Hamptons
INTERNATIONAL

Dubai Residential

June 2025 | Market Review

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

Valuations & Research Department

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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.

Residential Valuations

Commercial Valuations

Retail Valuations

Hospitality Valuations

Specialised Property Valuations

Corporate Valuations

Market Highlights

Sustained Growth Momentum

Dubai's property market remained robust in June, recording 16,765 sales transactions worth AED 56.3 billion (a slight dip from May's peak, typical of the summer slowdown). Activity was still 16% higher by volume and 20% higher by value than June 2024, underscoring strong annual growth. Investor confidence remained firm across off-plan and ready segments despite seasonal moderation.

Apartments Lead the Market

Apartments dominated, accounting for around three-quarters of all deals. Over 13,000 apartment sales were registered (AED 26.7 billion), driven by affordability, attractive yields, and popular off-plan launches. Key hubs included JVC, Business Bay, Dubai Marina, and emerging communities in MBR City. Developers continue to sustain momentum with flexible payment plans and post-handover financing.

Villa & Townhouse Demand Resilient

The villa and townhouse segment recorded 3,017 sales (AED 19.3 billion), a dip from May's pace due to limited ready supply, yet demand remained robust. Family-friendly communities such as Dubai Hills Estate, Arabian Ranches, and Palm Jumeirah continued to attract buyers. The average villa price (~AED 3.9M) rose 23.6% year-on-year, reflecting undersupply and buyers' willingness to pay for quality and privacy. Many villa communities have nearly doubled in value since 2022.

Commercial & Land Segments

There were 395 commercial property transactions (AED 1.0 billion), slightly softer than May. However, office space remains in high demand, with prime districts (DIFC, Downtown, Business Bay) seeing record occupancy and rising rents. Grade A office rents jumped ~45% year-on-year in Q1 2025, with DIFC occupancy at 98%, pushing Business Bay landlords to quote similar rates. Land plot sales reached 326 deals (AED 9.3 billion). Demand remains high among developers and wealthy end-users seeking bespoke projects, with a Palm Jumeirah plot selling for AED 365 million – the highest land sale of 2025 so far.

Off-Plan Dominance

Off-plan properties accounted for the majority of transactions, signalling strong confidence in Dubai's development pipeline. Over 12,700 off-plan sales (AED 25.1 billion) were recorded, compared to ~2,870 secondary resales (AED 18.3 billion). New project launches drove around 80% of all sales, highlighting developers' marketing success. The AED 1–2M price band made up 35% of June sales, reflecting strong mid-market activity attractive to first-time buyers and investors. High-end off-plan offerings also saw significant uptake, contributing to a 13% year-on-year rise in average Dirham-per-square-foot prices.

Ultra-Luxury Surge

The ultra-luxury segment saw record-breaking deals, reinforcing Dubai's appeal to global wealth. Notable transactions included a AED 170M penthouse in Peninsula Tower and a AED 365M Palm Jumeirah plot. Several high-value villa sales also occurred, such as a AED 92M mansion in District One and a AED 69M villa in Nad Al Sheba. Sales above AED 10M have multiplied nearly tenfold since 2020, driven by an influx of high-net-worth buyers. Experts note that 70% of these sales are villas and around 69% are off-plan purchases, reflecting demand for bespoke homes in new master-planned estates.

Segment Breakdowns

Apartments

Apartments dominated June's sales, accounting for 78% of all transactions. A total of 13,027 apartment deals worth AED 26.7 billion were recorded, a ~7% dip from May as activity eased into summer. However, sales remained up year-on-year, driven by steady demand from investors and end-users. Key factors included comparatively affordable prices (average ~AED 1.3M, up 6% YoY), attractive yields (~6–8%), and ongoing population growth.

Off-plan launches contributed significantly, with developments in Sobha Hartland (Sobha One), Dubai Creek Harbour, and Dubai South seeing strong uptake. In the ready market, established hubs like JVC, Business Bay, Dubai Marina, and Downtown led volumes, with JVC topping the charts due to abundant new projects and mid-market pricing attractive to first-time buyers and investors.

Developers continue to support demand through post-handover payment plans and rent-to-own schemes, complemented by the new first-home initiative.

Apartments retain broad appeal across the market, from studios for workforce entrants to luxury penthouses for international buyers, making this segment a key driver of transactional activity.

Villas & Townhouses

Villas and townhouses remained highly sought-after, although June saw a moderation from May's peak. There were 3,017 transactions totalling AED 19.3 billion, reflecting a ~21% decline in volume as urgency eased post-spring. Despite this, villa values continue to rise, driven by persistent demand and limited supply. The average villa price was around AED 3.9M, up ~24% YoY, with some communities nearly doubling in value since 2022.

Post-pandemic preferences for larger homes and outdoor space continue to drive demand, particularly as quality ready villas remain scarce. Prime areas like Palm Jumeirah, Emirates Hills, Dubai Hills Estate, Arabian Ranches, and Jumeirah Golf Estates continue to attract buyers, resulting in bidding wars and price resilience.

New villa phases, such as Emaar's The Valley and Damac Lagoons, often sell out quickly. June also saw the launch of projects like Infracorp's California Residences in Wadi Al Safa, reflecting continued appetite.

Commercial Properties

Dubai's commercial property segment in June remained defined by strong demand but limited supply, particularly in offices. There were 395 transactions worth AED 1.0 billion, down slightly from May's 451. Most activity centred on offices and some retail units, while industrial deals remained limited.

This slight dip likely reflects a shortage of investable Grade A stock rather than weakening interest. Prime offices are effectively fully occupied, with new supply rapidly pre-leased. According to Savills, prime office rents rose ~45% YoY in Q1 2025, among the sharpest global increases, with DIFC occupancy at 98%. This is driven by the expansion of finance, consulting, and tech firms viewing Dubai as a long-term hub.

Segment Breakdowns

Vacancy rates remain near historic lows in DIFC, Downtown, and Business Bay, giving landlords pricing power. Some Business Bay strata offices now command DIFC-level rents, illustrating the broader uplift. Investors continue to target commercial assets despite limited availability, with premium prices and low yields offset by rent growth prospects.

