

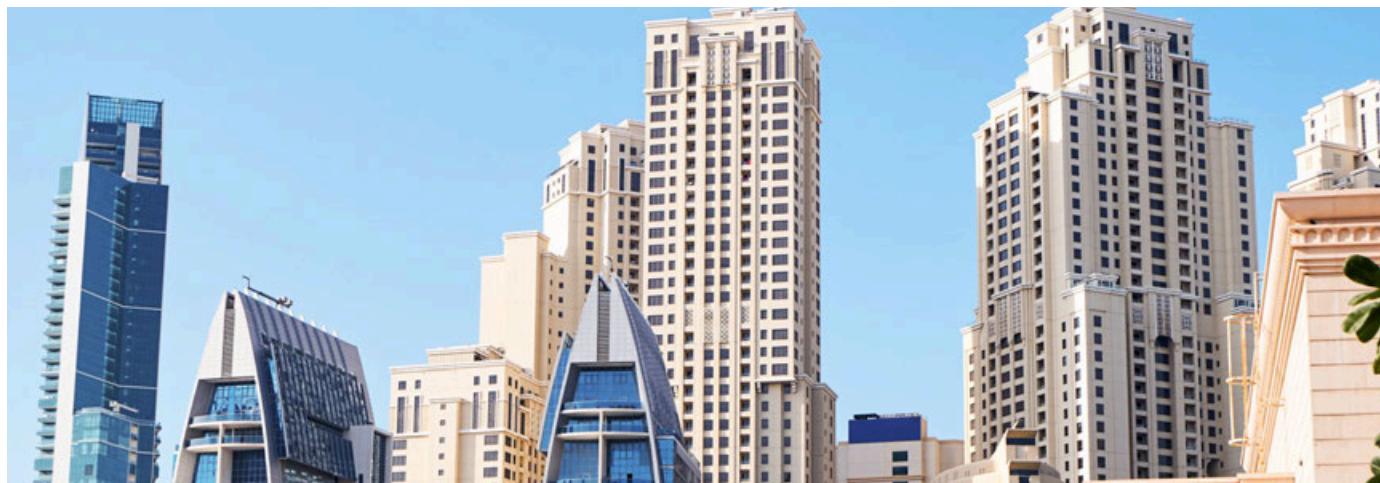
ENGEL&VÖLKERS



Residential Market Report

DUBAI | Q3 2025

Overview



Source: Property Monitor

Dubai's residential real estate market continued its upward trajectory in Q3 2025, underpinned by enduring economic strength, global investor interest, and a growing population that has now surpassed four million. Against a backdrop of uncertainty in many parts of the world, Dubai's combination of stability, opportunity, and quality of life continues to attract both capital and talent, reinforcing its position as one of the most desirable global cities to live, work, and invest.

The broader macroeconomic outlook remains favourable. The IMF projects 4.8% GDP growth for the UAE this year and 5% in 2026, among the highest in the world, supported by non-oil diversification, foreign direct investment, and sustained government spending. With inflation projected to remain around 2% in the medium term and the Federal Reserve beginning to ease interest rates, investor and resident sentiment remains positive. These conditions, coupled with forward-thinking initiatives like the UAE's National Policy for Economy Clusters, continue to shape a long-term foundation for real estate growth.

Buyer behaviour in Q3 reflected both confidence and maturity. Off-plan activity remained robust throughout the summer, driven by developer momentum, flexible payment plans, and new launches targeting a range of buyer profiles. At the same time, the resale market remained resilient, particularly in communities that offered limited supply or a lifestyle-driven appeal.

We are also seeing a growing shift from renting to buying among residents, especially families and young professionals seeking long-term security and value creation.

Dubai's evolution into a global hub for innovation, technology, and entrepreneurship remains a core driver of residential demand. As major infrastructure projects advance and the city deepens its reputation as a centre of excellence for AI, finance, and sustainability, the demand for housing across all segments, from budget-friendly apartments to expansive villas, continues to expand in both scale and diversity.

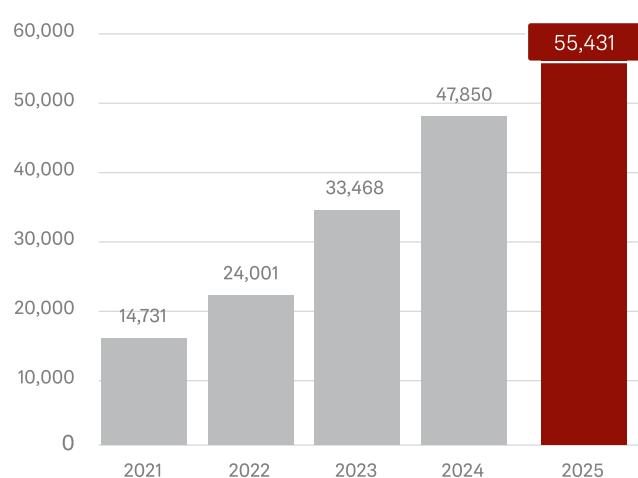
There is growing acknowledgement that this market is no longer purely cyclical. For many buyers, Dubai is no longer a short-term investment play, but a long-term commitment to homeownership, lifestyle, and wealth preservation. While concerns around future supply may surface in some micro-markets, the city's strong fundamentals, investor-friendly policies, and proactive planning suggest that any moderation in price growth will reflect healthy market dynamics, not weakness.

As Q4 begins, Engel & Völkers continues to see strong activity across all asset classes, with buyer interest broad-based and resilient. The outlook for the remainder of the year remains optimistic, not just because of what's happening in the market, but because of what's driving it.

Sales transactions

Dubai recorded 55,431 residential transactions in Q3 2025, up 15.9% YOY and nearly three times the volume seen in Q3 2022. The total sales value rose to AED 138.7 billion, highlighting the strength and depth of demand across the market. Off-plan sales accounted for 69.8% of all transactions, up from 58.9% in H1, a seasonal trend reflecting quieter secondary activity over summer and the importance of off-plan launches in driving overall market momentum.

