



Cavendish
Maxwell

Abu Dhabi Residential Market Performance

2025

REPORT

Executive Summary

Abu Dhabi's residential real estate market delivered a record-breaking performance in 2025, with transaction volumes and sales values reaching historic highs, reflecting strong buyer demand and heightened investor confidence. Total transaction volumes reached approximately 22,400 deals, up 55% year-on-year, while total sales value climbed to AED 73.2 billion. This performance was driven by robust end-user demand, sustained investor activity, and a wave of new project launches that kept the off-plan segment at the centre of market activity. Apartments dominated the market, accounting for 66.1% of transactions, while villas and townhouses also recorded strong growth, supported by demand from families and high-net-worth individuals seeking larger living spaces.

The off-plan segment continued to lead market activity, accounting for 71% of total transactions, supported by flexible payment plans, competitive developer incentives, and strategic launches across key districts. Ready market activity also remained resilient, supported by population growth, rising rental costs, and a growing shift among tenants towards homeownership.

On the supply side, residential stock continued to expand steadily, with approximately 7,400 units completed in 2025, bringing total supply to around 315,000 units. While approximately 15,900 units are projected for completion in 2026, recent handover trends suggest actual deliveries are likely to be lower, in the range of 6,500–9,000 units. This measured pace of supply delivery is expected to support pricing momentum and help prevent near-term market imbalances.

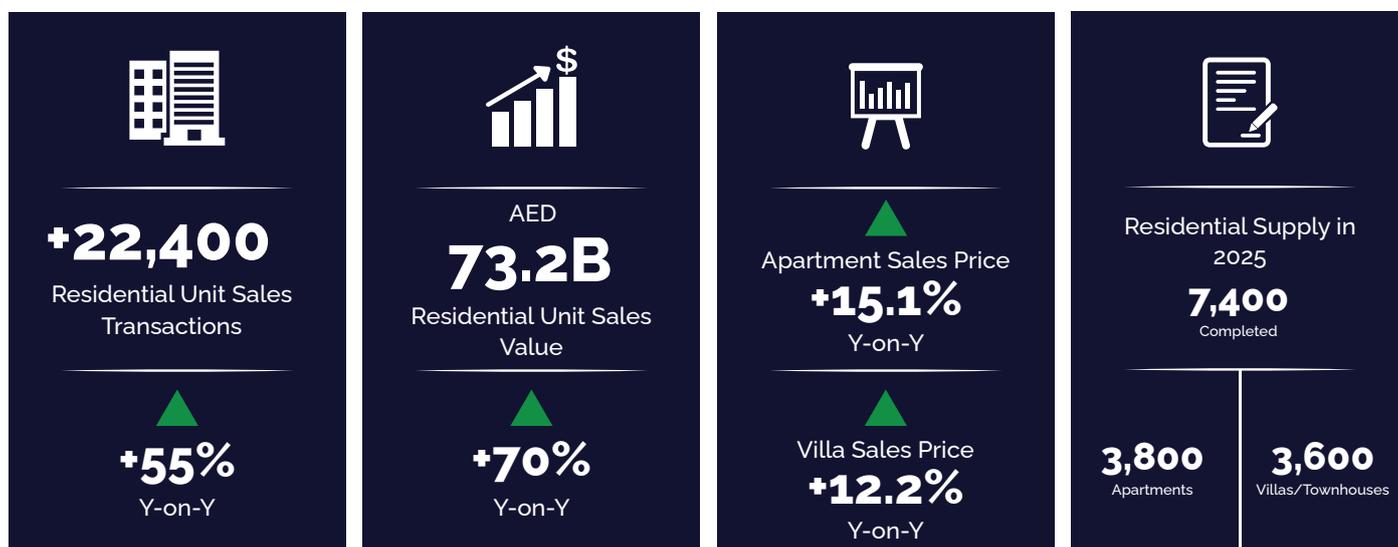
Pricing strength was sustained across both the sales and rental markets. Apartment sales prices increased by 15.1% year-on-year, while villa prices rose by 12.2%, reflecting strong competition for limited stock. Rental growth also remained robust, with apartment rents rising 12.5% and villa rents increasing 5.5%.

Elevated rental levels have further reinforced sales demand, as tenants increasingly viewed homeownership as a more cost-effective long-term option.

Overall, Abu Dhabi's residential market enters 2026 from a position of strength, supported by disciplined supply, strong investor confidence, robust demand drivers, and a supportive macroeconomic backdrop. The market is expected to remain resilient, with sales prices and rental rates 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 2025



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

Macroeconomic Overview and Outlook

Abu Dhabi's economy demonstrated strong momentum through 2025, driven by broad-based expansion across non-oil sectors alongside a stabilising hydrocarbons base. While full-year GDP figures are yet to be officially released by the Statistics Centre – Abu Dhabi (SCAD), the economy is estimated to have expanded between 5% and 6% in 2025, supported by strong growth across tourism, financial services, logistics and technology. The non-oil economy deepened its contribution to overall output, reaching 55.6% of GDP and keeping the Emirate firmly on track toward its target of 64% non-oil share by 2030. At the same time, the Emirate continued to attract strong foreign investor interest, securing 180 greenfield Foreign Direct Investment (FDI) projects worth USD 5.19 billion in 2025, reflecting continued confidence in the Emirate's regulatory environment and long-term growth story.

Consumer prices rose 1.5% year-on-year as of December 2025, reflecting a stable inflation environment. Price pressures were concentrated in essential and services-related categories, including housing, utilities and fuels, furnishings and household maintenance, and insurance and financial services. By contrast, discretionary and consumer-facing segments continued to

experience price moderation, resulting in an inflation profile that remained manageable and broadly supportive of household spending power.

