

betterhomes

Shaping Skylines

Dubai Residential Real Estate FY 2025

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Introduction



Louis Harding

Chief Executive Officer

Dubai closed the year with AED 547 billion in residential sales value across just over 203,000 transactions, making it the strongest year on record. What is noteworthy is how momentum held through the final quarter: Q4 contributed AED 141 billion in value, showing that demand remained consistent throughout the year.

The make-up of that growth is important. Liquidity remained concentrated in the most investable segments, with apartments accounting for over 80% of transactions and anchoring both volume and value. Off-plan sales reached record highs in both areas, while the secondary market still delivered AED 262 billion across 71,000 transactions. Villas and townhouses recorded AED 221 billion in value despite limited stock. This underlines sustained family-led demand, even as activity normalised—an encouraging sign for future stability.

Against this market backdrop, betterhomes delivered growth that outpaced several key market benchmarks. Buyer demand at betterhomes rose 33% year on year, significantly ahead of the market's 20% increase in transaction volumes. betterhomes' average selling prices increased 23% year on year to AED 4 million, compared with a 12% rise in the citywide average price per square foot, highlighting stronger exposure to the luxury market. In leasing, betterhomes recorded 60% growth in transactions, significantly exceeding the 5% year-on-year increase in total rental contracts across Dubai. This points to clear market share gains and reflects the impact of significant internal changes to our leasing business over the last 18 months.

Mortgages accounted for 52% of betterhomes transactions in 2025, reflecting a further shift towards end-user activity. This compares with a market still meaningfully supported by cash buyers. The rise in mortgage-backed purchases, alongside increasing average deal values, indicates growing buyer confidence and longer-term commitment to Dubai and the wider region, rather than short-term speculative behaviour.

These trends reflect a market that continues to mature alongside Dubai's broader economic and demographic expansion. Population growth beyond 4 million residents, record leasing volumes, and sustained employment creation are translating into real, repeatable housing demand. For both the market and betterhomes, the story of 2025 is as much about maturity as it is about growth.

Looking ahead, an increased delivery pipeline through 2026 and 2027, alongside moderating price growth, will place greater emphasis on data-led, informed decision-making, and on the importance of clients engaging with the most experienced brokerages in the market to advise on their property needs.

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Macroeconomic overview

UAE growth stays resilient across both oil and non-oil sectors

Real GDP expanded 3.9% YoY in Q1 2025 and 4.5% YoY in Q2, with growth projected at 5.2% in 2026

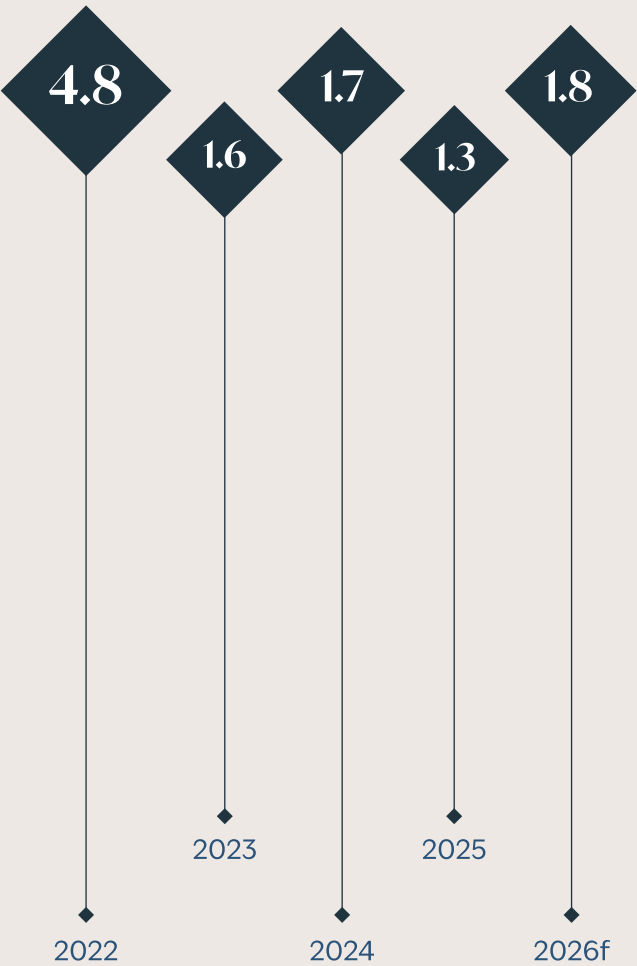
The UAE has continued to demonstrate strong resilience despite global uncertainty, and lower, more volatile oil prices, with growth outperforming many global and regional peers in recent years. The first half of 2025 established a strong baseline for the year, characterised by accelerating activity and broad participation across non-oil sectors. Key contributors included financial and insurance services, manufacturing, construction, real estate activities, wholesale and retail, and tourism-related sectors, highlighting the depth of domestic activity beyond oil. Looking ahead, the CBUAE (Central Bank of UAE) expects growth to remain firm, with 2026F at 5.2%, supported by continued non-oil expansion (4.7% in 2026f) alongside a stronger oil outlook (6.7% in 2026f).

Table 1. Real GDP growth in the UAE (%)

	2022	2023	2024	2025		2026f
				Q1	Q2	
Overall GDP	7.5	4.3	4	3.9	4.5	5.2
Oil-GDP	8.9	-3	1	-	-	6.7
Non-oil GDP	7	7	5	5.3	6.1	4.7

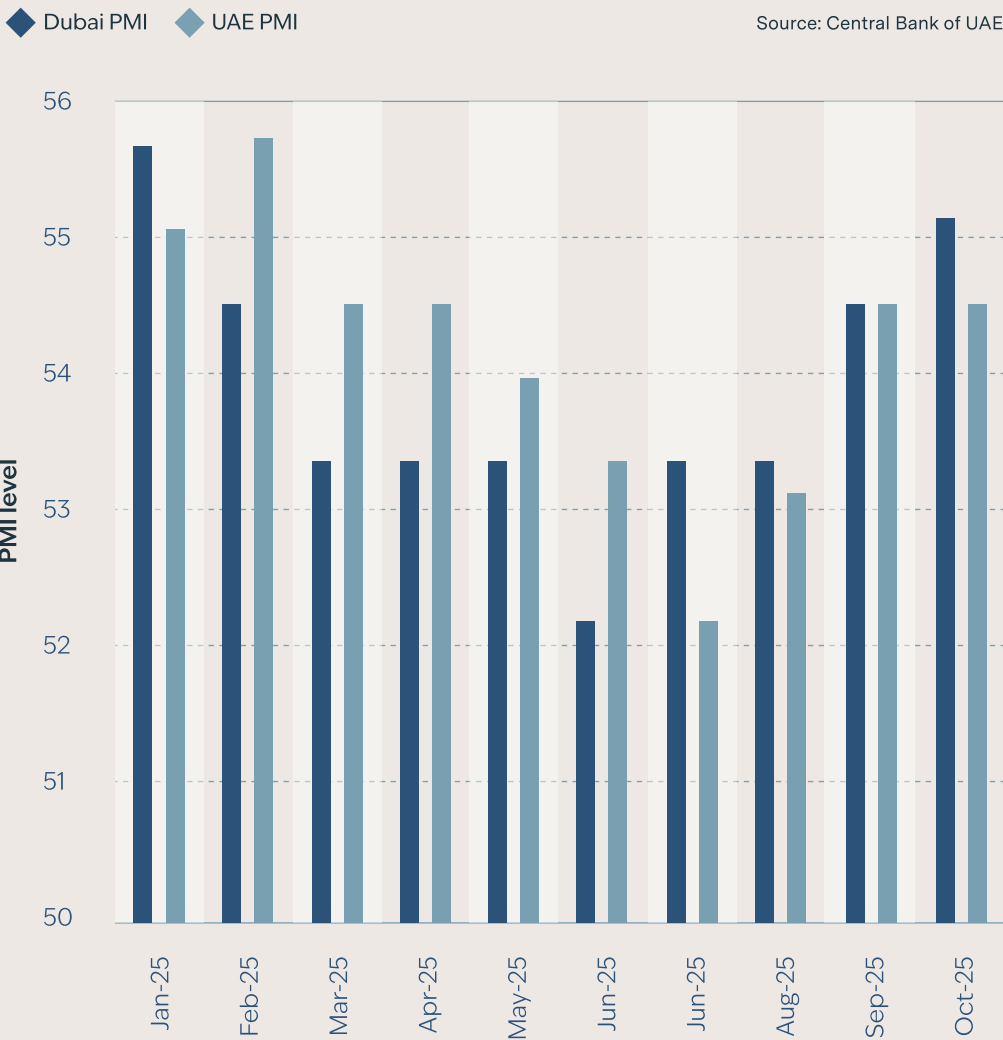
Source: Central Bank of UAE

Figure 1. UAE Inflation Outlook (CPI, %)



