

UAE income real estate 2026: demand, supply and what's wrong with projects

Dubai, Abu Dhabi and Ras Al Khaimah. Market data, yields, players, risks and an audit of mid-size developers' project pages.

For developers, owners of villa and residence projects and their sales teams.

EXECUTIVE SUMMARY

Five things developers need to know

- 1 Dubai is in a correction, not a crash**
Residential sales value fell 47% year on year in Q3 2026 and 27% over nine months. Analysts expect prices to fall gradually, by 5–15% from the end-2025 level.
- 2 Abu Dhabi and Ras Al Khaimah keep growing**
Abu Dhabi doubled transaction value in H1 2026 and foreign direct investment quadrupled. In RAK, prices rose on expectations around the Wynn resort, now due in September 2027.
- 3 Villas are better protected than apartments**
Most of the 2026–2028 handover wave is apartments. Villa launches fell sharply, and villa short-term rental rates are rising while apartment rates fall.
- 4 Net yield is far below advertised returns**
Ads promise 8–10%. After service charges, management, platform fees and empty weeks, a typical short-term rental apartment nets around 3.5–4%.
- 5 Project marketing hides what investors ask**
In our audit of 17 project pages, none mentions escrow or has an investor section, and the two return claims we found explain no costs. This is the gap to close.

SO WHAT FOR DEVELOPERS

In a slower market buyers compare harder. The projects that sell are those that show a defensible net return, a clear product and a fast, qualified sales response.

Dubai moved from boom to correction after the first quarter of 2026

AED 292bn

residential sales value, Jan–Sep 2026, –27% y/y

Cavendish Maxwell

112,580

residential transactions, Jan–Sep 2026, –23% y/y

Cavendish Maxwell

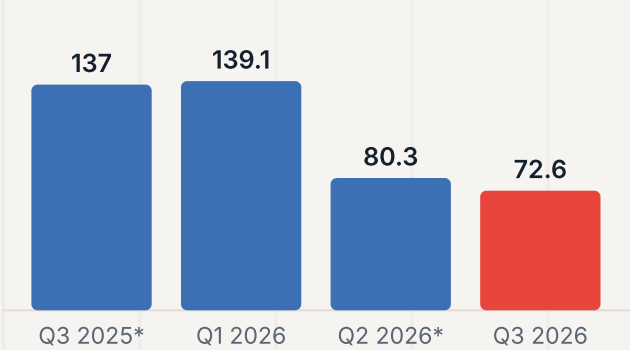
72%

of Q3 2026 transactions were off-plan (65% of value)

Cavendish Maxwell

EXHIBIT 1

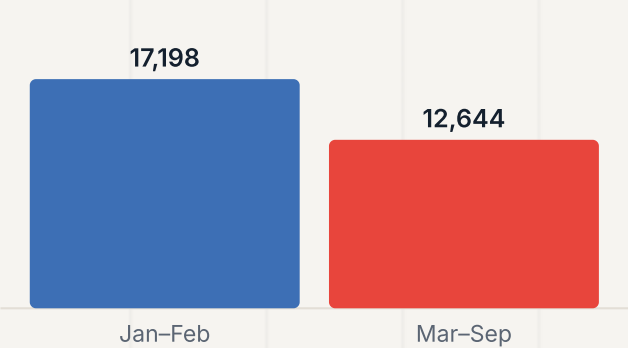
Dubai residential sales value by quarter, AED bn



Source: Cavendish Maxwell. *Q3 2025 derived from –47% y/y; Q2 2026 derived from the 9-month total

