



Dubai Residential **August 2025** | Market Review

A monthly review of dubai residential market's performance and key real estate trends

Valuations & Research Department



DUBAI RESIDENTIAL MARKET REVIEW
AUG 2025

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The team of qualified valuers uses a range of comprehensive methods to provide clients with up-to-date and accurate valuations for all property types. This includes individual properties, property portfolios, and all types of asset classes.

The process is carried out by professional valuers who are members of both RICS (The Royal Institution of Chartered Surveyors) and RERA (Real Estate Regulatory Authority), ensuring both expertise and licensing compliance.

Valuation advice and reports are provided for a variety of purposes, which include the following:

- Mortgage Financing (Banks & Financial Institutions)
- Internal Purposes
- Accounting
- Mergers and Acquisitions
- Investment Due Diligence / Strategic Advice
- Government Programs (Golden Visa)

The team also provides Feasibility Studies and Development Appraisals for determining the highest and best use, which identify opportunities and assist investors and developers avoid potential pitfalls.



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Market Highlights



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General Market

Dubai's real estate market recorded a total of 18,493 property transactions in August 2025, representing a 9% drop in transaction volume and a 21.97% drop in total value compared to July. While the market remains active, the slowdown was visible across all segments, especially in high-value asset classes such as villas and land. The total transaction value in August reached AED 50.8 billion, down from AED 65.1 billion in July.



Apartments

Apartments remained the most transacted asset class in August, with 15,723 transactions recorded, contributing nearly AED 29.8 billion in value. This marks a 3.5% dip in volume and a 7.74% decline in value month-on-month. The decline is modest compared to other segments and likely reflects a cooling after a record summer rather than weakening demand. Affordable and mid-tier apartments continued to drive the bulk of transactions.



Villa/Townhouse

The villa segment saw a significant slowdown in August, recording 1,989 transactions worth AED 11.8 billion. This represents a 33% drop in volume and a sharp 38.22% decline in value from July. The fall is likely tied to limited new supply and buyer resistance at current price points following several months of steep appreciation.



Commercial

Dubai recorded 440 commercial property transactions in August, with a total value of AED 1.2 billion. This marks a 27% drop in the transaction count and a 20% decline in value

month-on-month. Demand for office and retail space remains present but shows signs of recalibration, possibly due to seasonality and cautious expansion plans from SMEs.



Land Plots

The land market experienced a steep correction, with 341 transactions totalling AED 8 billion, down from 462 transactions and AED 12.2 billion in July. This is a 26% drop in volume and a 34.43% drop in value. With fewer high-value plot deals closing in August, the slowdown may indicate developers slowing acquisitions as construction costs and project timelines tighten.



Market Highlights



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Off-Plan

Off-plan activity continued to dominate the residential sector, although a slight softening was noted compared to earlier in the year. With developers pushing aggressive payment plans and incentives, investor appetite remains strong, but August saw fewer headline project launches compared to July. The full monthly breakdown will confirm whether this is a temporary dip or an early sign of buyer fatigue in the off-plan market.



Rentals

Dubai's rental market saw a slight seasonal cooldown in August, with a total of 36,901 new rental contracts registered – an 8.09% decline from July. The drop was largely driven by a dip in apartment lease volumes, which fell by nearly 8% to 20,883 transactions. Villas, in contrast, held steady with a slight 0.67% increase, recording 2,706 new leases for the month. This stable performance in the villa segment suggests sustained demand for larger units, especially in family-centric communities.

Commercial rentals experienced a sharper decline, with volumes down by 10.07% to 13,312 new contracts in August.

This reflects softer leasing activity among businesses during the summer period, possibly compounded by delays in relocations or office expansion decisions.

Despite the drop in volumes, demand fundamentals remain strong, particularly for affordable apartments and suburban villas offering value-for-money rents.



Segment Breakdowns



Apartments



Apartments continued to drive the bulk of Dubai's property market activity in August, accounting for 15,723 transactions with a total value of AED 29.8 billion. While this marked a modest decline from July, the segment still contributed roughly 85% of all residential sales and remained the dominant force in transaction volume.

Off-plan apartments made up over 75% of apartment sales, highlighting strong buyer appetite for new launches. Developers in areas like JVC, Business Bay, and Dubai Science Park led with aggressive payment plans and new project offerings, keeping off-plan momentum high.

Projects in outer communities such as Dubailand and Dubai South also captured significant attention from budget-conscious end-users and investors seeking higher rental yields.

Ready apartment sales, while fewer in number, still reflected steady end-user interest, particularly in well-established communities such as Dubai Marina, Downtown, and Al Furjan. However, limited inventory and rising prices continue to shift demand towards off-plan alternatives. With rental yields hovering around 6–8% in mid-market areas, apartments remain a solid choice for income-seeking investors and first-time buyers alike.

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Segment Breakdowns



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Villas & Townhouses



August saw a noticeable slowdown in villa and townhouse transactions, with only 1,989 sales recorded compared to nearly 3,000 in July — a decline of 33% in volume and 38% in value. The total value of villa transactions dropped to AED 11.8 billion, reflecting both reduced high-end deal flow and fewer launches.

Despite the pullback, the villa market remains fundamentally strong. Off-plan villa sales (1,183 transactions) continued to outpace ready units (806), showing that buyers are still willing to

commit to under-construction homes due to lack of available ready stock. Communities like Damac Lagoons, Dubai South, and MAG's The Oasis drew interest from investors and families alike, especially with long post-handover payment plans on offer.

