

# AEON REALTY

## Dubai's Economic Performance 2025

ECONOMIC REVIEW

DUBAI, UAE

**A comprehensive analysis of Dubai's remarkable economic achievements throughout 2025, with special focus on real estate investment and foreign capital flows that drove record-breaking market performance.**

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Services Australia and Dubai**



# Strong Economic Expansion

Dubai's economy demonstrated robust growth throughout 2025, with GDP reaching AED 241 billion in H1 2025, representing a 4.4% year-on-year increase. The momentum accelerated in Q2, with GDP surging 4.7% to reach AED 122 billion for the quarter.

This broad-based expansion was driven by strong performance across multiple sectors including trade, services, tourism, logistics, and particularly real estate and construction, which showed exceptional strength throughout the year.

**4.7%**

**Q2 GDP Growth**

Year-on-year expansion

**AED 241B**

**H1 GDP**

First half total



## Tourism Powerhouse

### 9.88M Visitors

International overnight visitors in  
H1 2025, up 6% year-on-year

### 70.1M Passengers

Dubai International handled in first  
nine months, including record Q3

### Global Top 3

Dubai nearing top three global  
tourism ranking

High visitor numbers sustained retail, hospitality, and transport sectors while contributing significantly to property demand, particularly in short-term rentals and investor interest. This tourism strength directly supported real estate activity throughout 2025.

# 2025 real GDP growth comparison (Dubai vs major economies)

Economy	2025 growth figure used	What it represents
Dubai (UAE – Emirate)	+4.4%	H1 2025 YoY GDP growth (and Q2 2025: +4.7%)
China	~+5% (on track)	End-2025 direction based on official releases and year-end official statements; also <b>Q1–Q3 2025: +5.2% YoY</b>
United States	+2.0% (projection)	OECD projection for full-year 2025
United Kingdom	+1.3% (projection)	IMF forecast for 2025 (as cited by UK Parliament research brief)
Australia	+1.8% (projection)	OECD projection for full-year 2025 (ABS also shows +2.1% YoY to Sep quarter 2025)  The OECD (Organisation for Economic Co-operation and Development)



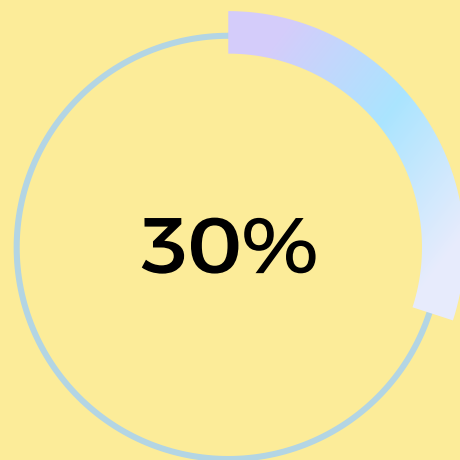
The comparison table that explains what actually drove economic growth in 2025 across Dubai, China, the USA, the UK, and Australia.

## 2025 Economic Growth Drivers – Side-by-Side Comparison

Economy	Main Growth Drivers in 2025	Role of Real Estate	Foreign Investment Impact
Dubai	Tourism, trade, logistics, real estate, services, population growth	Major driver. Record transaction values, strong off-plan sales, rental demand	Very high. Investors from 150+ countries active in residential and commercial
China	Manufacturing, exports, infrastructure spending, government stimulus	Weak to neutral. Property sector stabilising after correction	Moderate. Foreign capital cautious, focused on manufacturing not housing
United States	Consumer spending, services, tech, government spending	Neutral. High interest rates constrained housing turnover	Moderate. Foreign investment focused on corporates, not residential
United Kingdom	Services, public spending, modest consumption recovery	Weak. Housing affordability and rates limited activity	Low to moderate. Foreign buyers selective, mainly prime London
Australia	Population growth, migration, government infrastructure	Supportive but constrained. Supply shortages offset by high rates	Moderate. Foreign investment regulated, focused on new dwellings