EXHIBIT 2

Average monthly transactions, 2026



Source: S&P Global Ratings, DLD data, via The National, Oct 2026

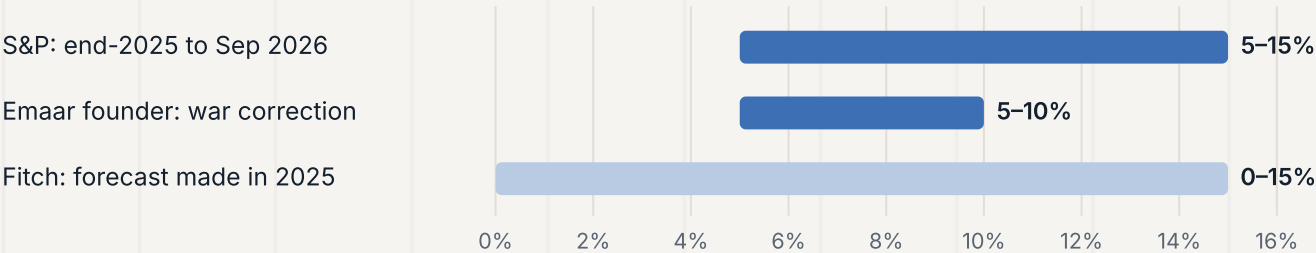
SO WHAT FOR DEVELOPERS

Volume fell after the war began on 28 February 2026. Developers keep off-plan sales going with longer payment plans, which supports volume but stretches risk for buyers and for the developer.

Prices are adjusting gradually; ultra-prime holds up best

EXHIBIT 3

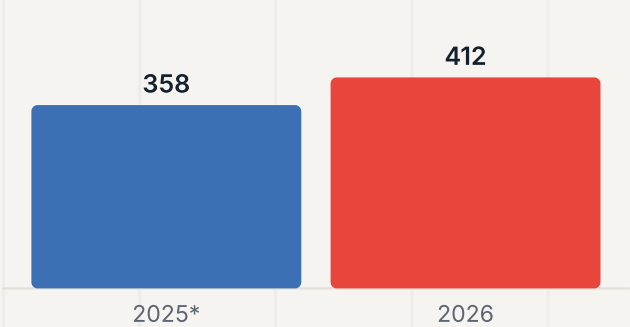
Estimated price correction in Dubai, %



Source: S&P Global Ratings and Mohamed Alabbar via The National (Oct 2026); Fitch Ratings (May 2025)

EXHIBIT 4

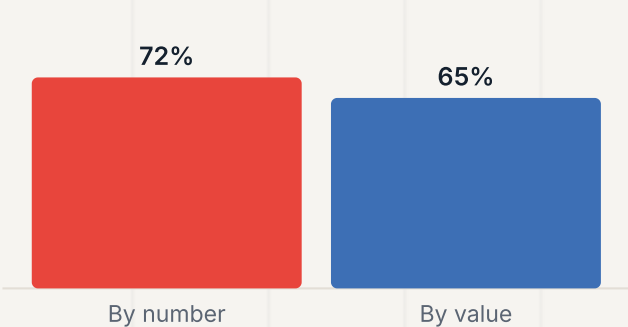
Home deals above \$10m in Dubai, Jan-Sep



Source: Knight Frank via The National, Oct 2026.
*Derived from +15% y/y

EXHIBIT 5

Off-plan share of Dubai residential sales, Q3 2026, %



Source: Cavendish Maxwell, Oct 2026

86

deals above \$10m in Q3 2026, -17% y/y

Knight Frank via The National

-10%

Grade B prices, while Grade A held, per AHS Properties (June 2026)

AGBI

17 Jun

US-Iran memorandum signed; a final deal is not yet confirmed

Gibson Dunn

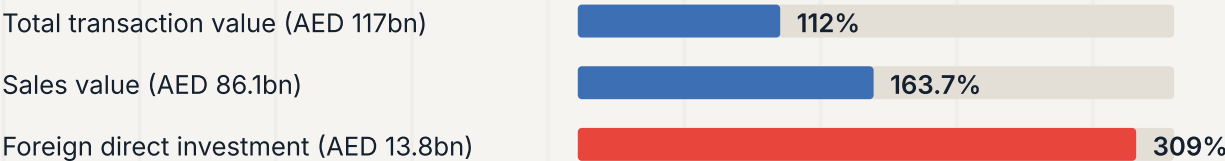
SO WHAT FOR DEVELOPERS

Expect buyers to negotiate and to compare off-plan with discounted ready units on the secondary market. Pricing and payment plans need a clear rationale, and the product needs a reason to pay more than the building next door.

