



The Dubai Real Estate & Short-Let Market Report

Q2 2025



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Welcome to The Dubai Short-let Market Q2 2025 Report by AirDXB.

This report provides insights on trends and statistics impacting investments into Dubai's real estate market, with a focus on short-let.



Tracking the Trends: Dubai Real Estate in Q2 2025

Q2 2025 closed with a continued rise in both sales value and transaction volume, showing an increase Y-O-Y and Q-O-Q. However, the growth is not without caveats. Despite ongoing growth, the rapid rise in project handovers and newly launched inventory is creating a build-up of unsold stock, resulting in a supply and demand imbalance.

Properties available for sale on Property Monitor rose +2.07% Q-O-Q, while properties listed for rent surged by a notable +13.67% Q-O-Q. This jump in rental stock suggests that investors and landlords are shifting units into the rental market as sales absorption rates begin to slow, particularly in areas with heavy handover activity.

+2.07%
PROPERTIES FOR SALE
Q-O-Q

However, these long-term rentals are also sitting stagnant on listing platforms, facing intense competition as more stock continues to come onto the market.

+13.67%
PROPERTIES FOR RENT
Q-O-Q

Source: Property Finder

Highs, Lows & Market Flows: Transaction Value and Volume in Q2 2025

	Q2 2025	Q-O-Q	Y-O-Y Comparison
Value	184 B	+30.23%	+48%
Volume	53,078	+18.28%	+22%

Source:

DLD

DLD

Property Monitor

H1 2025 Transaction Value & Volume

While headline figures remain positive on a quarterly basis, the market has begun to cool M-O-M as we move deeper into the summer period. From May to June 2025, sales value dropped **-19.75%** and sales volume declined **-13.76%**, indicating a tapering of transactional momentum. This seasonal dip aligns with historical patterns, but the size of the drop, particularly in sales volume, points to a growing mismatch between supply and short-term buyer demand.

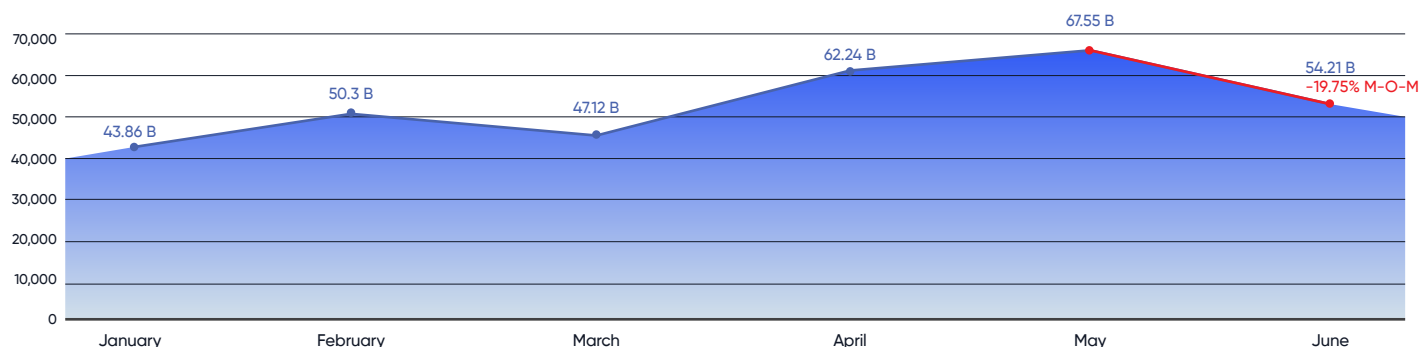
-19.75%

SALES VALUE DROPPED

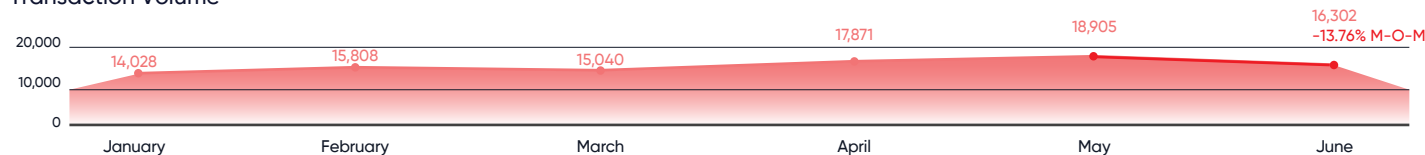
-13.76%

SALES VOLUME DECLINED

Transaction Value



Transaction Volume



Source: DLD



Price Per Square Foot

		Q-O-Q	Y-O-Y
Q2 2025	1,607 AED	+2.8%	+6.1%

Source: DXB Interact

Macroeconomic Factors Impacting the Dubai Real Estate Market

A weakening job market often precedes a cooling in real estate. As long-term rental yields soften further, short-term letting presents a compelling alternative.



Too Many Job Seekers, Not Enough Jobs

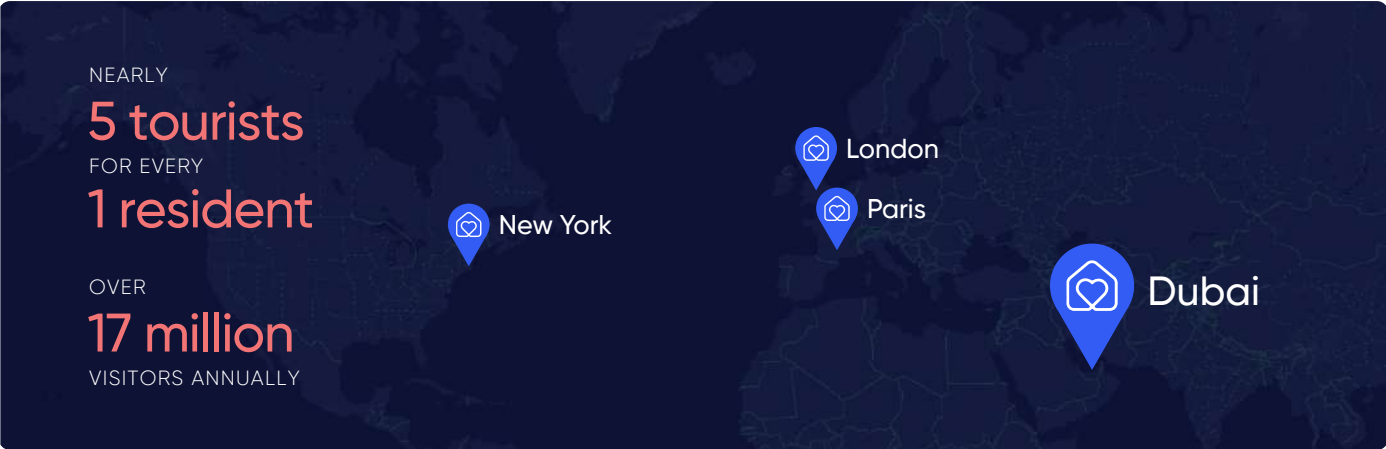
"Up to 2,000 applicants per job" vs
"Just 100 a few years ago"

Source: The National, Jan 2025, thenationalnews.com – Jan 20, 2025

"Employers no longer need to offer inflated salaries. Salaries have plateaued, the only real incentive left is tax-free living."

