Dubai Residential Market Report

12 November 2025

Prepared for **Casagrand Premier Builder Limited**

Accelerating success.

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Report Preface

Colliers has been requested by Casagrand Premier Builder Limited (the "client"), to undertake a short market study on the Dubai Residential Market, covering the following areas:

- Brief description of the Real Estate Market
- Key trends in supply and absorption in the real estate market
- Key capital market trends (prices)
- Key real estate hotspots in the city
- Key advantages and risks of the real estate market in Dubai

We understand the report is required as part of an IPO offering. Colliers has signed a Consent Letter with regards to the use of this report as part of the process.

Dubai Residential Overview

Market Background

Historical Context and Transition

The Dubai real estate market has seen remarkable evolution over the last number of decades.

Initially, property ownership in Dubai was largely restricted to GCC nationals. This limitation constrained market growth and international investment.

The significant shift occurred in 2002 when Dubai introduced freehold property ownership for foreigners. This landmark decision opened up designated areas for foreign investment, dramatically increasing market activity and attracting a global investor base.

Freehold Market Expansion

The introduction of freehold properties allowed foreigners to buy, sell, and lease properties in several prime locations.

Key areas such as Downtown Dubai, Dubai Marina, Palm Jumeirah, and Business Bay became focal points for luxury developments, renowned for their modern architecture, high-end amenities, and strategic locations.

Post Covid Boom

The COVID-19 pandemic had a profound impact on Dubai's real estate market. Initially, the market experienced a slowdown due to global economic uncertainty and travel restrictions. However, post-pandemic recovery has been robust, with significant increases in property transactions and values.

Several factors contributed to this resurgence:

Increased Demand for Spacious Living: The pandemic underscored the importance of space, driving demand for larger apartments and villas. Many residents sought properties with more room for home offices, outdoor spaces, and enhanced amenities.

Population Growth: Increase in population of Dubai following a post COVID-19 boom, and Dubai cementing itself as a preferred global expatriate destination. Other factors such as the Ukraine/ Russia conflict saw a sharp increase in migrants from those countries.

The Dubai residential market has seen a sustained period of appreciation in recent years, with property prices recording double-digit percentage increases across a broad spectrum of communities and asset categories.

RERA

RERA (Real Estate Regulatory Authority) in Dubai regulates the real estate sector, ensuring transparency, protecting buyers, and overseeing property transactions. RERA also enforces strict compliance with real estate laws and conducts regular audits to maintain industry standards. Their regulations mandate the use of escrow accounts, which secure buyers' funds until the project is completed, safeguarding against developer defaults. The escrow account system boosts investor confidence by ensuring that funds are used solely for the intended project, enhancing overall market stability.

Residential Market Overview

Residential Sales Overview

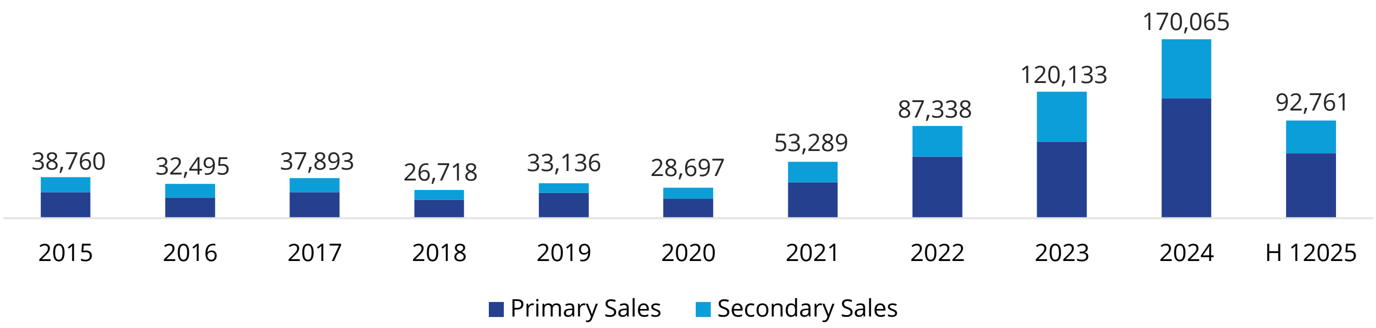
Number of Transactions – Residential – (2015 – H1 2025)

- **2015-2020 Trends**: Despite some annual volatility between 2015 and 2020, Dubai's transaction volumes were largely stable, staying confined to a range of 25,000 to 35,000 units.
- **Post-2020 Surge**: Dubai's residential market witnessed a significant acceleration in activity, with transaction volumes nearly doubling from 2020 to 2021. Growth was sustained thereafter, reaching a record-breaking high of 170,000 transactions in 2024.
- **H1 2025 Data**: The first half of 2025 shows an acceleration of this trend with 92,761 transactions, suggesting continued market activity and interest in residential properties.

