



Dubai Residential

Rents and Sensibility

Examining the Rental Market Over the Last Year

Executive Summary

– Rental Volumes

Recent trends in Dubai's residential rental market reveal a consistent and broad-based decline in rental volumes across both mid-market and prime communities. While initial signs of softening demand appeared in areas like Dubai Land Residence Complex (DLRC) and Arjan—with year-on-year declines of up to 10.6%—the trend has clearly extended into traditionally resilient prime areas. Business Bay and Palm Jumeirah, for instance, have experienced sharp contractions in renewed rental activity, with the latter down over 50% from peak levels. Even high-demand localities such as Downtown Dubai and Dubai Hills Estate have not been immune, reflecting a market-wide tapering in rental demand that goes beyond seasonal or community-specific effects.

– Rental Rates

Rental rates across Dubai are showing signs of gradual correction, with several communities experiencing year-on-year declines—particularly in new leases. Villa districts such as The Springs, The Lakes, and Jumeirah Park have seen rates fall by 5% to 11% over the past year, with steeper drops of up to 22% when measured from recent peaks in early 2025. Meanwhile, apartment communities like The Views have also witnessed more modest rate softening. In Dubai Silicon Oasis, renewed rentals have declined significantly despite higher leasing activity, suggesting that rising volume is being driven by rate concessions. The overall trend points to growing pricing resistance among tenants, especially in communities that saw sharp post-COVID rental surges.

– Rental Indices

Rental index movements across Dubai signal a gradual but broad-based softening in market sentiment. Communities like The Views and Dubai Hills have recorded modest declines in index values over the past year (ranging from 1.75% to 2.23%), while other areas such as Green Community and The Lakes have seen more pronounced drops of up to 7%. In several cases, the rate of decline has accelerated in the last six months, most notably in Jumeirah Village Triangle and The Lakes, where index values have fallen over 10% and 14% respectively. These shifts suggest that downward pricing pressure is increasingly being reflected in formal indexation metrics, not just in transactional data.



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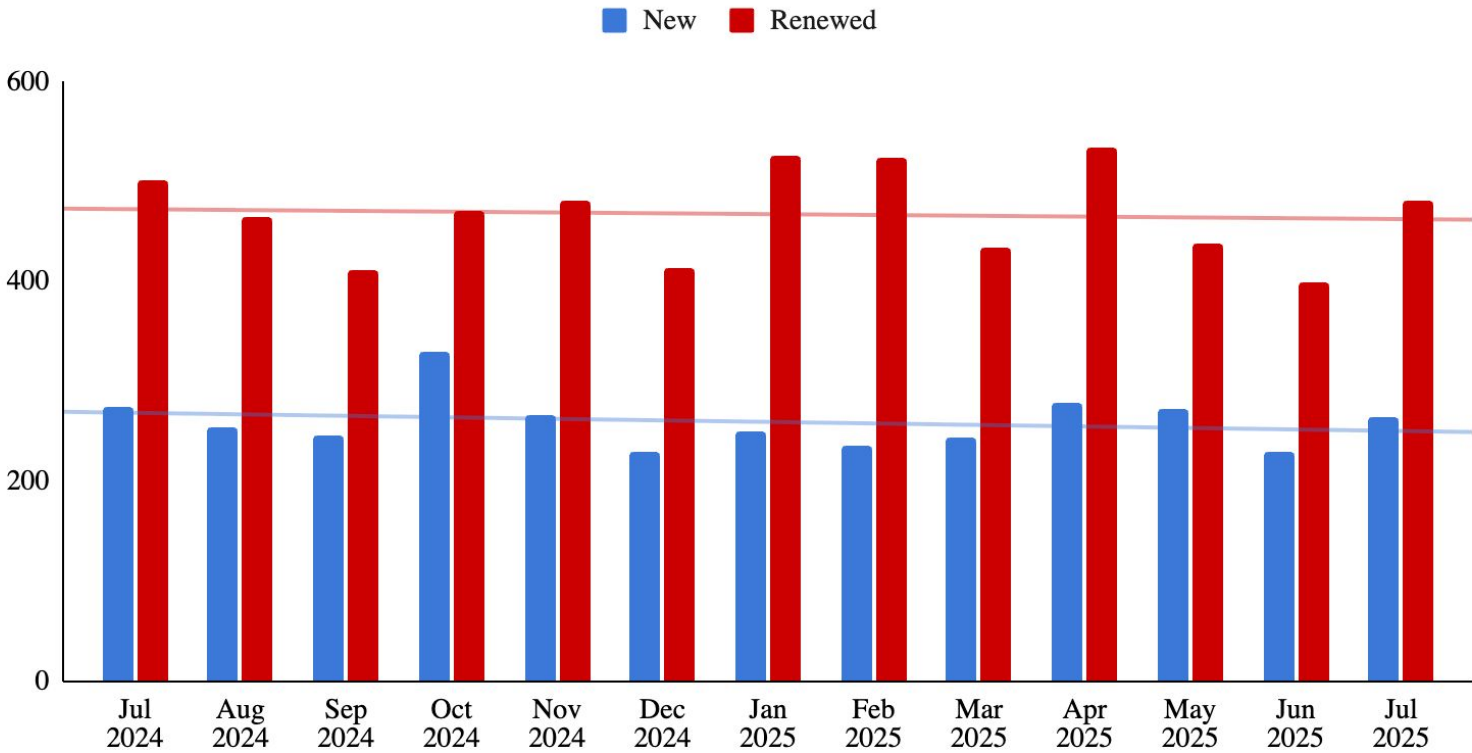
Rental Volumes

“Until the lion learns how to write, every story will glorify the hunter.”

– African Proverb

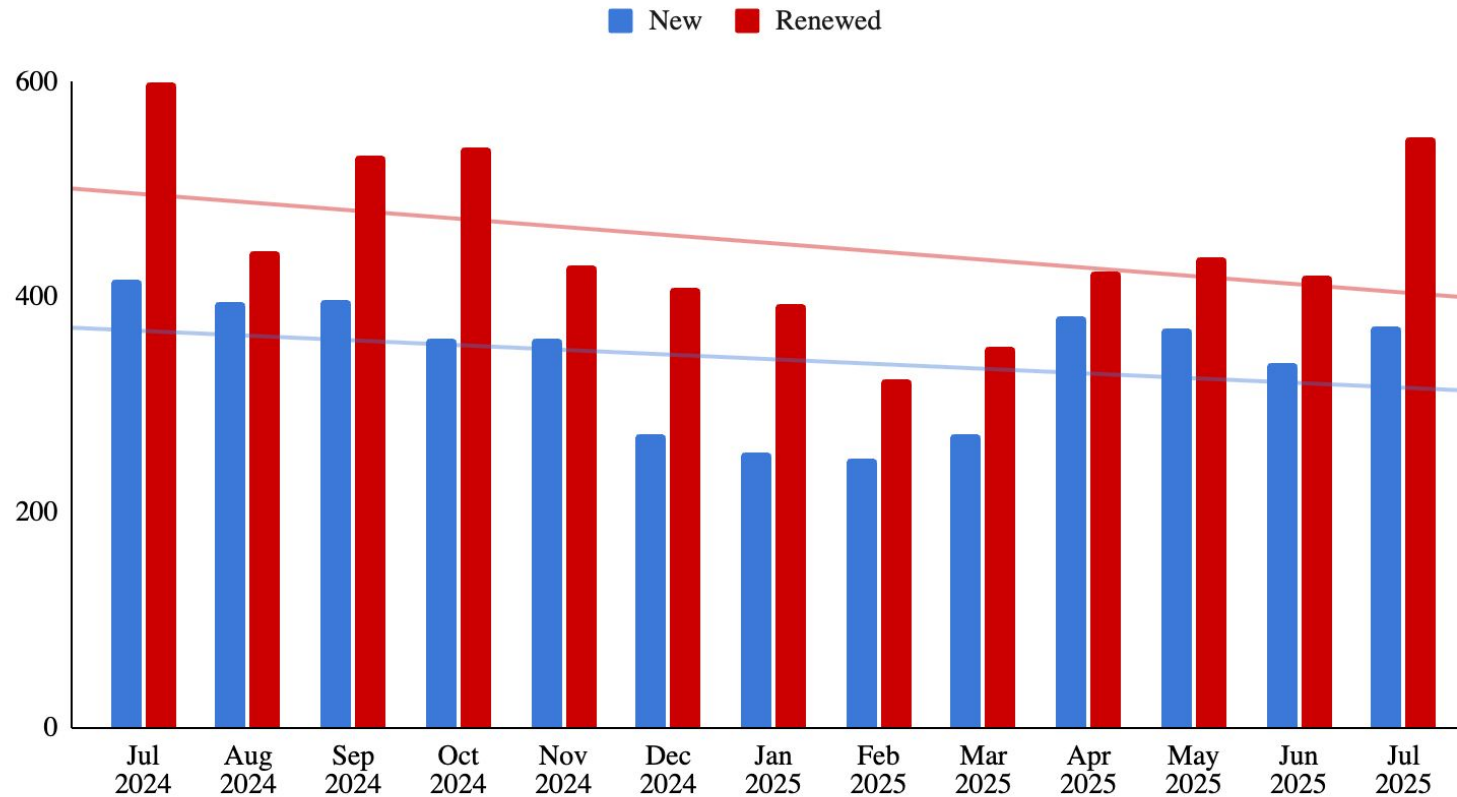


Dubai Land Residence Complex New & Renewed Rent Volume (Jul 2024 - Jul 2025)



