houseoforange

Real Estate

Residential Market Report

Dubai | FY 2025

Overview:

The 2025 residential real estate market marks a shift from speculation to strategy, defined by stabilising interest rates, disciplined pricing, and buyer selectivity. Price performance is increasingly local, with prime, well-located assets outperforming while secondary stock lags. End-user demand and yield-focused investors now drive activity, placing renewed emphasis on build quality, liveability, and long-term fundamentals. In markets with strong population growth and capital inflows such as Dubai, residential real estate remains structurally resilient, rewarding correct positioning over short-term momentum.

Dubai Market At a Glance

TOTAL VALUE SOLD	TOTAL UNITS SOLD	TOTAL VALUE SOLD	TOTAL UNITS RENTED
AED 546.8Bn	202,349	AED 50.6Bn	582,393
+27.3% YoY	+18.3% YoY	+10.0% YoY	+1.3% YoY

Source: Property Monitor

Dubai's residential market recorded another strong year, supported by a resilient economy, increasing global engagement, and continued inflows of capital and talent.

The UAE's GDP is estimated to have grown by 4.8%, driven primarily by non-oil industries such as tourism, finance, logistics, technology, and real estate. This economic momentum directly supported housing demand, with Dubai's population surpassing 4 million, including approximately 176,683 new residents added in the first ten months of 2025.

Urban development continues to align with the Dubai 2040 Urban Master Plan, reflected in infrastructure upgrades, transport expansion, and the rollout of large-scale master-planned communities.

Dubai also reinforced its position as a leading global wealth destination, with an estimated 9,800 millionaires relocating to the UAE by year-end - strengthening demand within the luxury segment.

Developers launched more than 150,000 residential units, though most supply is scheduled for delivery between 2028 and 2030, keeping near-term inventory relatively constrained.

Residential property prices ended the year approximately 12% higher, with price growth moderating toward the year-end. Rental markets followed a similar trajectory, with villas and townhouses continuing to outperform apartments, supported by structurally lower supply relative to apartment stock.

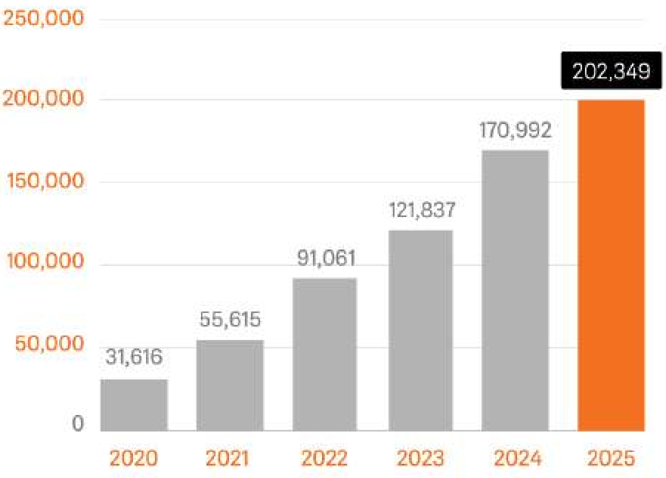
Sales Transactions

Dubai recorded 202,349 residential sales transactions in 2025, with total transaction value reaching AED 546.8 billion.

Off-plan purchases accounted for 64.8% of total activity, reflecting strong confidence in Dubai's development pipeline and continued limited availability of ready homes in the secondary market.

This performance highlights the market's growing structural strength, supported by both investor demand and end-user participation.

Yearly sales volume (2020-2025)



