



January February March April May June

# Market Pulse (First 6 months of 2026)

DUBAI RESIDENTIAL REAL ESTATE MARKET

OnCoarse

## PURPOSE FOR DEVELOPING THIS REPORT

Dubai's residential real estate market remains one of the most active property markets globally, supported by strong transaction volumes and continued participation from international investors. During the first six months of 2026, however, the market showed signs of volatility, with activity and pricing influenced by regional instability and shifting investor sentiment.

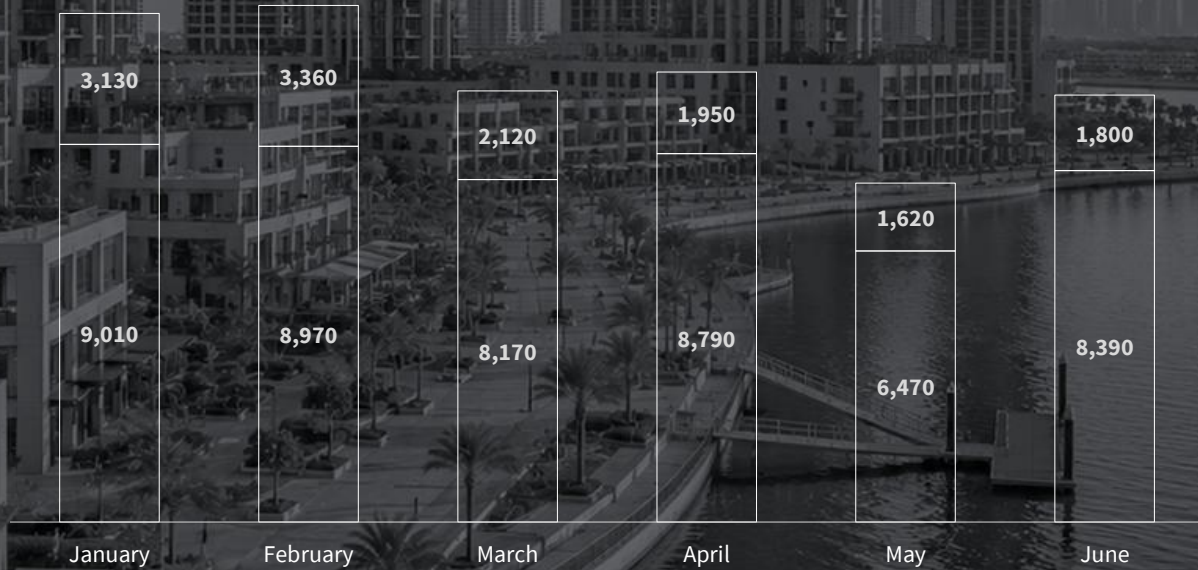
This report provides a data-led view of Dubai's residential apartment market. It does not seek to promote any investment decision, nor does it recommend buying, selling or holding any real estate asset. Instead, it examines what occurred in the market during the first half of 2026, using raw transaction and rental data published by the Dubai Land Department.

The analysis focuses on apartment real estate only, covering studios, 1-bedroom, 2-bedroom and other apartment types. Key metrics include population and economic context, off-plan and ready-built transaction volumes, secured price per square meter, rental demand and implied gross rental yields.

### Key findings

- **Off-plan remained the dominant apartment segment by volume**, with transaction activity holding relatively resilient across the period. The segment also showed no clear evidence of broad-based price correction, while May and June recorded a notable shift toward studio purchases.
- **Ready-built activity weakened materially**, with monthly transaction volumes declining by 47% between February and June, indicating higher sensitivity in the completed apartment market.
- **Ready-built prices also softened**, with median price per sqm declining by 8% from the February level. Among the top 10 neighbourhoods by June transaction volume, most recorded lower median prices per sqm versus February.
- **Rental demand declined across both volume and value**, with recorded rental contracts falling over the period alongside a reduction in average annual contract values.
- **Gross rental yields declined across studios, 1-bedroom and 2-bedroom units**, driven by rental values weakening faster than purchase prices.

# MARKET CONTEXT



## POPULATION AND ECONOMY

Dubai’s real estate is primarily driven by expatriate population. By the end of 2025, expatriates accounted for over 90% of the emirate’s population, equivalent to over 4 million people.

The relevant demand base for apartments is narrower - around 3.4 million residents are above the age of 20, while the remaining population is largely made up of dependents. Within the expatriate population, around 55% are aged between 25 and 40, placing a significant share of residents within the core renting age bracket.