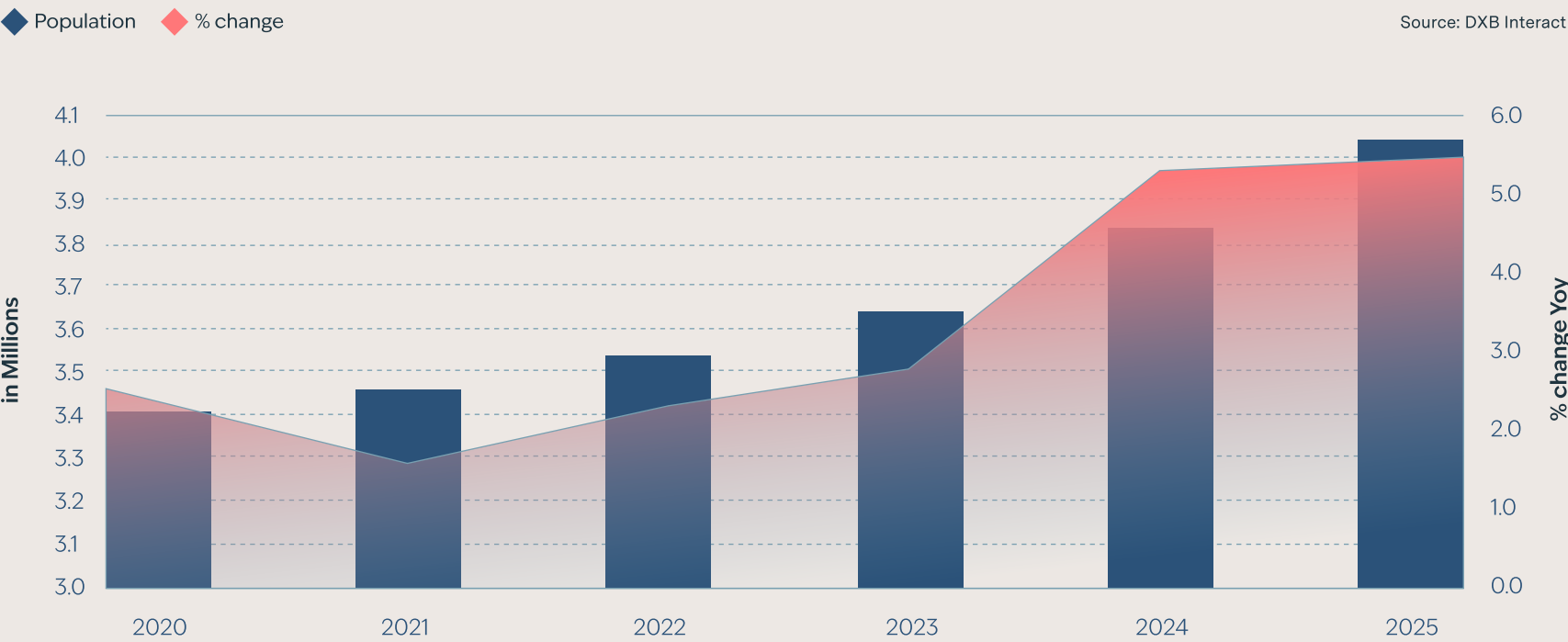
Source: Central Bank of UAE

Figure 2. Purchasing Managers Index (PMI)



Source: Central Bank of UAE

Figure 3. Dubai Population



Dubai’s resident base continues to expand at pace, reinforcing sustained demand across both rental and sales markets. The population surpassed 4M in 2025, with growth above 5% for a second consecutive year. This was supported by continued inflows and a rising household base that feeds leasing absorption and end-user demand. Beyond lifestyle factors, Dubai’s appeal is also reinforced by its investor-friendly environment, including no income tax or no capital gains tax for individuals, which helps sustain strong investment interest and encourages long-term relocation decisions.

Tourism volumes climbed to 17.55M through Nov 2025, with hotel occupancy holding at 80%

Tourism is adding an additional layer of momentum across the wider economy. Dubai welcomed 17.55M overnight visitors in Jan–Nov 2025, up 5% versus the same period in 2024, while average hotel occupancy reached 80% by Nov 2025. Alongside tourism, business formations and corporate expansion continue to support job creation, widening employment opportunities and further strengthening underlying housing demand across both the rental and ownership markets.



Dubai closes 2025 at record highs as liquidity deepens and demand broadens

Key takeaways

A standout year sealed by a strong finish: 2025 closed at AED 547B and 203,000 transactions, with Q4 contributing AED 141B from 53,500 sales, keeping momentum strong into year-end.

Liquidity concentrated in investable price points: 146,000 transactions (72%) sat in the AED 500K-AED 3M bracket, highlighting where turnover is deepest and most scalable.

Smaller units dominated demand: Studios and 1-2 beds accounted for 157,000 transactions, highlighting faster resale velocity, strong market liquidity, and sustained repeat investor activity.

Off-plan recorded its strongest year to date: 132,000 transactions and AED 286B in value, while secondary still delivered depth at AED 262B from 71,000 transactions.

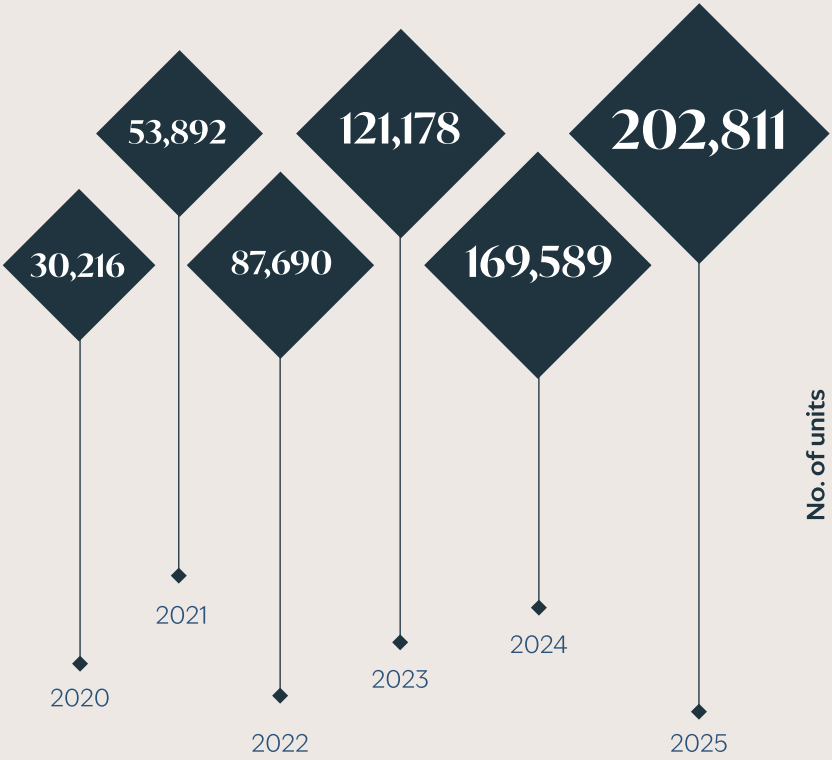
Apartments powered the market: Apartments generated AED 325B and 167,000 transactions in 2025, with Q4 contributing AED 90B from 46,000 transactions.

Villas and townhouses hit new highs: AED 221B from 35,000 transactions in 2025, with secondary accounting for 75% of transactions and AED 184B in value. Q4 contributed AED 51B from 7,250 deals.

Dubai surpasses last year's peak as a strong Q4 seals a defining 2025

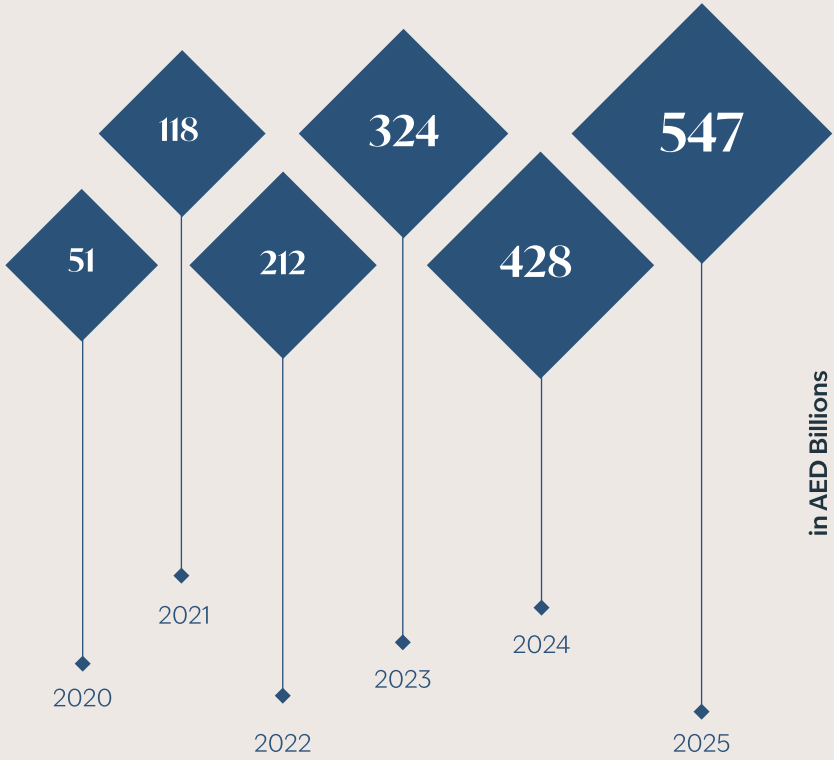
AED 547B in sales value (+28% YoY) and 203,000 transactions (+20% YoY) make 2025 a record year

Figure 4. Total transaction volume



Source: Property Monitor

Figure 5. Total transaction value



Source: Property Monitor

Q4 alone delivered AED 141B from 53,500 sales, keeping momentum strong into year-end

Dubai closed 2025 as its strongest year on record, setting new highs in both transaction value and volume. This performance surpassed 2024's AED 428B, with growth underpinned by a clear rise in market liquidity and deal flow, not just pricing. Importantly, activity stayed strong through the final quarter, reinforcing that demand remained resilient right to year-end.

