Hamptons
INTERNATIONAL

H1 REAL ESTATE

Market Report

Dubai | Abu Dhabi | Northern Emirates | Oman | UK

Dubai

Overview

Dubai's property market reached new highs in the first half of 2025, building on the momentum of an already strong 2024. More than 99,000 sales transactions were recorded in H1, up from 81,286 during the same period last year, with a total value approaching AED 329 billion.

This is almost twice the transaction volume seen in H1 2023 and highlights Dubai's continued rise as a global real estate hub. Growth was seen across both residential and commercial sectors, with distinct patterns emerging within specific segments, outlined below.

Sales Transactions and Market Performance

Dubai saw strong sales activity across both apartments and villas in H1 2025. Around 73,863 apartment units changed hands — a 15% increase compared to H1 2024 — while villa and townhouse sales reached 20,655 units, up 54% year-on-year. This marks a notable rebound for villas, which had experienced slower activity in 2024.

The resurgence in villa demand can be linked to renewed interest in larger homes following the pandemic, along with new supply entering the market in areas such as Dubai South and Arabian Ranches 3. Apartment sales, which continue to account for the majority of transactions, maintained steady growth, driven by both investor activity and demand for more accessible price points.

Sales values rose even more sharply. Apartment sales totalled AED 145.9 billion, up 21% year-on-year. Villa and townhouse sales reached AED 121.8 billion, up 62%. This sharp rise reflects not only increased volumes but also higher average prices, particularly in the upper segment of the market. Many family villas in prime areas attracted competitive bidding, pushing transaction values to new highs.

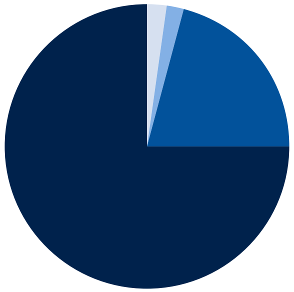
On average, villas and townhouses appreciated by approximately 55% year-on-year, compared to 22% for apartments. The wide gap highlights how limited inventory and high-net-worth buyer interest have created a seller's market in the villa segment.

Each month of H1 2025 outpaced the same period last year. In April, 18,044 transactions were recorded, compared to 11,641 in April 2024. May saw 18,697 sales, surpassing the previous high of 17,775 in May 2024. Q2 2025 alone delivered 53,506 transactions worth AED 186 billion — the strongest quarterly performance on record. The consistency of this growth points to the depth and resilience of market demand.

Sales Transactions

Year on Year | 2024 - 2025

	2024 Transactions	2024 Value (AED)	2025 Transactions	2025 Value (AED)	Value Change %
Apartments	64,048	120,900,000,000	73,863	145,900,000,000	20.68%
Villas	13,434	75,000,000,000	20,655	121,800,000,000	62.40%
Commercial	2,107	4,200,000,000	2,486	7,300,000,000	73.81%
Plots	1,697	35,900,000,000	2,005	53,900,000,000	50.14%
Total	81,286	236,000,000,000	99,099	328,900,000,000	39.36%



Apartments	75%
Villas	21%
Plots	2%
Commercial	2%

Transactions Value

2024	Value	2025	Value	Value Change
January	36,400,000,000	January	44,600,000,000	23%
February	37,000,000,000	February	51,000,000,000	38%
March	37,500,000,000	March	47,300,000,000	26%
April	32,100,000,000	April	62,800,000,000	96%
May	46,700,000,000	May	66,900,000,000	43%
June	46,300,000,000	June	56,300,000,000	22%
Total for H1	**236,000,000,000**	**Total for H1**	**328,900,000,000**	**39%**

Transactions Volume

2024	Volume	2025	Volume	Value Change
January	11,755	January	14,247	21%
February	12,041	February	16,106	34%
March	13,713	March	15,150	10%
April	11,641	April	18,044	55%
May	17,775	May	18,697	5%
June	14,361	June	16,765	17%
Total for H1	**81,286**	**Total for H1**	**99,009**	**22%**

Rental Market Trends

Dubai's rental market remained strong in the first half of 2025, continuing the momentum from a record-setting 2024. Leasing activity was high, with official data showing nearly 204,000 new residential rental contracts in H1 2025. This included around 103,800 apartments and 12,908 villas, alongside tens of thousands of commercial leases. Total rental transaction values exceeded AED 24.5 billion. Rents continued to rise across most areas, although the pace of growth varied by segment.

Rental price trends showed more modest gains for apartments. Rents for affordable units rose between 3–9%, while mid-tier apartments saw increases of 5–7%. In some cases, such as certain buildings in JVC, select unit types even saw slight rent reductions, indicating a stabilisation in mid-market pricing.

Villa rents rose more sharply, particularly in high-end segments. Prime communities saw rent increases of 20–50% year-on-year, driven by limited availability and strong family demand. While some larger villa types in oversupplied areas experienced small declines, most premium 4-bedroom units saw significant upward movement due to tight supply.

Among apartment rentals, established affordable communities led the way. Jumeirah Village Circle (JVC) once again recorded the highest volume of new leases, thanks to steady handovers and competitive pricing. Preliminary data suggests over 7,000 new leases were signed in JVC during H1 2025, up from 5,100 in the same period last year.

Other high-activity apartment locations included International City (4,700 new rentals) and Business Bay (4,200), both of which remain attractive to budget-conscious tenants and young professionals. Emerging premium areas such as Dubai Marina and Downtown Dubai also ranked among the top five, with strong leasing driven by new handovers in prime locations.

For villas and townhouses, outer suburban communities dominated. DAMAC Hills 2 (Akoya Oxygen) topped the list, with over 1,300 new leases signed — up from 1,229 in H1 2024. Mirdif followed with 831 new leases, appealing to families looking for larger homes within reasonable proximity to central Dubai.

Other active villa rental areas included Al Furjan (459 leases), Town Square (442), and Emaar South (441), highlighting how affordability and new stock continue to shape tenant movement. Many renters remain open to relocating further from the city core in exchange for better value and newer homes, keeping occupancy levels high even in newer developments.

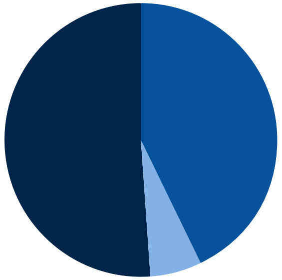
Rental Market Trends

It is worth noting that commercial rentals showed a mixed performance in H1 2025. The office leasing market, which experienced strong growth in late 2022 and throughout 2023, showed signs of cooling. Around 48,987 new office rental contracts were registered, a 26% drop from 66,600 in H1 2024. This may suggest that earlier pent-up demand has now been met or that companies are becoming more cautious with costs amid broader economic uncertainty.

In contrast, other commercial segments such as retail and industrial remained relatively stable. New shop leases totalled 12,088, while industrial leases reached 1,799 — both figures broadly in line with last year. Commercial rents in prime locations have either stabilised or increased slightly. Grade A offices in areas like Downtown, DIFC, and Barsha Heights continue to see strong demand and high occupancy, with some rental growth. Older, secondary office buildings have faced softer demand, reflecting a clear shift toward higher-quality spaces.

Looking ahead, the commercial sector is expected to recover gradually. Business growth and new company registrations, particularly in free zones, are likely to support ongoing demand. However, the exceptional peaks seen in 2022 and 2023 may not return in the near term.

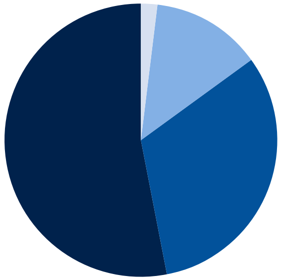
New Rental Transactions



Apartments		51%
Commercial		43%
Villas		6%

	H1 2024	H1 2025	Volume Change %
Apartments	101,000	103,821	2.79%
Villas	11,700	12,908	10.32%
Commercial	109,400	87,160	-20.33%
Total	**222,100**	**203,889**	**-8.20%**

New Commercial Rental Breakdown



Office	53%
Others	32%
Shops/Showroom	13%
Industrial	2%

	H1 2024	H2 2025	Volume Change %
Shops/Showroom	12,600	12,088	-4.06%
Office	66,600	48,987	-26.45%
Industrial	1,742	1,799	3.27%
Others	28,400	29,837	5.06%
Total	109,342	92,711	-15.21%

Off-Plan v/s Secondary Sales

Sales activity in H1 2025 continued to be dominated by off-plan transactions. Of the 99,000 total deals recorded, approximately 66,000 were for off-plan properties, making up about two-thirds of all transactions. The remaining 33,000 were secondary market sales.

In residential terms, off-plan activity accounted for 69% of all apartment and villa transactions — around 65,883 units — while ready homes totalled 29,522 units. This represents an increase from the 65% off-plan share seen in H1 2024.

Off-plan sales volume rose by 35% year-on-year, as developers launched new projects and buyers moved quickly to secure pre-completion pricing. Secondary market sales increased by 15%, a slower pace by comparison. This widening gap reflects strong confidence in Dubai's development pipeline and sustained investor demand.

Several factors continue to support the appeal of off-plan investments:

Affordability and Flexible Payment Plans
Many new projects are priced under AED 2–3 million, with staggered payment plans that reduce the upfront financial burden. Options like 60/40 post-handover structures make these properties accessible to middle-income buyers who might otherwise struggle to finance a ready home.

Attractive Yields
Off-plan properties in developing areas often offer expected rental yields of 7–8%, which compares favourably to returns in other global cities. Some investors also continue to flip contracts before handover, capitalising on rising prices.

Limited Ready Supply
The shortage of quality completed homes, especially family villas and townhouses, has led many buyers to turn to off-plan alternatives, securing future properties while inventory remains tight.

Developer Incentives
To maintain momentum, developers have continued to offer incentives such as DLD fee waivers, discounts, free appliances, and guaranteed returns over fixed periods. Aggressive marketing and flexible terms have kept demand strong.

More than 65 new projects launched in H1 2025, spanning luxury towers in Downtown Dubai and Dubai Marina, as well as villa communities in Dubailand and Dubai South. Buyer response was robust, with several launches selling out within days. These included branded residences on Palm Jumeirah and the latest release in Arabian Ranches 3.

Off-Plan v/s Secondary Sales

Off-plan sales growth was broad across segments, but particularly strong in the villa and townhouse category, where ready inventory remains limited. Emerging master-planned communities also contributed to the increase. While secondary market villa and townhouse transactions rose by 46% year-on-year, this was still outpaced by a 25% rise in off-plan sales for the same property types. Many buyers who could not find suitable completed homes turned instead to off-plan options.

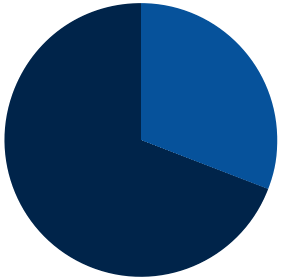
The secondary market also performed well. While it accounts for a smaller share of total transactions, it expanded in absolute terms. Around 29,500 ready homes were sold in H1 2025 — a 14% increase compared to 25,700 in H1 2024. This points to healthy liquidity. Existing owners are finding buyers, and newly handed-over stock in areas like Dubai Hills Estate and Dubai Creek Harbour is being absorbed effectively.

Despite this, secondary transactions made up only 30% of total deals. One reason is the notable price increase for quality completed properties, which has pushed many cost-conscious buyers toward more flexible and affordable off-plan alternatives.

At the same time, homeowners have been holding onto their properties as prices continue to rise, which has reduced the number of listings. Cash buyers, often investors, dominated the resale segment, as higher interest rates made financing more difficult for end-users reliant on mortgages.

Off-plan sales clearly drove the market in H1 2025, signalling sustained confidence in Dubai's future growth. Unless broader conditions shift significantly, this trend is expected to continue throughout the year. Major developers such as Emaar, Nakheel, and DAMAC are leading this activity, attracting both local and international buyers.

Off Plan v/s Secondary Sales



Off-Plan	69%
Ready	31%

	2024		2025	
	Off-Plan	**Ready**	**Off-Plan**	**Ready**
January	6,938	4,074	9,220	5,027
February	6,937	4,363	10,654	4,728
March	8,483	4,592	9,838	4,666
April	7,628	3,494	12,092	5,212
May	10,722	5,076	12,548	5,376
June	8,060	4,089	11,531	4,513
Total for H1	**48,768**	**25,688**	**65,883**	**29,522**

Top-Performing Areas and Developments

Dubai's real estate boom was evident across the city in H1 2025, but a few locations recorded standout performance. In the off-plan segment, large master developments and emerging communities led in sales volumes.

Jumeirah Village Circle (JVC)
JVC once again led the market for both off-plan and secondary transactions. The community recorded approximately 5,460 off-plan sales and 2,600 secondary sales in H1, the highest in each category. Its continued popularity is driven by relatively low prices, a steady stream of new apartment projects from various developers, and a location that offers convenient access to Dubai's main highways. JVC's appeal to both investors and end-users in the mid-market segment has kept transaction volumes high.

Dubailand Master Communities
Dubailand also saw strong off-plan activity. DAMAC's "Island City" project, inspired by tropical island living, was a key highlight, with around 4,300 off-plan units sold in H1, making it one of the busiest launches of the year.

