



Dubai Residential

May 2025 | Market Review

A MONTHLY REVIEW OF DUBAI RESIDENTIAL MARKET'S PERFORMANCE AND KEY REAL ESTATE TRENDS

Valuations & Research Department



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

Hamptons International's Valuations & Research Division consists of a multi-disciplinary group of qualified professionals who have extensive local and international experience in the real estate industry.

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

Report Highlights



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Market Stability

May 2025 marked a record-breaking month for Dubai's real estate market, with 18,693 transactions totalling AED 66.8 billion. This reflects a 50% year-on-year increase in value, building on April's strong performance. The surge was driven by a balanced mix of off-plan and ready properties, indicating continued investor confidence and robust end-user demand. Growth was evident across various communities, particularly within premium villa clusters and high-demand apartment hubs.



Market Momentum Steadies

Momentum carried forward into May, reinforcing Dubai's global reputation as a premier real estate investment hub. Increased off-plan launches, higher end-user activity, and a strong appetite for premium and ultra-luxury units underpinned market strength. Demand remains broad-based, fuelled by first-time buyers, regional investors, and international high-net-worth individuals.



Apartments still lead

Apartments remained the most active segment, with 14,030 transactions valued at AED 29.7 billion.

Demand was driven by affordability, attractive rental yields, and investor-friendly payment plans. Key areas such as Jumeirah Village Circle, Business Bay, and Dubai Marina led in transaction volumes. Developers continue to entice buyers with flexible payment structures and handover-linked financing options.



Villa Market Increase Popularity

Sales of villas and townhouses reached 3,832 transactions in May, amounting to AED 25.2 billion. Demand remained strong in Dubai Hills Estate, Arabian Ranches, and Palm Jumeirah. A limited supply of ready villas and persistent end-user demand supported price resilience. In some communities, villa values have nearly doubled since 2022, reflecting sustained interest in family-friendly, spacious living.



Off-Plan Sector

Off-plan transactions accounted for a significant portion of May's activity, led by new launches in areas such as Jumeirah Golf Estates, The Oasis, and Palm Jebel Ali. Off-plan prices rose by 13% month-on-month, highlighting strong buyer confidence and the credibility of developers.

The segment continues to gain traction through fractional ownership models, tech-enabled platforms, and aggressive launch pipelines.



Rental Market Remains Active

Rental activity remained stable in May, though rental growth began to moderate. Leases for both apartments and villas held steady, particularly in prime communities. Annual rental growth has cooled to approximately 7.4%, easing pressure on tenants while preserving healthy yields for landlords.



Commercial Real Estate Highlights:

Commercial transactions totalled 451 in May 2025, with offices dominating leasing and investment activity. DIFC, Downtown Dubai, and Business Bay remained key destinations, driven by corporate expansion and demand for Grade A office space. A shortage of prime commercial stock continues to push rents upward and spur new development.

Sales Transactions – Graph



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Apartments

In May 2025, 14,030 apartment transactions were recorded, up from 13,797 in April. Total value reached AED 29.7 billion, reflecting solid growth in both volume and value. Jumeirah Village Circle remained a top performer, alongside Business Bay and Dubai Marina. Affordability, connectivity, and developer incentives continue to make apartments attractive to both investors and end-users.



Villas

The villa market strengthened further, with 3,832 units sold in May, up from 3,462 in April. Dubai Hills Estate led in both transaction value and volume, followed by Arabian Ranches and Palm Jumeirah. Due to ongoing undersupply, average villa prices have surged, driving competition among buyers.



Commercial

Office and retail transactions totalled 451 in May, reflecting increased focus on income-generating assets. DIFC and Business Bay attracted most of the demand, supported by growth in the hospitality and F&B sectors.

Premium workspaces continue to gain momentum.



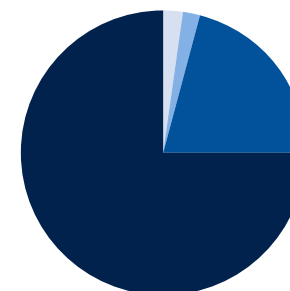
Plots (Land)

Land transactions rose slightly to 384 in May, up from 359 in April, with the total value climbing to AED 10.4 billion. Dubai South, Meydan, and Al Furjan remained prominent for land sales as developers position themselves for future residential and mixed-use expansions.



Market Resilience and Outlook

Dubai's real estate market demonstrated remarkable resilience in May, registering AED 66.8 billion in sales across nearly 18,700 transactions. Price appreciation continues, particularly in undersupplied segments such as ready villas and new premium developments. Confidence remains high, supported by transparent regulation, long-term residency initiatives, and macroeconomic stability. With a strong project pipeline and active buyer interest, Dubai is on course for another year of double-digit growth in select sectors.