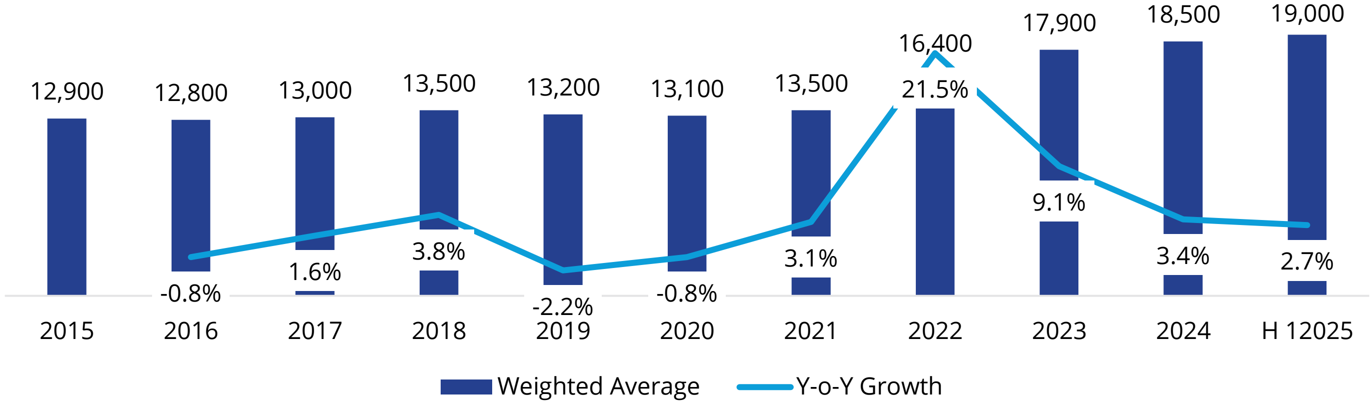
Average Residential Sales Rates – (AED / sqm) – (2015 – H1 2025)

- **Price Moderation (2015-2020):** The period from 2015 to 2020 was characterized by broadly stable average sales prices, with fluctuations confined to a narrow annual range, predominantly supported by a strong primary apartment sales market.
- **Post-2020 Growth:** Dubai's real estate market experienced a revival in late 2020, with transactional activity gaining momentum and continuing to accelerate through to 2024. This growth has been stimulated by a combination of factors, such as economic expansion, increased market confidence, infrastructure development and proactive Government initiatives and spending.
- **Recent Trends:** While the average sales rate continues to climb, reaching AED 19,000 per sqm in H1 2025, the pace of growth has notably moderated. Following a significant 9.1% increase in 2023, the annual growth rate decreased to 3.4% in 2024 and slowed further to 2.7% in H1 2025. This indicates property values are stabilizing at a higher level after a period of rapid appreciation.

Number of Residential Transactions (2015 – H1 2025)



Average Residential Sales Rates – (AED / sqm) – (2015 – H1 2025)



- Sources: Reidin, Colliers, 2025
- Note: Years stated represent full calendar years (Jan-Dec)