Business Bay & Downtown Dubai
Business Bay recorded over 3,100 off-plan sales and 1,876 ready home transactions during H1, according to interim data. A wave of new tower launches, many offering partial canal views and flexible payment plans, helped renew interest in this established business district.

Downtown Dubai registered fewer off-plan sales, though these were often high in value, particularly in the Burj Khalifa area. On the resale side, the district remained active, with over 1,300 luxury apartment transactions. Both areas continue to attract investors focused on central locations, even as prices have moved higher.

Top-Performing Areas and Developments

Waterfront and Niche Luxury Areas

Dubai's coastline and luxury zones also performed well. Dubai Marina was among the top five for secondary sales (~1,417 resales) and featured solid off-plan sales via new beachfront projects. Palm Jumeirah saw fewer total transactions but recorded some of Dubai's highest prices, including land sales and mansions – maintaining its status as a bellwether for luxury. Emerging waterfront projects like Dubai Creek Harbour (with the Creek Tower development) and Emaar Beachfront continued to transact briskly off-plan, albeit at volumes slightly lower than the peak of their launch cycles.

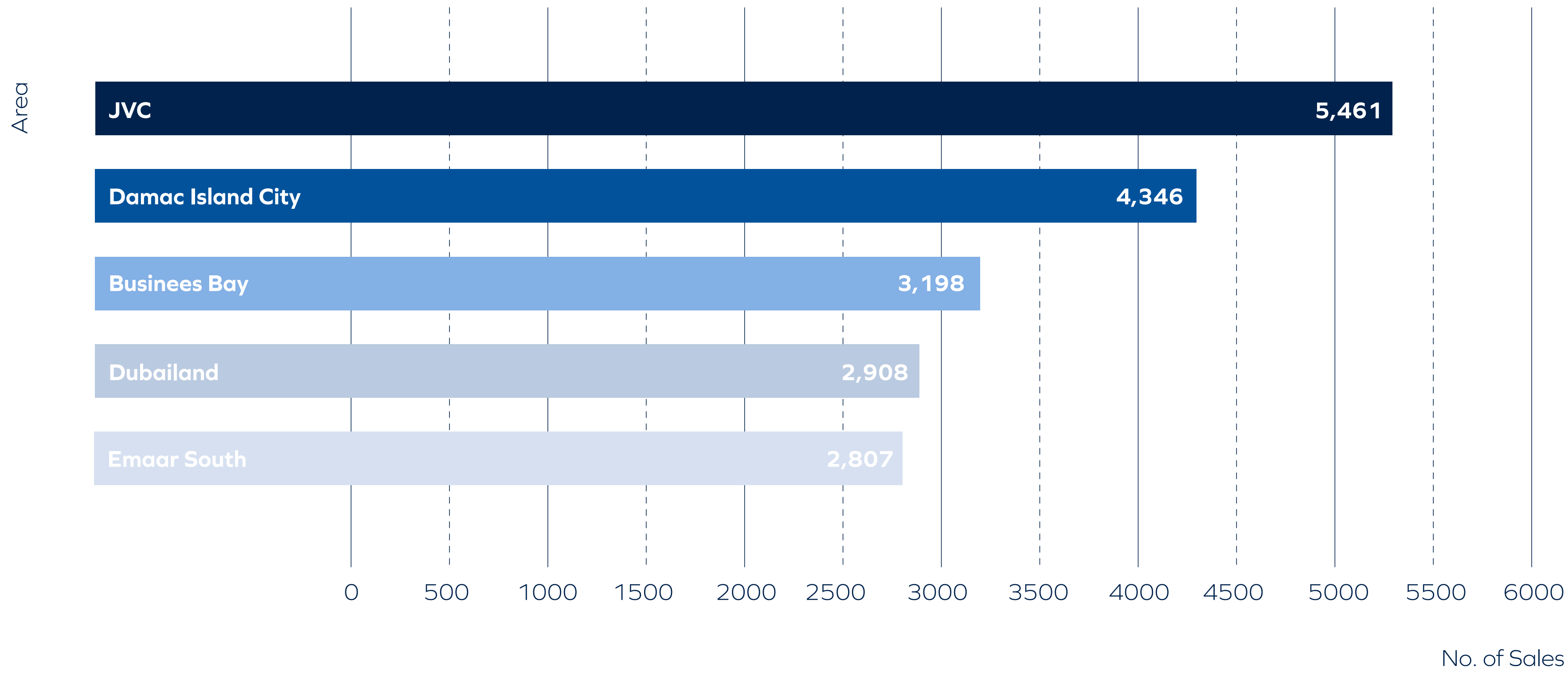
Other Notables

Areas highlighted for strong performance include Dubai South (especially in affordable apartment projects near the Expo City site) and Arjan (where several new mid-range apartment buildings by private developers completely sold out shortly after launch). Meydan and MBR City also saw high-value villa sales, particularly in secondary market (e.g. District One villa resales). The consistent theme is that affordable suburbs and flagship luxury projects alike are thriving.

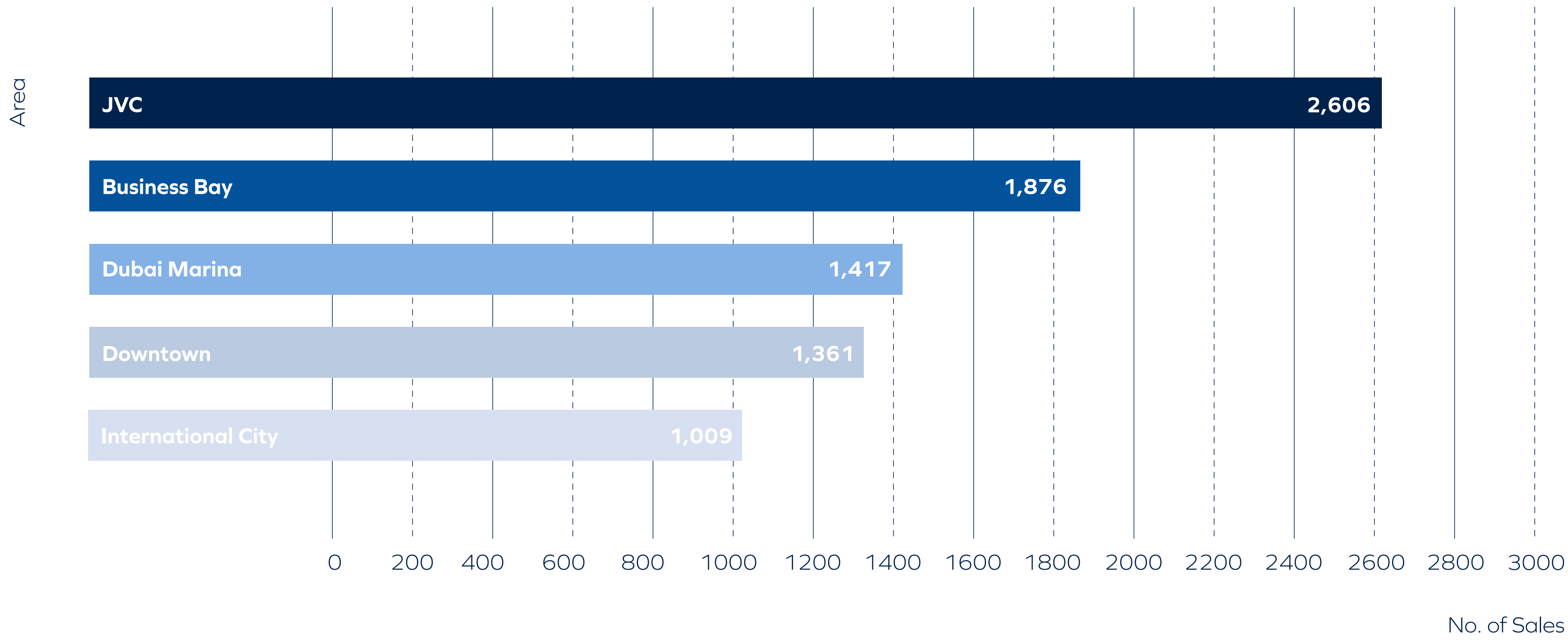
On the rental side, the top areas have been discussed earlier (JVC, Bur Dubai, International City for apartments; Damac Hills 2, Mirdif for villas). It's worth adding that Bur Dubai emerged as the most searched area for cheap apartment rentals in H1 2025, indicating strong tenant interest in central affordable districts. And for luxury villa rentals, Dubai Hills Estate and Palm Jumeirah remained the priciest, though those cater to a smaller, high-end tenant pool.

In commercial real estate, JAFZA (Jebel Ali Free Zone) and Dubai Investments Park saw many industrial leasing transactions (as logistics demand stays high), while DIFC and Dubai Design District attracted office occupiers, including new multinational firms entering the UAE. These pockets of high performance underscore Dubai's diversified real estate landscape, where each sub-market has its own dynamics.