■ Apartments	75%
■ Villas	21%
■ Commercial	2%
■ Plots	2 %

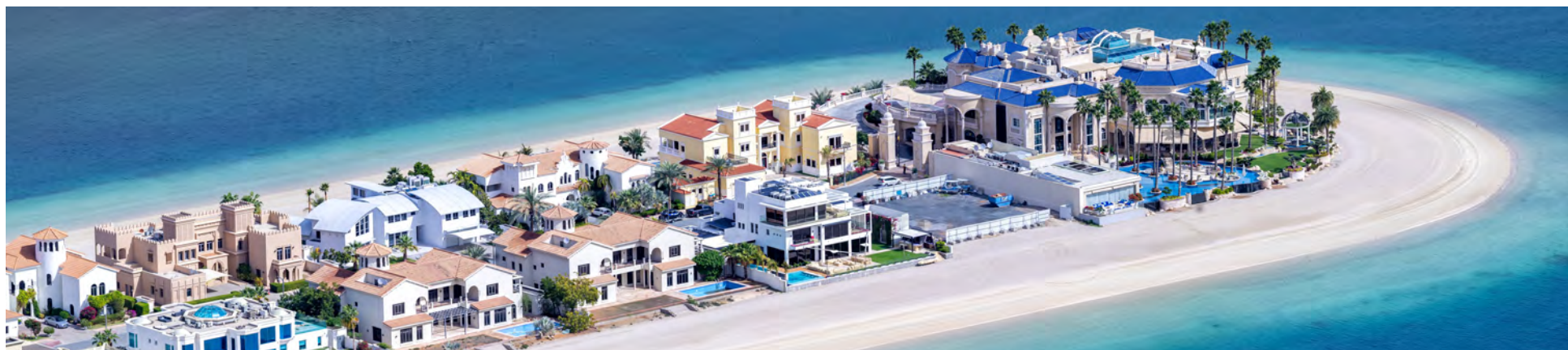
Dubai Transactions

Month on Month | Apr 2025 - May 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

	Apr Transactions	Apr Value (AED)	May Transactions	May Value (AED)	Value Change %
Apartments	13,797	27,100,000,000	14,030	29,700,000,000	9.59%
Villas	3,462	24,900,000,000	3,832	25,200,000,000	1.20%
Commercial	426	1,100,000,000	451	1,600,000,000	45.45%
Plots	359	9,700,000,000	384	10,400,000,000	7.22%
Total	18,044	62,800,000,00	18,697	66,900,000,00	6.53%

