Hamptons INTERNATIONAL

March 2026

Dubai Residential
Market Review

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

Valuations & Research Department

Hamptons International's Valuations & Research Division consists of a multi-disciplinary group of qualified professionals who have extensive local and international experience in the real estate industry.

The team of qualified valuers uses a range of comprehensive methods to provide clients with up-to-date and accurate valuations for all property types. This includes individual properties, property portfolios, and all types of asset classes.

The process is carried out by professional valuers who are members of both RICS (The Royal Institution of Chartered Surveyors) and RERA (Real Estate Regulatory Authority), ensuring both expertise and licensing compliance.

Valuation advice and reports are provided for a variety of purposes, which include the following:

- Mortgage Financing (Banks & Financial Institutions)
- Internal Purposes
- Accounting
- Mergers and Acquisitions
- Investment Due Diligence / Strategic Advice
- Government Programs (Golden Visa)

The team also provides Feasibility Studies and Development Appraisals for determining the highest and best use, which identify opportunities and assist investors and developers avoid potential pitfalls.

Residential Valuations

Commercial Valuations

Retail Valuations

Hospitality Valuations

Specialised Property Valuations

Corporate Valuations

Market Highlights

General Market

March 2026 marked a sharp correction in Dubai's real estate trajectory, with total transaction value reaching AED 43.7 billion across 13,565 deals. This represents a 28.8 percent decline from February's AED 61.4 billion and a 20.8 percent contraction in volume from 17,120 transactions. Year-on-year, the market softened 7.6 percent in value compared to March 2025's AED 47.3 billion, with volumes down 10.5 percent from 15,150 transactions. The contraction was broad-based, affecting all asset classes, and reflects a combination of seasonal factors including the Ramadan period, the natural exhaustion of immediate demand following January and February's record launches, and market participants pausing ahead of new supply releases. While the monthly drop appears severe, it positions the market at more sustainable trading levels after two exceptional months, with underlying liquidity remaining intact despite reduced speculative activity.

Apartments

Apartments underwent a significant volume adjustment in March, recording 10,720 sales worth AED 22.4 billion—an 18.0 percent decline in transactions and 17.7 percent drop in value from February.

The segment represented the largest share of total market activity, with off-plan units comprising 76.7 percent of apartment volume (8,217 transactions valued at AED 18.1 billion) while ready stock contributed 2,503 deals (AED 4.3 billion). Average pricing moderated slightly to AED 2,030.8 per square foot for off-plan units, down from February's AED 2,063, while ready apartment pricing adjusted to AED 1,647.9 per square foot. Top off-plan destinations included Damac Island City (811 sales), Dubailand Residence (723), and JVC (636), though all recorded reduced absorption compared to the previous month. The correction reflects fewer new launches in March and buyer fatigue after the intensive Q1 release schedule, rather than fundamental demand deterioration.

Villa/Townhouse

The villa segment experienced its second consecutive monthly contraction, with March transactions falling to 2,245 deals worth AED 14.6 billion—representing a 19.6 percent volume decline and 22.0 percent value drop from February. Off-plan villa sales totaled 1,719 transactions (AED 11.1 billion), while ready units registered 526 deals (AED 3.5 billion).

The average transaction value compressed significantly as the market moved away from January's ultra-luxury peak inventory, settling at more normalized levels. Activity remained concentrated in established family communities, though at substantially reduced velocity compared to the opening months of 2026. The segment's correction aligns with seasonal patterns and limited new phase releases during the observation period.

Commercial

Commercial property registered the steepest decline among major asset classes, with March transactions plummeting to 414 deals worth AED 2.2 billion a 49.4 percent volume contraction and 47.6 percent value reduction month-on-month. The sector's volatility reflects its sensitivity to business cycle timing, with March typically showing reduced commercial activity ahead of Q2 planning periods. New rental registrations also corrected sharply to 11,755 contracts (down 22.3%), with office leases declining 20.6 percent to 6,524 contracts and retail/showroom rentals falling 28.8 percent to 1,421 deals. Industrial leasing dropped 38.2 percent to 188 contracts. Despite the monthly retreat, underlying occupier demand in Business Bay and DIFC remained stable, suggesting the correction represents timing rather than trend reversal.

Market Highlights

Land

Land activity collapsed in March as institutional players paused acquisition strategies, recording just 186 transactions worth AED 4.5 billion a 56.5 percent volume decline and 60.2 percent value contraction from February. The sharp drop follows two months of robust land banking and reflects developers reassessing pipeline timing ahead of the 11,036 apartments and 2,005 villas scheduled for April handover. Strategic acquisitions were limited to smaller infill parcels, with large-scale master plan site purchases notably absent from the monthly tally. The land market's freeze indicates a strategic pause as the market digests substantial incoming supply.

Off-Plan

Off-plan sales maintained market dominance in March despite the broader contraction, accounting for 9,936 residential transactions (73.2 percent of volume) valued at AED 29.2 billion. However, both metrics represented significant declines from February's 10,974 transactions and AED 33.3 billion. The average off-plan transaction value compressed to AED 2.94 million, down from February's AED 3.05 million, reflecting reduced villa participation in the mix.

Ready sales totaled 3,029 transactions worth AED 7.8 billion. The off-plan segment's resilience relative to ready stock capturing three-quarters of residential value despite the downturn underscores continued investor preference for structured payment plans and future delivery schedules, even as immediate absorption slowed.

Rentals

Rental Transactions

Dubai's leasing market underwent its sharpest seasonal correction of the quarter, with March registering 26,860 new rental contracts a 27.8 percent decline from February's 37,185 registrations. Apartment leases fell 31.9 percent to 13,512 contracts as the post-holiday relocation rush concluded, while villa rentals dropped 27.8 percent to 1,593 contracts. The correction aligns with historical Q1 patterns where March typically shows reduced mobility ahead of summer months, though the magnitude exceeded seasonal norms, suggesting tenant retention in existing units as sales market uncertainty increased.