Retail and hospitality segments saw steady activity, with modest strata retail unit sales and no major hotel transactions. Strong tourism and consumer spending support rental growth, with investors holding for income. Overall, Dubai's commercial sector remains a landlord's market, supported by rising capital values and robust business activity. The key risk is potential oversupply, but current evidence suggests new stock is being absorbed quickly, making commercial property an attractive diversification play for investors.

Land Plots

The land segment in June saw healthy activity, especially in prime locations, despite a slight drop in transactions from May.

There were 326 land deals worth around AED 9.3 billion, a ~15% decline in volume, typical given the impact of large individual sales on monthly totals.

Demand for prime land remains strong, with June witnessing one of Dubai's largest-ever land sales: a 90,000 sq ft Palm Jumeirah frond-tip plot sold for AED 365 million. Palm Jumeirah continues to command premiums due to scarcity, with land values up ~19% in the first five months of 2025 despite fewer sales.

Smaller and mid-sized plots in suburban areas like Al Yufrah, Nad Al Sheba, Dubailand, and Jebel Ali Village also saw active trading, typically purchased for villa or low-rise development. Over 7,700 plots were transacted in the first 100 days of 2025, reflecting aggressive land banking by developers and individual interest in bespoke homes.

Momentum is further supported by new master plans, such as the revival of Palm Jebel Ali, where Dubai Holding recently announced a partnership with Select Group to develop upscale projects, signalling confidence in Dubai's long-term growth trajectory.

Dubai's land market remains bifurcated: prime plots are highly sought-after with rising values, while peripheral plots trade in higher volumes at measured prices. The robust spending on land despite fewer deals underscores its appeal for development and capital appreciation, with upcoming infrastructure and communities under the 2040 Urban Master Plan ensuring land remains a key market driver.

Market Outlook

Dubai's real estate market is set to remain positive for the rest of 2025, though growth will ease to a more sustainable pace following the sharp gains of 2022–early 2024. Demand should remain broad-based, spanning first-time buyers, end-users, regional investors, and global high-net-worth individuals.

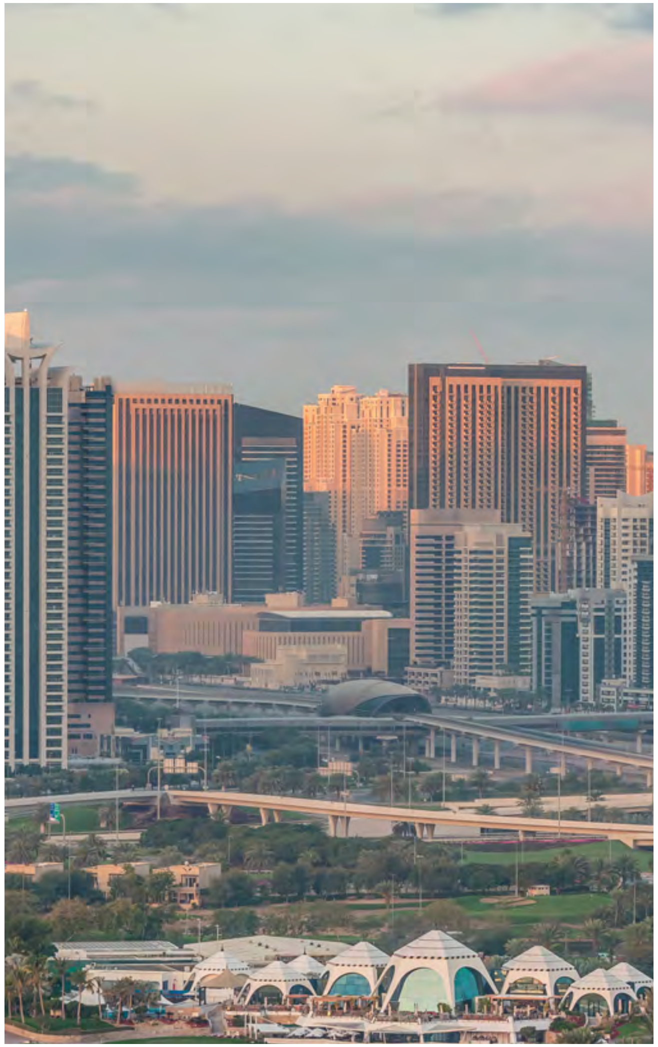
A key factor shaping the outlook is increased supply, with around 250,000 new units expected by 2026, outpacing Dubai's ~5% annual population growth and gradually easing pressure on prices and rents. Fitch forecasts a moderate price correction of 10–15% by late 2025 into 2026, reflecting a healthy market adjustment. Prime areas are likely to remain resilient, while emerging areas with heavy new supply, like JVC, may see temporary price dips. Rental yields, currently around 7.4%, may edge lower as more rental stock enters the market but remain attractive by global standards.

Government initiatives, including the First-Time Home Buyer Programme, are supporting end-user demand, helping absorb new supply and broadening the buyer base.

Innovations like tokenised real estate and regulatory improvements continue to boost transparency and market confidence.

Macroeconomic factors remain supportive. While higher global rates have raised mortgage costs, the UAE Central Bank has held rates steady, limiting further pressure. Dubai's diversified economy, stable oil prices, and safe-haven status continue to attract investors despite global uncertainties.

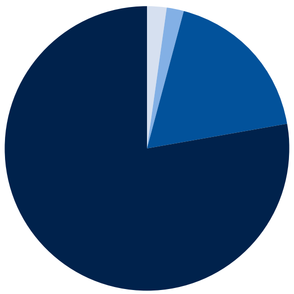
In summary, Dubai's property market is entering a phase of steady, sustainable growth. Prices may plateau or see mild corrections, offering healthier conditions for buyers, while transaction volumes should remain high, supported by strong population growth, pro-growth policies, and the city's enduring global appeal.



