

Dubai Residential Market

Real Estate – Dubai, United Arab Emirates – Q4 2025

savills

Key Stats



2025 has been a remarkable year for Dubai's residential real estate market, delivering record-breaking transaction volumes, pricing, and supply pipeline. The sector has been supported by population growth, strong investor confidence and an increasing appeal to high-net-worth individuals. Q4 delivered transaction

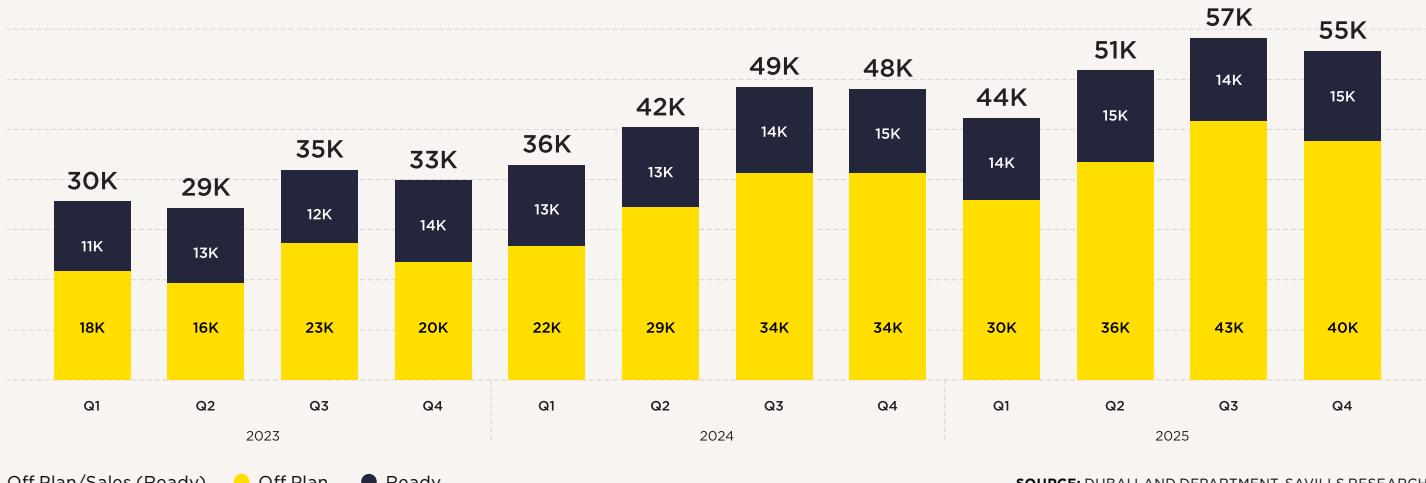
volumes over 50,000 for the third consecutive quarter, taking the annual transaction volume to unprecedented levels of over 200,000 transactions, an 18% year-on-year increase. This sustained demand led to capital value appreciation across most submarkets.

Off-plan dominance

Off-plan transactions increased their dominance throughout the year, accounting for 72% of overall transactions, a further rise from 68% in 2024 and 60% in 2023, with this split evident across both apartment and villa/townhouse segments. Absorption rates have decreased overall, but high-quality projects from

reputable developers are still selling rapidly, often within weeks of launch. This suggests ongoing demand from both end-users and investors for the right product, attractive payment plans, and strong investment opportunities.

DUBAI RESIDENTIAL TRANSACTION TREND



The ready market (transactions in handed over/completed projects) has maintained transaction volumes for the past two years despite increasing supply, reflecting elongating ownership

periods. As a result of the explosion in the number of off-plan transactions, the ready market now represents 28% of the market compared to 32% in 2024 and 40% in 2023.

Capital Values and Pricing

Capital values continued to rise in ready stock, boosted by the ongoing trend of renovations in more established communities. 9% of all transactions in 2025 sat over AED 5M, up from 7.7% in 2024, demonstrating the rising values across most submarkets and the underlying demand despite buyers needing a minimum of 30% mortgage deposit plus other transaction costs at this level.

That said, factors including affordability, the Loan-to-Value (LTV) threshold of 80% for transactions under AED 5M,

and higher interest rates are putting pressure on accessibility in the owner-occupier market.

