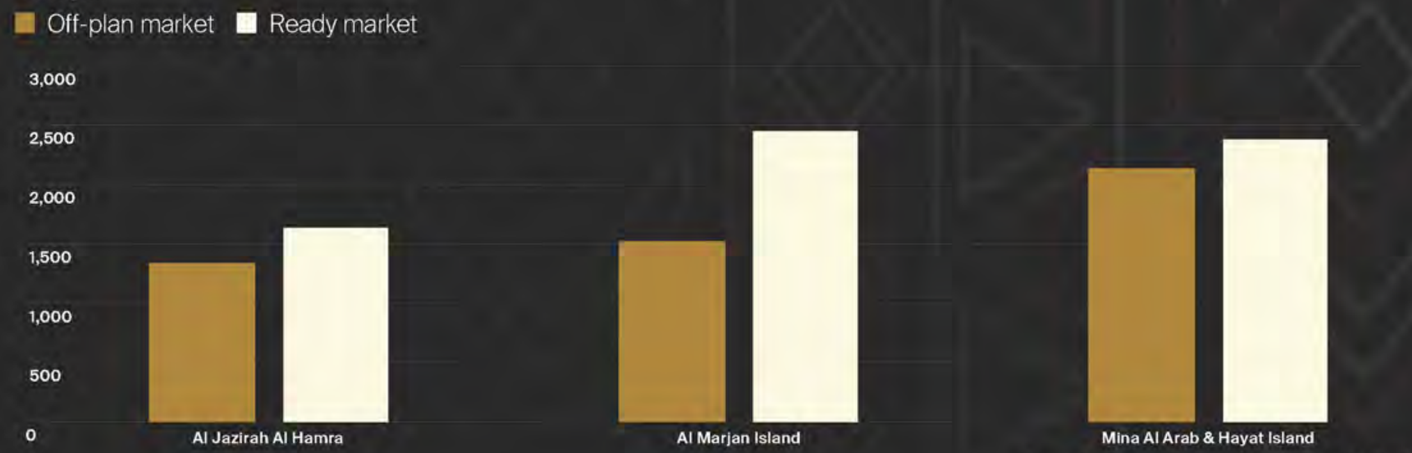
From an economic standpoint, Ras Al Khaimah Economic Zone (RAKEZ) achieved record growth in 2024, welcoming over 13,000 new companies to Ras Al Khaimah. This represents a staggering 66% growth in new registrations compared to 2023. RAKEZ was also named the fastest-growing economic zone in the UAE at the Asian Arab Awards 2025.

Finally, with authorities planning to attract 3.5 million overnight visitors by 2030, coupled with ongoing economic diversification efforts, RAK is rapidly emerging as one of the UAE's most exciting real estate investment hot spots.

Apartment prices in RAK (2024)
AED psf

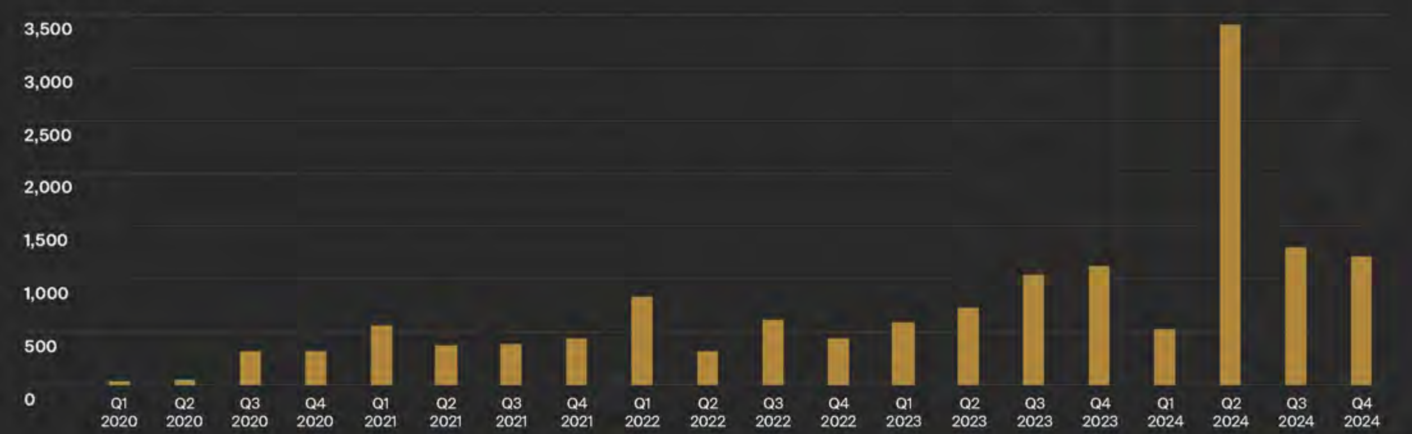
Source: Knight Frank, Government of RAK

Villa prices in RAK (2024)
AED psf



Source: Knight Frank, Government of RAK

RAK residential market transaction values (2020-2024)
AED millions

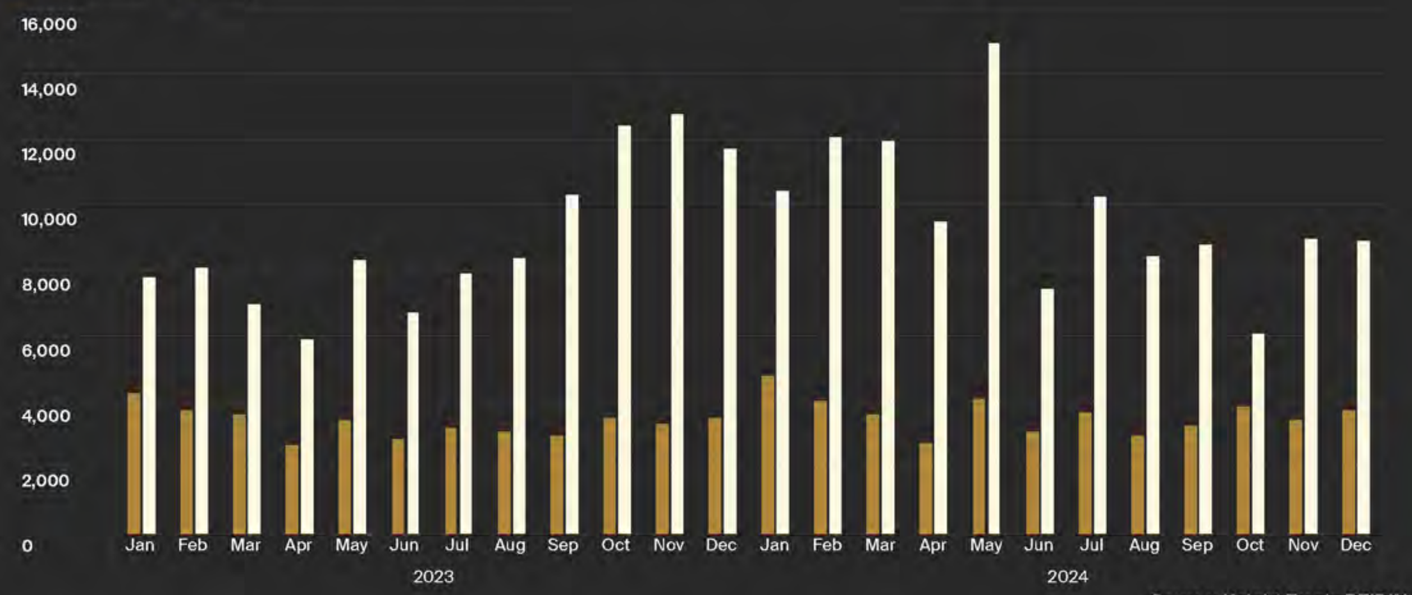


Source: Knight Frank, Government of RAK

UNDERSTANDING THE UAE'S OFFICE MARKETS

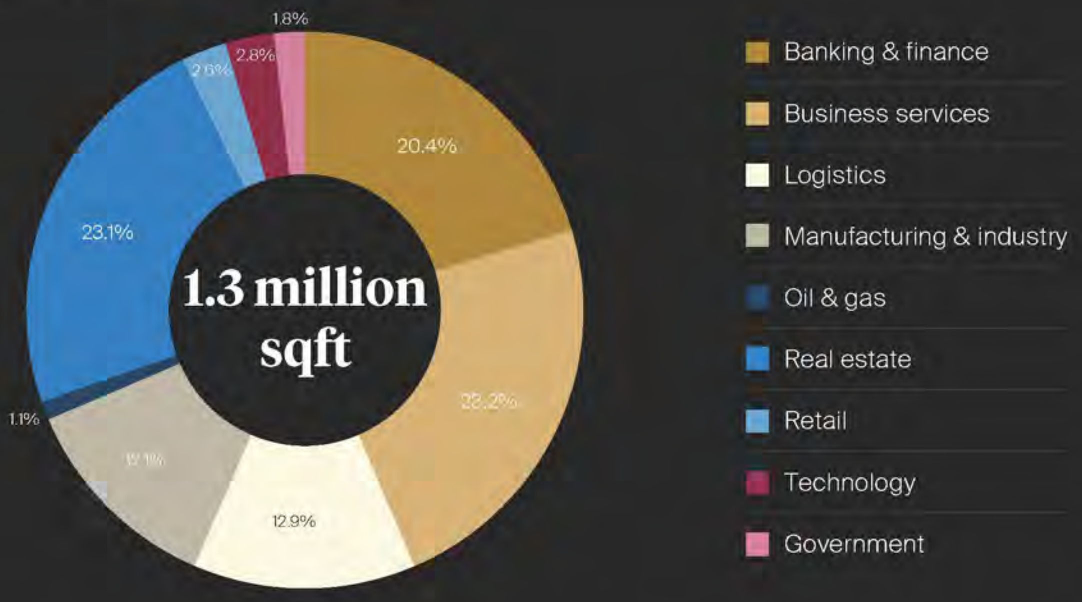
Away from the residential sector, the UAE's office market is also viewed favourably by global HNWI, ranking as the third most sought-after real estate sector overall. For Indian HNWI, it is the second most likely target at 52%, not far behind residential property at 60%. The depth of demand is undoubtedly aided by the persistent shortage of prime grade A space, the strengthening office demand and the high levels of office occupancy in both Abu Dhabi and Dubai. Below we summarise the performance of the office markets in both cities.

Number of office rental transactions in Dubai (renewed v. new contracts) (Q1 2023-Q4 2024)



Source: Knight Frank, REIDIN

New office space requirements in Dubai - 2024



Source: Knight Frank

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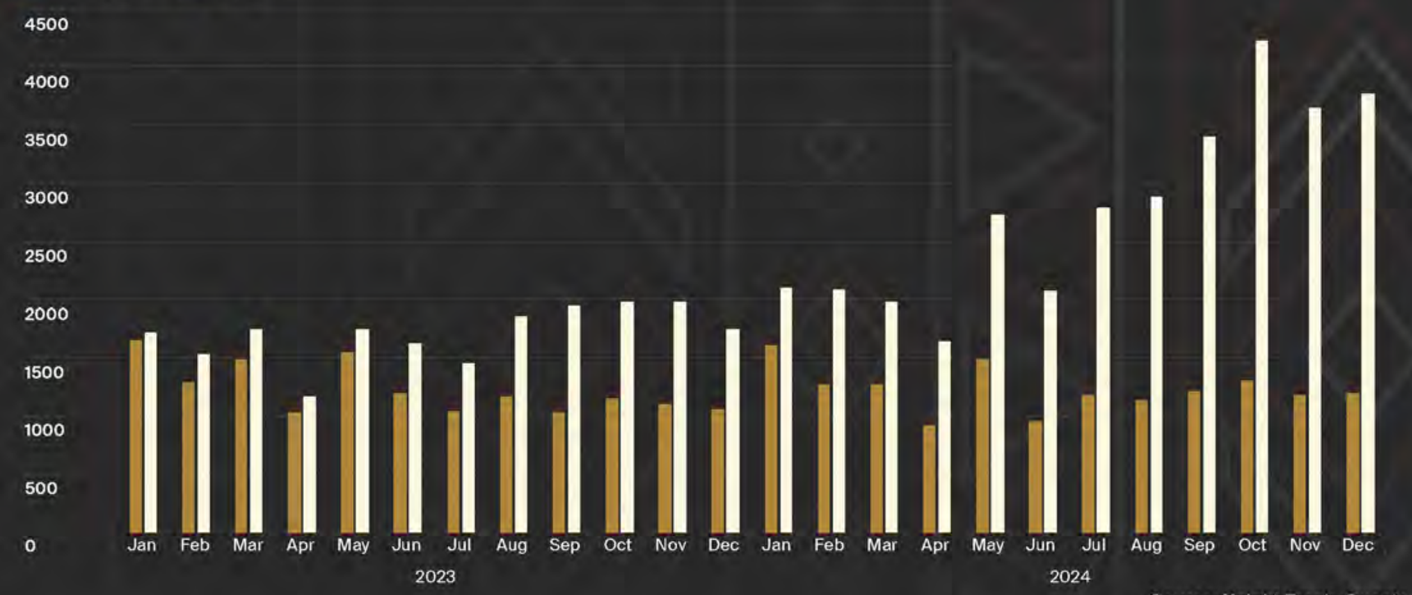
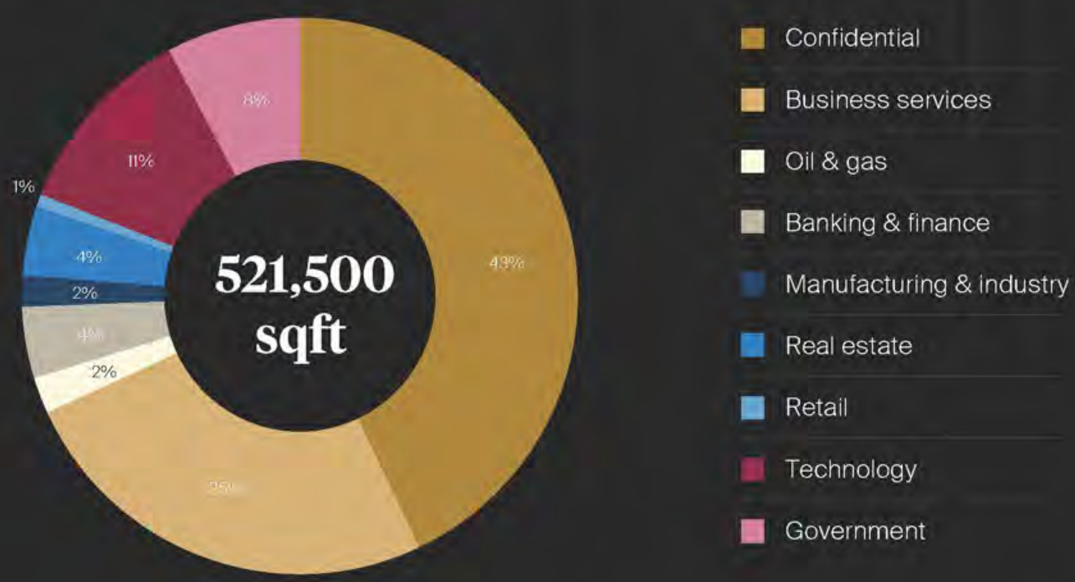
Number of office rental transactions in Abu Dhabi (renewed v. new contracts) (Q1 2023-Q4 2024)



Source: Knight Frank, Quanta

New office space requirements in Abu Dhabi - 2024



Source: Knight Frank

GLOBAL DEMAND FOR RESIDENTIAL REAL ESTATE IN DUBAI

DUBAI: THE CROWN JEWEL

Dubai remains the top target for our HNWI survey respondents, with 68% interested in making a real estate purchase in the emirate. The city's meteoric rise as one of the world's most sought-after property investment destinations is reflected in the value of residential transactions recorded in the city, which has rocketed by 767% between 2020 and the end of last year to AED 367bn (US$ 100bn).

Saudi HNWI keenest to purchase in Dubai

Of the various HNWI groups we surveyed, Saudi nationals have the highest desire to buy real estate in Dubai (96%), closely followed by Indian HNWI (86%). Amongst East Asian respondents to our survey, Chinese HNWI have the highest appetite (61%). 50% of British HNWI are keen on purchasing property in Dubai.

The depth of demand from these nationalities is also reflective of our own market experience. Indeed, in 2024, Saudi, Indian and British nationals accounted for just over 50% of homes sold by Knight Frank in Dubai.

Examining responses by levels of personal wealth also reveals a trend that has become one of the key defining features of this market cycle: demand for homes in the city is strongest amongst those with the deepest pockets.

The pool of buyers with the strongest appetite to acquire property in the emirate sits between HNWI with a personal wealth of US$ 30-50 million (92%) and those worth between US$ 10-15 million (93.1%).

Dubai Marina tops wish lists (again)

In terms of top target neighbourhoods for a residential acquisition, Dubai Marina, at 28%, once again topped our HNWI wish lists, noting that we have narrowed our focus to HNWI in just four geographic regions/territories. The Marina holds particularly strong appeal for British HNWI (39%) and Saudi HNWI (35%).

For our wealthiest HNWI respondents (net worth > US$ 50 million), Dubai Marina at 43% commands the highest interest, demonstrating the enduring appeal for the long-standing poster-child of Dubai's property market. For this group of super-rich buyers, Dubai Hills Estate follows in second place (30%), while Emirates Hills (22%) rounds off the top three likely home purchase locations.

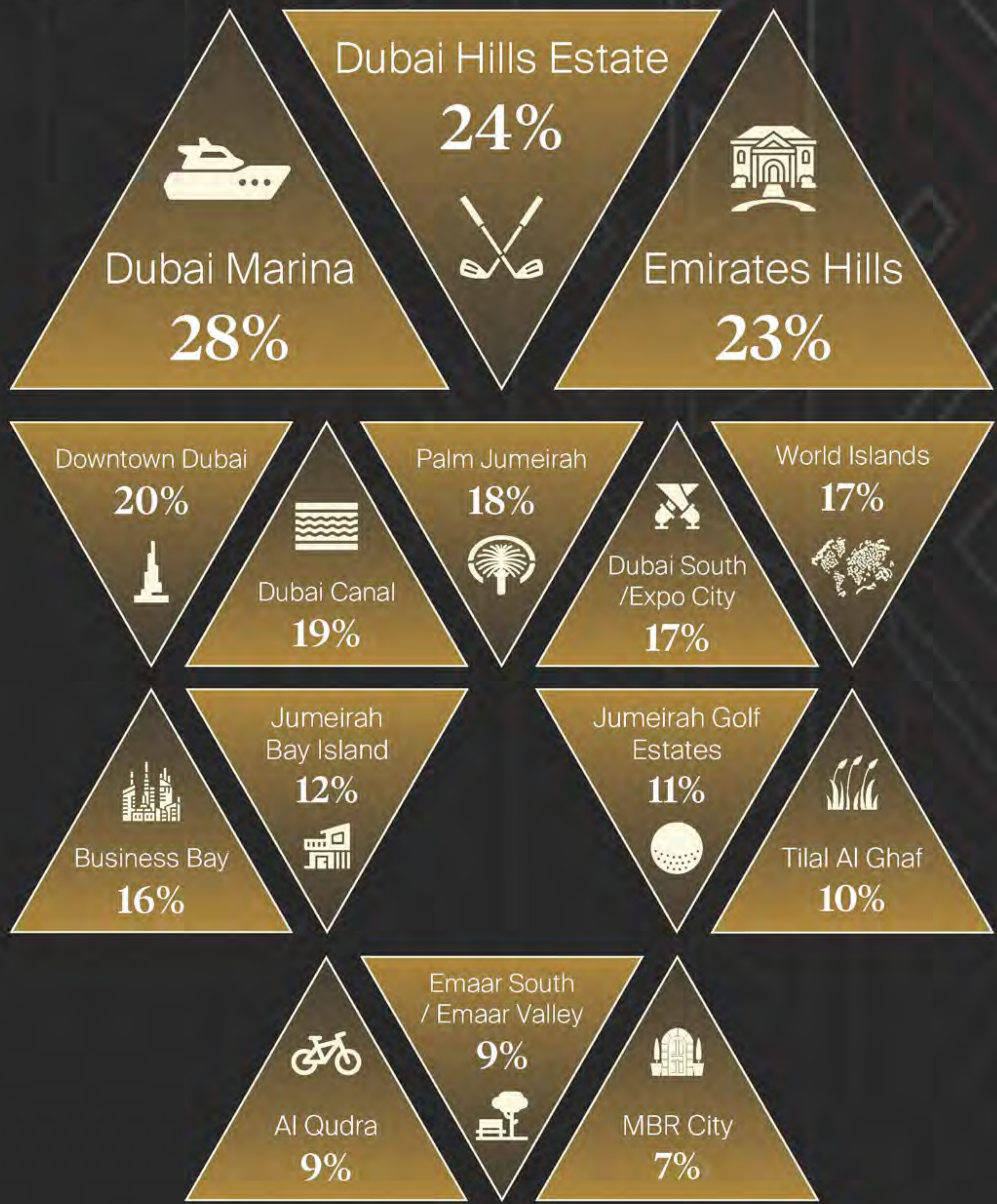
For HNWI buyers from India, however, Emirates Hills is the most preferred home purchase location in the city. The exclusive enclave in the Emirates Living district by Emaar, which contains around 600 of Dubai's most expensive mansions, is a well-established magnet for long-term HNWI residents from the Indian subcontinent, which perhaps explains this apparent affinity to this group.

Overall, Dubai Hills Estate and Emirates Hills rank in second and third place at 24% and 23%, respectively.

> "Dubai's rise as a premier investment destination has been carefully orchestrated by the government over the past five decades, culminating in one of the most desirable residential markets in the world, as evidenced by the record sales volumes registered over the past five years.

Will Mckintosh
Regional Partner - Head of Residential, MENA

Top target Dubai neighbourhoods for HNWI home buyers



*Percentages indicate number of times each option was selected

Source: Knight Frank, YouGov

IN FOCUS: TOP TARGET NEIGHBOURHOODS FOR THE ULTRA RICH

With Dubai Marina and Emirates Hills being named as the two of the top target neighbourhoods for a home purchase by our HNWI respondents with personal wealth in excess of US$ 50 million, below we look at how residential values in these two areas of the city have performed since 2020.

Emirates Hills

Dubai Marina

NEED TO KNOW

	Emirates Hills	Dubai Marina
Total value of sales	AED 1.4bn	AED 3.9bn
Total number of sales	20	1,765
Number of AED 10 million+ sales	20	18

Average AED psf

	Q1 2024	Q1 2025	Y/Y
Emirates Hills	3,289	5,058	54%
Dubai Marina	2,655	2,722	3%

Highest AED psf achieved

Emirates Hills	17,374
Dubai Marina	9,890

	Units under construction	Most expensive sales details
Emirates Hills	0	Villa - 6 bedrooms 24,500 sqft
Dubai Marina	8,203	Apartment - 5 bedrooms 12,000 sqft

Source: Knight Frank, REIDIN

2024: A RECORD YEAR

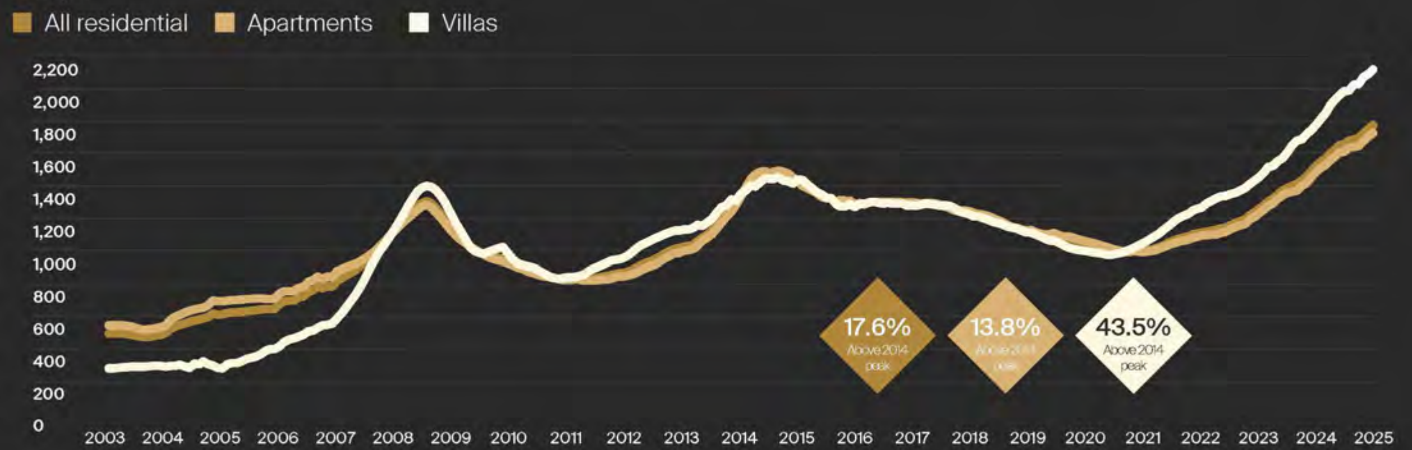
Dubai residential prices surged by 19% in 2024 amid rising demand, taking the total growth since the start of the current property cycle in November 2020 to 65.5%. In parallel, the total value of all residential deals has grown by 207% to AED 367bn. And prices remain on an upward trajectory, rising by 17.6% during Q1 2025, with demand showing no signs of abating, both from domestic and international buyers.

Price surge continues

Dubai's residential market experienced another strong year in 2024, with property values rising by 19.1% to reach an average of AED 1,685 psf, pushing prices to 13.3% above the 2014 peak.

On average, villa sale prices grew by 20.2% last year, reaching AED 2,009 psf, placing them 38.1% above the 2014 peak. This sustained growth illustrates the strong appeal of standalone villas, beachfront homes and branded residences that provide instant access to the Dubai lifestyle.

Current market performance
AED psf



Source: Knight Frank, REIDIN

Crucially, in this cycle, we have noted a rise in genuine end users rather than speculative (or 'buy-to-flip') purchasers that have defined previous cycles. This change is reflected in the fact that there has been a reduction in the number of homes available for sale across the city, with the very top end of the market impacted the most. For instance, in the exclusive AED 50 million+ bracket, the number of homes available to purchase in 2024 fell by 48% compared to 2023.

And this trend has continued into Q1 2025, with a 9.8% reduction in unique home listings across the city between Q4 2024 and Q1 2025.

Overall, it's the villa market where the attention of the global super-rich remains focussed, with last year's rising values reflecting a 99.8% uplift on Q1 2020 price levels.

Change in the number of home listings (2024 vs. 2023)

< AED 1 million	AED 1-2 million	AED 2-5 million	AED 5-10 million	AED 10-25 million	AED 25-50 million	AED 50 million+
4%	21%	-17%	-19%	-25%	-30%	-48%

Source: Knight Frank, REIDIN

NEED TO KNOW

Discover the report

Luxury homes remain in short supply across Dubai

2024: A RECORD YEAR

Ultra luxury homes shortage

The number of homes available for sale in the US$ 10 million+ bracket fell by 40% last year, down from 4,119 to 2,491 homes. The number of homes available in the US$ 25 million+ bracket saw more than double the rate of decrease (85%), down from 583 to only 86 properties.

