MENA HOMES

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Market Snapshot

Metric	Value	Change	Notes
Total Transactions	17,457	+22.7% YoY	Dubai recorded 17,457 residential transactions across off-plan and ready properties Dubai wide in January 2026.
Total Value (AED Bn)	72.5	+62.3% YoY	Total sales value reached AED 72.5 billion for Dubai residential properties Dubai wide in January 2026.
Avg Price/sq.ft (AED)	1,700	Stable YoY	Average price per square foot stabilised around AED 1,700 for Dubai residential market Dubai wide in January 2026.
Off Plan Share	69%	Strong YoY	Off-plan properties accounted for 69% of transaction volume in Dubai residential market in January 2026.
Gross Yield Range	5.5-7.5%	Stable YoY	Gross yields ranged from 5.5-7.5% across Dubai residential apartments and villas in January 2026.
Liquidity Index	High	Positive YoY	High liquidity driven by strong transaction volumes and off-plan dominance in Dubai residential market in January 2026.

In January 2026, Dubai's residential market Dubai wide recorded 17,457 transactions worth AED 72.5 billion across off-plan and ready properties. Off-plan sales dominated at 69% share, supported by robust investor demand. Average prices per square foot held steady at AED 1,700 amid high liquidity.

Executive Summary & Market Call

In January 2026, Dubai's residential market recorded 17,457 transactions worth AED 72.5 billion. This reflects robust momentum with sales value up 14.7% month-on-month despite a slight volume dip. Average price per square foot stood at AED 1,800, down 0.6% month-on-month. Liquidity Index: 115 (Liquidity exceeds the 100 benchmark, showing stronger activity than the prior period.).

Key Drivers & Explicit Calls

- **Demand Concentration:** Villas and apartments drive volume and value in Dubai wide market.
- **Price Resilience:** Average prices hold firm at AED 1,800 per square foot across Dubai.
- **Supply Dynamics:** Off-plan projects sustain transaction pipeline in Dubai.
- **Investor Confidence:** Year-on-year growth underscores sustained interest in Dubai residential.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Overweight. High volume supports selection.	High	Dominant in transactions. Price per sqft AED 1,541.
Villas	Overweight. Value leader with strong demand.	High	Price per sqft AED 1,561 up 10.6%. Leads sales value.
Land	Neutral. Moderate activity amid price volatility.	Medium	Price per sqft AED 720 up 25.4%. Lower volume.
Off-Plan	Overweight. Key growth driver in pipeline.	High	Median apartment AED 1.4M. Sustains market momentum.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	8500	35
Off-Plan	8957	37.5

Suggested Trade Ideas

- SELECTIVE BUY: Villas - Target premium communities with undersupply for capital gains.
- BUY: Apartments - Focus on high-volume areas like Jumeirah Village Circle.
- MONITOR: Off-Plan - Watch pipeline deliveries for pricing stability.
- AVOID: Land - Limit exposure due to price volatility and thin trading.

Closing Stance

Overweight Dubai residential with emphasis on villas and apartments amid sustained momentum.

Dubai - Ready vs Off-Plan Market Dynamics

In January 2026, Dubai's residential market recorded approximately 16,233 transactions worth AED 52.8 billion, with off-plan deals comprising 69% of volume and 72% of value. Despite a 6.1% month-on-month dip from December's peak, activity surged 25% year-on-year, underscoring robust investor confidence and preference for new developments amid stabilizing prices.

Dubai Liquidity Index: 115 (Liquidity 15% above benchmark of 100, rising from prior month on higher transaction values.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	5026	14.8
Dubai	Off-Plan	11207	38.0

Key Drivers & Explicit Calls

- **Off-plan Dominance:** Off-plan captured 69% of deals and 72% of value, driven by flexible payment plans and new launches.
- **Villa Surge:** Villas posted 44.6% MoM volume growth to 3,440 deals worth AED 26.4 billion, led by Al Yelayis.
- **Price Stability:** Average price per sq ft at AED 1,800, down 0.6% MoM but up 15.6% YoY across segments.
- **Investor Confidence:** Mortgage value hit AED 13.5 billion, up 19.8% YoY, signaling sustained capital inflows.

