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DMRE INVESTOR OUTLOOK

Dubai and Abu Dhabi

Scale, composition and growth

The question is not which market wins, but which combination of scale, concentration, horizon and risk best fits each investment decision.

Q3 2026 · Quarter-end update

Official data available through 30 September 2026

Updated 30 September 2026

How to read this report

Data, interpretation and decision criteria

Purpose. To translate official market data into practical decision criteria for investors considering residential property in Dubai and Abu Dhabi. The report combines evidence available through 30 September 2026 with DMRE's interpretation, without promoting individual projects or promising outcomes.

Scope. Dubai transaction data are analysed through the completed third quarter, 30 September 2026. Abu Dhabi's residential sales value also carries an official Q3 2026 reading, calculated by DMRE from ADREC's dashboard export; its other indicators retain their stated H1 2026 reference period. Figures drawn from different reference periods are not compared directly.

Methodological principles

- Every figure is drawn from DLD, ADREC, CBUAE or SCAD and retains its stated reference period.
- Indicators based on different periods, units or definitions are not compared directly.
- Transaction activity alone does not establish liquidity, net returns or suitability for an individual investor.
- Dubai data are reconstructed using a consistent definition of residential apartment and villa sales, covering the full third quarter. Abu Dhabi indicators remain anchored to their official H1 reference period, except for residential sales value, which also carries a DMRE calculation from ADREC's Q3 2026 dashboard export.

Two markets, two different dynamics

A meaningful comparison separates scale, pace and concentration

73,736

Dubai apartment and villa sales · H1

AED 70.4bn

Abu Dhabi residential sales · H1

3.90%

CBUAE Base Rate · 17 Sep

At a glance

- Dubai continues to operate at substantial residential scale. Using a consistent apartment-and-villa definition, DLD recorded 73,736 sales worth AED 157.64bn in H1 2026.
- The completed third quarter shows a moderation in activity and a change in off-plan concentration: 32,207 sales worth AED 55.21bn, with off-plan at 73.2% of transactions and 70.3% of value, compared with 75.7% and 77.9% in H1. This reflects a shift in pace and transaction mix — not a market downturn or a like-for-like price decline.
- Abu Dhabi recorded AED 70.4bn in residential sales in H1, up 178% year on year, with off-plan representing 82% of transactions and 89% of value (H1 figures). Abu Dhabi's Q3 2026 residential sales value, calculated by DMRE from ADREC's dashboard export, is approximately AED 25.98bn, representing 15.7% year-on-year growth on the same basis, following the exceptional growth recorded in H1; the Q3 export does not support an off-plan reading.
- In Dubai, the estimated average off-plan transaction value moved from approximately 13.0% above the ready-property average in H1 to 13.1% below it in the completed Q3. This reflects a change in transaction mix and average deal size, not a like-for-like movement in property prices.
- The records show differences in scale, composition and pace. They do not identify a winner or establish the return, liquidity or risk of an individual asset.

DMRE VIEW

Our assessment is not driven by whether the market narrative sounds optimistic or cautious. Dubai retains scale, and the completed third quarter shows a change in the pace and composition of activity across July, August and September. Abu Dhabi's own Q3 residential sales value shows 15.7% year-on-year growth on the same basis, while its off-plan concentration and other structural indicators remain on their official H1 baseline. Current financing costs reinforce the need to test entry price, all-in costs and the exit route.

The cost of capital returns to centre stage

Interest rates, demand and demographics provide context; they do not replace asset-level analysis

3.90%

Base Rate · 17 Sep 2026

4.20%

3M EIBOR · 24 Sep 2026

4.58m

Dubai population · end-2025

~4.4m

Abu Dhabi population · 2025

Financing

The CBUAE Base Rate stood at 3.90%, effective 17 September. The official three-month EIBOR fixing stood at 4.20% on 24 September. For leveraged investors, the all-in cost of debt, payment structure and intended holding period now carry greater weight.

Demand

Dubai's population reached 4.58 million at end-2025, up 7.5% on 2024. SCAD estimates Abu Dhabi's population at approximately 4.4 million in 2025, up roughly 222,900 people (around 6%) in its population-estimate series — a separate measure from SCAD's regional growth-rate indicator of 7.39%. Strong population growth provides useful demand context, but it does not establish demand for a specific community or project.

Implication for investment decisions

Macro conditions must be translated into testable, asset-level variables: mortgage payments, service charges, observable rental demand, nearby supply, comparable pricing and exit conditions.

