

# ENGEL & VÖLKERS



## Dubai's property market through time

TWO DECADES OF GROWTH AND RESILIENCE



## Foreword from the CEO

Over the past two decades, Dubai has undergone one of the most remarkable real estate transformations in the world. Following the introduction of freehold ownership in 2002, Dubai has evolved into a mature, internationally connected market that attracts investors, businesses, and residents from across the globe.

During this period, the city has experienced rapid development, population growth, and economic diversification. Major master-planned communities have emerged, infrastructure has expanded, and Dubai has established itself as a leading destination for international capital and talent. Real estate has played a central role in this transformation.

Like all global markets, Dubai's property sector has experienced adjustments. The global financial crisis, periods of economic volatility, and the COVID-19 pandemic have all tested the market. Yet across these cycles, the underlying trajectory has remained clear. Strong government policy, continued population growth, and sustained international investment have supported the market's long-term development.

Today, Dubai stands as one of the world's most diverse real estate markets, defined not only by its scale and ambition but also by its increasing maturity and institutional strength. For investors and homeowners alike, understanding the evolution of this market offers valuable insight into the structural drivers that continue to support its long-term development.

**Daniel Hadi**  
CEO Middle East

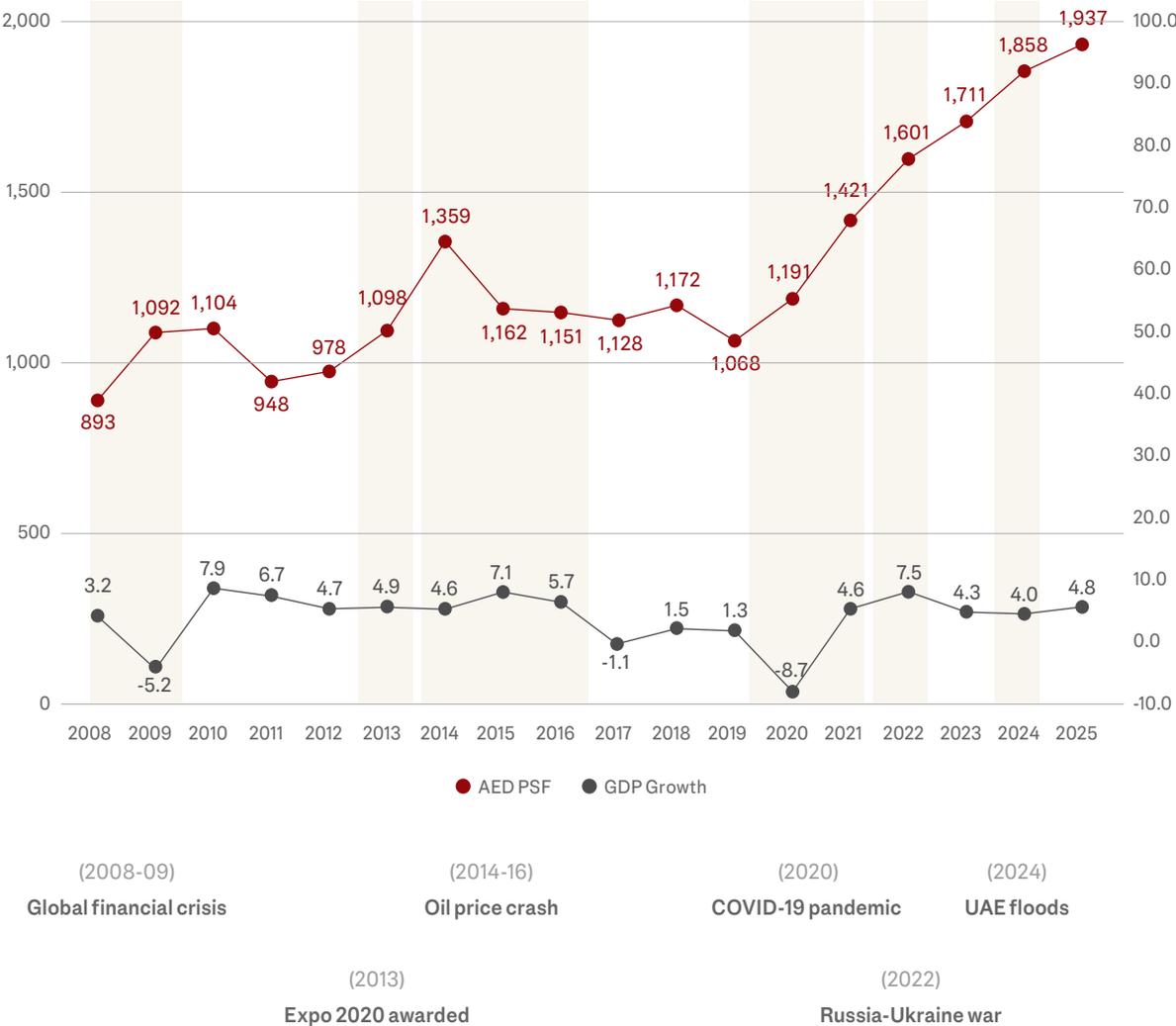
A handwritten signature in black ink that reads "Daniel Hadi". The signature is written in a cursive, flowing style.

