MARKET IN MINUTES

Savills Research

Dubai Residential Market

Q3 2025

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Dubai's residential real estate market reached record levels once again in Q3 2025, underpinned by Dubai's sustained appeal. Positive momentum is supported by an influx of high net worth individuals, population growth, with Dubai Statistics Centre reporting Dubai's population surpassing four million in September, and a strong UAE GDP growth forecast of 4.9% according to Oxford Economics. Real estate demand remains strong with continued value appreciation across the sector. The emirate's tax-free ecosystem, the ease of securing mortgages, a comparatively lower cost of prime property ownership versus other global gateway cities and rent increases over the past five years are all contributing to a clear shift toward homeownership among expatriates and continued appeal for investors. Homeownership is also being driven by Dubai being seen as a long-term destination and is much less transitional. Q3 results reveal record level transaction levels, heightened dominance for the off-plan and apartment market segments as well as continued activity in the prime markets.

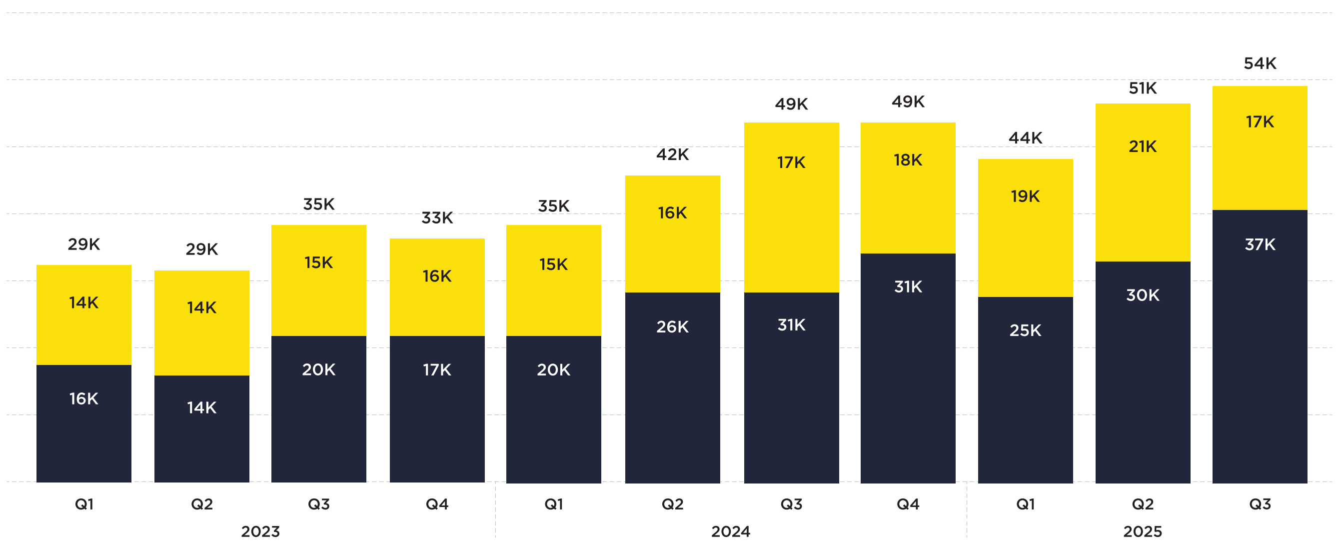
Transaction volumes

Q3 2025 maintained residential transaction volumes over the 50,000 threshold for a second consecutive quarter, underscoring the emirate's continued ability to hit a sweet spot between investment potential and quality of life. The rapid growth in transaction volumes is notable over the last few years with average quarterly transaction volumes sitting at circa 22,750 in 2022, 31,200 in 2023, 43,500 in 2024 and 49,500 YTD.

Apartments dominated the market activity, accounting for 86% of all transactions. This dominance is growing quarter-on-quarter with apartments rising from 75% of all transactions in Q1 and 80% in Q2.

Off-plan sales continued as the cornerstone of transaction activity, representing 69% of all deals in Q3 2025. Q3 was particularly strong for off-plan residential transactions with nearly 37,000 transactions.

DUBAI RESIDENTIAL TRANSACTION TREND



Offplan/Sales (Ready) ● Off Plan ● Ready

SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Key Locations

Zone 6 recorded the highest level of activity again during Q3, accounting for 37% of total transaction volumes. The zone covers prominent micro-markets located along the Al Khail corridor, including Jumeirah Village Circle (JVC), Dubailand, Damac Hills 2, The Valley, and Damac Lagoons. This area continues to see significant development, transforming a once peripheral zone to an attractive proposition for investors and end users.

