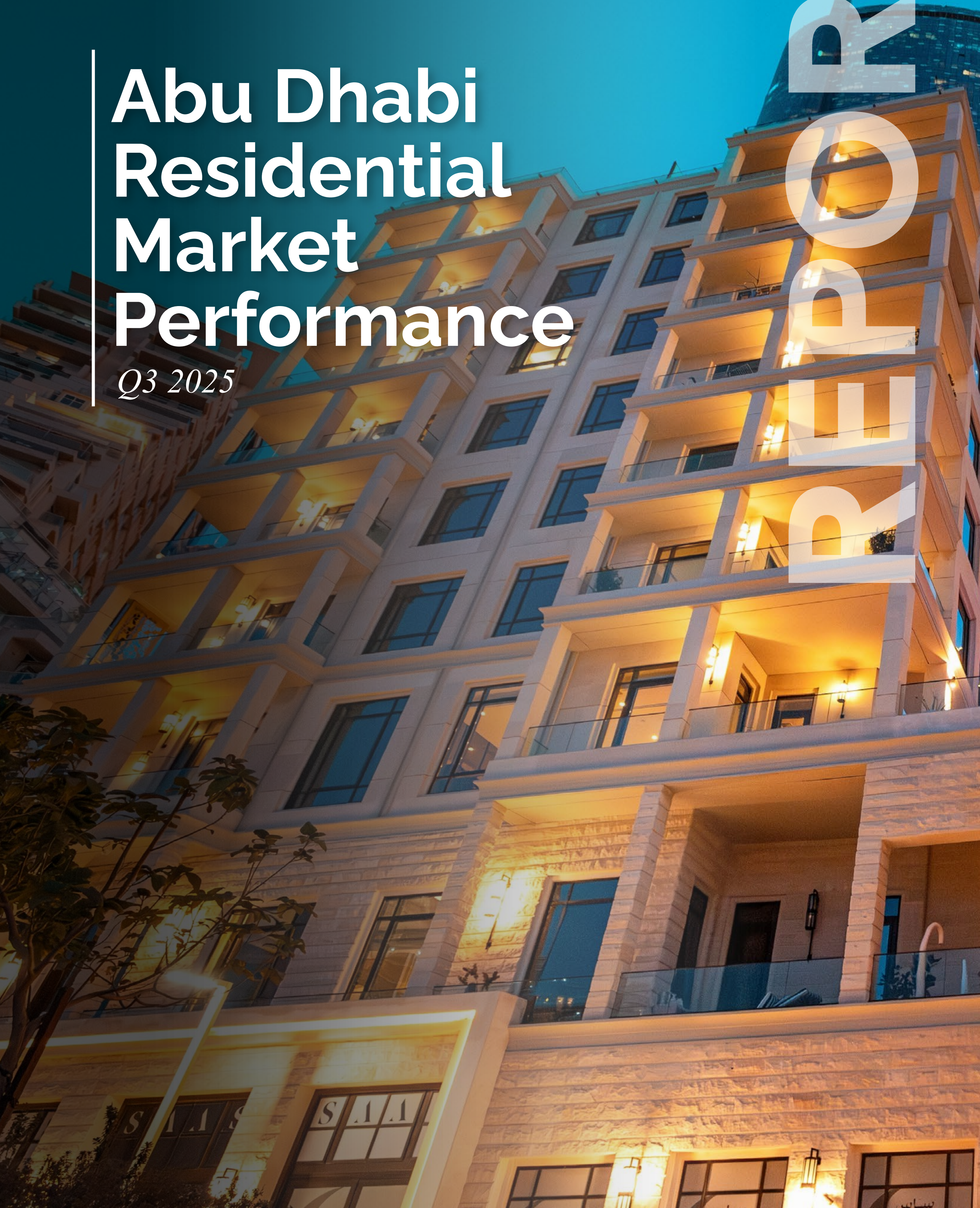
Cavendish Maxwell

Abu Dhabi Residential Market Performance

Q3 2025

REPORT



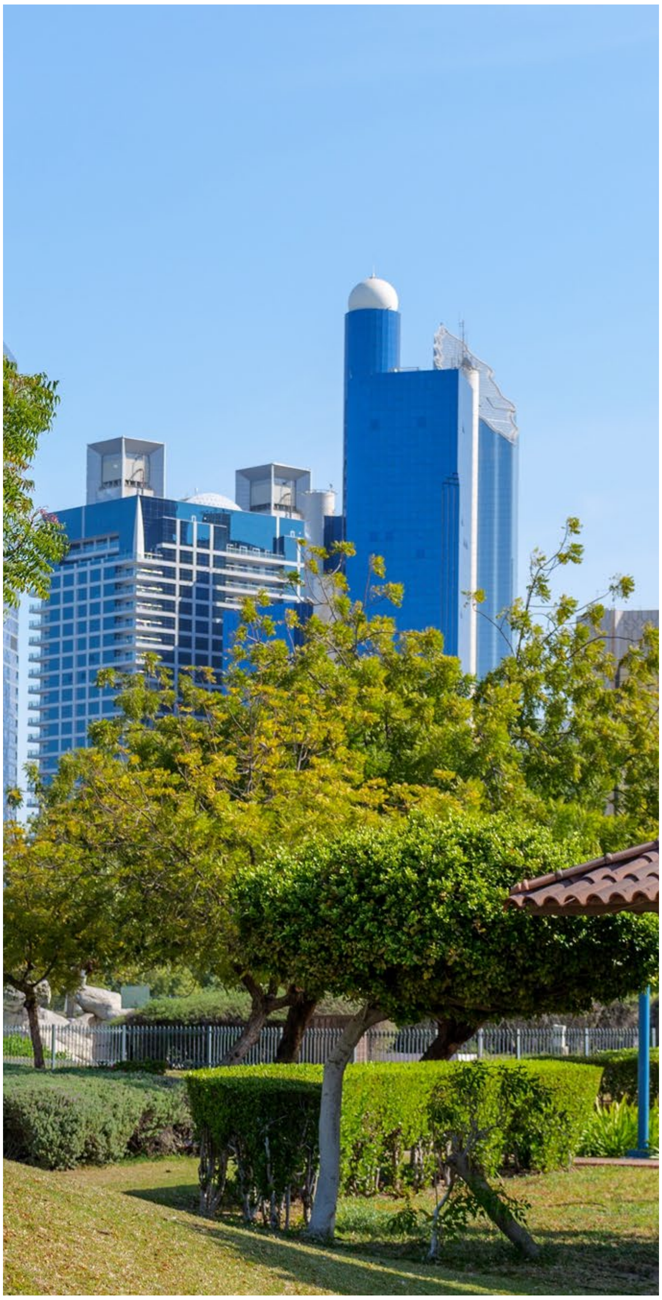
Executive Summary

Despite Q1 2025 residential unit sales transactions being lower than Q4 2024 due to seasonal factors and limited new launches, Abu Dhabi City's real estate market regained momentum in Q3 2025, reaching its highest level of residential unit sales transactions on record. This rebound was supported by favourable economic conditions and rising demand from both investors and end users. The upward revision of the UAE's 2025 GDP forecast to 4.9%, together with the International Monetary Fund's projection of 6% growth for Abu Dhabi, highlights the solid economic backdrop that continues to support market activity.

Off plan sales remained the main driver of growth, with more than 4,700 transactions in Q3 2025, up 106.5% year-on-year as new project launches accelerated. Ready home sales also strengthened, increasing by 31.9% compared to the same period last year. As a result, total residential unit sales value climbed to AED 20.5 billion, the highest ever recorded, supported by strong performance across both market segments.

On the supply side, around 2,700 units were delivered in the first three quarters of 2025, with an additional 8,400 planned for completion by year end. However, actual completions are likely to be lower than scheduled which will continue to place upward pressure on both prices and rents. In terms of pricing, apartment prices rose 14.8% year on year, while villa prices increased 11.8%. Rental rates showed a similar pattern, with apartment rents up 14.2% and villa rents rising 5.1%, supported by strong population growth and sustained demand from the expanding workforce.

Looking ahead, the residential market is expected to remain resilient. Strong economic fundamentals, ongoing diversification, steady population growth and the increasing appeal of newer master planned communities will continue to support demand. Sales prices and rental rates are likely to record further increases in the near term, although the pace of growth will vary across communities as new supply gradually enters the market.



Market Snapshot for Q3 2025

~6,400 Residential Unit Sales Transactions	AED 20.5B Residential Unit Sales Value	Apartment Sales Price +14.8% Y-on-Y	Residential Supply in 2025
▲ +79.3% Y-on-Y	▲ +105.9% Y-on-Y	▲ Villa Sales Price +11.8% Y-on-Y	8,400 Under Construction / 2,700 Completed

Residential unit sales data excludes transactions involving residential complexes, duplexes, and penthouses.

Macroeconomic Overview and Outlook

