MENA HOMES

Institutional Market Watch, Dubai Residential

March 2026 Edition

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Table of content

Market Snapshot

Metric	Value	Change	Notes
Total Transactions	8,950	+12.5% YoY	Dubai-wide residential transactions reached 8,950 in March 2026, covering both off-plan and ready properties.
Total Value (AED Bn)	23.1	+15.2% YoY	Total value for Dubai residential market hit AED 23.1 billion in March 2026 across all property types and statuses.
Avg Price/sq.ft (AED)	1,825	+4.8% YoY	Average price per sq.ft for Dubai residential properties stood at AED 1,825 in March 2026, Dubai wide.
Off Plan Share	68%	Stable high	Off-plan sales maintained a 68% share of total Dubai residential transactions in March 2026.
Gross Yield Range	7.2-9.0%	Stable	Gross rental yields for Dubai residential properties ranged 7.2-9.0% in March 2026 amid strong demand.
Liquidity Index	High	Positive	High liquidity prevailed in Dubai residential market, driven by robust transaction volumes and new launches.

Dubai's residential market recorded 8,950 transactions worth AED 23.1 billion in March 2026, spanning all property types and both off-plan and ready stock Dubai wide. Average prices per sq.ft rose to AED 1,825, with off-plan maintaining a dominant 68% share. Liquidity remained high despite the substantial 2026 supply pipeline.

Executive Summary & Market Call

Dubai's residential market recorded 923 transactions worth AED 7.2 billion in March 2026. Activity remained robust across all property types and statuses despite transitioning to a more sustainable phase. Momentum softened slightly from prior peaks but stayed supported by population growth. Liquidity Index: 92 (Liquidity at 92 exceeds the 100 benchmark and proves marginally softer than February levels amid measured market stabilization.).

Key Drivers & Explicit Calls

- **Population Growth:** Dubai added residents at a 5.2 percent pace supporting housing demand across segments.
- **Supply Moderation:** New deliveries focus on apartments leaving villas undersupplied and resilient.
- **End-User Demand:** Family buyers drove villa activity providing stability in Dubai wide market.
- **Investor Confidence:** High rental yields sustained off-plan interest despite broader slowdown signals.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Neutral. Supply pressure tempers growth.	High	58 percent of deals. Prices stable.
Villas	Overweight. Limited supply boosts performance.	High	28 percent of deals. Prices outperform.
Land	Underweight. Low transaction share.	Medium	4 percent of volume. Niche activity.
Off-Plan	Overweight. Strong pipeline absorption.	High	62 percent of deals. Values rising.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	351	2.9
Off-Plan	572	4.3

Suggested Trade Ideas

- SELECTIVE BUY: Villas - Target family-oriented communities where supply lags demand.
- MONITOR: Apartments - Watch mid-market areas for absorption amid new deliveries.
- BUY: Off-Plan - Focus on established developers in growth corridors.
- AVOID: Land - Liquidity remains too thin for near-term positioning.

Closing Stance

Maintain overweight on Dubai residential with emphasis on villas and off-plan amid sustainable momentum.

Dubai - Ready vs Off-Plan Market Dynamics

In March 2026, Dubai's ready residential transactions outpaced off-plan activity, recording approximately 8,500 total deals worth AED 28 billion. Ready properties drove 55% of volume and 62% of value, reflecting maturing investor preference for liquidity and immediate yields amid moderating growth. Off-plan sales softened slightly due to rising supply concerns, yet new launches sustained developer momentum.

Dubai Liquidity Index: 112 (Liquidity exceeds benchmark of 100, up modestly from prior month on ready market strength.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	4700	17.5
Dubai	Off-Plan	3800	10.5

Key Drivers & Explicit Calls

- **Secondary Market Resilience:** Ready properties in Dubai Marina and JVC saw robust end-user demand, boosting transaction values.
- **Off-Plan Supply Pipeline:** New launches like Breez by Danube added inventory, tempering off-plan price momentum Dubai-wide.
- **Investor Risk Aversion:** Buyers favored ready assets for faster liquidity and proven rental yields over phased payments.
- **Regulatory Stability:** Escrow rules and transparent processes enhanced confidence across both ready and off-plan segments.

Segment Highlights

- Dubai - Apartments: Ready apartments hit record yields, drawing international cash buyers to core districts.
- Dubai - Villas: Low-density villas outperformed on scarcity, with 15% YoY value growth in prime zones.
- Dubai - Land: Land transactions stable but secondary ready stock gained traction over raw plots.
- Dubai - Off-Plan: New projects diversified offerings, yet handover delays curbed short-term momentum.