Prime homes market

Dubai's prime residential market, which until last year we defined as the Palm Jumeirah, Jumeirah Bay Island, Jumeirah Islands and Emirates Hills, experienced a surge in performance as well, highlighting the enduring demand for luxury homes.

We define a prime neighbourhood as one where 10% of deals (by number) must take place at over AED 2 million – and this must be sustained for three consecutive years in order to demonstrate that an area is able to hold its value.

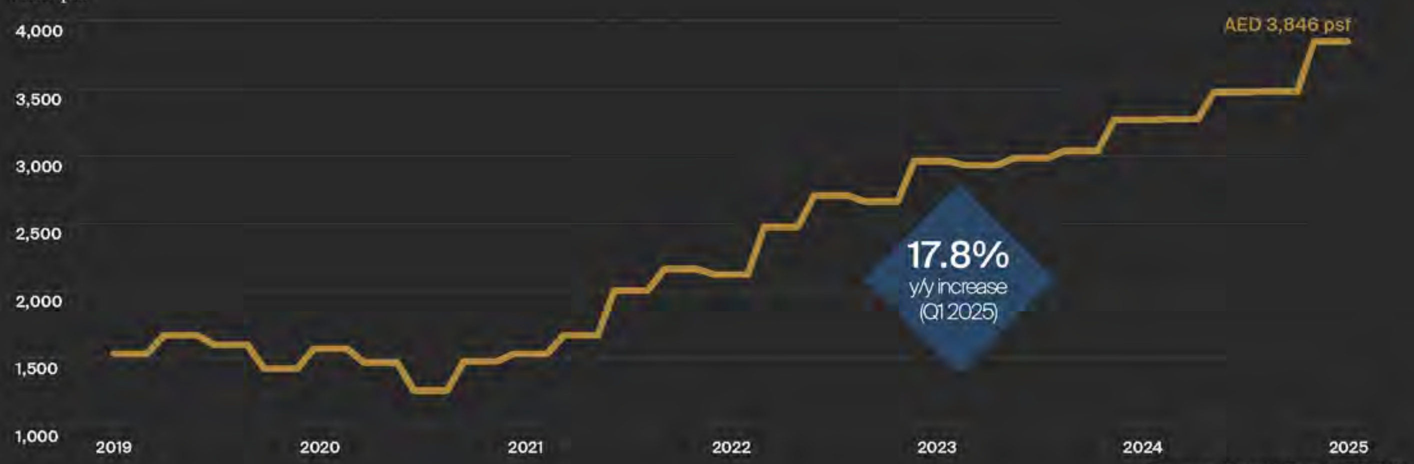
As at Q1 2025, our definition of prime has been expanded to include Al Barari, District One, Tilal Al Ghaf, Dubai Hills Estate, Jumeirah Golf Estates and La Mer. Using this new definition, in the 12 months to the end of March 2025, prime values in Dubai reached AED 3,846 psf, which equates to a rise of 17.8%.

The performance of Dubai's prime market in the current market cycle has outpaced prime markets globally, with prices in the city's four prime neighbourhoods surging by 151% between Q4 2020 and Q4 2024. This compares to +3.02% in New York, +2.99% in Hong Kong and a -0.35% fall in Hong Kong over the same period.

Furthermore, Dubai's luxury market has cemented its status as a safe haven for international and local luxury buyers with another record-breaking year for the US$ 10 million homes market. 435 deals were registered during 2024, 153 of which were in Q4 alone making it the highest figure recorded in one

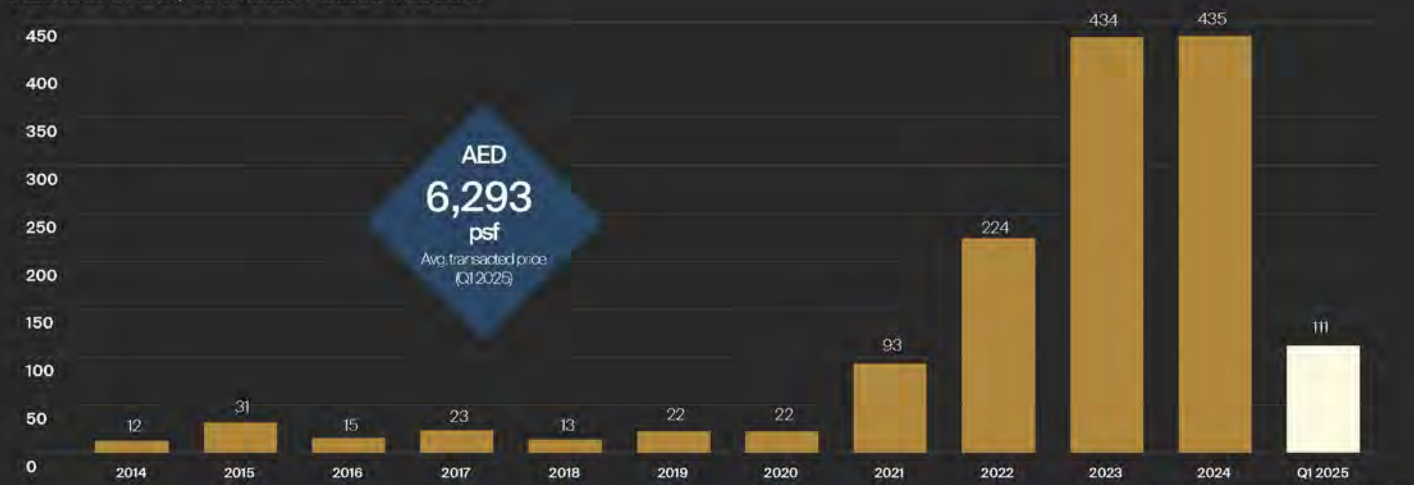
Strong prime growth continues

AED psf



Source: Knight Frank, REIDIN

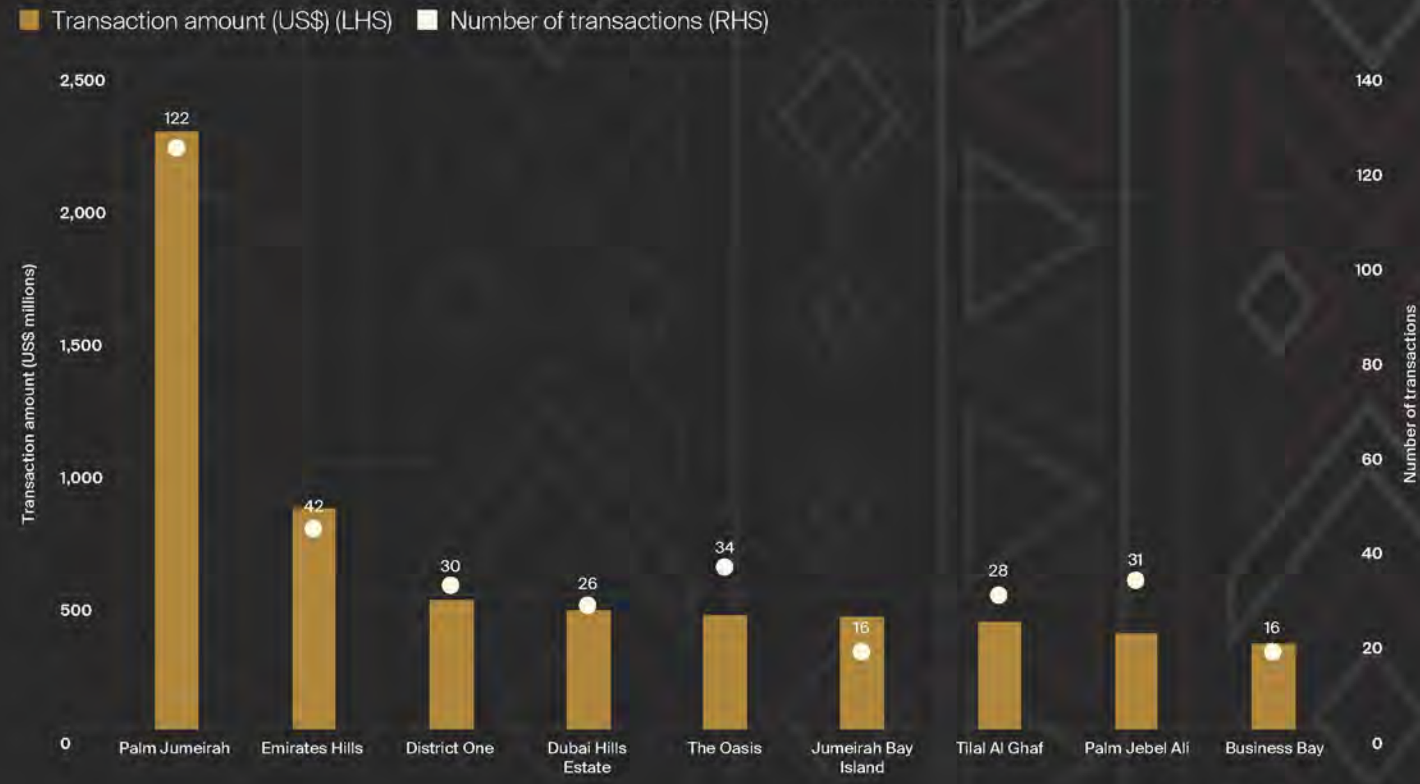
Number of US$ 10 million+ sales in Dubai



Source: Knight Frank, REIDIN

NEED TO KNOW

Top neighbourhoods for US$ 10 million+ sales in Dubai over the last 12-months (April 2024 – March 2025)



Source: Knight Frank, REIDIN

US$ 10 million+ home sales (2024)

World's busiest US$ 10 million+ home sales markets | Value of US$ 10 million+ residential sales (US$)

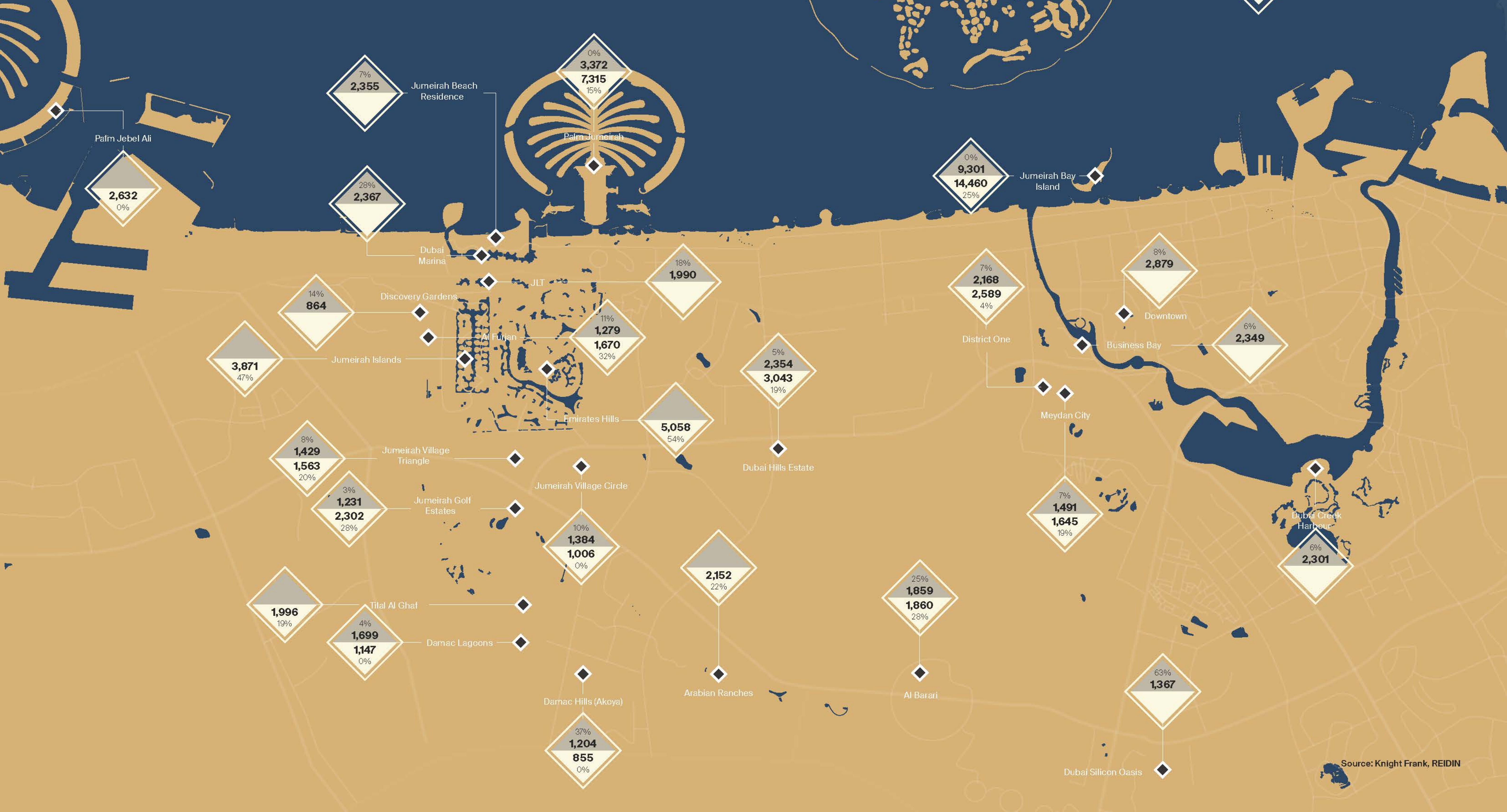
1	Dubai	435	6.9bn	7	Palm Beach	154	2.9bn
2	New York	269	5bn	8	Sydney	100	1.6bn
3	London	224	4.8bn	9	Orange County	96	1.5bn
4	Hong Kong	223	4.6bn	10	Singapore	89	1.4bn
5	Los Angeles	214	3.7bn	11	Geneva	46	0.9bn
6	Miami	167	3bn	12	Paris	10	0.14bn

Source: Knight Frank, REIDIN, Douglas Elliman, Ken Corporation

HOME PRICE PERFORMANCE ACROSS DUBAI

NEED TO KNOW

In the 12-months to the end of Q1 2025, Jumeirah Islands (38.4%) experienced the strongest price growth across the city, exceeding the 17.4% city-wide average. Below, we detail the performance of apartment and villa prices across key neighbourhoods in the emirate.



Source: Knight Frank, REIDIN

PRIME NEIGHBOURHOODS EXPAND

Every year, we examine all transactions in the city to study the growth in the number of neighbourhoods that qualify to be upgraded to prime status. In 2024, we upgraded Jumeirah Islands to join stalwarts Emirates Hills, the Palm Jumeirah and Jumeirah Bay Island. To ascend to this elevated status, 10% of deals in a neighbourhood (by number) must take place at over AED 10 million – and this must be sustained for three consecutive years to demonstrate that an area is holding its value. This year, the number of neighbourhoods that we class as prime has expanded to 10 areas. We detail the performance of Dubai's newly expanded prime submarkets below.

AL BARARI

51	1,860 (+40.7% y/y)
22	4,174
584 million	AED 31.2 million 4 bedroom villa 7,463 sqft

DISTRICT ONE

107	2,379 (+8% y/y)
35	6,506
932 million	AED 125 million 7 bedroom villa 19,214 sqft

TILAL AL GHAF

119	1,996 (+17.9% y/y)
29	3,749
1.3bn	AED 57.4 million 7 bedroom villa 17,764 sqft

NEED TO KNOW

DUBAI HILLS ESTATE

1,068	2,698 (+6.3% y/y)
46	13,318
3.9bn	AED 140 million 6 bedromo villa 10,512 sqft

JUMEIRAH GOLF ESTATES

114	2,114 (+31.3% y/y)
50	7,052
1.2bn	AED 48.5 million 6 bedroom villa 6,878 sqft

LA MER

56	2,855 (+5.6% y/y)
7	3,564
294 million	AED 23.7 million 5 bedroom villa 6,842 sqft

Total number of sales	Average AED psf
Number of AED 10million+ sales	Total value of sales (AED)
Highest AED psf achieved	Most expensive sale

Source: Knight Frank, REIDIN

HOME PREFERENCES REVEALED

The growing prevalence of genuine end-users in the market, rather than speculative (or 'buy-to-flip') purchasers, as was the case in previous residential market cycles, has been a key point of differentiation in Dubai's residential market in this property cycle. This change in the nature of buyers is underpinning demand for family homes and is also a key contributor to the lack of homes for sale in the city.

HNWI, their families and their businesses

Not only do we have anecdotal evidence of this shift in the profile of buyers in the city through our residential teams, who continue to work with wealthy HNWI clients and their families who are relocating to the city, but our commercial agency team too, are experiencing similar demand.

We continue to receive a steady stream of family offices and businesses owned by HNWI that are relocating their main base of operations to the city. And it is this behaviour that has supercharged the trajectory of residential values since 2020.

Family homes in most demand

Similarly, property preferences among our global HNWI survey respondents reveal distinct patterns across nationalities and income brackets, highlighting the types and sizes of homes they are seeking for their Dubai residential property purchase. There is, however, a preference for larger family-sized homes, almost irrespective of net worth or nationality, again supporting our view of the growing number of families calling the city home.

Overall, while the aspiration to own and/or live in an apartment is high (43%), demand for a villa or ranch-style home registered slightly higher (46%).

We define ranch-style homes as those within a community development with a gated entrance, dedicated driveways, and landscaped grounds (country-style look and feel) and also equestrian friendly. Amenities would include swimming pools, tennis courts, parks, BBQ areas and equestrian facilities such as tracks and stables.

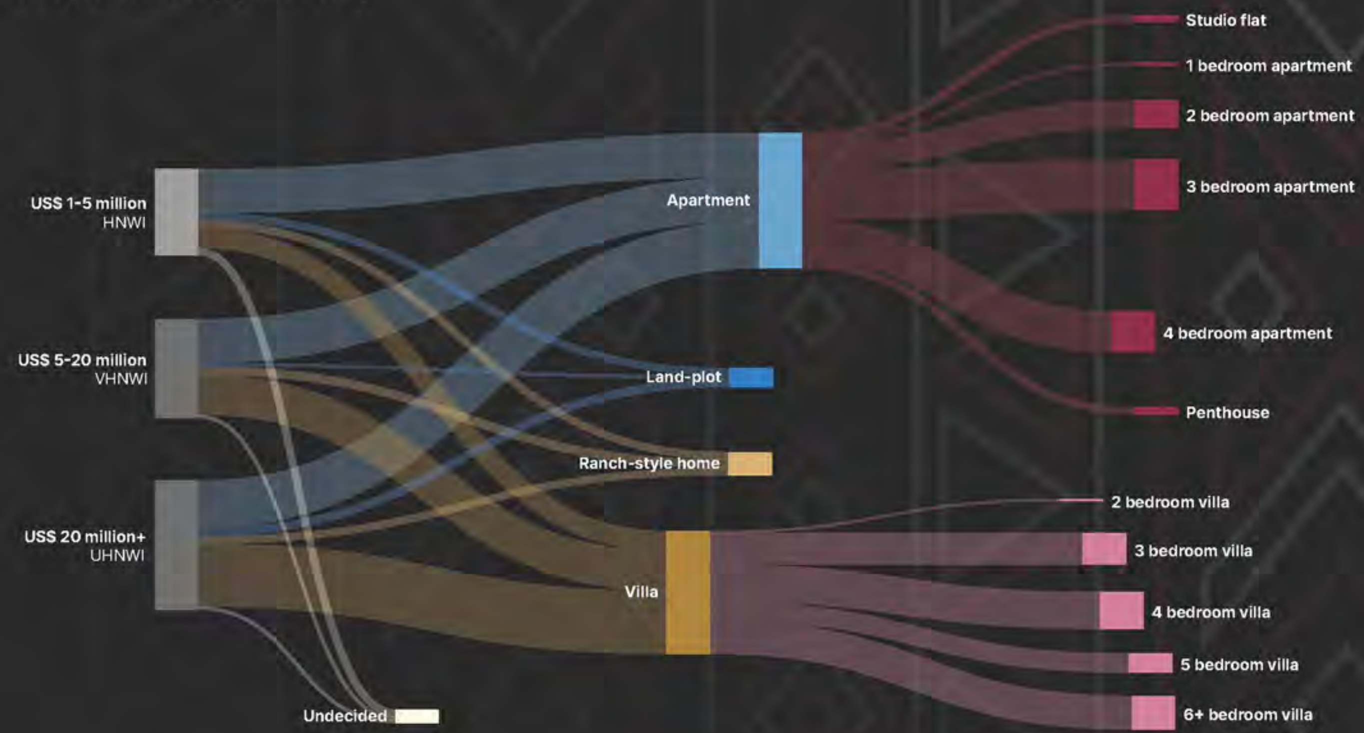
Land ahoy!

Building on our bank of evidence that the bulk of purchasing demand stems from genuine end users and families, we have also found that 83% of our HNWI respondents are interested in purchasing land to build their own home. This appetite is high, almost irrespective of nationality, and ranges from 74% for East Asians to 91% for Saudi nationals. Nearly all (96%) of those we surveyed with a net worth greater than US$ 50 million find this an attractive option.

This hints at a clear opportunity for developers. We explore this in more detail in our Opportunities chapter.

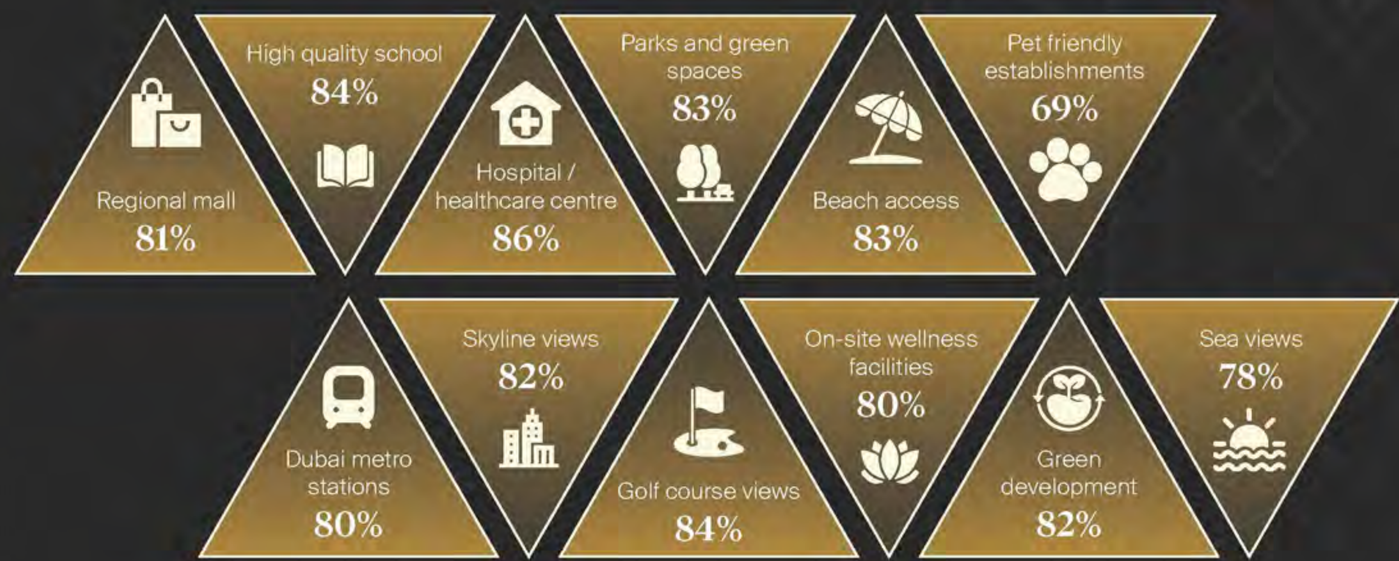
Beach-front villas are the most sought after in Dubai by global HNWI

Home preferences (by net worth)



Source: Knight Frank, YouGov

Importance of community facilities



*Percentages indicate number of times each option was selected

Source: Knight Frank, YouGov

HOME PREFERENCES REVEALED

Beachfront villas dominate

Demand for villas or ranch-style homes amongst global HNWI looking to make a property purchase in Dubai remains high at 46% compared to 52% last year. The appetite for a villa acquisition is highest amongst Saudi HNWI (58%), as well as those with a net worth of US$ 20-30 million.

When asked about villa preferences, 66% cited 'standalone villas' as their top target, while townhouses and bungalows registered 16% equally. Ranch-style homes only command the interest of 2% of our respondents.

Beachfront villas, synonymous with luxury living in Dubai, at 74% are significantly more popular with global HNWI than golf course villas (17%).

In terms of size, the top three villa sizes in demand are 4-bedroom villas (30%), 6+ bedroom villas (27%), closely followed by 3-bedroom villas (26%), once again aligning with our view of the persistent (and arguably strengthening) demand for family homes in the emirate.

Moreover, internal square footage size preference was highest for villas sized between 2,000-5,000 square feet (41%), while 5% are looking for a villa in excess of 15,000 square feet. This figure rises to 8% for those worth over US$ 50 million. The 'sweet spot' for this super wealthy cohort, however, sits between 3,000-5,000 square feet, with nearly one in four (23%) setting their sights on a villa in this size bracket.

Apartment living

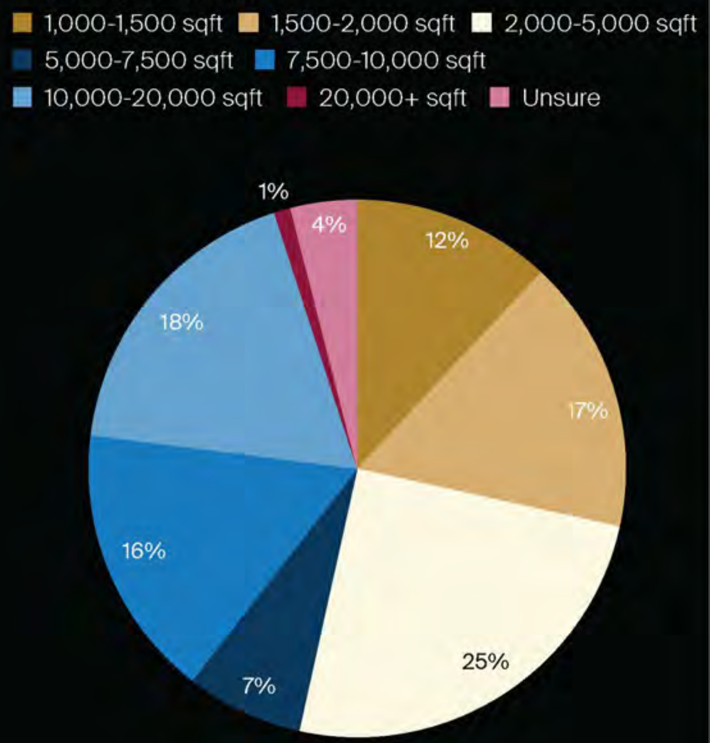
The appetite to own an apartment in the city amongst all our global HNWI is the lowest we've recorded over the last three years at 43%. It's lower than the 52% recorded in 2024 and the 64% figure recorded in 2023. The desire to own an apartment in Dubai is highest among respondents from Hong Kong at 75%. However, just 50% of our East Asian HNWI overall would like to purchase an apartment in Dubai.

