

Hamptons
INTERNATIONAL

2025 Annual Market Report

A review of the UAE's residential market performance and key real estate trends



The UAE's real estate market in 2025 delivered its most spectacular performance to date, shattering previous records and cementing the nation's position as a global property investment powerhouse. With total transaction values across Dubai alone nearing the AED 1 trillion milestone, the sector demonstrated remarkable maturity, transitioning from post-pandemic recovery to sustained structural growth. This report examines the key trends, evolving demand patterns, and emerging headwinds that defined the year.

Record-Shattering Transactions and Price Growth

Dubai led the Emirates with unprecedented momentum, recording AED 687 billion in total real estate transactions across approximately 216,000 deals—marking a 30% year-on-year increase in value. The residential sector alone generated AED 545 billion in sales (up 28%), with over 205,000 transactions representing a 20% volume increase from 2024. This growth positioned the emirate firmly on track to achieve its Dubai Real Estate Sector Strategy 2033 target of AED 1 trillion in annual transactions.

The capital, Abu Dhabi, reinforced its position as a premier investment destination with AED 142 billion in transactions across more than 39,000 deals—a 47% surge in value and 38% increase in volume compared to 2024. Of these, 15,227 related to apartment transactions and 6,319 to villas and townhouses. Meanwhile, Sharjah achieved historic milestones, recording AED 65.6 billion in transactions (up 64%) with 132,659 total transactions (up 26.3%), as investor participation expanded to 129 nationalities.

Price appreciation remained robust but showed signs of sustainable moderation. In Dubai, residential prices rose 15.6% overall, with apartments gaining 15.22% and villas appreciating 17.81% year-on-year. Abu Dhabi witnessed apartment prices climb 14.8% and villa prices 11.8%, with luxury segments on Yas Island and Saadiyat Island seeing growth of up to 27%. The average price per square foot in Dubai reached AED 1,673, up 12% from 2024.

Market Maturation and Shifting Dynamics

The composition of demand in 2025 revealed a market evolving toward structural stability. Off-plan properties continued to dominate, accounting for 72% of total transactions and more than 50% of total value in Dubai, driven by flexible payment plans and investor confidence in developer delivery timelines. However, the year's most significant shift was the mortgage market overtaking cash purchases for the first time, with financing representing 52% of transactions compared to 48% cash—signaling deeper market maturity and increased end-user participation.

Buyer demographics also evolved. While investors maintained a 57% market share for the fourth consecutive year, end-users surged to 43% of purchases, as Dubai's population officially surpassed 4 million residents (adding 208,000 new residents in 2025 alone). The rental market reinforced this "lived-in" demand with 530,000 rental contracts signed and a 62% renewal rate, indicating long-term settlement intentions. Women strengthened their investment presence significantly, contributing AED 154 billion through 76,700 transactions—growth of 31% in value and 24% in volume.

International capital flows remained robust, with non-resident investors accounting for 14% of Dubai's market activity. British investment surged 56% during certain quarters, temporarily overtaking Indian buyers as the top foreign investor group, while Russian, Chinese, and European capital maintained strong inflows.

Market Drivers

The exceptional performance was underpinned by several structural factors. The UAE's GDP growth exceeded 4.5% through the first half of 2025, with projections suggesting potential to reach 5-6% for the full year, supported by successful economic diversification and strong non-oil sector expansion. Inflation remained contained at 1.3%, preserving purchasing power and real estate affordability.

Government policy continued to enhance the investment climate. The Golden Visa program surpassed 250,000 issuances since 2021, creating long-term residency anchors for investors and skilled professionals. Abu Dhabi's Real Estate Centre (ADREC) advanced digital transformation initiatives, including fully digital buy-and-sell journeys, while foreign direct investment in the capital's real estate reached AED 6.2 billion in the first nine months (up 35%).

Infrastructure investments catalysed value appreciation across emerging corridors. The Dubai Metro Blue Line expansion enhanced connectivity to Dubai Creek Harbour and Festival City, while master-planned communities like Dubai South and Al Barsha South attracted significant investor interest due to improved accessibility. In Abu Dhabi, mega-developments on Fahid Island and Al Hudayriyat Island drove off-plan momentum, accounting for 30% of total residential off-plan value in Q3 alone.



Emerging Challenges

Despite the stellar performance, 2025 presented notable headwinds. The most pressing concern centred on supply pipeline dynamics. With approximately 210,000 units scheduled for delivery in 2025-2026—double the previous three-year average—analysts cautioned that certain segments, particularly mid-market apartments, face potential oversupply risks. Fitch Ratings forecast potential price corrections of 10-15% in affected segments during late 2025-2026, though prime locations were expected to remain resilient.

Construction cost inflation emerged as an unexpected challenge, with U.S. tariff policies disrupting global supply chains for steel, aluminum, and high-tech building components. Estimates suggested construction costs could rise 2.7–3.3% in 2025, squeezing developer margins and potentially delaying project timelines.

Geopolitical tensions in the region during mid-2025 introduced volatility, with oil price spikes and regional instability triggering risk-off sentiment among some international investors. While Dubai maintained its safe-haven appeal, with capital inflows actually accelerating during uncertain periods, the environment necessitated heightened diplomatic vigilance to preserve investor confidence.

Interest rate sensitivity, despite late-year cuts, constrained earlier activity. Although the U.S. Federal Reserve's September 2025 rate reduction (mirrored by the UAE Central Bank) brought the base rate down to 4.15%, mortgage affordability remained a concern for mid-market buyers throughout the first half of the year.

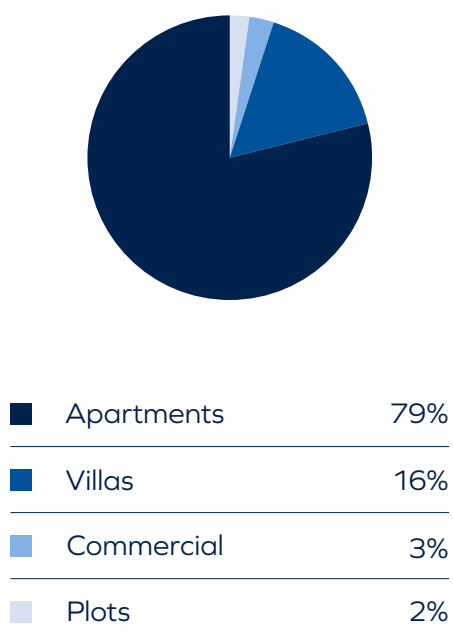
A Look Ahead

The UAE real estate market enters 2026 from a position of unprecedented strength, yet facing a transitional phase toward moderated growth. The focus will shift from volume acceleration to value preservation and sustainable absorption. With developer pipelines indicating over 90,000 units scheduled for completion in 2026–2027, the market must balance supply influx with continued population growth and end-user demand.

Analysts project single-digit price appreciation for 2026, with prime segments (Palm Jumeirah, Downtown Dubai, Saadiyat Island) likely maintaining stability while high-supply areas may experience price stabilization or moderate corrections. The mortgage market's dominance suggests the buyer base will continue broadening beyond cash-rich investors to include more resident end-users, supported by stable employment growth and the First-Time Home Buyers Program launched in April 2025.

Government initiatives will remain pivotal. Dubai's march toward the AED 1 trillion transaction target by 2033 will require continued regulatory innovation and infrastructure delivery, while Abu Dhabi's focus on master-planned, sustainable communities aligns with its 2030 urban diversification agenda. The UAE's ability to navigate global trade tensions, manage supply pipeline execution, and maintain its geopolitical neutrality will determine whether 2026 marks a soft landing or the beginning of a new growth cycle.

Ultimately, 2025 will be remembered as the year the UAE real estate market demonstrated not just resilience, but structural maturity transitioning from a speculative growth phase to a diversified, finance-driven ecosystem integrated with the global economy. For investors and end-users alike, the market offers continued opportunities, albeit requiring more selective, fundamentals-based decision-making as the cycle enters its later stages.



Dubai's property market sustained its exceptional growth trajectory in 2025, establishing new benchmarks across sales, rentals, and investment activity. The year recorded 215,829 property transactions with a combined value of AED 686.8 billion, representing an 18.9% increase in volume and 31% surge in value compared to 2024's figures of 181,604 transactions worth AED 524.3 billion.

Apartment sales dominated market activity, rising to 170,495 transactions valued at AED 332.2 billion—marking a substantial 20% year-on-year growth in volume and 27.6% increase in value. This underscored the enduring appeal of apartment living among both end-users and investors seeking rental yield opportunities in a diversifying economy.

Villa transactions demonstrated robust resilience, climbing to 35,080 deals worth AED 212.5 billion, up 10% in volume and 23.8% in value from 2024. This growth contrasted with previous volatility, as luxury villa segments in prime locations maintained strong demand supported by limited supply and evolving lifestyle preferences toward spacious, community-centric living.

The year's transaction pattern revealed consistent strength across all months, with July and September emerging as peak months recording 20,322 and 20,360 transactions respectively. While May maintained strong momentum with 18,697 deals, the third quarter surge reflected seasonal trends and accelerated completion schedules. Every month in 2025 exceeded corresponding 2024 volumes, underscoring sustained market momentum.

Sales Transaction

2024 v/s 2025

	2024		2025		
	Transactions	Value (AED)	Transactions	Value (AED)	Value Change %
Apartments	141,765	260,400,000,000	170,495	332,200,000,000	27.57%
Villas	31,866	171,700,000,000	35,080	212,500,000,000	23.76%
Commercial	4,376	10,900,000,000	6,135	18,500,000,000	69.72%
Plots	3,597	81,300,000,000	4,119	123,600,000,000	52.03%
Total	181,604	524,300,000,000	215,829	686,800,000,000	30.99%

Sales Transaction Value

2024 v/s 2025

2024	Value	2025	Value	% Change
January	36,000,000,000	January	44,600,000,000	24%
February	36,600,000,000	February	51,000,000,000	39%
March	37,300,000,000	March	47,300,000,000	27%
April	32,000,000,000	April	62,800,000,000	96%
May	46,500,000,000	May	66,900,000,000	44%
June	46,200,000,000	June	56,300,000,000	22%
July	50,300,000,000	July	65,100,000,000	29%
August	47,400,000,000	August	50,800,000,000	7%
September	44,700,000,000	September	54,700,000,000	22%
October	61,100,000,000	October	59,100,000,000	-3%
November	43,200,000,000	November	64,800,000,000	50%
December	43,000,000,000	December	63,400,000,000	47%
Total	524,300,000,000	Total	686,800,000,000	31%

Sales Transaction Volume

2024 v/s 2025

2024	Volume	2025	Volume	% Change
January	11,622	January	14,247	23%
February	11,919	February	16,106	35%
March	13,652	March	15,150	11%
April	11,611	April	18,044	55%
May	17,721	May	18,697	6%
June	14,331	June	16,765	17%
July	16,267	July	20,322	25%
August	16,166	August	18,493	14%
September	18,067	September	20,360	13%
October	20,463	October	19,852	-3%
November	14,497	November	19,024	31%
December	15,288	December	18,680	22%
Total	181,604	Total	215,740	19%

Dubai's rental landscape registered 446,769 new contracts in 2025, a modest 2.6% adjustment from 2024's 458,900 registrations driven primarily by commercial sector normalization. However, the residential rental sector expanded healthily, with apartment leases rising 8.45% to 238,600 contracts and villa rentals jumping 10.9% to 28,400 agreements, reflecting sustained population influx and housing demand amid limited quality supply.

Prime residential communities maintained elevated occupancy rates, while rental values stabilized at higher plateaus following previous years' rapid appreciation. The commercial rental segment adjusted to 179,769 transactions (down 15.7%), reflecting market maturation and optimization of office inventory rather than underlying weakness, as businesses consolidated space requirements amid hybrid work transitions.

Off-Plan Versus Secondary Sales

Off-plan acquisitions strengthened their market dominance, capturing 148,180 transactions (71.8% of total residential sales) throughout 2025. This sustained preference reflected investor confidence in Dubai's development pipeline, attractive post-handover payment plans, and anticipated capital appreciation across emerging master-planned communities targeting mid-market and luxury segments.

The secondary (ready) market accounted for 58,076 transactions (28.2% of total), offering immediate occupancy for end-users and investors targeting established rental income streams.

While representing the smaller segment, ready properties in prime locations commanded significant premiums, particularly for buyers seeking to bypass construction timelines and capitalize on existing infrastructure.

Financing Shift: Mortgages Overtake Cash

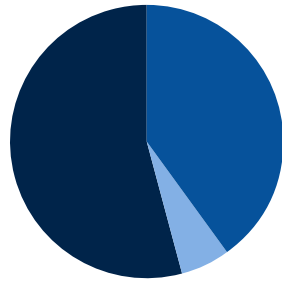
A pivotal transformation characterized 2025's transaction landscape, as mortgage financing surpassed cash purchases for the first time in recent history, representing approximately 52% of transactions against 48% cash deals. This reversal from 2024's cash-heavy environment signaled enhanced market accessibility, improved lending conditions following September's interest rate reduction to 4.15%, and growing end-user participation among middle-income residents.