Dubai Transactions

Month on Month | May 2025 - June 2025

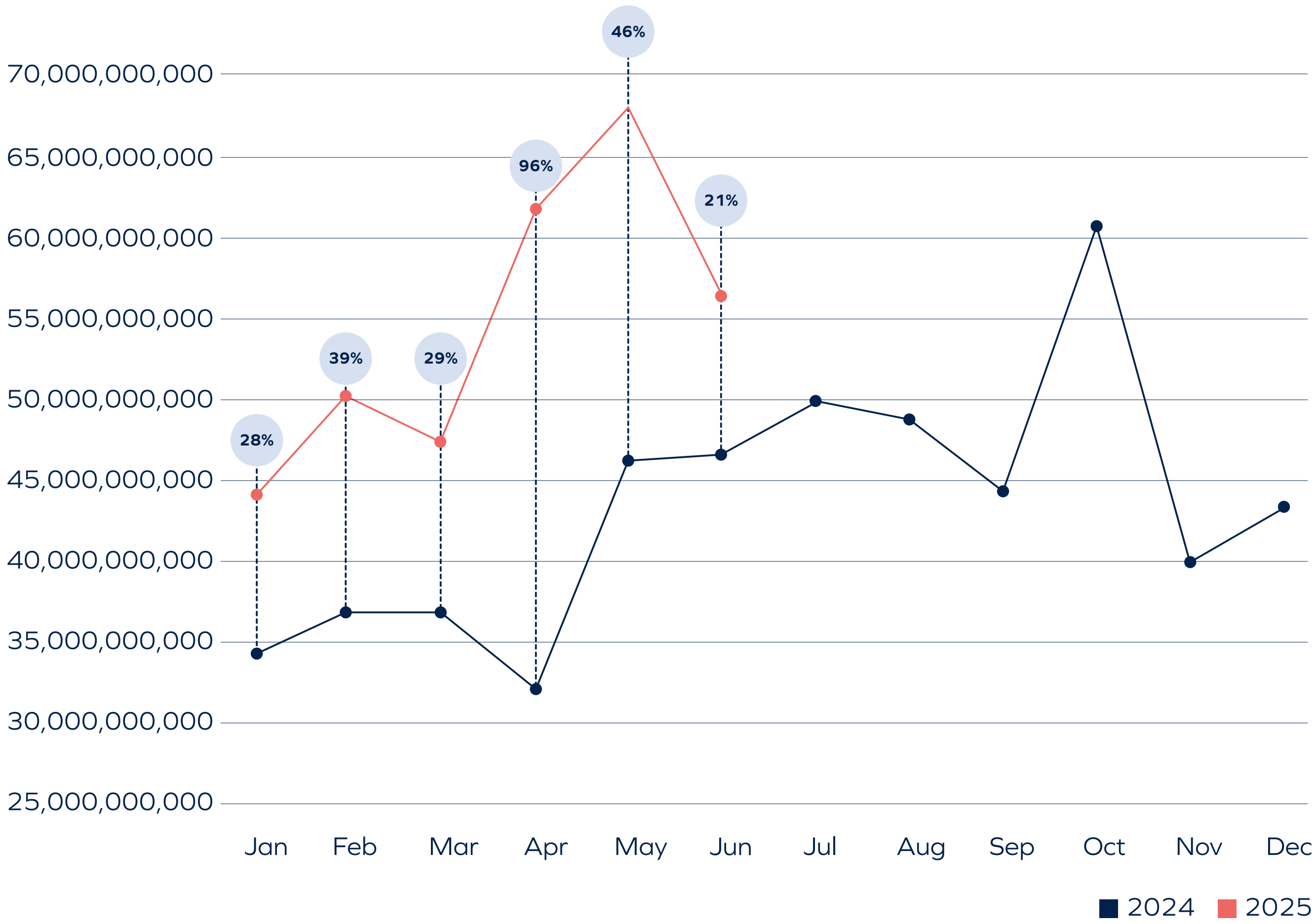
	May Transactions	May Value (AED)	June Transactions	June Value (AED)	Value Change %
Apartments	14,030	29,700,000,000	13,027	26,700,000,000	-10.10%
Villas	3,832	25,200,000,000	3,017	19,300,000,000	-23.41%
Commercial	451	1,600,000,000	395	1,000,000,000	-37.50%
Plots	384	10,400,000,000	326	9,300,000,000	-10.58%
Total	18,697	66,900,000,000	16,765	56,300,000,000	-15.84%