In the ready market, villa inventory remained tight, especially in top-performing areas like Dubai Hills Estate, Mirdif, and Tilal Al Ghaf. Demand from end-user families looking for larger homes and private outdoor space has kept prices firm, particularly in central and established locations. The villa segment is still seen as a premium product class, with capital appreciation potential and lifestyle appeal keeping long-term interest intact.



Segment Breakdowns



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Commercial Properties



The commercial segment cooled slightly in August with 440 sales recorded, compared to 607 in July, marking a 27% drop in volume and 20% drop in value. Total transaction value stood at AED 1.2 billion, with the majority of deals coming from office units in high-demand areas like Business Bay and Downtown.

Despite the monthly slowdown, office leasing activity remains high, and occupancy rates in top-grade buildings continue to hover near full capacity.

Investors remain active in the office space, though constrained by limited availability and rising prices. Some end users are reportedly turning to strata-title ownership to secure long-term space amid rent escalation.

Retail and showroom sales declined 17%, while industrial and warehouse sales dropped 11.5%, consistent with seasonal trends. The 'others' category — which includes mixed-use and specialty assets — recorded the largest drop at 23.6%, suggesting fewer portfolio sales or bulk commercial deals during the month.

Land Plots

Land sales also pulled back in August, totaling 341 transactions worth AED 8 billion — a 26% drop in volume and 34% decrease in value compared to July. While this may seem significant, land activity is historically lumpy, and July's totals were unusually high due to several large-ticket deals.

August still saw solid demand for mid-sized residential plots, particularly in Nad Al Sheba, Dubai South, and Al Yufrah. Developers and end users continue to acquire plots for custom villas or small-scale developments, reflecting

long-term confidence in Dubai's urban expansion.

The high-value land activity on Palm Jebel Ali, which reignited investor interest after Nakheel's recent launches, did not feature major closings this month but remains a key watchpoint for Q4. Overall, land remains a strategic investment class, with developers land-banking in preparation for future launches.



Sales Transactions

Month on Month | July 2025 - August 2025

	July Transactions	July Value (AED)	Aug Transactions	Aug Value (AED)	Value Change %
Apartments	16,286	32,300,000,000	15,723	29,800,000,000	-7.74%
Villas	2,967	19,100,000,000	1,989	11,800,000,000	-38.22%
Commercial	607	1,500,000,000	440	1,200,000,000	-20.00%
Plots	462	12,200,000,000	341	8,000,000,000	-34.43%
Total	20,322	65,100,000,000	18,493	50,800,000,000	-21.97%