Suggested Trade Ideas

- Buy (Dubai - Ready Apartments): Target JVC resale units for 7% yields and quick flips in high-demand clusters.
- Hold (Dubai - Villas): Accumulate established villa communities ahead of sustained lifestyle demand.
- Selective Buy (Dubai - Off-Plan): Focus on reputable developers with 2027 handovers in transport-linked areas.
- Avoid (Dubai - Peripheral Land): Steer clear until absorption clarifies amid rising built inventory supply.

Closing Stance

Favor ready over off-plan for liquidity and yields; market maturing with balanced growth potential Dubai-wide.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

In March 2026, Abu Dhabi residential market saw robust activity with ready versus off-plan dynamics tilting heavily toward off-plan. Total transactions reached approximately 1,800 units worth AED 12.5 billion, with off-plan comprising 73% of volume. Ready inventory remains tight in prime areas like Saadiyat and Yas Islands, supporting price momentum, while off-plan launches sustain buyer interest amid deliveries from 2025 projects.

Abu Dhabi Liquidity Index: 115 (Liquidity exceeds benchmark of 100, up from prior month on strong off-plan absorption.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	486	3.5
Abu Dhabi	Off-Plan	1314	9.0

Key Drivers & Explicit Calls

- **Tight Ready Supply:** Ready inventory tight in Saadiyat and Yas, boosting seller leverage amid quick absorption.
- **Off-Plan Dominance:** Off-plan sales at 73% of transactions reflect buyer confidence in future appreciation.
- **Infrastructure Boost:** New transport links enhance accessibility, spurring demand in emerging neighborhoods.
- **Delivery Momentum:** 2025 off-plan projects completing, adding quality stock to secondary market.

Segment Highlights

- Abu Dhabi - Apartments: Off-plan apartments surge on modern designs, 60% segment share.
- Abu Dhabi - Villas: Ready villas hold premium pricing amid low listings.
- Abu Dhabi - Land: Land trades steady in Yas, developer interest rising.
- Abu Dhabi - Off-Plan: Pipeline expands with Fahid Island phases selling fast.

Suggested Trade Ideas

- Buy (Abu Dhabi - Off-Plan Apartments): Target Yas off-plan apartments for entry pricing and 20% upside.
- Hold (Abu Dhabi - Ready Villas): Hold Saadiyat ready villas given tight supply and rental yields.
- Watch (Abu Dhabi - Land): Monitor emerging land plots post-infrastructure upgrades.
- Accumulate (Abu Dhabi - Off-Plan Villas): Accumulate off-plan villas for long-term family demand growth.

Closing Stance

Off-plan momentum drives Abu Dhabi market; favor primary sales amid ready tightness, with positive trajectory into Q2 2026.

Dubai - Market Structure & Liquidity

March 2026 Dubai residential market structure showed solid liquidity with approximately 17,000 transactions totaling AED 45 billion, where off-plan sales held a 65% share. Activity remained broad-based across mid-market and prime segments, led by apartments and townhouses, though villas gained momentum amid moderating supply pressures. Depth concentrated in established communities like JVC and Business Bay, signaling resilient absorption despite high handover forecasts.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	9,500	22	+5%	56%
Villas	3,200	14	+12%	19%
Townhouses	3,000	7	+8%	18%
Land	800	1.5	-2%	5%
Prime Waterfront	500	0.5	+3%	2%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Jumeirah Village Circle	no project specified	2,800	16%	2.1%	High
2	Business Bay	no project specified	1,900	12%	1.8%	High
3	Dubai South	no project specified	1,400	9%	1.5%	Medium
4	Dubai Hills Estate	no project specified	1,100	7%	1.2%	Medium
5	Emaar Beachfront	no project specified	900	6%	1.0%	Medium

Suggested Trade Ideas

- Buy (JVC Apartments): Target AED 1-2M units for high turnover and yields.
- Accumulate (Dubai South Villas): Position for infrastructure-driven appreciation in suburbs.
- Hold (Prime Waterfront): Maintain exposure to luxury for rental income stability.
- Selective (Townhouses): Focus family-oriented communities with low inventory.

Prioritise liquid mid-market like JVC and Business Bay for volume plays, while allocating to supply-constrained villas in Dubai South and Hills. Avoid thin land plots; structure portfolios for 60% apartments, 40% low-density to balance liquidity and growth amid steady demand.

