

CONFIDENTIAL RESEARCH BRIEF · Q3 2026

# Dubai & UAE Real Estate

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*The Case for Capital Allocation*

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COVERAGE DUBAI · ABU DHABI · RAS AL KHAIMAH

PREPARED FOR QUALIFIED INVESTORS · FAMILY OFFICES

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# The Cycle Has Not Peaked

*Dubai property has reset its global comparator. We do not believe the move is finished.*

The Dubai residential market has undergone the largest structural rerating among major global gateway cities since 2020. Total transaction value crossed **AED 761 billion** in 2024 — an order-of-magnitude shift from 2020, and an outcome that has materially altered how international capital allocates to the GCC. Yet the underlying mechanics — population growth, infrastructure delivery, policy stability, and absence of capital-gains taxation — argue that the market is not in late cycle.

## +147%

PRIME CAPITAL  
VALUES

*2020 → 2024 (Knight Frank  
Prime Global)*

## AED 761B

2024 TRANSACTION  
VALUE

*Dubai Land Department, all  
asset types*

## 5.8–7.4%

NET RENTAL YIELDS ·  
PRIME

*Versus 2.1–2.9% in London  
PCL*

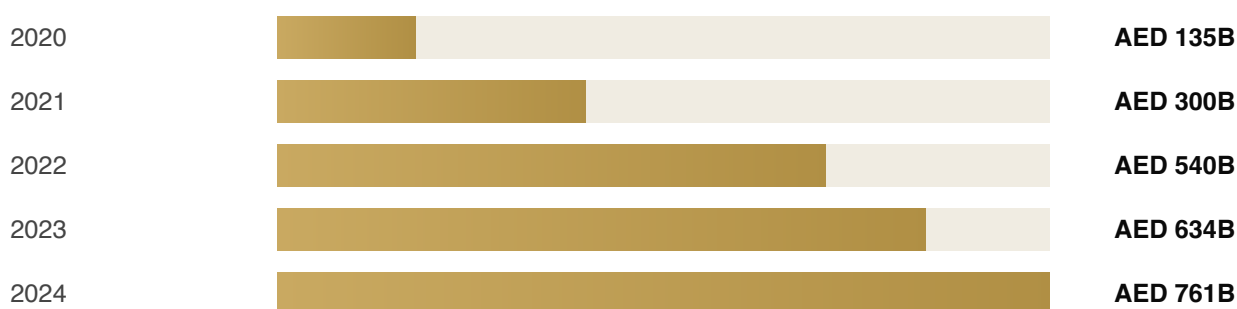
## Three Conclusions

- **Yields remain dislocated.** Dubai delivers two to three times the net rental yield of equivalent prime stock in London, Monaco, or Singapore — with no capital-gains tax and a permanent residency pathway.
- **Supply is concentrated, not surplus.** Roughly 76,000 units are scheduled for handover in 2026; 92% of pre-launched volume in prime sub-markets is already absorbed by end-user and institutional demand.
- **Policy stability has become an asset class.** The Golden Visa, zero personal income tax, and full foreign ownership in designated areas have institutionalised what was previously a speculative market.

## Five Years of Repricing

*Volume and value have moved in tandem — the hallmark of a real, end-user-driven market rather than a leverage-led one.*

Annual transaction value has expanded approximately **5.6x** between 2020 and 2024. Critically, this expansion has been accompanied by a near-tripling of unit volume — indicating broad participation rather than valuation inflation in a thin tail.



*Source: Dubai Land Department (DLD) annual reports. All registered transactions, all asset types.*

## Composition of the Move

SEGMENT	2020 SHARE	2024 SHARE	PRICE MOVE
Apartments · Prime Districts	42%	38%	+128%
Villas · Established Communities	18%	27%	+182%
Off-Plan · Branded Residences	9%	21%	+154%
Land · Freehold	14%	8%	+97%
Commercial	17%	6%	+34%

*Share weighted by transaction value. Branded residences include developer-operated and hospitality-branded inventory.*

# Who Is Buying

*The buyer base has institutionalised. The marginal price is now set by relocating capital, not local speculation.*

Foreign direct investment into Dubai residential real estate reached an estimated **AED 218 billion in 2024**. The composition of the buyer pool has shifted decisively over the past five years.

