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# Dubai Real Estate 2026: Correction, Conflict and What the Data Actually Shows

A data-driven analysis of the Gulf conflict impact, structural oversupply,  
and what it means for the international private investor

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EXECUTIVE SUMMARY

Dubai is experiencing its first significant real estate correction since 2020. Two independent forces are driving the adjustment simultaneously: the Gulf military conflict that erupted on February 28, 2026 — which delivered an immediate sentiment shock to a market that was, at that precise moment, recording the strongest transaction volumes in its history — and a structural oversupply overhang built up during the 2022–2024 boom cycle, when prices rose 60–75% and approximately 385,000 units entered the construction pipeline. January 2026 had just set the all-time monthly transaction record at AED 72.4 billion. February was sustaining that pace. The conflict did not hit a soft market — it hit a market at peak euphoria, which is precisely what makes the correction analytically significant.

All-time monthly record (January 2026) <b>AED 72.4B</b> DLD / Property Finder	DFM RE Index peak (mid-Feb 2026) <b>16,910</b> Dubai Financial Market	March 2026 sales value <b>AED 37–53B</b> –12.6 to –20% YoY	Active price reductions (April 2026) <b>2,510</b> LuxuryPriceDrops — Dubai sales	Avg asking price drop (April 2026) <b>–6.4%</b> LuxuryPriceDrops platform	ValuStrat VPI (March 2026) <b>–5.9% MoM</b> First monthly drop since 2020
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*Data note: 'active price reductions' track asking-price changes on active listings — not closed transaction prices. DLD transaction data lags sentiment by 3–9 months. ValuStrat VPI is a mark-to-market valuation index, not a transaction median. See Methodology on the final pages.*

This report is for information purposes only and does not constitute financial, investment, tax, or legal advice. Consult a qualified adviser before making any investment decision.

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## SECTION 00

## The Peak Before the Shock: January–February 2026

To understand the 2026 correction, you must first understand what the Gulf conflict interrupted. Dubai's residential property market did not enter the conflict in a fragile state — it entered at the highest transaction volumes ever recorded, with institutional and private capital flowing in at historically unprecedented rates. The shock was not to a declining market. It was to a market at the peak of its post-pandemic cycle.

### January 2026: the highest single month in Dubai's history

Dubai Land Department data, published via the Dubai Media Office and independently confirmed by Property Finder, showed that January 2026 produced AED 72.4 billion in residential sales — a 63% increase year-on-year and the highest single month ever recorded in the emirate's real estate history. Total real estate procedures reached AED 111 billion on 22,108 transactions, an 88% year-on-year increase. Cherif Sleiman, Chief Revenue Officer of Property Finder, described it as "a historic start to the year with a record-breaking transaction — a clear sign that Dubai's real estate market continues to attract serious, confident buyers."

At the transaction level, DXB Analytics recorded 16,919 sales transactions in January at an average of AED 1,976 per square foot — an 18% year-on-year increase from AED 1,674 per square foot in January 2025. The off-plan segment dominated, representing approximately 66–70% of transaction value, with primary launches oversubscribed within hours of opening.

### February sustained the record pace

February 2026 showed no sign of deceleration. Arabian Business, citing DLD data directly, reported 16,959 sales transactions worth AED 60.6 billion — an 18.14% year-on-year increase in value on a 5% increase in volume. Combined, January–February 2026 produced AED 133.3 billion across 34,452 deals, a 38.8% year-on-year increase in value. The DFM Real Estate Index reached its cycle peak of 16,910 points in mid-February, having delivered 180% total returns since October 2023. Matthew Green, Head of Research for CBRE MENA, stated in April 2026: "The strength of the Dubai residential market during January and February 2026 has undoubtedly been the key driving force behind another very strong quarter of sales."