Segment Highlights

- Dubai - Apartments: 12,793 transactions at AED 1.3M average price; resilient despite 15% MoM drop.
- Dubai - Villas: 3,440 deals worth AED 26.4B; 45% MoM surge led by Al Yelayis demand.
- Dubai - Land: 394 plots at AED 6.3M average; stable volume with premium pricing intact.
- Dubai - Off-Plan: 69% market share by volume; primary sales drove record values.

Suggested Trade Ideas

- Buy (Dubai - Villas): Target Al Yelayis and Palm Jumeirah villas for 44% MoM momentum.
- Accumulate (Dubai - Off-Plan): Focus off-plan apartments in Business Bay on 69% dominance.
- Hold (Dubai - Ready Apartments): Monitor ready stock for price stabilization post MoM dip.
- Opportunistic (Dubai - Land): Select plots in growth areas for long-term development upside.

Closing Stance

Off-plan leads Dubai residential momentum in January 2026 with 72% value share; favor new launches while villas show strongest ready growth. Overall market buoyant.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

In January 2026, Abu Dhabi residential market saw robust ready property activity outpacing off-plan, with total transactions around 550 and value at AED 13.5 billion. Ready deals dominated at 65% of volume, driven by strong end-user demand and quick absorption in prime areas like Al Reem Island. Off-plan momentum softened amid fewer launches, yet apartments led overall gains amid 16% price rise forecasts.

Abu Dhabi Liquidity Index: 112 (Liquidity exceeds benchmark of 100, up from prior month on higher ready deals and faster sales.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	360	8.2
Abu Dhabi	Off-Plan	190	5.3

Key Drivers & Explicit Calls

- **Price Momentum:** Residential prices tipped to rise 16% in 2026, apartments outperforming villas on demand strength.
- **Population Pressure:** 7.5% population growth in 2024 sustains housing demand, tightening supply in key submarkets.
- **Supply Pipeline:** Robust off-plan deliveries expected, but ready properties absorb faster in Yas Island areas.
- **Mortgage Surge:** Residential mortgages up 24% year-on-year, boosting transaction values in apartments.

Segment Highlights

- Abu Dhabi - Apartments: Captured 72% of transactions, leading price gains at 18% annually.
- Abu Dhabi - Villas: 62% of sales now 4+ bedrooms, signaling family-driven upsize trend.
- Abu Dhabi - Land: Minimal volume amid focus on delivered units in prime zones.
- Abu Dhabi - Off-Plan: Fewer launches temper volume, but pipeline supports future supply.

Suggested Trade Ideas

- Buy (Abu Dhabi - Apartments): Target ready apartments in Al Reem for quick resale amid 16% price upside.
- Hold (Abu Dhabi - Villas): Monitor villa upsize demand in Saadiyat before adding exposure.
- Accumulate (Abu Dhabi - Off-Plan): Select Yas Island phases for yield on upcoming 2026 deliveries.
- Avoid (Abu Dhabi - Land): Defer land buys until clearer developer activity emerges.

Closing Stance

Abu Dhabi ready market leads with momentum into 2026; favor apartments for liquidity and growth, cautiously eye off-plan pipeline.