Source: Property Monitor

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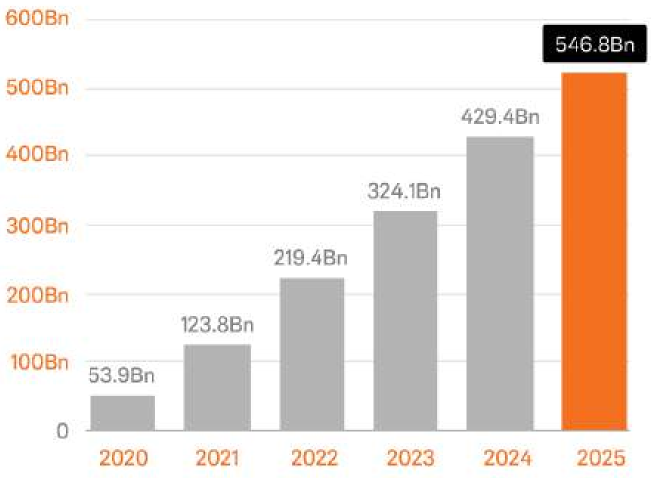
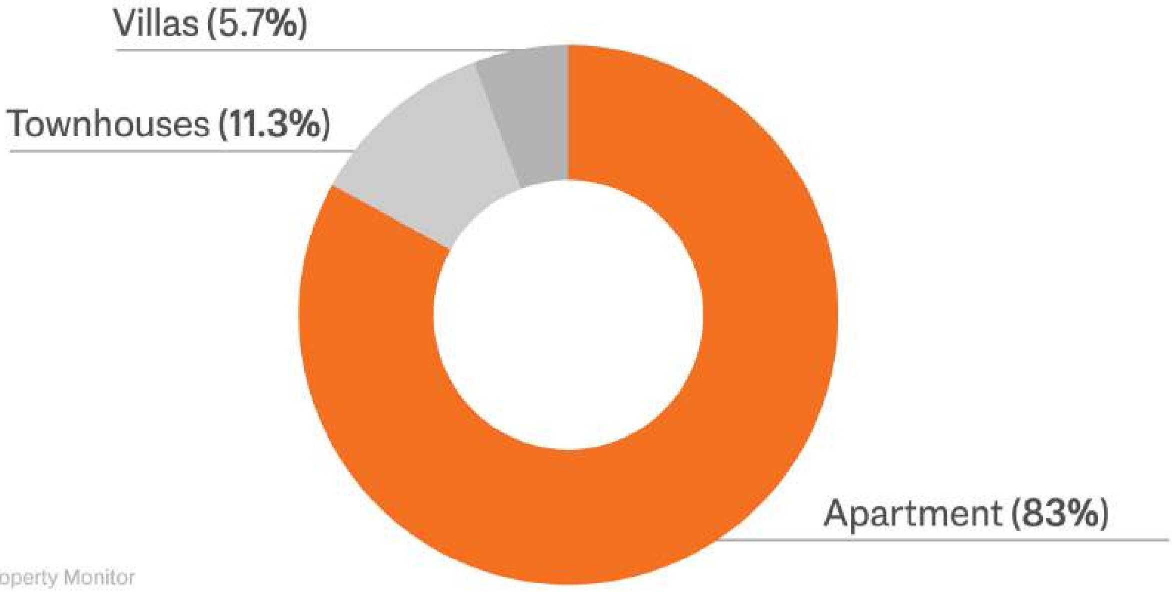


Source: Property Monitor

Sales By Property Type

A key theme of 2025 was the breadth of buyer interest across property categories and communities.

Apartments accounted for 83% of all transactions, driven by accessibility, liquidity, and yield potential. Townhouses and villas also maintained strong demand, supported by family buyers, lifestyle upgrades, and investor participation.



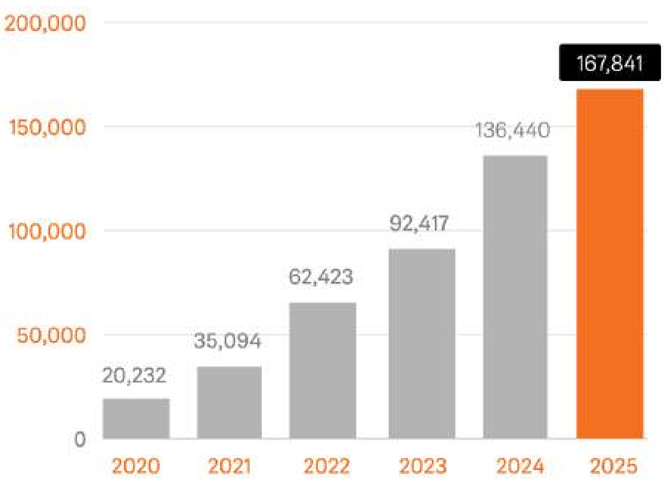
Source: Property Monitor

Apartments

Apartment transactions increased to 167,841, representing a 23% year-on-year rise, with total sales value reaching AED 328.5 billion.