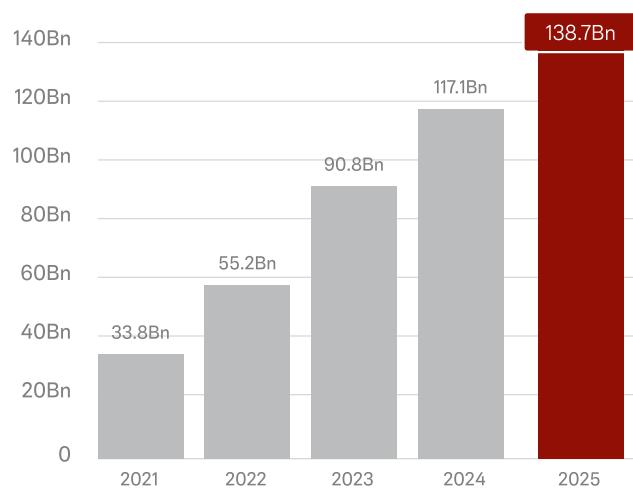
Sales volume by year (Q3 2021-2025)



Source: Property Monitor

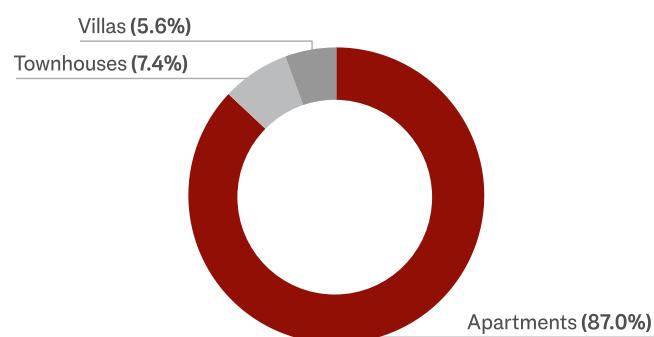
Apartments made up 87% of transactions, a noticeable rise from 78.5% in H1, driven by sustained investor interest in off-plan apartment communities. Townhouses fell to 7.4% of the market, down from 14.7%, largely due to fewer new launches, a gap expected to close in the coming quarters given strong end-user demand for family-friendly homes.

Sales value by year (AED Billion | Q3 2021-2025)



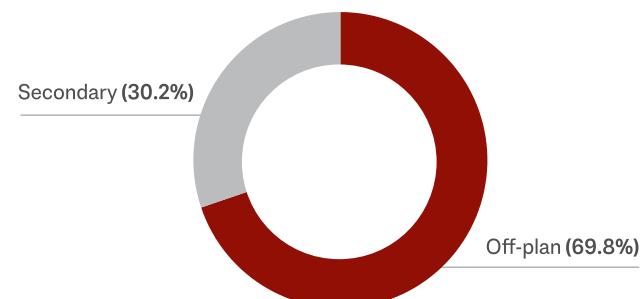
Source: Property Monitor

Sales by property type (Q3 2025)



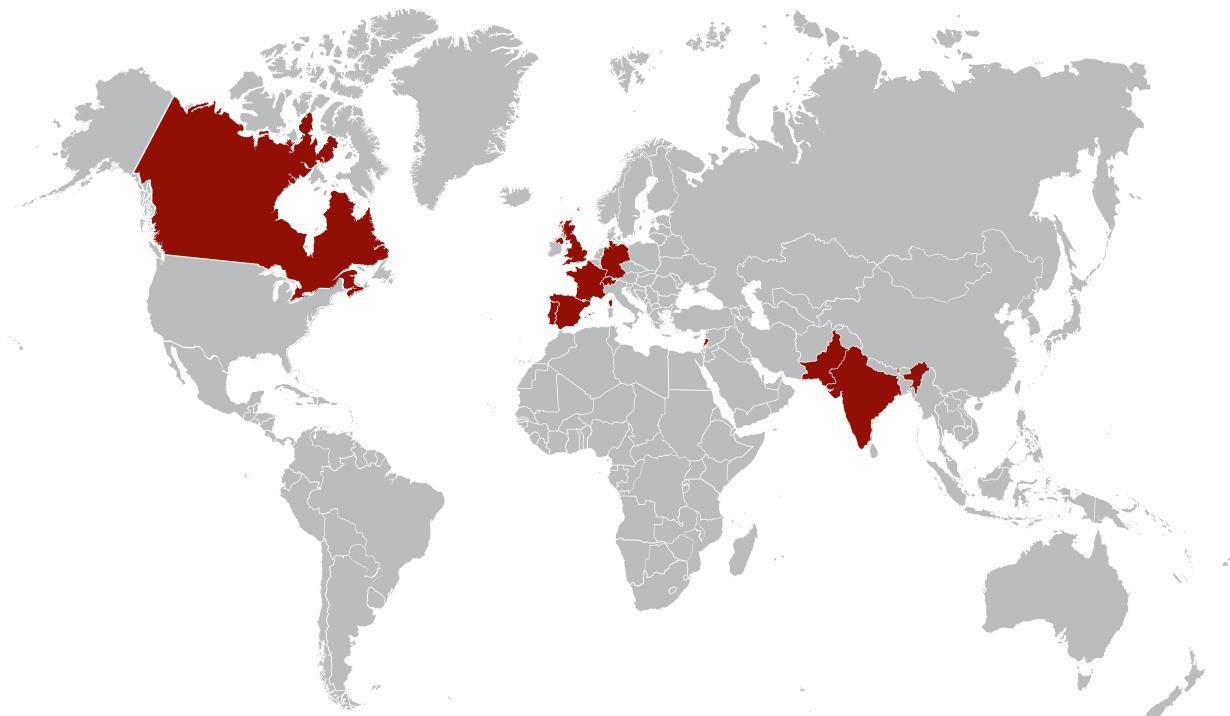
Source: Property Monitor

Off-plan vs secondary sales (Q3 2025)



Source: Property Monitor

Top buyer's nationality at Engel & Völkers in Q3



1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
UK 🇬🇧	PORTUGAL 🇵🇹	INDIA 🇮🇳	GERMANY 🇩🇪	SPAIN 🇪🇸	LEBANON 🇱🇧	FRANCE 🇫🇷	PAKISTAN 🇵🇰	CANADA 🇨🇦	SWITZERLAND 🇨🇭

Dubai's international appeal remains as strong as ever, with buyer demand at Engel & Völkers in Q3 2025 led by investors from the United Kingdom, India, and across continental Europe. Countries such as Portugal, Germany, and Spain continue to represent a significant share of buyers, reflecting Engel & Völkers' extensive presence across key European markets.