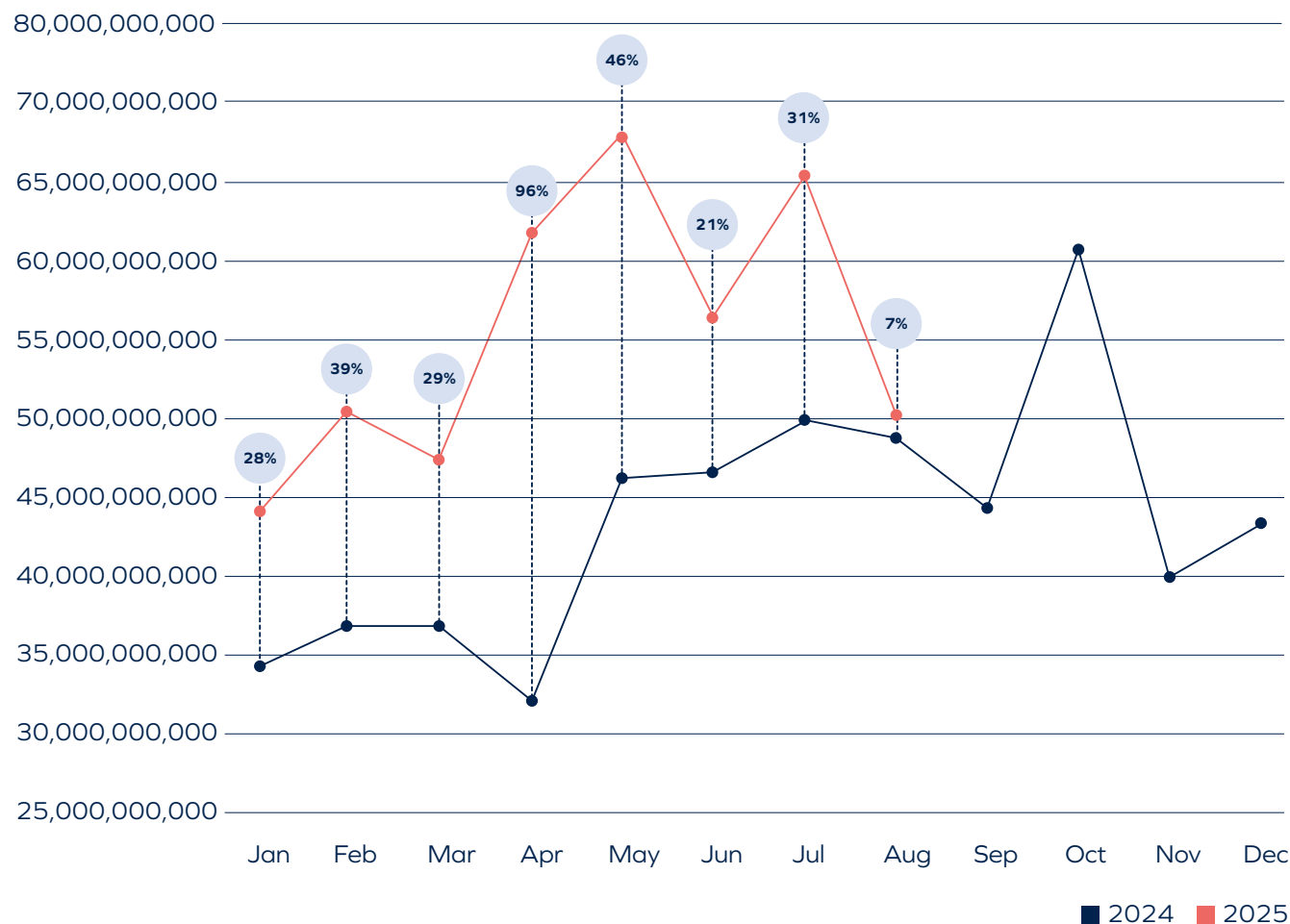


Transactions Value - Graph

2024 v/s 2025



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August 2025 saw a modest increase of 7% compared to August 2024, it still reflects resilience considering the seasonal slowdown.

The cumulative trend points to sustained demand, particularly in the off-plan and prime property segments, driving Dubai's market to new highs.

Transactions Value

2024 v/s 2025



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2024	Value	2025	Value
January	34,800,000,000	January	44,600,000,000
February	36,700,000,000	February	51,000,000,000
March	36,600,000,000	March	47,300,000,000
April	32,000,000,000	April	62,800,000,000
May	45,800,000,000	May	66,900,000,000
June	46,400,000,000	June	56,300,000,000
July	49,600,000,000	July	65,100,000,000
August	47,300,000,000	August	50,800,000,000
September	44,600,000,000	September	
October	60,700,000,000	October	
November	40,000,000,000	November	
December	42,600,000,000	December	

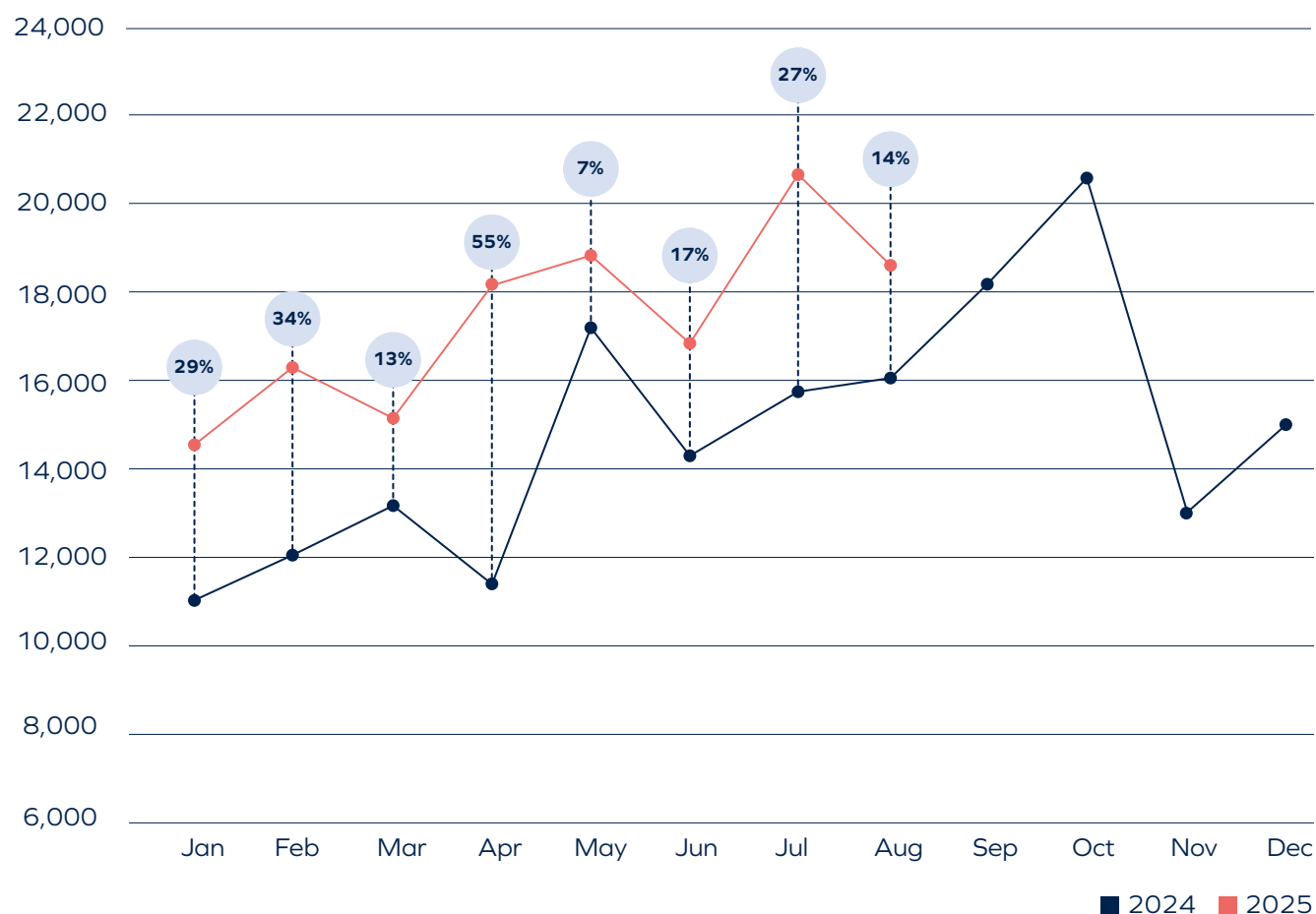


Transactions Volume - Graph

2024 v/s 2025



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Dubai recorded 18,493 property sales transactions in August 2025, marking a 14% increase compared to the same month last year (16,159 in August 2024). This uptick is especially notable given August's usual seasonal slowdown, and it signals that buyer momentum remains strong despite market fatigue in some sub-segments.

