Dubai Residential

Price and Prejudice

Examining the Sales Market over the Last Eighteen Months

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Executive Summary

- **Sales Volumes**

  Over the past 18 months, Dubai has seen a notable tempering in sales activity across both prime and mid-market communities, highlighting a broad-based slowdown in transaction volumes. In the luxury segment, Palm Jumeirah — previously one of Dubai's most dynamic post-COVID markets — saw ready and off plan sales both soften since January 2024. Business Bay, another centrally located and highly desirable hub, registered a sharp 46% taper in ready sales, underscoring that even prime, well-connected districts are not immune.

  This phenomenon also extends to the mid-market. International City, historically one of Dubai's most resilient affordable communities, posted a significant 44.6% moderation in ready sales. Meanwhile, Arjan, despite having active new project launches and available stock, witnessed an 81.5% adjustment downwards in off-plan sales, suggesting demand fatigue even in developing areas. Taken together, the data indicates a systemic cooling in sales volumes across Dubai. Both established and emerging communities are experiencing contractions, warranting close attention from market participants.

- **Sales Prices**

  In tandem with softening sales volumes, several key Dubai communities have also registered consolidations in sales prices over the past eighteen months. In Business Bay, ready property prices have softened by around 10%, signaling that even prime, centrally located areas are not immune to downward pressure. Similarly, DAMAC Hills 2 has experienced a 13% moderation in off-plan prices, despite ongoing new launches and ample primary supply — suggesting that absorption, rather than supply availability, is driving the slowdown. some might view this as an early sign of cooling demand, a more measured interpretation points to a mean reversion following a sharp upswing in recent years, as the market searches for a sustainable equilibrium.

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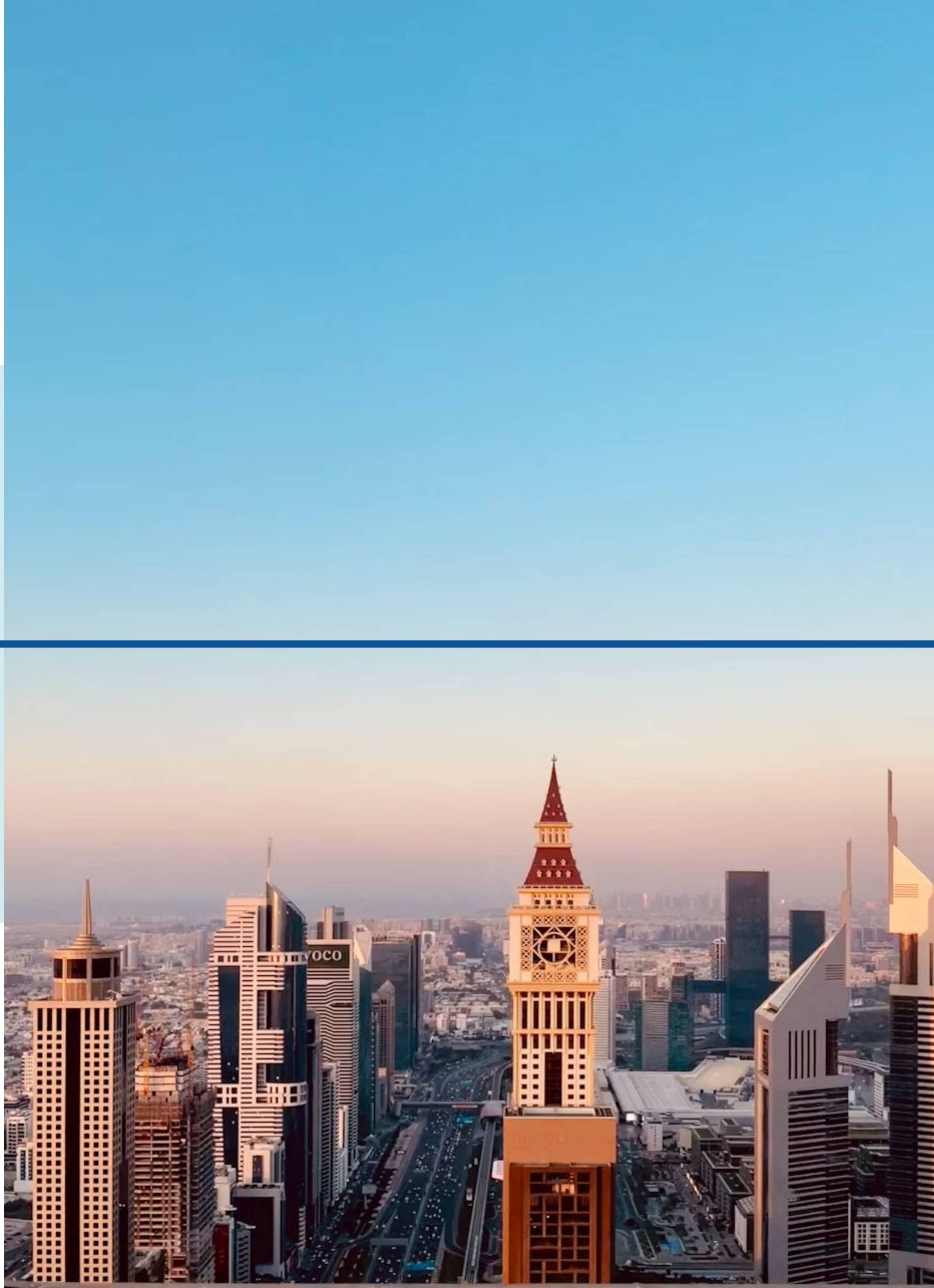
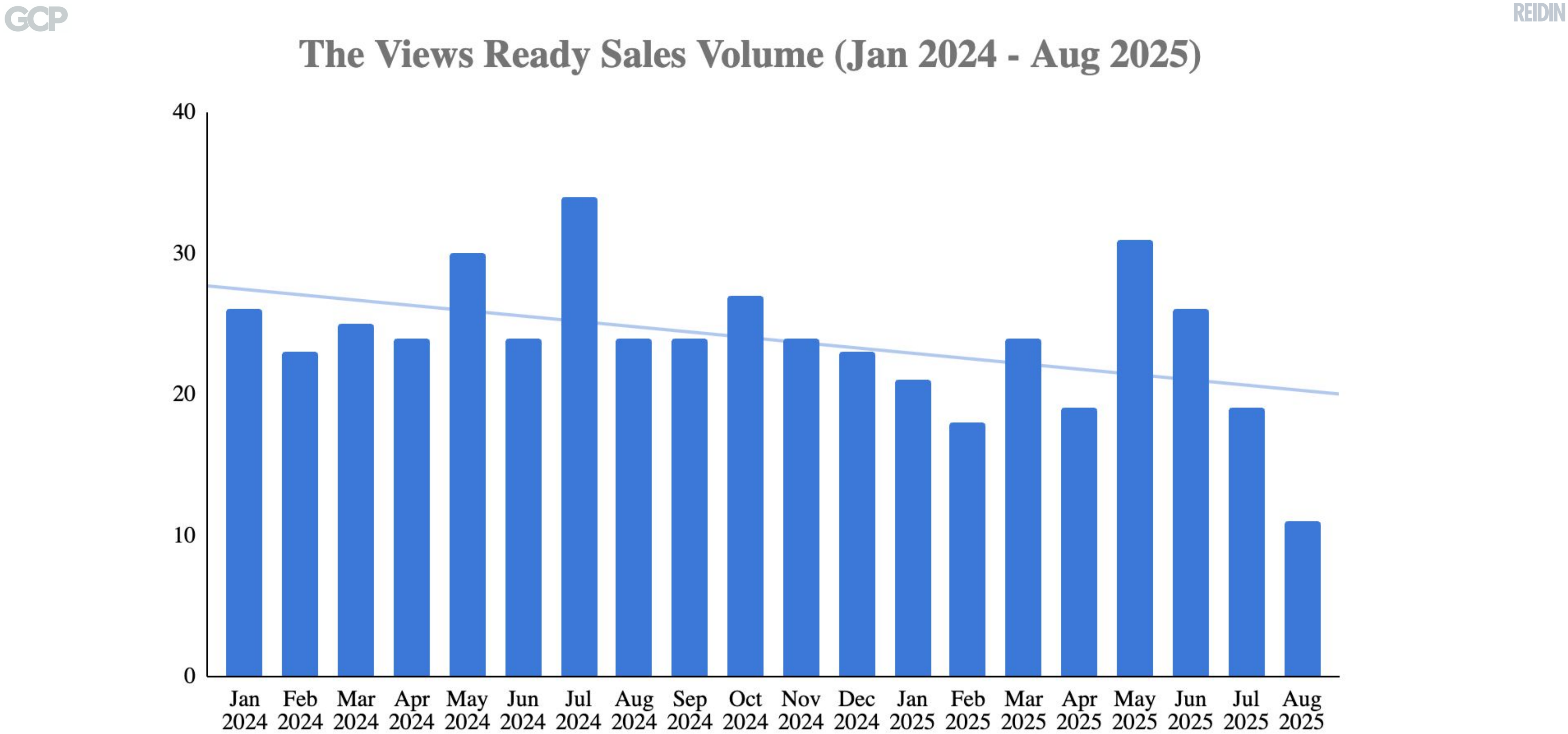
Sales Volumes

