

Dubai Residential Market

Q3 2026

savills

“Dubai’s residential market appears to be entering a period of stabilisation. Pricing, new supply entering the market and transaction volumes have all moderated, this appears to be a phase of rebalancing rather than a reversal, with the market moving towards a more sustainable equilibrium.

Rachael Kennerley
Director Research

Key Statistics



34,500

Residential Transactions

▼ 4% QOQ
▼ 38% YOY



AED 70.8BN

Transacted Value

▼ 14% QOQ
▼ 46% YOY



AED 1,817/SQ FT

Average Sale Price (Apartment)

▼ 4.8% QOQ
▼ 9.2% VS 2026 Q1



AED 1,523/SQ FT

Average Sale Price (Villa/Townhouse)

▼ 3.3% QOQ
▼ 7.6 VS 2026 Q1



C.525K UNITS

Future Supply Pipeline

SCHEDULED THROUGH 2030

Quarterly Review

Key Takeaways

1

LOWER LAUNCH ACTIVITY MAKES THE HEADLINE TRANSACTION DECLINE MORE NUANCED.

Q3 recorded 34.5k transactions, down 4% QoQ and 38% YoY. With only c.5,000 units launched during the quarter, off-plan activity increasingly reflects earlier launches and existing inventory rather than new supply alone.

2

TRANSACTION VALUES MODERATED, ALTHOUGH READY-MARKET ACTIVITY STRENGTHENED IN Q3.

Total transacted value declined to AED 70.8bn in Q3 2026, down 14% QoQ from AED 82.6bn and 46% YoY from AED 132.2bn in Q3 2025. The quarterly decline was concentrated in the off-plan market, where transacted value fell to AED 45.7bn from AED 61.3bn, while ready value increased to AED 25.1bn from AED 21.3bn, indicating comparatively stronger momentum in completed properties.

3

HEADLINE PRICING SOFTENED, ALTHOUGH LIKE-FOR-LIKE PERFORMANCE REMAINED CONSIDERABLY MORE RESILIENT.

Average apartment and villa/townhouse prices declined 4.8% and 3.3% QoQ, respectively. On a matched-property basis, however, movements were more limited, with apartments at -1.7% QoQ / -0.5% YoY and villas/townhouses at 0.0% QoQ / +1.8% YoY. This suggests limited broad-based repricing, with headline movements partly reflecting a different mix of stock being traded.

4

THE SAME TYPE OF PRODUCT IS NO LONGER BEING TRADED, MAKING HEADLINE COMPARISONS LESS STRAIGHTFORWARD.

Lower launch activity has shifted off-plan transactions towards more affordable inventory, with average ticket sizes falling from c.AED 2.4m in Q3 2025 to AED 2.1m in Q3 2026. This changing mix, rather than uniform repricing of comparable properties, is contributing to weaker headline values, while ready-market ticket sizes have remained broadly stable.

5

Q3 POINTS TO AN INCREASINGLY SELECTIVE AND CONCENTRATED MARKET.

The top five developers accounted for 47.9% of transactions and the top five communities for 33.7%, showing that activity remains strong in selected projects and locations rather than being evenly distributed across the market.

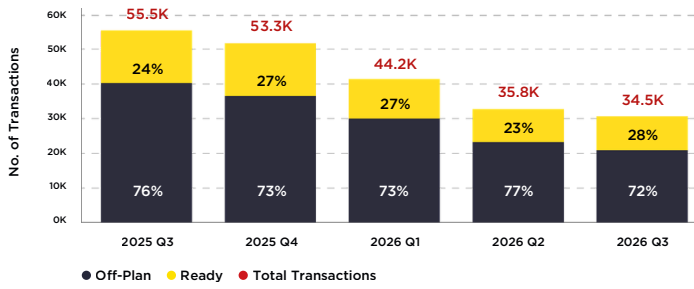
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OVERALL, THE MARKET IS MODERATING RATHER THAN SEEING BROAD-BASED REPRICING.

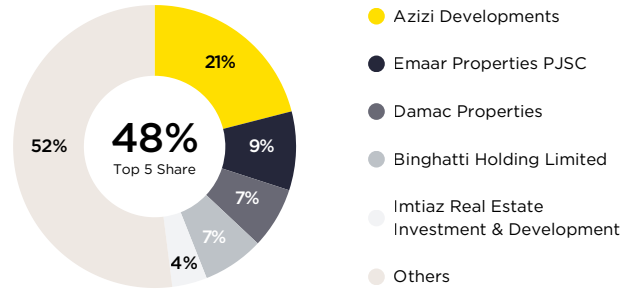
Lower launches, concentrated activity and reduced off-plan ticket sizes point to greater buyer and developer selectivity, while stronger secondary activity suggests underlying demand remains resilient. However, the stock being traded today is different from that traded in earlier quarters, making direct price comparisons less straightforward. Overall, this points to a market that is going through a period of rebalancing.



