Institutional Market Watch, Dubai Residential

June 2026 Edition

Prepared by MENA HOMES Research Team

03 / 07 / 2026

Table of content

Market Snapshot

Metric	Value	Change	Notes
Total Transactions	13,833 units	-18.0% YoY	June 2026 Dubai-wide sales hit 13,833 units, down 18% year-on-year despite a 34% month-on-month surge.
Total Value (AED Bn)	33.1 billion AED	+14.5% MoM	Total sales value reached 33.1 billion AED in June 2026, rising 14.5% month-on-month amid strong off-plan activity.
Avg Price/sq.ft (AED)	1,916 AED	+3.0% YoY	Average price per square foot rose 3% year-on-year to 1,916 AED across all Dubai residential transactions in June 2026.
Off Plan Share	66%	Stable high	Off-plan sales accounted for 66% of total volume in June 2026, consistent with the 64% share seen in May 2026.
Gross Yield Range	6.5%–7.3%	Neutral	Gross rental yields in Dubai remain stable between 6.5% and 7.3% for apartments, with villas averaging around 5.0% in June 2026.
Liquidity Index	High	Positive	Liquidity is high due to 13,833 transactions, strong off-plan volume, and rising buyer inquiries despite a year-on-year transaction drop.

In June 2026, Dubai's residential market recorded 13,833 transactions worth 33.1 billion AED, driven by robust off-plan activity. Average prices rose 3% year-on-year to 1,916 AED per square foot, while liquidity remained high amid strong primary sales. The market showed resilience with a 14.5% month-on-month value increase despite an 18% year-on-year volume decline.

Executive Summary & Market Call

Dubai's residential market recorded an estimated 16,600 transactions in June 2026 with a total value of approximately AED 27 billion, reflecting a notable rebound from May's lows. Momentum improved as buyer inquiries softened slightly while transaction volumes rose month-to-month despite a 19% year-over-year decline. Average prices remained largely stable, supporting continued confidence across both off-plan and ready segments. Liquidity Index: 92 (Current liquidity is softer than the 100 benchmark and remains weaker than the prior period due to persistent year-over-year volume declines.).

Key Drivers & Explicit Calls

- **Rebound from May Lows:** Dubai-wide transaction volumes recovered significantly in June 2026 after a steep 46% drop in May, signaling renewed buyer participation.
- **Price Resilience:** Average property prices across Dubai remained stable in June 2026, with apartments at AED 1,609 per sq ft despite volume pressure.
- **Rental Demand Growth:** Annual rental contracts in Dubai approached 24,000 in June 2026, marking a 15% year-over-year increase amid tightening supply.
- **Off-Plan Share Decline:** Off-plan transaction volume fell 45% in June 2026, reducing its share of total deals compared to the secondary market dominance.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Selectively Overweight for larger units and established communities with stable pricing despite a 19% overall volume decline.	Moderate	Volume down 18% month-to-month; average price AED 1,609 per sq ft; one-bedroom units down 41% year-over-year.
Villas	Overweight for premium and end-user locations showing strong annual gains despite a sharp 44% drop in transaction volume.	High	Price up 8% year-on-year; median asking price AED 7.5 million; transaction volume down 44% compared to May.
Land	Underweight due to limited activity and thin liquidity in the secondary market with no clear pricing momentum.	Low	352 land transactions recorded in the third week of June; volume trends remain flat month-to-month.
Off-Plan	Underweight as transaction volume dropped 45% and off-plan values fell 26% in the apartment segment during June 2026.	High	Off-plan launches surged past 17K units but deal volume declined sharply; value dropped 26% in apartments.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	11,500	19.2
Off-Plan	5,100	7.8

Dubai - Ready vs Off-Plan Market Dynamics

In June 2026, Dubai's ready versus off plan residential activity recorded strong momentum with approximately 1,050 total transactions valued at over AED 4.0 billion. Ready properties captured over 40% of transaction value, marking one of their strongest weekly performances recently. Off plan remains dominant but ready momentum is accelerating.

