



THE DUBAI REAL ESTATE & SHORT-LET MARKET REPORT

Q1 2025



The Dubai Real Estate Market

Alarming Market Shifts

1

First price decline

M-O-M
December
2024 to
January 2025

2

17% sales value decline

M-O-M
December 2024
to January 2025

3

30% drop

in long-term
lease renewals
M-O-M from
January to
February 2025

4

Month-on-month

Sales growth
deceleration
M-O-M in
January 2024
compared to
December 2024

5

Long-term rent slow

March 2025 as
more inventory
comes online

Source: Property Monitor, Dubai Land Department.

Real Estate Market: The Calm Before the Storm?

The real estate market is on the edge of dramatic change with early signs suggesting bigger issues ahead. Is this the end of the real estate boom? Are prices finally topping out?



Decelerating Property Prices: Entering A Cooling Off Period

PROPERTY PRICES FELL (M-O-M)
DECEMBER 2025 - JANUARY 2025

0.57%

DROPPING (PER SQ FT)

AED 1,484

SALES TRANSACTION VOLUME DOWN (M-O-M)
DECEMBER 2024 - JANUARY 2025

4.6%

Dubai real estate market begins 2025 with first price decline in over two years. Is the market starting to shift? Property prices fell 0.57% M-O-M December 2024 to January 2025, dropping to AED 1,484 per sq ft, the first decline since Summer 2022. Sales transaction volume down 4.6% M-O-M, yet still the strongest January on record off-plan launches continue to soar.

Off-Plan Launches: Tipping the Scales of Supply and Demand

While the market value and volume of transactions stabilizes, off-plan launches are soaring. In January, 37 developers launched 53 projects, adding 12,400 units. But with 72,000 units already set to be handed over this year, this influx is fueling market volatility and potential oversupply.

Developers are now offering better payment plans, lower down payments, extended terms, and discounts to attract buyers, are they finding it hard to sell stock? The market dynamics are shifting, with supply massively outweighing demand.

37 DEVELOPERS

 53 projects

ADDING

 12,400
UNITS

Long Term Rental

Long-term rental transactions are taking a hit. Tenants aren't committing to long-term leases. Long-term lease renewals dropped by a staggering 30% in February 2025.

Comparing H1 to H2 2024, the villa and townhouse market saw a long-term rental decline of 14%, while the apartment market experienced a 6% drop.

Long-term rental contracts in Dubai experienced a 10% decline in Q1 2025 compared to Q1 2024, driven by the growing popularity of homeownership and the surge in demand for short-term rentals.



-30%↓

LONG-TERM LEASE
RENEWAL DROP
(FEBRUARY 2025)

LONG-TERM RENTAL DECLINE
(H1 VS H2 2024)

-14%↓

VILLA &
TOWNHOUSE

-6%↓

APARTMENT
MARKET

LONG TERM RENTAL:
TOTAL RENTED

-9.92%↓

DECREASE Y-O-Y
(Q1 2024 VS Q1 2025)

-9.25%↓

INCREASE Q-O-Q
(Q4 2024 VS Q1 2025)

Navigating Shifting Market Trends: The Power of Staying Chain-Free



As property values continue to fall and long-term lease renewals decrease, maintaining control over your property is more crucial than ever. Staying chain-free is key to effectively navigating these shifting market trends.

In these turbulent times, staying informed and adapting to the ever-changing landscape is essential. By staying chain-free, you maintain control and can maximize your investment at the right time.

Stay ahead in the real estate market and make the most of your investments!

Tokenization

Dubai Land Department begins real estate tokenization project to help and incentivize smaller investors to participate in the market without needing to purchase an entire unit. This means properties can be divided into digital tokens, allowing multiple people to co-own a property without buying it entirely. This initiative aims to make property investment more accessible, transparent, and efficient.

By 2033, tokenized real estate could make up 7% of Dubai's property transactions, worth around AED 60 billion.