Studios and 1-2 beds drove 77% of total sales volume in 2025

In 2025, nearly 146,000 units (72% of total sales volume) traded within the AED 500K - AED 3M bracket, underscoring a market anchored by high-turnover, investment-friendly price points. By unit type, studios, 1 and 2 bedroom apartments accounted for 157,000 transactions (77% of total sales volume) the segment typically most aligned with entry affordability, and repeat investor activity. Together, this concentration reinforces a clear investment narrative, with the market's record year driven by liquid, yield-led segments offering faster resale velocity, stronger rental absorption, and greater scalability for investors.

Off-plan closes its strongest year on record at 132,000 transactions and AED 286B in value

Figure 6. Total sales volume: off-plan vs secondary

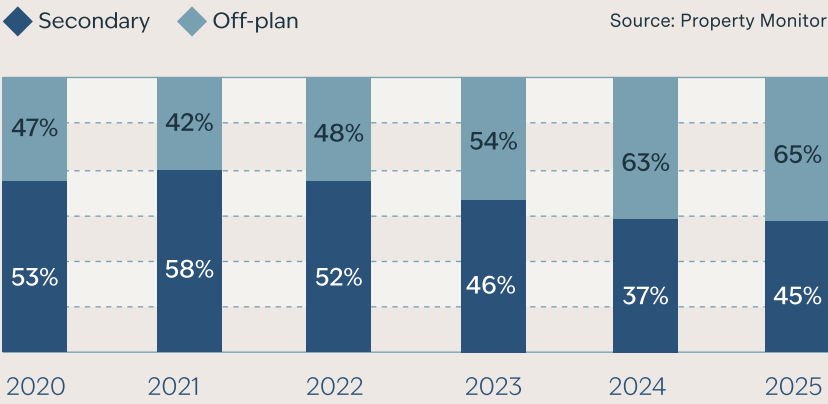
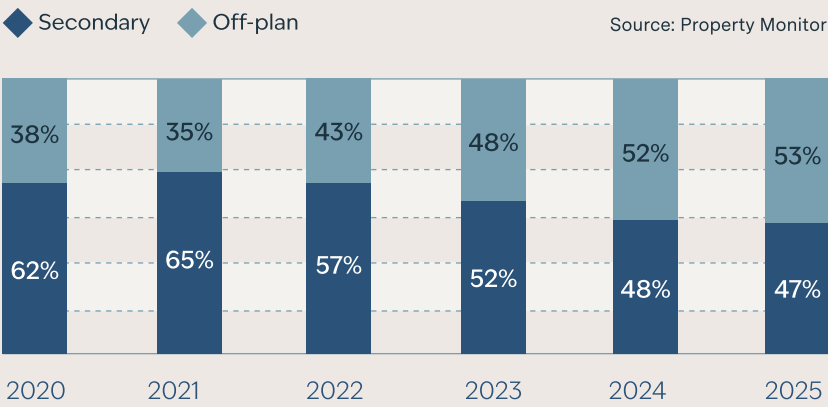


Figure 7. Total sales value: off-plan vs secondary



Secondary still delivered scale at AED 262B from 71,000 transactions, showing depth across both markets

Dubai’s market has now been firmly off-plan led for three consecutive years, with 2025 reinforcing that dominance. Off-plan activity reached an all-time high at 132,000 transactions (65% of total volume in 2025), while sales value hit AED 286B (53% of total value in 2025), surpassing the previous year’s record of AED 224B. The secondary market remained a major pillar, recording 71,000 transactions and AED 262B in sales value, reinforcing that end-user and resale demand continues to provide depth and liquidity.

JVC, Business Bay and Dubai South emerge as off-plan demand hotspots

Off-plan demand was most concentrated in JVC, Business Bay and Dubai South, reflecting where new launches and investor-led stock are being absorbed fastest. With a strong delivery pipeline for 2026 and beyond, ongoing project launches, and demand supported by population growth, HNWI inflows, and FDI, off-plan is expected to remain market-leading. This is reinforced by payment-plan flexibility, and attractive return expectations that continues to support investor exit strategies.



Apartments remain the engine of Dubai's record 2025

Apartments accounted for AED 325B in sales value (+29% YoY) and 167,000 transactions in 2025 (+22% YoY)

Figure 8. Apartment market split: off-plan vs secondary

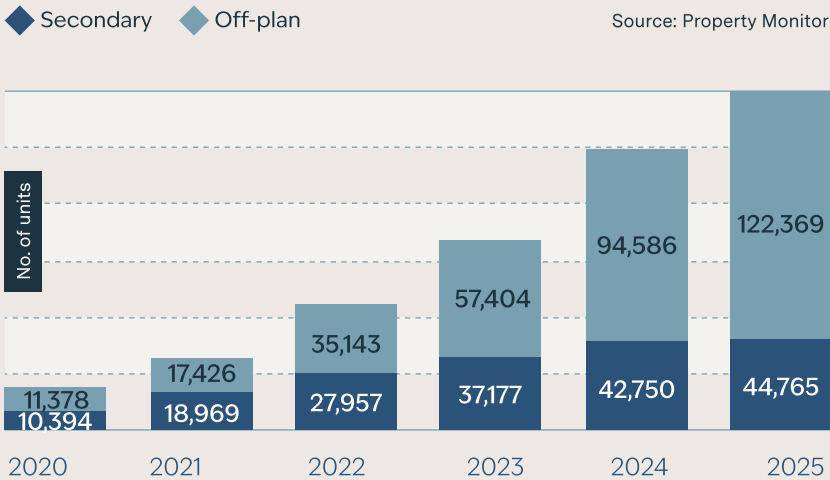
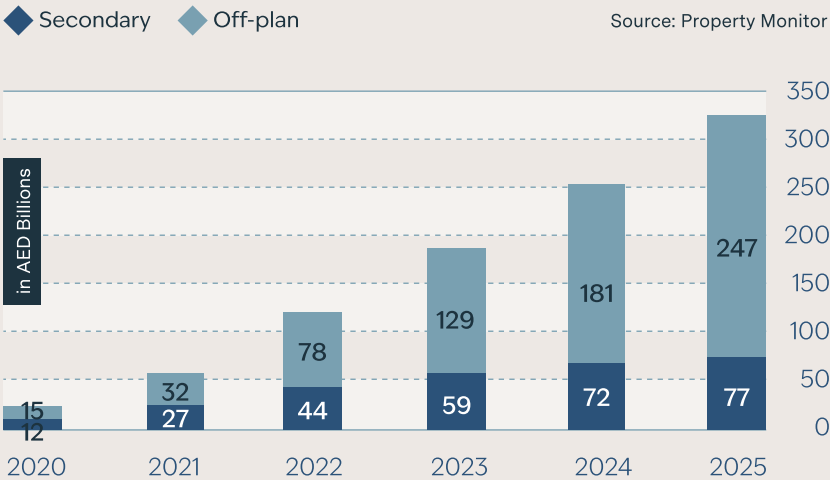


Figure 9. Value of apartment sales (DLD)



Off-plan drove apartment activity: AED 248B in value and 122,000 transactions in 2025

Apartments continued to carry the majority of Dubai's market activity in 2025, contributing AED 325B in sales value, reflecting a trend where apartments have consistently accounted for roughly 57%–59% of total market value since 2022. Total apartment volume reached 167,000 transactions, representing 82% of all sales recorded in 2025, highlighting where liquidity is deepest and turnover is most reliable. Growth remained strong year-on-year, with apartment sales value up 29% and volumes up 22%, reinforcing the segment's position as the market's core demand channel.

Q4 momentum stayed strong: 46,000 apartment transactions and AED 90B in sales value

The strength of Q4 activity lifted apartments to fresh highs, reinforcing their role as the market's primary source of liquidity. Importantly, 93.5% of 2025 apartment transactions were studios, 1-beds and 2-beds, pointing to sustained demand for the most rentable, investment-friendly bed types, where entry price points are more accessible, tenant absorption is stronger, and resale liquidity is typically faster.

