DUBAI Real Estate Flash Note

Real Estate Market Assessment (DLD & Mo'asher)

July 31,2026

Our Expert Vision

To date, the Dubai market does not exhibit the characteristics of a speculative bubble ready to burst: household debt remains exceptionally low relative to total asset value (over 70% of transactions are executed in cash).

We anticipate a more moderate and healthier sales value growth over the next 12 months (between +4% and +7%), driven by the continuous influx of new residents and businesses

Introduction & Macroeconomic Context

The Dubai real estate market continues its structured expansion trajectory. Powered by solid economic growth (+3.5% real GDP), sustained attraction of international capital, and attractive visa policies (Golden Visas), the Emirate continues to record transaction volumes exceeding historical averages of the past decade.

While the 2021–2023 period was marked by a rapid post-pandemic catch-up phase, the current stage reflects a maturing market in stabilization, where short-term speculation is giving way to long-term wealth preservation and yield investment.

Detailed Analysis of Data & Key Figures

The Dubai Land Department (DLD) and the official Mo'asher index highlight impressive transactional volumes:

- **Transaction Volume and Value:** The cumulative monthly total of sales, mortgages, and gifts crossed the AED 32 billion threshold, representing over 12,000 individual registered transactions for the month.
- **Off-Plan vs. Secondary Market Breakdown:**
  - **Off-Plan Sales:** 58% of total volume (~7,000 transactions). Investors strongly favor project launches featuring staggered payment plans.
  - **Secondary Market (Ready Properties):** 42% of total volume (~5,000 transactions). A significant increase in end-user transactions purchasing for self-occupancy.
- **Price Index Evolution (Mo'asher):**
  - **Apartments:** Month-on-month growth of +0.7%, representing approximately +11.2% year-on-year.
  - **Villas & Townhouses:** Month-on-month growth of +0.4% (+14.5% year-on-year), indicating slight supply tightness in the horizontal segment

Concrete Case Study: "Off-Plan vs. Ready" Purchasing Profile

To illustrate current market mechanics, let us compare the acquisition of a 1-bedroom apartment valued at AED 1,500,000 under two distinct purchasing structures:

- **Option A: Off-Plan Purchase**
  - **Down Payment:** 20% = AED 300,000 + 4% DLD fees (AED 60,000).
  - **Payment Schedule:** 1% monthly over 40 months during construction (AED 15,000/month).
  - **Balance at Handover:** 40% (AED 600,000).
  - **Advantage:** Smoothed cash flow burden with zero bank interest.

- **Option B: Secondary Market (Ready)**
  - **Mandatory Down Payment (Non-resident):** 20% = AED 300,000 + 4% DLD + 2% agency fees + registration fees (~AED 390,000 upfront).
  - **Financing:** 80% mortgage (AED 1,200,000) over 25 years at 5.2%.
  - **Monthly Mortgage Payment:** ~AED 7,150/month.
  - **Immediate Rental Income:** AED 95,000/year (~AED 7,900/month).
  - **Advantage:** Immediate positive cash flow covering mortgage payments.

Risk Analysis & Key Considerations

While macroeconomic indicators remain strong, investors must consider two key points of vigilance:

- **Secondary market pressure upon completion:** Massive delivery of projects purchased off-plan between 2022 and 2024 could create simultaneous rental listings in certain outlying districts, temporarily softening rental rates.
- **Cost of credit:** Although global interest rates are stabilizing, borrowing costs remain elevated compared to 2021 record lows, reducing net margins for mortgaged buyers

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