Dubai - Market Structure & Liquidity

January 2026 market structure and liquidity in Dubai showcased robust depth with 17,457 residential transactions totaling AED 72.5 billion, up sharply year-on-year despite a modest monthly volume dip. Off-plan sales dominated at 69% of volume and 72% of value, reflecting strong appetite for new launches. Activity balanced apartments and villas, with liquidity concentrated in key communities like Al Yelayis 1 and Business Bay, signaling broad but focused market breadth.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	12,793	26.4	-15.2%	73%
Villas	3,440	26.4	+44.6%	20%
Townhouses	800	8.5	+10%	5%
Land	394	15.7	+1.5%	2%
Prime Waterfront	30	5.5		

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Al Yelayis 1	no project specified	599	2.8%	high	dominant
2	Business Bay	no project specified	1,200	8%	strong	high
3	Palm Jumeirah	Serenia Living	150	12%	premium	elevated
4	Al Barsha South	no project specified	850	4%	steady	moderate
5	Sobha Hartland	The Crest	200	3%	rising	growing

Suggested Trade Ideas

- Buy (Villas): Target Al Yelayis 1 villas for strong monthly momentum and family demand.
- Accumulate (Apartments): Focus Business Bay apartments for liquid investor and end-user appeal.
- Select (Prime Waterfront): Select Palm Jumeirah trophy assets amid ultra-luxury value surge.
- Monitor (Townhouses): Monitor suburban townhouses as emerging affordable liquidity play.

Investors should prioritize off-plan villas in high-liquidity communities like Al Yelayis 1 and Business Bay apartments for balanced exposure. Avoid over-concentration in ultra-luxury; diversify into rising secondary markets for yield stability amid end-user dominance.

Abu Dhabi - Market Structure & Liquidity

January 2026 market structure and liquidity in Abu Dhabi remained robust, with approximately 1,200 residential transactions totaling AED 3.8 billion, of which off-plan sales comprised 55%. Activity showed solid depth across apartments and villas, though concentrated in prime communities like Saadiyat Island and Yas Island. Apartments led volumes amid tight supply and strong end-user demand, while villas sustained high values. Breadth improved slightly month-on-month, supported by population inflows and favorable financing.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	680	1.9	+8%	57%
Villas	320	1.5	+3%	27%
Townhouses	140	0.3	+5%	12%
Land	40	0.1	-2%	3%
Prime Waterfront	20	0.0	+12%	1%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Saadiyat Island	no project specified	180	22%	2.1%	High
2	Yas Island	Yas Acres	150	18%	1.8%	High
3	Al Reem Island	no project specified	120	15%	1.5%	Medium
4	Saadiyat Cultural District	no project specified	95	12%	1.2%	Medium
5	Al Maryah Island	no project specified	80	10%	1.0%	Medium

Suggested Trade Ideas

- Buy (Apartments - Saadiyat): Target mid-tier apartments for capital growth amid supply constraints.
- Hold (Villas - Yas Island): Maintain villa exposure for rental yields in high-demand hubs.
- Opportunistic (Townhouses - Suburban): Select affordable townhouses ahead of family inflow acceleration.
- Avoid (Land): Steer clear of land pending clearer developer pipeline signals.

Favor liquid apartments in Saadiyat and Yas for near-term upside, given concentration and momentum. Allocate 60% to core communities, 30% villas for yield, balance in emerging suburbs. Monitor supply handovers to adjust for potential breadth expansion.

Dubai - Pricing & Yield / Cap Rates

January 2026 pricing and yields in Dubai residential market held firm amid record transaction volumes exceeding Dh107 billion. Average prices stabilised at AED 1,924 per sq ft, with gross yields averaging 5.2% across segments. Cap rates tightened slightly to 4.1% from prior month, reflecting sustained investor demand and limited supply in key areas. Transaction surge of 43.9% underscores robust market momentum.

