

REPORT

Abu Dhabi Residential Market Performance

H1 2025



Executive Summary

Abu Dhabi’s economy performed strongly in the first half of 2025, supported by significant growth in non-oil trade, increased foreign investment, and high business confidence. Non-oil foreign trade reached AED 195.4 billion, up 34.7% year-on-year. The business landscape remained positive, with the Abu Dhabi Chamber’s membership surpassing 158,000 companies and foreign net investment on the Abu Dhabi Securities Exchange (ADX) nearly doubling to AED 13.6 billion. The aviation sector also contributed to this positive momentum, serving over 15.8 million passengers due to expanded international flight connections. Key infrastructure projects, ongoing economic diversification, and welcoming policies for investors have all helped drive economic activity and attract skilled workers, providing a reliable foundation for the residential property market.

In H1 2025, the city’s residential market leaned towards completed homes, with approximately 3,300 transactions recorded—about 2,300 were for ready properties, while just over 1,000 involved off-plan sales. Off-plan activity slowed as new project launches were limited, though updated figures may reflect higher volumes than initially reported. Sales of completed properties remained robust compared to last year, driven by both end-user and investor demand. The supply of new homes continued to grow at a steady rate, with 2,400 units delivered in the first half and an additional 10,400 units expected by year-end. Continued demand and relatively limited supply led to further price and rental growth: apartment prices rose 14.4% year-on-year, villa prices increased by 11.1%, and apartment rental rates climbed 13.9%.

Looking ahead, Abu Dhabi’s residential market is expected to maintain healthy growth for the remainder of 2025, supported by strong buyer interest, ongoing infrastructure development, and the arrival of professionals attracted by new job opportunities. Demand is likely to remain ahead of supply in key sectors, which should continue to shape both sales and rental trends in the near term.



Market Snapshot for H1 2025



Macroeconomic Overview and Outlook

Recent data from Abu Dhabi Customs shows that the emirate's non-oil foreign trade maintained strong momentum in the first half of 2025, increasing by 34.7% year-on-year to reach AED 195.4 billion, up from AED 145 billion during the same period in 2024. Non-oil exports grew significantly, rising 64% to AED 78.5 billion compared to AED 47.9 billion in H1 2024. Imports also saw healthy growth, up 15% to AED 80 billion, while re-exports climbed 35% to exceed AED 36 billion, up from AED 26.6 billion a year earlier.

Business sentiment in Abu Dhabi remained positive, as evidenced by Abu Dhabi Chamber membership surpassing 158,000 registered companies—a 4.9% increase that underscores the emirate's ongoing attractiveness for business. The Abu Dhabi Securities Exchange (ADX) recorded a 99.5% increase in net foreign investment, reaching AED 13.6 billion, reflecting heightened confidence from international investors. The aviation sector also contributed to economic growth, with Abu Dhabi Airports handling more than 15.8 million passengers in H1 2025, a 13.1% rise over the same period last year, driven by increased international flight connections and growth in tourism.

Looking forward, Abu Dhabi's economy is expected to sustain its growth trajectory, supported by continued diversification, major infrastructure investments, and a favourable business environment. The emirate's resilient economic fundamentals, investor-friendly policies, and transparent regulatory framework continue to encourage business formation and job creation, attracting skilled professionals. This ongoing influx of talent is expected to support further growth in the local residential property market.