Source: Trefor Murphy, Cooper Fitch International Investment

Dubai Now Ranks Number One Globally for Tourist to Resident Ratio



With nearly 5 tourists for every 1 resident and over 17 million visitors annually, Dubai has surpassed Paris, London and New York. This exceptional influx is driving strong growth in short-term rentals and establishing Dubai as a leading global destination.

By 2034, the ratio is expected to approach seven tourists per resident, significantly higher than other major cities.

Supported by world class infrastructure and with tourism contributing almost 12% of GDP, Dubai's position as a premier tourist hub continues to strengthen.

12% of GDP

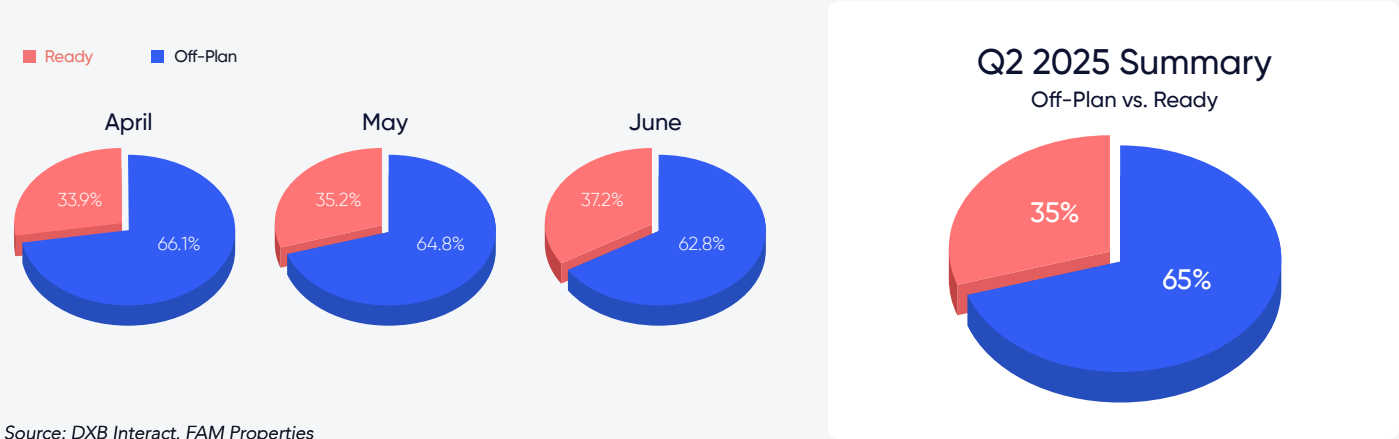
WORLD CLASS INFRASTRUCTURE

Dubai

PREMIER TOURIST HUB

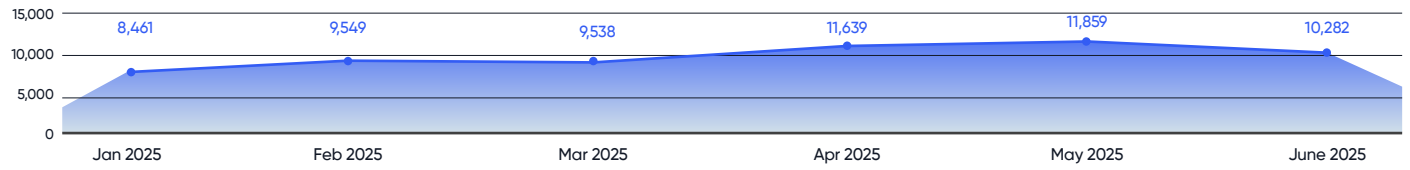
Off-Plan Remains the Driving Force in Dubai Real Estate

Off-plan continues to dominate the landscape, accounting for 65% of all transactions in Q2. The segment remains a key driver of market activity, supported by investor appetite for flexible payment plans, modern amenities and perceived capital gain potential. Yet with more off-plan units entering the pipeline and handovers ramping up, how much longer can the market absorb new stock at the current space?



H1 2025 Transaction Off-plan vs Ready

Off-plan

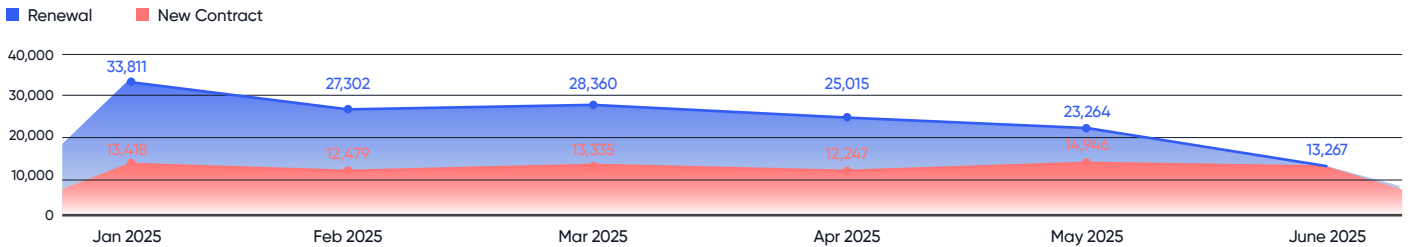
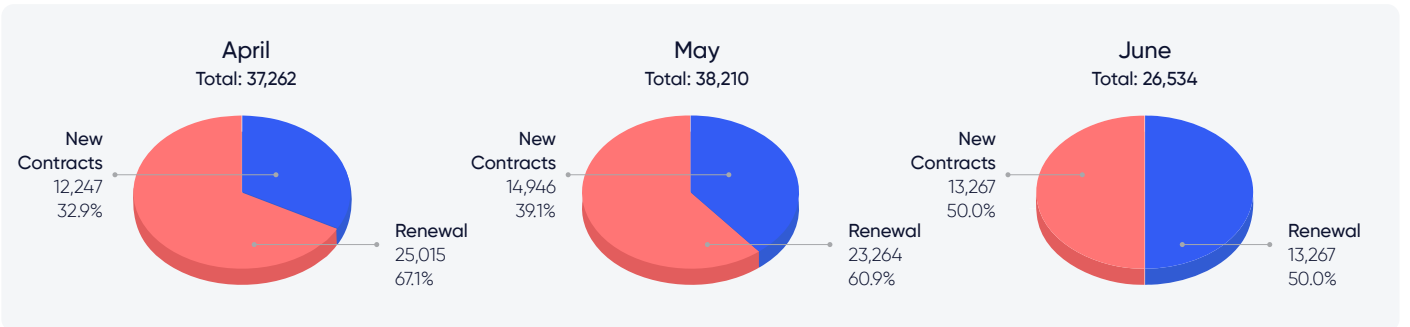


Ready



Source: DXB Interact

The Rise of Renewals: A Shift in Long-Term Rental Behaviour



The Dubai long-term rental market showed signs of adjustment in the second quarter of 2025. Compared to the same period last year, total rental contracts declined by 6.3%. New contracts saw a larger drop of 8.9%, suggesting a slowdown in demand or increased affordability pressure. Renewals fell by 4.8%, indicating that existing tenants are securing slightly lower rates or that landlords are easing terms to retain occupancy.

On a quarterly basis, the shift was more pronounced. Total rental contracts fell by 12.9% between the first and second quarters of 2025. This was largely driven by a sharp 20.4% drop in renewals, pointing to increased negotiation from tenants or greater competition in the market. In contrast, new contracts rose by 4.2% over the quarter, reflecting continued demand in specific locations or property types.

The data suggests a more value conscious environment, with tenants exercising greater choice and flexibility.