Apartments are most popular amongst those with a net worth of US$ 15-20 million (80%), hinting perhaps at an opportunity to develop more stock to cater to this segment of HNWI. More on this in our Opportunities chapter.

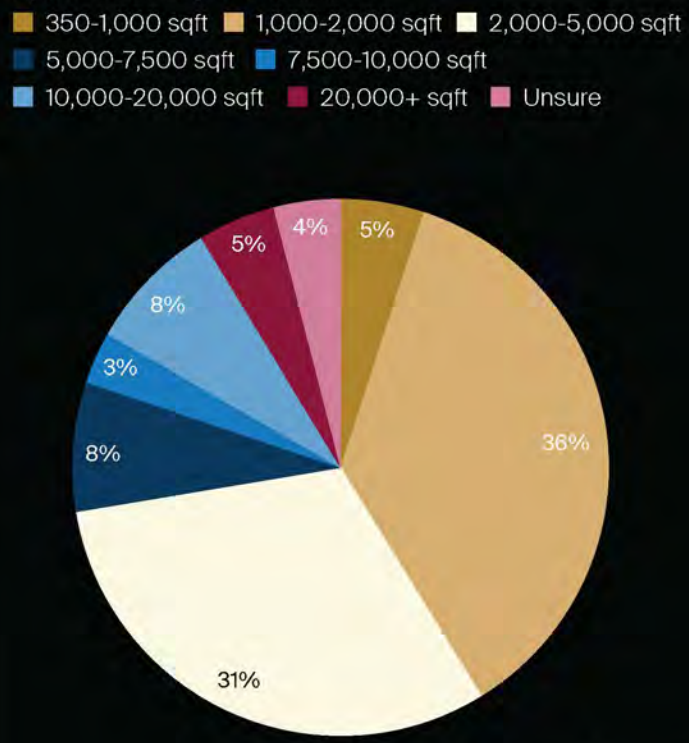
The top two apartment sizes in demand amongst global HNWI planning to make an investment purchase in Dubai are 3-bedroom apartments (37%) and 4-bedroom apartments (30%). 42% of those with a net worth greater than US$ 50 million would like to own a 4-bedroom apartment.

In terms of internal square footage, apartments sized between 2,000-5,000 square feet were ranked as the most popular (31%), closely followed by those between 1,250-2,000 square feet (29%).

Villa size preferences



Apartment size preferences



Source: Knight Frank, YouGov

Discover our expert insights

DEMAND-SUPPLY MISMATCH?

Our teams are tracking in excess of 352,000 launched or under-construction homes that are due to be completed by the end of 2029.

Developers racing to satisfy demand

Throughout the post-COVID 19 era, there has been a significant mismatch between supply and demand resulting in rapid increases in the residential prices and rents.

For instance, according to data published by the Dubai Statistics Center and our analysis, housing stock increased by 3.6% in 2022, 3.8% in 2023 and 3.9% in 2024, a compound annual growth rate of 3.8%. Over the same time period, we estimate that the population of Dubai may have grown at a compound annual growth rate of 8.5%. Our estimate is based on an analysis of expat school enrolment numbers in Dubai which, given that c.90% of Dubai's population are expats, provides a robust proxy of the population growth.

Completion rate to climb above historic levels

According to our estimates, these recent deliveries have taken the total number of homes in the city to 868,500.

We are currently tracking 352,000 launched and under-construction homes expected to complete by the end of 2029. Apartments will account for 81.2% of the new supply, and 17.3% will be villas. Branded residences will make up the remaining 1.5%.

The 352,000 units we are tracking translates into an average of 70,400 deliveries per year between 2025-2029. This is higher than the average annual rate of 36,000 home completions in the city since 2010, and equates to a compound annual growth rate of 7.3% for the next five years.

Conditions for absorption of new stock

If population growth continues at recent rates, then new stock would be absorbed without market weakness.

- **Completion rate:** In the past 3 years, 2022 to 2024, we estimate that the materialisation rate of expected completions has been around 60%. If similar patterns persist, then supply up to 2029 will increase at a compound annual growth rate of 4.2%. Population growth has exceeded this level in the post-COVID era.
- **Non-resident purchasers:** In our 2024 Destination Dubai research, we found that two-thirds (66%) of global HNWI were interested in purchasing a second home (or holiday-home) in the city. Our teams are also working with a growing cohort of such non-resident purchasers. This group of buyers would not be counted as part of the population, so should be considered as a key source of additional demand further supporting the market.

In our chapter examining the resilience of Dubai's economy, we consider some of the macroeconomic risks facing Dubai, associated with a slowdown in global economic growth. In addition to these points, we also note that predicting the scale of expat arrivals in any one year is challenging, subject as it is to complex and interconnected global events.

That being said, between now and the government's estimated population of 5.8 million by 2040, the residential market will (as most mature markets do) continue to behave in a cyclical manner, fashioned by domestic and international factors, just as it has been since 2002.

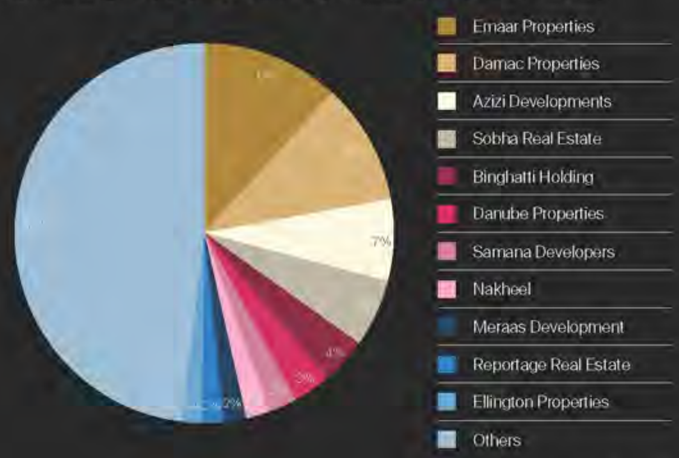
A slowdown in arrival rates may put pressure on prices in the low to mid-range apartment market, although in this scenario, we would still except to see strong demand supporting prices in high-end segments.

63% of future supply likely to fall within AED 1,000-2,000 psf

We have also examined Dubai's future supply by expected pricing. Our projections are derived from comparisons of developers, neighbourhoods, and property types against sales data from 2024 (not adjusted for inflation). Most units (63%) are expected to fall within the AED 1,000–2,000 psf range, while just 4% will likely fall within the AED 3,000-5,000 psf bracket, with the latter accounting for approximately 13,000 units of the total 352,000 homes anticipated to enter the market by the end of 2029.

Hypothetically, assuming the average home size transacted during 2024 (1,400 sqft), this means that 13,000 homes could be priced at AED 18 million. As noted above, this segment of the market experienced a 25% decline in home listings during 2024.

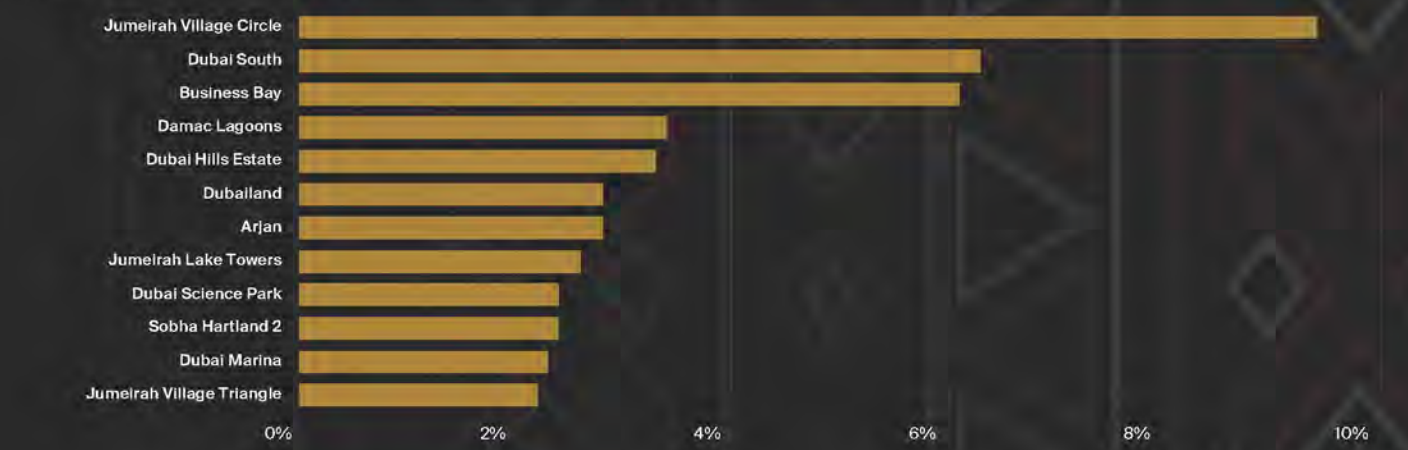
Upcoming supply in Dubai by developer (2025-2029)



Source: Knight Frank, REIDIN

NEED TO KNOW

Top districts by upcoming supply (share from total supply in 2025-2029)

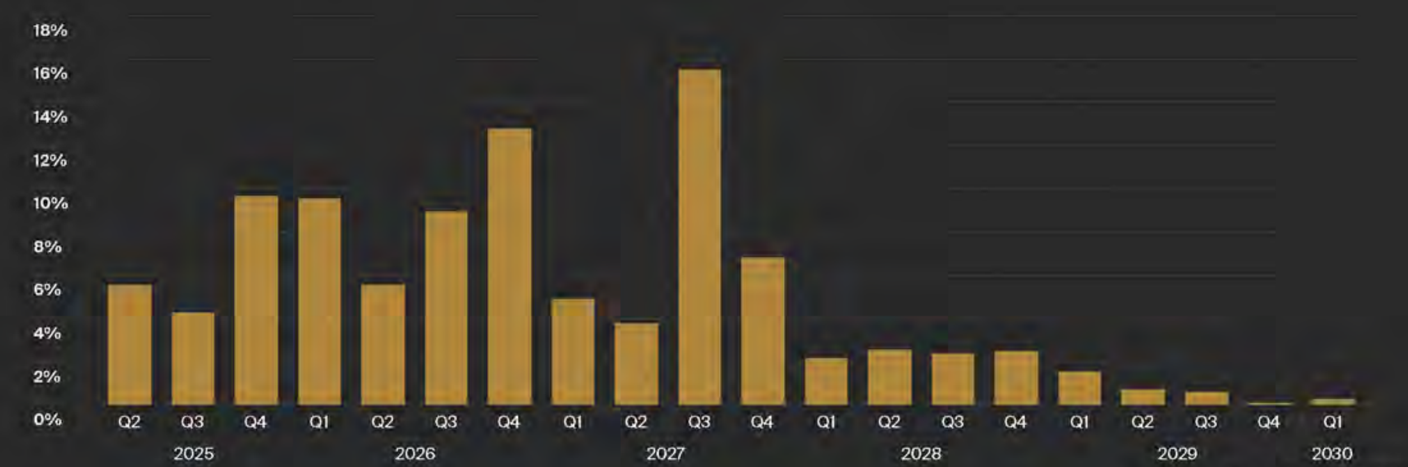


Source: Knight Frank, REIDIN

Upcoming supply by unit size (2025-2029)

Source: Knight Frank, REIDIN

Dubai residential supply timeline (% of deliveries per quarter)



Source: Knight Frank, REIDIN

INFRASTRUCTURE TO COPE WITH 5.8 MILLION RESIDENTS BY 2040

As Dubai gears up to host a population of 5.8 million, up from 3.8 million at the end of last year, the government has unveiled a raft of new infrastructure projects to boost capacity and ease the pressure on existing public roads, railways and other facilities. The US$ 8.7 trillion D33 Economic Agenda aims to double foreign trade, double the size of the economy and position the city as the fourth largest global financial centre (behind New York, London and Singapore), all by 2033. Some headline projects announced so far as part of this agenda includes the US$ 35bn expansion of Al Maktoum International Airport, the US$ 22bn new sewerage network, and the US$ 8bn city-wide storm drainage and water recycling network. We detail these and other game-changing infrastructure projects planned or underway below.

Tasreef

A new stormwater drainage system that will increase Dubai's rainwater drainage capacity by 700%, enabling the system to manage more than 20 million cubic metres of water daily.

Estimated cost: AED 30bn

Completion: 2033

Dubai Metro expansion

Dubai's Metro system is undergoing major expansion with multiple new lines connecting key commercial, residential, and tourist areas. A 30km extention is currently underway for the new Blue line which should be completed by 2029.

From 89.3km to 421km

Completion: 2040

> **HNWI continue to view Dubai as a long-term base, drawn by its COVID-19 governance, public safety, and social infrastructure.**

Contributor
Shehzad Jamal
Partner – Strategic Consulting (Healthcare | Education | Real Estate)

NEED TO KNOW

Al Maktoum International Airport expansion

Dubai is developing Al Maktoum International Airport into the world's busiest airport, featuring 400 gates, 5 parallel runways and over 100,000 sqm of retail space.

Estimated cost: AED 128bn

Capacity: 260 million passengers annually

Completion: Phase 1 by 2030

Therme Dubai

The world's tallest wellbeing resort, offering indoor rainforest environments, botanical gardens and thermal pools.

Estimated cost: AED 2bn

Total development area: 500,000 sqft

Capacity: 1.7 million visitors annually

Completion: 2028

Dubai Walk

An integrated network of walkways stretching 6,500km, designed to improve Dubai's walkablity and connectivity. Phase 1, due to be completed in 2027, includes 17km of walkways around Al Ras and the Museum of the Future.

Length: 6,500km

Completion: 2040

Dubai Tram extension

The Dubai Tram network is set to extend with the addition of a new line, including 9 new stations, stretching from Dubai Marina to Mall of the Emirates, Burj Al Arab and Jumeira Beach in Phase 2.

Length: 6.5 km

Completion: 2027 est.

Source: Knight Frank, various

COMMUNITY FACILITIES

As we have previously highlighted, Dubai's residential market has differentiated itself from regional cities and indeed many other global gateway locations through the creation of destination communities. Our 2024 Destination Dubai report showed that 'proximity to parks and green spaces' trumped the list of factors that influence HNWI property purchase decisions. This year, perhaps reflecting the growing global focus on personal wellbeing, being close to hospitals or healthcare centres has emerged as the most important consideration. Below we detail the most sought-after community facilities, highlighting examples of neighbourhoods that offer residents these amenities

Access to parks and green spaces are highly sought after by global HNWI

Most important community facilities for a home purchase (by respondents' home location)

*Percentages indicate number of times each option was selected

Source: Knight Frank, YouGov

IN FOCUS: WHAT MAKES A HOUSE A HOME

In our survey of global HNWI, we also probed the perceived definition of a home, as well as a residential community, in an effort to better understand the nuances of what the global super-rich associate with a 'home'. The unique findings are illustrated below in two word clouds.

Global HNWI definition of a home

Global HNWI definition of a community

Source: Knight Frank, YouGov

IN FOCUS: BAYTI (MY HOME) INITIATIVE

Contributor
Shehzad Jamal
Partner – Strategic Consulting (Healthcare | Education | Real Estate)

As one of the world's fastest-growing cities, Dubai has witnessed an extraordinary transformation—boasting an impressive compounded average population growth rate of 5.8% between 2005 and 2023. This surge, largely driven by expatriates, reflects the city's magnetic appeal: a global gateway offering safety, opportunity, and a lifestyle unmatched elsewhere.

The Covid-19 pandemic marked a turning point, redefining Dubai not just as a tourist destination, but as a serious contender for primary or secondary residence among the world's affluent. With the introduction of long-term visa schemes and sustained investment in infrastructure and lifestyle amenities, Dubai continues to solidify its place as a city many proudly call "home."

In response to this evolution, residential developers have upped their game—offering a new era of thoughtfully designed living spaces complete with world-class amenities. But what truly defines the modern homebuyer's dream residence?

Enter the Bayti initative

Breaking bread: A personal approach

"Bayti"—meaning "my home" in Arabic—was conceived as a personal initiative to better understand what residents seek in a home. Rather than relying solely on surveys or data models, the team hosted a series of intimate dinners, bringing together a diverse cross-section of Dubai's residents to deliver qualitative research on home preferences.

7 dinners

55 guests
A few more to go

21 nationalities

55:45 male to female ratio

4 income groups
from AED 15k to AED 90k+ per month

These dinners became more than focus groups—they were open forums for conversation, connection, and candid feedback.

Opinions flowed and we listened

Each session revolved around three key themes: interiors, emenities & convenience, and community living. Guests discussed their preferences across home features—kitchens, living rooms, storage, staff quarters, home offices, and more—as well as factors like sustainability, location, and neighborhood interaction.

Following the conversations, guests completed a short quantitative survey, offering clear insights into their investment intentions and market expectations.

Bayti quantative survey – key insights

- **AED 195 million** is expected to be invested in residential real estate (personal and/or investment) over the next 12–24 months by this group alone
- **Positive buyer sentiment:** Between 83% and 100% of participants across income groups expressed interest in buying property within the next two years.
- **Optimistic outlook:** A strong majority (55–75%) believe residential property prices will grow; only a small fraction anticipate a decline

Its personal

Participants were encouraged to share feedback for developers, highlighting design deal-breakers and favorite aspects of their current homes. After all, purchasing a home is not like any other transaction, its personal.

> **It is imperative that we keep our ears to the ground and go one step further to provide proper research-based advice to our clients; Bayti is one such initiative – after all we at Knight Frank pride ourselves to be our clients' partners in property.**
>
> **Should you wish to learn about insights on the themes covered during our study, please get in touch with us.**

A HOME FOR ALL SEASONS

Another fascinating dynamic of Dubai's residential market has been the surge in off-plan home sales over the last 2-3 years. To an extent, this has not been surprising given the growing number of purchasers buying for the long term, which is effectively removing completed homes from the available supply. This helped to boost the number of off-plan sales to 70% of all home sales last year. This compares to just 48.1% in 2020.

Personal use tops planned use

In 2024, Dubai recorded a higher off-plan sales ratio (by the total number of transactions) than was registered in the lead-up to the 2009 Great Recession (61.3%), which saw prices decline by up to 60% in some areas over a six-month period before recovery began in earnest. Despite this, we remain less concerned this time around, not least because of the high proportion of end user purchasers.

Indeed, our global HNWI survey data further substantiates this position, with 55% looking to purchase a home for personal reasons: 16% for use as a main residence, 22% for use as a second home, and 10% for use as a retirement home.

Super-rich eye a move to Dubai

Buying a home in the city for personal use is highest amongst those worth US$ 30-50 million (67%) and those with personal wealth exceeding US$ 50 million (59%), underscoring the unrelenting pull of Dubai to the world's wealthy who continue to flock to the city.

Purchasing for use as a 'main residence' is highest for Saudi HNWI (26%) and Indian HNWI (18%).

Ready-to-move in homes

When it comes to the popularity of ready-homes versus buying off-plan, most (71%) of the demand from our global HNWI survey respondents is centred on acquiring a completed or newly built home. This is a notable increase on the 56% figure we saw in 2024. An even higher 87% of HNWI with wealth in the region of US$ 20-30 million are looking for completed or newly built housing.

Off-plan purchases trail in a distant second place at 12%, perhaps creating challenges for developers trying to woo the global elite who appear to be most interested in buying 'ready-to-move-into homes'.

Second-hand (existing) homes have even less appeal to global HNWI (8%). For British HNWI, this figure stands at 15% (the highest amongst all our respondent groups), perhaps partly reflecting a greater cultural affinity toward "period properties".

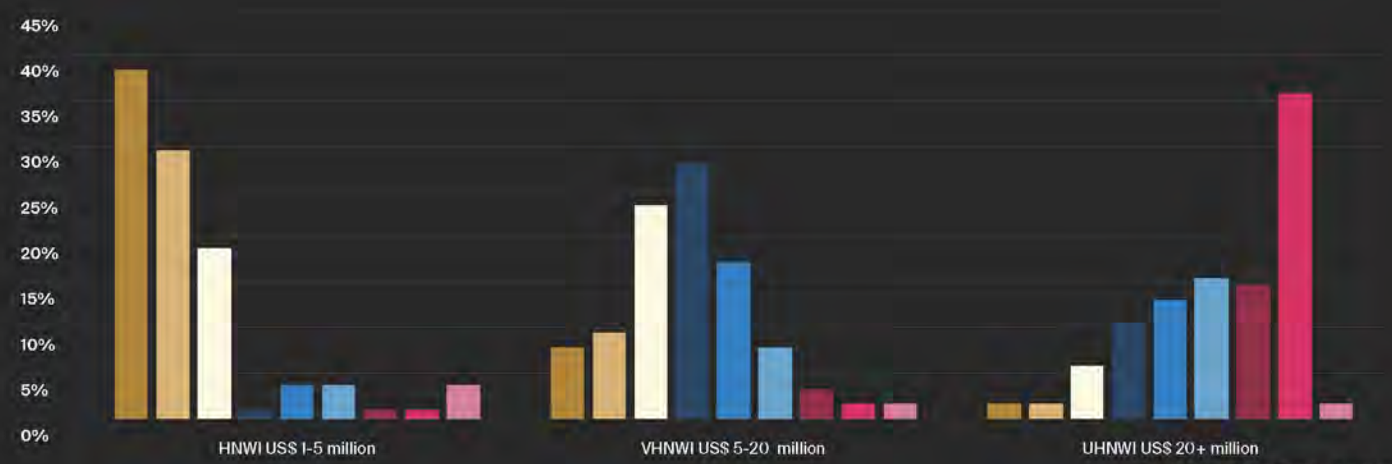
Holiday homes and second home purchases

The appeal of buying a holiday home tops the planned use for East Asian HNWI (37%), for whom this is also the strongest driver. For British HNWI meanwhile, the number one likely use of a home acquisition in Dubai is a buy-to-let (27%).

Separately, the allure of a second home is strongest for those with a net worth of US$ 20-30 million (43%), while owning a buy-to-let is the most likely use of a residential purchase for those with personal wealth ranging from US$ 5-7 million (23%).

Expected budget (by net worth)

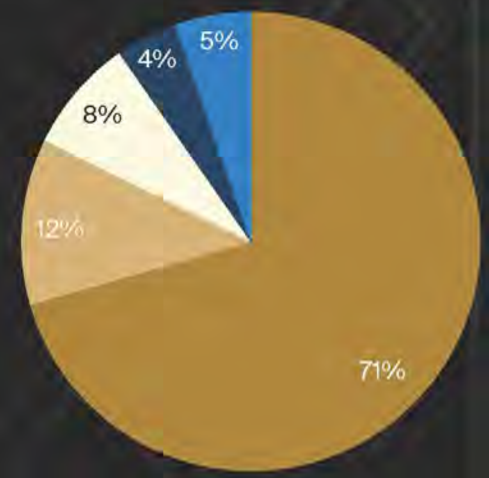
<US$ 2 million | US$ 2-5 million | US$ 5-10 million | US$ 10-20 million | US$ 20-40 million | US$ 40-60 million | US$ 60-80 million | >US$ 80 million | Undecided



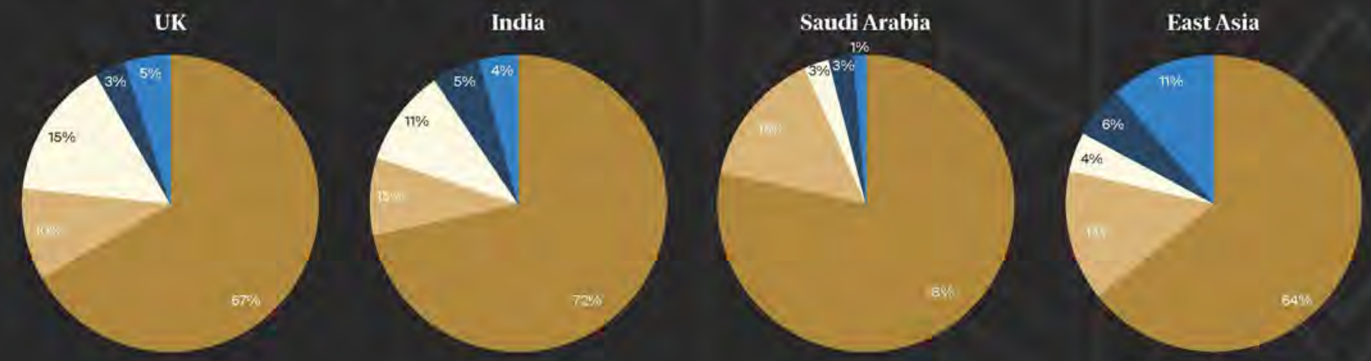
Source: Knight Frank, YouGov

Preferred type of property for all respondents

Completed/new build | Off-plan purchase | Second hand/older property | Land - develop personally | Undecided



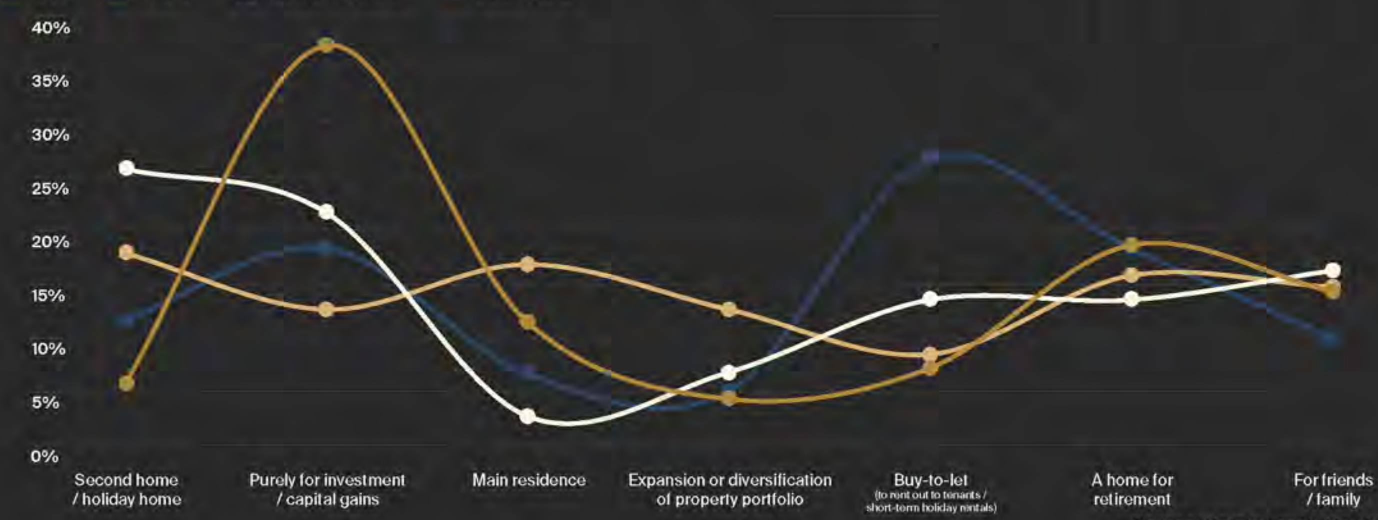
Preferred type of property (by respondents' home location)



Source: Knight Frank, YouGov

Planned use of home purchase (by respondents' home location)

UK | India | Saudi Arabia | East Asia



Source: Knight Frank, YouGov

US$ 10BN SPENDING BONANZA

This year, from 387 global HNWI, we have identified a staggering US$ 10.3bn of private capital taking aim at Dubai's residential market.