Villas & townhouses hit new highs despite limited stock

Villas and townhouses surge to new market benchmarks in 2025: AED 221B in sales value (+26% YoY) and 35,000 in sales volume (+11% YoY)

Figure 10. Villa & townhouse market spilt: off-plan vs secondary

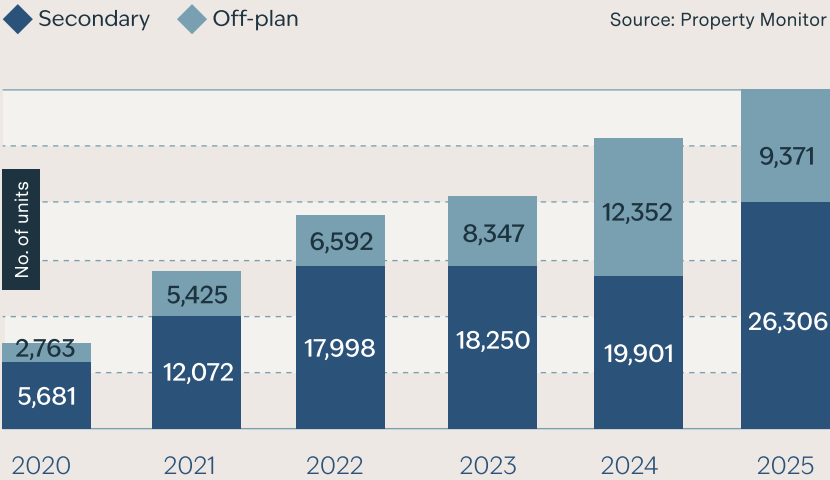
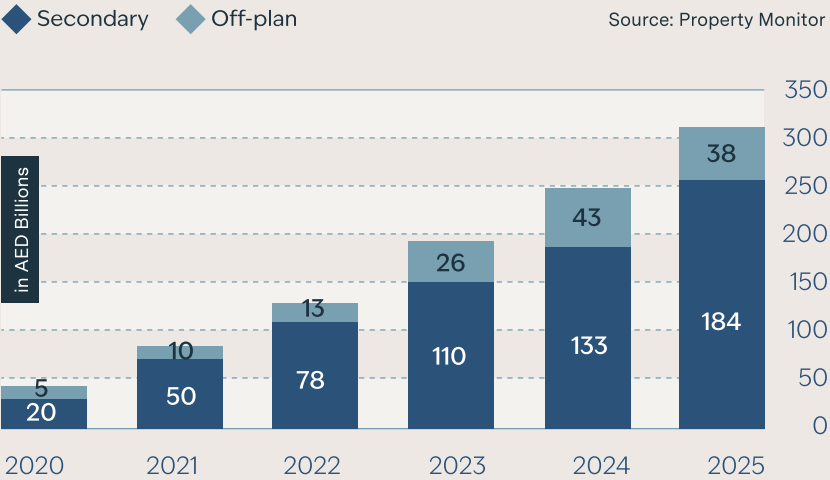


Figure 11. Value of villa / townhouse (DLD)



Secondary accounted for 75% of transactions (26,300) and AED 184B in value in 2025, reflecting tighter supply and stronger end-user demand

Villas and townhouses continued to capture market share in 2025, with transaction volumes rising to 35,000 (+11% YoY) and total sales value climbing to AED 221B (+26% YoY), more than doubling from AED 91B in 2022. Unlike apartments, this segment remains resale-led, as villa and townhouse stock is inherently more limited and a larger share of purchases are driven by end-users, second-home buyers, and longer-hold investors. This kept secondary firmly in the lead with 26,300 transactions and AED 184B in value, versus 9,400 off-plan transactions and AED 38B.

Q4 momentum holds firm at 7,250 transactions and AED 51B in sales

Q4 performance was consistent with earlier quarters, recording 7,250 transactions and AED 51B in value, supporting a stable run-rate through year-end rather than a one-off spike. In 2025, demand remained concentrated in the market's family-led formats, with 3 and 4-bedroom homes accounting for 73% of transactions. The most active communities for villa/townhouse sales were Damac Islands, The Valley, and Damac Hills 2, reflecting where new supply, upgrade demand, and buyer preference for larger layouts are translating into the strongest transaction flow.

Delivery pipeline steps up through 2027, while pricing remains resilient

Key takeaways

Delivery is accelerating:

Dubai's residential handovers are set to rise sharply into 2026, with 200,000 homes expected by 2027 end.

2025 completions were apartment-led:

Around 31,000 apartments were delivered in 2025, making up 77% of total handovers, key apartment handover areas were JVC, Arjan, Business Bay and Sobha Hartland.

Villa/townhouse handovers also picked up:

9,000 units were delivered in 2025, with the majority concentrated in Arabian Ranches 3, Tilal Al Ghaf and Dubai South.

2026 pipeline steps up materially:

Nearly 98,000 units are expected in 2026 with apartment deliveries led by Dubai South, JVC and Business Bay.

Prices continued to rise:

Average sale prices increased 12% YoY in 2025 to AED 1,673 per sq ft, supported by end-user and investor demand alongside population growth.

Macro backdrop remains supportive:

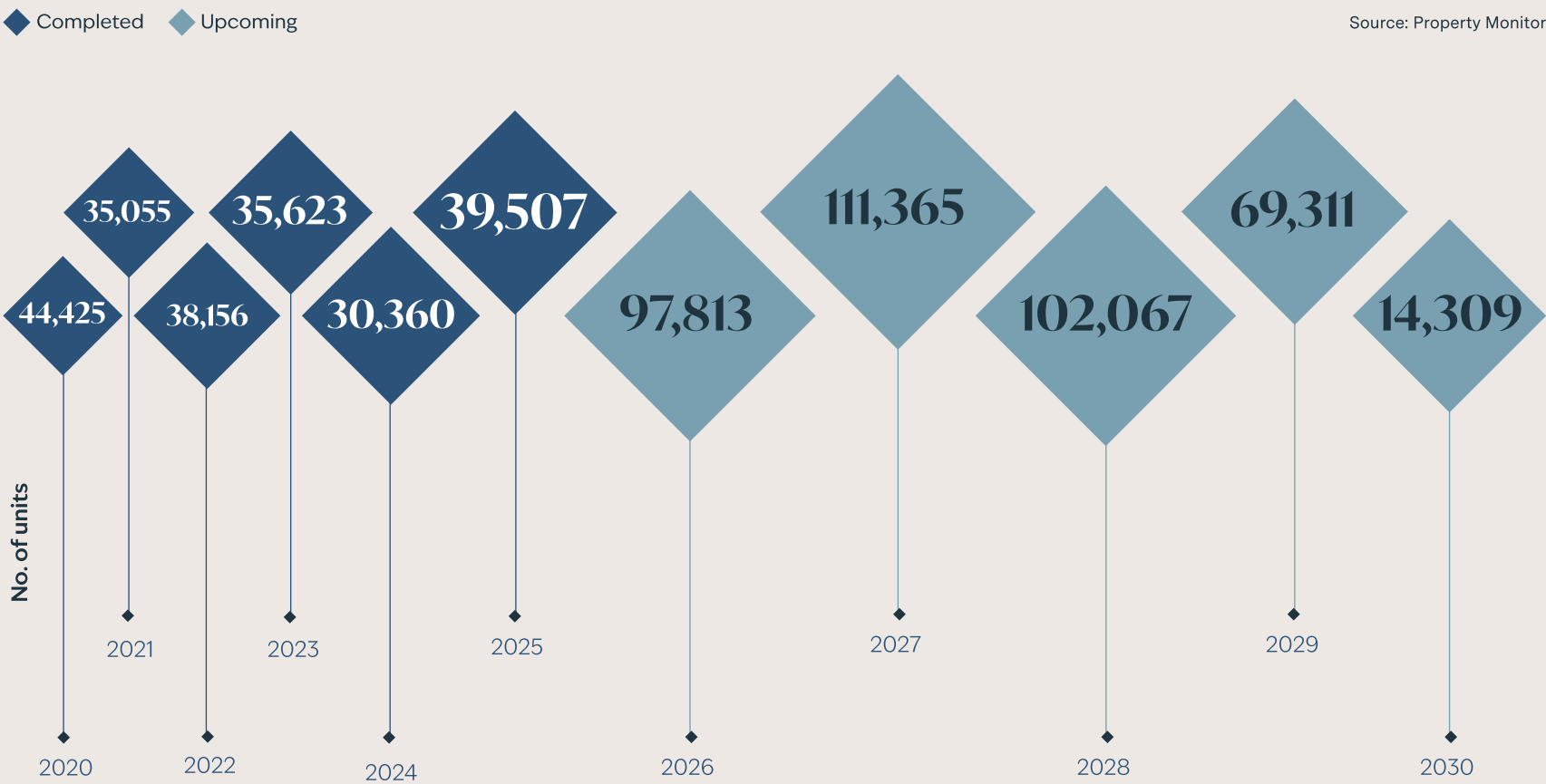
The AED-USD peg supports currency stability, while 75 bps of US rate cuts in 2025 lowered the Fed range to 3.50%-3.75% (from 4.25%-4.50%), with one further cut signalled into 2026.

Supply pipeline remains elevated through 2026–2027, led by apartments

Apartments made up 77% of 2025 handovers, keeping supply concentrated in high-demand communities

In 2025, Dubai recorded a solid level of completions led by apartments. Around 31,000 apartments were delivered during the year, with handovers concentrated in JVC, Arjan, Business Bay and Sobha Hartland. Compared with 2024, when around 27,000 apartments were delivered, the 2025 completion profile indicates a steady rise in supply, particularly in high-demand apartment corridors. Villa and townhouse deliveries also picked up, with 9,000 units handed over in 2025, primarily across Arabian Ranches 3, Tilal Al Ghaf and Dubai South.