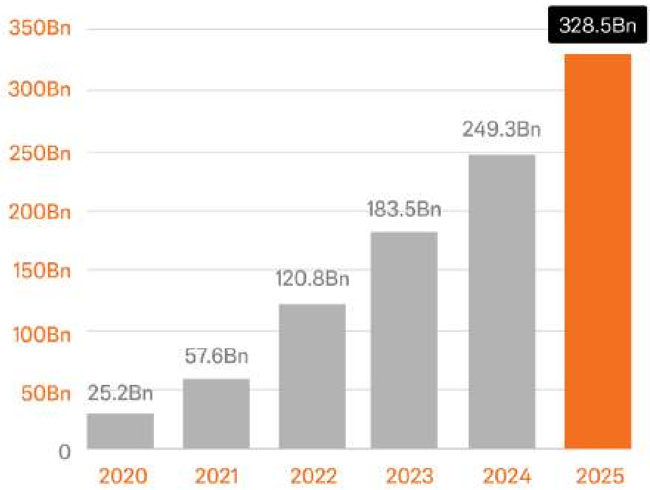
Off-plan sales remained the dominant driver, while the secondary market continued to attract steady end-user demand in high-liquidity districts such as Jumeirah Village Circle and Business Bay. Investors interest also expanded in emerging communities offering affordability and long-term growth potential.

Apartment sales volume (2020-2025)



Source: Property Monitor

Apartment sales volume (2020-2025)



Source: Property Monitor

Off-Plan | Apartments

Community	Units Sold
Jumeirah Village Circle	12,226
Business Bay	8,613
Dubai Residence Complex	6,641
Dubai Science Park	5,069
Motor City	4,699
Dubai Maritme City	4,446

Secondary | Apartments

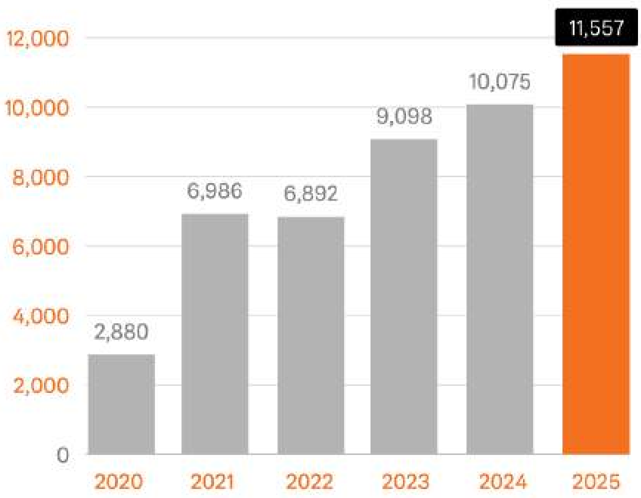
Community	Units Sold
Jumeirah Village Circle	5,297
Business Bay	3,241
Dubai Marina	2,527
Downtown Dubai	2,101
International City	1,838
MBR City	1,720

Villas

Villa sales reached 11,557 transactions, with total value climbing to AED 141.2 billion. Growth was particularly strong in the upper mid-market (AED 4–8 million), driven by family relocations, lifestyle-focused buyers, and investor activity in master-planned communities such as The Oasis, The Valley, The Wilds, and Grand Polo Club.

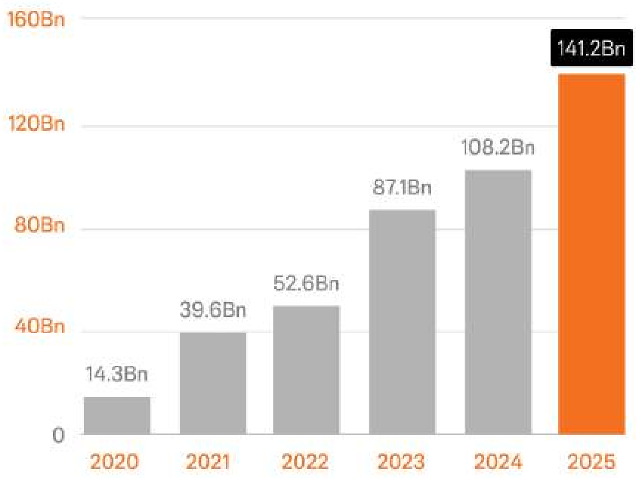
This reflects a villa segment increasingly shaped by long-term ownership and end-user demand.