The financing shift democratized market access beyond high-net-worth cash purchasers, with first-time buyers leveraging competitive mortgage products and government homeownership initiatives. This structural evolution suggests deeper market maturation, creating a more sustainable buyer base less sensitive to immediate liquidity constraints.



New Rental Transactions

2024 v/s 2025

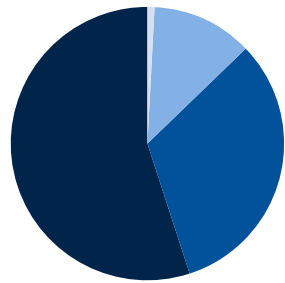


■ Apartments	54%
■ Villas	6%
■ Commercial	40%

	2024	2025	Volume Change %
Apartments	220,000	238,600	8.45%
Villas	25,600	28,400	10.94%
Commercial	213,300	179,769	-15.72%
Total	458,900	446,769	-2.64%

New Rental Transactions

2024 v/s 2025



Shops/Showroom	12%
Office	55%
Industrial	1%
Others	32%

	2024	2025	Volume Change %
Shops/Showroom	24,800	23,900	3.63%
Office	118,100	93,700	20.66%
Industrial	2,599	3,469	33.47%
Others	67,800	58,700	13.42%
Total	213,299	179,769	15.72%

Off-Plan v/s Secondary Sales

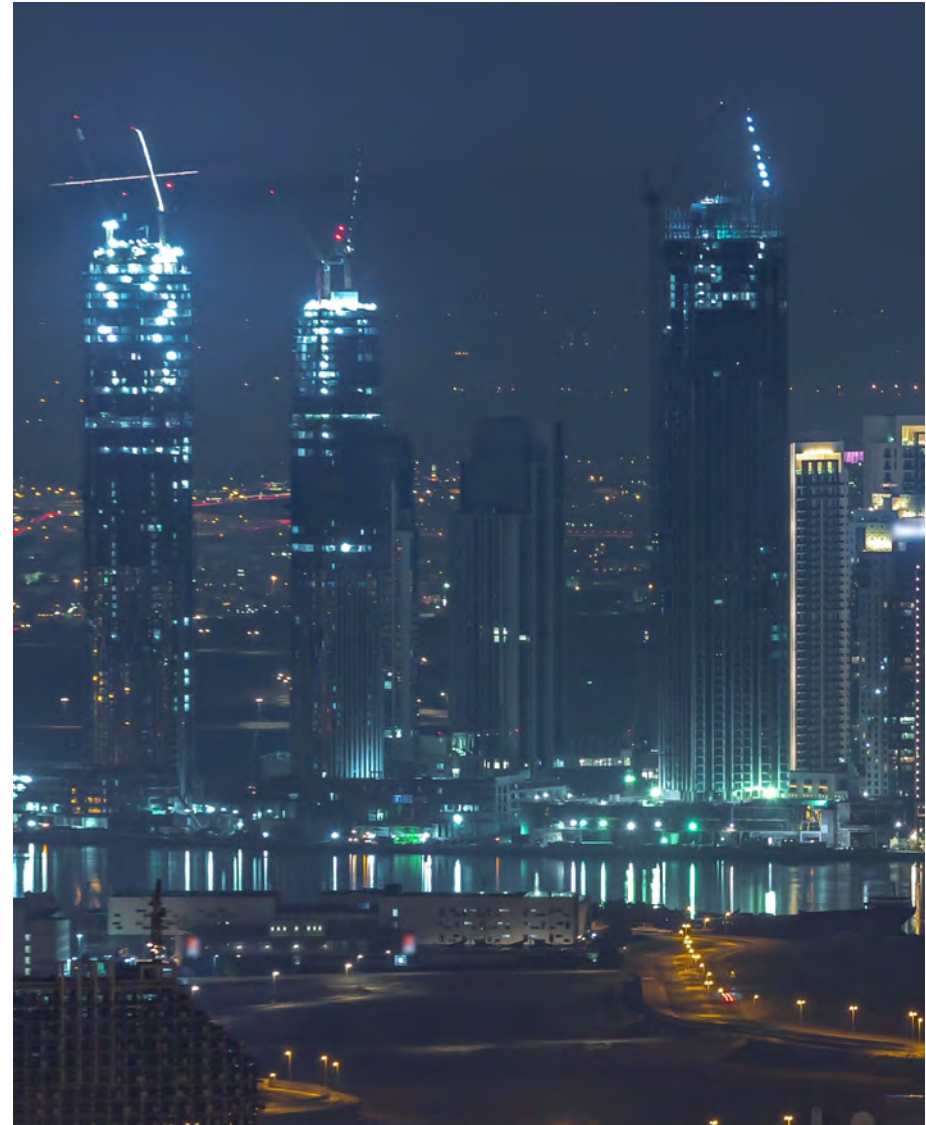
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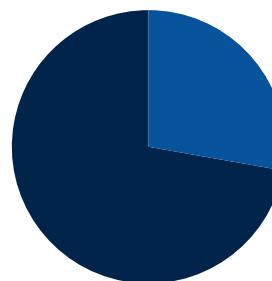
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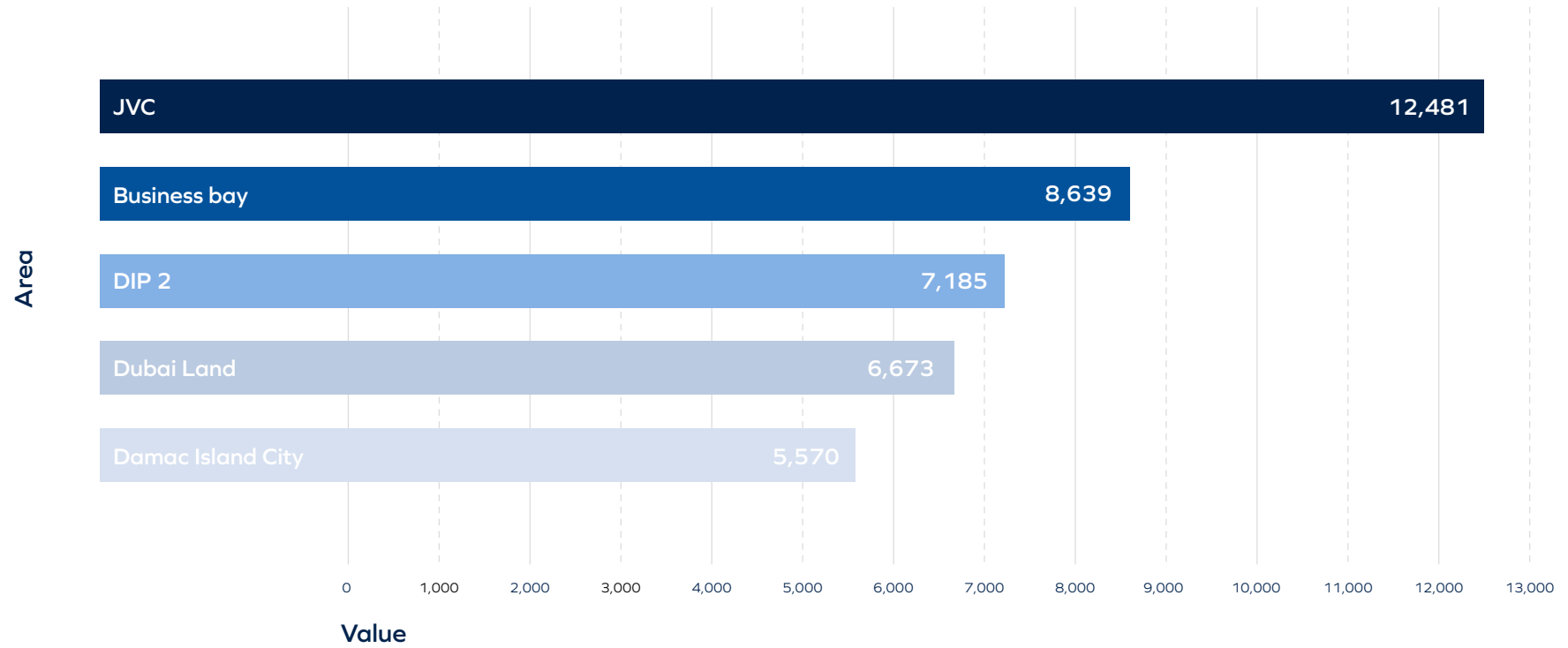


Off-Plan v/s Secondary Sales

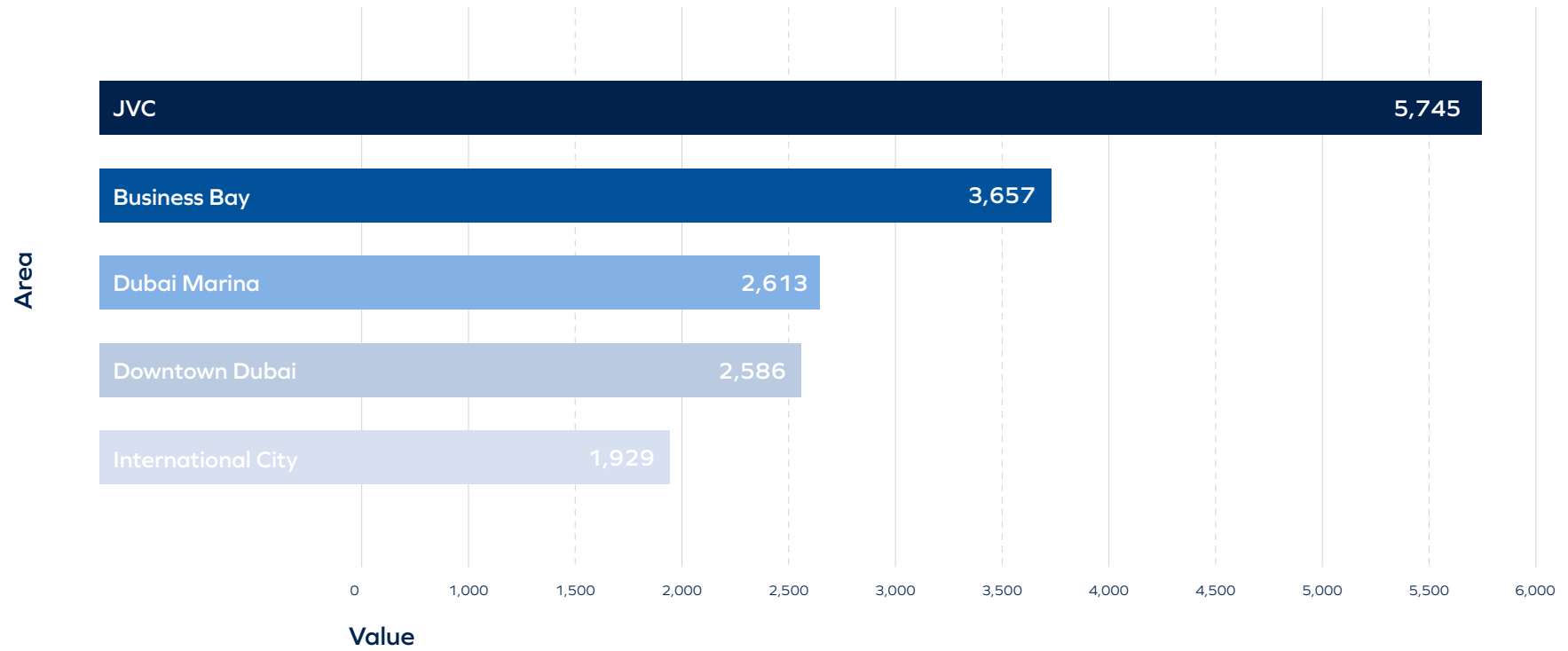
2025	Off-Plan	Ready
January	9,220	5,027
February	10,654	4,728
March	9,838	4,666
April	12,092	5,212
May	12,548	5,376
June	11,531	4,513
July	14,273	4,980
August	13,520	4,238
September	14,955	4,459
October	13,468	5,349
November	13,005	5,008
December	13,076	4,520
Total	148,180	58,076