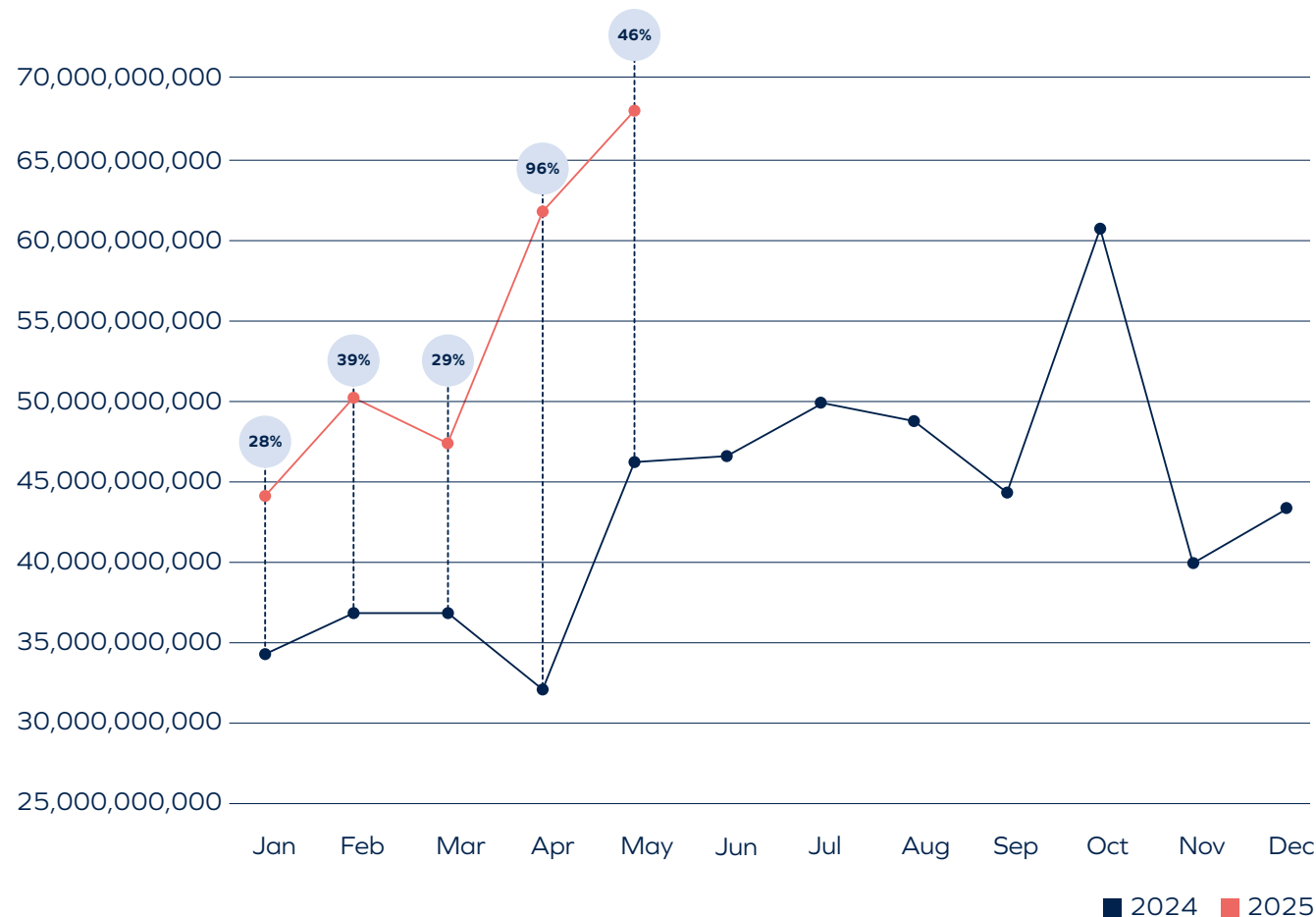


Transactions Value - Graph

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



In May, Dubai's real estate market achieved a record-breaking performance, reaching approximately AED 67 billion in transaction value.

This marks a 46% increase compared to May 2024, highlighting strong investor confidence, a surge in off-plan activity, and sustained demand across premium and ultra-luxury segments.

Transactions Value

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 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	
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	

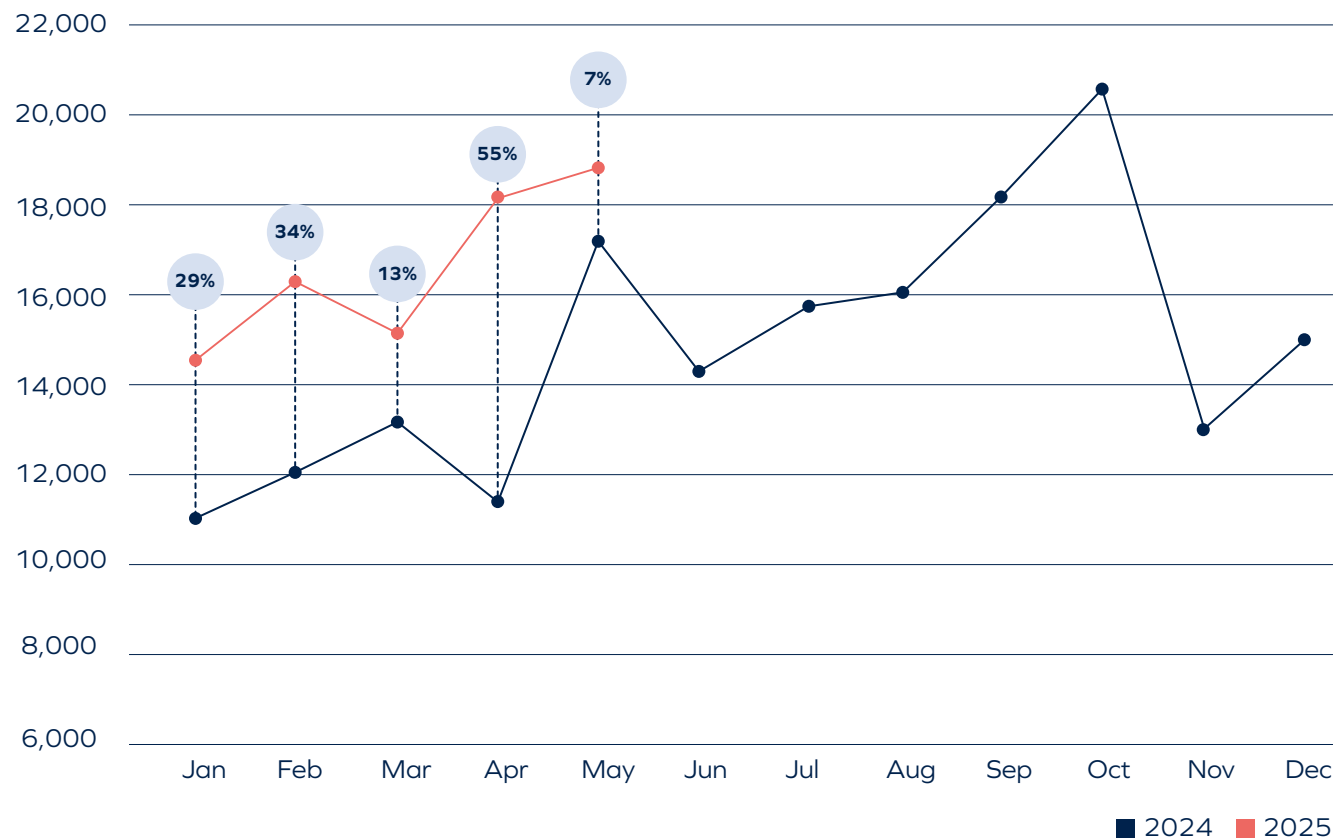


Transactions Volume - Graph

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Dubai's real estate market recorded a transaction volume of approximately 19,000 in May, reflecting a 7% increase over April.