Commercial Leasing Breakdown

Commercial leasing activity mirrored the sales market's sharp March adjustment, with total new contracts reaching 11,792 down 22.1 percent from February. Office leases declined 20.6 percent to 6,524 contracts as corporate relocation schedules normalized, while retail/showroom registrations fell 28.8 percent to 1,421 deals following January and February's active tenant positioning. Industrial leasing contracted 38.2 percent to 188 contracts, reflecting completed logistics absorptions in Dubai South.

The "other" category, encompassing staff accommodation, declined 20.9 percent to 3,659 leases. The breadth of the correction suggests market participants are reassessing space requirements ahead of potential economic adjustments.

Apartments

The apartment segment provided the market's most stable foundation in March despite the headline contraction, with 10,720 units transacting for AED 22.4 billion. Off-plan dominance continued at 76.7 percent of volume (8,217 deals, AED 18.1 billion), while ready sales contributed 2,503 units (AED 4.3 billion). Pricing held relatively firm at AED 2,030.8 per square foot for off-plan units, indicating developer pricing power remained intact despite reduced velocity. Top off-plan performers Damac Island City (811), Dubailand Residence (723), and JVC (636) maintained leadership positions though at reduced scales. Secondary market activity concentrated in JVC and Business Bay, where rental yield security supported investor decisions despite broader uncertainty.

Rentals

Villa & Townhouses

Villa transactions normalized further in March to 2,245 deals worth AED 14.6 billion, extending February's correction pattern. Off-plan villa sales reached 1,719 units (AED 11.1 billion) while ready stock contributed 526 transactions (AED 3.5 billion). The segment's average ticket size compressed significantly as the market moved away from January's luxury peak, with off-plan units averaging lower per-unit values than the previous month. Damac Hills 2 and Dubai Hills Estate maintained community-level interest, though transaction volumes retreated to sustainable quarterly averages. The correction positions the segment for selective recovery as new phases release in Q2.

Commercial Properties

Commercial sales collapsed to 414 transactions worth AED 2.2 billion in March, representing the steepest monthly decline across all sectors. The 47.6 percent value contraction reflects both reduced transaction counts and smaller average deal sizes, as investors paused capital deployment ahead of clearer economic signals. Office assets in Business Bay and DIFC saw limited activity, while retail and industrial segments experienced proportional declines.

The AED 2.2 billion monthly total represents the lowest commercial sales value since mid-2024, suggesting institutional investors are reassessing yield requirements against rising operational costs.

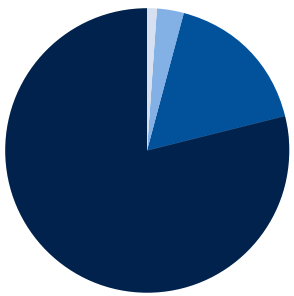
Land Plots

Land transactions froze in March, with only 186 deals registering AED 4.5 billion in value, a 60.2 percent monthly decline. The contraction follows February's volume increase but value drop, indicating developers completed strategic acquisitions in early 2026 and entered a holding pattern. With April bringing 5,909 new apartments and 3,679 villas to market, land banking activity paused as stakeholders assessed absorption rates for incoming supply. The lack of large-scale plot acquisitions suggests a strategic pivot toward project completion rather than new groundbreaking.

Sales Transactions

Month on Month | Feb 2026 - Mar 2026

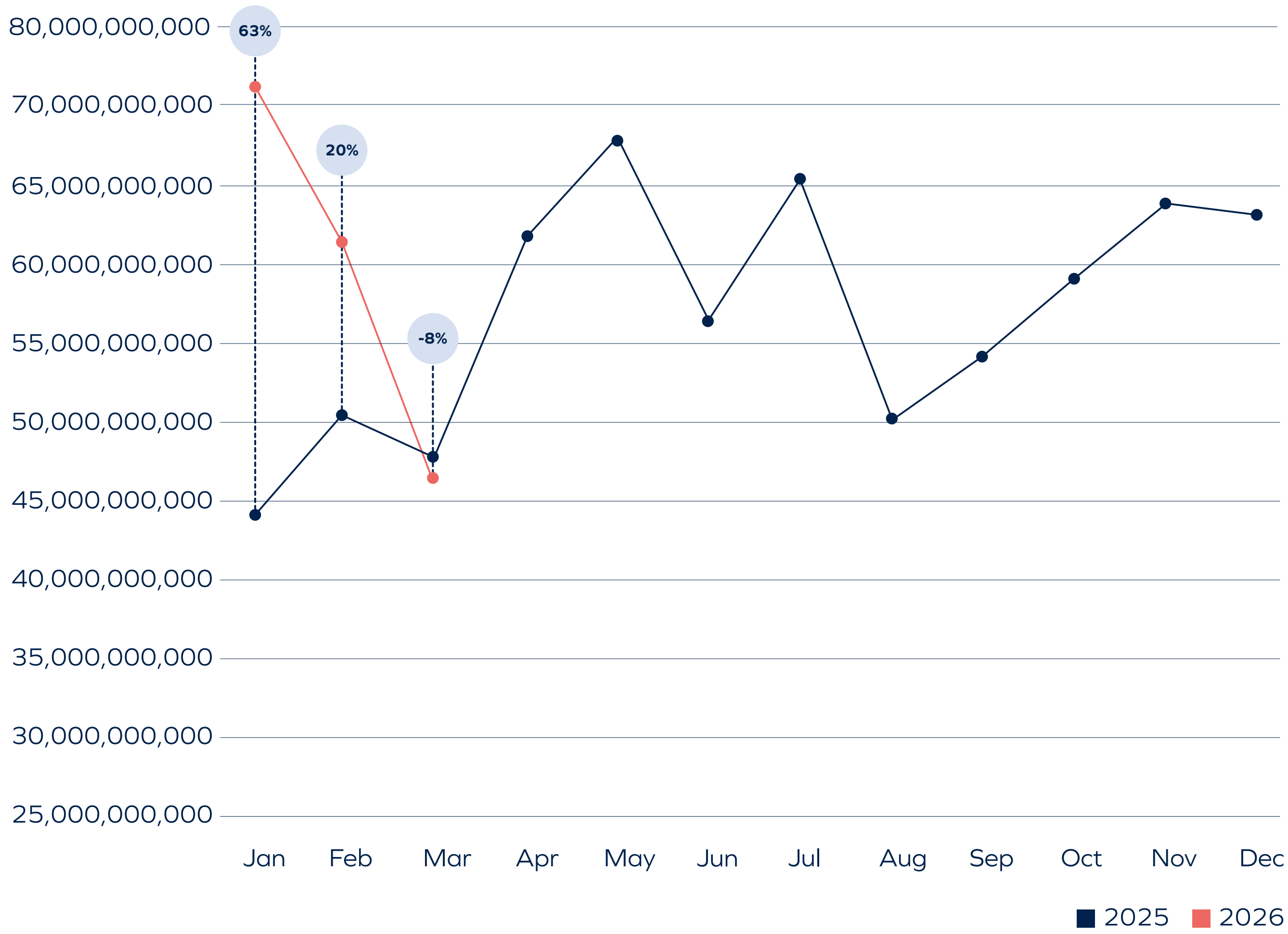
	Feb Transactions	Feb Value (AED)	Mar Transactions	Mar Value (AED)	Value Change %
Apartments	13,081	27,200,000,000	10,720	22,400,000,000	-17.65%
Villas	2,792	18,700,000,000	2,245	14,600,000,000	-21.93%
Commercial	819	4,200,000,000	414	2,200,000,000	-47.62%
Plots	428	11,300,000,000	186	4,500,000,000	-60.18%
Total	17,120	61,400,000,000	13,565	43,700,000,000	-28.83%