Polarised demand

While the average allocated budget for a home purchase in Dubai by the global HNWI respondents we surveyed is US$ 32 million, the highest levels of demand appear to be at the extremities of the market: 17% would like to spend less than US$ 2 million, while 15% are prepared to commit over US$ 80 million on a single residential acquisition.

The Saudi connection

Saudi HNWI appear to have the deepest pockets, with an incredible 30% prepared to commit over US$ 80 million on a single home purchase in Dubai. This figure is slightly lower at 20% for Indian HNWI. If that wasn't impressive enough, 54% of those with a personal wealth of over US$ 50 million would be prepared to buy a home in Dubai for more than US$ 80 million.

Similarly, Saudi HNWI have the highest average budget for their next residential property purchase in Dubai (US$ 45.7 million)

Meanwhile HNWI respondents from the UK have an average budget of US$ 30 million, with 38% planning to commit less than US$ 10 million on a home in the city and 23% willing to spend over US$ 20 million. East Asian HNWI have the lowest average budget (US$ 23 million). 40% of this group are likely to spend less than US$ 5 million, and just over 1 in 5 (21%) have a budget of under US$ 10 million for their Dubai home purchase.

Land budgets

As already outlined, the appetite to purchase land in the city to build their own homes is exceptionally high amongst our HNWI survey sample at 83%. However, only 4% chose land purchase as their market entry preference.

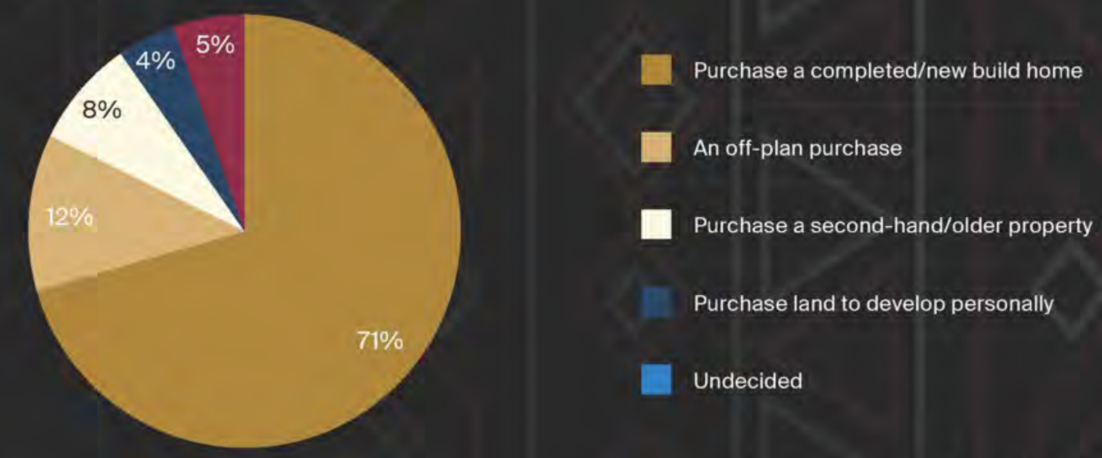
While 17% of HNWI are prepared to pay less than US$ 150 psf (not GFA), over half (52%) of the respondents are ready to commit between US$ 150 and 300 psf. 30% are willing to spend US$ 300 psf. The strongest demand for plots that cost in excess of US$ 300 psf comes from those with a personal wealth of over US$ 50 million (66%).

Noting the shortage of land plots for sale in the city, these budgets are broadly in line with the average transacted price for individual land plots in the city last year (AED 855 psf or US$ 233 psf). They are, however, some way off the US$ 34 million (US$ 1,390 psf) land price record set on Jumeirah Bay Island in 2023.

Plots for single-family homes today can be secured in locations such as Nad Al Sheba Gardens, where prices hover around c. US$ 300 psf, but can climb to as much as c. US$ 2,000+ psf on the Palm Jebel Ali.

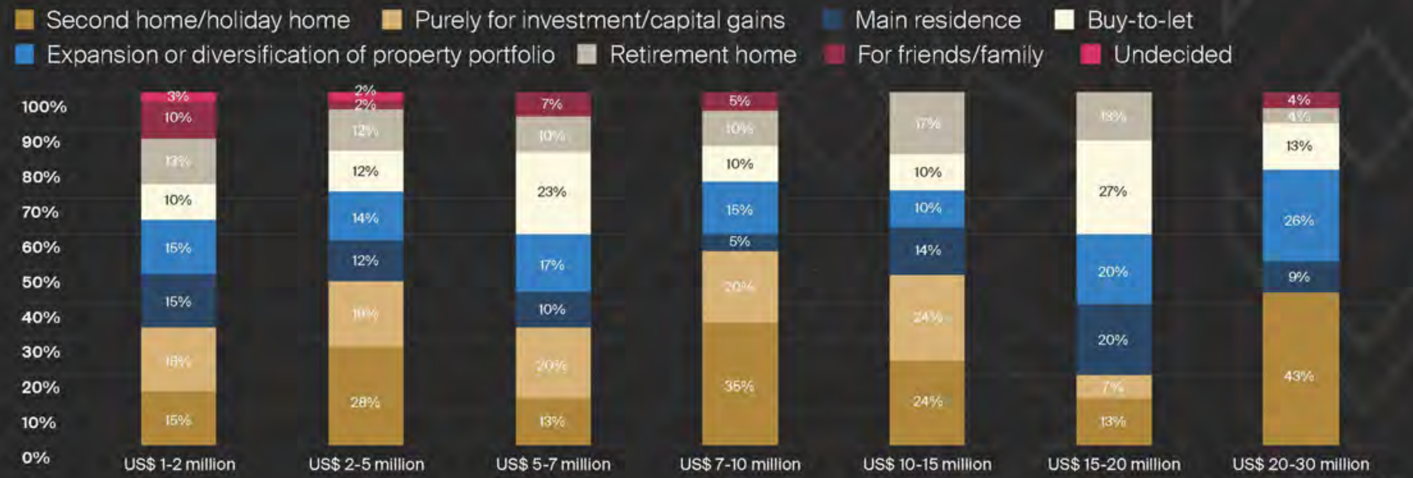
Bluewaters Island, Dubai

Preferred market entry methods



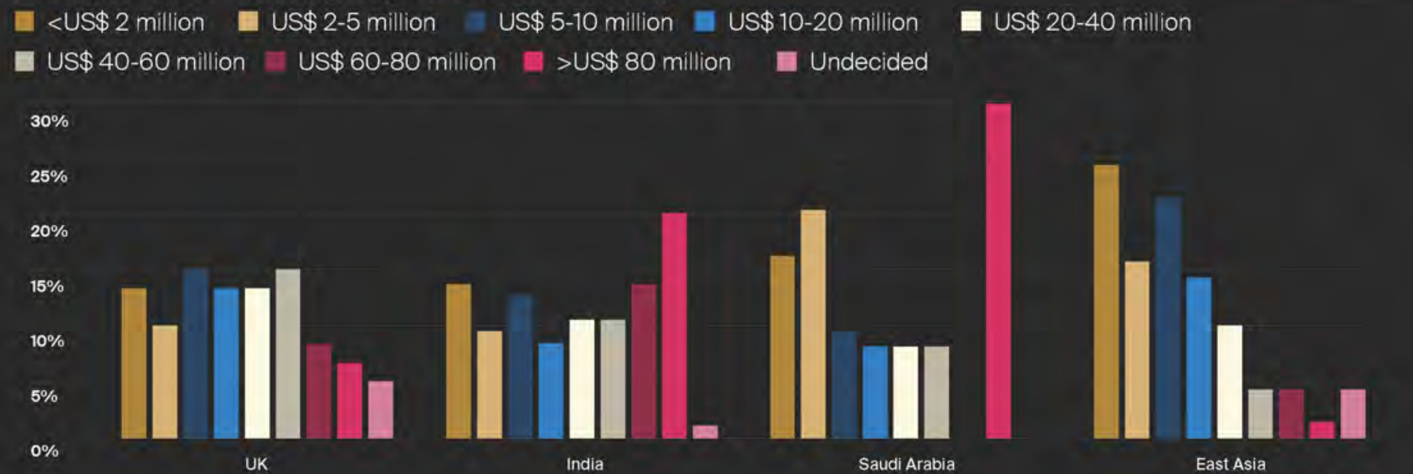
Source: Knight Frank, YouGov

Planned use for home purchase (by net worth)



Source: Knight Frank, REIDIN

Home purchase budgets (by respondents' home location)



Source: Knight Frank, REIDIN

NEED TO KNOW

DUBAI'S PROPERTY WEALTH

Dubai's emergence as the busiest market in the world for US$ 10 million+ home sales prompted us to examine property wealth concentrations across the emirate. We developed a comprehensive valuation model which estimates the price of every freehold home in the city annually based on the rate of price escalation in its parent neighbourhood. We focussed exclusively on homes priced at over US$ 1 million in Q1 2025 to gauge the number of 'property millionaires' across Dubai.

110,000 homes worth over US$ 1 million

By tracking the value of each home's price progress over time, we have also been able to track the rise of 'accidental millionaires', i.e., purchasers who bought properties for less than US$ 1 million that are now worth more, solely due to price inflation. We have only counted homes that have not traded hands since their original purchase date.

This method has allowed us to better assess the wealth generated purely by the virtue of purchasing a home and not selling it.

Our calculations suggest that as at Q1 2025, there are 110,000 units (out of 624,000 total sold units since 2002) in Dubai valued above US$ 1 million, which equates to 17.7% of the total number of homes sold in the city. The combined value of these homes is estimated to be AED 994bn, or US$ 271bn, which amounts to a rise of 21% on the end of 2024.

37,000 of these units are owned by 'accidental millionaires'. The number of 'accidental millionaires' has crept up by an average of 79.5% over the past three years, which goes some way to explain the rapid decline in the number of homes available for sale in the city over the last three years. It also supports the growing proportion of genuine end-users purchasing homes and settling in Dubai.

Furthermore, our analysis also shows that the total value of all homes sold in Dubai since 2002 currently stands at AED 1.75 trillion, which is up 282% since 2020.

Luxury buy-to-lets

Separately, we have also analysed city-wide rental contract data to determine how many properties valued over US$ 1 million have been leased to determine the size of Dubai's luxury buy-to-let market.

As at Q1 2025, about 19% of these homes (21,000 units) were rented.

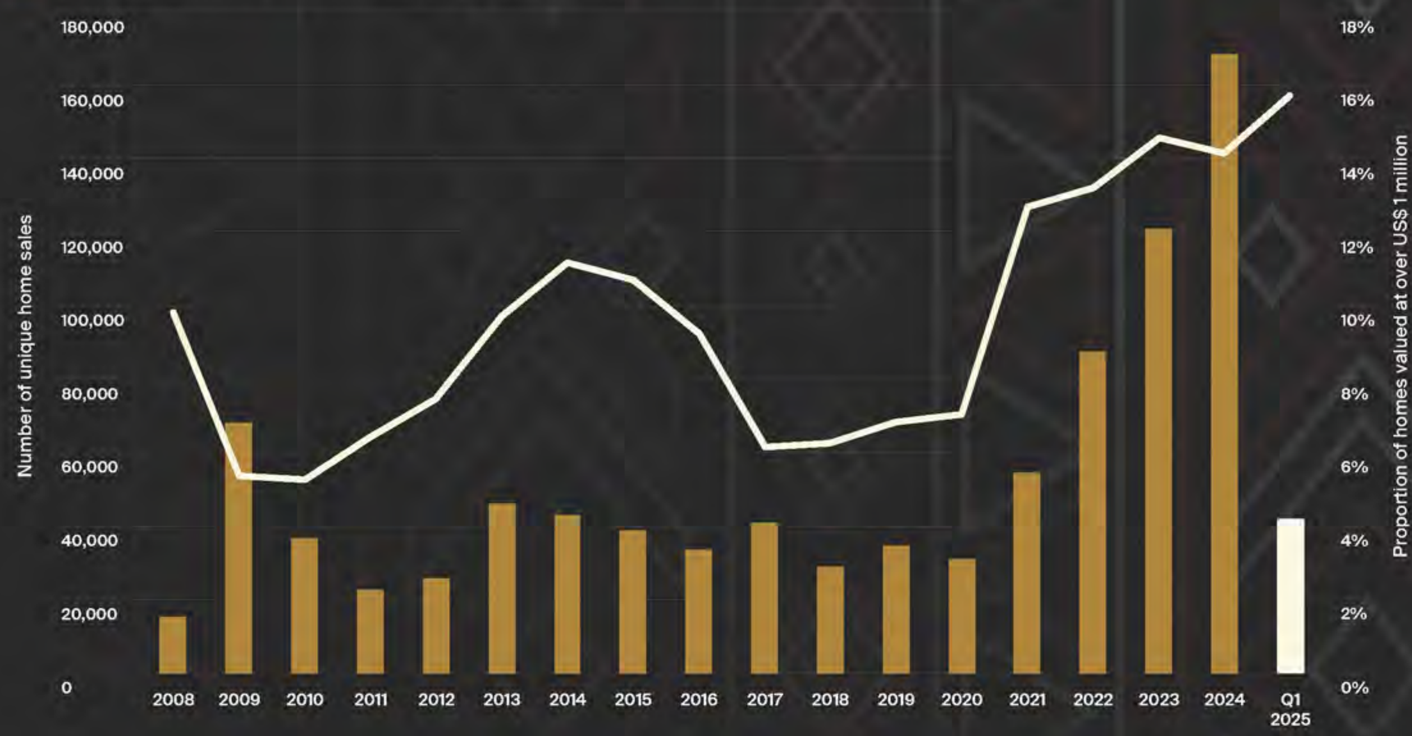
This suggests most homes are being held as primary residences, second homes, or long-term investments for capital gains, reflecting strong confidence in Dubai's residential market among the ultra-wealthy and echoing the findings of our global HNWI survey.

Discover the data

The total value of all homes sold in Dubai since 2002 currently stands at AED 1.75 trillion

Proportion of homes valued at over US$ 1 million

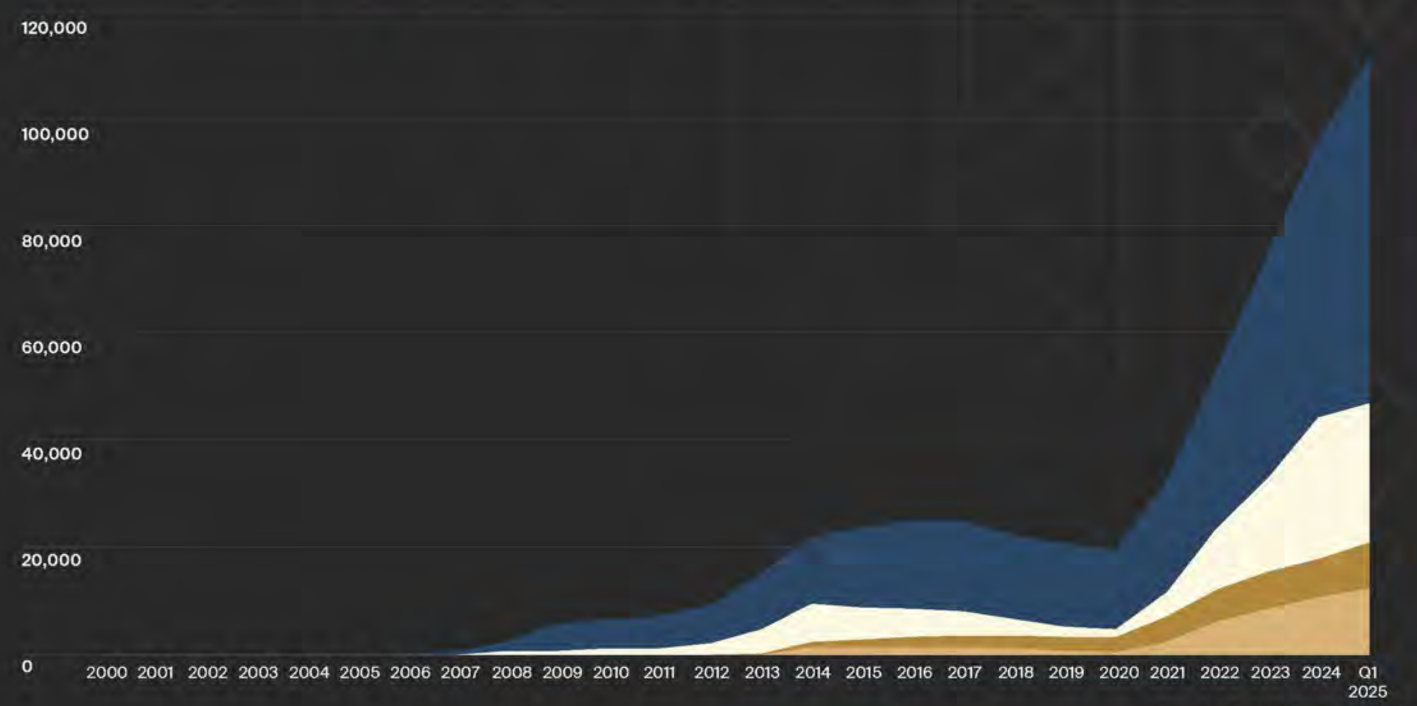
Number of unique home sales (LHS) | Proportion of homes valued at over US$ 1 million (RHS)



Source: Knight Frank, REIDIN

The rise of 'property millionaire' (PM) homes in Dubai
Number of units

Leased already-bought PM | Leased accidental PM | Non-leased accidental PM | Non-leased already-bought PM



Source: Knight Frank, REIDIN

CONCENTRATION OF US$ 1 MILLION+ HOMES ACROSS DUBAI RANKED BY NEIGHBOURHOOD

The Palm Jumeirah has Dubai's highest concentration of homes worth over US$ 1 million – 9,071 as at the end of Q1 2025. Downtown follows in second place with 8,376. Dubai Hills Estate stands in third place with 6,138 homes valued in excess of US$ 1 million. Collectively, the city's top ten communities (illustrated below) account for over 46,700 such homes - almost 50% of 'property millionaire' homes in Dubai, which is a significant portion of the city's luxury residential market.

	Community	Total
1	Palm Jumeirah	9,071
2	Downtown Dubai	8,376
3	Dubai Hills Estate	6,138
4	Dubai Harbour	5,210
5	Dubai Marina	4,557
6	Business Bay	4,139
7	Arabian Ranches	3,332
8	Dubai Creek Harbour	3,086
9	Jumeirah Park	2,795
10	The Valley	2,535
	Other	64,132
	Total	110,836

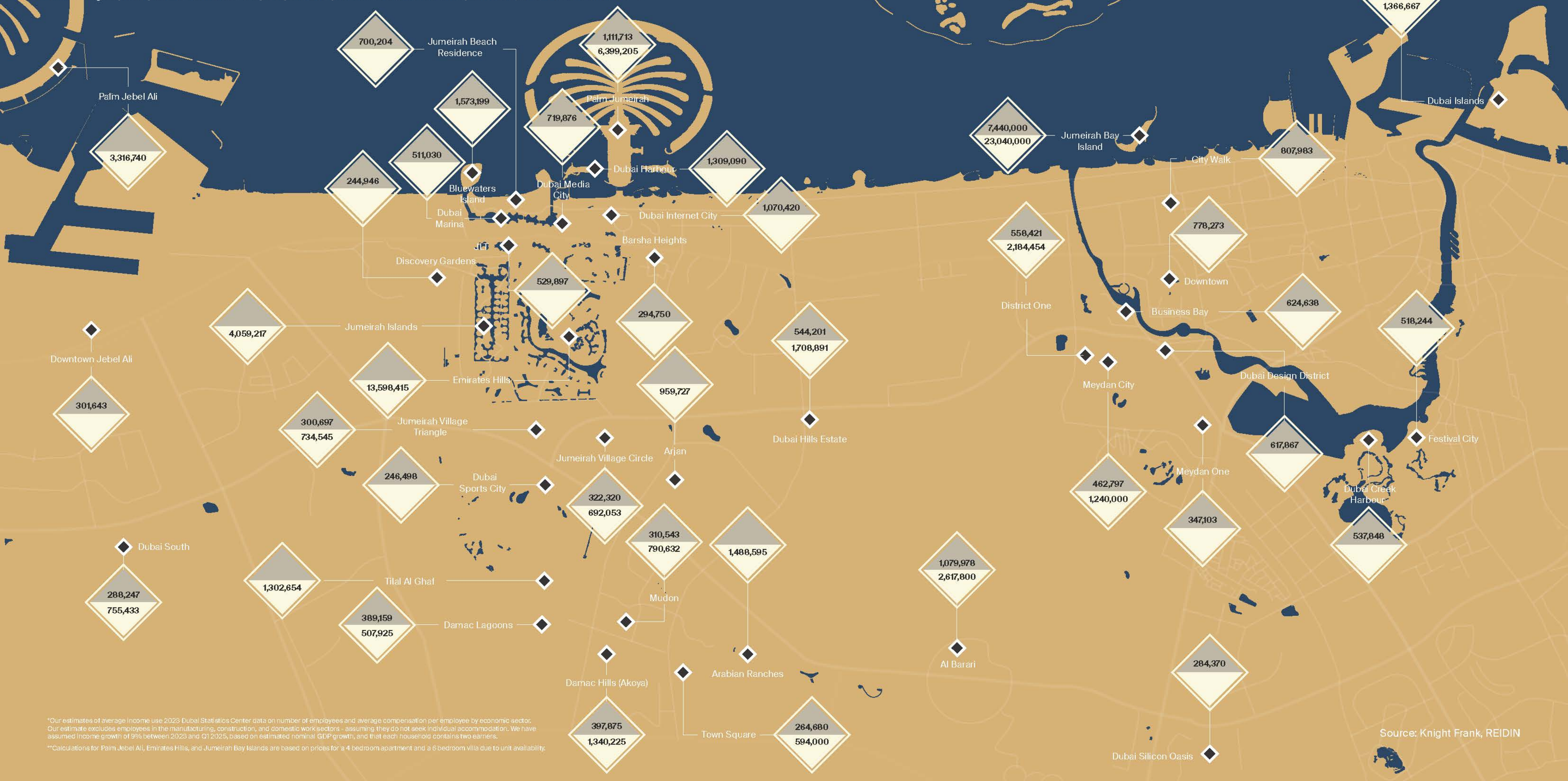
Discover our experts insights

Source: Knight Frank, REIDIN

DUBAI'S AFFORDABILITY

With average home prices rising by 65.5% across Dubai between March 2020 and Q1 2025, we wanted to investigate the affordability of the city's housing market to its residents, as well as prospective homeowners, both domestic and international. To do this, we have estimated the average annual income needed to purchase a home in every neighbourhood in the city, using prices as at the end of Q1 2025. We have assumed that every purchaser will make a downpayment of 20% and be able to secure a mortgage worth 5x times their annual income. Assuming of an average annual income of AED 220,000* for a two-income generating household, our analysis reveals that the bulk of the city remains within the realms of 'affordable' (up to 6x times annual income) for those earning at least the average annual income. Exceptions (unsurprisingly) include some of our prime neighbourhoods – Al Barari, Emirates Hills and Jumeirah Bay Island, for instance. We have visualised our findings below, focussing explicitly on the annual salary required to purchase a 2 bedroom apartment, or a 4 bedroom villa**.

2 bedroom apartments
4 bedroom villas



*Our estimates of average income use 2023 Dubai Statistics Center data on number of employees and average compensation per employee by economic sector. Our estimate excludes employees in the manufacturing, construction, and domestic work sectors – assuming they do not seek individual accommodation. We have assumed income growth of 9% between 2023 and Q1 2025, based on estimated nominal GDP growth, and that each household contains two earners.

**Calculations for Palm Jebel Ali, Emirates Hills, and Jumeirah Bay Islands are based on prices for a 4 bedroom apartment and a 6 bedroom villa due to unit availability.

Source: Knight Frank, REIDIN

GLOBAL DEMAND FOR BRANDED RESIDENCES IN DUBAI

DEMAND FOR BRANDED HOMES STRONGER THAN EVER

In our survey of global HNWI during 2024, we found that 69% of respondents were keen on securing a branded residence in Dubai. For 2025, this desire has grown to 86%. Among our global HNWI respondents, Saudis (92%) have the strongest desire to own a branded residential property in Dubai, followed by respondents from India (88%) and East Asia (81%), while UK HNWI come last at 78%.

UHNWI especially keen on purchasing a branded home

There is also a clear link between personal wealth and the desire to own and/or live in a branded home in Dubai. While 34% of those with net wealth between US$ 1-5 million indicated a strong likelihood of purchasing a branded property, this figure jumps to 75% for those with personal wealth levels in excess of US$ 50 million.

The 'Dubai life'

Considering the wide range of current branded home offerings in Dubai and the strong supply pipeline (which we detail later in this chapter), global HNWI are spoiled for choice.

Branded residences, by their very nature, offer access to a certain lifestyle. Homes in branded developments often come with access to exclusive services and amenities, creating the perfect 'Dubai life'. The added benefit of virtually guaranteed world-class property and facilities management, combined with the option of renting out the property, only adds to the sector's appeal. The fact that branded homes in Dubai trade for significant premiums over the mainstream market (114% in Q1 2025, compared to a global average of nearer 35-40%) further enhances its appeal.

With this in mind, it is perhaps no surprise that 'service provision and physical amenities' were ranked as the number one pull factor for our global HNWI survey sample at 63%, followed by 'building maintenance and management' and 'high yield/investment potential', which ranked in joint second place at 59% each. For Saudi HNWI, however, the prestige and association with a 'brand identity' tops the list of branded home purchasing drivers (72%). And the same applies to those with personal wealth greater than US$ 50 million (72%).

Understanding the type of branded residences

Typically, branded residences are a result of collaborations between renowned brands (hospitality, or non-hospitality brands) and developers, pooling expertise in design and operations to craft exceptional properties, intertwined with a luxury lifestyle. Developers gain the rights to market and sell properties bearing the brand's typically prestigious trademark, with the brand often assuming oversight and service responsibilities to uphold exemplary standards. This partnership allows numerous advantages for owners, including the assurance of service and access to an unparalleled array of facilities.

