

Dubai Residential

July 2025 | Market Review

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

Valuations & Research Department



DUBAI RESIDENTIAL MARKET REVIEW
JULY 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

Market Highlights



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025



Summer Sales Surge

Defying the typical summer slowdown, Dubai's property market saw a sharp rebound in July 2025 with 20,322 sales transactions totaling approximately AED 65.1 billion, one of the highest monthly totals on record. This marks a 21% jump in volume and 16% rise in value compared to June's activity, which had dipped slightly. In fact, July 2025 was the second-best month ever for Dubai real estate by value, reflecting resilient investor sentiment and liquidity.

Transaction volumes were also about 27% higher than July 2024, underscoring the market's robust annual growth trajectory. Analysts note that clear regulations, strong economic fundamentals, and new opportunities continue to fuel buyer confidence, even as a large pipeline of projects is being absorbed.



Apartments Lead the Market

Apartments remained the dominant segment by far – accounting for roughly four-fifths of all sales in July. A total of 16,286 apartment transactions were registered, with a combined value of AED 32.2 billion.

This is a massive increase from about 13,000 apartment sales in June (AED 26.7B) and even 28% higher year-on-year (16,272 units in July 2024). Affordable and mid-market apartments drove much of the volume, pulling the average apartment price to around AED 1.3 million (about 2% lower than a year ago) as sales in budget-friendly areas surged.

Key hubs like Jumeirah Village Circle (JVC), Dubailand, Business Bay, and Dubai Marina saw the heaviest apartment activity, thanks to attractive prices and rental yields of ~6-8%. Demand was bolstered by new project launches and by the First-Time Home Buyer programme, which channeled many tenants into purchasing starter flats.

Developers continued to entice apartment buyers with post-handover payment plan schemes, sustaining this segment's momentum. Overall, apartments remain the bellwether of Dubai's market, catering to everyone from entry-level buyers to luxury penthouse investors.



Villa/Townhouse Demand Resilient

The villa and townhouse segment held steady at high levels, recording 2,967 sales worth about AED 19.1 billion in July (virtually unchanged from 3,017 deals and AED 19.3B in June).

This stability, after May-June's slight cooldown, signals that end-user appetite for larger homes remains robust despite limited supply. In fact, villa values continue to climb – the average villa sale price reached roughly AED 5.2 million in July, up a remarkable 32% compared to July 2024. Popular family communities such as Dubai Hills Estate, Arabian Ranches, Palm Jumeirah, and Jumeirah Golf Estates remained highly sought after, often with more buyers than listings available.

Many desirable villa enclaves have seen double-digit annual price gains (some homes nearly doubling in value since 2022) due to fierce competition for move-in-ready family houses. Even newly launched villa phases tend to sell out quickly on launch, underscoring persistent demand. July saw developers ramping up new villa supply to tap this market – for example,

Emaar unveiled an equestrian-themed luxury villa community (“Grand Polo Club & Resort”) offering ~237 villas and other phases like “Montura” and “Chevalia Estate” in Dubai South. Such launches aim to ease the supply crunch, but most new units will only be delivered years out, meaning near-term villa prices and competition are likely to stay elevated.



Commercial & Land Segments Jump

Dubai’s commercial property and land plot segments saw a significant uptick in July. There were 607 commercial sales (≈AED 1.5B value), leaping from 395 deals (AED 1.0B) in June – a ~67% month-on-month volume increase. Similarly, 462 land plot transactions (≈ AED 12.2B) took place, up from 326 (AED 9.3B) in June.

This surge in activity suggests pent-up demand and possibly several bulk deals concluded during the month. In the commercial space, offices comprised the majority of sales, alongside some retail units, as investors sought to capitalize on record-high office rents and tight vacancies. Prime office areas (DIFC, Downtown, Business Bay) remain effectively full, giving landlords strong pricing power.

Notably, July’s commercial sales were ~58% higher than a year ago in volume, reflecting businesses’ expansion and an influx of commercial investors.

On the land front, the jump in deals may be partially attributed to developers aggressively land-banking for upcoming projects. July witnessed progress on mega-developments like Palm Jebel Ali, where master-developer Nakheel launched initial villa communities on multiple fronds and private developers started securing parcels for new projects. While no single land sale in July matched June’s record AED 365M Palm Jumeirah plot purchase, overall spending on land stayed robust – underscoring that strategic plots (especially waterfront and prime locations) are in intense demand as Dubai’s growth spreads to new areas.



Off-Plan Dominance Continues

Off-plan (new development) sales continued to dominate the market in July, highlighting unwavering confidence in Dubai’s development pipeline. Preliminary data indicate off-plan transactions still comprised the majority of deals (roughly 60–70% of total sales), consistent with recent trends.

Developers launched a wave of new projects in July to meet this demand. For instance, Emaar Properties rolled out a 50-storey tower “Silva” in Dubai Creek Harbour’s new Green Gate district (434 units) and began sales for “Selvara” villas at the Grand Polo Club & Resort, capitalizing on strong buyer interest. Major launches by other developers also grabbed headlines – Deyaar introduced DWTN Residences, a 110-floor skyscraper in Business Bay, and Nakheel opened sales on Palm Jebel Ali Frond B and C communities, among many others.

These new off-plan offerings, ranging from starter homes to super-luxury villas, were met with enthusiastic uptake, further fueling sales volumes. In July, the most popular off-plan developments included large master-plan communities and high-profile towers; for example, an affordable JVC high-rise (Binghatti Skyrise) alone saw nearly 500 unit sales. This off-plan fervor, supported by developer incentives and Dubai’s growth story, continues to drive the market – though experts note that a record number of project deliveries in 2025–26 will test the market’s absorption capacity in the coming years.



Ultra-Luxury Segment Stays Hot:

The top end of the market maintained its record-breaking streak in July. The month's priciest deal was an AED 174 million penthouse at the Aman Residences Dubai (Jumeirah) – one of the most expensive apartments ever sold in Dubai. In the villa segment, an ultra-luxury mansion in Jumeirah Second fetched around AED 250 million, ranking among the highest villa sales of the year. Overall, high-value properties continue to account for a significant share of activity – units priced above AED 5M made up roughly 13% of all July transactions by volume, a clear indication of sustained interest from ultra-high-net-worth buyers.

Industry observers report that luxury sales (especially villas and branded residences) have multiplied several-fold since 2020, bolstered by Dubai's appeal to global wealthy investors and "millionaire migrants." Around 70% of luxury home purchases in 2025 have been off-plan, as affluent buyers eagerly reserve bespoke homes in new flagship communities.

This sustained luxury boom is underpinned by limited supply in top neighborhoods, developers catering to upscale tastes, and Dubai's safe-haven status. As long as global elite demand stays strong, Dubai's ultra-prime segment is expected to remain buoyant, setting new benchmarks for pricing.



First-Time Buyer Programmeme Sparks Buying:

A new First-Time Home Buyer initiative, launched by Dubai authorities in early July, has started to boost end-user activity in the market. The programme offers UAE residents special incentives – priority access to new launches, up to 10% developer discounts on properties under AED 5M, reduced fees, and flexible 18-year mortgages – to encourage tenants to become homeowners. Initial response has been overwhelming: developers report receiving 500–1,000 inquiries per day since launch, with thousands of first-time buyers registering interest (mainly for homes under ~AED 1.5M). Approximately 70% of inquiries have been for affordable segments, indicating a surge of new demand from end-users who previously rented.

This policy move is expected to broaden the buyer base and absorb supply in the affordable and mid-tier range. By lowering barriers to ownership (e.g. allowing 0% interest on DLD registration fees, developer price discounts, and easier financing), the programme is turning more long-term residents into buyers. In the coming months, this should support transaction volumes and help stabilize the rental market as some renters take the leap into ownership.

Developers like Emaar, Damac, Nakheel, and Azizi have all signed on, and the initiative aligns with Dubai's broader goals (under the 2033 strategy) to increase homeownership among residents. Overall, the first-time buyer stimulus is a timely catalyst that will fortify demand in the lower-priced tiers and add momentum to Dubai's real estate growth story.