### The peak in numbers: January–February 2026 vs. prior year

Metric	January 2026	February 2026	YoY Change	Source
Sales value (AED)	72.4 billion	60.6 billion	+63% / +18.1%	DLD / Property Finder / Arabian Business
Sales transactions	16,919	16,959	+19.5% / +5.0%	DXB Analytics / DLD
Average price (AED/sqft)	1,976	~1,940	+18% YoY	DXB Analytics

Metric	January 2026	February 2026	YoY Change	Source
Off-plan share	~70%	~66%	Up from ~62% (2025)	DLD / CBRE
DFM RE Index	~15,800	16,910 (peak)	All-time high	Dubai Financial Market
New investor registrations	~10,200	~9,900	+14% YoY combined	DLD Q1 2026 press release

Source: Dubai Land Department; Dubai Media Office; Arabian Business; DXB Analytics; DFM

**CONTEXT: THE MARKET THE CONFLICT HIT**

The UBS Global Real Estate Bubble Index 2025 (September 2025) had already flagged Dubai as the fifth most overheated prime residential market globally — scoring 1.09 in the elevated-risk tier, behind Miami (1.73), Tokyo (1.59), Zurich (1.55), and Los Angeles (1.11). UBS noted that "Dubai and Madrid recorded the strongest risk increase from the prior edition." The conflict struck a market that independent analysts had already identified as running ahead of its own fundamentals.

**The full-year 2025 baseline: a market at its strongest point**

The Dubai Media Office published on January 12, 2026 that the full year 2025 produced over 270,000 transactions worth AED 917 billion — a 20% year-on-year increase and a new all-time annual record. Prices had risen approximately 60–75% from the 2020 trough (ANAROCK Research). The cumulative four-year boom from 2021 through February 2026 represented one of the most sustained residential price growth cycles in any major global market in the post-pandemic period.

**From record to shock: the five-month arc**

JANUARY 2026	FEBRUARY 2026	28 FEB 2026	MARCH 2026	APRIL 2026
AED 72.4B All-time record +63% YoY 16,919 deals	AED 60.6B +18.1% YoY 16,959 deals DFM peak 16,910	CONFLICT BEGINS DFM closes 2–3 March	AED 37–53B –12.6% to –20% YoY VPI –5.9% MoM	AED 48B sales +20% MoM But –20% YoY 2,510 price drops

Sources: DLD / Dubai Media Office (Jan–Feb); ValuStrat VPI March 2026; Arabian Business / Gulf Business / LuxuryPriceDrops (Apr). DFM = Dubai Financial Market Real Estate Index. VPI = ValuStrat Price Index (valuation-based).

**Why the timing of the shock matters analytically**

Markets correct from peaks differently than they correct from troughs or plateaus. A shock that hits a market at record transaction volumes and record price-per-sqft levels has more potential downside — it is unwinding both the speculative premium that accumulated during the boom and the geopolitical risk premium added by the conflict. The two forces interact: the geopolitical shock accelerates the unwinding of the speculative premium, and the speculative overhang amplifies the depth of the correction.

The 2020 COVID shock struck a market that had already corrected 25–30% from its 2014 peak. Recovery was rapid — the Dubai Media Office recorded a 71% year-on-year increase in transaction value in 2021. The 2026 correction starts from a much higher base, which means a percentage correction of similar magnitude produces far larger absolute capital losses for investors who entered at 2024–2025 prices.

**DATA INTERPRETATION WARNING**

The Q1 2026 DLD press release (April 9, 2026) reported AED 252 billion in total real estate transactions — a record Q1 and a 31% year-on-year increase. This figure is accurate but analytically misleading as a current-market indicator: it aggregates January's all-time record, February's near-record, and March's conflict-driven collapse. The relevant data for an investor making a decision in May 2026 is March and April — not the Q1 aggregate.

## SECTION 01

## The Trigger: Gulf Conflict and Its Immediate Market Impact

The Gulf conflict that began on February 28, 2026 struck a market operating at the highest transaction volumes in its history. The shock was swift: within days, transaction activity froze, the DFM Real Estate Index dropped approximately 30% over two weeks, and listing platforms began recording a surge in motivated sellers adjusting asking prices. The critical distinction for the investor is between a sentiment shock — which can reverse rapidly — and fundamental demand destruction, which takes years to absorb.