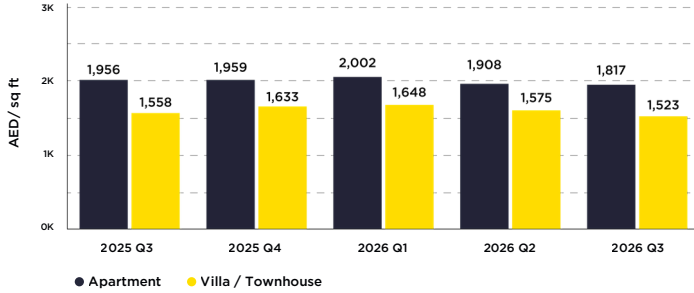
TOTAL RESIDENTIAL TRANSACTIONS



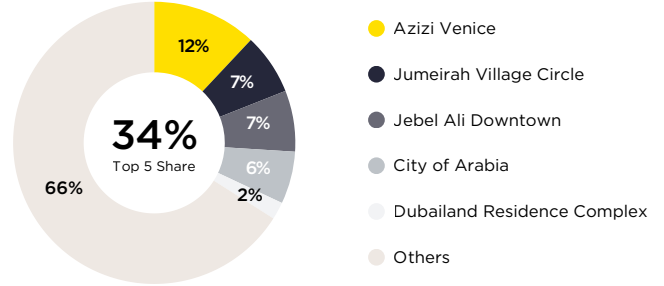
TOP 5 DEVELOPERS BY TRANSACTIONS — Q3 2026



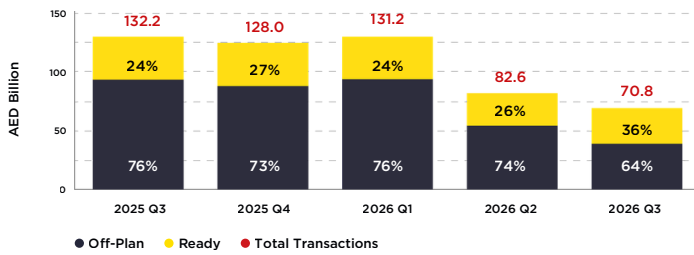
AVERAGE AED PRICE PER SQ FT



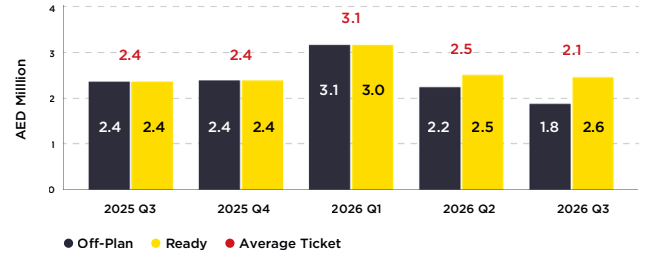
TOP 5 COMMUNITIES BY TRANSACTIONS — Q3 2026