# Dubai's resilience through global shocks

Over the past two decades, Dubai's real estate market has experienced periods of both rapid expansion and short-term correction, often in response to broader global economic events. The global financial crisis, oil market volatility, and the COVID-19 pandemic each created moments of uncertainty across international markets.

Despite these shocks, the long-term trajectory of Dubai's property market has remained upward. Supported by population growth, international investment, and pro-development government policy, the market has continued to expand over time and has demonstrated an ability to recover and adapt following periods of global disruption.

Dubai average property prices and UAE GDP growth





## The evolution of Dubai's modern real estate market

Since the introduction of freehold ownership in 2002, Dubai's real estate market has undergone rapid development and increasing global integration. Over the past two decades, the sector has progressed through several distinct phases, shaped by international economic cycles, infrastructure expansion, and continued population growth.

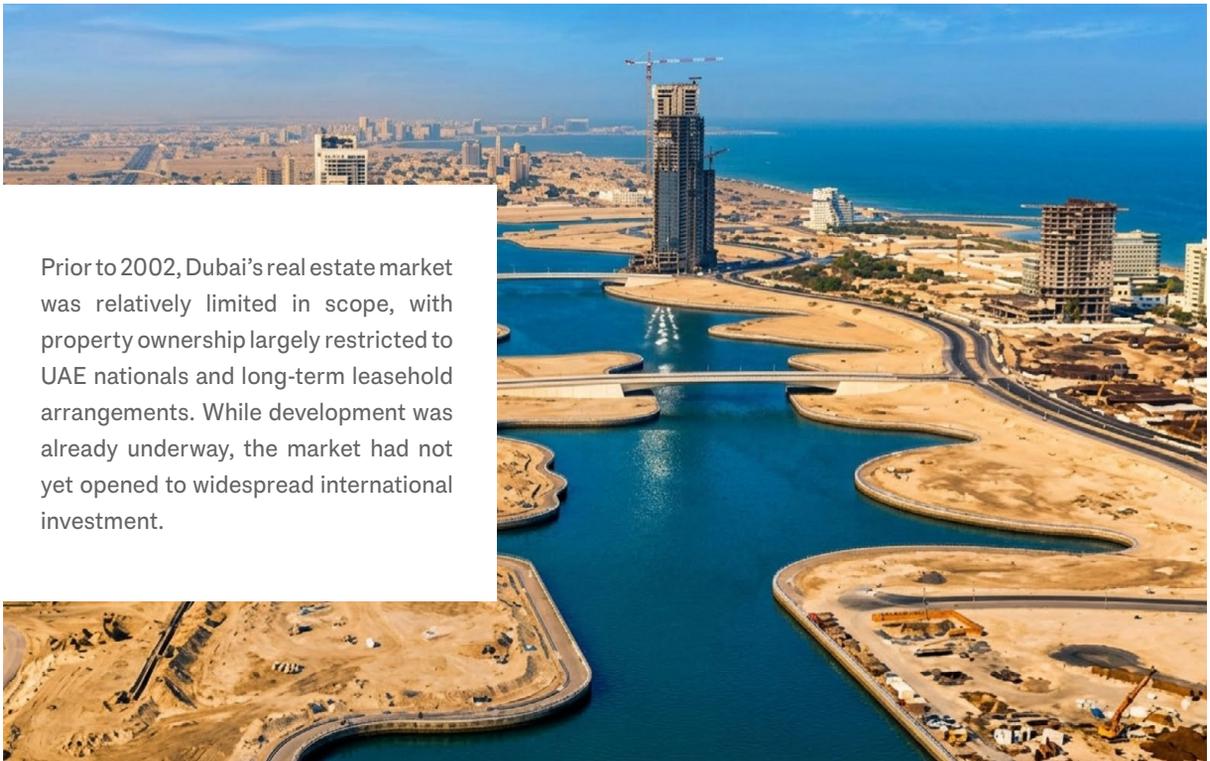
The following timeline highlights five key phases that have defined the evolution of Dubai's property market, from its early expansion to the record levels of activity seen in recent years.

