DUBAI RESIDENTIAL MARKET SNAPSHOT

Q2 2026 | APRIL–JUNE 2026

THE SHORT VERSION

Dubai's residential market entered a more measured phase in Q2 2026. Transaction activity cooled, but the slowdown was not uniform: off-plan remained dominant, prices proved comparatively resilient in many locations, and demand continued to favour well-positioned, quality stock.

34,850 Residential transactions	**AED 84.9B** Transaction value	**76%** Off-plan share	**13,200+** Units delivered in Q2

Q2 AT A GLANCE

INDICATOR	Q2 2026	DIRECTION / CONTEXT
Residential transactions	34,850	-22% QoQ; -31% YoY
Total transaction value	AED 84.9B	-38% QoQ; -45% YoY
Off-plan share	76%	Up from 68% in Q1
Cash purchases	61%	Higher than roughly 50% in Q1
Rental transactions	115,992	-19% QoQ
Median rental price	AED 93/sq ft	-7% QoQ
Units delivered	13,200+	Q2 completions remained broadly on track

A COOLER MARKET — NOT A SIMPLE REVERSAL

Q2 was the first clear cooling phase after several years of exceptional growth. Different sources vary slightly because they use different transaction definitions and cut-off dates, but the direction is consistent: volumes and aggregate value weakened while the market retained meaningful price support in many quality locations.

Betterhomes recorded 34,850 residential transactions worth AED 84.9B. Morgan's reported 35,943 transactions worth AED 88.7B. The difference illustrates why methodology matters when comparing market reports.

Sources: Betterhomes Q2 2026 report; Morgan's Q2 2026 Residential Market Report; Cushman & Wakefield Core Q2 2026.

OFF-PLAN REMAINS THE MARKET ENGINE

Off-plan transactions accounted for approximately 76% of residential activity in Q2 according to Betterhomes, up from 68% in Q1. Morgan's analysis similarly found the primary market responsible for 93% of primary-market activity, with 25,434 transactions across 80 project launches.

OFF-PLAN SIGNAL	WHAT IT MEANS
76% share	Most residential transactions remained concentrated in developer-led primary sales.
25,434 primary transactions	Morgan's Q2 data highlights the scale of developer sales.
80 project launches	New supply continued entering the market despite slower overall activity.
Flexible payment structures	Off-plan continues to attract buyers seeking staged payments and newer stock.

PRICES ARE NORMALISING MORE SLOWLY THAN VOLUMES

The most important Q2 signal is the gap between transaction activity and pricing. Betterhomes reported agreed price-per-square-foot down around 7%, while Morgan's average transacted price was AED 1,777/sq ft, down only 3% quarter-on-quarter. Cushman & Wakefield Core also described the market as entering a more measured phase, with softening emerging across several apartment and villa submarkets.

This suggests a market where buyers have gained more negotiating power, but a broad-based price collapse is not the base case. Quality, location and asset type matter increasingly.

SUPPLY: THE NEXT TEST

SUPPLY INDICATOR	FIGURE
Q2 units delivered	13,200+
Expected H2 2026 deliveries	~32,000 units
Development pipeline	472,616 units
Pipeline scheduled for 2027–2028	62%

The delivery pipeline makes project selection increasingly important. Timing, construction execution and competing inventory will shape how individual projects perform as new units enter the market.

RENTAL MARKET: DEMAND REMAINS RELEVANT

The rental market also cooled in transaction volume during Q2, but leasing demand remained active. Morgan's recorded 115,992 rental transactions, while Betterhomes reported tenant enquiries rising 20% year-on-year and 18% quarter-on-quarter. June registered more than 40,000 rental contracts according to Betterhomes, the highest single-month level in its dataset.

RENTAL SIGNAL	Q2 2026
Rental transactions	115,992
Median rental price	AED 93/sq ft
Tenant enquiries	+20% YoY
June registered rental contracts	40,000+

WHAT THIS MEANS FOR INVESTORS

CHECK	WHY IT MATTERS
Entry price	A softer volume environment creates more room to compare and negotiate.
Developer	Delivery track record matters more as the pipeline expands.
Location	Connectivity, employment, retail and lifestyle infrastructure remain key demand drivers.
Future supply	Study what will complete nearby, not only what is available today.
Rental economics	Yield should be tested against realistic rents, service charges and vacancy assumptions.
Exit strategy	Identify the likely buyer or tenant before committing capital.

KEYS & NUMBERS TAKE

Q2 2026 looks more like normalisation than reversal. Transaction volumes have cooled, but off-plan remains dominant and quality assets continue to attract demand. In the next phase of the cycle, evidence matters more than launch excitement: price against comparable stock, developer delivery, future supply and genuine end-user or tenant demand.

H2 2026 WATCHLIST

Supply delivery • Off-plan absorption • Rental affordability • Price negotiation • Mortgage activity • Community-level performance

Sources: Betterhomes, Morgan's Realty, Cushman & Wakefield Core, Colliers UAE and Dubai Land Department data as cited by those reports. Figures can vary by source because of methodology, transaction classification and reporting cut-offs.

METHODOLOGY & DISCLAIMER

This snapshot is a concise market-intelligence report rather than a transaction database. Figures are drawn from published Q2 2026 market reports and DLD-linked analysis available at the time of publication. Where reputable sources report different totals, the difference is identified rather than silently reconciled.

The report should be read as directional market intelligence. Community-level results can differ materially from Dubai-wide averages, and individual property performance depends on asset type, building quality, location, pricing, service charges, financing and timing.

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REAL ESTATE INTELLIGENCE

Phone: 54 570 6200 | **Email:** marketing@keysandnumbers.com | **Website:** www.keysandnumbers.com