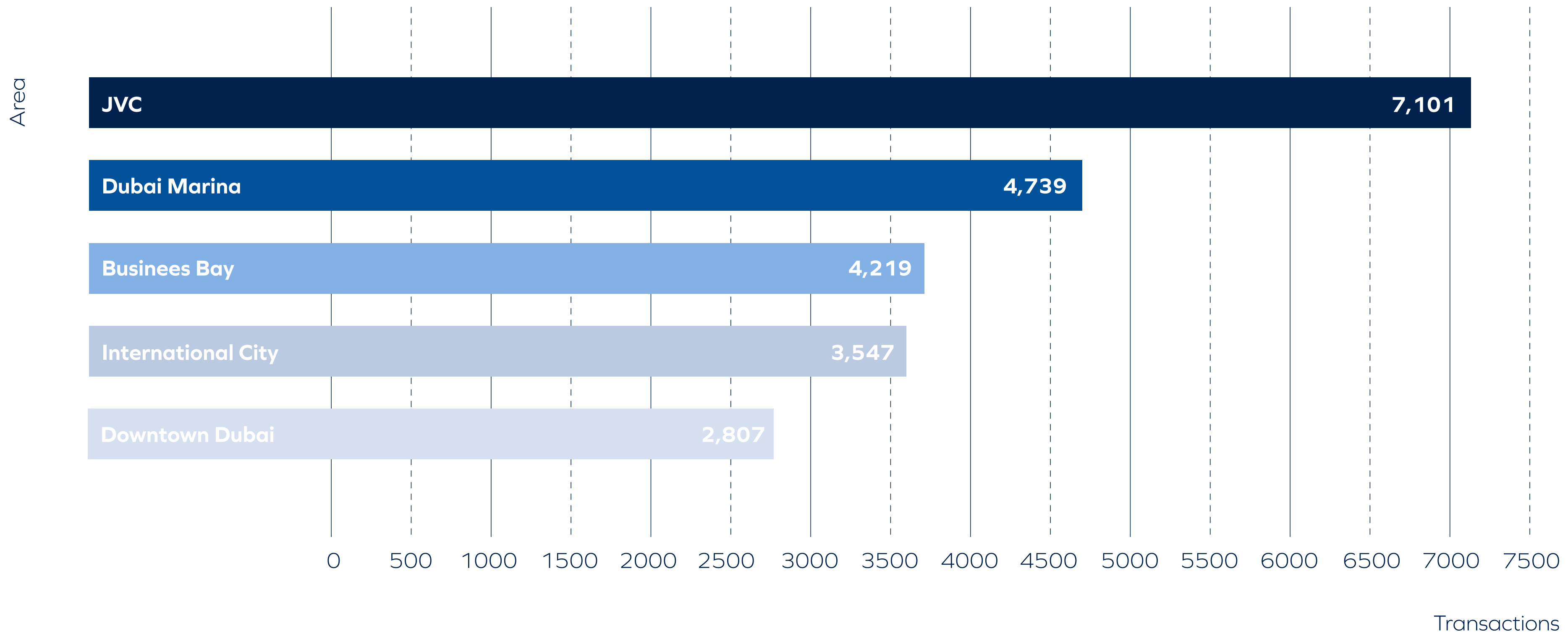
Top 5 Performing Areas - Off Plan Sales



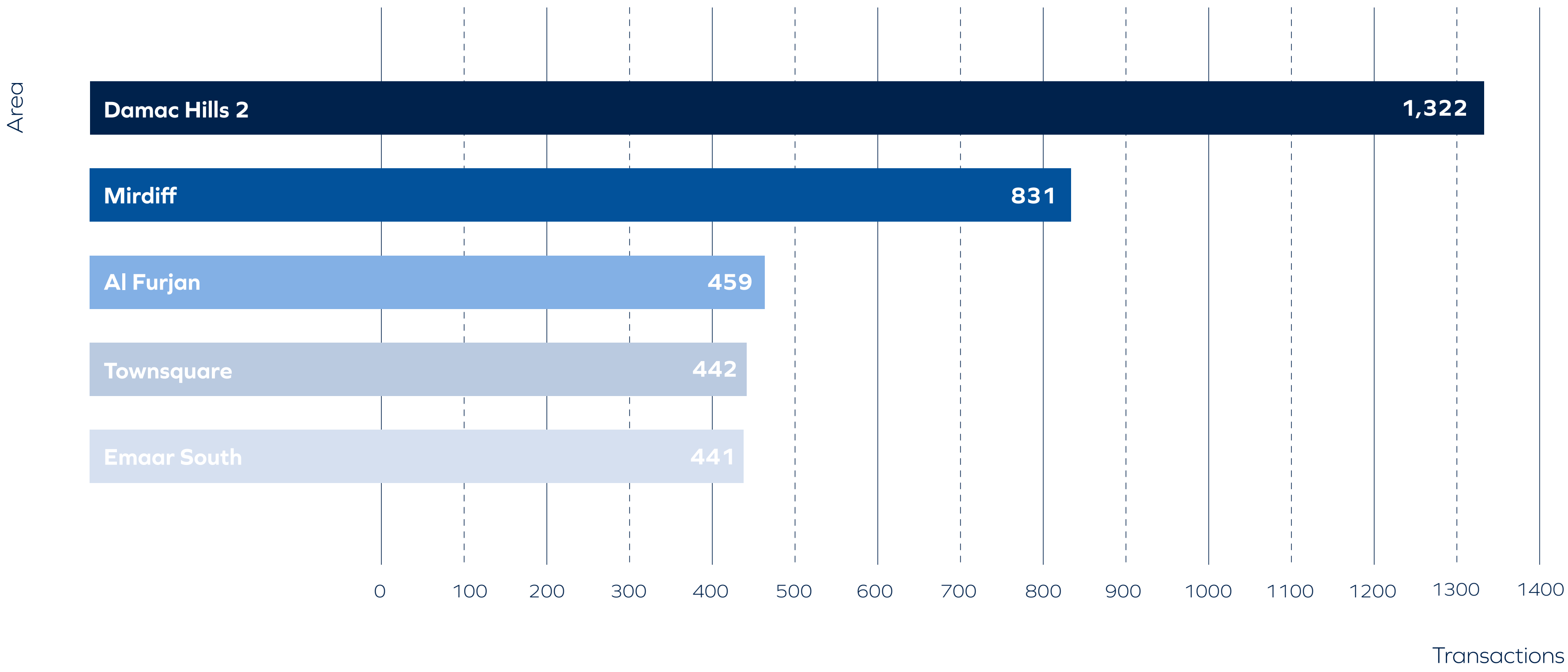
Top 5 Performing Areas - Secondary Sales



Top 5 Performing Areas - New Apartment Rentals



Top 5 Performing Areas - New Villa Rentals



Mortgage Buyers v/s Cash Buyers

Cash continues to dominate Dubai's property market, although mortgage financing has shown slight growth. In H1 2025, an estimated 78–79% of property transactions were cash-based, with only 21–22% involving mortgage financing. This is a further tilt toward cash compared to H1 2024, when approximately 75% of deals were closed without loans.

Out of roughly 99,000 sales, around 78,500 were completed with cash — including investor purchases and company deals — while only about 20,500 were mortgage-backed. This reflects the wealth-led nature of demand in Dubai, where many buyers are investors or end-user expatriates with substantial savings, or buyers opting for developer payment plans rather than traditional bank loans.

The appeal of off-plan investments remains strong for several reasons:

High-Net-Worth Investors
Dubai remains a preferred destination for high-net-worth individuals and affluent foreign buyers from regions including Europe, Asia, and the CIS. Many choose to pay cash to avoid interest costs or because they lack a local credit history. This is especially common in luxury villa purchases, where financing is often unnecessary.

Cash as a Preferred Mode
Across the region, real estate has traditionally been a cash-driven asset class. Cash transactions are faster and involve fewer administrative steps. Some buyers also view debt-free ownership as a financial advantage.

Interest Rates and Bank Policies
Mortgage rates in the UAE have roughly doubled since 2022, in line with global trends. As a result, mortgage repayments now often exceed rental costs, reducing the appeal of financing for many end-users. In addition, UAE banks require down payments of at least 20% for expatriates and 15% for UAE nationals, which limits access to credit for those without substantial liquidity.

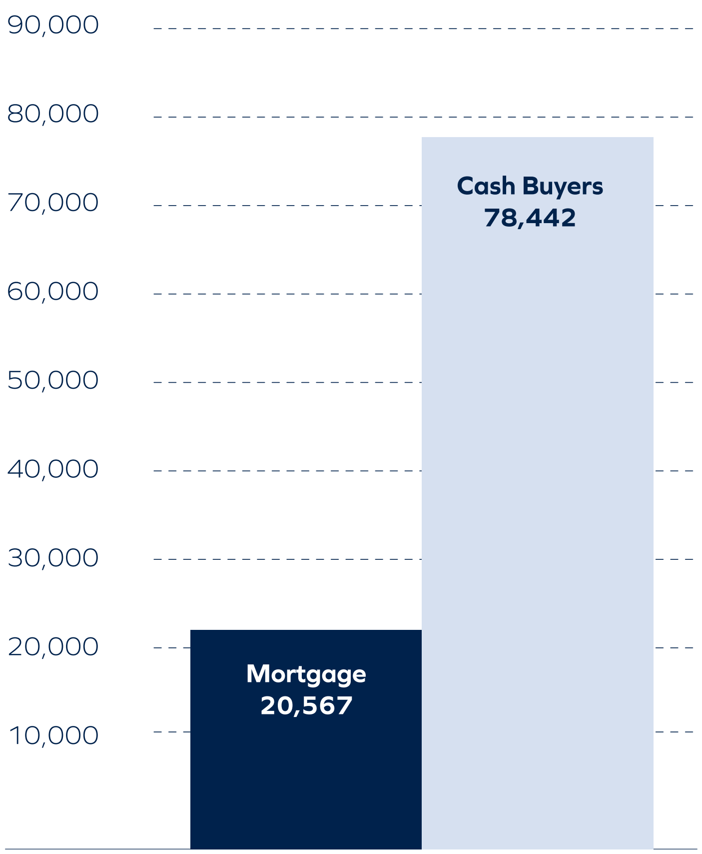
Despite the dominance of cash, mortgage activity did see a small increase in absolute terms compared to H1 2024. Some banks have introduced more competitive fixed-rate packages and are absorbing associated fees to attract borrowers. If global interest rates begin to ease by late 2025, more end-users may qualify for loans and opt to finance their purchases.

Government initiatives aimed at supporting middle-income buyers — such as longer loan tenors and incentives for first-time homeowners — could also gradually shift the balance. Analysts note that a drop in interest rates or the launch of more affordable housing could accelerate the shift toward mortgage-backed purchases.

For now, however, Dubai remains an investment-led market dominated by liquidity-rich buyers, and cash remains the preferred mode of purchase.

Mortgage Buyers v/s Cash Buyers

H1 2025



Pricing and Investment Yields

Property prices in Dubai continued to rise in H1 2025, although the pace was more moderate compared to the rapid gains of 2021 and 2022. Average prices for villas and townhouses increased significantly, up 40–50% year-on-year in some locations, while apartment price growth remained positive but more subdued, generally in the high single to low double digits.

The steepest appreciation was recorded in premium areas. Palm Jumeirah saw villa prices reach new highs, with several sales exceeding AED 100 million. Downtown Dubai also registered sharp increases in the pricing of upscale apartments. In contrast, outer communities that had already experienced rapid growth in 2022 and 2023 saw only modest gains, suggesting some level of stabilisation.

This points to a return of buyer demand toward established, prime communities where long-term value is perceived to be stronger. On average, the transaction price for a Dubai apartment in H1 2025 ranged between AED 1.5 and 1.6 million (around AED 1,300 per square foot for freehold units).

For villas, the average was approximately AED 6.0 to 6.5 million (about AED 1,100 per square foot), although many villa sales involved larger suburban homes.

Some market segments moved well above these averages. The top 5% of ultra-luxury properties have effectively created their own price tier. In this bracket, apartments averaged over AED 2,000 per square foot in H1 2025, while landmark villa transactions on the Palm and in Emirates Hills exceeded AED 4,000 per square foot. These levels are unprecedented for Dubai and place the city closer to global luxury hubs like London or New York in terms of trophy property pricing.

From an investment perspective, rising rents have helped maintain healthy yields despite the increase in asset values. Rents in affordable and mid-tier segments rose by roughly 7–10%, with luxury rents climbing even higher. As a result, gross rental yields for many properties remained in the 5–8% range, with smaller apartments often achieving the upper end.

For example, an apartment in Jumeirah Village Circle priced at AED 800,000 and rented at AED 55,000 per year would yield approximately 6.9% gross. Villas typically offer lower rental yields — about 3–5% in prime locations and slightly higher in outer areas — but have attracted buyers due to their capital appreciation potential.

Overall, Dubai's rental yields remain well above those of more mature global markets, continuing to attract international investors seeking income-generating assets.

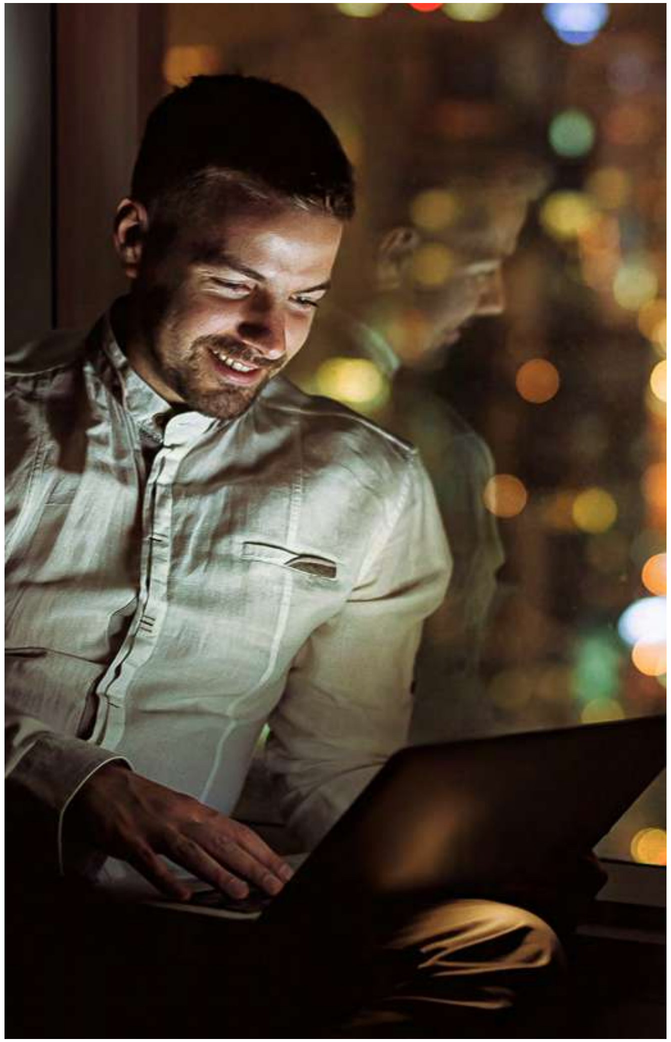
Pricing and Investment Yields

Looking ahead, the price outlook for Dubai remains cautiously optimistic. As long as demand continues and new supply is absorbed at a steady pace, analysts expect prices to either hold or register moderate growth through the remainder of 2025. Some softening may occur in segments that saw rapid escalation — for example, high-end villas may stabilise as affordability limits are tested and as new luxury supply, such as Dubai Hills mansions and Palm Beach towers, enters the market. However, any correction is expected to be gradual unless driven by an external shock.

Dubai's market remains broad, ranging from affordable apartments to ultra-luxury villas. This diversity means different sub-markets may show varying levels of performance. Many investors are shifting focus to emerging areas that haven't yet peaked, as well as to high-quality assets in established locations that tend to hold their value in slower cycles.

In summary, Dubai delivered a strong performance in H1 2025 across all key indicators — sales volumes, values, price growth, and rentals. The city has reinforced its position as a major global real estate hub. With Expo City maturing, the expansion of business sectors such as fintech and remote work, and the completion of large-scale developments like Creek Tower and Dubai Harbour, the outlook for continued growth remains positive, assuming supportive global conditions.

Investors and residents continue to participate in this momentum, even as they remain aware of the market's cyclical nature. The second half of 2025 will be closely watched to see whether the market sustains its current trajectory — and for now, all indications suggest a strong finish to the year.



Abu Dhabi

Overview

While Dubai dominated headlines, Abu Dhabi's property market also showed positive momentum in H1 2025, though in a more measured and strategic manner. The UAE's capital is carving out its own real estate path, with a focus on stability, high-quality development, and long-term sustainability.

In the first half of 2025, Abu Dhabi recorded approximately 3,487 residential sales transactions, including both apartments and villas. This marks a decrease from around 5,100 residential deals in H1 2024, reflecting a modest slowdown in overall activity.

However, the total value of transactions reached approximately AED 9.1 billion, which is a significant year-on-year increase. In other words, fewer properties were sold, but at higher average prices, pointing to a clear shift in the market toward higher-end properties and continued price appreciation.