Abu Dhabi and Ras Al Khaimah grew while Dubai slowed

EXHIBIT 6

Abu Dhabi, H1 2026 vs H1 2025, % change



Source: Abu Dhabi Real Estate Centre (ADREC), July 2026

EXHIBIT 7

Ras Al Khaimah apartment price growth, H1 2026 y/y, two estimates



Source: CBRE and Cavendish Maxwell via Arabian Business, Sept 2026

SO WHAT FOR DEVELOPERS

Growth outside Dubai attracts new projects and competition. In RAK, the Wynn resort opening moved to September 2027 and hotel RevPAR fell in H1 2026, so projects should sell a full investment case rather than the casino story alone.

Tourism is recovering; villa rental rates rise while apartments soften

6.97m

international visitors to Dubai, Jan–Aug 2026 (19.6m in 2025)
Dubai DET

69%

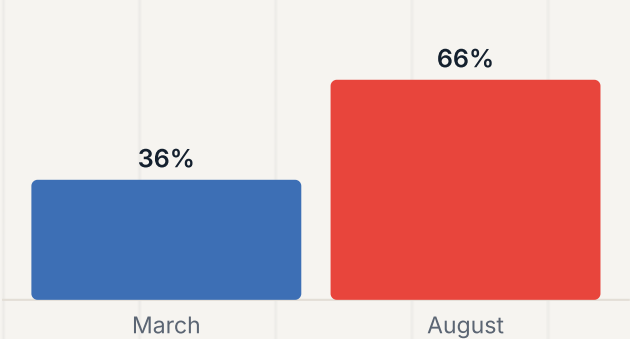
short-term rental occupancy, 12 months to Aug 2026
AirDNA

\$178

average daily rate, short-term rentals, –10.6% y/y
AirDNA

EXHIBIT 8

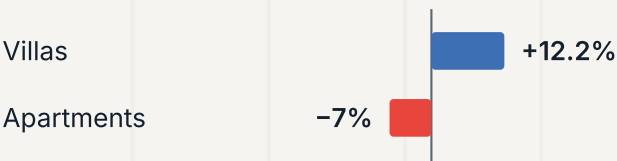
Dubai hotel occupancy, 2026, %



Source: Dubai DET, Sept 2026

EXHIBIT 9

Short-term rental ADR, UAE, July 2026 y/y



Source: AirDNA via Skift, Sept 2026

Active short-term rental listings in Dubai fell 65.6% year on year, so higher revenue per remaining listing partly reflects survivors. Long-term rents in Dubai cooled and tenants regained bargaining power; in Abu Dhabi new lease rates rose 17% for apartments and 9% for villas (ADREC, H1 2026).

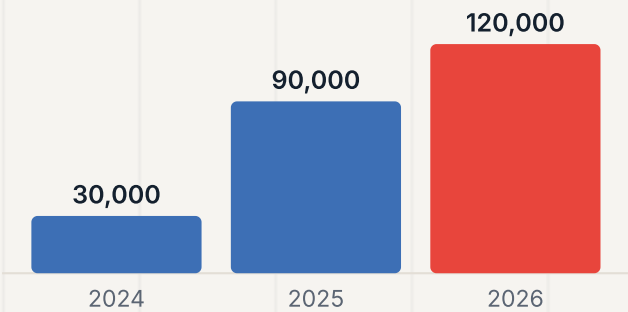
SO WHAT FOR DEVELOPERS

Rental demand favours family-size villas and well-run short-term rentals. Investors will ask for occupancy and rate assumptions that match current data, not the 2025 peak.

SUPPLY

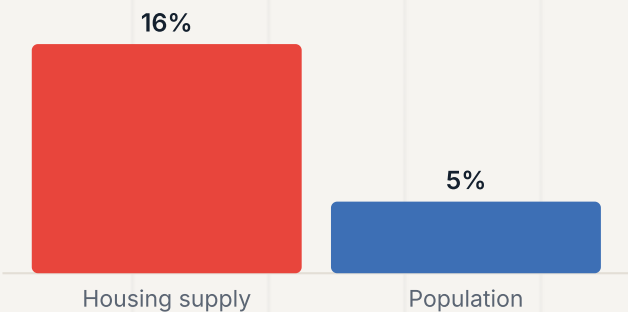
A handover wave of apartments is coming; villa launches have dropped