### Conflict timeline and market response

Date / Period	Event	Market Impact
Jan–Feb 2026	Dubai at cycle peak. AED 72.4B (Jan) + AED 60.6B (Feb). DFM RE Index 16,910.	Sentiment euphoric. Primary launches oversubscribed. Record new investor registrations.
28 Feb 2026	US-Israeli strikes on Iran. Iranian retaliatory strikes reach UAE. DFM exchange closes 2–3 March.	Emaar and Aldar hit 5% circuit breakers. DFM –21% in 5 sessions.
First half Mar 2026	Goldman Sachs estimates UAE real estate transaction values –51% MoM (first half March, via secondary sources).	Secondary market –34% YoY (Property Finder). Villa transactions –89% YoY.
Full Mar 2026	Total transaction value AED 53.4B (–29.2% MoM, –12.6% YoY, Gulf Business).	ValuStrat VPI –5.9% MoM. CBRE: –11% YoY volume. Off-plan primary still +18% YoY.
April 2026	Conflict ongoing, ceasefire talks active. AED 48B sales (13,977 deals), +20% MoM.	2,510 active listing price reductions, avg –6.4%, AED 386.7M (LuxuryPriceDrops). –20% YoY.
May 2026	Conflict ongoing as of report date.	UAE property formally shifting to buyer's market (The National, May 8, 2026).

Source: DLD / Dubai Media Office; Goldman Sachs via secondary sources; ValuStrat VPI March 2026; Gulf Business; CBRE Q1 2026; LuxuryPriceDrops April 2026; Al Jazeera March 16, 2026; The National May 8, 2026

### Transaction volume: year-on-year comparison

Metric	Pre-conflict (Jan–Feb 2026)	March 2026	April 2026
Sales value (AED)	+38.8% YoY combined	AED 37–53B (–12.6% to –20% YoY)	AED 48B (–20% YoY, +20% MoM)
Transaction volume	+13.0% YoY combined	~13,000–13,416 (–11% YoY, CBRE)	13,977 (+3.5% MoM)
Off-plan primary	~70% of value	Still +18% YoY (Property Finder)	AED 19.7B — highest monthly total of 2026

Metric	Pre-conflict (Jan–Feb 2026)	March 2026	April 2026
Secondary market	Strong demand	–34% YoY (Property Finder)	Recovering slowly

Source: DLD; Arabian Business; CBRE Q1 2026 (Matthew Green); Property Finder monthly data; Gulf Business

**KEY INSIGHT: SENTIMENT VS. FUNDAMENTALS**

The 30% DFM Real Estate Index decline reflects fear pricing in listed developer equities — not a 30% fall in physical property values. Emaar Q1 2026 results (May 11, 2026): revenue AED 12.4 billion (+23% YoY), net profit AED 3.5 billion (+49% YoY). Developer fundamentals did not deteriorate commensurate with the equity drawdown. The gap between DFMREI sentiment and physical transaction data is the defining analytical feature of this correction.

SECTION 02

## The Underlying Pressure: Oversupply Before the Conflict

The Gulf conflict did not create Dubai's market stress — it accelerated pressures already building. Between 2022 and 2024, prices appreciated 60–75%. By early 2026, approximately 385,000 units were under construction, with ~80% scheduled for delivery between 2026 and 2028. Off-plan transactions represented approximately 66% of all sales by Q1 2026, up from 62% a year earlier. A meaningful portion were speculative purchases expecting 10–15% appreciation before handover.

### Supply pipeline: analyst estimates

Source / Analyst	2026 Delivery	Through 2028	Key Caveat
JLL (Taimur Khan, Head of Research MEA)	47,200 units	~120K+	Materialisation-adjusted
Fitch Ratings (Anton Lopatin, Senior Director)	~120,000 units	250,000 (2023–26)	Up to 15% price correction expected
Knight Frank (Faisal Durrani, Head of Research MENA)	~66,000/yr avg	331,000 (2026–30)	70% materialisation rate applied
Cavendish Maxwell (Ronan Arthur, Head of Res. Valuations)	Part of 225K (2026–27)	366,000	Hist. delivery rate 41–62% of projected
Effective central estimate	60,000–80,000 actual	~200,000 effective	50–60% materialisation applied

Source: JLL UAE Q3 2025; Fitch Ratings Dec 2025; Knight Frank Residential Q3 2025; Cavendish Maxwell Q3 2025

#### RISK FLAG: MOST EXPOSED SEGMENTS

Land plots are the most exposed asset class: no rental income, fastest asking-price correction (–9.1% in April 2026, LuxuryPriceDrops), longest recovery timeline. Speculative off-plan from unproven developers carries second-highest risk. Avoid both until DLD volume data shows sustained recovery.