The Central Bank of the United Arab Emirates revised its 2025 GDP forecast upward from 4.4% to 4.9% reflecting stronger than expected economic momentum. Similarly, the International Monetary Fund (IMF) raised its projection for Abu Dhabi, forecasting 6% growth supported by increased oil production and steady expansion in non-oil sectors, particularly services and real estate. This growth aligns with Abu Dhabi Vision 2030, which targets a 64% non-oil share of GDP by 2030. According to the latest data from the Statistics Centre Abu Dhabi (SCAD), the Emirate's non-oil economy has already reached 56.5% which shows clear progress toward this long-term goal.

Abu Dhabi's sovereign investment ecosystem further reinforces this trajectory. Abu Dhabi Developmental Holding Company (ADQ) and Mubadala Investment Company (Mubadala) continue to drive domestic economic development by deploying capital into priority sectors, while the Abu Dhabi Investment Office (ADIO) plays a pivotal role in attracting foreign direct investment by facilitating business setup and supporting global companies establishing a presence in the Emirate. Together, these institutions continue to strengthen Abu Dhabi's economic foundations and increase investor confidence.

Looking ahead, Abu Dhabi's economic outlook remains firmly positive. Growth is expected to be supported by ongoing diversification initiatives, major infrastructure development, and a favourable regulatory environment. Foreign investment is also expected to remain strong, supported by policy stability, transparent governance, and a sophisticated business ecosystem. At the same time, population growth driven by job creation and strong talent inflows will reinforce demand across key sectors including hospitality, retail, education, and particularly real estate. Taken together, these forces are set to maintain economic momentum and strengthen long-term market resilience across the Emirate.

Sales Transactions

Abu Dhabi's residential market continued to rise in the third quarter of 2025, with overall transaction volumes in Abu Dhabi City reaching their highest level on record, supported by robust demand from both end-users and investors. Growth was driven by strong activity across both the off-plan and ready segments, though the off-plan market remained the main catalyst behind the surge.

The off-plan segment recorded approximately 4,700 transactions, a 106.5% year-on-year increase, fuelled by a wave of new project launches in Q3 2025, which was the highest quarterly total so far this year. Meanwhile, the ready segment registered around 1,700 sales transactions, up 31.9% compared to Q3 2024, reflecting strong demand for completed homes even as the off-plan market gained momentum.