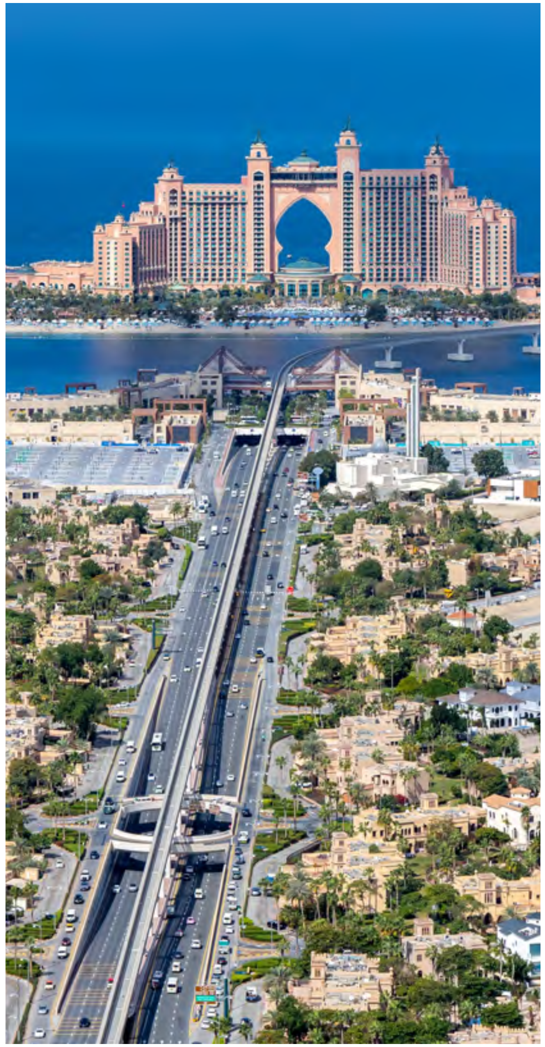


Apartments	78%
Villas	18%
Plots	2 %
Commercial	2%

Transactions Value - Graph

2024 v/s 2025





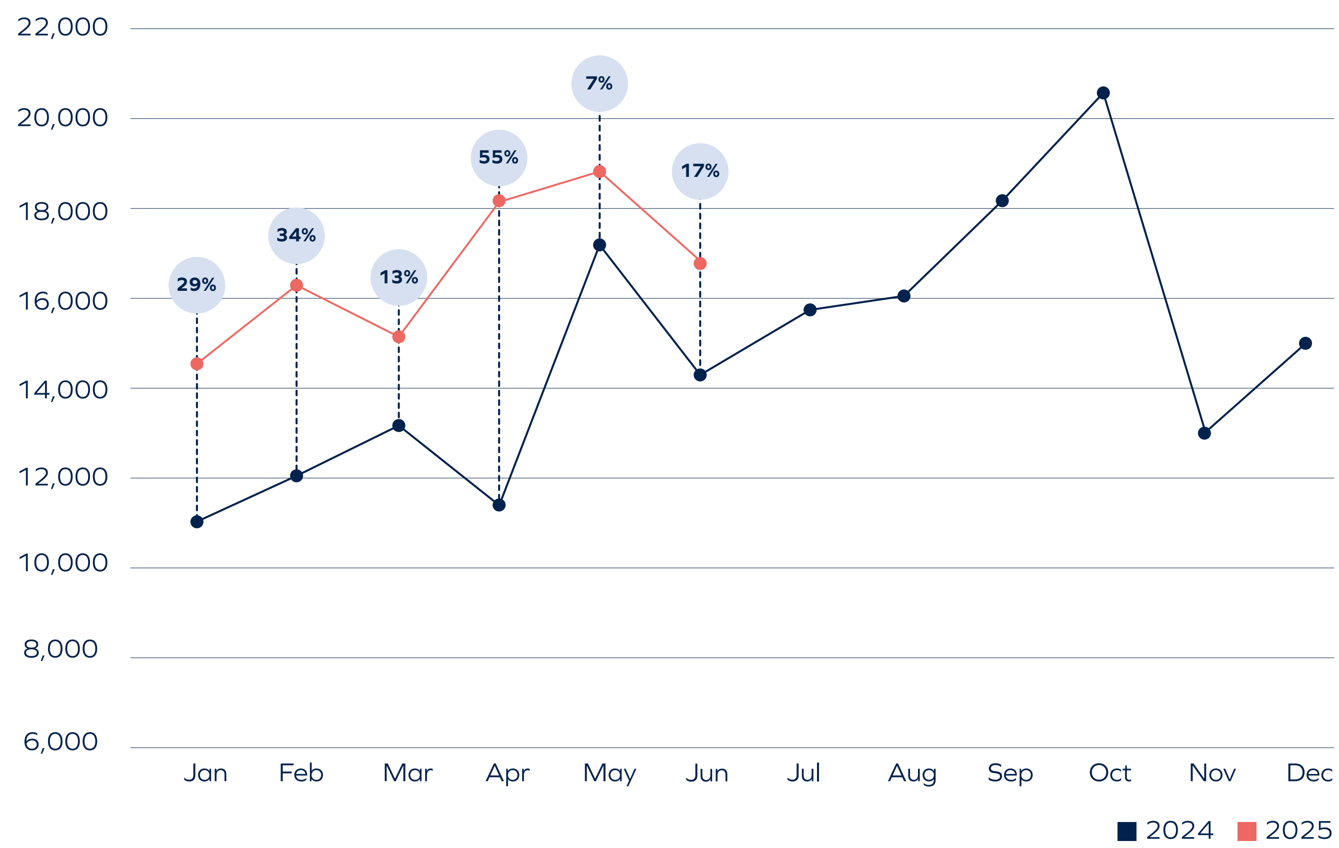
Transactions Value

2024 v/s 2025

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	
August	47,300,000,000	August	
September	44,597,000,000	September	
October	60,731,000,000	October	
November	40,000,000,000	November	
December	42,600,000,000	December	

Transactions Volume - Graph

2024 v/s 2025

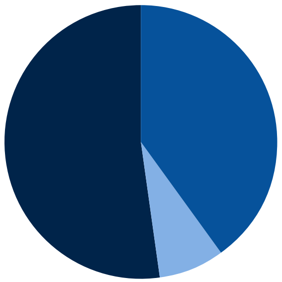


Transactions Volume

2024 v/s 2025

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	
August	16,159	August	
September	18,045	September	
October	20,315	October	
November	13,509	November	
December	15,079	December	

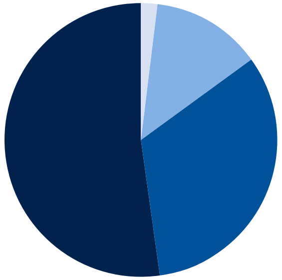
New Rental Transactions



Apartments	52%
Commercial	40%
Villas	8%

	May	June	Volume Change %
Apartments	17,301	15,672	-9.42%
Villas	2,232	2,409	7.93%
Commercial	11,133	12,298	10.46%
Total	30,666	30,379	-0.94%

New Commercial Rental Breakdown



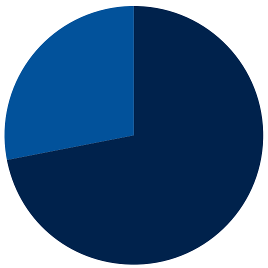
Office	52%
Others	33%
Shops/Showroom	13%
Industrial	2%

	May	June	Volume Change %
Shops/Showroom	1,998	1,553	-22.27%
Office	8,927	6,457	-27.67%
Industrial	365	246	-32.60%
Others	5,285	4,076	-22.88%
Total	16,575	12,332	-25.60%

Residential Off Plan v/s Secondary Sales

Sales Volume		
	Off-Plan	11,531
	Ready	4,513

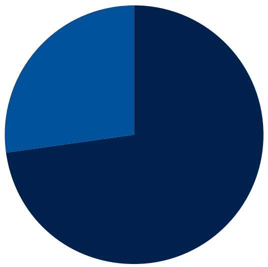
Residential Breakdown	Off Plan	Ready
Apartments	9,225	3,802
Villas	2,306	711