Segment Breakdowns



Apartments



Apartments dominated July sales with 16,286 transactions worth AED 32.3 billion, roughly 80% of all properties sold in Dubai. This marks a huge upswing from June's ~13,027 apartment deals (AED 26.7B), and reflects both seasonal buyers and new entrants energizing the market.

Key factors driving apartment demand include relative affordability (the average apartment price ~AED 1.3M), attractive rental yields around 7%, and continuous population growth fueling housing needs.

Notably, July saw an influx of first-time buyers in the apartment segment, spurred by the new incentives – many residents who had been renting smaller units took advantage of discounts and priority launch access to purchase their first homes.

Off-plan sales were the primary engine of apartment activity. Buyers snapped up units in newly launched projects across the city: for example, Binghatti's Skyrise tower in JVC recorded 485 off-plan apartment sales in July, the most of any project, while Sobha's new tower in Hartland tallied over 250 sales. Established apartment hubs also maintained high volumes.

Jumeirah Village Circle (JVC), with its abundance of new mid-market projects, once again ranked among the top areas by transactions. Business Bay and Downtown Dubai saw brisk sales of both ready and off-plan units (boosted by luxury towers like Deyaar's 110-storey DWTN Residences launch). Waterfront locales such as Dubai Marina and Dubai Creek Harbour remained popular for upscale apartments, including second-home buyers and foreign investors targeting scenic properties.

Meanwhile, emerging communities in Dubailand and Mohammed Bin Rashid City continued to attract budget-sensitive buyers with modern, off-plan apartments at lower price points. Developers supported the apartment segment's momentum by offering aggressive incentives. Many off-plan apartment launches in July came with flexible payment plans (e.g. 80/20 or 60/40 split) and post-handover payment periods of several years to ease buyer financing.

These tactics, combined with the government's first-homebuyer programme, significantly expanded the pool of apartment buyers. As a result, apartment sales in July were ~28% higher in volume than the same month last year – a clear testament to the sustained appeal of this segment. Going forward, apartments are expected to remain the workhorse of Dubai's real estate market. While an oncoming supply wave in 2025–26 may gradually temper price growth, current trends suggest apartment transactions will stay elevated, backed by end-user demand, investor appetite for income properties, and Dubai's ongoing urban expansion.

Segment Breakdowns



Villas & Townhouses



Dubai's villa and townhouse market remained highly active and resilient in July, albeit without the dramatic growth seen in apartments. There were 2,967 villa/townhouse sales totaling AED 19.1 billion, essentially flat compared to June's 3,017 deals (AED 19.3B). This plateauing at a historically high level indicates that demand is holding firm despite limited available inventory. By volume, villa sales were about 5% higher than in July 2024, reflecting steady year-on-year growth.

Importantly, prices in this segment continue to push upward due to the persistent supply-demand imbalance. The average villa transaction in July was around AED 5.2 million, a leap of over 30% from a year ago and significantly higher than pre-2022 norms.

Several familiar dynamics underpinned the villa market's strength. End-user families and upgraders remain key drivers, prioritizing spacious homes, private gardens, and community amenities – lifestyle features that gained premium value post-pandemic and have sustained their appeal.

Popular suburban communities like Arabian Ranches, Dubai Hills Estate, and Palm Jumeirah continued to see intense buyer interest. Well-located listings in these areas often field multiple offers; for instance, any reasonably priced four-bedroom in Dubai Hills or a modern Mediterranean villa on the Palm can spark bidding contests. Even secondary villa locations (e.g. Town Square, DAMAC Hills 2) are benefiting as buyers extend their search for relative affordability.

Undersupply of quality villas remains the pinch point: many established villa enclaves have virtually no new inventory coming online, forcing buyers either to chase a limited resale pool or turn to off-plan alternatives.

Off-plan villa projects did play a notable role in July. Developers recognize the excess demand and are launching new villa communities to capture it. In addition to Emaar's Grand Polo Club & Resort releases (catering to luxury villa seekers with an equestrian twist), other launches targeted various price brackets.

For example, Nakheel's initial offerings on Palm Jebel Ali included exclusive waterfront villas, signaling a return of ultra-high-end island mansions to the market. More affordably, MAG's The Oasis project (unveiled earlier) and new phases in Damac Lagoons continued to draw villa investors with themed communities and attractive post-handover plans. Despite these launches, it will be some time before construction finishes – meaning buyers seeking near-term ready villas still face a very tight market.

Segment Breakdowns



Overall, Dubai's villa/townhouse segment in July remained robust and price-competitive. While monthly sales volumes have normalized after the spring spike, the fundamental trend is upward: well-heeled end-users and yield-focused investors alike are eager to secure villas, and they have shown willingness to pay a premium. So long as supply lags demand, villa prices are expected to stay elevated.

Industry projections suggest relief may come by late 2025 when a number of new villa projects reach completion, potentially expanding choices for buyers. In the interim, the combination of Dubai's fast-growing population, high-net-worth immigration, and lifestyle appeal will keep this segment as a cornerstone of the real estate market.

Villas have firmly entrenched their status as a coveted asset class in Dubai, blending strong capital appreciation potential with the prestige of spacious living – a formula that continues to attract both local and international buyers.

Commercial Properties

Dubai's commercial real estate segment experienced a notable surge in activity during July 2025, building on the strong fundamentals observed earlier in the year. A total of 607 commercial property sales were recorded in July, with a combined value of approximately AED 1.5 billion.

This is a substantial jump from June's 395 transactions (AED 1.0B), and represents a 55% increase in volume compared to July 2024 – an impressive growth rate for this sector. The majority of deals were concentrated in the office sub-sector, along with a number of retail (shop/showroom) unit sales, while industrial/warehouse transactions remained relatively limited.

The spike in sales could partly reflect some bulk portfolio transactions or newly released office inventory hitting the market, given that quality commercial assets have been in short supply.

Demand for offices in particular is at record highs. As noted in recent market reports, prime office spaces in Dubai are effectively fully occupied – for instance, DIFC's office occupancy hit 98% in H1 2025, and Downtown and Business Bay offices are near capacity as well. This has led to extraordinary rent escalations (average Grade A office rents were up ~45% year-on-year in early 2025) and landlords attaining unprecedented pricing power.



Segment Breakdowns



In July, continued expansion of finance, tech, and professional services firms in Dubai kept the pressure on for space. Some institutional investors and high-net-worth individuals are thus keen to acquire whatever office units or buildings become available, betting on further rental growth and capital appreciation. However, the market's challenge has been scarce supply – few prime office buildings are up for sale, and those that are often command hefty premiums and low yields due to the bullish rent outlook. The surge in July's commercial sales might indicate that sellers took advantage of high pricing to offload some assets, or that new office developments released units for strata sale to investors.

Beyond offices, retail commercial properties (shops and small storefronts) also saw increased trading in July. As Dubai's population and tourism spend grow, well-placed retail units – especially in established shopping districts or ground-floor spaces in new residential towers – have attracted investor interest for their steady rental income.

Additionally, with hospitality and tourism booming this year, there's anecdotal evidence of heightened demand for hotel retail spaces and short-term rental-friendly properties, though no major hotel building sales were recorded in July. Industrial real estate (warehouses, logistics facilities) remained a niche segment with few sales, as much of it is held by long-term owners or REITs and rarely comes to market.

Overall, Dubai's commercial property segment in July exemplified a landlord's market transitioning into an investor's market – landlords are enjoying high rental yields amid low vacancies, and investors are actively seeking to join in by purchasing commercial assets. The outlook remains optimistic: business formation and expansion in Dubai are strong, underpinned by economic diversification and the emirate's status as a regional hub. As long as this growth continues, demand for offices and other commercial spaces should stay solid.