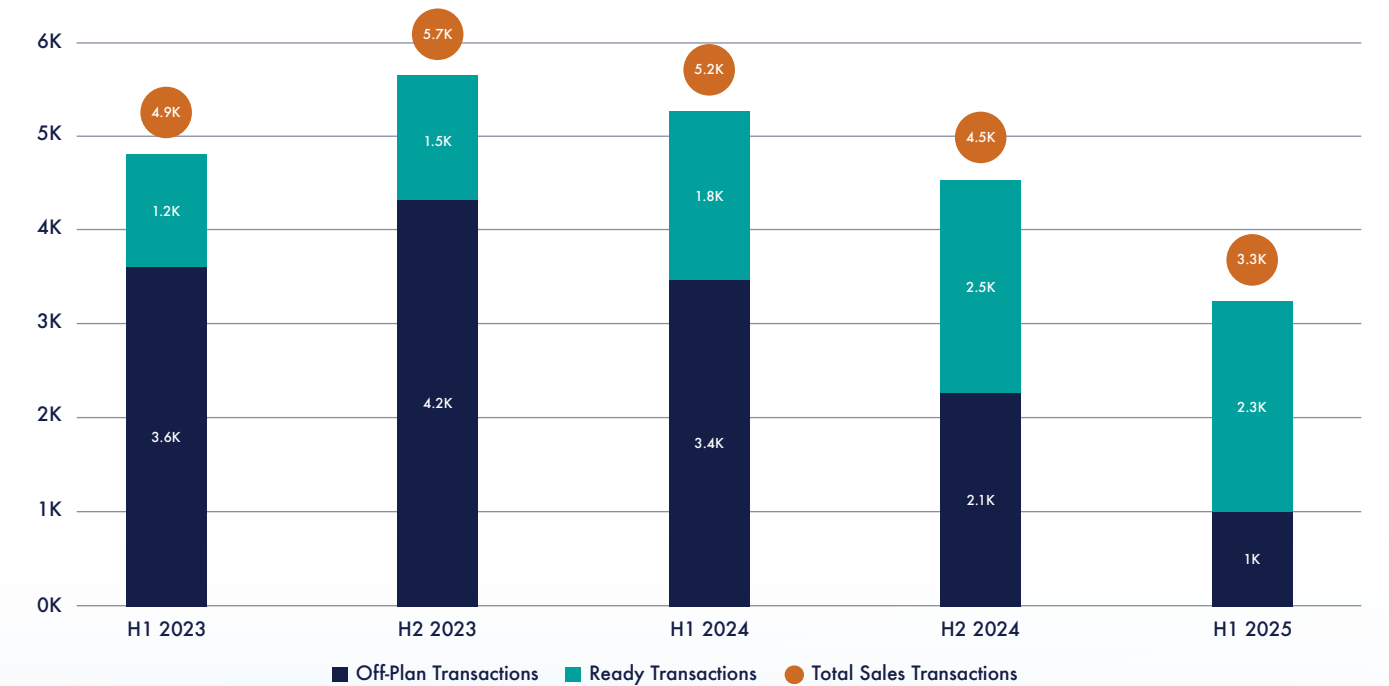


Sales Transactions

In the first half of 2025, Abu Dhabi’s residential market continued to favour ready properties, recording approximately 3,300 sales transactions—comprising about 2,300 ready property sales and just over 1,000 off-plan sales. Off-plan activity declined sharply, down 49.5% from H2 2024 and 69.9% from H1 2024, largely due to a slowdown in new project launches and limited off-plan inventory. Although off-plan transaction volumes in both Q1 and Q2 2025 were below previous levels, Q2 saw a slight improvement. Some sources indicate these figures may be revised upward, which could boost total sales volume for the period.

With fewer off-plan options available, demand shifted toward ready properties, increasing their relative share in the market. While the number of ready sales was lower than in H2 2024, it remained 26.9% higher compared to H1 2024—demonstrating robust interest from both end users and investors despite the lack of new off-plan supply.

Abu Dhabi City Transactions - By Volume



Change in Transaction Volume (%)			
H-on-H	-49.5%	-9.5%	-27.6%
Y-on-Y	-69.9%	+26.9%	-36.9%

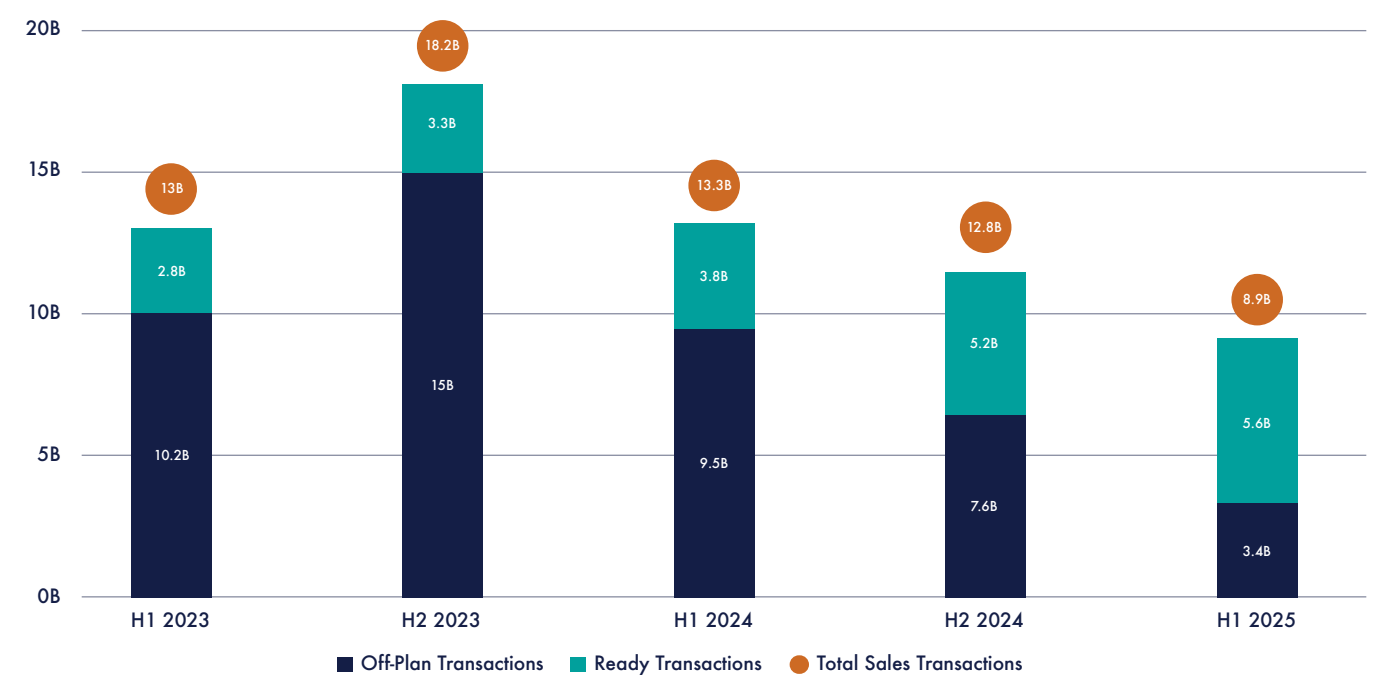
Source: DARI (Abu Dhabi Real Estate Centre)





In the first half of 2025, the total value of residential sales transactions in Abu Dhabi reached approximately AED 8.9 billion—a 33% decrease year-on-year, primarily reflecting a slowdown in off-plan activity. Despite a lower volume of ready property transactions compared to H2 2024, the total value of these sales increased. This was driven by an uptick in average transaction prices for ready properties, which rose from AED 2.1 million in H2 2024 to AED 2.5 million in H1 2025.

