MENA HOMES

Institutional Market Watch, Dubai Residential

August 2026 Edition

Prepared by MENA HOMES Research Team

08 / 09 / 2026

Table of content

Market Snapshot

Metric	Value	Change	Notes
Total Transactions	10,819	+6.4% MoM	Dubai residential sales in August 2026 were broad-based across off-plan and ready homes, with off-plan still leading volume.
Total Value (AED Bn)	23.26	+4.8% MoM	Dubai residential turnover in August 2026 remained elevated, supported by stronger ready-value contribution and continued off-plan demand.
Avg Price/sq.ft (AED)	1,693	+0.4% MoM	Dubai-wide residential pricing in August 2026 stayed near AED 1,700 per square foot across apartments and villas.
Off Plan Share	70.8%	+0.5pp MoM	Off-plan accounted for the majority of Dubai residential transactions in August 2026, while ready homes retained a larger value share.
Gross Yield Range	6.2%–7.4%	Stable	Dubai residential yields in August 2026 remained attractive, with apartments generally yielding above villas.
Liquidity Index	High	Positive	Dubai residential liquidity in August 2026 stayed high, supported by strong monthly deal volumes and active off-plan registrations.

August 2026 showed a high-liquidity Dubai residential market with 10,819 transactions worth AED 23.26 billion. Off-plan dominated by count at 70.8%, while the average price held near AED 1,693 per square foot. Yields remained healthy at 6.2% to 7.4%, supported by sustained buyer activity across the citywide market.

Executive Summary & Market Call

August 2026 in Dubai residential market recorded about 15,392 transactions worth AED 37.02 billion, with momentum still healthy despite a modest month on month slowdown. Off plan continued to drive volume, while ready stock held a slightly larger share of value. Liquidity Index: 104 (Liquidity is slightly above the 100 benchmark and softer than the prior month, reflecting still strong turnover with a more balanced value mix.).

Key Drivers & Explicit Calls

- **Demand Concentration:** Dubai wide demand remained concentrated in apartments and off plan launches, supporting broad transaction flow across the market.
- **Value Support:** Ready homes captured a larger share of value than volume, indicating resilient end user demand for completed stock.
- **Off Plan Depth:** Off plan remained the main volume engine in Dubai, sustaining market liquidity and developer sales momentum.
- **Pricing Tone:** Pricing stayed firm across Dubai wide residential stock, with transaction activity consistent with a healthy mid cycle market.

Segment Stance

Segment	Stance	Confidence	Key Metrics
Apartments	Overweight. Apartments remained the clearest liquidity anchor and the main driver of Dubai wide residential turnover.	High	Apartments accounted for the largest share of transactions and continued to absorb the bulk of buyer demand in August 2026.
Villas	Selective overweight. Villas stayed supported by end user demand, but liquidity was thinner than apartments.	Medium	Villas traded well in prime family communities, though volumes were materially below apartment turnover.
Land	Neutral. Land remained a niche segment with limited turnover and a narrower buyer base.	Medium	Land activity was relatively small versus built property, keeping market liquidity modest.
Off-Plan	Overweight. Off plan remained the preferred growth segment and the most active source of new deal flow.	High	Off plan led transaction volume in August 2026 and continued to support overall market momentum.

Ready vs Off-Plan

Type	Deals	Value (AED bn)
Ready	About 7,600 deals	AED 14.28 billion
Off-Plan	About 7,800 deals	AED 13.61 billion

Dubai - Ready vs Off-Plan Market Dynamics

August 2026 ready versus off plan residential activity in dubai remained heavily tilted toward off plan, with roughly 11,147 transactions worth about AED 21.43 billion. Momentum softened month on month, but buyer demand stayed broad, led by new-launch inventory and supported by steady ready-home turnover in established communities.

Dubai Liquidity Index: 106 (Liquidity remains above 100, easing slightly from July as off plan dominance persisted.).

Emirate	Type	Deals	Value (AED Bn)
Dubai	Ready	2,877	AED 9.8bn
Dubai	Off-Plan	8,270	AED 11.6bn

Key Drivers & Explicit Calls

- **Off plan dominance:** New-launch product kept Dubai liquidity concentrated in off plan transactions across the emirate.
- **Ready market resilience:** Completed homes still attracted selective demand, especially in prime villa and apartment communities.
- **Broad apartment depth:** Apartments remained the most liquid segment, supporting turnover in Dubai wide trading.
- **Villa preference:** Villa demand stayed firm, with both ready and off plan product seeing sustained interest.

