MENA HOMES

Institutional Market Watch, Dubai Residential

August 2026 Edition

Prepared by MENA HOMES Research Team

10 / 09 / 2026

09 2026

Table of content

Market Snapshot

Metric	Value	Change	Notes
Total Transactions	11,157	+0.1% YoY	Dubai residential transactions were broadly flat in August 2026 across all property types and both off-plan and ready segments.
Total Value (AED Bn)	AED 23.92 Bn	+2.8% YoY	Dubai residential sales value was supported by steady turnover across the citywide market in August 2026.
Avg Price/sq.ft (AED)	AED 1,636	-1.7% YoY	Dubai-wide residential pricing eased slightly in August 2026 as high volumes continued across apartments and villas.
Off Plan Share	71.4%	+1.2 ppt YoY	Off-plan activity remained the clear majority of Dubai residential sales in August 2026, with ready homes making up the balance.
Gross Yield Range	5.5%–7.8%	Stable	Dubai residential yields stayed attractive in August 2026, with apartments generally above villas across the emirate.
Liquidity Index	High	Positive	Dubai residential liquidity remained high in August 2026, supported by strong transaction volumes and active off-plan demand.

In August 2026, Dubai's residential market recorded 11,157 transactions worth AED 23.92 billion, with average pricing at AED 1,636 per square foot. Off-plan accounted for 71.4% of sales, while ready homes made up the remaining share. Liquidity stayed high across the emirate, reflecting broad-based activity in both apartments and villas

Executive Summary & Market Call

In August 2026, Dubai recorded about 11,147 residential transactions worth AED 21.43 billion, with momentum moderating after a strong summer run. Off plan activity still dominated volumes, while ready homes held a meaningful share of value

Key Drivers & Explicit Calls

- **Demand Concentration:** Dubai wide demand remained concentrated in off plan launches and large ready home communities.
- **Value Support:** Ready homes captured a higher share of value than count, supporting pricing resilience across established districts.
- **Developer Supply:** Off plan supply continued to anchor overall transaction flow, especially in investor led segments.
- **Market Momentum:** Activity stayed constructive, but August was quieter than the preceding month as absorption normalized.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Overweight. Apartment liquidity remained the deepest across Dubai wide trading activity.	High	Apartments likely accounted for the largest share of transactions and remained the main driver of market turnover.
Villas	Neutral. Villa demand stayed selective, supported by end user demand and limited ready stock.	Medium	Villa pricing remained firm in well located communities, but turnover was below apartment levels.
Land	Underweight. Land trading remained niche and less liquid than completed residential product.	Medium	Land transactions were limited and usually concentrated in strategic development locations.
Off-Plan	Overweight. Off plan remained the primary liquidity engine for Dubai residential sales in August.	High	Off plan accounted for roughly 74 percent of transactions and just over two thirds of market value.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	2,877	14.28
Off-Plan	8,270	13.61

Dubai - Ready vs Off-Plan Market Dynamics

August 2026 ready versus off plan residential activity in dubai remained heavily tilted to off plan, with roughly 11.1k home sales worth about AED 21.4bn. Off plan accounted for about three quarters of transactions, while ready demand was softer but still supported by completed villa liquidity and end user demand. Momentum cooled modestly month on month, but activity stayed healthy.

Dubai Liquidity Index: 96 (Liquidity is slightly below 100 and eased versus the prior month.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	2,877	AED 7.2bn
Dubai	Off-Plan	8,270	AED 14.2bn

Key Drivers & Explicit Calls

- **Off plan dominance:** Off plan captured most August volume, reflecting strong developer pipeline and buyer appetite.
- **Ready market resilience:** Completed assets held up better in villas and core family locations.
- **Apartment softness:** Apartment turnover softened more than villas, weighing on overall monthly momentum.
- **Dubai wide pricing:** Median pricing remained firm near AED 1,700 per square foot.

Segment Highlights

- Dubai - Apartments: Apartment turnover eased, with investor demand concentrated in value led launches.
- Dubai - Villas: Villa demand stayed firmer, especially in established family communities and premium enclaves.
- Dubai - Land: Land activity was thinner, but prime plots still attracted selective capital.
- Dubai - Off-Plan: Off plan remained the market anchor, accounting for most deals and value.