Residential Market Overview

Apartments Sales Overview

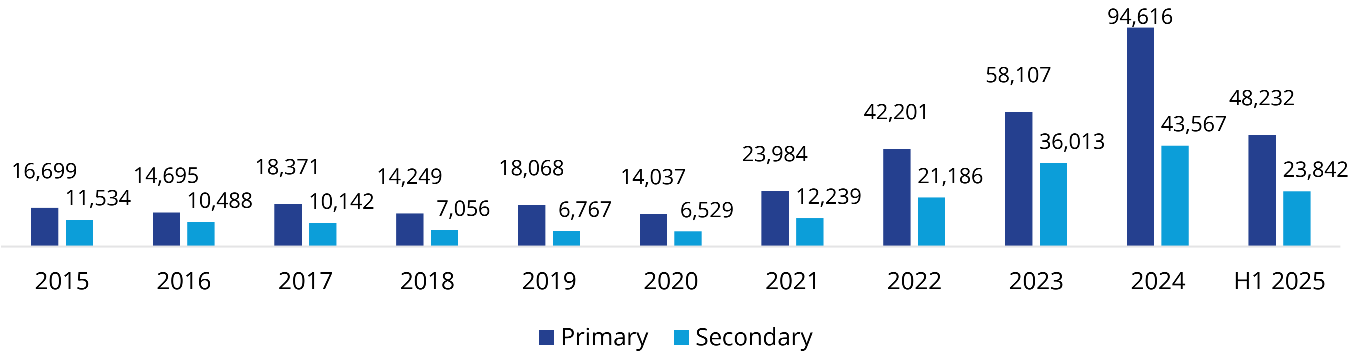
Number of Transactions – Apartments – (2015 – H1 2025)

- **2015-2020 Trends:** Transaction volumes were relatively consistent throughout this period, ranging from 20,000 to 30,000.
- **Post-2020 Surge:** A significant rise in transactions has been evident since 2021, predominantly driven by the growth in primary sales. Similarly, secondary sales have also followed this post-COVID growth trend. Apartment transactions saw a significant increase in 2022, 2023 and 2024.
- **H1 2025 Data:** Transaction volumes in the first half of 2025 continued to accelerate reaching unprecedented levels, predominantly driven by off-plan sales.

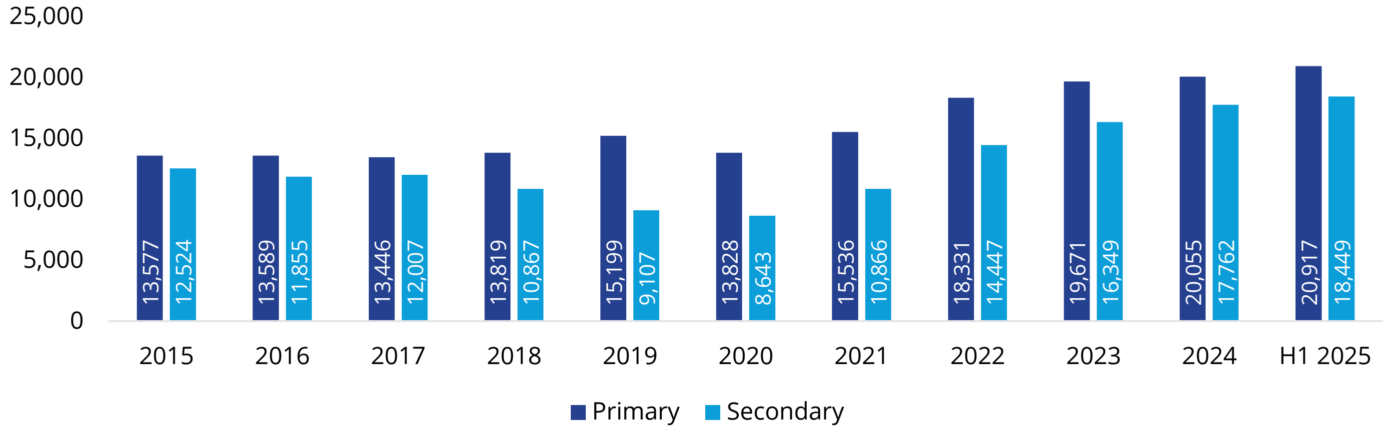
Average Apartment Sales Rates – AED/sqm (2015 – H1 2025)

- **Price Moderation (2015-2020)**: Apartment sales prices during this period generally reflected the impact of increasing supply. Pricing for primary (off-plan) sales remained broadly stable (with a substantial surge in 2019), whereas secondary (ready) market prices declined. This divergence underscores the strong demand for off-plan properties, which were frequently supported by attractive pricing strategies and favourable payment plans.
- **Post-2020 Growth:** A marked acceleration in sales rates has been observed since 2021. Primary market rates, which stood at AED 15,536 per sqm in 2021, have continually increased, surpassing AED 20,000 per sqm in 2024. Secondary market rates followed a similar trajectory, peaking at AED 17,762 per sqm in 2024.
- **H1 2025 Data:** The first half of 2025 shows further growth in average sales rates, with primary sales at AED 20,917 per sqm and secondary sales at AED 18,449 per sqm. However, the rate of growth is easing.