Looking ahead, Abu Dhabi's economic outlook remains firmly positive, with real GDP projected to grow between 5.8% and 6.2% in 2026, placing the Emirate among the stronger performing economies in the region. Growth is expected to be supported by the gradual unwinding of OPEC+ production constraints, ongoing diversification initiatives, major infrastructure investment, and a favourable regulatory environment. Foreign investment is also expected to remain robust, supported by policy stability, transparent governance, and a sophisticated business ecosystem that continues to attract capital across sectors. While the overall outlook remains positive, potential risks including fluctuating oil prices, a slowdown in key trading partner economies, tightening financial conditions, or broader geopolitical uncertainties should be monitored closely, though Abu Dhabi's sovereign buffers, diversified revenue base, and prudent fiscal management are expected to provide meaningful insulation against such shocks.

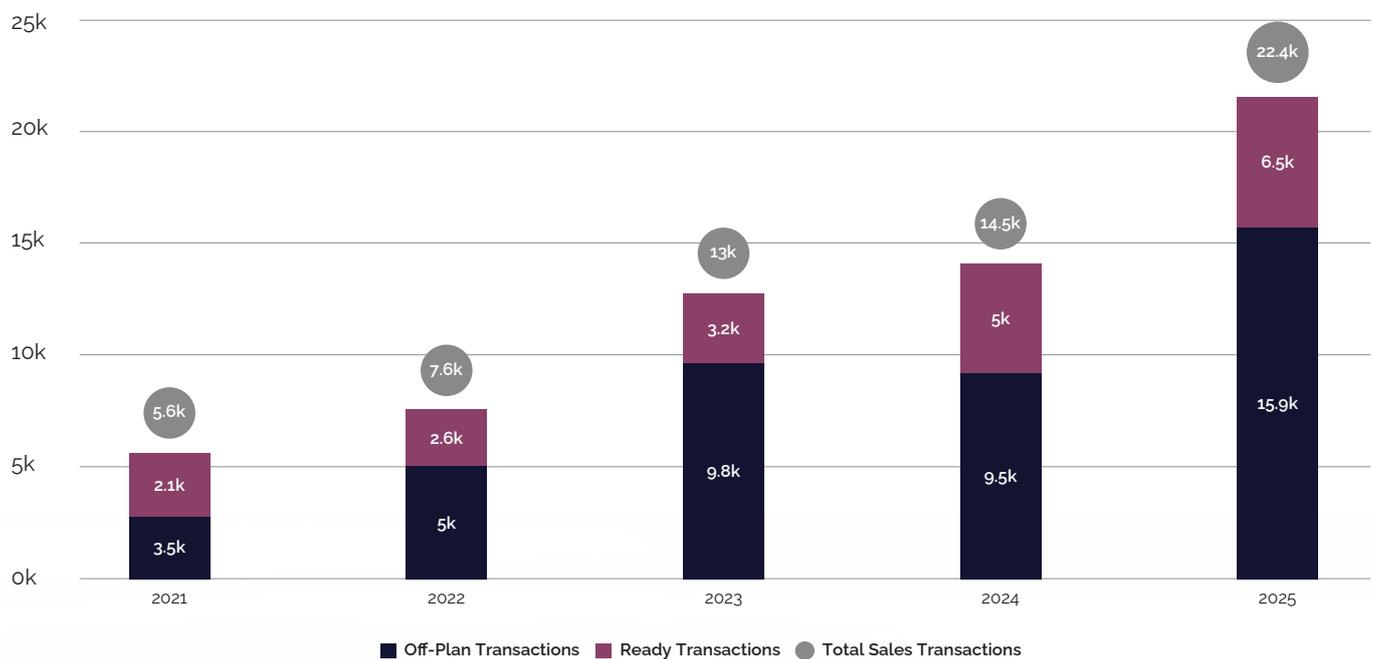
Sales Transactions

Sales Transactions: By Volume

Residential sales activity in Abu Dhabi City strengthened significantly in 2025, with total transactions rising to approximately 22,400, representing a 55% increase compared to 2024. The year recorded the highest transaction volume on record, with particularly robust activity observed during the second half. This growth was primarily driven by the off-plan segment, which recorded 15,900 transactions, up 67.8% from 9,400 in 2024, accounting for approximately 71% of total sales activity during the year. The off-plan segment's performance was fuelled by a wave of new project launches as developers capitalised on strong market sentiment, while attractive payment plans made the segment more accessible to a broader range of buyers.

Ready residential transactions also posted strong growth in 2025, increasing by 30.7% year-on-year to 6,500 transactions compared to 4,900 in 2024. This growth was supported by end-user demand, driven by population growth and a preference for ownership amid tightening rental conditions, as well as continued investor interest in income-generating assets with immediate rental potential.

Abu Dhabi City Unit Sales Transactions - By Volume



Change in Transaction Volume (%)

