Invest Off Plan

MARKET REPORT · Q3 2026

Dubai Real Estate Market Report

Prices, transactions, supply and what they mean for buyers, investors and owners.

Published October 2026 · Data to end of September 2026

EXECUTIVE SUMMARY

A market that paused, not one that broke

Dubai's property market spent 2026 absorbing its biggest external shock in years. After regional conflict broke out at the end of February, activity dropped sharply and prices corrected. By the third quarter the picture had settled into something calmer: fewer deals than 2025's record year, prices that have stopped falling quickly, and buyers who are far more selective.

AED 380bn+
Sales value, Jan–Sep 2026. Second-highest on record for the period (W Capital, DLD data)

123,000+
Sales transactions, Jan–Sep 2026, vs 157,306 a year earlier (W Capital, DLD data)

-10%
Fall in ValuStrat's residential price index from late February to end-June 2026

+14%
Mortgage value, Jan–Sep 2026, to AED 150.6bn: a sign of end-user buying (W Capital)

-64%
Fewer off-plan units launched in Jan–Sep 2026 than a year earlier (~50,000 units, Savills)

4.81m
Dubai population in September 2026, up 226,885 since January (Dubai Data & Statistics Est.)

Key takeaways

- **Volumes are down, but from a record base.** Q3 2026 sales reached about AED 92.3bn across 37,124 transactions, against AED 169bn and 59,044 in Q3 2025. Even so, nine-month sales are the second-highest the market has recorded.
- **Price declines have slowed sharply.** Monthly falls in the ValuStrat index eased from 6% in March to 1% in May and June, and values were broadly flat year-on-year by mid-2026. Prime homes kept rising.
- **The market is turning towards ready homes and end users.** Ready apartment sales rose 16.4% quarter-on-quarter in Q3, while mortgage lending grew 14% in the first nine months.
- **Supply pressure is easing in the short term.** Developers cut launches to roughly 5,000 units in Q3, and completions are running far behind schedule. The large 2027–2030 pipeline remains the main medium-term risk.
- **Demand fundamentals held.** Population growth continued through the conflict, rental activity rose 16% in Q3, and gross yields remain high by global standards.

THE CONTEXT

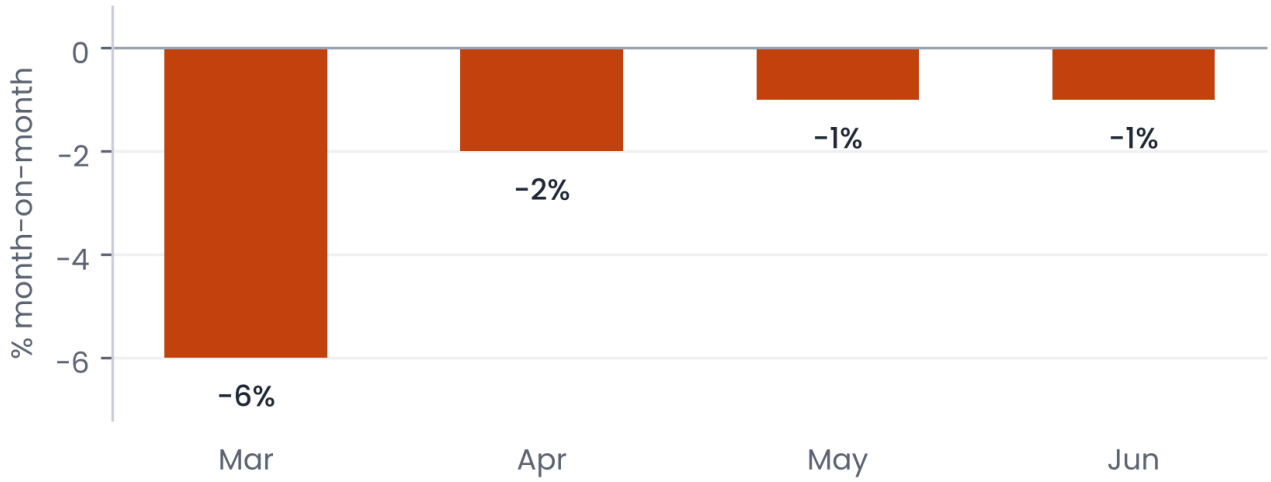
How the regional conflict hit the market

The conflict began on 28 February 2026 with US and Israeli strikes on Iran, followed by drone and missile attacks across the Gulf. The UAE Ministry of Defence reported that more than 90% of projectiles aimed at the country in the first week were intercepted. UAE airspace was partially closed and reopened gradually through March.