This is the highest ever August on record in terms of transaction volume, outpacing even the robust activity seen in Q2. The consistent year-on-year growth across each month in 2025 points to sustained investor confidence and healthy absorption levels, driven by a mix of off-plan launches and resilient resale activity.

Transactions Volume

2024 v/s 2025

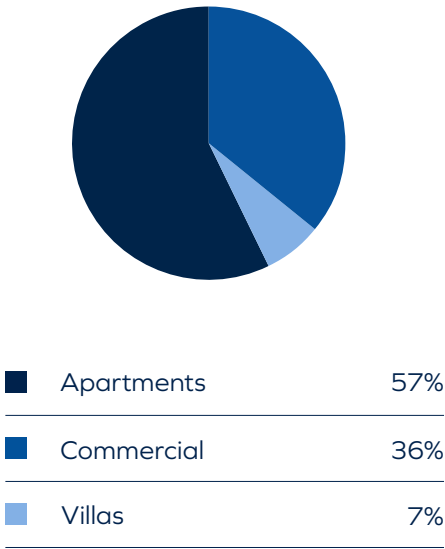


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2024	Volume	2025	Volume
January	11,029	January	14,247
February	12,025	February	16,106
March	13,394	March	15,150
April	11,608	April	18,044
May	17,539	May	18,697
June	14,370	June	16,765
July	15,994	July	20,322
August	16,159	August	18,493
September	18,045	September	
October	20,315	October	
November	13,509	November	
December	15,079	December	



New Rental Transactions



	July	Aug	Volume Change %
Apartments	22,659	20,883	-7.84%
Villas	2,688	2,706	0.67%
Commercial	14,803	13,312	-10.07%
Total	40,150	36,901	-8.09%

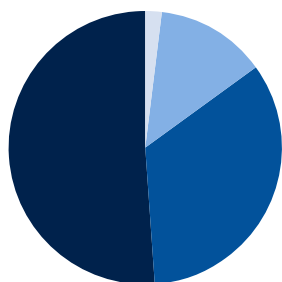
Rental activity in Dubai dipped in August, with 36,901 new contracts recorded — an 8% decline from July. Apartment leases dropped by nearly 8%, while villa rentals remained flat.

Commercial rentals saw the sharpest drop at 10%, reflecting typical summer seasonality.

New Commercial Rental Breakdown



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Office	51%
Others	34%
Shops/Showroom	13%
Industrial	2%

	July	Aug	Volume Change %
Shops/Showroom	2,165	1,805	-16.63%
Office	6,485	6,781	4.56%
Industrial	286	253	-11.54%
Others	5,918	4,519	-23.64%
Total	14,854	13,358	-10.07%

Dubai recorded 13,358 new commercial leases in August, down 10% from July. Shop and showroom rentals saw a notable drop of 17%, while industrial leases dipped 11.5%.

Office rentals were the only segment to grow, rising 4.6% month-on-month, pointing to steady business activity despite the summer lull.

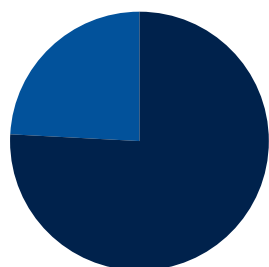
Off Plan v/s Secondary Sales



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Sales Volume	Off-Plan	13,520
	Ready	4,238

Residential Breakdown	Off Plan	Ready
Apartments	12,331	3,392
Villas	1,183	806

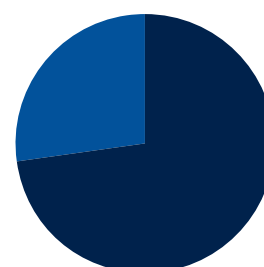


Off-Plan	76%
Ready	24%

Off-plan dominated residential sales in August, accounting for 13,520 transactions, compared to just 4,238 ready (secondary market) sales.

Sales Value (AED)	Off-Plan	30,500,000,000
	Ready	11,200,000,000

Residential Breakdown	Off Plan	Ready
Apartments	23,600,000,000	6,200,000,000
Villas	6,900,000,000	4,900,000,000



