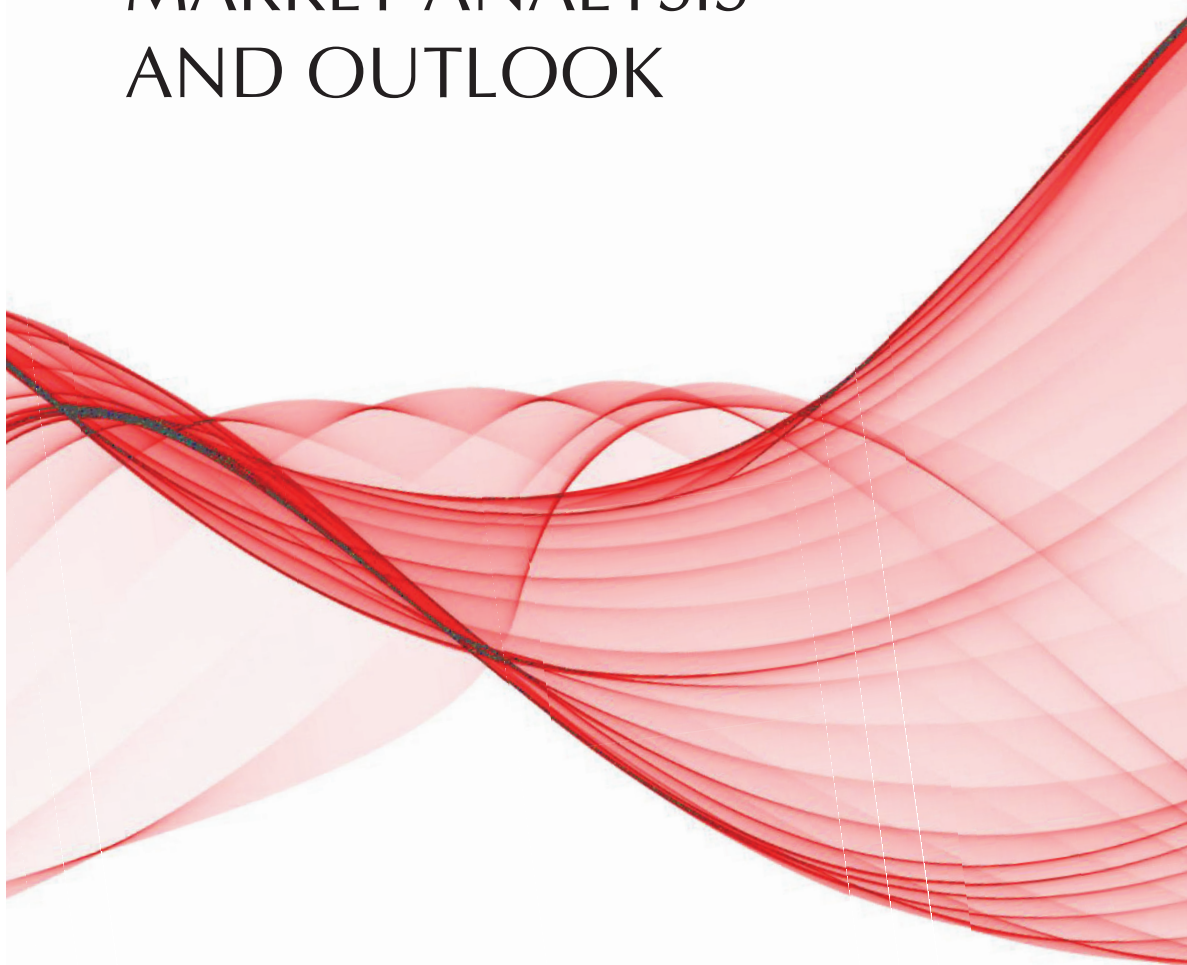




UAE REAL ESTATE 2026 MARKET ANALYSIS AND OUTLOOK



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BIG PICTURE

- 2026 = cooling, not crashing
- Market comes off a 5-year bull run (since 2021)
- Activity, prices, and rents slow but remain supported
- Core theme: stabilisation in 2026–27, oversupply risk from 2028



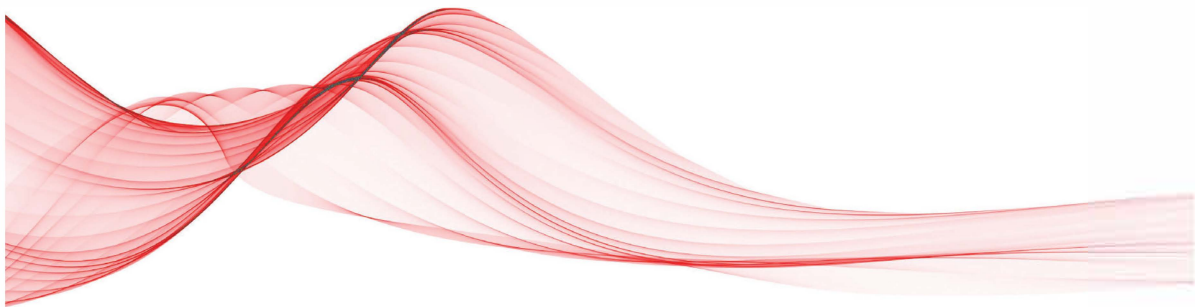
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TRANSACTIONS