Sales Transactions and Market Drivers

Breaking down H1 2025 sales: approximately 2,406 apartments were sold in Abu Dhabi, with a total value of around AED 4.6 billion. In addition, about 1,081 villas and townhouses were sold, totalling roughly AED 4.5 billion. While apartment transaction volume was down from around 3,876 in H1 2024, the value nearly doubled compared to the AED 2.1 billion recorded in that period.

This suggests a sharp increase in average apartment prices, likely driven by sales of high-end units in projects on Saadiyat Island and Al Maryah Island. Villa and townhouse transactions also dipped slightly from 1,246 units in H1 2024 to 1,081 in H1 2025. However, overall value remained strong, indicating a higher average price per unit.

This pattern, lower volume but higher value, reflects a market shift toward quality over quantity. Buyers are gravitating toward premium homes in prime areas, while entry-level activity has eased somewhat.

One of the major themes in Abu Dhabi this year has been the growth of the luxury segment. Branded residences and beachfront developments have gained significant traction. In just the first four months of 2025, properties priced at AED 7 million and above accounted for AED 6.3 billion in sales — an impressive figure for the Abu Dhabi market. More than half of these were ultra-luxury deals above AED 10 million.

Among them was a record-breaking sale at Nobu Residences, where a penthouse traded for AED 137 million — the highest price ever recorded in the capital. Such transactions highlight Abu Dhabi's growing appeal among high-net-worth buyers, supported by prestigious projects on Saadiyat Island, Yas Island, Al Maryah Island, and other key investment zones.

Abu Dhabi's real estate market shares many broad drivers with Dubai, including investor-friendly policies, economic stability, and steady population growth. However, it also benefits from its own unique dynamics. The government's emphasis on sustainable development and livability, through initiatives such as green building standards, public parks, and cultural projects, continues to enhance the market's long-term appeal.

Sales Transactions and Market Drivers

The local economy, supported by oil revenues and diversification into sectors like technology and manufacturing, provides residents with solid purchasing power. In addition, Abu Dhabi has offered competitive freehold terms for foreign buyers in designated investment zones. In Q1 2025, investors from 68 nationalities accounted for 384 transactions totalling AED 1.582 billion, which is a notable increase from 58 nationalities a year earlier, and a clear sign of growing international interest.

A key trend in H1 2025 was a strong preference for ready (completed) homes over off-plan purchases. Of the 3,487 total sales, about 2,432 were secondary transactions, compared to 1,055 off-plan (roughly a 70/30 split). This differs sharply from Dubai, where off-plan continues to dominate.

Buyers in Abu Dhabi appear to be prioritising immediate-use properties, whether for personal occupancy or rental income. The market also saw fewer large-scale off-plan launches, as developers like Aldar tend to phase their inventory releases and maintain a focus on execution.

The off-plan projects that did sell were mainly high-end waterfront apartments, consistent with 2024 trends, where buyers leaned toward existing villas and completed homes over speculative purchases. Abu Dhabi continues to reflect a more conservative investment mindset.

Geographic Hotspots

Saadiyat Island led the market in Q1 2025, recording AED 5.6 billion in transactions, which is the highest among all areas. This was driven by ultra-luxury projects such as Saadiyat Grove, Jawaher villas, and Louvre Residences. Yas Island followed, with approximately AED 3.6 billion in sales, supported by active villa communities and waterfront apartment developments.

Mohammed Bin Zayed City (MBZ City), a more affordable suburban district, recorded around AED 2.1 billion in transactions, indicating strong demand from local end-users.

Al Reem Island and the emerging Al Hudayriyat Island each crossed AED 1 billion in sales. These figures suggest that capital is concentrating on master-planned developments offering strong amenities and good connectivity.

More established neighbourhoods on the main island, such as Al Raha Beach, Al Reef, and Khalifa City, continued to see moderate activity, primarily from existing residents upgrading homes.

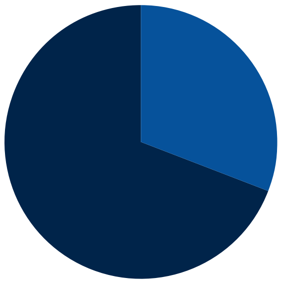
Supply Outlook

Abu Dhabi's supply pipeline remains relatively constrained, helping support price growth. The total housing stock is currently estimated at around 89,600 units, with an additional 33,000 under construction, many of which are expected to be delivered over the next two to three years. By global city standards, this is a modest pipeline.

The emirate has taken a measured approach to releasing land and launching new projects, helping to avoid the risk of oversupply. In H1 2025, a handful of new developments launched, including additional phases on Al Jubail Island and new waterfront apartments on Yas Island, but the scale has remained controlled.

As a result, availability remains tight in some categories, particularly for new villa communities. This supply constraint has contributed to ongoing price appreciation. Looking ahead, ensuring a steady flow of new housing, especially in the mid-income segment, will be essential to maintaining long-term market balance.

Sales Transactions



■	Apartments	69%
■	Villas/Townhouses	31%

	H1 2025	
	Transactions	**Value (AED)**
Apartments	2,406	4,600,000,000
Villas/Townhouses	1,081	4,500,000,000
Total	**3,487**	**9,100,000,000**

Residential Sales Transactions

	H1 2025	
	Off Plan	Ready
January	226	376
February	129	351
March	88	296
April	234	639
May	200	477
June	178	293
	1,055	**2,432**

Prices, Rents, and Outlook in Abu Dhabi

Property prices in Abu Dhabi continued to rise in H1 2025, with the strongest gains seen in the luxury segment. Average apartment prices increased year on year, particularly in high-end locations. On Saadiyat Island, new upscale apartments are now averaging around AED 2,800 to 3,000 per square foot, which puts them on par with Dubai's premium developments. A year ago, units at this level were far less common.

Villa prices have moved higher as well. Data from Aldar's recent transactions shows that many communities, including Yas Acres and Saadiyat Reserve, are now selling at prices that are 10 to 15 percent above their original launch levels. This reflects steady capital gains for early buyers.

Sales figures from H1 suggest a clear rise in average transaction values. Based on simple calculations, the average apartment sold for approximately AED 1.9 million, compared to around AED 540,000 a year earlier. That earlier figure was likely influenced by a higher share of smaller, entry-level homes. For villas, the average sale price in H1 2025 was close to AED 4.2 million.

This shift in pricing points to a change in the type of homes being sold, with more premium units and fewer entry-level properties dominating activity.

Rental demand remained healthy in the first half of the year. Around 36,000 new residential leases were registered, including 29,440 apartments and 6,585 villas. Rents have increased, though more gradually than in Dubai. Many tenants are now considering Abu Dhabi as a more affordable alternative, especially with hybrid working models making it easier to live in the capital while working part-time in Dubai.

In the prime segment, rents rose due to limited supply. On Saadiyat Beach, some luxury villas recorded rent increases of 10 to 15 percent. In mid-market areas like Al Reem Island and Khalifa City, apartment rents rose by a few percentage points, remaining largely accessible to most residents.

To help guide the market, Abu Dhabi launched its first Residential Rental Index in early 2025. The index is designed to bring more transparency to rental adjustments and to reduce sharp fluctuations. This should support investor confidence by making yields more predictable.

Rental yields in Abu Dhabi remain attractive. Apartments typically generate gross yields of around 7 to 8 percent, while villas offer between 5 and 6 percent. These returns are slightly higher than what is typically seen in Dubai, mainly because capital values in Abu Dhabi are still lower. The combination of strong rental returns and lower price volatility has kept the market appealing to long-term investors.

Additional support has come from government initiatives. More areas have been opened up to expatriate ownership, and the expansion of 10-year Golden Visas for qualifying property investors has encouraged further investment into the capital's residential sector.

Prices, Rents, and Outlook in Abu Dhabi

Rental yields in Abu Dhabi remain strong and are slightly higher on average than in Dubai, particularly for apartments. This is largely due to lower capital values. A typical apartment in Abu Dhabi offers a gross yield of about 7 to 8 percent, while villas yield around 5 to 6 percent. These returns, combined with a perception of lower price volatility, continue to attract investors to buy-to-let opportunities in the capital.

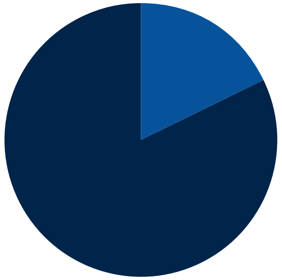
The government has also helped support this trend. More areas have been opened to expatriate freehold ownership, and the expansion of 10-year Golden Visas for property investors has reinforced long-term confidence in the market.

Looking ahead, the property market in Abu Dhabi is expected to grow steadily. The focus remains on sustainable development, guided by the city's 2030 plan. Key goals include enhancing quality of life, investing in smart infrastructure, and continuing to diversify the economy.

Upcoming landmarks such as the Guggenheim Abu Dhabi and the new campus of the Mohamed bin Zayed University of Artificial Intelligence are likely to increase demand for housing in surrounding areas. At the same time, the launch of more than 25 new branded residential projects this year is expected to maintain global investor interest. One risk is that if too many luxury developments enter the market at once, demand could become stretched. For now, though, absorption has remained healthy.

In summary, Abu Dhabi delivered a solid performance in H1 2025, marked by high-value transactions and a measured pace of growth. The core fundamentals remain intact: a strong and stable economy, strategic planning, and rising international interest. While it may not match Dubai in scale, Abu Dhabi offers a more stable and long-term investment environment. It continues to position itself as a complementary market within the UAE where both investors and end-users can find lasting value.

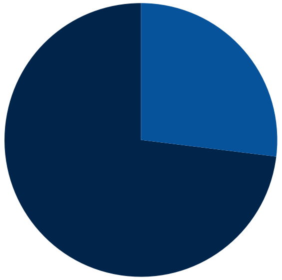
New Rental Transactions



Apartments		82%
Villas/Townhouses		18%

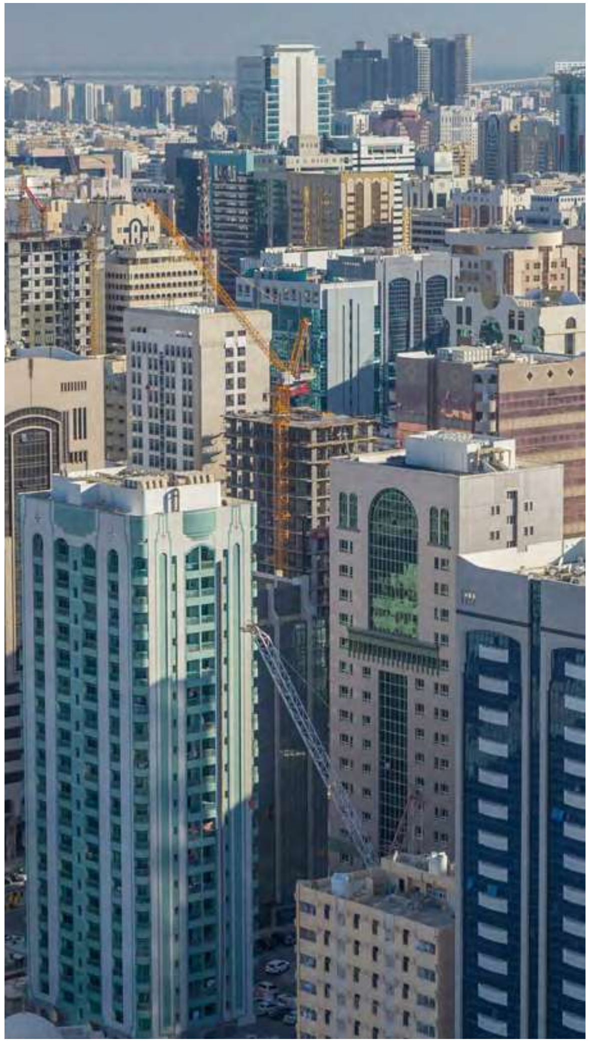
	H1 2025	
	Transactions	Value (AED)
Apartments	29,440	1,900,000,000
Villas/Townhouses	6,585	1,000,000,000
Total	**36,025**	**1,900,000,000**

Residential Supply



■	Existing	73%
■	Under Construction	27%

	H1 2025
	Transactions
Existing	89,646
Under Construction	33,042



Top Areas by Transaction Count Q1 2025

Area	No. of Transactions	Q-o-Q Change
Yas Island	325	-47.2%
Al Reem Island	217	-71.8%
Al Rahah	171	18.8%
Al Saiyaat Island	156	-66.6%
Al Reef	131	28.4%
Al Samhah	75	>100%
Zayed City	65	-3.0%
Al Layyan	57	-31.3%
Al Khalifa City	49	-57.0%
Al Faqa'	46	17.9%

Top Areas by Transaction Count Q2 2025

Area	No. of Transactions	Q-o-Q Change
Al Reem Island	488	>100%
Al Saiyaat Island	329	>100%
Yas Island	267	-17.8%
Al Reef	174	32.8%
Al Rahah	160	-6.4%
Khalifa City	144	>100%
Al Hidayriyyat	84	0.0%
Al Layyan	64	12.3%
Al Samhah	62	-17.3%
Al Faqa'	57	23.9%

Northern Emirates

Overview

Outside the main cities of Dubai and Abu Dhabi, the Northern Emirates, including Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain, and Fujairah, experienced steady real estate activity in H1 2025. These markets are smaller in scale and often receive less attention, but they continue to grow at their own pace. Growth is largely supported by affordability and demand for more specialised residential and investment opportunities.