"There are more things, Lucilius, likely to frighten us than there are to crush us; we suffer more often in imagination than in reality."

- Seneca



The Views



Across the last eighteen months, The Views sales volume for ready properties is down 57.7%, and has exhibited an overall softening trend generally as well. Ready properties sales volume is also down 54% year-on-year, which is especially noteworthy since The Views is a relatively newer community with a good location. Its neighbor, The Greens, is also down 20.8% in the last eighteen months, despite being an Emaar-only community; however, while skeptics can point to the age of the properties and lack of amenities in The Greens, those arguments hold far less water for The Views.

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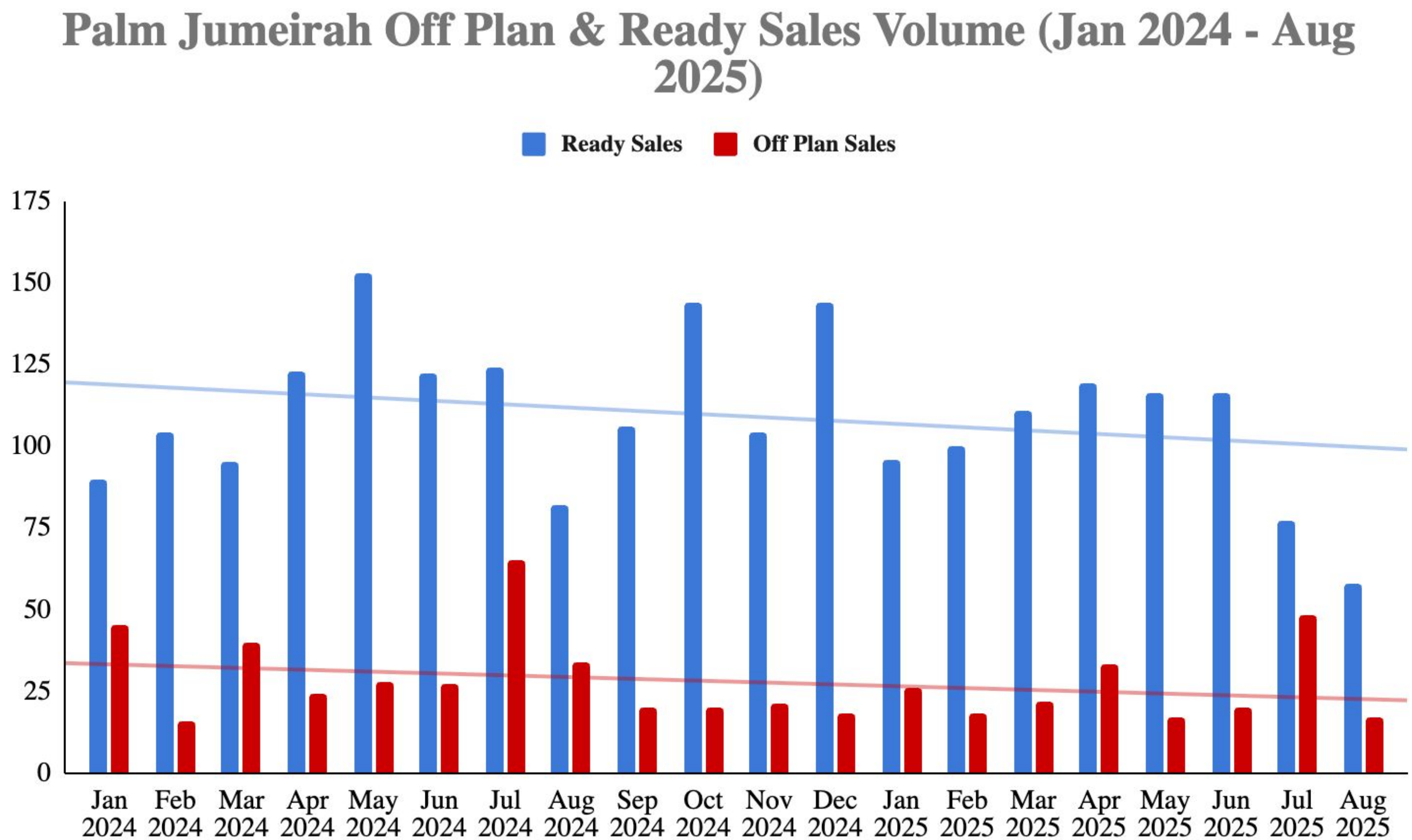

Palm Jumeirah, the veritable jewel in the crown of Dubai’s real estate market (especially post-COVID), has seen both ready and off plan sales ease downward since January 2024. For ready sales, the magnitude of the eighteen-month drop is 35.56%, and for off plan a 62.2% dip, echoing the trend we highlighted in rental volumes in Palm Jumeirah itself in our previous report (see: *Rents and Sensibility*).