Villas sales volume (2020-2025)



Source: Property Monitor

Villas sales volume (2020-2025)



Source: Property Monitor

Off-Plan | Villas

Community	Units Sold
Grand Polo Club & Resort	1,610
The Oasis	956
The Wilds	790
The Valley	677
Plam Jabel Ali	643
The Acres	295

Secondary | Villas

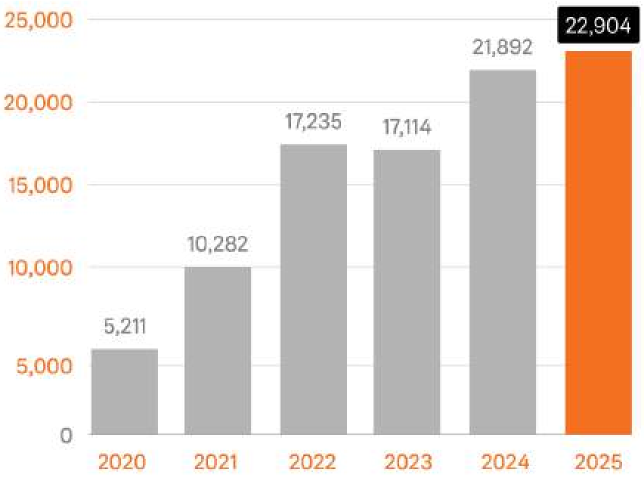
Community	Units Sold
Nad Al Sheba	497
Dubai Hills Estate	293
Al Furjan	263
Tilal Al Ghaf	243
Damac Hills 2	233
Damac Hills	230

Townhouses

Townhouse transactions reached a record 22,904, highlighting an ongoing structural shift toward family-oriented housing.

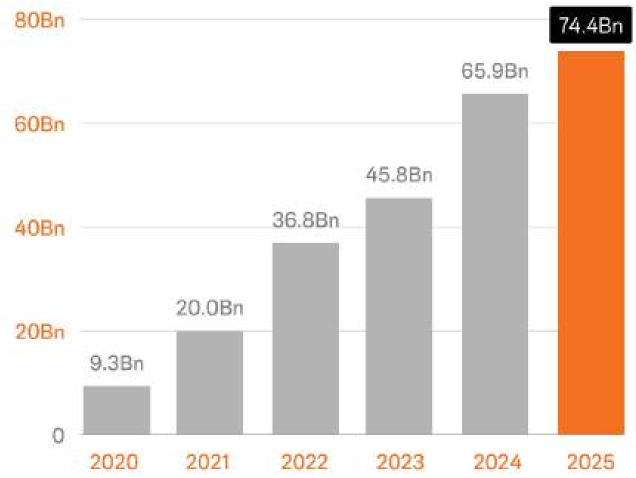
Off-plan communities such as Damac Islands and The Valley drove activity, while the secondary market strengthened as newly completed homes entered circulation.

Townhouses sales volume (2020-2025)



Source: Property Monitor

Townhouses sales volume (2020-2025)



Source: Property Monitor

Off-Plan | Townhouses

Community	Units Sold
Damac Islands	4,565
Damac Hills	2,338
The Valley	2,189
Damac Lagoons	1,329
Grand Polo Club & Resort	911
Villanova	825