Number of Transactions – Apartments – (2015 – H1 2025)



Average Apartment Sales Rates – AED/sqm – (2015 – H1 2025)



- Sources: Reidin, Colliers, 2025
- Note: Years stated represent full calendar years (Jan-Dec)

Number of Transactions – Villas (2015 – H1 2025)

- **2015-2020 Trends:** The number of transactions for villas, split into primary and secondary markets, shows varied activity from 2015 to 2020. Primary sales were generally higher than secondary sales throughout this period.
- **Post-2020 Surge:** A significant rise in transactions is evident from 2021 onwards. Primary sales saw a notable increase to 10,254 in 2021, followed by further growth in 2022, dipping slightly in 2023, reaching 19,000 in 2024. Secondary sales also rose during this period, peaking at 12,881 in 2024.
- **H1 2025 Data:** Volumes doubled in H1 2025 compared with the same period in 2024, with primary sales driving this growth.

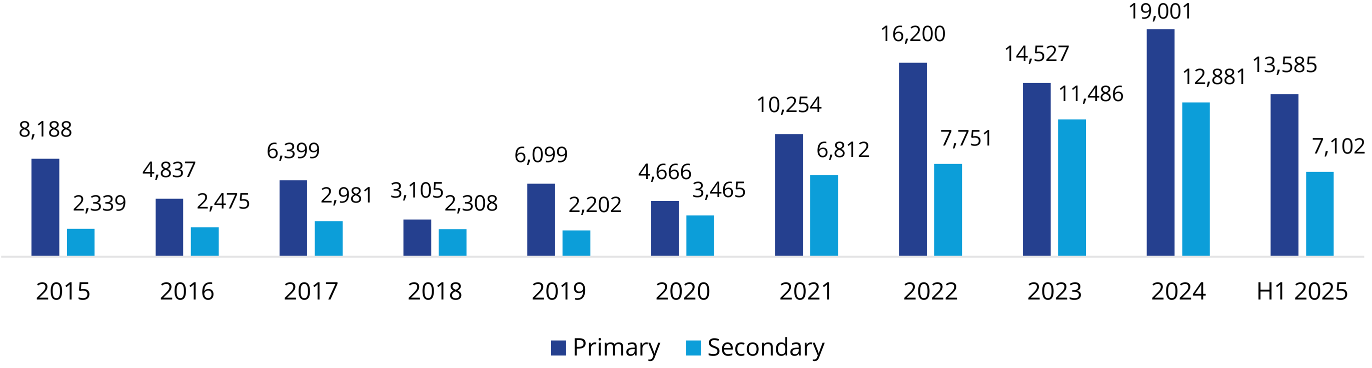
Average Villa Sales Rates – AED/sqm (2015 – H1 2025)

- **Price Moderation (2015-2020)**: The period from 2015 to 2020 saw a contraction in villa sales prices, a trend attributed to the simultaneous impact of growing supply and limited buyer capacity. Furthermore, the villa segment presents an inversion in pricing dynamics compared to apartments: secondary (ready) villa sales command higher average rates than primary (off-plan) sales, contrary to the trend observed in the apartment market.
- **Post-2020 Growth:** From 2021 onwards, a notable increase in sales rates is observed. Primary sales rates rose from AED 9,514 per sqm in 2021 to AED over 14,000 in 2024. Secondary sales rates also saw a rise, reaching AED 15,731 in 2024.
- **H1 2025 Data:** The first half of 2025 shows further growth in average sales rates, with primary sales at approximately AED 14,500 per sqm and secondary sales at AED 17,207 per sqm. This continued rise suggests strong demand and increasing property values.