New supply is on the horizon (with several office projects slated for 2025–26), but importantly, many upcoming buildings already have significant pre-leases, suggesting new supply will be absorbed gradually rather than causing a glut. Barring any oversupply risk in the distant future, the commercial segment is expected to remain buoyant, offering diversification for real estate investors. Indeed, July's heightened sales activity underscores that Dubai's commercial real estate is now seen as a compelling investment class, not just a niche, thanks to the city's thriving business ecosystem.

Segment Breakdowns



Land Plots



The land plot segment of Dubai's real estate market saw heightened trading activity in July 2025, continuing a trend of strong demand for development land. There were 462 land plot transactions registered across Dubai in July, with a total value of roughly AED 12.2 billion. This is a significant increase from June's 326 plot sales (AED 9.3B), marking about a 69% jump in volume and 36% uptick in value month-on-month.

Such volatility in land sales is not uncommon, as a few large transactions can dramatically swing monthly totals. In July, the volume surge suggests numerous small and mid-sized plots changed hands, alongside a handful of big-ticket deals. Average deal sizes were a bit lower than in June, implying that while investor appetite for land remained voracious, the month didn't rely on any single blockbuster sale but rather a broad base of transactions.

Prime land remains extremely sought-after. Although July did not see a sale eclipsing June's record-setter (a 90,000 sq ft Palm Jumeirah frond plot that sold for AED 365M in June), interest in marquee plots has only intensified. Notably, July witnessed tangible progress on Palm Jebel Ali, Dubai's revived island megaproject. After announcing partnerships in early July to jump-start Palm Jebel Ali's development, master developer Nakheel in July launched sales for the first residential fronds (e.g. Frond B and C), offering luxury villa plots and off-plan homes on the new island [prelaunch.ae](https://www.palmjebelali.ae).

These initial offerings reportedly met with strong demand from both end-users and developers, signaling confidence in the long-term vision of Palm Jebel Ali. Such mega-project milestones tend to involve significant land transactions (whether through developer bulk purchases or high-value plot sales to individuals), which likely contributed to the monthly figures. Beyond headline projects, domestic developers and private investors continued snapping up plots in various areas for future construction. Many transactions in July were for plots in emerging residential zones – for example, areas in Nad Al Sheba, Jebel Ali Village, Al Yufrah (Dubai South) and other fringe locations saw active trading.

These buyers often intend to build villas, townhouse clusters, or low-rise apartment buildings to capitalize on the housing demand. Industry data earlier this year showed over 7,700 plots were transacted in the first 100 days of 2025, highlighting the aggressive land acquisition trend.

Segment Breakdowns



In summary, Dubai's land segment in July remained bifurcated yet robust. On one hand, ultra-prime plots – think waterfront parcels, central city lots – are exceedingly scarce and commanding higher premiums seemingly every quarter. On the other hand, secondary location plots are trading in larger numbers, providing opportunities for development but at more modest price points. The strong July showing underscores that investors view land as a lucrative asset for development and long-term capital appreciation.

This is bolstered by Dubai's pipeline of infrastructure and new master plans (under the 2040 Urban Master Plan), which continually bring fresh areas into focus. Looking ahead, land transaction levels may fluctuate depending on when large project-related sales occur, but we expect healthy underlying demand for land to persist. As developers jockey to secure key sites for the next wave of projects, land will remain a critical component of Dubai's real estate expansion, with values in prime zones likely to keep rising until new supply balances the hunger for land.



Dubai's real estate outlook for the remainder of 2025 remains broadly positive, though most experts anticipate a gradual moderation from the breakneck growth of the past two years toward a more sustainable pace. The consensus among analysts is that demand will stay broad-based – spanning first-time homebuyers (now encouraged by new incentives), mid-market end-users, regional investors, and global high-net-worth individuals – but the extraordinary price appreciation seen in 2022–early 2024 is expected to cool off somewhat.

A major reason is upcoming supply. After a relatively tight supply situation recently, a wave of new projects is scheduled for completion between late 2024 and 2026. Fitch Ratings projects roughly 250,000 new residential units will hit the Dubai market by 2026 (from projects launched in 2023–24), with annual deliveries rising from ~30k units in 2024 to 90k in 2025 and up to 120k by 2026. This represents an unprecedented expansion of housing stock that far exceeds Dubai's organic population growth rates. As this supply surge materializes, it should gradually move the market toward better balance, relieving some of the upward pressure on prices and rents.

In fact, property consultants are forecasting that Dubai home prices could see a mild correction of around 10–15% by late 2025 into 2026, primarily as a healthy normalization after the unsustainably rapid gains of recent years. Crucially, this is not expected to be a severe downturn or crash, but rather a selective cooling. Any price softening is likely to be segmented and localized. Prime locations and established communities will probably hold values more robustly – properties in Dubai's most desirable waterfront and central districts have a deep pool of affluent buyers and long-term investors, lending them resilience against oversupply.

In contrast, some emerging areas with an abundance of new units (for example, the tens of thousands of apartments coming to JVC and Dubailand) may see temporary price dips or more negotiable terms for buyers as inventory builds up. Rental yields, which have been exceptionally high, are already compressing modestly as prices rose faster than rents; average gross yields have dipped into the ~6–7% range for apartments and ~5% for villas in many areas.

With thousands of new homes slated to complete, yields might face a bit more downward pressure if rents stabilize or soften. That said, Dubai's yields will remain attractive by international standards, and any moderation in yields will likely coincide with improved affordability for residents, which in turn can spur additional end-user demand. On the policy front, government initiatives are providing a supportive backdrop for a smooth transition to the next phase of the market.

The new First-Time Home Buyer Programme is expected to inject a fresh wave of demand at the lower end, as previously discussed – effectively turning more long-term renters into owners and helping absorb the upcoming supply in affordable segments. This will diversify the buyer mix and make the market less dependent on pure speculators, fostering stability. Additionally, Dubai continues to promote innovative investment channels. For example, the Dubai Land Department's recent move to enable tokenized real estate investments via blockchain platforms is opening the market to smaller investors and enhancing liquidity.

Market Outlook



Meanwhile, regulatory tweaks – such as stricter escrow regulations for off-plan developments and enforcement of quality standards – are bolstering confidence in the market’s transparency and long-term sustainability.

In summary, the medium-term outlook for Dubai real estate is one of tempered optimism. The market is transitioning from an extraordinary growth spurt to a phase of maturation and consolidation. We expect transaction volumes to remain high by historical standards, fueled by population influx and investment interest, even if price growth moderates to single-digit percentages or flattens in some segments. End-users should gradually gain more choices and bargaining power as new supply comes on line, which is a healthy development for the market’s long-term vitality. Barring any major shocks, the combination of Dubai’s proactive government initiatives, large development pipeline, and enduring global appeal suggests that the property sector will continue to expand and evolve on solid footing – just at a more sustainable pace. The exuberance of the past two years is gently cooling, but Dubai’s fundamentals point to a constructive cycle ahead, balancing growth with greater stability.



Dubai Transactions

Month on Month | June 2025 - July 2025

	June Transactions	June Value (AED)	July Transactions	July Value (AED)	Value Change %
Apartments	13,027	26,700,000,000	16,286	32,300,000,000	20.97%
Villas	3,017	19,300,000,000	2,967	19,100,000,000	-1.04%
Commercial	395	1,000,000,000	607	1,500,000,000	50.00%
Plots	326	9,300,000,000	462	12,200,000,000	31.18%
Total	16,765	56,300,000,000	20,322	65,100,000,000	15.63%