(2002-2008)

## The introduction of freehold ownership and early expansion

### Summary

- ◆ Freehold ownership introduced in 2002
- ◆ Major master-planned communities launched
- ◆ International investors enter the market
- ◆ Rapid expansion across residential developments



Prior to 2002, Dubai's real estate market was relatively limited in scope, with property ownership largely restricted to UAE nationals and long-term leasehold arrangements. While development was already underway, the market had not yet opened to widespread international investment.

### POLICY MILESTONE

## The introduction of freehold ownership

The introduction of freehold ownership in 2002 marked a defining moment in the development of Dubai's modern property market. For the first time, foreign nationals were permitted to purchase property in designated areas, creating a legal framework that enabled international participation in the real estate sector. This reform transformed the scale and accessibility of the market, opening the door to global investors and long-term residents. In the years that followed, Dubai's property market began attracting increasing interest from international buyers seeking exposure to one of the region's fastest-growing cities.

The early 2000s saw the launch of several master-planned communities that would shape Dubai's future skyline. Palm Jumeirah was announced in 2001, followed by Dubai Marina in 2003 and the Downtown Dubai district shortly afterwards. Arabian Ranches followed in 2004, introducing large-scale suburban villa communities alongside the city's expanding urban and waterfront districts.

As these projects progressed, international investor interest grew rapidly throughout the mid-2000s, with buyers from Europe, Asia, and the wider Middle East drawn to Dubai's expanding economy, favourable tax

environment, and growing global profile. Infrastructure investment also accelerated during this period. The Dubai Metro project was announced in 2006, while Dubai International Airport's Terminal 3 and Concourse B opened in 2008, expanding airport capacity to 60 million passengers and reinforcing the city's role as a global transport hub.

By the late 2000s, strong investor demand and large-scale construction had driven rapid expansion across the property sector, with rising prices, growing transaction volumes, and significant development across many of the city's emerging communities.

