



Dubai Real Estate Market Report - Q1 2025

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Message from COO

The first quarter of the year has been defined by remarkable growth, investor confidence, and continued international interest, further reinforcing Dubai's position as a global real estate powerhouse.

Residential sales surged, with transaction values reaching AED 151.6 billion — a 29.46% increase quarter-on-quarter — and volumes crossing 54,800. Apartments led in overall volume, while villas and townhouses experienced record-breaking value growth, a reflection of evolving buyer preferences and long-term investment strategies. On the leasing front, demand remained strong, with values rising nearly 19% and volumes growing steadily. Notably, villa leasing posted a healthy increase, further highlighting Dubai's growing appeal among families and long-term residents.

The off-plan segment continued to outperform expectations, accounting for nearly 25,000 transactions and AED 53.83 billion in value — up more than 21% from the previous year. Leading developers like Emaar, Sobha, and Binghatti have played a pivotal role in driving this momentum, supported by attractive payment plans and innovative project offerings.

At the policy level, the UAE's move towards real estate tokenization is set to revolutionize the market, offering more accessible and liquid investment opportunities. Additionally, the RERA calculation changes introduced in January 2025 and the Smart Rental Index are expected to add clarity and confidence across both buyers and tenants in the quarters to come.

As we look ahead to Q2 and beyond, we anticipate continued upward movement, albeit with a sharper focus on quality, value, and transparency. At Chestertons, our commitment remains the same — to provide market-leading insight, strategic guidance, and unparalleled service to our clients across every stage of their real estate journey.

Sincerely,

Mania Merrikhi,
Chief Operating Officer - MENA

Key Announcements

1. RERA Index Changes

In January 2025, the Dubai Land Department (DLD) introduced the Smart Rental Index 2025, to provide more accurate and fair rental valuations by integrating advanced technologies, including AI, and a comprehensive building classification framework to analyse real time data across the emirate. This initiation aims to enhance transparency, build trust, and provide stakeholders with a balanced and sustainable environment.

2. Real Estate Tokenisation Project

The Dubai Land Department (DLD) has initiated the pilot phase of its tokenisation project in efforts to digitise property assets by converting property title deeds into block-chain based tokens. Key objectives include fractional ownership, enhanced market efficiency, and attracting global tech firms. The DLD anticipates that the real estate tokenisation market in Dubai will reach a value of AED 60 billion by 2033.

3. The Community Development Fund Policy

His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum has approved the Community Development Fund policy and the Real Estate Unit Sorting project, which aim to enhance social development benchmarks, improve quality of life, and advance digitisation efforts across the emirate by supporting various social project, and streamlining property classification and registration processes.

4. New Regulations Within the Real Estate Sector

From February 1, 2025, banks and mortgage lenders are no longer permitted to include the Dubai Land Department's 4% registration fee, or the typical 2% broker commission within mortgage financing. It is now mandatory for these fees to be settled in full at the time of property purchase, potentially impacting buyers' initial financial outlays.

Dubai Real Estate 2025: Momentum Builds Amid Strong Demand and Limited Supply



Ben Cullum
Director of Valuations

The rapid march of Dubai's real estate market continues unabated, with key sectors all marking significant growth in value, supported by the confidence garnered through high and steady transaction volumes.

As a snapshot, 2025 has kicked on from where 2024 had led the market: value driven by strong residential pipeline supply, with incredible levels of off-plan take up, combined with a more muted commercial development horizon, boosting competition for the scarce stock.

Dubai Real Estate Market Soars in Q1 2025: Strong Sales, Leasing Growth, and Off-Plan Momentum



Rahma Bacha

Director of Off-Plan & Residential

Sales

Dubai's real estate market saw strong growth in Q1 2025, driven by rising international demand. Sales transaction value jumped to AED 151.6 billion (up 29.46% QoQ), with apartments leading in volume, while villas and townhouses saw the highest value growth.

