



February 2026

Dubai Residential Market Review

A monthly review of Dubai residential market's performance and key real estate trends

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General Market

February saw a natural correction following January's exceptional opening to 2026. The month registered AED 61.4 billion across 17,120 transactions, representing a 15.3 percent month-on-month decline in value and a 2.0 percent dip in volume. However, the market remains robust on an annual basis, with value up 20.4 percent from February 2025's AED 51 billion and transaction volume rising 6.3 percent from 16,106. The contraction was primarily driven by the villa segment's normalization after an extraordinary January, though apartment sales demonstrated resilience with modest growth. This moderation reflects a market recalibrating toward sustainable transaction levels while maintaining strong underlying liquidity and investor confidence in Dubai's property sector.

Apartments

Apartments emerged as February's strongest performer, recording 13,081 sales worth AED 27.2 billion—a 2.0 percent increase in volume and 3.0 percent rise in value from January. The average apartment transaction held steady at approximately AED 2.08 million, with off-plan units commanding AED 2,063 per square foot (up from AED 2,021 in January) and ready stock reaching AED 1,758 per square foot.

JVC dominated secondary market activity with 437 transactions, while Business Bay (287) and Dubai Marina (187) maintained strong investor interest. In the off-plan sphere, Damac Island City led with 912 sales, followed by Dubailand Residence (772) and JVC (739). Off-plan apartments accounted for 68.7 percent of the segment's volume (8,979 units), supported by attractive payment plans and sustained end-user demand for flexible entry points into the market.

Villa/Townhouse

The villa segment experienced a sharp correction in February following January's peak performance. Transactions fell to 2,792 deals worth AED 18.7 billion, representing a 19.0 percent drop in volume and a substantial 30.2 percent decline in value month-on-month. Off-plan villas registered 1,994 sales totaling AED 13.9 billion, while ready stock contributed 798 transactions at AED 4.74 billion. The average villa ticket size compressed significantly compared to January's highs, reflecting a shift toward smaller plot configurations and fewer ultra-luxury transactions. Secondary market hotspots included Damac Hills 2 (254 rental transactions indicating strong leasing demand), Mirdif, and Mudon.



The cooling aligns with seasonal patterns and reduced high-value inventory releases, suggesting a return to normalized trading levels after January's exceptional surge

Commercial

Commercial property demonstrated steady growth despite flat transaction volumes, with 819 deals generating AED 4.2 billion in value—a 5.0 percent increase from January. New rental registrations totaled 15,122 contracts across the sector, with offices comprising the majority at 8,218 transactions (down 5.4%), while shops and showrooms recorded 1,997 deals (down 14.5%). Industrial bucked the trend with a 2.0 percent increase to 304 transactions. Business Bay and DIFC remained focal points for investor capital seeking yield, supported by stable occupancy rates and resilient rental returns. The value growth amid volume stability indicates improving per-unit pricing and sustained institutional confidence in Dubai's commercial corridors.

Land

Land transactions showed divergent trends in February, with volume rising 9.2 percent to 428 deals while value declined sharply by 26.1 percent to AED 11.3 billion. This disconnect suggests a shift toward smaller plot acquisitions and fewer large-scale institutional land banking transactions compared to January's high-value deals. Investor focus remained on strategic development zones and master community parcels, though average

ticket sizes normalized as developers adopted a more selective approach to site acquisition. The pipeline remains healthy, with March residential supply additions including 11,036 apartments and 2,005 villas scheduled for handover, supporting continued land demand for future phases.

Off-Plan

Off-plan sales continued to dominate residential market dynamics in February, capturing 64.1 percent of total transactions by volume (10,974 units) and approximately 72.6 percent by value (AED 33.3 billion). The average off-plan transaction value moderated to AED 3.03 million, reflecting a broader mix of apartment typologies following January's villa-heavy composition. Damac Island City maintained leadership with 912 sales, while Meydan City (632) and Dubai Islands (620) rounded out the top performers.

Mortgage data revealed cash buyers' continued supremacy, with 12,491 cash transactions (78.7% of residential sales) compared to 3,382 mortgage purchases. This off-plan resilience underscores sustained appetite for structured payment schemes and forward-looking development projects, despite the broader market's month-on-month value adjustment.



Rental Transactions

Dubai's leasing market moderated in February following January's post-holiday surge. The month recorded 37,185 new rental contracts, representing a 13.8 percent decline from January's elevated levels but maintaining healthy underlying activity. Apartments registered 19,856 leases, down 15.5 percent month-on-month as the seasonal relocation rush subsided, while villa leases eased 11.6 percent to 2,207 contracts. Commercial leasing softened to 15,122 contracts, an 11.8 percent retreat reflecting typical quarterly cycling after year-end renewals. The normalization aligns with historical first-quarter patterns, where January's peak activity traditionally gives way to more measured February volumes. Despite the monthly decline, demand fundamentals remain intact across asset classes, with occupancy rates holding steady as new supply absorption continues apace.

Commercial Leasing Breakdown

Leasing Breakdown The commercial rental segment saw selective softening in February, with total new leases reaching 15,144 contracts. Retail leasing posted 1,997 new contracts, down 14.5 percent from January as food, wellness, and service operators finalized locations ahead of slower summer months.

Office leases declined 5.4 percent to 8,218 contracts, though this represented a gentler correction than other categories, supported by sustained SME requirements and stable professional services demand. Industrial leasing bucked the trend with a 2.0 percent increase to 304 contracts, as logistics and light manufacturing users continued absorbing warehousing stock in Dubai South and Al Quoz. The "other" category, encompassing staff housing and flexible-use units, declined 20.7 percent to 4,625 leases as corporate relocation schedules normalized after the January intake. The sector's resilience in office and industrial categories offset retail volatility, maintaining commercial occupancy across prime business corridors.

Apartments

Apartments strengthened their market position in February, with 13,081 units sold for AED 27.2 billion—a 2.0 percent increase in volume and 3.0 percent rise in value from January. Off-plan activity remained the primary driver, contributing 8,979 deals worth AED 19.4 billion (68.7 percent of apartment volume), while ready apartment sales reached 4,102 units valued at AED 7.8 billion. Investors targeted mid-market launches in JVC (739 off-plan sales) and Dubailand Residence (772 sales), while end-users concentrated on ready

stock in Business Bay (287 secondary sales) and Dubai Marina (187 sales). The average off-plan transaction settled at AED 3.05 million with price per square foot advancing to AED 2,063, reflecting steady developer pricing power and sustained end-user appetite for structured payment plans. New rental registrations in JVC (1,379) and International City (1,135) underscored the segment's rental yield appeal alongside capital growth.