Abu Dhabi City Unit Sales Transactions - By Volume

Change in Transaction Volume (%)			
Q-on-Q	+98.9%	+7.6%	+62%
Y-on-Y	+106.5%	+31.9%	+79.3%

Source: Quanta, Cavendish Maxwell

**Residential unit sales data excludes transactions involving residential complexes, duplexes, and penthouses.*

In line with the increase in transaction volumes, residential sales values rose in Q3 2025, reaching AED 20.5 billion, the highest total on record. The off-plan segment led the market, recording AED 16.3 billion in transactions, up 134.9% compared to Q3 2024. Similarly, the ready segment grew, registering AED 4.2 billion in transactions, up 39.2% year-on-year. During the same period, the average transaction price for off-plan properties increased 13.7% to AED 3.5 million, while ready properties rose 5.5% to AED 2.4 million.

Abu Dhabi City Unit Sales Transactions - By Value (AED)

Change in Transaction Value (%)			
Q-on-Q	+98.7%	+8%	+69.6%
Y-on-Y	+134.9%	+39.2%	+105.9%

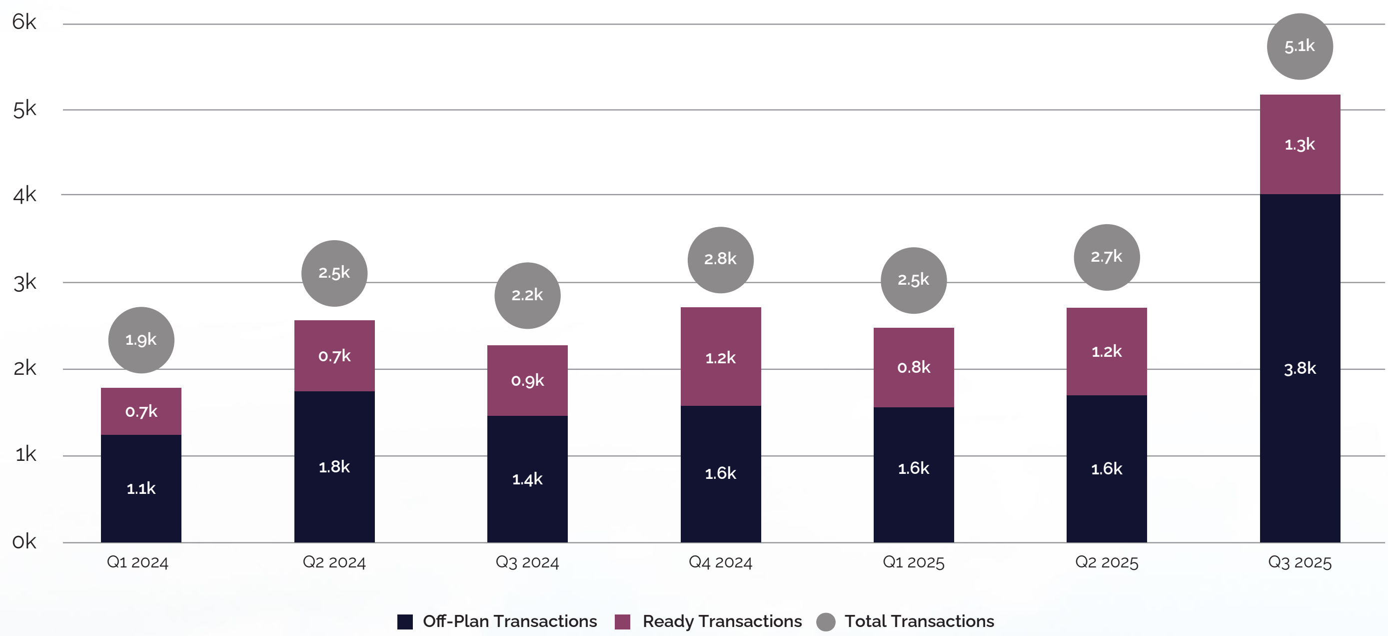
Source: Quanta, Cavendish Maxwell

**Residential unit sales data excludes transactions involving residential complexes, duplexes, and penthouses.*

Sales Transactions by Property Type: Apartments

Apartments continued to dominate Abu Dhabi City's residential unit sales market in Q3 2025, with their market share rising to 78.8%, up from 62.1% in Q3 2024. The off-plan segment was the primary driver of this growth, recording approximately 3,800 transactions, an increase of 182.2% compared to the same period last year. Ready apartment sales also performed well, reaching around 1,300 transactions, up 43.2% year-on-year. The strong performance of the apartment segment highlighted the continued appeal of the city's apartment market, driven not only by investor interest but also by strong demand from young professionals and smaller families.

Abu Dhabi City Apartment Transactions - By Volume



Change in Transaction Volume (%)			
Q-on-Q	+144.1%	+9.2%	+86.9%
Y-on-Y	+182.2%	+43.2%	+127.5%

