



MARKET REPORT

RESIDENTIAL PROPERTIES
2026

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COVE ESTATES Key Market Highlights

- AED 252 billion in total real estate transaction value.
- 31% year-on-year increase in transaction value.
- 60,303 real estate transactions were completed during Q1 2026.
- AED 173 billion in investment value across 57,744 investment transactions.
- 48,448 active investors in the market, with 29,312 new investors entering Dubai real estate.
- Foreign investment reached AED 148.35 billion, reflecting continued international confidence.
- Luxury real estate investments totalled AED 87.71 billion, demonstrating sustained demand for premium properties.

Executive Summary

Dubai's residential property market continued its strong growth trajectory in Q1 2026, supported by rising investor confidence, robust foreign capital inflows, and sustained demand across both off-plan and ready property segments.

According to Dubai Land Department (DLD) data, total real estate transactions reached AED 252 billion during the quarter, representing a 31% year-on-year increase. The market recorded 60,303 real estate transactions and 57,744 investment transactions worth AED 173 billion.

TOTAL REAL ESTATE
TRANSACTION VALUE

AED 252 B

TOTAL REAL ESTATE
TRANSACTIONS

60,303

YEAR-ON-YEAR
INCREASE

31%



Residential Segment Performance

Dubai's residential market generated approximately AED 137.3 billion in residential sales across 45,221 transactions during Q1 2026. Apartments continued to account for the largest share of transaction volume, while villa and townhouse communities maintained strong capital appreciation due to limited supply and increasing end-user demand.

Market Trends & Outlook

1. International Capital Continues to Drive Growth

Dubai remains one of the world's most attractive destinations for global investors due to favorable taxation, residency programs, infrastructure investments, and economic stability. Foreign investment activity increased significantly throughout the quarter.

2. Luxury Market Remains Resilient

Ultra-prime and luxury residential properties continue to outperform, supported by demand from high-net-worth individuals relocating to Dubai and international buyers seeking safe-haven assets.

3. Strong Pipeline of New Developments

Developers continue to launch new residential communities across Dubai Hills Estate and Dubai Creek Harbour, Palm Jebel Ali, Dubai South, and other emerging districts, creating opportunities for both investors and end-users.

4. Rental Market Strength

Dubai's rental market recorded AED 32.2 billion in rental contract value during Q1 2026, supporting healthy yields and reinforcing Dubai's attractiveness as a buy-to-let investment destination.

Cove Estates Perspective

The Q1 2026 performance confirms that Dubai remains one of the strongest real estate markets globally. While transaction volumes continue to expand, the underlying strength is being driven by genuine demand, increasing population growth, international investor participation, and strategic government initiatives such as the Dubai Economic Agenda D33 and the Dubai Real Estate Strategy 2033.

For investors, the most compelling opportunities continue to exist within high-growth residential communities, branded residences, waterfront developments, and premium villa districts where long-term capital appreciation potential remains strong.