

2026

Dubai Market *Analysis*

A concise, data-led view of Dubai's residential property market — pricing, transaction activity, rental yields and the communities leading performance through 2026.

FOREWORD

A note from our *founder*

Dubai's property market spent much of 2026 recalibrating after several exceptional years – and that is good news for anyone buying with a five-to-ten-year horizon. Growth is no longer citywide by default; it is concentrated in the right buildings, in the right communities, bought at the right price. This report sets out the numbers behind that shift, so you can see exactly where the opportunity now sits.

As always, our team is on hand to walk through what any of this means for your own plans.

Joseph Alexander
FOUNDER & CEO, ZAKOU ESTATES

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A market finding its *balance*

Dubai recorded 79,281 residential sales worth AED 221.4 billion in H1 2026. Activity has cooled from the exceptional pace of 2025, but this reflects more measured, end-user-led buying rather than any underlying weakness — and pricing across most of the city remains well above pre-2022 levels.

79,281

Residential sales, H1 2026 — Dubai-wide, all property types

AED 221.4bn

Total transaction value, H1 2026

6.3%

Average gross rental yield across Dubai, as of August 2026

“The story of 2026 is normalisation, not correction — and normalisation rewards buyers who choose carefully.”

Villas lead the cycle

Freehold villa values have risen 206% since the pandemic, the strongest-performing segment of the market by a wide margin.

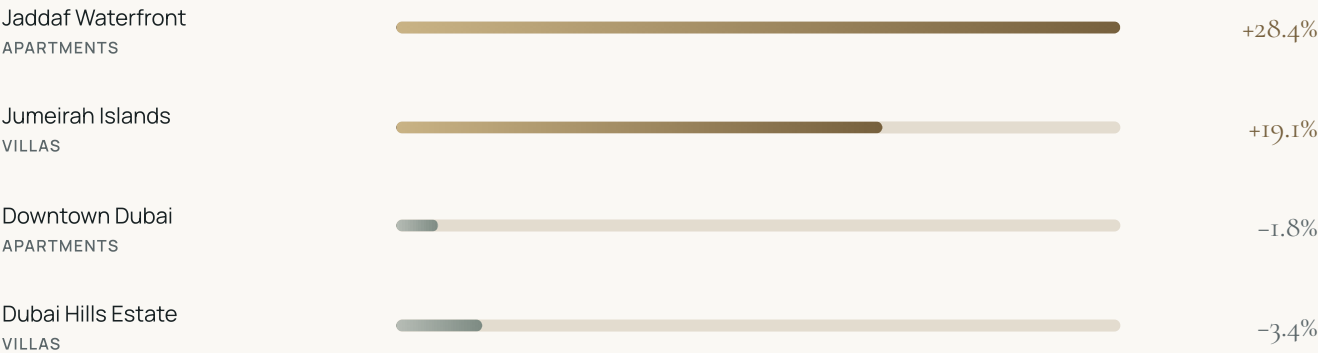
Apartments break new ground

Apartment prices have surpassed their prior-cycle highs for the first time, led by well-located mid-market communities.

Where prices are *moving*

The citywide average now sits at roughly AED 1,636 per sq ft (July 2026), around 2.8% below the March 2026 peak of AED 1,683 — a gentle easing after a sharp run-up. Beneath that average, performance now diverges sharply by community.

YEAR-ON-YEAR PRICE CHANGE, SELECTED COMMUNITIES

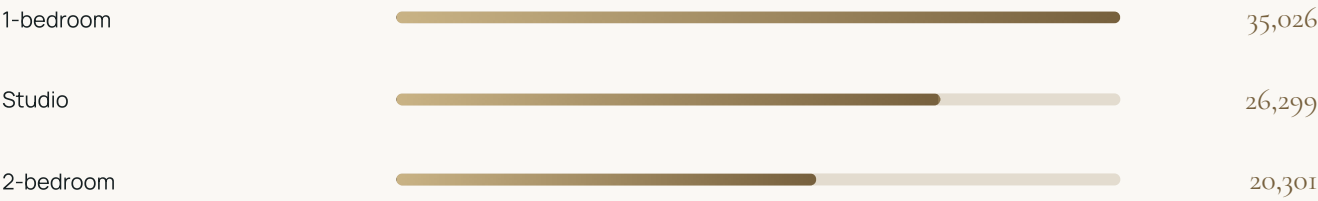


Even established, high-demand addresses like Downtown Dubai and Dubai Hills Estate can post a soft year on paper while remaining sound long-term holds — price moves at this stage of the cycle say as much about the mix of what sold as they do about underlying value. This is precisely why community and asset selection now matters more than timing the market.

What is actually *trading*

Compact, income-ready units continue to dominate deal flow – studios, one- and two-bedroom homes together account for the large majority of transactions – while a small number of communities capture an outsized share of total volume.

TRANSACTIONS BY UNIT TYPE, TRAILING 12 MONTHS



LEADING COMMUNITIES BY SALES VOLUME

COMMUNITY	APPROX. TRANSACTIONS
Dubai South	12,000+
Jumeirah Village Circle	6,000+

Roughly 83,000 new units are scheduled for handover across Dubai in 2026. Actual completions have historically run well below headline launch numbers, which continues to ease concerns about oversupply in the near term.

Income still *outperforms*

Dubai's average gross rental yield stood at 6.3% in August 2026 — comfortably ahead of most mature global property markets. Yield remains highest in emerging, value-oriented communities, and lowest in the most established addresses, where capital growth and prestige carry more of the return.

HIGHEST-YIELDING COMMUNITIES



ESTABLISHED ADDRESSES



BY PROPERTY TYPE

AVERAGE GROSS YIELD

Apartments	6.7%
Townhouses	5.1%
Villas	4.5%

A more selective *market*

Dubai is moving into a more balanced phase, where outcomes depend far more on location, developer track record and build quality than on broad market momentum alone. End-user demand remains resilient, underpinned by continued population growth and an economy projected to expand by roughly 5% this year.

What is supporting the market

Sustained population and tourism growth, a diversifying economy, long-stay visa reform, and genuine end-user demand for well-located, well-managed stock.

What to watch

A large scheduled handover pipeline, softening in a handful of premium villa segments, and widening performance gaps between prime and secondary locations.

For buyers, this is a market that rewards patience and precision — identifying the specific buildings and communities where fundamentals are strengthening, rather than assuming that any Dubai address will outperform by default. It is exactly the kind of environment in which local, on-the-ground guidance earns its keep.

Figures in this report are compiled from public Dubai Land Department-based transaction data and third-party market analyses published in 2026, and are provided for general guidance only. Individual community and building performance can differ materially from citywide averages. This document does not constitute investment, legal or financial advice — speak to a Zakou Estates advisor, and your own professional advisers, before making any investment decision.

GET IN TOUCH

Considering a move in the *Dubai* market?

Whether you are exploring your first Dubai investment or adding to an existing portfolio, our team can talk you through where today's numbers point — and which opportunities suit your own goals.

EMAIL

zakouestates@outlook.com

WHATSAPP

+971 58 542 8025

DUBAI OFFICE

Ubora Tower 1, Office 614
Marasi Drive, Business Bay