## SECTION 03

## The Correction in Numbers: Price Drop Data by District

### METHODOLOGY NOTE

All figures in this section are asking-price reductions on active listings — not closed transaction prices. LuxuryPriceDrops tracks 20,000+ Dubai properties daily. The 2,510 figure represents Dubai residential sales listings only — not rental or Abu Dhabi data. Closed DLD transaction medians (April 2026: AED 1,839–1,840/sqft) still show +12–16% YoY — reflecting pre-conflict deals registering late.

### Dubai: top districts by price reduction activity (April 2026)

District	Active Drops	Avg Drop %	YTD Cumul. %	Dominant Segment
Downtown Dubai	104	−6.4%	−8.6%	High-rise apartments
Palm Jumeirah	53	−8.2%	−10.5%	Waterfront luxury
Dubai Marina	56	−7.7%	−8.8%	Apartments, expat rental
Dubai Hills Estate	72	−6.0%	−8.0%	Villas, mixed
Dubai Harbour	41	−5.0%	−10.3%	Waterfront
Business Bay	49	−6.2%	−8.0%	Apartments, mixed use
Damac Lagoons	76	−7.6%	−8.4%	Villas, heavy supply
Dubai Land	69	−5.6%	n/a	Mixed, peripheral
The Valley	54	−6.1%	n/a	Townhouses
Arabian Ranches 3	53	−4.6%	−8.4%	Villas, family

Source: LuxuryPriceDrops April 2026 — asking prices, Dubai residential sales only. Not closed transactions.

### Abu Dhabi: top districts by price reduction activity (April 2026)

District	Active Drops	Avg Drop %	Total Value (AED)	Note
Saadiyat Island	174	−7.3%	111.0M	Highest value in region
Yas Island	231	−6.4%	58.3M	Most active by volume
Al Reem Island	204	−6.8%	49.2M	Apartment-heavy
Al Hodayriat	74	−5.5%	42.0M	Emerging waterfront
Al Raha Beach	38	−6.6%	8.7M	Mixed

Source: LuxuryPriceDrops April 2026. Note: ValuStrat Q1 2026 Abu Dhabi VPI +17.8% YoY in closed transaction valuations.

SECTION 04

## Dubai vs. Global Prime Markets: Is the Correction a Buying Opportunity?

Even after the current correction, Dubai remains the most affordable prime global market on a price-per-square-foot basis and the highest-yielding among major financial centres. Zero capital gains tax, zero income tax on rental income, and a 4% DLD fee at purchase create a structurally significant advantage that does not depend on price appreciation.

### Prime residential market comparison (May 2026)

Market	Prime Price (USD/sqft)	Gross Rental Yield	Capital Gains Tax	Income Tax on Rent
Dubai	\$500–900	5.5–8.0%	0%	0%
London	\$1,500–3,000	3.0–4.5%	18–28%	Up to 45%
Singapore	\$2,000–3,500	2.5–3.5%	0%*	Up to 22%
Miami	\$800–1,500	4.0–5.5%	0–20%	Up to 37%
New York	\$1,500–3,000	2.5–4.0%	15–37%	Up to 37%
Paris	\$1,200–2,500	2.5–3.5%	~36.2%	Up to 45%

Source: LuxuryPriceDrops Investment Guide 2026; Knight Frank PIRI 100 (2026); Savills World Research. \*Singapore: ABSD up to 60% for foreign buyers at purchase.