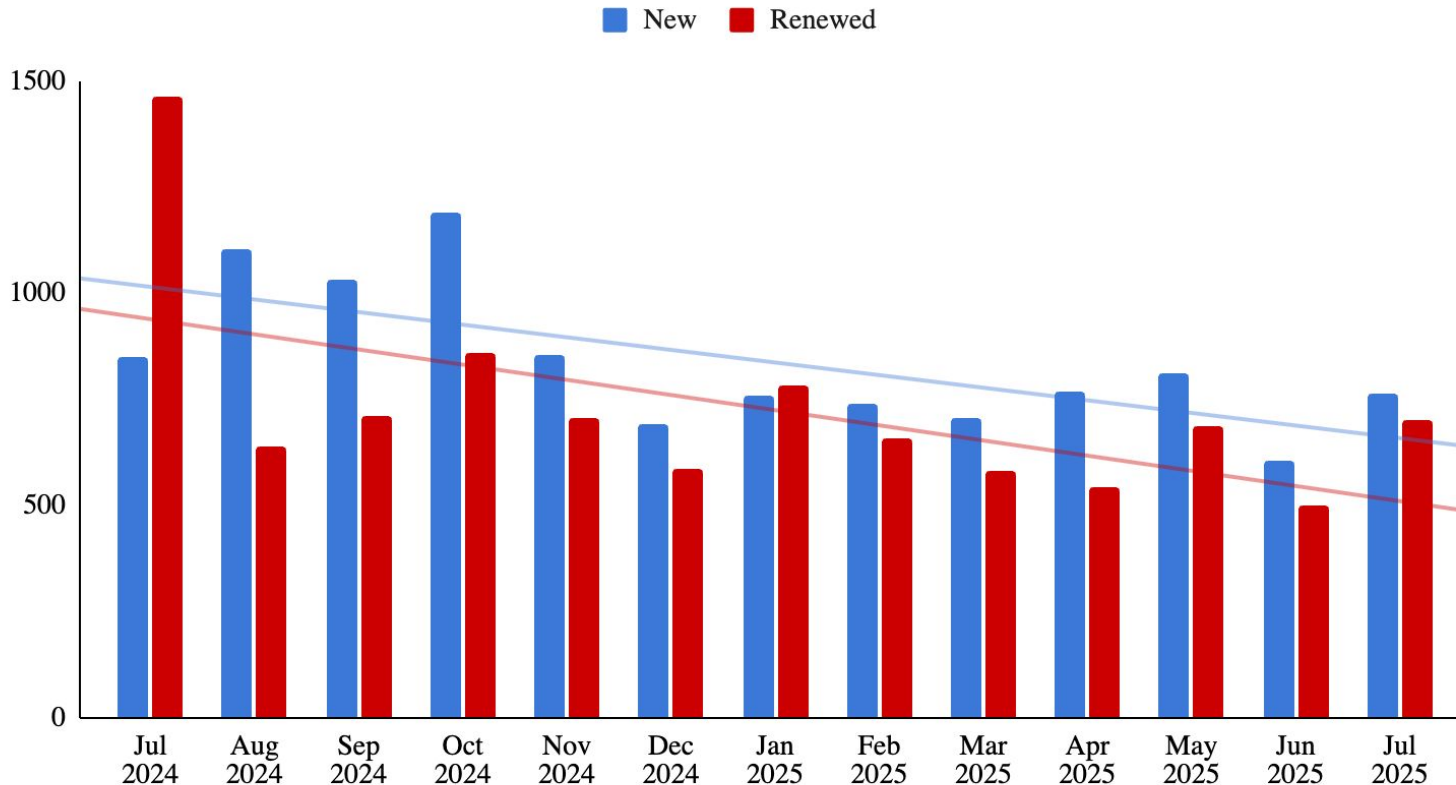
As seen in the chart above, the overall trend in both new and renewed rentals in Dubai Land Residence Complex (DLRC) has been declining over the past year. Although slight in magnitude - both new and renewed rentals are down 4% YoY - the sample size of a year is significant enough to establish a clear pattern (that pattern being a general decline in demand for rentals in DLRC).

Arjan New & Renewed Rent Volume (Jul 2024 - Jul 2025)



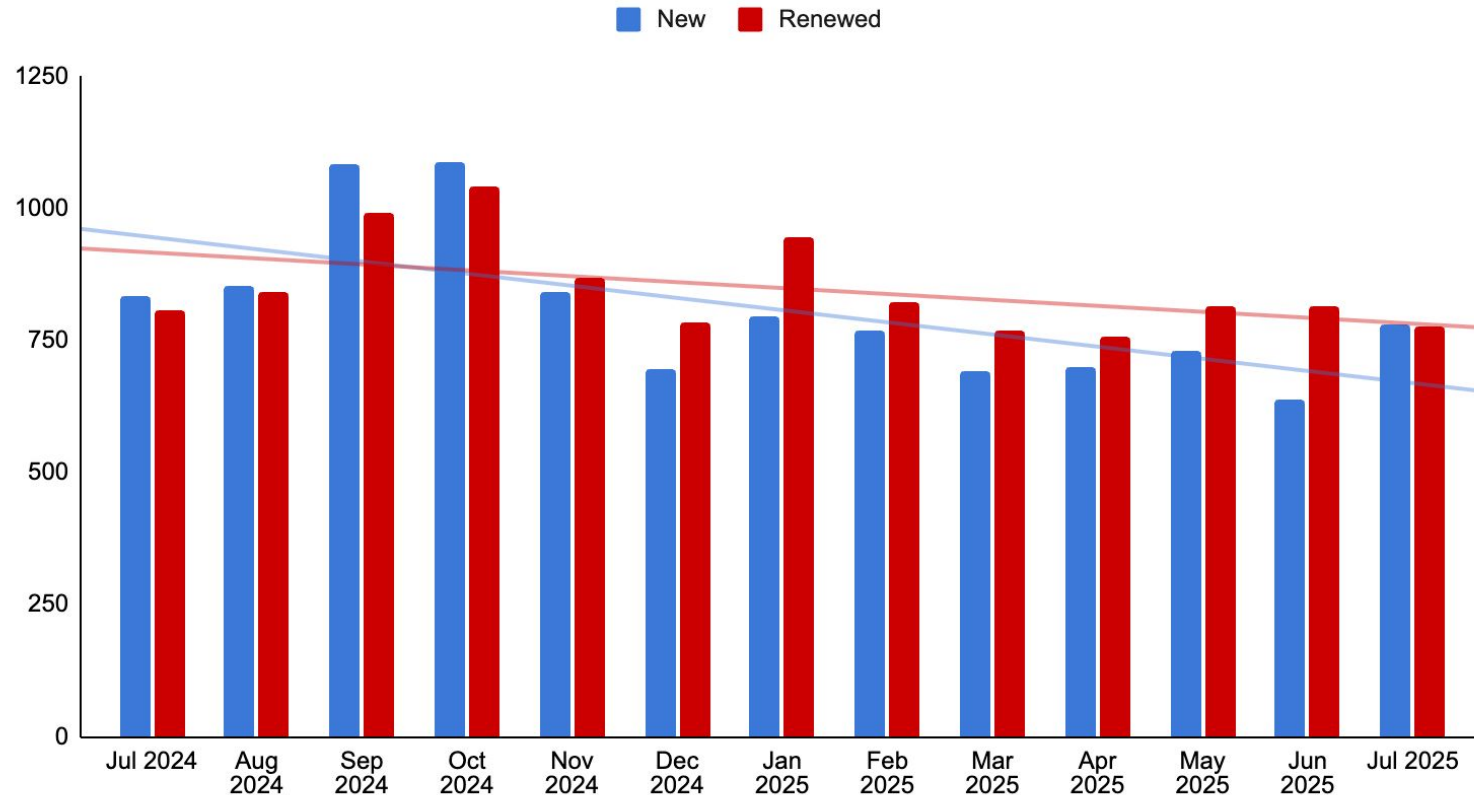
A similar pattern is evident in Arjan, another mid market community – except to a much larger extent (which is evident from the slope of the trendlines above). Over the past year, new rentals are down 10.6%, while renewals are down 8.5%, highlighting that the decline in demand is not a phenomenon that can be localized solely to DLRC.