SCOPE OF THIS REPORT

This report makes no claims about tax or residency advantages. The official sources consulted require specialist interpretation of the applicable requirements; any decision in these areas should be subject to legal review.

Scale and composition under a verifiable definition

The analysis separates residential apartments and villas from land, whole buildings and commercial uses

73,736

apartment and villa sales · H1

**AED
157.64bn**

residential value analysed ·
H1

75.7%

off-plan share of transactions
· H1

77.9%

off-plan share of value · H1

Using official DLD records, DMRE identifies 73,736 residential apartment and villa sales in H1 2026, worth AED 157.64bn. The dataset excludes mortgages, gifts, land, hotels, offices, retail units and whole-building transactions other than villas. Each transaction number is counted once to avoid duplicating value.

Residential activity during the third quarter

The third quarter closed with 32,207 residential sales worth AED 55.21bn. By month, July recorded 12,434 sales worth AED 20.34bn; August, 10,409 worth AED 17.96bn; and September, 9,364 worth AED 16.91bn.

Comparability note. This report does not include private price or rental indices. The comparison is limited to official series whose definitions and reference periods can be explained transparently.



DMRE INTERPRETATION

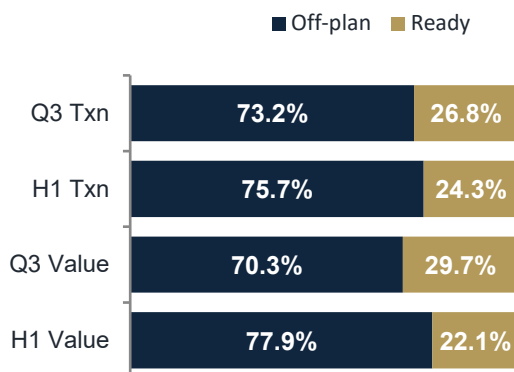
The evolution of activity in the third quarter does not establish a market-wide decline or an automatic buying opportunity. It does indicate that investors should apply greater discipline to entry price, competing supply and the exit route. The five most active areas represented 29.7% of analysed transactions in H1 and 34.6% in the completed Q3. The increase points to greater geographical concentration in recent activity, but it does not establish liquidity or future performance.

Source: Dubai Land Department official records extracted on 30 September 2026. DMRE calculation.

Off-plan, ready property and the completed Q3

Market concentration changes the due diligence required

H1 VS Q3 2026 COMPOSITION



H1 vs completed Q3 2026 composition. Source: DLD; consistent residential definition and DMRE calculation.

In H1, off-plan accounted for 55,849 transactions worth AED 122.82bn, while the ready market recorded 17,887 transactions worth AED 34.82bn. July comprised 9,234 off-plan and 3,200 ready sales; August, 7,631 and 2,778; and September, 6,711 and 2,653 — a completed Q3 total of 23,576 off-plan and 8,631 ready transactions.

DMRE CALCULATION

Based on the analysed DLD records, the average off-plan transaction value was approximately AED 2.20m in H1, compared with AED 1.95m for ready property — a difference of 13.0%. In the completed Q3, the relationship reversed: approximately AED 1.65m for off-plan and AED 1.90m for ready property, placing the off-plan average 13.1% below the ready average.

This is a change in transaction mix and average deal size. It is not a like-for-like price index and does not demonstrate that comparable off-plan property became cheaper.

What the figures show — and what they do not

The off-plan share describes the composition of activity, not future liquidity or the return of any project. Nor does it make the ready market a uniform segment, or a quarter-on-quarter change in transaction count a market downturn. Each decision must test price, competing supply, timing, costs and a credible exit route.

WHAT THE DATA DOES NOT PROVE

A high off-plan share does not establish future liquidity, appreciation or ease of resale. Nor does it support project comparisons without adjusting for location, property type, timetable and price. A change in quarterly transaction volume does not establish falling prices or a market downturn.

DMRE EXIT CRITERIA

We do not regard off-plan as inherently attractive, nor do we assume that buying earlier guarantees capturing the appreciation. A less visible risk is reaching handover while competing with equivalent units in the same project or nearby pipeline. If the price already capitalises the expected growth, the investor takes execution risk without clear compensation. Before proceeding, we test the premium to the ready market, the payment schedule, assignment restrictions, the developer's track record, the concentration of handovers and end-user demand. Without a defensible exit case independent of the sales narrative, we prefer not to recommend the transaction.