Abu Dhabi City Transactions - By Value (AED)



Change in Transaction Value (%)			
H-on-H	-55.6%	+7.5%	-30.1%
Y-on-Y	-64.4%	+44.5%	-33%

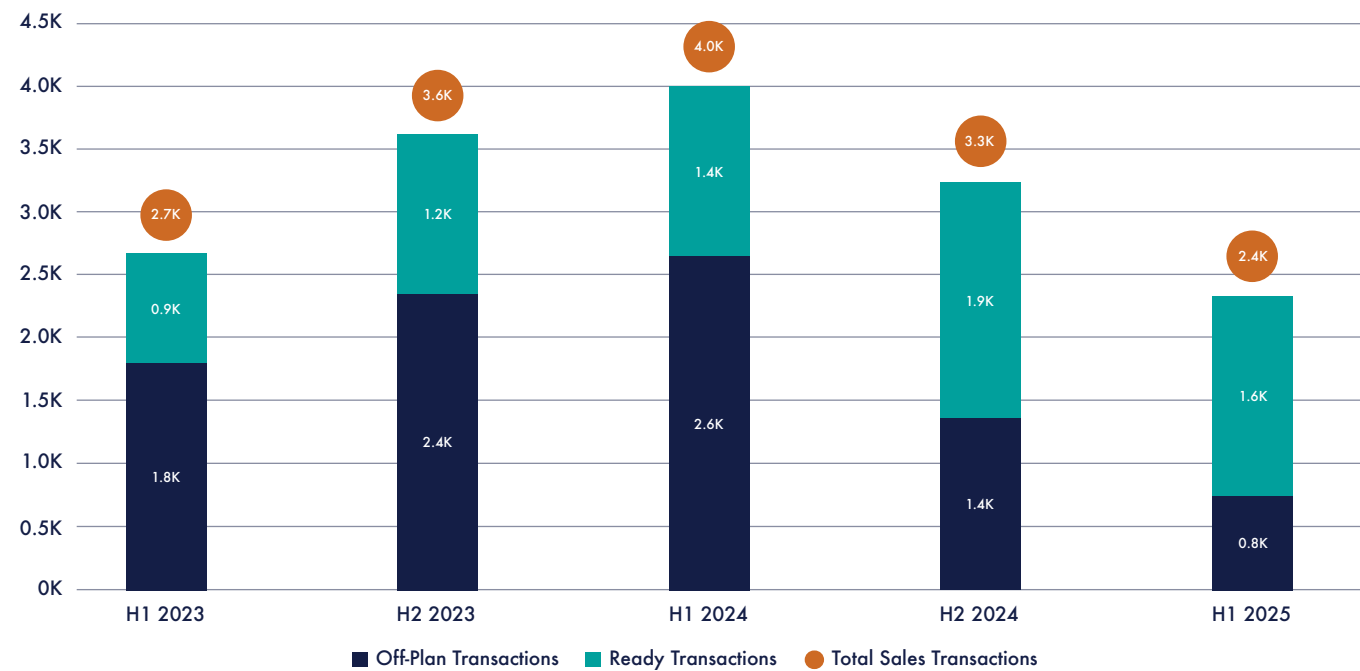
Source: DARI (Abu Dhabi Real Estate Centre)

Sales Transactions

by Property Type: Apartments

Apartments remained the leading segment in Abu Dhabi City’s residential market during H1 2025, though their share of total sales slipped from 76.4% in H1 2024 to 73.3%, indicating a slight shift in buyer preferences. Transaction volumes for apartments dropped by 27.8% compared to H2 2024 and by 39.4% year-on-year, largely due to reduced off-plan activity as a result of fewer project launches. Despite a decrease from H2 2024, ready apartment sales were 14.1% higher than in H1 2024, supported by sustained demand from both end users and investors. This trend highlights the market’s increasing emphasis on completed properties amid limited new off-plan supply.

Abu Dhabi City Apartment Transactions - By Volume



Change in Transaction Volume (%)			
H-on-H	-42.4%	-16.7%	-27.8%
Y-on-Y	-68%	+14.1%	-39.4%

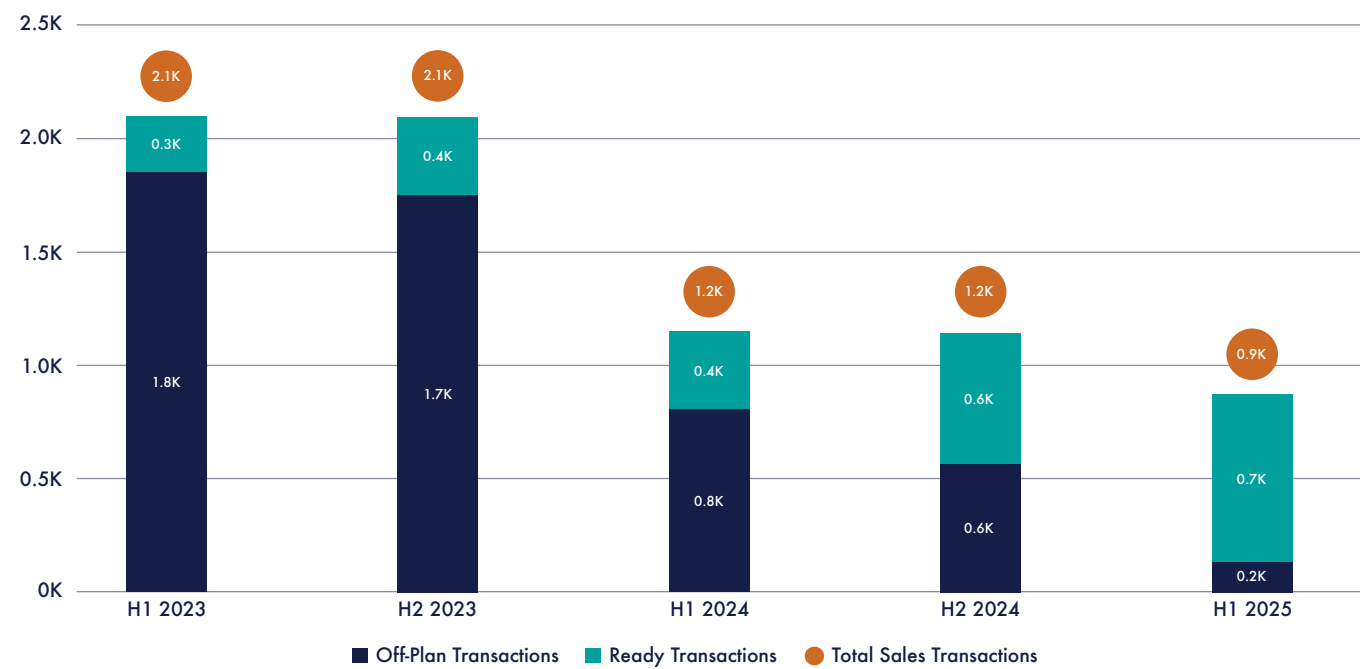
Source: DARI (Abu Dhabi Real Estate Centre)