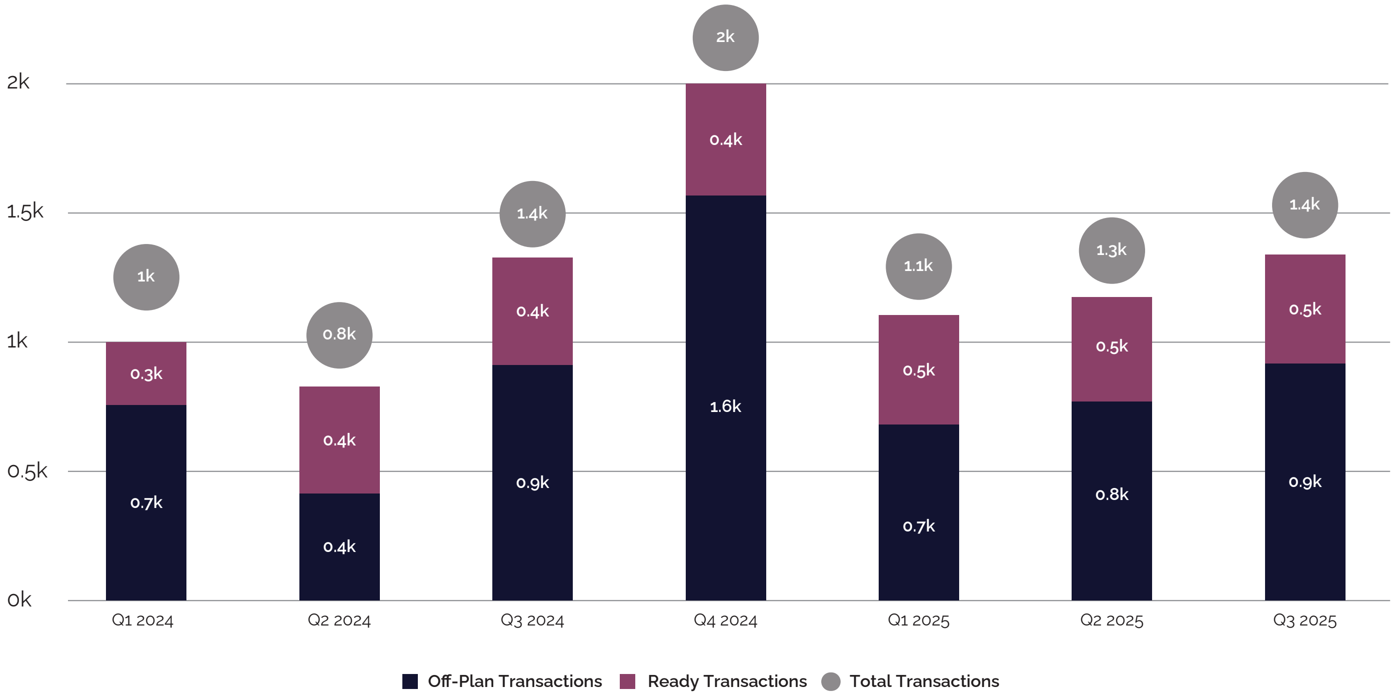
Source: Quanta, Cavendish Maxwell

**Apartment sales data excludes transactions involving duplexes and penthouses.*

Sales Transactions by Property Type: Villas and Townhouses

Although transaction activity for villas and townhouses recorded an uptick, growth lagged behind that of apartments. Around 1,400 villa and townhouse transactions were registered during the quarter, marking an increase of 8.3% quarter-on-quarter and 0.3% year-on-year. The relatively subdued growth was primarily due to the limited number of new launches within the segment, which limited the number of units available for sale. This channelled buyer interest towards the apartment segment.

Abu Dhabi City Villa/Townhouse Transactions - By Volume



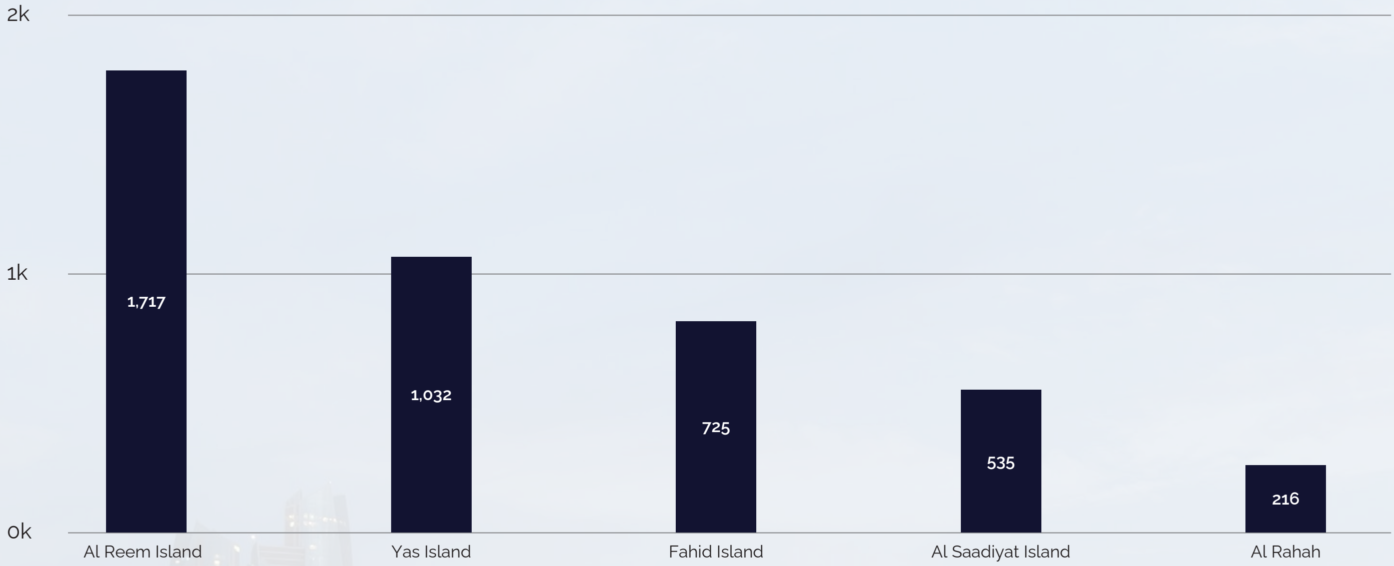
Change in Transaction Volume (%)			
Q-on-Q	+11%	+3.5%	+8.3%
Y-on-Y	-3.7%	+8.8%	+0.3%

Source: Quanta, Cavendish Maxwell

Sales Transactions by District

Apartment sales activity was heavily concentrated in Al Reem Island, Yas Island, Fahid Island and Al Saadiyat Island; together, these districts accounted for 62.3% of total residential unit transactions. Meanwhile, Al Bahyah and Yas Island led villa and townhouse sales activity in Q3 2025.