Y-on-Y

+67.8%

+30.7%

+55%

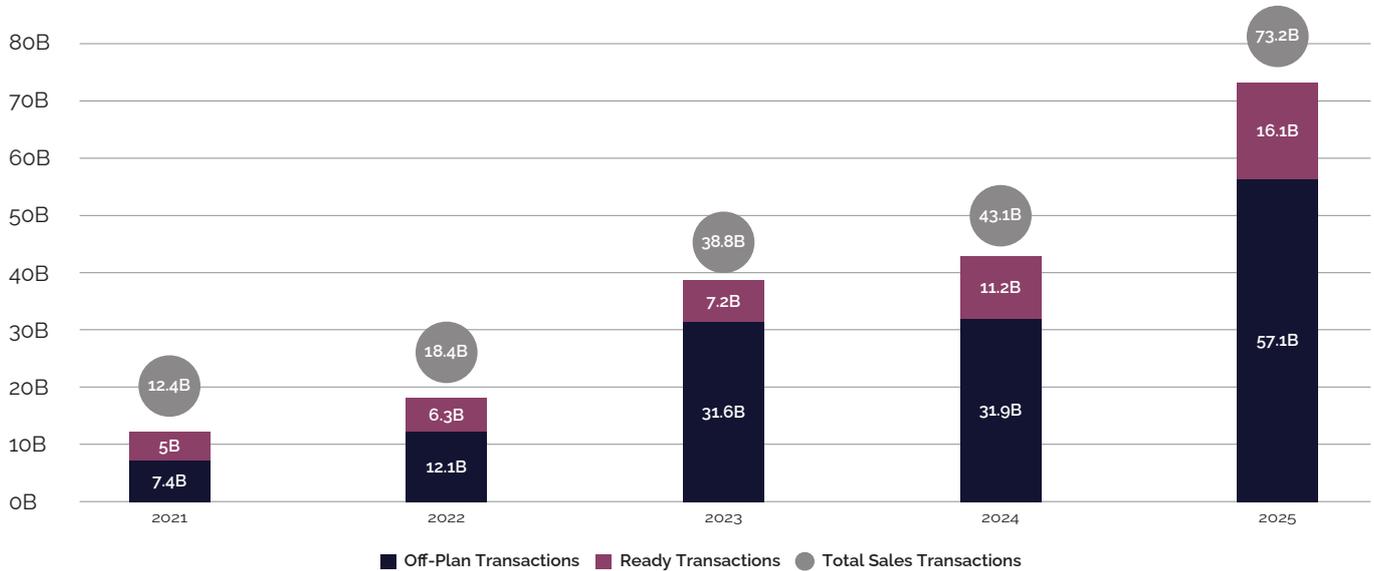
Source: Quanta, Cavendish Maxwell

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

Sales Transactions: By Value

Building on the increase in transaction volumes, residential transactional values in Abu Dhabi City accelerated in 2025, with total sales value reaching approximately AED 73.2 billion, a 70% year-on-year increase compared to 2024. The off-plan segment continued to lead the market, recording AED 57.1 billion in transactions, up 79.1% compared to 2024, while the ready segment also grew, registering AED 16.1 billion in transactions, up 43.8% year-on-year. The stronger growth in transactional value relative to volumes across both segments indicated ongoing price appreciation, reflecting tight market conditions where buyer competition for limited inventory enabled developers and sellers to command higher pricing.

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



Change in Transaction Value (%)

Y-on-Y

+79.1%

+43.8%

+70%

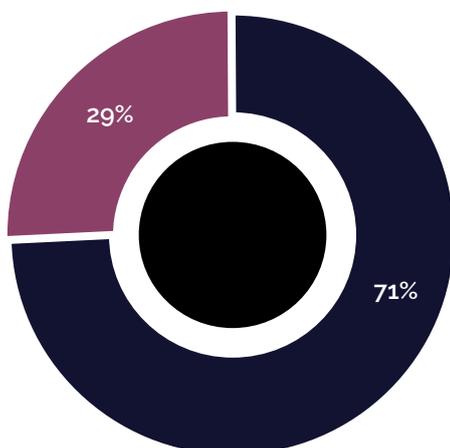
Source: Quanta, Cavendish Maxwell

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

Sales Transactions: Off-Plan vs. Ready Property Transactions

The off-plan segment strengthened its dominance in Abu Dhabi's residential market in 2025, accounting for 71% of total sales activity. After peaking at 75.5% in 2023, the off-plan share moderated to 65.6% in 2024 before rebounding in 2025, highlighting continued demand for the segment. This continued preference for off-plan properties has been driven by flexible payment structures and developer incentives, which have helped make the segment accessible to a broader range of buyers.

Abu Dhabi City Unit Sales by Transaction Type – 2025



Market Share by Transaction Type	2025	Y-on-Y Change in Market Share (%)
Off-Plan Transactions	71%	+5.4%
Ready Transactions	29%	-5.4%

■ Off-Plan Transactions ■ Ready Transactions

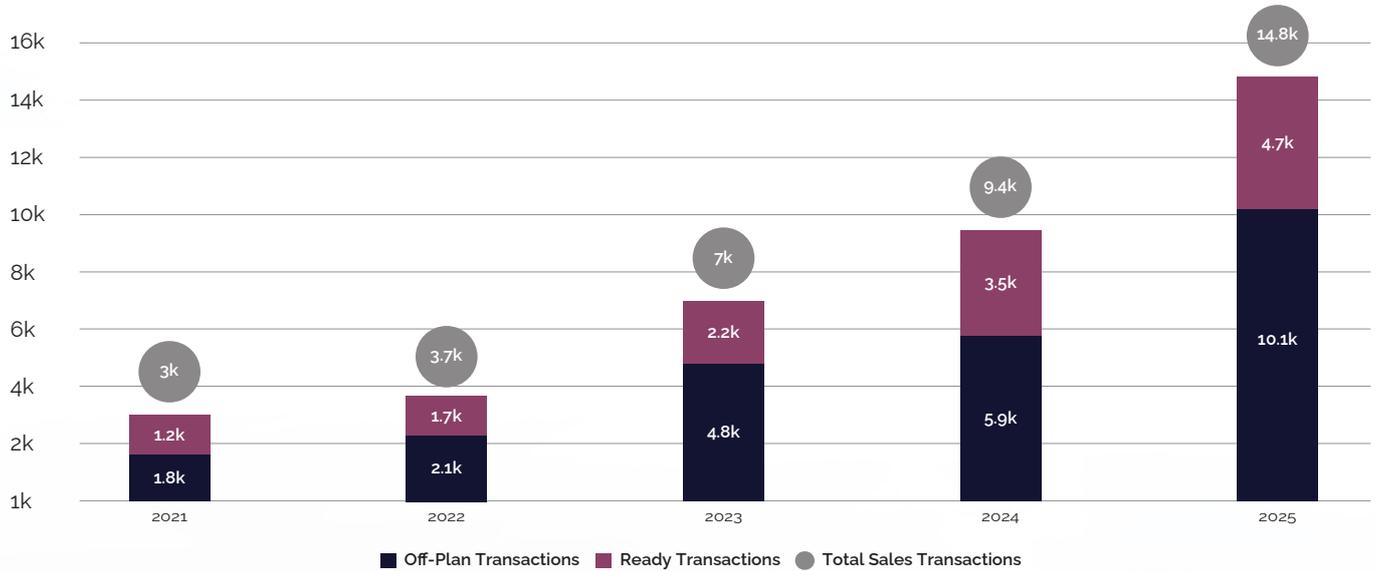
Source: Quanta, Cavendish Maxwell

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Sales Transactions by Property Type: Apartments