Business Bay New & Renewed Rent Volume (Jul 2024 - Jul 2025)



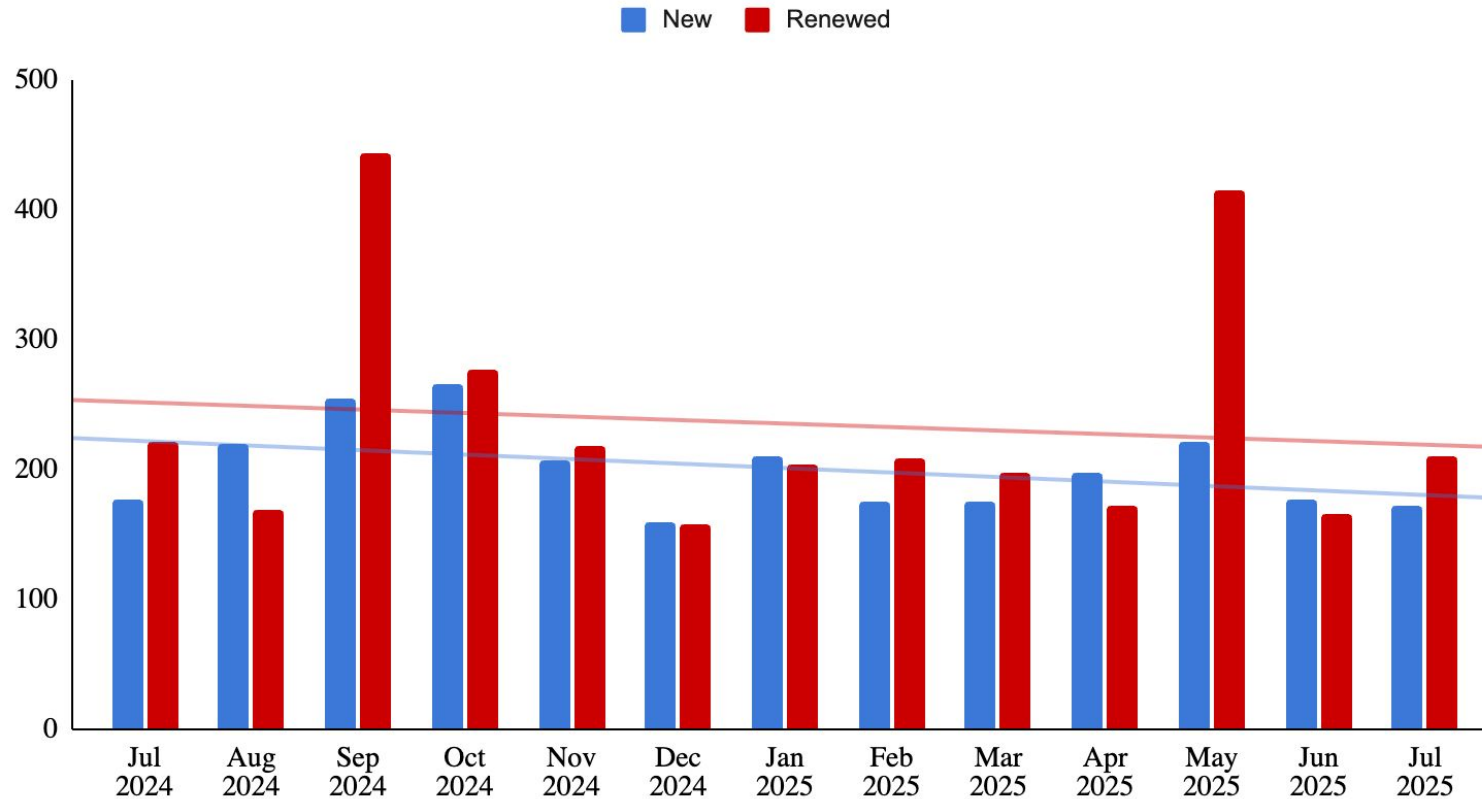
One might naturally conclude from the preceding two examples that perhaps the decline in rental demand can be attributed to mid market communities alone - except this too is evidently false. As seen above, rental volume has dropped sharply in Business Bay as well - an indisputably luxury and prime locale - to the tune of 10.1% for new rentals and a staggering 52% in renewed rentals on a year-on-year basis.

Dubai Marina New & Renewed Rent Volume (Jul 2024 - Jul 2025)



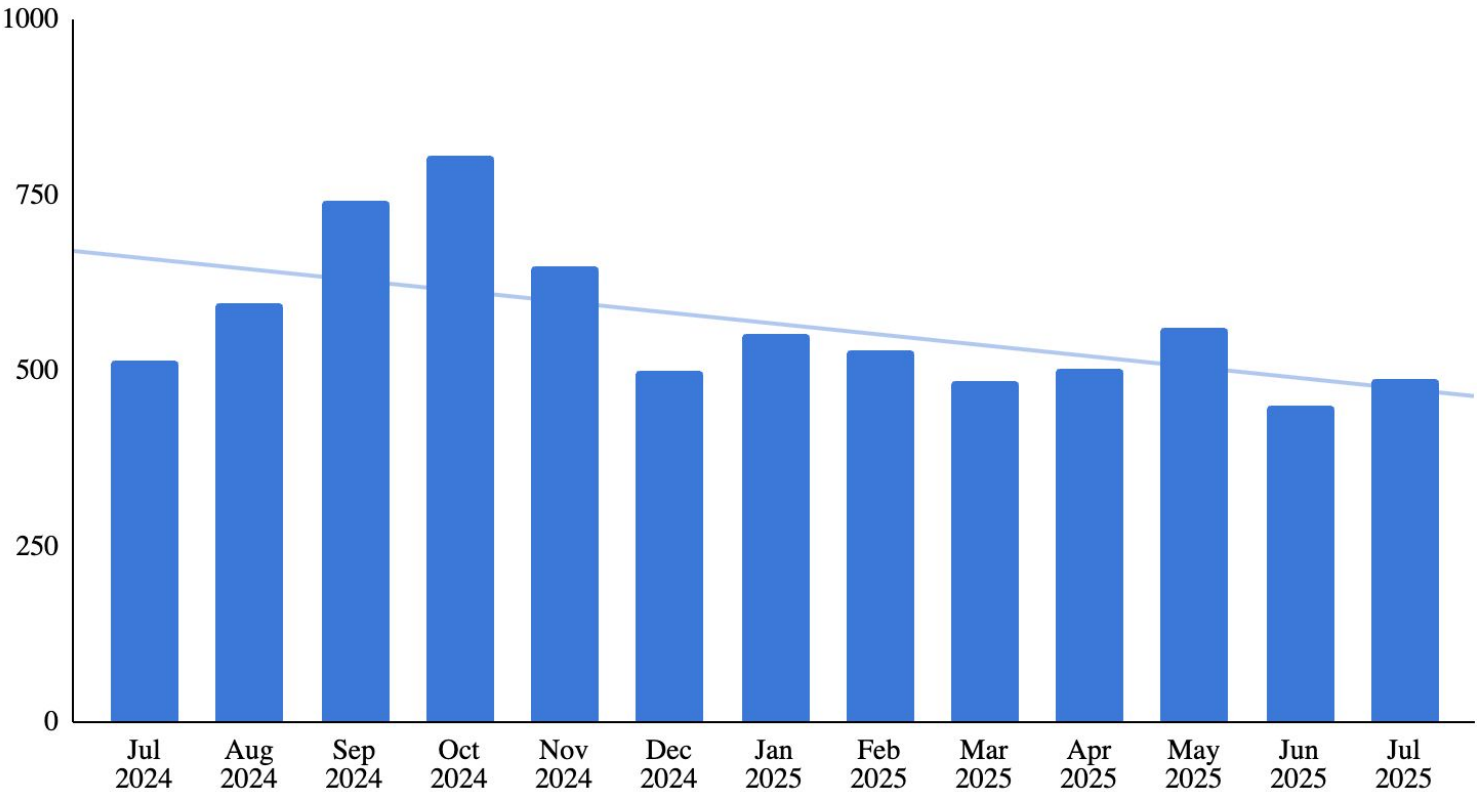
We see a similar, albeit less dramatic, dynamic in Dubai Marina over the same time frame. While new and renewed rentals are down YoY 6% and 4% respectively from July 2024 to July 2025, the overall trend as demonstrated by the two trendlines is steeper because volumes rose 30% from July 2024 to their one-year peak in October 2024 by 30% before beginning to decline. From the peak in October 2024 to July 2025, new and renewed rentals are down 28% and 25.6% respectively.

Palm Jumeirah New & Renewed Rent Volume (Jul 2024 - Jul 2025)



Shockingly, even Palm Jumeirah, the golden child of Dubai's property market (especially post-COVID as previous GCP-Reidin reports have constantly demonstrated) is not immune from this phenomenon. As seen in the chart above, rental volumes have not only been declining, but have been consistently low barring spikes in September 2024 and May 2025. Year-on-year, new and renewed rentals are down 2.8% and 5% respectively, but these figures jump to 35.34% and 52.6% if taken from their respective peaks of October and September 2024.