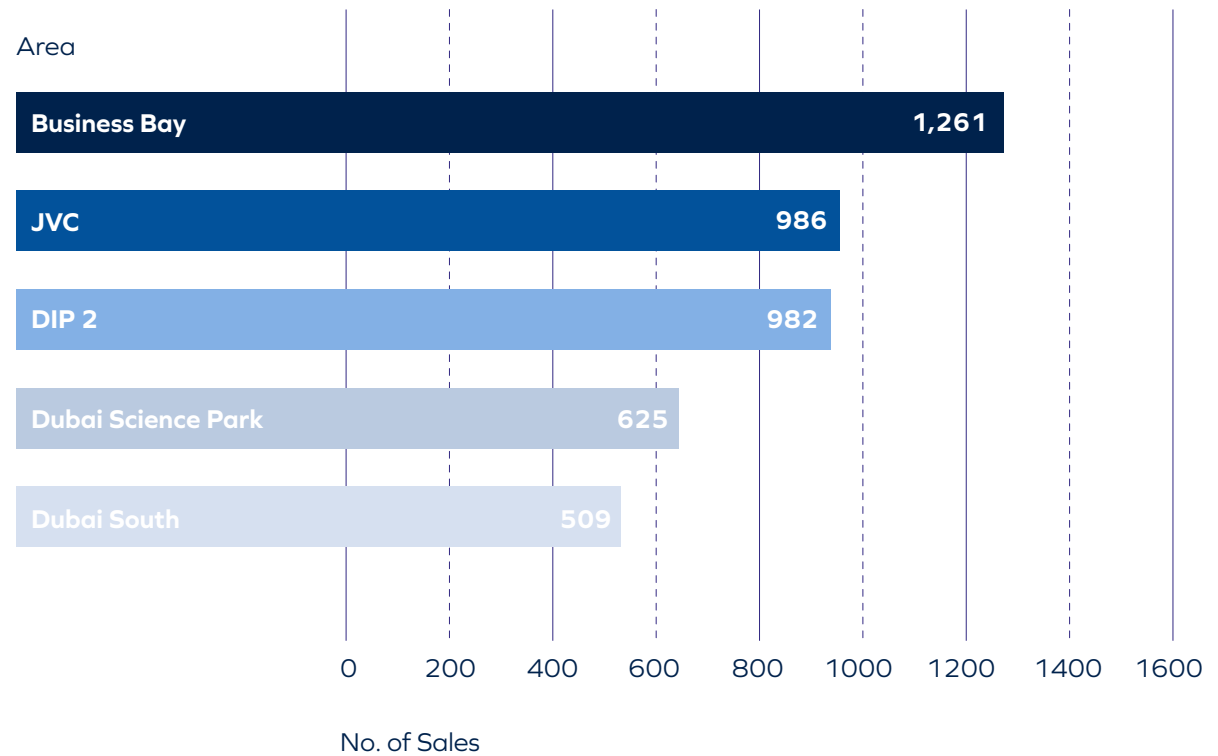
Off-Plan	73%
Ready	27%

This means nearly 76% of all residential deals were off-plan, reflecting continued investor preference for flexible payment plans, lower entry prices, and newly launched projects. Ready property sales remained steady but continue to lag in volume due to limited

Top 5 Performing Areas - Off Plan Sales



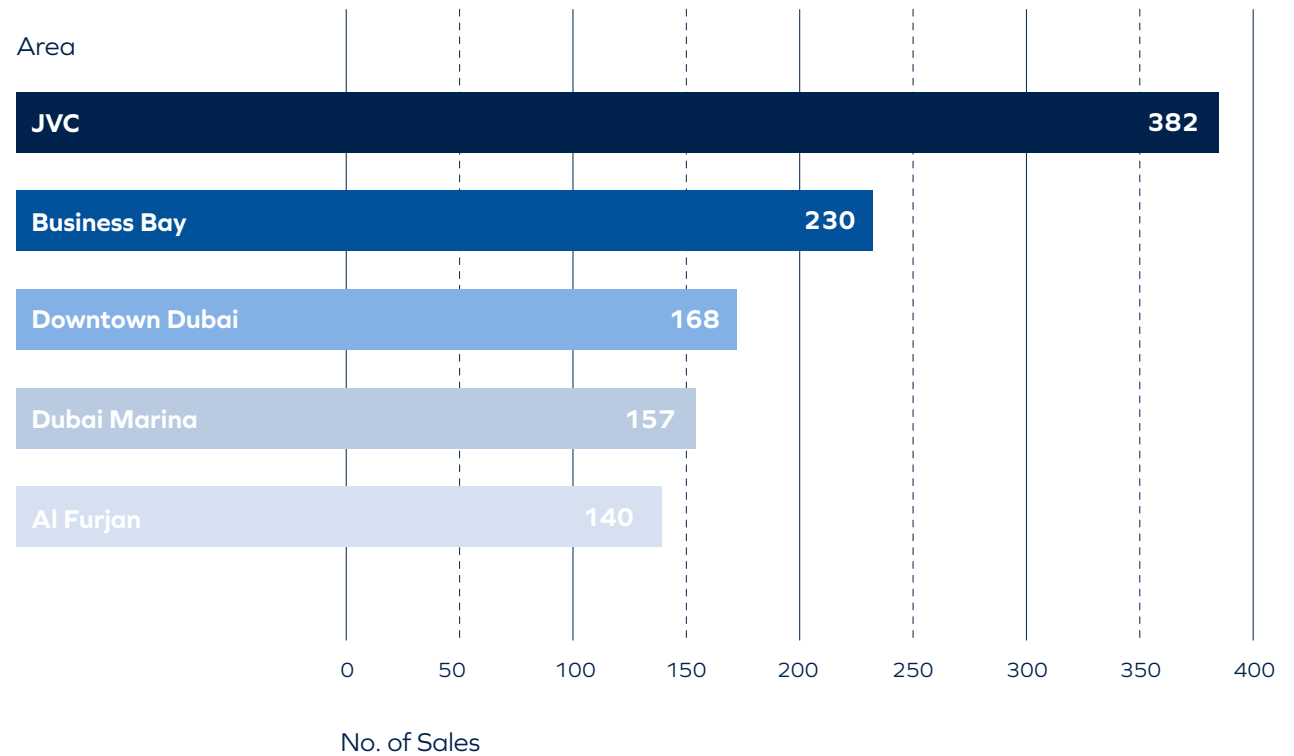
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Top 5 Performing Areas - Secondary Sales



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Residential Breakdown



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Off-plan dominated both apartment and villa sales in August. Apartments saw 12,331 off-plan transactions worth AED 23.6 billion, compared to 3,392 ready apartment sales totaling AED 6.2 billion.