By nationality, the expatriate population is concentrated among South and Southeast Asian residents, including India, Pakistan and the Philippines, which together account for around 60% of the expatriate base. Arabic-speaking countries represent the next major population group.

Dubai’s population is also highly male-skewed. Among working-age expatriates, males outnumber females by approximately 2.6 times. This reflects the structure of the labour market and affects the type of housing demand generated across the city.

Employment is concentrated in a few large sectors. Construction is the largest sector by headcount, followed by wholesale and retail trade. Together, they account for up to 50% of Dubai’s workforce. However, a large construction workforce does not directly translate into private apartment demand, as many workers are accommodated in employer-provided housing.

The income base is also uneven. Around 20% of the expatriates earn over USD 32,000 per year, representing the segment most relevant to private apartment rentals and ownership.

Dubai’s economy reached approximately [USD 225 billion](#) in real GDP in 2025, led by wholesale and retail, real estate and construction, finance and insurance, and logistic sectors.

**Exhibit 1: Working-Age Expatriates**  
(2025, Thousand)

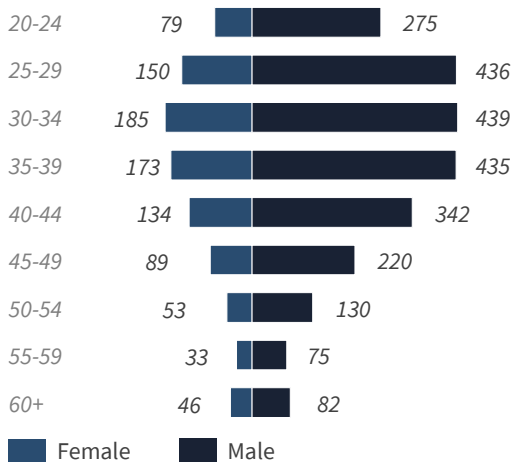
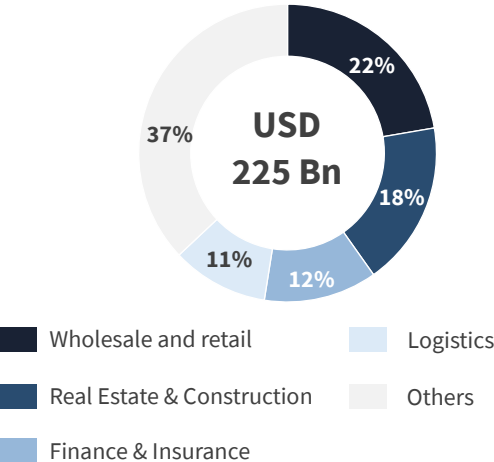


**Exhibit 2: Dubai Economy**  
(2025, USD Bn)

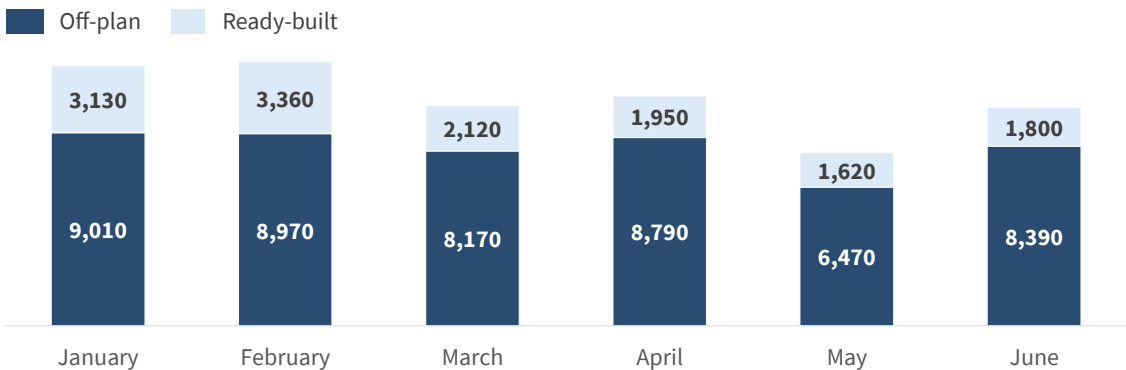


Sources: Dubai Digital Authority, MOHRE, DMO, OnCoarse analysis

# TRANSACTION VOLUME

Apartment transaction activity started the year on a strong footing, with both January and February recording more than 12 thousand residential purchase transactions, excluding non-monetary registrations such as gifts and mortgage-related transactions. Following the regional escalation, overall activity softened, although the impact was more visible in the ready-built segment than in off-plan. Off-plan transactions remained relatively resilient, with June recording 8.39 thousand transactions compared with 8.97 thousand in February, while ready-built activity declined by 47% versus the pre-escalation level (3,360->1,800). This indicates that investors did not withdraw from the market, but prioritized assets that delay full exposure – favouring staged payments and future handover timelines over ready-built assets, where pricing, rental income and exit risks are absorbed immediately.