Downtown Dubai New Rent Volume (Jul 2024 - Jul 2025)

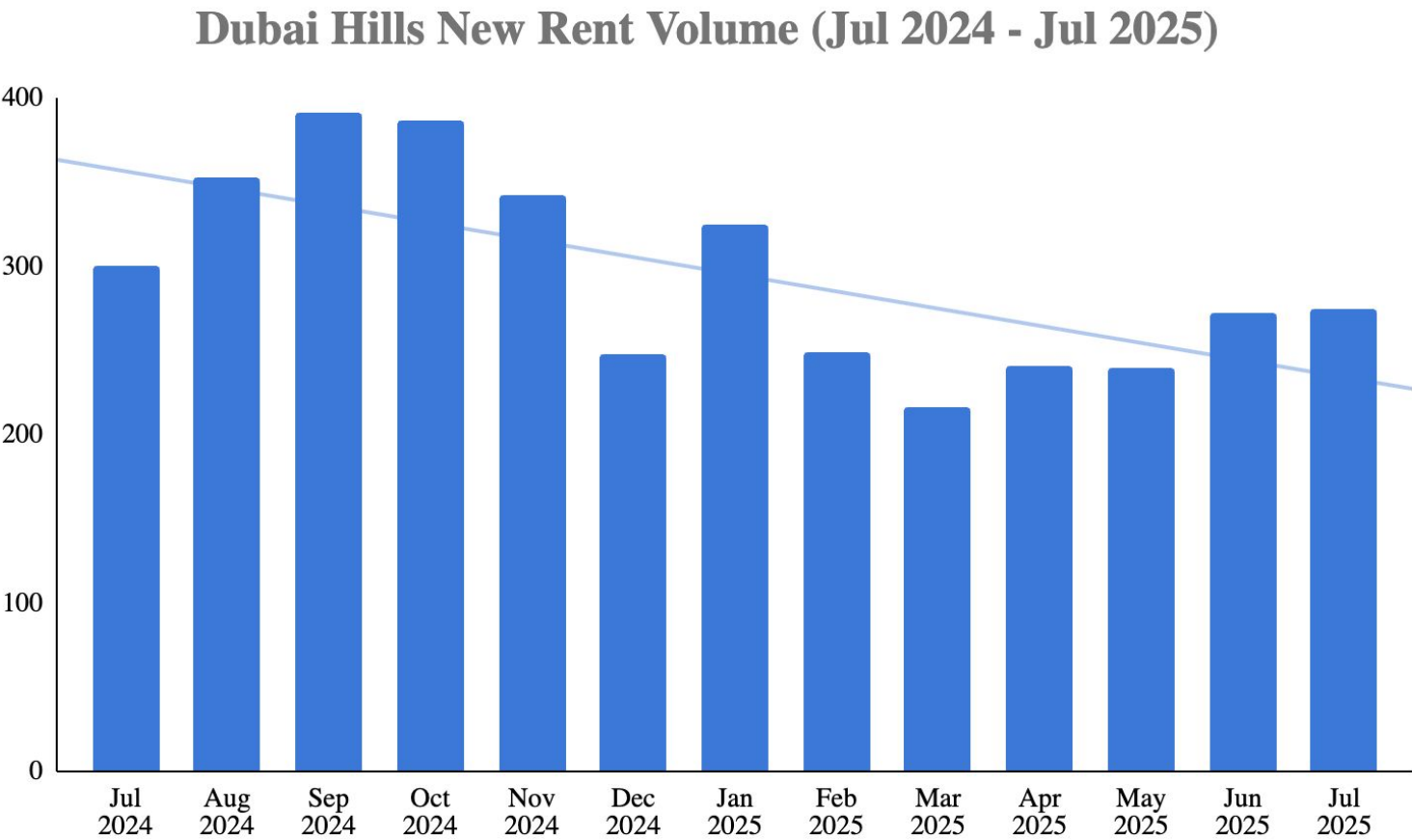


Another prime luxury community in Downtown Dubai has also seen declines in rental volumes, although here it is localized to just new rentals. For the last year, volumes are down by 5.1%, but are down considerably more - 39.6% - from their one-year peak in October 2024.

Dubai Hills Estate - New (Jul 2024 - Jul 2025)

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The same effect can be observed in Dubai Hills Estate, where new rentals are down 8.67% across the last year, and 29.9% from their peak in September 2024.

Rental Rates

"Out of suffering have emerged the strongest souls; the most massive characters are seared with scars."

– Khalil Gibran

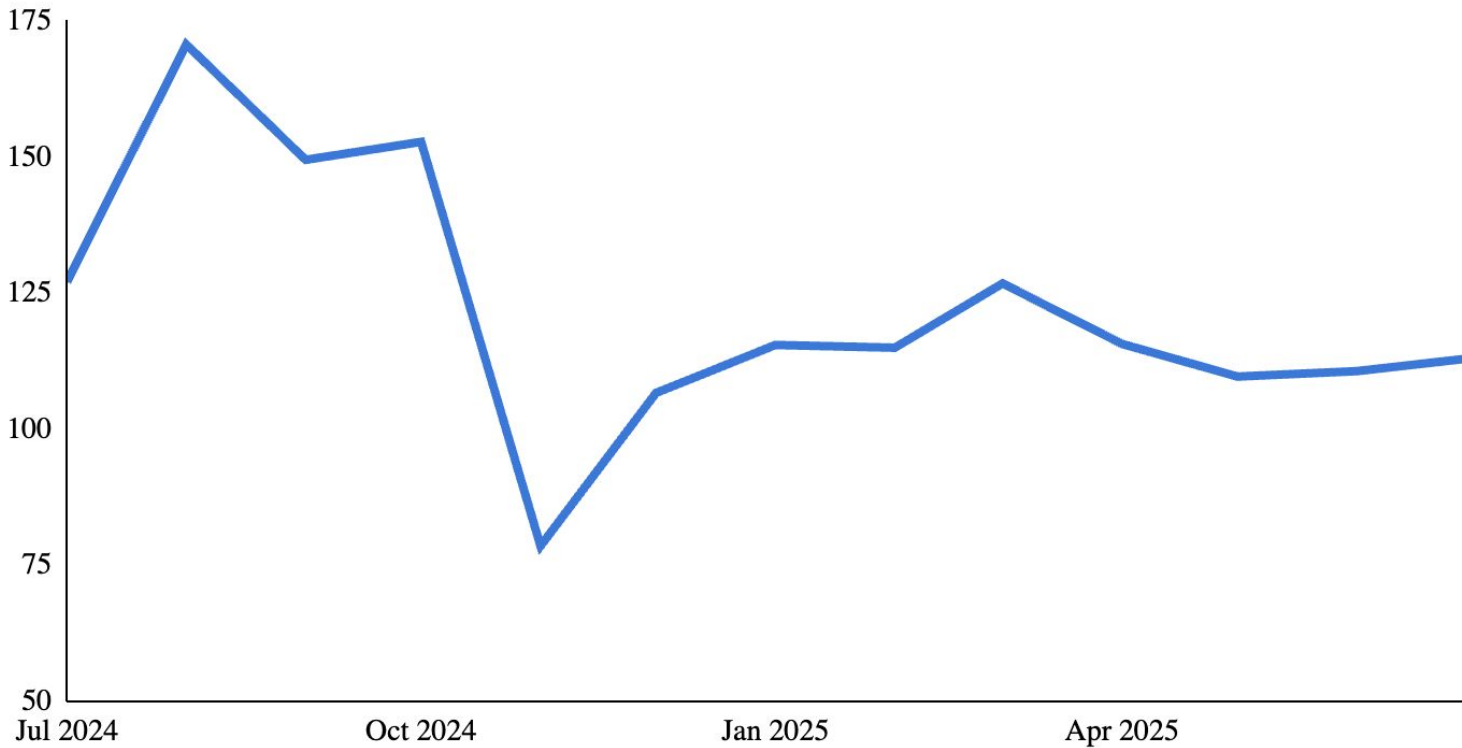


Dubai Silicon Oasis - Renewed (Jul 2024 - Jul 2025)

