

Q1 '26 SALES VALUE	TRANSACTIONS	AVG PRICE/SQFT	OFF-PLAN SHARE	GROSS YIELD RANGE
<b>AED 176.7B</b>	<b>~48,000</b>	<b>AED 1,759</b>	<b>~70%</b>	<b>5.5–8.5%</b>
▲ 23.4% YoY	▲ 5.5% YoY	▲ 12.5% YoY	of all deals	JVC up to ~8.5%

## THE LEAD · MARKET READ

# The Two-Speed Market: Why a Wobble Isn't a Crash

*Headlines this month say Dubai property is "falling." The transaction data says something more useful — and more boring. Here's what an investor should actually take from it.*

Dubai opened 2026 from a position of genuine strength. The first quarter recorded roughly AED 176.7 billion in residential sales — up about 23% on the same period last year — and January alone was the single biggest sales month in the city's history. The headline number to remember is this: value is climbing faster than volume. That gap is the fingerprint of a maturing market, not a speculative one. Buyers are paying more for better stock, rather than piling into anything with a floor plan.

So why the gloomy headlines? Regional tension in late spring knocked sentiment, and weekly transaction counts dropped sharply month-on-month. Off-plan registrations, which had been carrying the market, cooled from their record pace. Some analysts had already flagged the risk of a correction across the back half of 2025 into 2026, after prices ran up roughly 60% between 2022 and early 2025. A pause after a climb like that is arithmetic, not catastrophe.

The more important story sits underneath the headline: this is a two-speed market. Off-plan and new-build demand still dominates — around 70% of activity. The secondary (resale) market is thinner, with resale volumes down meaningfully year-on-year, which makes ready-to-move stock structurally scarce. A large share of the official completion pipeline is also running late, so the supply that's "coming" is less imminent than the spreadsheets suggest.

For an expat deploying capital, the takeaway isn't "buy" or "sell." It's: stop reacting to the index and start underwriting the unit. A 7% headline yield in a high-service-charge tower can net you closer to 5% once the real costs land. The areas winning this cycle are the ones where rent demand is real and ongoing costs are sane — not the ones with the loudest launch campaigns.

*"Stop reacting to the index. Start underwriting the unit."*

AREA	AED/SQFT
Palm Jumeirah	~4,000
Downtown Dubai	~3,000
Business Bay	~2,900
Dubai South	~1,800
JVC	~1,450
Emerging (entry)	<1,400

AREA	GROSS YIELD
Discovery Gardens	~7.5-8.5%
JVC	~7-8.5%
Business Bay	~6.5-7.5%
Dubai Marina	~6-7%
Downtown Dubai	~5-6%
Palm Jumeirah	~4-6%

Source: DXB Analytics (DLD), Jan 2026. Yields are indicative — always verify the specific building before relying on them.

## AREA SPOTLIGHT · THE NET-YIELD REALITY

# JVC — where the headline yield meets the bill

Jumeirah Village Circle is the most-transacted mid-market community in Dubai and the poster child for "high yield." Here's an illustrative one-bedroom, run the way you should run every unit — gross down to net.

Worked Example — 1-Bed, JVC		~655 sqft · Illustrative
Purchase price		<b>AED 950,000</b>
Gross annual rent		<b>AED 68,000</b>
<b>Gross yield</b>		<b>7.2%</b>
— Service charge (~AED 11/sqft)		<b>— 7,200</b>
— Property management (8%)		<b>— 5,440</b>
— Maintenance / insurance		<b>— 2,500</b>
— Vacancy allowance (~4%)		<b>— 2,720</b>
<b>NET ANNUAL INCOME: AED 50,140</b>		<b>NET YIELD: 5.3%</b>

The headline said 7.2%. Reality nets ~5.3% — a roughly 26% haircut before entry costs (DLD 4% + agency ~2% + admin). Still strong by global standards — but underwrite the net, never the gross.

## SIGNATURE · WHERE AED 1M GOES THIS MONTH

The Yield Play	
<i>JVC · 1-bed, ready</i>	
Entry	~AED 950K
Net yield	~5.3%
Liquidity	High
Profile	Income-first

The Growth Play	
<i>Dubai South / emerging · off-plan</i>	
Entry	AED 1,400/sqft
Yield on handover	~6%+
Liquidity	Lower (off-plan)
Profile	Patient capital

The Prime Play	
<i>Downtown · studio/1-bed</i>	
Entry	~AED 3,000/sqft
Net yield	~4%
Liquidity	Very high
Profile	Prestige/preservation

Three lenses on the same budget — not recommendations. Which one fits depends on your timeline, risk appetite, and need for income vs. appreciation.

## DEVELOPER WATCH



### DAMAC — volume, branding, and the resale question

One of Dubai's most prolific developers, known for branded residences and aggressive launch cadence across communities like Damac Hills and Damac Lagoons. For investors, the constructive read: strong primary-market liquidity and recognizable product that rents well. The thing to check before committing: service-charge levels and the depth of the resale market in the specific tower or cluster, since branded supply can be plentiful. As always — verify the building, not the brand.

*Next editions: Sobha · Danube · Binghatti · Meraas · Ellington.*

## RISK RADAR · STAY HONEST

- **Sentiment shock.** Regional tension cooled transaction volumes sharply month-on-month this spring. Sentiment-driven dips can be fast — and so can recoveries.
- **Correction calls on the table.** Some agencies flagged a possible mid-single to mid-teens % price correction across late 2025-2026 after the 2022-25 run-up. Plan for flat-to-soft, not just up.
- **Thin resale market.** Secondary volumes are down materially YoY. Great if you own scarce ready stock; harder if you need to exit an off-plan unit quickly.
- **The delivery gap cuts both ways.** Many completions run late — supporting today's prices, but a wave of catch-up handovers could pressure rents in over-supplied pockets.

**This is not financial advice. Always verify before investing.** YieldOS is an education and tools platform. We don't sell property, we don't earn commissions, and we have no agenda beyond helping you make informed decisions. All figures are illustrative or drawn from public data and should be independently verified.

### Sources

Dubai Land Department / DXB Interact · DXB Analytics · Knight Frank · Cushman & Wakefield · Cavendish Maxwell · Property Finder · Fitch. Data as of early June 2026.

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