Villas followed a similar trend, with 1,183 off-plan villa sales generating AED 6.9 billion, outpacing the 806 ready villa sales valued at AED 4.9 billion. The data confirms that buyers continue to favor new launches with flexible terms, while limited supply and higher prices weigh on the secondary market.



Top Performing Areas – August 2025



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Off-Plan Sales

Business Bay led off-plan sales in August with 1,261 transactions, driven by a wave of new project launches and investor interest in central locations. JVC followed with 986 deals, reflecting continued demand in mid-market communities. DIP Second, Dubai Science Park, and Dubai South rounded out the top five, indicating growing interest in outer master-planned zones with strong rental yield potential.

Secondary Sales

In the ready market, JVC came out on top again with 382 transactions, maintaining its appeal due to price accessibility and supply of newer inventory. Business Bay and Downtown Dubai followed, each attracting investors looking for immediate rental income. Dubai Marina and Al Furjan also featured, buoyed by waterfront appeal and community amenities.

New Apartment Rentals

JVC topped the apartment rental market with 1,712 new leases, highlighting its popularity among tenants. Business Bay and International City followed, offering a mix of business district and affordable options. Dubai Marina and Downtown Dubai remained in demand for professionals seeking central, lifestyle-centric living.

New Villa Rentals

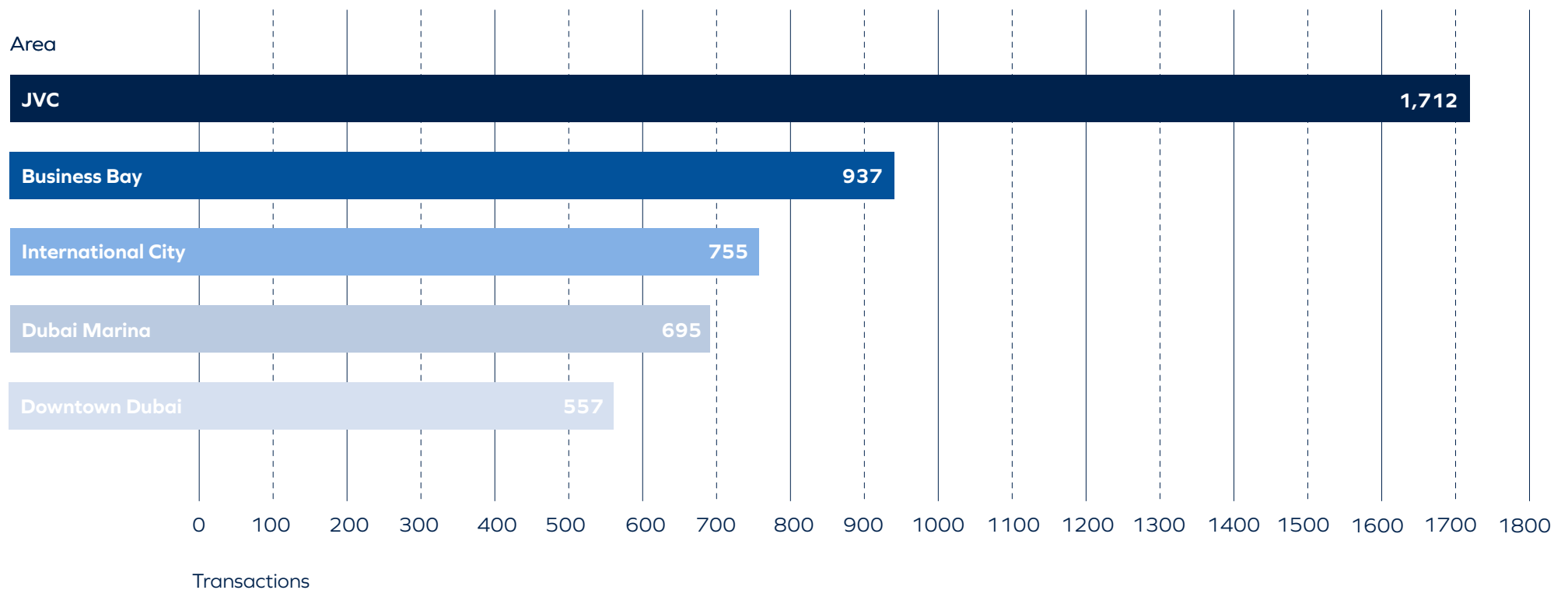
Damac Hills 2 led new villa rentals with 231 contracts, thanks to its value-for-money offerings in the suburban segment. Mirdif, Dubai Hills Estate, Emaar South, and Tilal Al Ghaf also performed well, attracting families looking for space, greenery, and community living.