Alongside this, Middle Eastern and North American buyers were an important driver of activity, supported by Dubai's lifestyle offerings, tax advantages, and long-term investment potential. As a truly global city, Dubai continues to attract a diverse, discerning clientele, and our international footprint ensures we're well-positioned to support their journey.

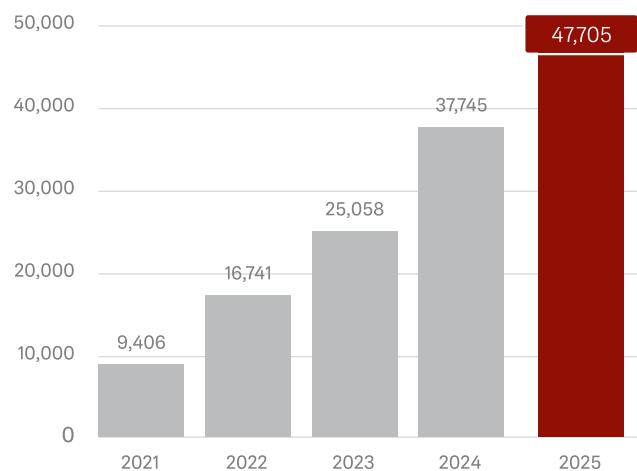


Apartments

The apartment segment continues to drive Dubai's residential market, with 47,705 units sold in Q3 2025, up 26.4% YOY and almost double the volume recorded in Q3 2023. Sales value rose to AED 91.4 billion, reflecting strong demand across both the off-plan and secondary markets. Jumeirah Village Circle and Business Bay led activity in both segments, underscoring their enduring appeal for investors and end-users alike.

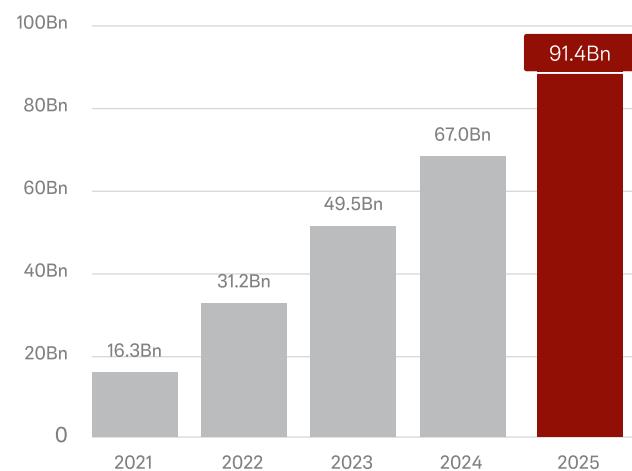
In the off-plan market, new hotspots such as Dubai Science Park, Damac Riverside, and DLRC attracted significant volumes, offering compelling value relative to core districts. On the secondary side, established communities like Dubai Marina and Downtown Dubai remained in high demand, driven by their lifestyle appeal and global attention from investors.

Apartment sales volume (Q3 2021-2025)



Source: Property Monitor

Apartment sales value (AED Billion | Q3 2021-2025)



Source: Property Monitor

Off-plan | Apartment sales (Q3 2025)

Community	Units sold
Jumeirah Village Circle	3,655
Business Bay	3,348
Dubai Science Park	2,412
Damac Riverside	2,382
Dubai Land Residence Complex	1,677
Motor City	1,408

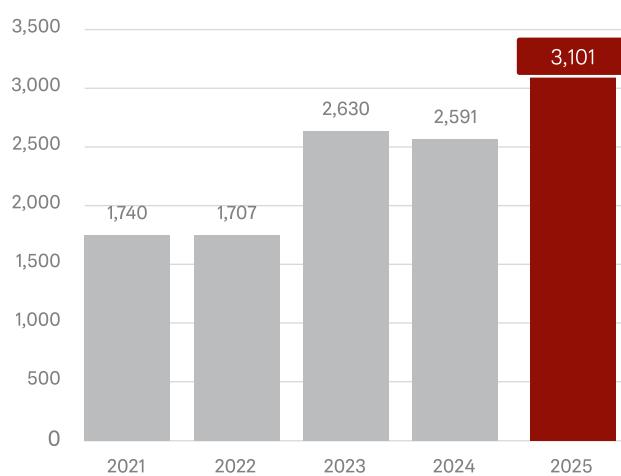
Secondary | Apartment sales (Q3 2025)

Community	Units sold
Jumeirah Village Circle	1,528
Business Bay	723
Dubai Marina	537
Downtown Dubai	474
International City	430
Dubai Sports City	421

Villas

Villa sales reached 3,101 transactions in Q3 2025, a 19.7% increase over the same period last year and the highest Q3 volume on record. Total sales value rose to AED 32.8 billion, up 16.9% YOY, reflecting sustained appetite for premium family homes. In the off-plan market, The Wilds and Grand Polo Club led activity, offering exceptional value with starting prices from AED 5-6 million, significantly lower than most prime resale options. Other high-performing communities included The Oasis, Sobha Elwood, and MBR City.

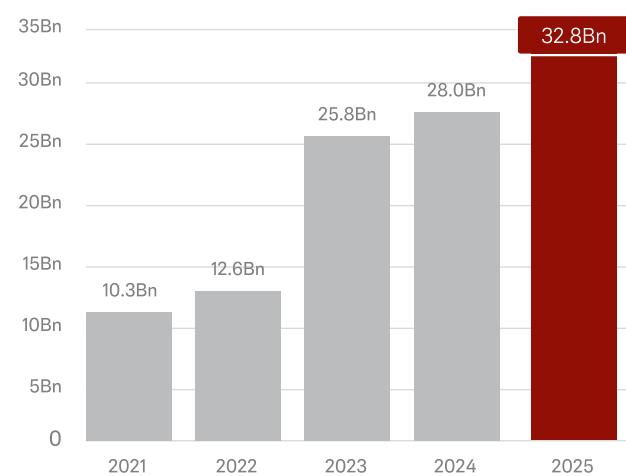
Villa sales volume (Q3 2021-2025)



Source: Property Monitor

In contrast, secondary market supply remains tight, with limited availability in high-demand areas such as Dubai Hills Estate, Jumeirah Golf Estates, and Tilal Al Ghaf. As a result, developers are increasingly tailoring off-plan supply to meet the expectations of discerning villa buyers, offering greater variety, larger layouts, and lifestyle-centric masterplans.