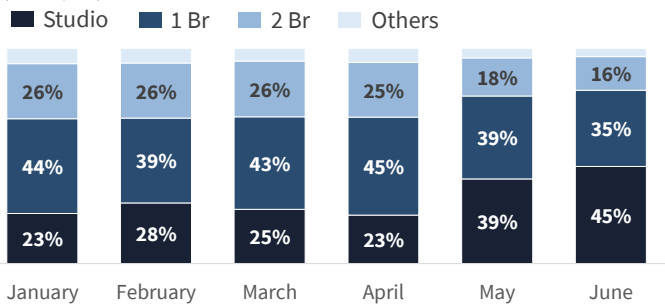
**Exhibit 3: Transaction activity in both off-plan and ready-built segments**  
(2026, Number of transactions)



## Off-plan by apartment type

Over the first 4 months of the year, off-plan apartment demand was led by 1-bedroom units, which accounted for 39–45% of total off-plan transactions. However, the mix shifted notably from May to June, with studio apartments recording a sharp increase in share, suggesting a growing preference for more affordable entry-ticket assets

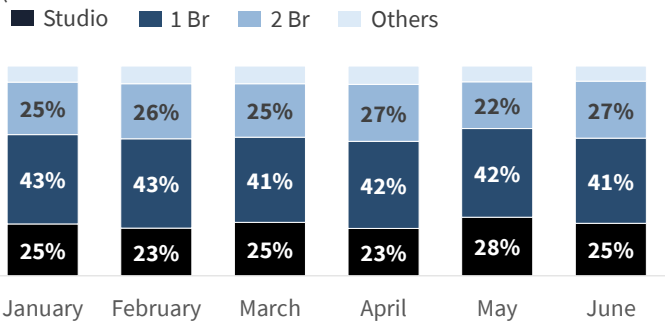
**Exhibit 4: Off-plan - breakdown overview**  
(2026, %)



## Ready-built by apartment type

Compared with the dominant off-plan segment, the ready-built market maintained a more consistent apartment mix throughout the first six months of 2026. Demand was led by 1-bedroom units, which accounted for 42% of transactions across the period, followed by 2-bedroom units and studios, both of which maintained stable shares

**Exhibit 5: Ready built - breakdown overview**  
(2026, %)



Sources: DLD Transactions Data

# PRICE DYNAMICS

## Off-plan

Price per square meter within the dominant off-plan segment did not show clear signs of broad-based appreciation or correction during the first 6 months of 2026. While city-level median pricing declined from USD 5,490 per sqm in January to USD 5,060 per sqm in June, this movement should not be interpreted as evidence of a market-wide price correction. Off-plan activity is largely driven by primary transactions between developers and investors, where pricing tends to be less immediately reactive than in the secondary market. More importantly, the decline appears to be driven by a shift in transaction mix across communities rather than a clear repricing of comparable assets. For example, in February, Nad Al Sheba accounted for around 7% of recorded off-plan transactions, with a median price of USD 10,600 per sqm, compared with only 1.5% in June. As a result, the lower city-level median price reflects reduced exposure to premium-priced communities, rather than a definitive fall in off-plan values. A similar pattern is visible across apartment types, where price movements appear to be influenced primarily by changes in neighbourhood mix.