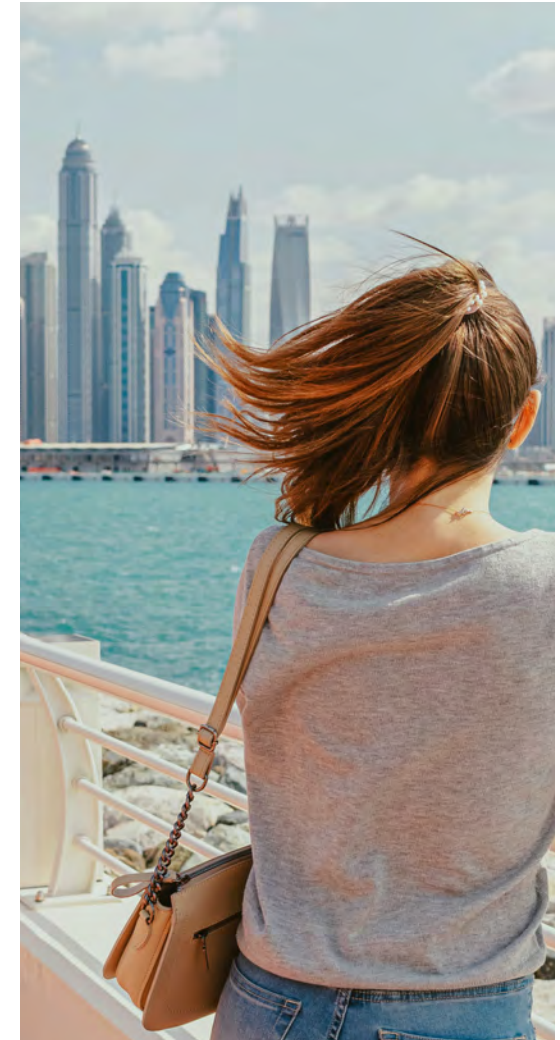
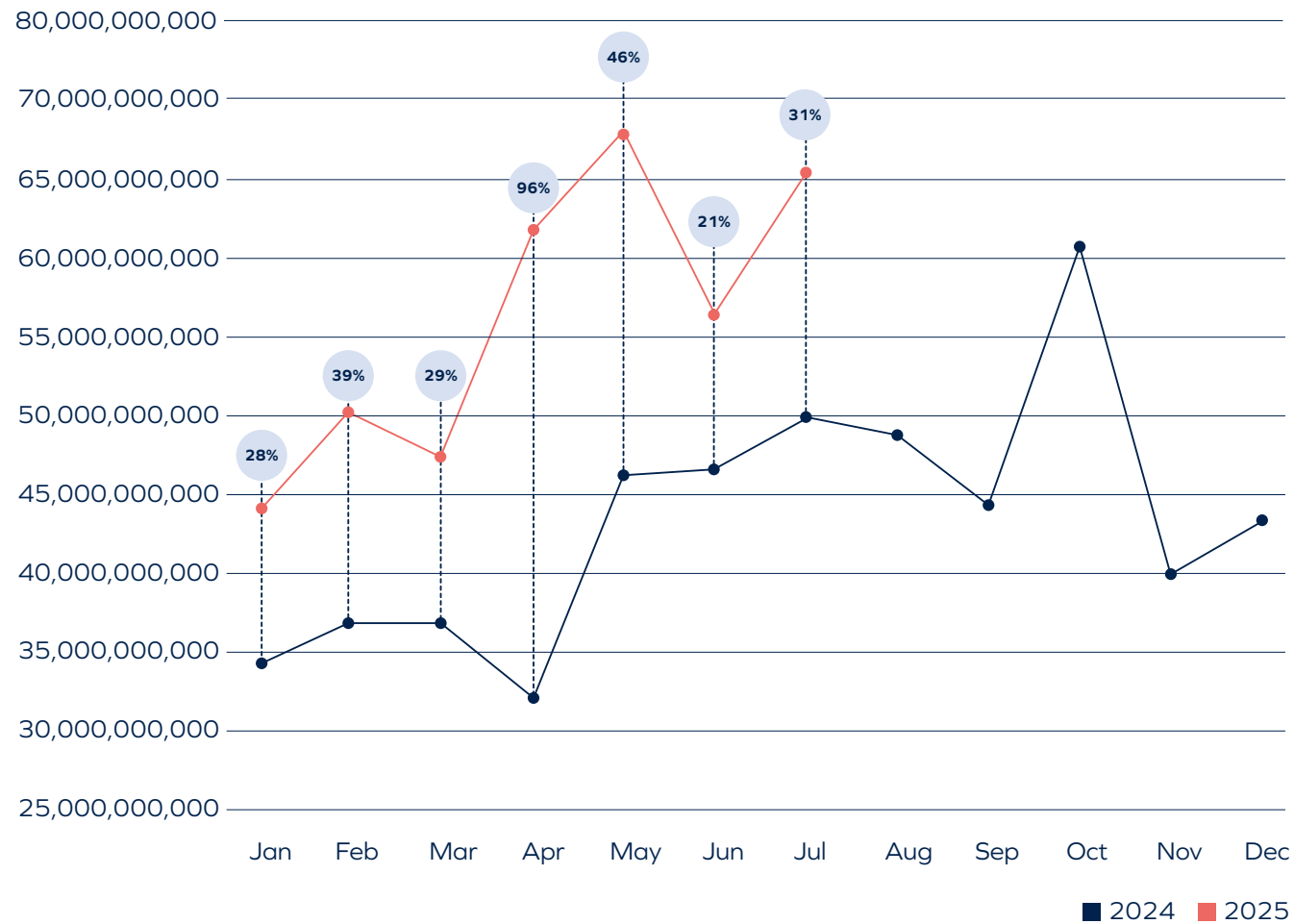


Transactions Value - Graph

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025



Transactions Value

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
JULY 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	65,100,000,000
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	