	Total Rental Contracts	New	Renew
Year-on Year (Q2 2024 vs Q2 2025)	-6.3%	-8.9%	-4.8%
Quarter-on-Quarter (Q1 2025 vs Q2 2025)	-12.9%	+4.2%	-20.4%

Source: Property Monitor

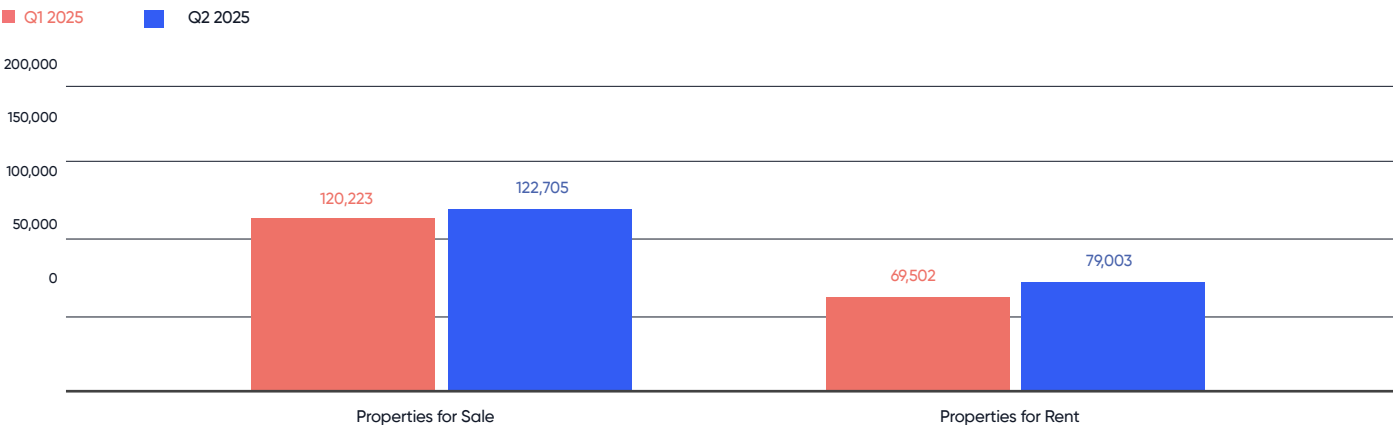


A Decline in Long-Term Rental Uptake



As the second quarter of 2025 drew to a close, Dubai’s long-term rental market continued to show clear signs of saturation. According to Property Monitor, the number of available long-term rental listings rose from 69,502 at the end of the first quarter to 79,003 by the end of the second. This marked increase reflects both a slowdown in tenant movement and a steady rise in property handovers.

In the sales market, listings also saw a modest rise, increasing from 120,223 in the first quarter to 122,705 in the second. While buyer demand remains relatively strong, the growing volume of properties entering the market, particularly in the rental segment, is creating a noticeable imbalance. With more keys being handed over and tenants choosing to renew existing contracts rather than move, the oversupply is expected to persist and could intensify in the months ahead.



Source: Property Monitor

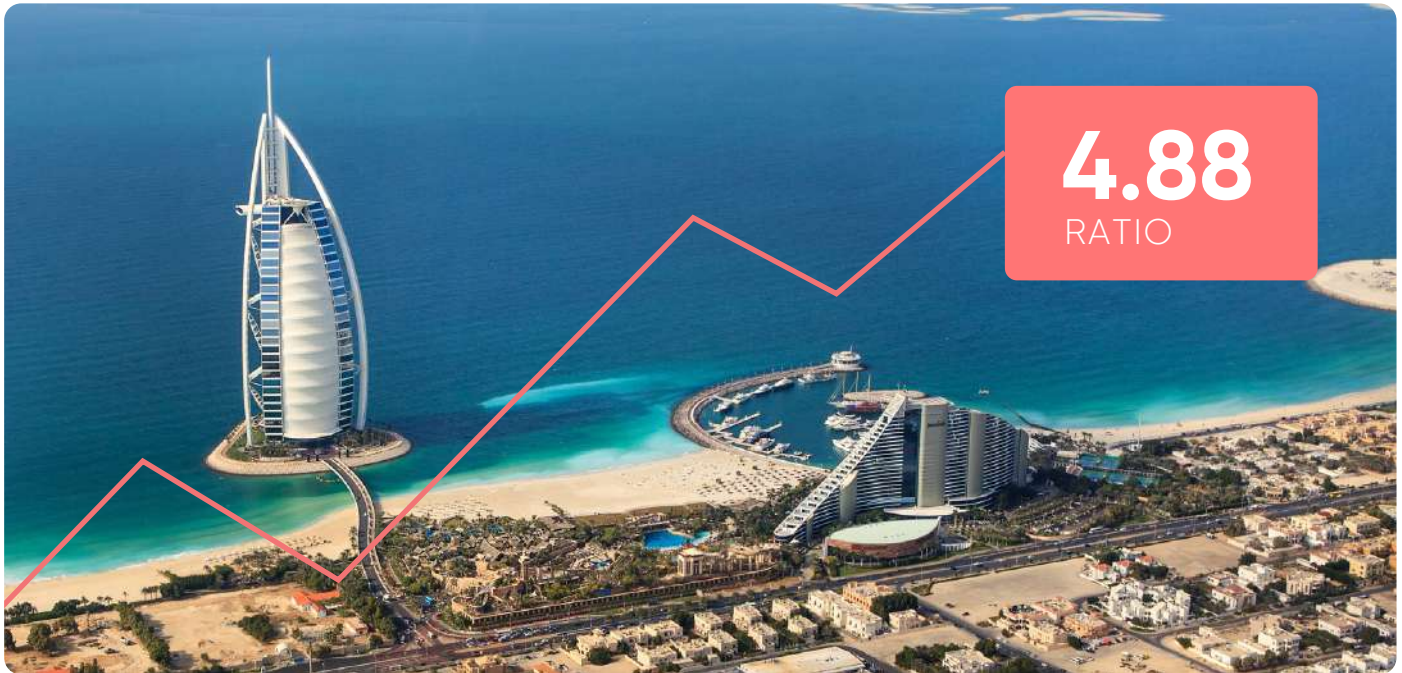


Pressure is building.

As Q3 unfolds, we expect an even more competitive environment in long-term rentals, particularly in communities with rising oversupply.



New Launches are Outpacing Handovers at a Rate of Nearly 5:1 in the First Half of 2025



H1 2025, 81,672 new units were launched compared to 16,744 units handed over, resulting in a ratio of 4.88. This means that for every 1 unit handed over, nearly five new units are entering the market.

81,672

NEW UNITS LAUNCHED

16,744

UNITS HANDED OVER

Handover, launches and sales comparison



With 81,672 new launches and 16,744 units handed over, compared to 90,969 units sold in the first half of 2025, the supply is steadily increasing.

This growing inventory is contributing to a build up of properties remaining on platforms such as Property Finder for extended periods.

The question remains:

What is happening to the units already on the market?