While growth softened compared to the 55% surge seen in April, the market continued to trend upward, indicating stable buyer activity and sustained momentum heading into the mid-year period.

Transactions Volume

2024 v/s 2025



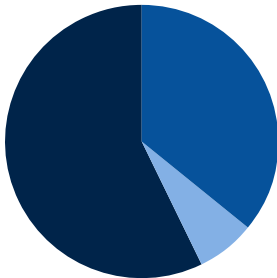
DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

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	
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

Apartment and villa rentals remained steady. While rental growth has moderated compared to previous quarters, yields remain among the highest globally. This continues to attract landlords and sustain tight supply in popular communities.



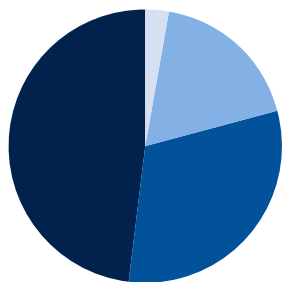
■ Apartments	57%
■ Commercial	36%
■ Villas	7%

	April	May	Volume Change %
Apartments	17,039	17,301	1.54%
Villas	2,063	2,232	8.19%
Commercial	13,532	11,133	-17.73%
Total	32,634	30,666	-6.03%

New Commercial Rental Breakdown



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Office	48%
Others	31%
Shops/Showroom	18%
Industrial	3%

	April	May	Volume Change %
Shops/Showroom	2,129	1,998	-6.15%
Office	7,242	3,485	-51.88%
Industrial	297	365	22.90%
Others	3,907	5,285	35.27%
Total	13,575	11,133	-17.99%

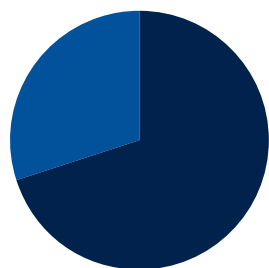
Off Plan v/s Secondary Sales Transactions



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

Sales Volume	Off-Plan	12,548
	Ready	5,376

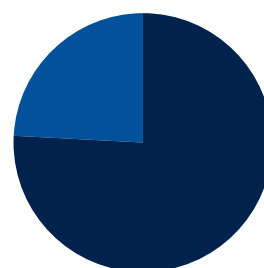
Residential Breakup	Off Plan	Ready
Apartments	9,561	4,469
Villas	2,984	848



■ Off-Plan	70%
■ Ready	30%

Sales Value (AED)	Off-Plan	41,700,000,000
	Ready	13,500,000,000

Residential Breakup	Off Plan	Ready
Apartments	21,800,000,000	7,800,000,000
Villas	19,800,000,000	5,400,000,000