Strong growth and high concentration

Abu Dhabi's annual expansion is supported by a very high share of off-plan activity



ADREC recorded AED 70.4bn in residential sales in H1 2026, up 178% year on year. DMRE's calculation from ADREC's Q3 2026 dashboard export puts Q3 residential sales value at approximately AED 25.98bn, representing 15.7% year-on-year growth on the same basis, following the exceptional growth recorded in H1, alongside Abu Dhabi's own population growth of roughly 6% in 2025 (SCAD).

Activity and rental regulation

Off-plan represented 82% of transactions and 89% of residential sales value in H1; the Q3 export carries no off-plan field, so this concentration reading remains H1-only. These proportions describe an expanding market, while increasing the importance of relative pricing, developer track record and future absorption.

From 3 June 2026, ADREC temporarily reduced the annual increase permitted on renewals from 5% to 0% and required new contracts to use the latest registered Tawtheeq as their reference. Any reading of rental conditions must account for this framework.



DMRE INTERPRETATION

Abu Dhabi combines strong annual expansion with exceptional off-plan concentration on its H1 baseline, while its own Q3 sales value shows 15.7% year-on-year growth on the same basis, at a more moderate pace than the exceptional year-on-year growth recorded in H1. Opportunity cannot be inferred from growth alone; it depends on pricing, absorption and exit depth.

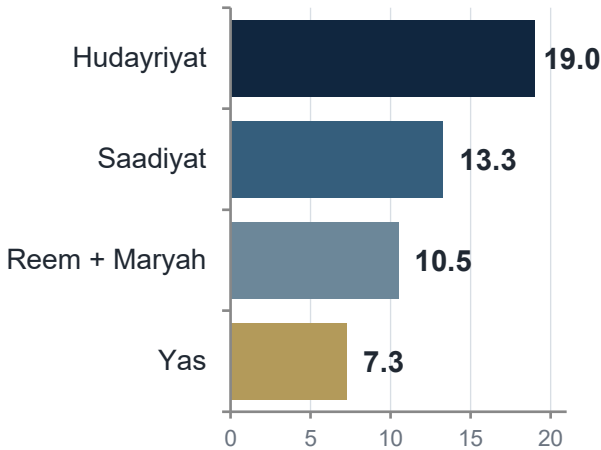
SIGNS OF MARKET DEPTH

We believe Abu Dhabi deserves greater international attention. Strong growth and an expanding buyer base create a credible opportunity set, but faster growth is not an automatic advantage over Dubai. The critical question is whether momentum translates into a deeper secondary market. We test ready-property transactions, buyer diversity, absorption beyond major launches, comparable rents and completed resales. Where activity is heavily off-plan, we distinguish demand for the asset from demand enabled by the payment plan. Until both converge, selection should remain rigorous and proceed island by island.

Capital, locations and future supply

Geographic concentration and the delivery pipeline must form part of the exit thesis

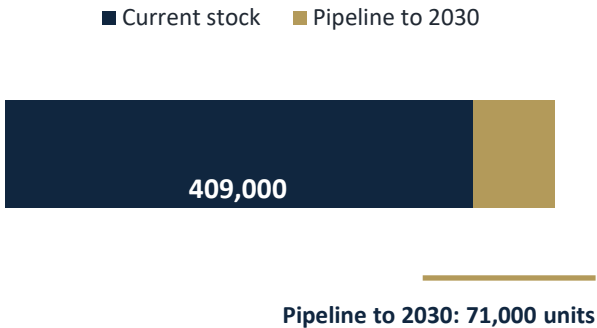
H1 2026 SALES VALUE BY LOCATION — AED BILLIONS



H1 2026 residential sales value in selected locations. Source: ADREC.

Hudayriyat, Saadiyat, Reem and Maryah, and Yas accounted for substantial sales value. Resident expatriates and non-resident foreign buyers represented 70% of residential sales value.

RESIDENTIAL STOCK AND PIPELINE TO 2030 — UNITS



Approximate stock and identified pipeline to 2030. Source: ADREC. This is not a uniform annual delivery schedule.

ADREC estimates a current stock of approximately 409,000 units and a further 71,000 units through 2030, with deliveries expected to peak at 21,800 units in 2028. Exposure to future supply must be assessed by island, submarket, property type and actual delivery date.

