MARKET IN MINUTES
Savills Research

Dubai Residential Market

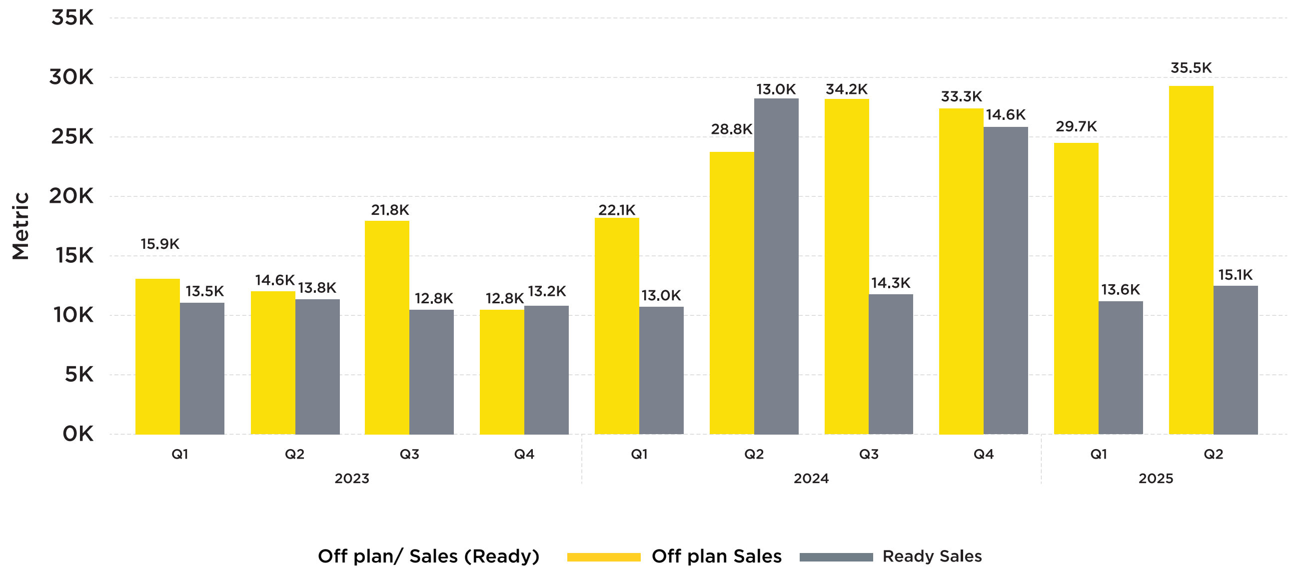
Q2 2025

Dubai's residential real estate market reached record levels once again in Q2 2025, underpinned by Dubai's sustained appeal. Positive momentum is supported by an influx of high net worth individuals, anticipated population growth, with Dubai Statistics Centre estimating Dubai's population will reach four million by the end of this year, and a strong UAE GDP growth forecast, revised upwards in June 2025 by Oxford Economics to 5.1%, from 4.7%. 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 property ownership versus other global gateway cities, and rising rents — a growing pinch point for tenants — are all contributing to a clear shift toward homeownership among expatriates and continued appeal for investors.

Transaction volumes

Q2 2025 broke the 50,000 threshold for transaction volumes marking an all-time quarterly record and a robust 21% y-o-y increase, underscoring the emirate's continued ability to hit a sweet spot between investment potential and quality of life. Apartments dominated the market activity, accounting for 80% of all transactions. Off-plan sales continued as the cornerstone of transaction activity, representing 70% of all deals in Q2 2025 — increasing marginally on the 68% share throughout 2024 and significantly higher than 55% in 2023.

DUBAI RESIDENTIAL TRANSACTION TREND



SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Key Locations

Zone 6 recorded the highest level of activity again during Q2, accounting for 53% 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 to investors and end users. 49% of all newly launched residential units were within Zone 6 along the Al Khail Corridor. Key project launches in Zone 6 during the quarter include Parkwood by Emaar in Dubai Hills Estate, Timez by Danube in Dubai Silicon Oasis, Ostra and Palace Villas by Emaar in The Oasis, and Acres 3 by Meraas in Dubailand, among others.

