



Dubai real estate market begins 2025 with first price decline in over two years—Is the market starting to shift?

SNAPSHOT

January 2025

Median prices in January



Property prices fell 0.57% MoM, dropping to AED 1,484 per sq ft, the first decline since Summer 2022.

Sales transaction volume down 4.6% MoM, yet still the strongest January on record

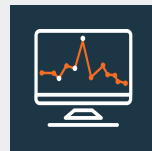
Off-plan launches continue to soar with 53 launches bringing over 12,400 units to market in January

Mortgage transactions rose 6.8% MoM to 4,134, with LTV ratios holding steady despite stricter enforcement of UAE Central Bank regulations

Dubai property prices began the year with a month-on-month decline of 0.57%, marking the first drop in price growth since the summer of 2022, when prices fell by a comparable 0.58% in July. According to the Property Monitor Dynamic Price Index (DPI), Dubai property prices currently average AED 1,484 per square foot, standing 20.3% above the previous market peak in September 2014.

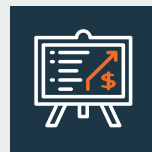
Dubai's current market cycle has now extended to 51 months, marking over four years of sustained price growth. During this period, monthly appreciation has averaged 1.19%, though price growth has shown clear signs of deceleration in recent months. After peaking in August 2024 with a 2.48% increase, monthly gains steadily moderated, dropping to just 0.48% in November and 0.88% in December, before turning negative in January 2025. This slowdown suggests the market may be approaching a plateau, with further price growth facing headwinds due to affordability constraints, particularly in the ready market. While demand remains strong, the trend indicates a shifting landscape where buyers may become more price-sensitive, and sustained appreciation could be increasingly difficult to maintain.

The total number of sales transactions declined by 4.6% in January, reaching 14,413. However, despite this dip, it still stands as the highest transaction volume ever recorded for the month of January. Looking at the broader trend, sales activity steadily accelerated throughout 2024, peaking at an all-time high of 20,460 transactions in October.



-0.57%

Dynamic Price Index
Monthly Change



AED 1,484/sq ft

Dynamic Price Index
Current Property Price



14,413

Number of Monthly
Transactions



AED 425M

Highest Recorded Sale
Villa Sector E,
Emirates Hills



AED 175K

Lowest Recorded Sale
Studio Apartment
Lakeside Tower A,
Dubai Production City



“Dubai’s real estate market, which has experienced four years of continuous growth, is now facing signs of stabilisation. Monthly price increases have slowed, and while the total number of transactions remains strong, affordability constraints and market maturity are beginning to shape the landscape. With sales volumes and mortgage transactions moderating, it appears the market may be transitioning from a phase of rapid growth to a more sustainable and steady trajectory. The future of the market will depend on careful balancing of supply and demand.”



ZHANN JOCHINKE
Chief Operating Officer
Property Monitor

Since then, volumes have moderated, suggesting the market has likely settled into a more sustainable level of activity. Residential transactions, encompassing apartments, townhouses, and villas, accounted for the majority of sales at just over 91% (13,124 transactions). The highest transacted commercial property types were vacant land (4.2%), office spaces (1.9%), and hotel apartments (1.2%). Notably, nearly 400 of the 613 land transactions were for plots at DAMAC Islands, likely tied to the subdivision of the master community. While this contributed to a sharp rise in overall land sales, it does not necessarily indicate a genuine surge in market-driven demand, but rather a procedural increase linked to the project’s development phase, temporarily inflating the overall land transaction figures.

In January, 7,555 off-plan Oqood transactions were recorded, a decrease of 17.7% from the previous month and a decrease in market share to 52.4%. Meanwhile, Title Deed sale volumes witnessed a marked increase, rising by 15.7% and now account for 47.6% of all sales transactions. While Oqood transactions are generally used to measure the off-plan market, several villa and townhouse sales are presented in the Dubai Land Department data as being issued with Title Deeds and as completed properties—instead of being under construction and sold off-plan. After adjusting for this technicality, off-plan transactions secure an even larger market share of 67.6%.