Sales Transactions by Property Type: Villas and Townhouses

Although off-plan villa and townhouse transactions declined compared to both H2 2024 and H1 2024, ready villas and townhouses saw strong performance, with transaction volumes increasing by 13.3% from H2 2024 and 72.2% year-on-year—reaching their highest levels since 2021. This growth was largely driven by buyers prioritizing larger, family-friendly homes with desirable amenities. Additionally, investors were drawn to villas and townhouses not only for their attractive rental yields but also for their potential for long-term capital appreciation.

Abu Dhabi City Villa/Townhouse Transactions - By Volume



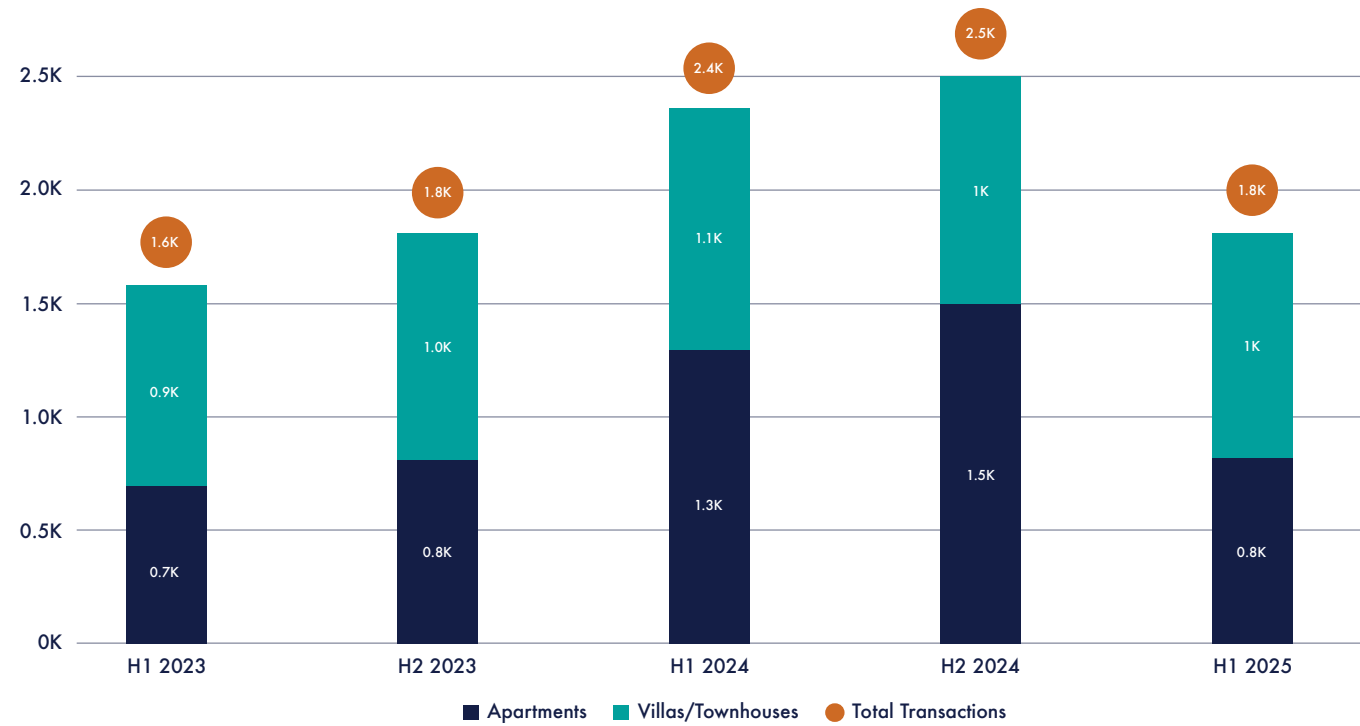
Change in Transaction Volume (%)			
H-on-H	-66.4%	+13.3%	-27%
Y-on-Y	-75.7%	+72.2%	-28.7%

Source: DARI (Abu Dhabi Real Estate Centre)

Mortgage Transactions

Abu Dhabi City recorded approximately 1,700 mortgage transactions in H1 2025, representing a 29.2% decrease from H2 2024 and a 26.0% reduction year-on-year. The overall decline was mainly due to a significant drop in apartment mortgages, which fell by nearly 50% compared to the previous half-year. In contrast, while mortgage activity for villas and townhouses also softened year-on-year, the decline was more moderate, and this segment even posted a slight uptick compared to H2 2024.

Abu Dhabi City Mortgage Transactions - By Volume



Change in Transaction Volume (%)			
H-on-H	-48.9%	+0.9%	-29.2%
Y-on-Y	-40%	-9.8%	-26%