Apartments	79%
Villas	17%
Commercial	3%
Plots	1%

Transactions Value - Graph

2024 v/s 2025



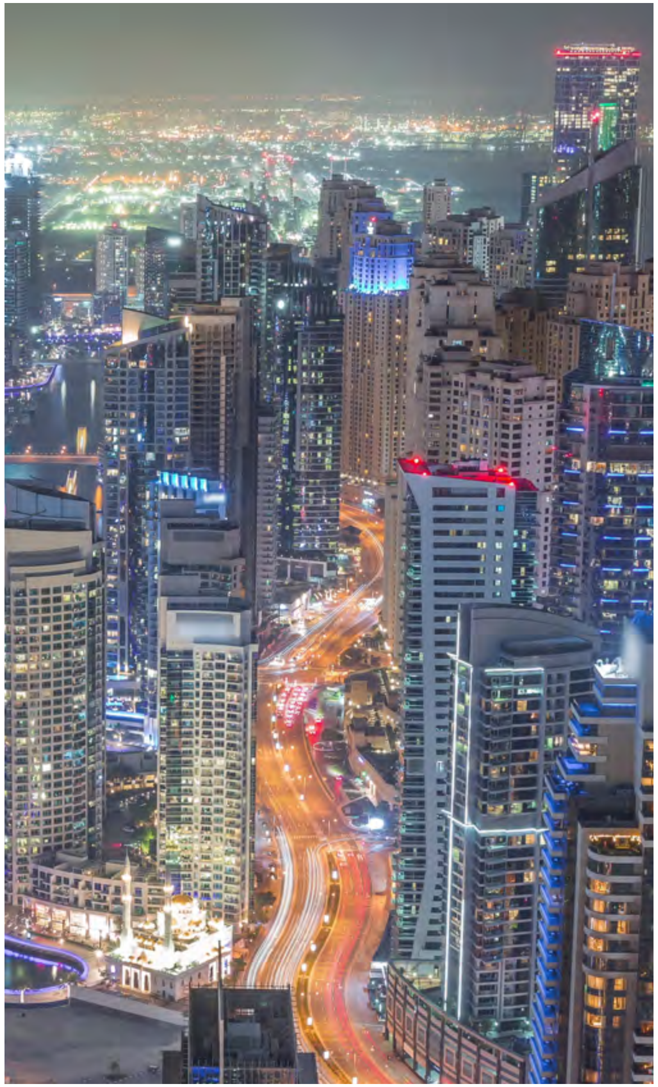
February's AED 61.4 billion and falling 7.6 percent below March 2025's AED 47.3 billion. The contraction was led by land values collapsing 60.2 percent to AED 4.5 billion, commercial sales dropping 47.6 percent to AED 2.2 billion, and villa transactions declining 22.0 percent to AED 14.6 billion. Apartments provided relative stability, falling 17.7 percent to AED 22.4 billion but maintaining the largest value share.

The monthly total represents a normalization toward sustainable quarterly averages after January and February's exceptional liquidity.