### Yield expansion: how falling prices improve the cashflow case

Scenario	Purchase Price (AED)	Annual Rent (AED)	Gross Yield	Net Yield (est.)
Pre-correction (2025 peak)	2,000,000	120,000	6.0%	~3.5%
Post-correction –10% (2026)	1,800,000	114,000	6.3%	~3.8%
Post-correction –15% (2026)	1,700,000	111,000	6.5%	~4.0%
High-yield entry (JVC 1BR)	500,000	42,000	8.4%	~3.1%

Source: Illustrative. Rents from LuxuryPriceDrops. Net yield deducts ~5% service charge, 8% management, 5% vacancy.

## SECTION 05

## Structural Risks That Won't Go Away

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Several structural risks are present simultaneously and must be assessed before committing capital — regardless of one's view on conflict resolution.

### The pipeline problem

Approximately 60,000–80,000 effective unit deliveries are expected in Dubai in 2026 (applying 41–62% historical materialisation rates to Fitch's gross ~120,000 estimate). This supply hits the market regardless of whether the conflict ends this quarter or in 2028. Peripheral locations and developer-heavy micro-markets will be most affected. Established communities with strong owner-occupier demand will be more insulated.

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### Expat population dependency

Approximately 88–90% of Dubai's population are non-nationals. A sustained conflict reducing expat inflows — or triggering departures from the high-income segment — would suppress both rents and transaction volumes. Louis Harding, CEO of Betterhomes, stated to Bloomberg (April 23, 2026): "The market is not going to immediately return to what it was before... there's a chance that population will not grow at the same pace of recent years, at a time of significant handover numbers."

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### AED/USD peg and currency exposure

The UAE dirham is pegged to the US dollar. For investors from EUR or GBP zones, this creates asymmetric currency exposure on both entry and exit — frequently omitted from return calculations denominated in AED or USD but material for non-USD investors.

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### Off-plan default risk

A significant portion of 2022–2024 off-plan buyers expected 10–15% appreciation before completion. Forfeiting deposits is rational in a flat or falling market. Cascading defaults create developer cashflow stress and secondary price pressure. S&P; Global (March 2026): "The longer the conflict persists, the more pronounced the declines are expected to be especially for smaller and less established developers."

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SECTION 06

## Three Scenarios for 2026–2028

The investment outlook depends primarily on two variables: the duration of the Gulf conflict and the pace of supply absorption. Dubai has survived far larger shocks: the 2008–2011 crisis produced a –37.1% peak-to-trough correction (Marmoremena), with full price recovery only in February 2024; the 2020 COVID freeze resolved with a 71% transaction value rebound in 2021 alone (Dubai Media Office).

<p><b>Scenario A Rapid Resolution</b></p>	<p>Conflict ends Q3 2026. Expat confidence returns. Transaction volumes recover to within 5% of 2025 pace by Q4. Closed price correction limited to –5–8%. Supply overhang absorbed over 24 months. DFM RE Index recovers 50–60% of losses. Investors entering Q2–Q3 2026 see appreciation by 2027–2028. Historical parallel: 2020 COVID recovery — 71% transaction value rebound in Year 1.</p>	<p><b>LOW– MODERATE</b></p>
<p><b>Scenario B Prolonged Conflict (Base Case)</b></p>	<p>Conflict continues through 2026, de-escalation H1 2027. Closed prices fall –10–20% peak-to-trough by end 2027. Supply overhang amplifies correction in peripheral and off-plan segments. Rental market softens –8–12%. Off-plan default rate rises. Recovery begins H2 2027. Fitch Ratings: prices 'will not fall more than 15%.' Buy-to-let investors in established communities insulated by yield income.</p>	<p><b>MODERATE– HIGH</b></p>
<p><b>Scenario C Escalation (Tail Risk)</b></p>	<p>Conflict escalates. Significant expat outflow. Closed prices fall –25–40% over 2–3 years. Historical parallel: 2008–2011 — peak-to-trough –37.1% (Marmoremena), –50–65% worst segments (Global Property Guide). Recovery timeline: 5–7 years minimum. High-leverage investors with short liquidity windows face forced selling.</p>	<p><b>LOW</b></p>

*Probability assessments are qualitative as of May 2026, not predictions. Historical data: Marmoremena GCC Macro & Markets (2024); Global Property Guide; Dubai Media Office annual transaction releases.*

## SECTION 07

## Implications for the International Private Investor

Entry conditions are improving in specific segments; in others, risk-adjusted returns remain unattractive regardless of the asking-price discount. The framework below helps navigate the current environment without speculating on conflict outcomes.

