DUBAI RESIDENTIAL MARKET REPORT

ISSUE NO. 03 · H1 2026 CLOSE · JULY 2026

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REAL ESTATE, REAL ADVICE

THE GREAT DIVERGENCE

One City, *Two Markets.*

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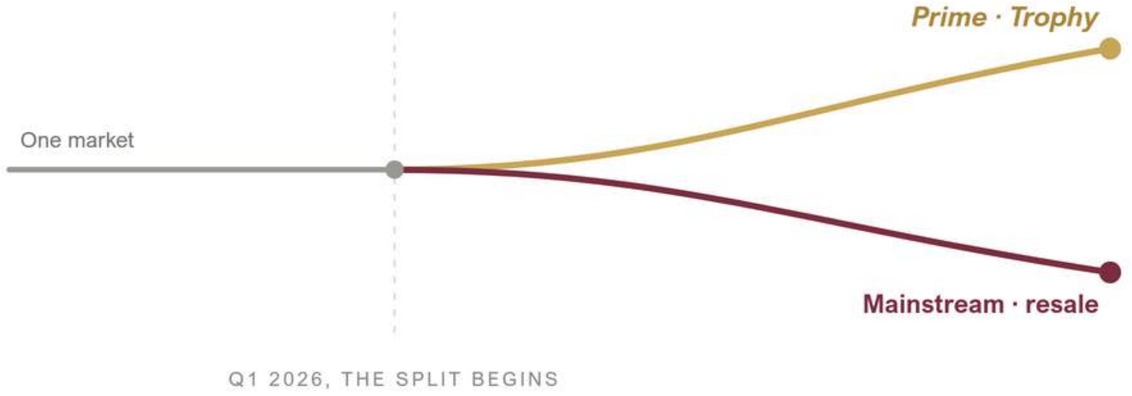
THE GREAT DIVERGENCE.

> *The first half of 2026 is in. Dubai broke a record on the way up and started cooling on the way down, at the same time. The numbers now show exactly which side of the split holds.*

Where Assets Endure.

ONE MARKET BECOMES TWO



Gold = the scarce, top tier · **Burgundy** = the crowded, everyday tier · Source: DLD; REIDIN; H1 2026 market data

THE 30-SECOND READ

In the first half of 2026, Dubai's top end kept setting records while the everyday resale market began to soften, capital values have now slipped for three months running. A record wave of new supply is landing just as the middle cools. The gap between the two is widening, and the dividing line is one word: **scarcity**.

THE CITY BROKE INTO TWO MARKETS.

> *Here is the important part, the cooling did not touch everyone.*

While the everyday resale market softened, the top end kept breaking records right through the half, trophy villas and prime addresses traded at some of the highest prices Dubai has ever seen.

AED 280M
VILLA GAIA
Among the largest ready villa resales of the quarter

AED 112M
TOP SINGLE HOME SALE
In May, at Jumeirah First

AED 88BN
LUXURY-SEGMENT INVESTMENT
In Q1 alone, up 26%

HOLDS THE LINE

Scarce · prime · capital-preservation

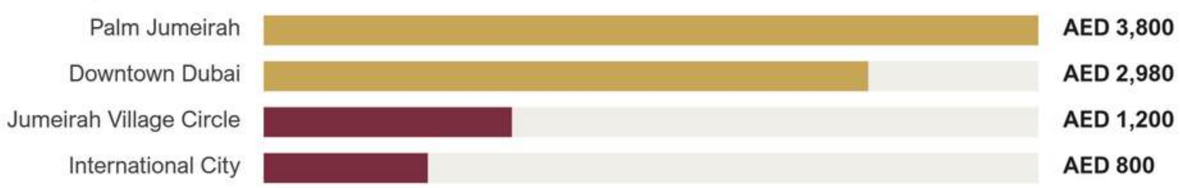
Palm Jumeirah	Luxury
Downtown Dubai	Capital Preserver
DIFC	Branded · scarce
Jumeirah Bay & Islands	Ultra-prime
Dubai Hills Estate	Family prime