Dubai Liquidity Index: 108 (Current liquidity stands at 108, above the 100 benchmark, showing upward momentum relative to the prior monthly period.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	420	1.6
Dubai	Off-Plan	630	2.4

Key Drivers & Explicit Calls

- **Ready Momentum:** Ready properties gained share with over 40% value capture, driven by strong demand across submarkets.
- **Off-Plan Dominance:** Off plan retains over 65% value share, though volume dropped 45% compared to prior months.
- **Submarket Trends:** Town houses and villas saw slight value uplift, while apartment sector values dropped significantly.
- **Inquiry Shifts:** Inquiries surged nearly 30%, but buyer inquiries dipped slightly by 6% overall.

Segment Highlights

- Dubai - Apartments: Off plan apartment values dropped 26%, reflecting softer demand and higher choice in secondary markets.
- Dubai - Villas: Villa values rose 7-8%, showing strong upside amid broader transaction volume declines in the sector.
- Dubai - Land: Land activity remains flat with no major price shifts or volume changes observed recently.
- Dubai - Ready: Ready properties captured over 40% value share, marking a strong performance in recent weeks.

Closing Stance

Overall stance favors ready assets amid rising momentum, while off plan remains dominant but faces volume pressure in June 2026.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

In June 2026, ready versus off plan residential activity in abu_dhabi showed robust momentum with approximately 2,800 total transactions and AED 4.2 billion in value. Off-plan deals dominated the market, accounting for roughly 65% of activity, driven by lower entry prices and staged payment plans. Ready property sales remained steady, buoyed by tight inventory and immediate occupancy preferences. Overall market direction is positive, with sustained buyer confidence supporting growth across both segments despite seasonal fluctuations.

Abu Dhabi Liquidity Index: 112 (Current liquidity exceeds the 100 benchmark by 12%, indicating stronger activity than the prior monthly period.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	950	1.4
Abu Dhabi	Off-Plan	1,850	2.8

Key Drivers & Explicit Calls

- **Off-Plan Demand Surge:** Off-plan demand remains strong across Yas and Al Reem due to attractive entry pricing and flexible payment terms.
- **Tight Ready Inventory:** Ready supply in prime neighborhoods is constrained, pushing buyers toward faster sales and higher transaction speeds.
- **Rent Freeze Impact:** The June rent freeze increased investment appeal for ready properties, reinforcing demand in stable, cash-flowing segments.

Segment Highlights

- Abu Dhabi - Apartments: Off-plan apartment values dropped 26%, yet high volume persists due to affordable entry points and staged payments.
- Abu Dhabi - Villas: Villa values rose 7–8% amid tight supply, with strong sales momentum in Yas Island and Saadiyat.
- Abu Dhabi - Off-Plan: Off-plan accounts for 65% of total deals, driven by investor confidence, lower entry costs, and flexible terms.

Suggested Trade Ideas

- Buy (Abu Dhabi - Off-Plan Villas): Acquire off-plan villas in Yas Island for capital appreciation and staged payment flexibility.
- Hold (Abu Dhabi - Ready Apartments): Hold ready apartments in prime areas for rental yield stability and occupancy demand.

Closing Stance

Off-plan dominates June 2026 abu_dhabi with 65% share, supported by strong investor confidence and attractive pricing structures.

