MENA HOMES

Institutional Market Watch, Dubai Residential

May 2026 Edition

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Market Snapshot

Metric	Value	Change	Notes
Total Transactions	15.2K	+8.0% MoM	Dubai wide residential transactions were solid in May 2026, with both off plan and ready sales contributing to activity.
Total Value (AED Bn)	36.8	+6.5% MoM	Dubai wide residential sales value remained elevated in May 2026, supported by broad participation across the market.
Avg Price/sq.ft (AED)	1,790	+1.1% MoM	Dubai wide residential pricing stayed firm in May 2026, with the blended average supported by active end-user demand.
Off Plan Share	61%	+2.0 pp MoM	Dubai wide activity in May 2026 remained off plan-led, reflecting continued developer launch momentum and investor appetite.
Gross Yield Range	5.8%-7.2%	Stable	Dubai wide residential yields in May 2026 stayed attractive, with apartments generally above villas on income returns.
Liquidity Index	High	Positive	Dubai wide liquidity in May 2026 was high, supported by strong transaction counts and steady resale depth across segments.

In May 2026, Dubai wide residential market activity remained strong, with both off plan and ready transactions supporting turnover. Total transactions were estimated at 15.2K, while sales value reached AED 36.8 billion and average pricing held at AED 1,790 per square foot. Off plan remained the larger share of activity, and liquidity stayed high across the emirate.

Executive Summary & Market Call

May 2026 in Dubai recorded an estimated 11,800 residential transactions worth about AED 34.5 billion, with activity holding firm but no longer accelerating. Off plan remained the main liquidity engine, while ready stock stayed supported by end user demand and selective investor interest. Liquidity Index: 108 (Liquidity is slightly above the 100 benchmark and marginally softer than April, reflecting solid turnover but more selective buying.).

Key Drivers & Explicit Calls

- **Off plan concentration:** Off plan demand continues to dominate Dubai wide turnover, supported by launch activity and buyer appetite for staged payment plans.
- **Ready market resilience:** Ready apartments and villas continue to trade steadily, especially in established communities with clear rental visibility and owner occupier demand.
- **Villa outperformance:** Villas remain the preferred allocation in Dubai, with tighter supply and stronger price resilience than apartments.
- **Pricing discipline:** Pricing growth is cooling from earlier peaks, but prime and family oriented locations still command firm absorption.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Neutral to slightly positive, because liquidity remains healthy but supply breadth caps upside.	Medium	Apartments likely represented the largest transaction pool in Dubai, but pricing momentum was more moderate than villas.
Villas	Overweight, because constrained supply and family demand continue to support stronger pricing and turnover.	High	Villa trading stayed resilient in established communities, with tighter availability than apartments and firmer values.
Land	Neutral, because land activity is selective and concentrated among developers and higher conviction investors.	Low	Land remains a thin but strategic market, with liquidity driven by plot specific development opportunities.
Off-Plan	Overweight, because off plan remains the dominant liquidity bucket and benefits from launch led demand.	High	Off plan likely accounted for the majority of transactions and a large share of value in Dubai during May 2026.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	4,300	14.2
Off-Plan	7,500	20.3

Dubai - Ready vs Off-Plan Market Dynamics

May 2026 ready versus off plan residential activity in dubai remained firmly investor-led, with an estimated 43,000 to 45,000 transactions and roughly AED 108 billion to AED 118 billion in value. Off plan continued to dominate new deal flow, while ready stock held steady on end-user demand and rental replacement activity. Momentum stayed positive, but selective at the higher end.

Dubai Liquidity Index: 108 (Liquidity sits modestly above 100, improving from April on stronger off plan turnover.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	16000	44
Dubai	Off-Plan	27500	69

Key Drivers & Explicit Calls

- **Off plan breadth:** Launch activity kept off plan volumes ahead across Dubai's major growth corridors.
- **Ready demand:** Ready stock stayed supported by end users seeking immediate occupancy and income.
- **Apartment leadership:** Apartments remained the deepest liquidity pool, especially in central and waterfront communities.
- **Villa resilience:** Villas continued to attract premium buyers, though turnover was thinner than apartments.

Segment Highlights

- Dubai - Apartments: Apartments led liquidity, with strong absorption in central and transit-linked communities.
- Dubai - Villas: Villa demand stayed firm, but constrained supply limited monthly turnover.
- Dubai - Land: Land activity stayed peripheral, driven by selective development and redevelopment plays.
- Dubai - Off-Plan: Off plan remained the main growth engine, aided by launches and staggered payments.

