

OnCoarse

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Off-plan supply impact on the established rental demand

The following document examines Dubai's relatively mature rental market for 1-bedroom apartments across 4 rental-price segments. It then compares existing tenant demand with the projected entry of currently off-plan units into the rental market, using gross yields recorded across the respective areas to estimate the rental segments in which these units are likely to compete

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Across 7 of 10 high-volume areas, 2026 off-plan prices point to future competition in a rental segment accounting for just 19% of demand

A

Rental Demand by Price Segments

What

Distribute 1-bedroom rental contracts from 2014 to 2026 across 4 brackets based on the price segments:
1. Budget (Up to USD 10 K / Year)
2. Affordable (USD 10-20 K / Year)
3. Comfort (USD 20-30 K / Year)
4. Premium (Over USD 30 K / Year)

How

Classify contracts by annual rent bracket and track each bracket's share of total demand between 2014 and 2025

Output

Outside major market disruptions, such as the COVID, the structure of rental demand has remained stable, with the affordable segment consistently dominating and accounting for 66% of 1-bedroom rental contracts in 2025, while comfort segment for 19%

B

Gross Yields in High-Volume Off-Plan Areas

What

Estimate Gross rental yields for existing 1-bedroom apartments across 10 areas with high off-plan transaction volumes between January and August 2026

How

Calculate monthly gross yields across 10 areas as annual rent divided by transaction price; compare minimum, maximum and median values

Output

Median yields ranged from 6.7% to 8.4%, providing an area-level benchmark for estimating the rental income off-plan properties would need to generate upon completion to remain competitive within their respective areas

C

Impact on the rental market

What

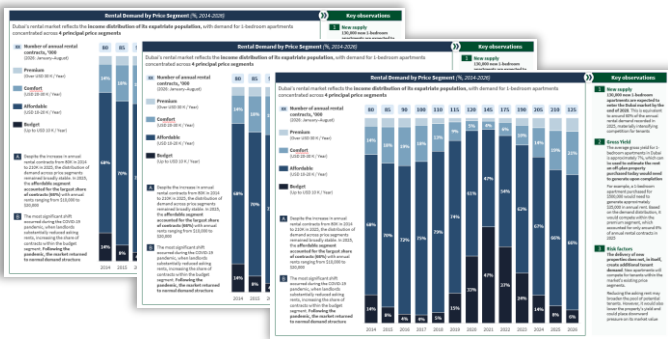
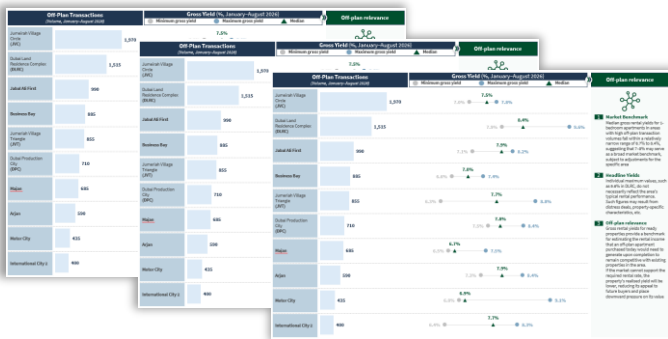
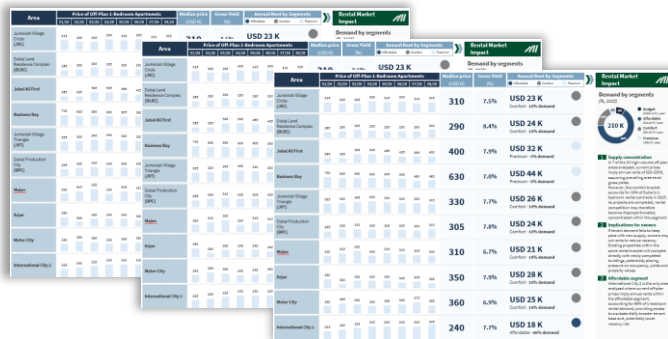
Capture rental bracket segment that current off-plan 1-bedroom units would need to target upon completion