Whilst the average capital value for apartments remained steady around the AED 1.9M mark, the average villa/townhouse ticket price crossed AED 6M in 2025, compared to AED 5.4M in 2024. This average ticket price grew steadily throughout the year, sitting at AED 5.9M at the close of H1 and reaching AED 6.3M by the end of H2. Average rates per sq. ft. also continued to increase, with apartments averaging AED 1,942 per sq. ft. in 2025, up 6% y-o-y, and villas averaging AED 1,501, up 10% y-o-y.

Apartments vs Townhouses

Apartment transactions continued to dominate the real estate market in 2025, contributing to 83% of the total transactions, up slightly from the 81.3% share in 2024. Off-plan sales led the demand, accounting for 72% of apartment transactions, a rise from 68% last year and 58% in 2023. In Q4, continued high transaction volumes were recorded in established locations,

which also continue to see new launches, such as Jumeirah Village Circle (JVC), Business Bay, Jumeirah Village Triangle (JVC) and Dubailand, as well as more developing areas such as Majan. When looking at 2025 as a whole, JVC, Business Bay and Dubailand retain the top 3 spots for transaction volumes.

2025 TOP 5 APARTMENT LOCATIONS BY TRANSACTION VOLUME

Position	Location	Off-Plan	Ready	Total
1	JVC	12,447	5,416	17,863
2	Business Bay	8,639	3,675	12,314
3	Dubailand	6,673	1,143	7,816
4	Dubai Science Park	5,225	223	5,448
5	Dubai Production City	4,114	1,132	5,246

The year also noted sustained demand for villas and townhouses, maintaining 18% of the total transactions from 2024. That said, villa and townhouse volumes dipped in H2 compared to H1 from circa 10,500 per quarter in H1 to circa 7,300 per quarter in H2, normalising to volumes seen in 2023 and 2024. Transactions were predominantly located in Zone 6 (see map), where there is ample land supply. Under-construction projects were popular, making up 70% of villa transactions, compared to 68% in 2024

and 64% in 2023. Q4 delivered high transaction volumes for villas and townhouses in DIP 2, The Valley and Damac Hills 2. When looking at 2025, these three location continue to be in the top five with Damac Island City topping the leaderboard and Damac Lagoons rounding out 5th place. These 5 locations represent 46% of all villa/townhouse transactions in 2025. Off-plan villa transactions in these areas were driven by quality launches from prominent developers.