Figure 12. Residential supply: completed & upcoming



Supply pipeline stays strong through 2026

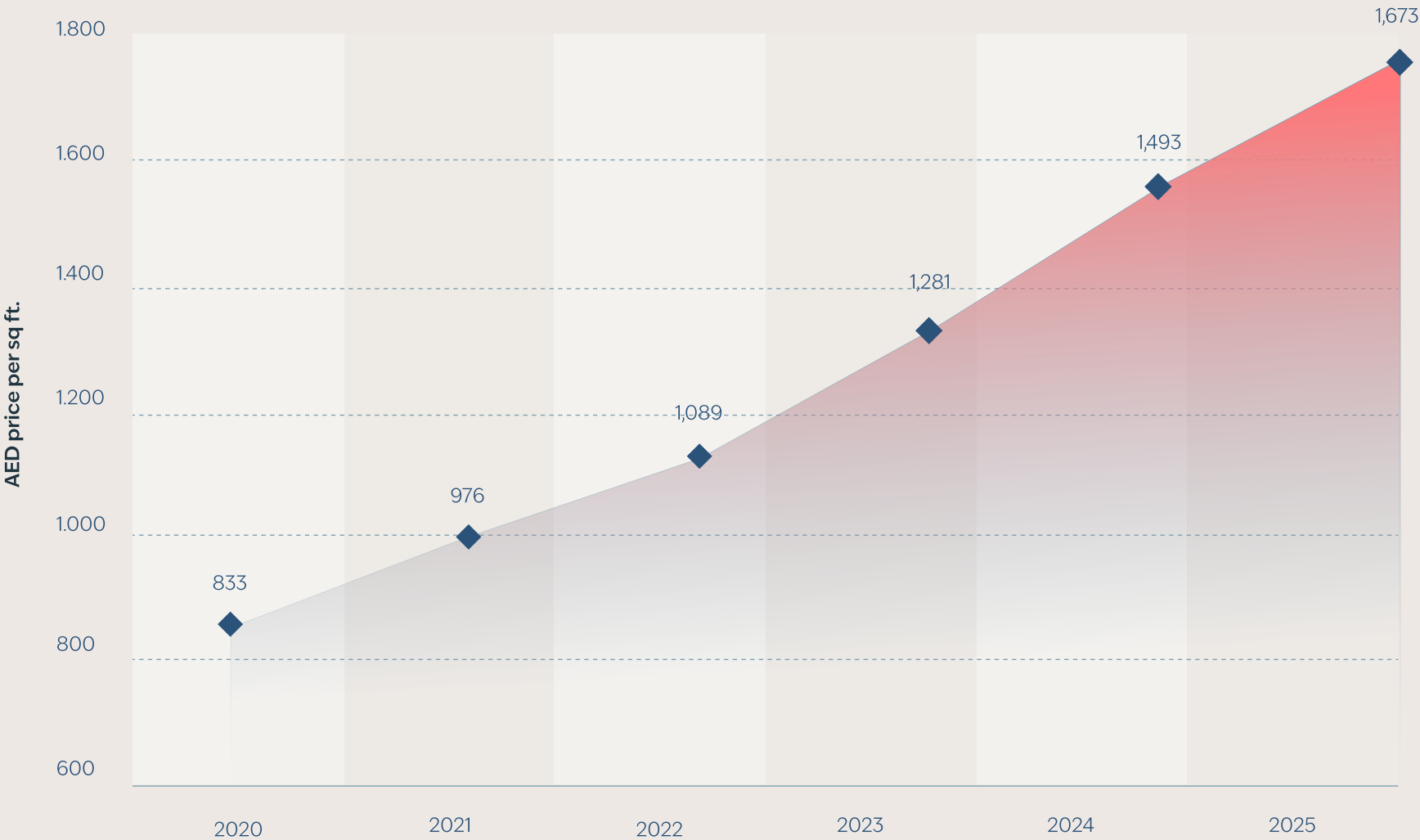
Looking ahead, the delivery pipeline steps up sharply. In 2026, nearly 98,000 units are expected to be completed, comprising 81,000 apartments, 11,000 townhouses, 4,000 villas and other segments. Apartment completions are expected to be most concentrated in Dubai South, JVC, and Business Bay, while the villa and townhouse pipeline is led by Damac Lagoons, The Valley, and Dubai South. With new inventory heavily weighted towards apartments, market absorption will hinge on continued population growth and sustained investor and tenant demand in the locations seeing the largest delivery volumes.

Average sale price per sq ft.

Average sale prices rose 12% in 2025 to AED 1,673 per sq ft.

Figure 13. City-level average sale price, in AED sq ft.

Source: Property Monitor



Dubai records a fifth consecutive year of double-digit price growth in 2025

Dubai’s average sale price rose 12% YoY in 2025 to AED 1,673 per sq ft, supported by a combination of end-user demand and sustained investor activity, alongside continued population expansion (now 4M residents). With both off-plan and secondary markets delivering record quarterly and annual totals, apartments continued to lead overall activity, backed by relative affordability, high liquidity, and consistently strong tenant demand. The Golden Visa framework has further reinforced Dubai’s position as a long-term investment destination, encouraging both owner-occupiers and investors to take a longer view.

Interest rate cuts and the AED–USD peg strengthen Dubai’s investment appeal

From a macro standpoint, the AED’s peg to the USD provides currency stability for global buyers, while easing US monetary policy has improved financing conditions. By end-2025, the US Federal Reserve had delivered cumulative rate cuts of 75 basis points, lowering the target range to 3.50% - 3.75%. With a further cut signalled into 2026, easing borrowing costs and currency stability continue to underpin Dubai’s global real estate appeal.

Top performers in price growth in 2025



Source: Property Monitor

Mortgages accounted for 52% of betterhomes transactions in 2025, with the average selling price reaching AED 4M

Buyer demand strengthened:

Buyer leads rose 33% YoY in 2025, led by townhouses (+84%) and villas (+17%), while apartment leads increased 5%.

Selling prices increased:

Average selling price increased 23% YoY to AED 4M, driven by villas at AED 11M (+65%), with townhouses at AED 4M (+20%) and apartments at AED 2M (+13%).

An investor-led market persists:

Investors accounted for 57% of purchases versus 43% end-users, marking the 4th consecutive year of an investor majority.

Mortgages overtook cash:

52% of transactions were mortgage-backed in 2025 (vs 48% cash), Q4 remained similar at 53% mortgages and 47% cash.

Nationality mix stayed consistent at the top:

India and the UK remained the leading buyer nationalities for 8+ consecutive quarters, alongside continued adoption from Pakistan, Italy and the UAE.

Demand remained focused on liquid hubs, with apartments led by Dubai Marina, JLT and JVC. Villa and townhouse activity was anchored by Dubai Hills Estate, alongside strong demand in The Springs, Al Furjan and Tilal Al Ghaf.

betterhomes buyer demand rose 33% in 2025 while average selling prices increased 23% to AED 4M

Table 2. Buyer demand at betterhomes

	2025 vs 2024 (% change)
Total Demand	33%
Apartments	5%
Villas	17%
Townhouses	84%

Source: betterhomes

Townhouses and villas powered lead growth while Q4 demand held firm

Buyer leads increased 33% YoY, led by especially strong growth in townhouse and villa inquiries at +84% YoY and +17% YoY, while apartment leads rose 5% YoY. On a quarterly basis, demand held broadly stable into year-end, suggesting activity consolidated at a high base rather than accelerating further.

Table 3. Average selling price was AED 4M at betterhomes in 2025

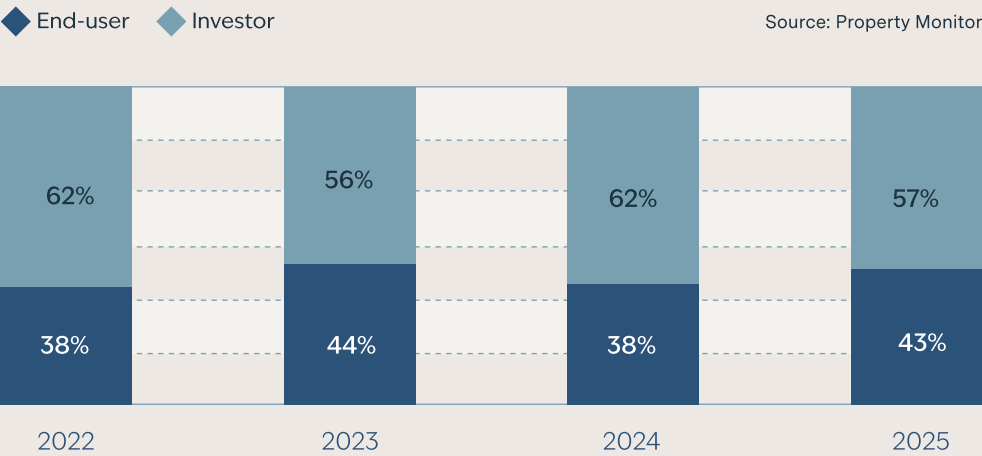
	Average selling price	2025 vs 2024 (% change)
Apartment	2M	13%
Townhouse	4M	20%
Villas	11M	65%

Source: betterhomes

Price gains broadened across segments, with demand concentrated in Dubai’s most liquid communities

The average selling price rose 23% YoY to AED 4M in 2025, with villas averaging AED 11M (+65% YoY), highlighting continued depth in premium segments. Townhouses averaged AED 4M (+20% YoY) and apartments AED 2M (+13% YoY), reinforcing broad-based price gains across product types. Transaction activity and demand were concentrated in established, liquid communities: apartments were led by Dubai Marina, JVC, and Dubai Science Park, by transactions, while demand was strongest in Dubai Marina, JLT, and JVC. For villas and townhouses, both transactions and demand were anchored by Dubai Hills Estate, alongside Dubai Land, The Springs, with demand also strong in Tilal Al Ghaf, reflecting where end-user upgrading and family-led preferences continue to drive the market.

