REAL ESTATE MARKET INTELLIGENCE

Abu Dhabi

Monthly Market Report

January – May 2026

A strong start with monthly gains narrowing—steady transition, or turning point?

abudhabipropertydata.com

Sources: Abu Dhabi Real Estate Centre (ADREC), REIDIN, ValuStrat, Savills, Colliers and other publicly available market research

SNAPSHOT

Jan–May 2026 market snapshot: strong growth, cooling pace

AED 66.0 bn

Q1 2026 total transaction value

+160.7% YoY (13,518 transactions)

7,200+

Q1 residential transactions

2nd strongest quarter on record, just below Q4 2025

148 pts

ValuStrat Price Index (VPI)

+6.4% QoQ | +17.8% YoY

+23.77%

REIDIN sales index YoY (May)

Down sharply from +32.88% in Jan

80%

Off-plan share of transactions

Record 6,416 deals, +20.6% QoQ

AED 1,665/sf

Apartment average sale price

+36% YoY (Reliant Surveyors)

AED 1,189/sf

Villa average sale price

+10.3% YoY (Reliant Surveyors)

AED 15.03 bn

Q1 total mortgage value

4,578 deals, value +53.4% / volume +48.8% YoY

Sources: ADREC (Q1 2026 release, 7 Apr 2026); REIDIN UAE Residential Property Price Report; ValuStrat Price Index; Reliant Surveyors

OVERVIEW

Strong start, steadying pace: from acceleration to gentle cooling

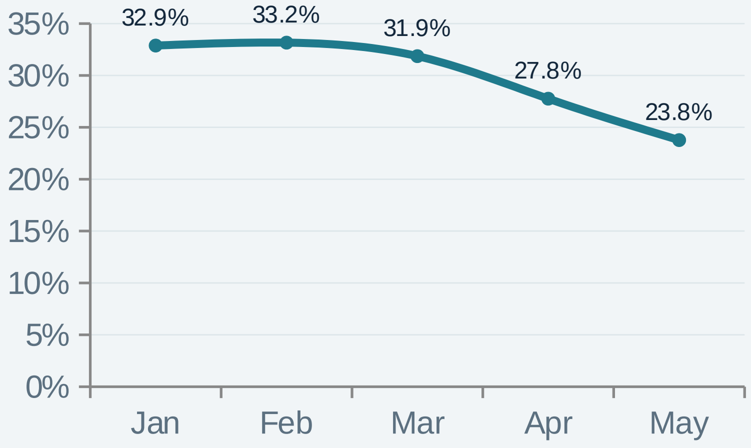
Abu Dhabi's real estate market extended its 2025 momentum into a record-breaking first quarter of 2026. According to the Abu Dhabi Real Estate Centre (ADREC), total market transaction value reached AED 66.0 billion, up 160.7% year-on-year, while sales and purchase transactions alone totalled AED 50.97 billion across 8,940 deals, up 228.6% YoY. Residential transaction volume topped 7,200 deals — the second-strongest quarter on record, just behind the Q4 2025 peak.

On pricing, the ValuStrat Price Index (VPI) climbed to 148 points in Q1, up 6.4% quarter-on-quarter and 17.8% year-on-year — an acceleration from the prior quarter's +4.3% QoQ / +13.1% YoY. Apartments led the gains (+10.4% QoQ / +22.7% YoY), while villas grew more moderately (+2.7% QoQ / +13.4% YoY).

However, the higher-frequency REIDIN monthly index shows momentum already turning by quarter-end: January rose 2.66% month-on-month, February widened to 1.47% (with YoY briefly peaking at 33.16%), March slowed sharply to just 0.05%, and April-May then posted two consecutive monthly declines (-0.32%, -0.37%). Year-on-year growth narrowed from 32.88% in January to 23.77% in May, while rental index YoY growth eased from 18.75% to 6.89% over the same period — the market is shifting from “accelerating surge” to “gentle cooling.”

