SmartCrowd
a Nawy company



H1 2025

Dubai Residential Market Report



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Note: This report focuses exclusively on the ready residential segment, in line with SmartCrowd's investment offerings. Off-plan, commercial, and industrial segments are not covered.

The first half of 2025 has reaffirmed a simple truth: real estate remains one of the most reliable ways to build and protect wealth, and nowhere is that more evident than in Dubai.

AED 77bn
Total Value of Ready Sales

18% YoY
Transaction Value Growth

29K
Total Volume of Ready Sales

Dubai's property market kicked off 2025 with solid momentum, extending a strong and consistent multi-year run. Despite global uncertainty, the first half of the year saw impressive growth in both transaction volumes and values, with steady demand across all segments, from affordable apartments to luxury villas.

In terms of performance, demand remained solid across the board in H1. Ready sales surged to AED 77 billion, 18% higher than the same period last year, alongside a 33% jump in transactions, hitting 29,000 deals. On a per- square-foot basis, prices remained in healthy alignment with last year's levels, pointing to sustained value without overheating. Apartments continued to dominate in popularity, while sales of villas and townhouses accelerated, especially in newer, master-planned communities. The luxury segment also saw strong momentum, with high-end transactions reaching new peaks.

This growth is further supported by a rising population. Dubai is on track to surpass 4 million residents by year-end, driven by its business-friendly environment, safety, and high quality of life. Long-term planning initiatives like the Dubai 2040 Urban Master Plan aim to accommodate 5.8 million residents, a vision that continues to shape infrastructure and housing demand. Meanwhile, the UAE is expected to welcome nearly 10,000 high-net-worth individuals in 2025, more than any other country, reinforcing its position as a top destination for global investors and relocators. On the economic front, the UAE is forecast to grow by 5.1% this year, thanks to strong performance in tourism, trade, and technology.

Dubai alone welcomed over 5 million international visitors in Q1, a testament to its continued global appeal. Major infrastructure projects, such as the Blue Line metro expansion and new road networks, are opening up new communities and enhancing accessibility in existing ones. These efforts reflect the broader goals of the Dubai Economic Agenda (D33), which aims to double the city's GDP to AED 32 trillion by 2033 and rank it among the world's top three economic hubs.

Simultaneously, Dubai's increasing focus on digital innovation, including major AI and tech investments, is attracting top-tier talent and global enterprises, further boosting its long-term prospects. This wave of innovation also extends to real estate, with increasing focus on tokenization, blockchain applications, and Real World Assets (RWA). As part of Dubai's tech-forward push, such technologies have the potential to reshape how real estate is accessed, owned, and traded.

At the halfway point of the year, it's clear Dubai's real estate market is holding firm. At SmartCrowd, we've seen this momentum reflected on our platform. Investor activity remained strong through H1, with growing interest in both Buy & Hold opportunities and value-add Flip opportunities across key neighborhoods. As Dubai's performance continues to strengthen, SmartCrowd remains committed to unlocking access to the region's most compelling real estate opportunities, with transparency and data-driven insights.

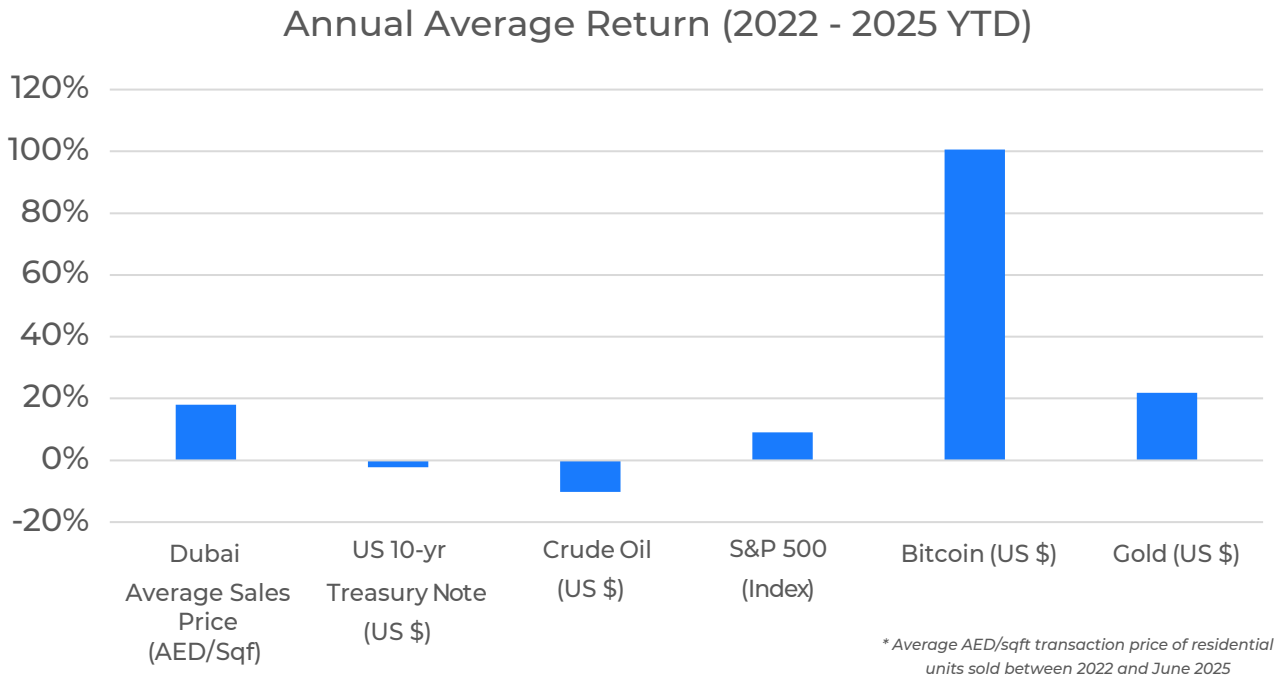
Source: REIDIN, SmartCrowd Research

Real Estate in 2025? Still a Smart Bet



Real estate remains one of the world's most reliable asset classes, offering a unique combination of income stability, long-term capital appreciation, and inflation protection. Unlike more volatile stocks or depreciating currencies, property values tend to hold firm and often rise over time, especially in growing markets.

As an inflation hedge, real estate stands out: rental income and property prices typically increase alongside the cost of living, helping investors preserve, and even grow, their purchasing power. In uncertain economic climates, physical assets like real estate offer a sense of security and tangible value that's hard to match.



** Average AED/sqft transaction price of residential units sold between 2022 and June 2025*

When comparing average annual returns over the past few years, Dubai real estate ranks third, just behind Bitcoin and gold. But unlike those assets, it also offers healthy rental yields. When rental income is factored in, only Bitcoin has outperformed it. This proves that every prudent portfolio will include exposure to a varying list of assets, no matter what the proportion, it is always smart to diversify.

We see growing value in the increasing use of cryptocurrencies for asset purchases. At SmartCrowd, we're actively exploring real estate tokenization, a process that converts physical property value into digital tokens. This could allow investors to store and manage their holdings in whichever form they prefer, opening the door to greater flexibility and liquidity.