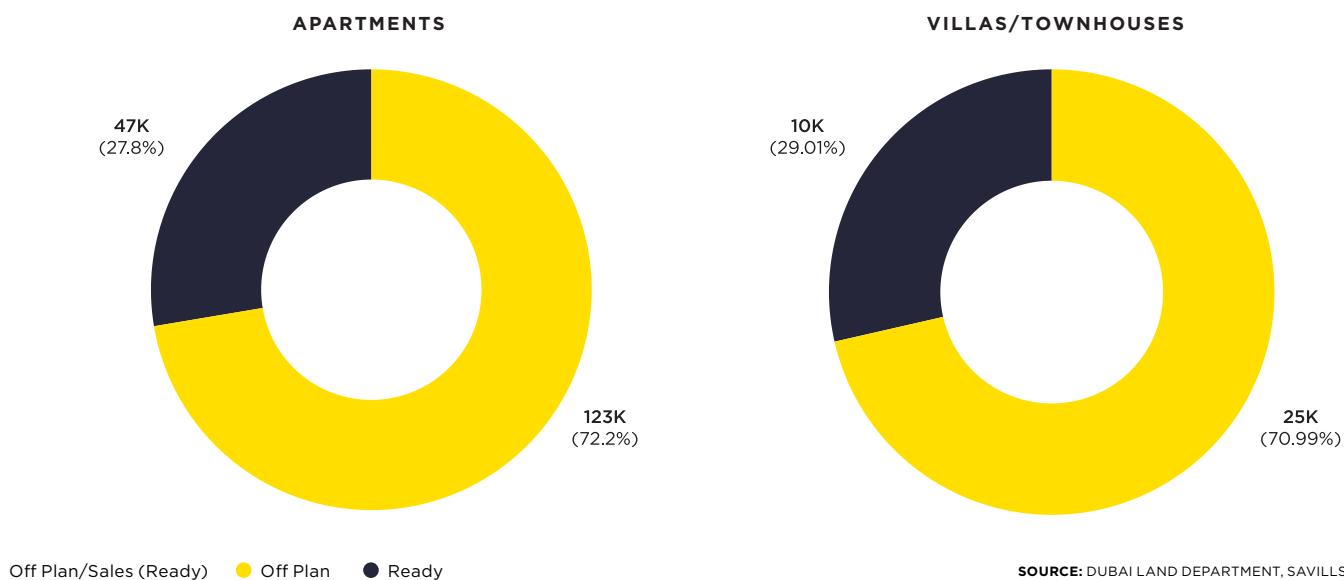
2025 TOP 5 VILLA/TOWNHOUSE LOCATIONS BY TRANSACTION VOLUME

Position	Location	Off-Plan	Ready	Total
1	Damac Island City	5,564	-	5,564
2	The Valley	3,168	209	3,377
3	DIP 2	3,008	-	3,008
4	Damac Hills 2	1,592	1,286	2,878
5	Damac Lagoons	1,439	73	1,512

Notably, 52% of overall transactions (over 110,000) were concentrated in Zone 6 along the Al Khail corridor and Dubailand (see map), including areas such as Jumeirah Village Circle (JVC), Damac Hills 2, Al Barari and Dubai Hills Estate. This is the third consecutive year that Zone 6 has maintained around a 50% share

of annual transaction volumes, demonstrating the dominance of this submarket and the popularity of the communities within it, offering accessibility and a good mix of project offerings. It also highlights the concentration of launches and future supply delivery in this location.

TRANSACTION SPLIT ACROSS APARTMENT AND VILLAS, 2025



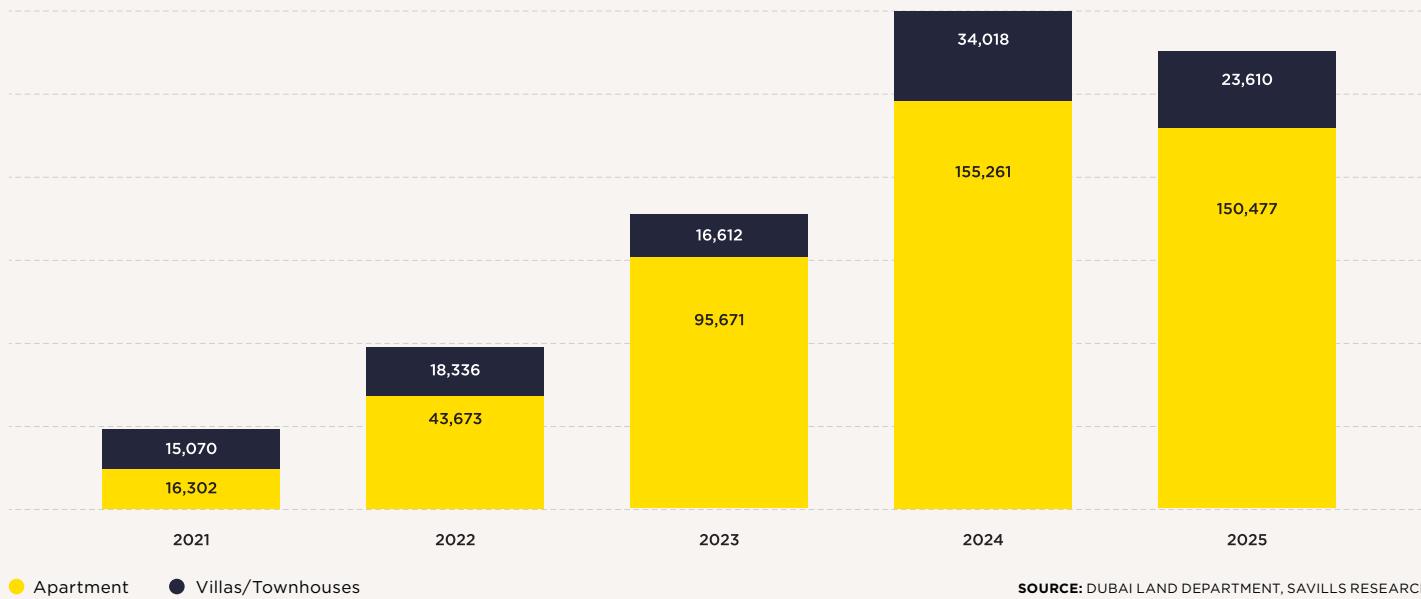
SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Supply