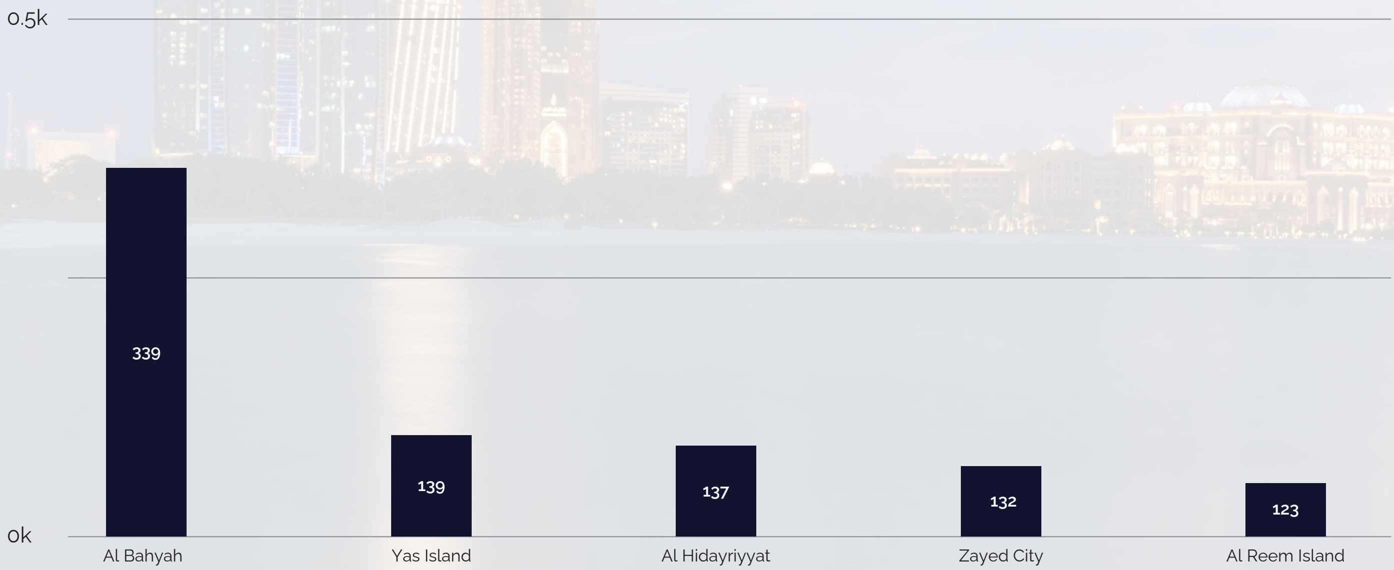
Abu Dhabi City Transactions by Volume: Top 5 Districts – Apartments



Source: Quanta, Cavendish Maxwell

**Apartment sales data excludes transactions involving duplexes and penthouses.*

Abu Dhabi City Sales Transactions by Volume: Top 5 Districts – Villas and Townhouses