Business Bay

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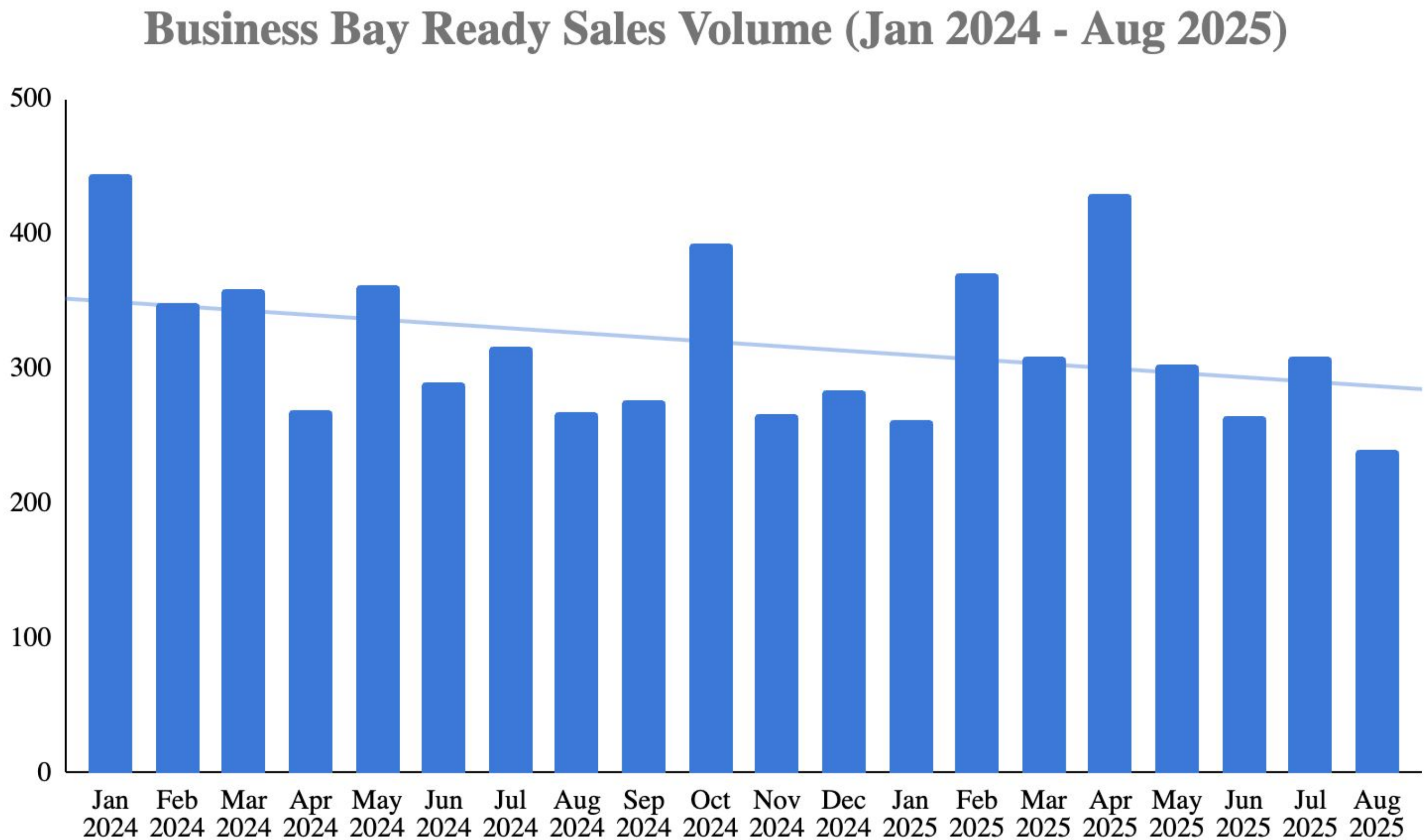
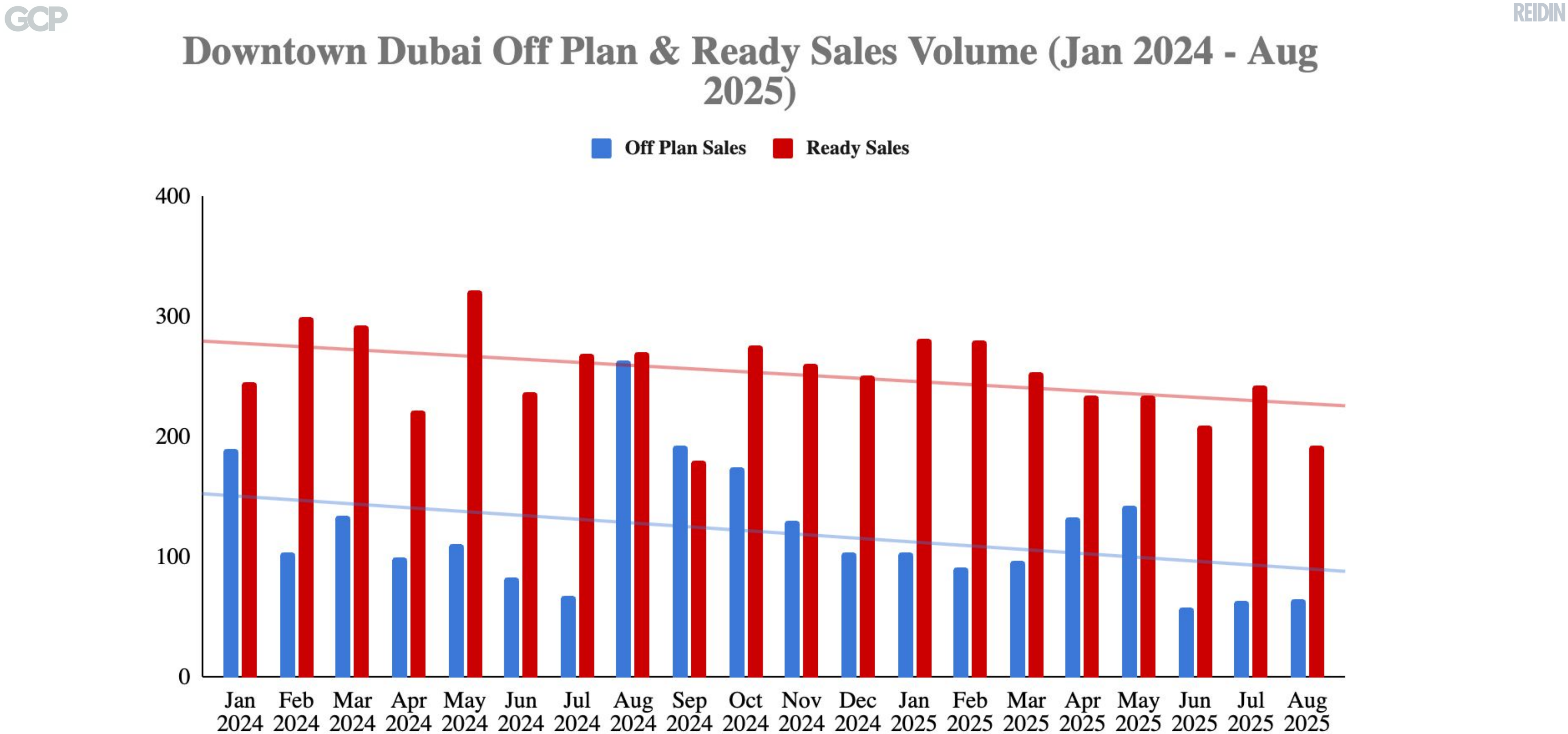