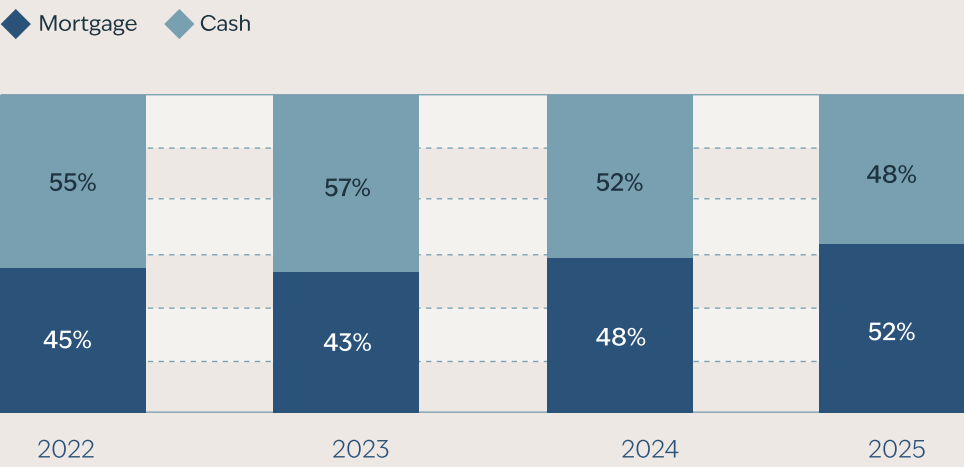
Figure 14. End-user vs investor ratio at betterhomes



Investors dominate activity for the fourth consecutive year at betterhomes

betterhomes’ buyer mix remained investor-led in 2025, with investors accounting for 57% of purchases versus 43% end-users, extending the investor majority for the 4th consecutive year. This reflects Dubai’s continued appeal as an investment destination, supported by deep rental demand, a robust buyer pool for apartment-led communities, and sustained population inflows that keep absorption and exit conditions supportive for yield-focused buyers.

Figure 15. Cash vs mortgage ratio at betterhomes



Mortgages take the lead in 2025 as financing demand increases

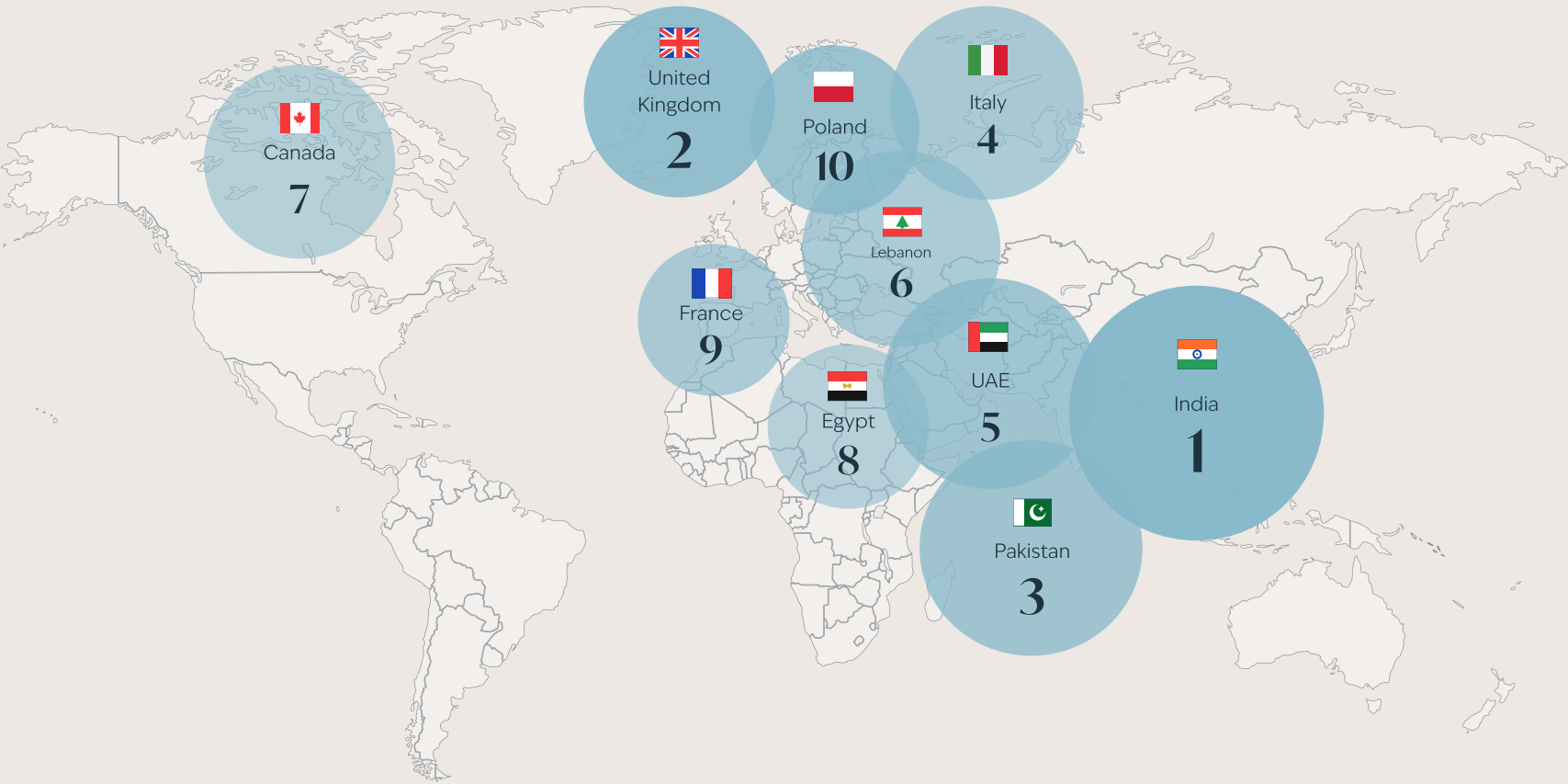
Financing trends shifted further toward mortgages in 2025, with 52% of betterhomes transactions completed via mortgages versus 48% cash, a slight move upwards from the cash-led mix seen in 2022–2024. The rising mortgage share signals broadening end-user participation and growing confidence among buyers who are willing to lock-in financing.

India and the UK lead betterhomes buyer mix for over eight consecutive quarters

India and the UK have remained the two leading buyer nationalities at betterhomes for more than eight consecutive quarters, reinforcing the consistency and depth of demand from both markets. The market’s resilience is driving robust property asset growth, backed by Dubai’s residency incentives, rental-market strength, and continued economic expansion.

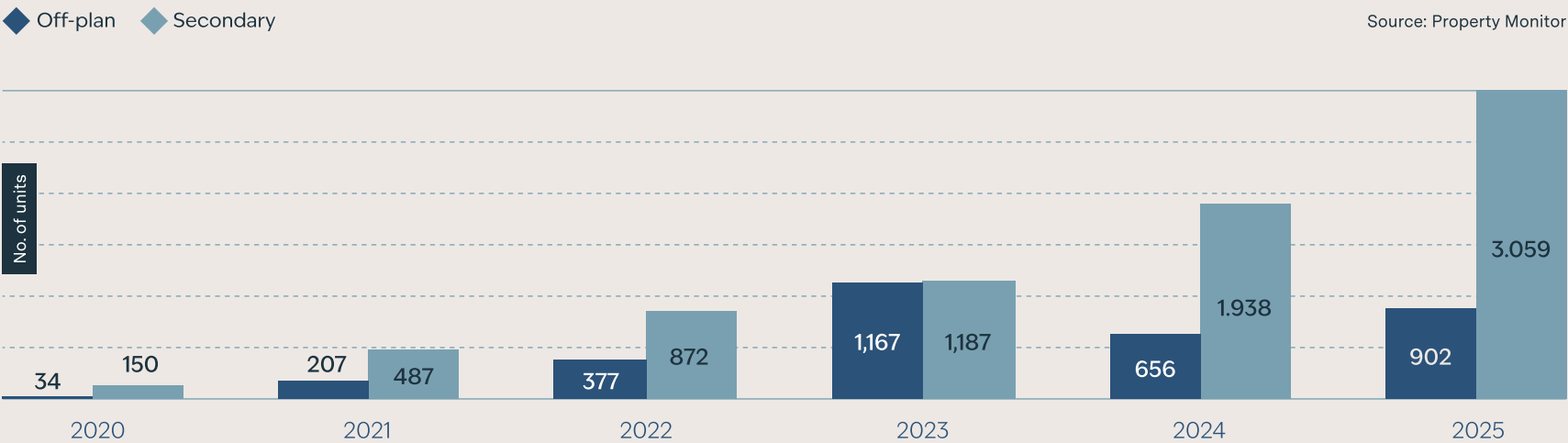
Favourable currency dynamics and a lower interest-rate backdrop have also strengthened purchasing power and improved financing conditions, helping to keep Dubai attractive for internationally mobile buyers. Alongside these top two, continued penetration from Pakistan, Italy and the UAE, plus steady inflows from Lebanon, Canada and parts of Europe, highlights a diversified buyer base across multiple price points and communities.