Source: Quanta, Cavendish Maxwell

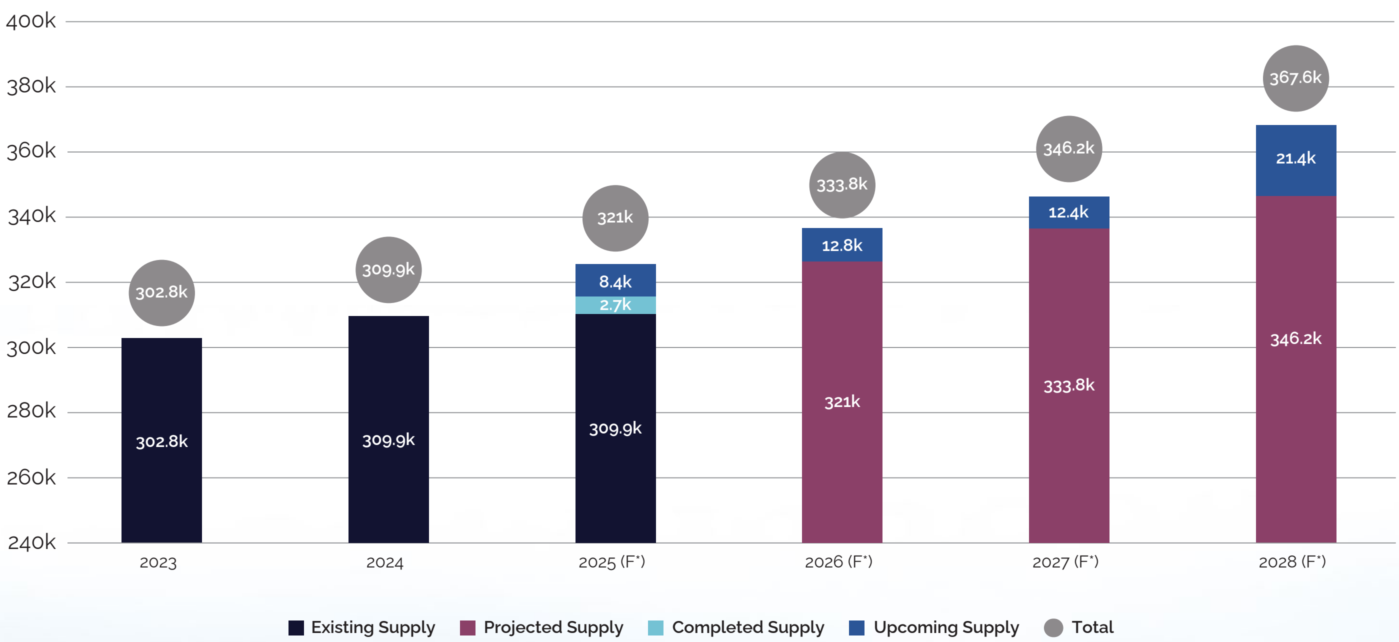
Existing and Future Supply

Around 2,700 residential units were delivered in Abu Dhabi City during the first three quarters of 2025, with a further 8,400 units scheduled for completion in Q4. Based on recent handover trends, actual deliveries may fall short of initial projections. This staggered pattern of completions has been typical for the Emirate and usually helps the market absorb new supply steadily, preventing sudden increases in available stock.

At the same time, demand fundamentals remain strong despite the active development pipeline. Ongoing population growth and the growing appeal of newer, master-planned communities continue to support absorption, with near-term demand expected to outpace supply.

Looking further ahead, 2028 stands out due to a noticeably higher concentration of planned completions. While the broader market is unlikely to face widespread oversupply, this clustering could create pockets of absorption pressure, particularly in districts where several phases are delivered simultaneously. This highlights the need to closely monitor construction timelines, phasing strategies, and neighbourhood-level demand as Abu Dhabi City's residential market evolves.

Abu Dhabi Supply - Number of Units



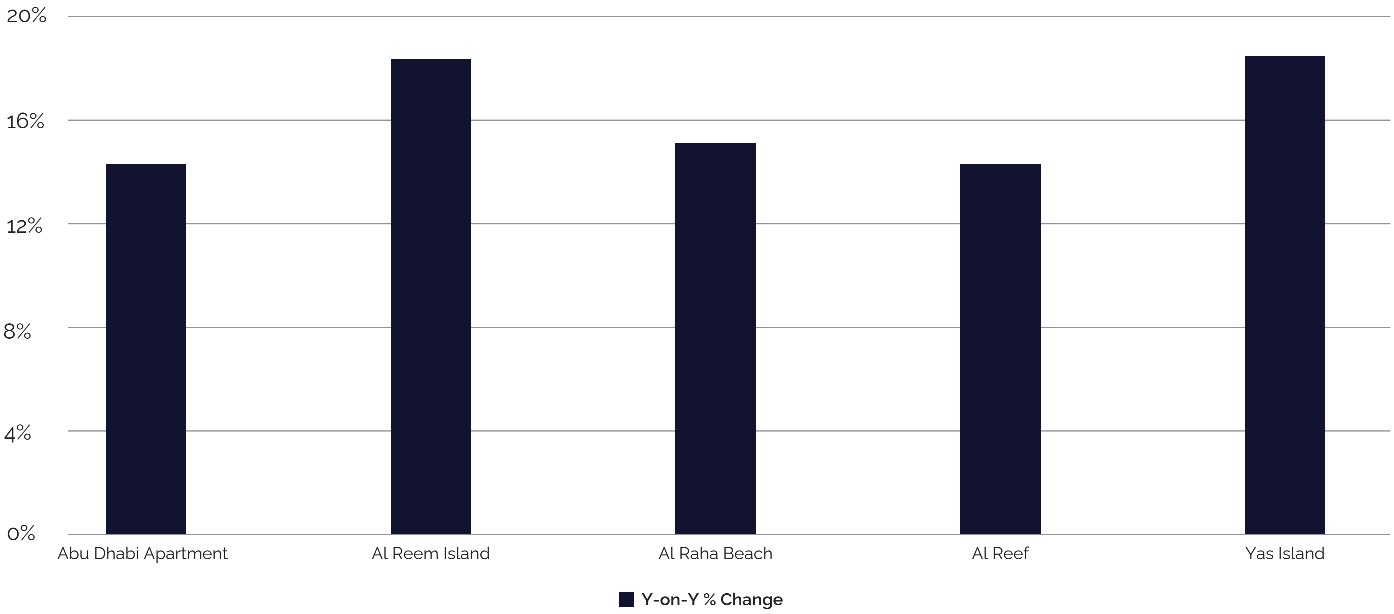
Source: Abu Dhabi Real Estate Centre, MEED Projects, Cavendish Maxwell

**The projected supply is based on the information available at the time of preparing the report and may differ from other projections. It is subject to revision as additional details, including changes in project completion dates, become available in the future.*

Abu Dhabi Sales Price Change

Residential apartment prices in Abu Dhabi continued their upward trajectory, rising by 14.8% year on year. The increase in sales prices was supported by strong dual demand from end-users seeking long-term stability and protection from rising rents, as well as investors targeting capital appreciation and steady rental income. This broad-based appetite was also reflected in the high transaction volumes recorded in the third quarter of 2025.