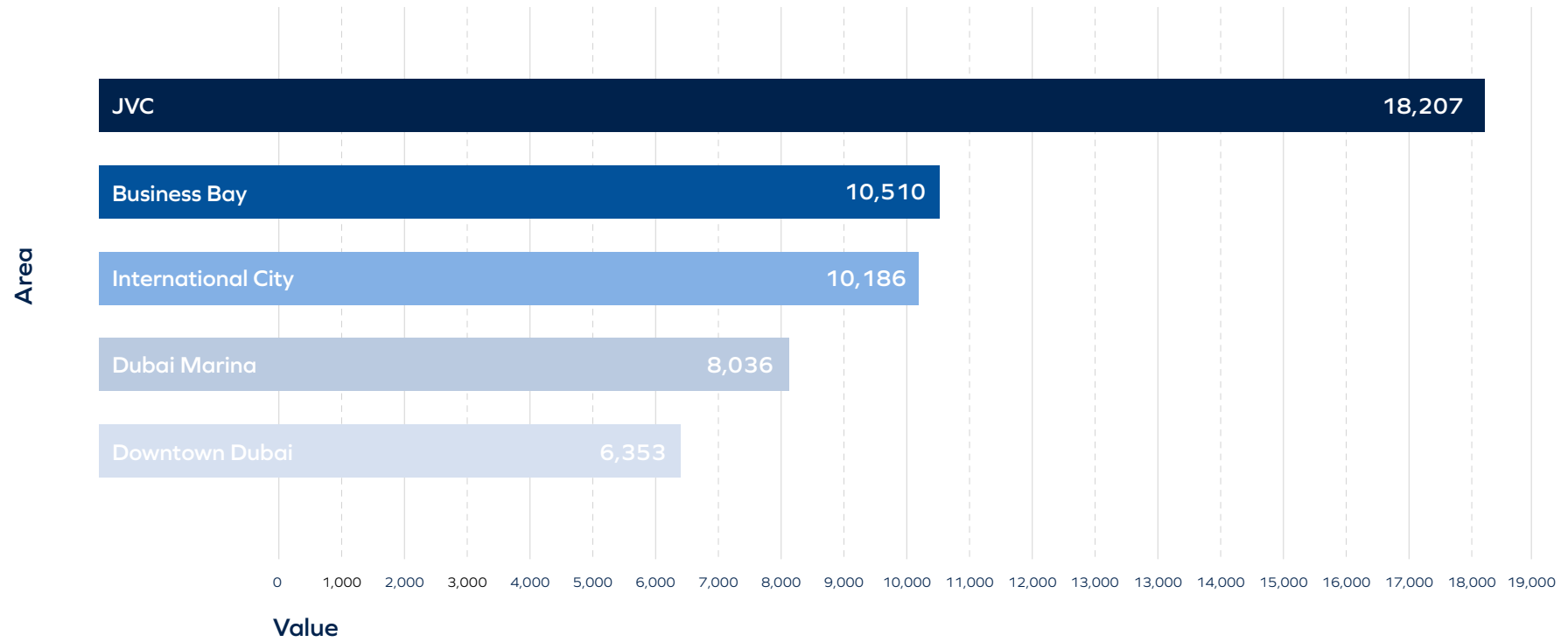
Top 5 Performing Areas Off-Plan Sales



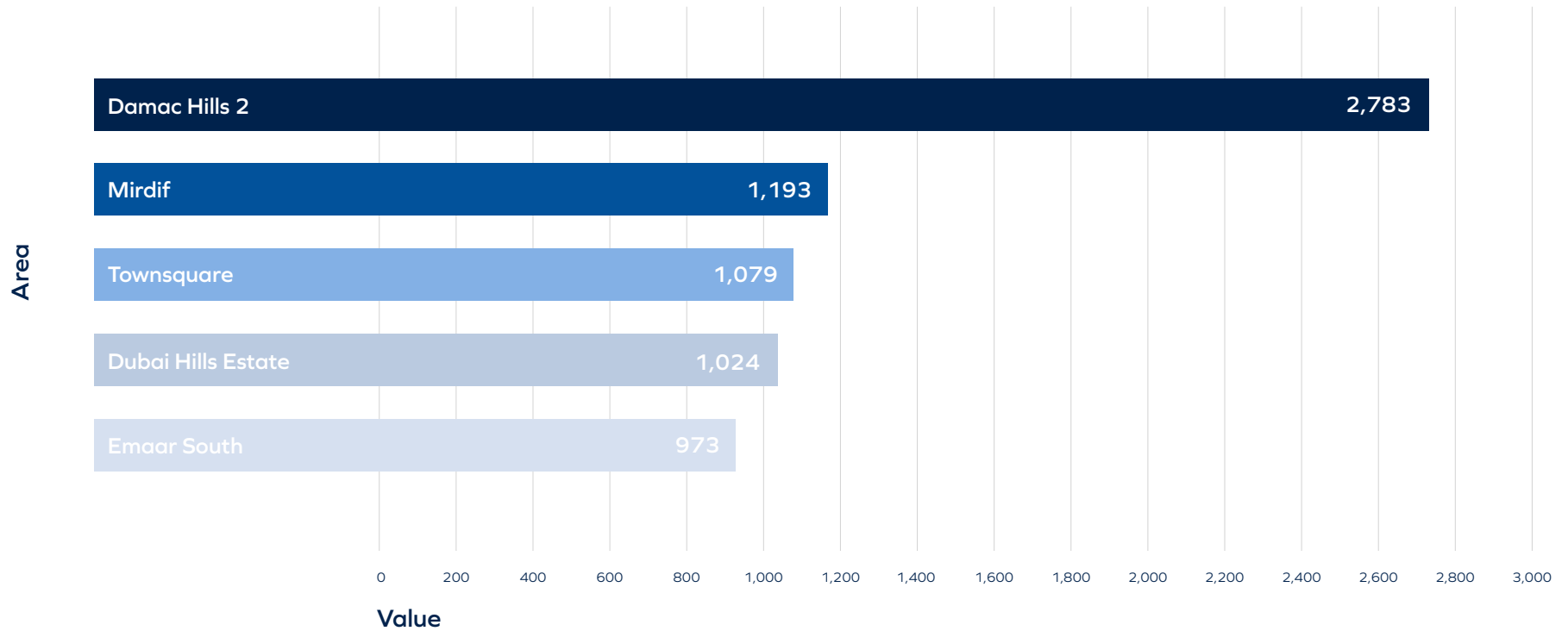
Top 5 Performing Areas Secondary Sales

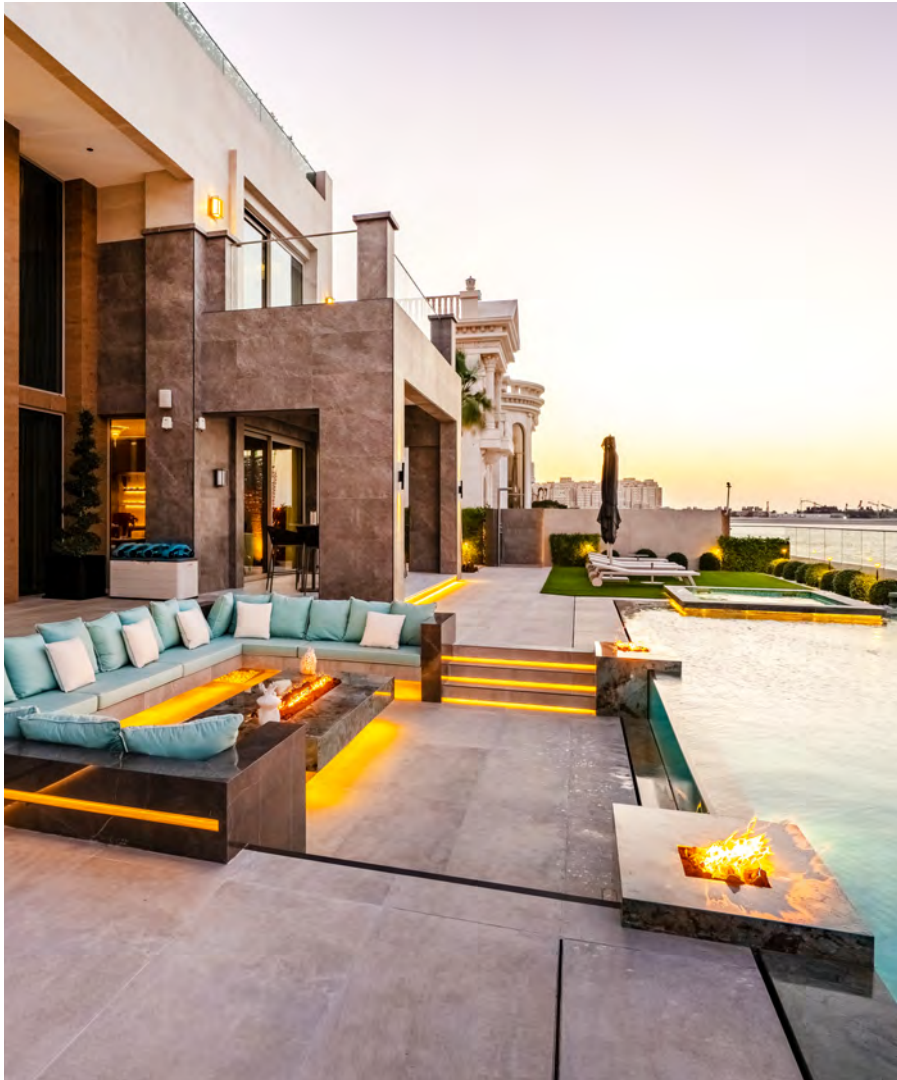


Top 5 Performing Areas New Apartment Rentals



Top 5 Performing Areas - New Villa Rentals





Dubai's property market in 2025 demonstrated remarkable structural evolution, transitioning from speculative cash-driven activity to a diversified, finance-enabled investment ecosystem. Commercial real estate exhibited exceptional value appreciation, reaching AED 18.5 billion in transaction value (up 69.7% year-on-year) despite representing a smaller transaction volume, indicating significant institutional interest and larger asset acquisitions.

Prime locations sustained their premium positioning while peripheral communities gained traction through improved connectivity and relative affordability. As the market approaches 2026, the substantial supply pipeline—coupled with the shift toward mortgage-driven purchases—suggests a maturing cycle requiring careful calibration between new deliveries and absorption rates. With the emirate advancing toward its AED 1 trillion transaction target by 2033, 2025 marked a definitive progression toward inclusive, sustainable growth underpinned by diversified buyer demographics and enhanced financing accessibility.

Abu Dhabi

Market Insights

Abu Dhabi's real estate market in 2025 demonstrated exceptional acceleration, transitioning from measured progress to dynamic expansion while maintaining its strategic emphasis on long-term investment value. The capital recorded 24,065 property transactions valued at AED 84.81 billion, establishing robust momentum across residential sectors and reinforcing its distinct appeal to investors seeking stability alongside sophisticated lifestyle offerings.

Strategic Growth and Evolving Preferences

The 2025 data revealed shifting dynamics within Abu Dhabi's property landscape, with off-plan acquisitions dominating 60.8% of transactions (14,623 deals worth AED 52.7 billion)—a notable evolution from previous preferences for existing stock. This surge reflected heightened confidence in the capital's development pipeline and developer delivery capabilities.

Apartment sales led transaction volume with 15,227 units valued at AED 36.95 billion, representing average unit values of approximately AED 2.4 million. However, the villa and townhouse segment commanded premium positioning, with 6,319 transactions generating AED 32.86 billion in value translating to average values exceeding AED 5.2 million per unit. This disparity underscored the scarcity premium attached to spacious, family-oriented housing within the capital's limited villa inventory.

Land acquisition also featured prominently, with 2,519 plot transactions contributing AED 15 billion to total market value, indicating sustained investor appetite for bespoke development opportunities and long-term land banking in prime locations.

Prime Locations and Lifestyle Appeal

Al Reem Island and Al Raha Beach maintained their status as apartment market anchors, drawing professionals and families to waterfront communities offering urban convenience and marina access. These areas benefited from completed infrastructure and established service ecosystems, contrasting with emerging off-plan corridors on Yas Island and Saadiyat Island, where new villa developments commanded significant premiums.

Saadiyat Island's exclusive positioning strengthened further, with cultural landmarks including the Louvre Abu Dhabi and upcoming Guggenheim Museum enhancing residential valuations. Yas Island evolved beyond entertainment tourism into a comprehensive residential destination, with Yas Acres and West Yas maintaining appeal for family buyers prioritizing space and leisure accessibility. The Fahid Island and Hudayriyat Island mega-developments emerged as significant 2025 contributors, driving off-plan momentum through integrated community concepts.

Market Drivers

Abu Dhabi's acceleration benefited from synergistic policy and infrastructure developments. The Real Estate Centre (ADREC) advanced digital transformation initiatives, streamlining transaction processes and enhancing market transparency. Foreign direct investment reached AED 6.2 billion in the first nine months, up 35% year-on-year, supported by the Golden Visa program and streamlined business regulations.

Unlike Dubai's high-velocity trading environment, Abu Dhabi cultivated sustained value through cultural and educational infrastructure investments. The Abrahamic Family House, expanded medical facilities, and prestige school networks reinforced family-oriented migration patterns. Sustainability initiatives, exemplified by Masdar City's expansion and net-zero commitments across new developments, aligned with global institutional investment criteria.