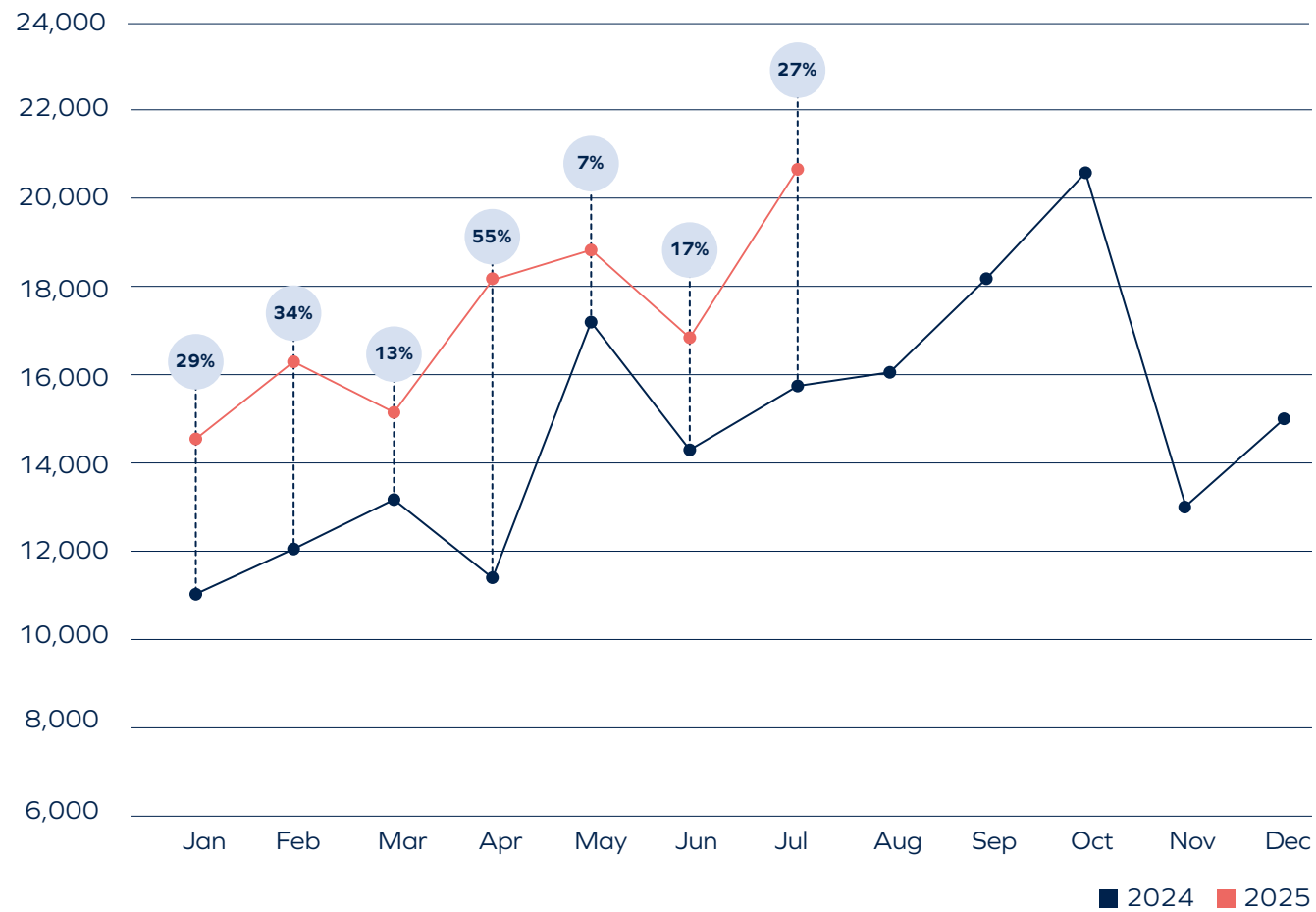


Transactions Volume - Graph

2024 v/s 2025



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025



Transactions Volume

2024 v/s 2025

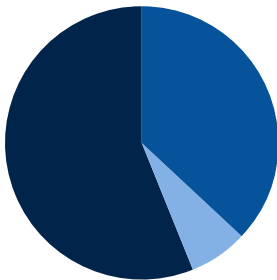


DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

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	20,322
August	16,159	August	
September	18,045	September	
October	20,315	October	
November	13,509	November	
December	15,079	December	



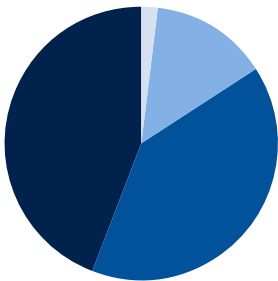
New Rental Transactions



■ Apartments	56%
■ Commercial	37%
■ Villas	7%

	June	July	Volume Change %
Apartments	15,672	22,659	44.58%
Villas	2,409	2,688	11.58%
Commercial	12,298	14,803	20.37%
Total	30,379	40,150	32.16%

New Commercial Rental Breakdown



Office	44%
Others	40%
Shops/Showroom	14%
Industrial	2%

	June	July	Volume Change %
Shops/Showroom	1,553	2,165	39.41%
Office	6,457	6,485	0.43%
Industrial	246	286	16.26%
Others	4,076	5,918	45.19%
Total	12,332	14,854	20.45%

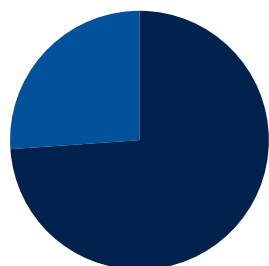
Residential Off Plan v/s Secondary Sales



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

Sales Volume	Off-Plan	14,273
	Ready	4,980

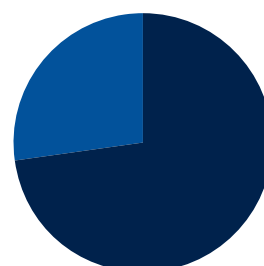
Residential Breakdown	Off Plan	Ready
Apartments	12,335	3,951
Villas	1,938	1,029



Off-Plan	74%
Ready	26%

Sales Value (AED)	Off-Plan	37,600,000,000
	Ready	13,800,000,000

Residential Breakdown	Off Plan	Ready
Apartments	25,100,000,000	7,200,000,000
Villas	12,500,000,000	6,600,000,000