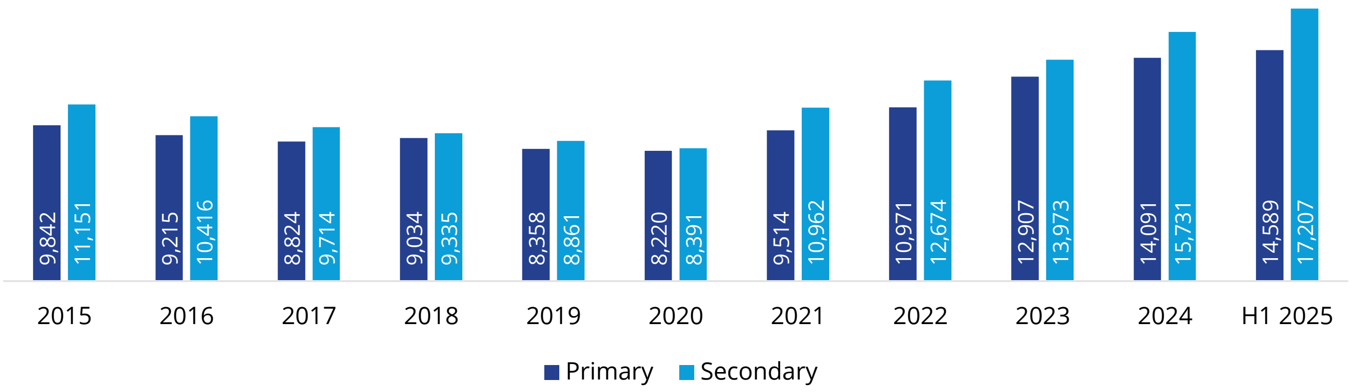
Residential Market Overview

Villas Sales Overview

Number of Transactions – Villas – (2015 – H1 2025)



Average Villa Sales Rates – AED/sqm – (2015 – H1 2025)

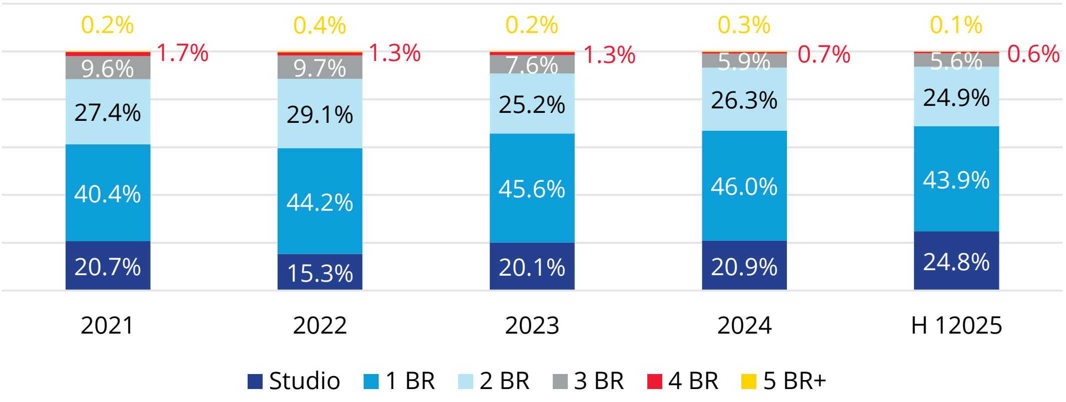


- Sources: Reidin, Colliers, 2025
- Note: Years stated represent full calendar years (Jan-Dec)

Residential Market Overview

Apartment Key Products in Demand – Off Plan Sales Analysis

Apartments Off-plan Sales Mix by Number of Bedrooms – (2021 – H1 2025)



Top 10 Off-plan Sales Communities (2021 – H1 2025)

Sr.	Community	Launch Date	# of Transactions	% Distribution	Average Sales Price (AED/sqm)
1	Jumeirah Village Circle	2005	31,551	12%	12,992
2	Business Bay	2003	22,684	9%	23,375
3	Dubai Hills Estate	2014	12,511	5%	22,052
4	Arjan	2006	10,602	4%	13,277
5	Dubai Creek Harbour	2016	10,317	4%	22,421
6	Meydan One	2017	8,976	4%	18,437
7	Dubai Harbour	2017	8,859	3%	37,764
8	Sobha Hartland	2014	8,439	3%	19,483
9	Downtown Dubai	1998	8,327	3%	27,829
10	Jumeirah Lake Towers	2005	8,325	3%	17,784
	Others		123,111	49%	17,512
	Grand Total		253,702	100%	19,894

Source: Reidin, Colliers, 2025

Note: Years stated represent full calendar years (Jan-Dec)

Sales Mix (2021 – H1 2025):

- The off-plan sales mix between 2021 and H1 2025 demonstrates a marked preference for smaller units, driven primarily by affordability. Studios and 1-bedroom apartments significantly increased their share of total sales, while the share of 2-bedroom apartments declined. This shift is financially rational, as smaller units typically provide greater yield and financial returns for both developers and investors.