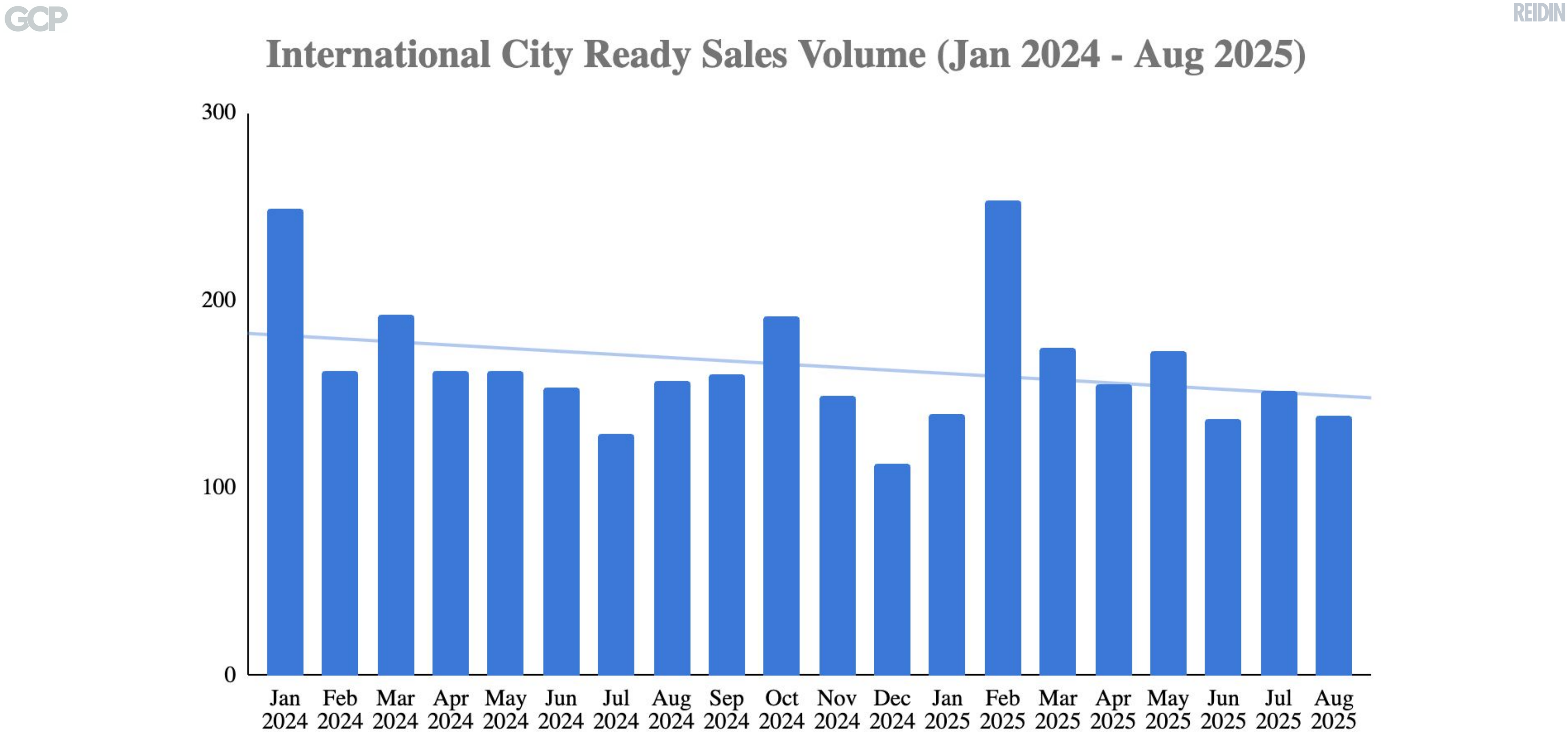
Another prime community, Business Bay, has also seen ready sales moderate by 46% over the same eighteen month time period. This is particularly surprising given that one would be hard pressed to find a community with a better location (traffic congestion notwithstanding) with everything a potential end user could hope for within reach.

Downtown Dubai



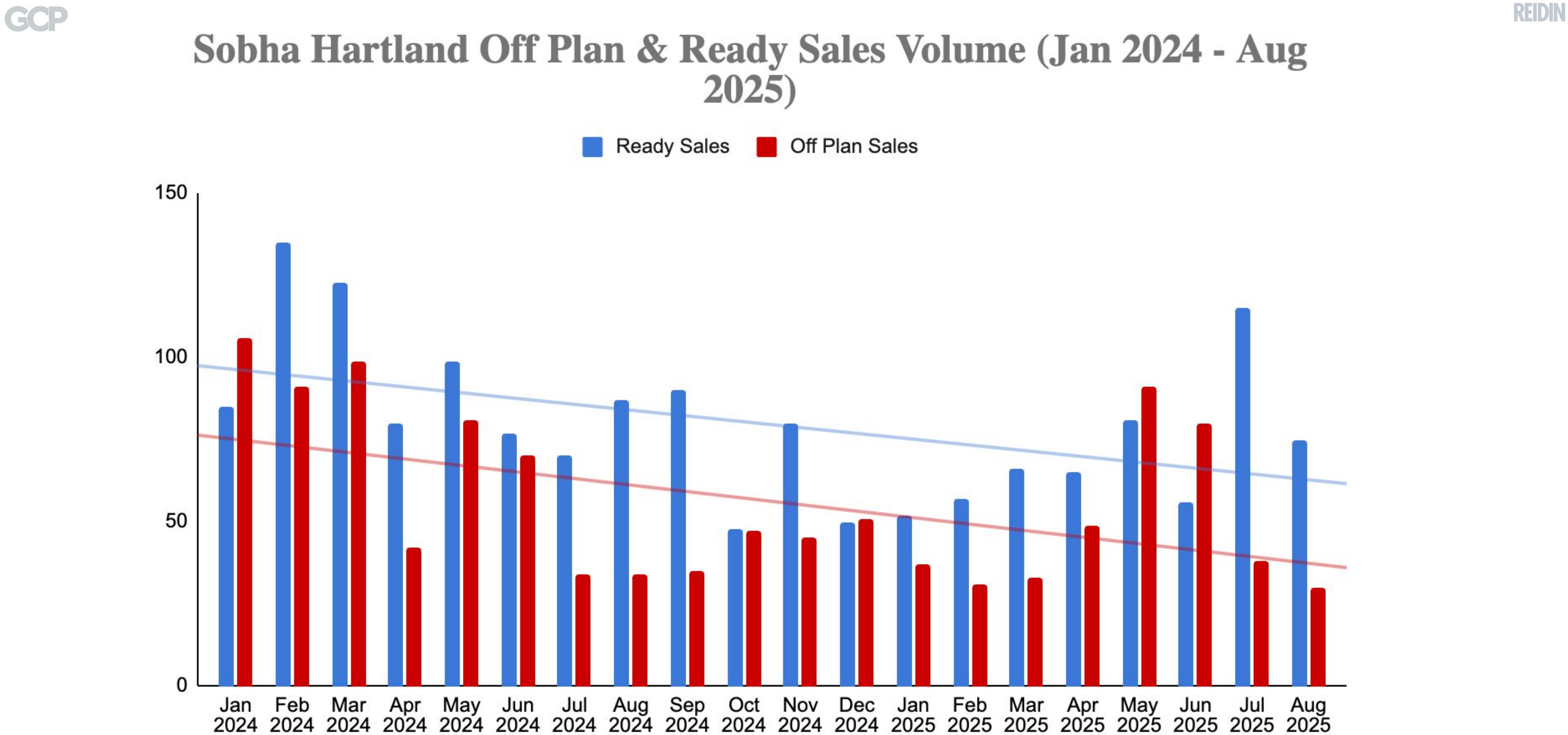
All the same arguments could also be made in favor of Downtown Dubai, except here both ready and off plan sales have fallen since January 2024 (65.8% in the case of the former and 21.2% in the case of the latter). When sales at the very heart of the city are softening across a notable timeframe to a significant extent, it certainly warrants attention.