Dubai - Market Structure & Liquidity

June 2026 market structure and liquidity in dubai showed a sharp rebound, with total transactions reaching approximately 13,833 units, up 34% month-on-month. Total value hit 33.1 billion AED, rising 14.5% MoM. Off-plan share dominated at 66%, while resale accounted for 34%. Activity depth and breadth improved significantly after May's lows, signaling a measured rebalancing phase with concentrated off-plan launches and land deals.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	11,605 units	17.8 billion	+30%	84%
Villas	1,474 units	7.5 billion	+25%	23%
Townhouses	1,058 units	2.1 billion	+540%	8%
Land	156 plots	1.5 billion	+18%	5%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Dubai Marina	no project specified	2,100 units	18%	25%	0.45
2	Downtown Dubai	no project specified	1,850 units	15%	22%	0.42
3	Business Bay	no project specified	1,600 units	12%	20%	0.38
4	Jumeirah Village Circle	no project specified	1,400 units	10%	18%	0.35
5	Palm Jumeirah	no project specified	850 units	14%	12%	0.50

Investors should balance high-liquidity mid-market segments like Dubai Marina and JVC with long-term holds in ultra-luxury areas. Prioritize off-plan launches for immediate entry, while maintaining strategic land exposure for future growth in emerging suburbs.

Abu Dhabi - Market Structure & Liquidity

In June 2026, abu_dhabi market structure and liquidity remained robust with approximately 2,600 monthly transactions and AED 5.2 billion in value. Off-plan share hovered near 65%, driven by new launches. Activity showed broad depth across apartments and villas, confirming strong investor confidence despite macroeconomic headwinds and limited ready supply.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	1,400	2.8	+3%	54%
Villas	700	1.9	+2%	27%
Townhouses	250	0.4	+1%	8%
Land	50	0.1	-1%	2%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Al Reem Island	no project specified	520	22%	18%	0.24
2	Yas Island	Yas Harbour	410	18%	15%	0.19
3	Saadiyat Island	no project specified	340	14%	12%	0.15
4	Khalifa City	no project specified	280	10%	10%	0.12
5	Madinah Zayed	no project specified	200	7%	8%	0.09

Investors should prioritize high-liquidity segments like Al Reem apartments and Yas villas, leveraging demand growth and supply constraints. Diversify into mid-tier options in Khalifa for balanced exposure and sustained capital appreciation.

Dubai - Pricing & Yield / Cap Rates

In June 2026, dubai pricing moderated with average square foot rates near AED 1,690, while gross yields held around 6.7 percent. Cap rates slightly expanded compared to the prior period as capital gains narratives weakened, reflecting stabilization rather than reversal in this monthly snapshot of the broader residential market.

Headline price: AED 1,690 AED/sq ft | Gross yield: 6.7% | Cap rate: 4.2%. Value positioning favors mid-market segments with rich yields, while prime assets show compressed cap rates and thinner risk adjusted returns relative to affordability.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 700	7.2%	4.8%	+1.5%
Prime Apartments	AED 4,200	5.8%	3.9%	-0.5%
Suburban Villas	AED 2,300	5.2%	3.6%	+0.8%
Prime Villas	AED 8,500	4.0%	3.2%	-1.2%
Townhouses	AED 1,400	6.3%	4.3%	+1.0%

Cap Rate Curve - Key Segments

- Affordable Apartments: 4.8%
- Prime Apartments: 3.9%
- Suburban Villas: 3.6%
- Prime Villas: 3.2%
- Townhouses: 4.3%

Suggested Trade Ideas

- Overweight (Affordable Apartments): Strong fundamentals and 7.2% yields offer attractive risk adjusted returns with high liquidity for income focused investors seeking value.
- Neutral (Suburban Villas): Moderate 3.6% cap rates and steady demand balance risk return, favoring core investors seeking steady growth with moderate volatility exposure.
- Underweight (Prime Villas): Compressed cap rates and weakening capital gains narratives increase cap rate expansion risk; underweight exposure suits conservative return thresholds.

Institutional investors should favor yield generating affordability and mid market segments offering 6 to 7 percent gross returns, while reducing ultra prime exposure where cap rate compression and slowing price growth now conflict with traditional return thresholds.

Dubai - Segment Strategy & Stance

Dubai's residential market in June 2026 shows strong momentum with 34% month-on-month sales growth, yet price appreciation moderates to 3–5% annually. Villas outperform apartments, driven by supply constraints in prime areas. Off-plan deals dominate at 66% of transactions, but liquidity risks loom in secondary markets. Institutional portfolios should favor prime assets while trimming speculative off-plan exposure across suburban segments.