7%

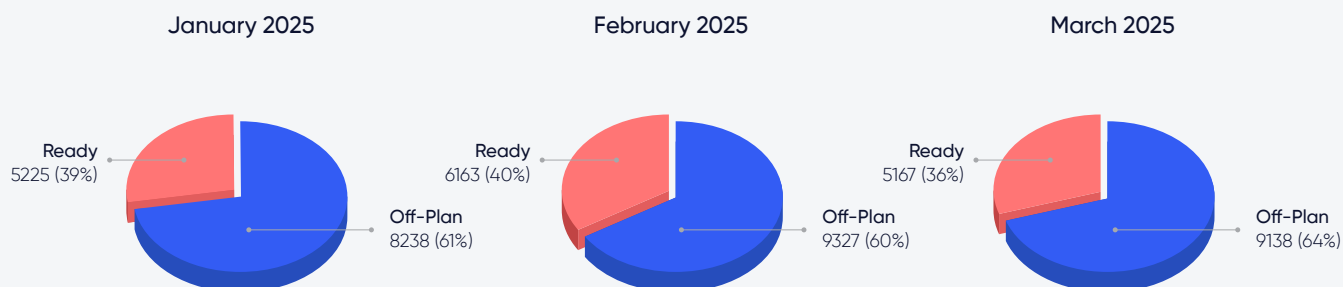
TOKENIZED REAL ESTATE

AED 60 billion

WORTH OF DUBAI

PROPERTY TRANSACTION

Off Plan vs Ready



The Dubai Real Estate Market Q1 2025

Real Estate Transactions Q1 2025



142.46 BN

TOTAL VALUE

Source: DLD



45,376

TOTAL VOLUME

QUARTER-ON-QUARTER (Q4 2024 VS Q1 2025)

-3%↓

VALUE

-9.34%↓

VOLUME

Source: DLD & Property Monitor

YEAR-ON-YEAR (Q1 2024 - Q1 2025)

+31%↑

VALUE

+22%↑

VOLUME

Source: DLD & Property Monitor

Total Property Sales Transactions

Month	Sales Volume	Y-O-Y Comparison
Jan 2025	13,631	+24%
Feb 2025	15,818	+35.14%
Mar 2025	15,027	+10%

Source: DLD

Total Property Sales Value

Month	Sales Volume	Y-O-Y Comparison
Jan 2025	42.81 BN	+24.1%
Feb 2025	50.30 BN	+40%
Mar 2025	47.05 BN	+17%

Source: DLD



Price Per Square Foot

Month	Per Sq Ft
Jan 2025	1,484
Feb 2025	1,505
Mar 2025	1,596

-0.57%
M-O-M

Source: Property Monitor, DXB Interact

The Dubai real estate market has experienced a noticeable deceleration in growth. From Q1 2023 to Q1 2024, transaction volumes surged by an impressive 30%. However, the increase from Q1 2024 to Q1 2025 was more restrained, at 22%. While there is still year-on-year growth, the pace has evidently slowed with the latest figures revealing a 10% reduction in growth compared to the previous year. Quarter-on-quarter sales volumes and values also reinforce this trend. The market appears to be shifting towards a phase of greater stability and maturity, marking a departure from the rapid expansion witnessed in earlier periods.

Buying Preferences

Mortgage

11,014

NO. OF TRANSACTIONS

+27%↑ VS Q1-2024

41.1B

VALUE

-13.8%↓ VS Q1-2024

Top 5 Performing Locations in Q1 2025

Sales Volume



Top 5 Performing Locations in Q1 2025

Sales Value





Apartment average prices in the Top 10 areas



Are We Heading for a Global Recession?

The United States has recently implemented one of the most aggressive trade policies in modern history, imposing tariffs ranging from 10% to 245% on imports. While most trade partners are subject to a baseline tariff of 10%, imports from China face a significantly higher rate of 245%, reflecting heightened trade tensions. To allow for trade negotiations, a 90-day cooling-off period has been introduced for most countries, during which the baseline tariff will remain at 10%. However, this policy has already sparked a global trade war, leading to increased costs of living and raising concerns about a potential recession. Historically, such drastic tariff measures have had severe economic consequences, as seen during the Great Depression, when similar policies exacerbated an already fragile economic situation.

The impact extends far beyond Wall Street; the uncertainty caused by these tariffs is felt globally, affecting real estate, stocks, and investments. This uncertainty is a major threat to investor confidence and economic growth, as it undermines stability across markets.

OUR ADVICE



"Market corrections and adjustments are inevitable but avoiding long-term contracts and maintaining chain free properties can help mitigate risks in an unpredictable economic landscape."

Gregory Lewis
CEO & Founder, AirDXB



US tariff on goods from China

245%



China tariffs on goods from USA

125%

*This information is accurate and up to date as of April 18, 2025, the date of publication.

GULF NEWS BUSINESS

UAE businesses slow new job additions in March: S&P Global

Most businesses prefer to keep workforce numbers constant amidst softer demand



... among UAE businesses was 'subdued' in ... the weakest showing over the last 3 ... are showing a preference to keep their ... the same levels rather than go for major

... in the UAE private sector recorded a ...