YoY growth narrowing month by month

REIDIN Abu Dhabi residential sales price index · YoY change (%)

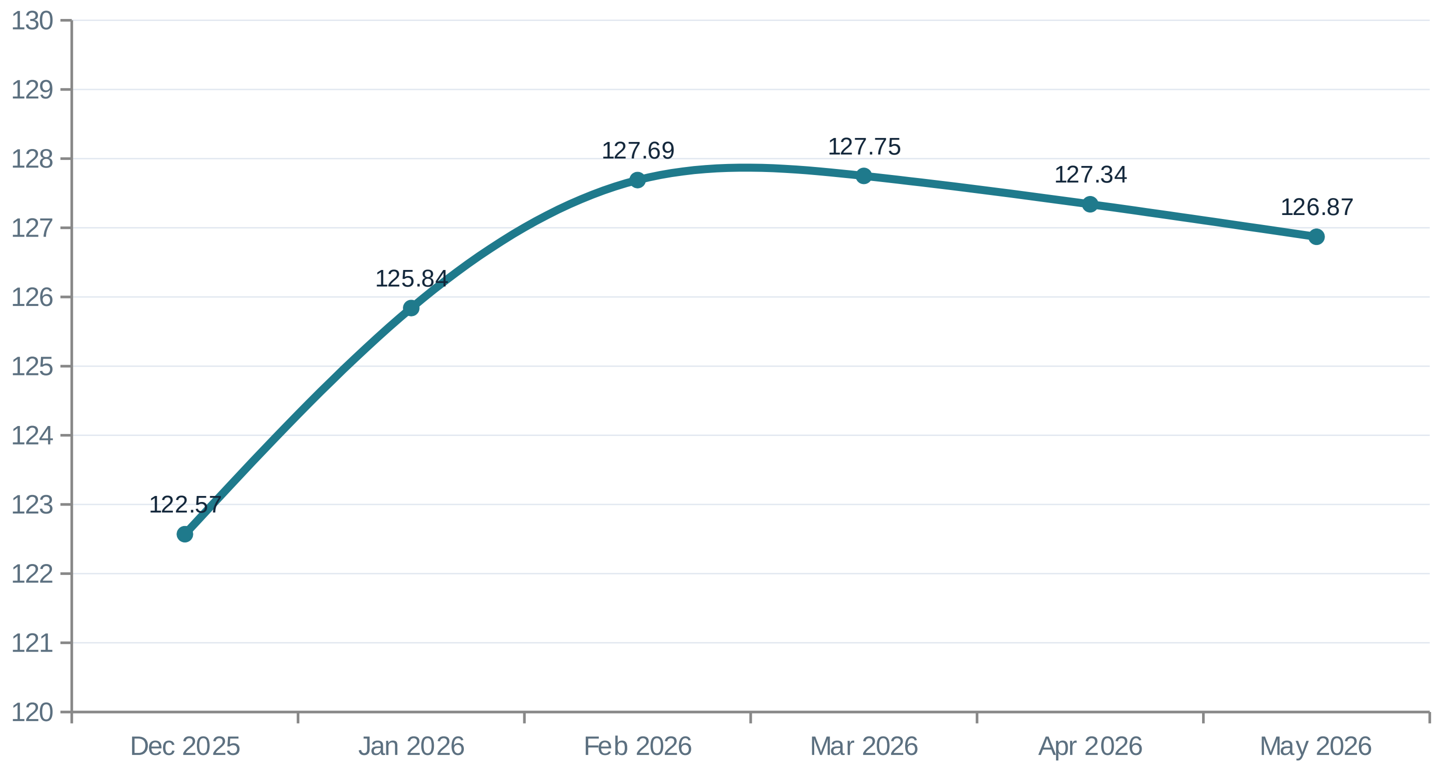


May's YoY growth of 23.77% is about 9.1 percentage points below January's peak; REIDIN's rental index YoY growth fell from 18.75% to 6.89% over the same period — both price and rent signals point to cooling.

Off-plan deals hit a record 6,416 in Q1 — 80% of residential sales, up 20.6% QoQ. Hudayriyat Island, Al Reem Island, Saadiyat Island and Yas Island together contributed over AED 35bn, the core growth engine this cycle (see next page).

Sources: ADREC Q1 2026 press release (7 Apr 2026); REIDIN UAE Residential Property Price Report, Jan–May 2026 editions; ValuStrat Price Index Q1 2026

REIDIN Abu Dhabi residential sales price index: Jan–May 2026



Note: indexed from REIDIN's published January 2026 MoM change (+2.66%, from 122.57 to 125.84), with subsequent months derived by compounding each month's reported MoM change.