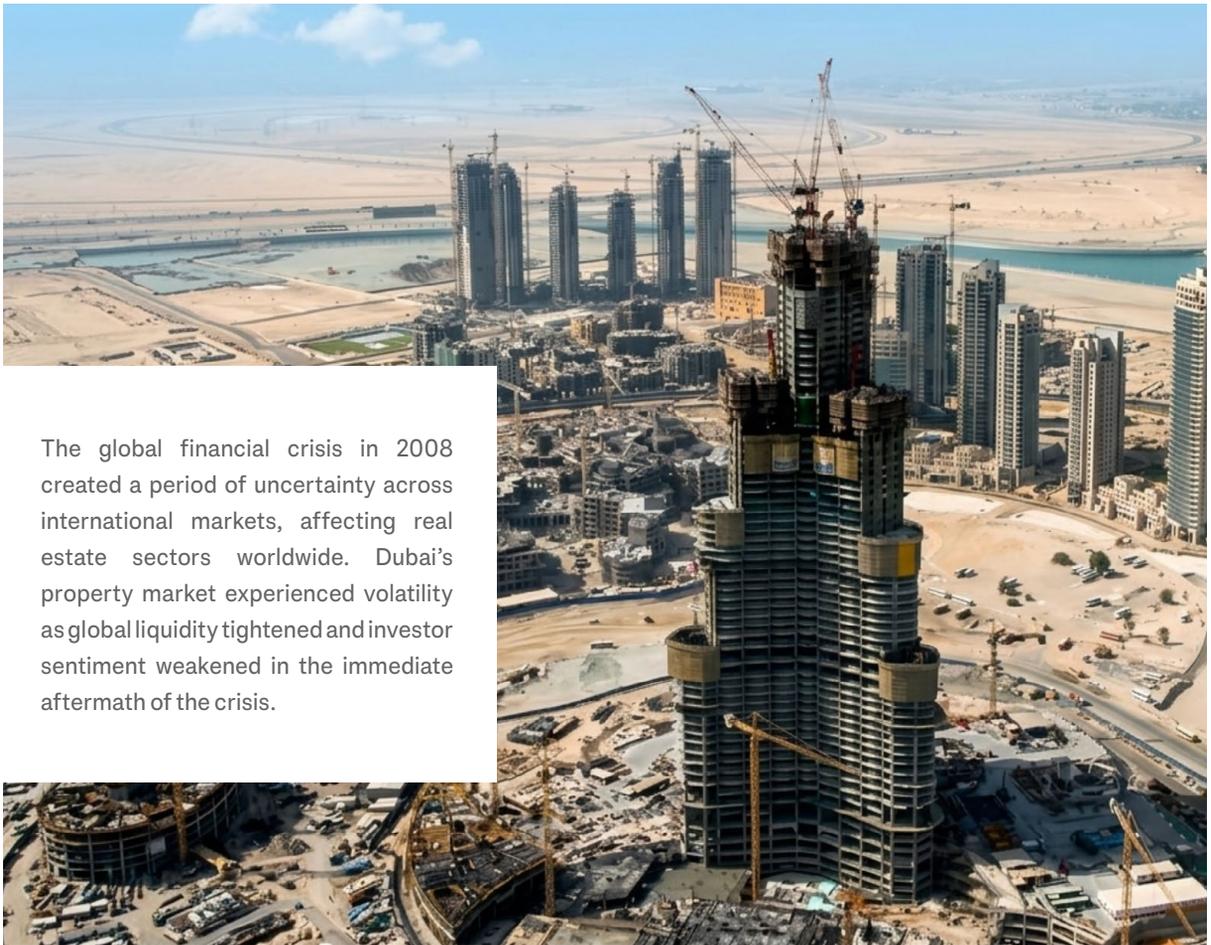


(2008-2012)

## Global financial crisis and market consolidation

### Summary

- ◆ Global financial crisis creates market volatility
- ◆ Dubai's economy rebounds after 2009
- ◆ Burj Khalifa completed in 2010
- ◆ RERA strengthens regulatory oversight



The global financial crisis in 2008 created a period of uncertainty across international markets, affecting real estate sectors worldwide. Dubai's property market experienced volatility as global liquidity tightened and investor sentiment weakened in the immediate aftermath of the crisis.

Despite this disruption, Dubai's broader economy rebounded relatively quickly. After a contraction in 2009, economic growth returned strongly in the following years, supported by continued trade, tourism, and infrastructure investment. As economic activity recovered, the real estate sector stabilised.

Major developments launched during the previous expansion phase also continued to progress. In 2010, the completion of Burj Khalifa marked a defining milestone in Dubai's urban development and reinforced the long-term vision behind the Downtown Dubai district.