Top 10 Communities (2021 – H1 2025):

- The bulk of off-plan apartment transactions continue to be recorded across a wide range of locations, spanning both established central districts and initial expansion areas. This reflects a highly diversified market with healthy project availability in both primary and secondary locations across Dubai. Consequently, the proposed development in Dubai Islands will face competition from a broad array of projects, but is also uniquely positioned to attract significant demand due to its prime, island location, master plan appeal and proximity to key demand drivers.

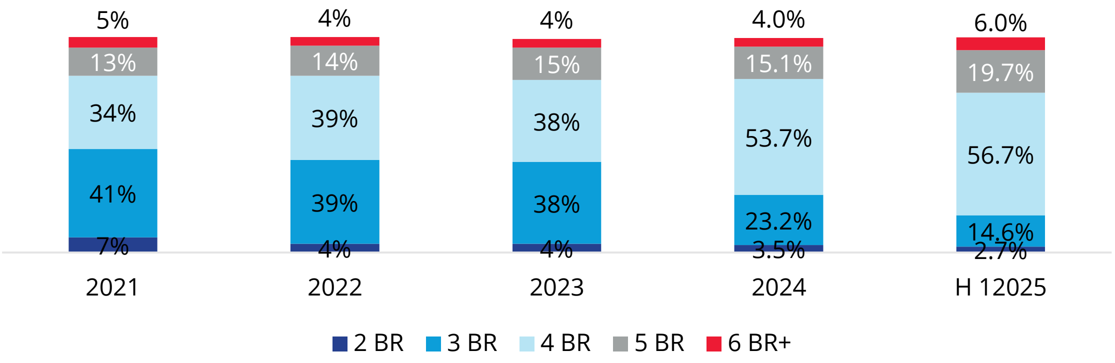
- Market pricing varies significantly by location, which defines the target buyer segment. Communities such as Dubai Harbour and Downtown Dubai command the highest average sales prices per square meter, reflecting their luxury positioning and premium amenities.

- Dubai Islands, as a newly evolving waterfront mega-project, will primarily compete with the Upper Market segment (Dubai Harbour, Downtown, Palm Jumeirah) in terms of price and prestige, while leveraging its unique coastal setting to capture demand from investors and end-users seeking a differentiated prime address.

Residential Market Overview

Villa Key Products in Demand – Off Plan Sales Analysis

Villas Off-plan Sales Mix by number of bedrooms – (2021 – H1 2025)



Top 10 Off-plan Sales Communities (2021 – H1 2025)

Sr.	Community	Launch Date	# of Transactions	% Distribution	Average Sales Price (AED/sqm)
1	Damac Lagoons	2021	11,086	14%	10,413
2	The Valley	2019	8,470	11%	11,592
3	Damac Hills 2	2014	4,921	6%	9,408
4	Arabian Ranches Phase 3	2019	4,547	6%	11,497
5	Damac Island City	2024	4,496	6%	11,150
6	Emaar South	2016	3,873	5%	12,432
7	Tilal Al Ghaf	2018	3,523	4%	12,986
8	Villanova	2016	3,096	4%	10,149
9	Damac Riverside / Grand Polo Club & Resort	2016	2,599	3%	14,442
10	Dubai South Residential District	2006	2,429	3%	8,298
	Others		30,360	38%	14,919
	Grand Total		79,400	100%	12,571

Source: Reidin, Colliers, 2025

Note: Years stated represent full calendar years (Jan-Dec)

Sales Mix (2021 – H1 2025):

- An analysis of the villa sales mix between 2021 and H1 2025 reveals a distinct shift in buyer preference toward larger units, with 4-bedroom villas seeing a particularly marked increase in their share of transactions. This trend underscores growing demand for more space and enhanced comfort.
- The majority of the market demand is for 3 and 4-bedroom villas, which consistently constitute the largest share of sales from 2021 to H1 2025. This indicates a strong preference for mid-sized villas among buyers.

Top 10 Communities (2021 – H1 2025):

- The majority of off-plan villa sales transactions have been recorded in secondary and expanding areas with focus on off-plan sales. This trend highlights the limited availability of villas in primary, established locations within Dubai, driving developer activity and buyer interest towards these newer development corridors.
- Damac Lagoons, The Valley, and Damac Hills 2 emerged as the top three communities by off-plan sales volume. Their strong performance indicates significant market appeal and perceived value among villa buyers.
- Average sales prices per square meter vary notably across the top communities, reflecting distinct market segments. Mohammed Bin Rashid (MBR) City and Tilal Al Ghaf command premium pricing, establishing their position in the higher-end and luxury segments. Conversely, communities such as Villanova and DAMAC Hills 2 offer more affordable options, successfully catering to a broader, more price-sensitive range of buyers.