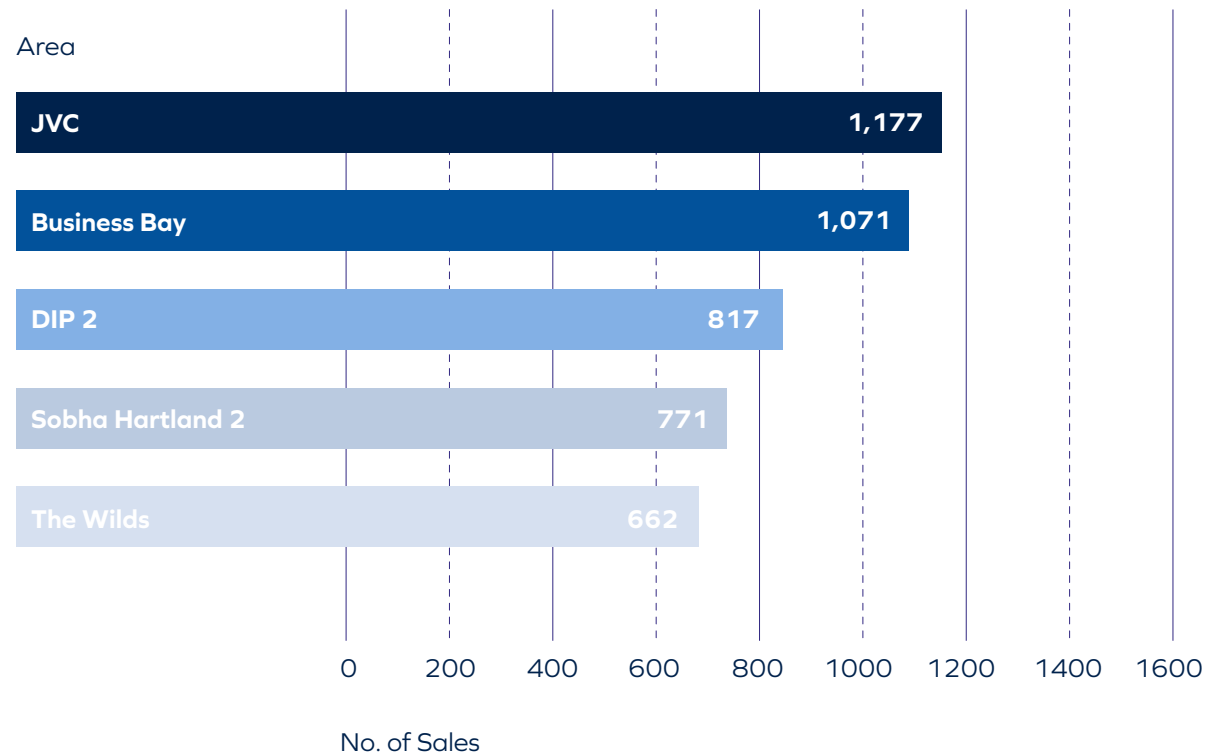


Off-Plan	73%
Ready	27%

Top 5 Performing Areas - Off Plan Sales



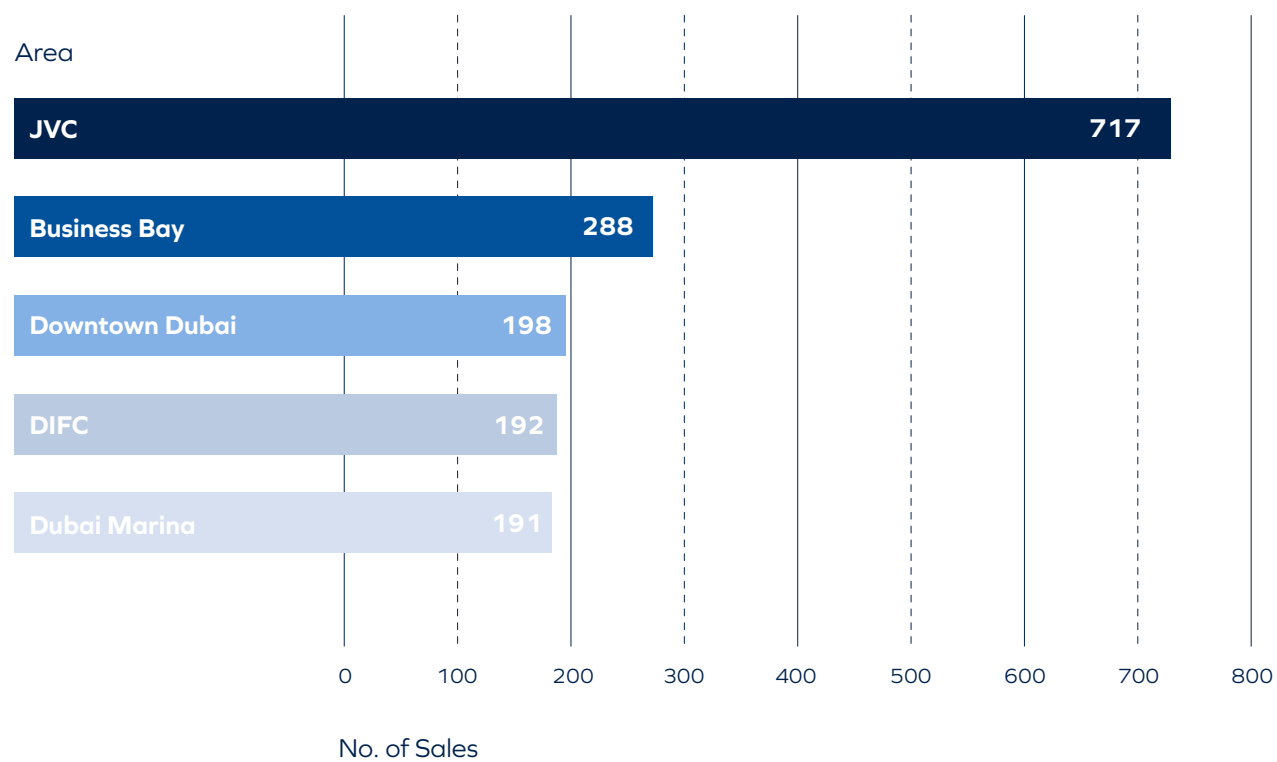
DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025



Top 5 Performing Areas - Secondary Sales



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025



Rental Transactions and Trends



Dubai's rental market in July 2025 showed a notable pickup in activity and a further gradual easing of rent growth pressures. According to Ejari lease registration data, there were approximately 40,150 rental transactions (new leases) in July, spanning residential and commercial properties.

This is a significant increase – about 32% higher than June's rental deal count (around 30,379) – indicating an unusually busy leasing month. Part of this surge may be seasonal: July and August often see tenant turnover as families relocate during summer or new expatriates move to Dubai ahead of the business season.

Specifically, apartment leases (new contracts) jumped to ~22,659 in July (versus ~15,672 in June, a ~45% month-on-month rise), suggesting a wave of new tenants and renewals in the apartment sector. Villa/townhouse rentals were around 2,688 in July (up from ~2,409 in June), as some families secured homes over the summer lull when competition slightly softens.

Commercial lease registrations (offices, shops, etc.) also climbed to roughly 14,803 in July (from ~12,298 in June), reflecting expanding business occupancy and perhaps more multi-year leases being signed by companies locking in space. The overall uptick in July leasing points to strong population and enterprise growth, even as the sales market also booms.

In terms of rent levels, the trend in July continued to be one of moderation compared to the steep increases of 2022–2023. Market reports and portal data show that rent rises have cooled to single-digit percentages in many areas, and some previously overheated pockets are seeing stabilization or slight declines. As of mid-2025, the average annual rent for a typical 2-bedroom apartment in Dubai was around AED 85,000 (roughly 5–10% higher than a year prior), while average villa rents (e.g. a 3–4 bedroom) hovered around AED 180,000–200,000 per year (perhaps 10–15% higher year-on-year) – much more restrained growth than the 20–30% spikes seen the year before.

A July report by Bayut & Dubizzle noted that the market is entering a phase of “healthy stabilisation,” with the imminent handover of **over 72,000 new homes in 2025 expected to stabilise rents and give tenants more choices. Indeed, as new supply comes online, renters are gaining back a bit of negotiating power. Landlords in some mid-range apartment districts (for example, parts of Deira, Bur Dubai) have had to hold rents flat or even offer slight discounts, after tenants pushed back and new projects in those areas provided alternatives.

In more upscale areas, rent growth has also tapered: prime apartment rents in Downtown and Dubai Marina are roughly flat to +3% on an annualized basis, and some high-end villa communities are seeing rent increases cool to single digits as well (notwithstanding a few ultra-luxury exceptions).

Importantly, rental yields – a key indicator for investors – remain attractive, although they have compressed slightly due to rising property values. Gross yields for apartments are now often in the 6–7% range, and for villas around 5–6%, down from the peaks but still high by global standards.

Rental Transactions and Trends



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

This ensures that Dubai real estate retains its draw for income-focused investors, even if the era of extreme landlord's market is tempering. Another emerging trend is an increase in multi-year leases and renewals as tenants seek to lock in current rents to avoid future hikes.

Landlords have been amenable to 2- or 3-year contracts in some cases, given the expectation that rent growth will be flatter moving forward. Additionally, the new first-time buyer initiative is already having an impact on the rental scene – with hundreds of longtime tenants now exploring buying their first home, some downward pressure on rental demand in the lower segments may materialize in coming months. This is actually a strategic aim: Dubai's authorities would like to see more renters transition to owners, which would naturally moderate rental market tightness and improve housing affordability.

In conclusion, Dubai's rental market in July 2025 appears to be at an inflection point. Activity is high – a testament to the city's growth – but rent increases are leveling off as new supply and policy measures kick in to balance the market.

Landlords still generally hold an upper hand, especially in prime locations where vacancy is effectively zero, but the frenzy of rent bidding wars has calmed compared to a year ago. Tenants can be cautiously optimistic that the worst of rent inflation is behind us, particularly with tens of thousands of new units set to be delivered and more ownership options available.

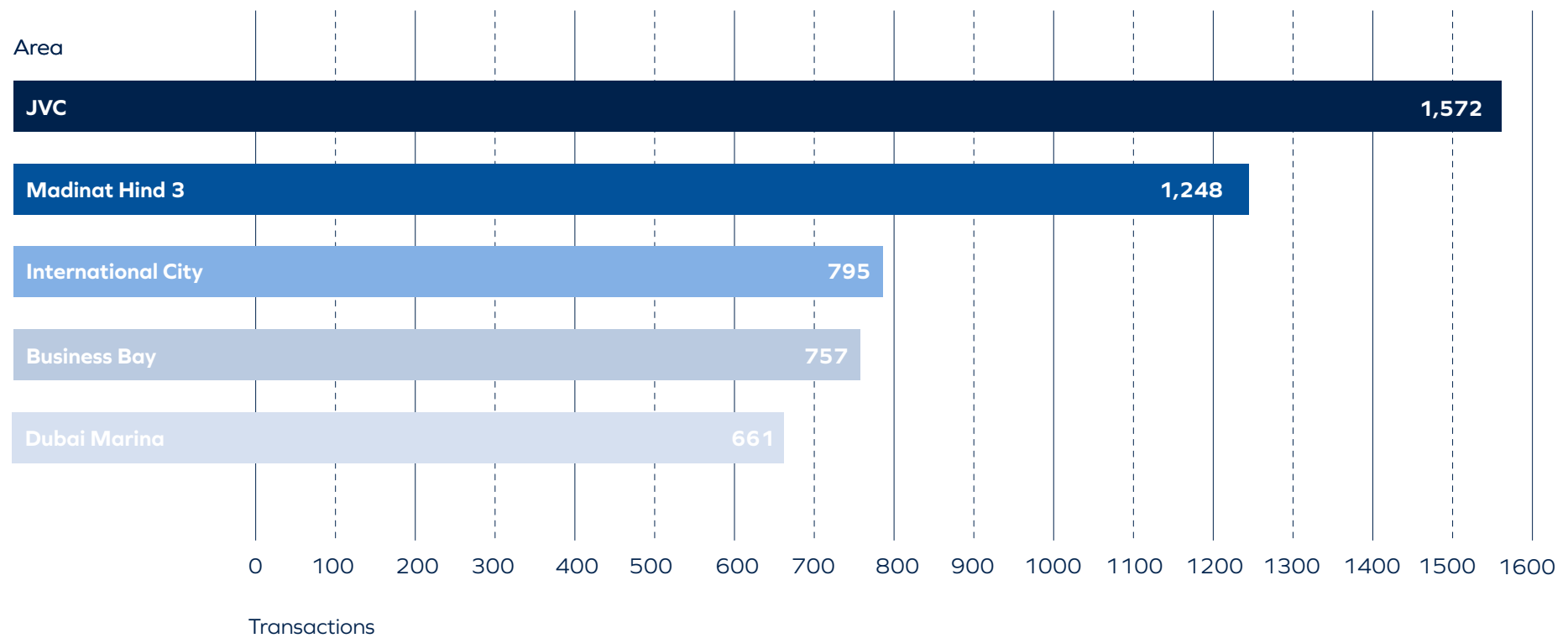
However, rents are unlikely to drop broadly; rather, a soft landing is anticipated where increases stabilize at low single digits in most areas. Dubai's rental yields will remain solid, and the market will continue to be bolstered by the constant influx of residents and businesses. The shift of some renters to buyers, along with the sheer volume of new housing supply on horizon, suggests that the rental sector is moving toward a more balanced state after a period of extreme tightness. This balance ultimately supports the overall real estate ecosystem – ensuring Dubai remains both an attractive investment market and a livable city for its residents in the long run.