### Recovery indicators: what to watch before committing capital

Indicator	What to Monitor	Positive Signal	Source
DLD weekly volumes	Closed deals per week	Sustained 4+ weeks above 3,000 deals/week	DLD / Property Monitor
DFM RE Index	Listed developer equity prices	Stabilises, recovers >10% from trough over 4 weeks	Dubai Financial Market
Rental vacancy rate	Listings 60+ days on market	Vacancy rate declines 2 consecutive months	Property Finder / Bayut
New expat registrations	GDRFA/ICA entry permits	Monthly inflow returns to pre-conflict average	GDRFA data
Off-plan absorption	% sold at new developer launches	Above 50% sell-through on launch day	DLD Oqood data

Source: Analyst framework.

### Best risk-adjusted segments for entry in 2026

Segment	Price Range (AED)	Gross Yield	Entry Rationale
JVC / Sports City apartments	400K–700K	7.0–8.4%	High yield, strong expat rental demand, established infrastructure.
Business Bay 1–2BR (secondary)	1.2M–2.5M	6.0–7.5%	Central, metro access, deep resale liquidity, professional tenant base.
Dubai Marina 1BR (secondary)	900K–1.8M	6.0–7.5%	Active rental market, established community, better secondary liquidity.
Dubai Hills villas (motivated sellers)	3.5M–8.0M	4.0–5.5%	YTD asking correction –8%. Family villa demand structurally stable.

Source: Analyst assessment based on LuxuryPriceDrops yield data and district correction profiles.

### What to avoid in the current environment

**Land plots** Highest % price correction (–9.1% avg, April 2026). No rental income. Worst exit liquidity.

<b>Off-plan from unproven developers</b>	Completion risk, deposit exposure, no income during construction. If off-plan: Emaar, Damac, Azizi, MAG only.
<b>Peripheral locations</b>	Dubai South outer corridors, Dubai Land fringes: supply overhang + no established rental market.
<b>80% LTV leverage</b>	If rents fall 10%, debt service may not be covered. Target 50–60% LTV maximum for buy-to-let.

**Due diligence essentials (secondary market)**

Check	Action Required	Verify At
RERA registration	Confirm project registered; check developer escrow account status	rera.ae
Title deed	Legal review: no mortgages, charges, or service charge arrears	DLD / UAE-licensed lawyer
Service charge history	Request 3 years of RERA-certified statements. AED 30–80/sqft/year erodes yield materially.	Building management / RERA
Transaction comparables	Pull last 12 months of DLD closings in same building. Never negotiate from asking price alone.	DLD transaction portal
Developer track record (off-plan)	Delivery history, reserve fund health, RERA escrow verification	RERA / press records

Source: Standard UAE residential due diligence framework.

## FREQUENTLY ASKED QUESTIONS

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### **Q: Is now a good time to buy property in Dubai?**

The correction has created negotiating room that did not exist in January or February 2026. Asking-price discounts in waterfront and villa segments exceed 10% YTD. Whether that makes it 'a good time' depends on your investment horizon, segment choice, and risk tolerance. For a buy-to-let investor with a 5+ year horizon in established communities, entry conditions are improving. For a short-term capital appreciation play, the risk/reward is unfavourable until conflict resolution and supply absorption data both improve.

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### **Q: How much have Dubai property prices actually fallen in 2026?**

This depends entirely on the data source. Asking-price platforms show average reductions of -6.4% in April 2026, with YTD cumulative corrections of -8.6% to -10.5% in high-activity districts. Goldman Sachs estimates apartment median prices down approximately 3% YoY in mid-March (via secondary press sources). The ValuStrat valuation index fell -5.9% in March — the first monthly decline since 2020. DLD closed transaction medians still show +12-16% YoY in April, reflecting pre-conflict deals registering late.