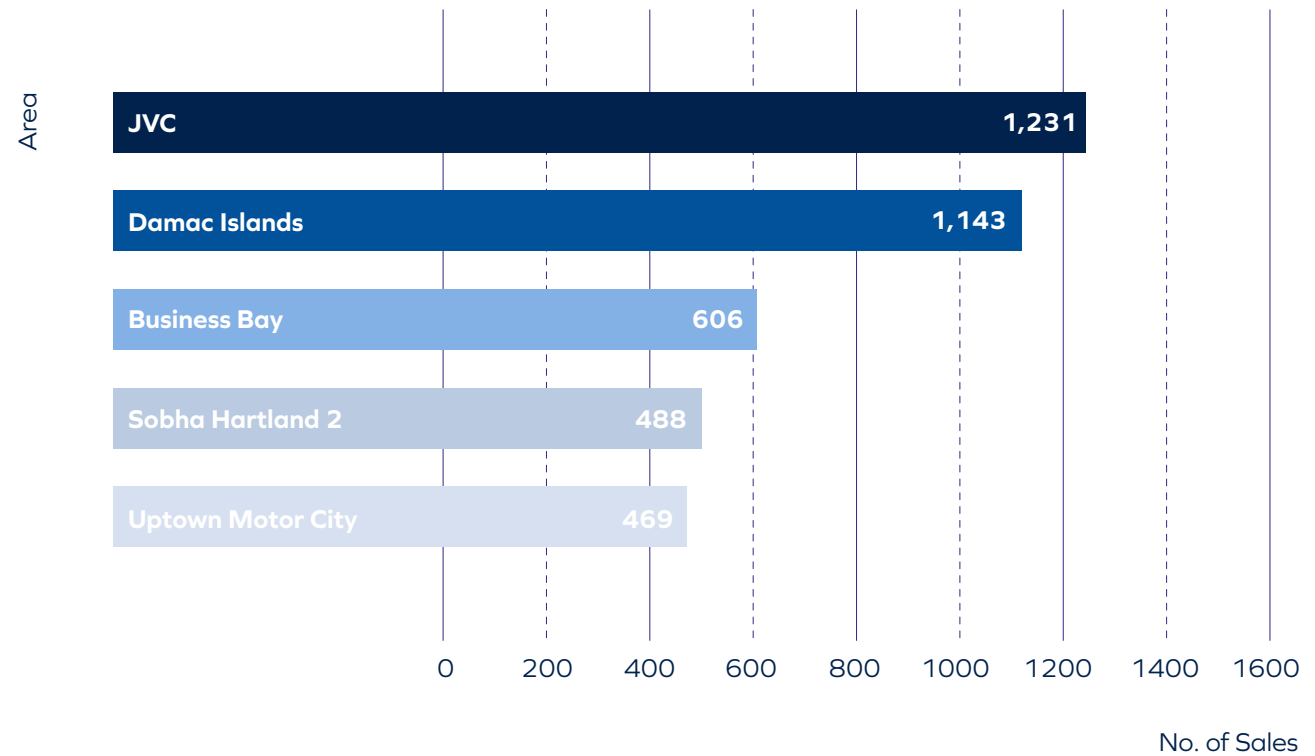


■ Off-Plan	76%
■ Ready	24%

Top 5 Performing Areas - Off Plan Sales



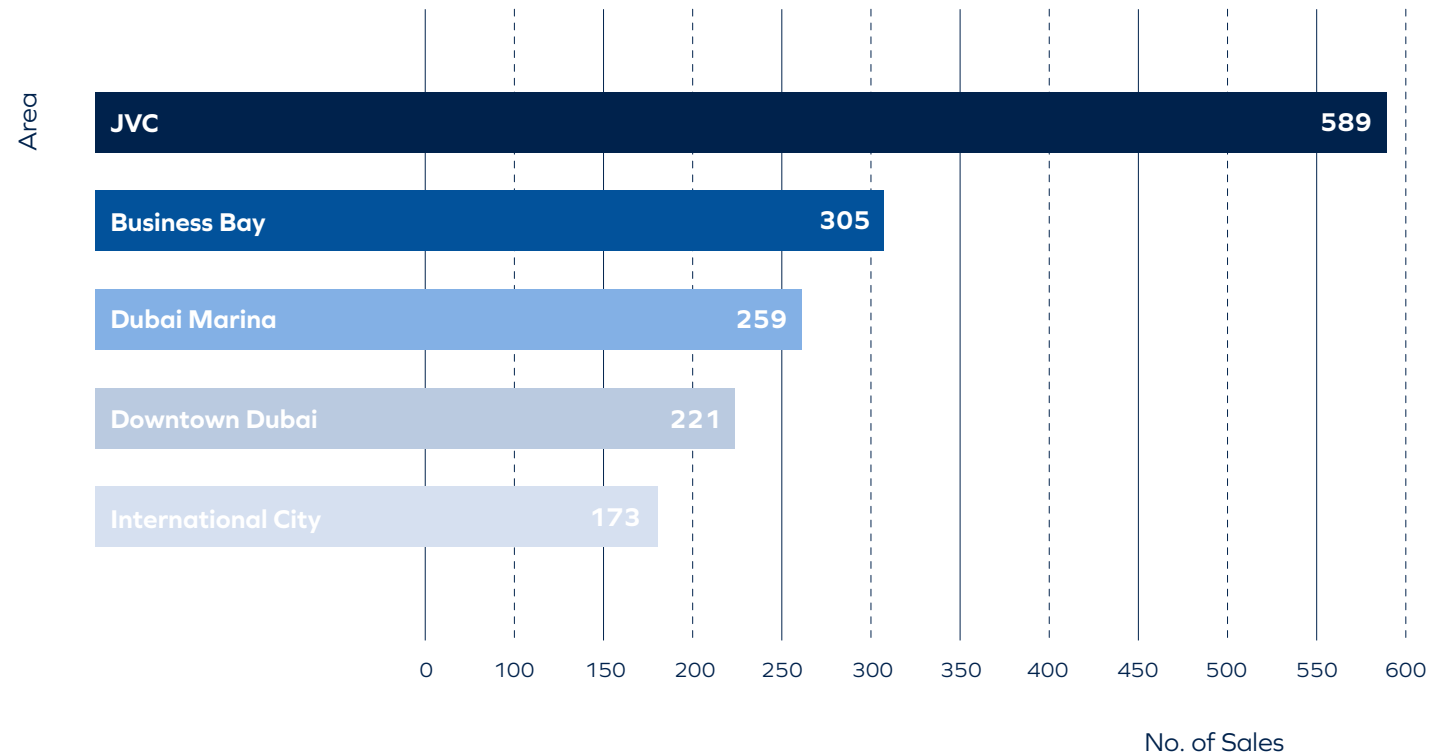
DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Top 5 Performing Areas - Secondary Sales