Villa sales value (AED Billion | Q3 2021-2025)



Source: Property Monitor

Off-plan | Villa sales (Q3 2025)

Community	Units sold
The Wilds	774
Grand Polo Club	581
The Oasis	154
Sobha Elwood	108
MBR City	42

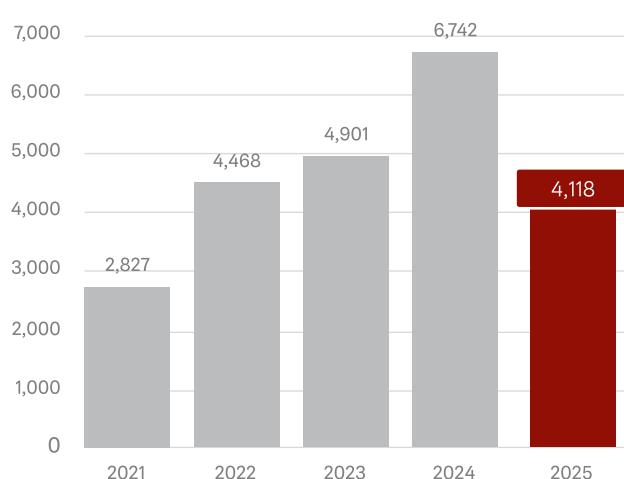
Secondary | Villa sales (Q3 2025)

Community	Units sold
Dubai Hills Estate	90
Jumeirah Golf Estates	87
Nad Al Sheba	71
Tilal Al Ghaf	59
Damac Hills	57

Townhouses

Townhouse sales reached 4,118 transactions in Q3 2025, down from the exceptional highs of Q3 last year. However, total sales value surged to AED 138.7 billion, reflecting sustained demand for spacious, family-oriented living and rising price points across new launches. While Q3 2024 was driven by major launches in The Valley, Emaar South, and Damac Hills 2, this quarter saw more measured but consistent activity across emerging communities.

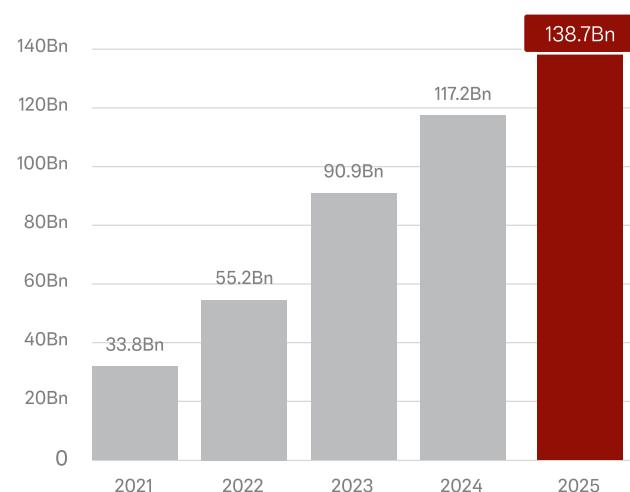
Townhouses sales volume (Q3 2021-2025)



Source: Property Monitor

Damac Islands, Damac Lagoons, and The Valley led off-plan sales, while Damac Hills 2, Town Square, and Emirates Living remained top choices in the resale market. The townhouse segment continues to attract buyers seeking privacy, outdoor space, and community amenities.

Townhouses sales value (AED Billion | Q3 2021-2025)



Source: Property Monitor

Off-plan | Townhouse sales (Q3 2025)

Community	Units sold
Damac Islands	721
Damac Lagoons	304
The Valley	189
Hayat	167
Reportage Village	123