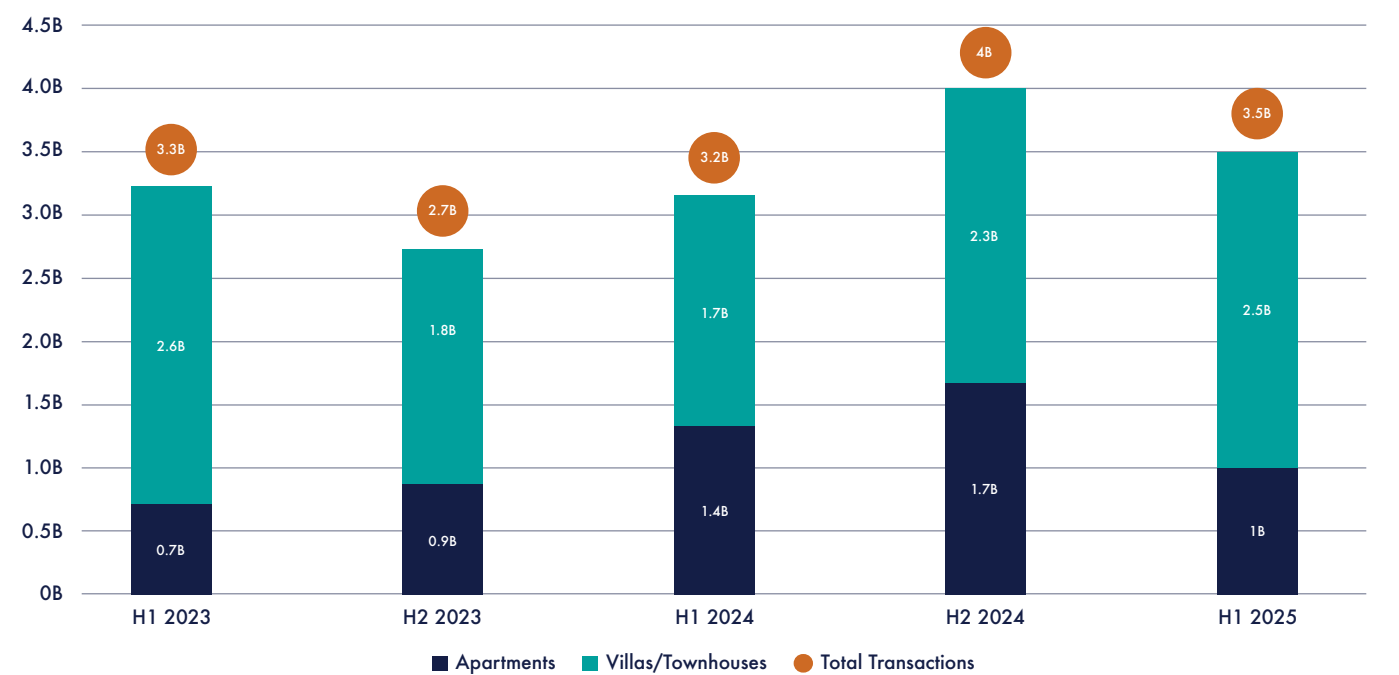
Source: DARI (Abu Dhabi Real Estate Centre)





In the first half of 2025, residential mortgage transactions in Abu Dhabi City totaled AED 3.5 billion, with AED 2.5 billion driven by villas and townhouses. Despite a 11.6% drop in overall mortgage values from the second half of 2024, there was a 11.8% increase compared to the same period last year. This growth was fueled by a significant 47.4% yearly surge in villa and townhouse mortgage values, which counterbalanced a sharp 31.1% annual decrease in apartment mortgage values.

Abu Dhabi City Mortgage Transactions - By Value (AED)



Change in Transaction Value (%)			
H-on-H	-43.1%	+12.5%	-11.6%
Y-on-Y	-31.1%	+47.4%	+11.8%

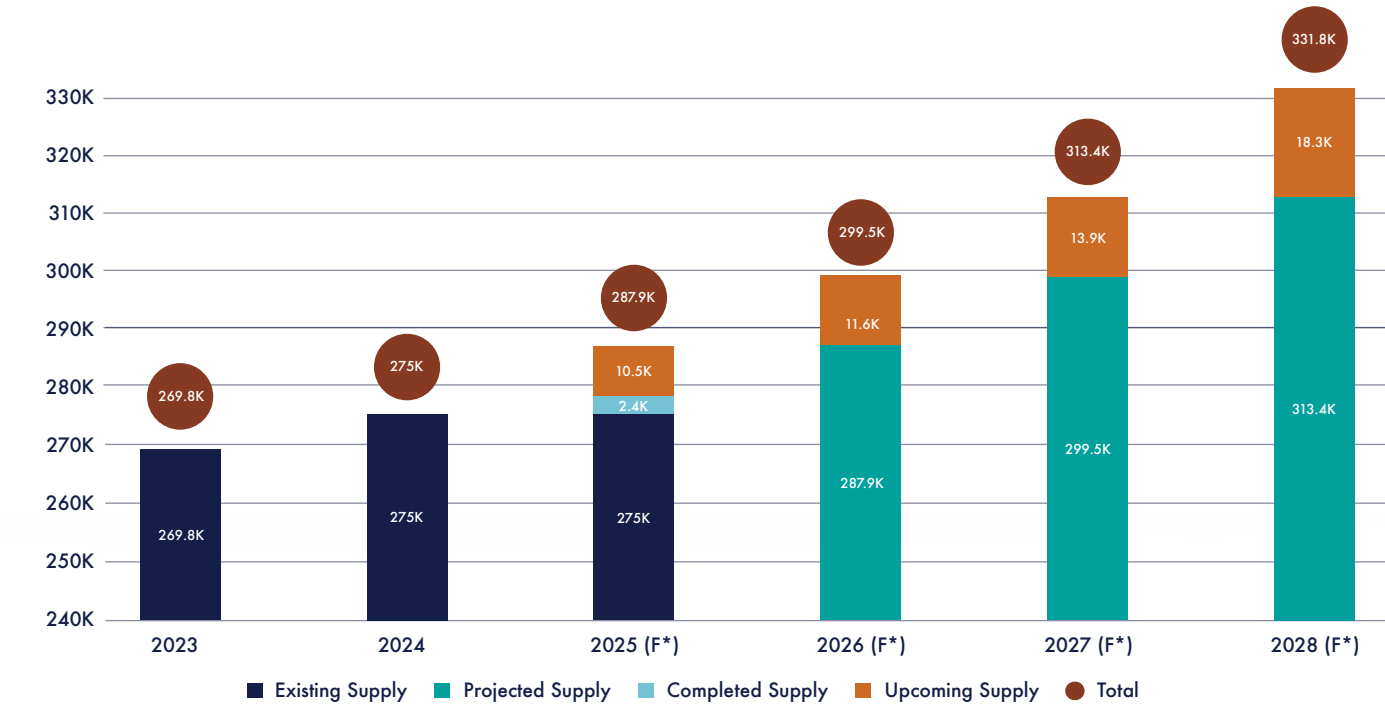
Source: DARI (Abu Dhabi Real Estate Centre)