International City



Even the mid market is showing susceptibility to this effect - and that too the most robust mid market community in terms of consistent demand in International City. Not only is there a cooling in ready sales, but one to the tune of 44.6%, a significant indicator that the adjustment in sales volume is not specific to luxury communities.

Sobha Hartland

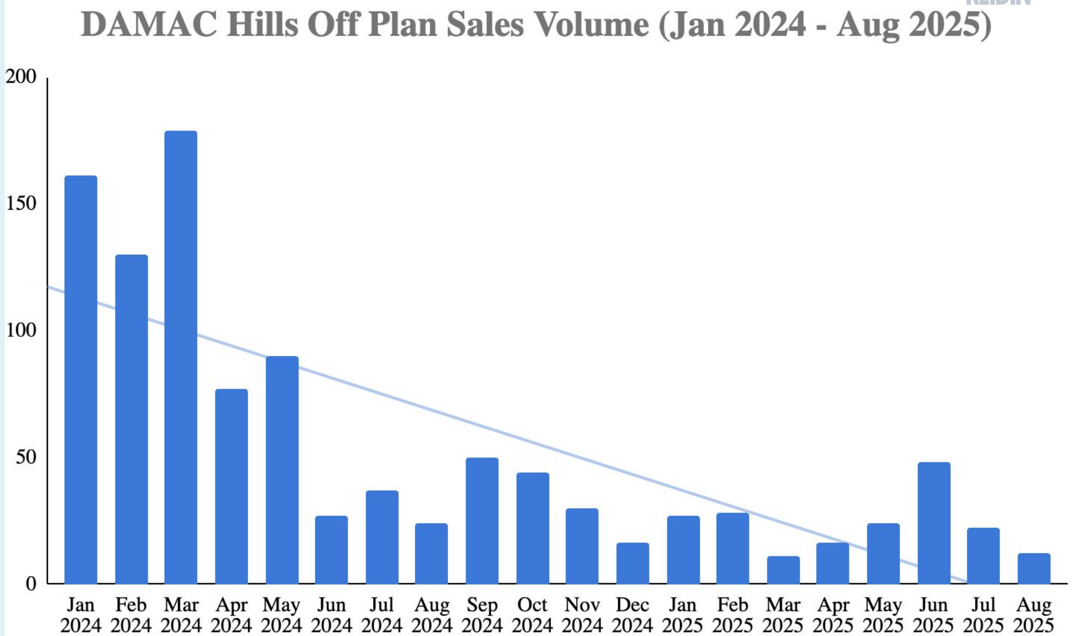


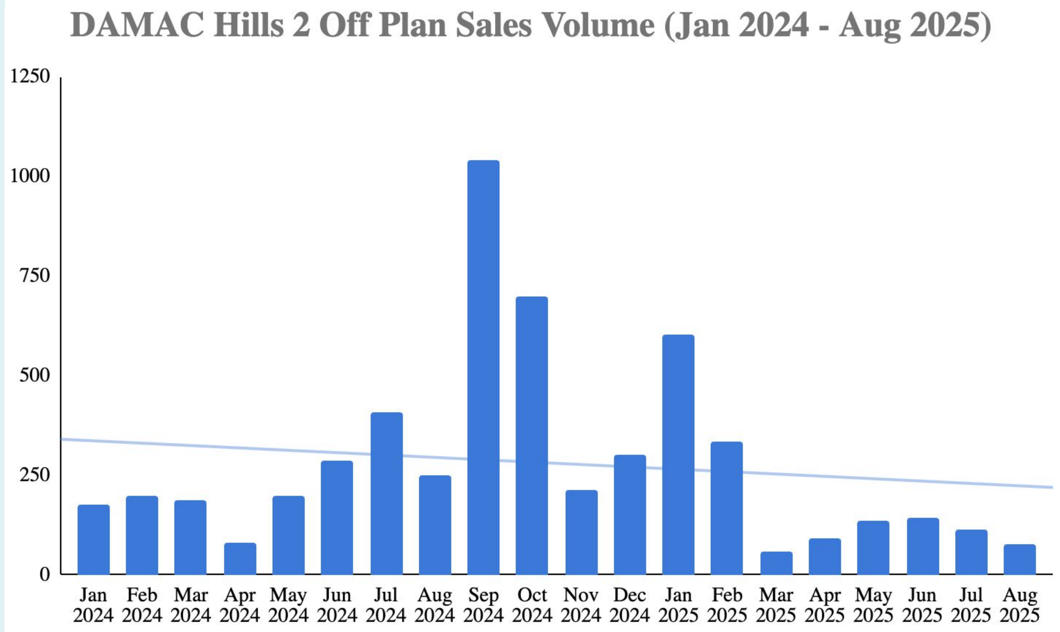
Even newer communities do not appear immune from this phenomenon. Sobha Hartland, a community developed entirely by one of the city's most reputable and prestigious developers, has seen both ready and off plan sales moderate since January 2024 by 11.76% and 71.7% respectively.