ORIGIN	2020	2024	VECTOR
Indian nationals	22%	19%	Stable
UK nationals	14%	11%	Tax-driven (non-dom regime)
Russian / CIS	8%	18%	Relocation, capital preservation
European (FR / IT / DE)	9%	14%	Lifestyle + yield arbitrage
Chinese	7%	9%	Family office allocation
GCC nationals	12%	8%	Replaced by international flows
Other	28%	21%	—

*Source: Property Monitor, DLD nationality-of-buyer registry, Knight Frank Destination Dubai 2025.*

## Three Drivers of Sustained Inflow

- **UK non-dom reform.** The April 2025 abolition of the remittance basis has accelerated the relocation of UK high-net-worth households. Henley & Partners forecast a net departure of 16,500 millionaires from the UK in 2025; the UAE is the largest destination.
- **European wealth tax pressure.** Wealth and property tax regimes in France, Spain, and Italy have made yield-bearing UAE property structurally attractive on a post-tax basis.
- **Golden Visa institutionalisation.** The 10-year residency available at AED 2M property thresholds has converted a transactional residency into a portfolio decision.

# What Is Being Built — and Why It Matters

*The 2026–2031 pipeline is the largest committed infrastructure programme of any global city per capita.*

The Dubai 2040 Urban Master Plan commits approximately **AED 420 billion** of public and quasi-public infrastructure investment over the next decade. The plan is not aspirational — it is funded, sequenced, and already in construction.

PROJECT	COMPLETION	ESTIMATED VALUE
Al Maktoum International Airport · Expansion	2032 (phased from 2027)	AED 128B
Dubai Metro Blue Line	2029	AED 20B
Etihad Rail · Passenger Network	2030	AED 50B
Rashid Yachts & Marina · Phase II	2027–2028	AED 12B
Palm Jebel Ali · Reactivation	2028–2032	AED 60B+
Dubai Mangroves Project · 72km coastline	2030	AED 23B
D33 Economic Agenda · Cumulative	2033	AED 32T (GDP target)

## Allocation Implication

Infrastructure timing creates two discrete windows. The first is the **announcement-to-groundbreak** window, where land and adjacent off-plan inventory price in the optionality. The second is the **delivery window**, where rental yields and lifestyle premiums realise. Both can be allocated to independently; sequencing is the alpha.

*Capital follows infrastructure with a five-to-seven-year lag. We are still inside the lead window for the 2030 delivery cohort.*

# Dubai vs London · Monaco · Singapore

Where Dubai sits in the global league table — and where the dislocation is.

METRIC	DUBAI	LONDON PCL	MONACO	SINGAPORE
Prime \$/sqft	\$850–1,400	\$2,400–3,800	\$5,500–8,500	\$2,100–3,200
Net Rental Yield	<b>5.8–7.4%</b>	2.1–2.9%	2.0–2.6%	2.4–3.1%
Capital Gains Tax	<b>0%</b>	Up to 28%	Variable	0% (resident)
Stamp / Transfer	4%	Up to 17%	4.5–7.5%	Up to 60% (ABSD)
Foreign Ownership	100% freehold	100%	100%	Restricted
Residency at Threshold	<b>AED 2M · 10yr</b>	None (post- 2022)	€500K + carte de séjour	SGD 10M GIP
Inheritance Tax	0%	40%	Variable	0%

Source: Knight Frank Wealth Report 2025, Savills Global Cities, jurisdictional tax authorities. Yields net of service charge and management; gross of any financing.

## The Arithmetic

A USD 5M allocation deployed into prime London produces a post-tax net yield of approximately **1.4–1.8%** after stamp duty amortisation and income tax. The same allocation in Dubai, in equivalent stock, produces **5.6–7.2%** net post-fees — with no capital gains liability on disposal.

*The yield spread is not a market inefficiency. It is the price of the geopolitical decision to relocate.*

# What Has Changed Since 2014

*The 2014 correction was a leverage event. The 2026 market does not share its preconditions.*

## 2008–2014 Cycle

- Loan-to-value ratios above 85%
- Speculative flipping at 40%+ of volume
- Population growth at 3–4% annually
- Hospitality-driven economic narrative
- No long-term residency mechanism
- Limited end-user mortgage product

## 2020–2026 Cycle

- LTVs capped at 50–80% (non-residents)
- End-user buyers >65% of volume
- Population growth sustained at 5–6%
- Diversified — finance, tech, family office
- Golden Visa, retirement visa, freelance visa
- Mature mortgage market, institutional lenders