Residential Market Overview

Apartment Sales Performance by Key Locations

Average Apartment Sales Rates within Key Upper / Luxury Areas (AED/sqm) – H1 2025

Submarkets	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	PH	Average
Jumeirah Bay Island	-	89,886	118,609	95,013	-	135,025	-	-	106,721
Downtown Dubai	27,261	30,500	37,490	44,402	46,534	44,402	60,323	-	30,894
Bluewaters Island	-	42,365	54,906	56,745	57,438	70,987	-	-	53,563
City Walk	-	28,485	28,367	29,833	38,782	-	-	-	28,915
JBR	26,398	27,057	26,298	21,094	34,534	-	-	19,095	25,160
Business Bay	27,326	24,255	23,521	23,859	31,420	35,753	36,429	16,838	25,076
Dubai Marina	33,060	25,280	20,481	21,019	26,235	19,455	-	23,685	25,955
Palm Jumeirah	38,350	31,093	32,116	43,776	51,816	41,681	-	22,688	36,282
Average	**30,479**	**37,365**	**42,724**	**41,968**	**40,966**	**57,884**	**48,376**	**20,577**	

Average Apartment Sales Rates within Affordable / Mid-end Areas (AED/sqm) – H1 2025

Submarkets	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	PH	Average
Barsha Heights	14,967	15,261	15,730	17,907	-	-	-	-	15,945
The Greens	19,959	17,587	16,407	16,721	-	-	-	-	17,427
Mirdif	10,290	12,762	11,896	13,165	11,990	-	-	-	12,187
Jumeirah Golf Estates	-	13,216	15,494	16,426	14,663	-	-	-	14,495
Al Furjan	16,937	14,061	13,526	12,991	9,788	-	-	-	14,160
Discovery Gardens	10,818	8,343	9,659	-	-	-	-	-	9,482
Town Square	15,955	15,079	14,473	13,092	-	-	-	-	14,662
Average	**14,821**	**13,758**	**13,884**	**15,051**	**12,147**	**-**	**-**	**-**	

- **Premium Pricing in Key Luxury Submarkets:** Apartments situated within the upper/luxury submarkets command a significantly higher price per square meter than those in mid-market segments. This substantial premium is a direct function of the desirability and exclusivity associated with prime locations, as evidenced by pricing trends in areas such as Jumeirah Bay Island and Bluewaters Island.
- **Segmented Market Structure:** The pronounced variation in average sales rates between the luxury and mid-market areas reinforces the highly segmented structure of Dubai's residential apartment market. This segmentation indicates that demand is bifurcated: luxury buyers exhibit a low price elasticity for prime location and superior amenity packages, while mid-market areas serve the demand for affordable, value-driven housing options.
- **Distinct Investment Profiles:** The data highlights distinct value propositions across the market spectrum for investors. Luxury segment offers potential for superior capital appreciation and higher transaction values, appealing to investors targeting high-net-worth individuals. Mid-market segment provides more accessible entry points and competitive yields, catering to investors focused on stable, income-generating assets with reliable tenant demand.

Source: Reidin, Colliers, 2025

Note: Years stated represent full calendar years (Jan-Dec)

Residential Market Overview

Villa Sales Performance by Key Locations

Average Villa Sales Rates within Key Upper / Luxury Areas (AED/sqm) – H1 2025

Submarkets	2 BR	3 BR	4 BR	5 BR	6 BR	Average
Jumeirah Bay Island	-	-	-	50,040	213,535	180,836
Dubai Hills Estate	-	26,117	27,912	35,096	52,325	33,340
Emirates Hills	-	-	93,507	61,020	46,578	49,159
District One	-	-	25,104	27,583	31,550	27,275
Palm Jumeirah	-	49,894	67,442	70,300	100,821	76,422
Sobha Hartland	-	-	-	21,606	-	21,606
Average	**-**	**38,006**	**53,491**	**44,274**	**88,962**	