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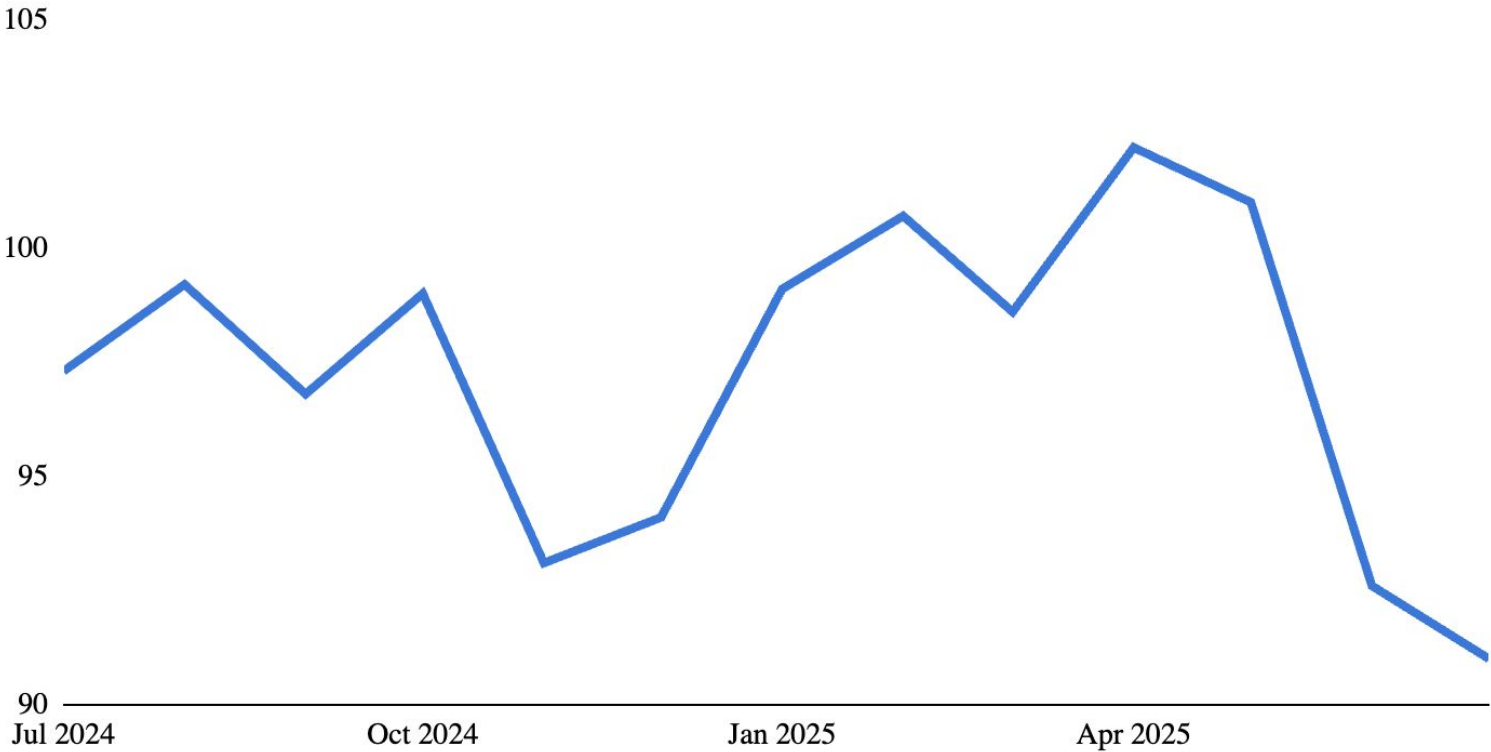
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Silicon Oasis Average Renewed Rent Price (AED/SqFt) Jul 2024 - Jul 2025



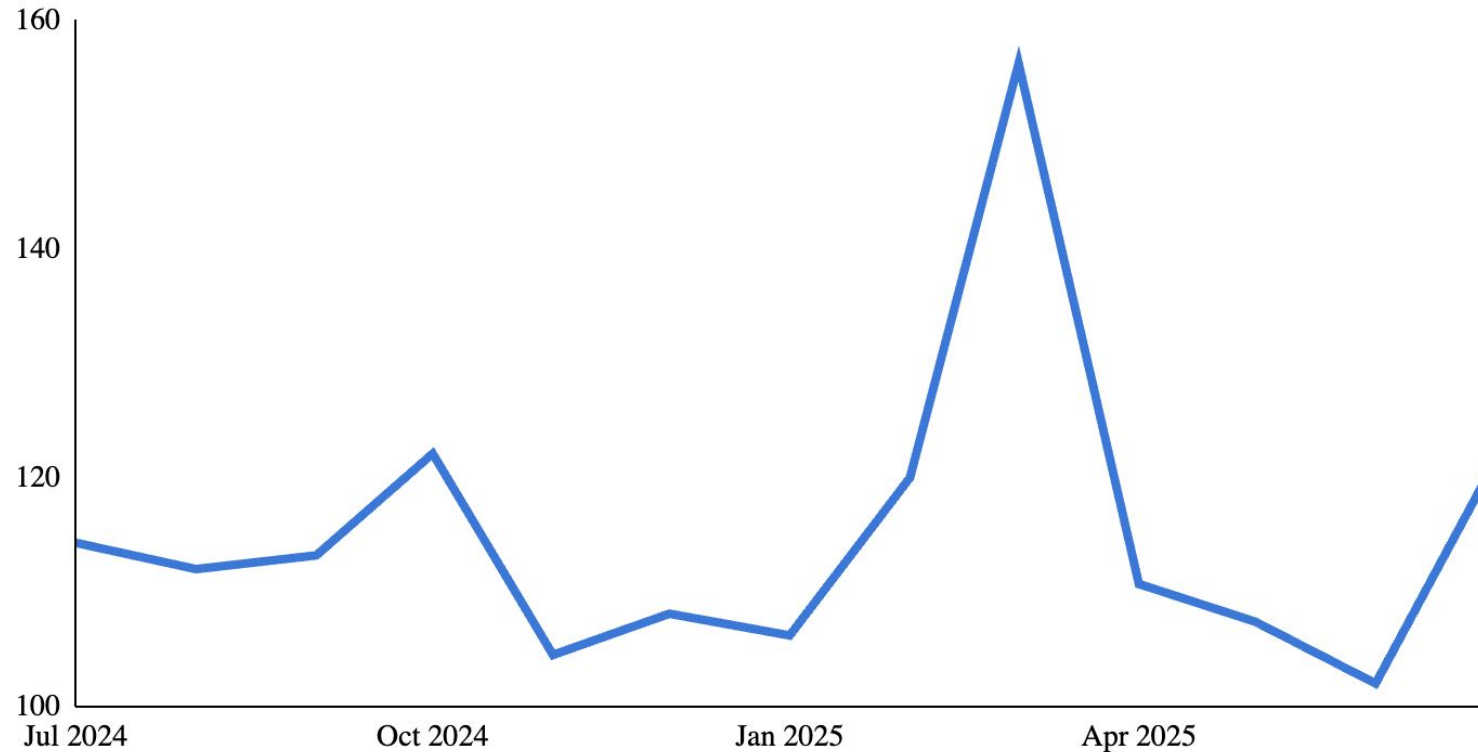
In Dubai Silicon Oasis, while rental volumes have increased, rates have moved in the other direction – specifically for renewed rentals. From July 2024 to July 2025, renewed rent rates have dropped by 11%, a figure that climbs to 33.75% if the starting point is instead August 2024.

The Springs Average New Rent Price (AED/SqFt) Jul 2024 - Jul 2025



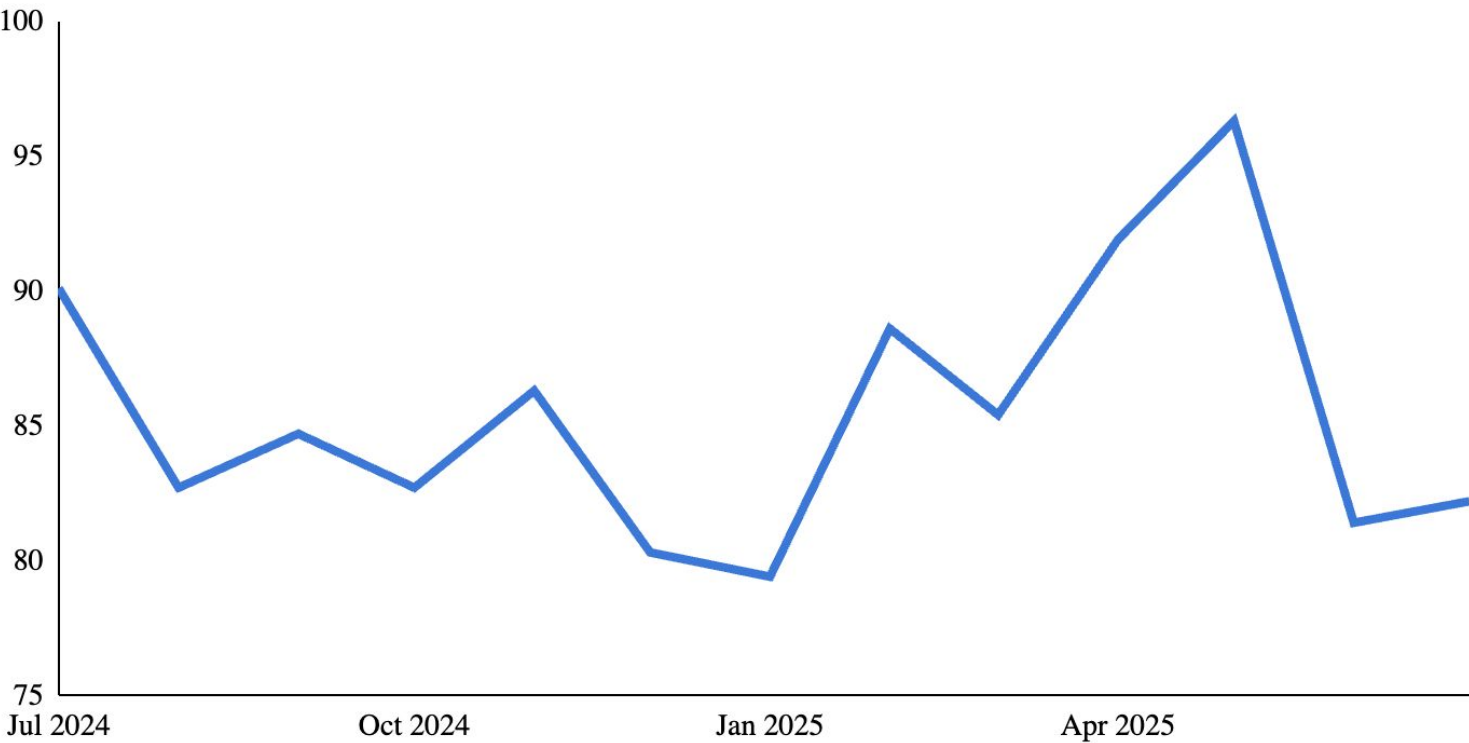
In the Springs, the rate decline has been in new rentals rather than renewals, with the decline being 6.47% over the last year, but 10.96% over the last four months.