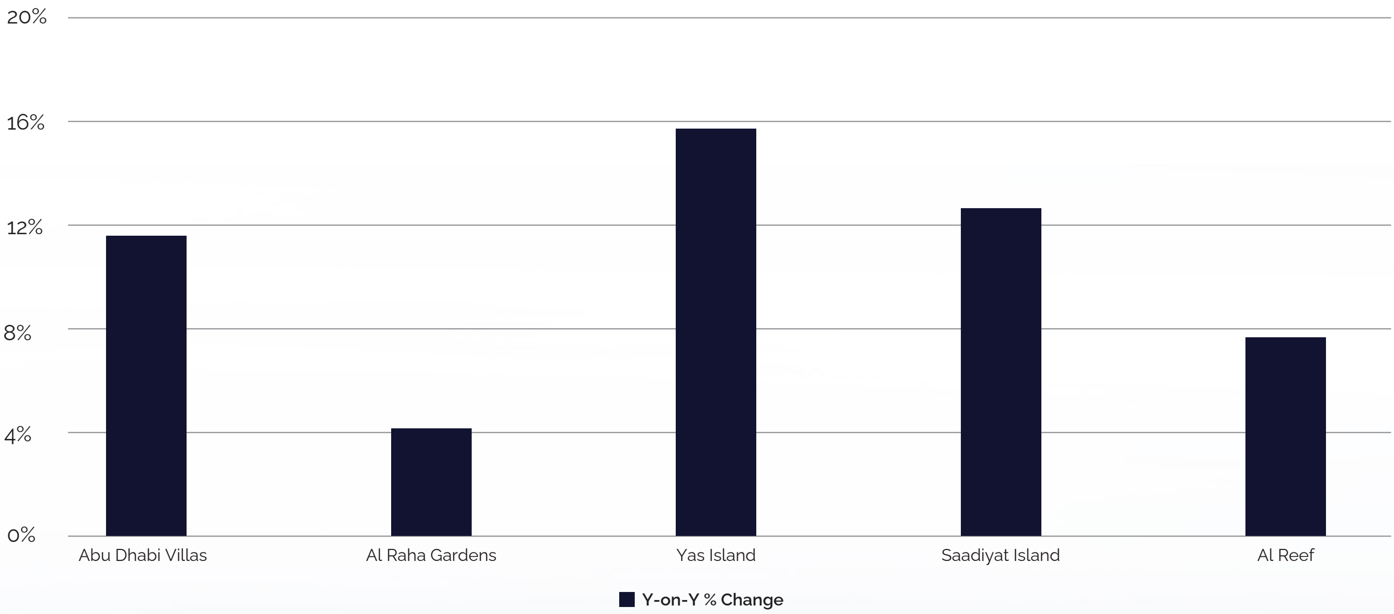
Abu Dhabi Apartment Sales Price Change (%)



Source: Cavendish Maxwell

In terms of villas, sales prices continued to rise in Q3 2025, although the pace of growth remained more moderate compared with apartments. At the citywide level, villa prices increased by 11.8% year on year, reflecting steady demand. However, growth varied across the market, with communities such as Al Reef and Al Raha Gardens recording single digit increases.

Abu Dhabi Villa Sales Price Change (%)

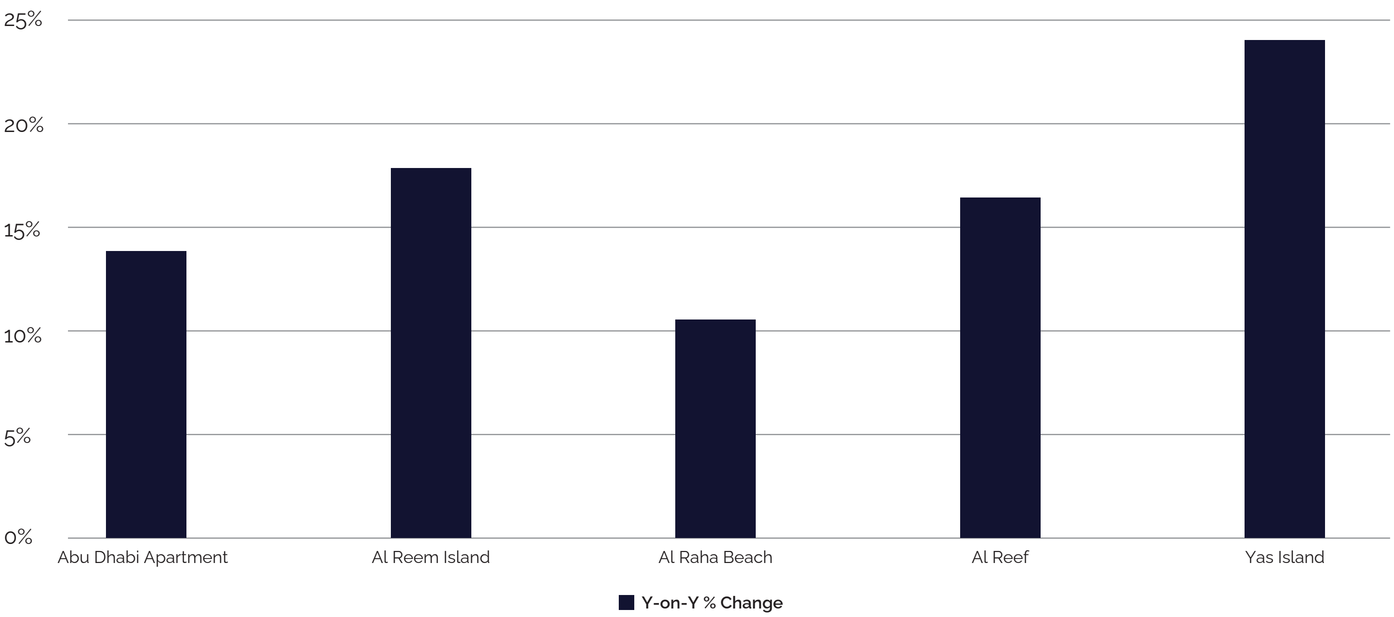


Source: Cavendish Maxwell

Abu Dhabi Rental Rates Change

In Q3 2025, rental rates for apartments in Abu Dhabi continued to rise, recording a citywide year-on-year increase of 14.2%. Strong population growth, particularly among expatriates and the expanding workforce, supported robust rental demand across the Emirate. Although new apartment supply entered the market during the year, high absorption rates kept vacancy levels low, maintaining upward pressure on rents. With supply expected to remain constrained in the near term, rental rates are likely to increase further; however, the pace of growth may vary depending on new supply delivery and evolving tenant preferences.