Meanwhile, resale transactions—any subsequent sale of a property that follows the initial first-time sale from the developer, for an off-plan or completed project—stood at 5,561 in January, accounting for 38.6% of the market. This marks a 1.7% increase month-on-month. While overall resale activity increased, the portion of off-plan resales decreased to 27.7%, bringing the 12-month rolling average to 24.3%. Off-plan resale activity has seen a steady yet gradual rise over the past three years. As in previous months, the bulk of these resales remain concentrated in properties nearing completion within the next 12 months, reflecting sustained end-user and investor demand rather than purely speculative trading. However, there are signs of a gradual expansion, with resale activity slowly extending to properties further from handover—around 15 to 16 months out—a trend that, if it continues, could signal a shift toward increased speculation in the market.

Preliminary figures for January indicate the introduction of just over 12,400 off-plan units to the market for sale, continuing the fierce pace witnessed throughout 2024. These units came from 53 project launches by 37 different developers, highlighting the broad and sustained expansion of the off-plan segment. Apartments again dominated the unit mix, accounting for 86.7% of new inventory, while townhouses and villas represented 11.6% and 1.7%, respectively. Activity in the off-plan market remains strong and shows no signs of slowing in the near term. With over 250 additional projects currently in the planning phase, as tracked by the Property Monitor team, this momentum is expected to continue well into the foreseeable future.

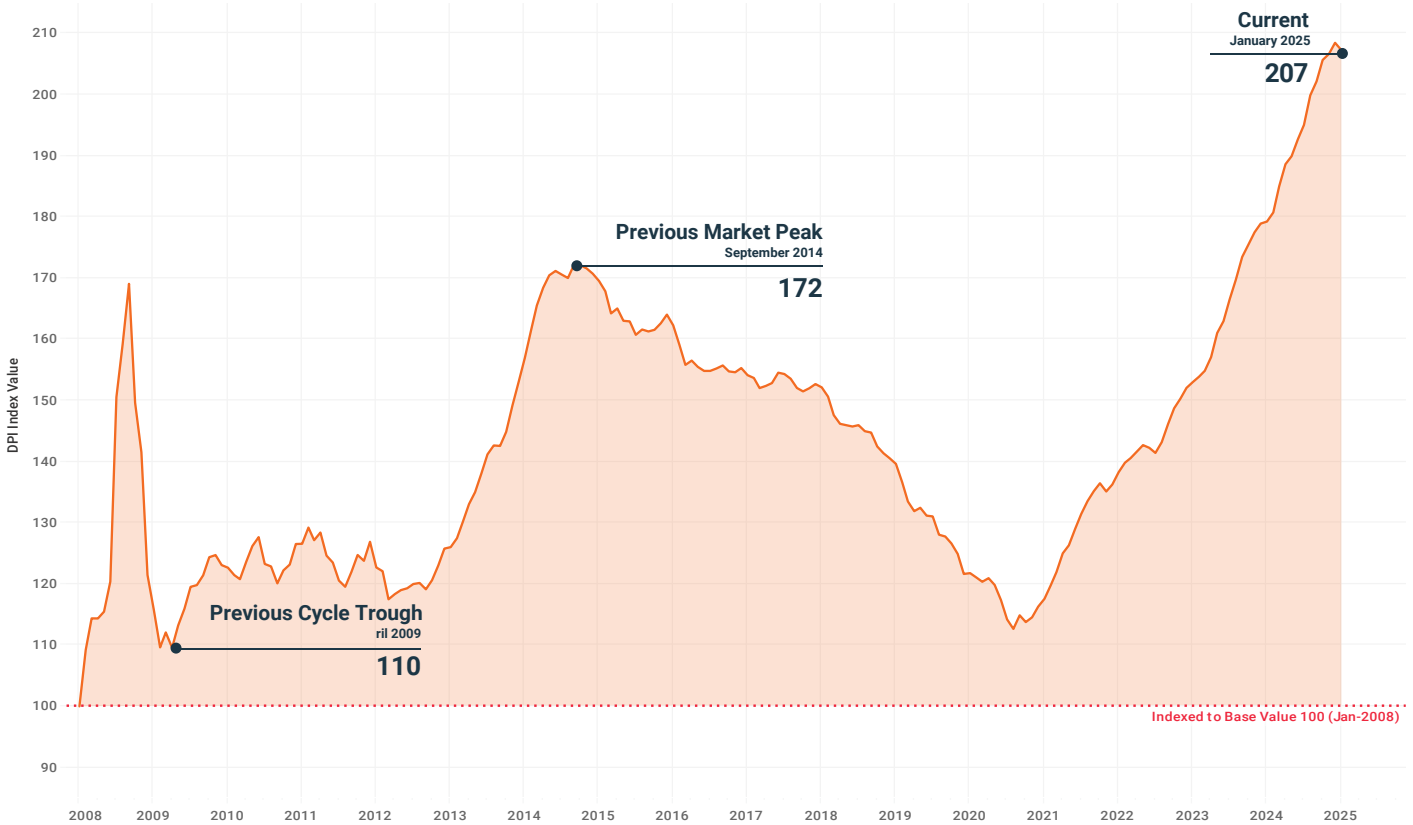
Mortgage transaction volumes increased by 6.8% in January with a total of 4,1341 loans recorded. During the month, loans taken for new purchase money mortgages accounted for 41.9% (down 1.9% from last month) of borrowing activity, with the average amount borrowed being AED 1.97m at a loan-to-value ratio of 76.4%. Meanwhile, loans for refinancing and equity release saw their market share increase by 3.0% to 28.4%. The remaining 29.7% (down by 1.1% from last month) was due to bulk mortgages—those taken by developers and larger investors with multiple units. The 1,228 bulk loans issued for the month were spread across several projects, most notably portfolio mortgage registrations at Sway Residences (217) in Dubai Hills, Domus Indigo 1 & 2 (209) Dubai Production City, and Blue Wave Tower (139) in Dubai Residence Complex.