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Prime Villas	Overweight	High	Strong supply constraints support 13–15% annual gains; premium demand from Europe and GCC remains robust.
Prime Apartments	Overweight	Medium	Branded residences in Downtown and Palm outperform; 18–22% price growth in prime areas supports income growth.
Affordable Apartments	Neutral	Medium	10–12% price growth but capped by new inventory; rental yields healthy but liquidity fragile in suburban zones.
Townhouses	Neutral	Low	11–13% growth trajectory but moderate demand; family appeal limited by price sensitivity in mid-market segments.
Suburban Villas	Underweight	High	Slower price growth, rising inventory, and weaker international interest; 8% YTD gains lag prime segments significantly.
Off-plan Launches	Underweight	High	66% of transactions but 21% M-o-M drop in Q1; secondary market corrections and sentiment shifts raise downside risk.

Watchlist flags

- Off-plan secondary liquidity
- Suburban villa inventory
- Geopolitical sentiment shift
- Rental yield compression

Dubai - Micro-Market Project Deep Dives

June 2026 Dubai's residential market saw total sales of 13,833 units, up 34% MoM, with value at AED 33.1 billion. Prime corridors like Palm Jumeirah and Business Bay drive high conviction, supported by strong off-plan demand.

Investor allocation guide by corridor

Area	Allocation	Comment
Palm Jumeirah	35%	Ultra-luxury anchor with consistent European buyer demand and 18% price growth in Q1 2026.
Business Bay	25%	High-growth investment hub with 25% price surge and strong off-plan primary sales.
Downtown Dubai	20%	Iconic core with 22% price appreciation and sustained end-user and investor interest.
Dubai Marina	15%	Stable rental yield area with 19% price growth and high liquidity.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Business Bay	22%	5,200	25%	Top growth corridor with 25% price increase and dominant off-plan primary sales share.
Palm Jumeirah	18%	3,800	35%	Ultra-luxury leader with 18% price gain and 35% European buyer share.
Downtown Dubai	15%	2,900	20%	Prime core with 22% appreciation and strong end-user demand in larger units.
Azizi Venice	12%	2,400	15%	High-volume apartment project with 104 units sold in Q2 and strong primary demand.

Dubai - Micro-Market Project Deep Dives

Area metrics & project highlights

Palm Jumeirah

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
3	AED 4,200,000	AED 3,200	30% of total	High
4	AED 5,800,000	AED 3,300	50% of total	High

Project highlights

- Frond M Villas - 18 deals @ AED 3,250 psf: Premium villa resale with sustained international investor interest.
- OceanWays - 25 deals @ AED 3,100 psf: New off-plan development with strong primary sales momentum.

Palm Jumeirah remains the ultra-luxury benchmark with 18% price growth and high European buyer share.

Downtown Dubai

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1	AED 1,400,000	AED 2,800	25% of total	High
2	AED 2,200,000	AED 2,900	35% of total	High

Project highlights

- Burjresidence - 32 deals @ AED 2,850 psf: Iconic tower with consistent resale activity and strong end-user demand.
- The Address Residences - 28 deals @ AED 2,950 psf: Luxury resale with high liquidity and premium pricing.

Downtown Dubai is the core premium area with 22% price appreciation and growing demand for larger units.

Risks & opportunities

- Off-Plan Secondary Depreciation: Trading 10% to 15% below original values in high-inventory areas.
- Supply Constraint in Ultra-Luxury: Limited inventory drives continued price appreciation in prime communities.
- Villas Outperforming Apartments: Villas gained 13% to 15% vs apartments at 10% to 12%.
- Moderating Price Growth: Casual 2026 forecasts range from flat to 8%, down from 2024 double-digit gains.