Transactions Value

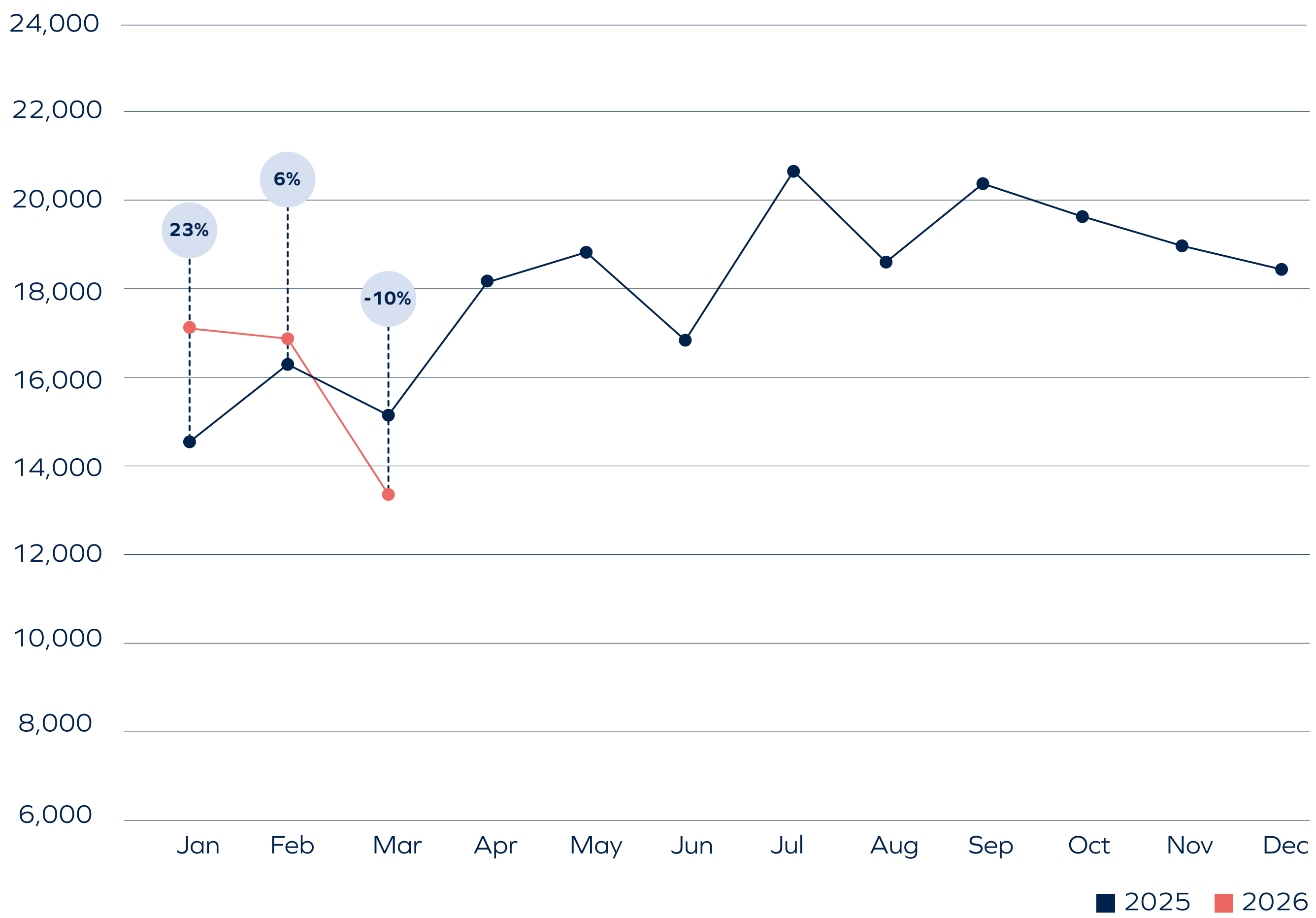
2025 v/s 2026

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**	**43,700,000,000**
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 13,565 property transactions in March 2026, down 20.8 percent from February's 17,120 deals and 10.5 percent below March 2025's 15,150 transactions. Apartment volumes fell 18.0 percent to 10,720 units, while villa transactions declined 19.6 percent to 2,245.

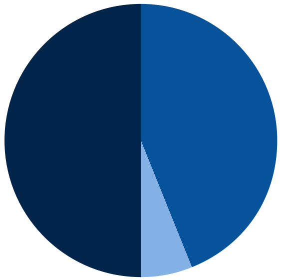
Land deals collapsed 56.5 percent to 186 transactions, and commercial sales dropped 49.4 percent to 414 deals. The broad-based volume contraction across all asset classes suggests market-wide recalibration rather than segment-specific stress, with participants pausing after intensive Q1 activity.

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**	**13,565**
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



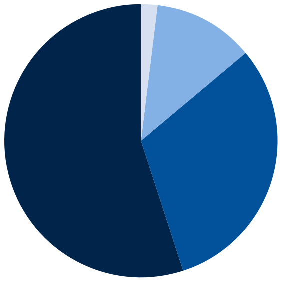
Apartments		50%
Villas		6%
Commercial		44%

	Feb	Mar	Volume Change %
Apartments	19,856	13,512	-31.95%
Villas	2,207	1,593	-27.82%
Commercial	15,122	11,755	-22.27%
Total	37,185	26,860	-27.77%

Leasing activity corrected sharply in March, with 26,860 new contracts signed down 27.8 percent from February's 37,185 registrations. Apartment leases led the decline, falling 31.9 percent to 13,512 contracts as the seasonal relocation window closed.

Villa rentals dropped 27.8 percent to 1,593 contracts, while commercial leasing retreated 22.3 percent to 11,755 deals.
The magnitude of the correction exceeded typical seasonal patterns, suggesting tenant retention increased as sales market uncertainty prompted longer-term lease commitments.

Commercial Rental Breakdown



■	Shops/Showroom	12%
■	Office	55%
■	Industrial	2%
■	Others	31%

	Feb	Mar	Volume Change %
Shops/Showroom	1,997	1,421	-28.84%
Office	8,218	6,524	-20.61%
Industrial	304	188	-38.16%
Others	4,625	3,659	-20.89%
Total	15,144	11,792	-22.13%

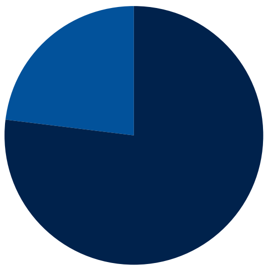
Commercial leasing registered 11,792 new contracts in March, a 22.1 percent decline reflecting reduced business mobility and space reconfigurations. Office leases declined 20.6 percent to 6,524 contracts, maintaining relative resilience compared to retail's 28.8 percent drop to 1,421 showroom deals.

Industrial leasing experienced the steepest correction at 38.2 percent (188 contracts), completing prior absorptions in logistics corridors. The "other" category fell 20.9 percent to 3,659 leases. Despite the contraction, occupancy rates in prime business districts remained stable, suggesting the correction represents lease timing rather than demand erosion.

Residential Off Plan v/s Secondary Sales

Sales Volume		
	Off-Plan	9,936
	Ready	3,029

Residential Breakdown	Off Plan	Ready
Apartments	8,217	2,503
Villas	1,719	526

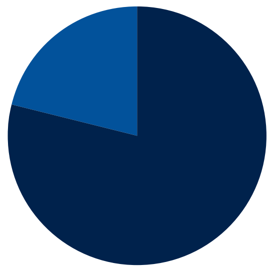


■	Off-Plan	77%
■	Ready	23%

Off-plan sales maintained structural dominance in March despite the downturn, capturing 9,936 residential transactions (73.2 percent of volume) valued at AED 29.2 billion. Ready sales contributed 3,029 deals worth AED 7.8 billion. While off-plan volumes declined 9.4 percent from February's 10,974 units, the segment retained market leadership as investors continued favoring payment flexibility over immediate possession.