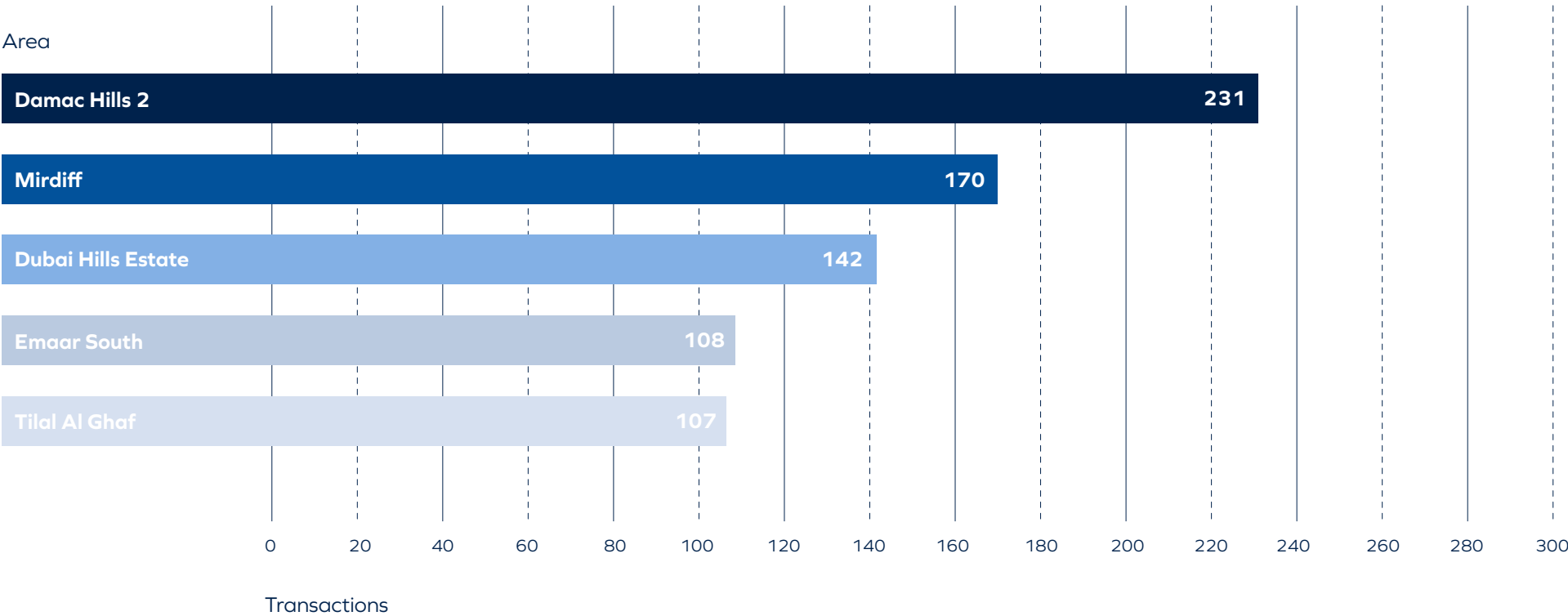
Top 5 Performing Areas - New Apartment Rentals



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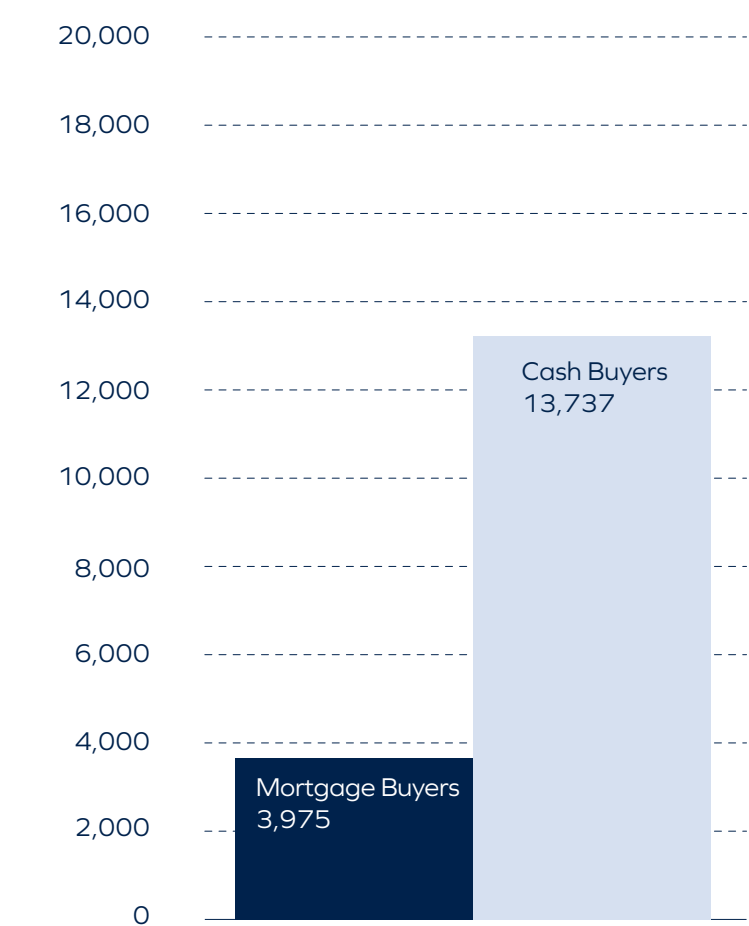


Top 5 Performing Areas - New Villa Rentals



Residential Mortgage Buyers v/s Cash Buyers

June 2025



	Mortgage Sales	Cash Sales
Apartments	2,896	12,827
Villas	1,079	910

Mortgage Transaction Value: 7,600,000,000



Mortgage Buyers v/s Cash Buyers



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Cash buyers continued to dominate Dubai's residential market in August, accounting for 13,718 transactions compared to just 3,994 mortgage-backed sales. This means nearly 78% of all residential deals were done in cash.