Average Villa Sales Rates within Affordable / Mid-end Areas (AED/sqm) – H1 2025

Submarkets	2 BR	3 BR	4 BR	5 BR	6 BR	Average
Al Furjan	-	18,057	17,837	19,381	13,659	18,090
Emaar South	-	14,466	15,757	13,337	-	15,084
Reem Mira	-	13,109	13,615	-	-	13,291
Jumeirah Village Circle	11,158	10,864	11,192	13,173	-	11,104
Dubai South	13,525	13,790	13,045	12,813	17,535	13,851
Town Square	-	12,898	14,271	-	-	13,186
Average	**12,342**	**13,864**	**14,286**	**14,676**	**15,597**	

- **Premium Pricing and Liquidity in the Luxury Segment:** Villas located in key upper-market and luxury locations exhibit a significantly higher price per square meter compared to those in mid-market areas. This premium reflects the inherent desirability and exclusivity of prime submarkets such as Palm Jumeirah and Jumeirah Bay Island. It is important to note, however, that while demand is strong, the high price point inherently leads to slower transaction velocity and more limited transaction volume when compared to the mid-market segment.
- **Widespread Demand and Supply Constraints:** The villa market as a whole has experienced a substantial surge in demand, which has resulted in significant price premiums across all segments, including the affordable and mid-end sectors. The primary driver for this broad-based inflation is the current limited supply. Although new inventory is expected to increase in the mid-market segment, the scale of this projected supply remains considerably less than that anticipated for the apartment sector, suggesting ongoing scarcity pressure.
- **Distinct Investment Profiles:** The data outlines varied investment strategies across the villa market. The luxury segment offers the potential for superior long-term capital appreciation due to asset exclusivity and premium pricing, appealing to investors focused on wealth preservation. The mid-market segment provides more accessible entry points and often demonstrates faster absorption rates, making it attractive for investors seeking reliable asset appreciation and stable rental yields with greater liquidity.

Source: Reidin, Colliers, 2025

Note: Years stated represent full calendar years (Jan-Dec)

Residential Market Overview

Dubai Key Upper / Luxury Areas

Average Sales Prices (AED / SQM)

Casagrand has an upcoming development on Dubai Islands

Average Villas Sales Rates within Key Upper / Luxury Areas (AED/sqm)

Average Apartments Sales Rates within Key Upper / Luxury Areas (AED/sqm)

Key Advantages and Risks of the Real Estate Market in Dubai

Dubai’s SWOT Analysis

Strengths

- Proactive Government Policy: Strong, consistent support via visa reforms (Golden Visa), 100% foreign ownership, and a stable legal/regulatory framework (DLD/RERA).
- Tax Efficiency: Zero income tax and no annual property tax, maximizing investor returns and making it globally competitive.
- Global Hub Status: Strategic position attracting continued high-net-worth individual (HNWI) migration and foreign direct investment (FDI).
- Infrastructure & Quality: World-class modern infrastructure, master-planned communities, and high-quality construction standards.

Weaknesses

- Market Volatility Risk: Historical susceptibility to boom-bust cycles and dependence on global economic sentiment/capital flows.
- High Service Charges: Ongoing high maintenance and service charges, which impact net rental yield for investors.
- Reliance on Off-Plan: High market dominance of off-plan sales (often 70%+), which increases project execution risk and supply volatility.
- Affordability Pressure: Rising rents and prices, particularly in central areas, impacting housing affordability for the mid-to-lower income resident base.

Opportunities

- Population Growth: Rapid, government-backed population expansion targets (e.g., Dubai 2040 Urban Master Plan) ensuring sustained demand.
- Niche Market Development: Growth in specialized segments (e.g., branded residences, PropTech integration, sustainable/ESG-compliant developments).
- Economic Diversification: Non-oil sector growth (Finance, Tech, Tourism) creating sustained demand for commercial and residential space.
- Global Capital Shift: Continued geopolitical tensions and restrictive property markets elsewhere driving capital migration to Dubai as a safe haven.

Threats

- Oversupply in Segments: A large, scheduled pipeline of new units (especially mid-market apartments) potentially leading to price corrections and increased vacancy in specific zones.
- Global Interest Rate Hikes: Rising interest rates (tied to the USD peg) increasing borrowing costs and dampening affordability for end-users/mortgage buyers.
- Geopolitical Instability: External regional conflicts or global economic crises impacting investor sentiment and transaction volumes.
- Increased Competition: Other emerging global cities actively competing to attract the same pool of HNWI and foreign investment.

Source: Colliers, 2025

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