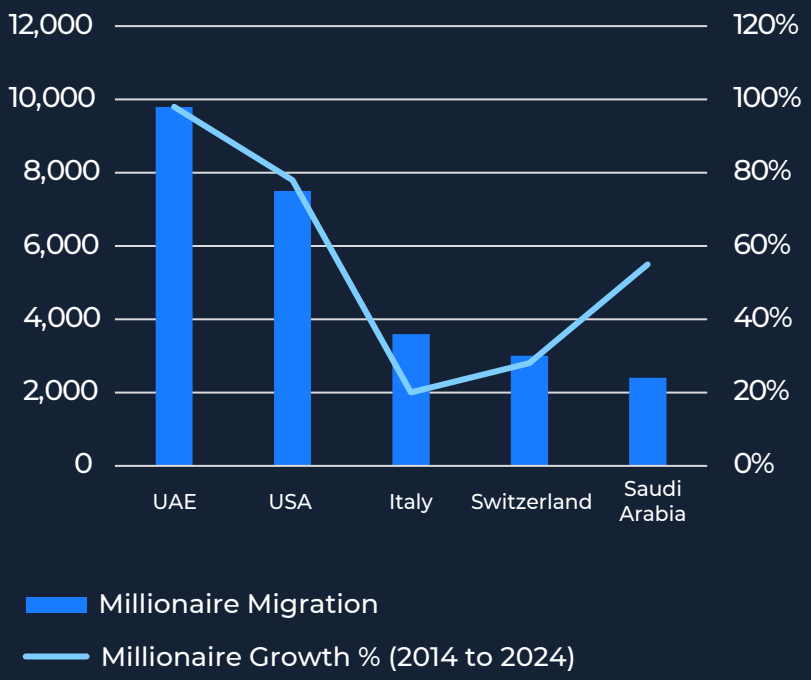
Source: Investing.com, REIDIN, SmartCrowd Research

Dubai’s Global Appeal



Dubai's allure as a global real estate destination is evidenced by its dynamic population growth. As of mid-2025, the city's population has surged to approximately 3.95 million, marking a significant increase from 3.84 million in January of the same year. This rapid growth, averaging around 1,000 new residents per day, reflects Dubai's status as a magnet for international talent, entrepreneurs, and high-net-worth individuals. According to the latest FDI Confidence Index, the UAE ranks 9th globally and 2nd among emerging markets, further cementing its status as one of the world’s most attractive destinations for high-net-worth individuals, international capital, and a diverse expatriate population.

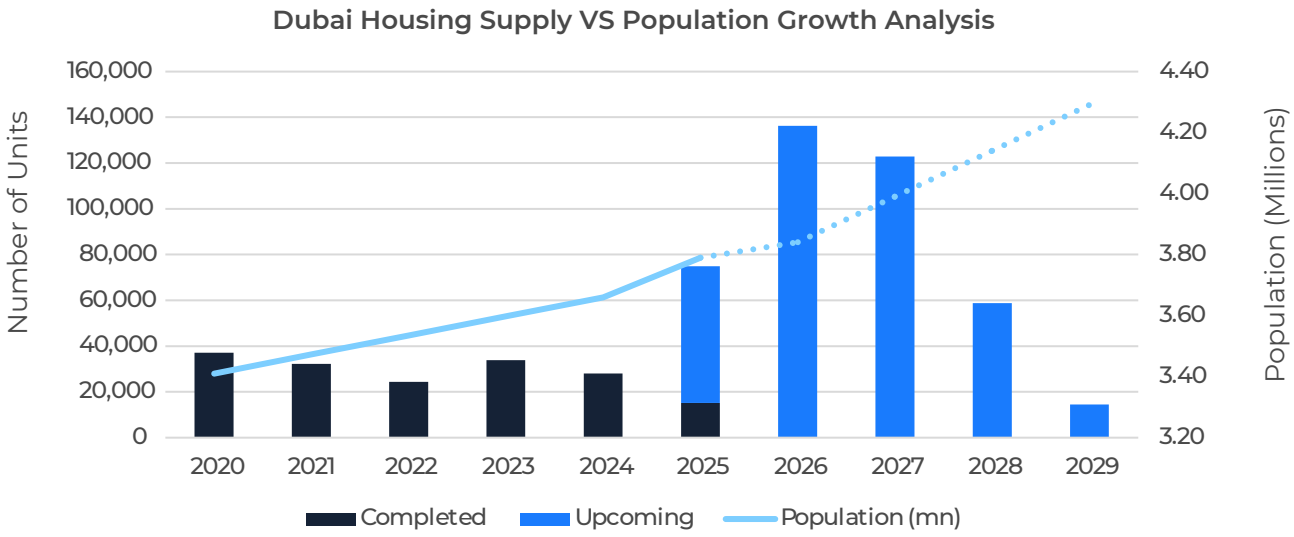
UAE: Top Millionaire Magnet

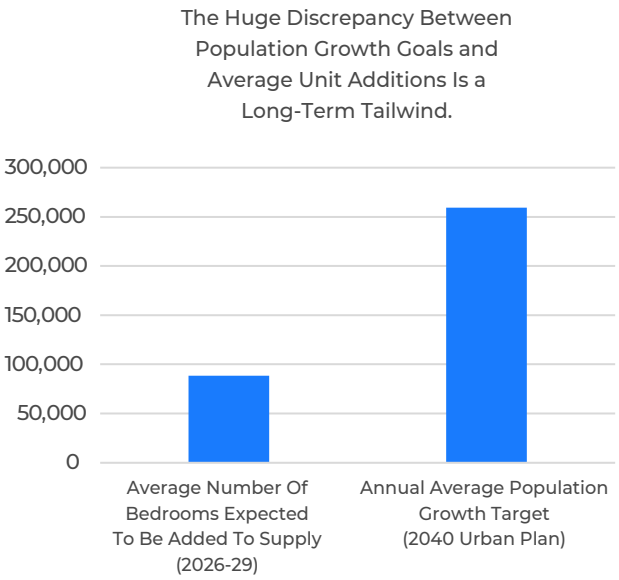


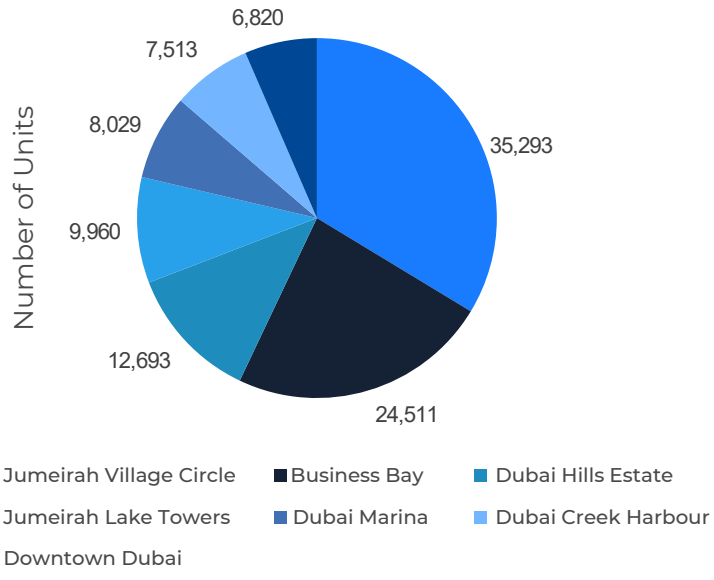
According to Henley & Partners, 9,800 millionaires will migrate to the UAE in 2025, making it the world’s leading hotspot for high-net-worth individuals. This surge is fueled by lifestyle appeal, robust legal frameworks, investor-friendly policies, and the presence of financial hubs such as DIFC and ADGM. A major pull factor is the UAE’s Golden Visa programme, which offers long-term residency to investors, entrepreneurs, and skilled professionals. With recent expansions, including sponsor-free options for property owners, the Golden Visa has become a key enabler for global wealth migration.

Source: Henley & Partners, SmartCrowd Research

Supply vs Demand: Can Dubai Keep Up?







New expected inventory in Jumeirah Village Circle makes up around 15% of all the planned inventory in Dubai, followed by Business Bay with 10% of inventory.