The property market reacted immediately. Dubai Land Department data compiled by The Real Estate Report shows weekly transaction value falling from AED 20.7bn in the week before the conflict to AED 10.4bn in the week after, a drop of almost 50%. Developers paused launches, and secondary sellers of off-plan units began accepting discounts, often 10–15% below original prices according to reporting by Fortune.

A Pakistan-brokered ceasefire in April halted the fighting, and the UAE lifted all remaining air-traffic restrictions in early May. Tensions have not fully gone away: the United States launched new strikes on Iran in July, and regional mediators continue to push for de-escalation.

Monthly change in Dubai residential prices, 2026



Source: ValuStrat residential price index, as reported by Khaleej Times (21 July 2026). Cumulative decline since late February: 10%.

Policy support

- The UAE Central Bank introduced a resilience package for the banking sector, and Dubai announced an AED 1bn economic incentive package (Cavendish Maxwell).
- Dubai removed the AED 750,000 minimum property value for two-year property residency visas, opening residency to buyers at the lower end of the market (Fortune).
- Golden Visa rules were relaxed in February 2026: mortgaged buyers no longer need to have paid 50% upfront. Eligibility rests on a DLD valuation of AED 2m or more, and off-plan homes qualify.

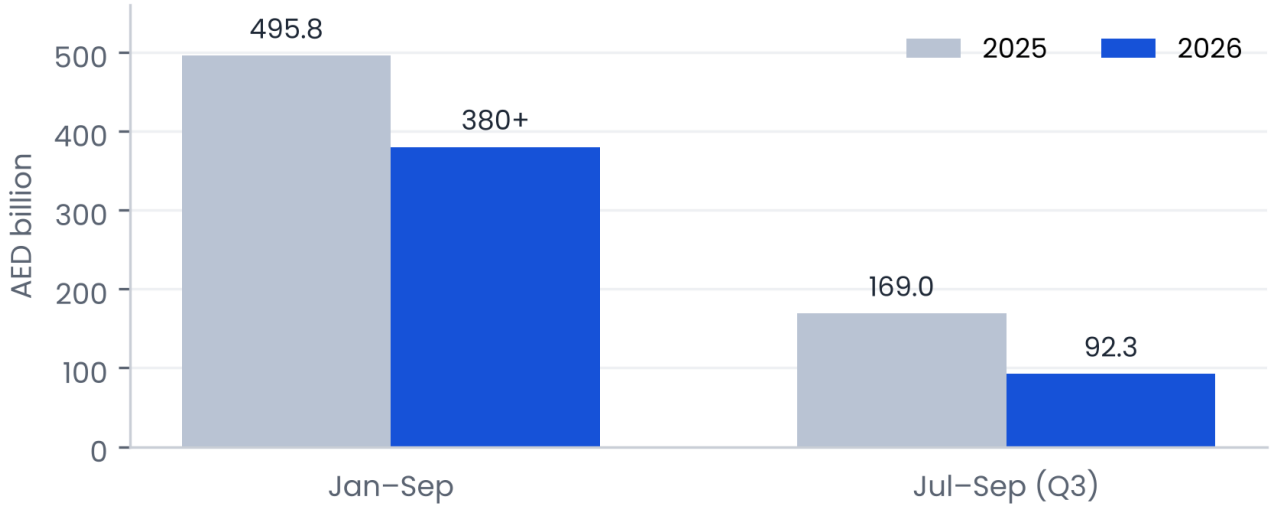
Our read: the reaction was a classic risk-off pause. Buyers waited, prices adjusted, and activity resumed at a lower but still healthy level once the immediate threat eased.

TRANSACTIONS

Lower volumes, a healthier mix

Activity in 2026 is running well below 2025, which was the strongest year in the market's history. Sales in the first nine months reached more than AED 380bn, compared with AED 495.8bn a year earlier. The gap widened in the third quarter, when launches dried up.