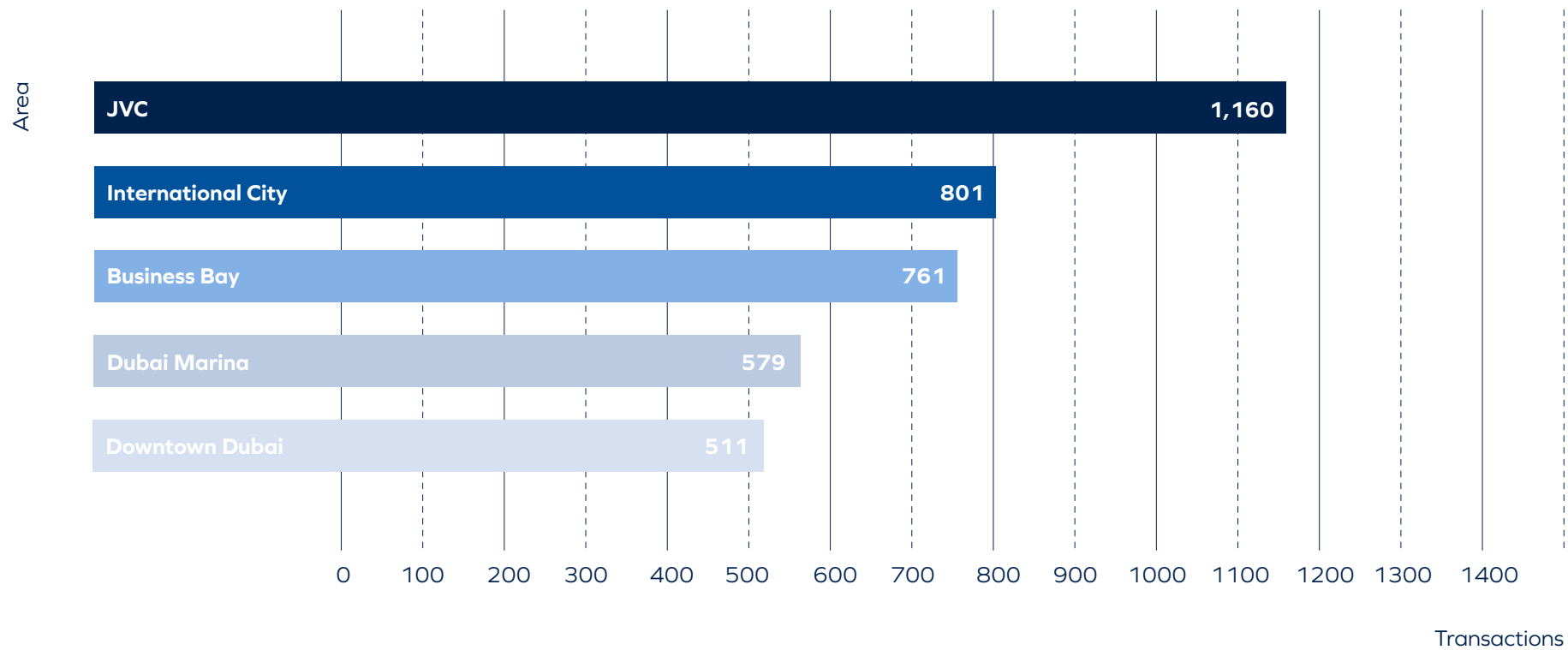
DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Top 5 Performing Areas - New Apartment Rentals