Leasing

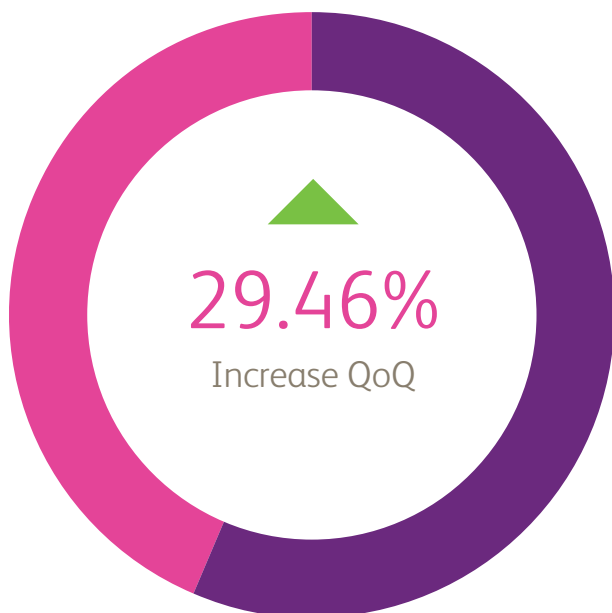
Leasing activity also rose, reaching 166,900 transactions, supported by strong apartment and villa rental demand.

Off-Plan

Off-plan sales surged to 24,920 transactions worth AED 53.83 billion, with Emaar leading the market. The introduction of real estate tokenization in the UAE is expected to boost investment accessibility, while the new RERA calculation from January 2025 will likely bring more transparency and influence Q2 dynamics.

Dubai Residential Sales

Sales Transactions Value - Quarter on Quarter



■ Q1 2025

■ Q1 2024

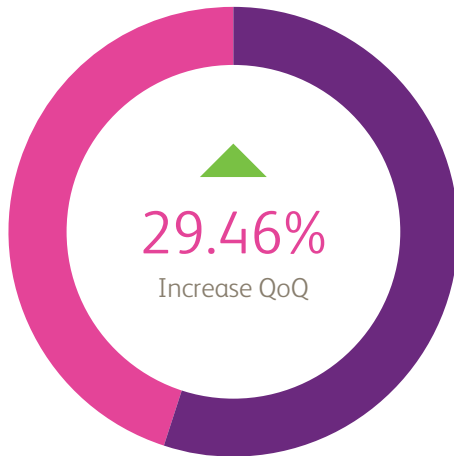
AED 151.6 Billion

Total Dubai Sales Transaction Value
Q1 2025

AED 117.1 Billion

Total Dubai Sales Transaction Value
Q1 2024

Sales Transactions Volume - Quarter on Quarter



■ Q2025 1 ■ Q1 2024

54,836

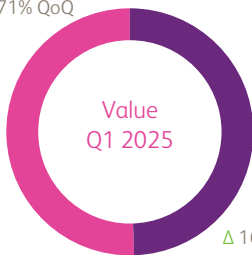
Total Dubai Sales Volume
Q1 2025

44,734

Total Dubai Sales Volume
Q1 2024

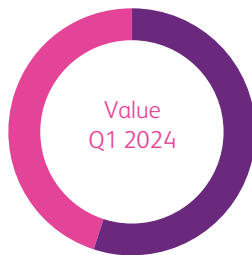
Property Type Breakdown Q1 2025 vs Q1 2024 - Residential Sales