REGULATORY MILESTONE

## Strengthening oversight through RERA

Alongside economic recovery, Dubai also strengthened the regulatory framework governing its real estate sector. The Real Estate Regulatory Agency (RERA), originally established in 2007, introduced a series of measures aimed at improving transparency, governance, and investor protection. These included enhanced developer supervision, escrow account requirements for off-plan developments, and clearer regulatory standards for property transactions. Over time, these reforms helped increase confidence among both local and international investors while contributing to a more structured and institutionalised property market.



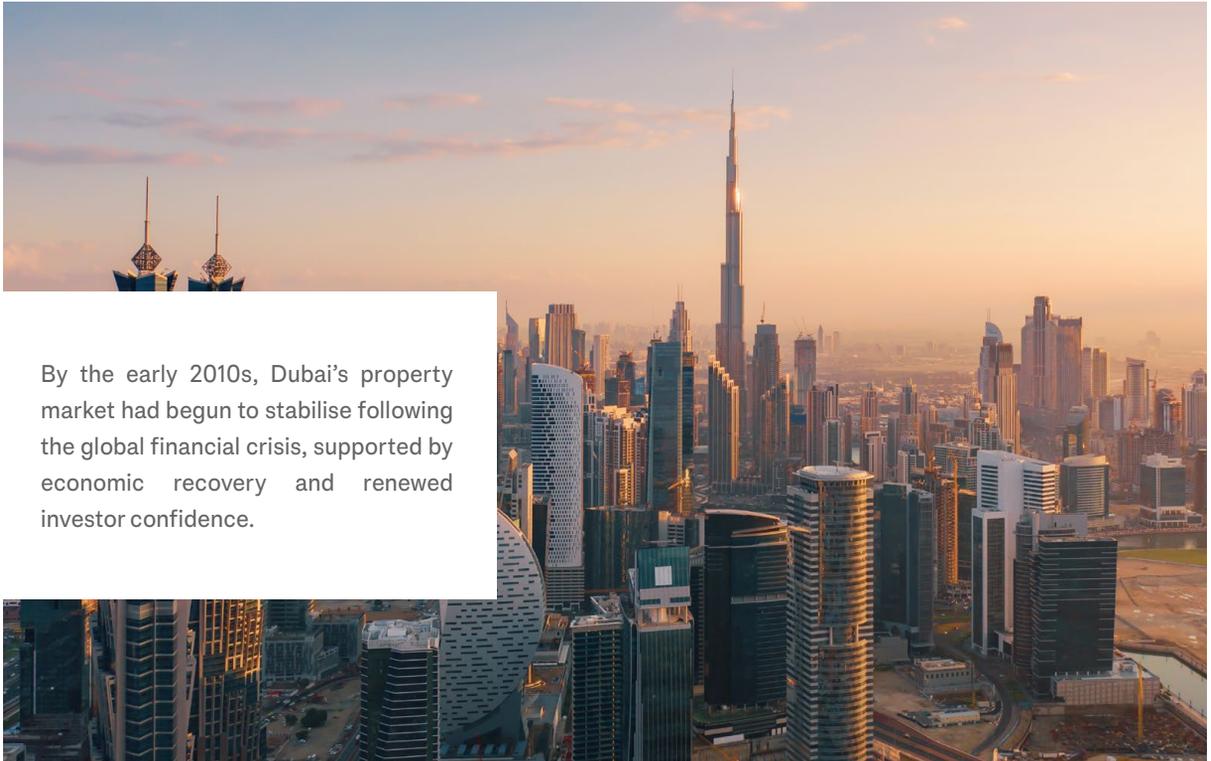
By the early 2010s, the combination of economic recovery, continued infrastructure investment, and stronger regulatory frameworks had helped stabilise the property market, laying the foundation for the next phase of growth.

(2013-2019)

## Market stabilisation and infrastructure growth

### Summary

- ◆ Expo 2020 announced in 2013
- ◆ Oil price collapse creates regional economic pressure
- ◆ Infrastructure investment continues across the city
- ◆ Market stabilises with more measured growth



By the early 2010s, Dubai's property market had begun to stabilise following the global financial crisis, supported by economic recovery and renewed investor confidence.