Apartments continued to dominate Abu Dhabi City's residential sales market in 2025, with their market share expanding from 64.9% to 66.1%. This dominance was fuelled by robust developer activity, as the majority of new project launches during the year were apartment developments. Transaction volumes reflected this momentum, growing 57.9% year-on-year to around 14,800 deals. Growth was led by off-plan apartments, which surged 70.8% to approximately 10,100 deals, while the ready market also strengthened, increasing 35.7% to nearly 4,700 transactions. This strong performance of the apartment segment was driven by its relative affordability, stronger rental liquidity, and alignment with demand from young professionals and smaller households.

Abu Dhabi City Apartment Transactions - By Volume



Change in Transaction Volume (%)

Y-on-Y

+70.8%

+35.7%

+57.9%

Source: Quanta, Cavendish Maxwell

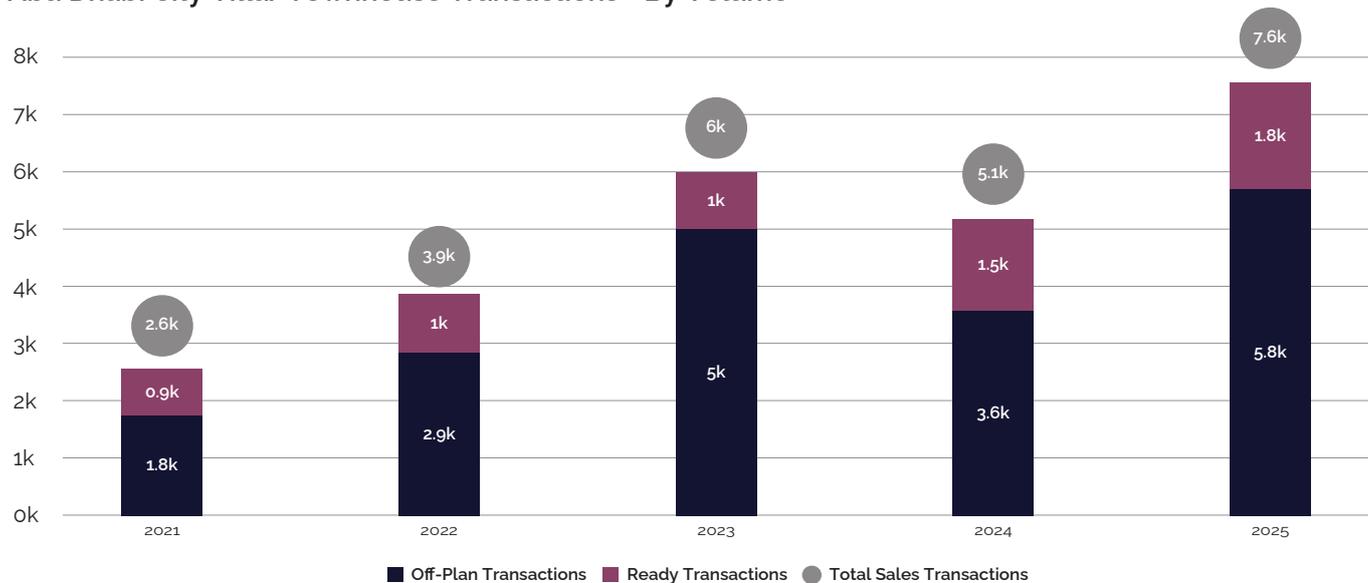
*Apartment sales data excludes transactions involving duplexes and penthouses.



Sales Transactions by Property Type: Villas and Townhouses

While apartments dominated the market, villas and townhouses also showed strong momentum in 2025, with total sales transactions rising 49.7% year-on-year to 7,600 deals. This marked a robust recovery after the slowdown in 2024. Off-plan sales led the rebound, climbing 62.7% to around 5,800 transactions, while the ready market grew 19.2% to 1,800 deals. This growth was fuelled by demand from families and high-net-worth individuals seeking larger living spaces with private outdoor spaces.

Abu Dhabi City Villa/Townhouse Transactions - By Volume



Change in Transaction Volume (%)