- 2025: transactions +20% YoY (very strong base)
- 2026 forecast: transaction growth slows to 6-9%

DEMAND STRONGEST IN:

- Villas & townhouses
- Luxury properties
- Units priced \geq AED 2m (Golden Visa threshold)



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SUPPLY VS DEMAND (DUBAI)

NEW SUPPLY

- ~43k units/year in 2026 & 2027
- Rises to ~57k units in 2028
- Total backlog under construction:
 - ~433k units:
 - ~60% have < 10% construction progress
 - ~31% not yet started



END-USER DEMAND

- 2026: ~45k units
- 2027: ~38k units
- 2028: ~36k units

CONCLUSION:

2026–27: broadly balanced

2028: oversupply risk



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PRICES

DUBAI PRICES (NOV-25):

- +12.6% YoY
- Apartments: +12.2%
- Villas: +15.3%

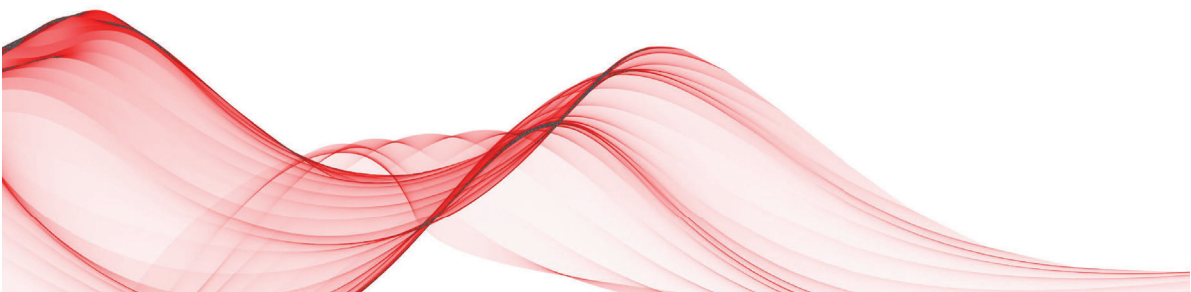
Prices are now ~31% above the 2014 peak

Villas: +60% vs 2014

Apartments: +23% vs 2014

2026 OUTLOOK

- Price growth slows to 3-5%
- Better resilience in:
Villas, luxury, prime locations



RENTS & YIELDS

RENTS (NOV-25):

- +6.1% YoY

2026 OUTLOOK

- Rents stabilize with limited growth of +1-3%
- New supply caps upside

GROSS RENTAL YIELDS

- Dubai residential: ~6.5–6.6%
- Apartments higher than villas
- Still attractive vs global cities



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RELATIVE VALUATION (GLOBAL COMPARISON)

Dubai residential price: ~USD 450/sq ft

Price to income is at 7 year low

Among the cheapest major global cities
on both metrics

BUYER MIX & DEMAND DRIVERS

2024 BUYERS

~64% INVESTORS
~36% END-USERS

KEY DEMAND SOURCES

- Population growth
- Golden Visa reforms
- HNWI migration

~9.8k millionaires moved to UAE in 2025

COMMERCIAL REAL ESTATE

- Supply growth: very limited (~1.1% CAGR)
- Vacancy (Grade A offices): ~3.4%
- Office rents: +22.5% YoY
- Office yields: ~9.5%
- Outlook remains strong due to lack of supply



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HOSPITALITY & RETAIL

TOURISM

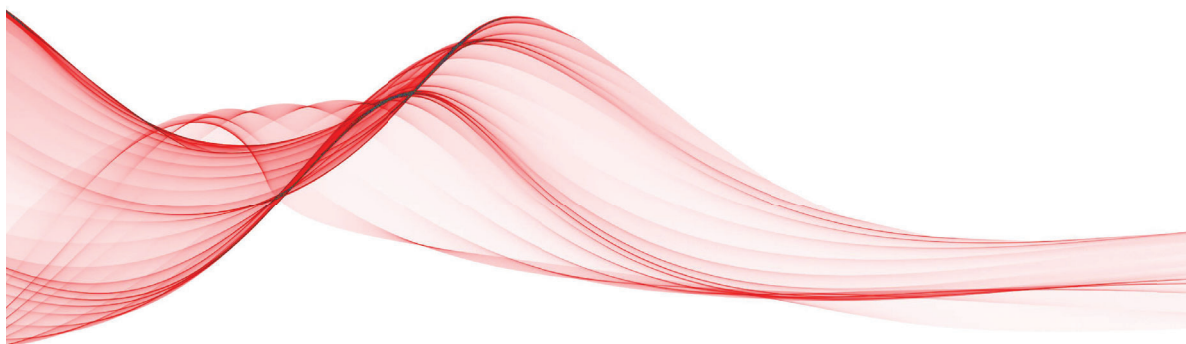
- 2025 YTD arrivals: 17.6m
- +4.5% YoY
- +17% vs pre-COVID

HOTELS

Occupancy ~80%
ADRs rising

RETAIL RENTS

~+12% YoY (3Q25)



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BOTTOM LINE

2026 is a normalisation year

No signs of a sharp downturn

Returns shift from price gains → yield
& selectivity

2028 is the real risk year due
to potential oversupply



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