



Q1 2025

# Dubai Real Estate Report



REALBUZZ-MARKETING.COM



# Market Overview



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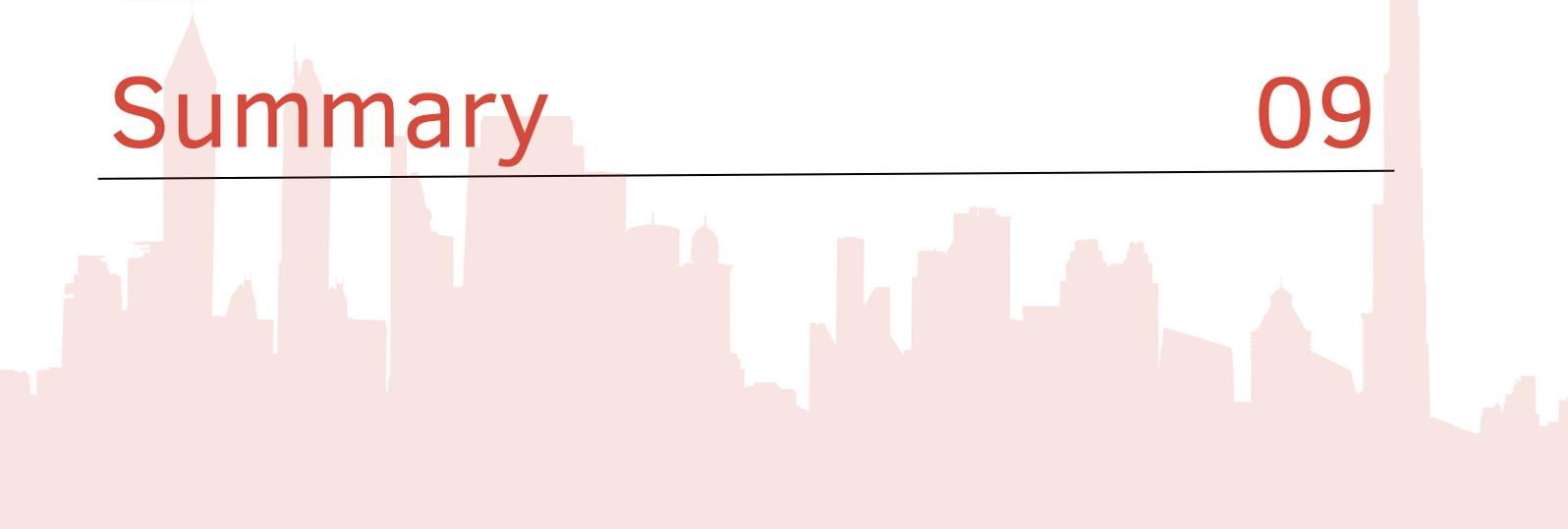
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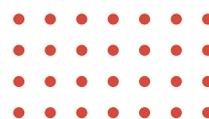
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# Executive Summary



Dubai's residential real estate sector in Q1 2025 shows a noticeable moderation from the record highs of late 2024, with transaction volumes (16,264 total) dipping nearly 65% QoQ. Despite this decline, average sales prices continued on a gradual upward path, reaching AED 1,745 per sq ft —a +4.2% QoQ increase over Q4 2024 and +3.4% YoY versus Q1 2024. These figures suggest that, while fewer deals are officially registered, underlying demand and price resilience remain intact.

## Key Trends



**Surge in End-User  
Demand**



**Rise in Off-plan  
Confidence**



**Buyers Seek Value  
Over Location**



**Demand Outpaces  
New Supply**



# Market Overview



## Key Stats

### Total Transactions

**41,011**

-9.87% +23.14%  
QoQ YoY

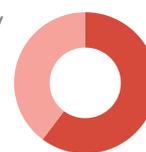
### Average Value

**AED 1,745/sqf**

+4.2% +3.4%  
QoQ YoY

### Transaction Split

Secondary  
15202



Offplan  
23017

Q1 2025 marked a shift in Dubai's real estate momentum, with total residential transactions falling by 9.87% compared to Q4 2024—the first quarterly decline since mid-2023. Despite this, the market remains historically active, posting a strong +23.1% year-on-year increase in transaction volume.

Average prices also continued their modest upward trajectory, rising 4.2% quarter-on-quarter and 3.4% year-on-year, signalling a recovery from earlier softening. The data reflects a stabilising market—less frenzied than previous quarters, but still underpinned by solid demand and long-term confidence.

## Family-Focused Demand

In Q1 2025, villas and townhouses saw approximately 4,236 sales (26% of the total), reflecting a clear shift toward family-focused, suburban communities where buyers appreciate more affordable entry prices, larger living spaces, and potential value gains from upcoming infrastructure (e.g., new roads, future metro lines).