How

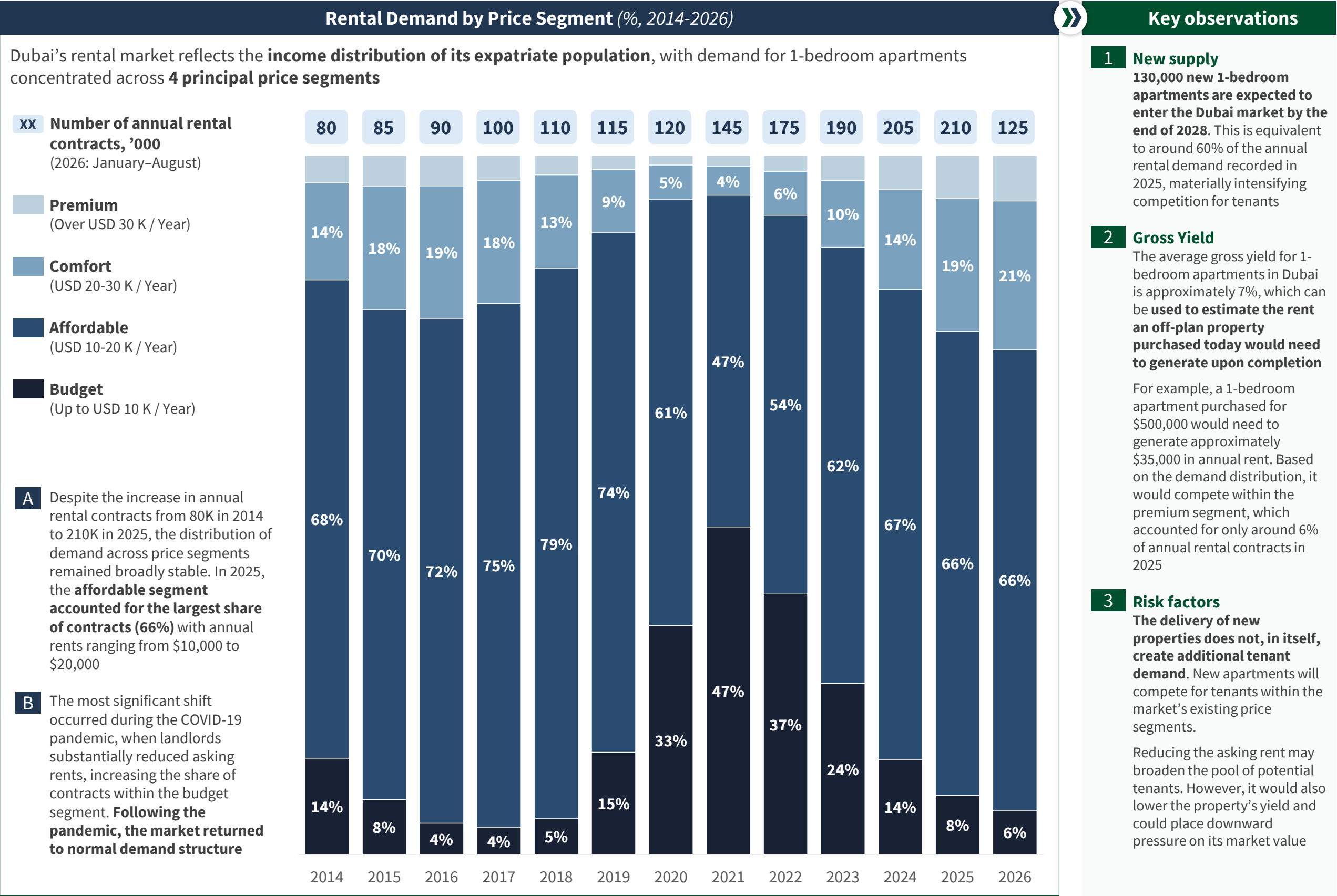
Apply each area's median gross yield to its 2026 median off-plan price (excluding DLD and other associated fees) to estimate the annual rent required after completion

Output

In 7 of the 10 areas, implied rents fall within the comfort segment, which accounts for 19% of current demand. As new projects reach completion, this concentration of supply is likely to heighten competitive intensity across both new and existing stock, placing pressure on rental rates, realised yields and asset values