Off-Plan	72%
Ready	28%

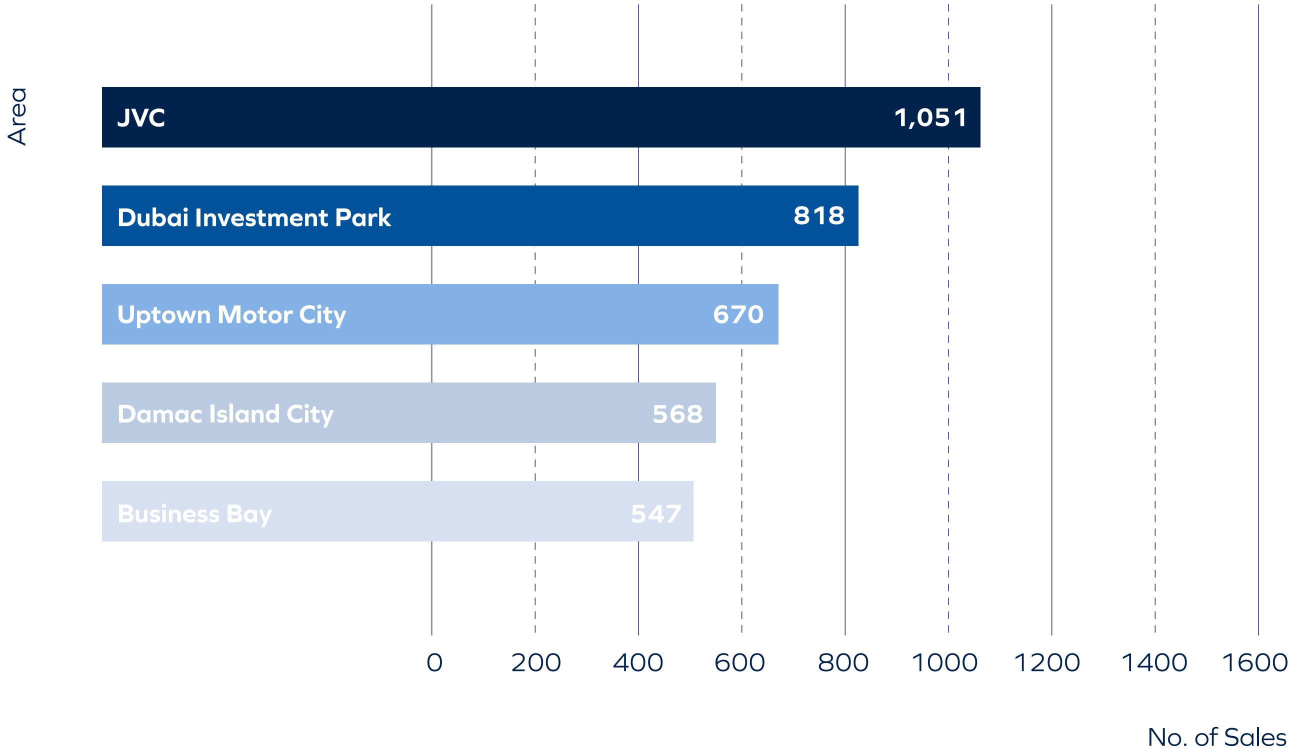
Sales Value (AED)		
	Off-Plan	33,500,000,000
	Ready	12,700,000,000

Residential Breakdown	Off Plan	Ready
Apartments	19,100,000,000	7,700,000,000
Villas	14,400,000,000	5,000,000,000