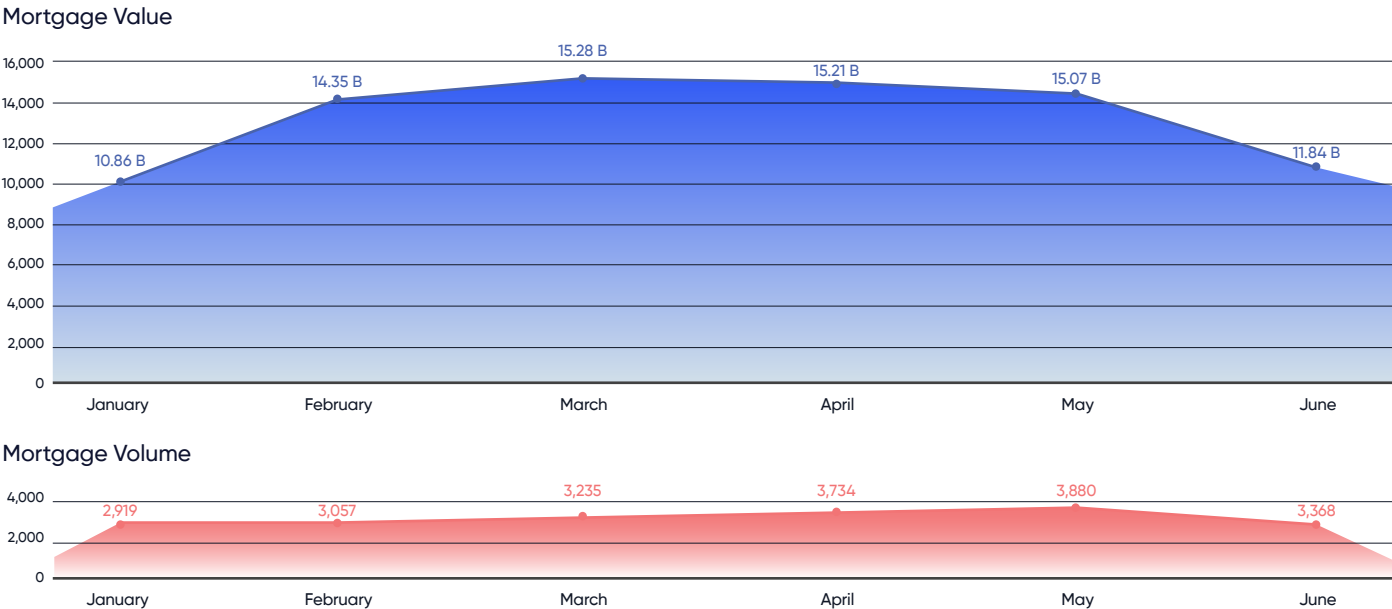
Source: DLD

Preferences in Purchase: Mortgage Insights

Mortgages	Q2 2025	Q-O-Q
Value	42,12 B	+4.03%
Volume	10,982	+19.23%

Source: DLD

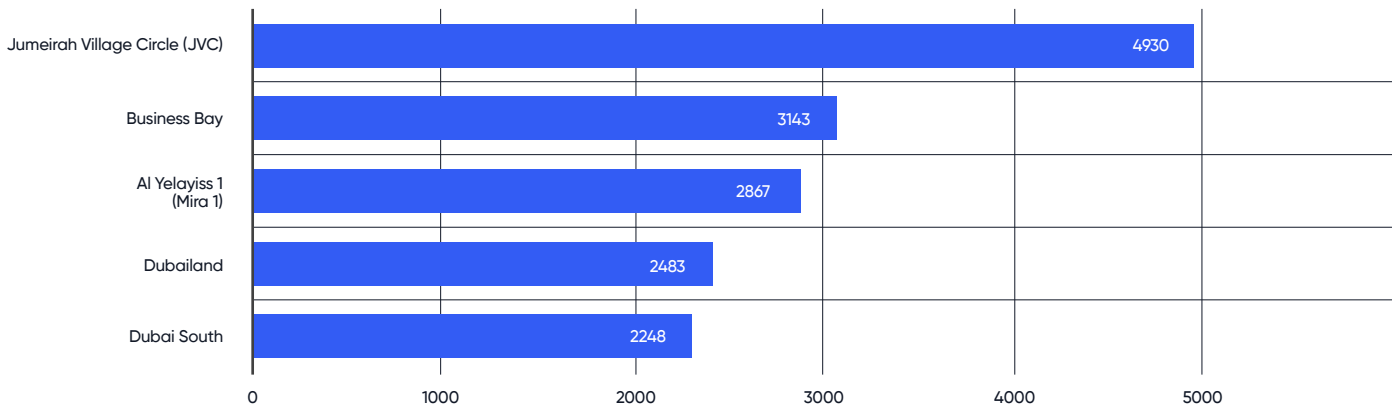
H1 2025 Mortgage Value & Volume



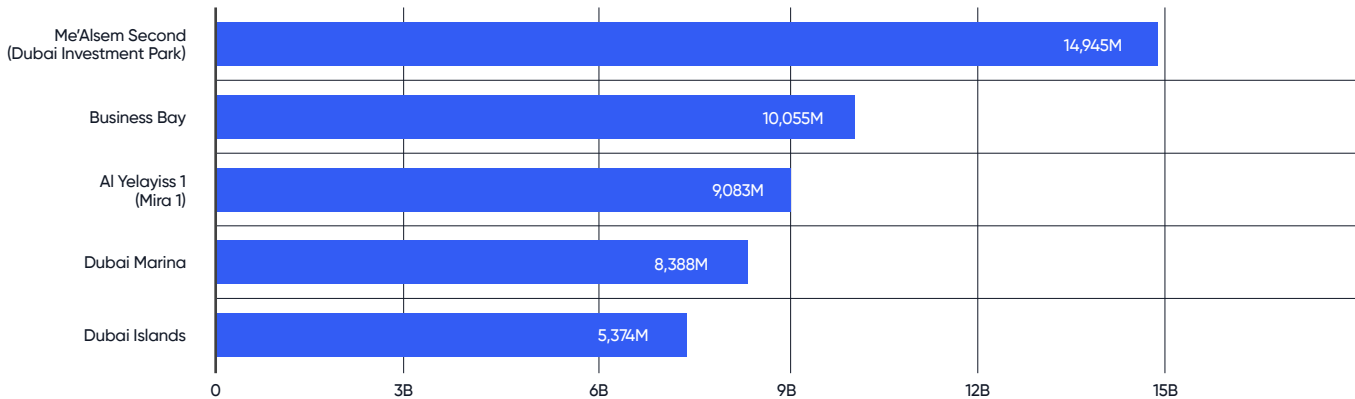
Source: DLD

Top 5 performing areas in the 2nd Quarter 2025

Sales Volume: The property demand in 2nd Quarter 2025 was mainly in these 5 areas



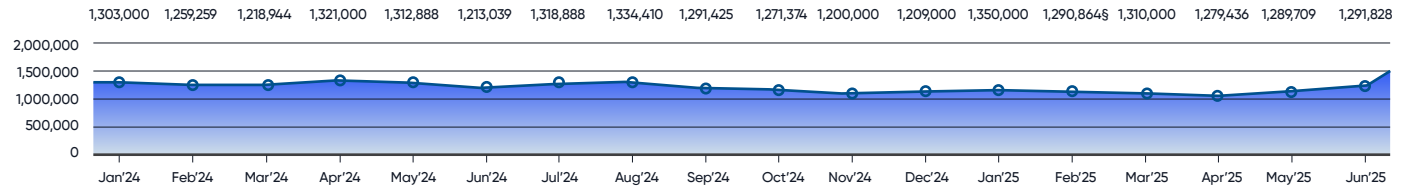
Sales Value: The property demand in 2nd Quarter 2025 was mainly in these 5 areas