The Lakes Average New Rent Price (AED/SqFt) Jul 2024 - Jul 2025



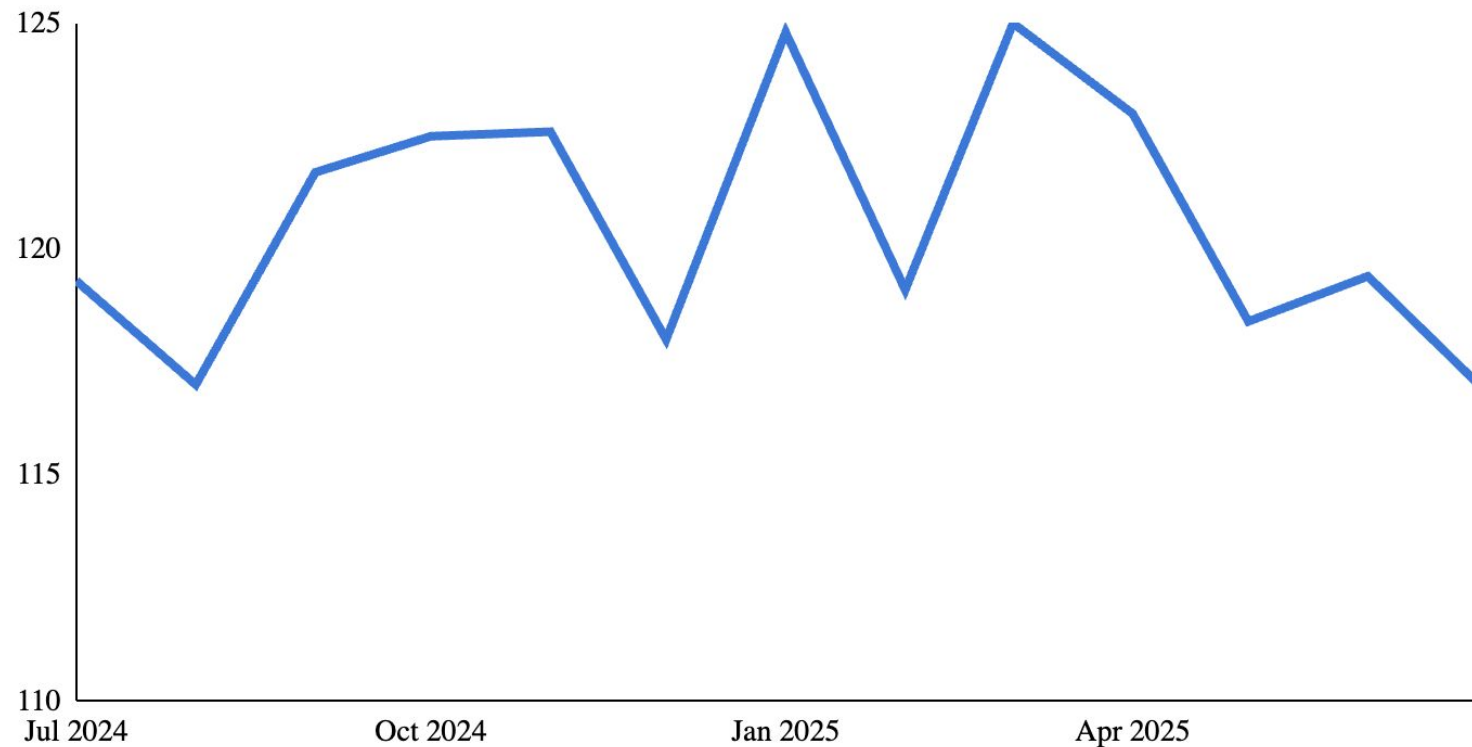
Another similar community to The Springs in The Lakes has also seen a year-on-year decrease in new rental rates, this time to the tune of 5.77% - but the decline is a steeper 22.6% from the spike seen in March 2025.

Jumeirah Park Average New Rent Price (AED/SqFt) Jul 2024 - Jul 2025



Another villa community in Jumeirah Park has also seen new rental rates fall year-on-year. Here, the decline is 8.77%. However, Jumeirah Park also saw a spike in rates (in May rather than March 2025, as was the case with the Lakes), from which rates have since fallen by 14.64%.

The Views Average New Rent Price (AED/SqFt) Jul 2024 - Jul 2025



We also have the case of The Views, which, unlike the previous examples of The Springs, The Lakes and Jumeirah Park (which are exclusively villas and townhouses), is entirely made up of apartments. Here, the decline in new rental rates has been a modest 2%, but this jumps to 6.3% if taken from the one-year peak in March 2025.

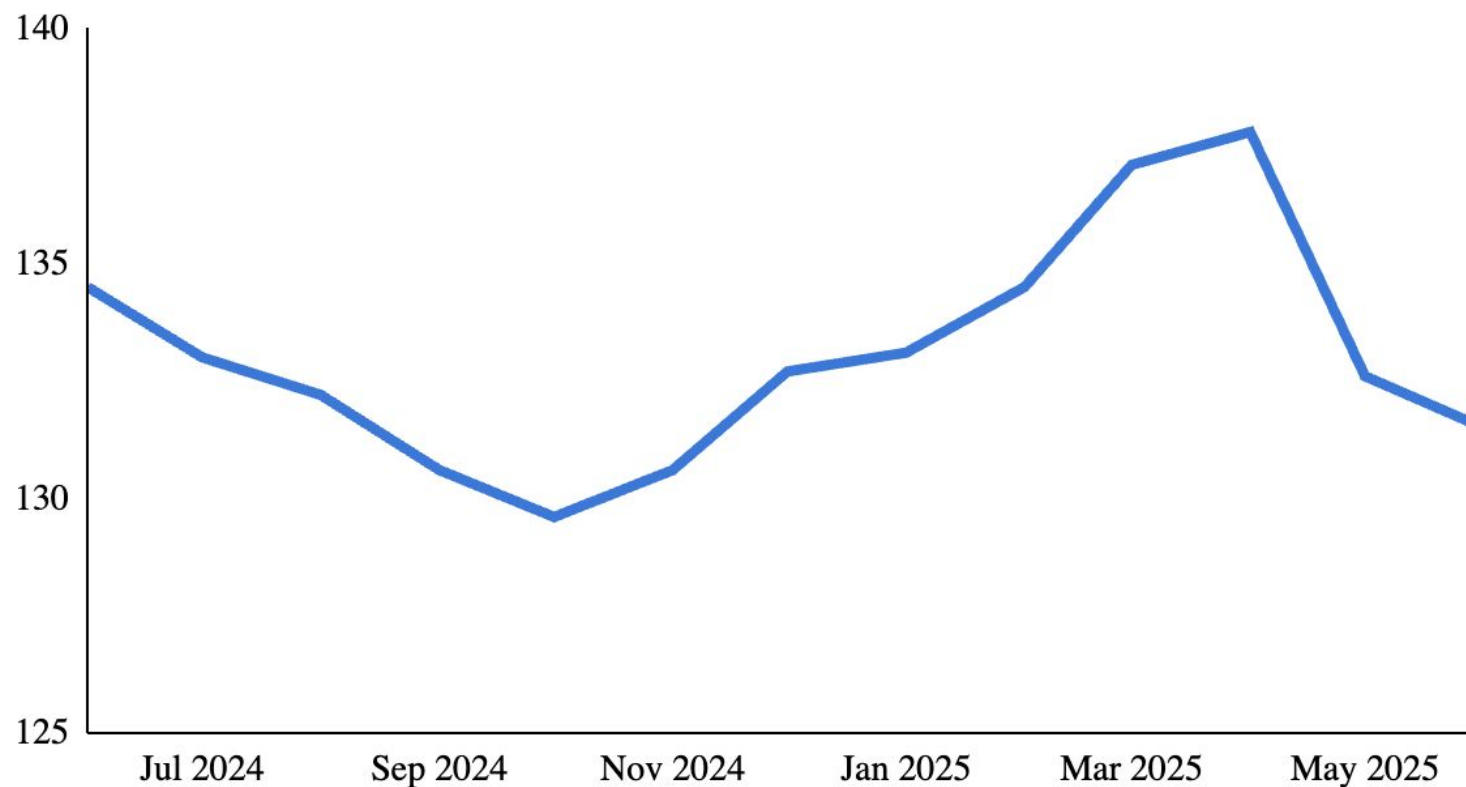
Rental Indices

“Normality is a paved road: it’s comfortable to walk, but no flowers grow on it.”