Sales Value (AED)		
	Off-Plan	29,220,000,000
	Ready	7,800,000,000

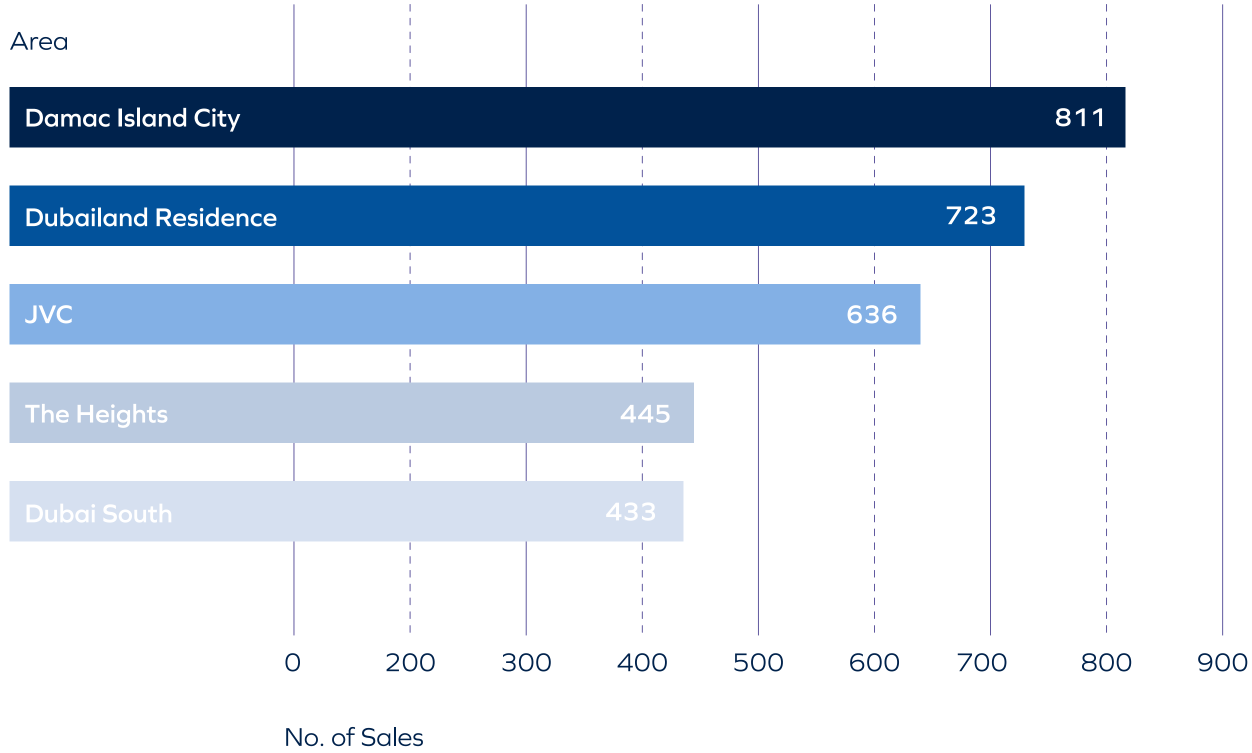
Residential Breakdown	Off Plan	Ready
Apartments	18,105,000,000	4,340,000,000
Villas	11,115,000,000	3,460,000,000



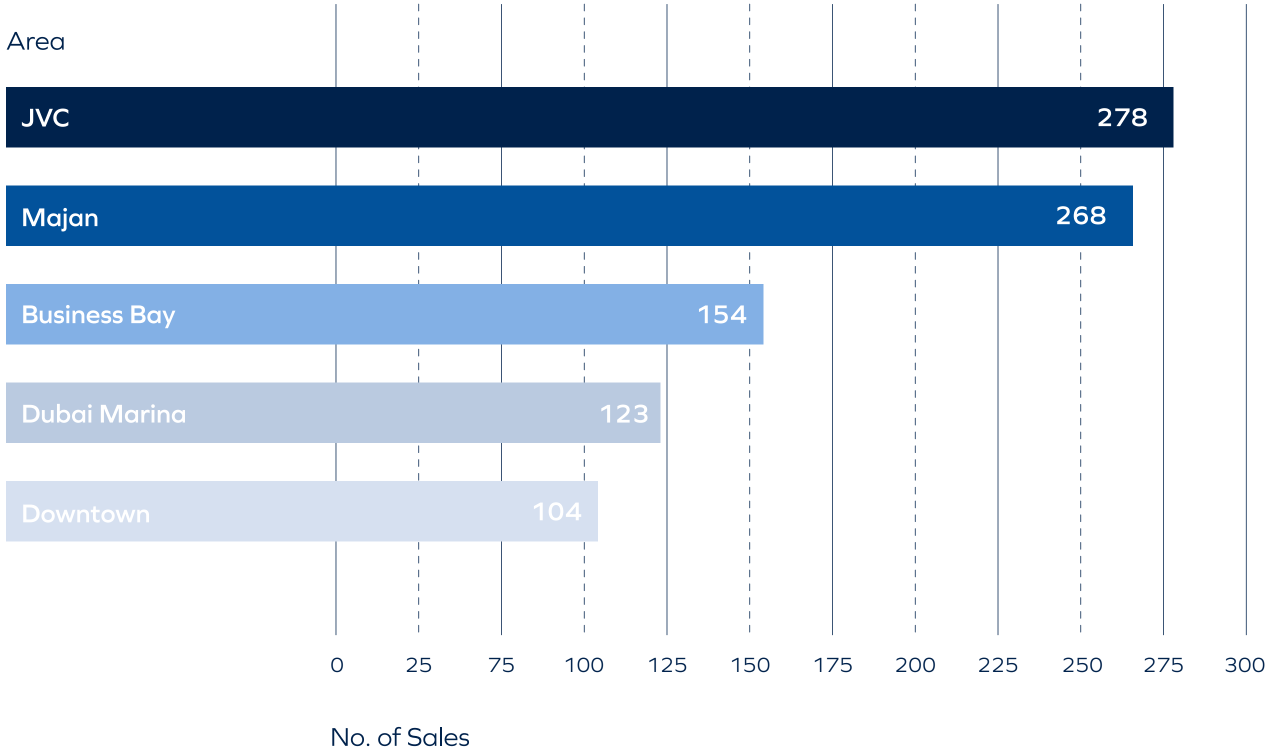
■	Off-Plan	79%
■	Ready	21%

The off-plan value share reached 78.9 percent of residential totals, up from February's 72.6 percent, as ready stock experienced proportional declines. Cash buyers dominated at 76 percent of residential transactions (9,857 cash versus 3,108 mortgage).