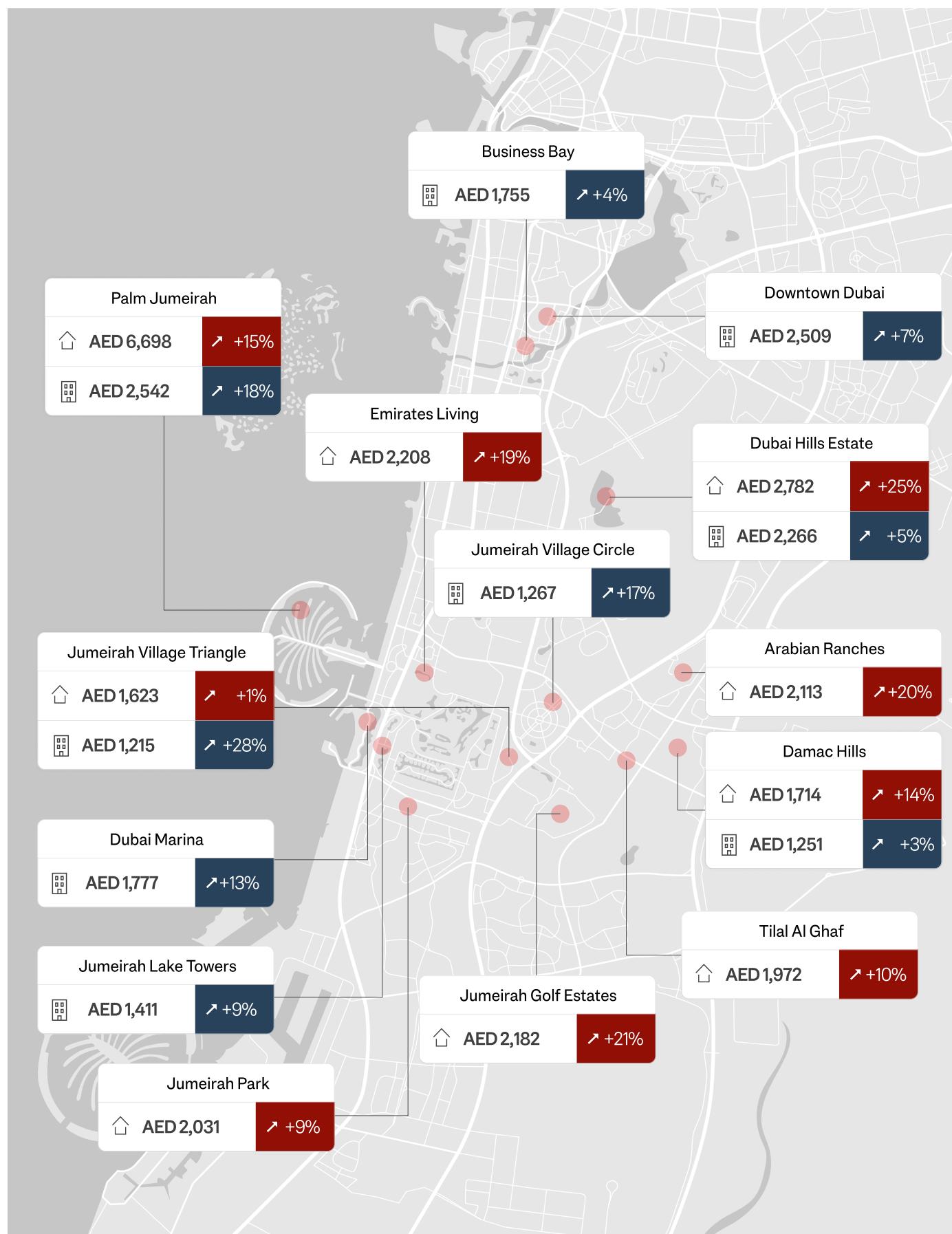
Secondary | Townhouse sales (Q3 2025)

Community	Units sold
Damac Hills 2	424
Town Square	132
Emirates Living	117
Rukan	105
Al Furjan	100

Average sales prices

YOY change (AED/sq.ft.) for Q3 2024 vs Q3 2025

◆ Villas & Townhouses ◆ Apartments



Mortgages

Dubai's mortgage market remained active through Q3 2025, supported by competitive lending rates, strong bank appetite, and sustained borrower confidence. Most lenders have carried their Q3 rates into Q4, while a decline in EIBOR has slightly improved affordability and eased stress-test outcomes, encouraging greater lending activity and higher borrowing capacities.

The regulatory changes introduced earlier this year, including adjustments to loading fees, have had minimal lasting impact, with buyers continuing to adapt confidently to new financing conditions. Mortgage enquiries remained steady through the summer months, traditionally a slower period, as many clients were willing to proceed remotely to secure favourable terms.

An increase in mortgage buyouts has also been observed, with homeowners refinancing to lock in improved rates following the end of their fixed-rate periods. Although dedicated products for Dubai's First Home Buyer Programme have yet to launch, expectations remain high that the initiative will provide a further boost to first-time buyers once available.

Overall, Dubai's mortgage market remains stable and well-capitalised, with lenders eager to finance and buyers confident in long-term prospects, a strong foundation for continued momentum heading into Q4.

Best available fixed rates

Fixed-Rate Period	Without Salary Transfer	With Salary Transfer
2-Years	3.94%	3.89%
3-Years	4.1%	3.99%
5-Years	4.29%	4.24%

As of October 9th

“Whilst Q3 is typically a quieter period for mortgages, activity remained strong throughout the summer. Clients were motivated, lenders were competitive, and overall sentiment remains very positive as we enter the final quarter.”

Rosie Patterson

Senior Mortgage Consultant, Engel & Völkers Dubai

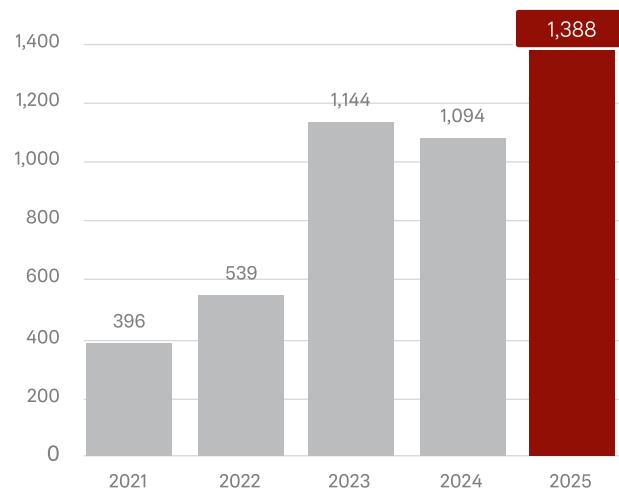
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Luxury market