**Exhibit 6: City-wide off-plan prices per square meter**  
(2026, USD/SQM)

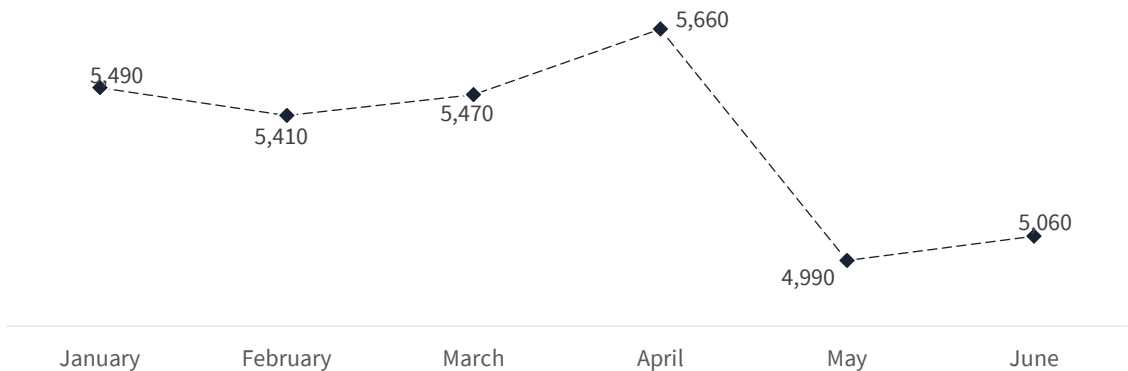
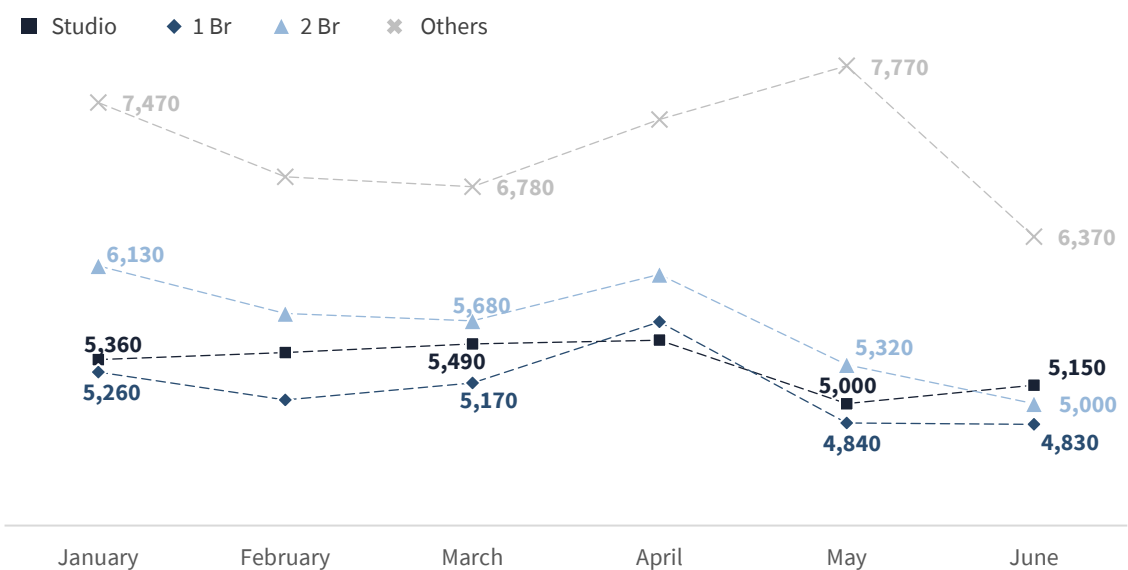


**Exhibit 7: City-wide off-plan prices per square meter by apartment type**  
(2026, USD/SQM)



Sources: DLD Transactions Data

### Ready-built

Ready-built prices show a clearer and more immediate reaction than off-plan. As a secondary market, ready-built pricing is negotiated directly between buyers and sellers, making it a stronger indicator of near-term sentiment and price discovery.

At the city level, the median ready-built apartment price reached USD 4,410 per sqm in February, before declining unevenly through the rest of the period. The sharpest movement came in March, when prices fell by 10%. By June, the median price stood at USD 4,040 per sqm, 8% below the February level.

The softness was not limited to the city average. Among the 10 neighbourhoods with the highest ready-built transaction volumes in June, 8 recorded lower median prices per sqm than in February. This suggests that price pressure was visible across the most liquid ready-built apartment markets, rather than being driven by a single neighbourhood.

This does not certainly imply a start of market-wide correction, but it does show increased price sensitivity in the secondary market. Ready-built pricing matters because it becomes the benchmark for off-plan units once they are handed over.