Emerging Considerations

Despite robust performance, supply pipeline management emerged as a critical consideration. With off-plan sales representing nearly AED 52.7 billion in forward commitments, ensuring timely delivery across Yas Island, Saadiyat, and emerging corridors remains essential to maintaining investor confidence. The significant plot transaction volume (AED 15 billion) suggests potential future supply, requiring careful coordination to prevent market fragmentation.

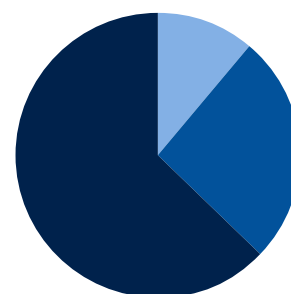
Financing accessibility improved throughout 2025 following the UAE Central Bank's rate reduction to 4.15% in September, though mortgage penetration remained lower than Dubai's emerging 52% ratio. This suggests continued opportunity for financing expansion among first-time buyers and middle-market segments, particularly as the population diversifies beyond cash-rich institutional investors.



Total Sales Transaction



	2025 Transactions	Value (AED)
Apartments	15,227	36,950,000,000
Villas/Townhouses	6,319	32,860,000,000
Plots	2,519	15,000,000,000
Total	24,065	84,810,000,000

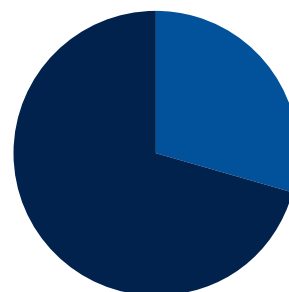


■ Apartments	63%
■ Villas/Townhouses	26%
■ Plots	11%

Off-Plan Sales Transaction



	2025 Transactions	Value (AED)
Apartments	10,151	27,900,000,000
Villas/Townhouses	4,472	24,800,000,000
Total	14,623	52,700,000,000



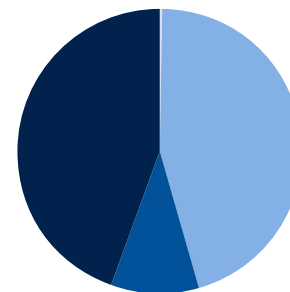
- Villas/Townhouses 69%
- Apartments 31%

New Rental Transaction



2025 Transactions

Apartments	71,869
Villas/Townhouses	15,666
Commercial	72,851
Industrial	154



■ Apartments	44.7%
■ Villas/Townhouses	9.8%
■ Commercial	45.4%
■ Industrial	0.1%

Conclusion

Abu Dhabi's real estate market in 2025 successfully balanced accelerated transaction growth with strategic long-term positioning. Recording AED 84.81 billion in total sales value, the capital demonstrated that measured policy frameworks can coexist with dynamic market expansion. The off-plan surge indicated maturing investor confidence, while villa premiums reflected genuine scarcity value in a family-centric market.

As the emirate advances toward its 2030 economic diversification targets, real estate serves as both catalyst and beneficiary of population growth and institutional investment. By maintaining focus on sustainable master-planning, cultural differentiation, and delivery execution across its substantial development pipeline, Abu Dhabi is positioned to sustain its trajectory as a premium alternative to Dubai's trading intensity—offering depth, stability, and curated lifestyle value for the decade ahead.



Northern Emirates

Market Insights

The Northern Emirates—Sharjah, Ajman, Ras Al Khaimah (RAK), Umm Al Quwain, and Fujairah—solidified their distinct identities within the UAE's real estate landscape in 2025, transitioning from peripheral markets to strategic investment destinations. While benefiting from Dubai and Abu Dhabi's overflow demand, these emirates achieved record-breaking independent growth driven by affordability initiatives, infrastructure acceleration, and transformative entertainment projects. Below is a detailed analysis of each emirate's real estate market in 2025, with expanded coverage of Ras Al Khaimah's casino-driven transformation.

Sharjah: Record-Breaking Growth and Industrial Dominance

Sharjah shattered historical records in 2025, achieving its highest trading value on record at AED 65.6 billion, representing a substantial 64.3% increase from AED 40 billion in 2024. The emirate executed 132,659 total transactions (up 26.3%), with 33,580 sales transactions marking a 38.4% surge driven by end-users and investors seeking stable rental returns. The emirate's maturation reflected across all transaction categories. Initial sales contracts jumped 41.2%, title deeds rose 29.7%, and ownership certificates increased 17.6%. Critically, mortgage activity expanded 45.1% to AED 15.5 billion across 6,300 transactions, signalling deepening financial integration and buyer confidence.

Sharjah's industrial real estate emerged as a standout performer, with transaction values rocketing 88.7% from AED 4.9 billion to over AED 9.24 billion, reflecting the emirate's strategic pivot toward manufacturing and logistics diversification. The launch of 38 new development projects (up from 24 in 2024) expanded supply across residential, commercial, and industrial segments.

International investor participation broadened significantly, with 129 nationalities active in the market (up from 120), trading 60,322 properties. UAE nationals contributed AED 33.8 billion, while international investors from Arab nations and other global markets contributed AED 9.8 billion and AED 18.5 billion respectively. Areas such as Al Majaz, Muwaileh, and Aljada maintained dominance, while sustainable communities like Sharjah Sustainable City attracted environmentally conscious buyers through integrated lifestyle solutions and digital transparency via the Aqari platform.

Ajman: Affordable Luxury and Accelerating Momentum

Ajman registered exceptional growth throughout 2025, with total transaction value reaching AED 12.4 billion in the first half alone (up 37% year-on-year). By year-end, valuation transactions totaled AED 9.84 billion (\$2.67 billion) across 2,275 deals, while total transactions reached 18,779. November emerged as a standout month with AED 2.42 billion in transactions (32% growth), while September recorded AED 2.97 billion (\$809 million), representing 53% year-on-year increase.

Price appreciation accelerated across all segments. Apartment prices surged between 4% and 32% depending on district, with Ajman Downtown recording the highest growth. Villa values advanced 9% to 24%, with some areas like Ain Ajman and Al Raqaib posting exceptional gains of 60-78%. Commercial properties dominated valuation activity with AED 5.21 billion (\$1.42 billion) in transactions, followed by residential with AED 2.82 billion (\$767.8 million) and industrial segments with AED 1.75 billion (\$476.5 million).

Al Rashidiya maintained its position as the preferred district for apartment purchases (AED 453 psf, up 8.23%), while Al Helio dominated villa sales with 3-bedroom units averaging AED 1.40 million. The rental market offered compelling yields of 8-10%, attracting hybrid investors seeking income generation alongside capital appreciation. The emirate's strategic positioning—offering 20% lower entry costs than neighboring emirates while upgrading connectivity via Sheikh Mohammed Bin Zayed Road enhancements—cemented its appeal for first-time buyers and middle-income families.

Ras Al Khaimah: The Wynn Effect and Luxury Transformation

Ras Al Khaimah underwent a fundamental market transformation in 2025, evolving from a niche tourism destination to a global entertainment and luxury real estate hub. The Wynn Resorts casino development on Al Marjan Island catalysed unprecedented investor interest, with properties within a 30-kilometer radius appreciating 25-40% since the project's announcement. Al Hamra Village recorded 31.5% price appreciation, reaching AED 753 per square foot, while waterfront luxury developments commanded significant premiums.

The integrated resort—featuring 1,000 rooms, gaming facilities, and high-end retail—positions RAK as the UAE's premier entertainment destination upon its 2027 opening. Market projections indicate the resort will attract over 2 million visitors annually, creating immediate demand for approximately 5,000 additional hotel rooms and vacation rental properties.

Infrastructure acceleration supported this growth, including a new highway reducing Dubai travel time to 45 minutes, effectively integrating RAK into the Dubai metropolitan sphere.

Investment opportunities concentrated on luxury vacation rentals targeting resort visitors, residential developments for casino employees, and commercial properties serving the entertainment district. Rental yield projections for the entertainment zone exceed 12% annually, significantly outpacing Dubai's 6-8% averages. Developments on Murjan Island, Falcon Island, and Mina Al Arab benefited from heightened international attention, with the casino project validating RAK's emergence as a premium destination complementing Dubai's business focus and Abu Dhabi's cultural emphasis.

Umm Al Quwain: Strategic Transformation and Value Appreciation

Umm Al Quwain transitioned from a quiet coastal retreat to an emerging investment hotspot in 2025, posting 21% price appreciation within six months. The emirate offered 20% lower costs than neighboring markets, attracting value-conscious investors and developers seeking ground-floor opportunities in a government-backed environment.

The Sobha Siniya Island mega-project transformed the emirate's development landscape, introducing luxury waterfront living and integrated resort concepts previously unavailable in the market. This transformation elevated UAQ beyond its traditional appeal as a second-home destination for beachfront tranquility, positioning it as a serious alternative for primary residences and investment portfolios.

Overview - Northern Emirates

Infrastructure upgrades and economic diversification initiatives gained momentum, gradually enhancing accessibility while preserving the emirate's small-town charm and pristine beaches. The market evolution indicates UAQ's successful navigation from peripheral obscurity to strat

Fujairah: Eco-Luxury and Connectivity Gains

Fujairah capitalized on its unique positioning between the Hajar Mountains and Indian Ocean, achieving 23% property value appreciation in six months while maintaining focus on sustainable tourism and eco-conscious development. The emirate attracted a distinct buyer demographic prioritizing environmental integration over urban density, with developments in Al Aqah and Dibba offering scenic coastal and mountain experiences.

The upcoming Etihad Rail connection emerged as a critical infrastructure catalyst, promising enhanced connectivity to Dubai and Abu Dhabi while preserving Fujairah's natural seclusion. This transportation link positions the emirate to capture overflow demand from investors priced out of prime Dubai markets while offering authentic nature-based lifestyle alternatives.

Eco-luxury developments gained traction, targeting sustainability focused investors seeking properties that enhance rather than dominate natural settings.



While the overall market remained smaller in absolute transaction volume compared to Sharjah or Ajman, Fujairah's 20-25% growth trajectory and distinct positioning within the UAE's environmental tourism strategy suggest sustained long-term appreciation.

Conclusion

The Northern Emirates' real estate markets in 2025 demonstrated remarkable maturation, evolving from affordable alternatives to distinct investment destinations with independent growth drivers. Sharjah's industrial and residential expansion, Ajman's accessibility advantages, RAK's entertainment-led luxury transformation, UAQ's strategic redevelopment, and Fujairah's eco-connectivity collectively diversified the UAE's property landscape beyond the Dubai-Abu Dhabi axis.

With Sharjah exceeding AED 65 billion in transactions, Ajman posting 37% growth, and RAK's casino project creating a new asset class of entertainment real estate, the Northern Emirates collectively attracted international institutional attention previously reserved for prime Dubai markets. As infrastructure integration accelerates and unique value propositions mature, these emirates are positioned to capture increasing market share from investors seeking yield, affordability, and lifestyle diversity within the UAE's expanding economic ecosystem.



Oman

Market Insights

H2 2025 Performance

The second half of 2025 has seen Oman's real estate market maintain steady and measured momentum, supported by a stable macroeconomic environment, prudent fiscal management, and continued delivery of Vision 2040 aligned reforms. While global interest rate uncertainty and geopolitical risks persist, their impact on the domestic market has remained contained, underpinned by controlled inflation, improved liquidity conditions, and resilient non-oil economic growth.

Market activity during H2 2025 has been characterised by selective investment and disciplined capital deployment, rather than speculative expansion. Demand has remained strongest within logistics, industrial, tourism, and mixed-use assets, driven by port-led development, free-zone expansion, infrastructure investment, and a steadily improving tourism pipeline. Residential and office submarkets have remained broadly stable, with pricing and rents largely flat to marginally positive, reflecting balanced supply pipelines and more cautious developer behaviour.

Government-led infrastructure investment, continued foreign direct investment, and improving regulatory clarity, particularly around land tenure, PPP frameworks, and investment facilitation have continued to support investor and lender confidence. Across all asset classes, there has been a growing emphasis on asset quality, sustainability credentials, and income durability, with greater scrutiny placed on operational performance, tenant covenant strength, and long-term cash-flow resilience.



Looking ahead to the first half of 2026, the outlook for Oman’s real estate market is cautiously optimistic, with expectations of continued stability and incremental growth rather than rapid acceleration. Economic forecasts point toward continued expansion of non-oil sectors, supported by logistics, manufacturing, tourism, and government-backed development initiatives, which are expected to translate into sustained underlying demand for well-located real estate assets.

Transaction activity in H1 2026 is anticipated to remain selective, with investors prioritising income-producing assets offering predictable cash flows, long lease profiles, and strong counterparties. Development activity is expected to remain disciplined, with feasibility assessments increasingly sensitive to construction costs, financing terms, and absorption risk.

Rental performance across most sectors is expected to remain stable, with modest upside potential in logistics, hospitality, and prime mixed-use schemes. Capital values are forecast to remain broadly steady, supported by improving income fundamentals and limited oversupply, although yields are expected to remain under pressure where asset quality, location, or covenant strength are weak.

