RENTAL MARKET TRENDS

SUMMER 2026 | DUBAI RESIDENTIAL RENTAL MARKET

THE SHORT VERSION

More homes are being rented. More supply is arriving. And landlords are starting to compete harder for tenants. The market is active — but the easy rental-growth phase is becoming more selective.

101,107
Rental contracts
Q2 2026

+8.4%
Quarter-on-quarter
vs Q1

AED 40.12B
Contract value
+24.1% QoQ

AED 79K
Median annual rent
-1.3% QoQ

What changed in Q2?

SIGNAL	WHAT IT MEANS
Activity ↑	101,107 residential rental contracts were recorded in Q2 — demand is still moving.
Values ↑	Annual contract value reached AED 40.12B, showing the scale of the market.
Median rent ↓	Median annual rent edged down to AED 79K, suggesting more pricing discipline.
Rent / sq.ft ↓	Median rent per sq.ft fell 5.8% to AED 954 — a stronger sign of moderation.

Bottom line: Dubai's rental market is still busy. The difference is that tenants have more choice — and that changes the negotiation.

Source: DLD-derived Q2 2026 rental market data as reported by DXBinteract / market reporting sources.

THE RENTAL MARKET HAS TWO STORIES

New leases and renewals are behaving differently. That matters for both landlords and tenants.

Q2 2026	NEW LEASES	RENEWALS
Apartments	32,245 contracts AED 70K median rent	41,161 contracts AED 60K median rent
Villas	5,061 contracts AED 176K median rent	5,195 contracts AED 165K median rent

Apartment vs villa demand

SEGMENT	Q1	Q2	CHANGE
Apartments / units	85,515	91,493	+7.0%
Villas	7,789	9,611	+23.4%

TENANTS	LANDLORDS
More choice means stronger negotiating power. Compare several buildings before committing and look at the total package — rent, maintenance, parking, amenities and payment terms.	The property itself matters more. Condition, location, building quality and realistic pricing can determine whether a unit rents quickly or stays vacant.

Interesting signal: villa rental contracts grew 23.4% QoQ, substantially faster than apartment/unit contracts. That points to renewed activity in the larger-home segment.

Sources: Q2 2026 DLD-derived rental data; market reporting from Betterhomes and DXBinteract.

SUMMER OUTLOOK: CHOICE IS THE NEW POWER

The biggest story for the rest of 2026 may not be demand. It may be supply.

SUPPLY SIGNAL	FIGURE
Units delivered in Q2 2026	13,200+
Expected additional units in H2 2026	~32,000
Estimated homes completing during 2026	~74,100

3 things to watch

01	**NEW SUPPLY**	Newly completed homes give tenants more alternatives and can put pressure on older or overpriced stoc
02	**RENTAL QUALITY**	The gap between an average property and a genuinely desirable one is likely to become more visible.
03	**NET RETURNS**	Investors should look beyond advertised rent and calculate vacancy, service charges, maintenance and r

KEYS & NUMBERS TAKE

Dubai rentals are not simply going up or down. The market is splitting by property type, location, quality and tenant profile. Activity remains strong, while pricing is becoming more rational. For 2026, evidence matters more than assumptions.

For the full analysis, methodology and supporting data, visit the Keys & Numbers Intelligence section.