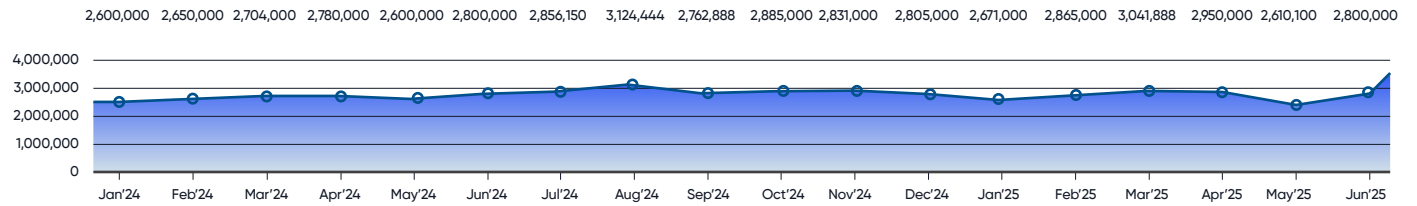
Tracking the Trends

Median Prices 2024-2025 by Property Type

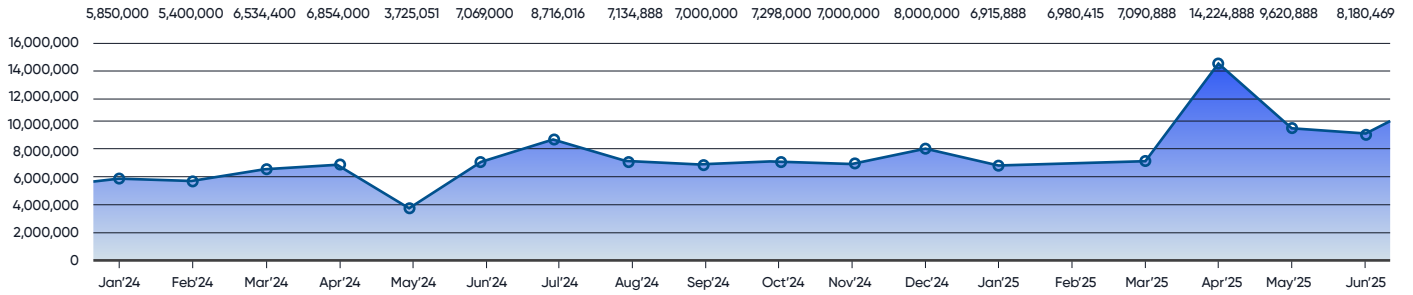
Apartment



Townhouse



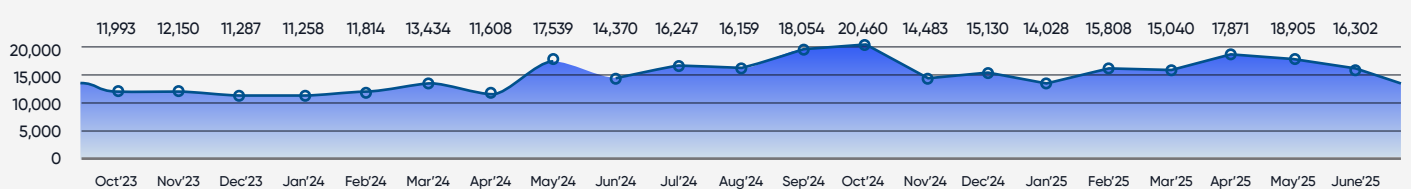
Villa



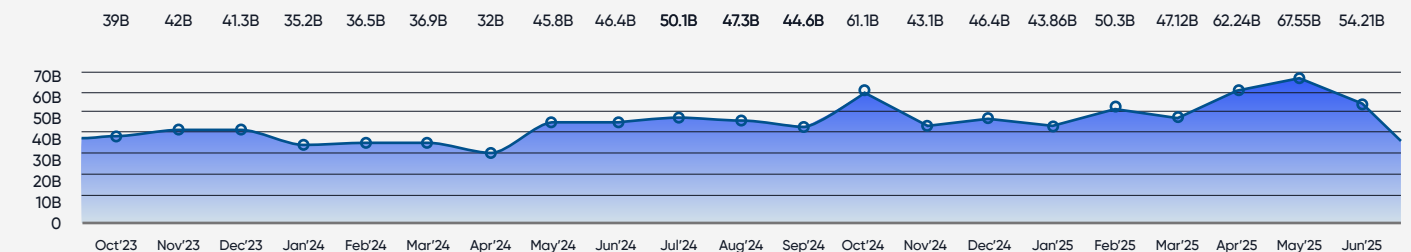
Source: Property Monitor

Total Property Transactions

Total Property Sales Transactions



Total Sales Value (AED)



Investigating in Dubai Property for Short-Term Rental Returns

Before You Buy: The Golden Rules of Property Purchase in Dubai

Do's

Appoint a RERA-licensed professional, our preferred partner:

LEWIS & DORE

REAL ESTATE

Request a RICS-compliant or bank-approved valuation before agreeing to the price

Verify the property's legal ownership, title deed, and any existing mortgage or disputes via the DLD or Dubai REST app

Request the most recent service charge statement and check for any outstanding dues

Use only official RERA forms and ensure a valid No Objection Certificate is in place before transferring any funds

Confirm that any power of attorney involved is notarised, valid, and currently active

Have a clear investment plan – is the property for personal use, rental income, or flipping? What's your intended holding period? Define your goals before proceeding

Dont's

Get trapped in long-term rental contracts with limited flexibility or capped increases under RERA guidelines

Make decisions based on high-pressure tactics or unusually low pricing

Make payments outside of official escrow accounts

Purchase through unregistered or non-RERA-certified agents or sub-brokers

Proceed with properties that have encumbrances or ongoing disputes with owners' associations

Neglect to check the RERA transaction history or the developer's credentials using official portals

Lessons Learned from Six Years in Dubai Property Management

Over the past six years, AirDXB have had a front row seat to how the world's biggest booking platforms perform. We have seen how this has evolved, what works, what does not and what truly delivers value for our homeowners.

While Airbnb has become a household name, especially among younger travellers, it is Booking.com that continues to dominate the travel landscape in 2024 and 2025. This is particularly true when it comes to higher yielding bookings, more mature audiences and platform performance that consistently delivers results.

The Guardian

Airbnb shares drop 12% as company flags weakening US demand



The vacation rental company Airbnb forecast third-quarter revenue below Wall Street estimates on Tuesday and reported a lower second-quarter profit, as it flagged weakening demand from US customers. Domestic travel in the United States

Business Insider

Hosts have ruined Airbnb with excessive fees, high demands...



As the founder of a travel site, Michael Rozenblit has stayed in hundreds of Airbnbs over the past decade with his partner, Maggie. "We love the convenience of having our own space," Rozenblit told Business Insider. "Particularly when it

The Guardian

Airbnb feels like staying with a cheap, uptight friend – then paying for the...



Some people call it "wasting time on Twitter". I call it "qualitative research". Having engaged in a lot of qualitative research recently, I've discovered the following: everyone is sick of Airbnb. In its early years, Airbnb was a more economical and

Hospitality.Net

Why is Airbnb losing the war of STR dominance to Booking.com?



Last year, Booking.com delivered 400.4 million nights booked at short-term rentals (STRs), which was 80% of Airbnb's total nights. At the same time, Booking.com generates almost twice as many nights per listing on its platform as Airbnb.