While we agree that current underlying data shows slight softness in Dubai's real estate market, especially the rentals segment, it is prudent to note that a few of the speculations about a supply glut are unfounded. There is usually a difference between planned supply for the year and actual deliveries, which for most years is around 50% of planned, as per a report from Fitch. Although the current sentiment suggests that Dubai's real estate market is entering a down cycle, the long-term outlook remains fundamentally healthy. These upward and downward trending cycles are likely to persist in the coming years, coinciding with surges in population and supply, respectively. If we look at the number of units slated to come online in the next year and compare it to the government's annual population growth targets based on the “2040 Urban Master Plan,” we can see that there is still quite a bit of a gap, which will continue to provide tailwinds to the whole sector.

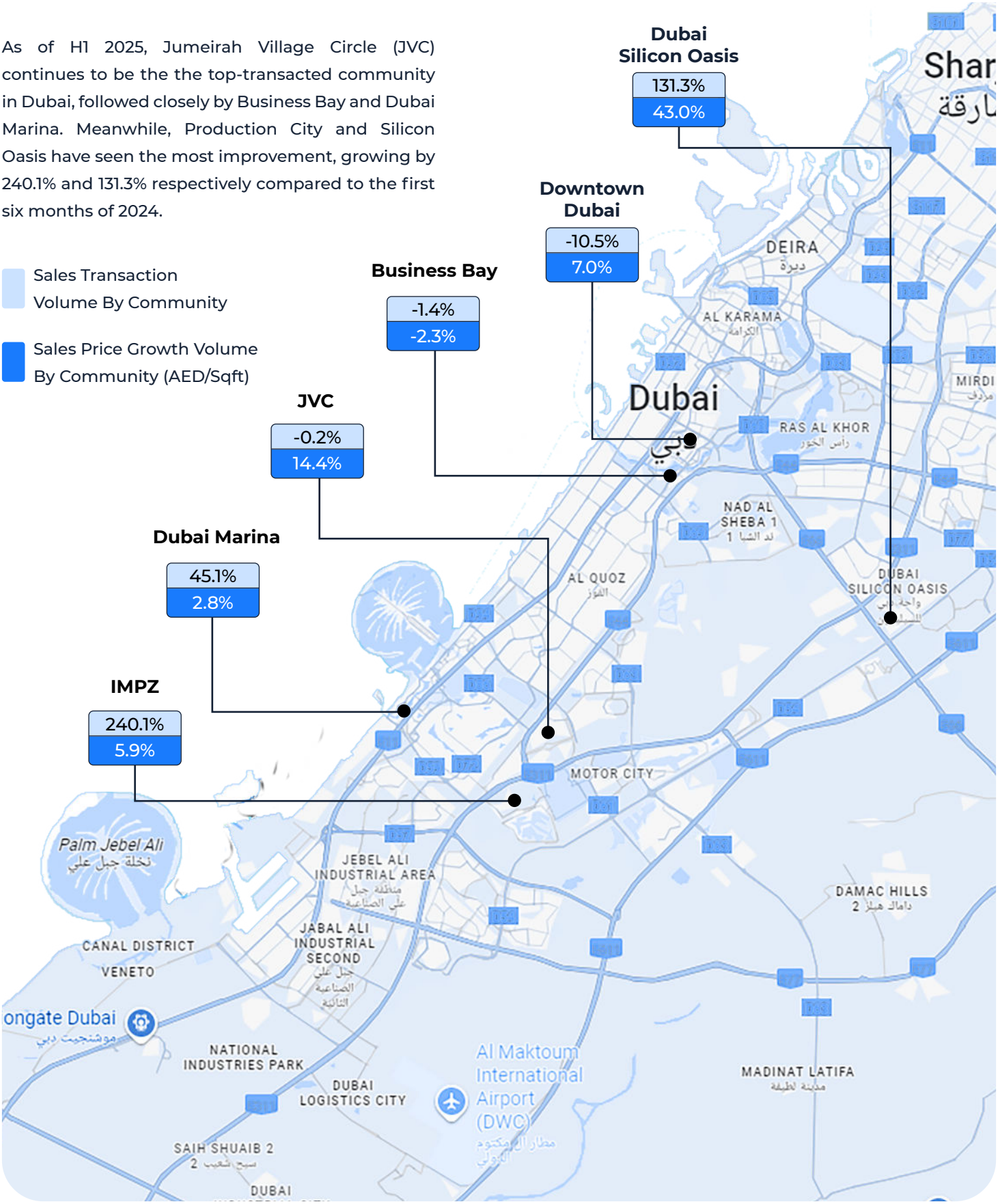
Source: Dubai Statistics Center, REIDIN, Fitch, SmartCrowd Research

H1 2025: Ready Sales Analysis

As of H1 2025, Jumeirah Village Circle (JVC) continues to be the the top-transacted community in Dubai, followed closely by Business Bay and Dubai Marina. Meanwhile, Production City and Silicon Oasis have seen the most improvement, growing by 240.1% and 131.3% respectively compared to the first six months of 2024.

Sales Transaction Volume By Community

Sales Price Growth Volume By Community (AED/Sqft)

