



AEON REALTY

2026 MARKET FORECAST

Dubai Real Estate: Your Essential 2026 Investment Guide

Navigate the shifting landscape of Dubai's property market with data-driven insights from leading analysts. What investors need to know now.

Economic Foundation: Strong But Moderating Growth



4.5% GDP Growth

Emirates NBD forecasts steady, above-trend economic expansion for 2026—healthy momentum without overheating.



Tourism & Population

Continued inflows support demand fundamentals, maintaining transaction liquidity and rental strength across key segments.



Market Normalization

Transition from boom-phase to sustainable growth cycle, with more selective buyer behavior and price sensitivity emerging.

Transaction Outlook: High Activity With Measured Growth

What the Data Shows



Stabilized Transaction Volumes

Emirates NBD projects transaction volumes to stabilize at current elevated levels through 2026. After robust activity seeing an average of 12,000 transactions per quarter in 2024-2025, 2026 is expected to maintain similar volumes, approximately 25% above the 5-year historical average. This sustained high volume ensures strong market liquidity. **Residential properties, particularly affordable apartments and luxury villas, are anticipated to drive the majority of transaction activity. Seasonally, Q1 and Q4 are expected to be stronger, reflecting typical market cycles and investor interest.**



Value-Driven Buyer Sentiment

Buyer sentiment is significantly shifting towards value and strong fundamentals, moving away from the speculative tendencies seen in previous years where rapid price appreciation was the primary driver. **The buyer profile is also evolving, with a higher proportion of end-users entering the market compared to short-term investors. This increased focus on long-term value translates into more rigorous due diligence, longer decision-making processes, and more assertive price negotiation, ultimately fostering greater market stability and resilience against future fluctuations.**



Calmer Purchasing Patterns

Calmer, more selective purchasing patterns are replacing the rush mentality, signaling market maturity rather than weakness.



Strong End-User Demand

Fewer speculative buyers means stronger end-user demand and more rational pricing dynamics.

The Supply Challenge: Volume & Absorption

Pipeline Pressure

Major delivery volumes scheduled for 2026 create uneven absorption risk across different locations and unit types. Not all supply is created equal.

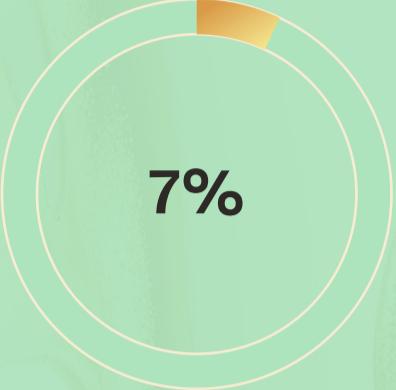
Location Matters More

Prime communities with strong connectivity and amenities absorb new stock efficiently. Secondary locations face oversupply headwinds and potential price softness.

Strategic Opportunity

Smart investors can capitalize on supply dynamics by targeting undersupplied niches and avoiding saturated segments.

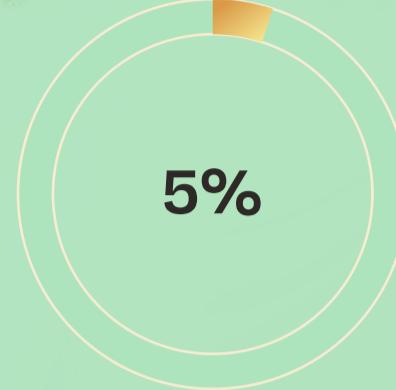
Rental Yields: What to Expect in 2026 (Conservative approach)



7%

Apartment Yields

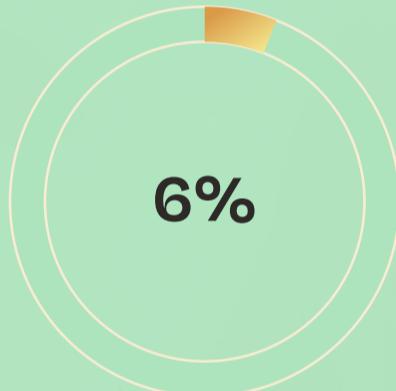
Strong performer, especially smaller units in high-demand corridors



5%

Villa Yields

Lower but stable where family demand and amenities remain robust



6%

Rent Growth

Khaleej Times forecasts up to 6% increase, moderating from recent peaks

- Current market average sits at 6–7% gross yield.