Top 5 Performing Areas - Off Plan Sales



Top 5 Performing Areas - Secondary Sales



Residential Breakdown

Apartments anchored residential activity in March with 10,720 sales totaling AED 22.4 billion, split between 8,217 off-plan deals (AED 18.1 billion) and 2,503 ready transactions (AED 4.3 billion). Villas registered 2,245 deals worth AED 14.6 billion, comprising 1,719 off-plan sales (AED 11.1 billion) and 526 ready deals (AED 3.5 billion).

Off-plan pricing averaged AED 2,030.8 per square foot, down marginally from February's AED 2,063, while ready stock adjusted to AED 1,647.9 per square foot. The mix shift toward apartments (82.7 percent of residential volume) reflected reduced luxury villa inventory releases and end-user caution in high-ticket segments.

Top Performing Areas – March 2026

Off-Plan Sales

March off-plan activity concentrated in established master plans as new launches paused, with Damac Island City retaining leadership at 811 sales despite the monthly contraction. Dubailand Residence followed with 723 transactions, while JVC maintained third position with 636 deals both showing resilience in mid-market positioning.

The Heights emerged as a notable performer with 445 sales, and Dubai South rounded out the top five with 433 transactions, indicating logistics corridor appeal. All top performers recorded reduced absorption compared to February, reflecting broader market velocity adjustment rather than project-specific concerns.

Secondary Sales

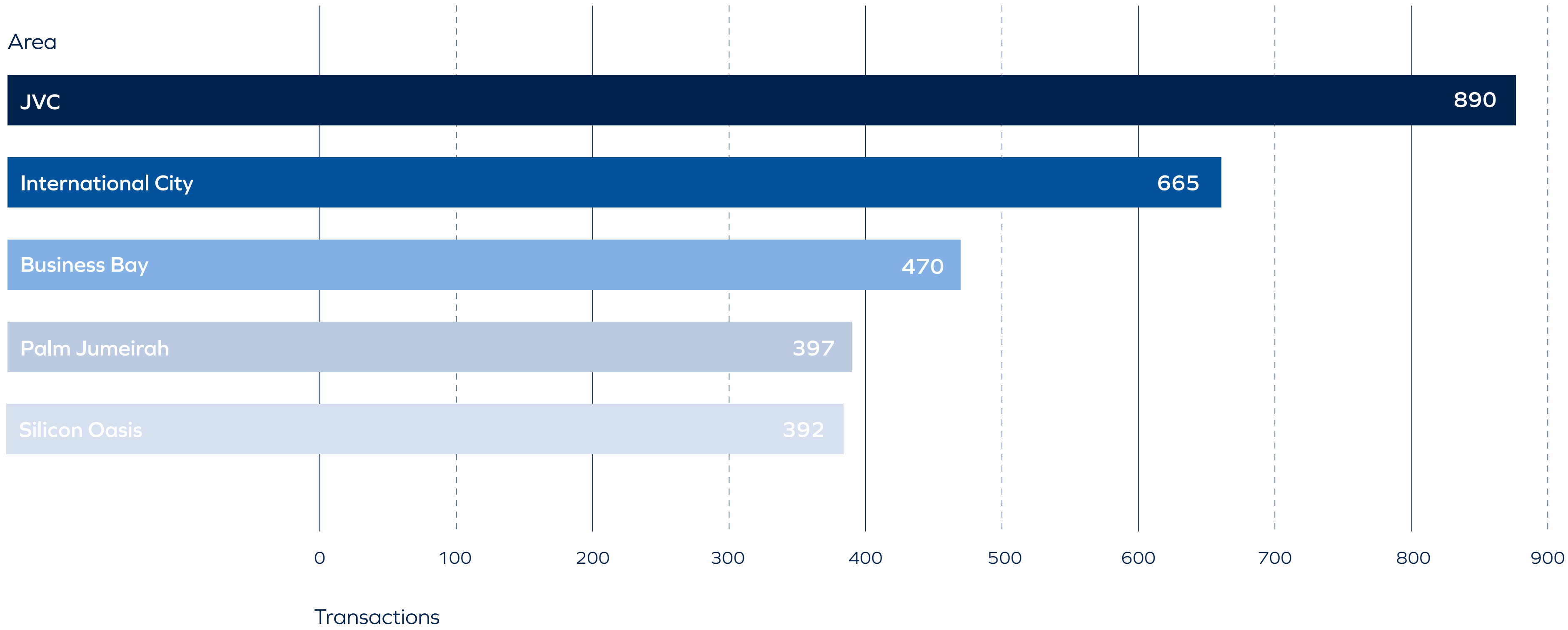
Ready market activity contracted proportionally in March, with JVC maintaining leadership in resale transactions despite overall volume declines. Business Bay and Dubai Marina sustained investor interest, though transaction counts reflected limited new listings and seller hesitation amid pricing uncertainty.