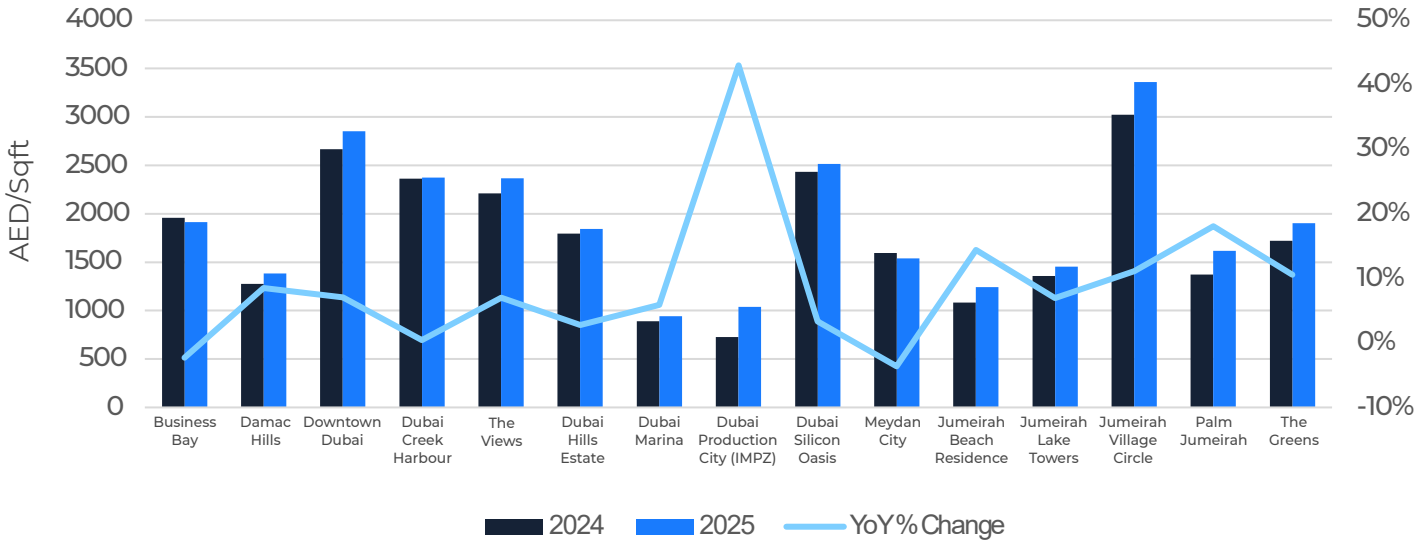


Source: REIDIN, SmartCrowd Research

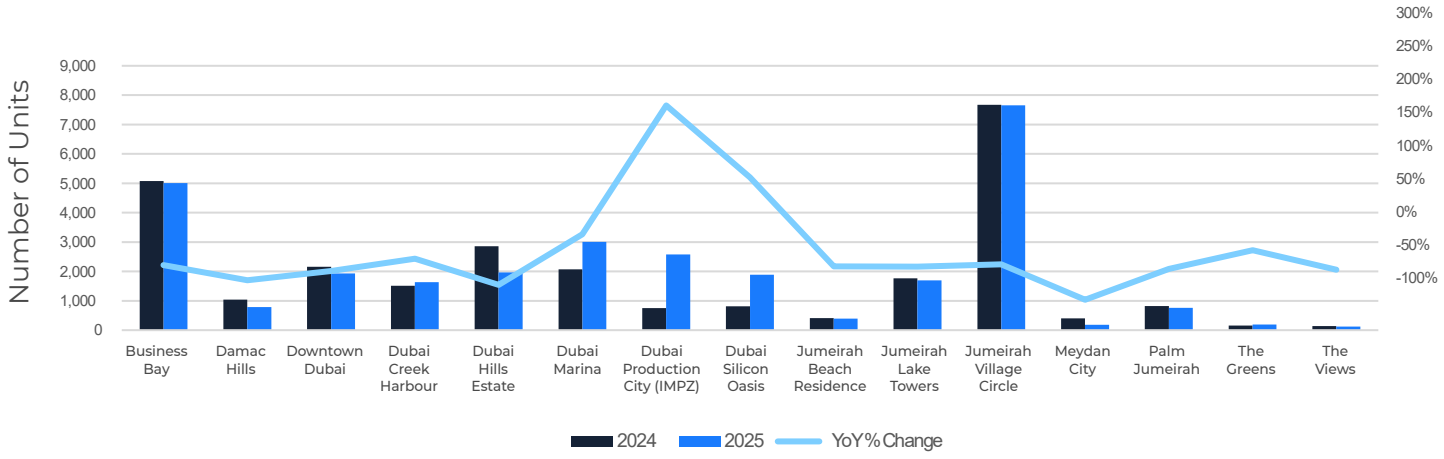
Dubai Sales: By Community

Dubai's property market has continued to grow strong in the first half of 2025. Residential sales were up significantly compared to last year, with total transaction volumes now more than six times what they were back in 2020.

Off-plan sales continued to rise, but the secondary market is also making a comeback, with it now accounting for over 40% of all sales, the highest in years. This suggests the market is becoming more balanced, with more ready-to-move-in properties available and end-users feeling more confident.



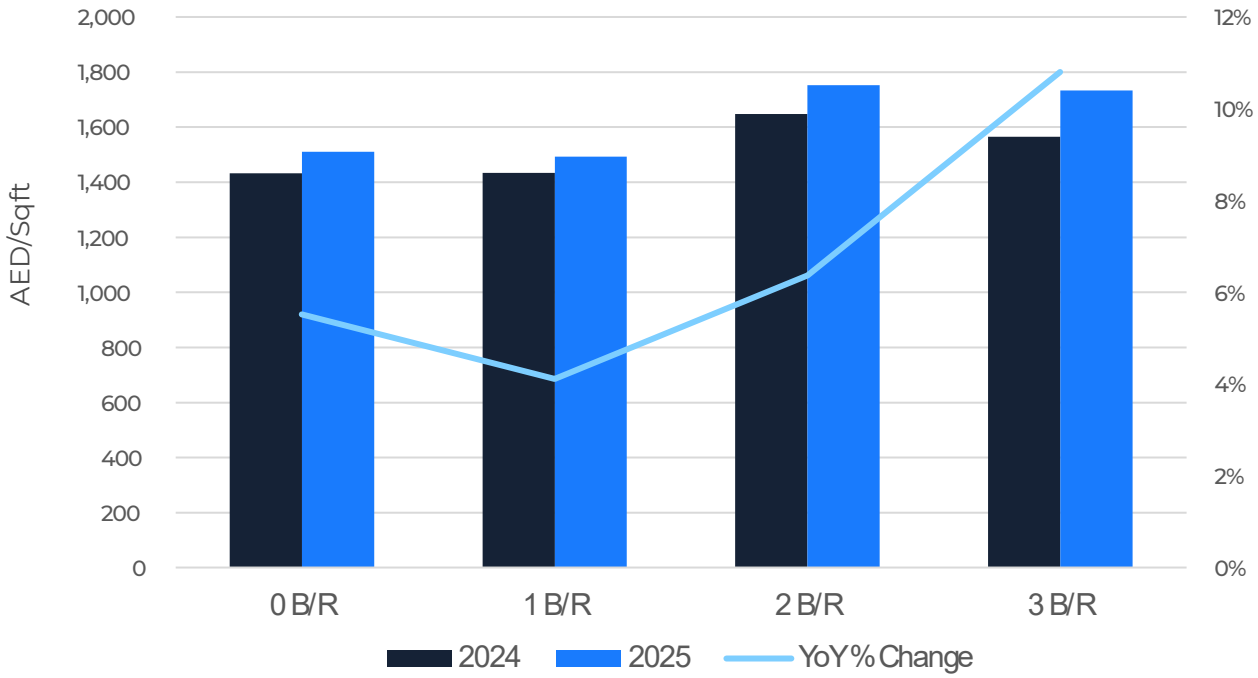
Average property prices in Dubai rose by 6.8% YoY, although the pace of growth has slightly moderated compared to previous periods. Where we had been seeing price increases across the board previously, prices in Business Bay (-2.3%) and Jumeirah Lake Towers (-3.6%) have trended lower. Meanwhile, communities like Silicon Oasis (43.0%), The Greens (18.1%) and Jumeirah Village Circle (14.4%) have shown strong performance in the first half of 2025.



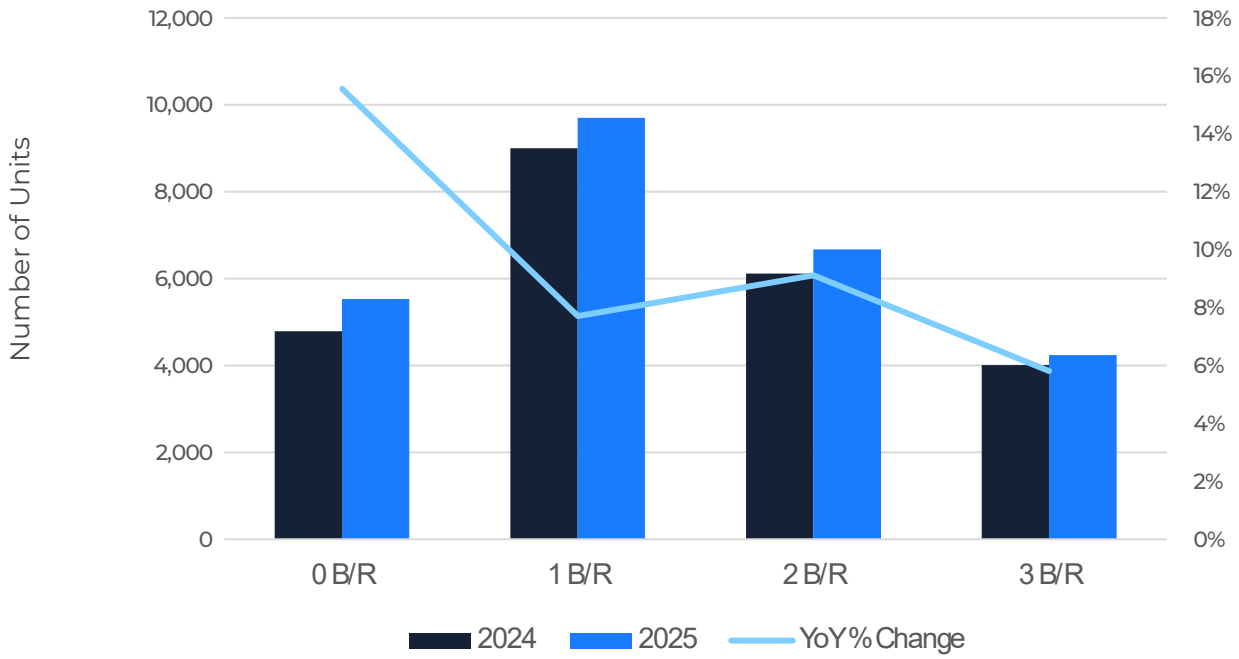
In 2025, Jumeirah Village Circle continues to be the most transacted community in Dubai, followed closely by Business Bay. Meanwhile, Production City and Silicon Oasis have seen the most improvement, growing by 240.1% and 131.3% respectively compared to the first six months of 2024.