Apartments made up the bulk of both categories, with 12,827 apartment sales by cash and 2,896 via mortgage. Villa buyers were more evenly split, though still skewed, with 1,076 mortgage transactions versus 913 cash deals.

The total mortgage transaction value stood at AED 7.6 billion, suggesting that end-user demand persists, but rising interest rates and strong investor liquidity continue to favor cash-led deals.



Projects Due in August 2025 (Q3)



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City	Community	Property	Type	Studio	1BR	2BR	3BR	4BR	5BR	5BR+	Villas
Dubai	Arabian Ranches Phase 3	Elie Saab 1	Villa	-	-	-	-	99	30	-	-
Dubai	Arjan	Divine Living	Apartment	-	61	50	7	-	-	-	-
Dubai	Arjan	Skyz by Danube	Apartment	400	340	68	-	-	-	-	-
Dubai	City of Arabia	California Village P2	Apartment	-	-	-	-	-	-	-	362
Dubai	Damac Lagoons	Malta 1	Villa	-	-	-	-	578	164	18	-
Dubai	Damac Lagoons	Malta 2	Villa	-	-	-	-	-	-	-	367
Dubai	Dubai Hills Estate	Ellington House II	Apartment	-	91	60	15	-	-	-	-
Dubai	Dubai Hills Estate	Ellington House IV	Apartment	-	49	41	16	2	-	-	-

Projects Due in August 2025 (Q3)



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City	Community	Property	Type	Studio	1BR	2BR	3BR	4BR	5BR	5BR+	Villas
Dubai	Jumeirah Village Circle	Elegance	Villa	20	60	34	-	-	-	-	-
Dubai	Jumeirah Village Circle	Q Gardens Lofts	Apartment	116	40	29	4	2	-	-	-
Dubai	Jumeirah Village Circle	Rain Residence	Apartment	-	100	44	-	-	-	-	-
Dubai	Jumeirah Village Circle	The Portman	Apartment	32	94	47	-	-	-	-	-
Dubai	La Mer	La Mer Maisons	Villa	-	-	-	-	-	-	108	-
Dubai	Majan	Barari Views	Villa	-	6	14	6	-	-	-	-
Dubai	Mudon	Mudon Al Ranim 3	Apartment	-	-	-	138	104	-	-	-
Dubai	Tilal Al Ghaf	Elysian Mansions	Apartment	-	-	-	-	-	52	80	-

Dubai's real estate market in August continued to show strong performance, with just over AED 51 billion in transaction value and around 18,600 sales. Apartments once again led the way, especially in the off-plan segment, which now accounts for nearly three-quarters of residential activity. Demand remains broad-based, with buyers active across all price bands—from affordable studios under AED 600,000 to luxury villas above AED 100 million. This depth across the market has helped Dubai maintain stability and momentum even as global markets face a slowdown.

Apartment sales are being driven by both end-users and investors. First-time buyers are entering the market in larger numbers thanks to the First Home initiative and attractive developer incentives. Mid-market communities like JVC and Business Bay saw strong absorption, while high-end off-plan towers in Downtown, Dubai Marina, and Dubai Creek Harbour continue to attract international capital. Buyers are increasingly drawn to branded residences, which are offering lifestyle-focused projects at a premium but with strong perceived value.

Villa transactions dipped slightly in volume and value in August, but demand remains solid. The challenge continues to be supply. Ready-to-move villas in established areas are limited, and new launches are still years away from handover. Developers are responding with new projects in Palm Jebel Ali, Dubai Hills Estate, and The Oasis, but construction timelines are long. As a result, prices remain elevated, particularly for well-located four- and five-bedroom homes with upgrades.

The commercial sector saw another month of strong performance. Leasing activity rose in offices, retail, and industrial units. Office rents, particularly in DIFC and Business Bay, continue to climb as availability remains tight. This has pushed some developers to reconfigure retail space into co-working and office zones, capitalizing on the growing demand from tech, AI, and finance companies. Commercial sales totaled AED 1.5 billion in August, showing investor confidence in rental income and capital appreciation potential.

Foreign investment continues to be a key engine of growth. Dubai remains a top destination for high-net-worth individuals from Europe, China, India, and the CIS region. The Golden Visa program, long-term residency options for retirees and professionals, and business-friendly tax regulations are drawing sustained interest. At the same time, rising service charges, insurance costs, and borrowing rates are starting to impact some mid-income buyers, particularly those looking to finance ready homes.

Population growth remains the long-term stabilizer. Dubai's population now exceeds 4 million, driven by job creation, economic expansion, and residency pathways. This influx is supporting rental demand and keeping occupancy rates high, particularly in mid-market and family-friendly communities.

Expert Insights



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While there are murmurs about future oversupply, most of the announced pipeline is still years from completion. Developers are staging releases carefully, and a significant portion of under-construction units are not yet past early build phases. The city's evolving regulatory landscape is also helping bring more transparency and data into the market. Requirements like listing co-tenants on Ejari contracts signal a push for better visibility in rental arrangements.

All in all, Dubai's real estate market is entering a more mature phase. The investor profile is diversifying, buyer behavior is more informed, and developers are showing greater control over delivery timing and quality. The market is still growing, but with more discipline and depth than in past cycles. Rather than chasing runaway volume, the focus now is on sustaining demand, balancing supply, and offering a product mix that serves both local residents and global investors. Confidence remains high, even as caution grows. It's not the boom-and-bust story of the past—it's a deliberate, evolving market that's beginning to play the long game.





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