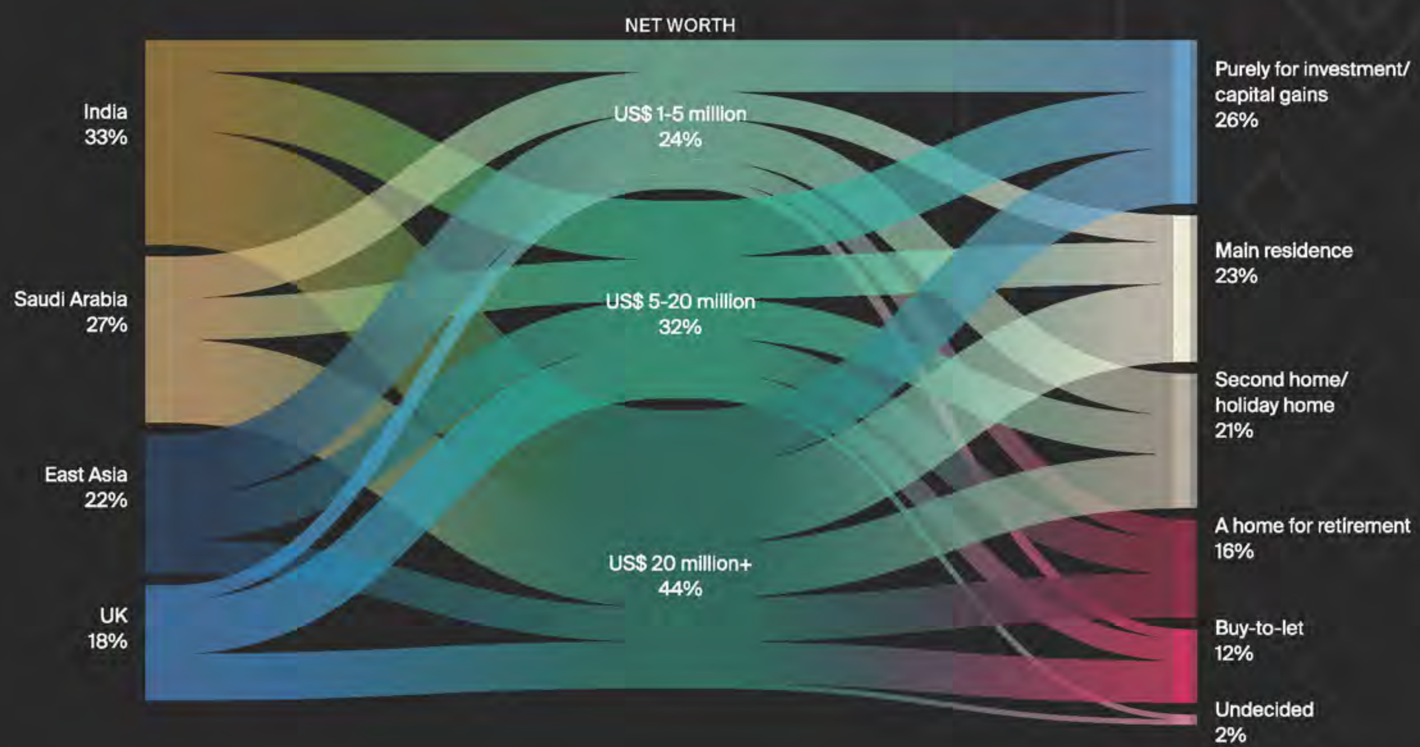
There are two types of branded residences:

1. Hospitality-linked branded residence: These are residential developments that are connected to a hotel (usually a luxury hotel brand). Residents, through the virtue of owning a property in the development gain access to all the hotel's facilities and amenities: the pool, gym, spa, room service, house-keeping, etc.
2. Non-hospitality-linked branded residence: These are usually fashion or automotive linked brands. These non-hotel-linked brands also often provide access to amenities and some also offer hospitality partnerships with the same positioning as the brand. They also usually include tailor-made services and member-only benefits. Non-hospitality brands are also usually more experimental with design and architecture, whereas hospitality brands follow the established look and feel of a hotel, with the former therefore very often seen to be more exclusive.

HNWI likelihood of purchasing a branded home in Dubai (by respondents' home location)

Source: Knight Frank, YouGov

Top motivations for a branded home purchase in Dubai for HNWI (by respondents' home location)



Source: Knight Frank, YouGov

DEMAND FOR BRANDED HOMES STRONGER THAN EVER

Long-term view

When it comes to understanding the planned use of branded homes purchased in Dubai by our global HNWI survey respondents, it is clear that purchasing for personal reasons is the number one driver (61%).

Of this group, 23% would like to make it their main residence, adding yet another new stream of residents to the city. The desire to purchase for this reason is strongest amongst Saudi HNWI (34%) and also British HNWI (28%). Separately, the appeal of buying a branded home in Dubai and using it as a main base is highest for those worth between US$ 15-20 million (45%).

Holiday homes

21% of global HNWI would like a branded home in Dubai for use as a holiday home or a second home, with East Asian HNWI buyers (33%) especially keen. For those worth US$ 20-30 million, purchasing a branded unit for use as a second home or holiday home is the most significant pull factor. It adds to the growing body of evidence of the rising number of global super-rich moving to the city permanently or securing holiday homes/second homes.

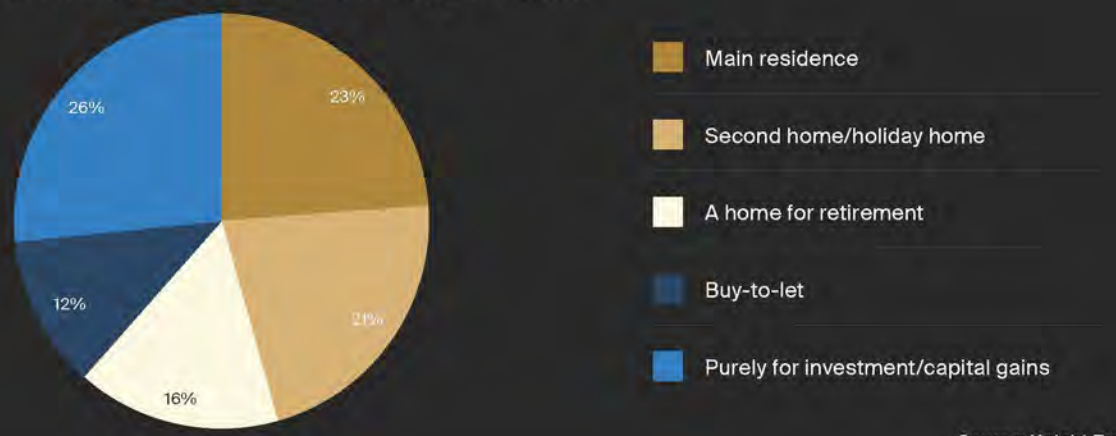
Investor demand

Those looking to purchase 'purely for investment/capital gains' tops the list of uses for acquiring a branded home at 26%, but this does not preclude buyers from using the property themselves or, indeed, renting it out to derive a rental income.

Expectations for price growth are largely centred around the 5-10% mark within the first year of purchase (30% of respondents). This compares to a rise in average transacted prices for the sector of 11% in the 12 months to the end of Q1 2025.

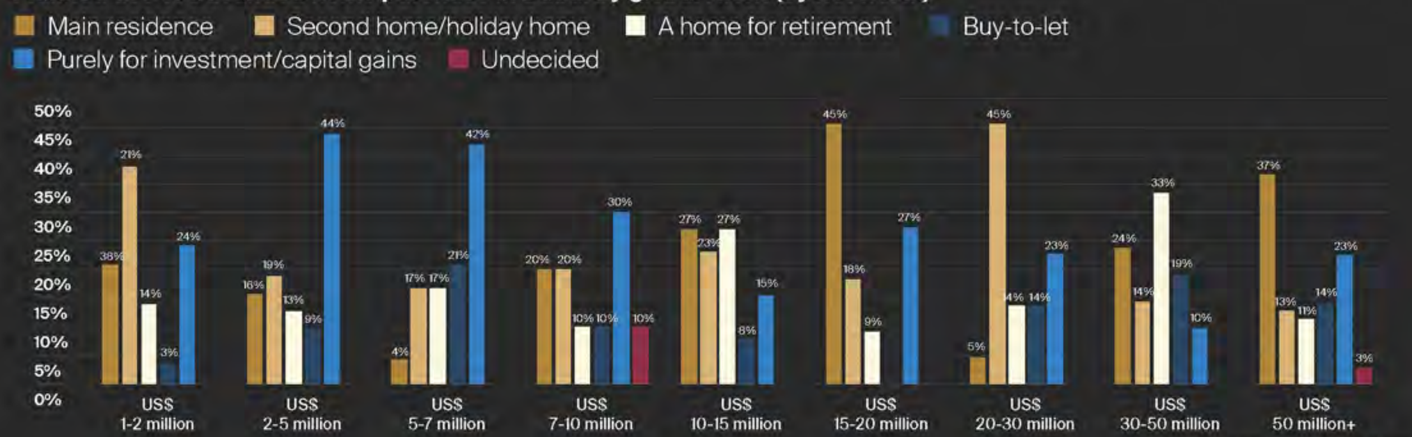
A further 22% believe branded home prices in Dubai will increase by 10-15% this year, with 13% predicting a jump of over 20% in the next 12 months.

Planned use of a branded home purchase in Dubai by global HNWI



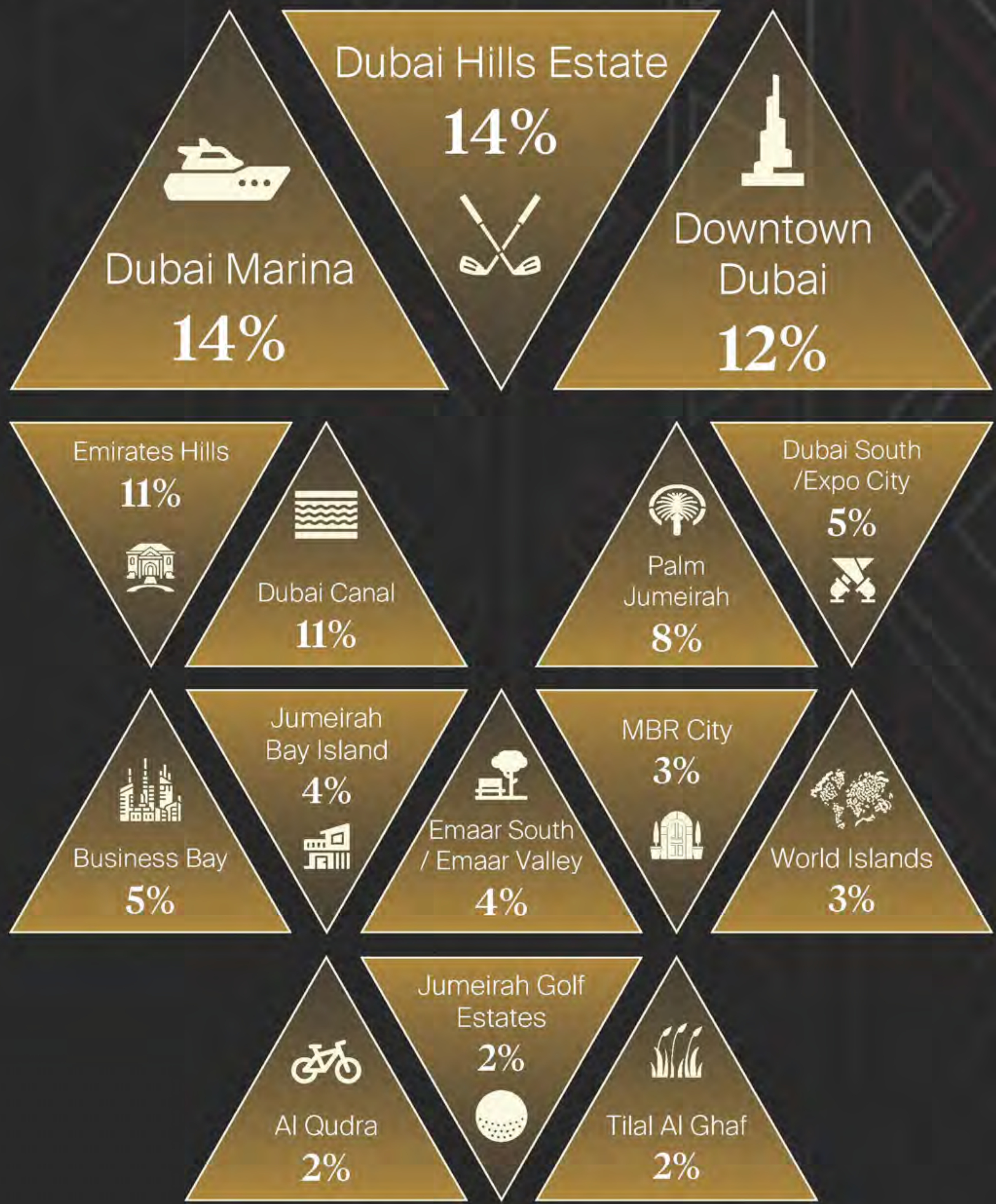
Source: Knight Frank, YouGov

Planned use of a branded home purchase in Dubai by global HNWI (by net worth)



Source: Knight Frank, YouGov

Most preferred HNWI locations to purchase branded residences in Dubai



Source: Knight Frank, YouGov

DEEP POCKETS FOR BRANDED HOMES

During 2024, we found that 17% of global HNWI were prepared to spend over US$ 5,000 psf on a branded residential property in Dubai. This figure climbed to 23% among UHNWI (net worth > US$ 20 million). This year, our HNWI cohort appear to have even deeper pockets, with 20% willing to commit over US$ 5,000 psf on a branded residence in the city. The average transacted price for a branded residence in Dubai during Q1 2025 stood at US$ 1,458 psf.

Splashing the cash

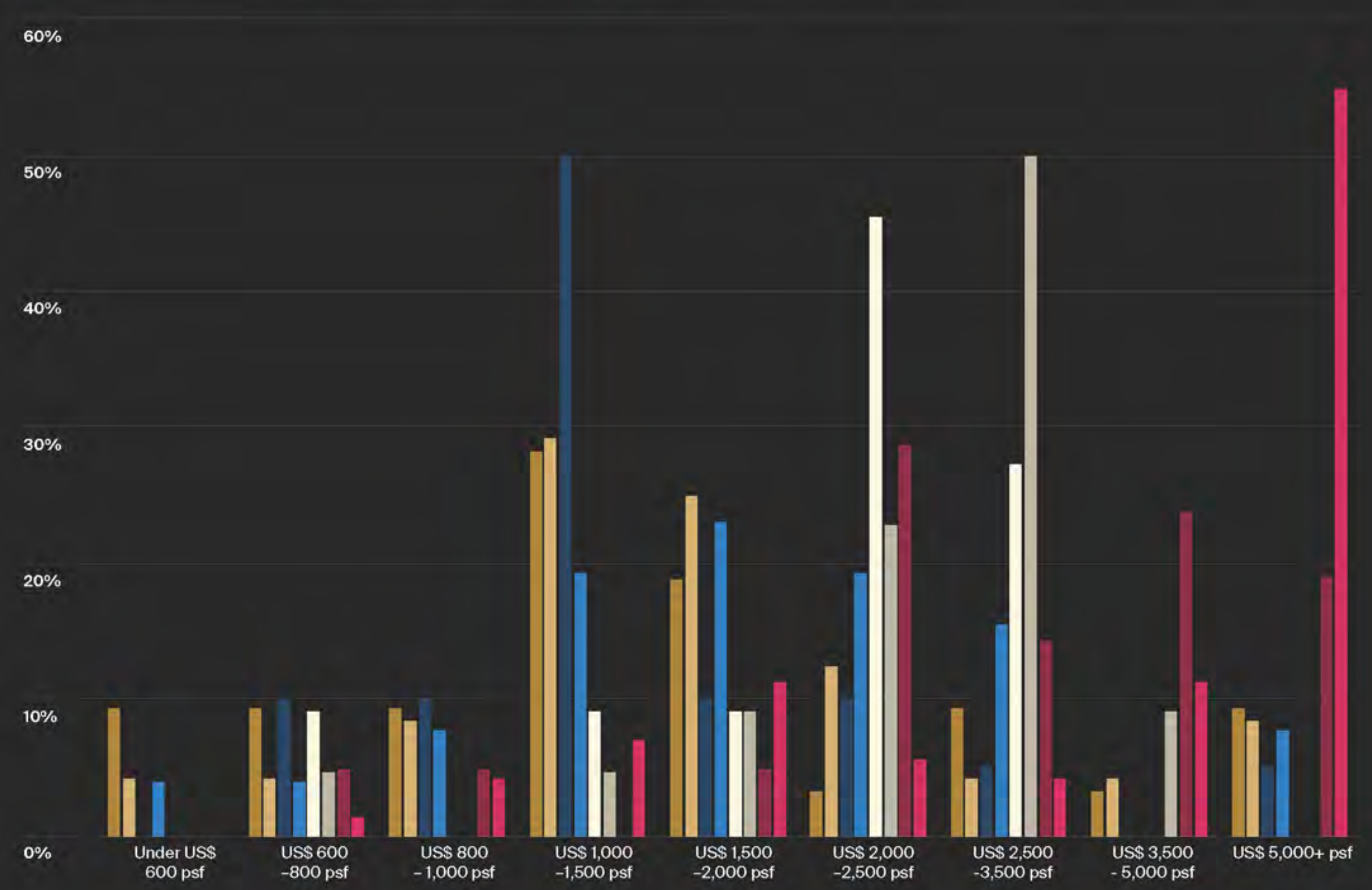
This year, our global HNWI are willing to splash out on a branded home in the emirate, with a fifth (20%) ready to spend over US$ 5,000 psf. This figure rises to 35% for those with a personal value of more than US$ 50 million.

HNWI from Saudi once again appear to have the deepest pockets, with 31% planning to spend over US$ 5,000 psf, and Indian HNWI follow in second place at 29%.

Perhaps unsurprisingly, there is an almost linear relationship between personal wealth levels and planned branded residential budgets, which rise from 19% of those worth US$ 2-5 million prepared to commit US$ 1,500-1,900 psf, climbing to an extraordinary 55% of those worth over US$ 50 million citing a planned budget in excess of US$ 5,000 psf.

HNWI budgets for branded homes in Dubai (by respodents' home location)
US$ psf

US$ 2-5 million, US$ 5-7 million, US$ 7-10 million, US$ 10-15 million, US$ 15-20 million, US$ 20-30 million, US$ 30-50 million, US$ 50 million+



Source: Knight Frank, YouGov

Services demanded by global HNWI in a branded residential development in Dubai

1 Facilities and design that integrate wellness in the home
27%

2 Wellness services with treatment rooms and programs, such as an onsite spa
25%

3 Health facilities
(steam room, sauna, gym, etc.)
23%

Onsite beauty services and facilities
(hair salon. barber, etc.)
12%

Child services
(daycare, onsite nanny services, etc.)
11%

Source: Knight Frank, YouGov

BRANDED HOMES CAPITAL OF THE WORLD

Dubai today boasts the highest concentration of branded residential operators in the world, matched by an impressive existing total of 39,046 branded homes, according to our estimates. Intense demand for the sector, especially from the global HNWI community, has fuelled a growing supply pipeline. In fact, we are tracking over 8,200 branded units due to be delivered over the next four years, further cementing the city's position as a key global branded residential hub. Below, we summarise the performance of the city's branded residential market.

Dubai's branded residential market in numbers (2024)

Total value of sales

AED 7.8bn

Number of units sold

4,261

Highest AED psf achived

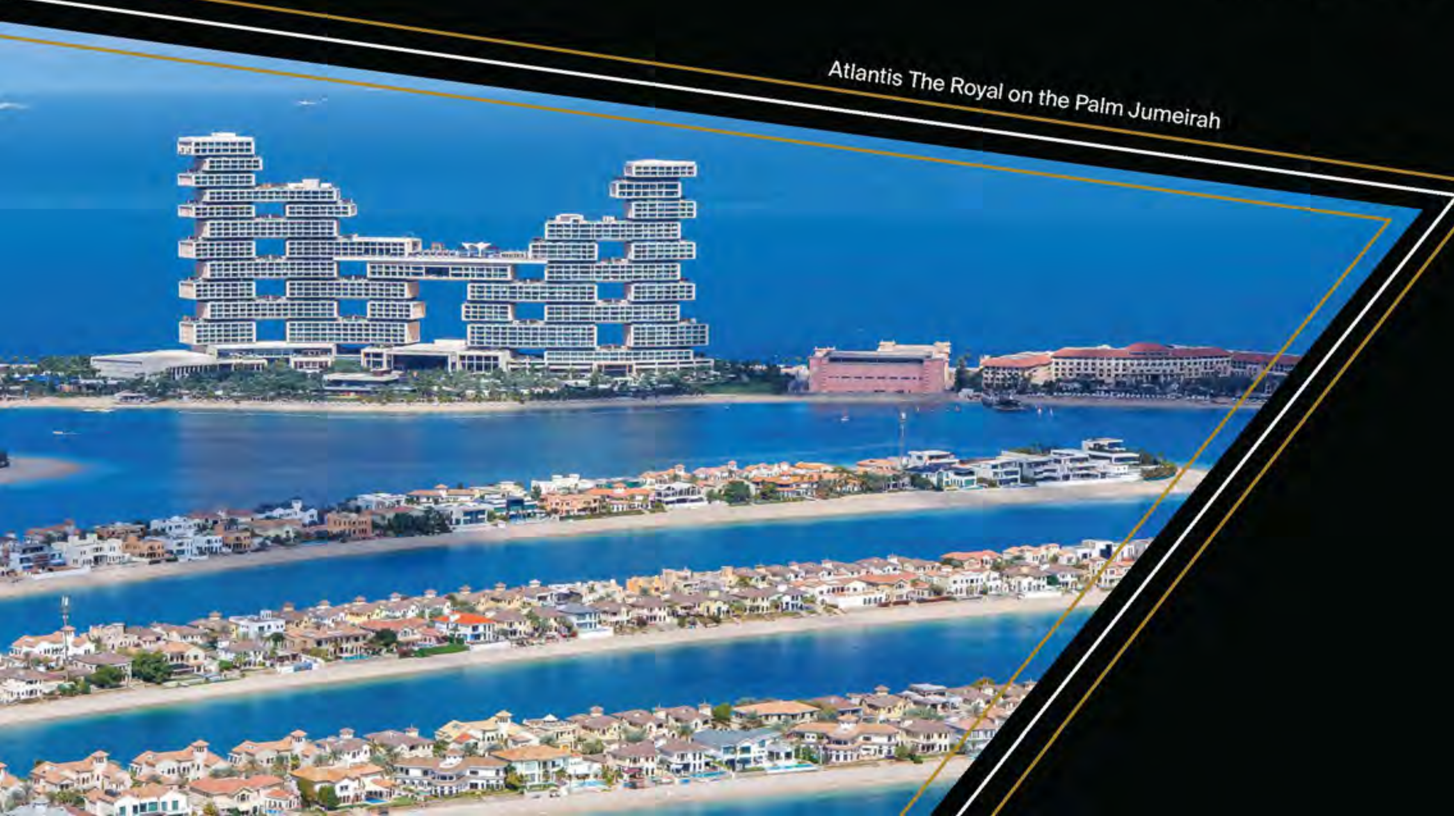
AED 11,724 psf

Most expensive branded unit sold

AED 139m

The Lana - Dorchester Collection
16,600 sqft - Business Bay
5 bedrooms - AED 8,376 psf

Source: Knight Frank, REIDIN



Atlantis The Royal on the Palm Jumeirah

NEED TO KNOW

Key branded residential developments planned in Dubai

Property name	Location	Developer	Number of units	Average price (AED)	Average AED psf	Delivery date
Ciel Tower	Dubai Marina	First Group	2338	0.96 million	7,793	2025
Mercedes Benz Places	Downtown	Binghatti	150	16 million	5,979	2026
Bugatti Residences	Business Bay	Binghatti	181	24.4 million	4,856	2025
Burj Binghatti by Jacob & Co	Business Bay	Binghatti	299	9.2 million	2,512	2027
Viewz By Danube	Jumeirah Lake Towers	Danube Properties	1101	1.9 million	2,152	2026
Cavalli Couture	Dubai Canal	Damac Properties	80	21.8 million	5,434	2026
Address The Bay	Dubai Harbour	Emaar	452	6.4 million	3,859	2026
St. Regis Residences Tower	Downtown	Emaar	1161	3.6 million	2,979	2026
Six Senses Residences The Palm	Palm Jumeirah	Select Group	162	33.8 million	6,781	2025
Bulgari Lighthouse Dubai	Jumeirah Bay	Meraas	31	73.5 million	11,385	2026
Cavalli Tower	Media City	Damac Properties	438	4.3 million	2,672	2025
Baccarat Residences	Downtown	Shamal Holding	49	27.6 million	7,726	2026
Jumeirah Luxury Living	Business Bay	Select Group	82	6.2 million	2,144	2025
Ritz Carlton Residence	Business Bay	Khamas Group	70	29.8 million	4,415	2025
Armani Beach Residences at Palm Jumeirah	Palm Jumeirah	ARADA	53	48.9 million	7,625	2026
Address Hillcrest by Emaar	Dubai Hills Estate	Emaar	138	24.8 million	5,781	2025
AVA, Dorchester	Palm Jumeirah	Omniyat Properties	17	69.6 million	7,608	2025
Kempinski Residences The Creek - Tower 1	Creekside	Swiss Property	280	4.5 million	2,906	2025
Karl Lagerfeld Villas By Taraf	District Eleven	Taraf Properties	51	21.7 million	1,909	2027
Franck Muller Vanguard by London Gate	Dubai Marina	London Gate Real Estate Development	722	1.8 million	2,700	2026
Beachgate by Address	Dubai Harbour	Emaar	250	5 million	3,918	2026
ORLA	Palm Jumeirah	Omniyat Properties	90	28.3 million	7,193	2026
ORLA infinity	Palm Jumeirah	Omniyat Properties	20	68.1 million	8,286	2027
Four Seasons Private Residences	Jumeirah Second	Four Seasons Hotels And Resorts	52	74 million	10,098	2027

Source: Knight Frank, MEED Projects

GLOBAL TRAVEL DEMAND FOR DUBAI

DUBAI: A GLOBAL TOURIST HOTSPOT

Dubai emerged as the seventh most visited city in the world last year, welcoming a record 18.2 million tourists, with a further 5.3 million arrivals during Q1 2025. The city's appeal to global travellers is also reflected in the fact that it has been named the most popular tourist destination in the world by Trip Advisor for three years running (2022-2024). Dubai is best known for its luxury tourist accommodation, with an estimated 54,000 luxury hotel rooms across 169 hotels. Overall, the emirate boasts almost 154,000 hotel rooms across 832 establishments. The city's global appeal has also helped to propel average hotel occupancy to the highest level in the world, averaging 82% during March 2025.