EXHIBIT 10
Planned Dubai completions, units



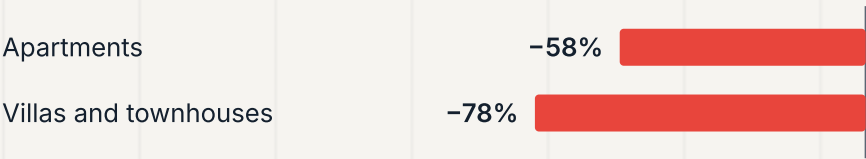
Source: Fitch Ratings, 2025. Only 56% of planned units were delivered in 2022–2024

EXHIBIT 11
Average annual growth, 2025–2027, %



Source: Fitch Ratings

EXHIBIT 12
Dubai new launches, H1 2026 vs H1 2025, %



Source: Cushman & Wakefield Core via secondary reporting, Aug 2026 (agency data)

S&P expects the housing stock, especially apartments, to grow about 20% by 2028 if projects are not delayed, and says 2027–2028 completions could accelerate the correction in investor apartment segments.

SO WHAT FOR DEVELOPERS

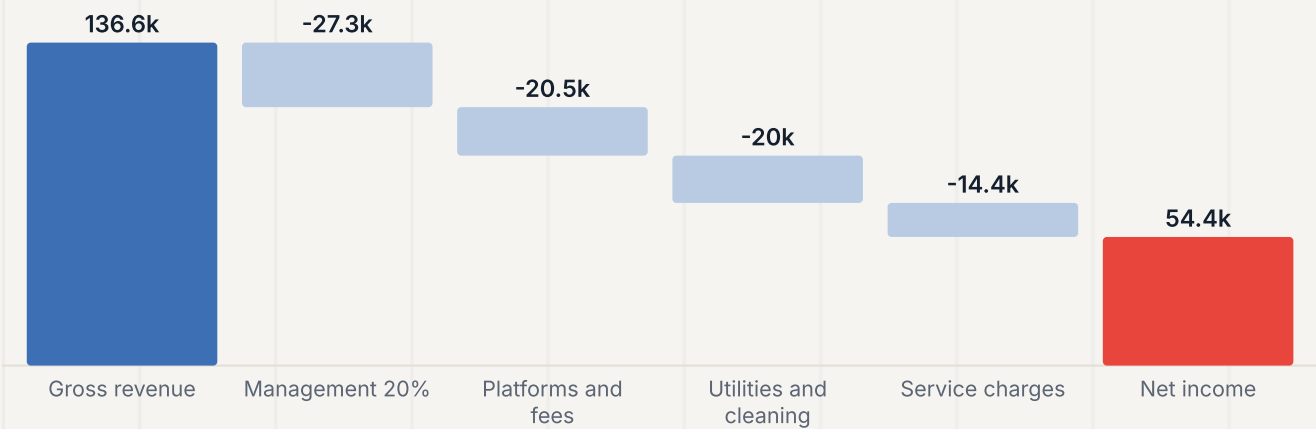
Oversupply risk sits in dense apartment districts. Low-rise villa and townhouse communities face a thinner pipeline after 2028, which supports pricing if the product is clearly positioned.

YIELDS

After costs, a typical rental apartment nets about 3.5–4%, not 8–10%

EXHIBIT 13

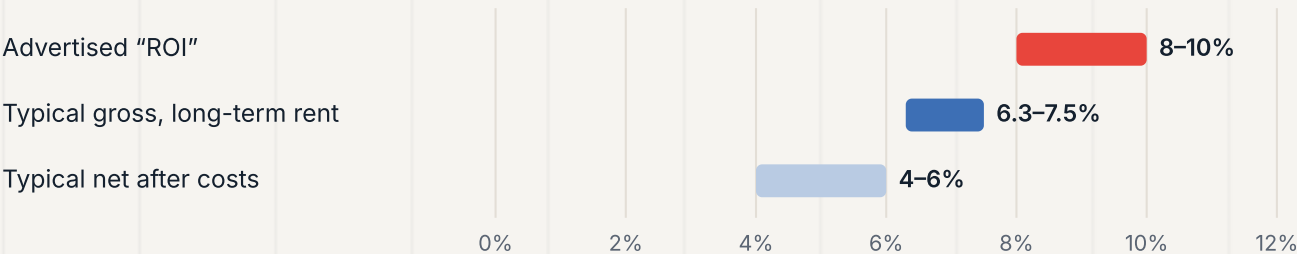
Illustrative short-term rental 1BR, Dubai, AED thousand per year