Source: REIDIN, SmartCrowd Research

Dubai Sales: By Size



3-BR units have fared notably better over the past six months, with a 10.8% YoY increase, outpacing 1-BRs, which rose by just 4.1%.

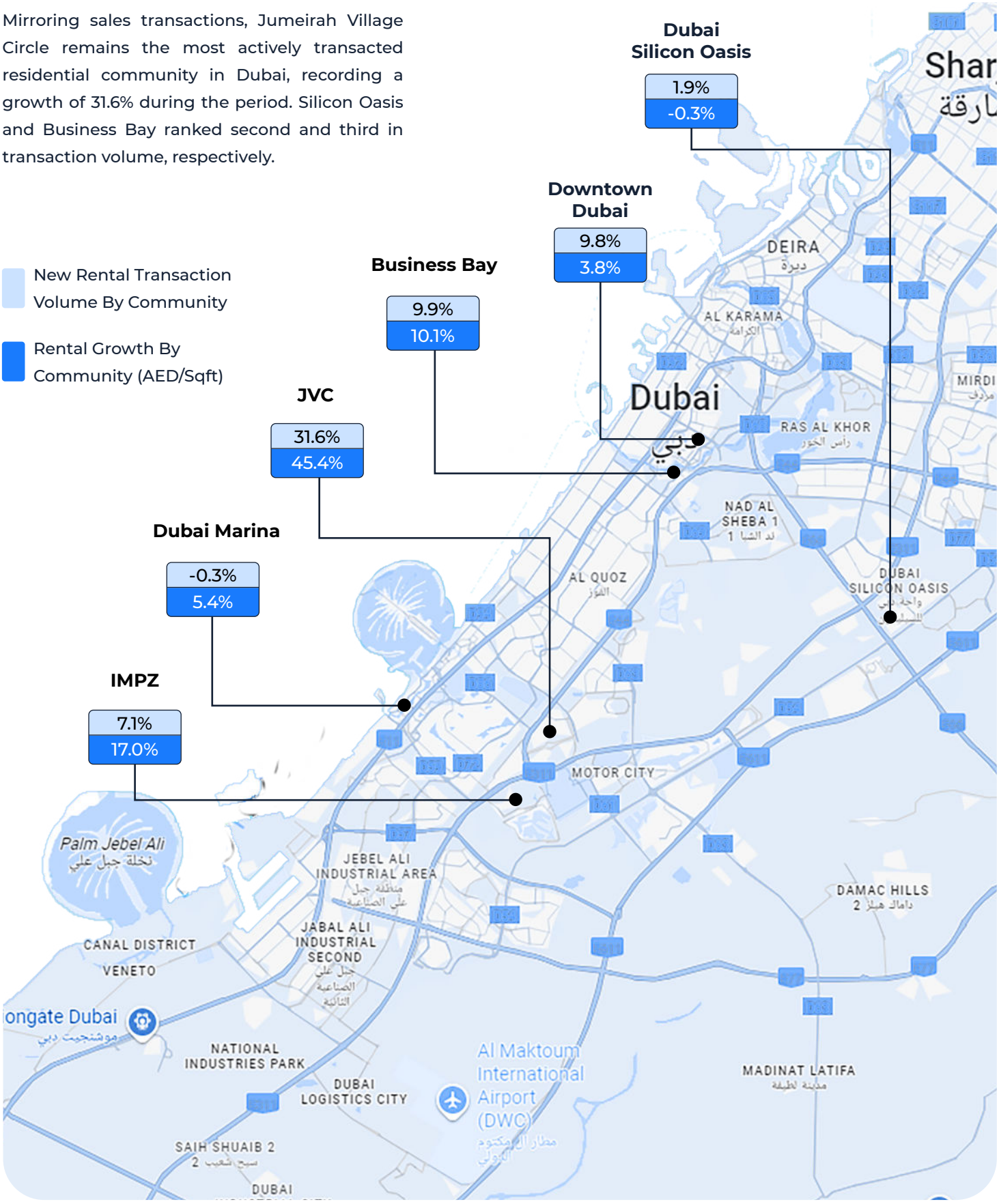


In terms of transactions though, Studio (15.5% YoY) units have seen much stronger volume growth than other bedroom sizes.

Source: REIDIN, SmartCrowd Research

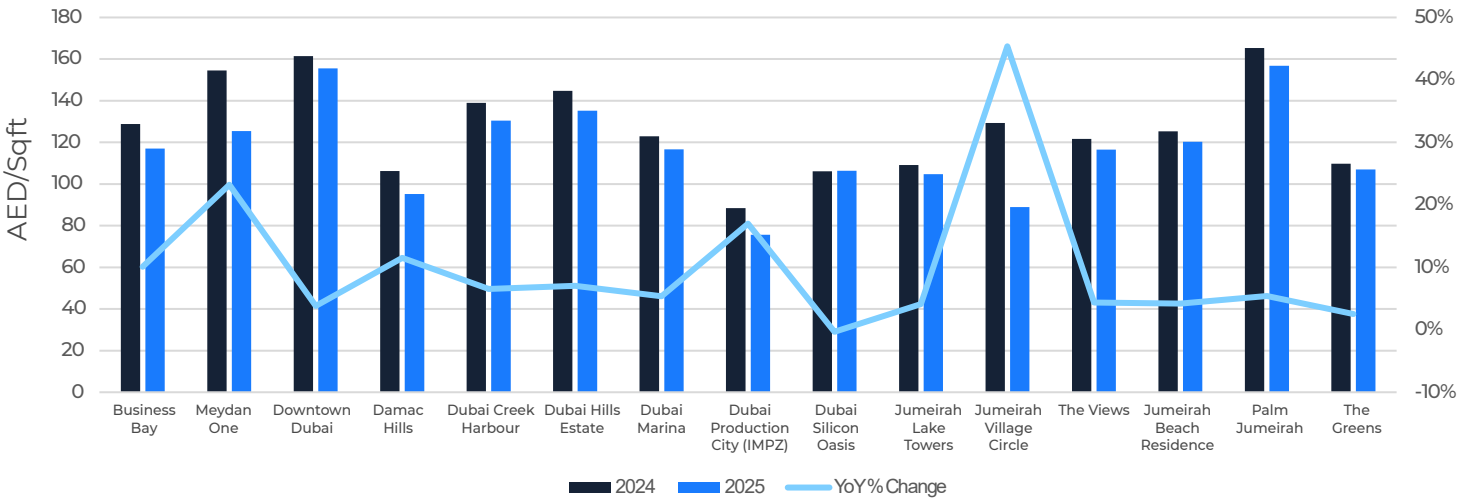
H1 2025: New Rentals Analysis

Mirroring sales transactions, Jumeirah Village Circle remains the most actively transacted residential community in Dubai, recording a growth of 31.6% during the period. Silicon Oasis and Business Bay ranked second and third in transaction volume, respectively.