Business or pleasure

In our survey, we asked about frequency of visits to the city by our HNWI respondents. They appear to be contributing to the burgeoning number of visitors to the city, with 1 in 4 (25%) visiting every 2-3 months. Our Indian HNWI appear to visit most frequently, with 20% visiting once or twice a week. Separately, 40% of those worth US$ 30-50 million are in the city at least once or twice a week.

When it comes to understanding the main pull factors of the city, we have found that 46% of our global HNWI respondents indicate that their reason for visiting Dubai is because of its 'tourist attractions'. Travelling to the emirate for a 'family holiday' follows closely behind (41%), while 'business and conferences' (39%) also feature highly in the drivers for a visit.

For British HNWI in particular, it appears travelling to the city to take in the sights as well as conducting business are jointly the main motivator (46% each).

Family holidays are the principle reason for travelling to the city for those with a personal wealth in excess of US$ 50 million (47%).

Green hospitality

88% of our survey respondents indicated that they look for eco-friendly credentials when selecting a hotel for their stay in Dubai. Indeed, for 59%, this is a key selection criteria for a hotel in the city.

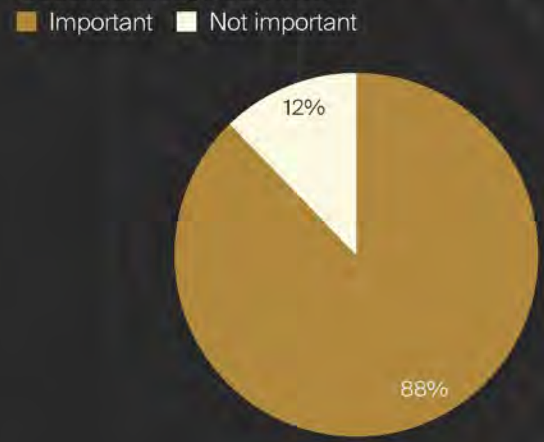
Once again, at a geographic level, Saudi HNWI appear to put the most weight on selecting eco-friendly accommodation (96%), followed by Indian HNWI (88%) and British HNWI (86%). 82% of East Asian HNWI seek this out, too.

There also appears to be a direct correlation between net wealth and the importance of eco-friendly hotels, rising from 80% of those with a personal wealth of US$ 2-5 million, topping out at 96% for those worth US$ 30-50 million.

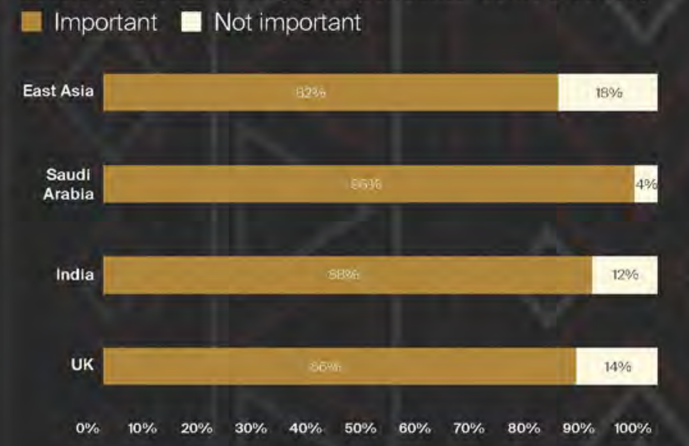
Notably, nearly all of our respondents (97%) are happy to pay a premium for the luxury of staying in an eco-friendly hotel, with 32% prepared to spend an extra 5-10% on an eco-friendly room each night. For UK HNWI, this climbs to 44%.

An Emirates jet liner at Dubai International Airport

Importance of finding a Dubai hotel with eco-friendly credentials for global HNWI

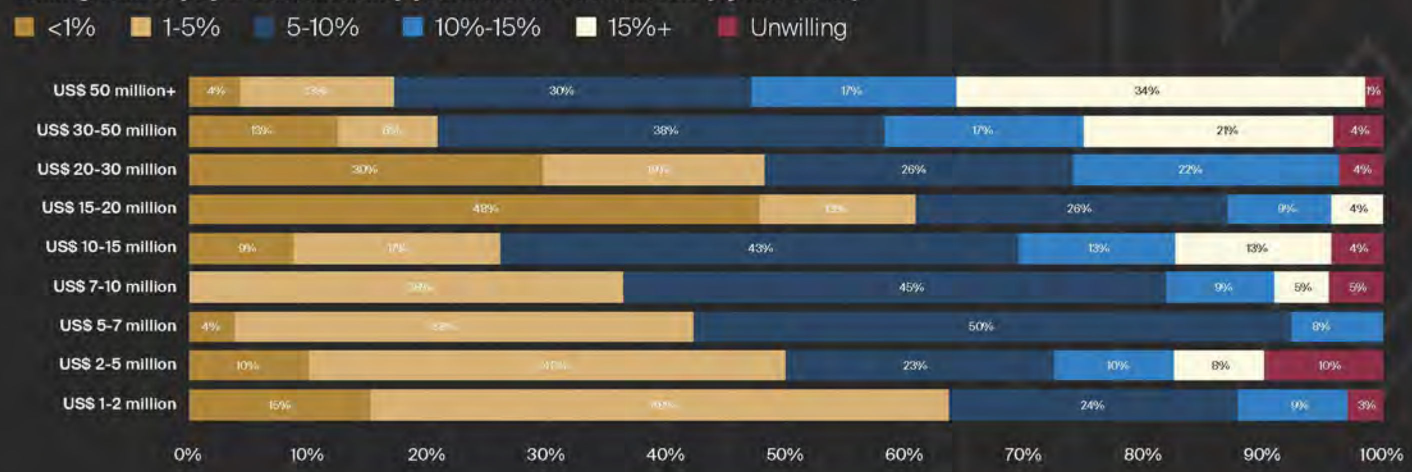


Importance of eco-friendly credentials in Dubai hotels for global HNWI (by respondents' home location)



Source: Knight Frank, YouGov

Willingness to pay a 'sustainability premium' at Dubai hotels (by net worth)



Source: Knight Frank, YouGov

Global HNWI reasons for visiting Dubai

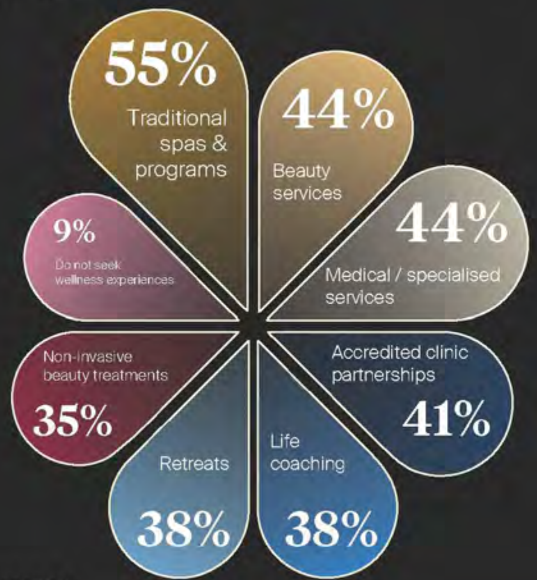
*Percentages indicate number of times each option was selected

Source: Knight Frank, YouGov

DUBAI: A GLOBAL TOURIST HOTSPOT

The global awakening to personal well-being has also begun to take hold in Dubai, with the Dubai Health Authority announcing that healthcare facilities in the city welcomed 691,000 medical tourists in 2023. This group spent just over US$ 280 million on treatments in the city. To that end, Dubai has recently announced plans to construct the world's largest well-being resort adjacent to Za'abeel Park. The 100m high, US$ 545 million facility will open in 2028, in line with Dubai's 'Quality of Life Strategy' plan. Below, we share details of the wellness experience most in demand by our global HNWI, as well as the areas of improvement they would like to see in Dubai's hotels.

Experiences most sought after by HNWI at Dubai hotels



*Percentages indicate number of times each option was selected

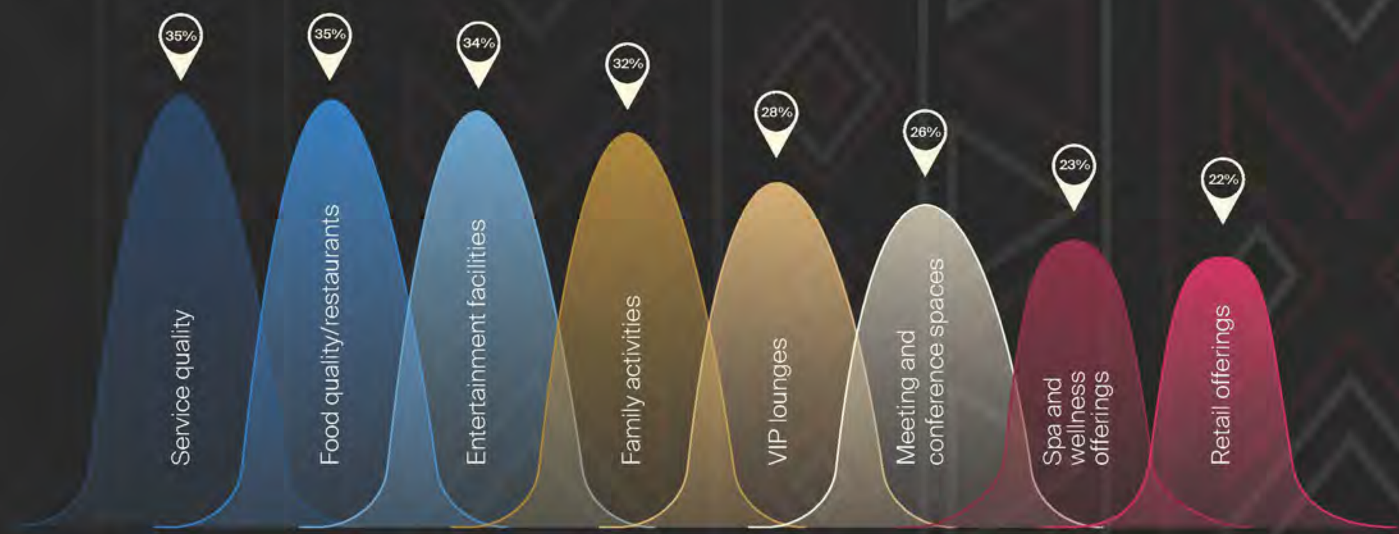
Source: Knight Frank, YouGov

Number of wellness experiences HNWI seek in Dubai (by net worth)

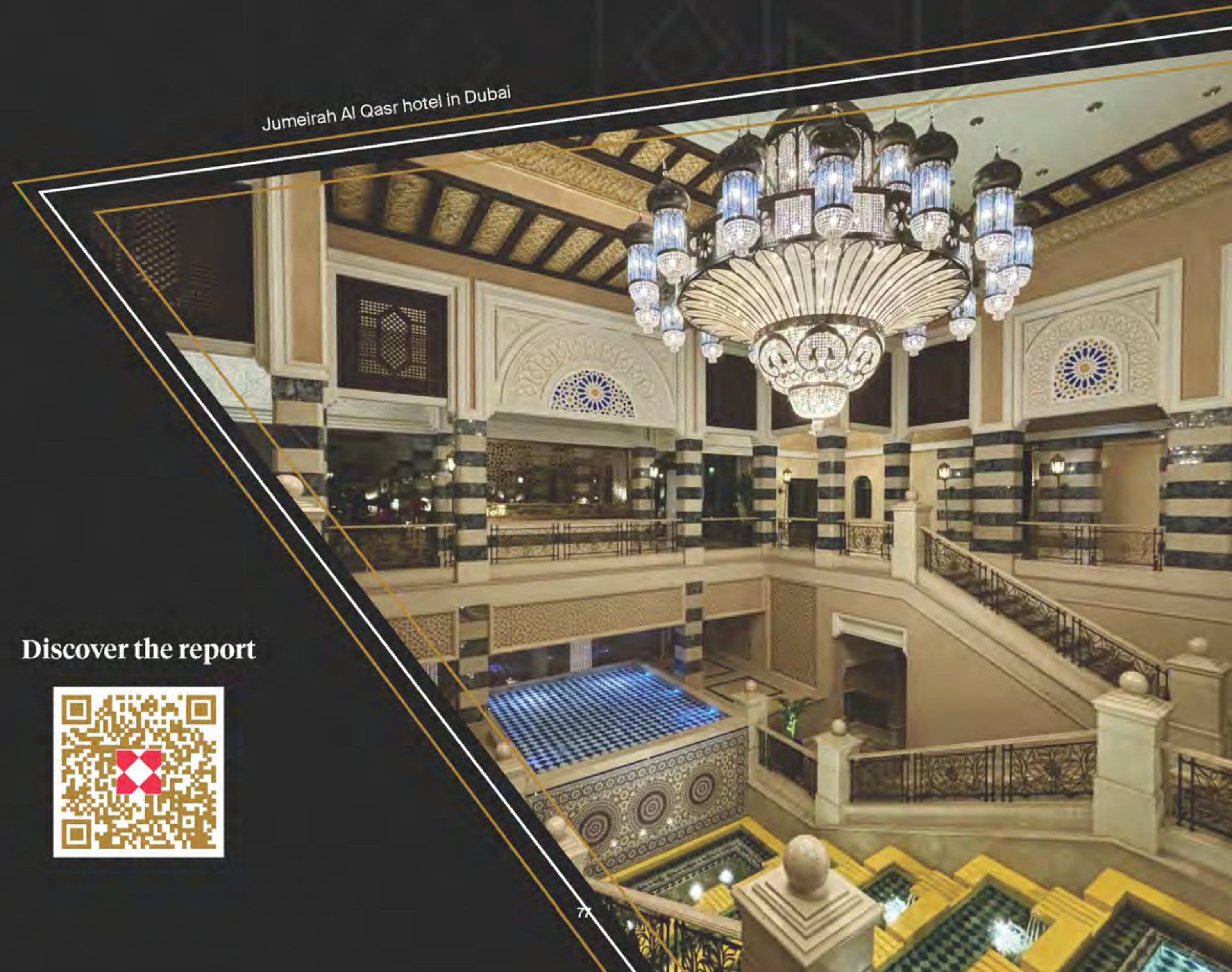
	UK	East Asia	India	Saudi Arabia
US$ 1-5 million	0.6	1.4	2.0	2.3
US$ 5-20 million	2.2	2.6	3.3	2.9
US$ 20 million+	2.2	2.7	3.0	5.2

Source: Knight Frank, YouGov

Areas HNWI would like to see improved in Dubai hotels



Source: Knight Frank, YouGov



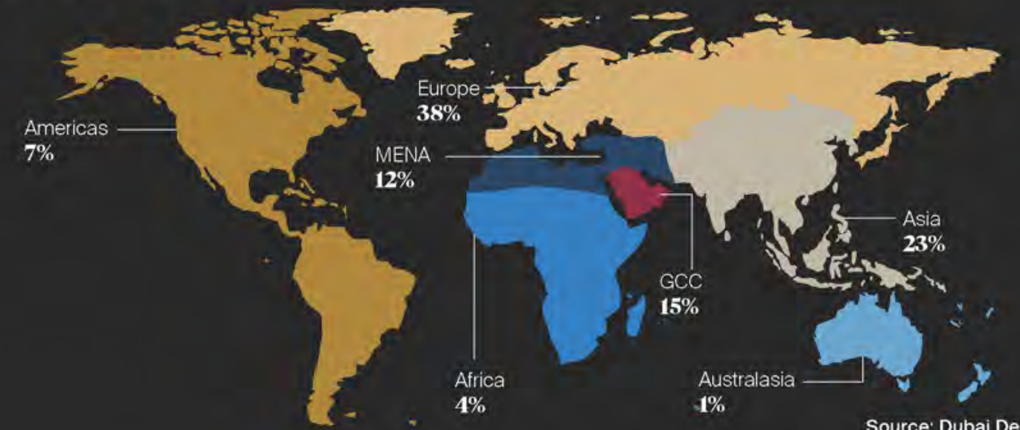
Jumeirah Al Qasr hotel in Dubai

Discover the report

DUBAI'S HOSPITALITY MARKET IN NUMBERS

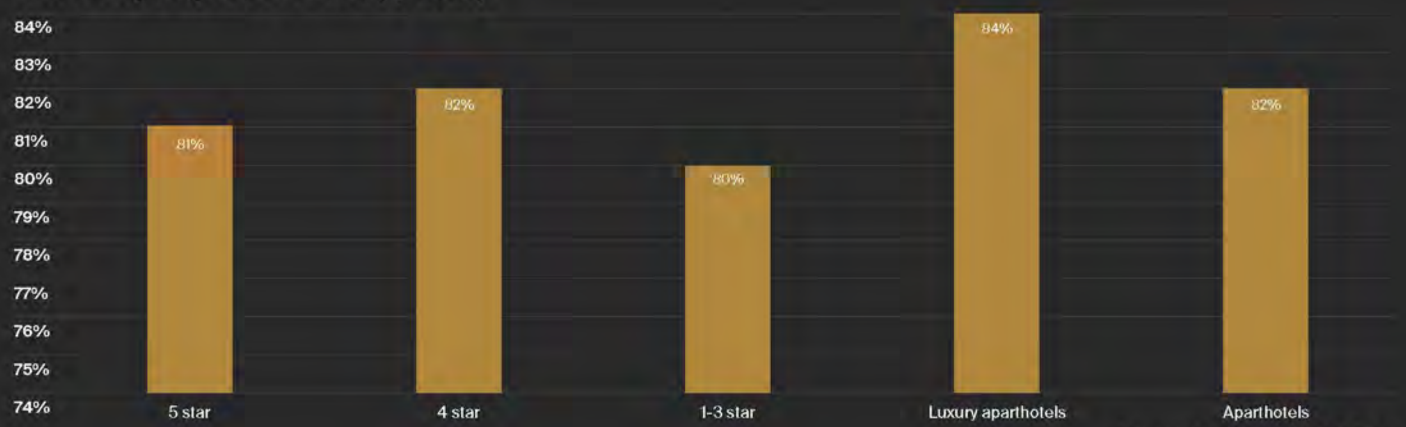
Dubai's hospitality market had another stellar year in 2024, with occupancy levels climbing to an average of 78.2% from 77.4% the year before. This was supported by a record 18.72 million international visitors to the city. Below, we highlight some of the city's key hospitality market metrics.

Dubai's source of visitors by region (Q1 2025)



Source: Dubai Department of Economy & Tourism

Hotel occupancy rates in Dubai (Q1 2025)



Source: Knight Frank, STR Global

Dubai's current and upcoming supply through to 2030 (by operator classification)

Source: Knight Frank, STR Global

NEED TO KNOW

Dubai's top 6 hotel operators

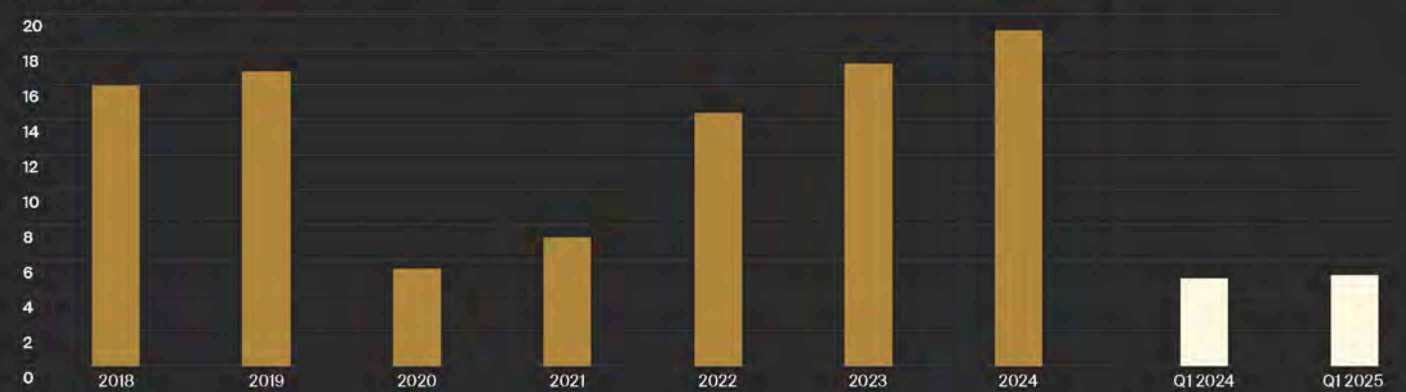
Source: Knight Frank, STR Global

Dubai's hospitality market performance

Source: Knight Frank, STR Global

Dubai's international tourist arrivals growth

Visitors (millions)



Source: Knight Frank, STR Global

DUBAI INTERNATIONAL AIRPORT IN NUMBERS

Dubai International Airport handled 92.3 million passengers last year, making it the busiest international airport in the world for 11 years running. It opened its doors in 1960 and has had in excess of US$ 9bn invested in upgrades over the last 65 years. The airport is the home base for Emirates Airline, the world's largest international carrier and the world's largest operator of the iconic double-decked A380 aircraft, with 116 currently in service. Dubai International is also the hub for low-cost carrier Fly Dubai. Together, these two airlines contribute to the incredible 272 cities with direct flights to Dubai. Below, we outline some of Dubai International Airport's key performance metrics.

World's busiest airport for
11th
year in a row

92.3
Million international passengers in 2024 (6.1% increase over 2023)

440,000
Total annual flight movements - 5.7% increase on 2023

2.2
Million tonnes of cargo, a 20.5% increase on 2023

DECEMBER
The busiest month in 2024 with

8.24
Million passengers

7.7 Million passengers
Average monthly traffic during 2024

Annual passenger traffic forecasts for DXB

94 Million in 2025

98 Million in 2026

100 Million in 2027

2,122,474 sqm
Total built up area

272
Destinations

106
International carriers

526 Check-in counters

35,000 sqm
Cargo facility capable of handling

3.1 Million tonnes of cargo annually

Dubai Duty Free sells an average of

2.9 Million bottles of perfume

995 Tonnes of dates

2,066 Tonnes of chocolate

2,711 Kilograms of gold annually

NEED TO KNOW

Source: Knight Frank, Government of Dubai

UNPICKING DUBAI'S ECONOMIC RESILIENCE

WHY DUBAI'S ECONOMY IS MORE RESILIENT THAN EVER

Dubai has been a standout success story of the post-COVID 19 era, attracting a new wave of expats that have boosted economic growth and demand for real estate.
After such unprecedented growth, it is only natural to expect a slowdown in the rate of growth. Elevated risks in the global economy make the outlook in Dubai more uncertain.
In this report, we show that there are significant grounds for viewing Dubai's economy as more resilient than in past cycles. Economic growth in Dubai has become for more diversified, and the United Arab Emirates is fiscally very sound, meaning that there is significant headway to support economic growth.
Moreover, and perhaps most importantly, Dubai has successfully transitioned to become a global city in which people from all over the world aspire to live.

Dubai's economic growth and the real estate market

Since the global financial crisis (excluding 2020), Dubai has consistently reported economic growth rates of at least 2% per annum, even while many parts of the developed world have struggled for any growth at all. Even so, growth has been volatile across the cycle, in some years approaching 5% (with 5.7% recorded in 2021 reflecting the COVID-19 recovery), and in years of slower growth, falling to 2%.

As Figure 1 demonstrates below, periods of relative economic strength with GDP growth rates north of 3% have coincided with strong cyclical upturns in real estate markets, while years with growth rates below 3% have coincided with declining real estate prices.

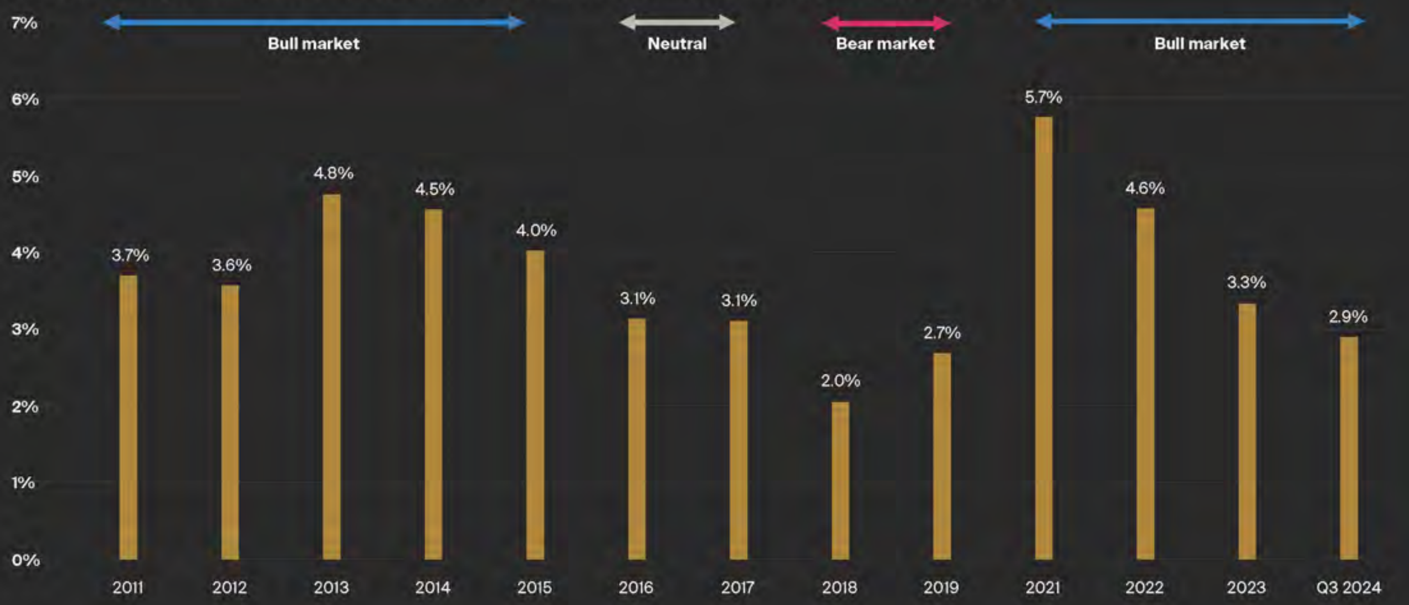
Dubai is no ordinary 'rich-nation city'; it is fast-growing having witnessed rapid population growth from 1.3 million in 2005 to an estimated 3.8 million in 2024, according to the Dubai Statistics Center ("DSC"). To accommodate this growing population, the number of dwellings increased from 138,000 in 2000 to 868,500 in 2024, according to our estimates.

Real estate bull and bear markets have reflected periods of mis-match between increasing population (demand) and the delivery of new supply. As a rule of thumb, since 2011, new supply has been sufficiently absorbed when annual GDP growth has been c.3% or more.

As Dubai gets bigger, so the rate of population growth will slow. The 2040 Urban Masterplan targets a population of 5.8 million, implying a compound annual growth rate of 2.8% between 2023 and 2040, slightly under half the rate witnessed between 2005 and 2023 of 5.8%. This may imply a GDP growth 'hurdle rate' of less than 3%, perhaps closer to 2.5%, commensurate with full supply absorption.