DAMAC Hills

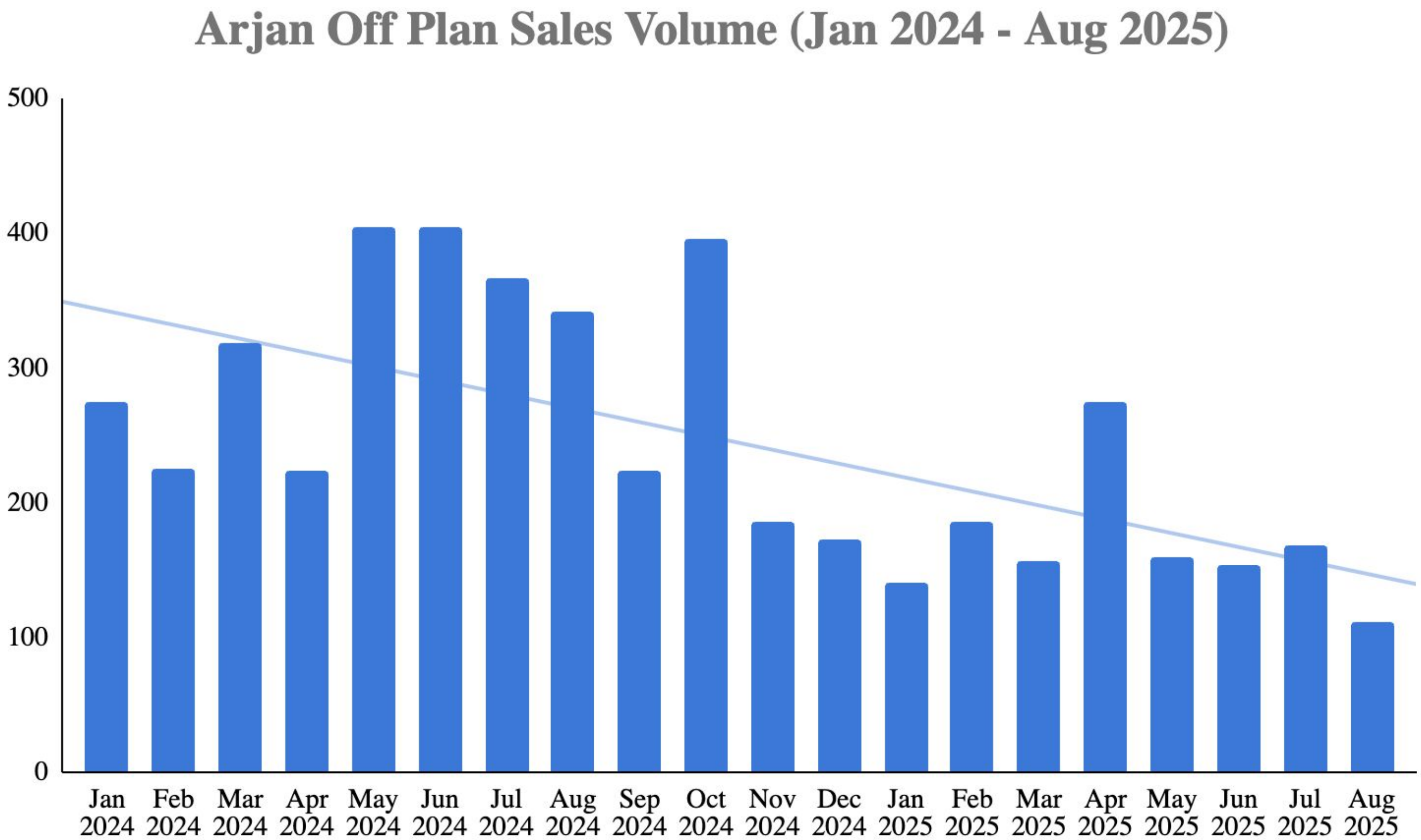
Another community solely developed by a top developer that has felt this decline in sales is DAMAC Hills (both the original and DAMAC Hills 2). DAMAC Hills has seen off plan sales fall by 92.55% over the last year and a half, while DAMAC Hills 2's off plan sales have decreased by 55.75% over the same timeframe.

While some may argue that this is due to a significant portion of the communities now being ready, this would discount the amount of sub-communities still under construction and therefore available on the primary market (such as Cavalli Estates, DAMAC Hills' Autograph Collection, Augusta, Camelia, etcetera).





Arjan



However, this effect is not localized to single-developer newer communities either. As the earlier example of International City already demonstrated, the mid market is also seeing moderating sales volumes, but Arjan serves to show that it is not just older mid market communities that have seen this adjustment. Arjan's off plan sales have fallen 81.45% in the last year and a half, despite many projects still having primary inventory available for sale

Dubai Hills Estate

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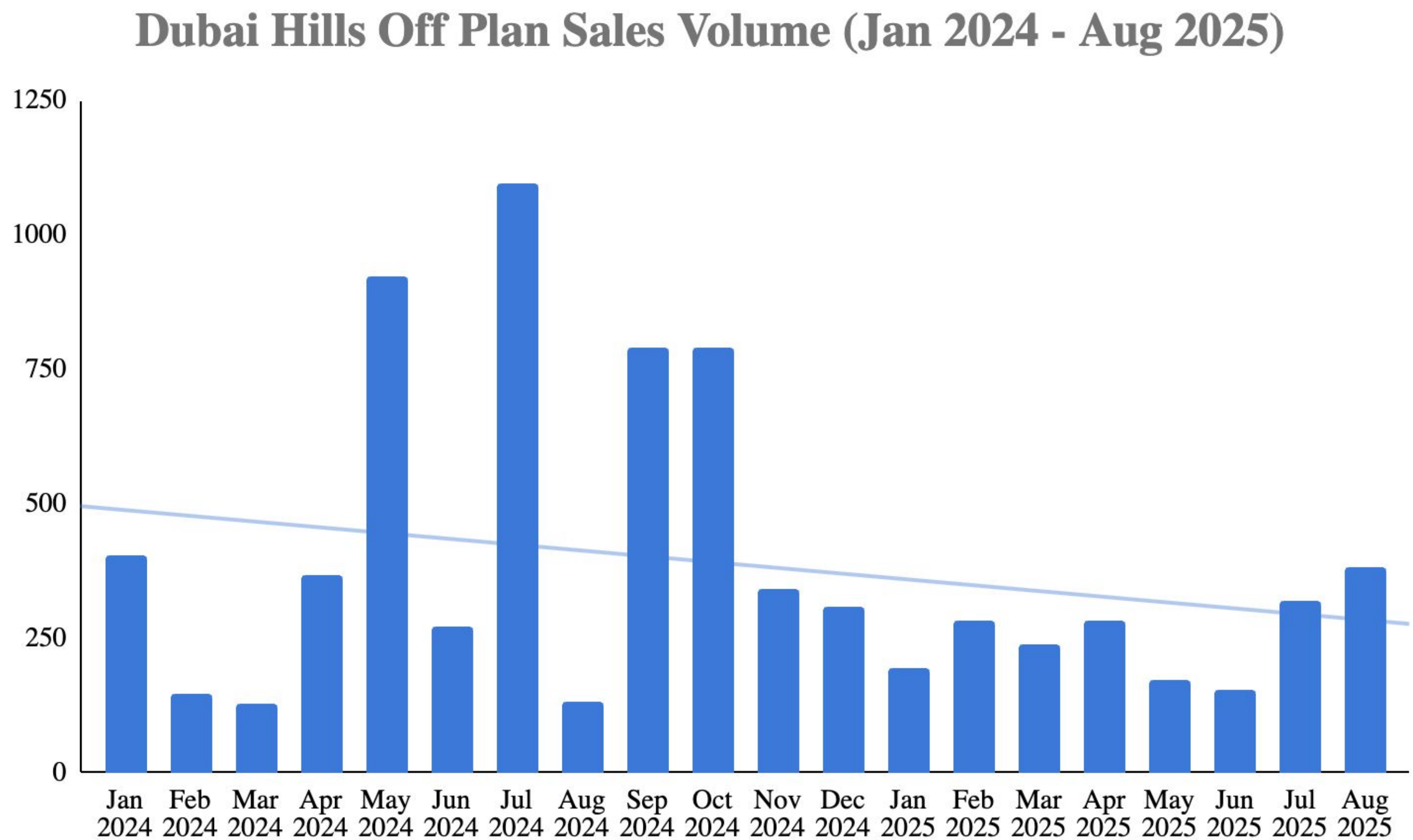