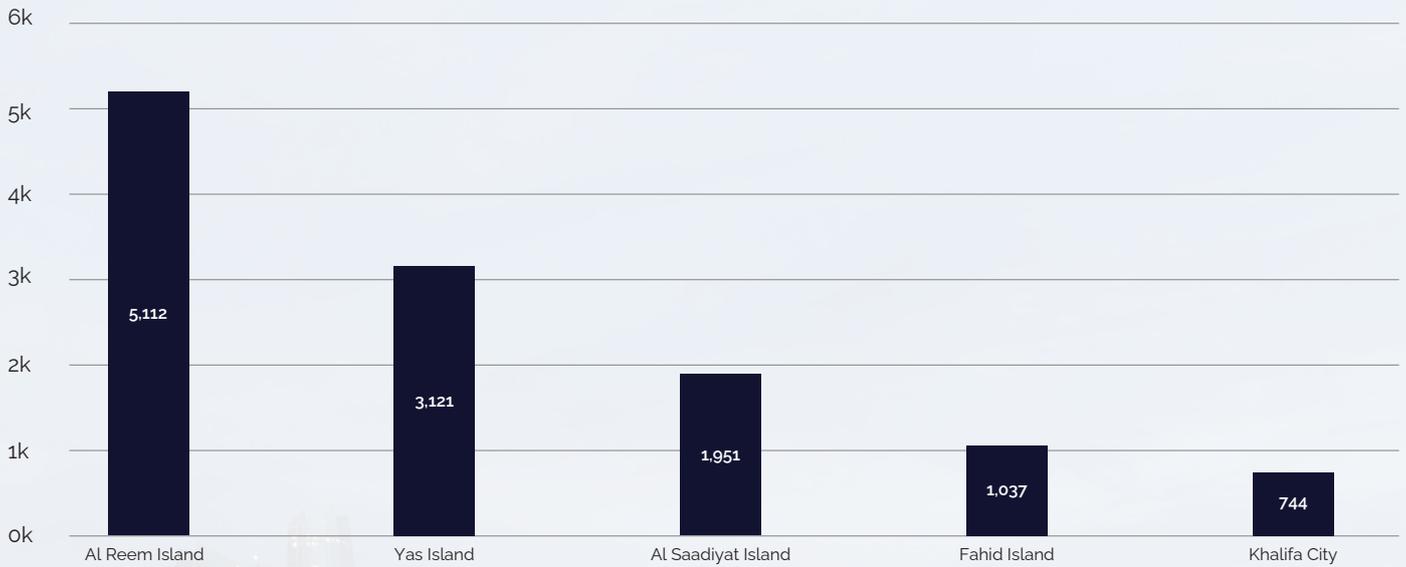


Source: Quanta, Cavendish Maxwell

Sales Transactions by District

Al Reem Island continued to dominate the apartment market, recording approximately 5,100 transactions in 2025, marking a 74.4% increase compared to the previous year. Fahid Island emerged as a notable new contributor to market activity, registering around 1,000 apartment transactions following the launch of several new residential projects. Collectively, the top four districts, Al Reem Island, Yas Island, Al Saadiyat Island, and Fahid Island, accounted for 75.6% of total apartment transactions. Meanwhile, Al Bahyah and Al Hidayriyyat led villa and townhouse sales activity in 2025, together accounting for 48.2% of total villa and townhouse transactions.

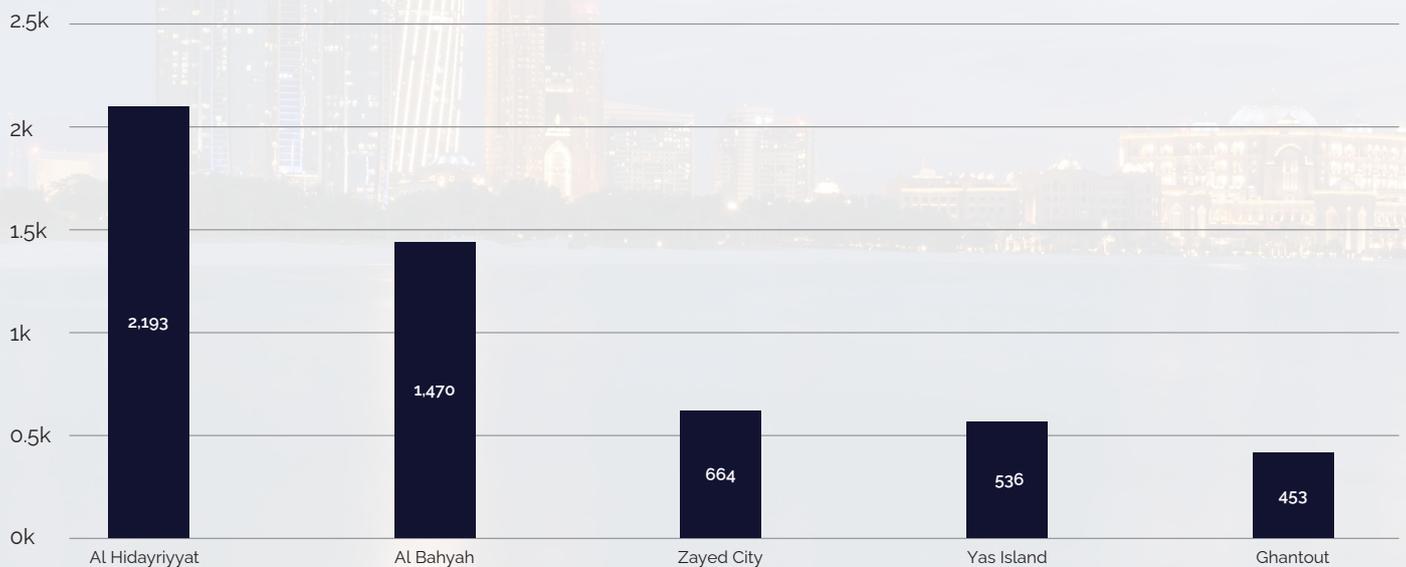
Abu Dhabi City Transactions by Volume: Top 5 Districts – Apartments



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

Sales Transactions: Top Real Estate Developers by Transactional Volume

Aldar Properties retained its position as the leading developer in 2025, recording around 5,300 transactions and commanding a 32.4% share of total developer activity. Modon demonstrated the strongest growth, surging from 485 transactions in 2024 to 2,700 in 2025, capturing a 16.8% market share. Reportage Properties also posted strong growth, more than tripling its transactions from 400 to 1,300, accounting for 8.1% of total activity. Bloom Holding and Radiant Real Estate rounded out the top five, with 4.8% and 4.5% market shares, respectively.