**Exhibit 8: City-wide ready-built prices per square meter**  
(2026, USD/SQM)

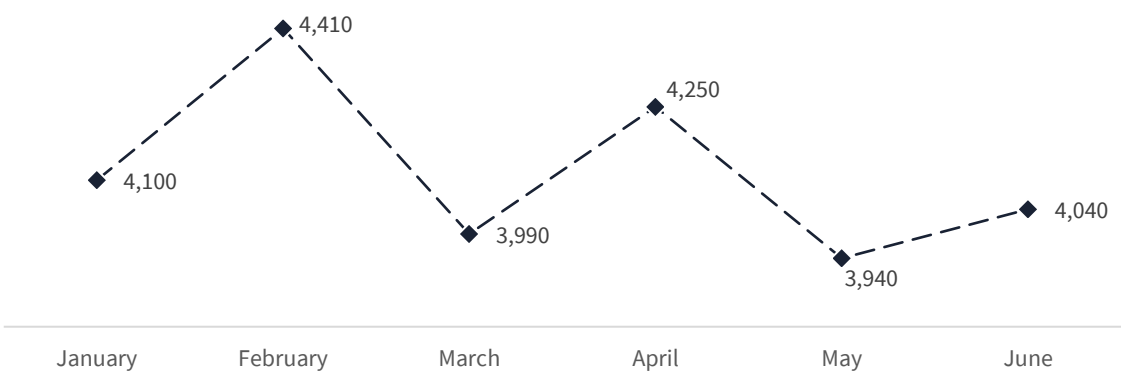
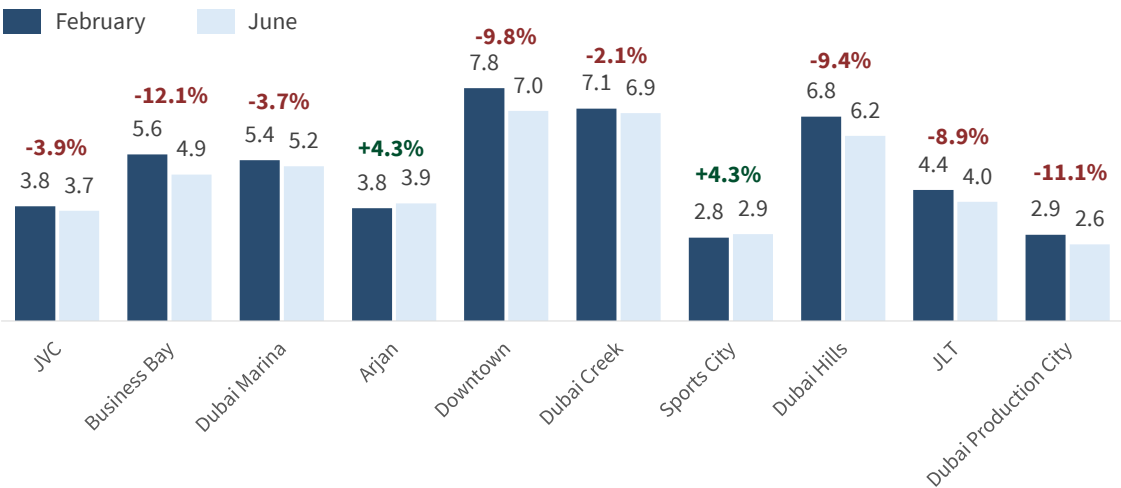