### GLOBAL MILESTONE

## Dubai awarded Expo 2020

In November 2013, Dubai was selected to host Expo 2020, becoming the first city in the Middle East to stage the World Expo. The announcement marked an important moment in the emirate's international development and generated significant global attention. Preparations for the event triggered large-scale investment across transportation networks, infrastructure, and urban development, including the creation of the Expo site in Dubai South. Beyond the event itself, Expo played a broader role in strengthening Dubai's international profile and reinforcing the city's long-term economic vision centred on trade, tourism, and innovation.

In the year following the announcement, property prices rose sharply as development activity accelerated and international demand strengthened. However, this period also coincided with a major shift in global energy markets. Between 2014 and 2016, oil prices fell dramatically from around \$115 per barrel to near \$30, placing economic pressure on many oil-exporting economies across the region. While Dubai's economy is less reliant on oil than many of its neighbours, the regional slowdown contributed to more moderate conditions in the property market following the initial Expo-driven surge.

Despite these headwinds, Dubai continued to invest

heavily in long-term infrastructure and urban development. Construction progressed across major districts, while large projects connected to Expo 2020 advanced in Dubai South and the surrounding areas. These investments reinforced the city's long-term development strategy and strengthened its global connectivity.

By the late 2010s, the property market had entered a more mature phase characterised by steadier activity and greater regulatory oversight. Price movements became more measured, while development increasingly focused on long-term residential communities and end-user demand.