Developers have continued to actively launch new projects throughout the emirate to cater to both end users and investors. Q4 saw over 170 projects launched to the market with over 41,000 associated units. This takes the annual total of project launches in 2025 to over 875 projects / 170,000 units, with 86%

of all 2025 launches being apartment stock. These numbers are slightly down on the 2024 launches, with over 800 projects launched in 2024, providing close to 190,000 units. Developers continued to offer attractive payment plans and incentives to encourage purchases.

SUPPLY BREAKDOWN BY LAUNCH YEAR



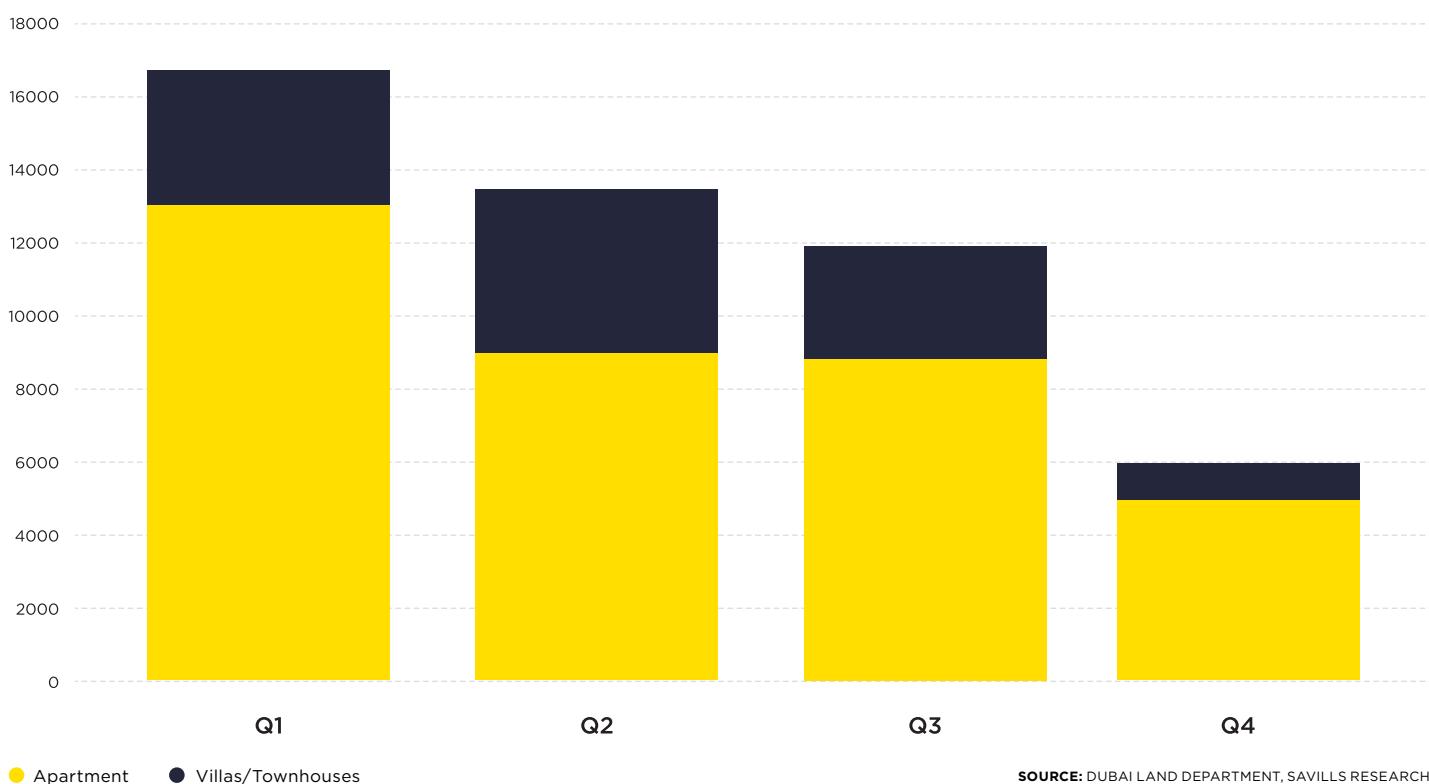
SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Handovers slowed in Q4 to 50% or below the levels seen in Q1-Q3 2025, taking the annual delivery to circa 48,000 units, split 26% villas/townhouses and 74% apartments (in line with 2024 handovers).