Overall, H1 2026 is expected to reflect a market that continues to strengthen fundamentally, with opportunities emerging for investors and lenders focused on quality, sustainability, and alignment with Oman’s long-term economic and urban development strategy.



During H2 2025, Oman's principal real estate hubs, Muscat, Duqm, Sohar, and Salalah continued to demonstrate divergent yet complementary performance trends, reflecting their distinct economic roles and development trajectories. Muscat remained the most active and liquid market through H2 2025, underpinned by government-backed urban regeneration, infrastructure delivery, and sustained demand for well-located residential, office, and mixed-use assets.

Market activity has increasingly favoured quality, efficiency, and income security, with prime assets outperforming secondary stock. This trend is expected to continue into H1 2026, supported by disciplined supply pipelines and steady end-user demand.

Duqm continued to strengthen its position as a strategic industrial and logistics hub during H2 2025, benefitting from ongoing expansion of the Special Economic Zone, port-related activity, and long-term government commitment. Demand has remained focused on industrial land, logistics facilities, and infrastructure-linked development opportunities. Momentum is expected to be sustained into H1 2026 as phased projects progress and investor confidence improves, albeit with a long-term horizon rather than short-term speculative activity.

Sohar recorded stable performance through H2 2025, driven primarily by consistent demand for warehousing, manufacturing, and port-related industrial space.



The market remains fundamentally supported by established infrastructure and operational occupiers, with limited volatility expected in the near term. Outlook for H1 2026 remains stable, with incremental growth aligned to trade and industrial activity rather than new speculative development.

Salalah benefited from continued tourism-led investment and port-related logistics activity during H2 2025. Hospitality, logistics, and mixed-use assets have shown improving fundamentals, supported by seasonal tourism growth and increasing regional connectivity. Performance into H1 2026 is expected to remain positive, particularly for assets aligned with tourism diversification and trade flows.

Submarket	H2 2025 Performance	Primary Demand Drivers	H1 2026 Outlook	Valuation / Investment Implications
Muscat	Most active and liquid market; steady transaction volumes; prime assets outperform secondary stock	Government-backed urban regeneration, infrastructure delivery, end-user residential demand, mixed-use schemes	Stable with selective growth	Capital values supported for prime, income-producing assets; secondary stock faces greater scrutiny on leasing risk and specification
Duqm	Continued momentum in industrial and logistics-linked development; long-term capital commitment	SEZ expansion, port activity, industrial land uptake, government infrastructure investment	Stable to positive (long-term focused)	Valuations remain in development and horizon-sensitive; income-backed assets outperform land-led speculation
Sohar	Stable operational market; consistent occupier demand for industrial and warehousing space	Port operations, manufacturing base, established logistics ecosystem	Stable	Income durability supports stable yields; limited upside without asset enhancement or expansion
Salalah	Improving fundamentals; tourism-led uplift and logistics activity	Seasonal tourism growth, port connectivity, hospitality development	Positive	Hospitality and logistics assets benefit from improving operating metrics; selective value uplift anticipated

Economic Growth & Market Drivers – H2 2025 with H1 2026 Outlook

Oman's economic performance strengthened through H2 2025, with growth driven primarily by logistics, manufacturing, tourism, and non-oil private sector activity, reinforcing the country's diversification agenda under Vision 2040. The logistics sector continued to benefit from enhanced trade routes, port investment, and free-zone development, while manufacturing activity remained supported by foreign direct investment into industrial clusters.

Tourism continued to function as a key pillar of diversification, with improving international arrivals, new hotel openings, and destination-led developments supporting hospitality performance and related real estate demand. This trajectory is expected to extend into H1 2026, with further emphasis on year-round tourism and higher-value visitor segments. Oil prices remained broadly stable through H2 2025, providing fiscal visibility and supporting public expenditure without creating overheating pressures. At the same time, Oman's non-oil GDP contribution continued to rise, reinforcing economic resilience and reducing exposure to hydrocarbon price volatility. Inflation remained moderate and contained, supporting consumer confidence, affordability, and real estate market stability.

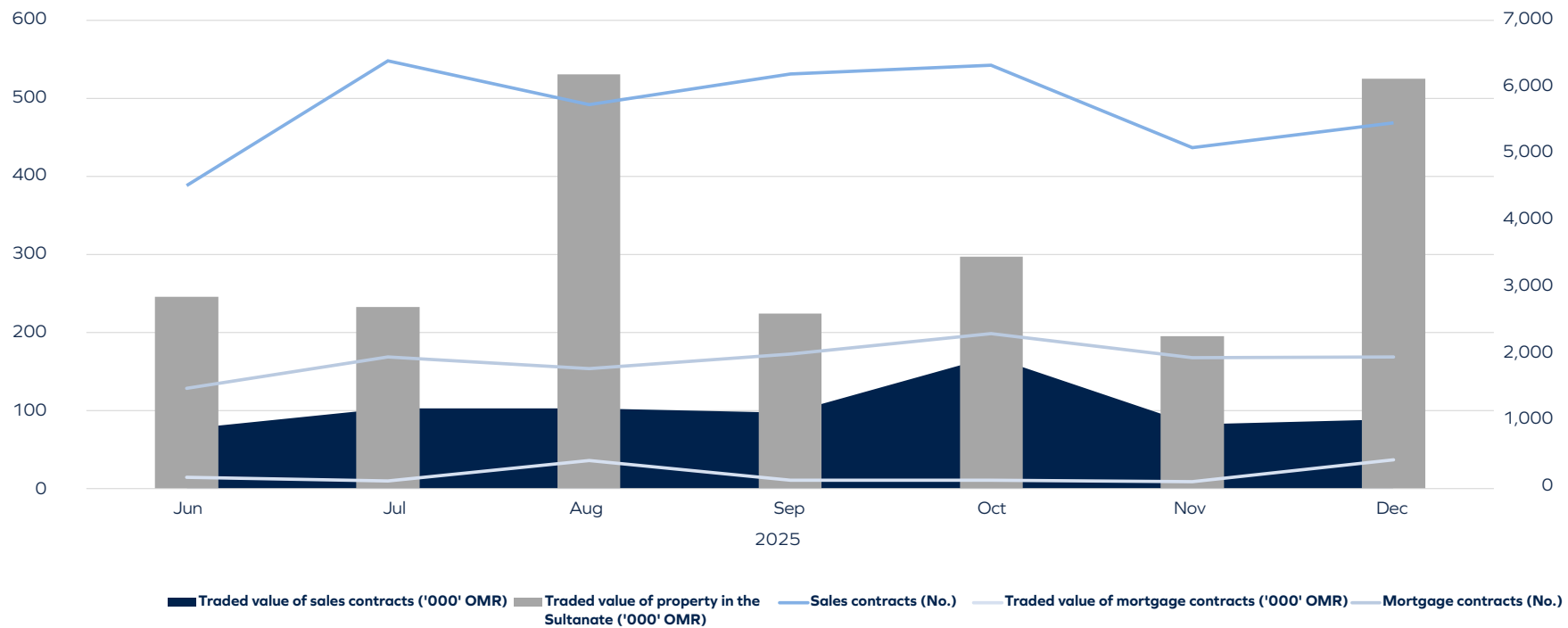
Overall, the macroeconomic backdrop entering H1 2026 supports a real estate market characterised by stability, selective growth, and increasing institutional discipline, rather than rapid expansion, reinforcing a favourable environment for income-focused investors and lenders.



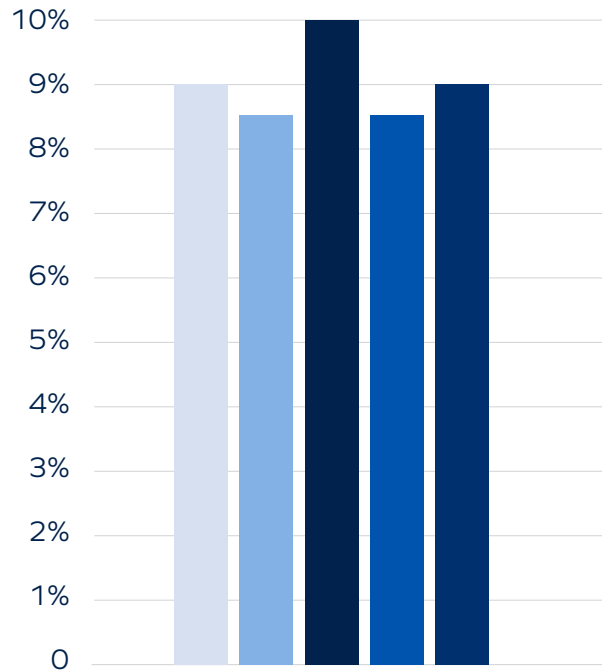
Real Estate Activity In The Sultanate of Oman

Year 2025	Traded value of property in the Sultanate ('000' OMR)	Traded value of sales contracts ('000' OMR)	Sales contracts (No.)	Traded value of mortgage contracts ('000' OMR)	Mortgage contracts (No.)
Jun	246.4	76.7	4,529	169.5	1,507
Jul	233	102.9	6,395	116.2	1,974
Aug	531.2	102.9	5,745	426.8	1,794
Sep	224.2	97.3	6,204	126.3	2,017
Oct	297.8	169.5	6,334	127.7	2,320
Nov	195.6	83	5,096	111.7	1,958
Dec	526	89.2	5,469	435.8	1,967

Real Estate Activity In The Sultanate of Oman



Muscat - Average Gross Yields H2 2025



Type	Average Gross Yield (Freehold)
Grade A Office Buildings	8.00%
Shopping Malls	8.50%
Modern Industrial & Logistics (including cold storage)	10.00%
Hotel/Hospitality	8.5%
Residential (complexes with amenities)	9%

- Grade A Office Buildings 9%
- Shopping Malls 8.50%
- Modern Industrial & Logistics (Including cold storage) 10%

- Hotel/Hospitality 8.5%
- Residential (Complexes with amenities) 9%

Real Estate Sectors

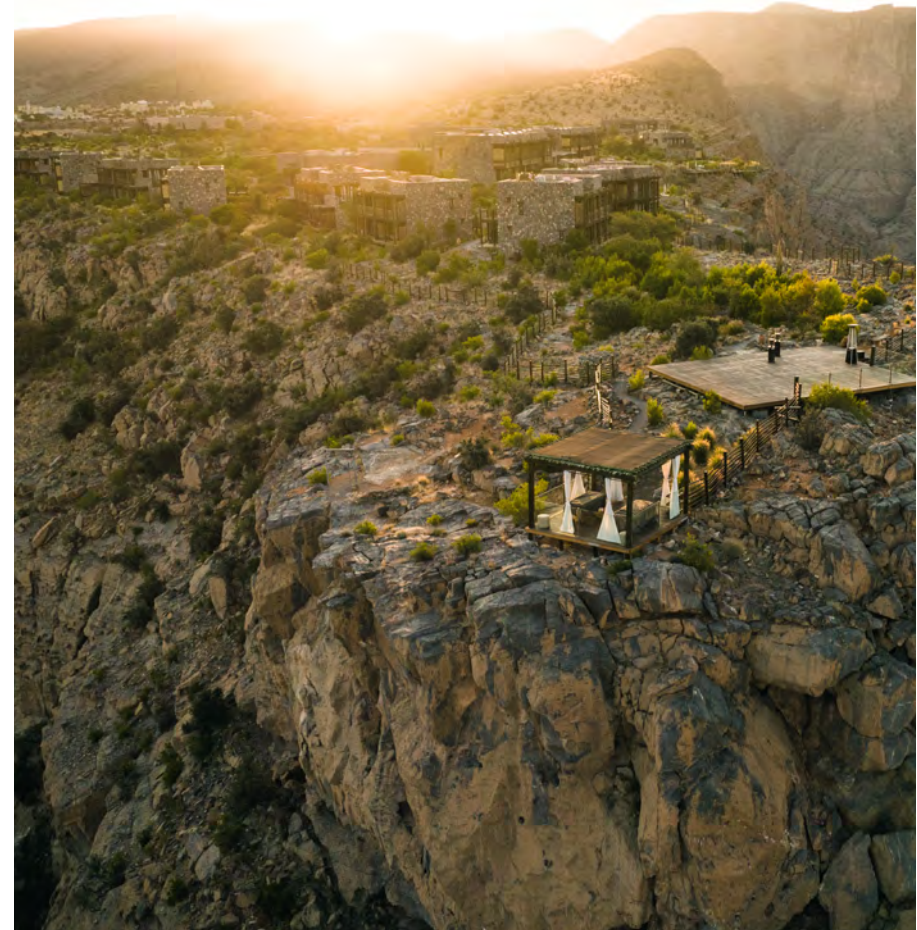
Industrial and Logistics Sector Hospitality & Tourism

Alila Hotel, Al Jabal Al Akhdar

Al Jabal Al Aali represents a flagship, tourism-led mixed-use masterplan with the Ministry of Housing Urban Planning (MoHUP) within Oman's emerging high-altitude destination portfolio. Set within the unique natural landscape of Jabal Akhdar, the project integrates residential, hospitality, retail, and experiential components within a carefully structured masterplan that emphasises placemaking, environmental sensitivity, and long-term commercial sustainability.