Although official data is limited, available figures and observations suggest that activity has picked up, especially in Sharjah and Ajman, where interest from both end-users and investors is strengthening.

Sharjah

Sharjah, the third largest emirate, led real estate activity in the north. In the first quarter of 2025 alone, the emirate recorded AED 13.2 billion in property transactions across 24,597 deals. This marked a year-on-year increase of nearly 32 percent. The strong performance reflects Sharjah's continued efforts to develop new housing and attract investment, particularly following the introduction of freehold ownership for expatriates.

Much of the demand in Sharjah comes from buyers looking for larger homes at more accessible prices than what is available in Dubai. Apartments and villas that offer more space for the same budget are especially popular. Projects such as Aljada by Arada, Tilal City, and Sharjah Waterfront City have seen steady uptake from both local buyers and expatriates. Government housing initiatives for Emirati citizens have also helped sustain villa sales.

Affordability remains Sharjah's greatest advantage. Property prices are typically 30 to 50 percent lower than in comparable parts of Dubai.

A two bedroom apartment in Sharjah can often be purchased for the cost of a studio in Dubai, which continues to attract families and investors looking for better yields.

Location plays a role too. Areas like Al Nahda and Muwaileh, which are close to the Dubai border, are highly sought after by those who work in Dubai but choose to live in Sharjah for better value. The rental market in Sharjah has remained strong, particularly in newer buildings. Population growth has been supported by an inflow of residents relocating from Dubai in search of more affordable living options.

Rents have increased modestly in 2025, but Sharjah still offers a clear pricing advantage.

In the commercial sector, the emirate's many industrial areas and small business zones continue to drive steady demand for warehouses and office space. Industrial real estate remains one of the busiest segments in Sharjah, with rents staying relatively stable and competitive to support business retention.

Ajman

Ajman, known for its affordable apartments and coastal setting, recorded noticeable growth in early 2025. In the first quarter alone, the emirate registered AED 5.55 billion in property transactions, an increase of around 29 percent compared to the same period last year. Of this total, AED 3.69 billion came from 3,132 sales, while AED 905 million came from mortgage activity, reflecting a balanced level of demand.

Ajman's designated freehold areas, including Emirates City and Ajman Corniche, continued to draw interest from both UAE residents and international buyers. Prices remain among the lowest in the country, with some apartments still available for under AED 300 per square foot. This has made Ajman appealing to investors seeking high rental returns, which can reach between 8 and 10 percent gross in certain developments.

Improving infrastructure has also played a role. Ongoing upgrades to highway links connecting Ajman to Sharjah and Dubai have made daily commuting more viable. In parallel, Ajman's authorities are working to modernise real estate regulations, which has improved buyer confidence and eased transaction processes.

Overall, Ajman's appeal lies in its pricing, ease of access, and relaxed coastal lifestyle. These qualities continue to support steady demand, particularly among value-focused investors and end-users looking for practical alternatives to larger markets nearby.

Ras Al Khaimah

Ras Al Khaimah, with its natural coastline and mountain backdrop, is gaining recognition as a destination for leisure, adventure, and lifestyle-led living. The property market showed strong signs of activity in the first half of 2025, particularly in off-plan sales. In the first quarter alone, the emirate recorded over 1,300 off-plan residential transactions, valued at approximately AED 2.4 billion. This marks a notable level of interest for RAK, with demand centred around areas like Mina Al Arab, Al Marjan Island, and new villa communities targeting both residents and second-home buyers.

Interest has accelerated in response to the upcoming Wynn Resort on Al Marjan Island, which will include an integrated casino and is expected to open in 2026. Anticipation of a major tourism uplift has driven a spike in enquiries and purchases in the area. RAK's more relaxed lifestyle, combined with strategic initiatives such as the RAK Digital Assets Oasis — a planned crypto-focused business hub — is helping to attract a new demographic of buyers. The emirate's lower cost of living and quieter pace continue to appeal to end-users seeking a change from larger city environments.

Business interest is growing as well. The government's free zone structure and relatively low transaction costs have positioned RAK as a practical choice for entrepreneurs and business owners looking to invest in warehouses, offices, or mixed-use spaces. In H1 2025, RAK also launched marketing campaigns promoting residency visas for investors in certain zones, mirroring policies already in place in other emirates.

Umm Al Quwain and Fujairah

Umm Al Quwain and Fujairah continue to be quieter markets due to their smaller size and populations, but both showed points of activity in H1 2025.

In Umm Al Quwain, the focus remained on select waterfront developments and housing schemes aimed at affordability. Sales volumes were modest, typically limited to a few hundred transactions each quarter. Buyers are often attracted by the peaceful coastal environment and very low pricing. Resort-style villas and small apartment buildings in UAQ saw interest from UAE residents looking for second homes or retirement properties away from the pace of larger cities.

The commercial side of the market also saw improvement. New warehouse facilities built to support the UAQ Free Zone have started to fill, as more companies looked for cost-effective storage solutions outside of the major urban centres.

Fujairah, located on the east coast of the UAE, has a distinct profile shaped by local demand and a small but emerging luxury segment.

It is the only emirate facing the Gulf of Oman, offering a cooler shoreline and a scenic mountain setting.Real estate activity in H1 2025 included a handful of high-value villa sales in Al Faseel, as well as transactions within the new Address Fujairah Resort development. These indicate growing interest in lifestyle-focused properties, particularly along the seafront.

For most residents, Fujairah remains a market built around stability and affordability. Many people live in family-owned homes or low-cost apartments, keeping transaction volumes steady. On the commercial side, the ongoing expansion of Fujairah's port and its oil storage operations have kept demand steady for specialised industrial spaces.

Insights

Across the Northern Emirates, several themes continue to shape the property landscape: affordability, improved infrastructure, and gradual diversification. These emirates appeal to residents who work in Dubai or Abu Dhabi but choose to live in places like Sharjah and Ajman for the lower cost of living. Ongoing government investments in connectivity, such as new highways and upgraded roads, are making daily commutes easier and encouraging economic activity. Rental yields in the Northern Emirates remain higher on average than in Dubai, especially for apartments. Yields of 8 to 10 percent are common in Sharjah and Ajman, appealing to investors looking for income-generating properties. These higher returns come with different risk profiles but continue to draw interest.

Quality of life is also improving across the region. New malls, schools, and hospitals have opened in Sharjah and Ajman, giving residents more access to essential services and reducing reliance on larger cities. These changes support a more positive long-term outlook and could attract a broader range of investors in the years ahead.

Off-plan activity and demand drivers across the region:

• In Sharjah, neighbourhoods near the Dubai border — including Al Tai, Al Nahda, and Muwaileh — remained active. These areas benefit from demand among daily commuters. Sharjah's commitment to cultural preservation through projects like Sharjah Sustainable City and several new museums is helping define its family-friendly identity.

• Ajman and Umm Al Quwain saw progress along the coast. Ajman's freehold corniche apartments continued to register solid sales, while UAQ's beachfront villas attracted a niche group of buyers seeking second homes in quieter surroundings.

• Ras Al Khaimah made further gains through its tourism positioning. There was growing interest in vacation homes and serviced apartments around resort areas. Attractions like Jebel Jais also supported short-term rental demand, particularly for villas.

• Fujairah continued to appeal to those looking for a peaceful, nature-focused lifestyle. While small in volume, demand for high-end coastal homes is slowly rising. There is also growing interest in future wellness-focused resort projects.

Commercial activity across the region:

Although smaller in scale compared to Dubai or Abu Dhabi, the commercial market in the Northern Emirates showed some improvement. In Sharjah, office occupancy ticked up in the city centre as some businesses looked for lower rents while maintaining proximity to Dubai.

Industrial and logistics space remains well utilised in Sharjah and Ras Al Khaimah, supported by their manufacturing and trade zones such as the Sharjah Airport Free Zone and RAK's industrial parks. Retail activity continues to be centred around community malls, with new centres in Sharjah and Ajman performing well as local populations expand.

In RAK and Fujairah, demand for warehouse space linked to port operations has stayed stable. While the overall commercial sector remains modest in size, it is gradually strengthening alongside wider economic growth in the north.

Insights

The Northern Emirates showed steady progress in H1 2025, supported by affordability, infrastructure development, and targeted planning. Sharjah and Ajman, in particular, are emerging as practical options for both property investment and homeownership, especially for those priced out of the larger cities.

With continued improvements to connectivity and a growing emphasis on livability, these emirates are expected to maintain their upward trajectory. While they may not yet match Dubai or Abu Dhabi in terms of scale or high-profile developments, they offer accessible entry points and sound value for a wide range of buyers.

For many residents and investors, the Northern Emirates provide a balanced alternative, one that complements the broader strength of the UAE's real estate market in 2025.

Oman

Executive Summary

H1 2025 Performance

The first half of 2025 demonstrated steady performance across Oman's real estate market, despite global economic uncertainties. The country's resilience was supported by continued infrastructure investment, Vision 2040-aligned reforms, and a strong emphasis on sustainability and economic diversification. These strategic initiatives have helped maintain investor confidence and market stability, contributing to the gradual recovery of key submarkets and sustaining momentum across logistics, tourism, and mixed-use assets.

This report highlights sector-specific performance, outlook trends, and forward-looking opportunities in the evolving landscape.

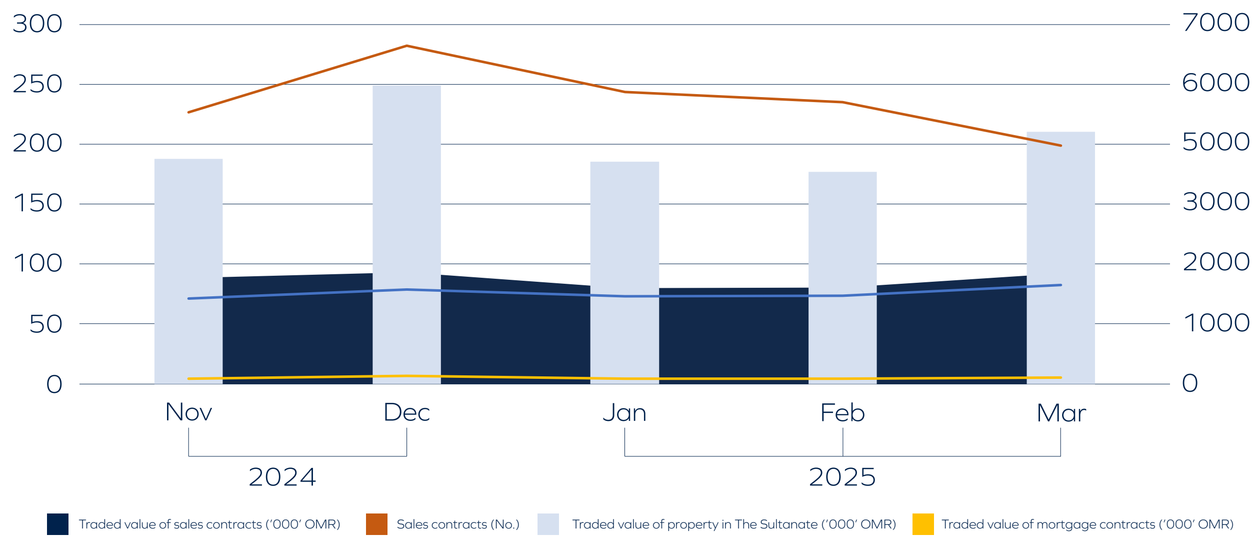
Submarket Performance

Major real estate hubs such as Muscat, Duqm, Sohar, and Salalah experienced varying levels of demand recovery, with mixed-use developments, industrial properties, and logistics assets emerging as the strongest performing segments.

Muscat remained the most active market, benefiting from government-backed urban development projects and growing interest in high-end residential and commercial properties. Duqm continued to attract industrial and logistics investment, supported by its strategic location and the ongoing expansion of the Duqm Special Economic Zone.

Sohar saw steady demand for warehousing and manufacturing space, while Salalah's real estate sector was bolstered by tourism-related developments.

Real Estate Activity in The Sultanate of Oman



Economic Growth & Market

Oman's economy expanded by an estimated 2.3% in H1 2025, supported by growth in logistics, manufacturing, and tourism. The logistics sector benefited from enhanced trade routes and ongoing port expansions, while manufacturing attracted increased foreign direct investment within key industrial zones. Tourism continued to be a cornerstone of economic diversification, bolstered by new hospitality developments and government-led initiatives promoting Oman as a regional destination.

Brent crude oil prices stabilised at an average of $62 per barrel (at time of printing), providing fiscal stability and supporting government revenue. Meanwhile, Oman's diversification efforts gained further traction, with the non-oil contribution to GDP rising above 35%, marking continued progress in reducing dependence on hydrocarbons. Inflation remained moderate at 1.8%, supporting stable purchasing power and consumer sentiment. Employment indicators also improved, reflecting increased private sector activity and job creation within emerging industries.