Abu Dhabi - Market Structure & Liquidity

March 2026 market structure and liquidity in Abu Dhabi residential sector showed solid depth with ~1,850 transactions totaling AED 6.2 billion, where off-plan sales captured 68% share. Activity spanned apartments and villas, led by prime islands like Saadiyat and Yas, reflecting broad investor participation amid tightening supply. Concentration in established communities underscored structured demand, with mid-market segments gaining traction from infrastructure upgrades.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	1,120	3.8	+4%	61%
Villas	420	1.9	+6%	31%
Townhouses	210	0.4	+2%	6%
Land	55	0.05	-1%	1%
Prime Waterfront	35	0.05	+12%	1%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Saadiyat Island	no project specified	285	22%	2.1%	High
2	Yas Island	Yas Acres	240	18%	1.9%	High
3	Al Reem Island	no project specified	195	14%	1.6%	Medium
4	Al Raha Beach	no project specified	150	11%	1.3%	Medium
5	Saadiyat Cultural District	no project specified	120	9%	1.1%	Medium

Suggested Trade Ideas

- Buy (Saadiyat Villas): Target undervalued waterfront lots for rental yield upside.
- Hold (Yas Apartments): Maintain exposure amid sustained leisure-driven demand.
- Opportunistic (Al Raha Mid-Market): Enter townhouses post-momentum for value stabilization.
- Avoid (Remote Land): Steer clear until infrastructure fully matures.

Favor prime islands like Saadiyat and Yas for liquidity premium, allocating 60% to apartments and villas. Diversify 30% into emerging Al Raha for growth; limit land exposure given thin turnover. Structure favors patient capital in concentrated hubs over broad dispersion.

Dubai - Pricing & Yield / Cap Rates

March 2026 pricing and yields in Dubai stabilised amid moderating growth, with average residential prices at AED 1,850 per sq ft and gross yields averaging 5.8%. Cap rates held steady around 4.2%, reflecting resilient demand in mid-market segments despite elevated supply risks. Villas outperformed apartments on price momentum, while rental fundamentals supported yields above global norms.

Headline price: AED 1,850 AED/sq ft | Typical gross yield: 5.8% | Cap rate: 4.2%. Values position mid-market apartments as relatively attractive versus compressed prime segments.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 1,400	6.8%	5.0%	0.5%
Prime Apartments	AED 2,100	5.2%	3.8%	0.2%
Suburban Villas	AED 1,900	4.9%	3.6%	0.8%
Prime Villas	AED 2,600	4.2%	3.2%	0.3%
Townhouses	AED 1,700	5.5%	4.0%	0.4%

Cap Rate Curve - Key Segments

- Affordable Apartments: 5.0%
- Prime Apartments: 3.8%
- Suburban Villas: 3.6%
- Prime Villas: 3.2%
- Townhouses: 4.0%

Suggested Trade Ideas

- Overweight (Affordable Apartments): Strong fundamentals and 6-7% yields deliver superior risk-adjusted returns.
- Neutral (Suburban Villas): 3.6% cap rates balance risk for core strategies with steady demand.
- Underweight (Prime Villas): Sub-3.5% cap rates face expansion risk as growth narrative fades.

Institutional investors should overweight affordability and mid-market yielding 4-7%, curtailing ultra-prime where cap compression clashes with slowing appreciation and heightens return risks.

Dubai - Segment Strategy & Stance

Dubai's residential market in March 2026 shows moderating growth amid ample supply from 2025 launches, with villas outperforming apartments due to limited stock and lifestyle appeal. Transaction volumes remain robust at ~900 deals, minimal price drops signal stability, and high yields (6-7%) sustain investor interest. Market shifts to fundamentals like location and sustainability, with end-user demand resilient despite slight international hesitation.

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Prime Villas	Overweight	High	Favorable due to supply scarcity and premium demand.
Affordable Apartments	Neutral	Medium	Balanced yields offset new supply pressures.
Prime Apartments	Overweight	Medium	Upside from luxury resilience and yields.
Townhouses	Neutral	Low	Stable but moderated by supply influx.
Suburban Villas	Underweight	Medium	Liquidity risks amid value competition.

Watchlist flags

- Supply Handovers
- International Demand
- Transaction Velocity

Dubai - Micro-Market Project Deep Dives

Dubai's JVC and Wadi Al Safa 3 micro markets showed stable transaction activity in March 2026 amid moderating price growth. JVC led with strong mid-market demand, while Wadi Al Safa 3 offered value positioning. Overall sentiment remains positive for long-term investors.

Investor allocation guide by corridor

Area	Allocation	Comment
Jumeirah Village Circle	60%	Prioritize 1-2 bed apartments for yield stability and end-user demand.
Wadi Al Safa 3	25%	Allocate to emerging value plays with off-plan upside potential.
Surrounding Mid-Market	15%	Diversify into adjacent areas for balanced risk exposure.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Jumeirah Village Circle	35%	approx 300	high	JVC captured significant off-plan and ready transactions due to affordability and connectivity. Demand sustained despite regional caution.
Wadi Al Safa 3	12%	approx 80	medium	Wadi Al Safa 3 gained traction as value corridor with low-density appeal and limited supply competition.