Monthly index overview

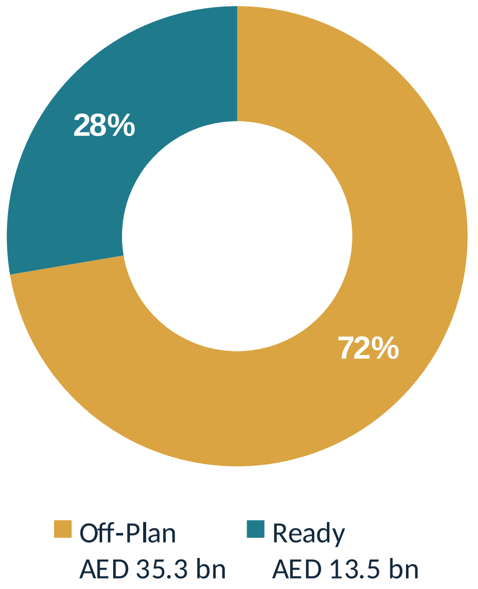
Month	Index	MoM	YoY	Rent YoY
Jan	125.84	+2.66%	+32.88%	+18.75%
Feb	127.69	+1.47%	+33.16%	+16.78%
Mar	127.75	+0.05%	+31.86%	+14.99%
Apr	127.34	-0.32%	+27.76%	+12.02%
May	126.87	-0.37%	+23.77%	+6.89%

May's sales price index YoY growth of 23.77% is the first reading below 25% in 2026; April-May posted two straight months of MoM declines, and rental index YoY growth also slipped to 6.89% — price and rent cooling signals are now aligned.

TRANSACTION MIX

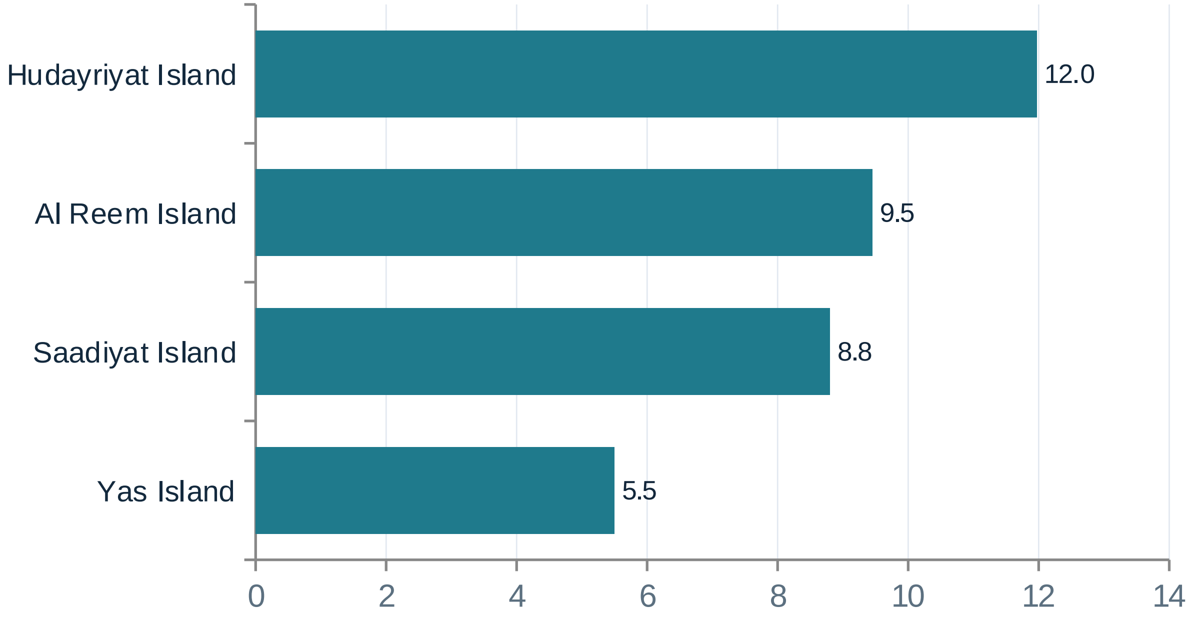
Off-plan-led market: transaction mix and key growth areas (Q1 2026)

Sales value structure



Total Abu Dhabi residential sales in Q1 2026 reached approximately AED 48.8 billion — off-plan accounted for ~72% (AED 35.3bn), ready properties ~28% (AED 13.5bn) — Driven Properties, Abu Dhabi Market Report Q1 2026

Transaction value by area (AED bn, Q1 2026)



Hudayriyat Island (developed by Modon) led with approximately AED 11.97bn, followed by Al Reem Island, Saadiyat Island and Yas Island — the four areas combined for roughly AED 35.7bn.