Villas & Townhouses



The villa segment underwent a sharp correction in February after January's exceptional performance, recording 2,792 deals worth AED 18.7 billion a 19.0 percent decline in volume and 30.2 percent contraction in value month-on-month. Off-plan villa sales totaled 1,994 transactions at AED 13.9 billion, while ready sales contributed 798 units worth AED 4.7 billion.

The reversal reflects both seasonal normalization and the absence of January's high-value luxury inventory releases that had inflated average ticket sizes. Demand persisted in established communities including Damac Hills 2 (254 rental transactions indicating strong occupancy), Mirdif, and Mudon, though at reduced velocity.

The adjustment brings villa activity closer to sustainable quarterly averages, with off-plan launches in Dubai Hills Estate and Tidal Al Ghaf maintaining steady absorption despite the broader volume contraction.

Commercial Properties

The commercial sales sector demonstrated pricing resilience amid stable transaction volumes in February, logging 819 deals worth AED 4.2 billion a 5.0 percent value increase despite flat volume compared to January. Office transactions remained concentrated in Business Bay and DIFC, with investor appetite sustained by rental yields of 6-8 percent and occupancy rates exceeding 90 percent in grade-A stock.

Retail properties saw selective investor targeting of street-facing units in high-footfall zones, while industrial sales maintained consistency in small-scale logistics. The AED 4.2 billion transaction value represented one of the strongest February performances for the sector, signaling continued institutional confidence in Dubai's business expansion trajectory and preference for income-generating assets amid global economic uncertainty.

Land Plots

Land activity shifted toward volume growth in February, with 428 transactions representing a 9.2 percent increase from January, though total value declined 26.1 percent to AED 11.3 billion. This divergence indicates a transition toward smaller plot acquisitions and strategic parceling compared to January's institutional bulk purchases. Developers remained active in Dubai South, Al Furjan, and island projects, securing sites for mid-2026 launches and phased master plan expansions.

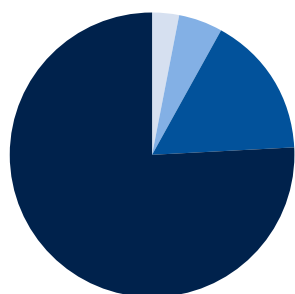
The average plot size decreased as investors targeted infill opportunities and redevelopment plots in mature communities, while large-scale land banking paused following January's significant portfolio transactions. With 11,036 apartments and 2,005 villas scheduled for March handover, land demand for future development phases remains underpinned by strong forward sales and pre-leased stock absorption continued in development corridors such as Dubai South, Al Furjan, and emerging island projects. Builders and investors looked ahead to launches scheduled for mid-2026 and beyond, securing plots with infrastructure access and scalable layouts.

Sales Transactions

Month on Month | Jan 2026 - Feb 2026



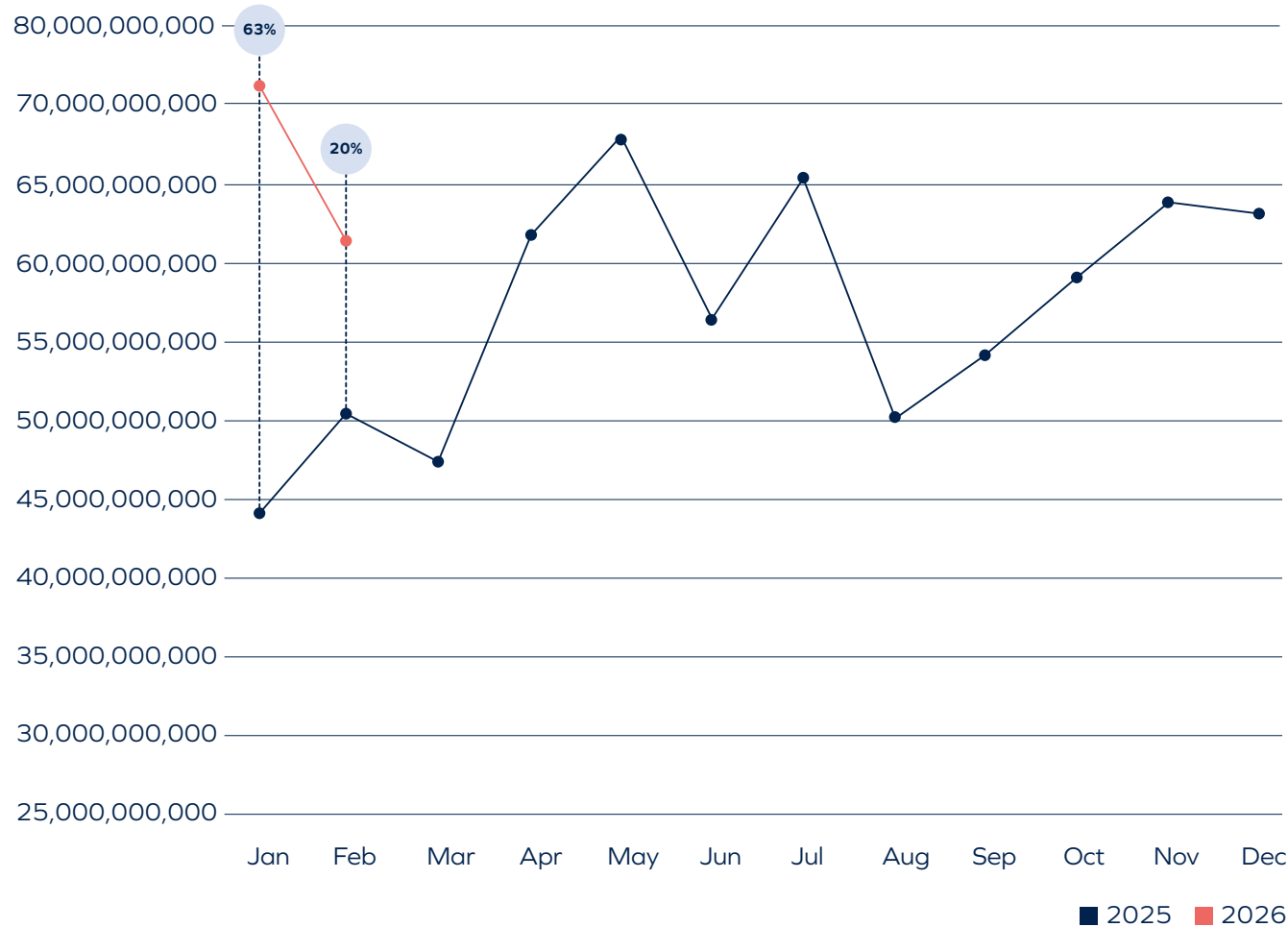
	Jan Transactions	Jan Value (AED)	Feb Transactions	Feb Value (AED)	Value Change %
Apartments	12,819	26,400,000,000	13,081	27,200,000,000	3.03%
Villas	3,445	26,800,000,000	2,792	18,700,000,000	-30.22%
Commercial	821	4,000,000,000	819	4,200,000,000	5.00%
Plots	392	15,300,000,000	428	11,300,000,000	-26.14%
Total	17,477	72,500,000,000	17,120	61,400,000,000	-15.31%



■ Apartments	76%
■ Villas	16%
■ Commercial	5%
■ Plots	3%

Transactions Value - Graph

2024 v/s 2025



February 2026 recorded AED 61.4 billion in total transaction value, representing a 15.3 percent moderation from January's exceptional AED 72.5 billion, yet maintaining a robust 20.4 percent increase over February 2025's AED 51 billion. The month-on-month contraction was primarily driven by the villa segment's normalization, with values retreating to AED 18.7 billion from January's peak of AED 26.8 billion, and land deals adjusting to AED 11.3 billion from AED 15.3 billion.