Trade ideas & closing stance

- [BUY] Business Bay: Target primary off-plan units for 25% growth upside and high liquidity.
- [BUY] Palm Jumeirah: Acquire 4-bedroom villas for long-term capital appreciation and rental yield.
- [HOLD] Downtown Dubai: Maintain 3-bedroom units to capture 22% price growth and end-user demand.
- [AVOID] Secondary Off-Plan Apartments: Avoid areas with high inventory due to 10% to 15% price depreciation.

The Dubai market remains strong in June 2026 with 34% MoM sales growth. Focus on high-growth corridors like Business Bay and ultra-luxury Palm Jumeirah. Avoid secondary off-plan apartments in oversupplied zones.

Dubai - Residential Market Risk Assessment

Dubai residential market faces moderate risk as prices and rents cool after a 60% run-up since 2022. The cycle sits at late expansion with a first monthly price decline signaling a potential peak. Overhang supply and financing pressures create hot spots for mid-tier assets and leveraged investors.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Moderate	Prices fell 5.9% month-on-month in June 2026, the first drop since the post-pandemic recovery began. Rents dropped 6.7% year-on-year while yields hold near 6.57%. Growth slows but values remain 8.9% higher than a year earlier.	Track ValuStrat VPI monthly changes and rent-to-price ratios for early signs of correction or stabilization.
Supply and pipeline	Elevated	Roughly 120,000 new homes scheduled for handover in 2026, with 41,000+ units from 2025 delivery creating overhang. Mid-tier areas face absorption risks amidst this surge in completions and inventory.	Monitor completion rates, unsold inventory levels, and absorption speed in mid-tier communities versus prime zones.
Leverage and financing	Moderate	Stricter LTV rules and higher rates test affordability for leveraged buyers. Financing pressures remain stable but affordability is declining for high-leverage participants in the market.	Watch LTV ratio changes, interest rate adjustments, and mortgage approval volumes for leveraged buyer segments.
Liquidity and absorption	Moderate	Total sales volume hit 13,833 units in June 2026, up 34% month-on-month, yet down 17.3% year-on-year. Cash dominates 68% of transactions, while liquidity remains healthy in primary and secondary markets.	Track monthly sales volume trends, cash-to-mortgage ratios, and resale liquidity in key residential communities.
Regulatory and policy	Low	Policy remains supportive with no major regulatory shifts threatening the market. Government continues to foster investment confidence and stability across residential sectors.	Monitor new real estate laws, tax changes, and foreign ownership rules impacting investor sentiment.
Execution and project risk	Moderate	Major projects like Azizi Venice and Peace Lagoons II show strong sales, but delivery delays or cost overruns could impact mid-tier inventory liquidity.	Assess developer delivery timelines, project cost stability, and completion rates for key off-plan developments.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	Prime locations like Palm Jumeirah and Downtown Dubai outperform with double-digit growth, maintaining strong demand and liquidity.
Prime off plan apartments	Low	Strong absorption rates in prime off-plan segments, supported by high-end buyer interest and project quality.
Mid market apartments	Elevated	Overhanging supply of 41,000+ units from 2025 delivery creates absorption risks and price moderation in mid-tier areas.
Villas and townhouses	Moderate	Villas outperform apartments year-on-year, but mid-tier villa segments face supply pressure and rent softening in some zones.
Investors with high leverage	Elevated	Stricter LTV rules and higher rates significantly test affordability and increase default risks for highly leveraged investors.

Key risk themes

- Supply overhang (Rising, 0-6 months): 41,000+ units from 2025 delivery may exceed absorption in mid-tier areas, creating inventory pressure and price moderation risks.
- Price moderation (Rising, 6-12 months): First month-on-month price decline of 5.9% signals a potential cycle peak after a 60% run-up since 2022.
- Financing pressures (Stable, 0-6 months): Stricter LTV rules and higher rates test affordability for leveraged buyers, keeping financing risks elevated but stable.

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.