Approximate Grade A Fit-Out Costs

Basic Fit-Out (Partitions, Flooring, Lighting): OMR 100 - 150 per sq.m.

High-End Corporate Fit-Out (Grade A premium finishes, smart office tech): OMR 200 - 300 per sq.m.

ESG-Compliant Fit-Out (Sustainable materials, energy-efficient systems):
OMR 250 - 350 per sq.m, reflecting the growing demand for green-certified spaces.

Office Market Overview

Muscat's office market remained tenant -favourable in H1 2025, although Grade A absorption increased by 7 percent year on year. Al Mouj and Madinat Al Irfan are increasingly positioning themselves as the city's most sought-after destinations for high-quality office space. This is reflected in rental rates of around OMR 12 per square metre per month and OMR 7 per square metre per month, respectively. In comparison, other office locations such as Al Khuwair and Al Ghubrah continued to command lower rates of approximately OMR 5 per square metre per month for fitted-out space.

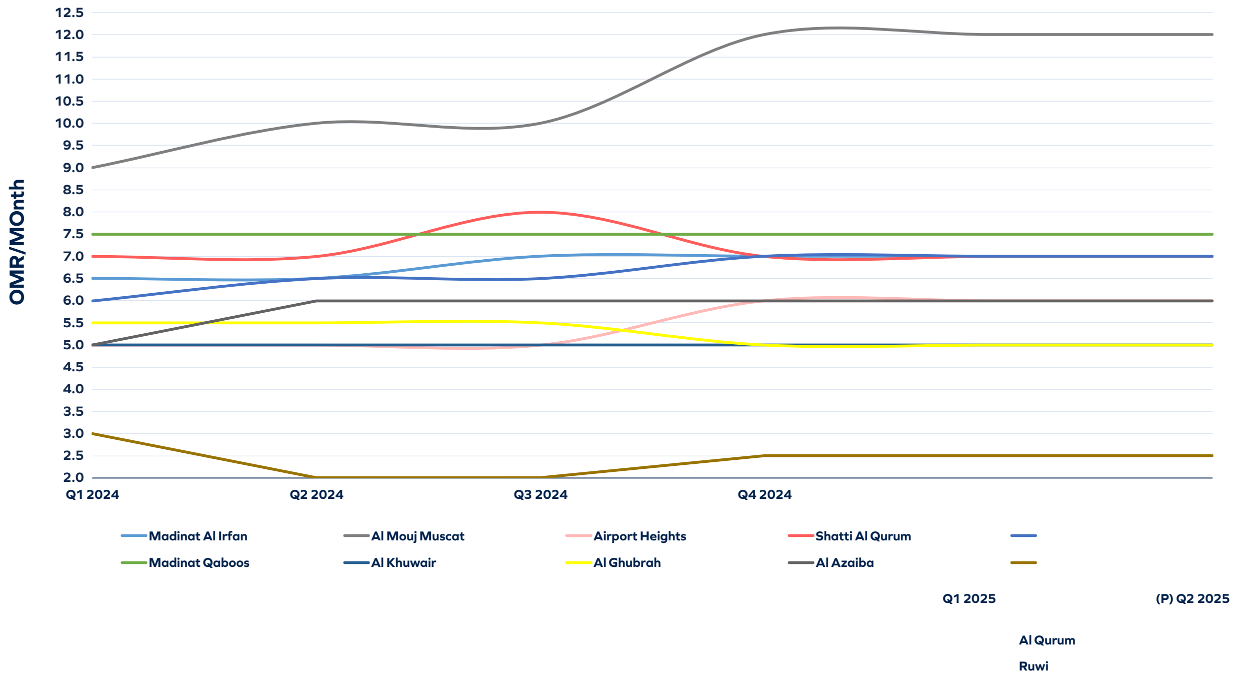
Duqm and Sohar saw increased government and These trends reflect broader shifts in occupier demand, shaped by economic diversification, urban planning initiatives, and evolving workplace preferences. Duqm and Sohar also recorded increased leasing activity, largely tied to government entities and the logistics sector. In central Muscat, the delivery of new supply exerted slight downward pressure on rents.

ESG-certified buildings began to gain momentum, particularly among financial institutions and multinational tenants seeking sustainable and future-ready office environments.

Outlook for H2 2025

- Sustained demand expected from the finance and technology sectors
- Continued interest in ESG-compliant and smart office solutions
- Al Mouj and Madinat Al Irfan to remain key Grade A demand clusters

Average Asking Rents for Grade A Office (FItted Out)



Office Market Overview

Average Asking Rents for Grade A Office (FItted Out)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	(P) Q2 2025
Madinat Al Irfan	6.5	6.5	7.0	7.0	7.0	7.0
Al Mouj Muscat	9.0	10.0	10.0	12.0	12.0	12.0
Airport Heights	5.0	5.0	5.0	6.0	6.0	6.0
Shatti Al Qurum	7.0	7.0	8.0	7.0	7.0	7.0
Al Qurum	6.0	6.5	6.5	7.0	7.0	7.0
Madinat Qaboos	7.5	7.5	7.5	7.5	7.5	7.5
Al Khuwair	5.0	5.0	5.0	5.0	5.0	5.0
Al Ghubrah	5.5	5.5	5.5	5.0	5.0	5.0
Al Azaiba	5.0	6.0	6.0	6.0	6.0	6.0
Ruwi	3.0	2.0	2.0	2.5	2.5	2.5

Retail Market Overview

Retail performance stabilised in H1 2025, particularly in well-located urban malls and destination centres. Mall of Oman — anchored by VOX, Hypermax, and Snow Oman — and The Avenues — anchored by Lulu and IKEA — continued to maintain high occupancy rates.

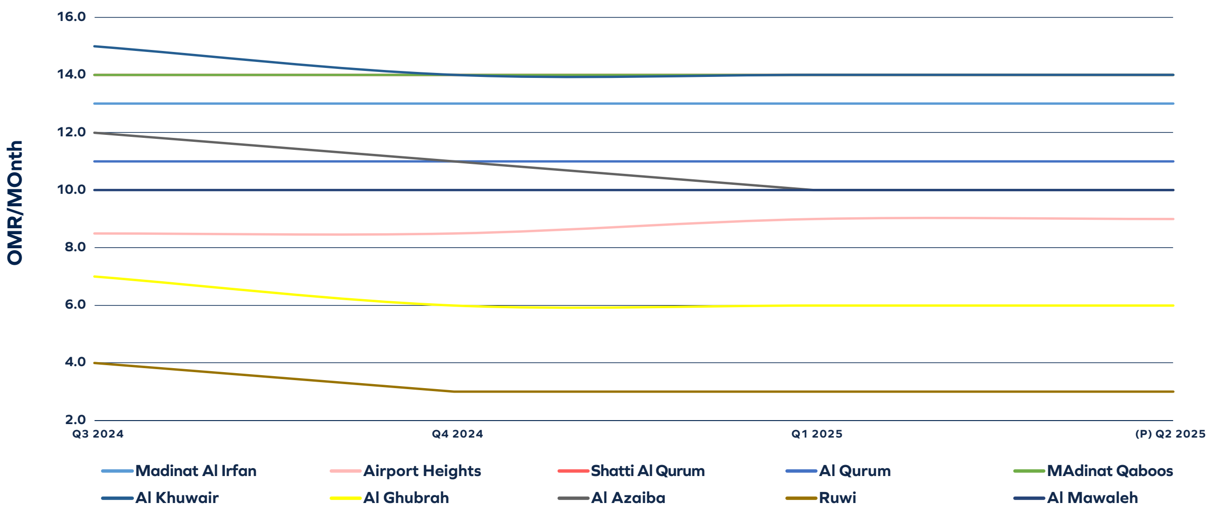
There is a clear shift toward food and beverage offerings and experiential retail, with tenants focused on delivering varied consumer experiences. Fitted space rental rates have begun to reflect a growing premium, driven by rising fit-out costs and stronger demand for turnkey-ready units.

Mall of Oman remains Muscat's leading retail destination, followed by The Avenues. Landlords have increasingly adopted hybrid leasing models, including turnover-based rent structures, especially for F&B and entertainment tenants in newer lifestyle developments.

Outlook for H2 2025

- Continued growth in F&B and community-focused retail
- Cautiously optimistic sentiment, especially in tourism-driven submarkets
- Demand for experiential concepts expected to remain strong

Average Asking Rents for Retail



Retail Market Overview

Average Asking Rents for Retail

	Q3 2024	Q4 2024	Q1 2025	(P) Q2 2025
Madinat Al Irfan	13.0	13.0	13.0	13.0
Al Mawaleh	10.0	10.0	10.0	10.0
Airport Heights	8.5	8.5	9.0	6.0
Shatti Al Qurum	14.0	14.0	14.0	14.0
Al Qurum	11.0	11.0	11.0	11.0
Madinat Qaboos	14.0	14.0	14.0	14.0
Al Khuwair	15.0	14.0	14.0	14.0
Al Ghubrah	7.0	6.0	6.0	6.0
Al Azaiba	12.0	11.0	10.0	10.0
Ruwi	4.0	3.0	3.0	3.0

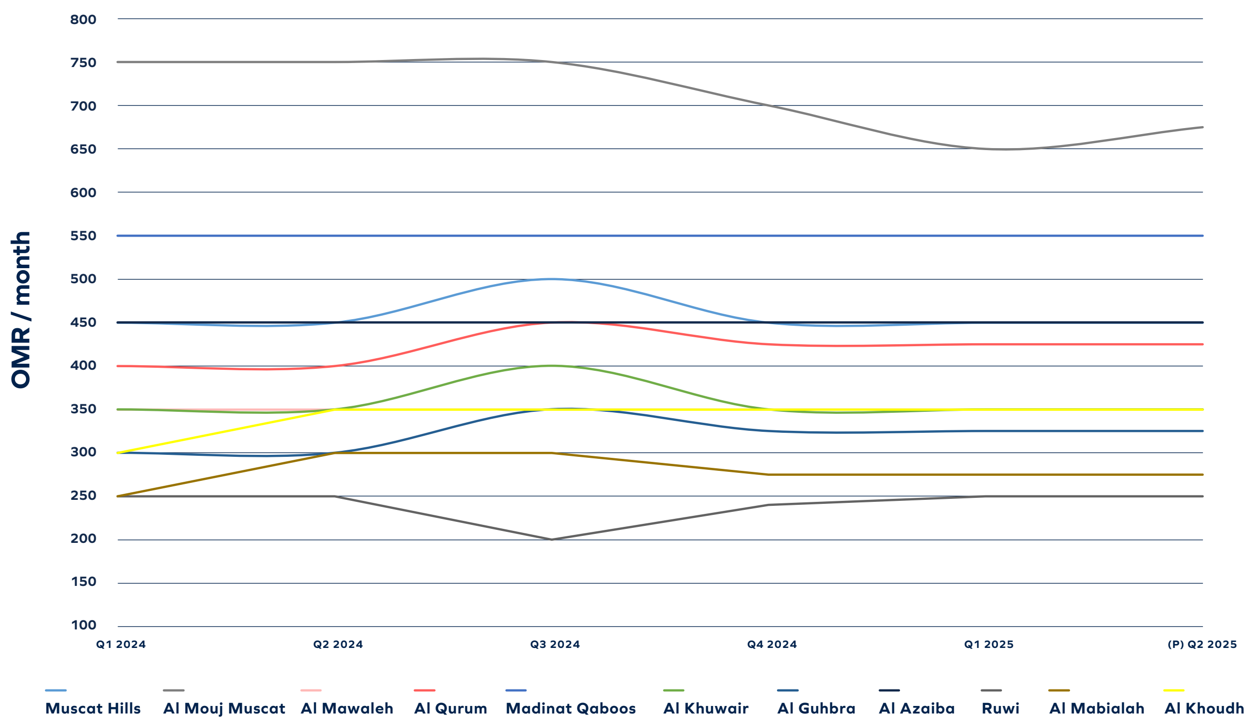
Residential Market Overview

The residential sector in H1 2025 saw stable demand for mid-income apartments and villas. Rents rose slightly in core Muscat areas such as Al Mouj and Qurum.

Off-plan sales remained limited outside of integrated tourism complexes. However, new affordable housing initiatives aligned with Vision 2040 gained traction among both investors and end-users.

Higher rents in locations such as Al Mouj and Madinat Sultan Qaboos were linked to newer smart buildings offering features such as gyms, swimming pools, efficient layouts, elevators, and improved parking. Professionally managed gated communities continued to command a 10 to 15 percent premium over standalone homes.