Top 5 Real Estate Developers by Transactional Volume (Primary Sale)

Developers	Rank 2025	Rank 2024	Rank change from 2024
Aldar Properties	1	1	0
Modon	2	4	+2 ▲
Reportage Properties	3	6	+3 ▲
Bloom Holding	4	2	-2 ▼
Radiant Real Estate	5	3	-2 ▼

Source: Quanta, Cavendish Maxwell

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



The strength of off-plan and ready transactions in parallel indicates a broad market base. This balance is important because it shows that growth is sustainable across segments, not concentrated in one.

Andrew Laver

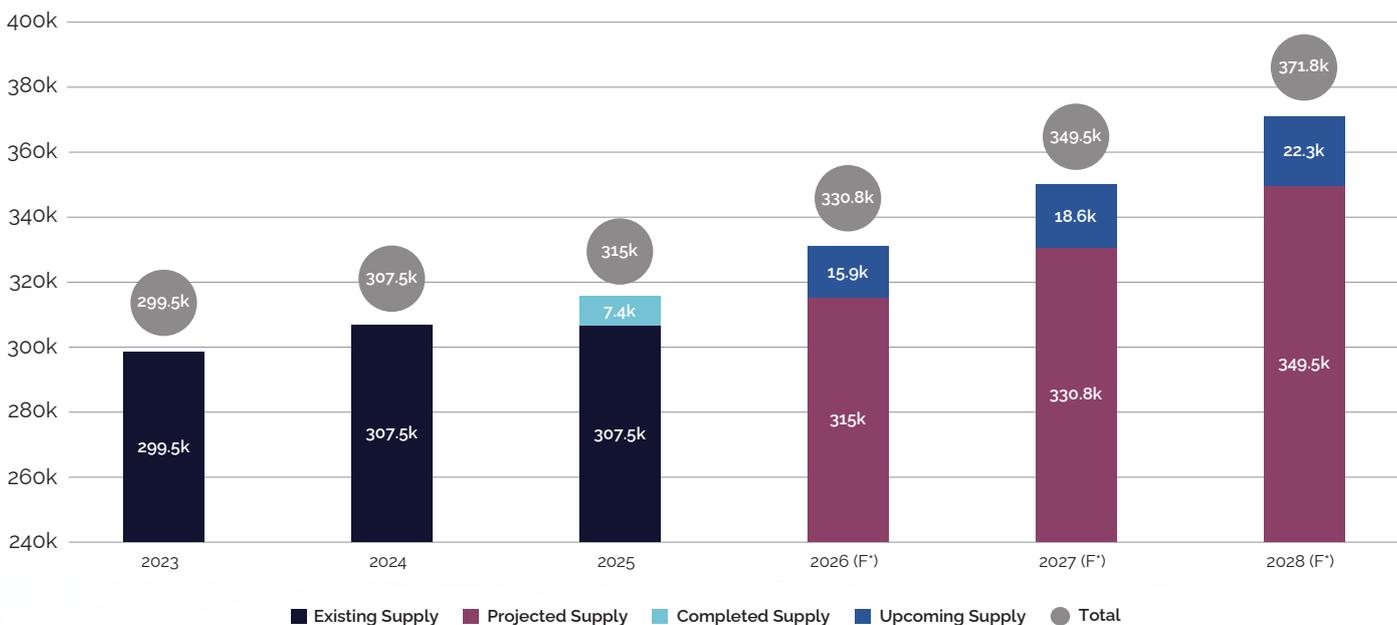
Director, Commercial Valuation - Abu Dhabi



Existing and Future Supply

Abu Dhabi City's residential supply has followed a steady upward trajectory, with approximately 7,400 units completed in 2025, bringing total residential stock to around 315,000 units, a 2.4% increase compared to 2024. Looking ahead, the pipeline remains robust, with 15,900 units projected for completion in 2026, followed by 18,600 units in 2027 and 22,300 units in 2028, pushing total supply to approximately 371,800 units by the end of 2028. This accelerating delivery pipeline was a direct response to the significant surge in transaction activity observed in recent years, as developers have ramped up project launches to meet growing demand. However, recent handover trends suggest that actual deliveries may fall short of initial projections, making the pace of completions relative to demand a key factor in shaping market dynamics over the coming years. While the pipeline reflects strong developer confidence, actual completions will ultimately determine whether the market maintains its current pricing momentum or begins to moderate.