Key completions in Q4 include multiple projects in Arabian Ranches 3 by Emaar, Aura Gardens in Tilal Al Ghaf by MAF, and Jebel Ali Village Townhouses by Nakheel. Whilst this is a 38% increase from the 35,000 units that were completed in 2024, it is similar to the levels handed over in 2023.



DUBAI HANDOVER BY QUARTER: 2025



Some 35,000 units that were previously scheduled for handover in 2025 have been delayed and will now make up future handovers. Future supply looks set to deliver volume to the market at an unprecedented rate. With over 430,000 units slated for completion across the next three years, Savills has adopted a conservative assumption that 60% will be delivered within this time frame, alluding to some 250,000 units joining the ready stock by the end of 2028. 88% of this future handover

supply is apartments, aligning relatively well with the current transaction split of 83% apartments.

Whilst the population growth forecast is strong at circa 5% per year until 2030, it should be considered that historically much of the emirate's population growth has been housed outside the traditional housing stock in staff accommodation. Absorption of this stock will be critical to maintain current pricing and yield performance.

Prime Residential Market

The demand for prime housing in Dubai also saw a significant rise. High-net-worth individuals relocating to Dubai and investing in second homes contributed to the increased traction in high-end properties. During 2025, over 6,700 units priced above AED 10 million were transacted, compared to 4,600 in 2024, marking a 43% year-on-year increase. Breaking this down, there was a 40% spike in luxury villa transactions y-o-y compared to a 49% increase in the apartment segment, showing growing demand across both segments. Much of this demand is being absorbed

by the off-plan market, taking a 71% share of transactions over AED 10M in line with the wider market. Stand out locations in terms of prime transaction volumes for 2025 were The Oasis, Palm Jebel Ali and Palm Jumeirah.

Savills engaged with buyers of 33 different nationalities over AED 10M in 2025, highlighting the breadth of attractiveness to international buyers. The city's political stability and sustained economic growth continue to attract talent, driving the rental market.

Rents

Although rental growth is capped by RERA for existing rents, new lease rents continue to increase across the city as population growth sustains demand. Apartments and villas/townhouses have behaved differently throughout 2025. Whilst H1 largely saw flat pricing for apartments, the second half of the year delivered

further growth, taking the overall growth in 2025 for apartment rents to 7.7%. Average villa rents grew in the first 8 months of the year and have since appeared to level off, delivering 8.6% growth y-o-y.

Outlook

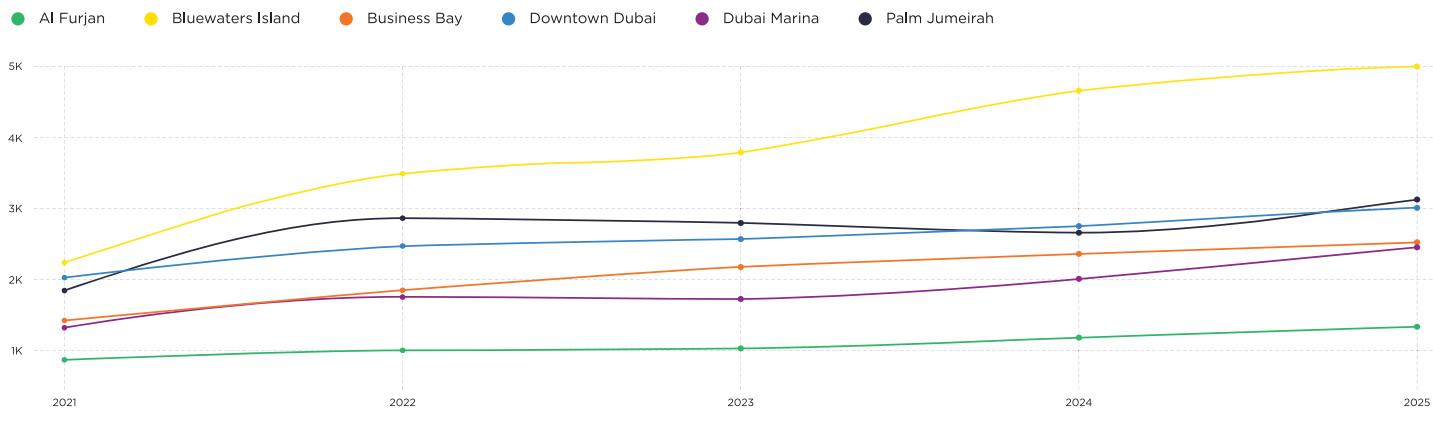
As we look ahead to 2026, Dubai's real estate market is poised for continued growth and resilience. The trends observed in 2025, such as strong investor confidence, demand for off-plan properties, and rising interest in luxury housing, are expected to persist. However, Dubai faces a transition from undersupply to potential oversupply. There is a risk of price corrections should the construction surge coincide with softer global conditions, tighter financing or yield pressures.