This aligns with the government's recent announcement allocating 1.46 million sqm for 17,080 affordable homes, part of the emirate's 2040 Urban Master Plan, underscoring a broader drive toward helping mid-income families achieve homeownership.

## Off-Plan Resilience

Off-plan units made up a significant share of apartment transactions (67%) and around 30% of villa/townhouse sales. Newly launched villacommunities saw particularly strong absorption rates, buoyed by developer incentives (waived DLD fees, post-handover plans).

Sources: DLD

# Market Overview



## Apartments

### Transactions

**30,826**

**-15.1%** **+14.1%**  
QoQ YoY



### Average Price

**AED 1,827 /sqf**

**-4.3%** **+2.9%**  
QoQ YoY

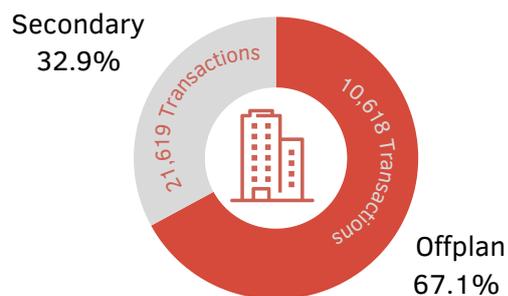
Apartment sales totalled 32,237 transactions in Q1 2025, marking a 15.1% decline quarter-on-quarter but a 14.1% increase year-on-year. This growth compared to Q1 last year reflects a broader trend of rising demand, despite the seasonal dip from Q4 highs.

Average apartment prices reached AED 1,827 per square foot, up 4.28% QoQ and 2.93% YoY—a sign that, while price growth is moderating, the market continues to show resilience, especially in key mid-market communities.

## Offplan vs Secondary Market

Off-plan apartments accounted for 66.5% of all deals with 21,619 transactions, compared to 10,618 secondary sales.

Whilst secondary demand remains steady, rising prices are prompting more end-users to consider off-plan as an affordable alternative, alongside investors drawn to payment flexibility and capital growth.



# Market Overview



## Villas & Townhouses

### Transactions

**10,185**

**+12.5%** **+64.5%**  
QoQ YoY



### Average Price

**AED 1,396 /sqf**

**-4.41%** **+5.8%**  
QoQ YoY

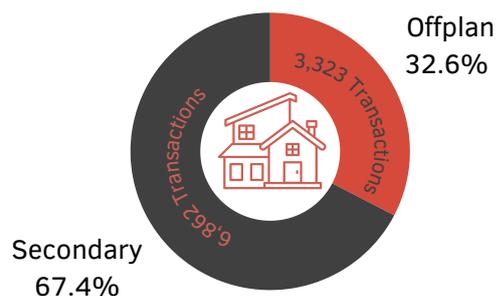
Villas and townhouses recorded a significant 64.5% year-on-year surge in sales activity during Q1 2025, reaching 10,185 transactions, with 12.4% growth quarter-on-quarter. This spike reflects growing end-user demand from families choosing to settle in Dubai long term, many of whom are transitioning from renters to owners.

Despite strong demand, average prices dipped slightly by -1.41% QoQ, landing at AED 1,396/ sqf. This follows a period of sharp price growth and may indicate some stabilisation, especially as more affordable inventory enters the market. Still, prices remain 5.76% higher YoY, suggesting steady long-term confidence in this segment.

## Offplan vs Secondary Market

While secondary sales still dominate (67.4%), off-plan transactions now make up nearly a third (32.6%) of villa/townhouse sales, reflecting a shift in buyer strategy. As villa prices rise and supply tightens, many end-users, particularly families, are turning to off-plan as a more accessible path to ownership.

Meanwhile, limited stock and competitive bidding continue to support secondary market prices, reflecting a maturing villa segment increasingly driven by long-term residents.



Sources: DLD

# Market Overview

## Macro Economic Context

The city's **GDP expanded by 4.2% in 2024**, fuelled by a **15% rise in tourism revenue** and steady growth in logistics, finance, and technology. Additionally, Dubai is moving away from oil, with **70% of its output now derived from non-oil activities**, a shift that reinforces resilience to global oil-price fluctuations. Despite **3.1% YoY inflation in Q1 2025**, **living expenses in Dubai are 20–25% lower than in central London or Manhattan**, and mortgage rates average 4.5–5%, keeping home ownership within reach.

**Dubai's population surpassed 3.6 million in 2024 (growing over 5%)**, and it is on track to reach 3.8 million by the end of 2025. This steady influx of skilled expatriates and families is fuelling demand for suburban villas and townhouses, with safe living conditions, top-tier schools, and robust healthcare encouraging long-term residency and supporting sustained sales in mid-tier and affordable segments.