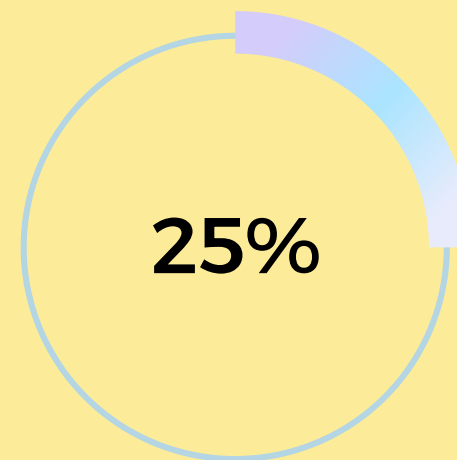
# Record-Breaking Real Estate Performance

Dubai's real estate sector delivered outstanding performance in 2025, shattering previous records and demonstrating exceptional investor confidence.



**Sales Growth**

Year-on-year increase



**H1 Transaction Growth**

Compared to 2024

**AED 682.49 Billion**

Total property sales value for 2025, equivalent to approximately USD 185.8 billion, representing a record-breaking year for Dubai's real estate market.



# Transaction Volume Surge



## Total Transactions

Approximately **275,442 total real estate transactions** completed in 2025



## Growth Rate

Representing roughly **21% year-on-year increase** in transaction activity



## Total Value

Combined transaction value reached **AED 919 billion** across all categories

The market demonstrated exceptional liquidity with high transaction volumes across primary off-plan developments and secondary resale markets. This included approximately 50,974 mortgages worth AED 179.26 billion and 9,556 gifts valued at AED 57.25 billion.





# Global Capital Flows



Dubai's property market attracted unprecedented international investment in 2025, demonstrating its position as a truly global real estate hub.