Abu Dhabi Supply - Number of Units



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

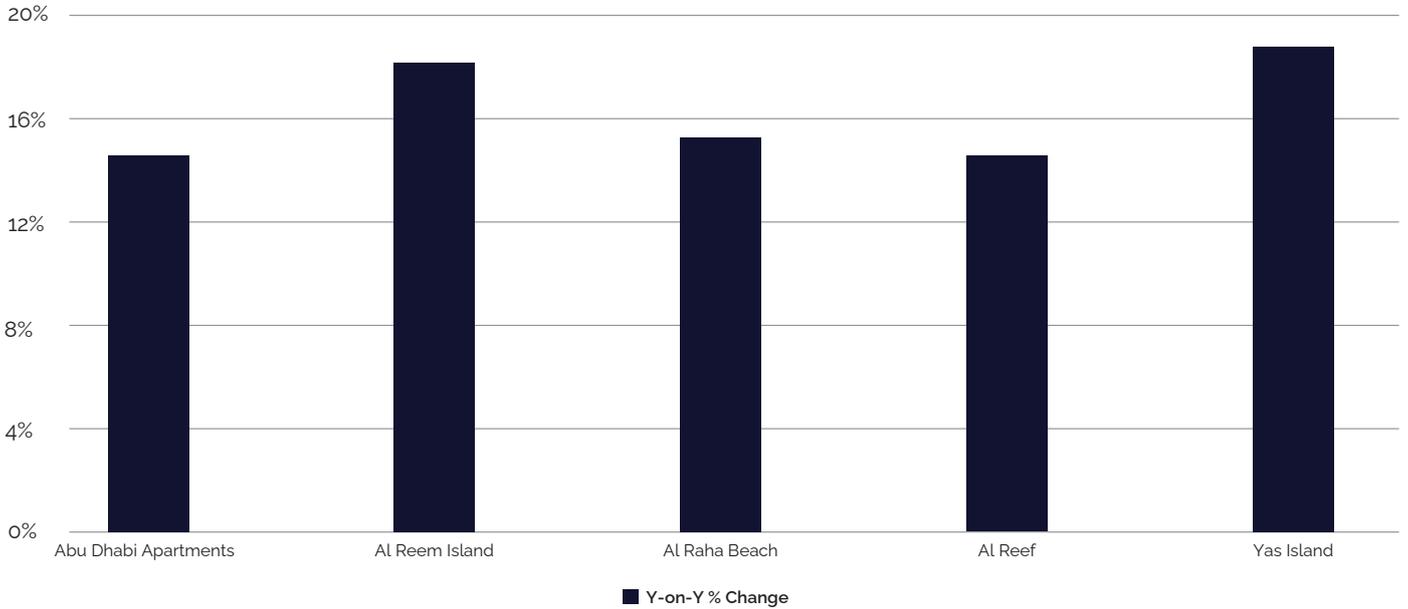
*The projected supply is based on the information available at the time of preparing the report and may differ from other projections. It is subject to revision as additional details, including changes in project completion dates, become available in the future.



Sales Price Change

Apartment sales prices in Abu Dhabi continued their upward trajectory in 2025, rising 15.1% year-on-year, accelerating from the 10.9% growth recorded in 2024. This strong price performance was driven by a broadening buyer base, as owner-occupiers seeking affordable homeownership amid rising rental costs and investors attracted by strong rental yields and capital appreciation potential pushed transaction volumes to record levels, translating into continued upward pressure on prices.

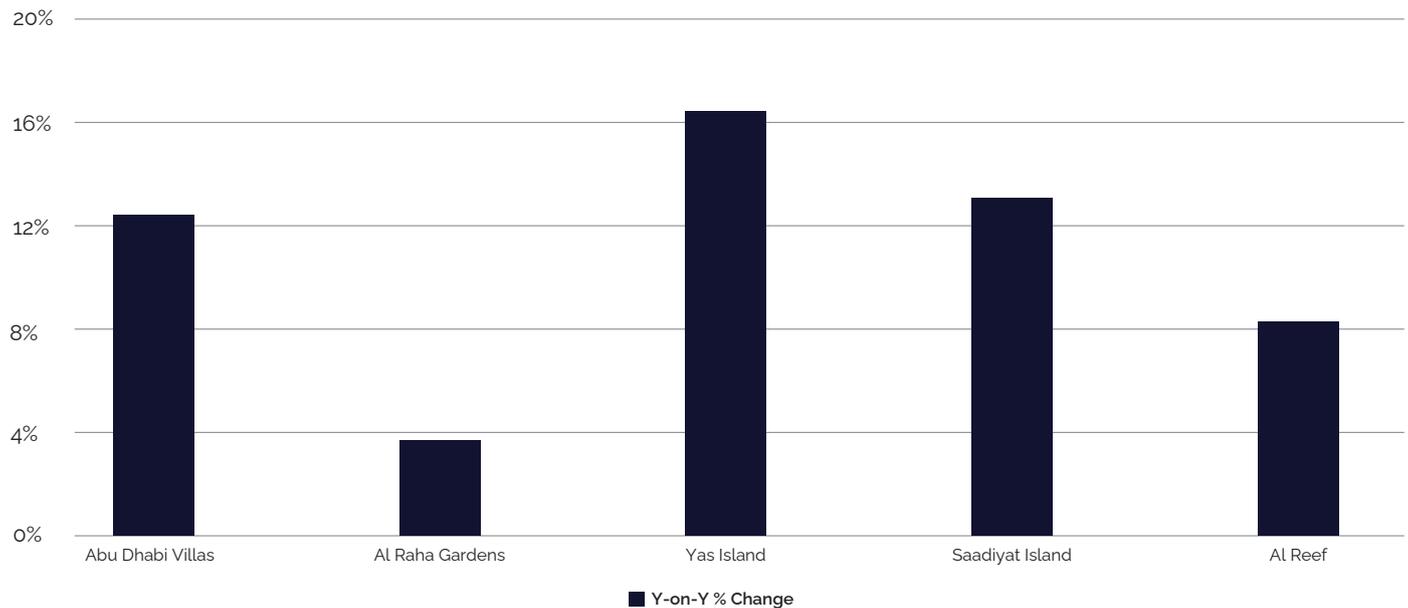
Apartment Sales Price Change (%)



Source: Cavendish Maxwell

Villa sales prices in Abu Dhabi grew 12.2% year-on-year in 2025, slightly accelerating from 11.6% in 2024, driven by a combination of end-user and investor demand. While investor activity remained present, owner-occupier demand was notably stronger in the villa market compared to apartments. This trend has been shaped largely by the post-pandemic shift in lifestyle priorities, with buyers increasingly seeking larger living spaces, community-focused environments, and access to outdoor areas.