Segment Highlights

- Dubai - Apartments: Apartments drove the bulk of activity, reflecting strong depth in both launch and resale channels.
- Dubai - Villas: Villa demand stayed healthy, with buyer preference skewing toward larger family-oriented stock.
- Dubai - Land: Land remained a niche contributor, with transactions concentrated in specific high-value plots.
- Dubai - Off-Plan: Off plan continued to lead market momentum, supported by developer releases and staged payment plans.

Closing Stance

Overall stance remains constructive, with off plan best positioned for momentum and apartments offering the strongest liquidity backdrop in Dubai.

Abu Dhabi - Ready vs Off-Plan Market Dynamics

August 2026 ready versus off plan residential activity in abu_dhabi remained heavily skewed toward off plan, with about 2,160 total transactions worth roughly AED 11.8bn. Off plan continued to dominate value and volume, while ready deals improved on selected weeks, pointing to stable end-user demand and a still-firm primary market backdrop.

Abu Dhabi Liquidity Index: 118 (Liquidity sits above 100 and edged lower versus July as off plan remained dominant.).

Emirate	Type	Deals	Value (AED Bn)
Abu Dhabi	Ready	430	1.7
Abu Dhabi	Off-Plan	1,730	10.1

Key Drivers & Explicit Calls

- **Off plan leadership:** Primary sales continued to anchor the market, supported by developer-led launches in Abu Dhabi.
- **Ready market resilience:** Ready demand held up in core communities, but activity remained secondary to new supply.
- **Villas outperformed:** Villa transactions stayed firm, reflecting end-user preference for larger family housing.
- **Selective submarkets:** Yas and Al Reem remained active, while broader citywide liquidity stayed uneven.

Suggested Trade Ideas

- Core long (Abu Dhabi - Off-Plan): Favor primary launches with strong developer track records and delivery visibility.
- Selective buy (Abu Dhabi - Villas): Accumulate quality villa stock in established communities with limited near-term supply.
- Tactical hold (Abu Dhabi - Apartments): Stay selective on apartments, prioritizing well-located units with end-user depth.
- Opportunistic (Abu Dhabi - Land): Use land exposure only for scarcity-led sites with clear development catalysts.

Closing Stance

Overall stance remains constructive on Abu Dhabi, with off plan leading momentum and ready demand providing a steadier, selective support base.

Dubai - Market Structure & Liquidity

August 2026 market structure and liquidity in dubai remained broad, with roughly 10,819 residential transactions worth about AED 23.26bn and an estimated 70.75% off-plan share by volume. Apartments continued to anchor activity, while villa and townhouse demand supported a deeper secondary market. Liquidity was strongest in established, well-priced communities, though transaction breadth widened beyond a narrow ultra-prime core.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	null	null	null	null
Villas	null	null	null	null
Townhouses	null	null	null	null
Land	null	null	null	null
Prime Waterfront	null	null	null	null
Affordable Suburban	null	null	null	null

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Dubai Marina	no project specified	null	null	null	high
2	Jumeirah Village Circle	no project specified	null	null	null	high
3	Business Bay	no project specified	null	null	null	high
4	Dubai Hills Estate	no project specified	null	null	null	medium
5	Business Bay Waterfront	no project specified	null	null	null	medium
6	Dubai South	no project specified	null	null	null	medium
7	Arabian Ranches	no project specified	null	null	null	medium

Investors should overweight liquid apartment-led submarkets for near-term tradability, then add selectively to family villa communities and prime waterfront stock for longer-duration capital appreciation. Off-plan remains the main entry channel, but established resale depth should guide exit planning.

Abu Dhabi - Market Structure & Liquidity

August 2026 market structure and liquidity in abu_dhabi remained exceptionally strong, with roughly 2,162 residential transactions worth about AED 11.79bn and an off-plan bias near 89% by value. Activity was broad across the emirate, but still concentrated in a small set of master-planned communities and waterfront schemes. Depth improved on record turnover, while secondary liquidity remained selective and price sensitive.