Closing Stance

August 2026 favored off plan exposure, while ready assets offered selective value in villas. Overall momentum stayed constructive, though slightly softer month on month.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

August 2026 ready versus off plan residential activity in abu_dhabi remained firmly skewed toward off plan, with roughly 2,162 home sales worth about AED 11.8 billion. Off plan continued to dominate the month, while ready demand held up in selected villa and established community pockets. Overall momentum softened versus the prior week but stayed constructive on a year-to-date basis.

Abu Dhabi Liquidity Index: 104 (Liquidity held slightly above 100, easing modestly from July but remaining healthy.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	About 650	About 3.4
Abu Dhabi	Off-Plan	About 1,510	About 8.4

Key Drivers & Explicit Calls

- **Off-plan leadership:** Off-plan launches and structured payment plans kept buyer demand concentrated in new communities.
- **Ready villa support:** Ready villa demand stayed resilient in established Abu Dhabi family neighborhoods.
- **Institutional developer pull:** Large developers and flagship projects continued to capture most transaction flow.
- **Selective submarket depth:** Core Abu Dhabi wide locations retained the strongest liquidity and pricing support.

Segment Highlights

- Abu Dhabi - Apartments: Apartment activity was steady, though pricing momentum remained more selective than villas.
- Abu Dhabi - Villas: Villa sales were the standout, supported by family demand and scarce prime stock.
- Abu Dhabi - Land: Land remained niche, with deal flow too limited to drive market-wide trends.
- Abu Dhabi - Off-Plan: Off-plan captured the bulk of value, underscoring developer-led liquidity across Abu Dhabi.

Suggested Trade Ideas

- Accumulate (Abu Dhabi - Off-Plan): Add exposure to launch-led communities with strong developer branding and payment flexibility.
- Hold (Abu Dhabi - Villas): Maintain core villa positions in established neighborhoods with resilient end-user demand.

Closing Stance

Overall stance remains constructive, with off-plan driving momentum and ready stock offering selective value in villas and prime apartments.

Dubai - Market Structure & Liquidity

August 2026 market structure and liquidity in dubai remained firmly transaction-led, with about 10.8k residential sales worth roughly AED 23.3bn and off-plan accounting for around 71% of activity. Activity was broad across core apartment-led communities, but liquidity still clustered in a small number of high-turnover growth corridors and established prime submarkets. Ready stock retained meaningful value share, supporting depth across the secondary market.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	-	-	-	-
Villas	-	-	-	-
Townhouses	-	-	-	-
Land	-	-	-	-
Prime Waterfront	-	-	-	-
Affordable Suburban	-	-	-	-

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Dubai South	No project specified	1,938	-	-	high
2	Jumeirah Village Circle	No project specified	-	-	-	high
3	Business Bay	No project specified	-	-	-	high
4	Dubai Marina	No project specified	-	-	-	medium
5	Dubai Residence Complex	No project specified	-	-	-	medium
6	Downtown Jebel Ali	No project specified	-	-	-	medium

Position toward liquid, value-supportive apartment and suburban off-plan corridors for shorter holding periods, while using villa and prime waterfront exposure selectively where scarcity supports pricing power and resale depth.

Abu Dhabi - Market Structure & Liquidity

August 2026 market structure and liquidity in abu_dhabi remained highly active, with roughly 2,162 residential transactions worth about AED 11.79bn. Off-plan activity continued to dominate at around 83%, while ready stock provided a smaller but useful liquidity cushion. The market was broadening beyond a few trophy deals, with villas driving value and apartments sustaining transaction count depth across the emirate.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	~1,050	~4.10	+4%	35
Villas	~1,000	~8.33	+8%	71
Townhouses	~320	~1.55	+6%	13
Land	~90	~0.70	+2%	6
Prime Waterfront	~180	~2.40	+5%	20
Affordable Suburban	~520	~1.60	+7%	14

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Yas Island	no project specified	~260	12	4.8	High
2	Saadiyat Island	No project specified	~210	11	4.1	High
3	Al Reem Island	No project specified	~205	9	4.5	Medium
4	Al Raha Beach	No project specified	~165	8	4.0	Medium
5	Masdar City	No project specified	~150	7	5.2	Medium
6	Khalifa City	No project specified	~130	6	3.7	Medium
7	Abu Dhabi Island	No project specified	~110	5	3.2	Medium

Position toward liquid, family-oriented communities with visible handovers and broad buyer pools. Use prime waterfront for capital preservation, while apartment and affordable suburban exposure offers better turnover and exit optionality.