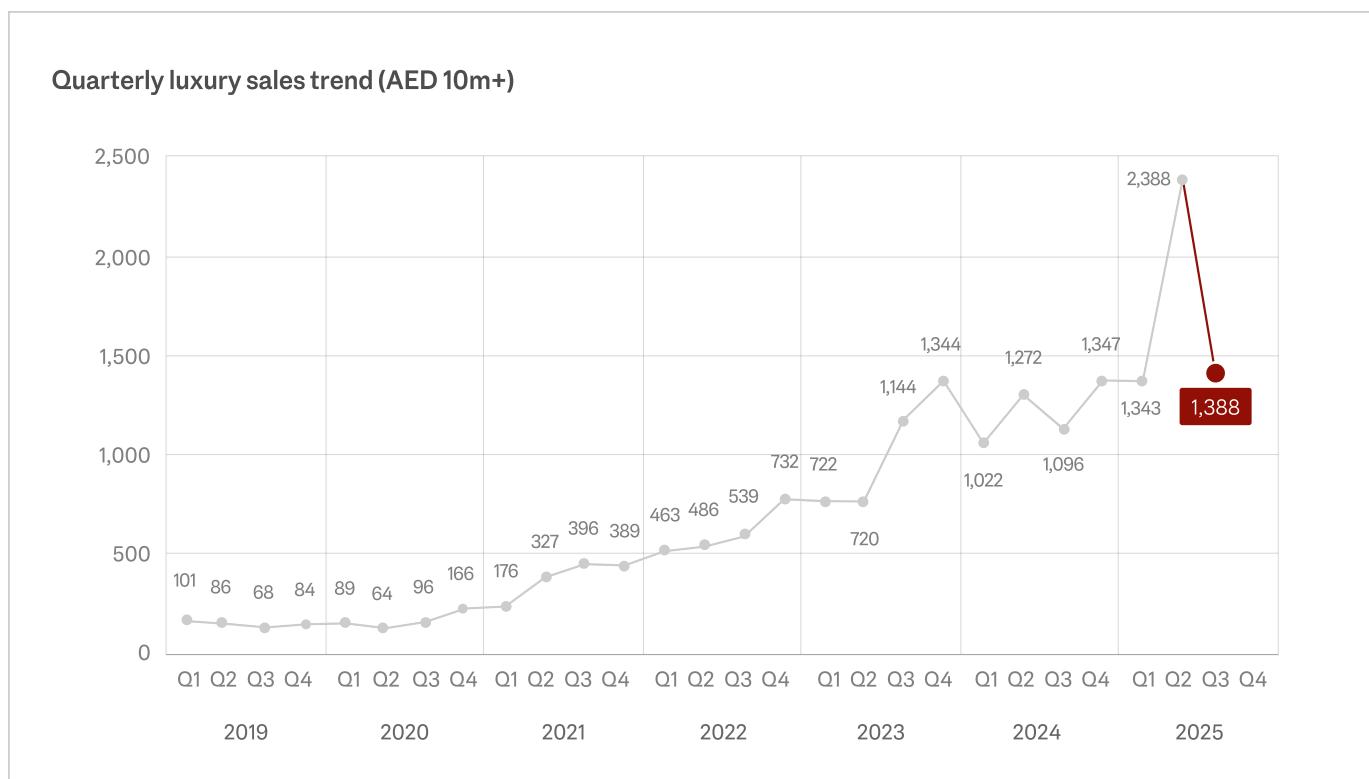


Dubai's luxury market recorded 1,388 transactions above AED 10 million in Q3, a 26.6% increase compared to Q3 2024 and the second-highest quarterly total on record. While activity eased from Q2, this is likely due to seasonal patterns, the mix of project launches, and a natural rebalancing after an extraordinary quarter. High-value transactions remained a defining feature of the market. The quarter's standout deals included a AED 350 million off-plan villa at Jumeirah Asora Bay, a AED 260 million resale in Emirates Hills, and a AED 173.6 million apartment at Aman Residences in Jumeirah, reinforcing Dubai's position as a leading global destination for ultra-prime real estate.

Sales transactions above AED 10M (Q3)



Source: Property Monitor



Source: Property Monitor



While The Oasis led in luxury sales, most Q3 activity above AED 10 million was concentrated in established neighbourhoods rather than emerging ones. Palm Jumeirah saw 122 sales, driven by continued demand for upgraded waterfront villas and limited availability of prime resale stock. Jumeirah was also prominent, largely due to ongoing interest in Jumeirah Asora Bay, where ultra-luxury 4 to 7-bedroom residences are drawing significant attention.

Transactions over AED 10 million (Q3 2025)

Community	Units sold
The Oasis	153
Palm Jumeirah	122
Mohammed Bin Rashid City	89
Dubai Hills Estate	78
Jumeirah	63
Downtown Dubai	62

MBR City, Dubai Hills Estate, and Downtown Dubai maintained their positions as top-tier destinations, combining modern design with proximity to schools, retail, and central business hubs. The dominance of these areas underscores a sustained demand for ready infrastructure and proven prestige in the ultra-prime segment.

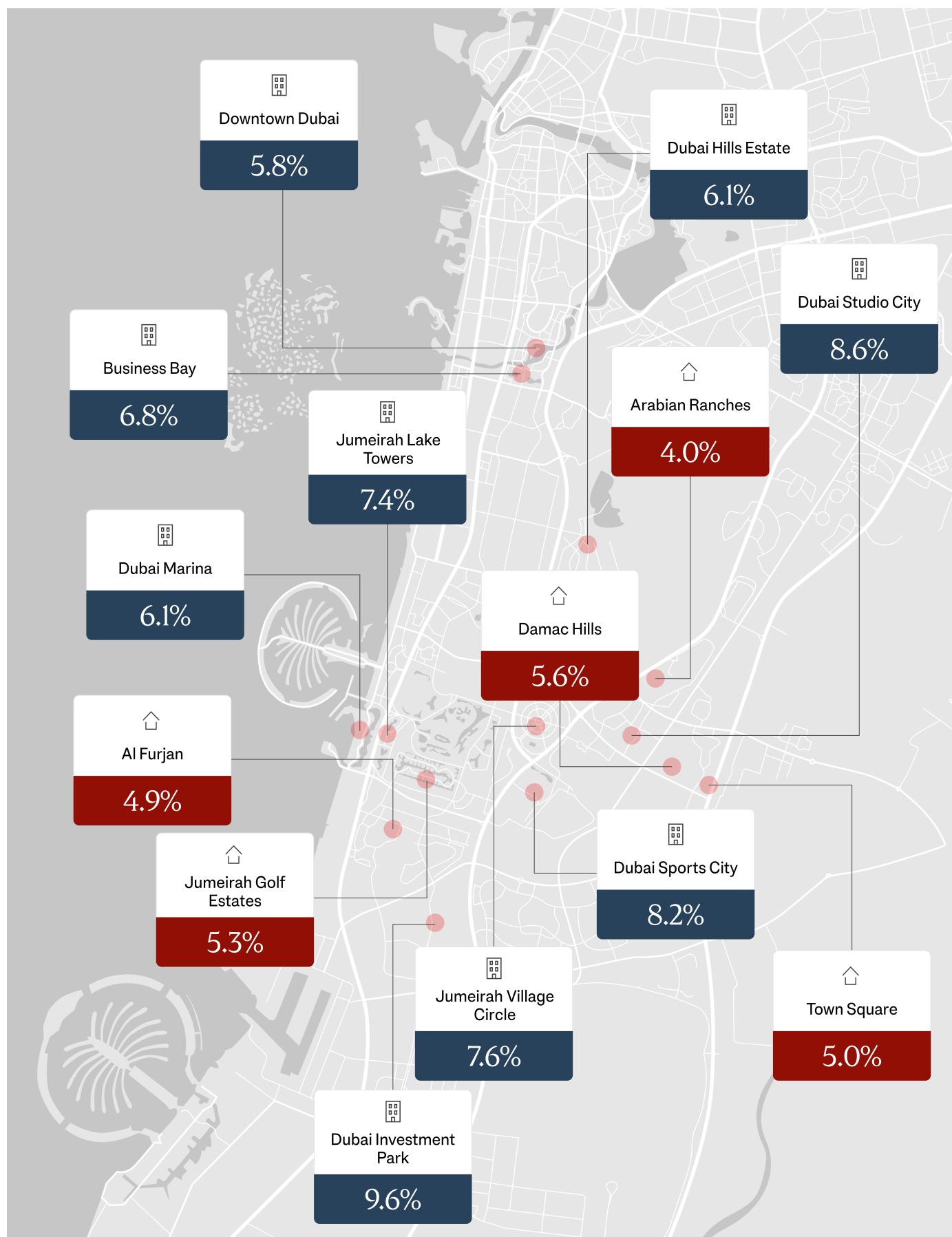
Transactions over USD 10 million (Q3 2025)