Δ 45.71% QoQ

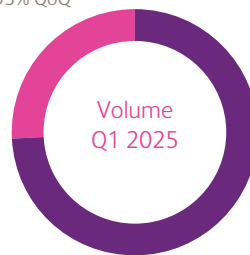


VS

Δ 16.25 % QoQ



Δ 51.93% QoQ



VS

14.95%



Δ 14.89 % QoQ

■ Apartments = AED 75.1 Billion
■ TH / Villas = AED 76.5 Billion

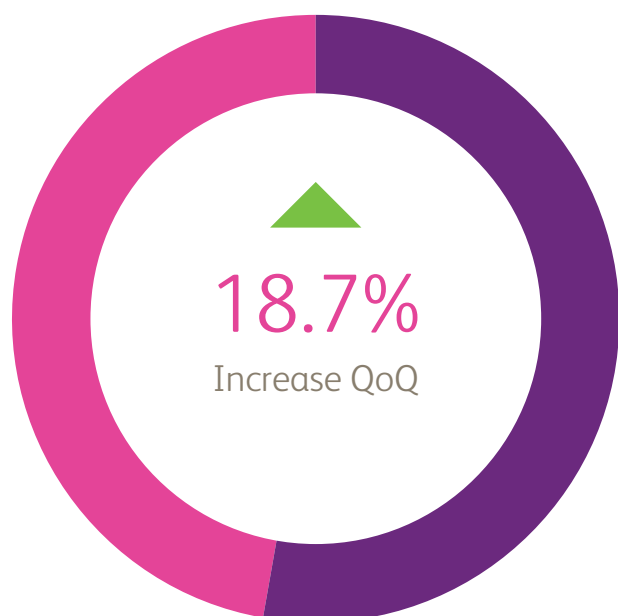
■ Apartments = AED 64.6 Billion
■ TH / Villas = AED 52.5 Billion

■ Apartments = 40,723
■ TH / Villas = 14,113

■ Apartments = 35,445
■ TH / Villas = 9,289

Dubai Residential Leasing

Leasing Transactions Value - Quarter on Quarter



■ Q1 2025

■ Q1 2024

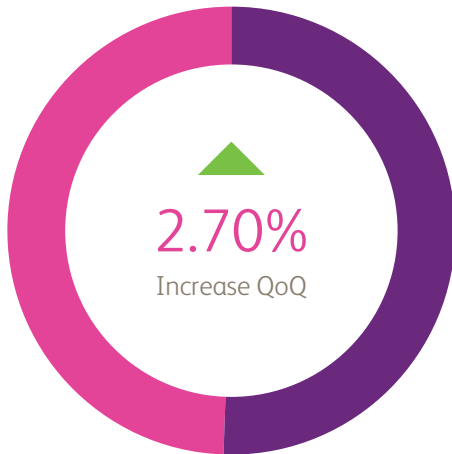
AED 14.6 Billion

Total Dubai Leasing Transactions Value
Q1 2025

AED 12.3 Billion

Total Dubai Leasing Transactions Value
Q1 2024

Leasing Transaction Volume - Quarter on Quarter



■ Q1 2025

■ Q1 2024

166,900

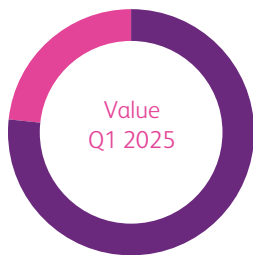
Total Dubai Leasing Volume
Q1 2025

162,500

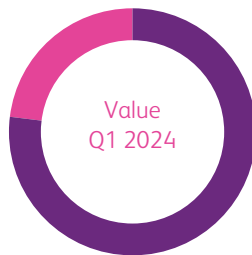
Total Dubai Leasing Volume
Q1 2024

Property Type Breakdown Q1 2025 vs Q1 2024 - Leasing

△ 21.42% QoQ

Value
Q1 2025

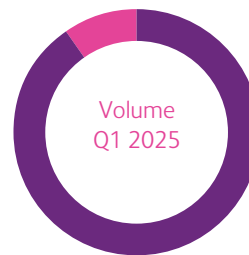
VS

Value
Q1 2024

△ 20.21% QoQ

■ Apartments = AED 11.3 Billion
■ TH / Villas = AED 3.4 Billion■ Apartments = AED 9.4 Billion
■ TH / Villas = AED 2.8 Billion

△ 4.60% QoQ

Volume
Q1 2025

VS

Volume
Q1 2024

△ 2.51% QoQ

■ Apartments = 151,000
■ TH / Villas = 15,900■ Apartments = 147,300
■ TH / Villas = 15,200

“Top 5 Residential Area's - Q1 2025”



- 1 JVC
 2 Business Bay
 3 Dubai Residence Complex
 4 Dubai Marina
 5 The Valley

“Top 5 Developers Sales Volume - Off Plan”