**Exhibit 9: Median price per SQM Movement: February vs June Across Top 10 Neighbourhoods**  
(2026, USD Thousand/SQM)

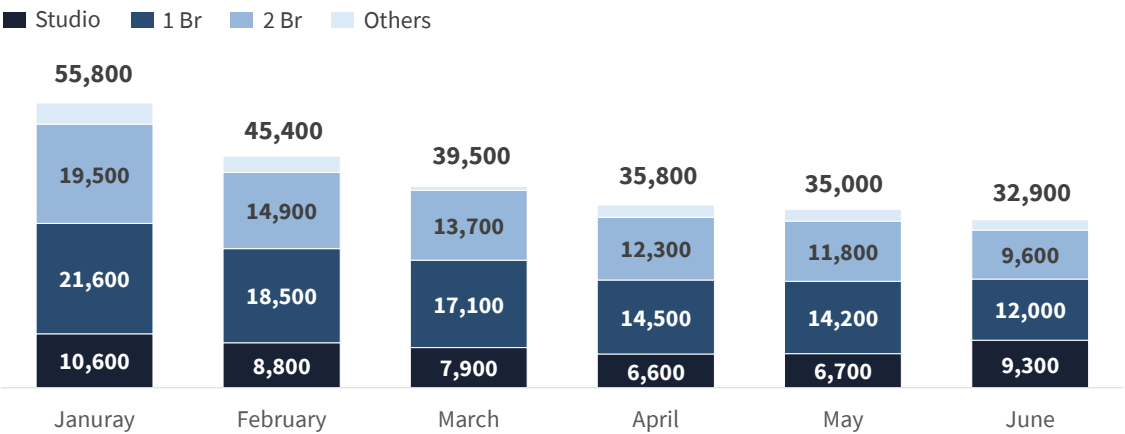


Sources: DLD Transactions Data

# RENTAL VOLUMES

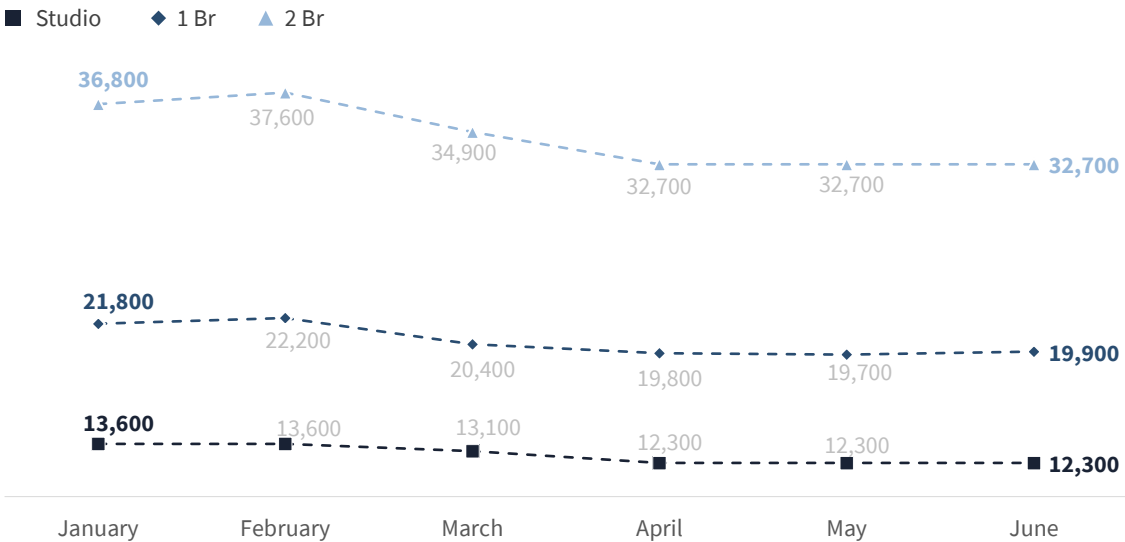
Dubai’s residential rental market slowed materially over the first 6 months of 2026, with recorded rental contracts of 1–12 months falling from 56 thousand in January to 32 thousand in June. The decline was not isolated to a single month, but developed progressively across the period, suggesting a broader slowdown in tenant absorption. While the data does not directly confirm resident departures, it points to softer occupier demand, potentially driven by slower inflows of new residents and more cautious tenant behaviour during the period. This indicates elevated vacancy risk, with longer tenant search periods potentially weighing on realised rental income.

**Exhibit 10: Number of monthly residential rental contracts**  
(2026, Number of rental contracts)



Rental values moved in line with weakening rental activity. While the available dataset does not cover the full market due to limitations in publicly disclosed records, rental data from more than 1,000 residential buildings shows a clear decline in annual contract values across the main apartment categories: studios, 1-bedroom and 2-bedroom units – elevating the earning risks.