Average Asking Rents 2 Bedroom Urfurnished Apartment (with facilities)



Outlook for H2 2025

- Continued demand for affordable housing aligned with Vision 2040
- Growth in ESG-focused build-to-rent schemes
- Supply constraints expected in affordable segments within key districts

Residential Market Overview

Average Asking Rents 2 Bedroom Unfurnished Apartment with (facilities)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	(P) Q2 2025
Muscat Hills	450	450	500	450	450	450
Al Mouj Muscat	750	750	750	700	650	675
Al Mawalef	350	350	350	350	350	350
Al Qurum	400	400	450	425	425	425
Madinat Qaboos	550	550	550	550	550	550
Al Khuwair	350	350	400	350	350	350
Al Ghubrah	300	300	350	325	325	325
Al Azaiba	450	450	450	450	450	450
Ruwi	250	250	200	240	250	250
Al Mabiahah	250	300	300	275	275	275
Al Koudh	300	350	350	350	350	350

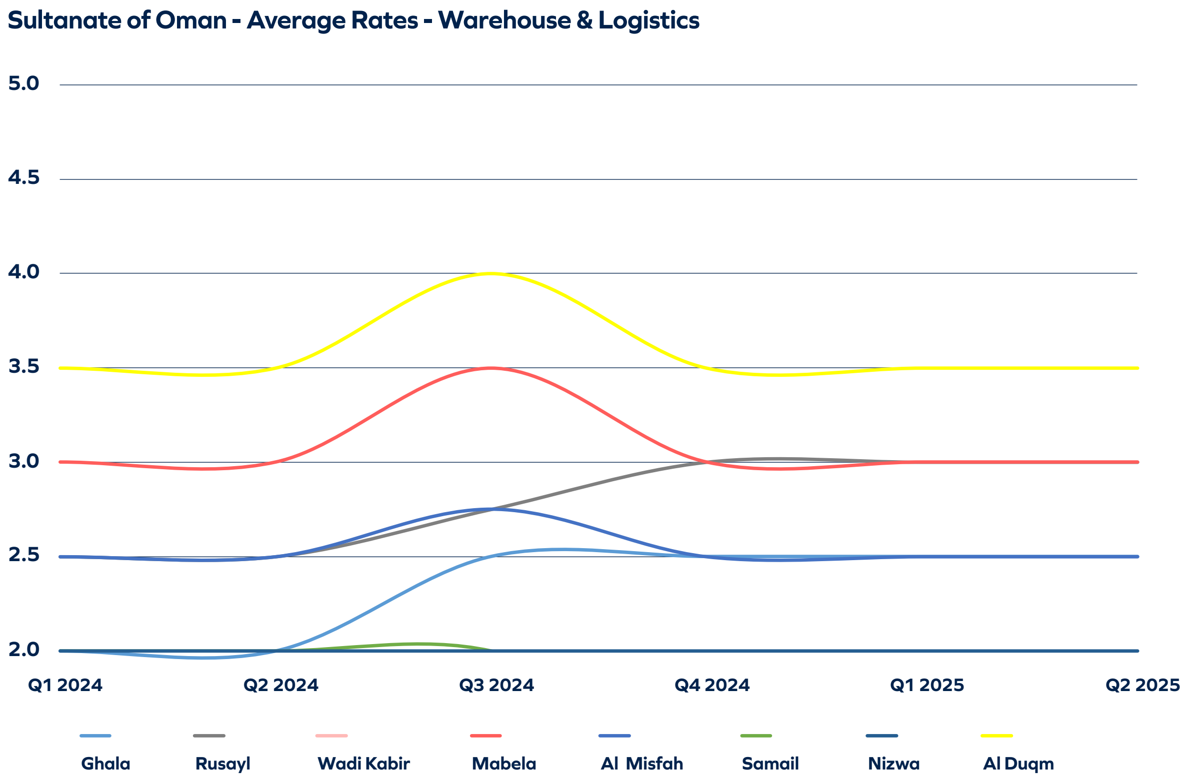
Industrial and Logistics Overview

Demand for warehousing and logistics space remained robust in Sohar, Duqm, and Rusayl during H1 2025. Sohar Freezone maintained its position as the most active industrial zone, continuing to attract tenants in food processing and light manufacturing. Duqm recorded increased enquiries from Chinese and Indian logistics firms, driven by the expansion of GCC–Asia trade routes and supply chain realignments linked to the Middle Corridor.

ESG-led facilities — including solar-powered warehouses, green building certifications, and waste recycling systems — are gaining traction with international investors. However, Oman still trails regional peers such as the UAE in the availability of ESG-compliant industrial stock.

Outlook for H2 2025

- Infrastructure development expected to drive continued industrial demand
- ESG-compliant stock remains limited but is steadily growing
- Onshoring and AI-powered inventory systems will become key differentiators in warehousing
- Build-to-suit (BTS) projects for cold storage and turnkey units will play a prominent role as tenant requirements evolve toward year-end



Industrial and Logistics Overview

Sultanate of Oman - Average Rates - Warehouse & Logistics

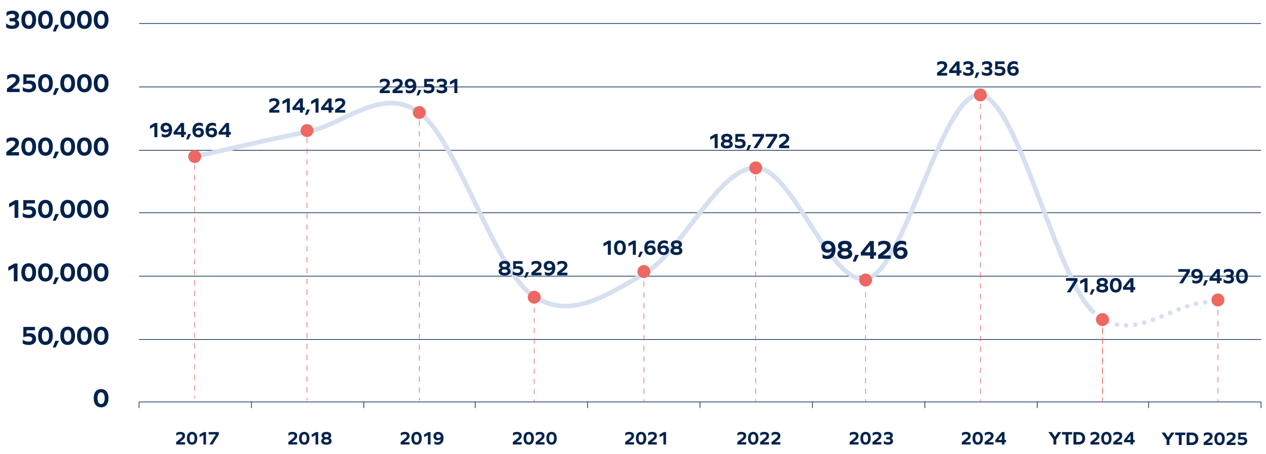
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	(P) Q2 2025
Ghala	2.0	2.0	2.5	2.5	2.5	2.5
Rusayl	2.50	2.50	2.75	3.00	3.00	3.00
Wadi Kabir	1.5	1.5	1.5	1.5	1.5	1.5
Mabela	3.0	3.0	3.5	3.0	3.0	3.0
Al Misfah	2.5	2.5	2.75	2.50	2.50	2.50
Samali	2.0	2.0	2.0	1.5	1.5	1.5
Nizwa	2.0	2.0	2.0	2.0	2.0	2.0
Al Duqm	3.5	3.5	4.00	3.50	3.50	3.50

Hospitality and Tourism Overview

Hotel occupancy in Muscat averaged 59% in H1 2025, supported by a rebound in business travel and regional tourism. Boutique hotels and eco-resorts gained popularity in Dhofar and Al Jabal Al Akhdar, aligning with the government's focus on sustainable and eco-tourism as part of Vision 2040.

The number of guests increased by 2.3% in Q1 2025 compared to the same period in 2024, accompanied by a 10.6% rise in revenue. The average daily rate (ADR) for the four- to five-star segment rose by 7%, while luxury and eco-tourism hotels recorded above-average occupancy.

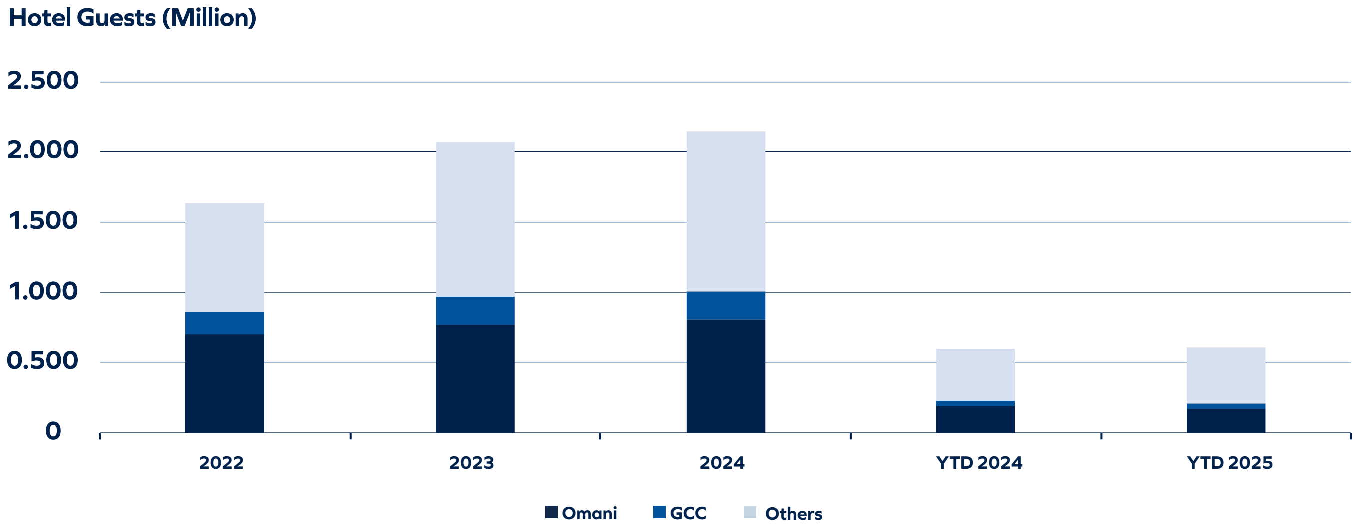
Hotels Revenue Classified (3 - 5 Stars)



Outlook for H2 2025

- Anticipated boost from upcoming festivals and international events
- Continued expansion of eco-tourism and high-end coastal developments
- Expected ADR growth in Salalah during the Salalah Tourism Festival (July–August 2025)

Hospitality and Tourism Overview



	2022	2023	2024	YTD 2024	YTD 2025
Others	0.769	1.103	1.143	0.376	0.401
GCC	0.160	0.198	0.199	0.032	0.038
Omani	0.700	0.770	0.804	0.289	0.172
Total	1.629	2.071	2.146	0.596	0.610

Gross Investment Yields by Real Estate Sector in Oman

(Muscat - Oman H1 2025 - Freehold)

Sector	Yield Range	Market Insights
Grade A Office Buildings	8.25% - 8.5%	Yields remain stable, supported by long-term government and financial services tenants. Supply remains moderate in core areas like Al Khuwair, Azaiba, Ghala Heights, and Madinat Al Irfan (Airport Heights). Tenant incentives persist (e.g. fit-out, rent-free periods).
Shopping Malls	8.5% - 10%	Strong yields, though risks are tied to evolving consumer habits and the growth of e-commerce. Institutional-grade malls with local brands remain more resilient. Regional malls in secondary locations tend to offer higher yield expectations.
Modern Industrial & Logistics	9.5% - 11%	Among the most attractive assets for long-term investors. High demand for cold storage, e-commerce fulfilment, and facilities near free zones (e.g. Sohar, Duqm). Strong alignment with infrastructure and trade growth under Vision 2040.
Hotel & Hospitality Resorts	8.25% - 10%	Yield compression observed in branded and well-performing resorts, especially in Salalah and Muscat. Seasonality and tourist inflow sensitivity remain key risk factors. Boutique resorts benefit from high ADRs (average daily rates) in premium zones.
Residential 2BHK apartment unfurnished with facilities (in core commercial/ retail areas)	8% - 9%	Yields remain steady due to stable expat demand and limited new supply in prime zones. Rental growth supported by proximity to schools, malls, and new metro developments. Higher risk remains in peripheral or oversupplied districts.

Summary for Risk vs Reward Matrix

Sector	Yield Range	Market Insights
Industrial & Logistics	Low (2) | High (5)	Offers strong returns when aligned with infrastructure growth. High on reward, low on volatility.
Hospitality Resorts	High (5) | High (4)	Delivers strong returns during peak seasons. Risk is tied to tourism flows, brand positioning, and operational cost leverage.
Shopping Malls	Moderate High (4) Medium (3)	The evolving retail landscape presents occupancy risk. Rewards vary based on mall management quality and design standards.
Office Buildings	Moderate (3) Moderate (3)	Stable in prime zones, but vulnerable in oversupplied locations. Tenant quality and lease covenants are key to long-term performance.
Residential (prime zones)	Moderate (3) High (5)	Strong rental base and resale activity, influenced by job creation and financing access. Amenities, building management, and surrounding infrastructure are key differentiators.

ESG Considerations

Sustainability gained prominence in the Oman real estate market, with several developers pursuing LEED and EDGE certifications. Solar integration and water reuse systems were introduced in new commercial and industrial projects, particularly in Madinat Al Irfan. REITs and institutional investors have also begun factoring ESG scores into their acquisition criteria.