... proved at a solid pace, the upturn ... September last year as demand ... " says the latest monthly PMI

Enterprise

PURCHASING

UAE's non-oil business activity growth slows in March

Business sentiment remained positive despite the mild slowdown in growth momentum

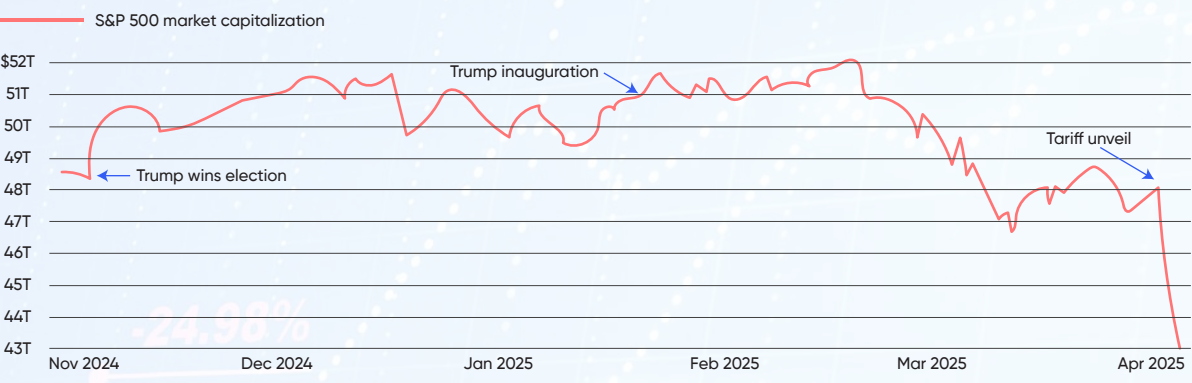


Non-oil activity in the UAE accelerates at slowest pace in seven months: The UAE's non-oil activity saw a "mild slowdown" in growth in March, with business activity continuing to improve, but at the slowest pace recorded since September of last year, according to S&P Global UAE PMI (pdf). The headline figure reached 54.0 during the month, down from 55.0 in February.

REMEMBER- The all-important 50.0 mark is the threshold separating contraction from growth. Anything above 50 denotes expansion, while anything below indicates contraction.

\$5Trillion Dollar Loss

Since Trump unveiled his tariffs late on Wednesday, S&P 500 companies have lost \$5 trillion in stock market value, a record two-day decline dor the benchmark going back to the 1950s



Source: LSEG

Dubai Short-Let Market Review

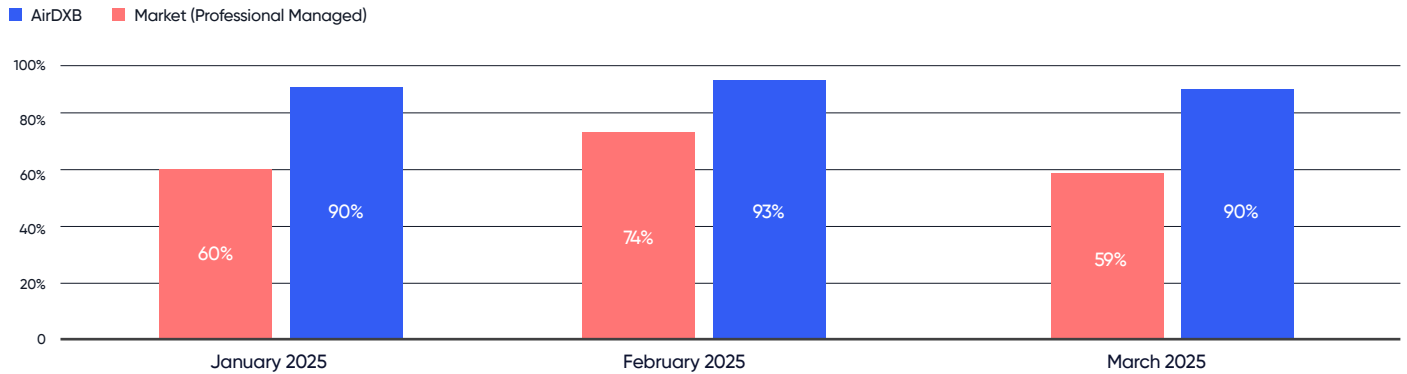
Q1 2025

Welcome to The Dubai Short-let Market
Q1 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.