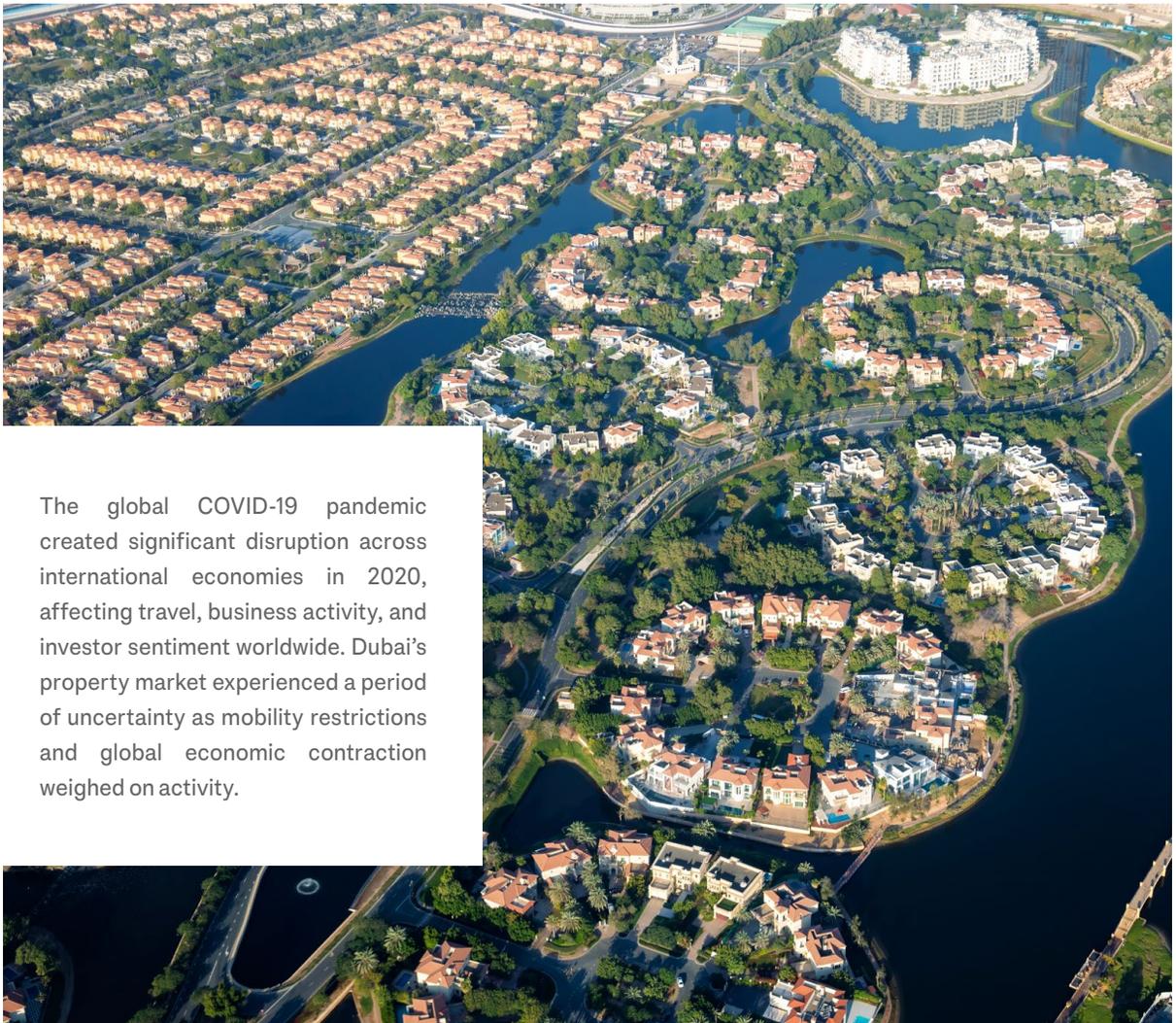


(2020-2022)

## Pandemic disruption and global repositioning

### Summary

- ◆ COVID-19 pandemic disrupts global markets
- ◆ Dubai reopens quickly and restores global mobility
- ◆ Expo 2020 hosted in 2021–2022
- ◆ International migration and investment surge



The global COVID-19 pandemic created significant disruption across international economies in 2020, affecting travel, business activity, and investor sentiment worldwide. Dubai's property market experienced a period of uncertainty as mobility restrictions and global economic contraction weighed on activity.

However, the disruption proved relatively short-lived. Dubai moved quickly to reopen its economy, supported by a strong vaccination rollout and clear public health

measures. As international travel resumed, the city re-established its position as a global hub for tourism, business, and investment.

GLOBAL EVENT

## Expo 2020 and the return of mobility

Originally scheduled for 2020, Expo 2020 was postponed due to the global pandemic and ultimately took place between October 2021 and March 2022. The event welcomed millions of visitors from around the world and represented one of the first major global gatherings following the pandemic. Beyond its cultural significance, Expo reinforced Dubai's international visibility and demonstrated the city's ability to host large-scale international events despite the challenges of recent years. The exhibition also supported economic activity across tourism, hospitality, and infrastructure sectors during a period of global recovery.



As global mobility returned, Dubai experienced a surge in international migration and investor demand. Professionals, entrepreneurs, and high-net-worth individuals increasingly viewed the city as an attractive destination due to its strong infrastructure, business-friendly environment, and high quality of life. Government initiatives such as the long-term Golden Visa programme, which was expanded and made more

accessible in 2022, also supported investor and residency demand.

By 2021 and 2022, the property market had entered a new phase of expansion. Economic growth rebounded strongly, transaction volumes increased, and residential property prices began rising rapidly, marking the start of the current growth cycle.

(SINCE 2023)

## Record market expansion and international capital inflows

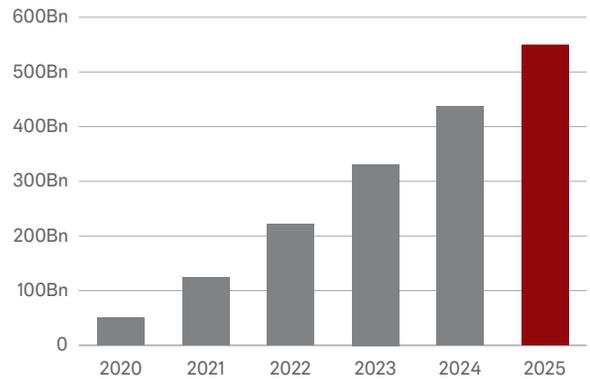
### Summary

- ◆ Sustained market growth continues
- ◆ Record transaction volumes and prices recorded
- ◆ International capital inflows accelerate
- ◆ Emergence as one of the world's most active markets

Following the strong recovery that began in 2021, Dubai's real estate market entered a period of sustained expansion from 2023 onwards. Economic growth remained robust, population levels continued to rise, and international investor interest strengthened across both residential and commercial property sectors.