Dubai’s real estate market remains on solid footing, however sustaining long-term growth will require a careful balance between supply and demand to avoid oversaturation. Government initiatives such as the Dubai Economic Agenda (D33) and the Real Estate Sector Strategy 2033 provide long-term confidence, but as the market matures, a shift toward stability over rapid gains is expected.

Affordability constraints in the ready market and stabilising transaction volumes suggest price appreciation may continue to moderate. Rather than the uninterrupted increases seen in recent years, 2025 is likely to bring a more measured trajectory focused on liquidity and strategic development.

In the mortgage market, the UAE Central Bank’s recent reinforcement of regulations preventing broker fees and DLD transfer fees from being included in mortgage amounts has yet to impact LTV ratios. However, stricter enforcement could affect borrowing power in the coming months, adding further affordability pressures.

PROPERTY MONITOR DYNAMIC PRICE INDEX



-0.57%
MoM Change



+0.79%
QoQ Change



+15.64%
YoY Change



AED 1,484
Average Property Price Per Sq Ft

DPI MONTHLY OVERVIEW

Month	Index Value	MoM Change	QoQ Change	YoY Change	Index Price (AED/sq ft)
Jan 2025	207.26	-0.57%	0.79%	15.64%	1,484
Dec 2024	208.45	0.88%	3.12%	16.52%	1,493
Nov 2024	206.63	0.48%	3.39%	16.42%	1,480
Oct 2024	205.64	1.73%	5.44%	17.22%	1,473
Sep 2024	202.15	1.14%	4.92%	16.55%	1,448
Aug 2024	199.86	2.48%	5.24%	17.73%	1,431
Jul 2024	195.03	1.22%	3.40%	17.15%	1,397
Jun 2024	192.68	1.46%	4.15%	18.2%	1,380
May 2024	189.91	0.69%	5.09%	17.94%	1,360
Apr 2024	188.61	1.95%	5.23%	20.07%	1,351
Mar 2024	184.99	2.37%	3.41%	19.47%	1,325
Feb 2024	180.72	0.83%	1.82%	17.43%	1,294
Jan 2024	179.24	0.19%	2.17%	17.15%	1,284