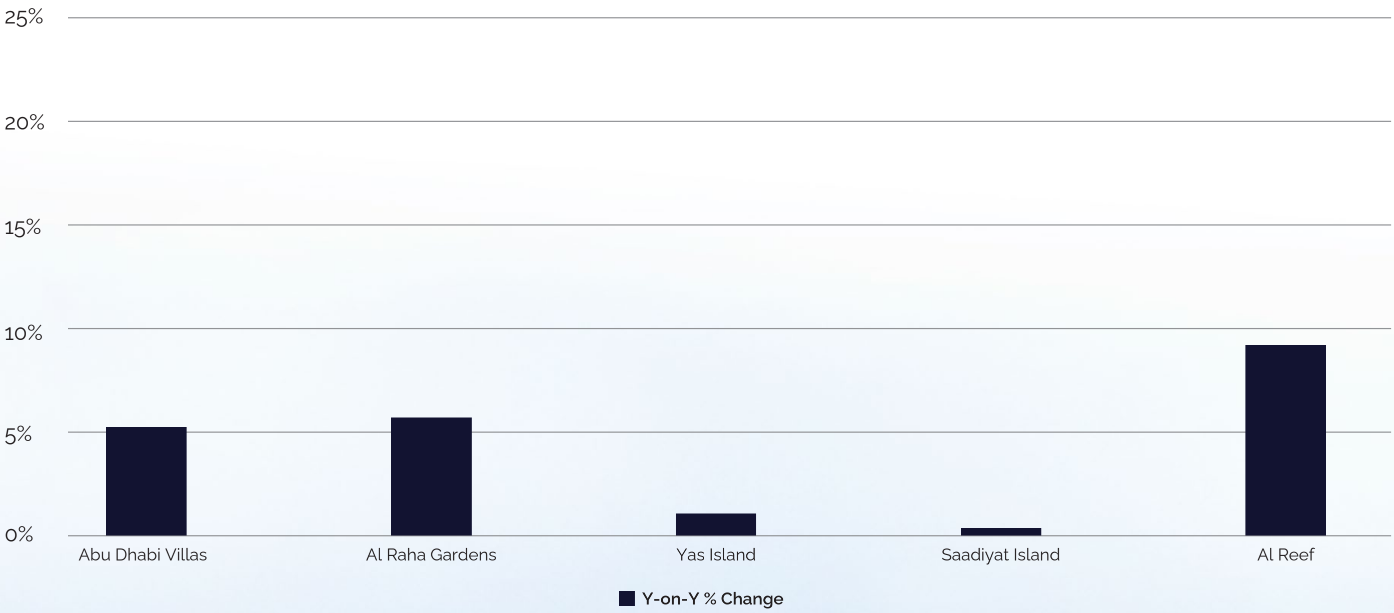
Abu Dhabi Apartment Rental Rate Change (%)



Source: Cavendish Maxwell

Villa rents in Abu Dhabi continued to rise in Q3 2025, although at a more moderate pace than apartments, with a citywide year-on-year increase of 5.1%. Demand for villas remained solid across the Emirate, though performance differed by community. Most areas recorded annual rental growth, while several neighbourhoods saw rents hold largely steady.

Abu Dhabi Villa Rental Rate Change (%)



Source: Cavendish Maxwell

2025 Real Estate Market Outlook

Abu Dhabi City's residential unit sales transactions in Q1 2025 were lower than Q4 2024, due to limited new launches and seasonal factors. Activity then picked up strongly, with residential unit sales volumes reaching their highest recorded level in Q3 2025. Both the off plan and ready segments performed well, although off plan sales remained the main driver of growth. This momentum was supported by two key demand groups: end users seeking long term stability and protection from rising rents, and investors targeting capital appreciation and steady rental income.

In terms of supply, around 2,700 residential units were delivered during the first three quarters of 2025, with a further 8,400 units scheduled for completion in Q4. An additional 12,800 units are expected in 2026, followed by 12,400 units in 2027 and about 21,400 units in 2028. However, based on recent handover trends, actual deliveries may fall short of initial projections. This staggered pattern of completions, which is typical for the Emirate, allows the market to absorb new supply gradually and prevents sudden increases in available stock. Even so, concentrated handovers in specific districts could create short term absorption pressure.

At the same time, the strong sales performance in Q3 2025 may motivate developers to launch new projects to capitalise on the ongoing momentum, which would add to future supply. This highlights the importance of closely monitoring construction timelines, phasing strategies and neighbourhood level demand as Abu Dhabi City's residential market evolves.

Looking ahead, near term demand is expected to remain solid, supported by ongoing population growth and the appeal of newer master planned communities. Given this, sales prices and rental rates are likely to continue rising, although growth will vary across communities.

The surge in off-plan activity—more than doubling year-on-year—underscores that developers are reading the market correctly, while the parallel strength in ready property sales confirms this isn't just about future promises but present value. As we look toward 2026 and beyond, the interplay between phased supply and sustained demand will be critical. Recent announcements of major cultural and hospitality projects on Yas Island and Saadiyat Island are set to inject further momentum, reinforcing confidence in the short- and medium-term outlook. For now, the trajectory is clear: Abu Dhabi has positioned itself as a market where long-term strategy meets short-term opportunity, attracting both buyers and investors.

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