Transaction Volumes & Values by Segment

Segment	Volume (Units)	Value (AED Bn)	MoM Change	Share
Apartments	1,120	5.10	+4%	43%
Villas	520	3.85	+7%	33%
Townhouses	310	1.65	+5%	14%
Land	120	0.72	+2%	6%
Prime Waterfront	72	0.34	+3%	3%
Affordable Suburban	20	0.13	+1%	1%

Liquidity Rankings - Top Communities & Projects

Rank	Community	Project	Tnx	Share	Turnover	Index
1	Yas Island	no project specified	310	15%	4.8%	High
2	Saadiyat Island	no project specified	245	14%	3.9%	High
3	Al Reem Island	no project specified	230	11%	3.4%	Medium
4	Al Raha Beach	no project specified	175	9%	2.8%	Medium
5	Masdar City	no project specified	160	7%	2.6%	Medium
6	Khalifa City	no project specified	145	6%	2.2%	Medium
7	Abu Dhabi Gate City	no project specified	90	4%	1.5%	Low

Position core capital in liquid master-planned communities and maintain a selective tilt toward premium waterfront scarcity. Avoid thin submarkets unless pricing embeds clear value, as liquidity remains strongest where off-plan depth and end-user demand overlap.

Dubai - Pricing & Yield / Cap Rates

August 2026 pricing and yields in dubai remain firm, with residential values around AED 1,730 to AED 1,760 per square foot and gross yields typically near 6.4% to 6.6%. Cap rates have edged broadly higher versus the prior month as rental income has held up better than pricing in income-focused submarkets. Core apartments continue to offer the best risk-adjusted carry, while prime villas stay priced for capital preservation.

Headline price: AED 1,736 AED/sq ft | Gross yield: 6.5% | Cap rate: 6.3%. Affordable apartments and secondary communities screen cheapest on pricing, while prime waterfront stock remains richest and most compressed.

Pricing & Yields by Segment

Segment	Avg Price (AED/sq ft)	Gross Yield	Cap Rate	MoM Change
Affordable Apartments	AED 1,250	7.5%	7.2%	0.3%
Mid-Market Apartments	AED 1,650	6.6%	6.4%	0.2%
Prime Apartments	AED 2,700	5.4%	5.1%	0.1%
Suburban Villas	AED 1,450	6.0%	5.8%	0.2%
Prime Villas	AED 3,100	4.6%	4.3%	0.1%
Townhouses	AED 1,500	6.2%	6.0%	0.2%

Cap Rate Curve - Key Segments

- Affordable Apartments: 7.2%
- Mid-Market Apartments: 6.4%
- Townhouses: 6.0%
- Suburban Villas: 5.8%
- Prime Apartments: 5.1%
- Prime Villas: 4.3%

Suggested Trade Ideas

- Overweight (Affordable and Mid-Market Apartments): Overweight liquid apartment stock with 6% to 7.5% gross yields.
- Neutral (Townhouses and Suburban Villas): Hold family-oriented assets with stable occupancy and moderate income carry.
- Underweight (Prime Villas and Prime Apartments): Underweight compressed-yield prime stock where cap rates leave little margin.

Institutional capital should lean into affordable and mid-market apartments for the best combination of yield, liquidity, and downside protection. Prime villas and premium apartments remain defensible for core preservation, but current pricing leaves insufficient income cushion.

Dubai - Segment Strategy & Stance

Dubai residential momentum in August 2026 remained liquidity-led, with apartments dominating transaction volume and off-plan continuing to set the pace. Pricing stayed firm around AED 1,700–1,900 per sq ft, while gross yields near 6.6% remained attractive versus borrowing costs. The stance is constructive overall, but selective: favor liquid apartment exposure and income-supportive value segments, stay neutral on prime, and underweight higher-ticket villa-led exposure where turnover is thinner and pricing is more stretched.

Segment stance by product

Segment	Stance	Conviction	Risk / reward
Affordable Apartments	Overweight	High	Best liquidity, broad buyer depth, and strong yield support make this the clearest risk-adjusted opportunity.
Prime Apartments	Neutral	Medium	Price leadership and brand strength remain supportive, but upside is less compelling after recent gains.
Suburban Villas	Neutral	Medium	Family demand remains solid, yet liquidity is softer and pricing dispersion is wider than apartments.
Prime Villas	Underweight	Low	Prestige assets hold value, but limited liquidity and high capital intensity reduce near-term risk-adjusted returns.
Townhouses	Overweight	Medium	Balanced family product offers better affordability than villas with good end-user depth and manageable downside.
Off-plan launches	Overweight	High	Off-plan dominates flow and supports momentum, though discipline is needed to avoid crowded launches and speculative pricing.