New Villa Rentals

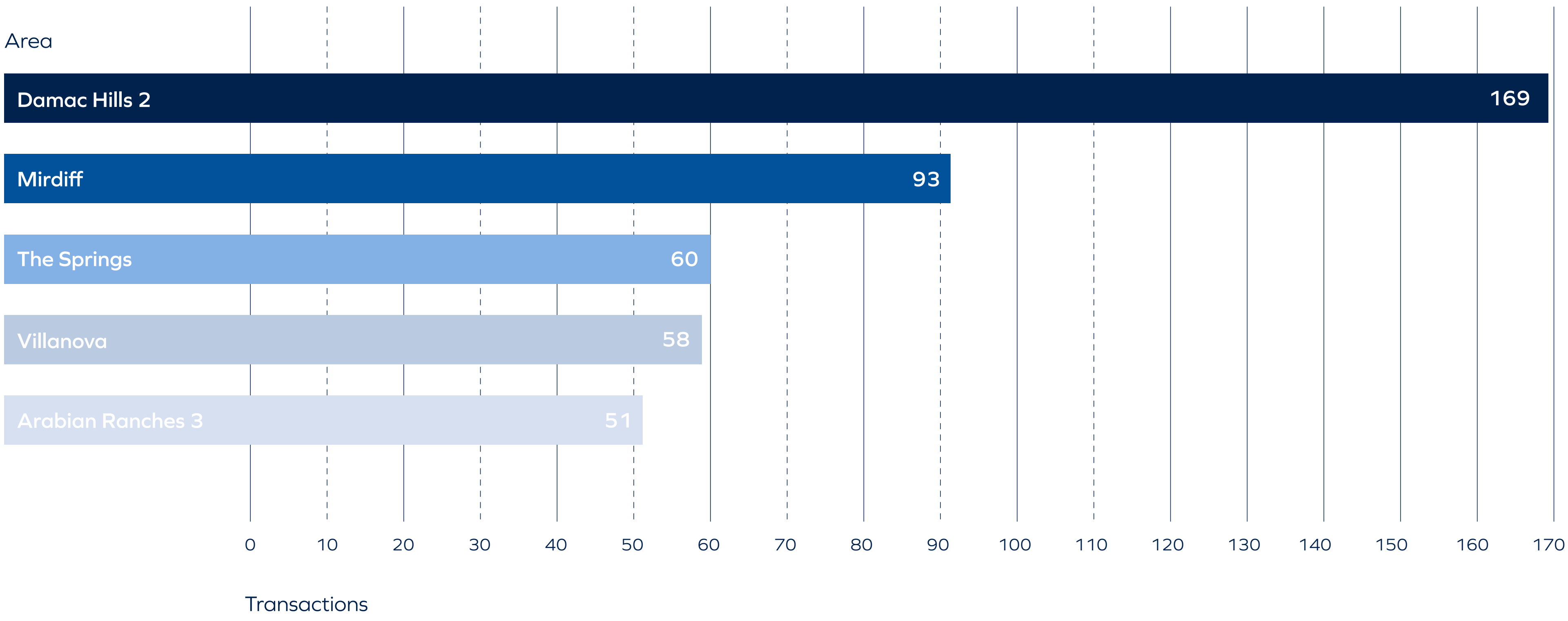
The villa leasing market corrected to 1,593 contracts in March, with activity concentrating in established family communities. Damac Hills 2 maintained leadership despite the seasonal decline, followed by Mirdiff and Mudon.

Dubai Hills Estate and Villanova retained positions in the top tier, though all recorded reduced registrations compared to February. The contraction reflected both seasonal patterns and families securing longer-term leases in January and February, reducing March mobility. Rental rates held firm in premium communities despite volume declines, indicating sustained demand for quality family housing.

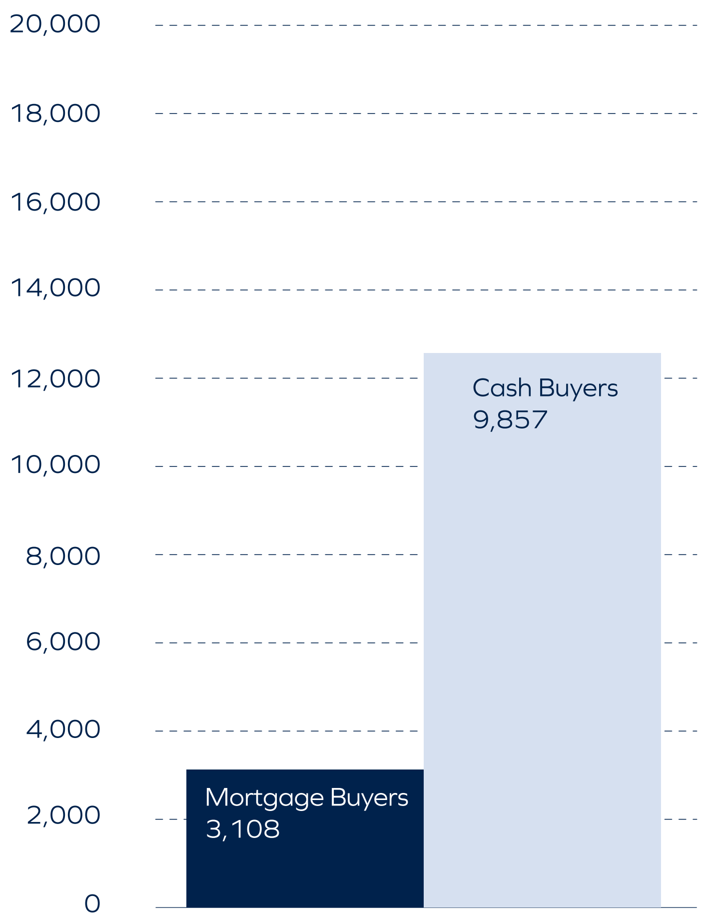
Top 5 Performing Areas - New Apartment Rentals