Source: AirDNA average revenue (\$37,200); PBB assumptions for costs. Net ≈ 3.6% on an AED 1.5m unit

EXHIBIT 14

Advertised vs typical returns, % per year



Source: Property Monitor and Realtor Signature Properties via Gulf News (Oct 2026); OffplanWise (agency estimates)

SO WHAT FOR DEVELOPERS

"Guaranteed returns" are often built into the price: The National's October 2026 guidance tells buyers to check who pays the guarantee and what is deducted. A transparent net model with assumptions is a stronger sales argument and keeps you clear of advertising rules.

PLAYERS AND CHANNELS

Large developers dominate; mid-size developers compete on product and trust

GROUP	EXAMPLES	WHAT THEY BRING
Large, rated developers	Emaar, DAMAC, Omniyat, Sobha; Aldar in Abu Dhabi	Large unsold portfolios, strong in-house marketing, master communities. Emaar's Q1 2026 profit rose 35%; Aldar sold over AED 5bn in new launches.
Ras Al Khaimah	RAK Properties, Marjan, Beyond (Evermore, AED 25bn masterplan), Al Hamra	Waterfront and resort communities around Al Marjan Island and Mina Al Arab.
Branded residences	Waldorf Astoria, Mondrian, Karl Lagerfeld (RAK)	Record prices: a \$35.4m Waldorf Astoria sky palace in H1 2026.
Mid-size developers	Ellington, Samana, Arada, Taraf, Reportage and others	Design, payment plans and price points. Market share data is not published.
Channels	Brokers; portals Bayut, Property Finder, Dubizzle; roadshows	Brokers carry most off-plan sales. Typical off-plan commission is 2–8%, usually paid by the developer (Property Finder).

SO WHAT FOR DEVELOPERS

A mid-size developer cannot outspend Emaar. It can be clearer: a sharper product idea, an honest investment case and faster handling of every enquiry.

Six trends that shape what sells next

TREND	WHAT WE SEE	IMPLICATION
Shift to the secondary market	S&P expects a growing share of resales as investors exit.	Off-plan must justify its price against discounted ready units.
Longer payment plans	Mid-market plans of 1% a month over 75–80 months.	Supports volume; investors ask about developer strength and escrow.
Branded and wellness product	Branded residences set records; wellness is often only a slogan.	A real concept (e.g. Arada's forest community) beats generic "luxury".
Villas over apartments	Villa launches –78%, villa rental rates up.	Low-rise communities are better placed for 2027–2028.
Growth outside Dubai	Abu Dhabi investment zones; RAK's Al Marjan and Mina Al Arab.	More competition for the same international buyers.
Ultra-prime resilience	412 deals above \$10m in nine months.	The top end and the mass investor market move differently.