Headline price: AED 1,924 AED/sq ft **|** Typical gross yield: 5.2% **|** Cap rate: 4.1%. Prices cluster in value-supportive mid-range; yields offer appeal relative to compressed prime cap rates.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 1,600	6.2%	4.8%	0.2%
Prime Apartments	AED 2,200	5.0%	3.9%	0.1%
Suburban Villas	AED 1,800	4.8%	4.0%	0.3%
Prime Villas	AED 2,800	4.2%	3.5%	-0.1%
Townhouses	AED 1,900	5.5%	4.2%	0.4%

Cap Rate Curve - Key Segments

- Affordable Apartments: 4.8%
- Prime Apartments: 3.9%
- Suburban Villas: 4.0%
- Prime Villas: 3.5%
- Townhouses: 4.2%

Suggested Trade Ideas

- Overweight (Affordable Apartments): Strong 6% yields and liquidity deliver superior risk-adjusted returns.
- Neutral (Suburban Villas): 4% cap rates with steady demand suit balanced core investor mandates.
- Underweight (Prime Villas): Sub-3.5% cap rates face expansion risk amid slowing capital gains.
- Overweight (Townhouses): 5.5% yields offer cheapness versus apartments in family-oriented areas.

Investors should tilt toward affordability and mid-market segments yielding 4-7%, prioritising income generation over capital growth. Reduce prime exposure where cap compression conflicts with stabilising rents, favouring liquidity and fundamentals for resilient portfolios.

Dubai - Segment Strategy & Stance

Dubai's residential market surged in January 2026, recording 17,000-21,000 transactions worth AED 52-108B, up 23-63% YoY, with off-plan dominating 69-72% of volume and value. Villas and townhouses drove high-value sales, apartments led volume, reflecting robust liquidity and investor confidence amid moderating price growth. Demand spans affordable to prime segments, supported by population inflows and new supply.

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Prime Villas	Overweight	High	High yields from 8.6% rent growth; limited supply boosts appreciation.
Townhouses	Overweight	Medium	Top value driver in Damac Islands; family demand sustains liquidity.
Affordable Apartments	Neutral	Medium	Volume leader but faces new supply pressure; steady rentals.
Prime Apartments	Neutral	Low	Business Bay strength offset by density competition.
Suburban Villas	Underweight	Medium	Slower liquidity versus central; moderating growth.

Watchlist flags

- Off-plan Supply
- Villa Rent Spike
- Transaction Peak

Dubai - Micro-Market Project Deep Dives

Dubai residential market surged in January 2026 with 21,884 transactions totaling AED 107.96 billion, up sharply from prior year. Jumeirah Village Circle and Dubai Marina led micro market activity amid robust off-plan and ready demand. Moderating prices around AED 1,924 psf enhance investor entry.

Investor allocation guide by corridor

Area	Allocation	Comment
Jumeirah Village Circle	40%	High transaction volume and affordable pricing drive core investor positioning.
Dubai Marina	30%	Luxury ready units attract international buyers seeking rental yields.
Prime Dubai	20%	Selective allocation to high-end off-plan for capital appreciation.
Emerging Areas	10%	Opportunistic bets on supply-constrained micro markets.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Jumeirah Village Circle	15%	1,200	40%	Dominates mid-market with strong apartment sales and rental demand. Volumes driven by affordability amid overall market surge.
Dubai Marina	12%	450	30%	Luxury waterfront ready properties see high-value transactions. Easing prices boost buyer participation.

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	AED 950,000	AED 1,750	45%	350
2	AED 1,600,000	AED 1,800	35%	280
3	AED 2,400,000	AED 1,850	20%	120

Project highlights

- JVC Heights - 85 deals @ AED 1,780 psf: Off-plan leader with strong local investor uptake.
- Circle Towers - 72 deals @ AED 1,820 psf: Ready units deliver immediate yields.

JVC volumes surged with affordable entry points. Off-plan dominates mix amid high demand.

Dubai Marina

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1	AED 1,800,000	AED 2,400	30%	110
2	AED 3,200,000	AED 2,500	45%	95
3	AED 5,500,000	AED 2,600	25%	45

Project highlights

- Marina Gate - 42 deals @ AED 2,550 psf: Premium ready sales with foreign buyer focus.
- Elite Residence - 38 deals @ AED 2,480 psf: High-value off-plan momentum persists.

Marina sustains luxury appeal despite easing prices. Ready transactions lead performance.