Top buyer nationalities at betterhomes



Prime transactions accelerate as Dubai consolidates its position as a global wealth hub

Figure 16. Prime property transactions (AED 15M and above)



Prime deals near 4,000 as Dubai’s ultra-luxury market delivers its strongest year

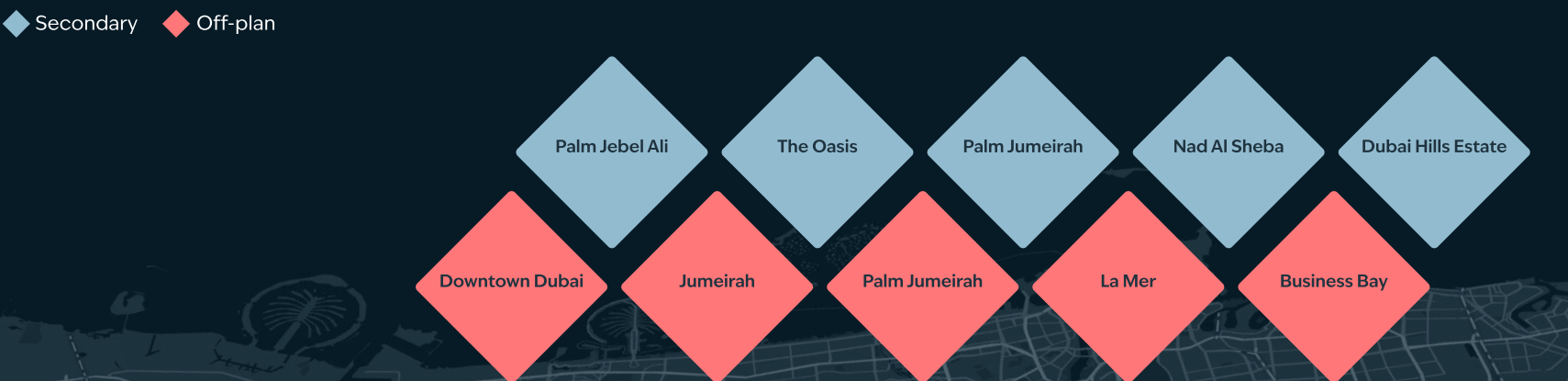
Dubai’s prime segment (AED 15M+) delivered its strongest year on record in 2025, with total transactions rising 53% YoY to 3,961. Q2 2025 marked the peak quarter for prime activity, after which volumes moderated into a more sustainable run-rate. Even so, momentum remained intact and the year closed on a strong note, underscoring continued appetite for trophy assets and larger-format homes among HNWIs and UHNWIs.

Secondary prime transactions surge 58% as off-plan luxury expands

The prime market’s strength was anchored by the secondary segment, where transactions rose to 3,059 in 2025 with 58% growth YoY, supported by demand for established, ready stock in proven prime corridors. Off-plan prime activity also grew by 38% YoY to 902 transactions, reflecting continued interest in new high-end supply and branded-led launches. Underpinning both channels is a clear demand narrative: HNWIs and UHNWIs continue to favour Dubai for larger-format homes and privacy, supported by the city’s safe-haven appeal, zero income and capital gains taxes, and strong capital appreciation dynamics.

Within this backdrop, Prime by betterhomes performance also strengthened, with the average prime selling price rising 26% YoY to AED 30M in 2025, signalling continued pricing power and depth in premium demand.

Top prime communities at betterhomes in 2025



Dubai’s rental market stays firmly demand-led as contract volumes hit new highs

Total rental contracts rose 5% YoY to an all-time high of 530,000 in 2025

Total rental contracts rose 5% YoY to an all-time high of 530,000 in 2025

Dubai’s rental market remained highly active through 2025, with total contract volumes rising 5% YoY to reach an all-time high of 530,000 contracts. The activity mix reflects a market anchored by existing residents, with renewals averaging 62% of contracts in 2025 and new leases accounting for 38%. This balance in sustained demand highlights the role of retention and ongoing new entrants into Dubai.

Population growth reinforces “rent-first” behaviour and supports the sales pipeline

With Dubai’s population now at 4M, rentals remain the market’s first point of entry for many residents, particularly the new arrivals who typically rent before committing to a purchase, as they assess communities, commute patterns, and lifestyle preferences. This “rent-first” behaviour supports consistently high leasing volumes, while the high renewal share reflects a stable resident base choosing to stay put amid shifting affordability and relocation costs. Overall, sustained population growth continues to underpin both leasing activity and the longer-term sales pipeline, reinforcing rentals as a core demand barometer for the wider residential market.

Figure 17. New vs renewed contracts

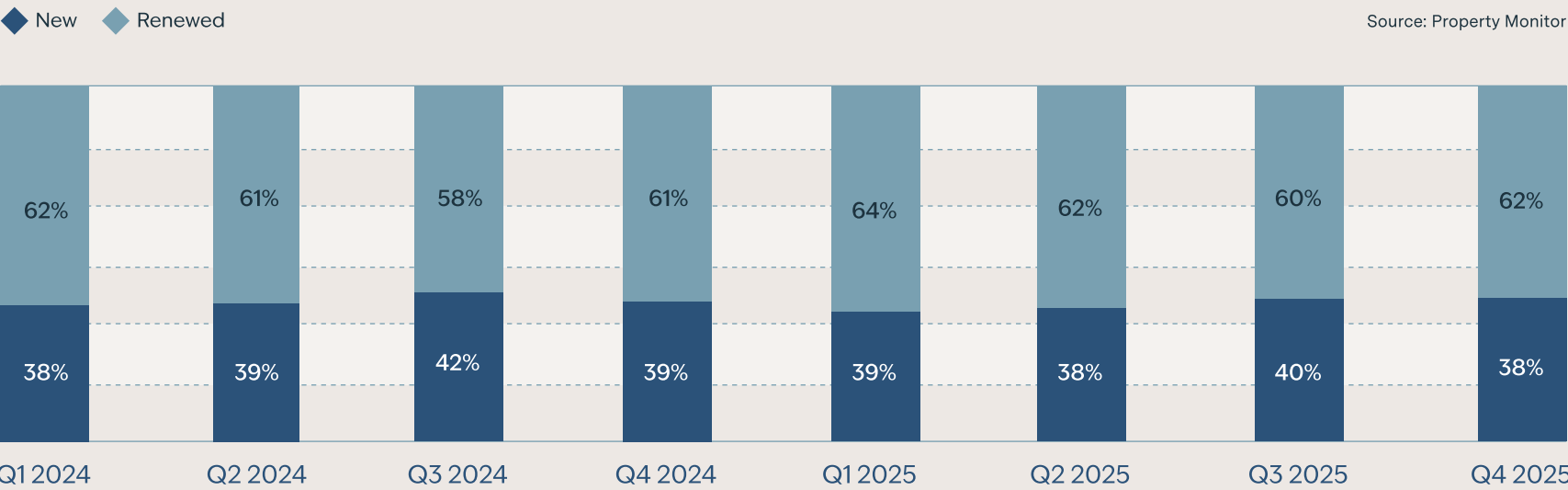
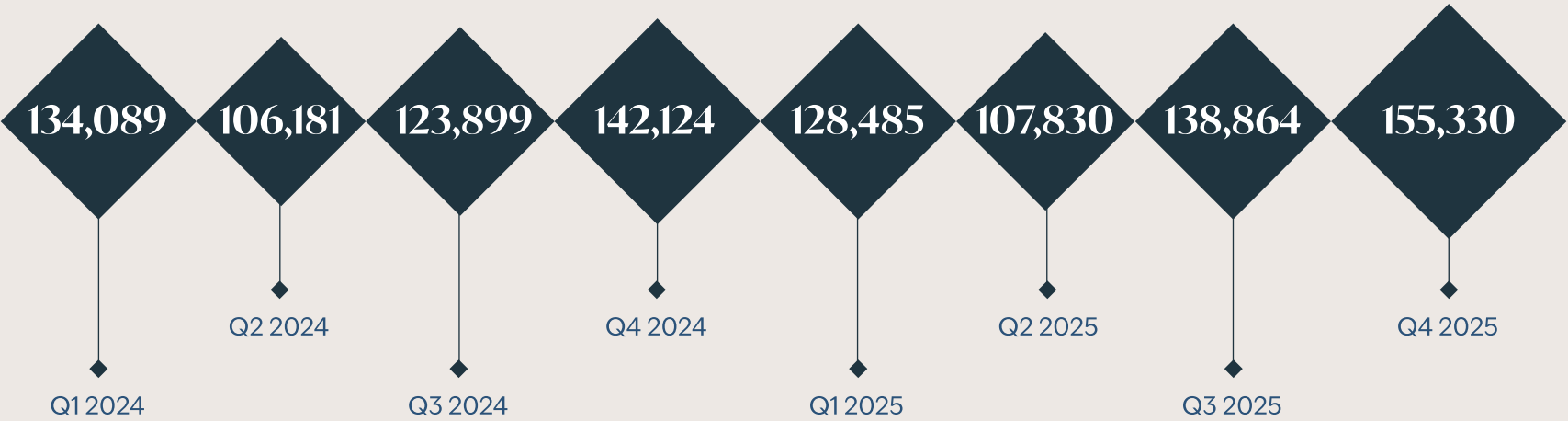


Figure 18. Total rental contracts



Average rental price growth in 2025



Source: Property Monitor

betterhomes recorded 60% growth in leasing transactions in 2025

Rental demand surged:

Tenant leads rose 36% YoY in 2025, with growth dominated by townhouses (+200%), alongside apartments (+28%) and villas (+21%).