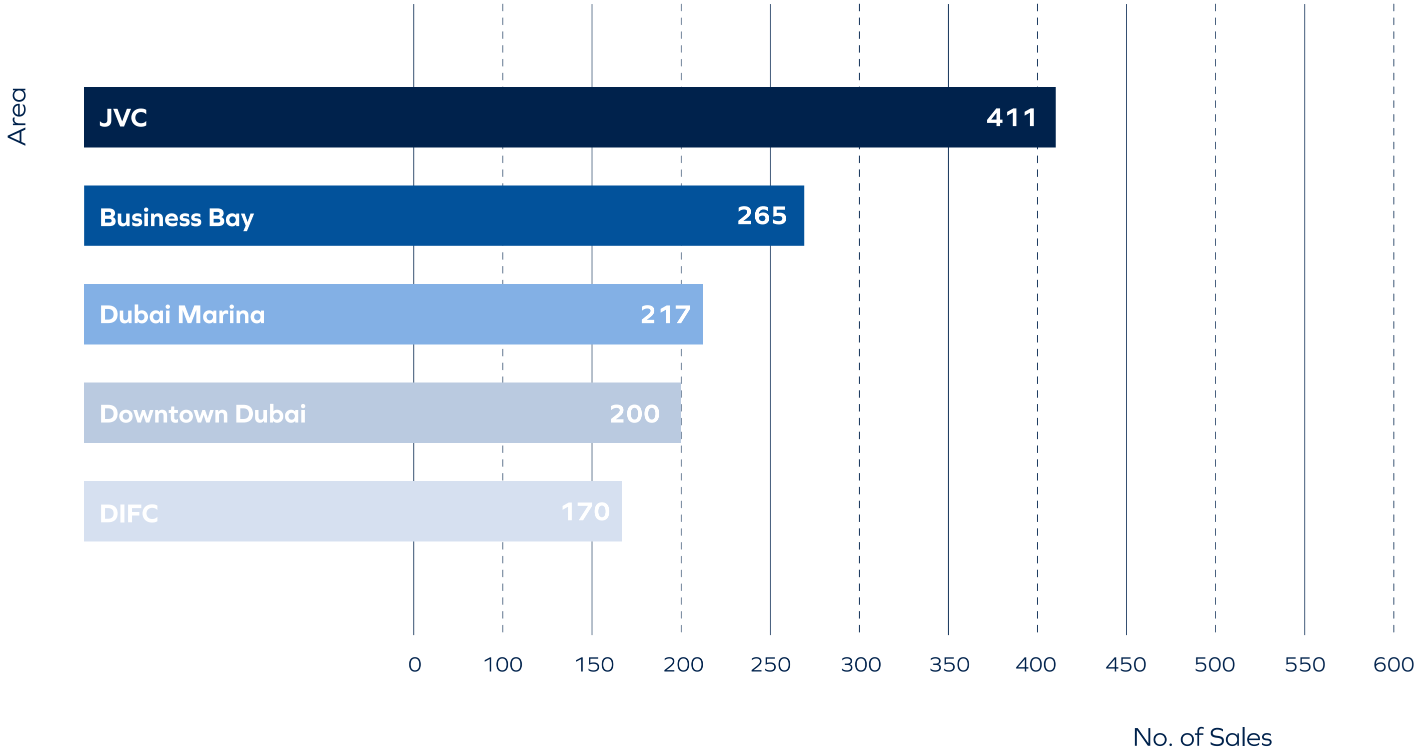


Off-Plan	73%
Ready	27%

Top 5 Performing Areas - Off Plan Sales



Top 5 Performing Areas - Secondary Sales



Rental Transactions and Trends

Dubai's rental market remained active in June 2025, with moderate rent growth and stabilising trends. Ejari recorded 15,672 new apartment leases (down 9.4% from May) due to seasonal patterns, while villa leases rose 8% to 2,409 as families secured homes ahead of the school term. Commercial leases increased by 10.5% to 12,298, reflecting strong business demand.

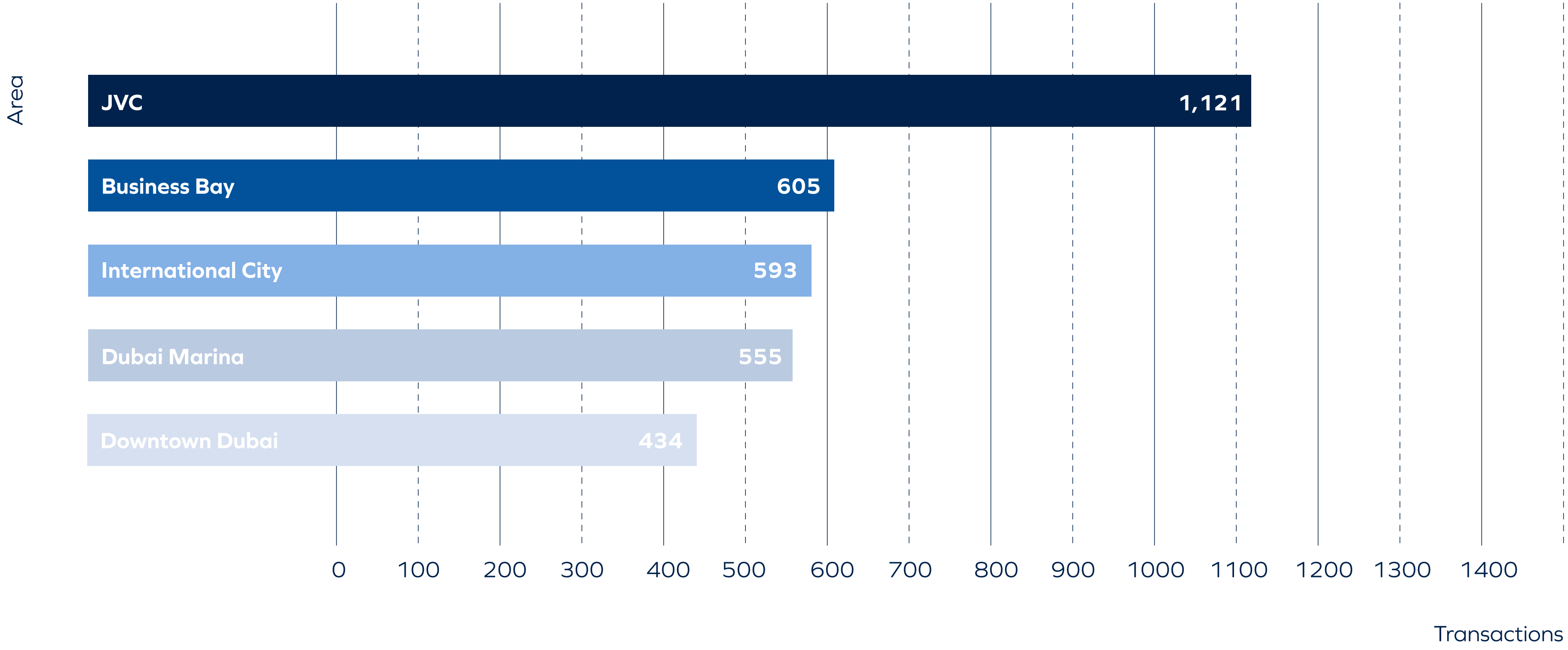
Rent increases have slowed from 2022's spikes but remain upward. The average annual rent for a two-bedroom apartment reached AED 85,000 (up 8% YoY), while villa rents averaged AED 185,000 (up 12% YoY). Prime areas still see landlords testing higher rents, but tenant resistance and new supply are capping growth, while affordable areas like JVC and Dubailand have seen rents plateau or ease slightly.

Rental yields remain healthy at 6.5–7.5% for apartments and 5–6% for villas, attracting investor interest, though further supply could soften rents later in 2025. Demand stays strong, supported by population growth and residency programmes, with many newcomers renting before buying.