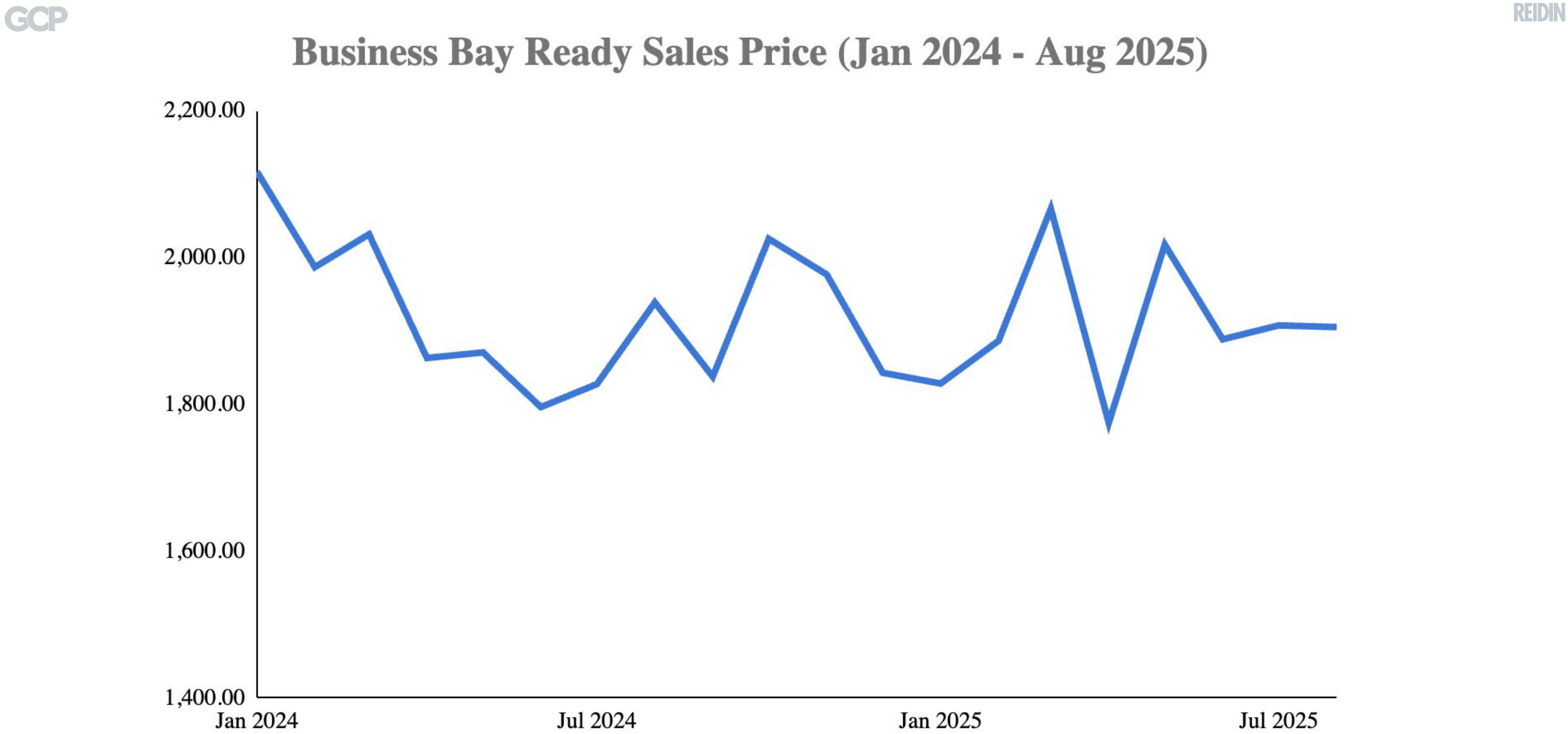
The same effect can be observed in Dubai Hills Estate, where off plan sales are down 5.7% across the last eighteen months, but have varied wildly in the interim with monthly sales reaching as high as 1,094 but also as low as 127. Dubai Hills is also another community where projects have been launched at various points across the last eighteen months, with some retaining primary inventory, thereby proving that the variation in off plan sales is not solely dictated by launch frequency and schedules.

Sales Prices

"Victory has a hundred fathers, but defeat is an orphan."