Conversely, apartments demonstrated resilience, advancing 3.0 percent to AED 27.2 billion, while commercial sales strengthened 5.0 percent to AED 4.2 billion. The shift toward apartment-led activity reduced average ticket sizes but sustained transaction liquidity, positioning February as a healthy correction toward sustainable quarterly trading levels rather than demand deterioration.

Transactions Value

2025 v/s 2026

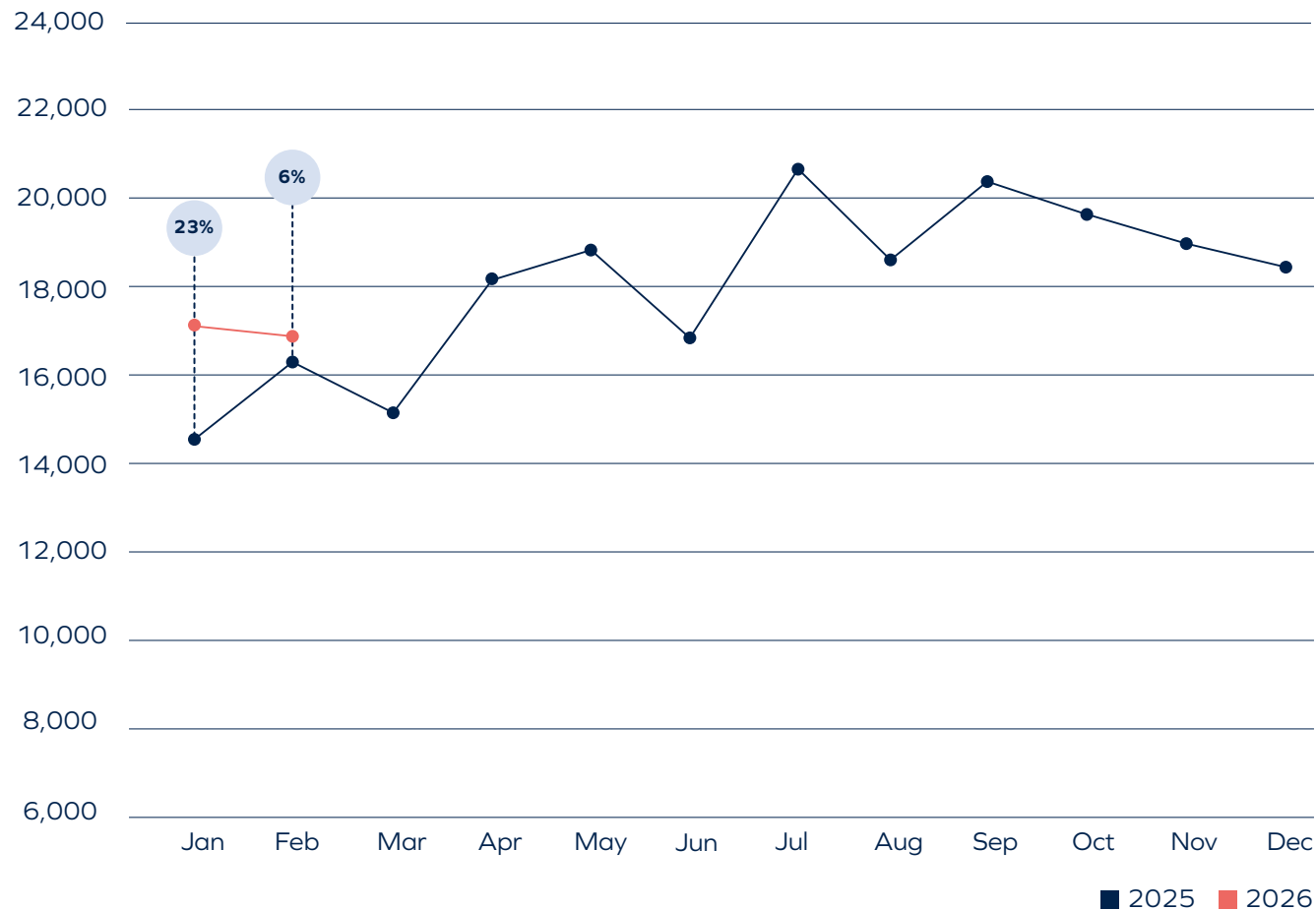


2025	Value	2026	Value
January	44,600,000,000	January	72,500,000,000
February	51,000,000,000	February	61,400,000,000
March	47,300,000,000	March	
April	62,800,000,000	April	
May	66,900,000,000	May	
June	56,300,000,000	June	
July	65,100,000,000	July	
August	50,800,000,000	August	
September	54,700,000,000	September	
October	59,100,000,000	October	
November	64,800,000,000	November	
December	63,400,000,000	December	



Transactions Volume - Graph

2025 v/s 2026



Dubai registered 17,120 property transactions in February 2026, a modest 2.0 percent decline from January's 17,477 deals but a solid 6.3 percent improvement over February 2025's 16,106 transactions. The composition shifted markedly from January's villa surge, with apartment volumes rising 2.0 percent to 13,081 units while villa sales normalized to 2,792 transactions (down 19.0% from January's 3,445).

Land transactions bucked the trend with a 9.2 percent increase to 428 deals, suggesting continued developer site acquisition despite lower per-plot values. The volume stability amid value contraction indicates sustained market breadth across price points, with first-time buyers and mid-market investors maintaining activity even as ultra-luxury villa transactions paused.