What we can say for sure is that less volatility in economic growth going forward would signpost a reduced risk of supply-demand mis-matches giving rise to cyclical swings in the real estate market.

Dubai's GDP growth rates and real estate market conditions, 2011 to Q3 2024 (ex. 2020)



Sources: Dubai Statistics Center, Knight Frank

The Dubai Mall Waterfalls

Discover the data

WHY DUBAI'S ECONOMY IS MORE RESILIENT THAN EVER

Sectoral contribution to GDP and GDP growth

To gauge whether economic growth will become less volatile in the future, we ask whether Dubai's GDP has already significantly diversified. Greater diversification should imply less volatility and greater resiliency, raising the likelihood that growth remains high enough to absorb real estate supply additions. To this end, Figure 2 shows the top 10 sectors' contribution to GDP in 2008 and 2023.

Figure 2 points to substantial changes in the sectoral composition of Dubai's economy over a 15-year period from 2008 to 2023, all of which points to greater stability. Greater diversification is evidenced by the decline in the combined contribution of the top 5 sectors to the economy, from 68% of GDP in 2008, to 63% in 2023.

More importantly, there has been a stabilizing change in the sectoral mix, with a significantly lower contribution from the wholesale and retail trade, and construction sectors, and a commensurately higher contribution from the industrial and logistics, and accommodation and food service sectors. The latter sector was not even a top 10 contributor in 2008, accounting for only 2.5% of GDP that year. A decline in the contribution of the construction sector and increase in tourism-related sectors points to a maturing city utilising its real estate assets in the service sectors.

Comparisons of the post global financial crisis and post-COVID 19 era upswings, in terms of contribution to GDP growth (as opposed to annual GDP), provides firmer evidence of diversification. Figure 3 shows that during the long economic recovery and upswing from 2009 to 2016, wholesale and retail trade, including auto repair, accounted for an astonishing 35% of all growth with the next largest sector, transportation and storage, accounting for 16% of growth. Between 2020 and 2023, both sectors accounted 21% and 27% of growth respectively.

While growth has been more concentrated in the Top 8 sectors post COVID-19 it has been more widely distributed, with four sectors accounting for over 10% of total growth, compared to only two sectors between 2009 and 2016.

GDP output data points to a diversification in the sources of growth comparing this upswing with the past. This augurs well, suggesting the potential for reduced cyclical variation in GDP growth rates going forward. In short, Dubai's economy has already become more resilient.

The supply-side of the economy: population and productivity

While diversification of the sources of economic growth is clearly good for reducing volatility through the cycle, it only tells half the story. What enables increased output in each sector of the economy are supply-side factors such as a growing workforce and higher rates of productivity, facilitated by increased human capital and physical infrastructure.

Generally speaking, economic growth in Dubai has, in the past, leant heavily on the rate of increase in the workforce, itself a function of the expat population. Dubai is a city of stability and calm, where expats have come to build businesses and careers for themselves, and bring up their families. New arrivals to the city have swelled the workforce facilitating GDP growth.

Going forward, however, there are good reasons for thinking that Dubai's economy will be driven by both population growth and productivity.

1. Population growth

Predicting future expat arrivals with certainty is challenging as historically the rates have varied significantly year-to-year. All the same, attracting expat migrants is a necessary corollary of the 2040 Master Plan and expansion will require additional workers for all levels of the occupational spectrum.

The broad economic opportunities in Dubai and the draw of the city, combined with the relative value that homeowners can expect in the city, will be key to achieving the 2040 targets. Dubai is a city where people from the MENA region and far beyond aspire to live; and it is still very affordable compared to other major hub cities like Hong Kong, London, New York, Zurich, Paris and Singapore, based on price to income ratios.

Dubai has undoubtedly established global brand recognition that incorporates aspiration and a high quality of life. Dubai's brand value has grown, in part, through the success of Dubai's tourism industry. According to Euromonitor Internationals recent report, in 2024 Dubai was a top 10 global ranked city in terms of international arrivals.

With Emirates airlines, Dubai is also a significant business hub bridging Europe, Asia and Africa, having attracted numerous multinational companies, including many of the world's largest financial institutions. Dubai hosts a large number of high-profile international events, including a food show, shopping festival, film festival and airshow. Moreover, Dubai's skyline has gained global cultural icon status.

We cannot predict the scale of new expat arrivals in any one year, subject as they are to complex and interconnected global events, but we do know that Dubai has been a huge success story whose global reputation has been enhanced significantly in the post-COVID 19 era. It was, for instance, widely report at the end of 2023 that financial services provider Remitly had used Google data to show Dubai as the most desirable city in the world to live in for foreigners wanting to emigrate, with more people completing the Google search "move to" with "Dubai" than any other city over the preceding 12-month period.

The desire to experience life in Dubai appears nearly insatiable, providing a significant sense of comfort that the supply-side of the economy will remain strong.

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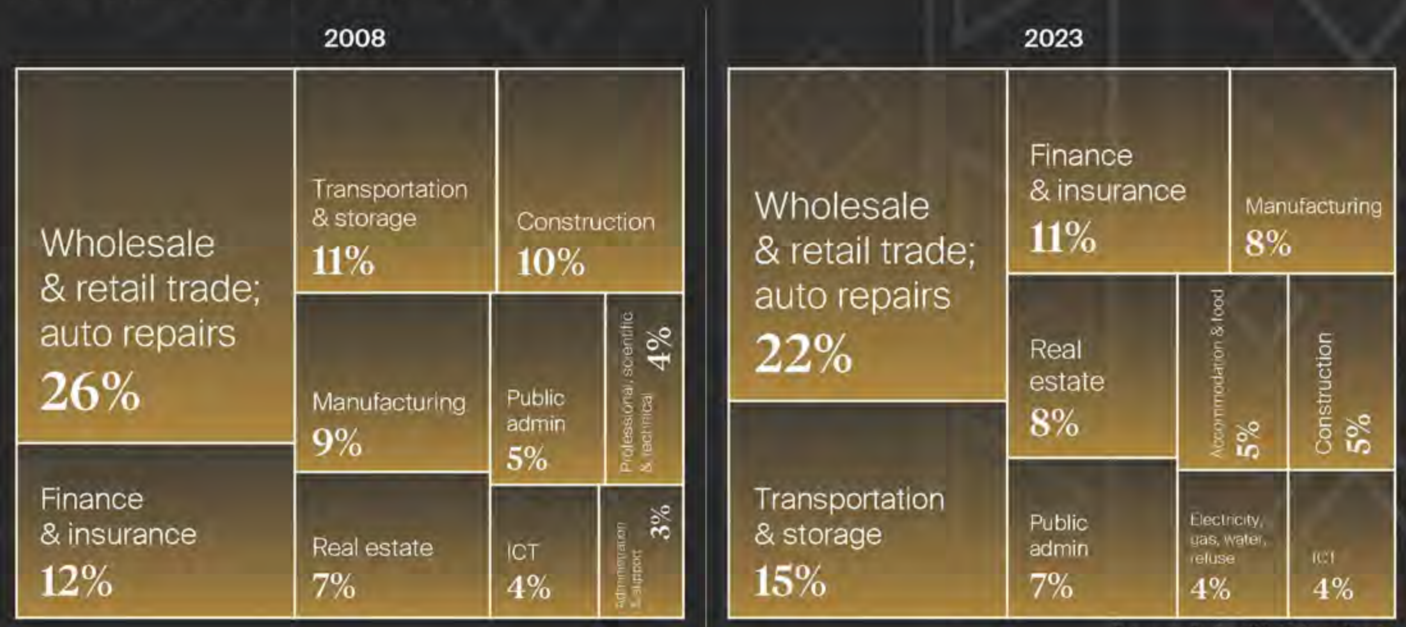
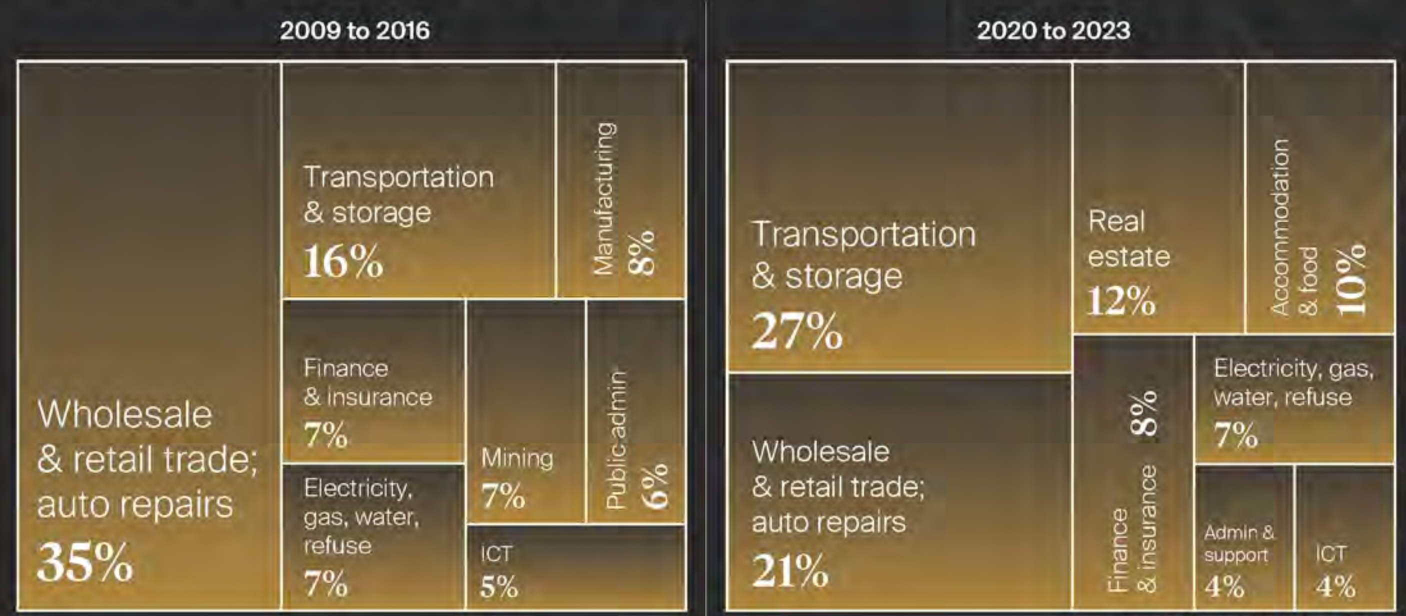
Sectoral contribution to GDP: 2008 vs 2023



Source: Dubai Statistics Center

Sectoral contribution to GDP growth 2009 to 2016 vs 2020 to 2023



Source: Dubai Statistics Center

WHY DUBAI'S ECONOMY IS MORE RESILIENT THAN EVER

2. Productivity

The ability of each worker to produce more during each hour worked is a function of human capital (knowledge and know-how) and physical infrastructure.

According to data published by the UAE Ministry of Economy, the UAE's ranking in international indices of human capital has been increasing for many years. For instance, in 2024 the UAE was ranked 32nd in the Global Innovation index, up from 41st in 2016, while the UAE's raking in the World Digital Competitiveness Ranking was 11th in 2024, up from 25th in 2016.

Over this same period, there has been a rapid increase in the annual total number of patent applications, issued in the UAE, from 4,616 in 2015 to 16,224 in 2024, an increase of 3.5X.

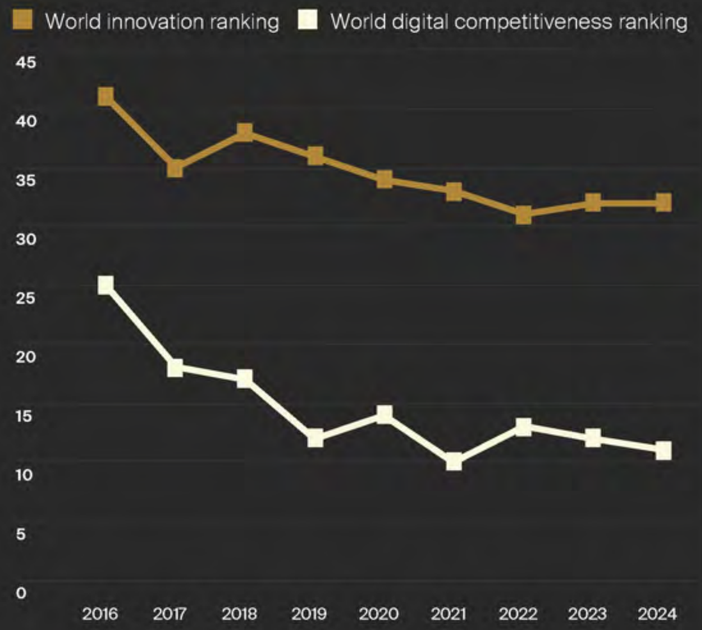
In financial services, Dubai has significantly deepened its role in global asset management. Once heavily focused on relationship management and business development, as of February 2025, the Dubai International Financial Centre reported that it is now home to 75 hedge funds, of which 48 have assets of more than US$ 1 each.

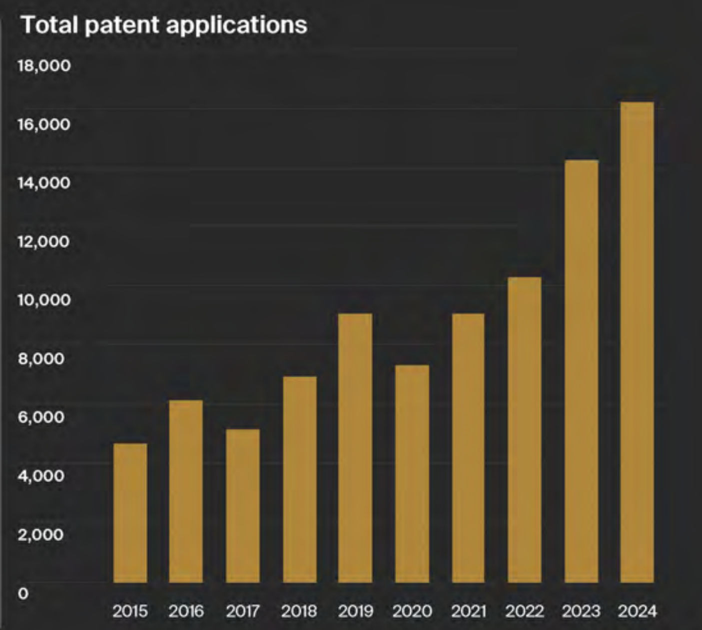
Moving up the value chain of the knowledge-based economy means that Dubai is not only home to more workers, but home to more workers with higher disposable incomes, reinforcing aggregate demand in the economy and supporting asset markets, such as real estate.

With regards the development of physical infrastructure in Dubai, the government has signaled its commitment to various infrastructure projects as part of its strategic plans, including roads, tunnels, bridges, transportation, sewage stations, parks, renewable energy sources and waste treatment facilities.

Initiating many of these projects in 2023, the Government of Dubai budgeted to increase development expenditure by 45% year-over-year. Dubai remains committed to ensuring mobility in the city and making the infrastructure supporting growth world-class.

Move up the productivity value-chain: patents, innovation and competitiveness





Source: UAE Ministry of Economy

> **Dubai is not only home to more workers, but home to more workers with higher disposable incomes.**

Emirates Towers in Dubai

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WHY DUBAI'S ECONOMY IS MORE RESILIENT THAN EVER

Fiscal soundness

While expat population growth reflects the aspiration of living in Dubai, this aspiration is also a function of the expectation and perception of economic opportunity. In this regard, there are factors outside of the city's control that have historically weighed on growth.

The period of slower growth between 2016 and 2019 was to a significant degree a response to fiscal consolidation in the UAE (and the Gulf in general for which Dubai is a commercial hub), caused by lower oil prices and the need to put the UAE on a long-term sound footing.

While Dubai only produces a very small amount of oil (estimated to be less than 50,000 barrels per day), the UAE's balance of payments and currency is supported by oil production in Abu Dhabi of around 3 million barrels a day.

In a similar vein, while the Government of Dubai's expenditure is relatively small, budgeted to make up 13% of Dubai's GDP in 2023, according to the Government of Dubai, overall 'general government' spending in the UAE, including all Emirates and the Federal budget, is more significant in relation to the UAE's GDP, making up 23% of the UAE's GDP in 2023, according to the Federal Competitiveness and Statistics Centre ("FCSC").

In the latter half of the last decade, in response to lower oil prices, the UAE underwent a period of fiscal consolidation. For example, general government tax revenue and social contributions, including VAT, increased from 8% of GDP from 2016 to 18% in 2023, according to the FCSC. In enacting these measures, the UAE ensured that government revenues were far less reliant on oil revenues, placing them on a sounder and more resilient footing.

The good news, as Figure 5 demonstrates, is that the fiscal consolidation undertaken between 2014 to 2016 has paid huge dividends. UAE's fiscal breakeven oil price has been maintained at around US$50 per barrel, according to the IMF, meaning that the UAE, and by extension, Dubai, remains significantly insulated from oil market volatility.

This is clearly evidenced by the right-hand chart in Figure 5, which shows that the spread of UAE sovereign debt yields over US Treasuries has fallen by over 30 basis points since the start of 2022 and has remained unaffected by declines in oil prices. The is as sure sign as there can be of investors' confidence in the UAE's fiscal sustainability.

Perhaps a useful analogy here is to think of the UAE as having a 'fortress balance sheet'. Government debt sits at an enviable 30% of GDP, according to the IMF, and a general government fiscal surplus is likely to be maintained even during this current period of uncertainty.

Economic weakness beyond the UAE would of course have an impact in an open trading economy such as the UAE's. But unlike in the previous cycle, the UAE and Dubai remain well-protected and able to provide the necessary countercyclical fiscal support.

Conclusion: As Dubai matures, so does the cycle

We have outlined the core reasons for viewing Dubai's economy as more resilient; and for being more confident in GDP growth rates remaining at levels commensurate with a vibrant real estate market.

1. Economic growth has become more diversified and not focused on a single sector as it was in the previous upturn. Dubai continues to invest heavily in human capital and physical infrastructure.
2. The UAE has a very strong fiscal position; which means that fiscal policy can be supportive.
3. Dubai's global reputation and attractiveness has increased significantly. The city is now a recognized global commercial and tourism hub; a place that people from all over the world aspire to live.

In short, the long-term view remains steadfast: Dubai is a city gaining global prominence with growth plans to match.

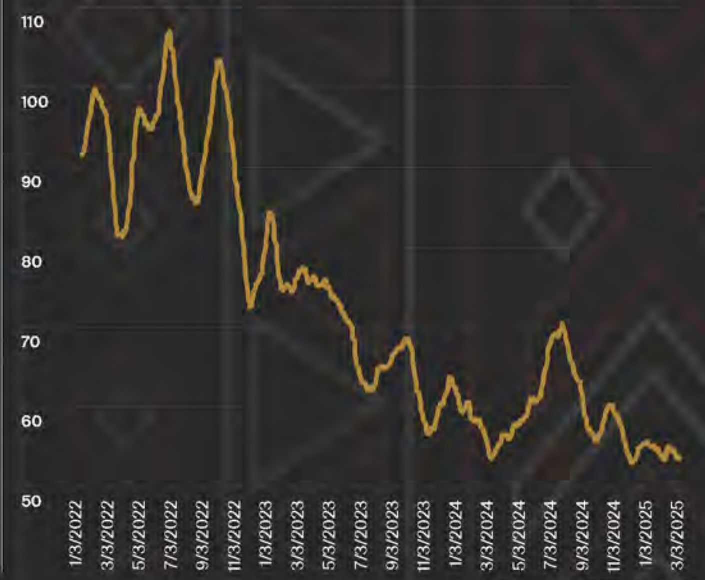
> UAE's fiscal breakeven oil price has been maintained at around US$50 per barrel, according to the IMF

Discover our expert insights

UAE breakeven fiscal oil price, US$ per barrel, and spreads over US Treasuries

UAE breakeven fiscal oil price, US$ per barrel

Spread of UAE Sovereign debt yields over US Treasuries, basis points (1/1/2022 - 1/5/2025, 30-day moving average)



Sources: IMF, Cbonds

Al Seef at Dubai Creek

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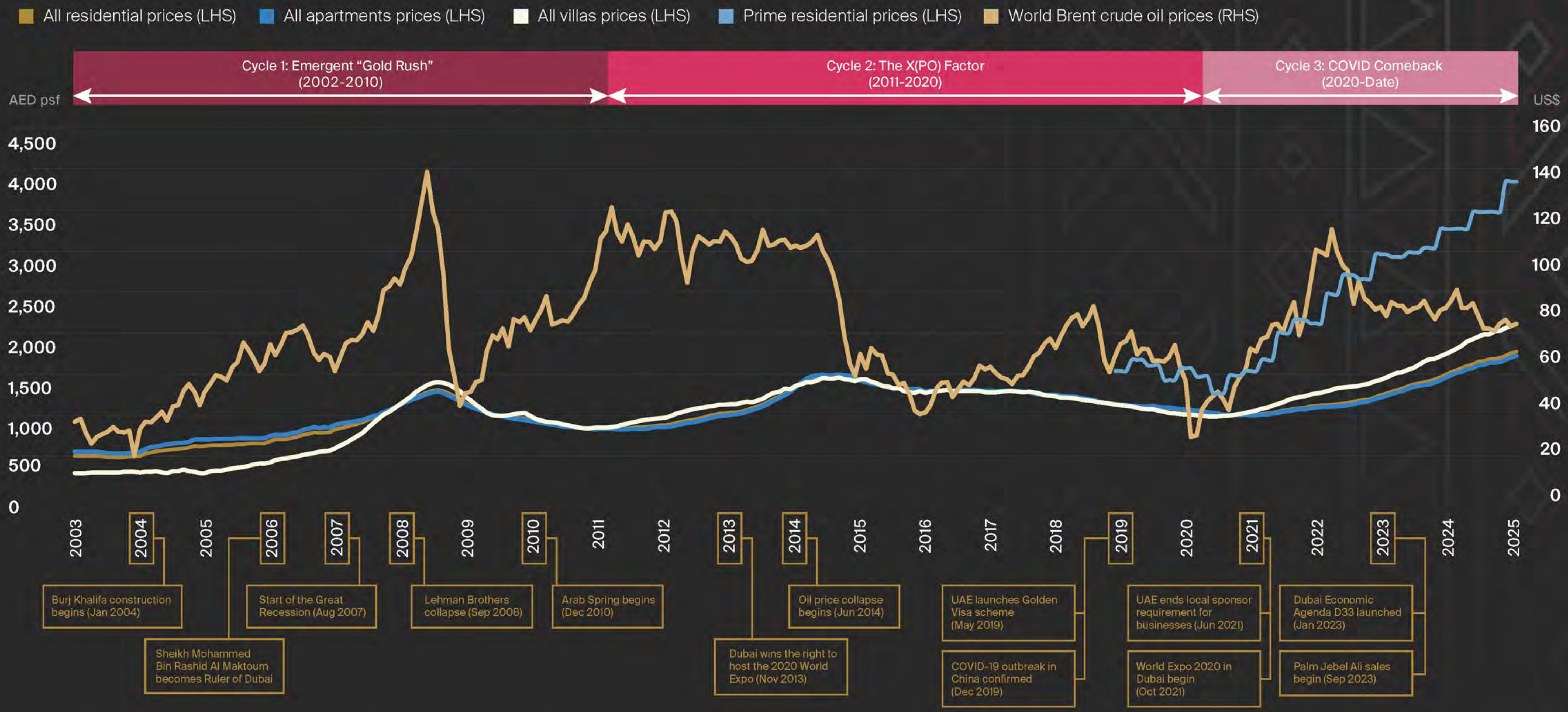
UNDERSTANDING DUBAI'S RESIDENTIAL MARKET CYCLES

As we approach the fifth year of price growth in Dubai's third freehold residential market cycle, we wanted to reflect on how this cycle compares to previous ones. We have detailed our findings and analysis below.



MARKET OPPORTUNITIES

OPPORTUNITIES

The data derived from our 2025 Destination Dubai report gives unique insights into global HNWI demand for real estate assets in the city while also helping to reconfirm our own market experience. This unique data has also helped us to identify five key real estate market opportunities for developers, investors and buyers, which we outline below.

1. AFFORDABLE HOMES

While an impressive 68% of global HNWI would like to own a home in Dubai, topping out at 96% amongst Saudi HNWI, the appetite for ownership for those with a net worth of US$ 1-2 million sits at 59.2%. While still reasonably impressive, this points to an opportunity to develop housing that is more affordable. This will serve not only the needs of the growing domestic population but also likely attract a different type of international buyer to the market.

The sharp 65% rise in average house prices in the city since March 2020 has not been matched by growth in incomes. Even so, across the city, apartments remain broadly affordable. Villas are, however, increasingly out of reach of many households. This is best evidenced by the fact that since 2020, the number of neighbourhoods with 4-bedroom villas that we would class as unaffordable, i.e., those that require an average of greater than 6x annual income levels, has grown from 10 to 20. Despite this, Dubai remains relatively affordable on the world stage, as outlined above.

Our estimates also show that c. 8% of the city's 352,000 homes planned and under construction, and due for delivery by the end of 2029, will fall under AED 1,000 psf. Assuming an average apartment size of 1,000 square feet (likely a 2-bedroom property), the total cost to a potential purchaser would be AED 1 million (US$ 272,000). Further extrapolating this example and assuming a deposit size of 20%, a prospective domestic buyer would need an average annual income of AED 160,000 (assuming a mortgage is granted at 5x times the level of annual income), c. 27% less than the current city-wide average.

Clearly, developing housing that is more affordable is easier said than done, particularly given the high land costs, but through greater adoption of Modern Methods of Construction (MMC) such as offsite manufacture, 3D printing, and/or modular housing, there may be some cost savings that could be passed on to buyers. The added fringe benefit of lowering the carbon footprint of developments by reducing the embodied carbon of developments would also appeal to both domestic and international buyers, particularly global HNWI, 94% of whom consider green credentials an important deciding factor when selecting a home for purchase.

Looking further ahead, with plans well underway to support the growth of the city's population from 3.8 million at the end of last year to 5.8 million by 2040, there is a need to ensure a balanced approach to the provision of housing at all price points. As it stands, 92% of the housing stock due for completion by the end of 2029 is likely to be priced at over AED 1,000 psf, according to our estimates.

Discover the report

The 65% rise in average house prices in Dubai since March 2020 has not been matched by growth in incomes.

OPPORTUNITIES

2. LUXURY HOUSING

At the other end of the price spectrum, the city is facing a severe shortage of luxury homes as HNWI purchasers flock to the city, squeezing existing supply levels further. Of note is the fact that there has been a 39% decline in the number of homes priced at over US$ 10 million during 2024. This decline threatens to not only undermine Dubai's position as the busiest US$ 10 million+ homes market in the world but may also start to push HNWI demand at this price point to other global locations. Adding to the complexity is the unique challenge developers also face: 71% of global HNWI would like to secure a completed (or newly built) home.