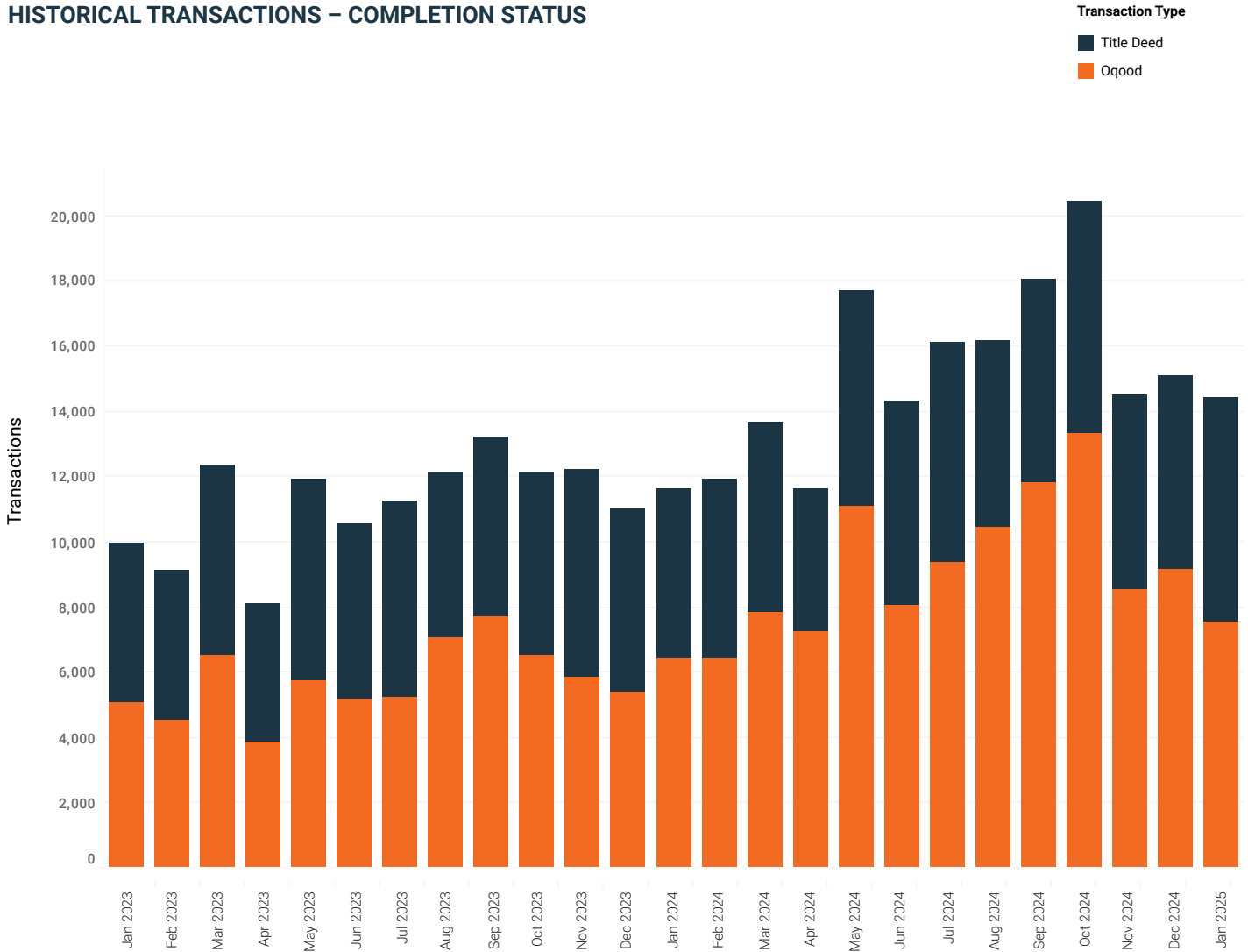
The Property Monitor Dynamic Price Index (DPI) tracks trends of residential property prices throughout 42 key communities in Dubai and is indexed to a base period of January 2008.