Existing and Future Supply

In 2025, Abu Dhabi City saw a steady increase in residential supply, with approximately 2,400 units completed. The development pipeline is set to accelerate, with an estimated 10,400 units slated for completion by the end of the year and more than 11,000 units planned for 2026. However, actual deliveries are likely to lag behind projections, resulting in supply falling short of short-term demand.

Meanwhile, the Government’s Vision 2030 plan for economic diversification, alongside consistent population growth driven by international migration, continues to drive strong demand for high-quality, family-friendly homes equipped with modern facilities. Additionally, improving economic conditions across the UAE and the wider GCC region are boosting investor confidence, further supporting the demand for residential properties.

Abu Dhabi Supply - Number of Units



Source: MEED Projects

*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.

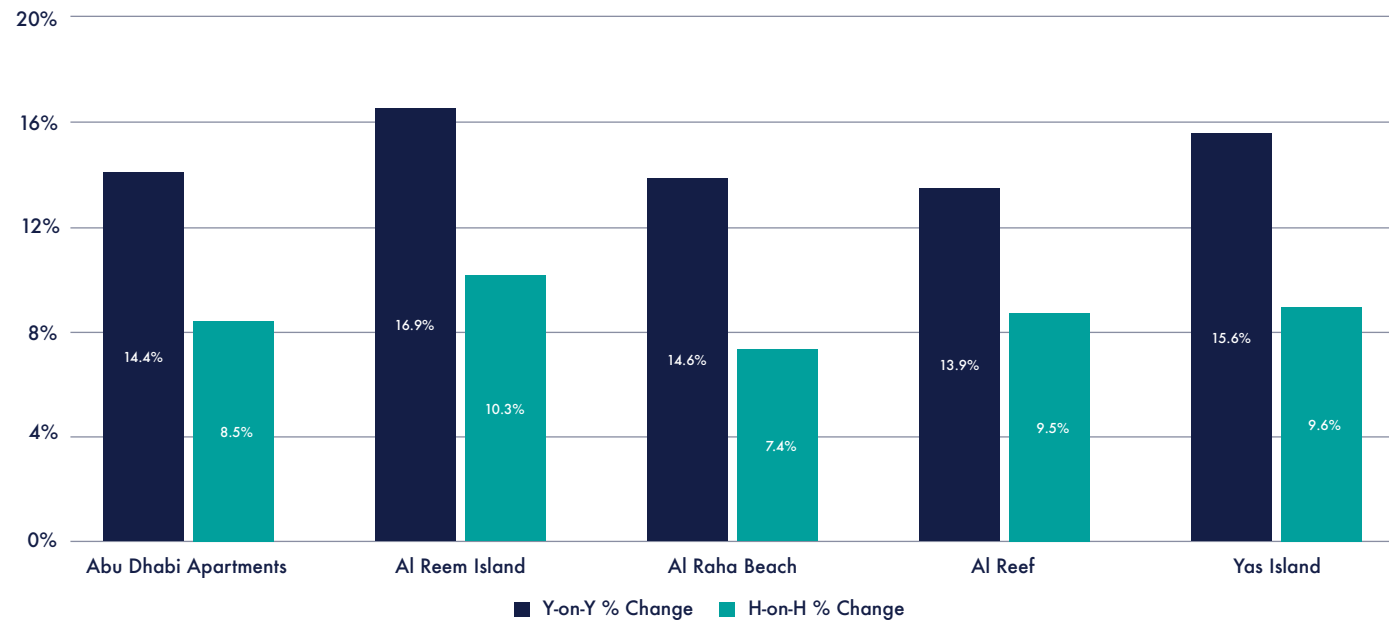




Abu Dhabi Sales Price Change

In the first half of 2025, apartment transactions in Abu Dhabi experienced a decline, yet prices across the city and its submarkets continued to climb, with citywide prices increasing by 8.5% from the second half of 2024 and 14.4% compared to the previous year. This upward trend highlights a market constrained by limited supply, where a shortage of sought-after units is driving price increases. Buyers are increasingly prioritizing premium, strategically located apartments, revealing that market dynamics differ based on location and quality, with price stability primarily fuelled by high-demand, scarce properties.