**Exhibit 11: Median value of annual rental contracts across 1,000 buildings across the city**  
(2026, USD)



Sources: DLD Rental Data

## GROSS RENTAL YIELD

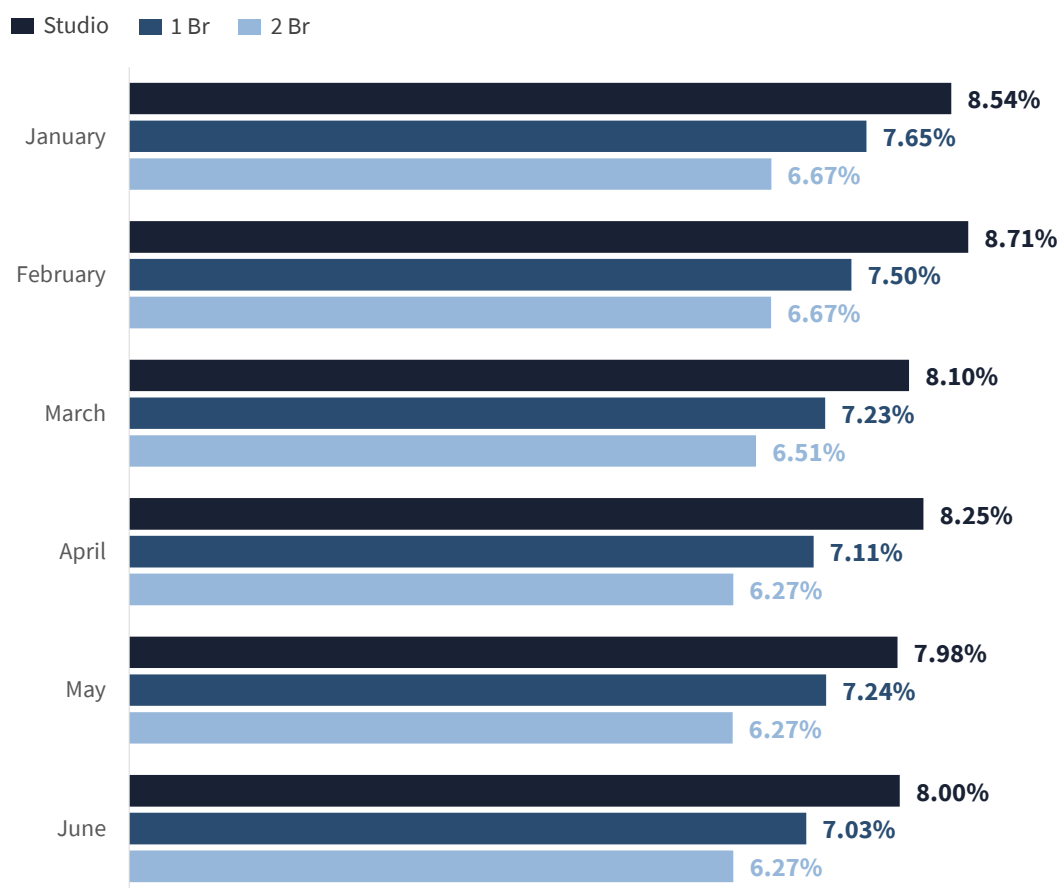
Gross rental yields declined across studios, 1-bedroom and 2-bedroom apartments between January and June, as rental values weakened faster than purchase prices. The analysis compares median annual rental contracts with median purchase prices recorded in the same month across 825 residential buildings where both rental and purchase transactions were captured.

Studios remained the highest-yielding apartment type, although their gross yield fell from 8.54% in January to 8.00% in June. The same downward trend was visible across 2- and 2-bedroom units.

The message is clear: softer purchase prices did not translate into stronger income returns. Rental values adjusted more sharply, compressing gross yields and pointing to weaker income resilience across the apartment market.

Importantly, these figures reflect gross yields only. Actual investor returns would be lower after upfront acquisition costs, including the DLD fee and agency fee, as well as recurring deductions such as service charges, maintenance, vacancy and other operating costs. As a result, net yields would sit materially below the headline gross yield figures.

**Exhibit 12: Gross rental yields across the city**  
(2026, %)



Sources: DLD Rental and Transactions Data

## CONCLUSION

The first six months of 2026 opened with robust apartment transaction volumes, but market conditions became more volatile as regional escalation weighed unevenly across segments. The impact was most visible in the ready-built market, where buyers are immediately exposed to pricing, rental income and resale liquidity risks.

At the same time, weaker rental activity placed pressure on annual contract values, contributing to lower implied gross rental yields across the main apartment categories. These patterns point to a more cautious market environment, where transaction activity has not disappeared, but income resilience and secondary-market pricing have softened.

Upcoming apartment supply may add further pressure to rental values, particularly in areas with high delivery concentration. This report does not provide investment recommendations or area-level buy/sell guidance. Instead, it highlights the importance of testing market narratives against transaction data, rental evidence and yield dynamics.

This report is for informational purposes only and does not constitute investment or financial advice. Any real estate decision should be based on independent due diligence and professional advice.

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