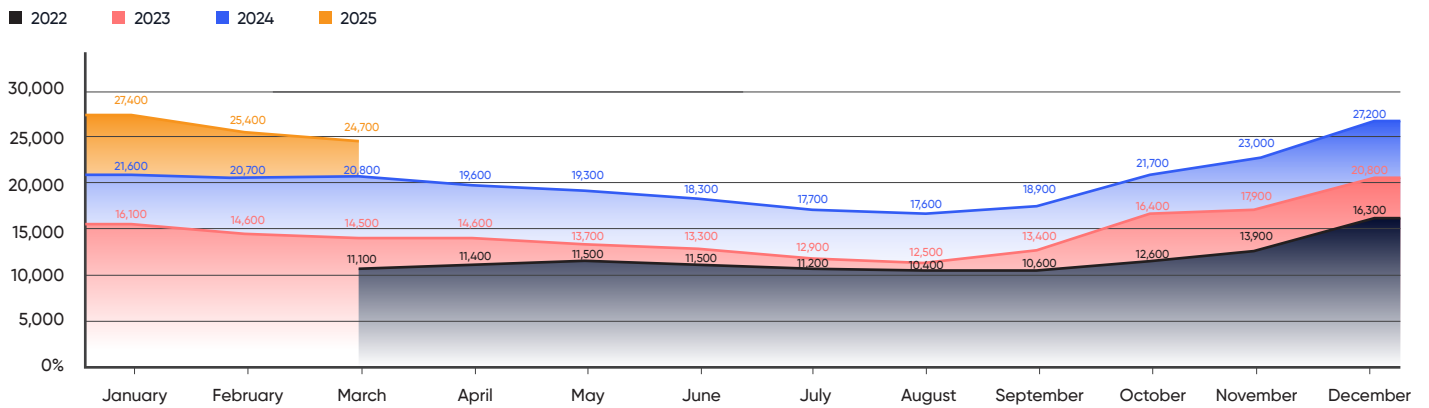


The Dubai Short-Let Market: Occupancy AirDXB vs Market



Source: AirDNA

Entire Place Active Listings



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: Active Listings



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

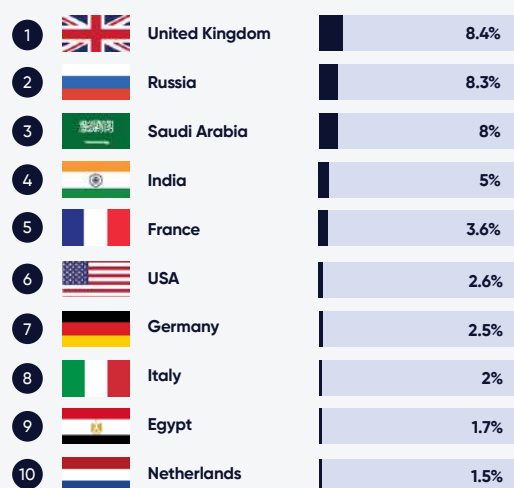
Most Customer-Centric Property
Management Company UAE 2024

Book Lead Time

AirDXB booking lead times have consistently remained short, reflecting a prevalent trend towards last-minute reservations. In Q1 2025, 49% of bookings were made within seven days of check-in, with figures of 40% in January, 53% in February, and 55% in March. This highlights a strong preference among our clientele for last-minute bookings.

While our dynamic pricing is carefully managed, 41% of bookings fall within the 7–30 day window. Our in-house team of expert pricing analysts adjust rates on a daily basis, ensuring optimal prices for property owners whilst maintaining our market-leading 94% occupancy rate. This approach offers a significant advantage over competitors reliant on blanket pricing strategies.

AirDXB Guests Nationalities Q1 2025



BOOKINGS MADE WITHIN 7 DAYS (Q1 2025)

49%

BOOKINGS FALL WITHIN 7-30 DAY WINDOW

41%

OCCUPANCY RATE

94%



Let's look at an example

Spotlight on: Your short-let investment in Al Furjan

- Prime location near major highways like Sheikh Zayed Road and Sheikh Mohammed Bin Zayed Road, offering easy access to key areas in Dubai.
- Excellent Connectivity: Well-connected with Dubai Metro and bus routes.
- 560 hectares and includes a mix of villas, townhouses, and apartments.
- Local Amenities: The Al Furjan Pavilion and Al Furjan Clubhouse.
- High Rental Yields: Attractive returns for investors.
- Comprehensive Facilities: Includes supermarkets, restaurants, parks, fitness centers, and healthcare facilities.
- Proximity to New Developments: Located near the new Al Maktoum International Airport, enhancing connectivity and future growth potential.
- Green Spaces and Leisure: Al Furjan features beautifully landscaped gardens, playgrounds, and cycling tracks.