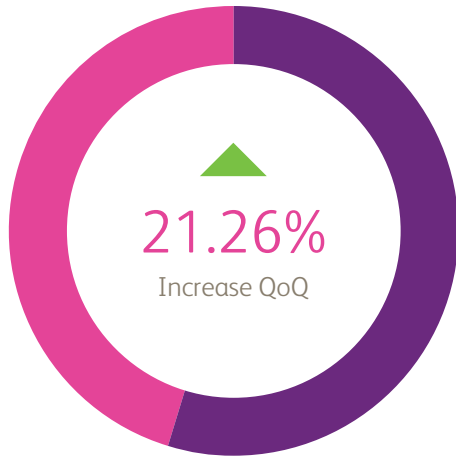


Developer

Sales Volume

Emaar	4,024
Sobha Group	1,519
Binghatti	1,407
Danube	1,039
Samana	874

Off-Plan Transactions Value - Quarter on Quarter



■ Q2025 1 ■ Q2024 1

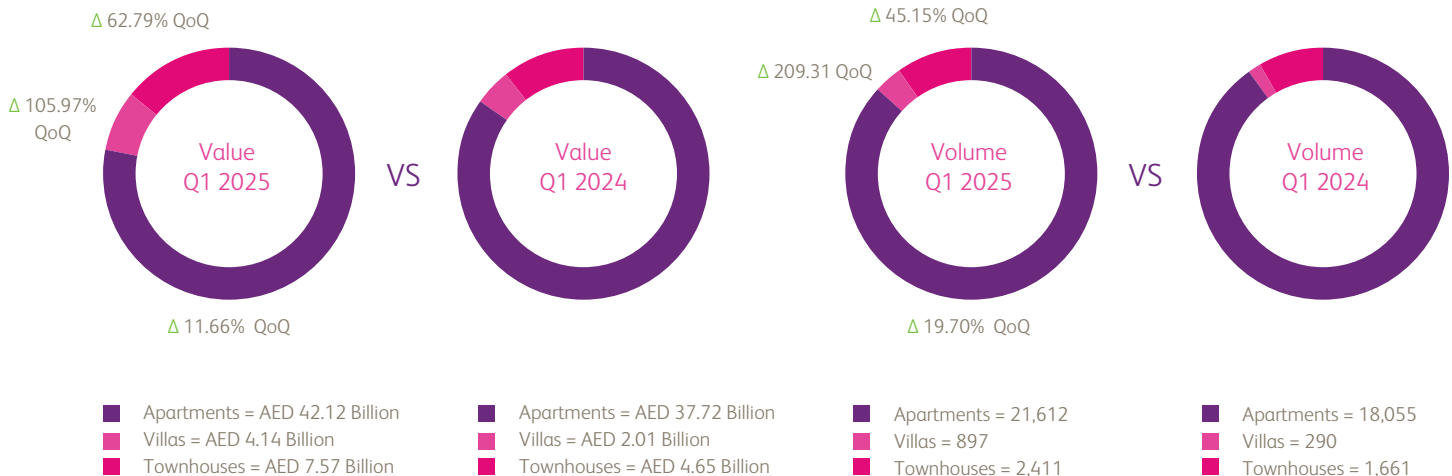
AED 53.83 Billion

Total Dubai Off-Plan Value
Q1 2025

AED 44.39 Billion

Total Dubai Off-Plan Value
Q1 2024

Property Type Breakdown Q1 2025 vs Q1 2024 - Off-Plan Transactions



Top 5 Off- Plan Buyer Nationalities



1. Indians



2. British



3. Italians



4. Russians



5. Pakistanis

Dubai's Commercial Real Estate Crunch Soaring Demand Meets Limited Supply



Andrew Elliott
Director of Commercial

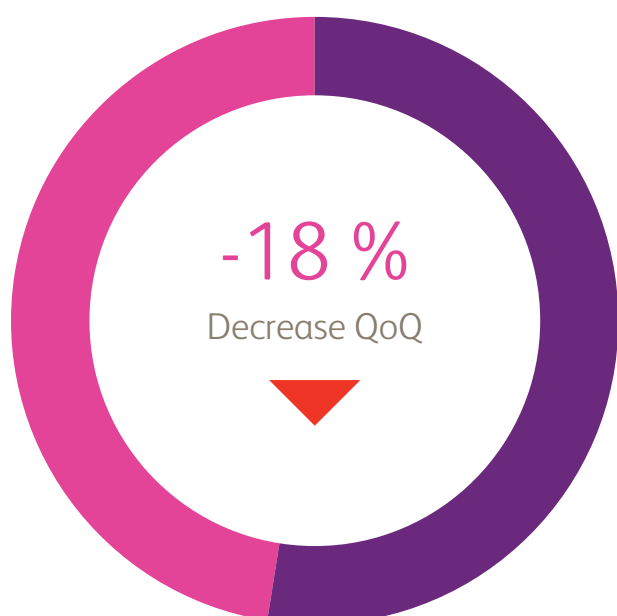
Commercial Real Estate