FEELS THE PRESSURE

Supply-heavy · yield-led · softening

Business Bay	15,000+ units due
Jumeirah Village Circle	Top deliveries
Dubai South	Value entry
Mohammed Bin Rashid City	Heavy pipeline
Arjan	Yield play

AED PER SQUARE FOOT · 2026 · THE SAME CITY



The same city, priced worlds apart, a square foot in a prime address costs what a whole studio does elsewhere. · Source: DLD; REIDIN; Property Monitor, 2026

IN PLAIN TERMS

Same city, different worlds. Which side of the line your home sits on now matters far more than the "Dubai average" ever will.

WHY THE TOP END HELD.

> *Two forces protect the trophy tier, and both showed up this half.*

First, the buyers don't borrow. At the top end, homes are mostly bought in cash. So when banks tightened lending and asked for bigger deposits, it barely touched these buyers. The pressure landed on the financed, everyday market instead.

Second, they can't be replaced. You can build thousands more standard apartments. You cannot build another Downtown podium villa with a Burj Khalifa view. When something is genuinely rare, a passing scare doesn't change what it's worth.

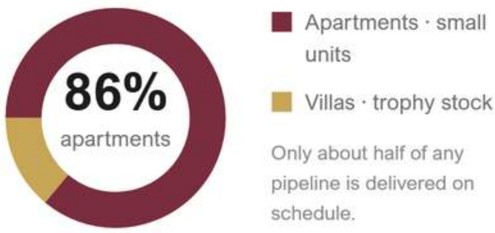
Cash
How most trophy homes are bought, so lending changes barely register

80 → 70%
Banks cut how much they'd lend mid-market, the financed end felt it

3 Months
Of falling resale values, concentrated in the crowded, everyday tier

THE SUPPLY · A RECORD WAVE, AIMED AT THE MIDDLE

Developers announced a record **AED 275 billion** of new projects in H1 2026, around 250 schemes, the largest half-year on record. Almost all of it is standard apartments, concentrated in Business Bay, JVC, Dubai South and Mohammed Bin Rashid City, **not villas, not trophy homes**. Business Bay alone carries over 15,000 units due by 2027. So the everyday market gets more crowded, while the scarce tier stays scarce.



Only about half of any pipeline is delivered on schedule.

IN PLAIN TERMS

When the tide goes out, you see who was swimming on borrowed money. The top end wasn't, so it barely got wet.

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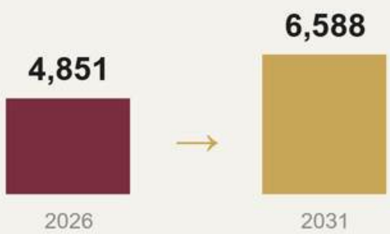
THE BUYERS AREN'T GOING ANYWHERE.

> *Behind the divergence sits a deep, growing pool of wealthy buyers, and record foreign capital keeps feeding it.*

THE ENGINE UNDER THE TOP TIER

$30M+ RESIDENTS (UAE)



+36%
more $30M+ residents

#1
in the world for $10M+ homes

500 sales · $9.05bn
Dubai super-prime, full-year 2025

WHAT THIS MEANS FOR YOU

- **Ignore the citywide headline**
  When you read "Dubai prices are falling," it now describes the crowded resale middle. Your tier set records in the same six months.
- **Cash is a shield**
  The wobble punished borrowed money and cooled the financed market for three months. Owning outright, or lightly financed, let the top tier keep climbing.
- **Scarcity is the shelter**
  Homes that hold value can't be rebuilt, rare layouts and prime addresses. New supply only makes that scarcity worth more.
- **Time favours the holder**
  With record foreign inflows, a growing base of wealthy buyers, and little new trophy supply, patient owners of the right asset are on the right side of the divergence.

SPLENDOR INSTITUTIONAL POSITION

Recalibration was the story we told in June. Six months of data have turned it into The Great Divergence, and it rewards the owner who chose scarcity over the crowd.

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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 · Knight Frank · Cavendish Maxwell · S&P Global Ratings