At an emirate-wide level, the index value for January 2025 decreased by 1.19 index points to 207.26 from 208.45 in December 2024, representing a month-on-month decrease of 0.57%.

In January 2025, property prices declined slightly and now stand at AED 1,484 per sq ft. This is now 89.14% above the market trough of April 2009 and 20.33% above the market peak of September 2014. Absent any significant economic, geopolitical, or unforeseen global events, current market conditions are expected to support continued growth throughout 2025. However, the pace is likely to slow, with price movements becoming more volatile, fluctuating between minor increases and decreases on a month-to-month basis.

On a year-on-year basis, prices have increased by 15.64% in January and now marks 47 straight months of year-on-year increases, while on a year-to-date basis, prices have decreased by 0.57% in January 2025 compared to an increase of 0.19% in January 2024.

HISTORICAL TRANSACTIONS – COMPLETION STATUS

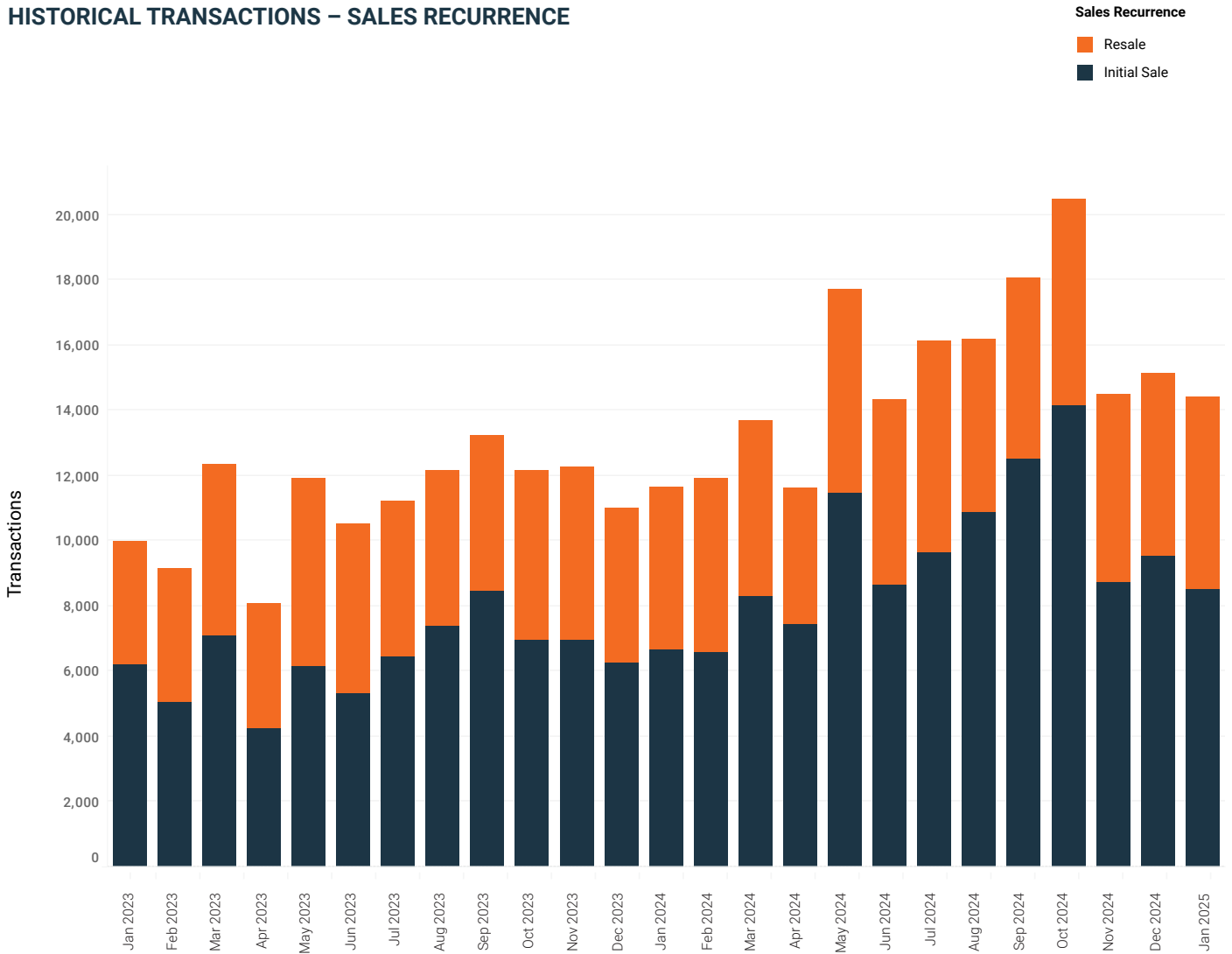


Sales transaction volumes in January amounted to 14,413, decreasing by 4.6% compared to December 2024. During the month, the split between Oqood and Title Deed property transactions was weighted in favour of the former, with Oqood registrations accounting for 52.4% of all transactions, down by 8.3% month-on-month. After adjusting for registration technicalities where several off-plan villa and townhouse transactions are shown as Title Deed, the true breakdown of market share is further bolstered to 67.6% in favour of properties under construction having been sold off-plan.