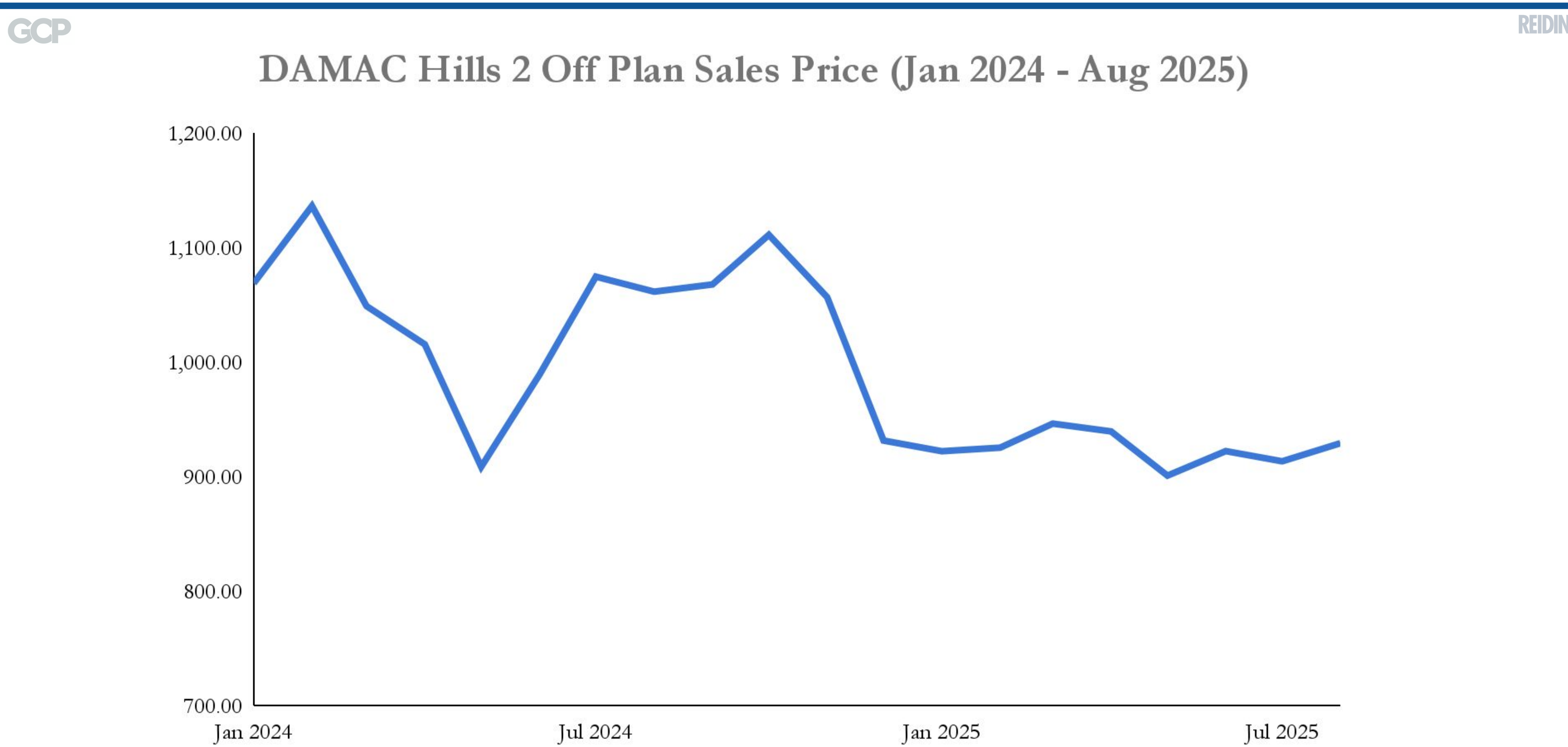
– John F. Kennedy

Business Bay (Ready)



While volumes for Business Bay ready sales have fallen across the last eighteen months, so too have prices - to the tune of 10%.

DAMAC Hills 2 (Off Plan)



DAMAC Hills 2 is another community that has seen both sales volumes and prices fall across the last year and a half. As previously mentioned, there is no shortage of launches or off plan inventory available, and yet an eighteen-month price drop of 13% is evident in the data.

Jumeirah Village Triangle (Off Plan)

Jumeirah Village Triangle has also seen off plan prices dip by 6.3% across the last eighteen months. Fluctuations notwithstanding, the pessimistic outlook here would be to conclude that prices are cooling off, although a more reasonable hypothesis would be that prices are simply mean reverting after a particularly strong market boom, and what we are seeing now is just the market normalizing.

Dubai Harbour (Off Plan)

Dubai Harbour, despite a spike in off plan prices in Q1 2025, is also down 4.22% across the last eighteen months. Being one of Dubai's relatively newer areas (and a premium one in terms of both price point and location at that), it is difficult to yet gauge Dubai Harbour's outlook, and no doubt these price fluctuations are part and parcel of the market's effort to arrive at a more stable valuation of the locale's properties.

Dubai South (Off Plan)

Another one of Dubai's newest communities - quite possibly *the* new community in terms of consensus projections for where the future of the city lies - in Dubai South has also seen prices drop by 6.2% across the last year and a half. As seen in the graph above, off plan sales prices were climbing until their peak in January 2025, whereafter there have been some fluctuations, but the overall trend as per the last three months of available data, is consistently downwards. In fact, from the eighteen-month high in January, prices are down 22.8%, despite a constant flurry of launches and claims of 100% sellouts in top projects and sub-communities (like Expo City).

District One (Ready)

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Yet another new community in District One has seen eighteen-month prices trend downward, yet this time it appears to be in the secondary market, with ready sales prices down 12.5% since January 2024. A possible explanation here is that properties are not holding their value once they hit the secondary market for whatever reason, as buyers are clearly valuing the finished product increasingly lower.

Conclusions

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Importantly, these trends are not confined to any one segment. Established communities such as The Greens and Downtown Dubai have seen notable slowdowns, while newer master-planned projects like Sobha Hartland and Dubai South – despite their steady pipeline of new launches – have also experienced meaningful moderations. The same pattern holds across market tiers, with both luxury destinations (Palm Jumeirah, District One) and traditionally resilient mid-market areas (International City, Jumeirah Village Triangle) showing signs of softening.

Overall, the data suggests that Dubai's real estate market is undergoing a recalibration phase, with both volumes and prices under pressure. Market participants should be cautious, balancing optimism about the city's long-term prospects with a recognition of near-term headwinds that appear to be affecting communities across the board.

Sales Volumes

The evidence from the past 18 months points to a broad and sustained slowdown in Dubai's real estate sales activity. The contraction is not confined to aging communities such as The Greens, where the quantity of amenities may explain reduced buyer appetite, but is also evident in newer, high-quality developments and prime luxury hubs. Even traditionally resilient mid-market districts have experienced moderations in both ready and off-plan transactions.This cross-segment decline in volumes suggests that the market is facing deeper structural challenges rather than isolated community-specific issues. The pattern indicates a potential recalibration in buyer sentiment and liquidity across Dubai's property sector, raising important questions about sustainability, pricing strategies, and the balance between primary and secondary market dynamics.

Sales Prices Rates

The analysis reveals that price corrections are now visible across both prime and mid-market communities, indicating that the recent declines in sales volumes are not isolated events but part of a broader adjustment process in Dubai's real estate market. The fact that established locations like Business Bay are seeing double-digit drops, while newer flagship developments such as Dubai Harbour and Dubai South also face notable adjustments, underscores that this is not limited to legacy stock or peripheral areas. While some of the observed softening – particularly in communities like Jumeirah Village Triangle – may reflect natural post-boom normalization, the consistent downward trajectory in others, such as DAMAC Hills 2 and District One, points to potential challenges in sustaining both primary launch momentum and secondary market valuations.

Conclusion

The data from the past 18 months paints a clear picture: a softening of both sales volumes and prices have been observed across a wide spectrum of Dubai's real estate market. This breadth suggests that the current cooling is systemic rather than community-specific. The argument that weaker off-plan sales are purely a function of launch schedules is difficult to sustain, as several communities with abundant ongoing launches still registered downward trends in primary market activity and pricing. Likewise, the notion that age, location, or developer reputation alone determine resilience does not hold up, given that both older districts and brand-new flagship communities have shown vulnerability.Crucially, however, the evidence does not point to an imminent market crash. Rather, the correction in both transaction activity and pricing appears to be part of a broader normalization after nearly five consecutive years of growth post-COVID. For stakeholders across Dubai's property market – from investors to developers – the key takeaway is clear: the current phase reflects a necessary and healthy adjustment, broad in scope but not necessarily destabilizing. Understanding how different communities, asset classes, and buyer segments are responding will be essential for making informed decisions in a market that appears to be settling into a more sustainable trajectory.

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