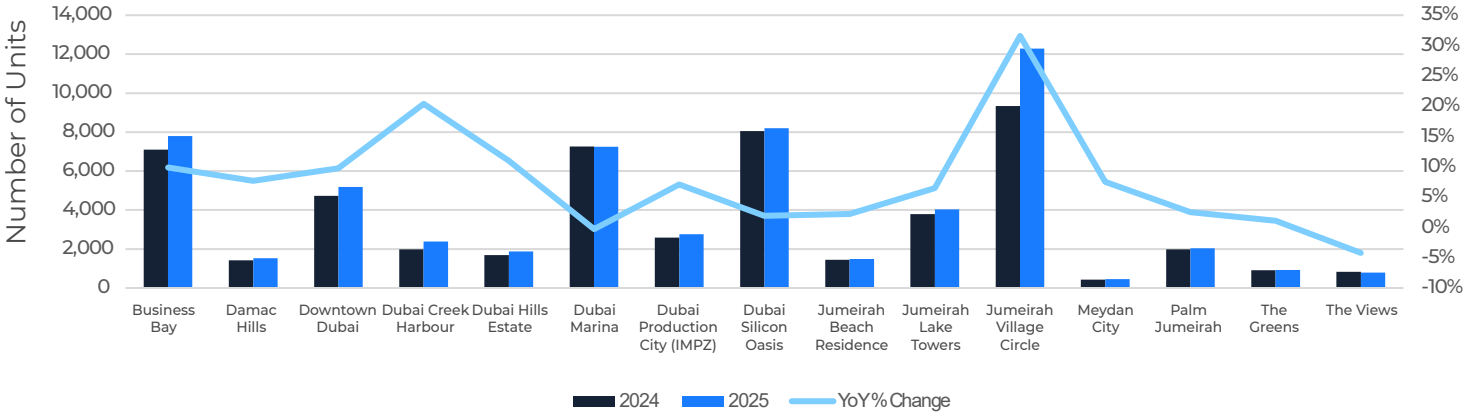


Source: REIDIN, SmartCrowd Research

Dubai Rental Market: By Community



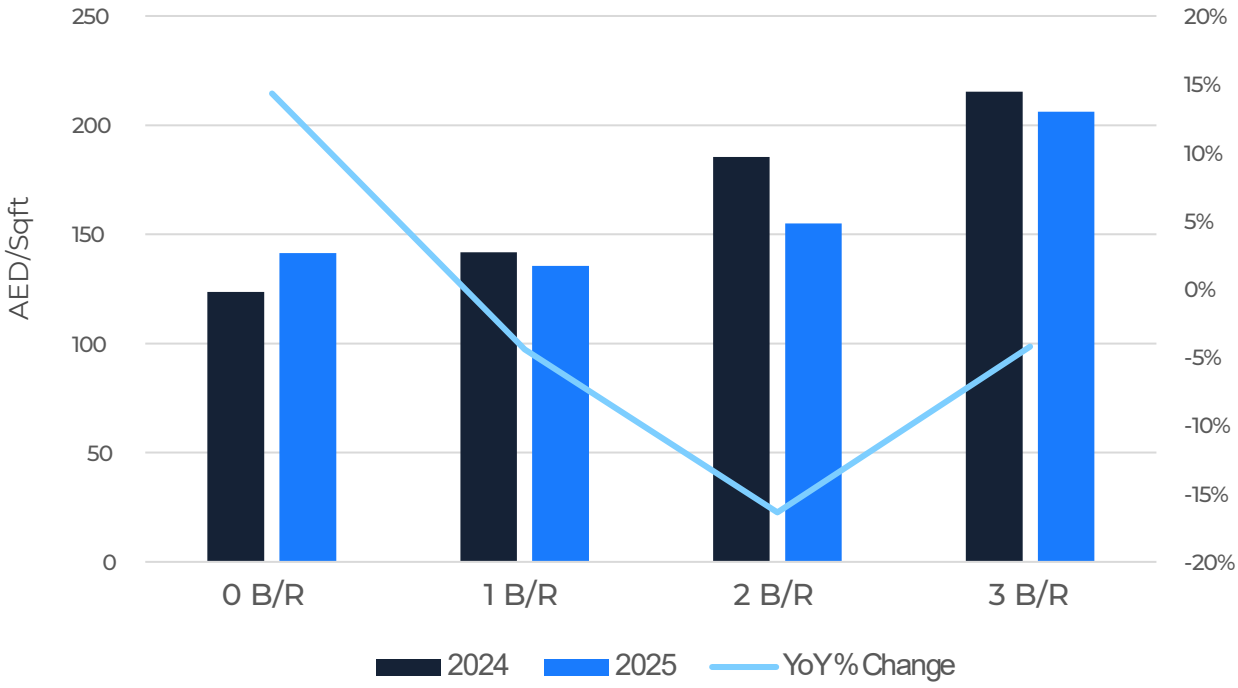
New rental contracts signed in H1 2025 recorded an average year-on-year increase of 8.9%. Jumeirah Village Circle (JVC) led the rental growth charts with a remarkable 45.4% YoY surge. In contrast, Dubai Silicon Oasis saw rental rates stagnate during the same period, a notable divergence considering it recorded the strongest sales price performance in H1 2025. This indicates the growing disconnect between rental yields and capital appreciation across certain communities.



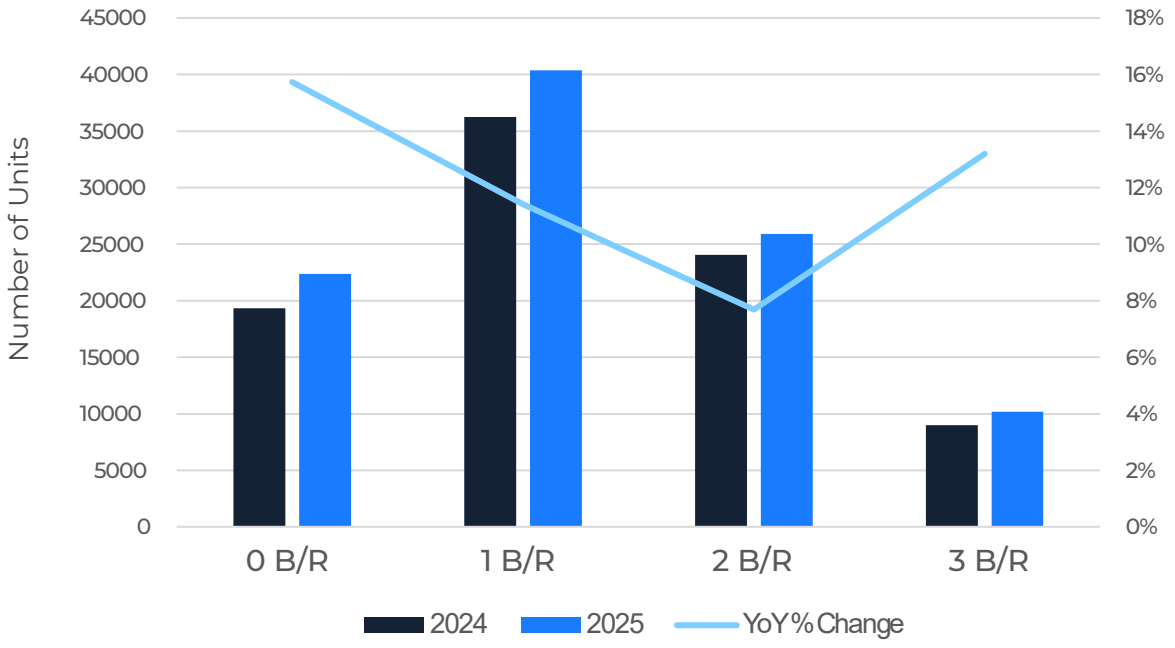
The rental market is currently undergoing a shift. Previously, we saw strong demand for mid-priced units in Tier-1 communities, but as property prices, and consequently rental rates, have risen over the past few years, renter preferences are beginning to evolve. This has led to the pricing out of young, new migrants who are moving to Dubai from all over in search for new opportunities and have pushed them further to settle in communities away from the city centre.