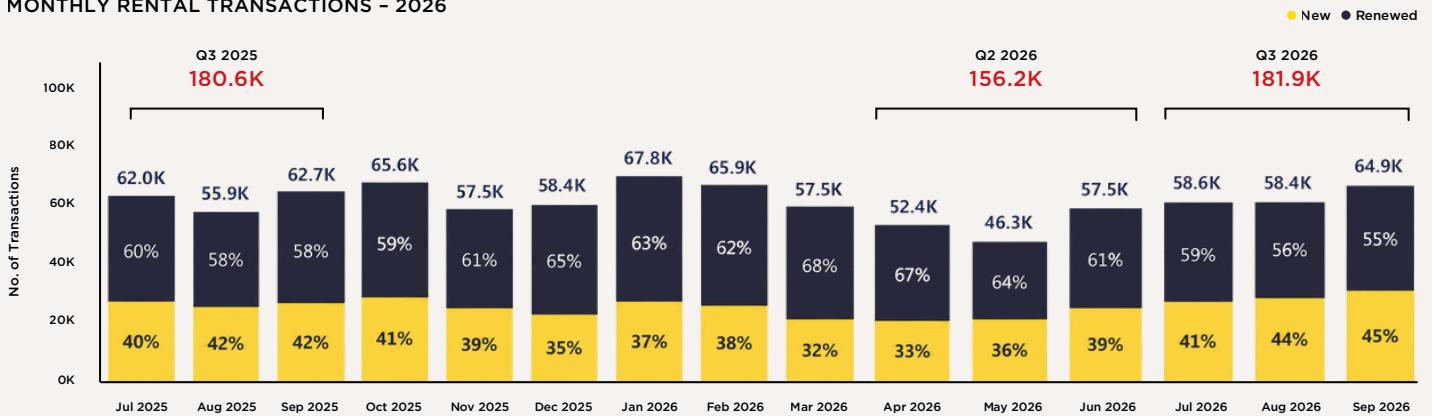
TOTAL TRANSACTED AMOUNT — AED BILLION



AVERAGE SALE TICKET — AED MILLION



MONTHLY RENTAL TRANSACTIONS - 2026



SELECTED NEW-LEASE RENTAL RATES - Q3 2026

AED PER SQ FT AND CHANGE VS Q2 2026 AND Q3 2025

Apartments	Q3 2026 AED/sq ft	QoQ vs Q2 2026	YoY vs Q3 2025
Al Furjan	85.7	▼ 3.1%	▼ 7.5%
Business Bay	101.8	▼ 2.2%	▼ 12.2%
DIFC	124.3	▼ 2.5%	▼ 7.3%
Discovery Gardens	76.2	▼ 1.2%	▼ 4.3%
Dubai Marina	99.9	▼ 0.8%	▼ 12.8%
Majan	66.3	▲ 1.3%	▼ 5.1%
International City Phase 2 & 3	74.3	▼ 0.5%	▼ 0.4%
Jumeirah Village Circle	84.5	▼ 1.8%	▼ 10.4%

Villas	Q3 2026 AED/sq ft	QoQ vs Q2 2026	YoY vs Q3 2025
Arabian Ranches	90.2	▼ 5.9%	▼ 2.8%
Arabian Ranches Phase 3	76.0	0.0%	▼ 15.0%
Damac Hills 2	54.8	▼ 3.4%	▼ 5.8%
Damac Lagoons	66.4	▼ 2.1%	▼ 13.4%
Jumeirah Golf Estates	117.2	▲ 1.2%	▼ 6.8%
Reem Mira	69.2	▼ 1.2%	▼ 4.0%
The Springs	90.7	▼ 1.5%	▼ 5.5%
Town Square	69.3	▼ 0.9%	▼ 3.1%



1

LEASING ACTIVITY REBOUNDS

Rental transactions increased 16% QoQ to 181.9K in Q3 2026, recovering from 156.2K in Q2 and remaining broadly in line with Q3 2025 (180.6K). The share of new leases rose to 44% from 36% in Q2, supported by stronger new-leasing activity across key communities including Business Bay, JVC, JVT and Downtown Dubai.

2

APARTMENT RENTS SHOW EARLY SIGNS OF STABILISATION

New-lease apartment rents presented a mixed picture in Q3 2026. Most selected communities recorded modest QoQ declines of 0.5%-3.1%, while Majan recovered 1.3%. YoY movements remain negative across the selected locations, ranging from -0.4% in International City Phase 2 & 3 to -12.8% in Dubai Marina. The relatively modest quarterly movements suggest early signs of stabilisation, although the trend remains uneven across locations.

3

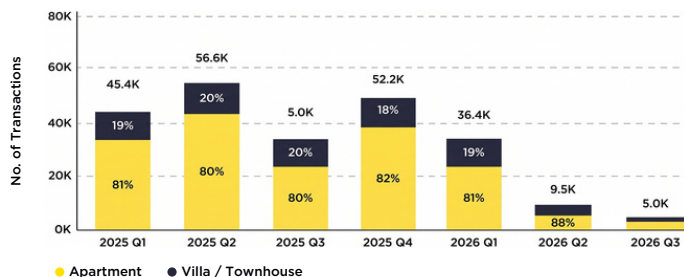
VILLA/TOWNHOUSE RENTS SHOW EARLY SIGNS OF STABILISATION

New-lease villa and townhouse rents also showed a mixed but relatively stable QoQ picture, with most selected communities recording modest declines and Jumeirah Golf Estates recovering by 1.2%. YoY rents remain lower across all selected communities, with larger corrections in Arabian Ranches 3 (-15.0%) and Damac Lagoons (-13.4%). This suggests early signs of stabilisation in quarterly movements, while annual rental pressures remain evident.

Supply Dynamics

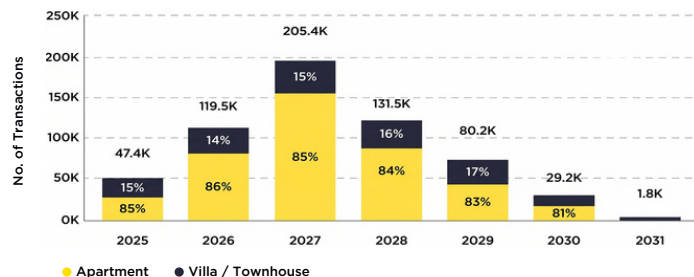
LAUNCH ACTIVITY REMAINS SUBDUED

QUARTERLY LAUNCHED UNITS (BY TYPE)



DELIVERIES CONTINUE TO SHIFT OUT

SCHEDULED RESIDENTIAL COMPLETIONS (BY TYPE)



1

LAUNCH ACTIVITY MATERIALLY LOWER

Only c.5,000 units were launched in Q3 2026, taking YTD 2026 launches to around 50,000 units, approximately 64% lower than the c.137,300 units launched over the same period last year. Developers are taking a more selective approach, with fewer phased launches and a stronger focus on product refinement.