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Discovery
Gardens



Community parks and
jogging paths



Gymnasium
and fitness facilities



Mediclinic



Mosques



Retail outlets and
supermarkets



Restaurants and
coffee shops



Over 4,000 apartments,
villas, and townhouses



Children's
playgrounds

		Studio	1	2	3
Transaction Price (avg, AED)		572,012	967,227	1,470,050	2,177,523
Long Term 12 month Revenue (avg, AED)		49,061	70,964	100,138	140,982
Short Term 12 month Revenue (avg, AED)		96,314	121,934	163,983	203,943
Short Term Rate Per Night		292.75	370.62	498.43	619.89
90% Occupancy					
Running Costs (avg, AED)*	ST	19,263	24,974	32,797	40,789
Net Returns (AED)	LT	49,061	51,607	100,138	140,982
	ST	77,051	74,921	131,186	163,154
Yield	LT	8.58%	7.10%	6.81%	6.47%
	ST	13.47%	10.31%	8.92%	7.49%
Short Term vs Long Term - % Yield Difference	+/-	57.05%	45.18%	31.01%	15.73%

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

About AirDXB

AirDXB simplifies the process for investors aiming to benefit from the city's dynamic real estate market. Through AirDXB, investors gain access to a curated selection of properties ideal for short-term rental, strategically located to maximise rental income.

AirDXB offers comprehensive management services, handling everything from bookings and guest communications to property maintenance. By leveraging market insights, AirDXB optimises pricing strategies to ensure competitive rates and high occupancy levels throughout the year. With our expert guidance and exceptional services, you can secure your dream property and a lucrative asset which will accumulate value over time whilst earning you a monthly income.

Comprehensive Short-let Management Services

94%

The highest occupancy rate in the market

5
star

Ratings from 3 out of 4 guests

100k+

Total guests from 100+ nationalities

750
million

Real estate assets under advisement

30
days

Notice period

16.75%

Management fee including VAT



Gregory Lewis

CEO & Founder, AirDXB

AirDXB's Award-Winning Success



MEA Business Awards

Most Trusted Short-Term Rental & Property Management Agency 2024 - Dubai



WORLD BUSINESS OUTLOOK

Best Real Estate Management Consultancy UAE 2024



Hospitality Company of the Year



IRECMS DUBAI AWARDS 2023

Best Real Estate Management Consultancy of the Year



INNOVATION & EXCELLENCE AWARDS

Property Management Company of the Year - UAE



MOST INNOVATIVE COMPANIES TO WATCH 2024

Business Insight Review



BEST HOST MANAGEMENT AWARDS

Best Host Management UAE 2024



EXCELLENCE IN HOSPITALITY AWARDS

Excellence in Hospitality For Short Term Rentals UAE 2024



INNOVATION & EXCELLENCE AWARDS

Property Management Service of the Year 2024

BUILD

REAL ESTATE & PROPERTY AWARDS 2024

Short-Term Rental & Property Management Firm of the Year 2024 Dubai

GLOBAL BRANDS

Best Marketing Campaign in Property Management UAE 2024

GLOBAL BRANDS

Most Customer-Centric Property Management Company UAE 2024

GLOBAL BRANDS

INTERIORS Most Innovative Interior Design Brand - UAE 2024



Excellence in Guest Experience UAE 2024



Best Holiday Homes Rental Company UAE 2024

Ambassador Road Map

Earn

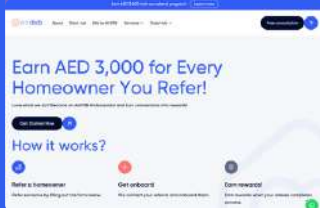
AED 3,000

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!

PAYMENT

Referral earnings released.

04

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?

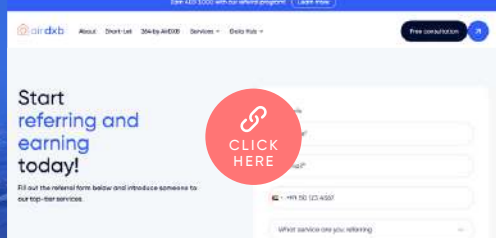
Complete the form on our website.

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!



Our Journey:
The AirDXB story




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



6 Years of AirDXB Leading
Dubai's Short-Let Market

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