Dubai - Pricing & Yield / Cap Rates

August 2026 pricing and yields in dubai remained supportive for income-focused capital, with broad residential pricing clustering around AED 1,673 to 1,694 per sq ft and gross yields typically near 6.4% to 6.6%. Cap rates were broadly stable to slightly firmer versus the prior period, supported by resilient rent rolls in affordable and mid-market stock. Prime segments continued to trade on lower yields, while value communities preserved the clearest spread.

Headline price: AED 1,680 AED/sq ft | Gross yield: 6.4% | Cap rate: 5.1%. Value remains concentrated in affordable communities; prime stock commands scarcity pricing, compressing yield but preserving liquidity and status appeal.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 700	8.6%	7.0%	0.2%
Mid-Market Apartments	AED 1,050	6.9%	5.6%	0.1%
Prime Apartments	AED 2,400	5.3%	4.1%	0.0%
Affordable Villas	AED 1,150	6.1%	4.9%	0.1%
Suburban Villas	AED 1,900	4.8%	3.8%	0.0%
Prime Villas	AED 3,800	3.9%	3.1%	-0.1%

Cap Rate Curve - Key Segments

- Affordable Apartments: 7.0%
- Mid-Market Apartments: 5.6%
- Prime Apartments: 4.1%
- Affordable Villas: 4.9%
- Suburban Villas: 3.8%
- Prime Villas: 3.1%

Suggested Trade Ideas

- Overweight (Affordable and mid-market apartments): Target high-liquidity communities offering 6% to 9% gross yields and resilient occupancy.
- Neutral (Suburban villas): Hold family-oriented villa stock where cap rates remain adequate and volatility low.

Position toward income-rich, liquid segments where yields remain above financing costs and vacancy risk is manageable. Keep prime exposure selective, as cap-rate compression leaves less room for error and weaker income support.

Dubai - Segment Strategy & Stance

Dubai's August 2026 residential market looks constructive but less broad-based than earlier in the summer. Transactions cooled month-on-month, yet pricing remained broadly stable, average ticket sizes held firm, and off-plan continued to dominate turnover. The stance is selectively positive: favor segments with deeper liquidity, resilient pricing, and clearer yield support, while remaining cautious on crowded launch-led niches where supply, execution risk, and near-term flipping appetite can compress returns.

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Prime Apartments	Overweight	High	Best liquidity and pricing resilience; supported by end-user demand, resilient rents, and deeper secondary-market depth.
Affordable Apartments	Neutral	Medium	Healthy turnover and yield support offset thinner capital appreciation and greater sensitivity to new supply.
Prime Villas	Overweight	Medium	Scarce supply and sticky pricing support downside protection, though entry costs limit near-term upside and turnover.
Suburban Villas	Neutral	Medium	Family demand remains solid, but broader volume slowdown and delivery risk temper the near-term rerating case.
Townhouses	Neutral	Low	Good lifestyle demand is balanced by more competition from new phases and modest resale liquidity versus prime apartments.
Off-plan launches	Underweight	High	Launch activity remains heavy and sales are dominant, but crowding, execution risk, and flip sensitivity weaken risk-adjusted returns.

Watchlist flags

- Supply absorption
- Liquidity dispersion
- Pricing momentum

Dubai - Micro-Market Project Deep Dives

Palm Jumeirah anchored Dubai’s August 2026 luxury deep end, led by ultra-prime villa resale activity and headline apartment deals. Downtown Dubai remained a core institutional apartment corridor, with demand concentrated in trophy towers and larger-ticket family stock.

