DUBAI RESIDENTIAL MARKET REPORT
JUNE 2026

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Market Recalibration, *Not Market Correction.*

From hyper-acceleration to structural maturity. A filtering phase that separates speculative velocity from enduring value.

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THE MATURITY OF AN ECOSYSTEM.

Not a market breaking, a healthy normalization. The cycle is filtering speculative momentum from durable, structurally-anchored value.

Dubai's residential market has transitioned from its 2022–2025 hyper-acceleration phase into a more selective, fundamentals-driven cycle. The headline figures from Q1 2026 confirm that transaction value continues to grow at a meaningful pace while volume growth moderates, a pattern that characterises healthy market maturation, not distress. For global UHNI capital, this shift creates a cleaner, more legible investment landscape.

AED 252B+
TOTAL MARKET VOLUME
Q1 2026 · All transaction types
+31% year-on-year

AED 87.7B
LUXURY INVESTMENT
+26% YoY
Q1 2026

60,303
TRANSACTIONS
+6% volume YoY
Q1 2026

AED 422M
SINGLE-ASSET BENCHMARK
Aman Residences Tower 2 · March 2026
3rd most expensive apartment in Dubai history

+26%
FOREIGN INVESTMENT GROWTH
AED 148.35B total foreign capital
Q1 2026

AED 1,759
AVG. CAPITAL VALUE / SQ FT
+12.5% year-on-year

Note on the AED 252B figure: This represents total real estate transaction volume across all types as reported by DLD, including residential, commercial, and investment transactions. Residential sales alone registered AED 137–177B across multiple data sources for Q1 2026, reflecting differences in scope and methodology. For investment sizing, residential figures should be used.

RE-ANCHORING THE MARKET.

FOMO-driven deployments are giving way to disciplined yield-and-risk underwriting. The market rewards patience and precision over speed.

EXTENDED DUE DILIGENCE

Decision cycles are lengthening as buyers conduct more rigorous fundamental analysis. Secondary market closings taking longer, negotiation margins widening. A mark of a maturing buyer base.

ASYMMETRICAL CORRECTIONS

Softening of 10 to 15% is localized to supply-heavy off-plan pockets, JVC, Business Bay, JBR, and parts of Dubailand. Structural assets and prime locations are holding pricing power.

HIGH-SUPPLY COMPRESSION

Approximately 120,000 units are scheduled for delivery in 2026, more than triple 2025's output. Real-world completion consistently runs below gross pipeline projections. Supply pressure is real but uneven.

STRUCTURAL SCARCITY HOLDS

Villas, waterfront assets and branded residences maintain pricing power. Inelastic supply in prime geographies acts as a structural floor. The delivery gap supports existing ready stock.

CYCLICAL TIMELINE · Q4 2025 TO Q2 2026

PEAK VALUE STABILIZATION
Q4 2025

TRIPLE-DIGIT GROWTH TAPERS

Indices signal a shift from broad-based inflation to granular micro-market divergence.

VELOCITY DIVERGENCE
Q1 2026 · JAN TO FEB

RECORD OFF-PLAN, CAUTIOUS SECONDARY

Off-plan hits single-month highs while secondary closings lengthen and negotiation widens.

TROPHY ASSET LIQUIDITY
Q1 2026 · MARCH

ULTRA-LUXURY DECOUPLES

The luxury tier sets benchmarks, headlined by an AED 422M sale at Aman Residences.

EQUILIBRIUM & FLIGHT TO QUALITY
April 2026 · CURRENT

A CLEAR NORMALIZATION PHASE

End-users dominate ready stock, favoring connectivity, family infrastructure and Tier-1 developers.

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RESILIENT LUXURY, **DEFENSIVE YIELDS.**

WEALTH-PRESERVATION TIER

Assets above AED 50M run on safe-haven fundamentals, driven by family offices and UHNW portfolios.

+26%

LUXURY INVESTMENT GROWTH, YOY

AED 87.71B · Q1 2026

LOCATION TIERS · LUXURY SEGMENT

ULTRA-PRIME

Jumeirah Bay Island · Palm Jumeirah Fronds

ESTABLISHED PREMIUM

Emirates Hills · Downtown Dubai

EMERGING LUXURY

Dubai Maritime City · Dubai Water Canal

APARTMENTS

7.2%

Peripheral value zones reach up to 8.5%. Growth flattens as completions widen tenant choice.

VILLAS

5.0%

Yields hold firm on structural supply deficits and an influx of long-term resident families.

TENANT MOBILITY

Tenant migration toward **primary transit lines and value zones** is placing pressure on landlords in mid-tier communities to offer flexible terms and realistic renewals. This dynamic benefits well-located assets and penalises poorly-connected secondary stock, a pattern likely to persist as the 2026 pipeline delivers.

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THE STRATEGIC **MATRIX.**

VECTOR	ASSESSMENT	STRATEGIC IMPLICATION
CYCLE PHASE	Consolidation	Speculative trading gives way to long-term capital preservation.
PRICE COMPRESSION	Highly Selective	Corrections localized to high-density multi-family assets.
LUXURY LIQUIDITY	High Elasticity	Inelastic supply defends pricing at the premium tier.
AVG. CAPITAL VALUE	AED 1,759 / sq.ft.	A sustainable 12.5% YoY normalization curve.
FINANCING	67% Cash	Equity dominance defends against rate volatility.
OFF-PLAN EXECUTION	Developer Dependent	Capital favors capitalized, Tier-1 developers.

A HEALTHY FILTERING PHASE

01
DEFENSIVE YIELD
Income assets on new infrastructure nodes and master-planned family communities.

02
TROPHY ARBITRAGE
Prime secondary villas where sentiment has decoupled value from replacement cost.

03
COUNTER-CYCLICAL
Near-term delivery backed by developers with strong capital positions.

SPLENDOR INSTITUTIONAL POSITION

Not the onset of a correction, but the emergence of a mature, balanced, sustainable ecosystem. Success rewards patience over speculation, quality over momentum, structure over sentiment.

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Splendor Real Estate Brokerage L.L.C. is a real estate brokerage and advisory-based firm operating at the intersection where capital meets opportunity in UAE real estate. Anchored in trust, transparency, and respect, the firm delivers insight-driven advisory and strategic guidance across high-value real estate transactions. With a focus on disciplined execution and long-term value creation, Splendor partners with clients to navigate opportunities with clarity, confidence, and integrity.

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SOURCES

Dubai Land Department · REIDIN · DXB Interact · Property Monitor