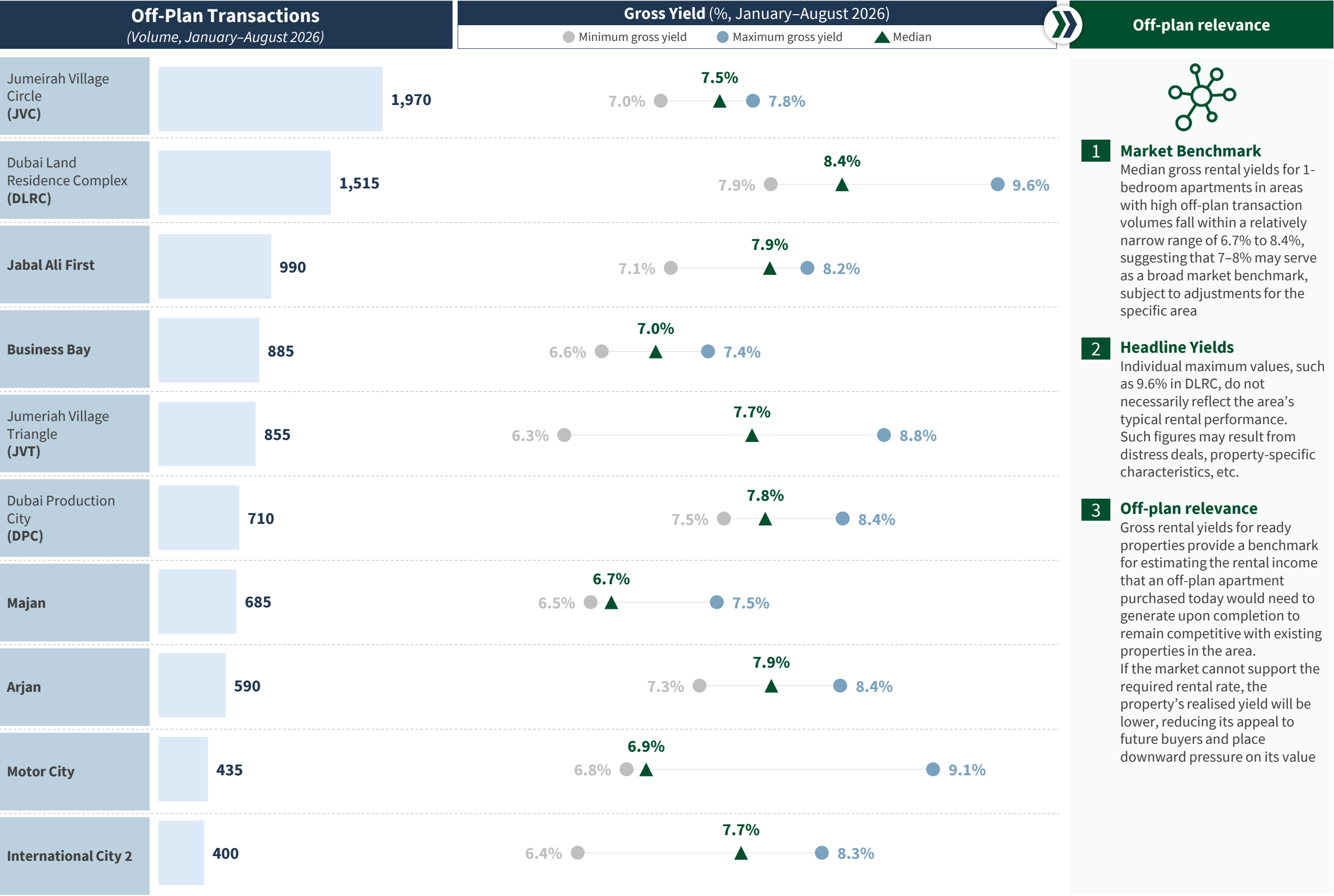


Distribution of Rental Demand for 1-Bedroom Apartments by Price Segment (%, 2014-2026)



Gross Rental Yields for 1-Bedroom Apartments in Areas with High Off-Plan Transaction Volumes

(%, January–August 2026)



Rental Competition by Budget Segment for Off-Plan 1-Bedroom Apartments, Based on Current Prices and Gross Rental Yields Across 10 Areas