It was followed by Zone 3, accounting for 29% of total transaction volumes. This zone includes more established areas including JBR, Bluewaters, Dubai Marina, Emirates Living, JLT, and Barsha. Zone 2 has seen an uptick in activity levels in 2025, covering areas like Business Bay, Downtown, and City Walk, with transaction volumes reaching 13% of total transactions in Q3 2025.

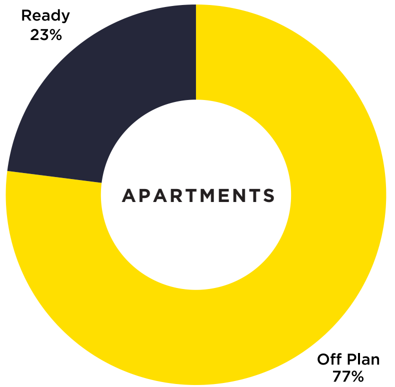
Ready Market

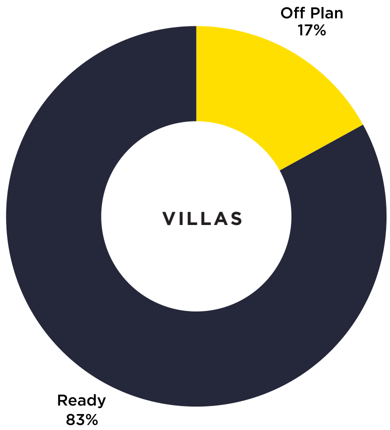
The ready market — comprising transactions in completed and handed-over projects — continued to demonstrate stable activity during Q3 2025 with over 16,500 transactions. This reflects a continuation of the steady pace in the last 2 years, when quarterly ready market transactions averaged around 17,500. Within the ready market, whilst apartment sales accounted for 63% of transactions in Q3 2025, their volumes have remained relatively stable over the last 2 years with circa 11,000 apartment transactions per quarter. The ready villa market transaction volumes are rising from an average of circa 5,250 per quarter in 2024 to 7,500 per quarter YTD in 2025.

Apartment Market Dominates

Apartments dominated the market with an 86% share in Q3 2025, up from 80% in Q2 and 75% in Q1. Bolstered by an increase in apartment transaction volumes, this also reflects a drop in villa and townhouse transactions at circa 7,250 in Q3 2025 against an average of 10,000 per quarter for the last 12 months. Ready villa transactions dominated with 83% of the villa transactions, underlining the limited launches of villa / townhouse supply in Q3 2025.

TRANSACTION SPLIT ACROSS APARTMENT AND VILLAS, Q3 2025





SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

New Launches

Dubai's residential market witnessed continued but tempered supply activity, with over 10,000 units launched in Q3 2025. Apartments have dominated the market, accounting for 97% of new launches. Whilst villas and townhouse launches were limited, the popularity of Phase 2 of Jumeriah Golf Estates highlights demand in the luxury segment, attractiveness of the pricing versus ready stock, the on-going popularity of golf-course developments and the strength of a strong payment plan structure (50/50).

Completions

Approximately 8,500 units were added to the city's residential stock during the quarter, bringing the YTD 2025 volume to nearly 30,000 units and matching the total completions delivered in the whole of 2024. In addition, approximately another 10,000 residential units are slated for completion in Q4 2025, underscoring the strength of Dubai's supply pipeline. Noteworthy completions include Viridian by Meraas in Al Wasl, Palace Residences by Emaar in Dubai Creek Harbour, and Ellington House by Ellington in Dubai Hills Estate.

The forward-looking supply pipeline also remains strong, with over 250,000 units anticipated for completion by the end of 2028, positioning the market for dynamic shifts as the balance between supply and demand evolves.