Overall, 2026 promises to be another dynamic year for Dubai's residential real estate market, with opportunities for both end-users and investors to capitalise on the city's

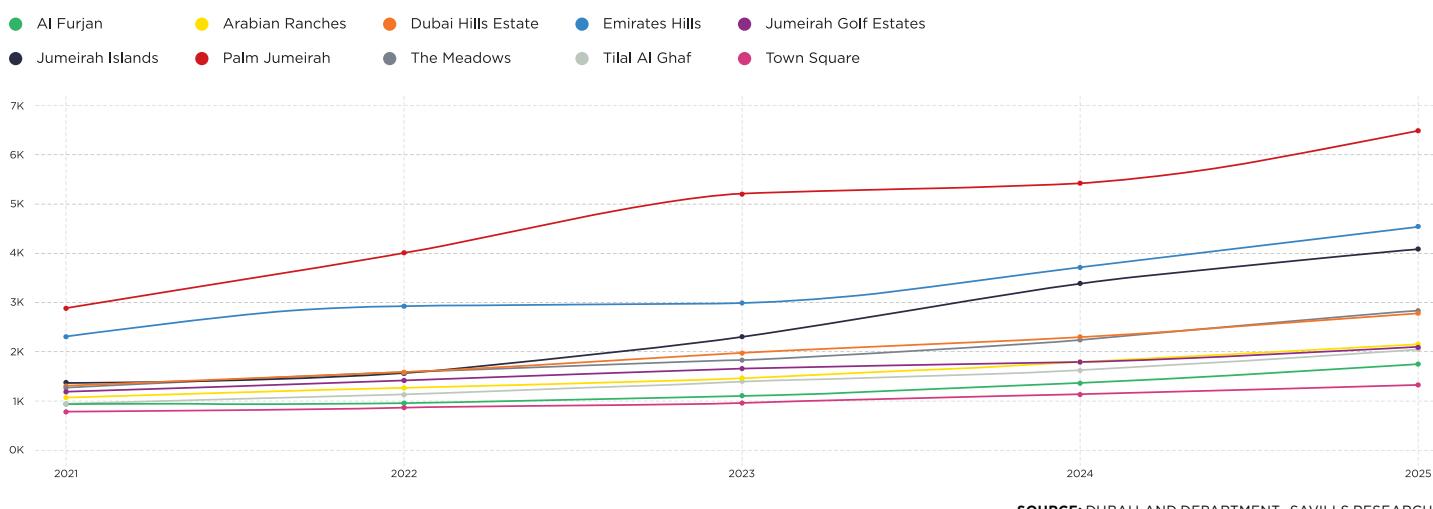
growth and development, as the oversupply story is not uniform. Segmentally, villas and well-located prime stock supply remain relatively tight, while more affordable apartment districts may experience a temporary imbalance. Most scenarios point to slower growth or moderate declines rather than an abrupt fall, reinforcing the need for careful asset selection and realistic yield assumptions.

Highly anticipated launches for 2026 already include Emaar's The Heights, set to deliver an estimated 11,400 townhouses and villas with a wellness focus, Emaar Hills, a new ultra-luxury district, and the mixed-use development at Jebel Ali Racecourse.