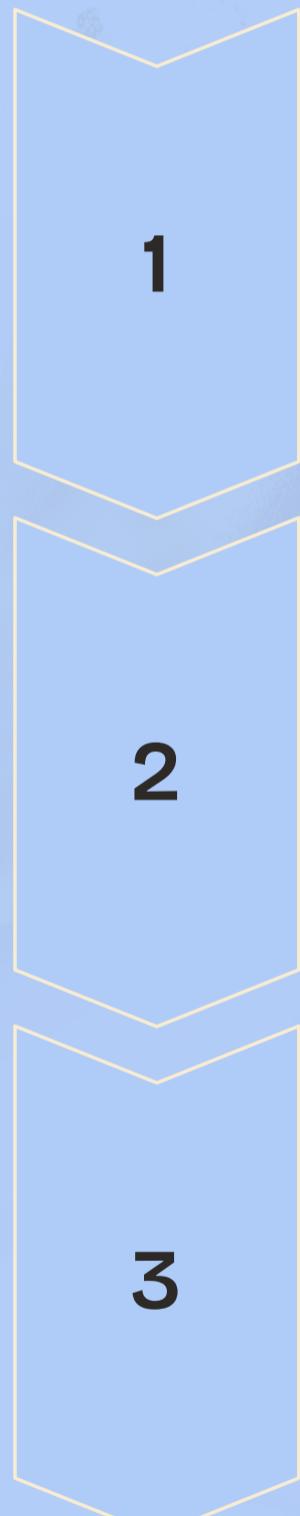
- Apartments outperform villas on yield metrics.

- Well-connected areas maintain attractive returns.

- New supply will cool rent acceleration in oversupplied pockets.

- Strong locations hold firm.

Capital Appreciation: Prime vs. Secondary Divergence



Prime Segments

Knight Frank forecasts ~3% appreciation for prime properties in 2026—modest but positive returns for trophy assets and scarce communities.

Mainstream Stock

Expect 0–5% range overall as supply volumes moderate pricing power. Quality and location differentiate performance within this segment.

Secondary Risk

Older inventory in oversupplied zones faces pressure. Fitch's bearish scenario warns of potential double-digit declines in weaker pockets.

Three Scenarios for 2026

Plan for Multiple Outcomes

Base Case (Most Likely)

1

- Transaction volumes: stable to slightly up
- Rental yields: broadly stable, rents up low-to-mid single digits
- Prices: 0–5% mainstream, ~3% prime
- Market remains liquid with selective buyers

Upside Case

2

- Strong demand absorption smooths supply impact
- Rents approach 8-12% growth in many areas
- Prices: mid-single digits in strong segments
- Prime outperforms significantly

Downside Case

3

- Heavy supply hits vulnerable submarkets hard
- Global liquidity tightens, reducing buyer pool
- Rents flatten or dip in oversupplied zones
- Weaker stock faces downside pressure

Investment Strategy: Where to Focus in 2026

High-Conviction Opportunities

- **Apartments:** Target well-connected areas with proven rental demand—yields remain attractive
- **Prime locations:** Scarcity value protects against supply pressure
- **End-user appeal:** Properties with strong utility and lifestyle factors
- **Established communities:** Track record of absorption and price resilience

Areas of Caution

- Oversupplied segments with weak differentiation
- Secondary/older stock without renovation potential
- Locations with heavy competing pipeline
- Villas in low-demand pockets (yield compression risk)

Ready to Build Your 2026 Strategy?

2026 Dubai Outlook – Aeon Realty Summary

Dubai enters 2026 on the back of a very strong 2025, supported by steady economic growth, record real estate transactions, strong tourism, and sustained foreign investment.

For 2026, Aeon Realty's outlook is stable and selective:

Overall, 2026 is shaping up to be a year for smart, fundamentals-driven investing, focusing on location, rental demand, and long-term value rather than short-term hype.

Aeon Realty – Your Investment Partner

Aeon Realty provides strategic, end-to-end advisory for property investment across Dubai and Australia, helping clients align income, growth, and risk management with real market fundamentals.

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Expert Analysis

Founded Aeon Realty Services with operations across Australia and Dubai, bringing institutional-grade research to investors.



Data-Driven Approach

Synthesizing insights from Emirates NBD, Knight Frank, Fitch, and leading market sources for actionable intelligence.

Key Sources – Popular & Widely Recognised Websites

1. **Emirates NBD Research**
<https://www.emiratesnbdresearch.com>
2. **Reuters**
<https://www.reuters.com>
3. **Gulf News**
<https://gulfnews.com>
4. **The National (UAE)**
<https://www.thenationalnews.com>
5. **Khaleej Times**
<https://www.khaleejtimes.com>
6. **Knight Frank (Middle East)**
<https://www.knightfrank.ae>
7. **Dubai Land Department (Official Government Source)**
<https://dubailand.gov.ae>
8. **Dubai Media Office (Official Government Updates)**
<https://www.mediaoffice.ae>