The commercial real estate market in Dubai continues to experience sustained growth, driven primarily by the influx of international companies relocating to the city. This heightened demand, coupled with a limited supply of new developments, has led to a shortage of available commercial space. As a result, businesses are being pushed to consider emerging or secondary areas of Dubai, where availability remains constrained due to the continued lack of new building stock.

Although five new commercial developments have recently been launched, their completion is not expected until 2027/2028. Consequently, they will have no immediate impact on alleviating the current supply shortage.

Commercial Sales

Commercial Transactions Value - Quarter on Quarter

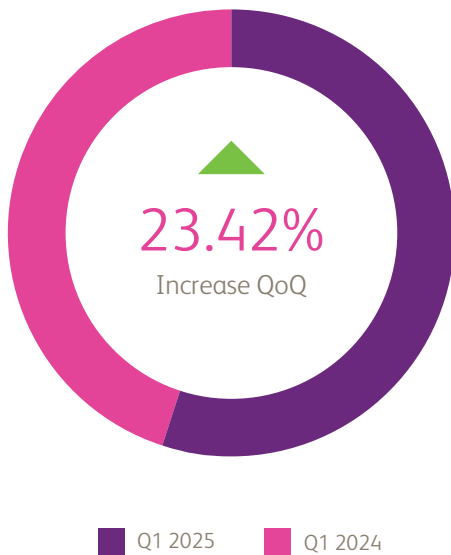


■ Q1 2025

■ Q1 2024

AED 41 BillionTotal Commercial Sales Transaction Value
Q1 2025**AED 50 Billion**Total Commercial Sales Transaction Value
Q1 2024