– Vincent van Gogh

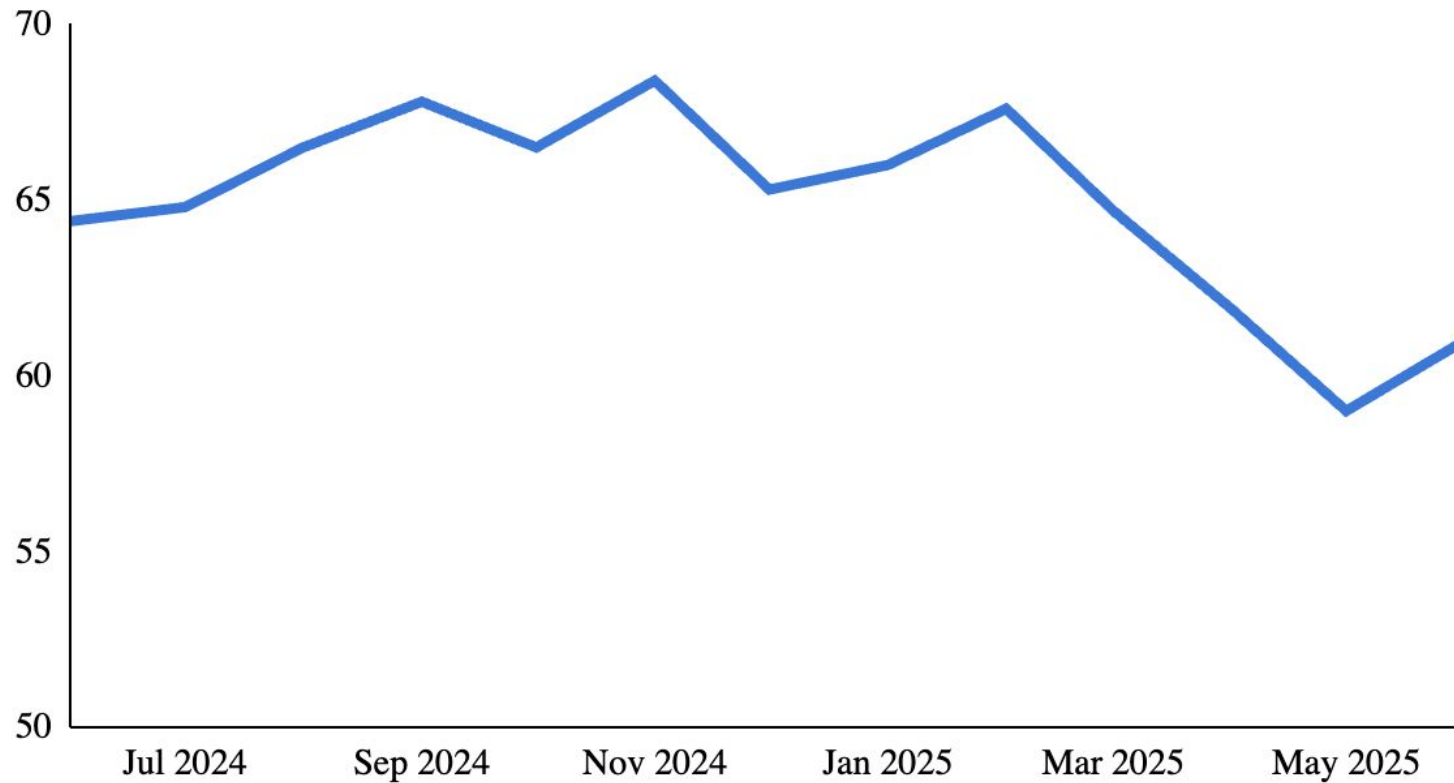


The Views Rent Price Index (AED/SqFt)



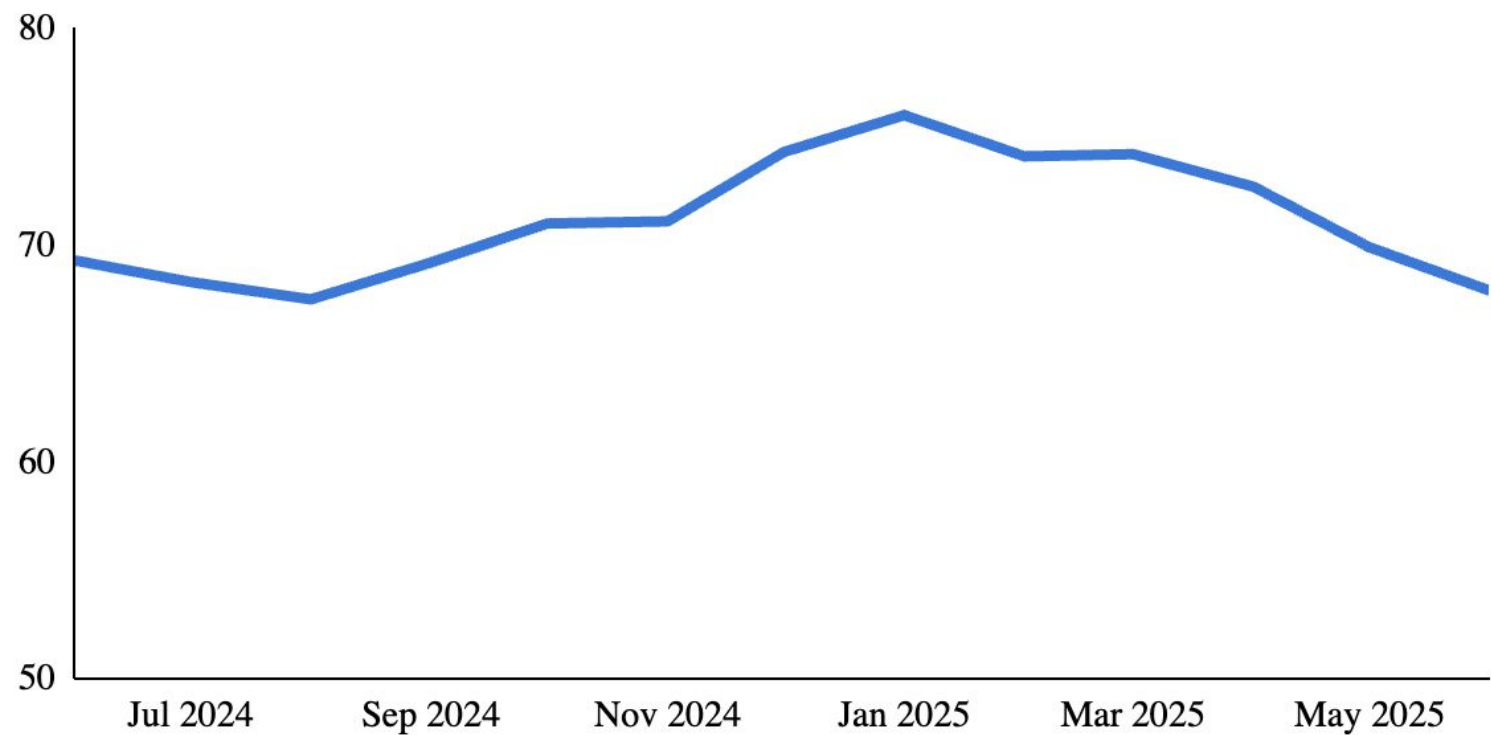
On an overall index basis, The Views has seen its rental rate index value fall by 2.23% and 1.2% across the last year and six months respectively. However, this rises to 4.57% if taken from the peak seen in April 2025.

Green Community Rent Price Index (AED/SqFt)