Short-Term Rentals in Dubai = A Winning Investment

ArabianBusiness

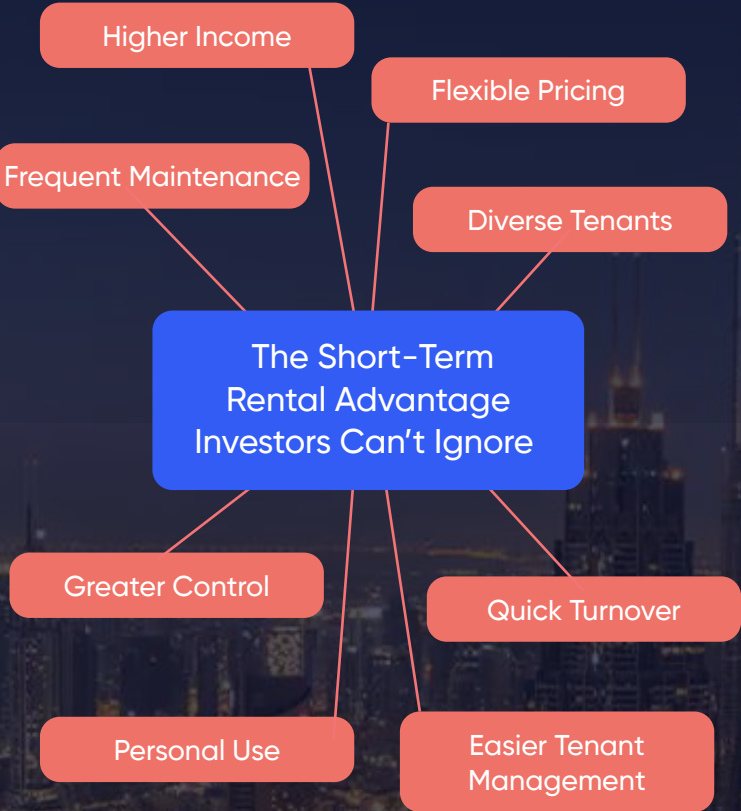
Dubai real estate: Property rentals set to surge 18% in 2025, driven by investor demand

Continuous surge in the number of professionals from around the world moving to Dubai for work and lifestyle, coupled with the rising property prices in the emirate are cited as reasons for the expected spike in rentals next year



Dubai's real estate market is anticipated to experience organic growth, signalled by rising property values, an increase in new towers, and higher transaction volumes in both sales and rentals. Image: Shutterstock

Our forecasts for 2025 based on the latest transaction data and the 6 months) compared to 2024, with long-term rentals (6 months or more) current market trend is an 18 per cent increase in short-term rentals (up to expected to rise by around 13 per cent," Nina Novikova, Chief Business Development Officer at Colife Dubai, part of the globally operating real estate services major Colife



?

Did you know?

Booking.com has just 10,000 listings in Dubai, four times fewer than Airbnb, yet it attracts five times more users. Less supply, more demand. That's the Booking.com advantage.

Booking.com Advantage

Reach That Delivers Serious Results, **A More Mature and Reliable Guest Audience, Better Revenue Metrics for Hosts.**

Booking Platform	Commission Fee	Main Audience Country	Demographics of the Audience
Booking.com	15%<	Global	Gen X and Boomers (ages 45–75), affluent, seasoned travellers
stayshort.com	0%	Global	Families, corporate travellers.
Vrbo	5%	North America, Western Europe	Families, long-stay guests
BLUEGROUND	7%	Global	Corporate travellers, 30+ night stays
home to go_	15%	Germany, wider Europe	European leisure travellers, search-driven behaviour
travelstayion™	15%	Global	Packaged tour guests, traditional travel agency users
airbnb	15–25%<	Global	Millennials and Gen Z (ages 18–40), budget-conscious, casual travellers

*Commission fees on the booking platform are subject to change in accordance with the platform's terms and conditions

AirDXB presents

THE BIG SHORT

Introducing **The Big Short**,
AirDXB's brand new series diving
deep into Dubai's real estate market.

From short-term rentals and investment trends to long-term leases, property sales and the growing impact of off plan developments, we uncover the insights you will not find anywhere else.

Join Gregory Lewis and Louis Bowers as they team up to break down the data, facts and figures that everyone else is missing.

Stay informed. Stay ahead. This is The Big Short.

50K+ views



The Big Short: Episode 1
Dubai Transactions
Are Plummeting

In this inaugural episode of The Big Short, Gregory Lewis and Louis Bowers delve into the latest data shaping Dubai's real estate market. They examine the recent 44% decline in long-term rental transactions and the 26% drop in sales volumes, highlighting the shift towards off-plan developments. The duo discusses how these trends impact investors and what strategies can be employed to navigate the evolving landscape.

100K+ views



The Big Short: Episode 2
The Flood That Could Break
the Market

In this episode, Gregory Lewis and Louis Bowers delve into Dubai's real estate market, highlighting the potential risks posed by an oversupply of properties. They discuss how this influx could impact property values and rental yields, offering insights for investors to navigate the evolving landscape.

GREGORY
LEWIS

LOUIS
BOWERS



+971 54 217 9391



Dubai launches scheme to help first-time investors buy properties valued up to Dh5m

Dubai Land Department is working with 13 developers and five banks for initiative



The scheme is aimed at attracting more investors to Dubai's property market. *Antonie Robertson/The National*

Dubai is launching a scheme to support first-time investors to enter the [emirate's property market](#) by teaming up with developers and banks.

The first-time home buyers initiative, launched amid a real estate boom in the city, will extend to properties valued at a maximum of Dh5 million (\$1.36 million), the Dubai Land Department said on Wednesday.

There is no salary criteria and it is left to banks to decide on financing, officials said.

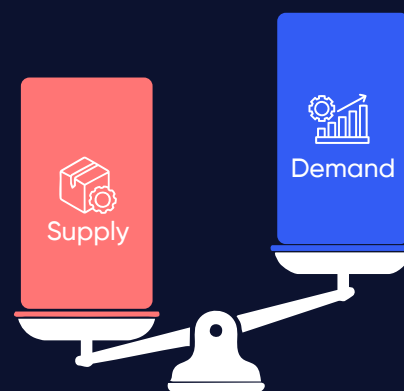
The DLD is working with 13 developers: Emaar, Nakheel, Azizi, Wasl, Dubai Properties, Damac, Danube, Binghatti, Meraas, Ellington Properties, Beyond Developments, Majid Al Futtain and Palma Development. It has also linked up with five banks – Emirates NBD, Emirates Islamic, Mashreq Bank, Dubai Islamic Bank, Commercial Bank of Dubai – for the initiative.

People aged 18 and older, with an Emirates ID and no freehold home, are eligible to participate in the initiative, Khalid al Shibani, Director of the Rental Affairs Department at Dubai Land Department, told the media.

"Buyers will have the priority access to the new homes listed and there will be a flexible payment plan," Mr Al Shibani, said. DLD registration fee can be paid through banks or credit cards with zero interest rates.

The Impact of Oversupply and Slowing Demand on Dubai's Property Market

After years of rapid growth, Dubai's property market is showing clear signs of slowing down. Sales volumes are softening and developers face increasing pressure to move inventory amid a more cautious buyer environment.



Developers' Challenge

New project launches have surged, creating a supply demand imbalance.