2

DELIVERIES CONTINUE TO BE DELAYED

Around 26,500 units were delivered in H1 2026, with c.85% being apartments. Based on current timelines, we expect a further 50,000-60,000 units to be delivered in H2 2026, taking total 2026 deliveries to around 75,000-85,000 units, with the remaining pipeline likely to move into 2027.

3

DEVELOPERS BECOME MORE TACTICAL AND MEASURED

Developers remain active, but are taking a more measured approach to new launches, with greater emphasis on phased releases, cost re-engineering and product positioning. Pricing, target buyer profiles and product configuration are being reassessed ahead of launch, while flexible payment plans, post-handover options, targeted discounts and launch-day incentives are increasingly used to support absorption.

Notable Launch - Q3 2026



IMTIAZ - RAW DISTRICT 2

AED 1.5 BILLION

Sold out on launch day
Sheikh Zayed Road / Jebel Ali corridor

Developer Payment Plan Incentives

DANUBE
20% UPFRONT + 10% REBATE
Selected projects (limited-time offer)

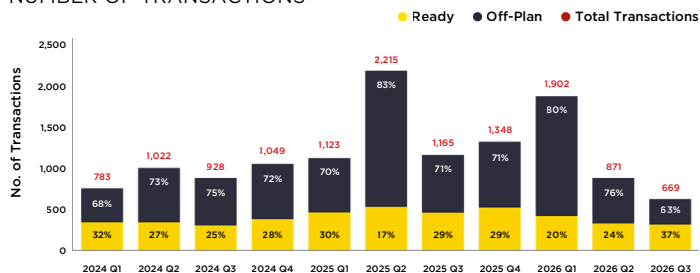
BEACHFRONT GATES 2
5/95
Selected projects (Dubai South)

AZIZI RIVIERA PHASE 4
10/90
Selected projects
(limited-time offer, from 25 Sep 2026)

SOBHA CENTRAL
20/80
Selected projects (20% during build,
80% on completion)

Prime Residential Market

TRANSACTIONS OVER AED 10 MILLION NUMBER OF TRANSACTIONS



PRIME PRICING ANNUAL MEDIAN (AED/SQ FT)



Apartments (Prime)

AED 5,237/SQ FT
2026 Q3

▼ 4.2% QOQ ▲ 4.0% YOY



Villas / Townhouses (Prime)

AED 2,791/SQ FT
2026 Q3

▼ 1.8% QOQ ▲ 3.6% YOY

1

TRANSACTIONS MODERATED

Transactions above AED 10 million declined to 669 in 2026 Q3, down 23% QoQ from 871 in 2026 Q2 and 43% YoY from 1,165 in 2025 Q3. The decline reflects lower new-launch activity and a more selective market environment, with reduced off-plan activity compared with earlier peaks.

2

MARKET REMAINS RESILIENT WITH STABLE PRICING

Despite lower volumes, the prime residential market continues to hold up. Apartment prices remain 4.0% higher YoY at AED 5,237/sq ft, while villa/townhouse prices are 3.6% higher YoY at AED 2,791/sq ft in 2026 Q3, indicating continued resilience in prime residential values.

LANDMARK TRANSACTIONS - 2026 Q3



AED 260 MILLION

VILLA
PALM JUMEIRAH



AED 252 MILLION

VILLA - HILLS VIEW
(DUBAI HILLS ESTATE)



AED 166 MILLION

APARTMENT
AMAN RESIDENCES

Market Outlook



NEAR TERM | MORE BALANCED

Lower launches and delayed completions should moderate immediate supply pressure, while transaction activity is expected to improve as the launch calendar strengthens and delayed registrations work through the system.



2027 ONWARDS | SUPPLY RIS THE KEY WATCHPOINT

More than 525,000 units are currently scheduled between 2027 and 2030, making population and household growth increasingly important to support absorption. Market performance is likely to be more location- and project-specific.



FINANCING | AFFORDABILITY IN FOCUS

The Central Bank of the UAE raised its Base Rate by 25 bps to 3.90% on 16 September 2026. The September rate increase is likely to feed into borrowing costs with a lag, which could weigh on mortgage affordability in the coming quarters.



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Andrew Cummings
Head of Residential Agency ME
andrew.cummings@savills.me



Rachael Kennerley
Director Research
rachael.kennerley@savills.me



Rajesh Garg
Data Manager
rajesh.garg@savills.me