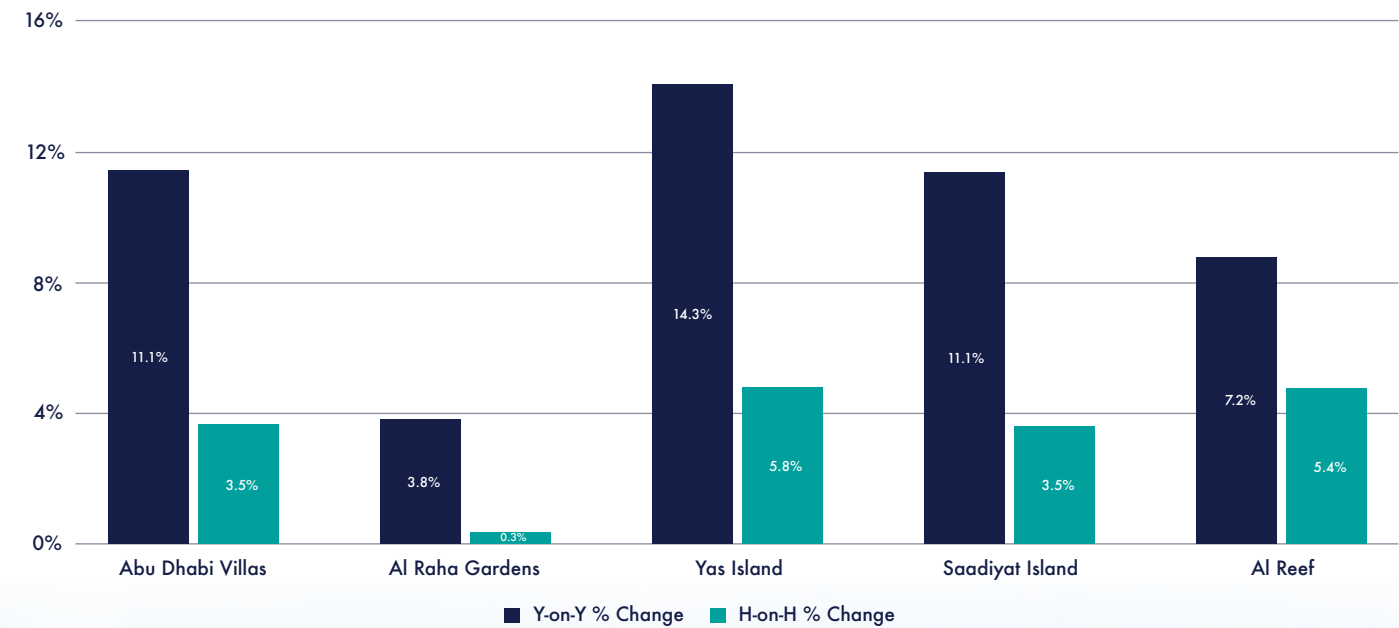
Abu Dhabi Apartment Sales Price Change (%)



Source: DARI (Abu Dhabi Real Estate Centre)

In the first half of 2025, villa prices in Abu Dhabi saw continued growth, though at a slower rate than apartments. Across the city, prices rose by 3.5% compared to the second half of 2024 and by 11.1% from the previous year, indicating consistent demand within this property segment.

Abu Dhabi Villa Sales Price Change (%)

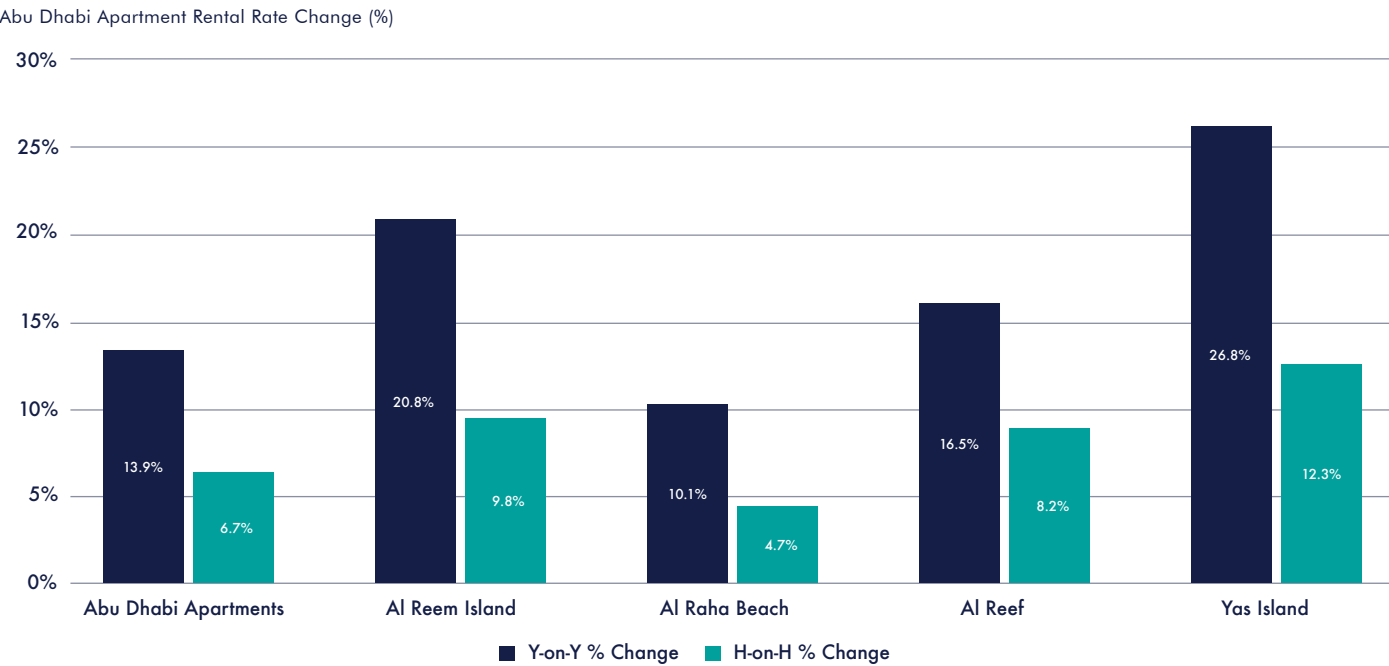


Source: DARI (Abu Dhabi Real Estate Centre)