Transactions Volume

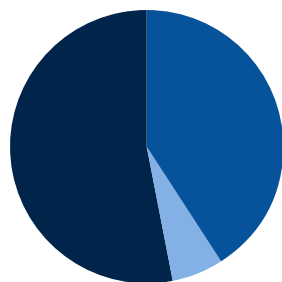
2025 v/s 2026



2025	Volume	2026	Volume
January	14,247	January	17,477
February	16,106	February	17,120
March	15,150	March	
April	18,044	April	
May	18,697	May	
June	16,765	June	
July	20,322	July	
August	18,493	August	
September	20,360	September	
October	19,852	October	
November	19,024	November	
December	18,680	December	



New Rental Transactions



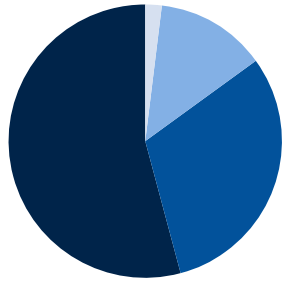
■ Apartments	53%
■ Villas	6%
■ Commercial	41%

	Jan	Feb	Volume Change %
Apartments	23,506	19,856	-15.53%
Villas	2,496	2,207	-11.58%
Commercial	17,153	15,122	-11.84%
Total	43,155	37,185	-13.83%

Leasing activity normalized in February following January’s post-holiday peak, with 37,185 new contracts signed, representing a 13.8 percent monthly decline but maintaining healthy underlying demand fundamentals. Apartment leases moderated to 19,856 contracts (down 15.5% from January) as the seasonal relocation rush subsided, while villa registrations eased 11.6 percent to 2,207 contracts.

Commercial leasing retreated 11.8 percent to 15,122 contracts, aligning with typical quarterly cycling after year-end renewals. Despite the monthly pullback, the February figures remain elevated compared to Q4 2025 averages, suggesting Dubai’s population growth and business expansion continue supporting absorption across residential and commercial stock.

Commercial Rental Breakdown



Shops/Showroom	13%
Office	54%
Industrial	2%
Others	31%

	Jan	Feb	Volume Change %
Shops/Showroom	2,335	1,997	-14.48%
Office	8,691	8,218	-5.44%
Industrial	298	304	2.01%
Others	5,829	4,625	-20.66%
Total	17,153	15,144	-11.71%

Commercial leasing activity selectively softened in February, with total new contracts reaching 15,144, down 11.7 percent from January’s elevated baseline. Shops and showrooms declined 14.5 percent to 1,997 deals as retail operators finalized locations ahead of slower summer trading months, while office leases saw a gentler 5.4 percent correction to 8,218 contracts, supported by resilient professional services demand.

Industrial leasing proved the exception, rising 2.0 percent to 304 contracts as logistics users continued absorbing warehousing capacity in Dubai South and Al Quoz. The “other” category, encompassing staff accommodation and flexible-use spaces, declined 20.7 percent to 4,625 leases following January’s corporate relocation surge. The sector’s relative stability in office and industrial categories offset retail volatility, maintaining occupancy rates across prime business corridors.

Residential Off Plan v/s Secondary Sales



Sales Volume	Off-Plan	10,974
	Ready	4,903

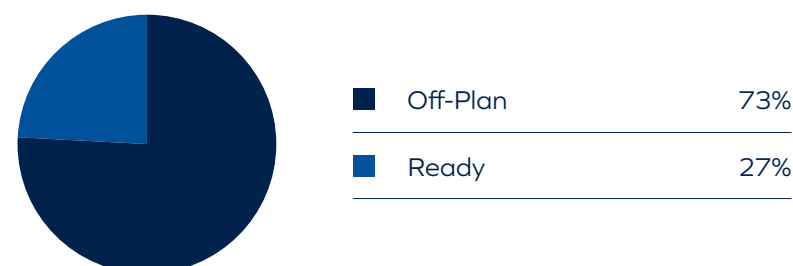
Residential Breakdown	Off Plan	Ready
Apartments	8,979	4,103
Villas	1,995	800



Off-plan sales sustained market dominance in February, accounting for 10,974 residential transactions (64.1 percent of volume) valued at AED 33.3 billion, compared to 4,936 ready deals worth AED 12.6 billion. This represents a shift in composition from January, with off-plan value share moderating to 72.6 percent of residential totals as ready stock gained marginal ground.

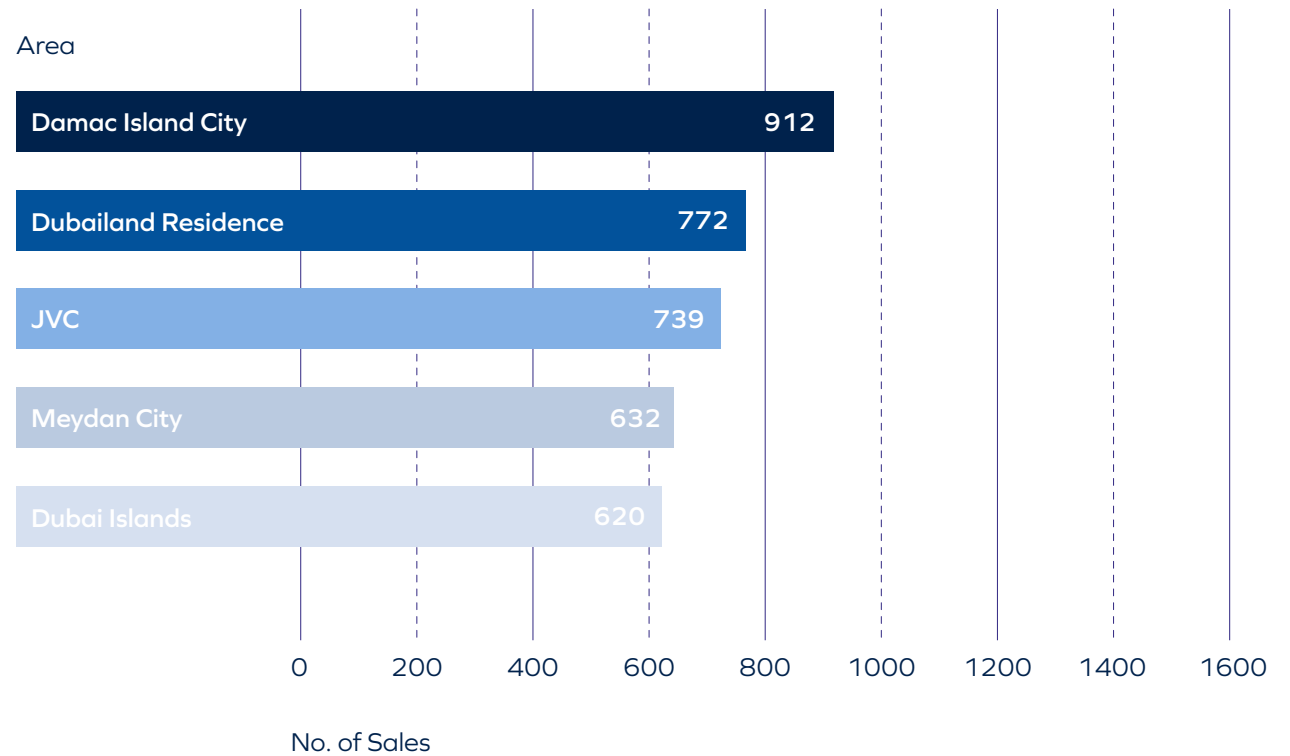
Sales Value (AED)	Off-Plan	33,293,000,000
	Ready	12,578,000,000