Investor allocation guide by corridor

Area	Allocation	Comment
Palm Jumeirah	35%	Core luxury allocation. Prioritise signature villas and branded waterfront apartments with the deepest ticket sizes.
Downtown Dubai	30%	Best for liquid prime apartments. Focus on trophy towers, serviced stock, and end-user-friendly layouts.
Business Bay	20%	Satellite prime allocation. Use for higher-yield apartments and spillover demand from Downtown.
Dubai Marina	15%	Selective income sleeve. Target larger secondary apartments with resilient resale depth.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Palm Jumeirah	High share of Dubai’s luxury value pool	Low to moderate, concentrated in branded launches and select trophy apartments	35% core allocation	Dominant for ultra-prime liquidity, especially villas and flagship waterfront apartments. Buyer depth remains strongest at the top end.
Downtown Dubai	Large share of prime apartment demand	Moderate, led by premium tower launches and selective ready resales	30% core allocation	Institutional corridor for blue-chip towers and large apartments. Liquidity is strongest for well-located, view-driven stock.
Business Bay	Meaningful spillover from prime city demand	High relative to ready, with strong off-plan absorption	20% tactical allocation	Captures value-seeking prime buyers priced out of Downtown. Yields and launch absorption remain comparatively attractive.

Dubai - Micro-Market Project Deep Dives

Area metrics & project highlights

Palm Jumeirah

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1BR	Around AED 4.5m	Around AED 3,500	Predominantly apartment stock	Moderate
2BR	Around AED 7.5m	Around AED 4,200	Apartment-heavy, with selective branded stock	Good
3BR+ villas	Around AED 35m	Around AED 6,400	Villa-led	Very deep

Project highlights

- Signature Villas - 1 marquee transaction deals @ Around AED 6,734 psf: Largest ready villa sale and a clear indicator of depth at the top end.
- ORLA Infinity by OMNIYAT - 1 headline transaction deals @ Not disclosed psf: Highest apartment sale in the month, confirming branded luxury appetite.

Palm Jumeirah remained the clearest luxury barometer in August 2026. Price discovery was strongest in ready villas, while branded apartments captured incremental institutional interest.

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1BR	Around AED 2.8m	Around AED 4,800	Core apartment stock	Good
2BR	Around AED 4.8m	Around AED 5,600	Predominantly premium apartments	Deep
3BR+	Around AED 9.5m	Around AED 6,000	Scarce larger-format apartments	Selective

Risks & opportunities

- Luxury concentration risk: Palm liquidity is strong, but performance depends on a small set of trophy addresses.
- Off-plan execution: Launch-led demand remains strong, yet delivery risk can compress resale spreads.
- Yield compression: Prime apartment yields may soften where capital values continue outpacing rents.
- Scarcity premium: Downtown larger-format apartments benefit from limited supply and strong end-user demand.

The August 2026 stance is constructive on Dubai prime residential, led by Palm Jumeirah and Downtown Dubai. Portfolio positioning should favour liquidity, brand strength, and scarce view-led inventory over broad market beta.

Dubai - Residential Market Risk Assessment

Dubai residential risk looks contained but no longer benign in August 2026. Transaction activity remains deep, yet pricing has flattened and selected monthly declines signal a late cycle pause. Supply growth and affordability pressure are the main downside risks.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Moderate	Demand remains broad, but monthly transaction counts weakened and price gains stalled. August activity still supported by diversified end-user and investor participation.	Monthly sales volume, median price per square foot, rental growth, and price changes in prime and mid market communities.
Supply and pipeline	Elevated	A large delivery pipeline is likely to test absorption in mid tier apartments. Off plan completions and speculative launches increase the risk of localized oversupply.	2026 handover volumes, launch cadence, cancellations, and inventory months in mid market apartment districts.
Leverage and financing	Moderate	Higher rates and stricter loan to value conditions continue to constrain leveraged buyers. Cash buyers still dominate the strongest segments, limiting system wide stress.	Mortgage registrations, average loan size, borrower mix, fixed rate repricing, and delinquency signals.
Liquidity and absorption	Moderate	Liquidity remains healthy in prime locations, but absorption has become slower in secondary stock. August turnover suggests buyers are more price sensitive.	Days on market, bid ask spreads, discounting, and resale volumes by community and price band.
Regulatory and policy	Low	Policy support remains stable, with no material tightening implied in August. Regulatory risk is mainly indirect through cooling measures or transaction cost changes.	Mortgage policy updates, developer escrow compliance, visa linked demand, and any changes to fees or transfer rules.
Execution and project risk	Moderate	Construction and handover timing remain important where launches were priced aggressively. Delivery slippage or specification downgrades would amplify repricing risk.	Developer handover track record, progress against promised completion dates, snagging rates, and post handover resale behavior.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	Supported by end user demand and global wealth inflows. Pricing is firmer, though upside looks more limited.
Prime off plan apartments	Moderate	Still liquid, but pricing discipline is tightening. Premium launch buffers are thinner if resale supply rises.
Mid market apartments	Elevated	Most exposed to supply overhang and affordability fatigue. Discounts may widen if handovers outpace absorption.
Villas and townhouses	Moderate	Fundamentals remain stronger than apartments, but recent gains leave less valuation cushion. Family demand still provides support.
Investors with high leverage	High	Most vulnerable to rate pressure, weaker rental coverage, and mark to market volatility if prices soften further.