Commercial Transactions Volume - Quarter on Quarter



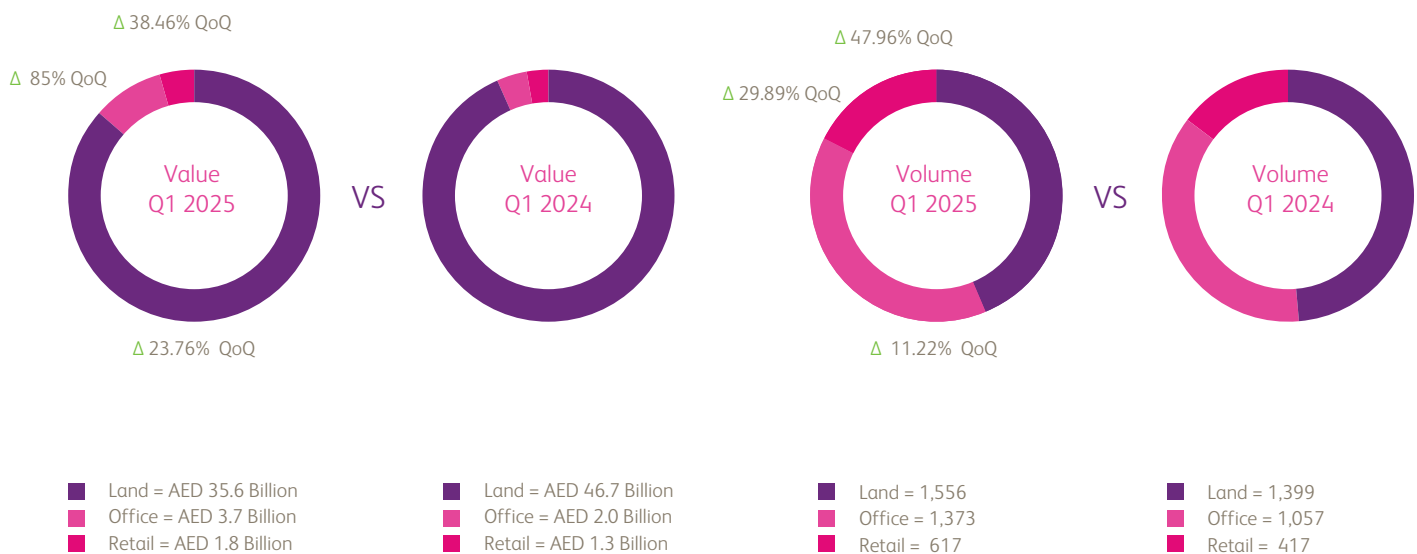
3,546

Total Commercial Sales Volume
Q1 2025

2,873

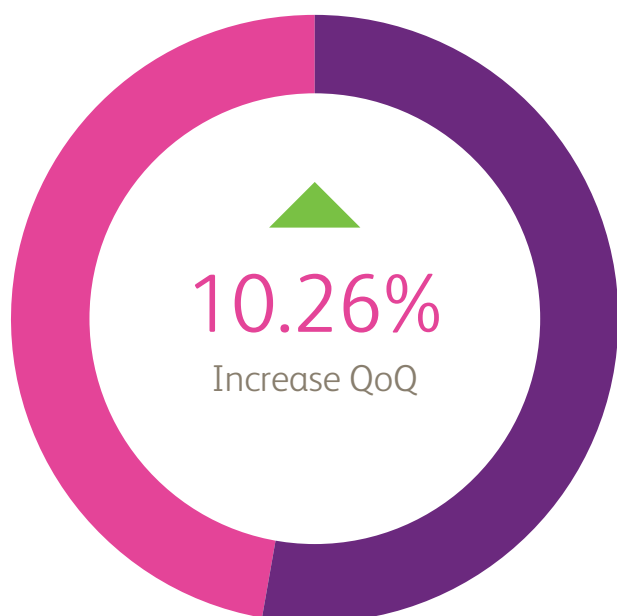
Total Commercial Sales Volume
Q1 2024

Property Type Breakdown Q1 2025 vs Q1 2024 - Commercial Sales



Commercial Leasing

Commercial Transactions Leasing Value - Quarter on Quarter



Q1 2025

Q1 2024

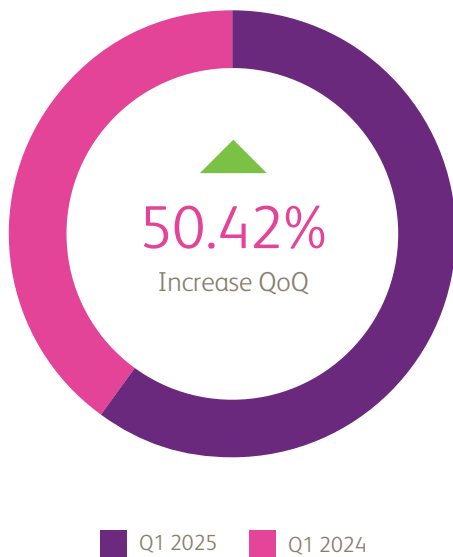
AED 8.6 Billion

Total Commercial Leasing Transaction Value
Q1 2025

AED 7.8 Billion

Total Commercial Leasing Transaction Value
Q1 2024

Commercial Transactions Volume - Quarter on Quarter



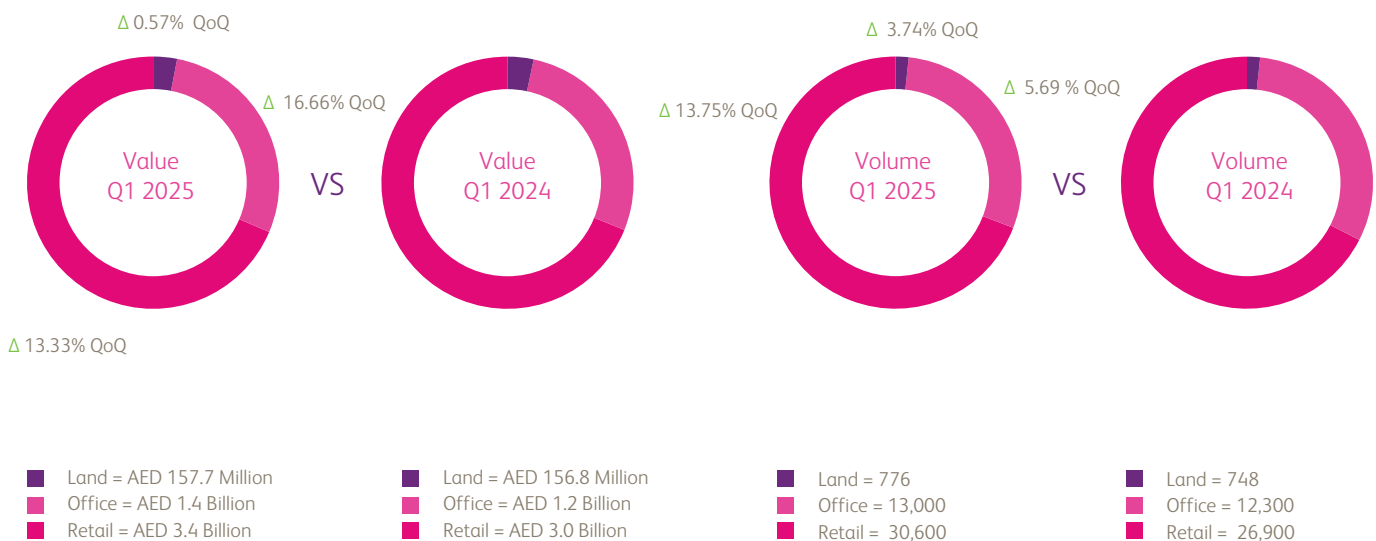
145,000

Total Dubai Commercial Leasing Volume
Q1 2025

96,400

Total Dubai Commercial Leasing Volume
Q1 2024

Property Type Breakdown Q1 2025 vs Q1 2024 - Commercial Leasing



About Chestertons MENA

Award-Winning Real Estate Firm

220+

Years in Business

95+

Offices

25+

Countries

2200+

Team Members

With a legacy dating back to 1805, Chestertons MENA, a founding member of the Royal Institution of Chartered Surveyors, has been a trusted provider of cutting-edge property advice for over two centuries. From our origins in 1805 to today's global operation spanning over 95 offices in 25 countries, Chestertons has enjoyed a long-held reputation for providing expert property insight and on-the-ground delivery to investors, developers, corporate occupiers and financial institutions.