Residential Breakdown	Off Plan	Ready
Apartments	19,393,000,000	7,838,000,000
Villas	13,900,000,000	4,740,000,000

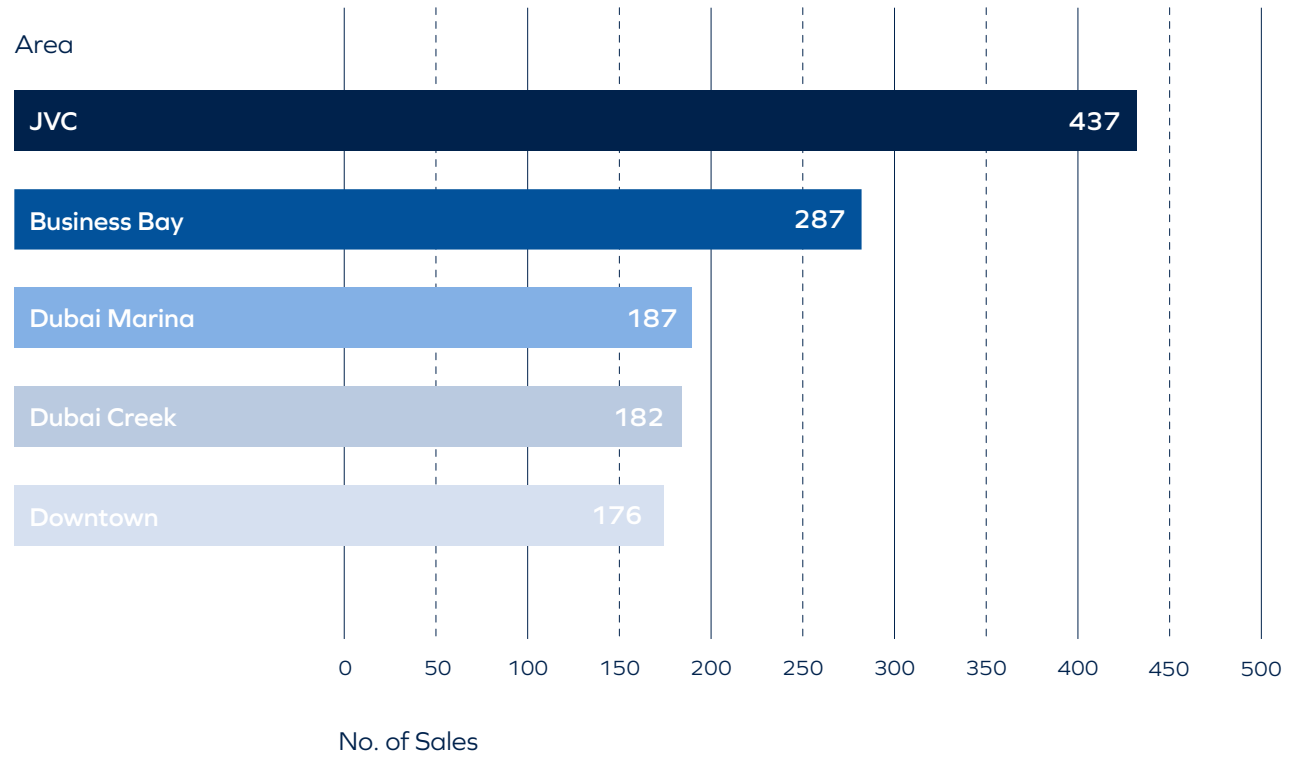


Apartment launches remained the primary driver, contributing 8,979 off-plan sales (AED 19.4 billion), while villa off-plan activity cooled to 1,994 transactions (AED 13.9 billion) from January's exceptional highs. The average off-plan transaction value normalized to AED 3.05 million, reflecting the mix shift toward apartments, while ready market activity concentrated in established communities with immediate occupancy appeal.

Top 5 Performing Areas - Off Plan Sales



Top 5 Performing Areas - Secondary Sales



Residential Breakdown



Apartments anchored residential activity in February with 13,081 sales totaling AED 27.2 billion, marking a 2.0 percent volume increase and 3.0 percent value gain month-on-month. The segment split favored off-plan acquisitions, with 8,979 transactions (AED 19.4 billion) compared to 4,102 ready sales (AED 7.8 billion). Villa transactions normalized to 2,792 deals worth AED 18.7 billion following January's surge, comprising 1,994 off-plan sales (AED 13.9 billion) and 798 ready transactions (AED 4.7 billion).

Price trends remained positive, with off-plan apartments reaching AED 2,063 per square foot (up from January's AED 2,021) and average off-plan tickets settling at AED 3.05 million. Top off-plan destinations included Damac Island City (912 sales), Dubailand Residence (772), and JVC (739), while secondary buyers concentrated in JVC (437 sales), Business Bay (287), and Dubai Marina (187), indicating sustained end-user appetite for both emerging launches and established communities with rental income potential.



Off-Plan Sales

February's off-plan landscape saw shifting dynamics among top performers, with transaction volumes moderating from January's peak while maintaining robust absorption. Damac Island City retained market leadership with 912 sales, though down from January's 1,099 transactions as initial launch inventory absorbed. Dubailand Residence climbed to second position with 772 deals, up significantly from January's 644, driven by continued phase releases and competitive payment structures.

JVC advanced to third with 739 transactions (up from 617), leveraging its established infrastructure and mid-market appeal. Meydan City entered the top tier with 632 sales, reflecting renewed investor interest in centrally located master plans, while Dubai Islands rounded out the top five with 620 deals, moderating from January's 654 but maintaining strong waterfront demand. These communities continue benefiting from phased release strategies and structured buyer terms, though average price points edged higher to AED 2,063 per square foot.

Secondary Sales

The ready market demonstrated resilience in February, with established investment corridors maintaining activity despite tighter inventory. JVC strengthened its position as the secondary market hub, recording 437 resale deals, up marginally from January's 432, supported by strong rental yields and affordability. Business Bay followed with 287 transactions, down from January's 304 as premium stock faced supply constraints. Dubai Marina climbed to third with 187 deals, up from 159 previously, benefiting from end-user demand for immediate occupancy in waterfront locations.

Dubai Creek emerged as a notable entry with 182 transactions, reflecting growing interest in the emerging waterfront district, while Downtown Dubai registered 176 deals, down from 204 as luxury inventory became increasingly scarce. These areas continue offering institutional-grade infrastructure and established tenant demand, supporting capital preservation strategies.