Plans for a **new Blue Line metro** will connect key areas and educational hubs, reducing commute times and boosting demand in mid-tier apartment communities.



### Economic Growth

GDP up 4.2% in 2024; tourism revenue increased by 15%.



### Affordable Living

Despite 3.1% inflation, living costs are 20–25% lower than in central London/Manhattan.



### Population Surge

Population exceeded 3.6M in 2024 (over 5% growth), projected to reach 3.8M by 2025.



### Transit Expansion

A planned Blue Line will connect key hubs and reduce commute times.



### Economic Diversification

70% of output now comes from non-oil activities, reinforcing resilience to oil-price fluctuations.



### Mortgage Advantage:

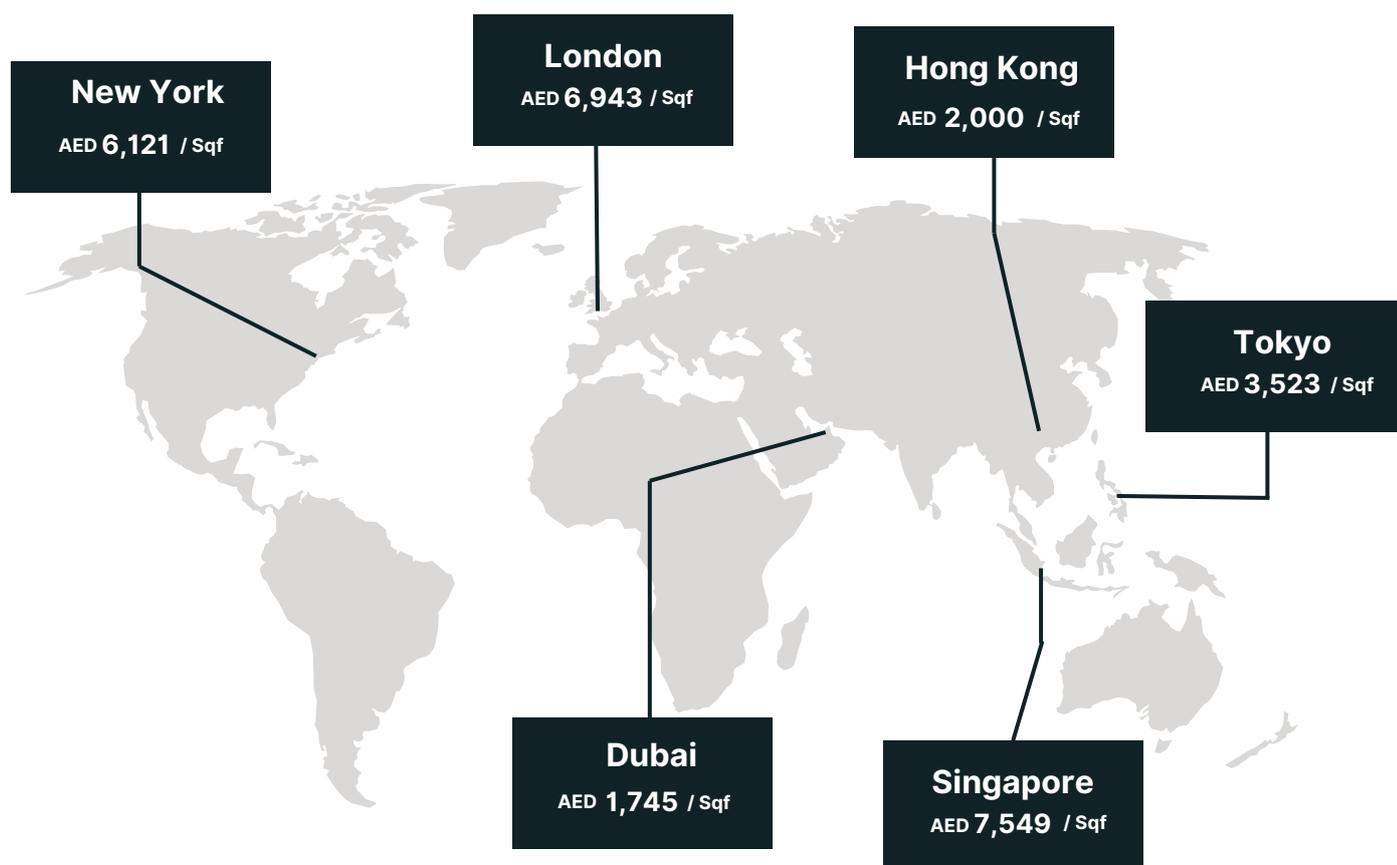
Mortgage rates average 4.5–5%, keeping home ownership within reach.