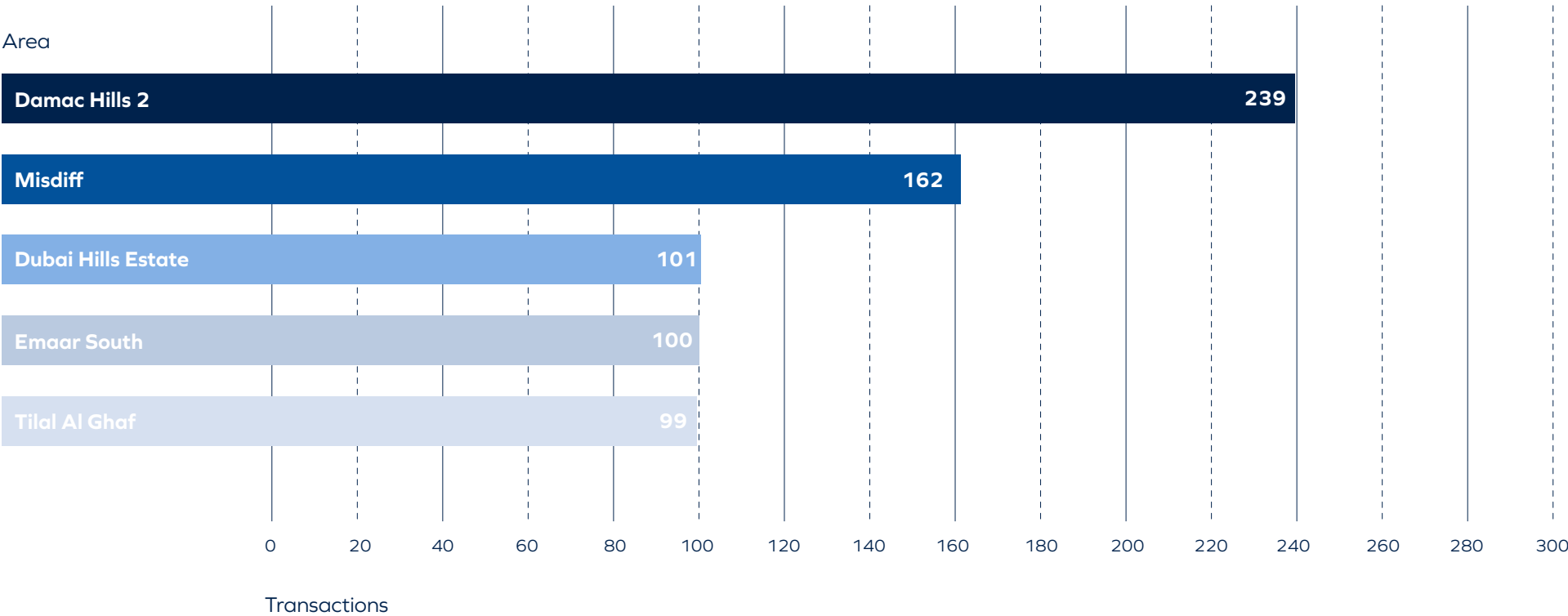
Top 5 Performing Areas - New Apartment Rentals



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

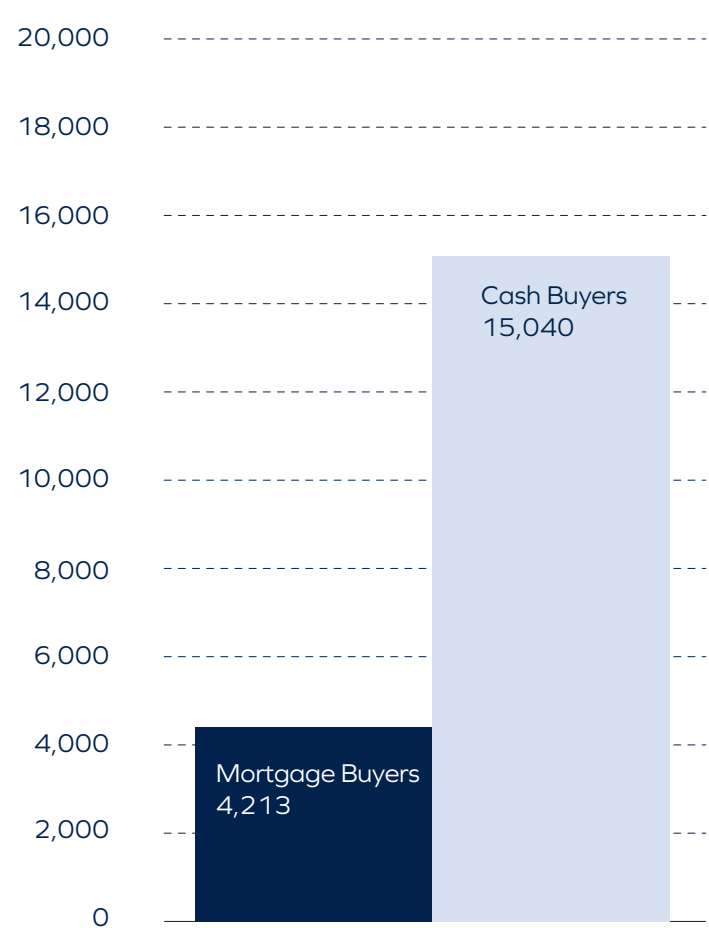


Top 5 Performing Areas - New Villa Rentals



Residential Mortgage Buyers v/s Cash Buyers

June 2025



	Mortgage Sales	Cash Sales
Apartments	3,075	13,211
Villas	1,138	1,829

Mortgage Transaction Value: 7,900,000,000



Mortgage Buyers v/s Cash Buyers



Dubai's real estate market remained firmly cash-driven in July 2025, with cash buyers accounting for the vast majority of transactions. Of the nearly 20,000 property sales recorded in July, an estimated 4,213 were mortgage-backed purchases, with financed value totaling approximately AED 16.8 billion. This represents around 18% of total transactions, consistent with the ratio seen in June and broadly in line with previous months. The remaining 82% of buyers paid in cash or through alternative non-mortgage financing arrangements. This mix reflects the ongoing dominance of cash purchases in Dubai, especially in luxury, off-plan, and investment-driven segments.

Off-plan transactions, in particular, continue to skew the numbers toward cash. Most off-plan sales do not involve traditional mortgage financing at the point of purchase. Buyers typically follow developer payment plans, which do not register as mortgages until the project is completed and handed over. These staged payments are considered cash until refinance occurs, if at all. Developers actively encourage this approach by offering flexible internal financing terms that negate the immediate need for bank loans.