New Apartment Rentals

Leasing activity corrected seasonally in February following January's post-holiday surge, though key corridors maintained strong absorption.

JVC led the apartment segment with 1,379 new leases, down from January's 1,844 but retaining its position as the emirate's most active rental hub due to affordability and community maturity. International City followed with 1,135 contracts, moderating from 1,556 previously while maintaining appeal for budget-conscious tenants.

Business Bay registered 894 leases, holding steady near January's 906 levels, supported by professional services sector demand. Dubai Marina recorded 606 contracts, down from 825, and Downtown Dubai entered the top five with 545 leases, displacing Silicon Oasis as tenants prioritized central locations with transit access. The overall moderation reflects typical quarterly cycling rather than demand weakness, with occupancy rates remaining firm across these established nodes.

Top Performing Areas – February 2026



New Apartment Rentals

Leasing activity corrected seasonally in February following January's post-holiday surge, though key corridors maintained strong absorption. JVC led the apartment segment with 1,379 new leases, down from January's 1,844 but retaining its position as the emirate's most active rental hub due to affordability and community maturity. International City followed with 1,135 contracts, moderating from 1,556 previously while maintaining appeal for budget-conscious tenants.

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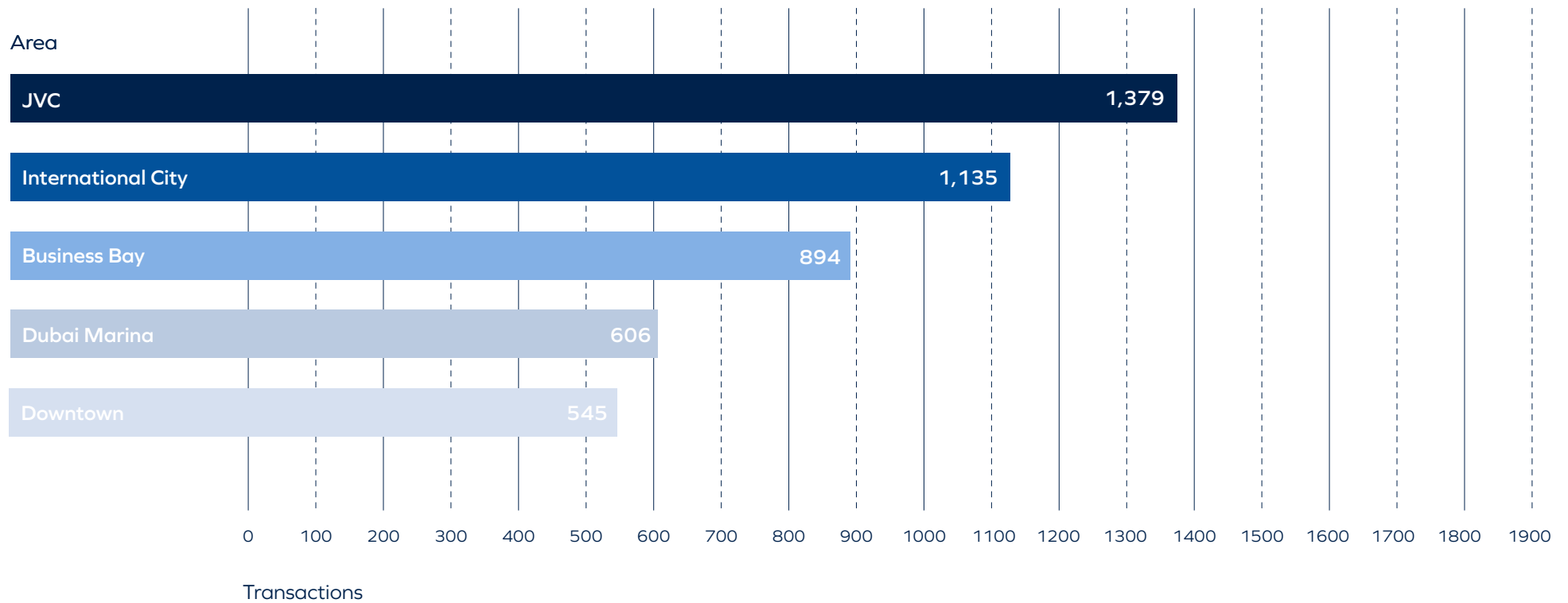
New Villa Rentals

The villa leasing market showed selective strength in February, with Damac Hills 2 extending its dominance despite broader seasonal cooling. The community recorded 254 new leases, up significantly from January's 219, supported by ongoing handovers and expanding retail amenities. Mirdif followed with 97 contracts, down from 110 but maintaining family appeal through established schools and community infrastructure

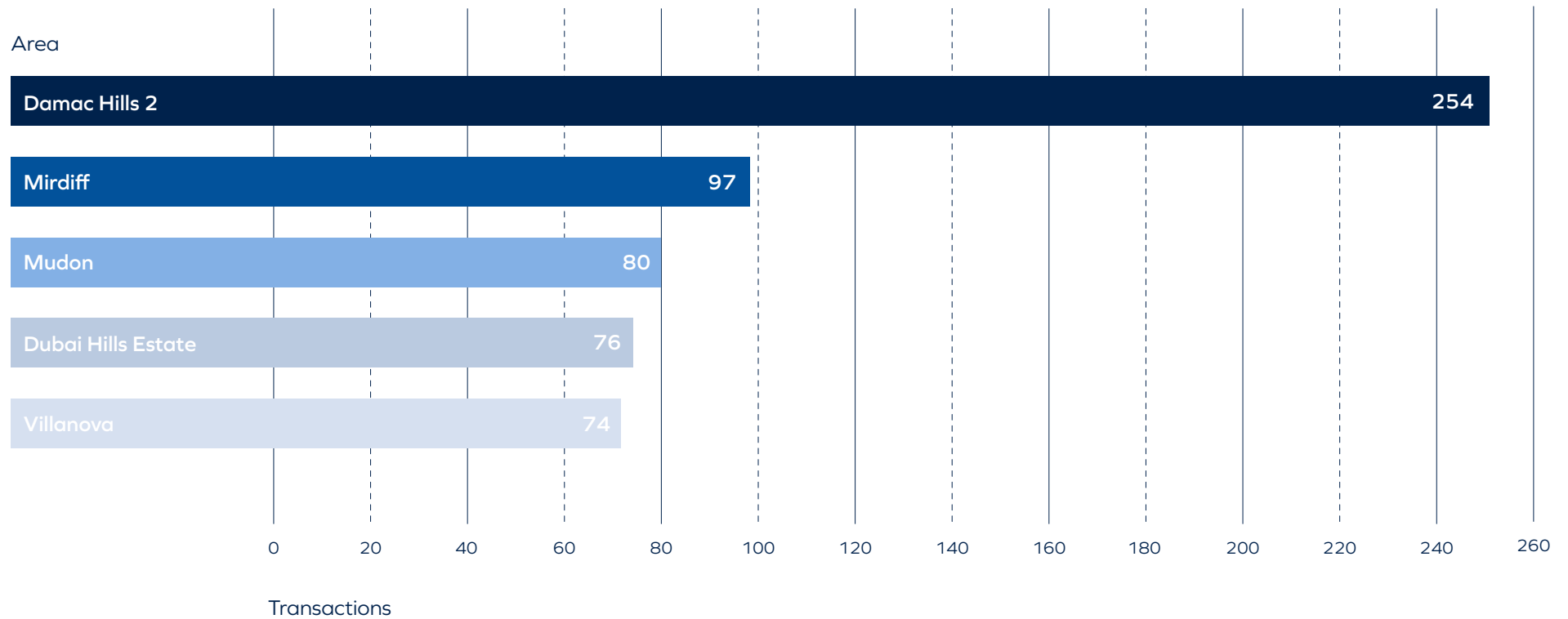
Mudon registered 80 leases (down from 98), Dubai Hills Estate posted 76 (down from 92), and Villanova recorded 74 (down from 79). The contraction in secondary-tier communities reflects limited new supply releases and tenants securing longer-term leases in January. However, Damac Hills 2's continued growth underscores the market's appetite for affordable family housing with recreational facilities, while the tight inventory in Dubai Hills Estate and Mirdif sustained rental rate premiums despite lower transaction volumes.