At Chestertons, we don't just provide real estate solutions. We partner with our clients, understanding their goals and challenges, and aligning our services to their needs. Our 'old service values' reflect our unwavering dedication to our clients' success, and we strive to consistently deliver value at every stage of the project lifecycle.

Whilst Chestertons is a global company, we understand our client's interests are tied to the local market in which they operate. As such, we employ the most suitably qualified people on the ground, sharing global best practices to support every client project. We have in-depth knowledge of the Middle East and North African markets, which has allowed us to navigate complex regulatory environments and identify unique investment opportunities for our clients. Our team has spent many years in the region, building relationships and understanding the local business landscape.

Meet the Team

Our Leadership Team

Chestertons employ a team of more than 70 experienced professionals in the Middle East region, backed by a global team of specialists.



Mania Merrikhi
Chief Operating Officer



Andrew Elliott
Director of Commercial



Rahma Bacha
Director of Off-Plan
& Residential



Ben Cullum
Director of Valuations



Frank Gleeson
Director of BCPM



Jake Wright
Director of Investment
Advisory



Towqir Hatim
Head of Finance



Mohamed Badawi
Head of Property
Management



John Siman
Head of Digital Marketing

Services We Offer

- ✓ Residential
- ✓ Commercial
- ✓ Off-Plan
- ✓ Valuations
- ✓ Property Management
- ✓ Building Consultancy
- ✓ Project Management