Still, mortgage activity is on the rise, supported by a more competitive lending environment and improving affordability for end-users. Several UAE banks have introduced fixed-rate offers and exclusive deals tied to the government's First Home initiative, launched this summer. This programme, aimed at supporting first-time UAE residents entering the property market, includes reduced interest rates and longer fixed tenors — up to 18 years — with maximum loan-to-value (LTV) offers of 80–85% depending on eligibility. These incentives are starting to take effect and are expected to support stronger mortgage activity into Q4 and 2026.

The average mortgage rate in July remained steady, hovering between 4.25% and 4.75%. Banks continue to offer 25-year and even 30-year terms, which is improving monthly affordability for salaried end-users. Most mortgage-backed purchases in July were concentrated in mid-market communities like Dubai Hills Estate townhouses, Town Square, and Mira, where apartments and villas priced between AED 1 million and AED 3 million remain accessible to first-time buyers and young families.



Mortgage Buyers v/s Cash Buyers



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

Cash buyers, however, remain the dominant force across high-ticket segments. Overseas investors, institutional buyers, and those acquiring properties for the AED 2 million Golden Visa typically opt for full cash transactions. Likewise, commercial property purchases — 662 in July — were primarily cash-based, given the complexity of financing for non-residential assets. High-end villa buyers on the Palm or Emirates Hills also continue to close deals in cash, favoring speed and simplicity over leveraging.

Looking ahead, analysts expect the mortgage share of transactions to grow slowly but steadily. If interest rates ease in late 2025 or early 2026 — a possibility depending on global inflation trends — borrowing may become more attractive. More importantly, the success of the First Home initiative could gradually shift the market toward greater end-user financing. Should its uptake grow, the market could see the mortgage share climb toward 25–30% over the next year, particularly in the apartment and townhouse segments.

In short, while cash still dominates Dubai's real estate landscape, mortgage-backed buying is expanding quietly but meaningfully. This balance — abundant liquidity at the top end and growing credit use in the mid-tier — provides a healthy,

diversified foundation for the market. It ensures that demand is not overly reliant on speculative investors and that end-user participation continues to deepen, supporting long-term market stability.



Projects Due in August 2025 (Q3)



DUBAI RESIDENTIAL MARKET REVIEW
JULY 2025

City	Community	Property	Developer	Type	Studio	1BR	2BR	3BR	4BR	5BR	5BR+
Dubai	Business Bay	Peninsula One	Select Group	Apartment	186	182	141	9	-	-	-
Dubai	Dubai Marina	Ciel Vignette Collection	The First Group	Serviced/ Hotel Apartment	2,366	220	-	-	-	-	-
Dubai	Dubai Marina	Marina 101	Sheffield Real Estate	Apartment	-	252	204	42	-	-	8
Dubai	Villanova	La Violeta 2	Dubai Properties	Villa	-	-	-	146	80	-	-

Resilient Buyer Pool

Analysts reviewing July's record-breaking results point to the sustained diversity in buyer profiles as a core reason for Dubai's ongoing real estate resilience. July recorded nearly 20,000 property transactions worth AED 72.8 billion — a 21% increase in volume and 16% rise in value compared to June. Demand was not concentrated in any one tier or demographic. Affordable studios under AED 600k, mid-market units in well-connected communities, and AED 300 million luxury villas all changed hands, reflecting depth across the price spectrum.

Expatriate end-users, GCC buyers, institutional investors, and global high-net-worth individuals continue to drive the market forward. Experts note that this balance protects the market from single-segment shocks. In July, the launch of the UAE's "First Home" initiative — offering reduced fees and financing support for qualifying first-time buyers — was seen as a direct effort to support mid-income residents and create a steady domestic base of homeowners.

Villa Market Cools Slightly, But Remains Tight

While villa prices have surged over the past three years, July 2025 data suggests some signs of normalization. Villa sales totaled 3,065 transactions worth AED 19.5 billion, down marginally from June. Experts link this to rising price ceilings and growing affordability pressures. However, prices in most prime areas remain firm, driven by persistent undersupply of completed, ready-to-move-in villas. Locations like Dubai Hills Estate and Palm Jumeirah continue to see bidding activity for renovated family homes, with values still 90% higher than three years ago.

Developers are accelerating new villa project announcements — including Emaar's expansion at The Oasis and the upcoming Emirates Living cluster redevelopment — but market watchers caution that supply remains years away from material impact. Analysts expect the villa segment to stay strong in the long run, though the pace of growth may now moderate in line with cost-of-living realities and borrowing constraints.

Oversupply Still a Risk, But Delayed Deliveries Provide a Buffer

Industry voices remain divided on the oversupply narrative. While over 240,000 new units are slated for delivery between 2023 and 2026, the actual pace of handovers continues to trail announcements. July reports suggest only 40% of under-construction stock is beyond the 30% completion mark. Developers are phasing projects and managing release timing to protect pricing power.

Experts now believe that while select communities (e.g. JVC, Dubai South) may experience short-term absorption pressure, citywide oversupply is unlikely to derail momentum. Dubai's population continues to grow at over 100,000 new residents annually, with significant inflows from Europe, India, and Russia. Institutional rental demand and new visa pathways are helping absorb mid-market units, while branded residences and waterfront inventory keep the luxury segment liquid. The outlook remains that any softening would be gradual and localised — not market-wide.

Commercial Sector Gains Traction

Commercial real estate, once the laggard, is seeing a notable shift. In July, there were 662 commercial sales totaling AED 1.7 billion. Leasing activity surged, with 6,485 new office rental contracts and over 14,800 total commercial rentals signed. Experts highlight that high demand for Grade A office space, particularly in DIFC and Business Bay, is outpacing supply. Rents are rising, and new companies — particularly in fintech, AI, and professional services — are entering the Dubai market. The narrative has moved from “oversupply” to “strategic shortage” in key business zones. Some developers are now converting underutilized retail into flexible offices, while mixed-use zones are being repositioned. This shift marks a rebalancing in the market and introduces new investment opportunities beyond residential.

Foreign Investment and New Wealth Migration

Foreign capital continues to underpin Dubai’s real estate strength. Analysts note that Dubai ranked among the top three global cities for prime residential sales in H1 2025.

In July, Emaar’s high-profile sales on Palm Jebel Ali and Sobha’s branded launches in Dubai Creek Harbour drew strong overseas demand. The Golden Visa programme and digital asset-friendly regulations are attracting entrepreneurs, family offices, and professionals. Recent residency reforms for retirees and remote workers are also expanding the permanent buyer base. High-net-worth buyers from Europe, China, and the CIS region remain especially active in the ultra-luxury space. However, experts are quick to highlight the importance of balance — policies like the First Home initiative are critical to ensure the market doesn’t over-tilt toward foreign capital at the expense of local affordability.

Risks and Outlook

The risks facing Dubai’s market are considered manageable for now. Rising costs — especially service charges and insurance — could begin to dampen yields in some investor-heavy segments. Interest rates, while stable, are still high enough to affect mid-income financing options. Global economic headwinds (e.g. softening in Europe and China) may weigh on capital flows toward the end of the year.

Currency strength (with AED pegged to the US dollar) remains a headwind for some global buyers. But overall, confidence remains strong. Mega-projects like Dubai Reefs, Expo City expansion, and Emaar’s next wave of launches are building the long-term foundation. Experts characterize the current cycle as one of market maturity — a transition from hypergrowth to strategic consolidation. “The story is not over,” one analyst put it. “Dubai has entered a new phase of development, where quality, sustainability, and investor depth matter more than just volume.”



Aldo De Jager
General Manager

0561032314
a.dejager@hamptonsuae.com



Samuel Hitchcock
Sales Manager

0585998202
samuelh@hamptonsuae.com



Sohail Raja
Valuations & Research Manager

0504435997
sohail.raja@hamptonsuae.com



Alex Devenport
Sales Manager

0503957748
alex.d@hamptonsuae.com



Amalia Legras
Sales Manager

0508513481
a.legras@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