Source: REIDIN's, SmartCrowd Research

Dubai Rental Market: By Size



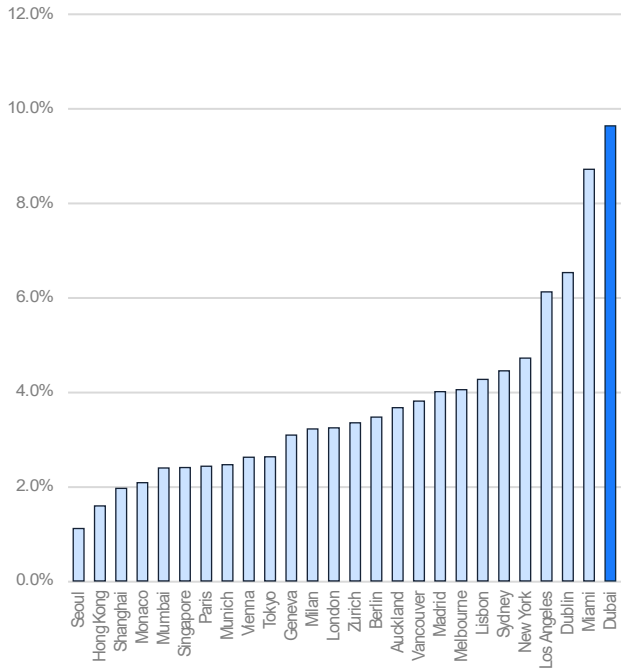
Studios were the primary fuelers of rental demand in Dubai, with new leases signed at rates 14.3% higher. In contrast, other bedroom sizes struggled, with 2-BRs plunging by 16.4%.

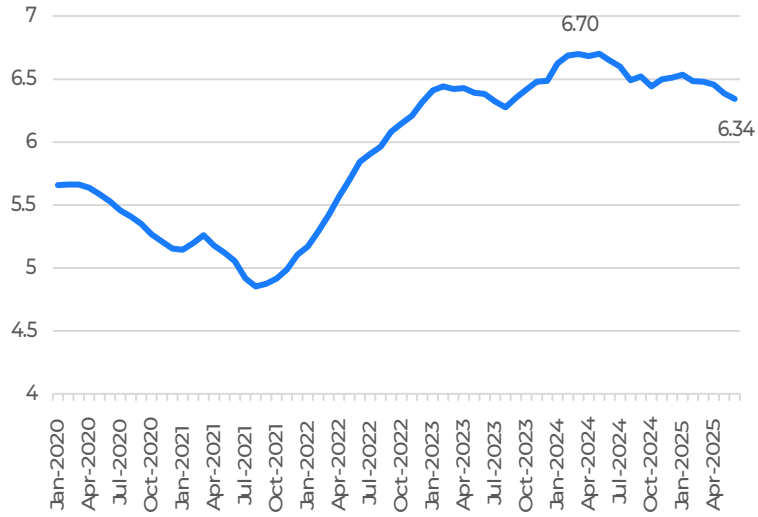


As we saw with sales, rental transactions for studios also grew by a healthy 15.7% YoY, closely followed by 3-BRs with a 13.2% YoY growth in 2025.

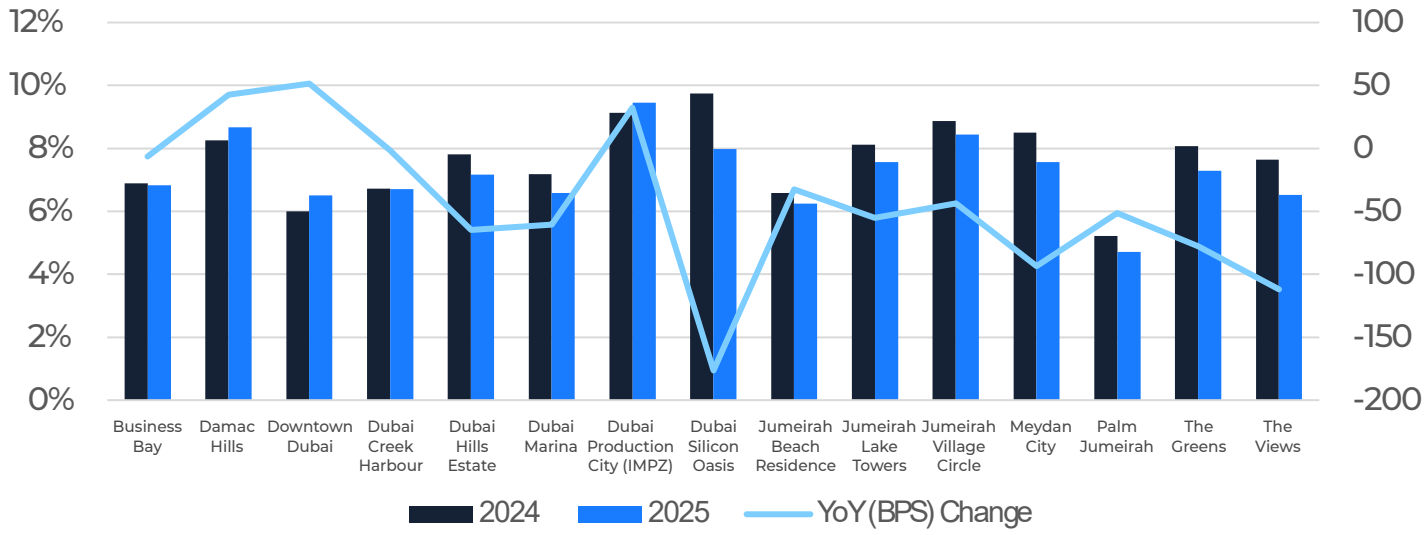
Source: REIDIN, SmartCrowd Research

Dubai Rental Yields





Dubai continues to lead its global peer group in terms of gross rental yields, touching 10%. While net rental yields have slightly declined in Dubai from 6.7% to 6.3% since late-2024, they are still well above post-COVID levels.



Rental yields in Dubai have been extremely choppy in the last year, with broad declines across the city. This is especially evident in communities like Silicon Oasis where gross rates have declined from 9.74% in H1 2024 to 7.97% in H1 2025. This has been a running trend this year where demand is fueling sales prices while rentals have been slow to catch up, thus affecting yields in most communities.

Source: globalresidenceindex.com, REIDIN, SmartCrowd Research

H2 2025 Outlook

Dubai's real estate story continues to gain strength in H2 2025. Investor sentiment remains confident, fueled by sustained demand and a forward-looking government that isn't shy about big, ambitious bets.

Supply vs Demand

Despite the record-breaking volume of transactions over the past 18 months, supply has yet to catch up with demand in many key segments. The city continues to see strong population growth, increasing end-user interest, and high levels of absorption, particularly in established communities and prime areas. This healthy imbalance is helping support prices and rental yields across the board. Developers are responding, but the pipeline remains manageable with no immediate oversupply risks on the horizon.

Market Cooling

With prices and rents having surged in many areas over the past two years, a mild correction is expected in select sub-markets during H2 2025. Rather than signaling weakness, this is widely seen as a natural and healthy pause, especially in communities where valuations have outpaced underlying demand and affordability.