Dubai - Micro-Market Project Deep Dives

Area metrics & project highlights

Jumeirah Village Circle

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1 Bed	AED 950,000	AED 1,400	45%	high
2 Bed	AED 1.6M	AED 1,350	35%	medium

Project highlights

- Emaar South Bay - 45 deals @ AED 1,420 psf: Strong off-plan sales reflect lifestyle demand.
- Azizi Pearl - 32 deals @ AED 1,380 psf: Ready units saw quick turnover at stable pricing.

JVC transaction volume held firm at around 520 deals. Mid-market pricing stabilized with resilient local buyer interest.

Wadi Al Safa 3

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1 Bed	AED 850,000	AED 1,250	50%	medium
2 Bed	AED 1.4M	AED 1,200	30%	low

Project highlights

- Signature Villas - 18 deals @ AED 1,220 psf: Low-density units outperformed amid supply constraints.
- Al Safa Heights - 12 deals @ AED 1,180 psf: Value-driven off-plan activity increased steadily.

Wadi Al Safa 3 recorded approx 140 transactions. Area positioned for growth as affordable alternative.

Risks & opportunities

- Supply Overhang: 110k unit deliveries test absorption but handovers remain manageable.
- Regional Geopolitics: Short-term hesitation from international buyers but local demand stable.
- Yield Resilience: 6-7% yields attract investors amid price stabilization.

Trade ideas & closing stance

- [Buy] JVC 1-Bed Off-Plan: Target sub-AED 1M units for yield and capital upside in high-demand corridor.
- [Hold] Wadi Al Safa 3 Ready: Maintain exposure to value plays pending supply clarity.
- [Avoid] High-Density New Launches: Steer clear of oversupplied segments facing rental competition.

Maintain overweight in JVC for transaction momentum and yields. Monitor Wadi Al Safa 3 for entry on dips. Overall, market fundamentals support selective accumulation despite moderation.

Dubai - Residential Market Risk Assessment

Dubai residential market shows resilience with strong Ramadan transactions, yet faces elevated risks from supply overhang and geopolitical strains. Cycle nears peak amid 110,500 units slated for 2026 delivery. Watch for liquidity erosion in mid-tier segments.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Moderate	Strong transaction volumes at 15,196 deals worth AED50.58 billion in Ramadan signal demand resilience despite global uncertainty.	Track month-on-month price changes and transaction value shifts post-Ramadan.
Supply and pipeline	Elevated	110,500 units projected for 2026 delivery far exceed 10-year average of 27,000, risking oversupply in mid-market apartments.	Monitor quarterly unit completions versus absorption rates in key areas.
Leverage and financing	Elevated	Banks reduce exposure amid geopolitical risks; stricter LTV rules and stable high rates pressure leveraged buyers.	Watch mortgage approval rates and average LTV ratios monthly.
Liquidity and absorption	Moderate	Off-plan flats dominate 80% of transaction value; ready market steady but vulnerable to summer slowdown.	Observe secondary market transaction velocity and inventory days-on-market.
Regulatory and policy	Moderate	Investor-friendly policies sustain demand, but crisis prompts tighter lending and foreign investment scrutiny.	Track LTV policy updates and new reporting requirements.
Execution and project risk	Elevated	Geopolitical tensions and institutional retreat heighten delivery delays and developer financing strains.	Follow project completion timelines and developer funding announcements.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	High liquidity and rental demand in areas like Dubai Marina sustain stability.
Prime off plan apartments	Moderate	Cash buyer interest supports sales, but supply pipeline adds caution.
Mid market apartments	High	Sensitive to 10-15% correction risk from high supply and sentiment shift.
Villas and townhouses	Low	Scarcity in established communities preserves value amid strong ready demand.
Investors with high leverage	Elevated	Financing retreat and affordability tests amplify vulnerability to rate persistence.

Key risk themes

- Supply overhang (Rising, 0-6 months): 41,000 plus units from 2025 deliveries plus 110,500 in 2026 exceed absorption, pressuring mid-tier prices.
- Price moderation (Rising, 6-12 months): First month-on-month decline after 60% run-up since 2022 signals late-cycle peak formation.
- Financing pressures (Stable, 0-6 months): Stricter LTV rules and bank exposure cuts test leveraged buyers amid regional crisis.
- Geopolitical liquidity squeeze (Rising, 6-12 months): Iran-US-Israel conflict drives institutional retreat, raising premiums and eroding market function.

Mitigants & portfolio positioning

Portfolio guidance

- Favor prime ready apartments and villas for stability and income.
- Reduce mid-market exposure pending supply absorption data.
- Target cash-flow positive assets in high-demand corridors.

Hedging ideas

- Use regional REITs to diversify geopolitical exposure.
- Pair with Saudi residential for GCC balance.

Liquidity management

- Maintain 20% cash buffer for summer slowdown opportunities.
- Prioritize assets with flexible developer payment plans.

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 across markets. 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 (price, volume, price per sqm) & 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.