Suggested Trade Ideas

- Buy (Dubai - Off-Plan): Accumulate launch-stage off plan exposure in proven master communities.
- Hold (Dubai - Apartments): Hold income-generating apartments in established districts with stable tenant depth.
- Selective Buy (Dubai - Villas): Target villa stock in undersupplied family areas with replacement-cost support.
- Underweight (Dubai - Land): Underweight land unless pricing reflects clear redevelopment upside and planning visibility.

Closing Stance

Dubai's May 2026 market favored off plan for growth and ready for defensiveness, with apartments best balancing liquidity and yield.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

May 2026 ready versus off plan residential activity in abu_dhabi remained balanced but ready stock led execution, with roughly 3,200 to 3,400 transactions worth about AED 3.5 billion to AED 3.8 billion. Momentum stayed constructive, supported by owner-occupier demand and selective investor interest, while off plan participation remained meaningful but less dominant than in launch-led cycles.

Abu Dhabi Liquidity Index: 103 (Liquidity is slightly above 100 and improved versus the prior month.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	1,900	2.2
Abu Dhabi	Off-Plan	1,500	1.4

Key Drivers & Explicit Calls

- **Ready demand:** Completed homes continued to attract buyers seeking immediate occupancy and rental visibility.
- **Off plan selectivity:** Launch demand remained healthy, but buyers favored credible masterplans and developers.
- **Prime submarkets:** Yas and Saadiyat supported pricing power, with family demand staying resilient.
- **Capital discipline:** Investors preferred assets with clear handover timelines and stronger income certainty.

Segment Highlights

- Abu Dhabi - Apartments: Apartments delivered the broadest turnover, supported by affordable entry points and leaseability.
- Abu Dhabi - Villas: Villa demand stayed tight, with limited stock underpinning premium pricing.
- Abu Dhabi - Land: Land activity remained niche, mostly driven by long-term development pipelines.
- Abu Dhabi - Off-Plan: Off-plan sales were active, but buyers remained concentrated in trusted master communities.

Suggested Trade Ideas

- Core Buy (Abu Dhabi - Apartments): Accumulate ready apartments in established communities with proven rental absorption.
- Selective Buy (Abu Dhabi - Villas): Target family villas in supply-constrained areas with durable owner-occupier demand.
- Watchlist (Abu Dhabi - Off-Plan): Prefer near-completion off-plan launches only where pricing leaves margin of safety.
- Cautious Hold (Abu Dhabi - Land): Maintain a neutral stance on land until development visibility improves.

Closing Stance

Abu Dhabi showed steady, ready-led liquidity in May 2026, with off plan still relevant but requiring tighter pricing discipline and stronger developer confidence.

Dubai - Market Structure & Liquidity

May 2026 market structure and liquidity in dubai remained strong, with roughly 14,000 to 16,000 residential transactions and an estimated AED 44bn to AED 50bn in value. Off-plan activity likely accounted for about 60% to 65% of turnover, preserving depth across core apartment and villa hubs. Liquidity was broad, though still led by a narrow set of established communities and branded masterplans.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	8,400	24.5	+2%	56%
Villas	3,300	13.8	+3%	28%
Townhouses	1,600	5.1	+1%	11%
Land	300	1.9	0%	4%
Prime Waterfront	800	8.2	+4%	17%
Affordable Suburban	2,700	4.8	+2%	10%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Jumeirah Village Circle	no project specified	1,150	8%	6.2%	High
2	Dubai Marina	no project specified	980	9%	5.4%	High
3	Business Bay	no project specified	940	8%	5.0%	High
4	Dubai Hills Estate	no project specified	760	7%	4.8%	Medium
5	Arabian Ranches 3	no project specified	640	5%	4.1%	Medium
6	Palm Jumeirah	no project specified	410	6%	3.2%	High

Position toward liquid, income-supported stock in established communities, while keeping selective exposure to scarce prime waterfront assets. The best risk-adjusted opportunities remain in deep secondary markets and family-led masterplans with visible rental demand.

Abu Dhabi - Market Structure & Liquidity

May 2026 market structure and liquidity in abu_dhabi remained healthy, with roughly 650 residential transactions worth about AED 2.8 billion and an estimated 58% off-plan share. Activity was broad enough to support multiple liquid pockets, but liquidity still clustered around a few central apartment-led communities and premium waterfront addresses, while villa trading stayed selective and thinner.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	390	1.5	+6%	60%
Villas	140	0.7	+3%	22%
Townhouses	60	0.3	+5%	9%
Land	40	0.2	+8%	6%
Prime Waterfront	45	0.9	+4%	3%
Affordable Suburban	95	0.2	+7%	15%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Al Reem Island	no project specified	92	14%	1.8%	78
2	Yas Island	no project specified	84	13%	1.6%	74
3	Saadiyat Island	no project specified	71	18%	1.2%	81
4	Al Raha Beach	no project specified	63	9%	1.5%	69
5	Masdar City	no project specified	58	8%	1.4%	66
6	Abu Dhabi Gate City	no project specified	49	7%	1.1%	58

Position toward liquid apartment-led communities for quicker exits and narrower spreads, while using waterfront and villa exposure selectively. The best risk-adjusted opportunities remain in established districts with visible demand, limited supply, and repeat transaction activity.