Hamptons International's advisory involvement has focused on strategic market positioning, development scale optimisation, retail and hospitality quantum calibration, and phased delivery planning, ensuring alignment between achievable demand, operational performance, and investor expectations. Particular emphasis has been placed on defining realistic target markets, controlling supply risk, and safeguarding the project's long-term value proposition within a niche, experience-driven tourism segment.

Al Jabal Al Aali reflects a clear evolution in Oman's tourism landscape toward curated, low-density, experience-led destinations, and provides a strong benchmark for future mountain and nature-based developments seeking to balance commercial viability with environmental and contextual integrity.



Alila Hotel, Al Jabal Al Akhdar

Alila Jabal Akhdar stands as one of Oman's most successful and internationally recognized luxury mountain resorts, setting a clear benchmark for high-altitude hospitality in the region. Perched on the Jabal Akhdar plateau, the resort demonstrates biophilic architecture, deep integration with its natural surroundings, and now an authentic connection to local culture and community can translate into sustained demand from both international and regional markets.

Alila's performance underscores the value of destination-incorporated design, nature- and wellness-led experiences, and highly personalized guest journeys rooted in sustainability and a strong sense of place, rather than scale-driven development. The project has played a pivotal role in positioning Jabal Akhdar as a premium leisure destination and serves as a compelling reference for future hospitality and mixed-use developments seeking to balance commercial success with environmental responsibility and contextual integrity.



Real Estate Sectors

Hospitality & Tourism Market Overview – H2 2025 Performance

Oman's hospitality and tourism sector recorded continued strengthening through H2 2025, building on the recovery momentum established earlier in the year. Performance was supported by a combination of business travel recovery, growing regional leisure demand, and expanding international tourism flows, underpinned by government-led promotion and destination diversification aligned with Vision 2040.

Hotel performance in Muscat improved during H2 2025, with occupancy levels trending above H1 averages, supported by conference activity, government-related travel, and an expanding calendar of events. The 4 and 5 star segments continued to outperform the broader market, benefitting from brand strength, location, and service differentiation. Average Daily Rates (ADR) demonstrated modest but sustained growth, reflecting improving demand quality rather than volume-driven discounting.

Boutique, eco-resort, and destination-led hospitality continued to gain traction during H2 2025, particularly in Salalah, Dhofar, and Al Jabal Al Akhdar. These locations benefitted from strong seasonal demand, experiential tourism trends, and increasing international awareness of Oman's natural and cultural offerings. Eco-tourism and wellness-led resorts reported above-average occupancy and rate performance relative to traditional city hotels.

The Salalah Tourism Festival (July–August 2025) provided a notable uplift in visitation and room rates during H2 2025, with ADRs in Salalah recording a seasonal premium, supported by domestic and GCC visitor inflows. Coastal and resort hotels in Dhofar benefited from extended length of stay and higher ancillary spending during the Khareef season.

From an investment perspective, the hospitality market in H2 2025 demonstrated greater operating stability, with improved revenue visibility and strengthening operator confidence. This has supported renewed interest in both operational assets and development opportunities, particularly where projects are aligned with sustainability, destination appeal, and branded management platforms.

Real Estate Sectors

Hospitality & Tourism Market Overview – H2 2025 Performance

H1 2026 Outlook

Looking ahead to H1 2026, the outlook for the hospitality and tourism sector is positive but selective, with performance expected to be driven by asset quality, branding, and destination strength rather than market-wide uplift. Continued government promotion, international events, and airline connectivity improvements are expected to support steady growth in visitor numbers.

Luxury, lifestyle, and eco-tourism segments are expected to remain the strongest performers, supported by Oman’s strategic positioning as a premium, low-density tourism destination. ADR growth is anticipated to remain moderate, with further upside potential in resort and destination-led locations, particularly in Dhofar and mountain tourism hubs.

City hotels in Muscat are expected to see stable occupancy and rate performance, with demand supported by business travel, events, and government activity rather than rapid leisure-led expansion. New supply is expected to be absorbed gradually, with limited risk of short-term oversupply in the prime segment.

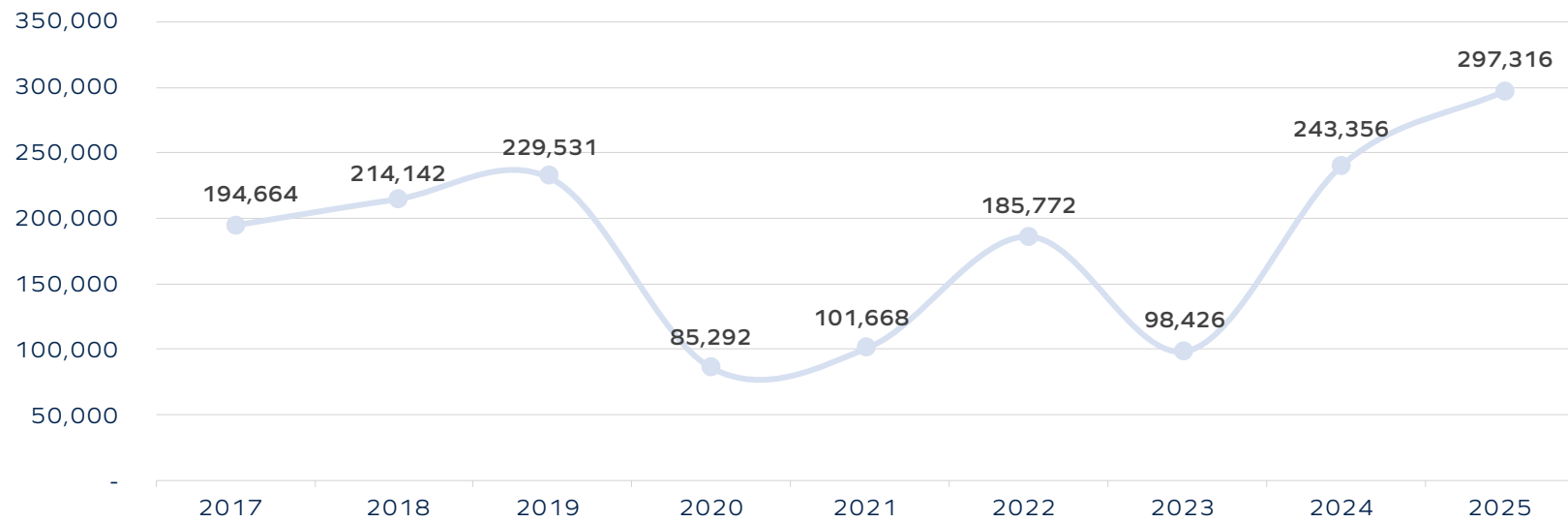
Overall, the hospitality and tourism sector entering H1 2026 is characterised by improving fundamentals, operational resilience, and growing institutional credibility, reinforcing its role as a core pillar of Oman’s long-term economic diversification and real estate investment landscape.

Year	Revenue ('000 OMR)
2017	194,664
2018	214,142
2019	229,531
2020	85,292
2021	101,668
2022	185,772
2023	98,426
2024	243,356
2025	297,316

Real Estate Sectors

Hospitality & Tourism Market Overview - H2 2025 Performance

Hotels Revenue Classified (3 - 5) Stars ('000 OMR)



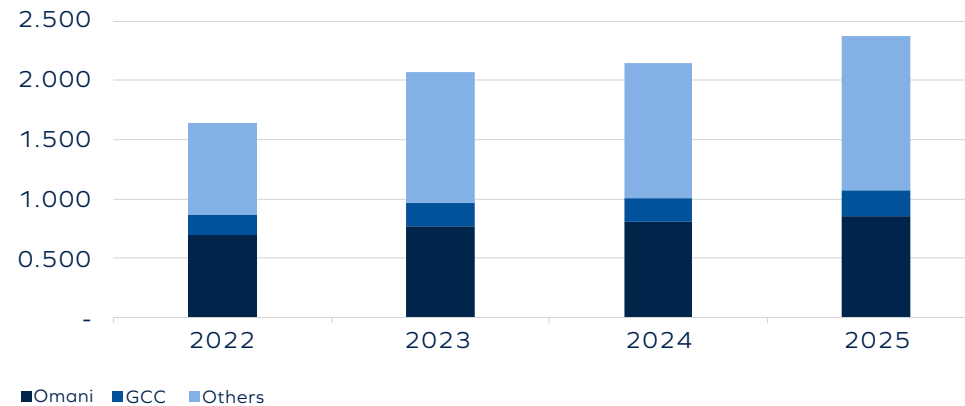
Real Estate Sectors

Hospitality & Tourism Market Overview - H2 2025 Performance

Hotels Revenue Classified (3 - 5) Stars ('000 OMR)

	2022	2023	2024	2025
Others	0.769	1.103	1.143	1.307
GCC	0.160	0.198	0.199	0.213
Omani	0.700	0.770	0.804	0.857
Total	1.629	2.071	2.146	2.377

Hotel Guests (Million)



Real Estate Sectors

Office Market Overview – H2 2025 Performance

The office market in Muscat remained tenant-favourable through H2 2025, although a clear flight-to-quality dynamic continued to emerge. Absorption of Grade A office space strengthened on a year-on-year basis, driven by occupier consolidation, demand for efficient floorplates, and preference for well-managed, mixed-use environments.

Prime office destinations such as Al Mouj and Madinat Al Irfan further established themselves as the most sought-after Grade A office locations in Muscat. Achieved headline rents during H2 2025 were typically in the region of OMR 7.5 per sq m per month at Al Mouj and OMR 5.5 per sq m per month at Madinat Al Irfan (for shell and Core office buildings) reflecting superior building quality, integrated amenities, and strong occupier profiles.

These rental levels continued to command a premium over more established secondary locations such as Al Khuwair and Al Ghubrah, where fitted-out office space generally achieved rents in the order of OMR 5 per sq m per month, with greater incentives and longer void periods remaining evident.

Across central Muscat, new and competing supply during H2 2025 exerted mild downward pressure on secondary rents, particularly where buildings lacked modern specifications, parking efficiency, or ESG credentials. Conversely, ESG-aligned and energy-efficient office buildings gained increasing traction, especially among financial institutions, multinational occupiers, and professional services firms, reinforcing market polarisation.

Outside Muscat, Duqm and Sohar recorded steady government- and logistics-led leasing activity, with demand largely operational in nature and focused on functionality rather than rental growth. These markets remained stable through H2 2025, underpinned by public sector occupancy and port-related industries.

Real Estate Sectors

Average Asking Rents for Grade A Office (Shell and Core)

H1 2026 Outlook

Looking ahead to H1 2026, the office market outlook remains stable but increasingly segmented. Demand is expected to remain focused on Grade A, ESG-compliant, and efficiently designed office space, particularly from finance, technology, government-linked entities, and international occupiers.

Prime rents in established Grade A locations are expected to remain broadly stable, with limited upside constrained by tenant affordability and cautious expansion strategies. Secondary office stock is likely to remain under pressure unless repositioned or upgraded, with incentives continuing to play a key role in leasing negotiations.

Overall, the office sector entering H1 2026 is characterised by income defensiveness rather than growth, with valuation performance increasingly driven by asset quality, tenant covenant strength, and long-term sustainability credentials rather than headline rental movement.