During this period, the market recorded some of its highest levels of activity on record. Residential transactions increased from around 32,000 in 2020 to more than 170,000 in 2024, highlighting the scale of the market expansion. This was achieved despite the most severe rainfall in 75 years in April 2024, which caused widespread disruption, with the market recovering quickly in the months that followed.

### Residential sales value (2020-2025)



Source(s): Property Monitor



MARKET MILESTONE

## Record levels of real estate activity

In recent years, Dubai's property market has reached unprecedented levels of activity. By 2025, the residential market recorded over 200,000 sales with a total value of AED 546.8 billion. Demand has been driven by a combination of strong population growth, international capital inflows, and continued economic expansion. Buyers from across Europe, Asia, the Middle East, and the Americas have increasingly viewed Dubai as a destination for both investment and relocation, contributing to record transaction volumes across the residential market.



The city's position as a global hub for business, tourism, and finance also continued to strengthen. Ongoing infrastructure investment, pro-investment government policies, and long-term economic diversification supported strong demand for residential property across both established communities and newly emerging districts.

# Structural drivers of long-term demand



## Pro-investment government policy

Dubai has consistently introduced policies designed to attract international investment and support long-term economic growth. The introduction of freehold ownership in 2002, along with long-term residency initiatives such as the Golden Visa programme, has strengthened investor confidence and expanded access to the property market.

## Global capital inflows

Dubai has increasingly positioned itself as a global wealth hub. In recent years, the city has ranked among the top global destinations for high-net-worth migration, attracting investors relocating capital from Europe, Asia, and emerging markets.

## World-class infrastructure

Dubai has invested heavily in infrastructure to support its rapid urban development. Major projects, including Dubai International Airport, one of the world's busiest international airports, and the Dubai Metro, have strengthened the city's global connectivity and accessibility.

## Population growth

Dubai's population has expanded dramatically over the past two decades, rising from around 1 million residents in the early 2000s to more than 4 million today. This sustained population growth, driven by employment opportunities and international migration, has supported long-term housing demand across the city.

## Economic diversification

Dubai has built one of the most diversified economies in the region, with strong growth across tourism, aviation, logistics, finance, and technology. As a result, the emirate has significantly reduced its dependence on oil, supporting more stable long-term economic growth.

## Global business hub

Dubai continues to attract multinational companies, entrepreneurs, and international professionals. Its strategic location between Europe, Asia, and Africa, combined with a competitive tax environment and modern infrastructure, supports a steady inflow of residents, businesses, and investors.



# Dubai real estate: resilience through long-term fundamentals

## Summary

- ◆ Dubai property prices have more than doubled since 2008
- ◆ The market has recovered from multiple global shocks
- ◆ Population growth from 1m to over 4m continues to drive housing demand
- ◆ International investment and pro-growth policy support long-term expansion

Over the past two decades, Dubai's real estate market has evolved into one of the world's most internationally connected property markets. Since the introduction of freehold ownership in 2002, the city has experienced rapid urban development, strong population growth, and increasing participation from global investors.

During this period, the market has successfully navigated several global shocks, including the financial crisis, commodity market volatility, and the COVID-19 pandemic. Each of these moments created short-term

disruption, yet the market consistently stabilised and resumed its long-term trajectory.

This resilience has been supported by a combination of pro-investment government policy, economic diversification, world-class infrastructure, and sustained international demand. As Dubai continues to grow as a global hub for business and lifestyle, these structural drivers remain central to the long-term development of the city's real estate market.



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