Ready Market

The ready market — comprising transactions in completed and handed-over projects — continued to demonstrate stable activity during Q2 2025 with over 15,000 transactions. This reflects a continuation of the steady pace in the last 12 months, when quarterly ready market transactions averaged around 14,500. Within the ready market, apartment sales accounted for 83% of transactions in Q2 2025 — a level consistent with the 82% recorded throughout 2024, when a notable shift toward apartment dominance first emerged. This is up from 75% in both 2023 and 2022, reflecting the continued preference for apartment units in the market amid availability and affordability pressures.

Villa Transactions Volumes Hold Steady

Whilst apartments dominated the market with an 80% share in Q2 2025, the villa and townhouse segment has held steady with circa 10,000 transactions per quarter over the last 12 months.

SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

New Launches

Dubai's residential market witnessed robust supply activity, with nearly 20,000 units launches in Q2 2025. H1 2025 has seen 52,000 launched, showing a 66% increase compared to the same period last year. This surge is largely attributed to developers capitalising on strong market demand.

Apartments have dominated the market, accounting for 91% of new launches. Whilst villas and townhouse launches were limited, masterplan announcements including Phase 2 of Jumeirah Golf Estates and Jebel Ali Racecourse promise further future supply.

Completions

Approximately 6,000 units were added to the city's residential stock during the quarter, bringing the H1 volume to 13,500. In addition, approximately 20,000 residential units are slated for completion in H2 2025, underscoring the strength of Dubai's supply pipeline. Noteworthy upcoming completions for 2025 include Ocean House by Ellington, Aura by Majid Al Futtaim, and Cavalli Casa by Damac. The forward-looking supply pipeline also remains strong, with a healthy stream of completions anticipated through to 2028, positioning the market for dynamic shifts as the balance between supply and demand evolves.

Prime Residential

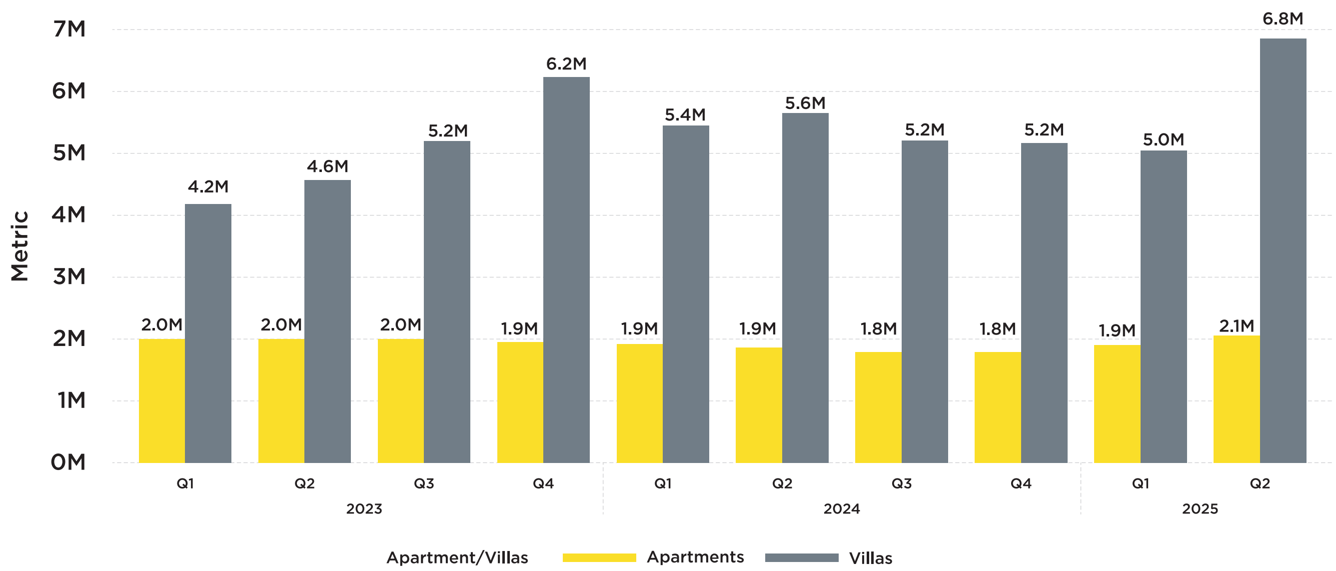
Dubai's prime residential market reached unprecedented levels in Q2 2025, continuing to perform well, driven by the growing population of affluent expatriates and the supportive regulatory environment under the Dubai Economic Agenda (D33). These factors have strengthened Dubai's appeal to High-Net-Worth-Individuals (HNWIs) and global talent, sustaining demand for premium properties. Over 2,500 units were transacted at values exceeding the AED 10 million mark in Q2 2025 — approximately double that of Q2 2024. Contrary to the wider market, villas dominated prime transactions with 76% of market share. This sub-sector of the market does however follow the off-plan market dominance pattern with 80% of transactions over AED 10 million being off-plan sales.