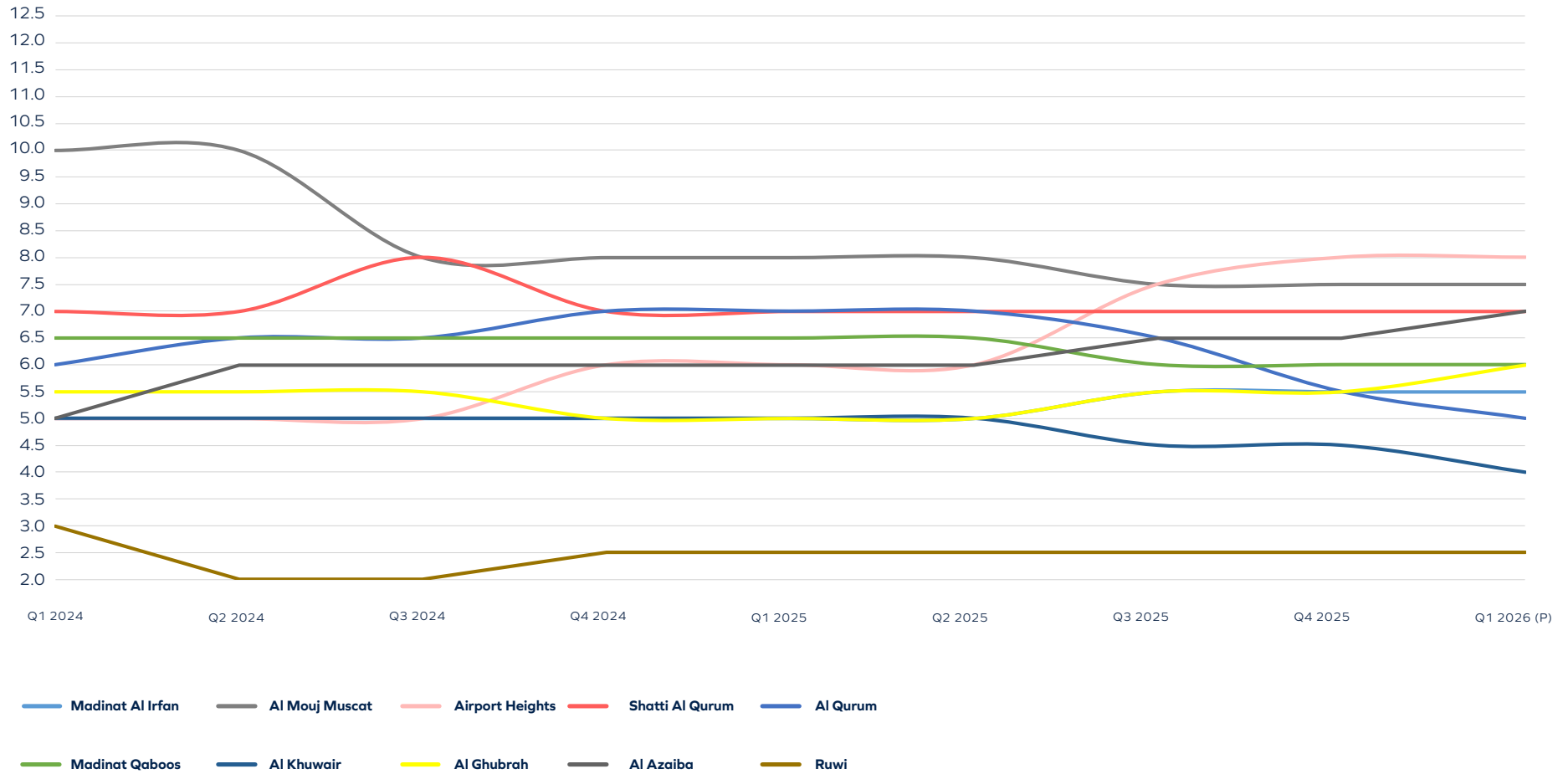
Real Estate Sectors

Average Asking Rents for Grade A Office (Shell and Core)

	2024				2025				Q1 2026 (P)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Madinat Al Irfan	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	5.5
Al Mouj Muscat	10.0	10.0	8.0	8.0	8.0	8.0	7.5	7.5	7.5
Airport Heights	5.0	5.0	5.0	6.0	6.0	6.0	7.5	8	8
Shatti Al Qurum	7.0	7.0	8.0	7.0	7.0	7.0	7	7	7
Al Qurum	6.0	6.5	6.5	7.0	7.0	7.0	6.5	5.5	5
Madinat Qaboos	6.5	6.5	6.5	6.5	6.5	6.5	6	6	6
Al Khuwair	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.5	4
Al Ghubrah	5.5	5.5	5.5	5.0	5.0	5.0	5.5	5.5	6
AL Azaiba	5.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7
Ruwi	3.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5

Real Estate Sectors

Average Asking Rents for Grade A Office (Shell and Core)



Real Estate Sectors

Retail Market Overview – H2 2025 Performance

Retail market conditions across Muscat stabilised during H2 2025, with performance increasingly polarised in favour of dominant, well-located malls and destination-led schemes. Prime assets continued to record resilient footfall and trading performance, while secondary and convenience retail remained more tenant driven.

A clear and sustained shift toward F&B, leisure, and experiential retail was evident during H2 2025, with landlords actively rebalancing tenant mixes to extend dwell time and improve footfall quality rather than purely maximise headline rents. Lifestyle, dining, and entertainment concepts outperformed traditional discretionary retail categories, particularly in tourist-influenced and mixed-use locations.

Fitted retail rents reflected a growing premium during H2 2025, driven by construction cost inflation, higher fit-out costs, and increased tenant demand for turnkey or partially fitted units. This trend has supported nominal rental stability in prime centres, even where headline shell rents have remained broadly flat.

Landlords increasingly adopted hybrid leasing structures, including base-plus-turnover and turnover-only rent models, particularly for new F&B, leisure, and entertainment operators. This approach supported leasing velocity, reduced tenant entry barriers, and aligned landlord-tenant interests in a market where trading performance is prioritised over fixed rental escalation.

Across central Muscat, new and competing supply during H2 2025 exerted mild downward pressure on secondary rents, particularly where buildings lacked modern specifications, parking efficiency, or ESG credentials. Conversely, ESG-aligned and energy-efficient office buildings gained increasing traction, especially among financial institutions, multinational occupiers, and professional services firms, reinforcing market polarisation.

Outside Muscat, Duqm and Sohar recorded steady government- and logistics-led leasing activity, with demand largely operational in nature and focused on functionality rather than rental growth. These markets remained stable through H2 2025, underpinned by public sector occupancy and port-related industries.

Real Estate Sectors

Average Asking Rents Rate for the Retail (Shell and Core)

H1 2026 Outlook

Looking ahead to H1 2026, the retail market outlook is cautiously optimistic, with growth expected to remain selective and asset-specific rather than market-wide. Prime malls and destination centres are expected to continue outperforming, supported by tourism activity, experiential demand, and limited competing supply.

F&B, community-led retail, and experiential formats are expected to remain the primary drivers of leasing activity, while traditional discretionary retail is likely to remain more cautious. Rental levels are anticipated to remain broadly stable, with further upsides dependent on trading performance rather than contractual escalation.

Overall, the retail sector entering H1 2026 is characterised by income resilience over growth, with valuation performance increasingly linked to footfall sustainability, tenant mix quality, and operational adaptability, particularly within tourism-heavy and mixed-use submarkets.



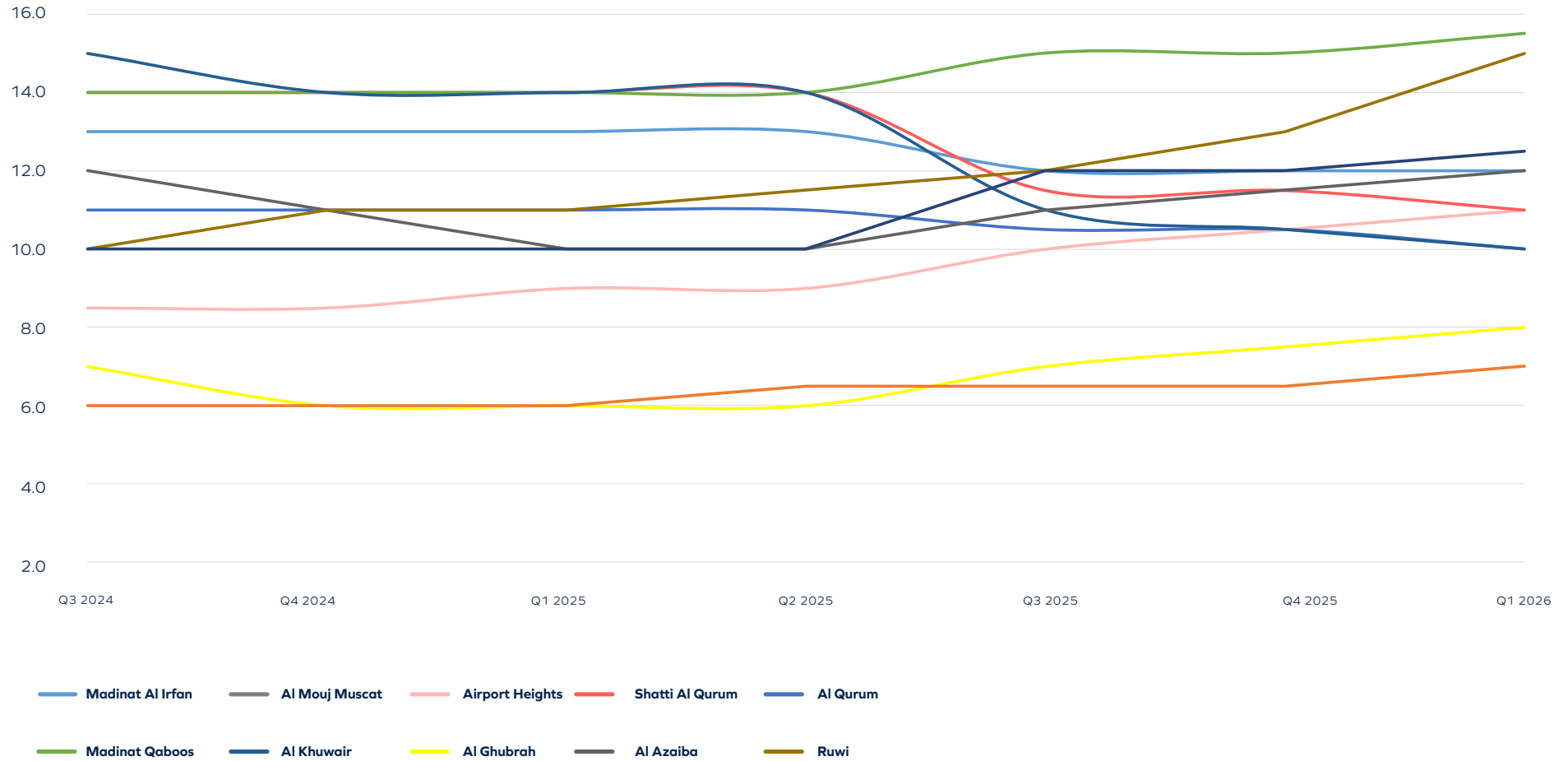
Real Estate Sectors

Average Asking Rents Rate for the Retail (Shell and Core)

	2024		2025				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1 2026 (P)
Madinat Al Irfan	13.0	13.0	13.0	13.0	12	12	12
Al Mawaleh North	10.0	10.0	10.0	10.0	12	12	12.5
Al Mawaleh South	6.0	6.0	6.0	6.5	6.5	6.5	7.0
Airport Heights	8.5	8.5	9.0	9.0	10	10.5	11
Shatti Al Qurum	14.0	14.0	14.0	14.0	11.5	11.5	11
Al Qurum	11.0	11.0	11.0	11.0	10.5	10.5	10.0
Madinat Qaboos	14.0	14.0	14.0	14.0	15	15	15.5
Al Khuwair	15.0	14.0	14.0	14.0	11	10.5	10
Al Ghubrah	7.0	6.0	6.0	6.0	7	7.5	8
AL Azaiba	12.0	11.0	10.0	10.0	11	11.5	12
Al Khoudh	10.0	11.0	11.0	11.5	12	13	15

Real Estate Sectors

Average Asking Rents Rate for the Retail (Shell and Core)



Real Estate Sectors

Residential Market Overview – H2 2025 Performance

The residential market across Muscat demonstrated broad stability through H2 2025, with demand remaining strongest in mid-income and upper-mid-income apartment and villa segments. Leasing activity continued to be underpinned by population growth, household formation, and steady employment across government-linked, professional, and services sectors.

Prime residential locations such as Al Mouj and Qurum recorded modest rental growth during H2 2025, supported by limited new supply, lifestyle-driven demand, and preference for integrated, amenity-rich environments. Rental performance in these locations continued to outperform more traditional suburban districts, where rents largely remained flat.

Higher rents achieved in areas such as Al Mouj and Madinat Sultan Qaboos have been closely correlated with the delivery of modern, well-specified residential stock, including smart building systems, gyms, swimming pools, elevators, efficient unit layouts, and improved parking provision. This has reinforced occupier preference for quality and functionality over size alone.

Professionally managed, gated residential communities continued to command rental premiums in the order of approximately 10–15% over comparable standalone properties during H2 2025. This premium reflects stronger property management standards, security, communal facilities, and predictable service delivery-factors increasingly valued by both expatriate and higher-income Omani households.

Off-plan residential sales activity remained muted outside Integrated Tourism Complexes (ITCs), reflecting cautious buyer sentiment, selective investor appetite, and sensitivity to pricing and delivery risk. In contrast, completed and income-producing residential units continued to see more consistent absorption, particularly where pricing remained aligned with rental affordability.

Affordable and mid-income housing initiatives aligned with Vision 2040 gained further traction during H2 2025, supported by government-led programmes and increasing private sector participation. However, demand continues to outpace available supply in well-connected urban locations, particularly for professionally managed schemes.

Real Estate Sectors

Residential Market Overview – H2 2025 Performance

H1 2026 Outlook

Looking ahead to H1 2026, the residential market outlook is stable with selective upside, driven primarily by affordable housing delivery, ESG-led design, and build-to-rent concepts. Demand is expected to remain strongest for efficiently designed, well-located residential units offering predictable operating costs and professional management.