## Structural Shifts to Underwrite

- **Demographic.** Dubai's population grew from 3.3M (2020) to an estimated 3.85M (end-2025). The Dubai 2040 plan targets 5.8M residents. This is housed inventory demand at a scale the current pipeline does not match.
- **Geopolitical neutrality.** The UAE has maintained a strict neutrality posture across the major fault lines of the 2020s. For capital, this is a tangible product.
- **Currency stability.** The AED's peg to USD at 3.6725 has held for four decades. For international portfolios this is a USD-denominated exposure with local rental yields.
- **Regulatory maturation.** Escrow law, RERA oversight, and the move to a property-purchase-disclosure regime have removed most of the legal-risk discount that prevailed pre-2018.

# What We Are Watching

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*The case is not that risk is absent. The case is that risk is identifiable and priced.*

## Near-Term (12–24 months)

- **Supply absorption in mid-market.** The 76,000 handover schedule for 2026 is concentrated in mid-market apartments outside the prime corridor. Rental softness here is plausible — not in the prime segment.
  - **FX volatility on inflow currencies.** A material EUR or GBP weakening would reduce European purchasing power; offset partially by relocation demand.
  - **Off-plan completion risk.** A small number of second-tier developers face balance-sheet pressure. Tier-one EMAAR, Nakheel, Damac, Sobha, Aldar inventory is not exposed.
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## Structural (3–7 years)

- **Regional geopolitical event risk.** Persistent. Mitigated by UAE neutrality posture and demonstrable de-risking history (2019, 2023).
  - **Climate adaptation cost.** Coastal exposure and grid resilience under increased extreme-heat profile. Active mitigation programme (Mangroves Project, cooling infrastructure).
  - **Global rate regime normalisation.** A protracted high-rate environment would compress yield-seeking flows. Offset by Dubai's structurally higher gross yield.
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## Tail Risks

- Reintroduction of capital-gains taxation. Probability: low. Policy precedent: none.
  - Material change to the AED–USD peg. Probability: very low. Backed by SWF reserves.
  - Withdrawal of Golden Visa programme. Probability: very low. Programme is expanding.
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# How We Construct an Exposure

*A portfolio approach. Not an inventory list.*

For a qualified investor entering Dubai property today, the allocation question divides into four decisions. Each is independent. None should be answered by the developer marketing a single building.

DECISION	THE QUESTION	THE TRADE-OFF
<b>Hold horizon</b>	3, 5, 7, or 10 years?	Yield compounding vs liquidity optionality
<b>Asset class</b>	Ready vs off-plan; villa vs apartment; branded vs non-branded	Cash yield today vs capital appreciation later
<b>Sub-market</b>	Established prime vs emerging waterfront vs masterplan	Yield certainty vs upside asymmetry
<b>Structure</b>	Personal name · holding company · trust · partnership	Tax efficiency · succession · governance

## Three Illustrative Portfolios (AED 10M Allocation)

### Conservative

100% ready · prime stabilised

Target net yield **6.2%** ·  
Capital appreciation 4–6%  
p.a.

### Balanced

60% ready · 40% off-plan tier-one

Target net yield **4.8%** ·  
Capital appreciation 9–  
13% p.a.

### Growth

30% ready · 70% off-plan ·  
emerging districts

Target net yield **3.4%** ·  
Capital appreciation 14–  
20% p.a.

*Targets reflect historical comparables 2020–2024 and current off-plan absorption rates. Not forecasts. Past performance is not indicative of future results.*

# The Question

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The question for a qualified investor in 2026 is no longer whether Dubai belongs in a global property allocation. The question is what share, what structure, and on what timeline.

The data presented in this brief is publicly available. Its interpretation is not. The judgements that matter — which sub-market is asymmetric, which developer is solvent in 2028, which structure preserves tax efficiency on exit — require a relationship, not a brochure.

This document is intended as the first step in that relationship. It is not a sales document. There is no inventory attached. Engagements begin with a portfolio review, conducted under non-disclosure, after which an allocation framework is proposed in writing.

*The buyers who underperformed the 2020–2024 cycle were the ones who bought a building. The ones who outperformed bought a thesis.*

## Next Step

To request a confidential portfolio review, contact the office directly. Initial conversations are conducted by appointment, under non-disclosure, and without obligation.

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Dubai · United Arab Emirates

By appointment only · Conducted under non-disclosure

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