DUBAI RESIDENTIAL MARKET

Dubai secondary market shows early signs of recovery as 2026 summer activity sees an unexpected increased level of activity.

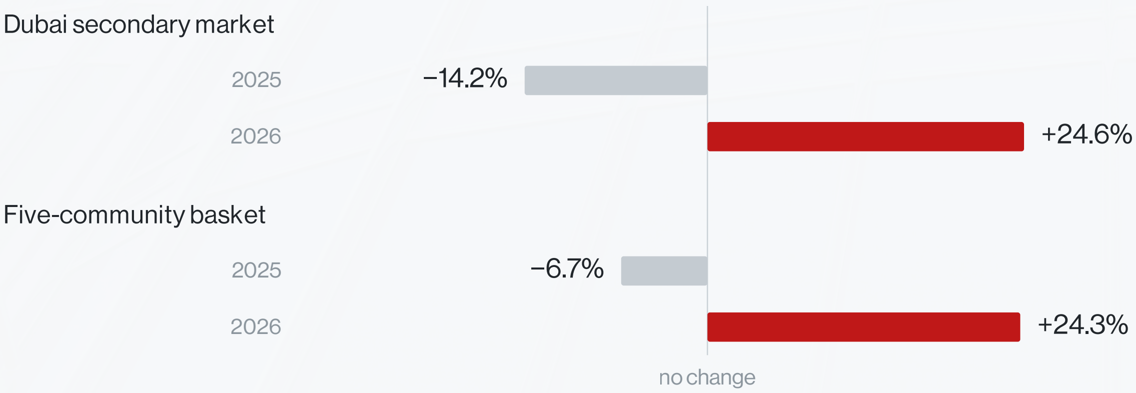
> July–August secondary transactions rose 25% from May–June, compared with a 14% fall over the same summer transition last year; an established-community basket shows the same pattern.

Dubai secondary activity	Dubai secondary activity	Five-community basket	Dubai rental activity
+25%	**-44%**	**+25%**	**-4.6%**
▲ Jul-Aug vs May-Jun 2026	▼ Jul-Aug YoY	▲ Jul-Aug vs May-Jun 2026	▼ May-Aug YoY

Dubai, UAE — 18 September 2026. New analysis by Espace Real Estate indicates that Dubai's secondary residential market is moving into an early phase of recovery after a sharp contraction in transaction activity earlier this year. The data does not show a return to 2025 volumes, but it does show green shoots of recovery.

SEASONAL TRANSITION · MAY–JUNE TO JULY–AUGUST

The summer that did not slow down



Source: Property Monitor / DLD Data. Espace Real Estate analysis.

Across the Dubai secondary market, in July and August 2025 there was the usual seasonal decline in activity, with a 14.2% reduction from May and June of that year. In 2026, the pattern reversed: transactions increased by 24.6% in July and August compared to May and June, providing an unusual uptick in activity during the summer period.

However, the market remains below last year's exceptional activity levels of transaction volume. May–June 2026 was 61.5% below the equivalent period in 2025, while July–August was 44.0% below on a YoY basis. The narrowing of that year on year deficit, combined with a summer increase rather than the usual decline seen in 2025, is the clearest signal that momentum has changed.

Espace tested the citywide result against a basket of five established secondary market family communities — Arabian Ranches, the Springs, the Meadows, Jumeirah Park and the Lakes. The same pattern appeared. The basket fell 6.7% from May–June to July–August in 2025, but increased 24.3% over the same May–June to July–August transition in 2026.

On a year on year basis, July–August activity across the five-community basket was only 26.3% lower than 2025, compared with a 44.0% decline across the wider Dubai secondary market. According to Espace, this is in line with expectations, namely, that any recovery is more pronounced in prime well established end user dominated communities, with a broadening of the trend expected to follow.

> "Nobody should confuse early signs of recovery with a return to last year's market. Activity is still materially lower year on year. But the direction of travel has changed: a market that slowed into July and August last year instead accelerated by around 25% this year, and we see almost exactly the same pattern across a basket of established communities."

John Lyons
Managing Director, Espace Real Estate

YEAR-ON-YEAR DEFICIT · 2026 AGAINST 2025

The gap to last year is closing

Source: Property Monitor / DLD Data. Espace Real Estate analysis.

Rental data points to resilient underlying housing demand

The rental market provides an important and encouraging counterpoint to the sales contraction. Across May to August 2025, Dubai recorded 287,459 rental transactions, including new contracts and renewals. The equivalent four months in 2026 recorded 274,228 — a decline of just 4.6% year on year.

Over the same May–August period, secondary sales transactions fell 53.4% year on year, compared with only a 4.6% decline in total rental activity. The contrast suggests that the shock to purchasing activity was significantly greater than the change in underlying occupier demand. In the Springs, for example, new rental contracts in July and August rose from 157 in 2025 to 211 in 2026, an increase of 34.4%.

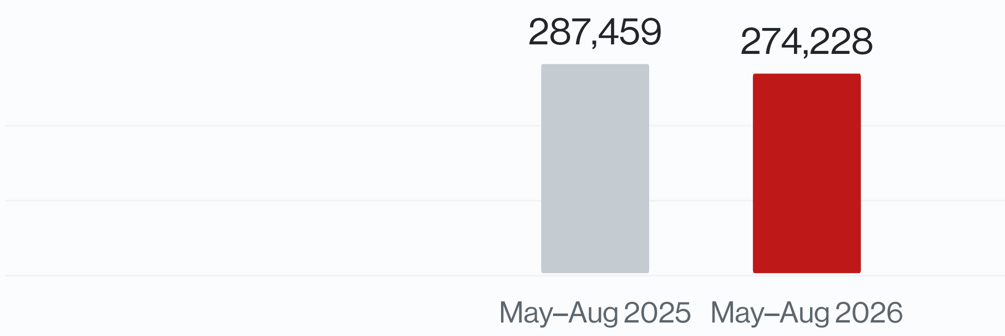
MAY–AUGUST YEAR ON YEAR

Sales took the shock; renting barely moved

Source: Property Monitor / DLD Data. Espace Real Estate analysis.

TOTAL RENTAL TRANSACTIONS · MAY–AUGUST

Occupier demand held its level



Source: Property Monitor / DLD Data. Espace Real Estate analysis.

> "Sales activity experienced a major confidence shock, but rental activity remained far more resilient. That distinction matters when judging whether the sales recovery has a genuine occupier demand base underpinning it."

John Lyons
Managing Director, Espace Real Estate

A recovery story — with important caveats

- This analysis is focused on transaction activity rather than attempting to quantify a single citywide price correction. Espace has observed price adjustment in live transactions, but the magnitude varies materially by location, property type and quality.
- The recovery is not uniform. The Meadows, for example, recorded lower July–August activity than May–June, even as four of the five communities in the basket increased. One reason for this appears to be a community wide reluctance to reduce price expectations.
- The strongest conclusion supported by the data is therefore not that Dubai has fully recovered, but that transaction momentum has changed materially and the early recovery is visible both at a citywide and community level.

Methodology note

Espace compared transaction counts across equivalent periods in 2025 and 2026. Rental activity includes new contracts and renewals unless otherwise stated. Percentages are rounded. This is an activity analysis, not a price index. Data source: Property Monitor / DLD Data.