Rental growth is expected to remain modest and location-specific, with prime and lifestyle-led communities outperforming secondary stock. Capital values are anticipated to remain broadly stable, supported by income resilience rather than speculative price appreciation.

Overall, the residential sector entering H1 2026 is characterised by structural demand, affordability sensitivity, and increasing segmentation by quality and management, reinforcing a market environment supportive of long-term, income-focused residential investment rather than short-term trading.



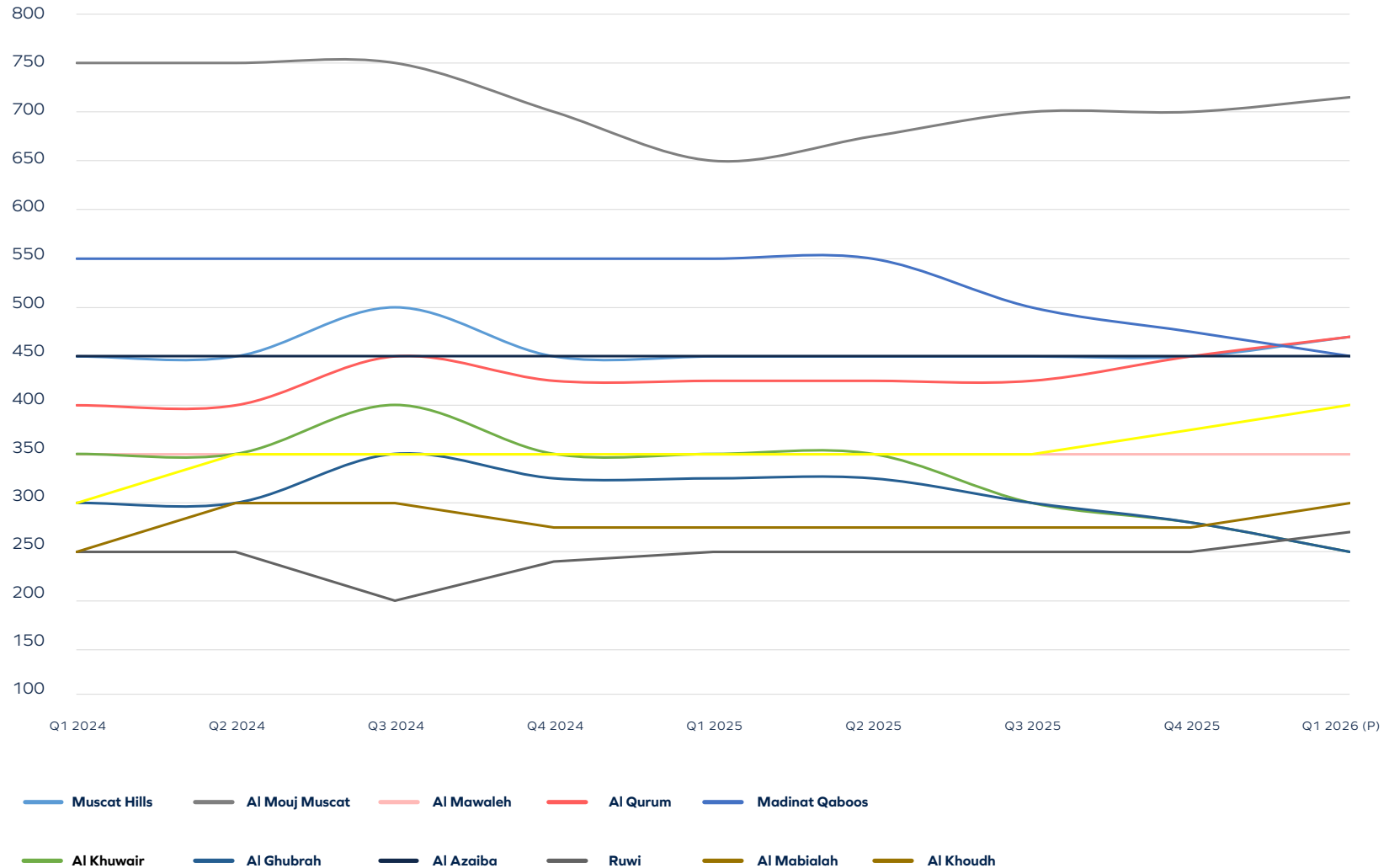
Real Estate Sectors

Average Asking Rents 2 Bedroom Unfurnished Apartment (with facilities)

	2024				2025				Q1 2026 (P)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Muscat Hills	450	450	500	450	450	450	450	450	470
Al Mouj Muscat	750	750	750	700	650	675	700	700	715
Al Mawaleh	350	350	350	350	350	350	350	350	350
Al Qurum	400	400	450	425	425	425	425	450	470
Madinat Qaboos	550	550	550	550	550	550	500	475	450
Al Khuwair	350	350	400	350	350	350	300	280	250
Al Ghubrah	300	300	350	325	325	325	300	280	250
Al Azaiba	450	450	450	450	450	450	450	450	450
Ruwi	250	250	200	240	250	250	250	250	270
Al Mabialah	250	300	300	275	275	275	275	275	300
Al Khoudh	300	350	350	350	350	350	350	375	400

Real Estate Sectors

Average Asking Rents 2 Bedroom Unfurnished Apartment (with facilities)



Real Estate Sectors

Industrial & Logistics Market Overview – H2 2025 Performance

The industrial and logistics sector across Oman remained one of the strongest-performing real estate segments through H2 2025, underpinned by structural demand, port-led growth, and continued government investment in strategic infrastructure. Occupier demand has remained robust for warehousing, light industrial, cold storage, and build-to-suit facilities, particularly in established and emerging logistics corridors.

Sohar continued to lead market activity during H2 2025, with Sohar Freezone maintaining its position as the most active industrial zone in the country. Demand remained concentrated in food processing, FMCG logistics, light manufacturing, and port-related operations, supported by strong connectivity, established infrastructure, and proximity to regional and international trade routes. Leasing activity has remained largely income-driven, with limited speculative supply entering the market

Duqm recorded increased enquiry levels during H2 2025, particularly from Chinese, Indian, and regional logistics operators. This has been driven by the continued expansion of the port and Special Economic Zone, growing GCC-Asia trade flows, and broader supply chain realignments linked to alternative shipping corridors. Market activity in Duqm remains long-term and strategic in nature, with investors and occupiers prioritising land availability, infrastructure readiness, and phased development over short-term rental escalation..

In Rusayl, demand for warehousing and industrial accommodation remained steady through H2 2025, supported by domestic manufacturing, distribution, and proximity to Muscat’s urban population base. Occupier preference has increasingly favoured modern, efficient facilities with adequate yard space, loading capacity, and operational flexibility.

Across all industrial locations, ESG-led facilities gained increasing traction during H2 2025. Solar-powered warehouses, energy-efficient design, waste management provisions, and green building certifications have become more prominent in tenant and investor decision-making, particularly among international occupiers and institutional capital. However, the supply of ESG-compliant industrial stock remains limited, and Oman continues to trail more mature regional logistics markets in terms of depth and specification.

Build-to-suit (BTS) solutions played a dominant role during H2 2025, particularly for cold storage, food logistics, pharmaceuticals, and turnkey industrial units. Rising construction costs and operational specialisation have further encouraged bespoke development over speculative construction.

Real Estate Sectors

Industrial & Logistics Market Overview – H2 2025 Performance

H1 2026 Outlook

Looking ahead to H1 2026, the outlook for the industrial and logistics sector remains positive and structurally supported. Continued investment in ports, free zones, and transport infrastructure is expected to sustain occupier demand, while onshoring and near-shoring strategies continue to reshape regional supply chains.

BTS projects are expected to remain the preferred delivery model, particularly for cold storage, specialised logistics, and technology-enabled warehousing. Smart inventory management systems, automation, and AI-enabled logistics platforms are expected to become increasingly important differentiators for occupiers and investors alike.

Rental growth across prime logistics assets is expected to remain stable to modest, constrained by affordability considerations but supported by limited high-quality supply. Capital values are expected to remain resilient, underpinned by income durability, long lease profiles, and growing institutional interest in the sector. Overall, the industrial and logistics market entering H1 2026 is characterised by fundamental strength, supply discipline, and increasing ESG and technology differentiation, positioning it as one of the most defensive and investable real estate sectors in Oman.



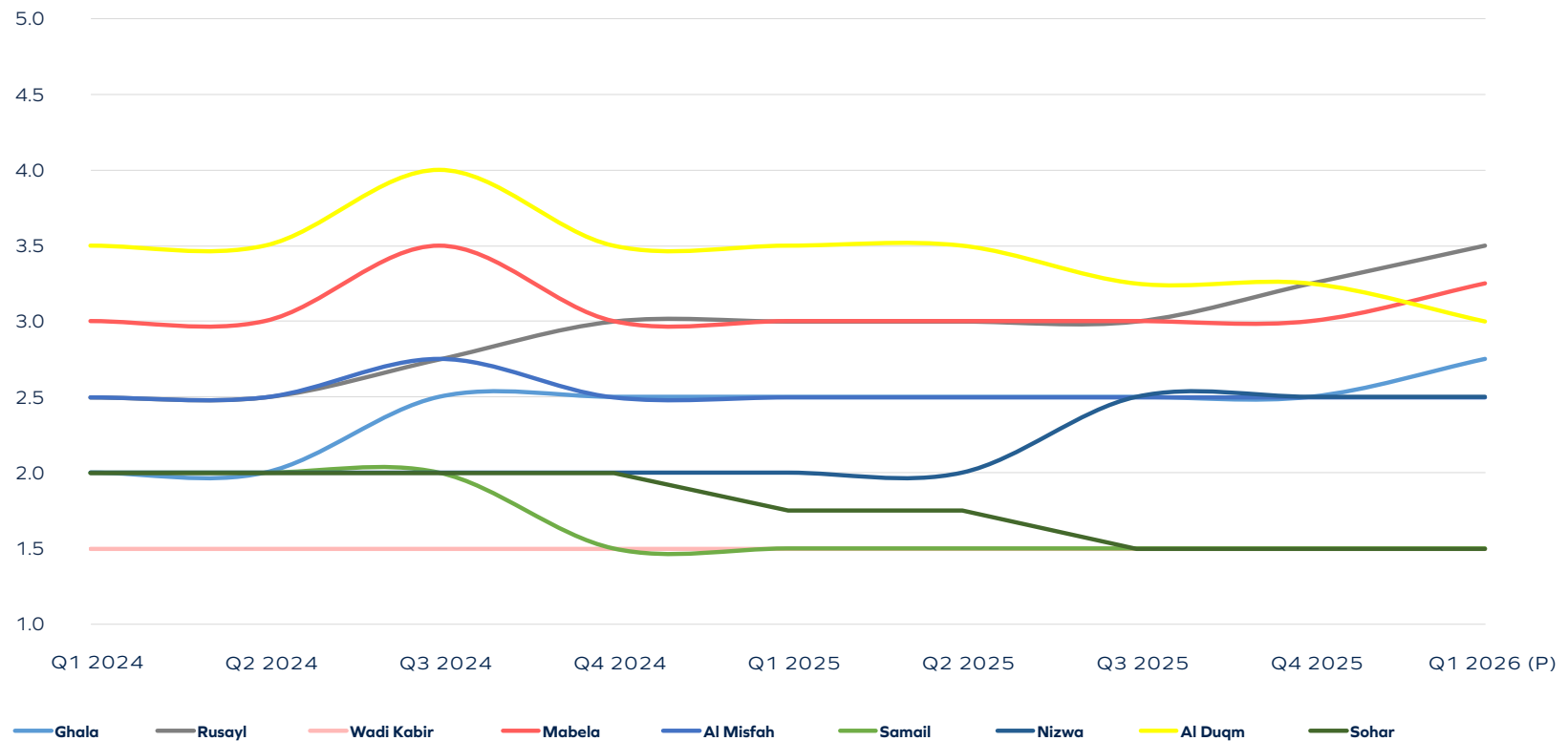
Real Estate Sectors

Sultanate of Oman - Average Rates - Warehouse & Logistics

	2024				2025				Q1 2026 (P)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Ghala	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.75
Rusayl	2.50	2.50	2.75	3.00	3.00	3.00	3	3.25	3.5
Wadi Kabir	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Mabela	3.0	3.0	3.5	3.0	3.0	3.0	3	3	3.25
Al Misfah	2.5	2.5	2.75	2.50	2.50	2.50	2.5	2.5	2.5
Samail	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5
Nizwa	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Sohar	2.0	2.0	2.0	2.0	1.75	1.75	1.5	1.5	1.5
Al Duqm	3.5	3.5	4.00	3.50	3.50	3.50	3.25	3.25	3

Real Estate Sectors

Sultanate of Oman - Average Rates - Warehouse & Logistics



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