Zone 6 also dominated the 10M plus market, with over 50% of all transactions. Top-performing villa locations by price bracket included The Oasis, Palm Jebel Ali and Acres.

Capital Value

Average ticket prices and average rates per sq ft reached new highs in Q2 2025 for both apartments and villas, bolstered by luxury product launches. Average capital values during the quarter for apartments remained broadly stable year-on-year, while villas posted a 4% increase overall. Villas have performed well at all ends of the market: prime villa communities — including Al Barari, Arabian Ranches, Palm Jumeirah, The Springs, and Meadows and Dubai Hills — recorded stronger capital appreciation, with values rising between 7 and 10%.

AVERAGE TICKET PRICES



SOURCE: DUBAI LAND DEPARTMENT, SAVILLS RESEARCH

Policy and vision

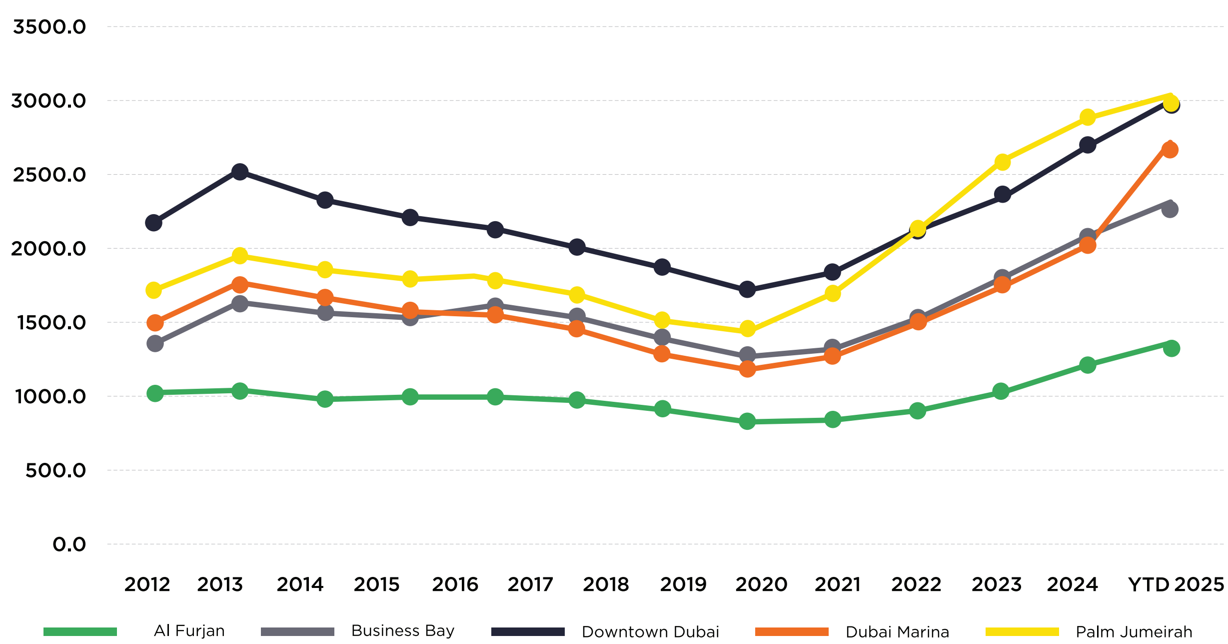
Dubai Government's policy and vision continues to shape the city. May 2025 marked the official commencement on the AED 20.6 bn Dubai Metro Blue Line which will deliver 14 new stations with its opening scheduled for 2029. The line will enhance connectivity between key districts, including Mirdif, Dubai Silicon Oasis, Dubai Creek Harbour, and Dubai Festival City and drive real estate demand in these locations. Additionally, the Dubai Land Department launched the First Time Buyer Scheme at the end of Q2 2025, allowing first time buyers preferential access to new launches from participating developers, preferential pricing, flexible payment plans for off-plan units, relaxed payment plans for DLD fees and improved access to financing through partner banks.