Emaar Properties claimed the top spot in the off-plan market with the bulk of developers' off-plan registrations claiming a market share of 16.5%. They recorded 1,263 transactions spread across a myriad of their projects, most notably Terra Heights in Expo City where 480 sales were recorded. This was followed by Farm Grove 1 in the Valley, and then Marina Place 1 and Marina Place 2 in Mina Rashid Yachts and Marina with 153, 80, and 75 sales respectively.

DAMAC Properties was next at 15.8% of all off-plan transactions with Maldives in DAMAC Islands leading their sales success and recording 284 transactions, then was followed by Violet 3 (252) and Violet 4 (172) in DAMAC Hills 2, and DAMAC Sun City (132). Taking third place was Danube Properties securing a 5.3% market share with the highest volume of sales occurring at Diamondz (102) in JLT Embankment, Bayz 102 (99) in Business Bay, Oasis 2 (69) and Oasis 1 (63) in Dubai Silicon Oasis.

HISTORICAL TRANSACTIONS – SALES RECURRENCE



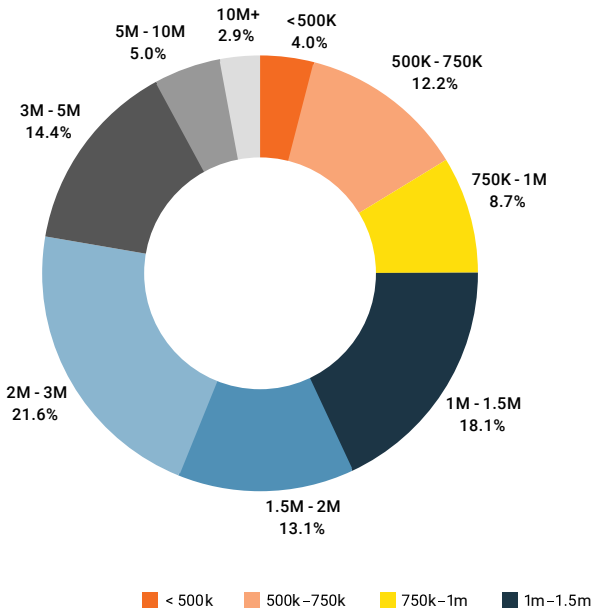
In January 2025, the market share of initial developer sales decreased by 1.7%, falling to 61.4% versus resale transactions. The 12-month rolling average now stands at 63.6% for initial sales and 36.4% for resales, the latter of which, after reaching a high of 51.8% in April 2021, has been slowly trending back down towards the levels of 2019 and 2020, 33.2% and 33.8% respectively.