21,800

Estimated peak of annual Abu Dhabi deliveries, 2028

Compare without declaring a winner

Official data highlight differences in scale and concentration

Comparison combines Dubai's completed Q3 reading with Abu Dhabi's H1 records, plus a DMRE calculation of Abu Dhabi's Q3 2026 residential sales value from ADREC's dashboard export. Different reference periods are shown side by side but not treated as equivalent. Private price and rental indices are not included.

Dimension	Dubai	Abu Dhabi
Official baseline	73,736 sales; AED 157.64bn (H1)	AED 70.4bn in residential sales (H1)
Completed Q3	32,207 sales; AED 55.21bn (Jul–Sep)	AED 25.98bn residential sales value (DMRE calc., ADREC export); other indicators remain H1
Off-plan concentration	75.7% → 73.2% of txns; 77.9% → 70.3% of value (H1→Q3)	82% of transactions; 89% of value (H1)
Population	4.58m, +7.5% YoY (end-2025)	~4.4m, +222.9K / +6% YoY (2025)
Supply / pipeline	337 new project registrations (Jan–Sep 2026) indicate continued development activity, not a citywide pipeline comparable with ADREC's figure	~71,000-unit identified pipeline through 2030 (ADREC) — not directly comparable
Prices and rents	No comparable official index included	No comparable official index included
Primary question	Entry price, net cost and exit	Absorption, concentration and exit

CONCLUSION

Dubai offers a broader activity base and has now completed a full quarter, with a change in pace and in off-plan concentration. Abu Dhabi's Q3 residential sales value shows 15.7% year-on-year growth on the same basis, while its off-plan concentration and structural indicators remain H1-only. Neither market's characteristics determine which asset is better suited to an investor, and the differing reference periods should not be read as a single comparable snapshot.

Turning market data into an investment decision

Strategy comes before property selection

This report does not turn a market average into a recommendation. DMRE assesses each decision through six linked questions.

Criterion	Decision question	Minimum evidence
Objective	Income, appreciation, diversification or future use?	Measurable priority and timeframe
Holding period	When might the capital be needed?	Intended holding period and exit windows
Capital structure	Cash, finance or payment plan?	Total cost and interest-rate sensitivity
Net income	What remains after all costs?	Comparable rent, vacancy, management and service charges
Concentration	Which assumptions does the outcome depend on?	Future supply, developer, location and property type
Exit	Who would buy this asset, and under what conditions?	Comparables, ready-market demand and contractual restrictions

Representation principle

An opportunity does not fit simply because it belongs to the 'right' market. It fits when the asset, price, structure and exit route align with the investor's constraints.

REJECTION FILTERS AND NET YIELD

We reject an opportunity when its premium is unsupported by comparables, when the exit depends on a single assumption – appreciation, refinancing or future demand – or when expected supply coincides with the intended sale or leasing window. We are also cautious of returns that look attractive only before costs. To move from gross yield to net yield, we include service charges, management, maintenance, vacancy, acquisition and exit costs, financing where applicable, and all relevant operating expenses. If the investment case fails under a prudent scenario, it is not an undervalued opportunity; it is too dependent on the optimistic case.

Three investor profiles

Hypothetical cases; not investment recommendations

1. Income and cash-flow visibility

This profile must test observable rental demand, total cost, vacancy, the condition of the asset and secondary-market liquidity. The city alone does not determine the net return.

2. Capital appreciation with execution tolerance

This investor may accept off-plan exposure and a longer horizon, but must assess the payment schedule, supply concentration, contractual quality, relative pricing and likely demand at handover.

3. Diversification and flexibility

This profile prioritises structure, asset quality and alternative exit routes over the maximum headline return. The decision should not depend excessively on a single catalyst.

How to use these profiles

- Define the objective and non-negotiable constraints first.
- Compare only assets that can perform the same function within the portfolio.
- Model a base case, a downside case and an early exit.
- Document the assumptions that must hold for the investment case to remain valid.

TWO ILLUSTRATIVE APPLICATIONS

Profile A – income and flexibility: an investor with a five-year horizon and a need for cash flow would prioritise a completed asset in a Dubai submarket with observable rents and resales, even if the advertised gross yield were lower. Profile B – appreciation and a long horizon: an investor with no immediate income requirement could consider Abu Dhabi if the entry price, payment schedule and future supply on the island support a prudent handover scenario. These are hypothetical cases. They show that fit depends on the investor's constraints and the asset, not on assigning a fixed function to each city.