30,000 Investors

From 155 countries invested in first nine months



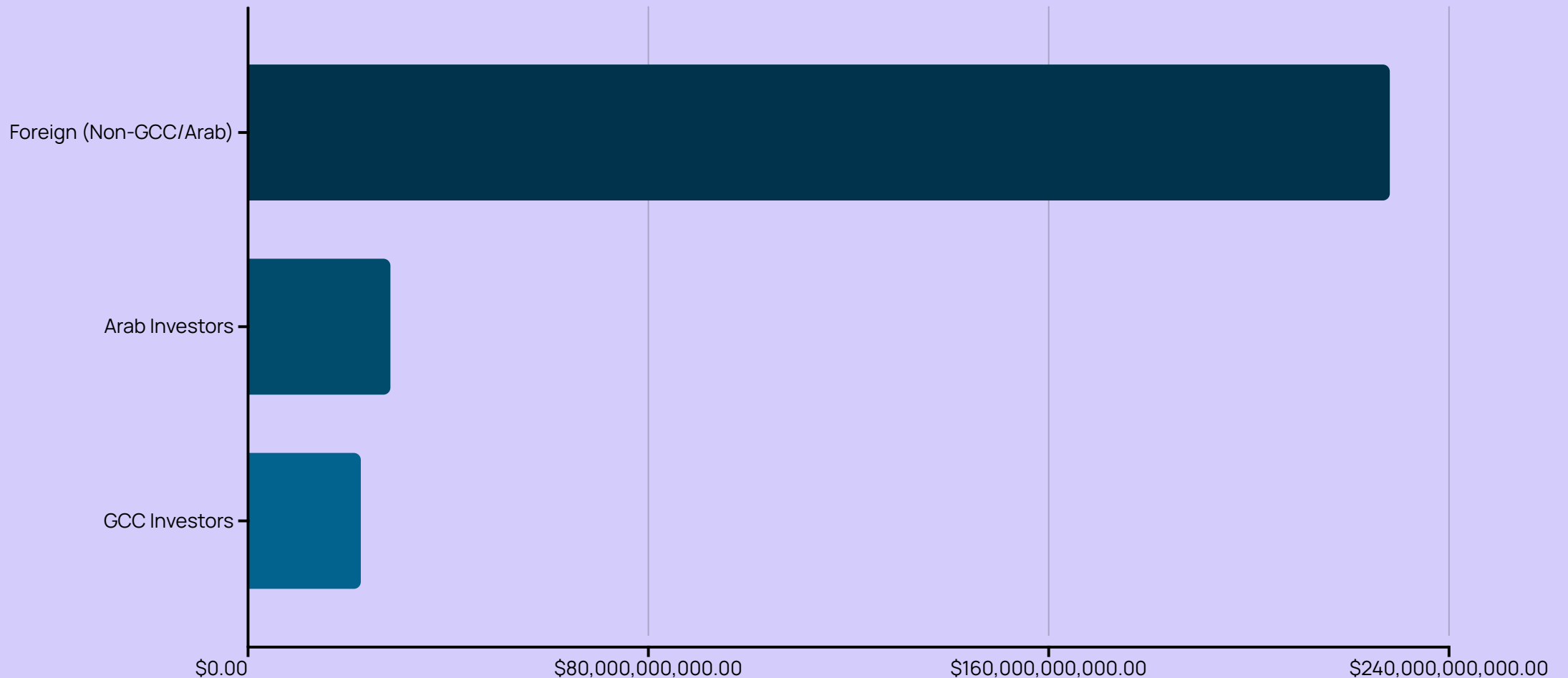
AED 81 Billion

Total foreign investment value in 9 months

The Dubai Land Department reported real estate investment interest spanning **217 nationalities**, highlighting the extraordinary breadth of global participation and reducing dependency on any single market.

# Foreign Investment Breakdown

Analysis of H1 2025 foreign investment by region reveals the diverse sources of capital flowing into Dubai's real estate market.



Foreign investors beyond the GCC and Arab regions contributed the largest share at AED 228.35 billion, demonstrating strong capital flows from Europe, South Asia, and other international markets. This diversification strengthens market resilience and provides depth across different property segments.



# Global FDI Magnet



## Global #1 Ranking

Dubai ranked top globally for greenfield FDI projects in H1 2025



## AED 40.4 Billion

Estimated FDI capital inflow in first half of 2025 (USD 11 billion)

## Investment Drivers

### Yield & Cashflow

Dubai continued marketing strong rental returns and investor-friendly ownership frameworks, particularly in freehold areas, attracting income-focused investors.

### Capital Growth

2025 reporting widely referenced price appreciation, with stronger performance in prime and high-demand areas driving capital gains.

### Product Diversity

Strong primary off-plan market alongside healthy secondary resale activity provided options across price points and investment strategies.

**Property investment doesn't occur in isolation. Business formation, job creation, and corporate investment feed occupancy demand and support long-term real estate fundamentals. Dubai's leadership in attracting greenfield FDI projects demonstrates strong business confidence that translates into sustained property demand.**





# Stable Macroeconomic Environment

## Inflation Control

Dubai inflation readings during 2025 remained moderate, with inflation slowing to 2.3% year-on-year in April 2025 and averaging around 2.0% over the first 11 months.

This stability in consumer prices helped maintain real incomes, confidence, and predictable financing conditions—all critical factors supporting sustained real estate investment.

## Fiscal Strength

Dubai planned for a budget surplus of AED 6.4 billion for FY2025 under its budget law cycle, demonstrating strong fiscal management.

The combination of controlled inflation and fiscal surplus creates a stable environment that supports long-term investment planning and market confidence.



Low Inflation



High Market  
Confidence



Predictable  
Financing



Fiscal  
Strength





# Market Considerations

## Supply Pipeline

Monitoring delivery volumes remains important, as supply clustering in certain segments could create pricing pressure. Some international research indicated potential downward price pressure later in 2025 due to supply increases.

## Global Liquidity

International interest rates and liquidity conditions affect leverage availability and investor appetite. Changes in global financing costs can impact investment flows and buyer behavior.

## Segment Divergence

Prime versus non-prime locations can behave very differently. Investors should carefully evaluate specific submarkets, as performance varies significantly by area, property type, and price point.