Dubai Land Residence Complex was the most popular master development for initial sales, where 7.9% (653) of all such transactions occurred. Samana Ibiza took the top spot for the month with 90 registrations, then was followed by Cove Edition II (80), Terra Tower (79), and Samana Park Meadows (52).

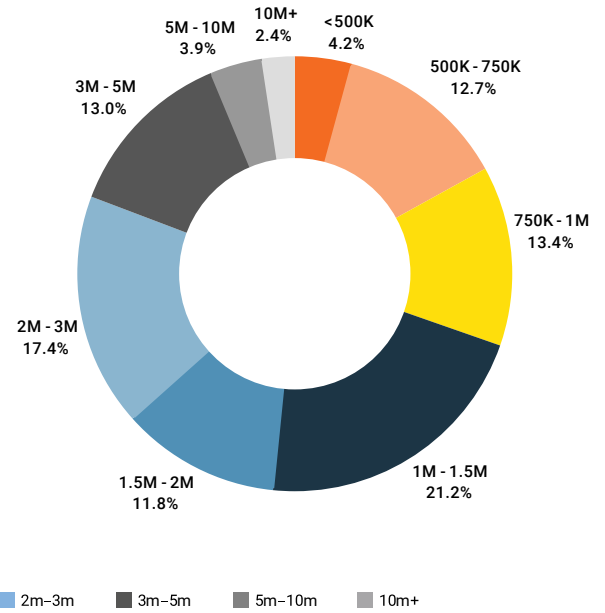
Taking second place was DAMAC Hills 2 with 614 sales and a 7.5% market share. Sales in the community were dominated by Violet 3 recording 252 registrations and then was followed by Violet 4 (172), Violet 2 (55), and Elo 3 (24). Coming in third for January was Expo City claiming 6.4% market share with a total of 509 sales. Terra Heights was the standout in the community with 480 registrations, then was followed by Sidr Residences (43) and Sky Residences (6).

The top master developments for residential resale transactions were Jumeirah Village Circle with 8.3% of such transactions spread across multiple projects, with the highest level of sales occurring at Binghatti Corner (14). This was followed by Business Bay with a 6.2% market share with Peninsula Three (13) being the highest transacted. Closing out the top 3 master developments for resale was Dubai Marina holding 5.1% of the market, with Marina Pinnacle recording 9 sales for the month.

PRICE TIERS (AED) – January 2025



PRICE TIERS (AED) – December 2024



PRICE TIERS (AED) MONTHLY COMPARISON

	December 2024	January 2025	MoM Change
<500k	4.2%	4.0%	-0.20%
500k-750k	12.7%	12.2%	-0.50%
750k-1m	13.4%	8.7%	-4.70%
1m-1.5m	21.2%	18.1%	-3.10%
1.5m-2m	11.8%	13.1%	1.30%
2m-3m	17.4%	21.6%	4.20%
3m-5m	13.0%	14.4%	1.40%
5m-10m	3.9%	5.0%	1.10%
10m+	2.4%	2.9%	0.50%

Growing their share of the market at the fastest pace was the AED 2m-3m price tier which increased by 4.2% in January to reach a total of 21.6%, and registers at the highest market share on record for the tier. The growth of this price tier can be largely attributed to the successful new development launches of Upper-Mid category townhouses at DAMAC Sun City which saw average sales prices of AED 1,222 per sq ft, as well as Mid category apartments at Cilia and Serra in Ghar Woods where sales prices averaged AED 1,780 and AED 1,699 per sq ft respectively. Meanwhile, the biggest market share loser was the AED 750k-1m tier, which decreased by 4.7%, falling to 8.7%.