Dubai - Pricing & Yield / Cap Rates

May 2026 pricing and yields in dubai remained firm, with headline residential values around AED 1,680 per sq. ft. and gross yields typically near 7.0% for apartments and 5.0% for villas and townhouses. Cap rates were broadly stable to slightly firmer versus the prior period, supported by resilient rent growth, selective pricing momentum, and still-healthy investor demand despite moderating appreciation.

Headline price: AED 1,680 AED/sq ft | Gross yield: 7.0% | Cap rate: 5.6%. Value remains strongest in mid market apartments; prime stock trades richer, while villas offer lower income yield but steadier occupancy.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 1,050	7.4%	6.2%	0.2%
Mid Market Apartments	AED 1,550	7.0%	5.8%	0.1%
Prime Apartments	AED 2,850	5.8%	4.7%	0.0%
Suburban Villas	AED 1,900	5.0%	4.0%	0.1%
Townhouses	AED 1,700	5.3%	4.3%	0.1%
Prime Villas	AED 3,300	4.8%	3.6%	0.0%

Cap Rate Curve - Key Segments

- Affordable Apartments: 6.2%
- Mid Market Apartments: 5.8%
- Prime Apartments: 4.7%
- Townhouses: 4.3%
- Suburban Villas: 4.0%
- Prime Villas: 3.6%

Suggested Trade Ideas

- Overweight (Affordable and mid market apartments): Target income resilient apartment pockets with yields above 7 percent.
- Neutral (Suburban villas and townhouses): Favor family housing with stable demand and moderate cap rates.
- Underweight (Prime and ultra prime villas): Avoid heavily priced villas where yields stay compressed below 4 percent.

Institutional capital should lean into liquid, income generating apartment stock and selectively add suburban family housing. Prime villa exposure looks best treated as a capital appreciation trade, not an income led allocation.

Dubai - Segment Strategy & Stance

Dubai residential remains constructive in May 2026, but the stance is selective rather than broad-based. Pricing is still elevated, transaction activity remains liquid, and investment demand is supported, yet new supply is rising and apartment competition is increasing. The best risk-adjusted positioning is to prefer constrained villa and townhouse stock, keep prime apartments at neutral, and stay cautious on value-led apartment segments where supply and price reductions are more visible.[1][2][3][5]

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Prime Villas	Overweight	High	Best balance of scarcity, family demand, and pricing resilience in a supply-constrained segment.[3][4]
Townhouses	Overweight	Medium	Solid demand and relative affordability support liquidity, with less downside than apartments.[3][5]
Prime Apartments	Neutral	Medium	Prime locations remain liquid, but apartment-wide supply growth limits upside and compresses near-term momentum.[1][2][3]
Affordable Apartments	Underweight	High	Higher exposure to new supply and pricing concessions reduces near-term risk-adjusted return potential.[2][5]
Off-plan Launches	Neutral	Low	Transaction depth is still strong, but execution and supply timing risks are now more important.[1][2][5]

Watchlist flags

- Apartment supply surge
- Price-cut intensity
- Off-plan delivery risk

Dubai - Micro-Market Project Deep Dives

Palm Jumeirah remains a premium, supply-constrained apartment submarket in Dubai, with off-plan demand concentrated in branded and waterfront inventory. May 2026 positioning favours selective capital allocation into scarce stock, while broader Dubai apartment supply continues to expand.

Investor allocation guide by corridor

Area	Allocation	Comment
Palm Jumeirah Core Waterfront	35%	Highest conviction for scarcity-led pricing and global buyer appeal.
Palm Jumeirah Branded Residences	30%	Brand premium supports absorption and protects exit liquidity.
Palm Jumeirah Frond Apartments	20%	Lower depth than core strips, but still benefits from ultra-prime positioning.
Palm Jumeirah New Launch Clusters	15%	Selective exposure only where launch pricing is below completed luxury comparables.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Palm Jumeirah West Crescent	High	Dominant within premium off-plan demand.	35%	Best liquidity for ultra-prime apartment launches, supported by panoramic frontage and limited developable land.
Palm Jumeirah trunk-facing waterfront	Medium	Material but smaller than crescent luxury stock.	25%	Attracts value-conscious buyers seeking Palm branding at lower entry tickets than the crescent.
Palm Jumeirah branded resort zones	High	Very strong for branded off-plan launches.	40%	Strongest corridor for investor capital, with hotel-linked positioning and stronger resale recognition.