Outlook

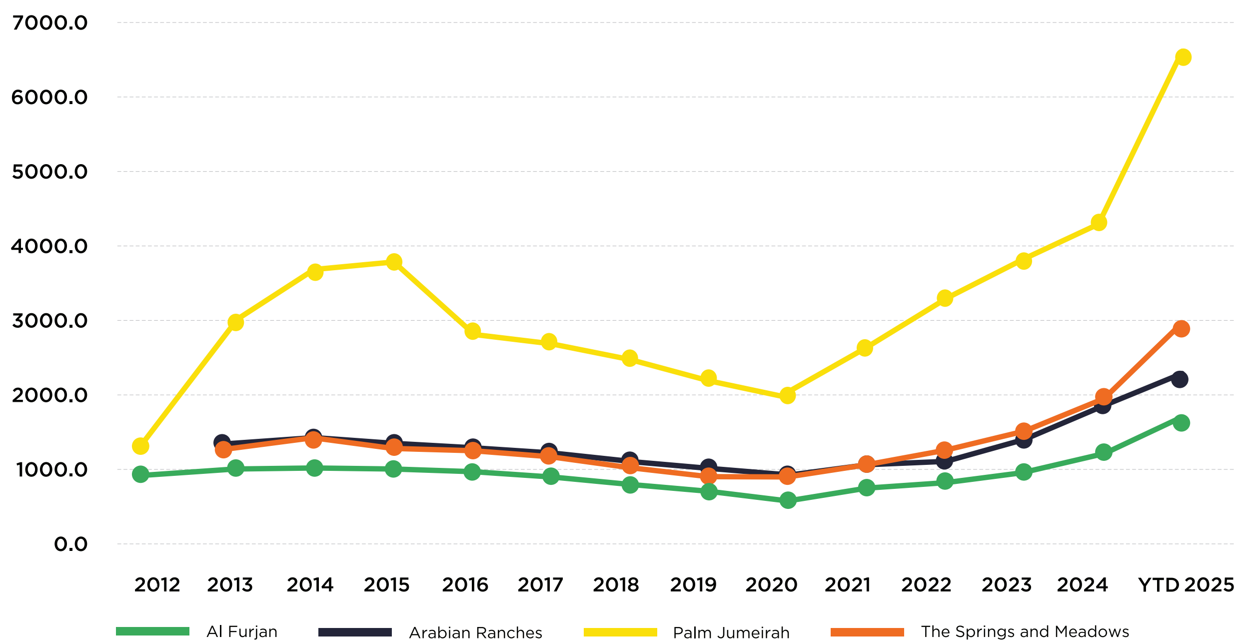
Dubai's real estate market continues to benefit from global wealth migration trends with Henley & Partners anticipating 9,800 millionaires will migrate to the UAE in 2025.

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 Q2 delivering record-breaking metrics with transaction volumes, average rate per sq ft and average ticket prices all reaching new highs. While Savills anticipates that global macroeconomic headwinds — including the evolving US-China trade relationship and the eventual outcome of US tariffs — could moderate economic activity 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.