Dubai property sales value: 2026 vs 2025



Source: W Capital analysis of Dubai Land Department data, published 30 September 2026 (data to 29 September). Sales only; excludes mortgages and gifts.

What changed inside the numbers

- **Ready homes gained ground.** Savills reports ready-property value rising from AED 21.3bn in Q2 to AED 25.1bn in Q3. Al Masdar Al Aqaari counts 7,825 ready apartment sales worth AED 12.8bn in Q3, up 16.4% in value on Q2.
- **Off-plan slowed because launches stopped.** Only about 5,000 units were launched in Q3, down from about 36,400 in Q2 (Savills).
- **Financing grew.** Mortgage value rose 14% to AED 150.6bn in the first nine months, pointing to more owner-occupiers and fewer short-term speculators.
- **The most active areas** for ready apartments this year are Jumeirah Village Circle (3,062 sales), Business Bay (1,673) and Dubai Marina (1,312), with the Burj Khalifa area leading on value.

A note on the numbers

Different data providers measure the market in slightly different ways. Savills counts about 34,500 residential transactions in Q3 (down 38% year-on-year), while W Capital counts 37,124 sales of all property types. Both are based on Dubai Land Department records, so the trend is the same even where the totals differ.

PRICES, RENTS AND YIELDS

Prices are stabilising; prime is still rising

After two quarters of decline, prices in Q3 showed signs of levelling out. On a like-for-like basis, Savills found apartment prices down only 1.7% on the quarter and villa prices unchanged. The top of the market has been the most resilient.

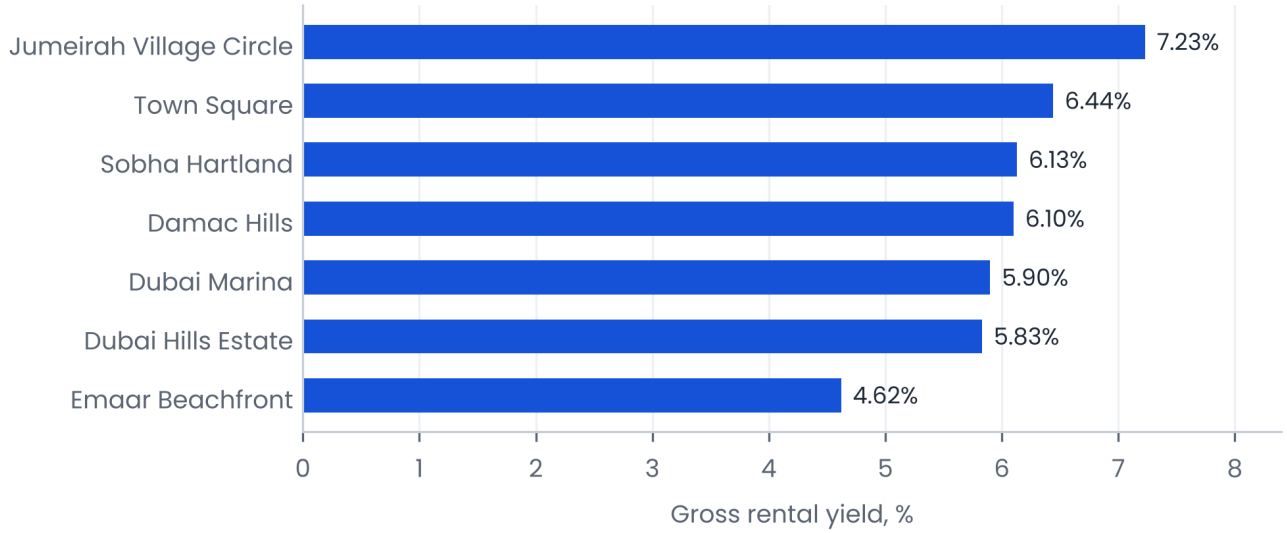
Segment (Q3 2026)	Avg. price / sq ft	Change	Like-for-like
Apartments	AED 1,817	-4.8% QoQ	-1.7% QoQ
Villas & townhouses	AED 1,523	-3.3% QoQ	Unchanged
Prime apartments (AED 10m+)	AED 5,237	+4.0% YoY	—
Prime villas & townhouses	AED 2,791	+3.6% YoY	—

Source: Savills Middle East, Dubai Residential Market in Minutes Q3 2026 (12 October 2026).