Area	Price of Off-Plan 1-Bedroom Apartments (USD K)								Median price (USD K)	Gross Yield (%)	Annual Rent by Segments		
	01/26	02/26	03/26	04/26	05/26	06/26	07/26	08/26			<div><div></div>Affordable</div>	<div><div></div>Comfort</div>	<div><div></div>Premium</div>
Jumeirah Village Circle (JVC)	<div>315</div>	<div>305</div>	<div>305</div>	<div>320</div>	<div>315</div>	<div>320</div>	<div>310</div>	<div>315</div>	310	7.5%	USD 23 K Comfort · 19% demand	<div><div></div></div>	
Dubai Land Residence Complex (DLRC)	<div>285</div>	<div>290</div>	<div>300</div>	<div>295</div>	<div>290</div>	<div>290</div>	<div>290</div>	<div>300</div>	290	8.4%	USD 24 K Comfort · 19% demand	<div><div></div></div>	
Jabal Ali First	<div>285</div>	<div>295</div>	<div>545</div>	<div>545</div>	<div>485</div>	<div>405</div>	<div>395</div>	<div>400</div>	400	7.9%	USD 32 K Premium · 6% demand	<div><div></div></div>	
Business Bay	<div>700</div>	<div>635</div>	<div>650</div>	<div>630</div>	<div>605</div>	<div>595</div>	<div>480</div>	<div>485</div>	630	7.0%	USD 44 K Premium · 6% demand	<div><div></div></div>	
Jumeriah Village Triangle (JVT)	<div>325</div>	<div>330</div>	<div>345</div>	<div>350</div>	<div>340</div>	<div>330</div>	<div>330</div>	<div>315</div>	330	7.7%	USD 26 K Comfort · 19% demand	<div><div></div></div>	
Dubai Production City (DPC)	<div>295</div>	<div>305</div>	<div>310</div>	<div>305</div>	<div>305</div>	<div>305</div>	<div>300</div>	<div>310</div>	305	7.8%	USD 24 K Comfort · 19% demand	<div><div></div></div>	
Majan	<div>300</div>	<div>315</div>	<div>330</div>	<div>300</div>	<div>315</div>	<div>310</div>	<div>305</div>	<div>300</div>	310	6.7%	USD 21 K Comfort · 19% demand	<div><div></div></div>	
Arjan	<div>360</div>	<div>330</div>	<div>350</div>	<div>350</div>	<div>350</div>	<div>340</div>	<div>345</div>	<div>335</div>	350	7.9%	USD 28 K Comfort · 19% demand	<div><div></div></div>	
Motor City	<div>350</div>	<div>365</div>	<div>360</div>	<div>350</div>	<div>355</div>	<div>360</div>	<div>375</div>	<div>355</div>	360	6.9%	USD 25 K Comfort · 19% demand	<div><div></div></div>	
International City 2	<div>225</div>	<div>230</div>	<div>235</div>	<div>240</div>	<div>240</div>	<div>240</div>	<div>240</div>	<div>245</div>	240	7.7%	USD 18 K Affordable · 66% demand	<div><div></div></div>	

Rental Market Impact

Demand by segments
(%, 2025)

6%

8%

19%

210 K

66%

Budget

USD 10 K / year

Affordable

\$10-20 K / year

Comfort

\$20-30 K / year

Premium

>\$30 K / year

1 Supply concentration

In 7 of the 10 high-volume off-plan areas analysed, current prices imply annual rents of \$20–\$30K, assuming prevailing area-level gross yields. However, the comfort bracket accounts for 19% of Dubai’s 1-bedroom rental contracts in 2025. As projects are completed, rental competition may therefore become disproportionately concentrated within this segment

2 Implications for owners

If tenant demand fails to keep pace with new supply, owners may cut rents to reduce vacancy. Existing properties within the same rental bracket will compete directly with newly completed buildings, potentially placing pressure on occupancy, yields and property values

3 Affordable segment

International City 2 is the only area analysed where current off-plan prices imply annual rents within the affordable segment, accounting for 66% of 1-bedroom rental demand, providing access to a substantially broader tenant base and, potentially lower vacancy risk

Thank you

Many Dubai property decisions are still made without independent validation. Expected returns are often based on market averages or headline assumptions rather than the economics of a specific unit – Increasing the risk that actual income, liquidity and value performance fall short of expectations.

OnCoarse is an independent Dubai residential real estate analytics provider based in the DIFC PropTech Hub. We do not participate in property transactions, act as brokers or receive transaction-based commissions.

Our role is simple: provide buyers with an independent, data-driven view before they commit capital.

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