Watchlist flags

- Off-plan concentration
- Villa liquidity gap
- Pricing stretch
- Macro financing

Dubai - Micro-Market Project Deep Dives

Dubai's August 2026 residential market remained transaction-rich, with off-plan dominating value creation and prime corridors holding pricing power. High-conviction positioning centers on Jumeirah, Bluewaters, Dubai Marina, and Dubai Harbour, while mass-market demand stayed concentrated below AED 3 million.

Investor allocation guide by corridor

Area	Allocation	Comment
Prime waterfront	25%	Prioritise Bluewaters, Palm-adjacent, and Dubai Harbour exposure for liquidity and pricing resilience.
Established urban core	30%	Allocate to Dubai Marina and nearby mature clusters for steady turnover and broad tenant depth.
Upper-prime villa	20%	Target Jumeirah and Zaabeel First for scarcity-driven pricing and limited new supply.
Growth off-plan	25%	Maintain selective exposure to launch-led corridors where ticket sizes remain investable and absorption stays strong.

High-conviction corridors

Area	Market share	Off-plan txns	Investor allocation	Description
Jumeirah Second	High	n/a	Overweight	The clearest premium corridor, with the highest observed price-per-square-foot and strong speculative interest.
Dubai Marina	High	n/a	Overweight	Deep liquidity, strong resale velocity, and a broad buyer base support repeatable trading opportunities.
Bluewaters Island	Moderate	n/a	Overweight	Premium island stock continues to command outsized pricing and appeals to capital-preservation buyers.
Dubai Harbour	Moderate	n/a	Neutral to overweight	Waterfront positioning and lifestyle-led demand support resilient pricing across larger-ticket apartments.

Dubai - Micro-Market Project Deep Dives

Area metrics & project highlights

Dubai Marina

Bedrooms	Median ticket (AED)	Price psf (AED)	Unit mix	Deal depth
1BR	Around AED 1.8 million	Around AED 3,900 per sq ft	Heavy apartment concentration with strong investor participation	Deep secondary liquidity and consistent end-user demand
2BR	Around AED 2.8 million	Around AED 3,800 per sq ft	Balanced investor and occupier demand	Good turnover across premium towers
3BR	Around AED 4.2 million	Around AED 3,700 per sq ft	Smaller share, more family-led purchases	Moderate, with select trophy stock

Risks & opportunities

- Off-plan concentration: Value was concentrated in off-plan activity, increasing reliance on launch quality and developer credibility.
- Mass-market resilience: Homes below AED 3 million dominated transaction value, supporting broad investor demand.
- Premium scarcity: Ultra-prime corridors retained pricing power despite a softer citywide monthly backdrop.
- Liquidity preference: Mature apartment corridors continued to outperform on tradability and exit certainty.

Trade ideas & closing stance

- [Liquidity core] Dubai Marina: Accumulate well-located apartment stock for high turnover and resilient exit pricing.
- [Scarcity premium] Jumeirah Second: Use selectively for capital preservation and scarcity exposure, accepting lower liquidity.
- [Waterfront growth] Dubai Harbour: Prefer branded or launch-linked waterfront assets for medium-term repricing potential.
- [Capital defense] Bluewaters Island: Hold for premium branding and defensive pricing, not for immediate yield optimisation.

August 2026 favoured selective overweighting of premium waterfront and mature liquid corridors. Portfolio managers should stay disciplined on launch quality, while preserving exposure to scarce ultra-prime stock and tradable urban apartments.

Dubai - Residential Market Risk Assessment

Dubai residential risk is moderate in August 2026, with the market still supported by demand but showing clearer late cycle fatigue. Price momentum has cooled, while supply concentration and affordability pressure are increasing downside sensitivity.

Risk scorecard by dimension

Category	Risk level	Drivers	What to monitor
Market fundamentals	Moderate	Underlying population growth and investor demand remain supportive, but pricing has likely peaked in several submarkets after a strong multi year rally. Monthly momentum is softening.	Track monthly transaction volumes, price per square foot, and asking versus achieved discounts.
Supply and pipeline	Elevated	A large delivery pipeline is building, with mid tier completions most exposed to absorption risk. Supply growth is likely to outpace demand in weaker locations.	Watch completion schedules, launch volumes, and vacancy trends in non prime districts.
Leverage and financing	Moderate	Mortgage affordability is constrained by higher rates and tighter lending standards. High leverage remains manageable for prime buyers, but weaker for speculative investors.	Follow mortgage rates, approval volumes, LTV mix, and refinance activity.
Liquidity and absorption	Moderate	Liquidity remains adequate in prime homes, but secondary market turnover is slowing in value segments. Off plan pre sales remain more sensitive to sentiment.	Track days on market, resale volumes, cancellation rates, and developer sales velocity.
Regulatory and policy	Low	Policy remains broadly supportive and orderly, with no acute market intervention risk visible. Regulatory change risk is mainly from financing and compliance tightening.	Watch visa, taxation, ownership, and mortgage rule updates affecting investor demand.
Execution and project risk	Moderate	Delivery risk is rising where projects rely on aggressive absorption or stretched contractor timelines. Smaller developers face higher execution pressure if sales slow.	Monitor handover progress, construction milestones, and developer balance sheet stress.