Community	Units sold
Palm Jumeirah	36
Jumeirah	17
Mohammed Bin Rashid City	7
Emirates Living	5
Dubai Hills Estate	5
Dubai Water Canal	5

Rental yields

As of September 2025

◆ Villas & townhouses ◆ Apartments



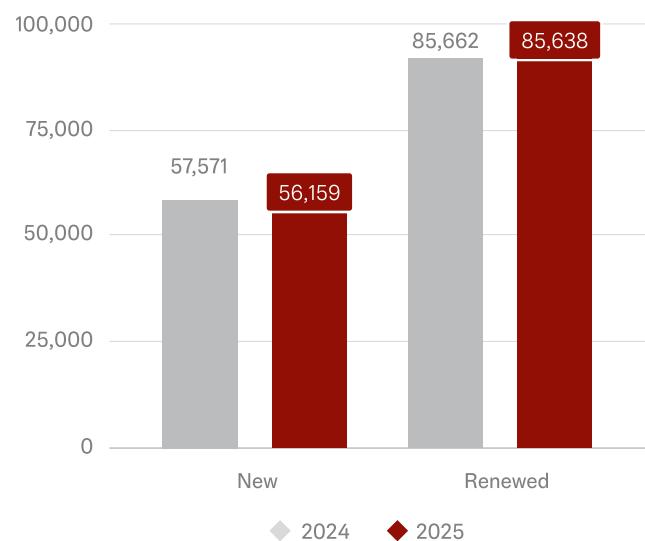
Residential leasing

Dubai's rental market remained steady in Q3 2025, with a total of 141,797 lease contracts registered. New contracts dipped by 2.5%, while renewals remained virtually unchanged. This stability suggests that tenants continue to favour renewing their lease, amid rising rental prices, or making the transition to homeownership.

Apartments dominated leasing activity, making up 88.8% of all contracts. Studios and one-bedroom units were the most popular, together accounting for over 54% of transactions,

while average rents ranged from AED 42,396 for studios to AED 467,877 for five-bedroom homes. Leading apartment communities included Jumeirah Village Circle, Business Bay, and Silicon Oasis, offering a mix of affordability, location, and lifestyle appeal. In the villa and townhouse segment, Damac Hills 2, Mirdif, and Emirates Living saw the highest volumes, reflecting continued demand for family-friendly homes in suburban locations. With population growth continuing, rental demand is expected to remain resilient heading into Q4.

New & renewed contracts (Q3 2024 vs 2025)

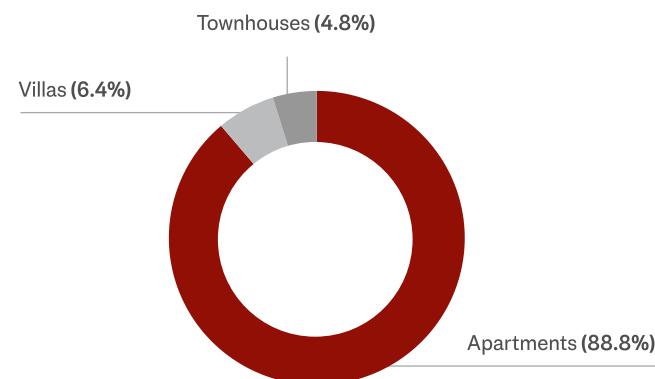


Source: Property Monitor

Top communities (Q3) | Apartments

Community	Units rented
Jumeirah Village Circle	7,089
International City	4,845
Business Bay	4,518
Silicon Oasis	3,901
Dubai Marina	3,723
Arjan	3,640

Property type mix (Q3 2025)



Source: Property Monitor

Top communities (Q3) | Villas & townhouses

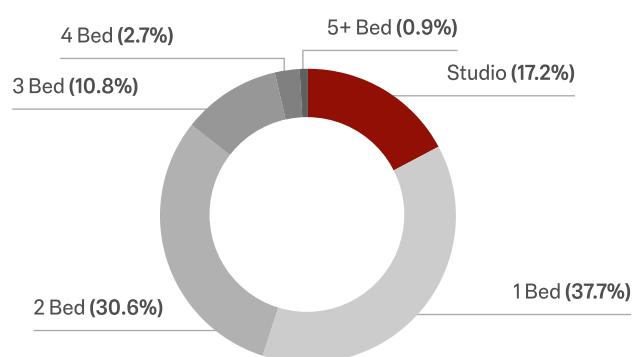
Community	Units rented
Damac Hills 2	1,271
Mirdif	1,214
Emirates Living	825
Dubai Hills Estate	602
Town Square	584
Jumeirah	564