Off-plan transactions hit a record 6,416 deals in Q1, 80% of total residential transactions, up 20.6% QoQ; new project registrations rose 60% YoY to 16, including Aldar's Tara Park launch on Al Reem Island and key handovers such as Fay Al Reeman Phase 2 and The Gate Residence in Masdar City.

CAPITAL FLOWS

Credit and foreign capital both strengthen (Q1 2026)

AED 15.03 bn

Q1 total mortgage value (4,578 deals)

Value +53.4% | Volume +48.8% YoY

AED 10.05 bn

Residential mortgages (~5,000 deals)

+42.1% YoY

AED 8.27 bn

Individual FDI

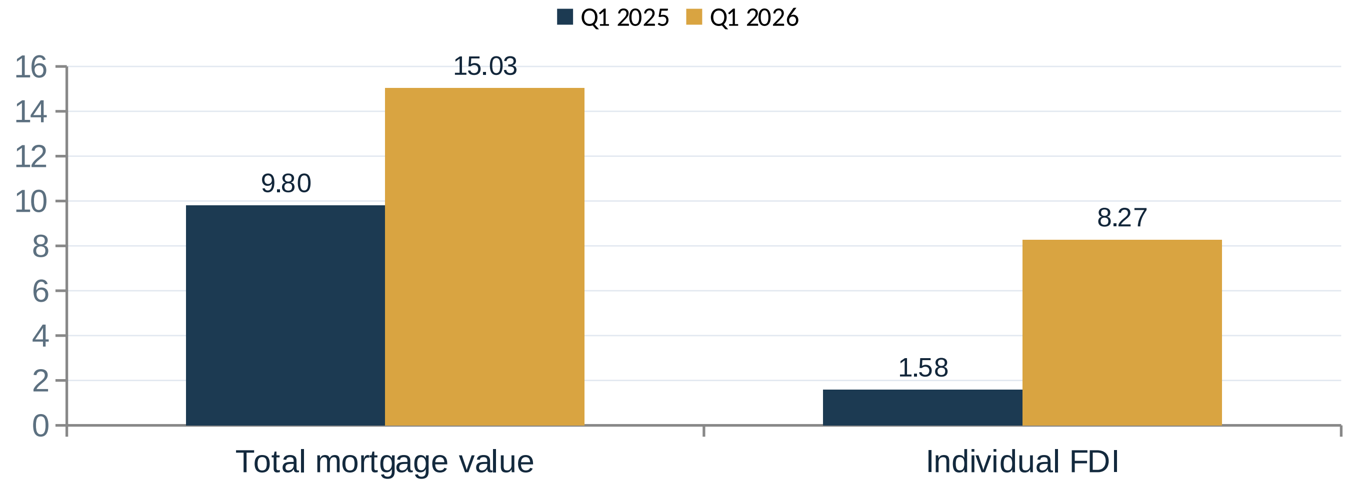
+423% YoY — nearly all of 2025's full-year total

84%

Foreign share in investment zones

AED 36.4bn / 43.5bn, +242% YoY, from 99 nationalities (vs 68 last year)

Q1 2025 vs Q1 2026: mortgage value vs. foreign investment (AED bn)