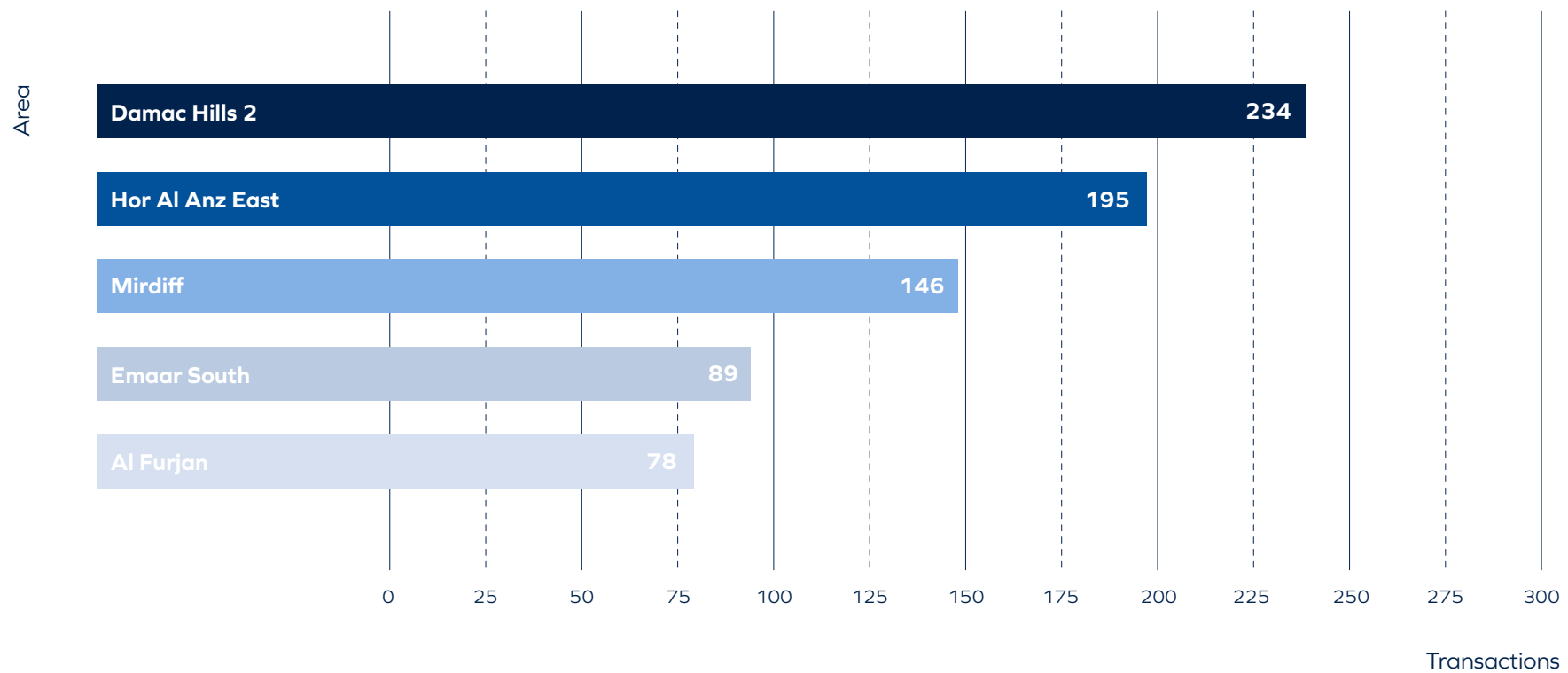
DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



Top 5 Performing Areas - New Villa Rentals



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

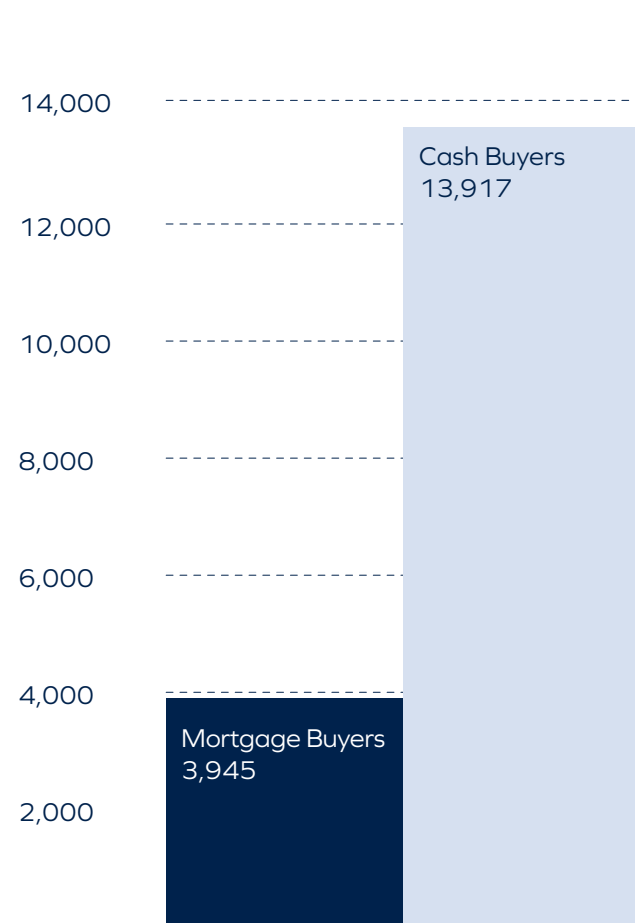


Mortgage Buyers v/s Cash Buyers

May 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025



	Mortgage Sales	Cash Sales
Apartments	2,843	11,187
Villas	1,102	2,730

April recorded 4,351 mortgage transactions and 13,693 cash deals. This trend likely persisted into May, with cash remaining dominant due to high liquidity, while mortgage activity held firm as end-user numbers rose.