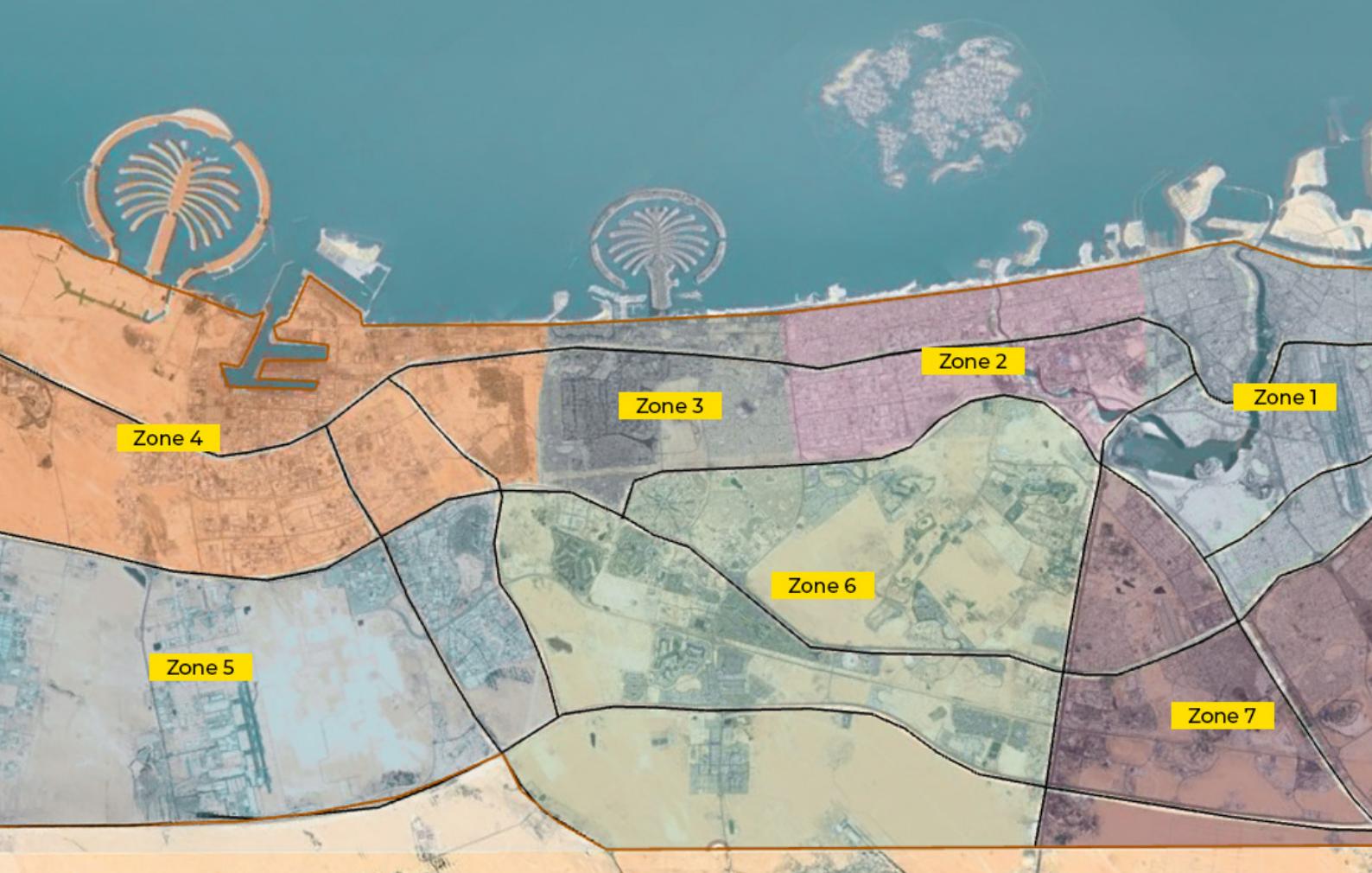
AVERAGE AED/SQFT TREND - APARTMENTS



AVERAGE AED/SQFT TREND - VILLAS



RESIDENTIAL ZONES IN DUBAI



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