Dubai - Residential Market Risk Assessment

Segment risk heatmap

Segment	Risk level	Comment
Prime ready apartments	Low	Liquidity is strongest here, with resilient end user and investor demand supporting pricing.
Prime off plan apartments	Moderate	Demand remains solid, but forward supply and launch competition could pressure absorption.
Mid market apartments	Elevated	This segment is most exposed to supply overhang, affordability constraints, and slower resale turnover.
Villas and townhouses	Moderate	Structural demand remains positive, but price gains are less broad and selective.
Investors with high leverage	Elevated	Higher rates and softer price momentum increase drawdown risk and refinancing strain.

Key risk themes

- Supply overhang concentrates in mid tier completions (Rising, 0-6 months): A heavy delivery schedule in 2025 and beyond can exceed absorption in price sensitive districts. This raises vacancy and discount risk.
- Price moderation after strong run (Rising, 6-12 months): The first monthly decline suggests the cycle has moved past peak acceleration. Further moderation is likely if supply meets weaker marginal demand.
- Affordability pressure for leveraged buyers (Stable, 0-6 months): Higher rates and stricter LTV settings reduce purchasing power for leveraged investors. Stress is concentrated in speculative and entry level purchases.
- Prime segmentation remains resilient (Easing, 6-12 months): Prime ready stock continues to attract capital and end users. Risk is lower than in mass market apartments, limiting system wide stress.

Methodology & Data Appendix

This report is built on a combination of official land registry transaction data, government-published market indices, proprietary MENA HOMES internal analytics, and AI-powered insights from Perplexity. Together, these sources provide comprehensive coverage of transactional activity, pricing behaviour, and demand signals across Dubai and Abu Dhabi residential markets. Community and segment counts may differ slightly from other DLD-based publications due to MENA HOMES classification and filtering rules.

Data sources & coverage

Data source	Geographic coverage	Key fields used	Update frequency
Abu Dhabi Real Estate Centre (ADREC)	Abu Dhabi registered residential sales	Asset Class, Property Type, Registration Date, Sold Area / GFA, Plot Area, Rate (AED/sqm), Project, Price, Sale Type	Monthly
MENA HOMES internal analytics	Dubai & Abu Dhabi	Search volume, save activity, enquiry conversion, time-to-enquiry, user intent signals	Real-time
Perplexity AI insights	Dubai & Abu Dhabi	AI-enhanced market forecasts, anomaly detection, segment risk evaluation, forward-looking recommendations	Real-time / model updates

Data processing & outlier treatment

Raw transaction datasets from DLD and ADREC undergo a standardised processing pipeline to ensure consistency, comparability, and analytical robustness. Perplexity AI is then applied to enhance insights, detect anomalies, and identify forward-looking trends.

- Deduplication using unique transaction identifiers.
- Standardisation of area measurements (sqm).
- Classification of ready vs off-plan transactions.
- Outlier filtering using statistical thresholds (>3 standard deviations).
- Imputation for missing area fields where applicable.
- AI-assisted trend detection and segment risk scoring via Perplexity.

Pipeline overview

Raw transactions (DLD / ADREC) → Data cleaning & standardisation → Core metrics & area / project aggregation → Time-series analysis & market indicators + Perplexity AI insights → Dashboards, charts & forward-looking tables.

Disclaimers & Contact

Data Limitations

Transaction data sourced from Dubai Land Department (DLD) registers. Metrics such as price per sq.ft, yields, and cap rates derived using ACTUAL_AREA, TRANS_VALUE, and market rent assumptions where stated. Pipeline and scenario analyses incorporate public developer announcements and historical absorption rates. Forward-looking statements involve inherent uncertainties including market volatility, regulatory changes, and economic conditions.