Secondary | Townhouses

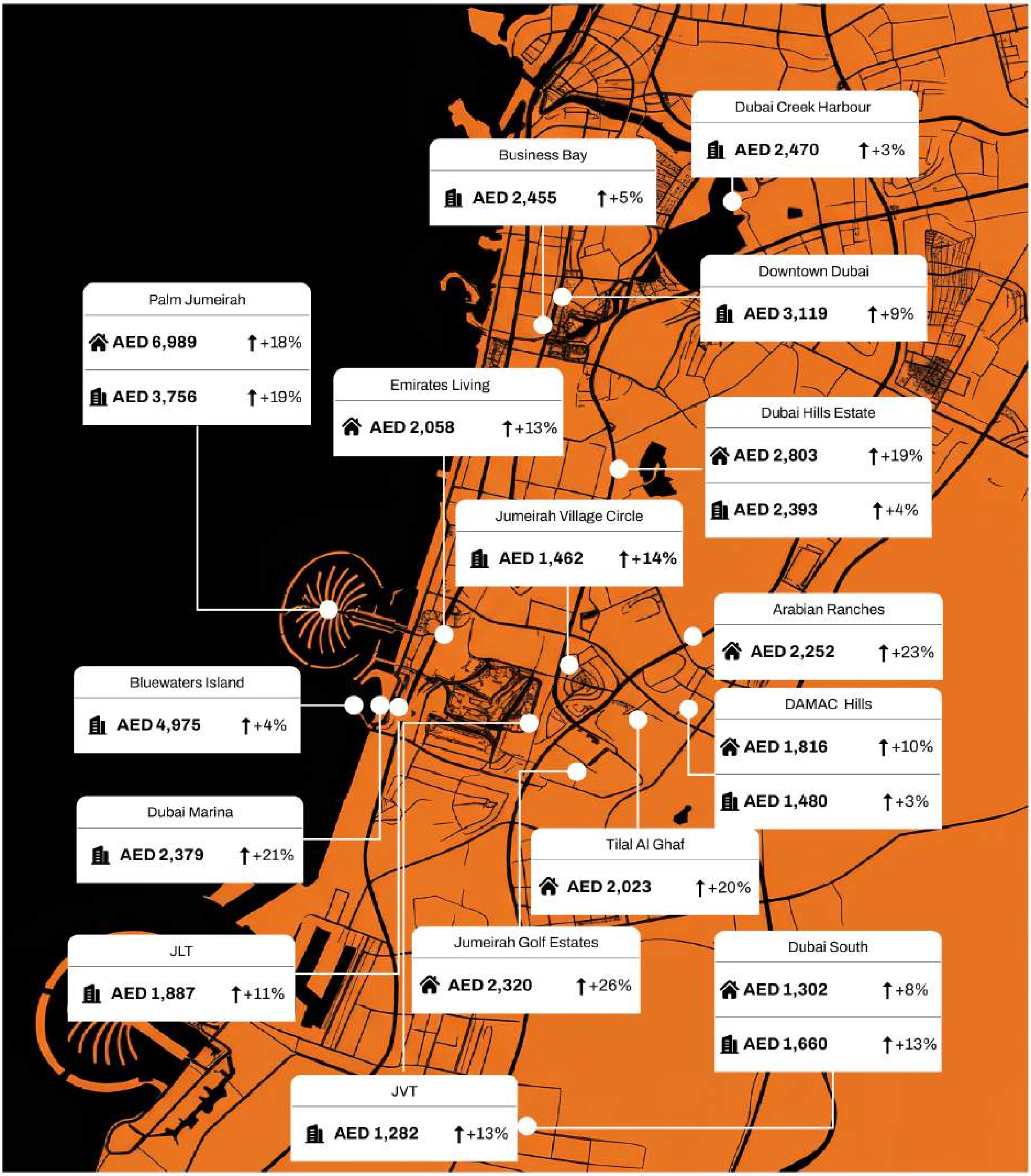
Community	Units Sold
Emirates Living	492
Al Furjan	407
Town Square	368
Villnova	348
Reem	314
Mudon	299

Average Sales Prices

YoY change (AED/sq.ft.) for 2024 vs 2025

Average sales prices increased across most major communities, with villas and townhouses outperforming apartments in growth rate. Price trends remained highly location-dependent, reinforcing the importance of asset quality and community fundamentals.