Prime Residential

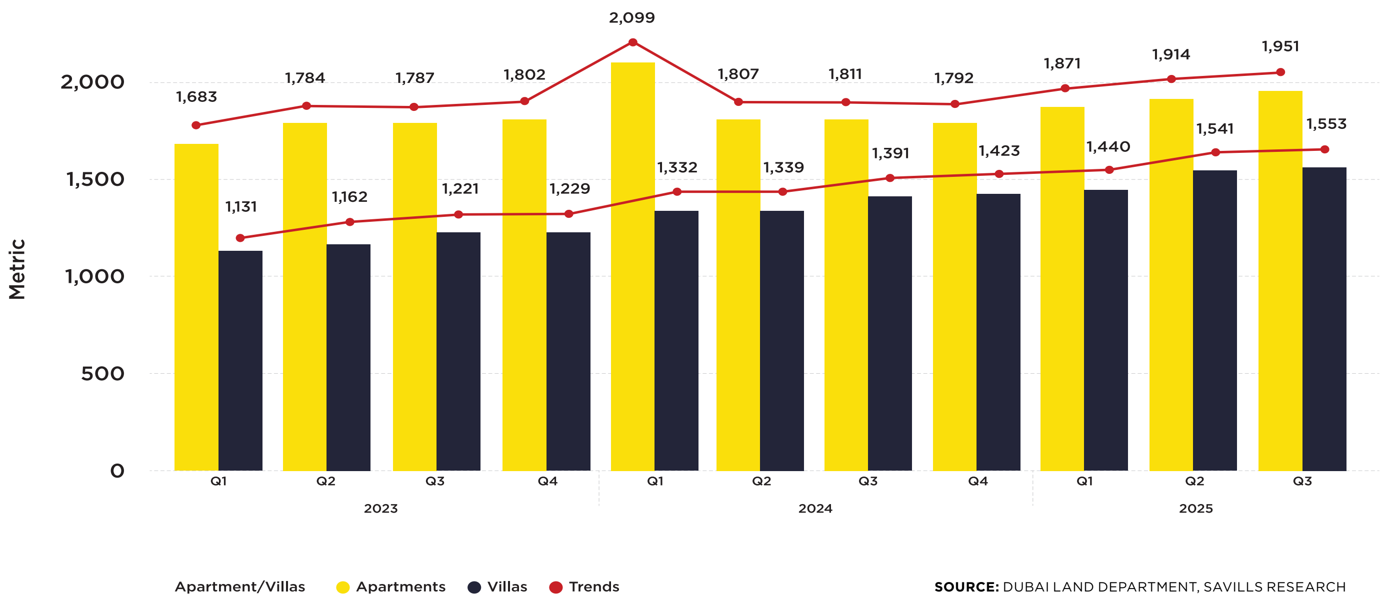
Dubai's prime residential market returned to stable levels in Q3 2025, after an unprecedented peak in ready transaction volumes in Q2. This sector continues to perform well, driven by the growing population of affluent expatriates and the supportive regulatory environment under the Dubai Economic Agenda (D33). These factors have strengthened Dubai's appeal to High-Net-Worth-Individuals (HNWIs) and global talent, sustaining demand for premium properties.

Circa 1,500 units were transacted at values exceeding the AED 10 million mark in Q3 2025, with 500 of these in the off-plan market. Q2 and Q3 show a sustained uptick in off-plan transaction volumes underscoring the interest in new developments and the strength of recent product launches. Contrary to the wider market, villas dominated prime transactions with 73% of market share.

Average Rates per sq ft

Average rates per sq ft reached new highs in Q3 2025 for both apartments and villas, bolstered by luxury product launches and underscoring the confidence within Dubai's residential market.

AVERAGE RATES PER SQUARE FOOT



SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Average capital values for apartment have remained broadly stable since Q1 2022 at AED. 1.9M. This pattern continued into Q3 2025 reflecting the divergence of stock and unit size compression against the average rising rates per sq ft.

The villa segment held its increased average ticket price at over 7M, established in Q2 2025 and up 24% from the average in 2024 of AED. 5.75M.

Location, location, location

Affordability constraints are driving a re-establishment of prime areas as locations which benefit from good connectivity, strong amenities and established communities. These areas are pushing ahead in their value appreciation whilst better value propositions emerge on the city's fringes.