## Supply Pipeline

Monitor delivery volumes and clustering risks

## Segment Divergence

Assess submarket differences and performance

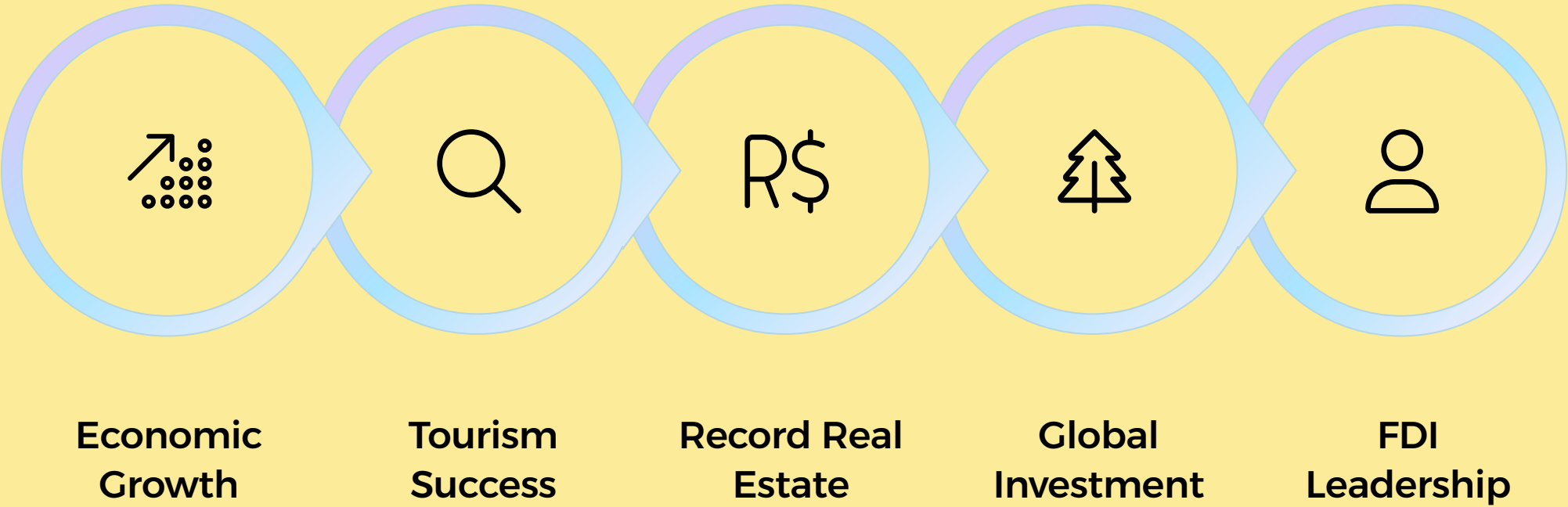


## Global Liquidity

Track interest rates and financing availability

**Despite these considerations, the overall market demonstrated exceptional resilience and strength throughout 2025, with record transaction volumes and sustained international investor confidence.**

01	<b>Economic Growth</b>  Dubai's economy expanded 4.4% in H1 2025, with GDP reaching AED 241 billion, driven by broad-based sectoral strength	02	<b>Tourism Success</b>  9.88 million visitors in H1 and 70.1 million airport passengers in nine months sustained demand across sectors	03	<b>Record Real Estate</b>  Property sales reached AED 682.49 billion with 275,442 transactions, up 21% year-on-year
04	<b>Global Investment</b>  30,000 investors from 155 countries invested AED 81 billion in nine months, demonstrating international confidence	05	<b>FDI Leadership</b>  Dubai ranked #1 globally for greenfield FDI projects with AED 40.4 billion in H1 capital inflows		



*Real estate remained one of Dubai's standout sectors in 2025, supported by solid economic growth, strong global investor interest, and high transaction volumes, cementing Dubai's position as an international property investment hub.*

# AEON REALTY

**Aeon Realty Services Australia & Dubai facilitates buying real estate across Australia and Dubai, specialising in off-plan and new properties.**

We provide strong market research, development insights, ROI analysis, and capital appreciation research, helping clients make informed and confident property decisions. Our goal is to make the entire real estate journey simple, transparent, and stress-free.

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