Villa & Townhouses Apartments

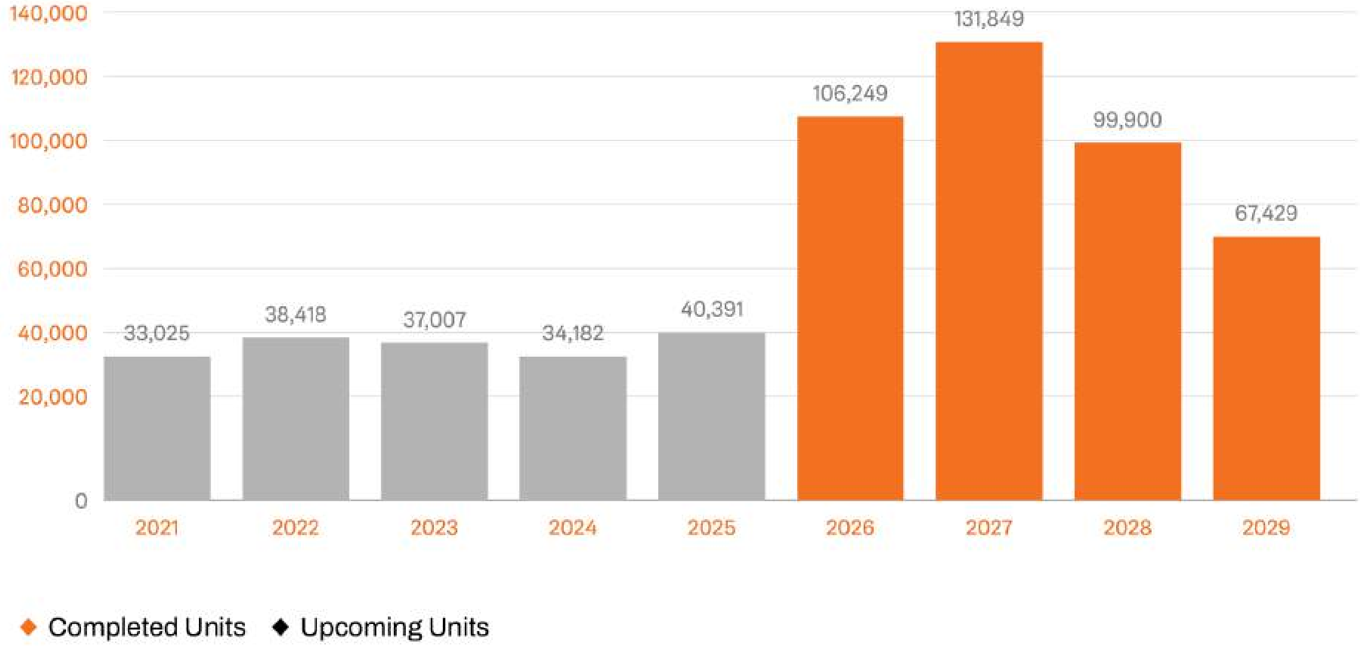


Rental Yields Analysis

Dubai maintained competitive rental returns in 2025, with average gross yields around 6.5%. Apartments continued to deliver strong income performance, reinforcing Dubai's attractiveness for yield-focused investors.

Supply

With just over 40,000 newly delivered residential units in 2025. Dubai continues new supply to be released in a measured and phased manner, aligned with demand fundamentals and population growth.