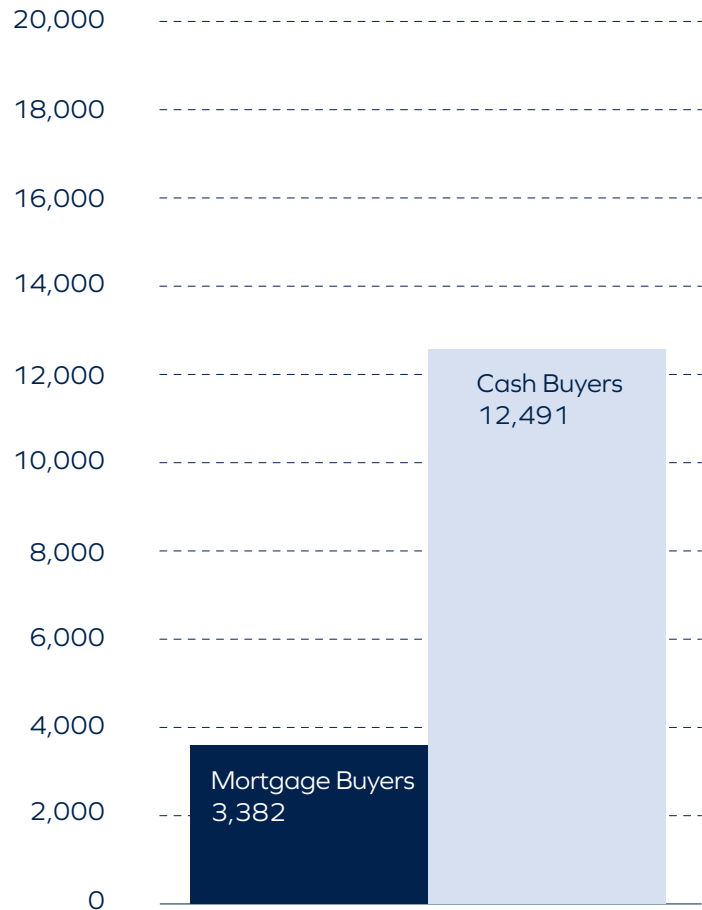
Top 5 Performing Areas - New Apartment Rentals



Top 5 Performing Areas - New Villa Rentals



Residential Mortgage Buyers v/s Cash Buyers



	Mortgage Sales	Cash Sales
Apartments	2,376	10,705
Villas	1,006	1,786

Mortgage Transaction Value: AED 8,100,000,000



Mortgage Buyers v/s Cash Buyers



Cash maintained its position as the dominant transaction method in February, accounting for approximately 79 percent of residential deals. Out of 15,873 recorded home sales (combining apartments and villas), 12,491 were completed in cash, while 3,382 utilized mortgage financing. Total mortgage transaction value reached AED 8.1 billion, yielding an average loan size of roughly AED 2.39 million—consistent with January’s levels as villa financing remained prevalent despite the segment’s monthly volume correction.

Apartments continued to exhibit strong cash preference, though with slight moderation from January’s peak. Of 13,081 apartment transactions, 10,705 were cash purchases while 2,376 employed financing, maintaining an 82 percent cash to 18 percent mortgage split. This ratio reflects the segment’s accessible entry points and rapid turnover in off-plan developments, with investors and end-users alike leveraging liquidity for sub-AED 3 million acquisitions. Villas demonstrated the highest mortgage penetration among residential categories, with financing capturing 36 percent of transactions. Out of 2,792 villa sales, 1,786 were cash transactions while 1,006 used mortgage facilities.

The composition suggests that while villa volumes normalized from January’s exceptional highs, genuine owner-occupier demand remained active through bank financing.

The overall transaction mix reinforces Dubai’s liquidity-driven market structure, with cash investors maintaining dominance in apartment acquisitions while mortgage markets facilitate family home purchases in established villa communities.



Price Trends and New Supply



Dubai's residential pricing extended its upward trajectory through February, with both off-plan and ready segments registering month-on-month and year-on-year appreciation. Off-plan rates averaged AED 2,063 per square foot, representing a 2.1 percent advance from January's AED 2,021 and a substantial 15.8 percent gain over February 2025's AED 1,782. Ready property values climbed to AED 1,758 per square foot, up 3.7 percent month-on-month from AED 1,696 and 9.8 percent higher than the AED 1,601 recorded in February 2025.

The off-plan segment continues commanding premium pricing, with developers maintaining firm stance on AED 3+ million average tickets in prime master plans. This growth reflects sustained absorption of waterfront and branded residences, particularly in Damac Island City and Meydan City, where limited phase releases support pricing power. Ready stock appreciation concentrated in supply-constrained districts like Downtown and Dubai Marina, where immediate occupancy commands significant premiums over off-plan alternatives.



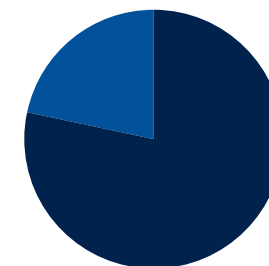
Looking ahead, March brings substantial new inventory with 11,036 apartment units and 2,005 villas scheduled for handover. This supply influx arrives as off-plan prices reach AED 2,063 per square foot and ready stock nears AED 1,758 per square foot, potentially moderating rate-of-growth in select secondary locations.