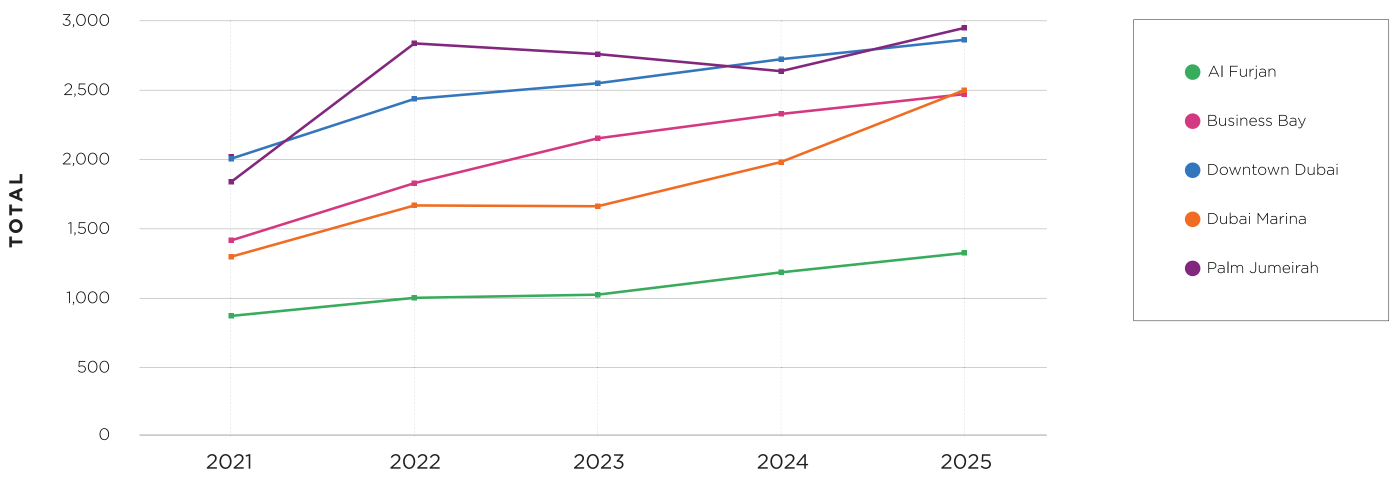
Education provisions continue to be a key driver for families. 25 new private education institutions opening in Dubai for the September 2025 academic year, including six schools. 16 early childhood centres and three international universities.

Outlook

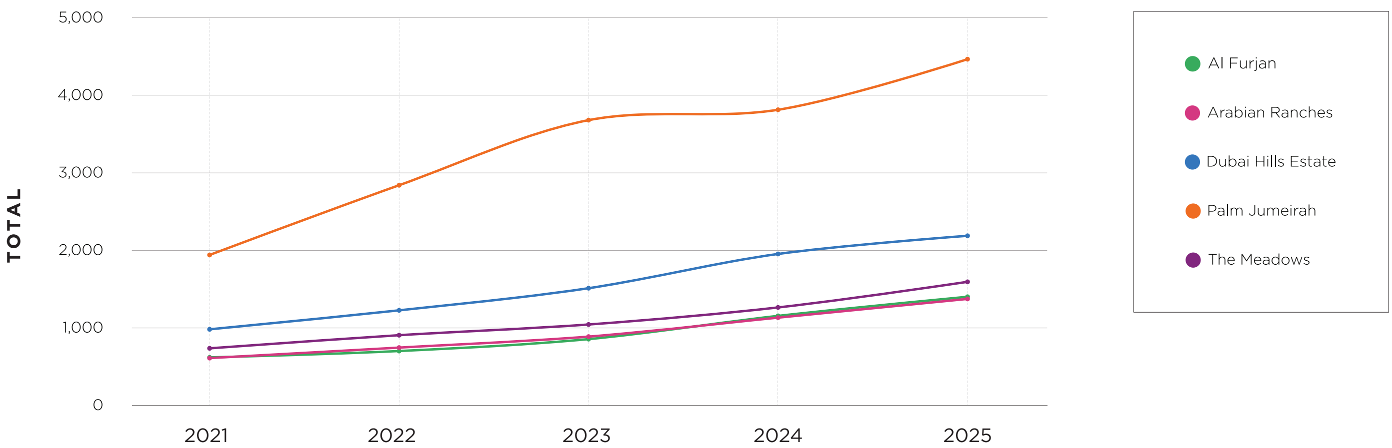
Dubai's real estate market continues to benefit from a growing population and global wealth migration trends with Henley & Partners anticipating 9,800 millionaires will migrate to the UAE in 2025. Savills Dynamic Wealth Index placed Dubai as the top global city for attracting and developing individual wealth, driven by the strong quality of life proposition, low tax environment and strength of the Golden Visa programme.