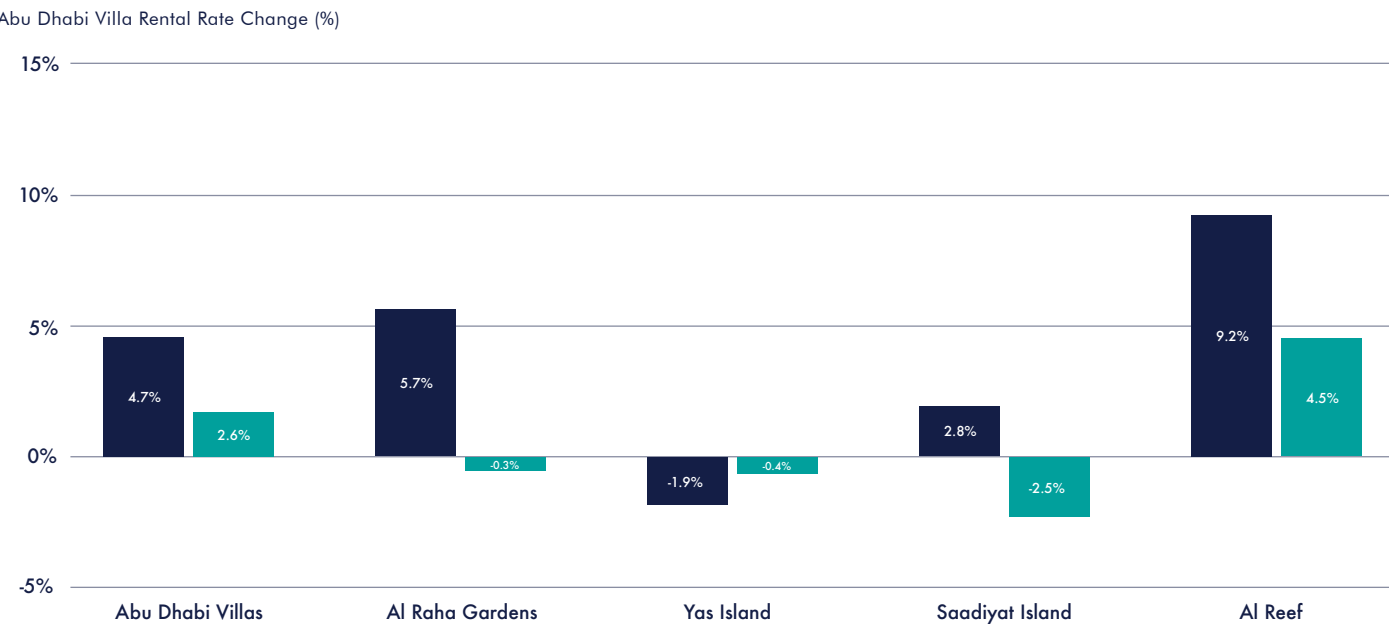
Abu Dhabi Rental Rate Change

With Abu Dhabi’s population steadily increasing due to ongoing inward migration, rental rates across the city rose by 6.7% from the second half of 2024 and by 13.9% compared to the previous year. However, rental growth differed across submarkets, with some areas seeing single-digit increases and others recording double-digit annual gains. These differences stem from market dynamics shaped by factors like location, property quality, and community facilities, indicating that tenants are prepared to pay higher rents for certain desirable market segments.



Source: DARI (Abu Dhabi Real Estate Centre)

In the first half of 2025, villa rental rates in Abu Dhabi grew moderately, with citywide rents increasing by 2.6% from the prior half-year and 4.7% year-on-year. Submarket performance varied, reflecting diverse demand patterns: locations such as Al Reef saw the most robust growth, while others, like Yas Island, experienced declines compared to the first half of 2024.

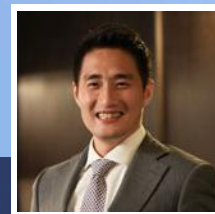


Source: DARI (Abu Dhabi Real Estate Centre)

2025 Real Estate Market Outlook

The residential property market in Abu Dhabi City started 2025 on a quieter note, with transaction volumes for both completed and off-plan properties declining compared to the second half of 2024. While completed property sales showed improvement over the first half of the previous year, off-plan sales dropped year-on-year, primarily due to a lack of new project launches and seasonal influences. However, some reports indicate that off-plan transaction figures may be adjusted upward, suggesting more robust activity than initially reported. Looking ahead to the second half of 2025, sales of completed properties are expected to hold steady, driven by consistent demand across various buyer segments. The off-plan market's performance will hinge on the volume and timing of new project introductions, with early signs pointing to a potential uptick in activity later in 2025 if new launches proceed as anticipated.

On the supply side, an estimated 10,400 residential units are projected to be completed by the end of 2025. Demand absorption will likely differ across market segments, with high-quality, well-positioned properties seeing stronger interest, while mid-range or less centrally located projects may experience slower uptake. Overall, current market dynamics are expected to continue influencing both sales and rental trends, with growth anticipated in the near term.



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The first half of 2025 has painted a complex picture of Abu Dhabi's real estate market. Although overall transaction activity has slowed compared to the first half of 2024, demand for completed properties remains strong. This consistent interest has fueled ongoing price increases across both apartments and villas, highlighting the enduring confidence of end-users and investors alike.

A key observation in H1 2025 has been the lower number of new project launches. This trend is expected to reverse in late H1 and early H2 2025, with several significant off-plan developments set to enter the market. These forthcoming projects are likely to boost supply and enhance overall market activity.

Prominent developers like Aldar and Modon are anticipated to maintain their influence in the market in the coming months, joined by an increasing number of smaller private developers launching projects around the H1/H2 transition. These factors collectively lay a solid groundwork for H2 2025, with encouraging prospects for both off-plan and completed property segments. The market's resilience and adaptability continue to position it favorably for sustained growth in the near future.

Kelvin Wu

Chief Executive Officer – Knightsbridge Partners

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Abu Dhabi Key Projects



MUHEIRA

REEM ISLAND



Starting Price:
AED 1,400,000



Location:
Reem Island



Facilities:
Gym, Parks, Sky Lounge,
Pool, Cycling & jogging
trails and more



Seamont

AUTOGRAPH COLLECTION[®]
RESIDENCES



Starting Price:
AED 1,700,000



Location:
Reem Island



Facilities:
Outdoor Infinity Pools,
BBQ Area, Gym, Steam
and Sauna Rooms and more



GRANADA II



Starting Price:
AED 1,100,000



Location:
Zayed City



Facilities:
Community centres with
gym, pools, kids areas, cafes,
lounger areas and more

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