Reading the data

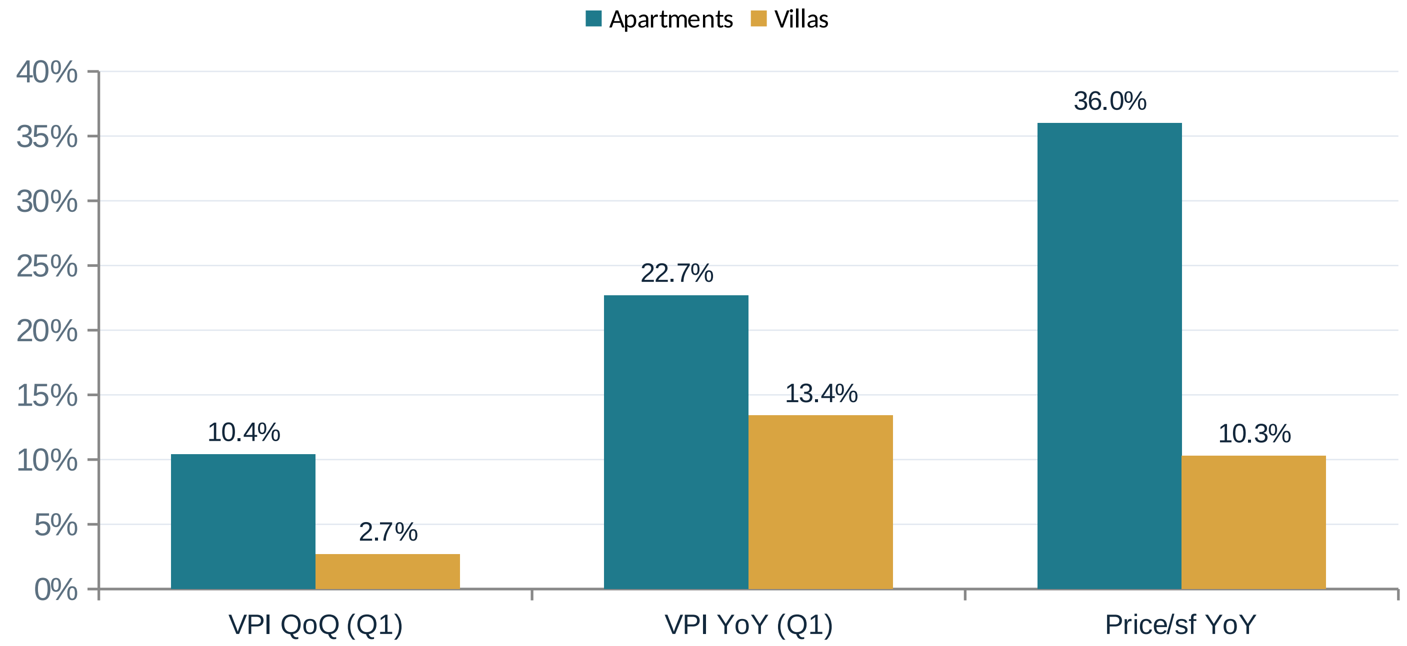
Individual FDI jumped from roughly AED 1.58bn to AED 8.27bn — a three-month increase already comparable to all of 2025's full-year foreign investment, the quarter's most striking shift. The foreign share within investment zones rose to ~84%, with participating nationalities growing from 68 to 99, pointing to a more diversified capital base.

Mortgage volumes also expanded, but more moderately (+53.4%), with a rising share of new-purchase mortgages signalling stronger end-user demand alongside the off-plan boom.

Sources: ADREC Q1 2026 press release (7 Apr 2026); Global Property Guide / Savills, UAE Residential Market Analysis 2026

Apartments lead, villas hold steady: a diverging growth curve

Apartments vs villas — price growth comparison (%)



VPI QoQ/YoY figures are from the ValuStrat Price Index (Q1 2026); price/sf YoY is from Reliant Surveyors (apartments AED 1,665/sf, villas AED 1,189/sf). Methodologies and bases differ between sources — directional comparison only.

Rental market: stable, easing slightly

- ValuStrat Rental VPI: 128.1 pts, flat QoQ, +5.9% YoY
- Citywide occupancy: 88.1%
- Apartment rent: AED 106.4/sf/yr, +16% YoY
- Villa rent: AED 55.4/sf/yr, +8% YoY
- REIDIN rental index YoY: +18.75% (Jan) → +6.89% (May)