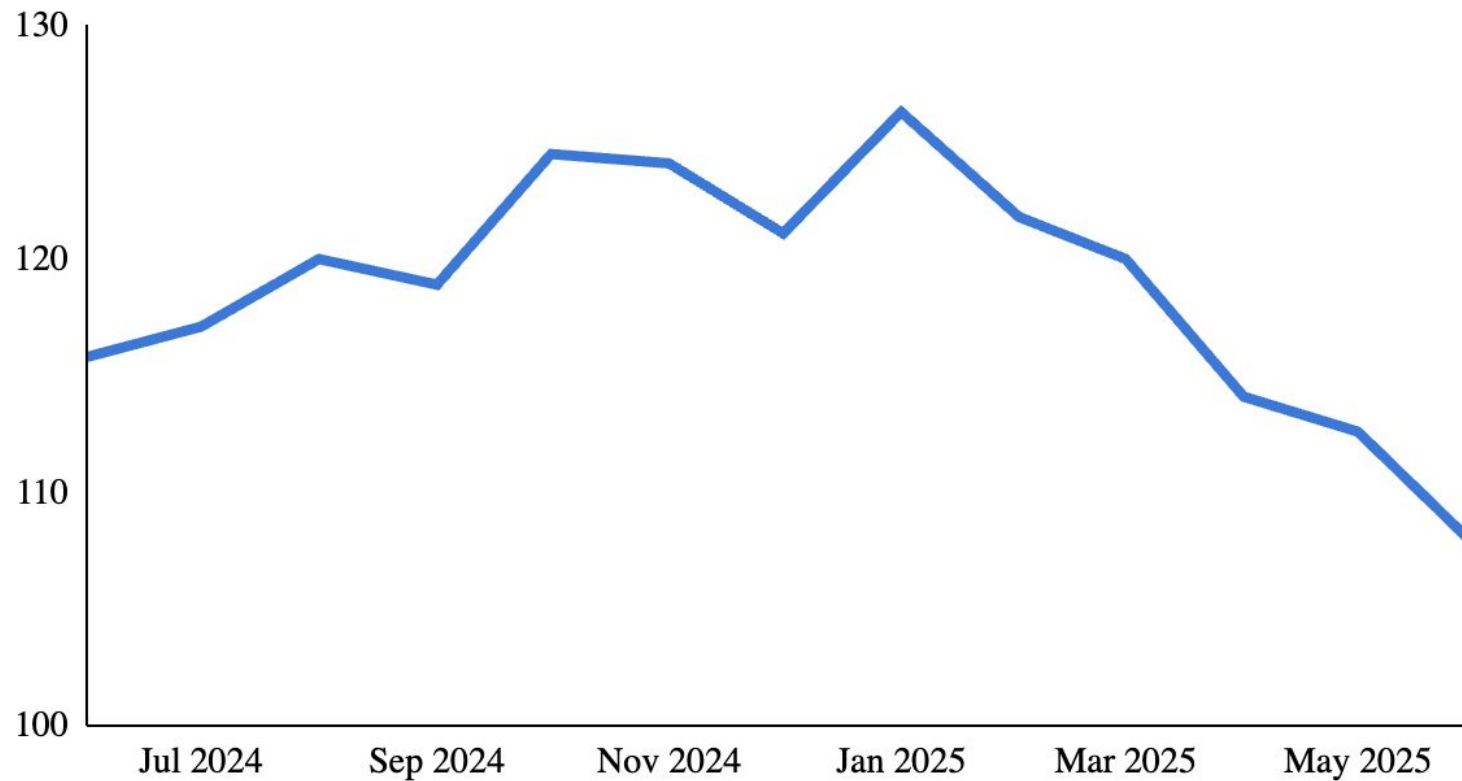
Green Community has also seen its rental index fall - this time to the tune of 5.28% and 7.58% for the last year and six months respectively.

Jumeirah Village Triangle Rent Price Index (AED/SqFt)



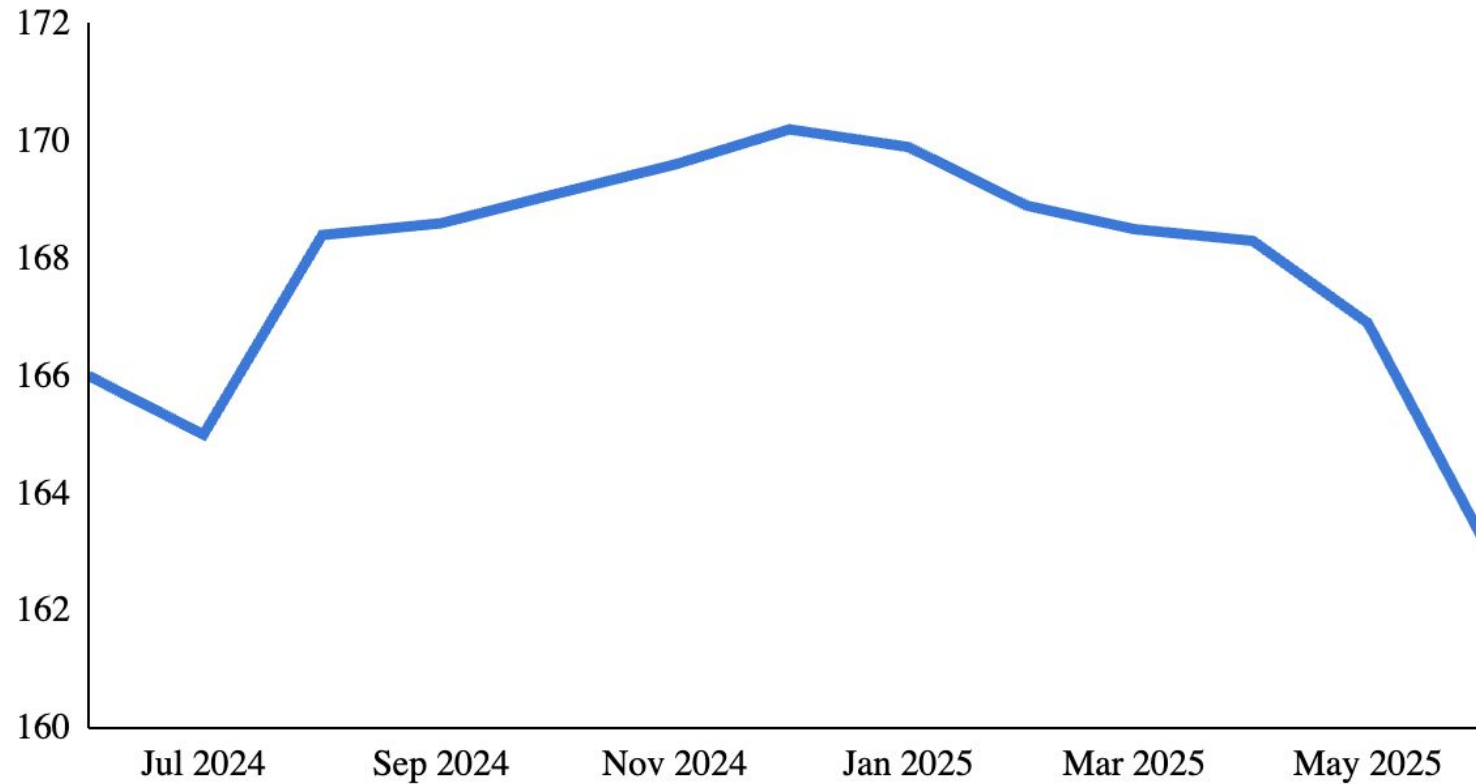
While Jumeirah Village Triangle has only seen a 2% decline in its rental rate index over the past year, the decrease over the last 6 months has been much higher – 10.66% in fact.

The Lakes Rent Price Index (AED/SqFt)



The Lakes has seen a much sharper drop in its rent index, with a 7% drop over the last year and 14.7% in the last six months.

Dubai Hills Apartments Rent Price Index (AED/SqFt)



Dubai Hills apartments have also seen a rental index decline, with the one-year change being -1.75% and a steeper 4% drop in the last six months.

Conclusions

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Rental Volumes

The data paints a compelling picture of declining rental activity across Dubai's residential landscape, cutting across both mid-tier and luxury segments. This widespread drop in volumes—often steepest when measured from late 2024 peaks—may signal a broader recalibration in tenant demand following the sharp post-COVID rental surge. While the declines vary in severity across communities, the consistency of the trendlines suggests a potential inflection point in the rental market. These findings warrant closer scrutiny in subsequent periods, especially if further softness appears in tandem with easing sales price levels or rising supply in key districts.

Rental Indices

The declining trajectory of rental indices across diverse communities underscores the structural nature of the current market softening. Although some areas—like The Views and Dubai Hills—have seen only mild index reductions, others such as The Lakes and Jumeirah Village Triangle exhibit a much steeper slide in recent months. The acceleration of declines in the last six months points to mounting pressure on landlords to adjust expectations amid changing tenant dynamics. As rental indices often lag behind real-time pricing, continued softness in these benchmarks may signal further corrections in the months ahead.

Rental Rates

The data reflects a clear tapering in rental rate momentum across multiple Dubai communities, indicating that the market may be entering a phase of rebalancing. The most pronounced declines have occurred in villa communities, where new rental rates have fallen not just year-on-year but even more sharply from their recent highs. Apartment communities are also showing early signs of pressure. Notably, some areas—such as Dubai Silicon Oasis—are trading off higher leasing volumes for lower price points, reinforcing the idea that tenants are pushing back on elevated rents. If these patterns persist, landlords may need to further recalibrate pricing strategies to align with evolving tenant demand and affordability thresholds.

Conclusion

There is no clear, discernible trend across the broad swath of communities that have seen their rental volumes, rates and indices soften over the last year and six months. This aforementioned softening has occurred in communities with both villas and apartments, across mid market and luxury communities, and in both older and newer communities. While this undermines any effort to draw definitive conclusions about market outlooks, it highlights one fact for certain: Dubai's real estate market is at an inflection point, and conversations surrounding overall corrections are only likely to get louder, regardless of material outcomes.

The relationship between volumes and rates does not appear to be straightforward. Silicon Oasis is one example that demonstrates this clearly: while YoY new and renewed volumes are both up (7.3% and 12.7% respectively), renewal rates are down 11.02%, while the rental price index is up 12.58% in the last year and 6.52% in the last six months.

The lack of any discernible pattern extends to developer types as well. The Views is a single-developer community (that too Emaar, the top government developer) and yet still has seen its rental rates fall YoY. Other communities that include a multitude of both private and government developers of varying sizes like Business Bay and Arjan have also seen rates and volumes fall over the last year.



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