Q3 Average rental prices

Property Type	Avg. Rent/Yr
Studio	42,396
1-Bedroom	64,119
2-Bedroom	91,052
3-Bedroom	155,733
4-Bedroom	283,565
5-Bedroom	467,877

Source: Property Monitor

Bedroom mix (Q3 2025)



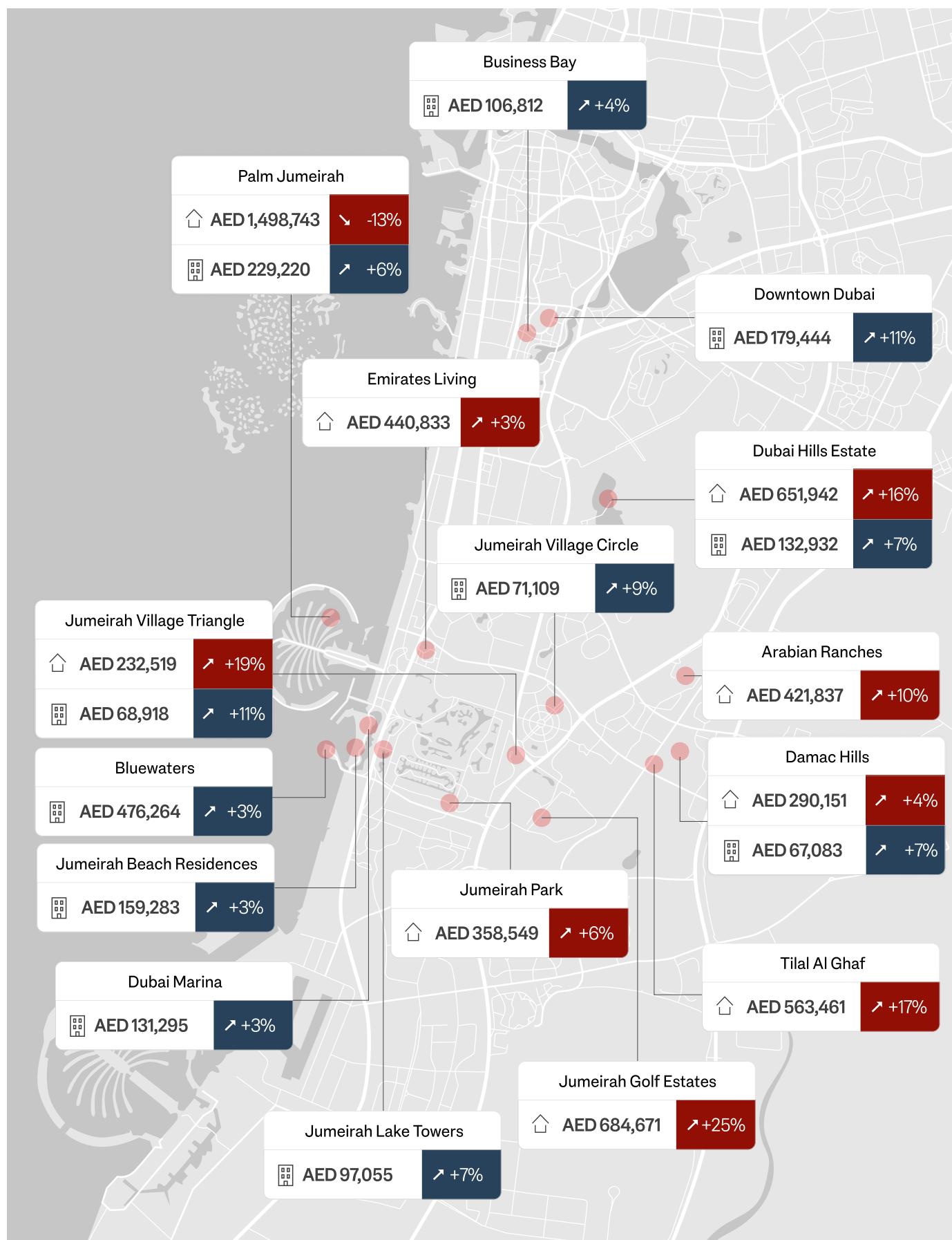
Source: Property Monitor



Average leasing prices

YOY change (AED/year) for Q3 2024 vs Q3 2025

◆ Villas & Townhouses ◆ Apartments



Outlook

Dubai enters the final quarter of 2025 with strong momentum across all segments. The emirate continues to attract international talent, high-net-worth individuals, and global businesses, supported by a growing population, investor-friendly policies, and a thriving, diversified economy. The IMF projects UAE GDP growth of 5% in 2026, well above the global average, alongside stable inflation around 2%, reinforcing long-term confidence.

Further U.S. interest rate cuts are expected to ease local borrowing costs, while the First Home Buyer Programme could stimulate market activity among new buyers. With sustained demand and a robust pipeline of upcoming launches, the market remains well-positioned. While oversupply could become a concern in the medium term, overall conditions indicate continued growth, particularly in emerging communities and undersupplied villa and townhouse segments.



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Ensure our presence across five continents

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REVENUE

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Daniel Hadi

CEO - Middle East

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Diana Dzaka

CMO - Middle East

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Robert Villalobos

Head of Secondary

[✉ Get in touch](#)



Usman Adrees

Head of Primary

[✉ Get in touch](#)



Jake Fletcher

Head of Leasing

[✉ Get in touch](#)



Joshua Hughes

Marketing Manager

[✉ Get in touch](#)

Methodology

Our market experts have taken a holistic approach to provide a comprehensive overview of Dubai's residential real estate market for Q3 2025. We have used the Property Monitor Intelligence Platform, which contains detailed DLD transaction information, alongside our internal sales and leasing data, to build a full picture of market trends and dynamics. This rigorous analysis ensures an in-depth understanding of the residential real estate market in Dubai.

DUBAI

Level 7, Al Khail Plaza, Jumeirah Village Triangle, Dubai | P.O.Box 17722 | ORN: 16081
+971 52 932 8933 | 800 3555 | dubai@engelvoelkers.com | www.engelvoelkers.com/ae/en