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 4.8M	Around AED 3,800 psf	Limited share, mostly investor-led launch stock.	Shallow, with faster absorption for branded product.
2BR	Around AED 7.6M	Around AED 4,100 psf	Core demand segment for end users and hold investors.	Deepest pool across Palm apartment launches.
3BR	Around AED 11.5M	Around AED 4,500 psf	Scarcer, with strong family and second-home demand.	Moderate depth, driven by premium waterfront scarcity.

Project highlights

- Orla by Omniyat - Strong off-plan traction deals @ Premium tier psf: Continues to set pricing benchmarks for branded waterfront product.
- Six Senses Residences - Good absorption deals @ High premium psf: Brand-led demand supports resilient investor interest.
- The Alba Residences - Selective deal flow deals @ Upper-premium psf: Appeals to buyers targeting rare, lifestyle-led Palm inventory.

Palm Jumeirah remains a defensive luxury allocation within Dubai apartments. May 2026 activity is concentrated in branded launches and limited waterfront inventory.

Risks & opportunities

- Supply overhang in Dubai apartments: Large 2026 pipeline may pressure non-prime apartment pricing.
- Palm scarcity premium: Limited land and waterfront frontage should preserve pricing power.
- Brand-led absorption: Branded residences should clear faster than undifferentiated launches.
- Exit liquidity concentration: Unbranded stock may trade slowly if pricing stretches above comparables.

Trade ideas & closing stance

- [Accumulate] Palm Jumeirah West Crescent: Accumulate early-stage branded launches where payment plans extend and entry pricing remains below completed luxury benchmarks.
- [Select] Palm Jumeirah trunk-facing waterfront: Select smaller-ticket apartments for relative value, but only where view corridors and project branding are credible.
- [Avoid] Palm Jumeirah undifferentiated new launch stock: Avoid commoditised inventory lacking brand, direct waterfront access, or clear rental premium.

Maintain an overweight stance on Palm Jumeirah apartments versus the wider Dubai apartment market. The preferred expression is branded, waterfront off-plan stock with clear scarcity. Exposure should stay selective, because Dubai-wide apartment supply remains the key macro risk.

Dubai - Residential Market Risk Assessment

Dubai residential market shows moderating growth in April 2026 amid sustained demand but rising supply pressures. Cycle appears late with price momentum easing after strong prior gains. Risks are balanced by high yields and population inflows.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Low	Population growth and end-user demand support prices despite moderation. Rental yields stay high by global standards.	Monthly population inflows and rental yield trends.
Supply and pipeline	Elevated	Over 150,000 units launched in 2025 create overhang risks in mid-tier apartment segments.	Actual handover volumes versus absorption rates.
Leverage and financing	Moderate	Stricter LTV rules and higher rates pressure leveraged buyers but limit systemic risks.	Mortgage approval rates and buyer affordability metrics.
Liquidity and absorption	Moderate	Absorption holds in prime areas but slows in higher-density mid-market due to new supply.	Transaction volumes and days-on-market indicators.
Regulatory and policy	Low	Stable tax environment and pro-investor policies underpin confidence with no major shifts.	LTV policy changes and developer fee announcements.
Execution and project risk	Moderate	Delivery delays possible from 2025 launch surge but major developers maintain track records.	Project completion timelines and off-plan secondary sales.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	Strong demand from global capital and lifestyle appeal sustains liquidity.
Prime off plan apartments	Moderate	Attractive yields offset pipeline risks in well-located projects.
Mid market apartments	Elevated	Supply influx pressures prices amid competition in denser areas.
Villas and townhouses	Low	Limited supply and lifestyle demand drive outperformance.
Investors with high leverage	Elevated	Financing constraints test affordability as prices moderate.

Key risk themes

- Supply overhang (Rising, 0-6 months): 41000 plus units from 2025 deliveries may exceed mid-tier absorption.
- Price moderation (Rising, 6-12 months): First month-on-month decline signals cycle peak after 60 percent run-up since 2022.
- Financing pressures (Stable, 0-6 months): Stricter LTV rules and rates challenge leveraged buyers in April 2026.

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

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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.