Sources: DXB Interact; DLD

# Market Overview



## Dubai in Global Context



## Affordability in a Global Market

Dubai's average price per square foot for central residential properties is significantly lower than in many global cities. While areas in New York, London, and Hong Kong can exceed AED 6,000–9,000 per square foot, Dubai typically averages around AED 1,745.

This affordability is driven by abundant developable land, a competitive construction market, and proactive urban planning that maintains a robust supply. These factors help keep costs in check, making Dubai an attractive option for both investors and homebuyers compared to other major international hubs.

Sources: DXB Interact; DLD

# Market Overview

## Shifting Buyer Profiles

Dubai has evolved from a rotational expat post into a permanent home for many, driven by family-friendly policies (e.g., Golden Visa from AED 2 million), diversified job opportunities, and pandemic-driven lifestyle changes.

While the emirate remains a strong draw for investors seeking capital appreciation and robust rental yields, a growing number of end-users are now purchasing off-plan villas or secondary market townhouses—choosing to plant roots rather than rent short-term.

### INVESTORS



Investors continue to play a key role in Dubai's market, particularly in the off-plan apartment segment. Their focus is on flexible payment structures, attractive rental yields, and future capital appreciation.

While speculative flips have slowed, appetite from strategic, yield-focused investors remains consistent.

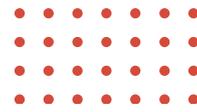
### END-USERS



End-users, especially families and long-term residents, are becoming increasingly dominant in the villa and townhouse market.

Rising rents, family-friendly infrastructure, and permanent residency options (e.g. Golden Visa), as well as a prioritisation of lifestyle and long term community investment, are encouraging more residents to shift from renting to owning.

# Key Trends



## 01.

### **Inflation & Cost of Living**

The initiative to build 17,080 affordable homes could gradually relieve pressure in lower-priced segments, fostering more inclusive homeownership.

## 02.

### **Shift to Villa Living**

End-users remain motivated to secure larger homes in villacommunities with good amenities and prospective metro or road links.

## 03.

### **High Confidence in Off-Plan**

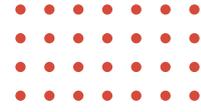
Limited secondary supply in popular villa/townhouse enclaves and continued investor confidence in off-plan developments keep values on a gradual upward trend.

## 03.

### **Mid-Tier Market Resilience**

Possible short-term dips in certain older apartment clusters if new units hand over en masse, but no major corrections are anticipated in prime or well-located mid-tier zones.

# Market Advice



## Navigating a More Measured Market

As the cycle matures, the entire market benefits from a shift to insight-led decision-making.

But with urgency fading and caution rising, one of the key questions to ask is: *'How do you guide more cautious buyers and sellers in a stabilising market?'*

### Investor Landscape



#### Investor Landscape

Investor interest remains strong, but the focus is shifting toward long-term value and selectivity. Buyers are prioritising:

- Established communities with rental demand
- Developer credibility over branding
- Sensible yields in light of global volatility and macro shifts

Clear, informed positioning around returns, risk, and quality will shape investor decisions going forward.

### End-User Considerations



With price growth easing and rents rising, more residents are exploring ownership as a long-term solution. Key factors include:

- Build quality, service charges, and location
- Realistic financing expectations
- Lifestyle-led choices, not just affordability

Buyers are more intentional – and looking for trusted guidance, not just listings.



# Summary

Dubai's real estate market appears to be stabilising from a post-pandemic surge to a more measured pace of growth. Despite fewer registered deals, solid price performance and ongoing infrastructure improvements indicate a positive outlook for the remainder of 2025, particularly in mid-tier suburban segments and well-branded off-plan projects.

## Steady Prices, Lower Volumes

Steady Prices, Lower Volumes  
While overall transactions fell sharply from late-2024 highs, Dubai's average prices inched upward (AED 1,745/sq ft, +4.2% QoQ), signalling resilient end-user and investor confidence.

## Off-Plan Momentum

Approximately 67% of apartment deals in Q1 2025 were off-plan, reflecting flexible payment structures and positive sentiment around future capital gains.

## Family-Focused Demand

Villas/townhouses remain a priority for families seeking larger homes in suburban areas like Emaar South, Tital Al Ghaf, and Town Square—underscored by limited secondary supply.

## Infrastructure & Affordability Drivers

Road expansions, potential Metro extensions, and a new affordable housing initiative (17,080 units) should shape demand patterns, especially for mid- and lower-income segments, in the medium term.

# About RealBuzz



## Helping Dubai Real Estate Agents Grow

Real Buzz Marketing is a Dubai-based marketing agency dedicated to the real estate industry. We specialise in crafting data-driven yet powerful personal brands for agents, and developing high-impact campaigns that convert leads into loyal clients.

We help you stand out in a crowded market with clear messaging, meaningful content, and strategies that deliver results.



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