However, with population-driven demand remaining robust and February's transaction volume holding steady at 17,120 deals, the market appears positioned to absorb incoming stock without destabilizing current price levels. The trend indicates a maturing cycle where quality differentials and location premiums increasingly drive valuation divergence across sub-markets.

Sales Price Trend (AED per sq.ft.)



2025	Off-plan	Ready	2026	Off-plan	Ready
January	1,694.3	1,609.1	January	2,021.5	1,695.7
February	1,782.2	1,600.7	February	2,063.3	1,757.8
March	1,938.0	1,651.4	March		
April	1,903.0	1,674.8	April		
May	1,912.1	1,656.8	May		
June	1,914.7	1,693.7	June		
July	2,010.9	1,611.5	July		
August	2,024.1	1,698.3	August		
September	2,009.0	1,613.8	September		
October	2,001.5	1,659.7	October		
November	2,064.5	1,669.0	November		
December	2,015.1	1,706.2	December		



February Residential Supply

■ Apartments	11,036
■ Villa	2,005

Dubai's real estate market moderated in February following January's exceptional opening, with AED 61.4 billion in total sales value across 17,120 transactions. This represents a 15.3 percent monthly adjustment from January's record AED 72.5 billion, yet maintains robust annual growth of 20.4 percent compared to February 2025's AED 51 billion. Transaction volumes held relatively steady, dipping just 2.0 percent month-on-month while advancing 6.3 percent year-on-year, indicating a market recalibrating toward sustainable velocity rather than experiencing demand erosion.

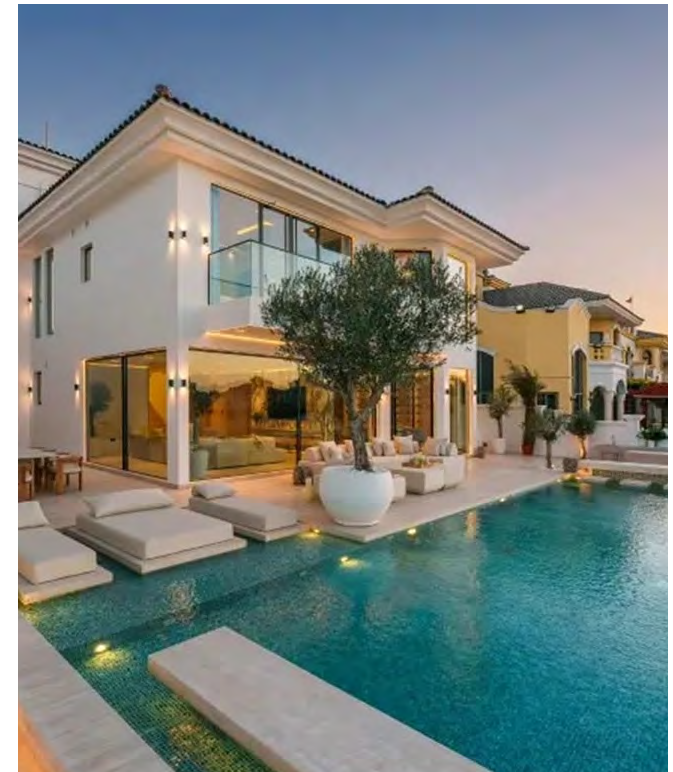
Apartments emerged as February's standout performer, flipping the narrative from January's villa surge. The segment recorded 13,081 deals worth AED 27.2 billion, marking a 2.0 percent volume increase and 3.0 percent value gain month-on-month. Off-plan apartments commanded AED 2,063 per square foot—a new threshold—while maintaining absorption above 8,900 units. Buyer concentration remained in mid-market hubs including JVC, Business Bay, and Dubailand Residence, where flexible payment plans and rental yield security continued driving investor decisions.

The shift toward apartment dominance reflects both seasonal normalization and sustained end-user appetite for accessible entry points in established communities.

The villa segment underwent a sharp correction after January's peak performance, recording 2,792 transactions worth AED 18.7 billion. This 30.2 percent value contraction and 19.0 percent volume decline from January's exceptional highs represents a return to normalized trading levels rather than fundamental weakness. Off-plan villa sales settled at 1,994 units (AED 13.9 billion), while ready stock contributed 798 deals. Demand persisted in Damac Hills 2, Mirdif, and Dubai Hills Estate, though at reduced velocity following the previous month's high-value inventory releases.

The adjustment brings villa activity in line with historical Q1 averages while maintaining year-on-year pricing premiums. Commercial properties demonstrated resilience, posting 819 transactions worth AED 4.2 billion—a 5.0 percent value increase despite flat volume. Office assets in Business Bay and DIFC maintained investor interest through stable occupancy above 90 percent, while retail units in high-footfall corridors sustained yield premiums.

Industrial leasing bucked broader trends with a 2.0 percent transaction increase, reflecting continued logistics absorption in Dubai South. The segment's value growth amid volume stability indicates improving per-unit pricing and sustained institutional confidence in income-generating assets.



Leasing activity normalized seasonally, with 37,185 new rental contracts registered—down 13.8 percent from January’s post-holiday surge but maintaining healthy underlying absorption. Apartment leases moderated to 19,856 contracts, while villa registrations settled at 2,207. The correction aligns with historical first-quarter patterns, with JVC (1,379 leases) and International City (1,135) retaining dominance in the residential rental market. Commercial leasing softened to 15,122 contracts as year-end renewals cycled through, though office demand in central business districts showed relative stability.

Off-plan sales continued anchoring market liquidity, capturing 64 percent of residential volume (10,974 transactions) and 72.6 percent of value (AED 33.3 billion). While down from January’s peak, the segment maintained strong pricing power with average rates reaching AED 2,063 per square foot and transaction sizes averaging AED 3.05 million. Damac Island City retained leadership with 912 sales, supported by Meydan City (632) and Dubai Islands (620). Cash transactions dominated at approximately 79 percent of residential deals (12,491 cash versus 3,382 mortgage), though villa financing maintained a 36 percent share, indicating sustained end-user family demand.

The market enters March with substantial new supply—11,036 apartments and 2,005 villas scheduled for handover—against a backdrop of firm pricing and steady transaction velocity. February’s data confirms Dubai’s real estate sector has transitioned from January’s explosive villa-led growth into a more balanced, apartment-driven expansion phase.

With population growth sustaining rental demand and developer launches maintaining disciplined absorption rates, the fundamental outlook remains constructive despite the monthly value moderation. The sector appears positioned to absorb incoming inventory efficiently while maintaining the pricing gains established through early 2026.





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