CONSTRAINTS AND RISKS

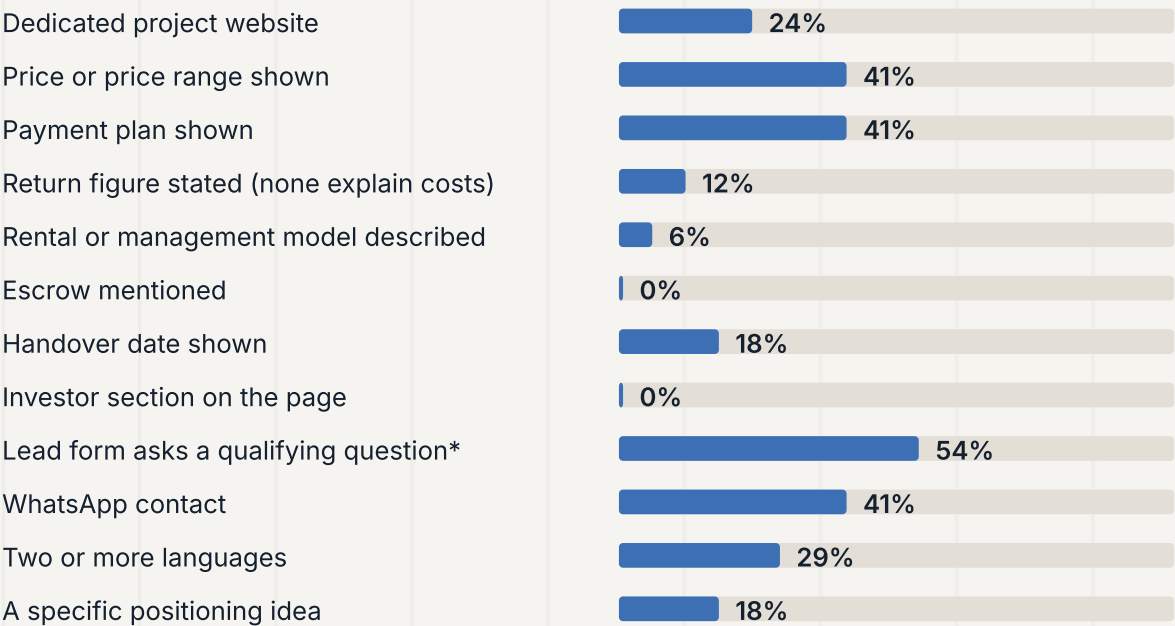
Six risks investors will raise in 2026–2027

RISK	IMPACT	WHAT WE SEE	HOW DEVELOPERS RESPOND
Geopolitics	High	The June 2026 memorandum is a framework; a final deal is not confirmed.	Show scenarios, not promises; stress-test pricing and absorption.
Apartment oversupply	High	~120,000 units planned for 2026; stock +20% by 2028 (S&P).	Differentiate the product; prefer low-rise; avoid saturated districts.
Handover delays	Medium	Only 56% of planned units delivered in 2022–2024 (Fitch).	Publish construction progress, escrow and track record.
Resale liquidity	Medium	Similar apartments in dense areas compete on price.	Give buyers an exit story: assignment terms, comparables.
Advertising rules	Medium	Dubai requires Trakheesi permits and Madmoun QR codes on all property ads, including social media; other emirates have their own regulators.	Compliant wording; no “guaranteed ROI”.
Payment-plan risk	Medium	Instalments are due even when prices fall; forced off-plan sales appear.	Explain plans clearly; qualify buyers by purpose and budget.

Project pages sell renders and payment plans, not the investment case

We reviewed 17 villa, townhouse and boutique residence projects in Dubai, Sharjah and Ras Al Khaimah in October 2026, excluding Emaar, DAMAC, Nakheel, Meraas, Sobha and Aldar, and recorded what a buyer can see on the developer's own project page.

EXHIBIT 15
Share of 17 audited project pages showing each element, %



Source: PBB Global audit of developer project pages, October 2026. *Share of forms we could check (forms of 4 projects could not be checked)

SO WHAT FOR DEVELOPERS

None of the pages mentions escrow or has an investor section, and the two return claims ("7–10% projected yield" and "doubled in value in three years") come without costs or basis. Most RAK pages show no price, plan or WhatsApp. The developer who explains the investment case on the project page wins the investor who compares.