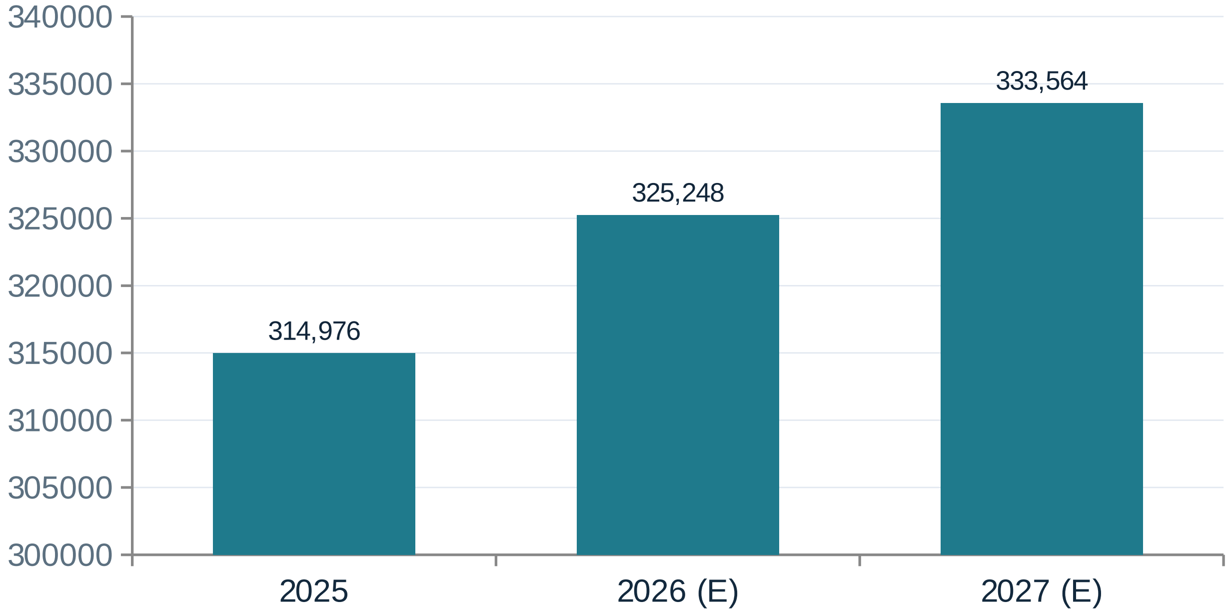
Price tier distribution

- Entry level: AED 500k–700k (Hydra Village, Al Ghadeer studios/1BR)
- Mainstream: ~80% of listings between AED 900k–3.5m, median ~AED 1.4m
- Luxury: AED 8m–25m+ (Saadiyat Island waterfront villas/branded apartments)

Sources: ValuStrat Price Index Q1 2026; Reliant Surveyors, Abu Dhabi Real Estate Market Report Q1 2026; REIDIN monthly reports; industry estimates

Supply pipeline and outlook: toward a more sustainable growth pace

Residential stock forecast (units)



Residential stock is projected to grow 3.3% YoY in 2026 (+10,272 units), reaching 333,564 units in 2027 (+2.6%) — ADREC supply forecast

Q1 new supply

16 new projects were registered in Q1, up 60% YoY; Savills estimates around 20 project launches, adding roughly 4,000 new units, about 80% of them apartments. Key handovers included Fay Al Reeman Phase 2 and The Gate Residence in Masdar City.

Institutional views

ADREC Director-General Rashed Al Omaira noted that this quarter's record activity reflects both robust demand and a market that is becoming more regulated and more focused on long-term investment.

ValuStrat's Haider Tuaima observed that while geopolitical conditions have introduced some caution, there is so far no clear evidence of material impact on Abu Dhabi's real estate market — Q2 data will be the key test of the market's resilience.

Outlook: per industry forecasts cited by The National, full-year 2026 price growth is expected to moderate to a mid-single-digit range of 5–8%, down sharply from 12–22% in 2024-2025, with rents also expected to shift to low-single-digit growth or stabilise — consistent with the cooling trend seen across the Jan–May index data.

Sources: ADREC Q1 2026 press release; Savills Market in Minutes Q1 2026; ZAWYA/Arabian Business (ValuStrat commentary, May 2026); The National (January 2026)

METHODOLOGY & SOURCES

- **ADREC (Abu Dhabi Real Estate Centre)**

  The official regulator, publishing quarterly data on transaction value, volume, mortgages and foreign investment. This report cites the Q1 2026 release published 7 April 2026.

- **REIDIN**

  Provides the UAE Residential Property Price Report with monthly sales and rental indices, broken down by apartments/villas. This report uses the January–May 2026 monthly editions.

- **ValuStrat Price Index (VPI)**

  A valuation-based price index compiled by RICS-registered valuers, published quarterly and covering over 90% of residential market stock.

- **Savills / Colliers / Reliant Surveyors / Driven Properties**

  Industry research firms' quarterly market reports, providing transaction mix, area performance and price-per-sf data, partly derived from ADREC's underlying data.

Disclaimer

This report is compiled from the publicly available third-party market research listed above, for general market reference only and does not constitute investment advice. Index methodologies, statistical bases and benchmark periods differ between providers and figures should not be directly converted or compared; the REIDIN monthly index is derived by compounding each period's reported month-on-month change. Data reflects the latest publicly available releases from each source as of June 2026.

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