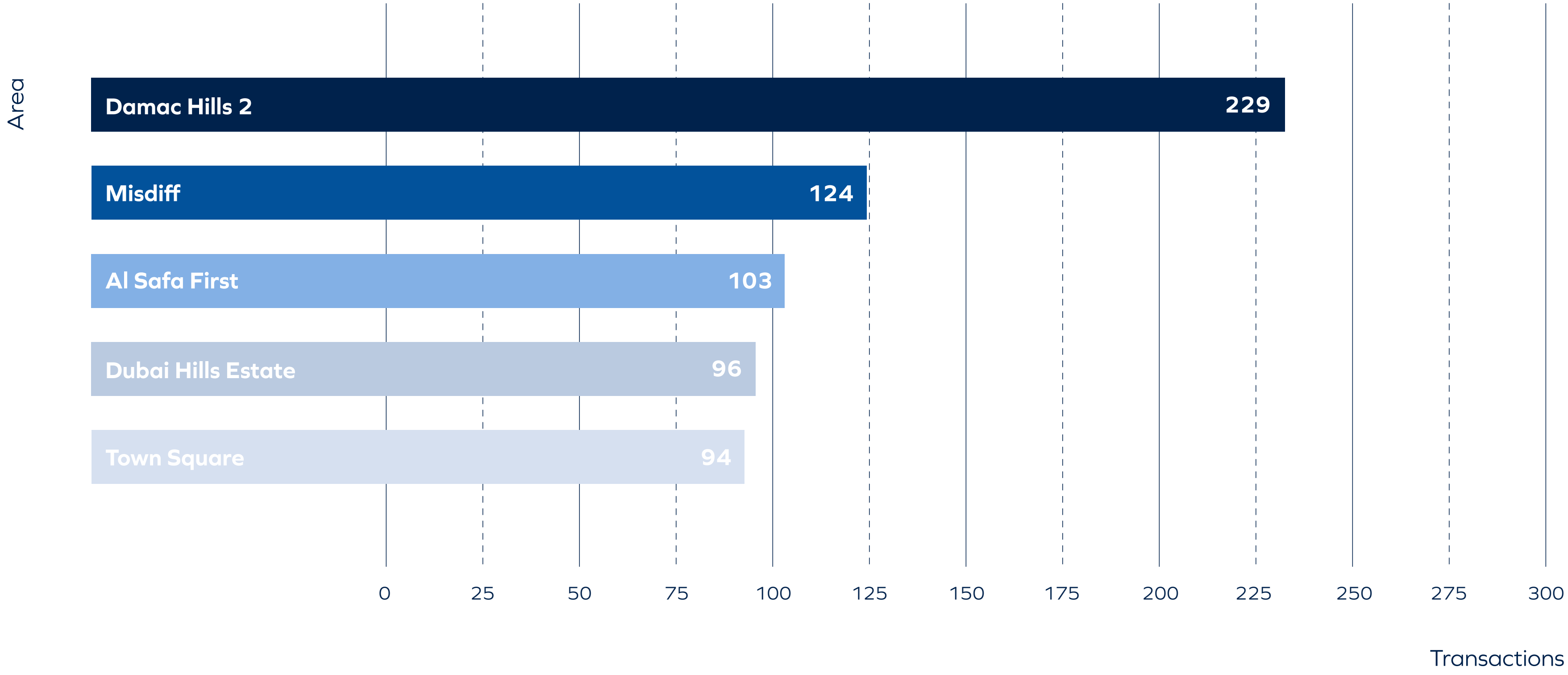
RERA's rent calculator and the 5% cap on annual renewals continue to protect tenants, though new leases often command 20–30% higher rates than existing contracts. This has encouraged some tenants to negotiate longer leases or consider buying, supported by first-home initiatives.

Overall, June saw over 30,000 new residential leases signed, with rising supply and reduced tenant churn helping to moderate rent growth. The market is likely to remain balanced, with modest rent increases and greater tenant choice, especially as new supply enters the market.

Top 5 Performing Areas - New Apartment Rentals

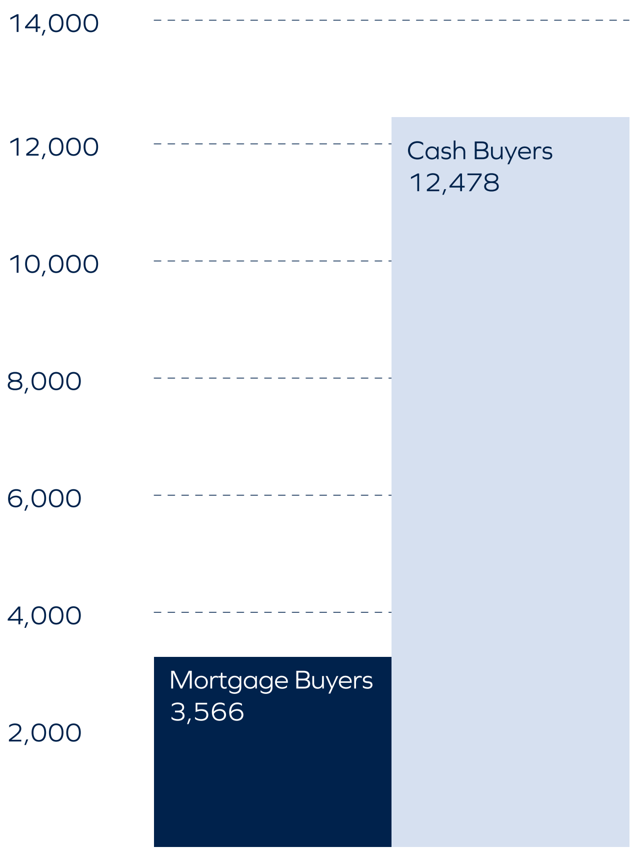


Top 5 Performing Areas - New Villa Rentals



Residential Mortgage Buyers v/s Cash Buyers

June 2025



	Mortgage Sales	Cash Sales
Apartments	2,602	10,425
Villas	964	2,053

Mortgage Transaction Value: 7,100,000,000

Mortgage Buyers v/s Cash Buyers

Dubai's property market remains dominated by cash buyers, but mortgage uptake is steadily increasing as end-user participation grows. In June 2025, around 3,368 of the ~16,300 sales transactions (~21%) were mortgage-backed (AED 11.84B financed), while ~79% were cash purchases, consistent with recent trends. This reflects the high liquidity among local and foreign buyers, many of whom prefer cash deals, and the prevalence of off-plan sales, typically classified as cash transactions until handover.

However, mortgage transactions are rising, driven by residents moving into homeownership and banks offering competitive home loan products. Rates have stabilised around 4–5% in mid-2025, with mortgage tenors extending up to 25–30 years, improving affordability. The First Home programme, with extended fixed rates and promotional LTVs of 80–85%, is also encouraging buyers to finance purchases, especially in the AED 1M–3M apartment and townhouse segment.

Cash buyers continue to dominate luxury villa, land, and commercial transactions due to the speed of cash deals, eligibility factors for foreign investors, and developers' payment plans on off-plan units. Golden Visa-linked purchases (AED 2M+) are also typically cash-funded.