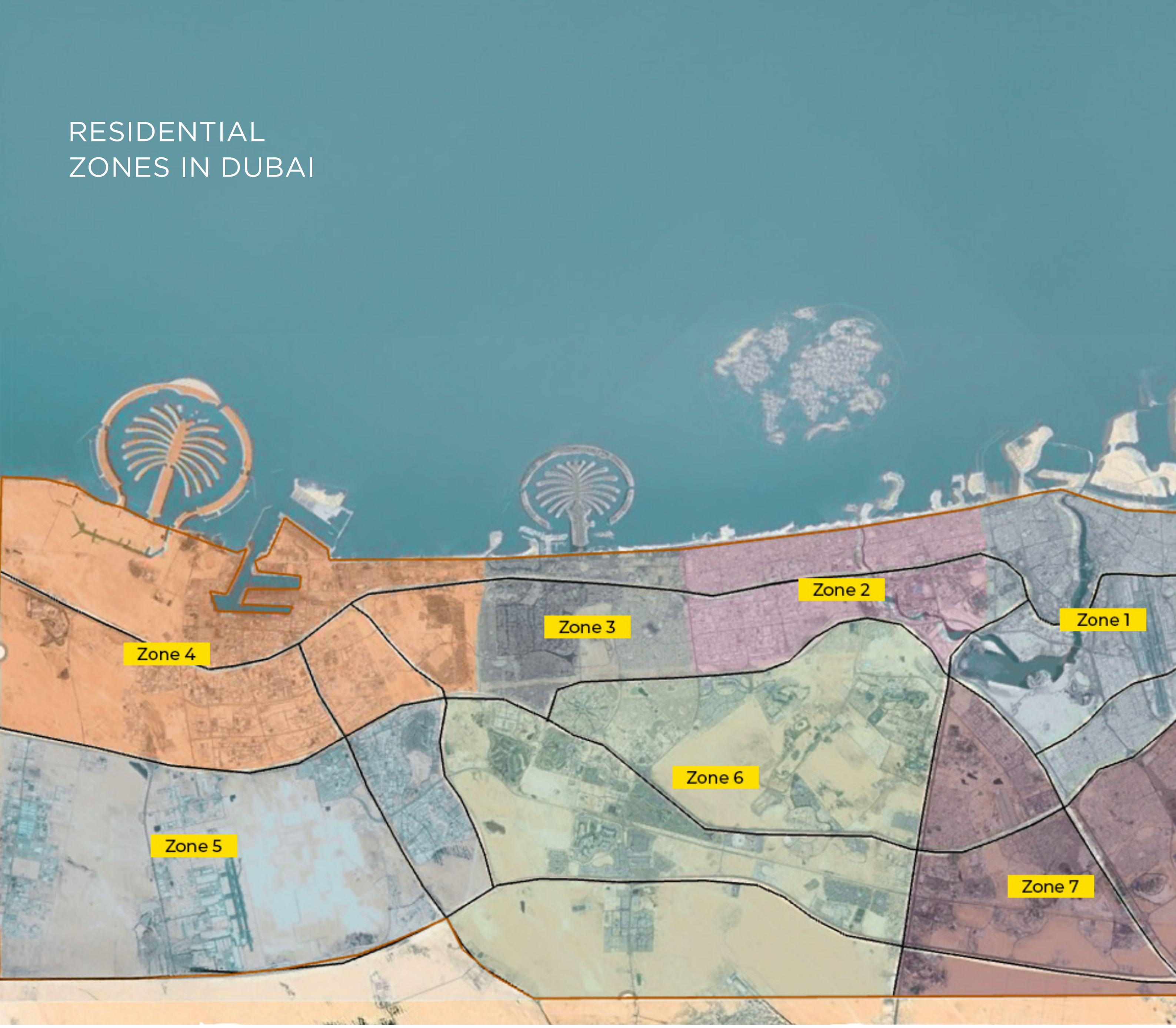
Looking ahead, the outlook for Dubai's residential sector remains optimistic with Q3 delivering record breaking metrics with transaction volumes and average rates per sq ft reaching new highs. Dubai's population is forecast to hit 5 million by 2030, in line with the net population growth in recent years, delivering with it increased housing needs. Segmentation within the market is likely as global macroeconomic headwinds — including the evolving US-China trade relationship and the eventual outcome of US tariffs — could moderate economic activity and impact investment inflows in the near term. The emirate's political stability, competitive regulatory landscape, and business friendly ecosystem are expected to support ongoing population and investment inflows long-term.

CAPITAL VALUE TREND - APARTMENTS



CAPITAL VALUE TREND - VILLAS





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