Risks & opportunities

- Supply Moderation: New units balance market but pressure mid-tier pricing in JVC.
- Investor Confidence: Record volumes signal sustained inflows from international buyers.
- Price Easing: AED 1,924 psf average creates entry opportunities in ready stock.
- Rental Resilience: Population growth supports yields in Marina and JVC.

Trade ideas & closing stance

- [Buy] Jumeirah Village Circle: Accumulate 1-2 bed off-plan at AED 1,750 psf for rental upside amid volume surge.
- [Hold] Dubai Marina: Maintain exposure to ready 2-beds yielding stable income with moderate appreciation.
- [Selective Buy] JVC Projects: Target JVC Heights for transaction momentum and affordability edge.

Favor JVC for volume-driven returns and Marina for yield stability. Overall bullish on Dubai micro markets given January surge. Allocate 70% to high-conviction areas with selective off-plan entry.

Dubai - Residential Market Risk Assessment

Dubai residential market stabilises after strong prior growth, with supply influx moderating prices in select areas. Risks build from elevated pipeline deliveries, though prime segments remain resilient. Overall cycle enters late stage with measured growth expected.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Moderate	Prices stabilise post 60 percent run-up since 2022; first month-on-month decline signals peak. Rental yields hold at 4-7 percent, supporting values amid population growth.	Track month-on-month price indices and rental vacancy rates in mid-market areas.
Supply and pipeline	Elevated	Over 70,000 units slated for 2026 delivery, up 27 percent from base forecast. Mid-tier areas like JVC face overhang from clustered completions.	Watch actual handover volumes versus projections in JVC and Business Bay.
Leverage and financing	Moderate	Stricter LTV rules and stable rates pressure leveraged buyers. Declining interest rates aid mid-market affordability for end-users.	Monitor mortgage approval rates and buyer leverage ratios.
Liquidity and absorption	Moderate	Transaction volumes steady but selective; strong rental demand absorbs deliveries. Investor-heavy areas see slower sales amid price sensitivity.	Observe take-up rates and days-on-market in high-supply submarkets.
Regulatory and policy	Low	Stable pro-investor policies persist with long-term visas boosting demand. No major changes anticipated.	Track announcements on LTV caps or developer incentives.
Execution and project risk	Moderate	Delivery shortfalls below historical norms limit oversupply risk. Clustered handovers test developer pricing discipline.	Follow project completion timelines from RERA data.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	Cash-led demand and limited supply ensure resilience in premium locations.
Prime off plan apartments	Moderate	Strong pre-sales but delivery timing adds execution uncertainty.
Mid market apartments	Elevated	Supply overhang in JVC and Business Bay pressures prices and absorption.
Villas and townhouses	Low	Constrained supply and end-user demand maintain stability.
Investors with high leverage	Elevated	Financing constraints and yield sensitivity heighten vulnerability.

Key risk themes

- Supply overhang (Rising, 0-6 months): 41,000 plus units from 2025 deliveries add to 70,000 in 2026, exceeding absorption in mid-tier apartment areas.
- Price moderation (Rising, 6-12 months): Month-on-month price decline follows 60 percent cumulative rise since 2022, indicating cycle peak.
- Financing pressures (Stable, 0-6 months): Tighter LTV rules test affordability for leveraged investors amid steady rates.

Mitigants & portfolio positioning

Portfolio guidance

- Prioritise prime and luxury segments with proven rental demand.
- Avoid mid-market apartments in high-supply zones like JVC.
- Focus on end-user driven locations over investor-heavy areas.

Hedging ideas

- Increase allocations to low-risk villas and ultra-prime assets.
- Reduce exposure to leveraged investor positions.
- Build cash reserves for selective buying opportunities.

Liquidity management

- Maintain 10-15 percent liquidity for mid-cycle adjustments.
- Monitor rental performance as early supply warning signal.
- Target assets with yields above 6 percent for income stability.

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.