Buyers are hesitant, leading to longer sales cycles and more aggressive pricing strategies.

Many developments remain unsold, impacting developers' cash flow and profitability.

Government Response: The First-Time Buyer Incentive

In an effort to reignite demand, Dubai has introduced a targeted scheme to support first-time investors:

- Properties priced up to AED 5 million qualify.
- The scheme offers easier payment plans and financial guidance.
- Aims to make homeownership more accessible and reduce entry barriers for new buyers.

? Why It Matters

- This move signals the government's recognition of the market cooling.
- It reflects the need to stimulate demand and prevent a market slump.
- The success of this initiative will be critical in balancing supply and demand in the coming months.

Developers



Banks

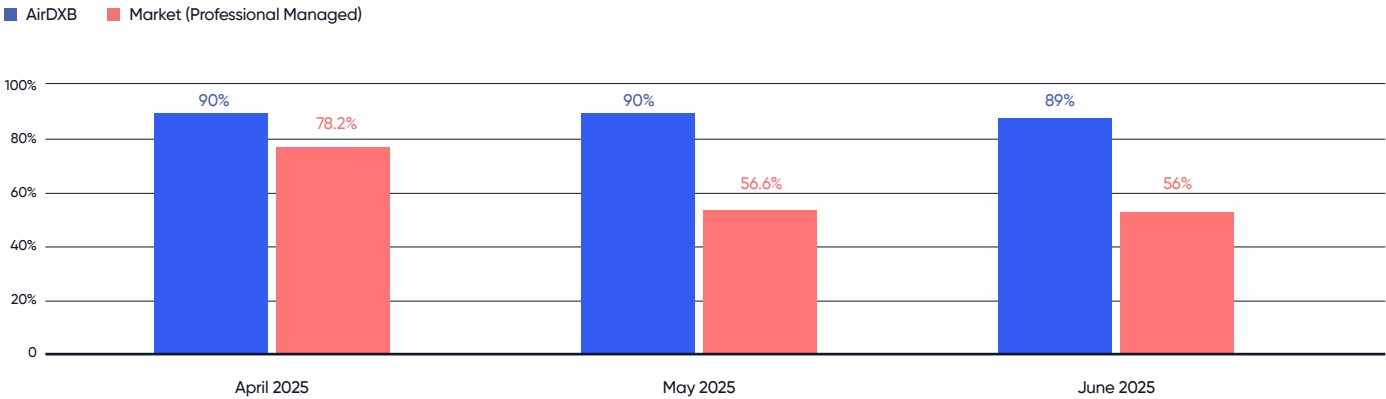


Dubai's swift and thoughtful intervention shows strong leadership in addressing the current challenges in its property market. Anyone aged 18 and older, with an Emirates ID and no freehold home is eligible for the new scheme, which aims to make homeownership more accessible to first-time buyers. The Dubai Land Department expects around 5,000 new investors to enter the market this year following this initiative. This move not only supports residents but also helps balance supply and demand, reinforcing Dubai's commitment to a sustainable and resilient real estate sector.

The Dubai Short-Let Market: Q2 2025

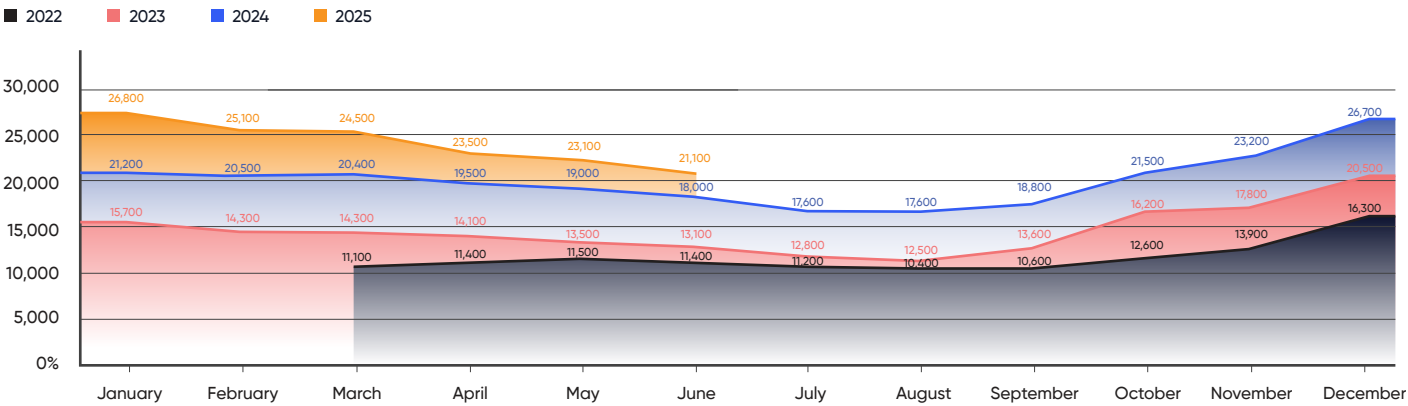


The Dubai Short-Let Market: Occupancy AirDXB vs Market



Source: AirDNA

Active Listings Trends



Entire Place Active Listings on AirDNA refer to properties where guests have exclusive access to the full property, we measure by Entire Place listings as short-term rentals in Dubai are limited to entire homes per local regulations, ensuring compliance and providing accurate market data.

Source: AirDNA

Short-Term Rental Trends



As seen in the graph above, the short-term rental market in Dubai displays a consistent cyclical pattern each year. According to AirDNA data, stock levels of "Entire Place Active Listings" typically rise from August to January and decline month-on-month from January to July. Notably, this pattern intensifies year-on-year, with greater volume changes observed.

The current decline phase January to July, which we are currently in, represents a favorable opportunity for property owners, as fewer active listings equate to reduced competition and higher Average Daily Rates. This market dynamic emphasizes the need for strategic adjustments to stay ahead in a competitive landscape.

These trends necessitate strategic adjustments to navigate the competitive landscape effectively:

- **Enhancing Property Features:** Property owners need to prioritize differentiating their listings by investing in quality furnishings, amenities, and personalized touches to appeal to premium renters.
- **Optimizing Pricing Models:** Leveraging data-driven dynamic pricing tools can help adapt to market fluctuations, ensuring competitive ADR and maximizing revenue even during peak competition periods.



At AirDXB, our in-house team manages a dynamic pricing model tailored specifically to your property.

By avoiding one-size-fits-all pricing strategies, we ensure optimal rates that maximize your revenue potential while maintaining our market-leading occupancy levels.

- **Focusing on Guest Experience:** Exceptional guest service and well-maintained properties will encourage positive reviews and repeat bookings, solidifying AirDXB's reputation as a leading rental provider.



Did you know AirDXB were recently awarded Excellence in Guest Experience UAE and Most Customer Centric Property Management Company UAE.