In fact, several mainstream areas such as Business Bay and Jumeirah Lake Towers (JLT) have already seen year-on-year declines in average sale prices, alongside a softening in overall rental yields.

These shifts highlight a recalibration taking place in the market, particularly in high-supply zones. A slight cooling could offer breathing room for end-users and present fresh entry points for long-term investors.

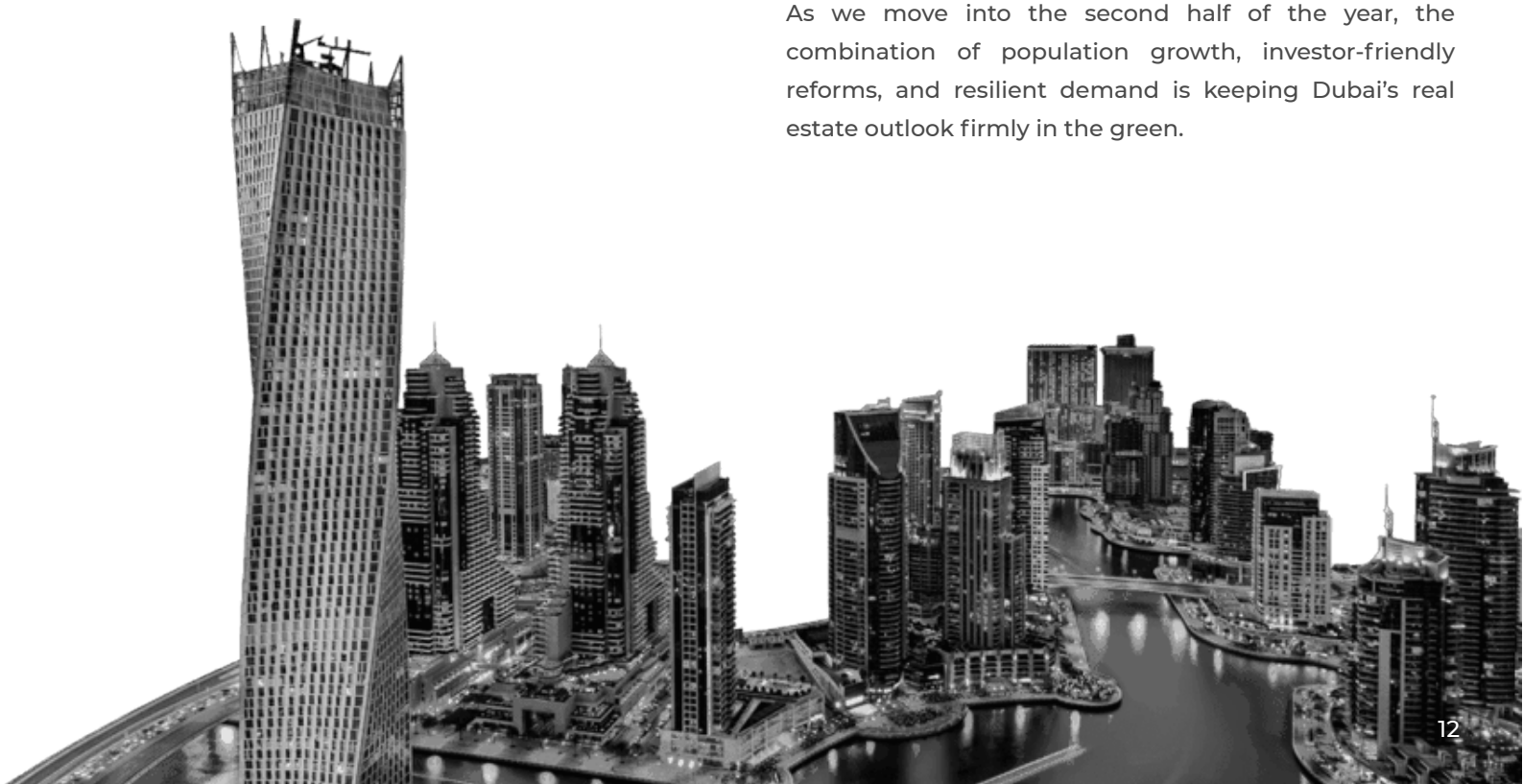
Infrastructure & Mega Projects

Major infrastructure initiatives are also set to shape the landscape in the coming years. From Dubai Metro expansions and green mobility projects to the completion of Dubai Islands and ongoing work at Expo City, the city is deepening its connectivity and enhancing lifestyle offerings. These developments not only boost the long-term livability of Dubai but also open up new investment corridors across the emirate.

Areas to Watch

Emerging hubs like Dubai South, Jumeirah Village Circle (JVC), and Meydan are attracting investor interest thanks to ongoing development activity, improving infrastructure, and relative affordability. Meanwhile, Downtown, Dubai Marina, and Palm Jumeirah continue to hold strong as investor favorites, offering liquidity and prestige in equal measure.

As we move into the second half of the year, the combination of population growth, investor-friendly reforms, and resilient demand is keeping Dubai's real estate outlook firmly in the green.



SmartCrowd Portfolio*

AED 333M	31.6%	AED 135M
Total Capital Raised	Net Capital Appreciation**	Total Returns Distributed to Investors

Buy & Hold Exits*

54	40.3%	38 Months
Property Exits	Average Net Return	Average Holding Period

Flip Exits*

4	28%	15 Months
Property Exits	Average Net Return	Average Holding Period

** As of 30th June, 2025*
*** Excluding units funded in or after 2023*

Our Flips



In Q2 2025, we publicly launched our Flip product, giving investors access to high-demand renovation opportunities. Buyers are paying premiums for move-in-ready homes, especially in prime areas. With limited supply and shorter timelines, these projects offer strong resale potential and faster returns. One of our standout Flips in DIFC (pictured) is a perfect example of this strategy in action.

Source: SmartCrowd Research



Where We Stand

As the region's first regulated real estate crowdfunding platform, SmartCrowd is, and will always strive to be, an investor-first platform. Since day one, our mission has been to maximize investor returns through transparency and performance, and the numbers speak for themselves.

To date, we've completed 54 exits, more than any other real estate crowdfunding platform in the region, delivering an average net return of 40.3% on exited Buy & Hold properties, equivalent to an impressive 14.6% annualized return. Properties currently under management have seen an average capital appreciation of 31.6%, excluding those funded in or after 2023.

Over the past 12 months, SmartCrowd has delivered an average rental yield of 6.2%, comparable to Dubai's market average of 6.3%. What sets us apart is that our figure is net of all key costs, including property management and SPV fees, thanks to our fully-managed, hassle-free investment model. Unlike market averages that often exclude these expenses, our returns reflect the real picture. Adjusted for these costs, SmartCrowd investors would be seeing potential yields north of 7%, outperforming the broader market by a notable margin.

In parallel, we've been testing and perfecting our Flip model. Over the last few years, we've deepened our expertise in the space, managing projects in collaboration with trusted partners, navigating the full cycle from sourcing to exit. To date, we've executed the highest number of Flip projects on a crowdfunding platform, raising over AED 200M. Of these, 4 units have been exited, delivering investors a net 28% ROI on average, with a 15-month average holding period.

Looking ahead, we remain focused on delivering strong, sustainable returns. This includes actively reviewing our portfolio to exit underperforming, high-priced assets and reinvesting in opportunities that offer better yield and growth potential.

Methodology

Our H1 2025 market report is built on a foundation of REIDIN's trusted real estate intelligence, sourced directly from the DLD, and enriched with SmartCrowd's internal transaction data. Together, these sources provide a high-resolution view of the residential market performance in Dubai's evolving landscape.