Also experiencing notable growth during the month were the adjacent AED 1.5m-2m and AED 3m-5m price tiers, which collectively grew by 2.7%. Growth in these segments can be largely attributed to the same projects as well as off-plan sales of High category apartments at Binghatti Skyrise in Business Bay and Mid category apartments at Sobha Orbis in Motor City where price per square foot values averaged AED 2,436 and AED 1,886 respectively.

Condensing the individual 9 price tier segments to 3 main groups, properties in the mid-tier of AED 1m-3m again accounted for the largest share of the market at 52.8%, up 2.4%. The low-price tiers with property values under AED 1m now represent 24.9% of the market, down 5.4% from December, while the high-end price tiers—properties over AED 3m—now represent 22.3% of the market, up by 3.0% month-on-month.

METHODOLOGY AND METRICS

Dynamic Price Index

The Property Monitor Dynamic Price Index family (DPI) are calculated using a moving average algorithm of median prices and the Dutot price index formula with cleansing of extreme values and outliers. The indices are published at the end of each calendar month and are subject to backward revision should any new datapoint or datasets become available. This is a unique feature of the Property Monitor DPI as it always uses the fullest data set available and takes into account data which was not available at the point of original index compilation. Detailed index methodology and notes are available at propertymonitor.com/pmdpi.html

Completed Transaction

Consists of transactions that are recorded on the Dubai Land Department's official Title Deed register for all sales of completed property which has been issued a Building Completion Certificate (BCC) and is available to purchase and occupy. Typically, it refers to the subsequent resale(s) of a property and transfer of ownership which takes place between two or more private parties, however, it may also include any initial first-time transfers between developers and buyers whereby a BCC has been issued and the developer had not previously sold the property.

Gross Rental Yield

Is the annual rent as a percentage of the purchase price or value of a property and is presented in this report as a value that represents the blended average rental yield of properties in Dubai across all communities.

Highest Recorded Sale

The single transaction of an apartment or villa that achieved the highest recorded transferred sales price during the month either in the off-plan or completed segment. Excludes plot/raw land only sales.

Initial Sale

The first sale of a property, usually directly from the developer or project sponsor to a buyer. Typically, an initial sale would occur during the construction phase of a project and get registered as an off-plan transaction with an Oqood. However, should the developer hold unsold units after the project is completed, an initial sale would be recorded with a Title Deed. An initial sale only occurs once and every subsequent sale thereafter is a 'resale'.

Lowest Recorded Sale

The single transaction of an apartment or villa that achieved the lowest recorded transferred sales price during the month either in the off-plan or completed segment.

ABOUT PROPERTY MONITOR

Property Monitor is the region's leading real estate intelligence platform and the only data source powered by RICS-accredited professionals, bringing unprecedented transparency and accuracy to local property markets. Through Property Monitor, market stakeholders can directly access real-time, transparent and accurate intelligence, unmatched anywhere else in the region. The platform empowers investors, property specialists and banking professionals with authoritative data, analytics and insights that closely correlate with market movements, empowering confident and informed property-related decisions. As of 2022, we are proud to officially be part of the Cavendish Maxwell group of companies.

Please get in touch with us for our detailed community reports and any other specific requirements you might have.



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After being processed and cleansed, transaction data for the monthly market report is extracted on the first day of each month and includes transactions as posted by the Dubai Land Departments as of midnight of the last day of the relevant reporting period. Comparison of the data, the periodic MoM and YoY periods, and other values printed in the monthly reports may not correlate from time-to-time, this is due to additional transactions being added to the underlying data which are post-dated or otherwise not released prior to publication.