PBB AUDIT · PROJECT BY PROJECT

Audit grid

PROJECT · DEVELOPER	SITE	PRICE	PLAN	RETURN	MGMT	ESCROW	HAND- OVER	INV.	QUAL.	WA	2+ LANG	IDEA
Townhouses (Watercrest, Porto Playa) · Ellington	○	○	●	○	○	○	○	○	●	○	○	○
Masaar 3, Sharjah · Arada	●	●	●	○	○	○	○	○	○	○	●	●
ParkVille, Dubai · Samana	○	●	●	○	○	○	●	○	○	●	●	○
Bo Monde, Tilal Al Ghaf · Majid Al Futtaim	●	○	○	○	○	○	○	○	—	○	○	○
Verdana, DIP · Reportage	○	●	○	○	○	○	○	○	○	●	●	○
Keturah Reserve, Meydan · MAG	●	●	●	○	○	○	○	○	○	●	○	●
Tilal Binghatti · Binghatti	○	●	○	●	○	○	○	○	—	●	○	○
Greenz by Danube · Danube	○	●	●	○	○	○	●	○	●	●	●	○
Sol Terra Casa, JVC · SOL Properties	○	○	●	○	○	○	○	○	●	●	○	●
Lunaya, Jebel Ali · Zaya	●	●	●	●	○	○	○	○	●	●	○	○
Maha Villas, Expo Valley · Expo City Dubai	○	○	○	○	○	○	○	○	○	○	●	○
Palm Flower, Palm Jumeirah · Alpago Properties	○	○	○	○	○	○	○	○	—	○	○	○
Beach House, Hayat Island (RAK) · RAK Properties	○	○	○	○	○	○	●	○	○	○	○	○
Falcon Island (RAK) · Al Hamra	○	○	○	○	○	○	○	○	●	○	○	○
Aila Homes (RAK) · Al Hamra	○	○	○	○	○	○	○	○	●	○	○	○
Ritz-Carlton Residences, Al Wadi (RAK) · Al Hamra	○	○	○	○	○	○	○	○	●	○	○	○
Fairmont Residences, Al Marjan (RAK) · Ardee	○	○	○	○	●	○	○	○	—	○	○	○

● shown · ○ not shown · — could not be checked. Pages checked on 22 October 2026; elements loaded by JavaScript may be missed. Several pages contradict themselves: two prices or two payment plans on one page, placeholder text on a live site.

IMPLICATIONS

Seven moves for developers in the UAE

- 1 Build and sell low-rise where you can**
Villas and townhouses face a thinner pipeline and rising rental rates.
- 2 Publish a net yield model**
Gross revenue, service charges, management, vacancy, net. With assumptions and scenarios.
- 3 Treat guarantees with care**
If you offer one, show who pays, how it is secured and the market rent after it ends.
- 4 Add an investor section**
Escrow, construction stage with dates, delivery track record, exit and the rental operator.
- 5 Qualify and answer in minutes**
Ask budget, purpose (live, rent, visa) and timing; reply on WhatsApp in minutes.
- 6 Replace "luxury" with a checkable idea**
A product concept buyers can see and repeat to others.
- 7 In RAK, sell the full case**
The Wynn opening moved to September 2027; the investment case must stand without it.

METHODOLOGY AND SOURCES

How this report was prepared

Desk research completed on 22 October 2026. Official statistics, ratings agencies, major consultancies and major media are used for market figures. Figures from agency blogs or secondary reporting are labelled as agency data. Calculations and illustrative examples are PBB estimates and are not investment advice.

Main sources: Cavendish Maxwell (Q1 and Q3 2026 residential reports); S&P Global Ratings via The National and Khaleej Times (Oct 2026); Fitch Ratings (2025); Knight Frank via The National (Oct 2026); Abu Dhabi Real Estate Centre (H1 2026); CBRE and Cavendish Maxwell on Ras Al Khaimah via Arabian Business (Sept 2026); Dubai Department of Economy and Tourism (Sept 2026); AirDNA (Sept 2026); Skift; Property Monitor and Realtor Signature Properties via Gulf News (Oct 2026); The National on guaranteed returns (18 Oct 2026); AGBI (June 2026); Gibson Dunn on the US–Iran memorandum (June 2026); Property Finder; Cushman & Wakefield Core (Aug 2026, via secondary reporting); developer websites for the audit.

The audit reviewed publicly available project pages of mid-size developers in October 2026. It records what a buyer can see on the developer's own website; it does not assess construction quality or financial strength.

Want to see how your project compares?

Get in touch for a free 30-minute review. We'll run your project through the same audit grid and show you where it loses buyers and investors.

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About PBB Global

The international practice of PBB Advisory: a real estate marketing and advisory team with 18 years in the market. Our founder has led projects as a developer, and our team has run marketing for developers, business parks, shopping centres and international brands such as RE/MAX, NAI and Nhood in Ukraine. We help developers in the UAE and Cyprus with social media, lead generation, investor decks, brochures, websites and outsourced marketing.