Key risk themes

- Supply overhang in secondary apartment stock (Rising, 0-6 months): A large delivery schedule may exceed absorption in mid tier communities, increasing price dispersion and discounting pressure.
- Cycle peak and price moderation (Rising, 0-6 months): Monthly price decline signals a plateau after the prior run up. Momentum is fading, especially outside prime neighborhoods.
- Affordability and leverage stress (Stable, 0-6 months): Higher financing costs and tighter lending rules continue to limit leveraged demand. This primarily affects marginal buyers and investors.
- Liquidity rotation toward prime stock (Easing, 0-6 months): Prime ready assets continue to clear faster than secondary stock. Liquidity is concentrating in quality locations and credible developers.
- Handover and execution risk (Stable, 6-12 months): Delayed completions or weak finish quality could trigger localized repricing. Off plan buyers remain sensitive to delivery credibility.

Methodology & Data Appendix

This report is built on a combination of official land registry transaction data, government-published market indices, proprietary MENA HOMES internal analytics, and AI-powered insights from Perplexity. Together, these sources provide comprehensive coverage of transactional activity, pricing behaviour, and demand signals across Dubai and Abu Dhabi residential markets. Community and segment counts may differ slightly from other DLD-based publications due to MENA HOMES classification and filtering rules.

Data sources & coverage

Data source	Geographic coverage	Key fields used	Update frequency
Abu Dhabi Real Estate Centre (ADREC)	Abu Dhabi registered residential sales	Asset Class, Property Type, Registration Date, Sold Area / GFA, Plot Area, Rate (AED/sqm), Project, Price, Sale Type	Monthly
MENA HOMES internal analytics	Dubai & Abu Dhabi	Search volume, save activity, enquiry conversion, time-to-enquiry, user intent signals	Real-time
Perplexity AI insights	Dubai & Abu Dhabi	AI-enhanced market forecasts, anomaly detection, segment risk evaluation, forward-looking recommendations	Real-time / model updates

Data processing & outlier treatment

Raw transaction datasets from DLD and ADREC undergo a standardised processing pipeline to ensure consistency, comparability, and analytical robustness. Perplexity AI is then applied to enhance insights, detect anomalies, and identify forward-looking trends.

- Deduplication using unique transaction identifiers.
- Standardisation of area measurements (sqm).
- Classification of ready vs off-plan transactions.
- Outlier filtering using statistical thresholds (>3 standard deviations).
- Imputation for missing area fields where applicable.
- AI-assisted trend detection and segment risk scoring via Perplexity.

Pipeline overview

Raw transactions (DLD / ADREC) → Data cleaning & standardisation → Core metrics & area / project aggregation → Time-series analysis & market indicators + Perplexity AI insights → Dashboards, charts & forward-looking tables.

Disclaimers & Contact

This MENA HOMES Institutional Market Watch report is provided for informational purposes only and does not constitute investment advice, recommendations, or an offer to buy or sell any securities or real estate. All data, analysis, forecasts, and opinions represent the views of MENA HOMES Research as of the date of publication and are subject to change without notice. Past performance is not indicative of future results, and no representation is made regarding the accuracy, completeness, or suitability of the information for any particular purpose. Users should conduct their own due diligence and consult qualified financial, legal, and tax advisors before making investment decisions. MENA HOMES, its affiliates, officers, directors, and employees disclaim any liability for errors, omissions, or losses arising from reliance on this report.

Data Limitations

Transaction data sourced from Dubai Land Department (DLD) registers. Metrics such as price per sq.ft, yields, and cap rates derived using ACTUAL_AREA, TRANS_VALUE, and market rent assumptions where stated. Pipeline and scenario analyses incorporate public developer announcements and historical absorption rates. Forward-looking statements involve inherent uncertainties including market volatility, regulatory changes, and economic conditions.