Top 5 Performing Areas - New Villa Rentals

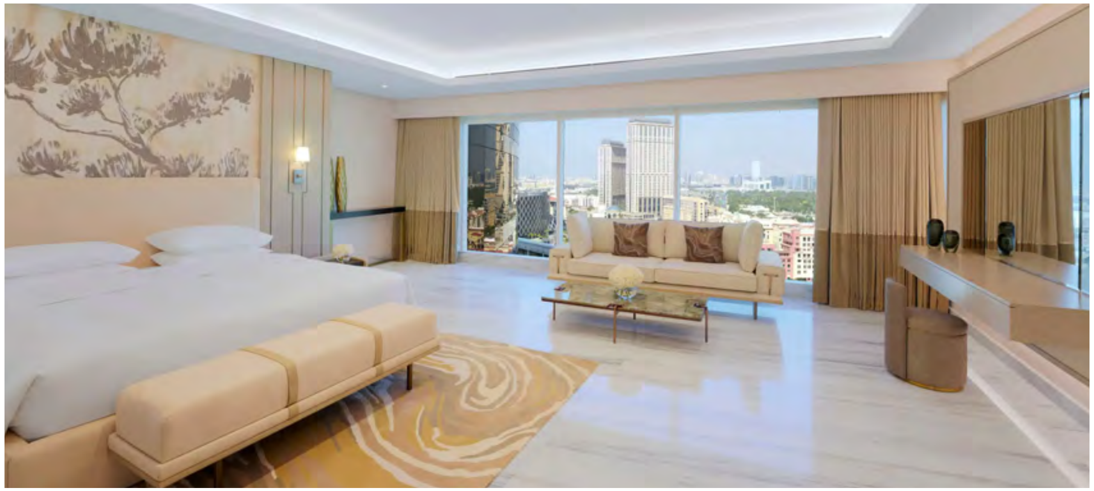


Residential Mortgage Buyers v/s Cash Buyers



	Mortgage Sales	Cash Sales
Apartments	2,268	8,452
Villas	840	1,405

Mortgage Transaction Value: AED 5,900,000,000



Mortgage Buyers v/s Cash Buyers

Cash transactions maintained supremacy in March despite market contraction, accounting for 76.0 percent of residential deals (9,857 cash versus 3,108 mortgage). Total mortgage value reached AED 5.9 billion, yielding an average loan size of approximately AED 1.9 million—down from February's AED 2.39 million as villa financing participation declined.

Apartments showed 78.9 percent cash preference (8,452 cash versus 2,376 mortgage), while villas retained higher financing activity at 62.6 percent cash (1,405 cash versus 840 mortgage). The reduced mortgage volumes reflect both lower transaction counts and conservative bank lending during the market adjustment.

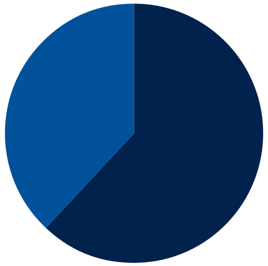
Price Trends and New Supply

Dubai's residential pricing showed mixed signals in March, with off-plan rates moderating to AED 2,030.8 per square foot down 1.6 percent from February's AED 2,063 but maintaining a 14.3 percent premium over March 2025's AED 1,778. Ready property prices adjusted to AED 1,647.9 per square foot, declining 6.3 percent month-on-month from AED 1,758. The divergence suggests off-plan developers maintained pricing discipline despite reduced velocity, while ready sellers accepted modest discounts to secure transactions during the correction.

Looking ahead, April brings substantial new inventory with 5,909 apartments and 3,679 villas scheduled for handover representing the largest monthly supply injection of 2026. This influx arrives as transaction velocity normalizes and pricing adjusts, potentially extending competitive pressures in the ready market. However, with population growth sustaining underlying demand and off-plan pricing power remaining intact, the market appears positioned to absorb incoming stock without destabilizing the broader pricing structure established in Q1.

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**	**2030.8**	**1647.9**
March	1,938.0	1,651.4	**March**	**2,032.6**	**1,648.6**
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**		



March Residential Supply

Apartments	5,909
Villa	3,679

Expert Insights

Dubai's real estate market faced its most severe test in March 2026, with transaction value plummeting 28.8 percent to AED 43.7 billion across 13,565 deals. This correction sharper than typical seasonal patterns reflects the immediate impact of the Strait of Hormuz crisis following late February's regional escalation, alongside global trade uncertainty and the temporary suspension of Jebel Ali Port operations.

The geopolitical shock fundamentally altered investor risk calculus, with institutional capital retreating from commercial and land assets evidenced by commercial sales collapsing 47.6 percent and land values dropping 60.2 percent. However, Dubai's safe-haven status within the GCC partially cushioned the blow, as cash buyers maintained 76 percent market dominance and off-plan pricing held firm above AED 2,000 per square foot despite reduced velocity.

The divergence between asset classes revealed distinct investor psychology during crisis periods. Apartments demonstrated relative resilience, falling 18 percent in volume while maintaining pricing at AED 2,030 per square foot, supported by end-user demand in mid-market hubs like JVC and Dubailand Residence where rental yields of 6-8 percent provided downside protection. Conversely, luxury villas typically discretionary purchases by international investors contracted 22 percent in value as global wealth advisors deferred high-ticket acquisitions pending maritime stability. Mortgage activity compressed to AED 5.9 billion as banks conservatively reassessed income stability for trade-sector employees, though base rates remained accommodative at 4.15 percent following the US Federal Reserve's late-2025 cuts.

The rental market provided an early indicator of underlying economic stress, with new contracts falling 27.8 percent to 26,860 leases exceeding typical seasonal corrections as expatriate hiring froze in logistics and trading sectors dependent on Jebel Ali throughput. Commercial leasing proved more defensive than sales, with office contracts declining 20.6 percent versus retail's 28.8 percent drop, suggesting businesses maintained occupancy commitments despite deferring expansion plans.

Expert Insights

This stickiness in existing tenancies, combined with the 11,792 commercial leases signed despite the crisis, indicates that Dubai's occupier base views the disruption as temporary rather than existential, preserving the revenue streams that underpin property valuations.

As the market enters April facing substantial supply headwinds 5,909 apartments and 3,679 villas scheduled for handover against this risk-off backdrop developer strategy has pivoted decisively toward preservation. With land transactions frozen at just 186 deals and new launches sharply curtailed, the industry is conserving liquidity to complete existing pipelines rather than expanding footprints.

Historical patterns suggest that Dubai typically strengthens following regional volatility as regional and international capital seeks stability; the AED 130 billion in pent-up demand from January-February's record activity provides substantial recovery fuel. Should Hormuz shipping normalize by late April, the market appears positioned for a sharp Q2 rebound, potentially establishing 2026 as a year of two distinct phases: crisis-depressed Q1 and recovery-driven Q2-Q4.

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