Villa Sales Price Change (%)

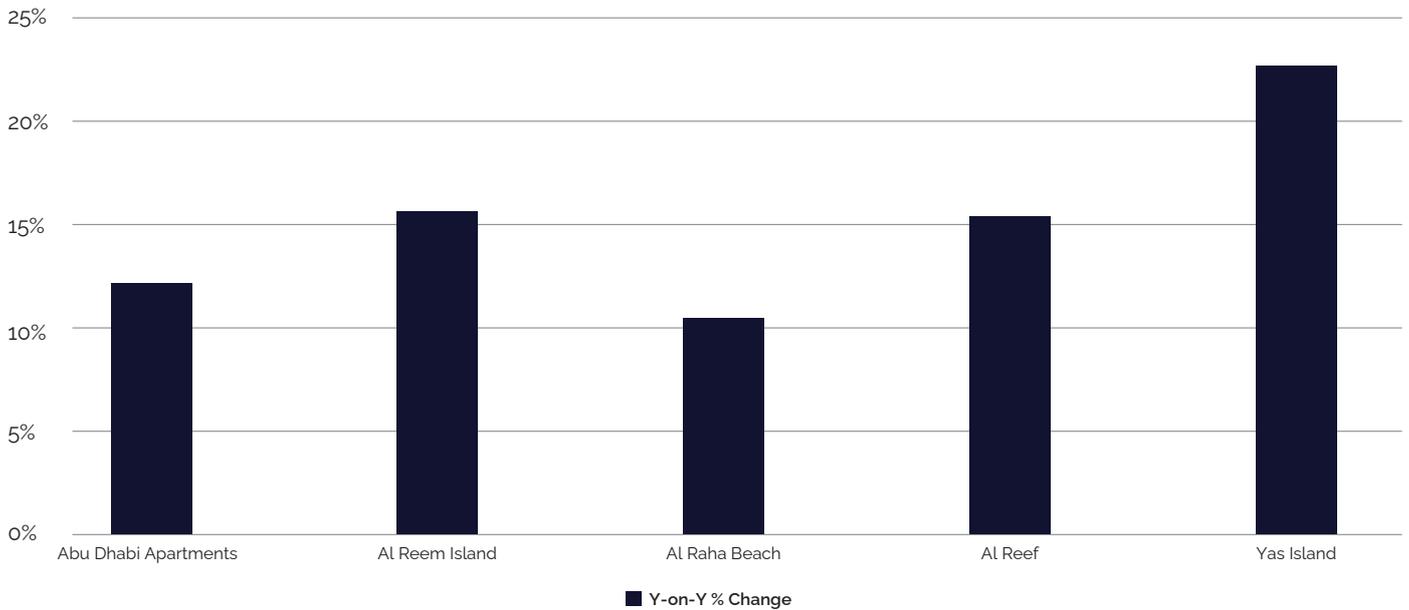


Source: Cavendish Maxwell

Rental Rates Change

Apartment rental rates in Abu Dhabi rose 12.5% year-on-year in 2025, broadly in line with the 12.3% growth recorded in 2024. The upward pressure on rents was driven by a growing resident population and expanding employment opportunities that continued to draw professionals to the capital, keeping vacancy levels low and competition for quality units high. At the same time, rising rents had a knock-on effect on the sales market, as tenants facing escalating rental costs increasingly explored homeownership as a more cost-effective long-term alternative.

Apartment Rental Rate Change (%)



Source: Cavendish Maxwell

Villa rents in Abu Dhabi continued to rise in 2025, albeit at a more measured pace than apartments, recording a 5.5% year-on-year increase at the citywide level. Demand for villas remained resilient across the Emirate, although performance varied by community. While most areas registered annual rental growth, rents in several neighbourhoods remained broadly stable, as higher rental levels in some communities encouraged tenants to consider homeownership, and new supply in certain areas helped balance the market.

Villa Rental Rate Change (%)



Source: Cavendish Maxwell



2026 Real Estate Market Outlook

Abu Dhabi's residential real estate market enters 2026 from a position of considerable strength, following a record-breaking 2025 in which total transaction volumes reached 22,400 deals, up 55% year-on-year, while total sales value climbed to AED 73.2 billion. This exceptional performance was driven by strong buyer demand, and a wave of new project launches that kept the off-plan segment at the heart of market activity. Moving ahead, transaction activity is expected to remain elevated in 2026, with the off-plan segment continuing to lead the market, supported by flexible payment structures, competitive developer incentives, and new project launches across key districts. The ready market is also expected to remain active, as the ongoing shift from renting to owning encourages more tenants to consider homeownership amid persistently rising rental costs.

On the supply side, approximately 15,900 units are projected for completion in 2026, a significant increase from the 7,000 units delivered in 2025. However, based on recent handover trends, actual completions are likely to fall short of projections, with realistic delivery estimates closer to 6,500–9,000 units. This supply discipline, whether by design or constrained by construction timelines, is expected to be a key factor in sustaining pricing momentum and avoiding short-term market imbalances.

At the same time, several structural factors are expected to support robust housing demand beyond 2026. Population growth, continued talent inflows, business-friendly visa policies, and expanding employment across various sectors will reinforce demand across both sales and rental segments. Long-term residency initiatives, including the Golden Visa programme, are also expected to broaden the buyer base by attracting high-net-worth individuals and professionals seeking stable, long-term ties to the Emirate.

While the overall outlook for 2026 remains positive, several factors warrant monitoring. Any fluctuations in global oil prices could affect fiscal spending and business confidence, with indirect implications for employment and housing demand. Similarly, an acceleration in residential supply deliveries beyond current projections, particularly if concentrated in specific

districts, could place localised pressure on prices and alter the existing supply-demand balance. More broadly, tightening global financial conditions, slower growth in key trading partner economies, or escalating geopolitical tensions could moderate investor sentiment and transaction activity. While none of these risks are expected to derail the market individually, their combined impact warrants careful monitoring to ensure growth remains sustainable and balanced.

Taking these factors into account, Abu Dhabi's residential market is expected to enter 2026 from a position of strength. Supply discipline, strong investor confidence, and a supportive macroeconomic backdrop support market resilience and help mitigate external shocks. While potential risks should continue to be monitored, the likelihood of a broad market correction remains relatively low, supporting the outlook for sustainable growth throughout the year.

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