Leasing activity accelerated:

Total leasing transactions increased 60% YoY, driven by townhouses (+66%) and apartments (+62%), with villas up 19%.

Rents held firm overall:

Average leasing price stood at AED 207,000 per year, with villas at AED 466,000 (+11%), apartments at AED 142,000 (+5%), and townhouses at AED 206,000 (-3%).

Leasing was concentrated in core areas:

Apartment leasing was led by Dubai Marina, JLT and Business Bay, with villa/townhouse leasing anchored by Tilal Al Ghaf, Dubai Hills Estate and Arabian Ranches 3.

Family-led demand stood out:

Townhouse outperformance in both leads and transactions points to upgrading behaviour and sustained family tenant demand in established suburban communities.

betterhomes’ tenant demand rose to 36% in 2025 as average leasing prices held firm at AED 207,000 per year

Table 4. Tenant demand rose by a significant 36% in 2025 at betterhomes

Tenant enquiries	36% YoY
Apartments	28% YoY
Villas	21% YoY
Townhouses	200% YoY

Source: betterhomes

Townhouses drove the sharpest rise in rental demand, pointing to stronger family-led enquiry

Tenant leads were up by 36% in 2025. Growth was broad-based across property types, but the standout were townhouses (+200% YoY), a signal of rising family-led demand and upgrading behaviour, typically driven by space requirements and lifestyle preferences. Apartment demand also rose strongly (+28% YoY), reflecting the segment’s depth and continued affordability relative to larger formats, while villas recorded healthy growth (+21% YoY), reinforcing sustained appetite for premium, end-user rental stock. Demand remained concentrated in established leasing hubs; apartments were led by Dubai Marina, JLT and Downtown Dubai, while villa/townhouse demand was strongest in Dubai Hills Estate, The Springs, and Arabian Ranches 3.

Table 5. Average leasing price stood at AED 207,000 per year at betterhomes in 2025

		2025 vs 2024 (% change)
Apartment	142,000	5%
Townhouse	206,000	-3%
Villas	466,000	11%

Leasing transactions soar 60% in 2025 at betterhomes, led by apartments and townhouses

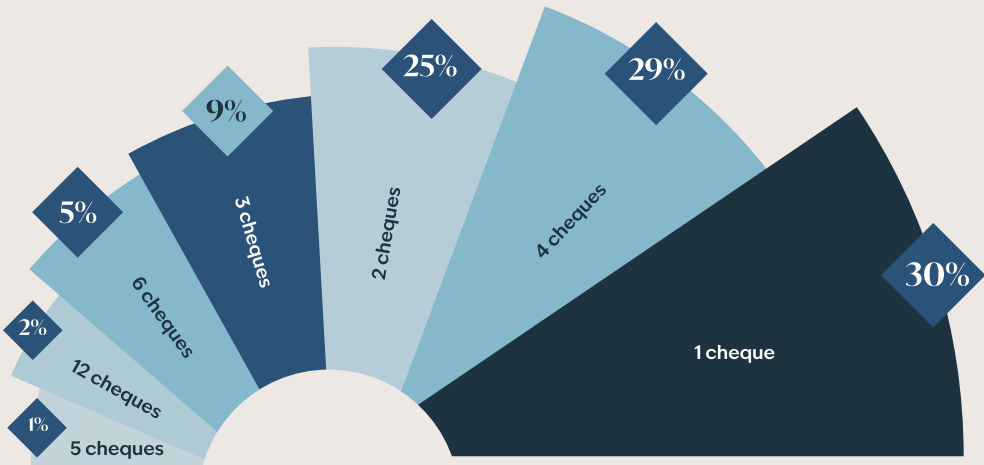
Average leasing prices held firm in 2025 at AED 207,000 per year, with performance diverging by segment. Villas averaged AED 466,000 (+11% YoY), highlighting continued strength in the premium rental market where supply is tighter and demand is more.

Apartments averaged AED 142,000 (+5% YoY), signalling steady rental growth in the most liquid segment, while townhouses averaged AED 206,000 (-3% YoY). This pricing resilience was supported by a sharp rise in leasing activity, with total rental transactions up 60% YoY, led by townhouses (+66%) and apartments (+62%), while villas rose 19% YoY.

Leasing activity remained focused on core communities, with apartment demand led by Dubai Marina, JLT and Business Bay, and villa and townhouse leasing anchored by Tilal Al Ghaf, Dubai Hills Estate and Arabian Ranches 3.

Figure 19. Rental cheques breakdown at betterhomes

Source: betterhomes



Rupert Simmonds
Director of Leasing at betterhomes says,

With Dubai’s population now 4M, the city continues to show strong ‘rent-first’ behaviour, reflected in a record 530,000 rental contracts in 2025 and a high 62% renewal share. betterhomes saw that demand convert into activity at scale where leasing transactions rose to 60% YoY. The average rent was AED 207,000 per year. Prices continued to rise YOY, however at a more subdued rate. The rises were led by Villas at 11% where lower supply is met with increasing demand. Townhouses, which have seen a significant increase in supply, saw prices cooling YoY, down 3%. Overall, rents continue to show signs of stability across the city with some nuances around the most sought after areas, property specification and availability of property types.

Conclusions

◆
A record-breaking sales year, sealed by a strong finish:

Dubai closed 2025 at AED 547B from 203,000 transactions, with Q4 alone at AED 141B and 53,500 sales, confirming resilient demand into year-end.

◆
Off-plan remained the lead engine, but secondary still delivered depth:

Off-plan hit an all-time high at 132,000 transactions (65% share) and AED 286B (53% share), while secondary contributed 71,000 transactions and AED 262B, underscoring a two-track market with both launch-led and resale-led demand.

◆
Villas and townhouses reached new highs, but stayed resale-led:

The segment hit AED 221B from 35,000 transactions, with secondary accounting for 75%, reflecting limited stock, end-user upgrading, and family-led preferences (3-4 beds dominating activity).

◆
Macro tailwinds remained supportive:

Growth held firm in H1 2025 (3.9% YoY in Q1, 4.5% in Q2) on non-oil strength, while Dubai's fundamentals were reinforced by the population surpassing 4.0M and strong tourism (17.55M overnight visitors Jan-Nov 2025, 80% hotel occupancy by Nov).

◆
Liquidity stayed concentrated in “investable” stock:

72% of transactions sat in the AED 500K-AED 3M bracket, while studios and 1-2 beds made up 77% of total sales, keeping turnover strongest in the most rentable, high-velocity unit types.

◆
Apartments powered the market’s scale:

Apartments drove 82% of total sales volume (167,000 deals) and delivered AED 325B in value, reinforcing that Dubai’s deepest liquidity pool remains apartment-led and investor-aligned.

◆
Leasing stayed demand-led and reached new highs:

Total rental contracts rose 5% YoY to an all-time high of 530,000 in 2025, with renewals averaging 62% (new leases 38%), signalling a stable resident base and sustained occupancy-driven demand.

◆
betterhomes sales:

Buyer leads increased 33% year-on-year, led by strong townhouse demand. Average selling prices climbed to AED 4 million (+23%), investors accounted for 57% of buyers for a fourth year running, and mortgages remained the dominant funding channel at 52%.

◆
betterhomes leasing:

Tenant leads rose 36% year-on-year and leasing transactions increased 60%, with average leasing prices holding at AED 207,000 per year.

Methodology

This report was produced entirely in-house by the betterhomes team, combining official datasets, proprietary insights, and independent analysis.

Transactional data covering apartments, villas and townhouses across both the off-plan and secondary markets was sourced from Property Monitor. Macroeconomic indicators including GDP growth, oil and non-oil performance, inflation and business activity metrics such as the Purchasing Managers' Index (PMI) were sourced from the Central Bank of the UAE. Population statistics were sourced from DXB Interact.

betterhomes' internal brokerage data was analysed to benchmark market performance, buyer and tenant demand patterns, and average transaction values. All figures were cross-checked for consistency and accuracy, and the analysis, interpretation and design of this report were completed in-house to provide objective, data-driven insight into Dubai's evolving residential property market.

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Meet the team



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Investments Analysis Manager

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TRANSACTIONS

OVER
300
COMMUNITY
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A TRANSACTION
EVERY
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MINUTES

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