Noting that an exceptional 92% of those worth US$ 30-50 million and 88% of those worth over US$ 50 million are very interested in buying a home in the emirate, developers need to carefully consider how they will bring forward ultra-luxury housing at speed and of a quality these buyers expect.

One potential solution lies in the creation of smaller housing developments – not smaller homes, but developments that contain fewer properties. This would create an element of exclusivity by reducing the number of 'cookie-cutter' homes in a project (HNWI favour individuality) while also allowing quicker completions because of the smaller scale. Some developers have begun to move in this direction, with the six Asora Bay mansions at La Mer by Meraas being a prime recent example, each priced at US$ 136 million (AED 500 million). The homes are nested in contouring hills that rise to a height of 25m in places.

During Q1, there were around 150 homes on the market priced at over US$ 27.2 million (AED 100 million), highlighting the depth of the opportunity to bring forward more ultra-luxury housing.

3) ULTRA-LUXURY APARTMENTS

Linked to the luxury housing trend is the desire of 80% of global HNWI worth between US$ 15-20 million to own an apartment in Dubai rather than a villa. The balance of those in favour of an apartment instead of a villa was highest amongst Hong Kong based HNWI (75%) and British HNWI (47%).

The most expensive apartment to have ever sold in the city remains the 22,000 sq ft penthouse at the Palm Jumeirah's Como Residences. The property sold for US$ 136 million (AED 500 million) in December 2023.

Noting that the average budget for our HNWI survey respondents this year stands at US$ 32 million, topping out at US$ 45.7 million for Saudi nationals, while 15% of all those we surveyed would like to spend upwards of US$ 80 million on a single home in the city, there remains a clear gap in the market of uber-luxury housing.

Using the Como Residences penthouse as a benchmark (c. US$ 6,000 psf, or AED 22,000 psf) reveals that just 0.1% of the homes for sale in Dubai during Q1 were priced at over US$ 2,700 psf (c. AED 10,000 psf), with just 5 home available for more than US$ 5,450 psf (c. AED 20,000 psf).

Given that apartments are so popular with those with a net worth of US$ 15-20 million there is a potential opportunity to develop more stock to cater to this segment of HNWI.

Apartments are most popular amongst those with a net worth of US$ 15-20 million

OPPORTUNITIES

4. ULTRA-LUXURY BRANDED HOMES

Today Dubai is home to 39,046 branded homes, with a further 8,267 due to be completed within the next four years. The city has well and truly cemented its position as the branded homes capital of the world.

Aside from the obvious benefits associated with the prestige of owning a branded home, luxury branded homeowners in the city are assured of impeccable service and a hassle-free experience when their home is rented through various brands' rental pool schemes.

These pull factors are significant for our global HNWI cohort, with a staggering 86% keen to secure a branded residence in the city – up from 69% last year. The figure is even higher for Saudi HNWI (92%) and Indian HNWI (88%).

Even more impressive is the fact that 93% of those worth over US$ 50 million would like to purchase a branded home in Dubai.

The most expensive branded residence sold in the city over the last 12 months was the US$ 54 million purchase of a Sky Mansion at the Bugatti Residences (by Binghatti) in Business Bay in November 2024 by Brazilian football star Neymar Jr.

While this price stands at c. 114% above the average transacted price for non-branded homes across the city, demand for uber-luxury branded homes continues to strengthen. Last year, 17% of global HNWI were prepared to spend over US$ 5,000 psf on a branded home in Dubai. This year, our research has shown that this figure has crept up to 20%. Nearly one in five (19%) of those worth between US$ 30-50 million and 55% of those worth more than US$ 50 million are prepared to commit to this price level.

Despite the extraordinary growth in the volume of branded homes in the city and some of the record-breaking prices achieved, our HNWI survey results suggest there is still room in the market to offer even more highly priced ultra-luxury branded homes.

> **93% of those worth over US$ 50 million would like to purchase a branded home in Dubai.**

Dubai Marina is the most sought-after location by global HNWI for a branded home

OPPORTUNITIES

5. LAND PLOTS

As we have highlighted, there is a growing body of evidence to suggest that not only is there greater interest in purchasing a home in Dubai from international buyers, but an increasing majority of this group are looking to put down roots in the city and purchase for personal reasons. Indeed, our data shows that 61% of global HNWI would like to secure a home in the emirate for personal use – this is almost double the figure we recorded in our 2024 Destination Dubai report (31%).

Building on our bank of evidence that the bulk of purchasing demand stems from genuine end users and families, we have also found that 83% of our HNWI respondents are interested in purchasing land to build their own home.

This appetite is high almost irrespective of nationality and ranges from 74% of East Asians and climbs to 91% for Saudi nationals. Nearly all (96%) of those we surveyed with a net worth greater than US$ 50 million find this an attractive option.

Historically, other emirates in the UAE, such as Abu Dhabi and Sharjah, have been at the forefront of selling land parcels to individuals looking to build their own homes. Both cities have multiple examples of master-planned residential projects where land plots, complete with infrastructure, were sold to end users and investors with significant success. Examples include Sharjah's 25 million square foot Tilal City, as well as Abu Dhabi's Nareel Island, which has plots ranging from 5,000-25,000 sq ft, starting from US$ 1.36 million (AED 5 million).

There are examples of land plots being sold to individuals in Dubai, too, but not on the same scale. Some examples include land plots on the Pearl Jumeirah, the Palm Jumeirah, the Palm Jebel Ali, Emirate Hills and Jumeirah Bay Island. Indeed, the latter set a record for the most expensive land plot sale in the country: a 24,500 sq ft villa plot sold for US$ 34 million (AED 125 million), translating to US$ 1,390 (AED 5,100 psf) in April 2023.

Some developers are attempting to tap into demand from the ultra-rich to build their own homes in Dubai, with the 244 million sq ft Arabian Hills Estate being one of the most recent examples. Here, plot sizes range from 12,000 sq ft for villas and rise to 132,000 sq ft for estates. Discovery Dunes in Dubai South has also moved into this space, with 198 plots ranging in price from US$ 7-50 million.

We feel a further opportunity lies in this sub-segment of the residential market, as it could attract new buyers to the city in even greater numbers. The added benefit to developers, of course, is the speed at which such master-planned land communities can be brought to market, likely with a lower risk profile given that the initial investment would be limited to MEP (mechanical, electrical and plumbing) and community infrastructure.

> **“Historically, other emirates in the UAE, such as Abu Dhabi and Sharjah, have been at the forefront of selling land parcels to individuals looking to build their own homes.**

Discover the data

The World Islands, Dubai

DESTINATION DUBAI 2025: NUMBERS YOU NEED TO KNOW

BUDGETS & SPENDING POWER

68%
of global HNWI have their sights set on Dubai for a real estate acquisition

96%
of HNWI from Saudi Arabia would like to purchase a property in Dubai

Average budgets by respondents' home location (US$ million)

45.7	44.6	30.3	23
Saudi Arabia	India	UK	East Asia

US$ 10.3bn
Total combined budget for all respondents

86%
of HNWI from India would like to purchase a property in Dubai

86%
of those with a net worth of over US$ 20 million would like to own a home in Dubai

US$ 265.7 million
Average allocated budget for a real estate purchase in UAE by global HNWI with a net worth of over US$ 20 million

58% of HNWI from Saudi would like to purchase a villa in Dubai

74% of HNWI would like to purchase a beachfront villa in Dubai

66%
of global HNWI with a net worth of over US$ 20 million would like to purchase a property in Dubai

69%
Of global HNWI with a net worth of over US$ 20 million would like to invest a residential property in Dubai

76%
Of global HNWI with a net worth of over US$ 20 million are interested in buying a land plot in Dubai to build their own home

BRANDED RESIDENTIAL DEMAND

86% of HNWI are keen on securing a branded residence in Dubai

38% of global UHNWI (net worth > US$ 20 million) are prepared to spend over US$ 5,000 psf on a branded residence

Top three target locations for a branded residential purchase in Dubai

14%	14%	12%
Dubai Marina	Dubai Hills Estate	Downtown Dubai

Source: Knight Frank, YouGov

THE HOUSE VIEW

DUBAI: A PROPERTY MARKET ON THE MOVE

Contributor
Shehzad Jamal
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Dubai is undergoing a deliberate economic transformation, driven by fiscal reform, diversification, and a cohesive government vision. These foundations have positioned the emirate as a haven for global talent and investment, drawn by its political stability, regulatory clarity, and strategic connectivity. This momentum is acutely visible in real estate, where activity is surging across the residential, commercial, and industrial sectors.

Residential market

The city's population is estimated to grow from 3.4 million in 2020 to 5.8 million by 2040, as per the Dubai Urban Masterplan, underpinning the residential sector's expansion.

The year 2024 closed with a total of 169,000 transactions and AED 367 billion in sales. Keeping in view the current circumstances, developers are pushing the envelope with amenities, flexible payment structures, and investor-friendly schemes.

Despite a 17.6% rise in prices since the 2014 peak, Dubai remains competitively priced relative to global hubs such as New York, London, and Singapore, particularly on price-to-income metrics.

HNWI continue to view Dubai as a long-term base, drawn by its COVID-19 governance, public safety, and social infrastructure. The market has recorded over 430 transactions above US$10 million annually for two consecutive years. The emirate now leads the world in branded residential offerings, with just over 39,000 hospitality and non-hospitality branded units.

With prime beachfront land in short supply, development is expanding to areas like Dubai Islands, Palm Jebal Ali and further inland, each offering distinctive lifestyle propositions. With the current supply under construction, developers and investors must remain cognizant of misaligned product delivery, which may result in over saturation.

Commercial market

Dubai's ambition to become amongst the world's fourth largest centre by 2033, as set out in the D33 Agenda and continuous economic reform is reshaping its commercial real estate landscape. Multinationals are expanding their regional presence, drawn by the emirate's stability, global connectivity, and pro-business reforms.

Office rents have risen nearly 50% since 2020, with occupancy rates approaching 90%. Grade A occupancy rates are north of 95% on average.

A clear flight to quality is underway, as firms seek premium, ESG-compliant buildings that meet international standards such as LEED and WELL, which are being viewed as strategic assets in talent acquisition and corporate positioning.

Around 8.2 million sqft of office space in under construction and is to be delivered by 2028, but our estimate is that demand is likely to exceed supply, maintaining upward pressure on prime rents. However, with the introduction of DIFC 2.0, the market dynamics will allow for more quality stock to enter the market and meet the requirements of both local and international companies.

> **"Our estimate is that demand is likely to exceed supply, maintaining upward pressure on prime office rents.**

Downtown Dubai

Discover our expert insights

OUTLOOK FOR DUBAI'S RESIDENTIAL MARKET

Contributors

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Dr. Christopher Payne
Partner – Chief Economist, MENA

With Dubai's residential sales market approaching a fifth year of consecutive price increases, we continue to see strong market fundamentals and a level of economic resilience not seen in previous cycles.

The duration of this cycle so far places it in between the city's first and second freehold residential market cycles, which experienced price rises for nearly four and six years, respectively.

Whilst, as yet, there are no signs to suggest an imminent or abrupt end to the upward growth trajectory in home values – albeit we are closely monitoring the growth in new homes supply (as outlined above) – there are two key external downside risks we are watching.

1. The risk of a global economic slowdown

While domestic economic conditions remain favourable, global headwinds appear to have tempered the city's non-oil PMI reading, which dipped to 52.9 in April 2025 from 53.2 a month earlier, extending a period of moderation in overall business sentiment. Nonetheless, the figure remains above the all-important figure of 50, indicating that growth is persisting.

The impact of the new US Liberation Day Tariffs is still playing out, but the knock-on impact on global shipping may undermine Dubai's economy given the city's global prominence as a re-export centre, and slower global growth could hamper growth, given Dubai's increasing prominence in global finance.

A counterbalance to this may be the 'reshoring' or 'near shoring' of traditional manufacturing centres in Asia as businesses seek to mitigate the impact of any new tariffs – and Dubai (and the wider UAE) could emerge as a beneficiary should this trend gain momentum. Indeed, there is evidence to suggest this has happened in the past during periods of increased trade and geopolitical friction.

A weaker US dollar may further boost the attractiveness of the city's residential market, especially international HNWIs. As of writing, it should be noted that the greenback has gained nearly 19% against the Indian rupee since March 2020, while also rising in value by just over 7% against the euro, highlighting the potential for further dollar depreciation.

Finally, as we noted above, Dubai's economy has become more diversified over time. For instance, since 2020, four sectors have accounted for at least 10% or more of GDP growth, compared to only two sectors in the previous upturn between 2009 and 2016.

2. Oil price volatility

While Abu Dhabi produces the lion's share of the UAE's 3 million barrels a day of oil production, oil revenues fund around 50% of all government spending in the UAE, according to the IMF, and provide significant support for the UAE's external accounts. As a business and trade hub for the UAE, Dubai is not immune from rapid shifts in the oil market.

Lower oil prices, stemming from a slowdown in global demand related to the discussion above, could require governments across the Gulf to reduce spending, with a knock-on effect on Dubai. The resultant impact could be lower rates of job creation (or indeed job losses), thereby reducing the demand for property.

However, the UAE is well insulated from the oil market, given the government (including federal and emirate-level spending) requires oil at US$ 50 per barrel to be in balance. The risk of negative sentiment contagion, stemming from oil price volatility, could still weigh on Dubai's property market, but the UAE is undoubtedly reaping the dividends from significant fiscal consolidation implemented in 2015 and 2016 when oil last entered a bear market.

Downtown Dubai

DIVERGING YIELD TRENDS IN DUBAI REAL ESTATE: OFFICES, LOGISTICS, AND RESIDENTIAL IN FOCUS

Contributor
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Dubai's property market continues to experience yield compression, with investor appetite remaining strong across key asset classes despite moderating return expectations. Robust rental growth and investor confidence have kept yields low, though signs point to a potential stabilisation in the year ahead.

Yield performance in Dubai's property market over the past year has been notably asset class-specific. In segments where rental growth has been particularly strong, such as the grade A commercial office sector, yields have compressed, evidenced by transactions at cap rates ranging from 6% in prime DIFC locations to around 7.5% in broader grade A stock. Investors are accepting lower returns than a year ago, driven by expectations of continued rental and capital value appreciation.

A similar trend has played out in the warehousing and logistics sector, where surging rents across most industrial zones have led to moderate, yet significant yield compression. Prime logistics assets are now trading at yields of approximately 7.75% to 8%, slightly below last year's levels, as investor demand for this sector intensifies.

The residential sector, meanwhile, has seen relatively stable yields. Both rents and capital values have grown steadily across the city, with mainstream apartment yields typically ranging from 5% to 7%, and villas or townhouses yielding approximately 4.5% to 6%, depending on location.

Overall, yields for commercial and industrial real estate are at historic lows, underpinned by strong economic growth, robust rental performance, and pent-up occupier demand. However, this trajectory is unlikely to persist indefinitely.

We anticipate a deceleration and eventual stabilisation in rental growth over the coming year, potentially leading to slight outward movement in yields. Additionally, uncertainty around global tariffs, potential interest rate pressures, and fluctuations in the strength of the US dollar may further influence investor sentiment, although a weaker dollar could enhance Dubai's appeal to non-dollar-denominated investors.

> **The residential sector has seen relatively stable yields. Both rents and capital values have grown steadily across the city.**

Dubai Creek Harbour

Discover the report

DUBAI'S LAND MARKET IN 2025: SHIFTS, SCARCITY, AND STRATEGIC MOVES

Contributor
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Dubai's development land market remains buoyant, despite steep price escalations, with scarcity in key locations driving fierce competition. Developers are now recalibrating strategies as they navigate evolving dynamics across residential, commercial, and logistics segments.

Dubai's land market continues to show strong activity, even as prices have nearly tripled over the past three years, driven largely by robust end-user demand, particularly in the off-plan residential sector.

Waterfront land: scarcity and surging demand

Waterfront plots are among the most sought-after assets, with areas like the Palm Jumeirah and Business Bay canal now nearly fully built out. The last plots on the Palm Jumeirah are trading at over AED 1,000 per sqft on GFA. As availability tightens, attention has shifted to areas like Dubai Maritime City, now fully sold, and Dubai Islands, where land values range from AED 400–550 psf on GFA amid heightened developer interest.

Villa communities: expanding footprint

Demand for master plots for villa communities remains strong, led by developers such as Aldar, Sobha, and Damac. Land rates typically range from AED 60–120 psf on GFA, with lower-density plots achieving premium pricing.

A tighter market and cautious underwriting

As Dubai Holding consolidates its position as a dominant landowner, developers face growing challenges in securing prime plots. Many are now turning to private owners and banks, adopting a more cautious approach and underwriting with the next market cycle in mind, particularly in the branded apartment segment.

Commercial and logistics land: limited but strategic

Commercial land remains constrained, though DIFC 2.0 promises future supply. In logistics, leasehold demand remains high, but speculative development is being curtailed as authorities restrict leases to end-users only.

> "Developers face growing challenges in securing prime plots. Many are now turning to private owners and banks, adopting a more cautious approach and underwriting with the next market cycle in mind.

Burj Khalifa, Downtown Dubai

INTERTWINED: HOW THE UAE'S ECONOMIC RESILIENCE IS DRIVING REAL ESTATE DEMAND

Contributor
Adam Wynne
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Despite persistent global instability, the UAE has emerged as a beacon of economic strength and investor confidence. This momentum is fuelling record-breaking demand across commercial real estate, particularly in the office and industrial sectors.

Whilst global geopolitical tensions and conflicts have persisted in recent years, the UAE has remained a pillar of stability. This resilience has translated into robust economic growth and heightened business confidence, resulting in positive performance across all real estate sectors, most notably in offices and industrial & logistics.

The expanding economy has spurred unprecedented demand for industrial and logistics space, with our team recording a record 40.7 million sq ft of new space requirements in 2024. This represents a staggering 225% increase compared to 2023, underlining the sector's vital role in supporting the country's rapidly growing population.

Similar momentum is evident in the office market, where regional occupiers continue to expand while new international entrants establish a presence in the UAE. With limited high-quality space available, particularly in core areas like DIFC, the market has entered a 'Groundhog Day' pattern of quarter-on-quarter growth in both rents and capital values.

The UAE continues to outperform expectations, now ranked as the world's 27th largest economy - an impressive standing given its relatively compact geographic footprint. Its position as a global hub for manufacturing and trade has firmly entrenched it as a destination of choice for international occupiers, fuelling ongoing development and reinforcing the strength of the real estate market.

> "The UAE continues to outperform expectations, now ranked as the world's 27th largest economy - an impressive standing given its relatively compact geographic footprint.

Dubai International Financial Centre

Discover the data

ECO-LUXURY ON THE RISE: SUSTAINABILITY TAKES ROOT IN DUBAI'S PRIME REAL ESTATE

Contributor
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Dubai's luxury residential property market is rapidly aligning with global sustainability trends as HNWI demand eco-conscious homes. As ESG priorities shift from climate alone to include connectivity, community, and resilience, sustainable real estate is becoming a mainstream investment strategy.

Dubai's luxury residential real estate sector is evolving as HNWI increasingly prioritise sustainable, eco-luxury properties. ESG principles are no longer just about climate—they now encompass smart living, community engagement, resilient design, and long-term operational efficiency. Developers and investors alike are responding by embedding sustainability into high-end projects at an unprecedented pace.

Dubai has made notable progress, ranking 14th globally for green-rated buildings. According to the RICS, 80% of real estate investors in the UAE now prioritise sustainability, while 70% of international investors are willing to pay more for eco-friendly homes. Flagship developments such as ZāZEN Gardens, Dubai's first LEED Gold-certified residential building, and The Sustainable City exemplify this growing commitment.

While higher costs remain a hurdle, the appeal of sustainable properties is driving premiums in both sales prices and rental rates. And financial institutions are stepping in to support this shift. Green mortgages from banks like HSBC and sustainability-linked loans, such as Aldar's AED 9bn facility tied to ESG KPIs, are making it easier to finance green developments.

Still, building sustainably is only half the challenge. Maintaining green credentials over time through tech upgrades, energy efficiency, and/or recertification, for instance, requires long-term commitment. As developers adapt to this evolving market, those who view sustainability as a competitive advantage, rather than a constraint, will be best positioned for future growth.

> "ESG principles are no longer just about climate—they now encompass smart living, community engagement, resilient design, and long-term operational efficiency.

Al Wasl Plaza, Expo City

THE NEXT BIG THING IN HOSPITALITY: WELLNESS

Contributor
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The United Arab Emirates sits in the top 20 global wellness and spa tourism destinations, with total spend exceeding US$ 5bn in 2022, accompanied by one of the world's highest spends per trip at US$ 1,500 per person, on wellness.

While Dubai has cemented its reputation as a wellness tourism destination in a holistic form, by incorporating extensive health and wellness facilities as part of its hospitality offering, it is now redefining new regional standards by hosting some of the most advanced concepts in this segment.

The recent opening of Biogenvity, the city's first precision health clinic offering genomic medicine, new anti-aging techniques and programs to optimise and enhance lifespan has redefined the wellness landscape in the region. The Clinique La Prairie Longevity Hub with the city's first 'longevity index', which opened in 2024 is a testament of this shift towards more specialised high-end offerings as the city continues to attract HNWI/ UHNWI.

Looking at future supply, announced projects will include Therme Dubai, a US$ 540 million tropical-inspired wellness resort to be developed in the Za'abeel area. This resort is expected to set new standards in the tourism landscape in the region and be as impactful as Atlantis The Palm was for the leisure and adventure segment. This project is expected to offer indoor rainforest environments, botanical gardens and thermal pools. Therme Dubai will easily become one of the largest wellness landmarks in the region and targets to host 1.7 million visitors annually.

The UAE's aesthetic injectable market will continue to grow at a CAGR of 8% and remains a lucrative market. There is strong growth as well in medical facilities present within hotels wellness offering injectable services, as well as separate partnerships between hotels and local clinics.

By coupling rooms with wellness facilities, the Dubai hospitality landscape will continue to benefit from the growing medical tourism sector (c. 670,000 visitors in 2023) as well as the domestic tourism market.

In line with its mantra as a city that constantly reinvents itself, Dubai is poised to become not just a regional leader, but is on the way to become a global premier wellness destination generating numerous opportunities in the wellness sector.

> “By coupling rooms with wellness facilities, the Dubai hospitality landscape will continue to benefit from the growing medical tourism sector.

Parasailing in Dubai

Discover our expert insights

GUIDING GROWTH: THE ROLE OF PROJECT & COST MANAGEMENT IN DUBAI'S EVOLVING REAL ESTATE LANDSCAPE

Contributor
Moataz Mosallam
Head of Project & Development Services, UAE & Egypt

As an international project and cost management consultancy, we play a pivotal role in helping developers, investors, and occupiers navigate the evolving dynamics of Dubai's real estate market. Our deep market knowledge and proven methodologies ensure that projects are delivered efficiently, aligned with both investor expectations and shifting market conditions.

Outlook for 2025

The city's real estate sector is poised for significant expansion, marked by a surge in construction activity that underscores Dubai's commitment to development and its capacity to meet growing demand. However, with rapid growth come challenges.

Key challenges in the supply chain

Despite ambitious development goals, the market continues to face supply-side pressures, ranging from material shortages and global logistics disruptions, to rising shipping costs. These hurdles spotlight the importance of capable project and cost management (PMC) consultants, who offer expert oversight and strategic guidance to ensure timely and cost-effective project delivery.

Our strategic role as PMC consultants

- Market insight & feasibility: We deliver in-depth construction market analysis and feasibility assessments to ensure that every project is grounded in data and aligned with both current and projected trends.
- Cost control & budgeting: Our expertise in cost estimation enables stakeholders to manage budgets with precision, achieving maximum value without compromising on quality.
- Risk mitigation: By identifying potential risks, such as supply disruptions or regulatory shifts, we proactively develop mitigation strategies to safeguard project timelines and costs.
- Sustainability integration: With environmental responsibility now a central focus, we support the incorporation of sustainable design and materials, enhancing both long-term asset value and environmental performance.

> Through expert planning, cost control, and strategic foresight, we help shape Dubai's skyline, one resilient, efficient, and sustainable project at a time.

Constraction site in Dubai

DUBAI'S MATURING LUXURY LANDSCAPE: END-USER DEMAND AND EVOLVING PRIORITIES

Contributor
Will Mckintosh
Regional Partner - Head of Residential, MENA

Dubai's status as a global hub has solidified through this property cycle, with the city transitioning into a primary destination for the world's ultra rich. Whilst Dubai has long attracted a significant UHNWI population, a notable shift is underway. Increasingly, these individuals are establishing Dubai not merely as a part-time base for business or leisure, but as their full-time home, from which they manage their global interests and travel.

Market maturation and stability

This fundamental change in how UHNWIs engage with the city is underpinning a significant market evolution. Dubai's real estate landscape is moving beyond its 'emerging' phase to become an 'emerged' market, characterised by greater stability.

Historical patterns of sharp market cycles, largely fuelled by speculative investment, appear to be receding. The current market dynamics are primarily driven by genuine end-user activity, as individuals and families purchase properties for their own occupation.

Whilst natural market cycles will persist, the volatility associated with previous speculative booms is considered less likely in this new era of established residency.

Sophisticated demands in design

The shift towards Dubai as a primary residence directly influences the demands placed on luxury properties, particularly concerning interior design. As UHNWIs are now commissioning designs for their personal homes rather than solely for investment or rental purposes, the emphasis on meticulous attention to detail has become paramount.

Design requirements extend beyond pure aesthetics; functionality and ergonomics tailored to everyday living and specific lifestyle needs are now crucial considerations. This necessitates a higher calibre of design service, leading to a discernible "flight to quality" amongst discerning clients seeking interior design expertise that aligns with their long-term residency plans.

The Growing influence of sustainability

Parallel to these trends, the importance of Environmental, Social, and Governance (ESG) factors is steadily increasing. Initially prominent in the corporate sphere, awareness and commitment regarding environmental sustainability are growing amongst individuals, particularly the younger generations. This heightened consciousness translates into an increasing interest in sustainable living and design within the real estate sector.

Reflecting this trend, Knight Frank Middle East has established a dedicated ESG team, which is experiencing significant demand from clients across the region, highlighting the embedding of sustainability as a key consideration in luxury property decisions.

Serena Villa community, Dubailand

Discover the report

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VALUATION & ADVISORY SERVICES

Commercial Valuation & Advisory
Hospitality Valuation
Plant & Machinery Valuation
PPP & Deal Advisory
Residential Valuation

PROJECT & DEVELOPMENT SERVICES

Building Consultancy
Cost Management
Fit Out Management
Program Management

RESIDENTIAL TRANSACTIONAL SERVICES

Exclusive Project Sales
Interior Services
KSA Residential
Mortgage Advisory
Private Capital & Family Enterprises
Prime Residential, UAE
Private Office
Qatar Residential

STRATEGY & CONSULTANCY SERVICES

Capital & Debt Advisory
Education Consultancy
ESG Consultancy
Food & Beverage Consultancy
Healthcare Consultancy
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