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### **Q: Does the Gulf conflict fundamentally change Dubai's long-term trajectory?**

The structural case — zero tax on rental income and capital gains, freehold ownership for foreigners, globally competitive yields, central geographic position — has not been altered. Dubai recovered from the 2008-2011 crisis (-37-65% in some segments), the 2014-2016 oil correction (-25-30%), and the 2020 COVID freeze (71% transaction value rebound in 2021). The current conflict changes the near-term risk premium. It does not change the architecture of the UAE as a wealth and business hub.

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### **Q: How does Dubai compare to other markets for foreign investors in 2026?**

On price per square foot, Dubai remains 2-4x cheaper than London or Singapore. On gross yields, Dubai leads at 5.5-8.0% versus 3.0-4.5% in London and 2.5-3.5% in Singapore. On transaction costs, Dubai's 4% DLD fee compares favourably with UK SDLT rates of up to 17%, or Singapore's ABSD of up to 60% for foreign buyers. The explicit price for these advantages in May 2026 is a higher geopolitical risk premium.

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### **Q: What are the main risks of buying now?**

(1) Conflict duration — if the Gulf conflict extends or escalates, the correction deepens toward Fitch's 15% ceiling or beyond. (2) Supply pipeline — 60,000-80,000 effective deliveries in 2026 will pressure prices and rents regardless of conflict resolution. (3) Currency exposure — AED/USD peg means EUR/GBP investors carry FX risk on entry and exit. (4) Liquidity — selling within 12-18 months in a low-volume market may require discounts beyond current listing reductions. (5) Off-plan completion risk — developer stress from defaulting buyers may delay or compromise pre-completion purchases.

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### **Q: What corporate structures can foreign investors use to hold Dubai property?**

Foreign investors can purchase personally (freehold zones), through a RAK ICC offshore holding company, a UAE Free Zone entity, or a Mainland LLC. Each has different implications for UAE residency visa eligibility, succession planning, financing access, and tax treatment in the investor's home jurisdiction. Investors from jurisdictions without a double tax treaty with the UAE face specific home-country tax considerations that require professional advice before structuring a purchase.

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**IN SHORT**

Dubai is correcting, but correction is not collapse. The structural case — zero tax, globally competitive yields, affordable prime pricing — remains intact after a decade of market-building that other global cities have not replicated. The conflict struck at the worst possible moment: the peak of a four-year boom, amplified by structural oversupply. That combination makes the near-term correction meaningful. It does not make it permanent. The question for a serious investor in May 2026 is not whether to consider Dubai — it is which segment, at what price, with what structure, and with what exit contingency if the conflict extends.

## METHODOLOGY &amp; DATA SOURCES

Source	Data Type	Limitation	Used For
Dubai Land Department (DLD) Dubai Media Office	Closed transactions, volumes, monthly & annual totals	Lags sentiment 3–9 months. Q1 aggregate masks intra-quarter divergence.	Transaction volumes, peak data, recovery signals
LuxuryPriceDrops (Matias Dorta)	Asking-price changes on 20,000+ active Dubai listings daily	Asking prices only. Platform has commercial interest in 'opportunity' narrative.	District-level price reductions, market sentiment
ValuStrat VPI (Haider Tuaima, MD)	Mark-to-market valuations across 72 Dubai + 70 Abu Dhabi locations	Valuation-based, not transaction-based. Faster than DLD; still a valuation.	Monthly price movement, first decline signal
CBRE / JLL / Knight Frank / Cavendish Maxwell	Institutional analyst reports, pipeline forecasts	Forecasts only; materialisation rates vary (41–62% historically).	Supply pipeline, yield comparisons, market framing
Goldman Sachs (via secondary sources)	Estimated transaction value declines (first-half March 2026)	Primary report not publicly available. Secondary attribution only.	Conflict shock severity — directional, not authoritative
DFM (Dubai Financial Market)	Listed real estate equity index (DFMREI)	Tracks developer equity sentiment, not physical property prices.	Sentiment indicator only

The fundamental distinction maintained throughout: asking prices (what sellers want) versus closed transaction prices (what buyers actually paid). Asking prices are moving faster and further than closed prices — as is normal in the early stages of a sentiment-driven market shift. Use asking-price data as a directional signal and DLD closed-transaction data as the authoritative benchmark for any actual purchase decision.

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