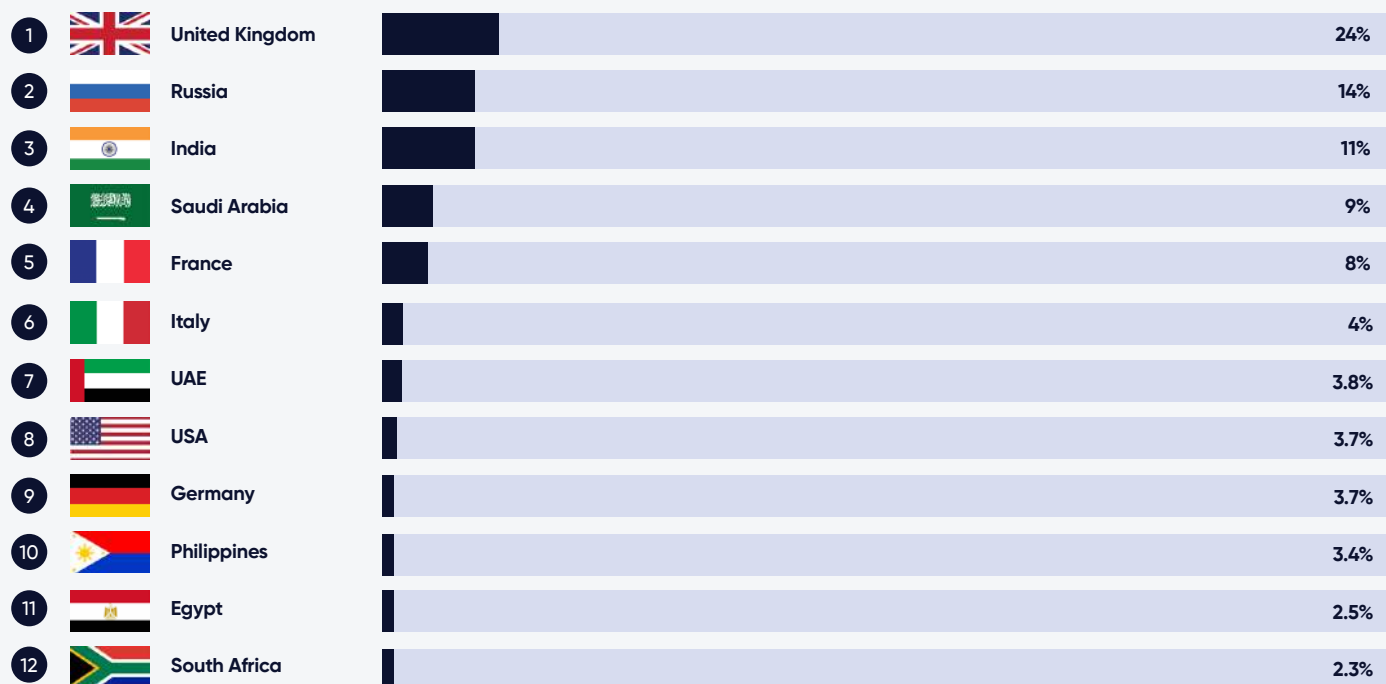
**BUSINESS
ITABLOID**

Excellence in
Guest Experience UAE 2024

GLOBAL BRANDS

Most Customer-Centric Property
Management Company UAE 2024

Guests Nationalities Q2 2025





Let's look at an example

Spotlight on: Your short-let investment in Arjan

- Mix of apartments, townhouses, and villas
- Surrounded by green spaces, parks, and landscaped gardens
- Close to top schools: GEMS Founders, Nord Anglia, Dubai Heights Academy
- Nearby healthcare facilities: Mediclinic Parkview, Aster Clinic, Emirates Hospital
- Excellent road access via Sheikh Mohammed Bin Zayed Road and Al Khail Road
- Public transport links with bus routes connecting to Dubai Metro
- Strategic location with strong investment potential
- Growing demand due to balanced lifestyle and mixed-use development



Louis Bowers

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Proximity to things nearby-driving

27 min

from
Downtown
Dubai

24 min

from
Dubai
International
Airport

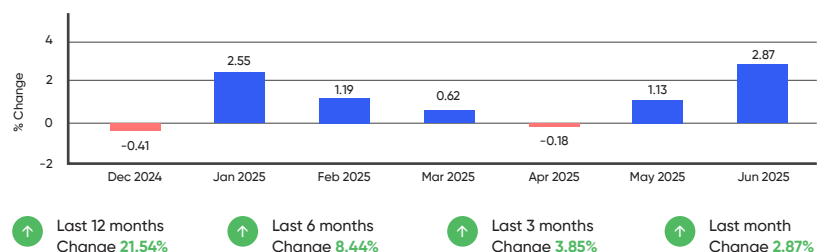
23 min

from
Dubai
Marina
& JBR

20 min

from
Palm
Jumeirah

Arjan Real Estate Trends: Change in Purchase Price



Source: Property Monitor

Short-term vs Long-term Rental in Arjan

		Studio	1	2	3
Transaction Price (avg, AED)		610,367	1,004,130	1,465,699	2,161,480
Long-term 12 month Revenue (avg, AED)		48,411	70,786	98,269	130,708
Short-term 12 month Revenue (avg, AED)		74,982	108,925	152,092	188,468
Short-term Rate Per Night		22791	331.08	462.29	572.85
90% Occupancy					
Running Costs (avg, AED)*	ST	14,996	21,785	30,418	37,694
	LT	48,411	70,786	98,269	130,708
Net Returns (AED)	ST	59,986	87,140	121,674	150,774
	LT	793%	7.05%	6.70%	6.05%
Yield	ST	9.83%	8.68%	8.30%	6.98%
Short-term vs Long-term - % Yield Difference	+/-	23.91%	23.10%	23.82%	15.35%

Sources: AirDXB, Property Finder, Bayut, Propsearch, Dubizzle & RERA, Property Monitor
(ST= Short-term) (LT = Long-term)

Ambassador Road Map

Earn

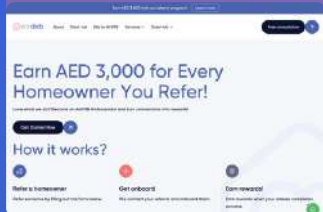
AED 3,000

Referral Fee

01

REFER A HOMEOWNER

Fill out the form on our website



CLICK HERE

GET ONBOARD

Our partnership managers will contact the homeowner, guide them through the AirDXB onboarding process and launch the property online.

02

03

GUEST BOOKING

Once the first guest books the property, your referral is successfully completed. Simple as that!

04

PAYMENT

Referral earnings released.

Frequently Asked Questions (FAQs)

When will I get paid?

Payments are released after the first guest stay is complete.

Is there a limit to how many homeowners I can refer?

The sky is the limit, the more homeowners you refer, the more AED you make!

How do I sign up to become an ambassador?

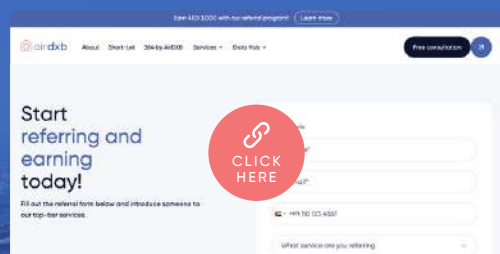
Complete the form on our website.

How long does the onboarding process usually take?

Only 5-10 working days

Is there any promotional material or guidance to help me refer homeowners?

Yes, we will provide you with all the tools, guidance and support necessary to succeed.





Watch our **YouTube** videos for all the latest updates!

23K+ views

51K+ views



Our Journey:
The AirDXB story



Long-Term vs. Short-Term:
What's the Best Move
for Your Property?



**Dubai Real Estate Is
Reaching a Turning Point:**
Here's What You Need to Know
May 2025 Recap

As Featured in

**ST SHORT TERM
RZ RENTALZ**

Entrepreneur
العربية

Khaleej Times

WHAT'S ON

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