Looking ahead, the mortgage share is expected to gradually increase, potentially reaching 25–30% as first-time buyer incentives gain traction and if interest rates ease in late 2025 or 2026. Cash will remain dominant in the luxury and investment segments, but the steady rise in mortgage transactions signals healthy end-user demand, supporting market stability. The combination of strong liquidity and growing credit uptake provides a balanced foundation for Dubai's real estate market.

Projects Due in July 2025

City	Community	Property	Developer	Type	Studio	1BR	2BR	3BR	4BR	5BR	5BR+
Dubai	Al Wasl	Myrtle at City Walk	Meraas Development L.L.C	Apartment	-	90	39	-	-	-	-
Dubai	Dubai Internet City	Viridian At Central Park	Meraas Development L.L.C	Apartment	-	90	39	-	-	-	-
Dubai	Arabian Ranches 3	June 1	Emaar Properties PJSC	VIlla	-	-	-	-	122	61	-
Dubai	Arjan	Divine Living	Takmeel Real Estate Development	Apartment	-	61	50	7	-	-	-
Dubai	Arjan	Skyz by Danube	Danube Properties	Apartment	400	340	68	-	-	-	-
Dubai	Downtown Dubai	The Residence Burj Khalifa	Emaar Properties PJSC	Apartment	-	-	-	11	12	11	1
Dubai	JVC	Pearl House 1 by Imtiaz	Imtiaz Real Estate	Apartment	62	114	-	-	-	-	-
Dubai	Majan	Sherena Residences 2	Rose Homes Investment LLC	Apartment	70	30	20	-	-	-	-
Dubai	Mudon	Mudon Al Ranim 1	Dubai Properties	Villa	-	-	-	136	88	-	-
Dubai	Villanova	La Violeta 2	Dubai Properties	Villa	-	-	-	146	80	-	-

Expert Insights

Broad-Based Demand

Analysts highlight that demand in Dubai's real estate remains broad, spanning first-time buyers, mid-market upgraders, GCC investors, and global high-net-worth individuals. June's transactions ranged from studios under AED 500K to villas and plots exceeding AED 300M, underscoring market depth across price points. Unlike past cycles driven by speculators, today's activity is underpinned by genuine end-user demand, supported by government initiatives like long-term visas and the first-home programme. This diversity cushions the market, with end-user demand able to offset dips in investor activity, ensuring resilience across cycles.

Villa Market Trajectory

Experts emphasise the villa/townhouse segment's exceptional run, with prices up ~35% year-on-year in Q2 2025 and nearly 100% higher in some prime areas since 2022. This is driven by chronic undersupply and lifestyle-driven demand, with well-located villas often receiving multiple offers above asking price. Unlike apartments, villa supply is constrained by longer development timelines and land availability, keeping inventory tight. Developers are launching new suburban master plans, but delivery will take time. While experts expect continued price growth, higher interest rates and affordability pressures may moderate the pace. Nevertheless, the cultural and aspirational appeal of villa living is expected to sustain long-term demand.

Oversupply and Market Maturity

With an estimated 250,000 new units by 2026 (including 90,000 in 2025), oversupply is a key discussion point among analysts. Fitch projects a gradual 10–15% price correction by 2026 as supply meets demand, viewing this as a healthy market normalisation rather than a crash. Developers are phasing launches to avoid flooding the market, while Dubai's growing population (~100,000+ annually) and new visas for professionals and remote workers continue to drive demand. Analysts expect a soft landing, with longer listing times, more price negotiations, and stabilising indices, particularly in oversupplied areas like JVC and Dubai South, while prime areas remain resilient.

Commercial Sector Opportunities

Dubai's commercial sector, particularly Grade A office spaces, is experiencing high demand, with DIFC occupancy at 98% and rents up ~45% year-on-year in early 2025. This shift reflects Dubai's emergence as a regional hub for finance, technology, and professional services. Limited prime supply and strong demand are supporting yields and capital values, making commercial real estate an attractive diversification option. While there is a watch on potential oversupply if new projects flood the market, current absorption rates remain robust.

Foreign Investment and HNWI Influx

Foreign investment continues to underpin Dubai's market, with the UAE seeing a 200% increase in millionaire residents over the past decade. Dubai ranks among the top global cities for luxury sales, driven by its safety, tax benefits, and Golden Visa policies. The luxury segment is supported by steady HNWI demand, with new ultra-luxury projects often selling out quickly. However, experts caution against over-reliance on wealthy buyers, supporting the government's focus on expanding mid-tier and first-home buyer segments to ensure a balanced market.

Expert Insights

Final Thoughts
Most experts view Dubai's real estate in June 2025 as firing on all cylinders, outpacing many global property hubs. The leadership's ongoing development initiatives (new islands, tourist attractions, Expo City infrastructure) and effective handling of past challenges (such as the pandemic rebound) have bolstered confidence.

The key risks ahead are considered moderate and manageable: potential oversupply in the coming years (mitigated by strong demand and phased planning), global economic softening (offset by Dubai's diversification and safe-haven appeal), and rising holding costs (cushioned by a wealthy investor base and improving rental yields). Market players also watch interest rate risks—while stable for now, future increases could affect affordability—and currency fluctuations, as the strong dollar (to which the AED is pegged) can make Dubai property pricier for non-USD buyers. However, as of mid-2025, these factors are not derailing market momentum.

Stakeholders remain bullish on long-term prospects, noting the billions being invested in future projects, from sustainable "15-minute cities" to tech-driven communities, which will drive the next growth cycle.

In summary, expert sentiment is one of cautious optimism amid record activity. The market is at a peak in activity and pricing, prompting close monitoring of supply pipelines and the global environment. Yet the prevailing view is that Dubai has entered a new era as a mature, globally competitive real estate market. With its reputation as a safe, innovative, high-yield destination firmly established, and policymakers actively managing growth, Dubai's real estate in June 2025 remains on a solid trajectory.

As one industry veteran noted:

"

Dubai's property market is not just having a moment – it's now a sustained story, built on real demand and robust fundamentals. The confidence we see today underpins not just current sales, but future investments, ensuring the sector's long-term prospects remain bright.

"

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