What the headline return does not show

Risk management begins before a reservation is made

Risk	What it may conceal	Required check
Entry price	Launch, brand or payment-plan premium	Comparables and pricing on a like-for-like basis
Off-plan	Delay, handover, financing and concentration	Track record, contract, escrow and schedule
Future supply	Simultaneous competition when leasing or selling	Verifiable submarket pipeline
Yield	Costs, vacancy and rental assumptions	Documented net-return model
Liquidity	No buyer at the expected price	Ready-market demand and exit scenarios
Regulation	Changes or differences by jurisdiction	Official source and specialist review

What DMRE does not assume

- A blanket rule that assigns Dubai to income and Abu Dhabi to growth.
- Claims of early-mover advantage, upside or a price floor without asset-specific evidence.
- A generalisable net return or ease of resale inferred from a citywide average.
- Tax, residency or financing advantages without appropriate professional review.
- That the pace of new project launches translates automatically into completed, deliverable supply.

DMRE EDITORIAL STANDARD

We will not present a projected return as an expected outcome or describe resale as straightforward without evidence from the secondary market. Nor do we turn city growth into a guarantee that every project will appreciate. In our view, a recommendation loses value when it hides the assumptions it needs to work. Every commercial claim should identify the period, source and conditions that support it; where these are absent, it should be framed as a scenario, not a promise.

Q3 close and the transition into Q4

Asset selection and financing costs matter more than a broad city narrative

Dubai

The completed third quarter shows an evolution in activity and in off-plan concentration: 32,207 sales worth AED 55.21bn, with off-plan at 73.2% of transactions and 70.3% of value. This is a change in transaction mix and pace, not evidence of falling like-for-like prices or a market downturn.

Abu Dhabi

Official H1 data show strong growth and high off-plan concentration, alongside population growth of roughly 6% in 2025. Abu Dhabi's own Q3 2026 residential sales value, calculated by DMRE from ADREC's dashboard export, shows 15.7% year-on-year growth on the same basis, following the exceptional growth recorded in H1. The depth of the ready market and absorption beyond major launches will remain important variables.

Financing

A 3.90% Base Rate and 4.20% three-month EIBOR raise the starting cost for leveraged buyers. Q4 assessments should model debt service, refinancing and net returns under realistic financing assumptions.

Variables that matter into Q4

- How the transaction mix and off-plan concentration evolve in Q4.
- Whether ADREC extends Q3 detail — transaction counts, off-plan share — beyond the sales-value series now available.
- Updated completions and pipeline data under a traceable definition, including delivery concentration from new 2026 project launches.
- Changes in financing costs and their effect on net-return scenarios.

CONCLUSION

The completed third quarter points to a change in the pace of activity and a shift in transaction mix, without evidence of a broader downturn or falling like-for-like prices. Abu Dhabi's Q3 residential sales value shows 15.7% year-on-year growth on the same basis, while off-plan concentration and other structural indicators retain their official H1 reference period. Current financing costs make it increasingly important to test the asset, the entry price and the exit route.

STRATEGY BEFORE PROPERTY SELECTION

We bring judgement and represent the investor in every decision.

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Sources and traceability

Figures are presented with their reference period and attribution. The sources used are listed below.

1. Dubai Land Department — Real Estate Data

[View source →](#)

2. Abu Dhabi Real Estate Centre — Market Reports

[View source →](#)

3. Abu Dhabi Real Estate Centre — H1 2026 Market Report

[View source →](#)

4. Central Bank of the UAE — Base Rate

[View source →](#)

5. Central Bank of the UAE — EIBOR

[View source →](#)

6. Statistics Centre Abu Dhabi — Population

[View source →](#)

7. Dubai Statistics Center — Population Estimates

[View source →](#)

8. Abu Dhabi Real Estate Centre — Q3 2026 Transaction Dashboard Export

[View source →](#)

Methodology note. Dubai figures are based on official DLD transaction records extracted on 30 September 2026, covering the completed third quarter. DMRE applied a consistent residential apartment-and-villa definition, deduplicated records by transaction number and calculated the derived average-transaction and concentration indicators presented in this report. Abu Dhabi's Q3 2026 residential sales value is a DMRE calculation from ADREC's Q3 dashboard export, applying the same built-residential definition (excluding land and plot categories) used for Dubai; all other Abu Dhabi indicators — off-plan concentration, stock, pipeline, foreign-buyer composition and repeat-sales/rental indices — retain their official H1 2026 reference period from ADREC and SCAD.

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