Projects Due in May 2025



DUBAI RESIDENTIAL MARKET REVIEW
MAY 2025

City	Community	Property	Developer	Type	Studio	1BR	2BR	3BR	4BR	5BR	5BR+
Dubai	Downtown Dubai	Imperial Avenue	Sp International Property Developers L.L.C	Apartment	-	113	161	97	44	9	-
Dubai	Dubai Internet City	Signature Tower (The S Tower)	Sobha Real Estate L.L.C	Apartment	-	-	-	-	87	4	2
Dubai	Dubai South	The Pulse Beachfront 3	Dubai South Properties LLC	Villa	-	-	-	2	256	30	-
Dubai	Dubai Sports City	Eden Garden	Lokhandwala Builders	Apartment	136	210	32	16	-	-	-
Dubai	JVC	AURA by Grovy	Grovy Real Estate Development	Apartment	21	86	39	2	-	-	-
Dubai	JVC	Opalz Tower 2	Binghatti Holding Limited	Apartment	54	418	83	2	-	-	-
Dubai	JVC	Westwood Grande II By Imtiaz	Imtiaz Real Estate	Apartment	75	75	-	-	-	-	-

Analysts reviewing May 2025 data note a broad-based market demand, spanning entry-level apartments to trophy mega-mansions. Transactions included ultra-luxury villas priced around AED 300 million and high volumes of affordable mid-market homes. This breadth reflects a maturing market supported by diverse buyer profiles—first-time buyers, expatriates, regional investors, and global millionaires—all active in the market. This diversification adds resilience and reduces dependency on any single segment.

Property consultants highlight the exceptional performance of the villa and townhouse segments. Villa prices have risen by approximately 35% year-on-year and have nearly doubled since 2022, driven primarily by limited supply and strong demand for upgraded, move-in-ready homes. Buyers are prioritising space, community, and turnkey offerings, fuelling bidding wars in communities such as Arabian Ranches, Jumeirah Golf Estates, and Palm Jumeirah. Developers are expected to increase focus on villa supply, although delivery timelines remain long.

Market watchers are keeping a close eye on supply pipelines. Fitch Ratings projects a moderate correction of 10–15% in property prices by late 2025, anticipating a significant influx of new supply through 2026. However, given continued demand, such projections should be taken cautiously. Around 250,000 new units are expected between 2023 and 2026, with a peak of approximately 120,000 in 2026. This may outpace population growth (forecast at 5% annually), potentially easing current supply pressures. Any softening in prices is expected to be gradual and limited to specific areas. For example, Jumeirah Village Circle is expected to see around 20,000 new apartments delivered in the next 4–5 years, which may lead to temporary price adjustments.

Nonetheless, Dubai's demand fundamentals remain strong, and any deceleration is more likely to signal a market shift towards sustainability than a downturn. Experts characterise this phase as maturation, from extraordinary growth to more measured, healthy expansion.

In the commercial sector, demand for premium office space is surging. Vacancy rates are falling and rents rising in key business hubs, driven by expansions in finance, tech, and crypto sectors. Grade A offices now present a strong growth opportunity, contrasting with the sector's performance a decade ago. This demand may trigger further development in the coming years, presenting a compelling case for investors seeking diversification.

Foreign investment continues to play a pivotal role. Dubai has witnessed a 200% increase in its millionaire population over the past decade, reinforcing its global appeal. This influx supports liquidity, especially in the high-end sector. Analysts agree that Dubai's position as a secure, business-friendly, luxury lifestyle city is now firmly established. With favourable policies and global investor trust, Dubai remains ahead of most international property markets in growth, offering long-term promise and opportunity for both developers and investors.



Aldo De Jager
General Manager

0561032314
a.dejager@hamptonsuae.com



Amalia Legras
Sales Manager

0508513481
a.legras@hamptonsuae.com



Sohail Raja
Valuations & Research Manager

0504435997
sohail.raja@hamptonsuae.com



Shady Gouda
Senior Sales Manager

0505259052
sgouda@hamptonsuae.com



Alex Devenport
Sales Manager

0503957748
alex.d@hamptonsuae.com



Samuel Hitchcock
Sales Manager

0585998202
samuelh@hamptonsuae.com



Alisha Azzopardi
Property Management & Leasing Manager

0553939207
alisha.a@hamptonsuae.com



Important Notice

This Dubai residential market report has been prepared by Hamptons' Valuations and Research team. The information contained herein is from reliable data source providers. Any reproduction, whether in whole or in part, is strictly prohibited without the prior approval of the company.

Office 101, First Floor, Building no. 3, Emaar Business Park, Dubai, UAE



@hamptonsdxb



hamptonsdxb



hamptonsdxb



hamptonsdxb