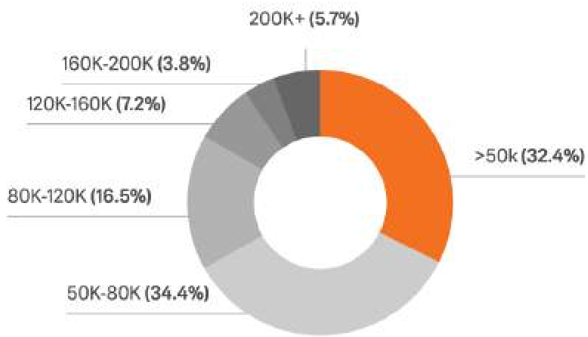


Source: Property Monitor

Residential Rent

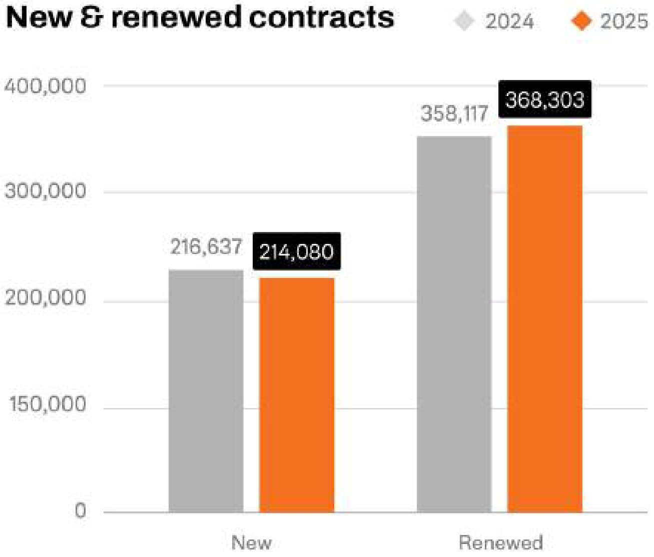
Dubai's rental market remained highly active, driven by population growth and rising rent renewals. Demand continued across price segments, with strong performance in family-oriented villa communities.

Rental price mix (AED)



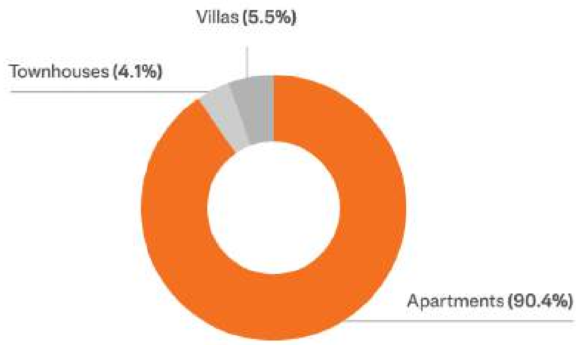
Source: Property Monitor

New & renewed contracts



Source: Property Monitor

Property type mix



Source: Property Monitor

Average Rent Prices

YoY change for 2024 vs 2025

Villa & Townhouses Apartments

Outlook for 2026

Looking ahead to 2026, Dubai's residential real estate market is expected to transition into a more balanced growth phase, underpinned by sustained population inflows, employment expansion, and continued capital migration. Price growth is likely to moderate further, with performance increasingly bifurcated between prime, well-located assets and more commoditised stock facing higher supply. Rental markets are expected to remain competitive by global standards, though rental growth may ease as new completions enter the market, particularly within the apartment segment. Overall, fundamentals in Dubai remain supportive, favouring selective investment strategies focused on quality, location, and long-term resilience rather than broad-based momentum.

Vision for The Next 5 Years:

As Dubai progresses, discussions around potential oversupply must be viewed through the lens of sustained population growth and structured urban expansion. The emirate continues to attract approximately 4-5% population growth annually, translating into tens of thousands of new residents each year. This demographic momentum supports the delivery of roughly 35,000 - 45,000 new residential units annually, a level broadly aligned with housing demand.

Under the Dubai 2040 Urban Master Plan, the city targets a population of 5.8 million by 2040, requiring steady and phased residential development rather than speculative overbuilding. Current supply pipelines reflect this calibrated approach, with projects delivered in stages to match absorption rates.

At the same time, strategic infrastructure investment is reshaping demand geography. The expansion of Al Maktoum International Airport and the continued development of Dubai South position the southern corridor as the next major economic and residential hub. This transformation is expected to generate substantial employment growth across aviation, logistics, technology, and trade sectors - naturally driving residential demand in adjacent communities.

Rather than signalling structural oversupply, current development trends reflect long-term planning aligned with economic growth, business decentralisation, and population expansion. Demand and supply are evolving in parallel.

The market is transitioning toward greater segmentation and maturity, but its underlying fundamentals remain structurally strong. Growth is becoming more selective, not weaker.

About House Of Orange

houseoforange

At House of Orange Real Estate, we are committed to raising the benchmark for property services in Dubai. Guided by Dutch values of precision and transparency, we combine market knowledge with clear communication to help investors make confident decisions.

Our approach focuses on long-term value, ensuring that every off-plan or ready property we represent meets the highest standards of quality and trust.

Meet The Founder

Hugo Hu

- This report is based on Dubai Land Department data, Property Monitor intelligence, and House Of Orange internal insights, ensuring a reliable and data-driven market overview.