CAPITAL VALUE TREND - APARTMENTS



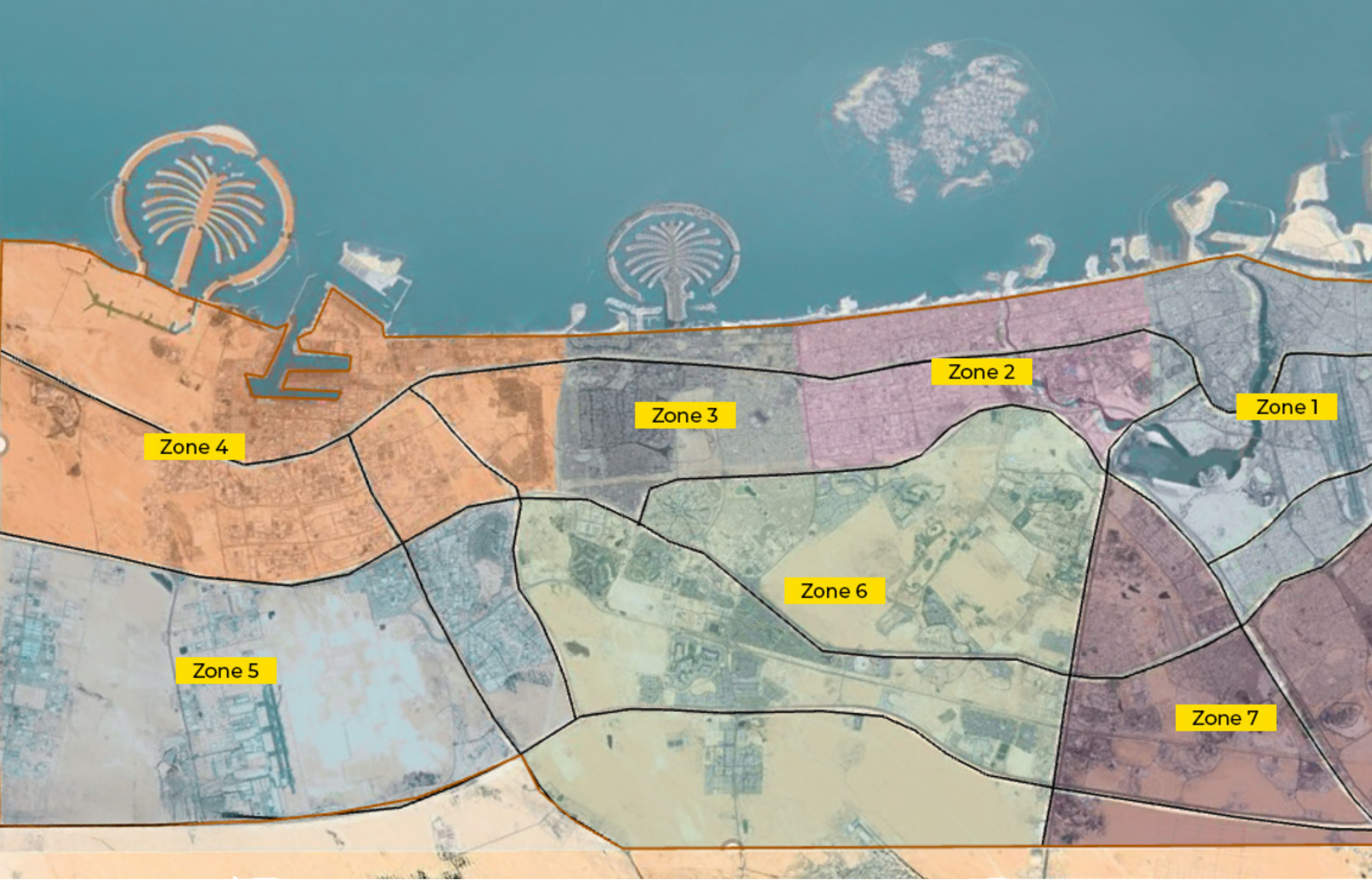
CAPITAL VALUE TREND - VILLAS



Note: Price trend for select residential communities only.

Source: Reidin, Savills Research

RESIDENTIAL ZONES IN DUBAI



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