Average values and rents

ValuStrat put the average villa at about AED 13m (+2% year-on-year) and the average apartment at about AED 1.79m (-3%) at the end of Q2. Rents have been steadier than prices: the rental index was up 1.7% year-on-year, with average apartment rent around AED 98,000 a year. ValuStrat attributes the slower rent growth to affordability limits rather than weaker demand.

Gross rental yields in selected communities



Source: FAM Properties, 12-month resale data (published 13 July 2026). Gross yields before service charges, maintenance and vacancy. City-wide in Q1 2026, Cavendish Maxwell measured gross yields of 7.2% for apartments and 5.0% for villas and townhouses.

SUPPLY AND DEMAND

Short-term relief, long-term pipeline

Supply was the market's biggest worry going into 2026. The conflict has changed the near-term picture in two ways: developers are launching far fewer projects, and construction delays mean completions are running well behind plan.

~5,000
Units launched in Q3 2026, down from ~36,400 in Q2 (Savills)

~20,000
Homes completed in H1 2026, against a preliminary full-year target of 129,000+ (ValuStrat)

525,000+
Units scheduled for delivery between 2027 and 2030 (Savills)

Sources: Savills Q3 2026; ValuStrat via Khaleej Times, July 2026. Scheduled deliveries in Dubai historically arrive later than planned.

Why the delays matter

ValuStrat links slower handovers to higher construction costs and supply-chain disruption. For existing owners, fewer new homes arriving this year and next supports prices and rents. For the market as a whole, the large pipeline scheduled for 2027–2030 means absorption will depend on population growth continuing at its current pace. Fitch, which forecast a 15% correction from mid-2025 to end-2026 before the conflict, now expects a deeper one; Moody's has warned that any sharp slowdown in new residents would make the supply harder to absorb.

Demand: the population keeps growing

Dubai's population reached about 4.81 million in September 2026, an increase of 226,885 since January according to the Dubai Data and Statistics Establishment. Rental activity confirms the trend: Savills recorded about 181,900 rental transactions in Q3, up 16% on the quarter, with new leases rising to 44% of the total.

The wider economy

The IMF cut its 2026 growth forecast for the GCC to 2% because of disruption to trade, energy and transport routes, but described the UAE as relatively resilient and expects UAE growth of 5.3% in 2027 as conditions normalise.

OUTLOOK

What this means for you

The next 12 months are likely to reward careful selection rather than momentum. The views below are our own assessment, based on the data in this report.

If you are buying a home

- With fewer buyers competing for each home, there is room to negotiate, especially on secondary off-plan units, which have been trading below their original prices.
- Completed homes in established communities offer certainty while construction timelines are slipping.
- Mortgage-backed purchases now count fully towards the AED 2m Golden Visa threshold, which helps families planning a long-term stay.

If you are investing

- Underwrite on rental yield, not on expected price growth. Mid-market communities such as Jumeirah Village Circle and Town Square have offered gross yields above 6%.
- For off-plan, check the developer's delivery record, the project's construction progress and the escrow position before committing.
- Model at least one scenario with a longer vacancy period and flat rents, given the 2027–2030 delivery pipeline.

If you are selling or letting

- Price against recent transactions, not last year's asking prices. Well-priced, well-presented homes are still selling.
- Demand for rentals is strong, but tenants are price-sensitive. Competitive pricing reduces void periods.

What we are watching

- Regional security and progress in US–Iran talks.
- The pace of new launches versus actual completions.
- Population inflows and new business registrations.
- Mortgage availability and interest rates.

Want this analysis applied to a specific property or budget? Our advisers can walk you through current prices, yields and payment plans in the communities you are considering. Get in touch through the Contact page on our website.

SOURCES

Sources and methodology

This report brings together published research from property consultancies and data platforms, most of it based on Dubai Land Department records, along with official statistics and news reporting. Where providers measure the market differently, we name the source next to each figure.

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Important information

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