Vision 2040 Alignment

Oman's Vision 2040 continues to shape real estate policy and infrastructure priorities.
Key themes influencing market dynamics include:

- Continued demand for affordable housing aligned with Vision 2040
- Growth in ESG-focused build-to-rent schemes
- Supply constraints expected in affordable segments within key districts

All new developments in Duqm and Salalah are now required to present sustainability and social impact assessments aligned with Vision 2040 goals. Submarket Highlights

Submarket Highlights

Muscat: Stable rents and rising Grade A absorption. Growth in wellness and educational facilities.

Duqm: Increased demand for logistics and hospitality assets. Strong alignment with Vision 2040.
Sohar: Freezone-led demand continues. Investor interest in cold storage and food logistics.

Salalah: Tourism growth fuels the boutique hospitality sector. Ongoing infrastructure upgrades are improving regional connectivity.

Looking Ahead - H2 2025

Building on a stable first half, Oman's real estate market is expected to expand further in H2 2025.
Key growth themes include:

- Industrial demand
- Affordable housing
- ESG integration
- Digital infrastructure

Strategic developments in Duqm, Sohar, and Muscat will play a catalytic role, supported by tourism-led investment in Salalah and Dhofar.

Government initiatives, continued infrastructure investment, and growing investor confidence are set to support Oman's steady growth trajectory through the remainder of the year.

Projected Market Trends

Sustained Demand For Industrial & Logistics Assets

With Oman positioning itself as a regional logistics hub, demand for warehousing, distribution centres, and industrial spaces is expected to remain strong.

Residential Market Stabilisation

While high-end residential properties in Muscat may continue to attract buyers, affordable housing initiatives are expected to gain traction, driven by government incentives and growing middle-class demand.

Tourism & Hospitality Growth

The expansion of integrated tourism complexes (ITCs) and new hotel developments will continue to boost real estate demand in coastal cities such as Salalah and Muscat.

Sustainability & Smart Cities

Oman's growing commitment to green building practices and smart city infrastructure will drive investment in eco-friendly developments, particularly in urban centres.

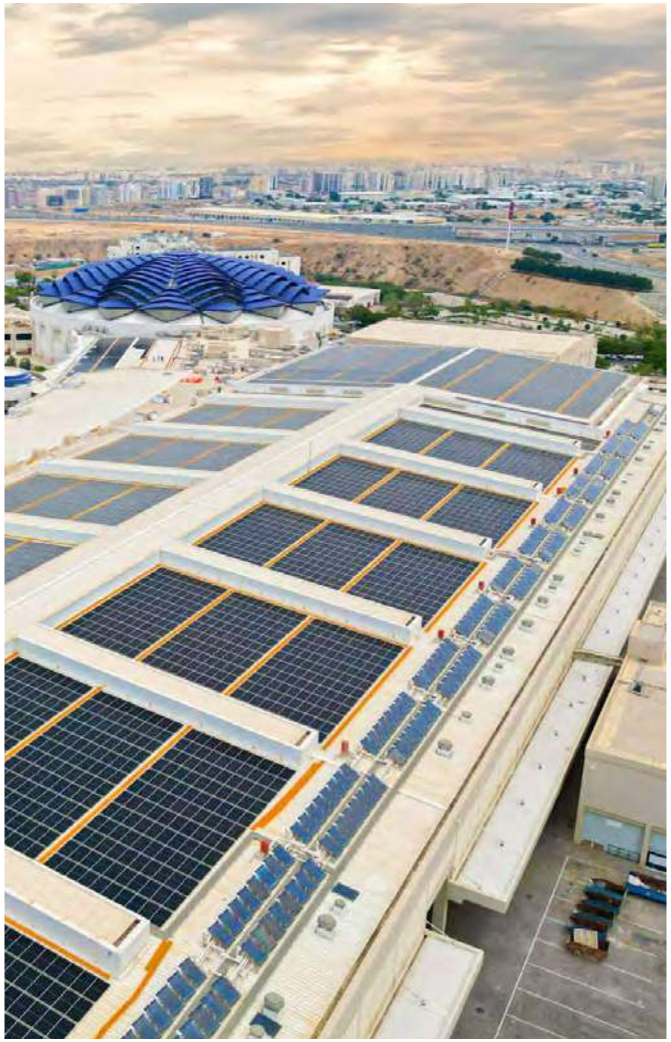
Macroeconomic Indicators

- **GDP Growth Projection:** Economic growth is expected to remain stable, led by the logistics, manufacturing, and tourism sectors.
- **Oil Price Stability:** Oil prices are projected to remain within the $75–$80 per barrel range, ensuring fiscal stability (as of time of printing).
- **Inflation & Employment:** Inflation is forecast to stay moderate, while job creation in the private sector is likely to rise, particularly across technology, renewable energy, and logistics.

Outlook

Oman's real estate market in H2 2025 is poised to build on the momentum of the first half, supported by continued infrastructure investment, sustainability goals, and economic diversification. Sustained foreign investment and proactive government policies will underpin this growth.

The residential real estate market alone is projected to grow at a compound annual rate of 9.19%, rising from $4.75 billion in 2024 to $6.60 billion by 2029. With the government's focus on long-term economic diversification under Vision 2040, Oman's property sector is set to offer continued opportunities for both developers and investors.



United Kingdom

Market Update

The withdrawal of stamp duty concessions at the end of March caused a lull in activity; in April, there was a 10% fall in applicants registering to buy at estate agency branches across Great Britain. But this quiet period did not last long.

In May, demand recovered with a 3% year-on-year rise. By June, applicant numbers were up 11% year-on-year, as first-time buyers and upsizers returned to the fray. London homes went under offer more rapidly than those elsewhere, marking a change from the sluggish pattern of trading seen in recent years.

During the month, more would-be buyers (or applicants) registered with a branch than in any other June since 2022.

Applicant numbers rose most sharply in London, up 18% year-on-year. The South East and East of England followed, with increases of 14% and 13% respectively. The downward move in mortgage rates lies behind this revival. Lower mortgage rates are boosting househunters' purchasing power, in most cases compensating for larger stamp duty bills.

First-time buyers are benefiting most from the cuts to mortgage rates, since the cost of higher loan-to-value deals has fallen more sharply than that of other types. For example, according to Bank of England data, the average rate on a 90% loan-to-value mortgage fell from 5.65% in June last year to 4.78%. Lenders are also applying more favourable affordability assessments to these borrowers.

But the tempo in the priciest parts of London and the other prime markets remains more subdued. Sellers in these locations are typically more discretionary, unlikely to be compelled by circumstances to put their homes on the market. They are willing to wait until prices rebound. As a result, just 27% of the properties that changed hands for more than £1 million a decade ago have subsequently been sold. This compares with the nationwide average of 40%.

One group is yet to return to the market. In June, 10% fewer second home buyers registered than did so the year before. Their numbers are now at their lowest level in more than five years. This predominantly reflects higher council tax and stamp duty costs.

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More would-be buyers (or applicants) registered with a branch this June than in any other since 2022.

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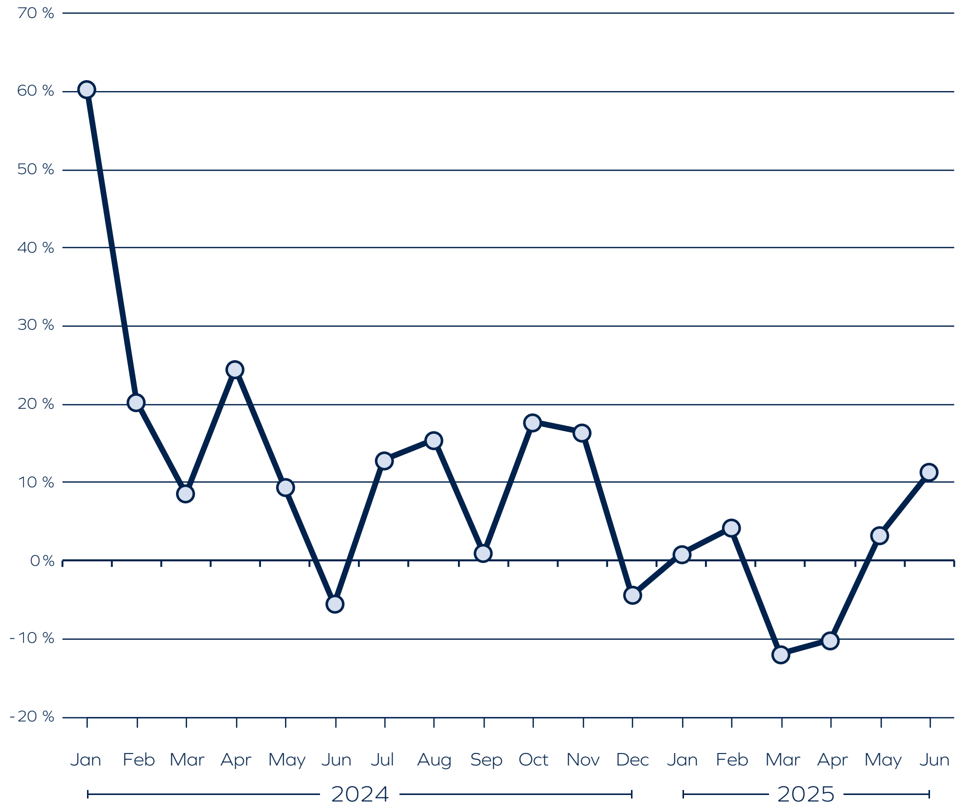
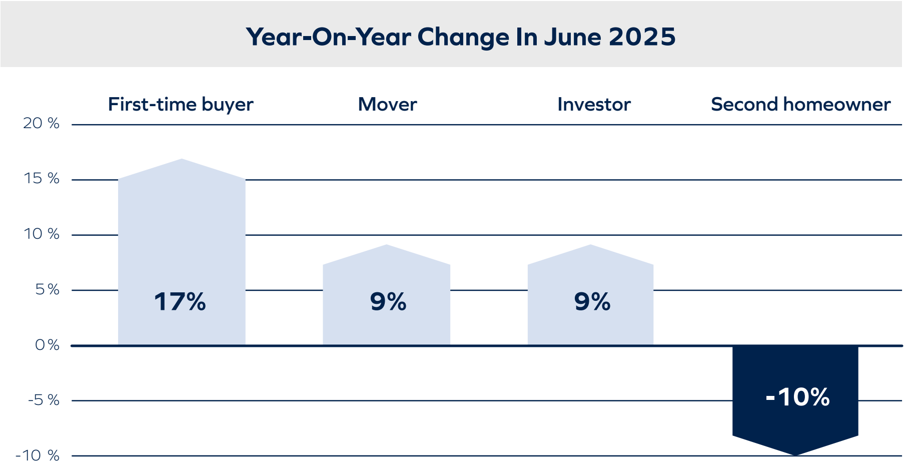
Market Update

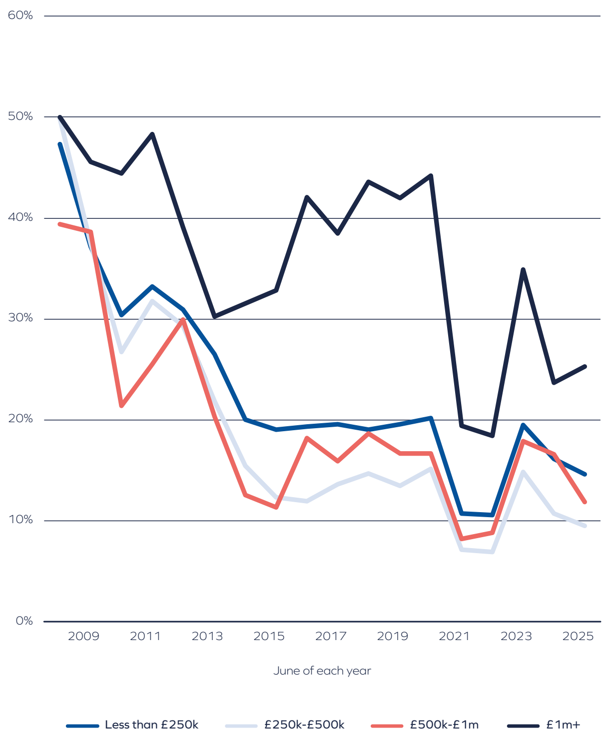
Year-On-Year Change in the Number of Applicants Registering To Buy (GB)





Market Update

Share of Homes Sold at a 5%+ Discount from the Final Asking Price (Eng & Wales)



Pricing

The beneficial mix of more competitive mortgage deals and more house hunters is supporting prices. The average property in England and Wales sold for 98.9% of its final asking price last month, up from 98.7% in June 2024. In pound terms, this translates into a median discount of £2,000.

In June, just 13% of homes in England and Wales fetched 5% less than their final asking price. This is the lowest level since September 2022, ahead of the Liz Truss mini-budget which drove up the cost of mortgages.

Only 3% of buyers succeeded in knocking 10% or more off a home's asking price. However, in the £1 million-plus category, price cuts of 10% or more were easier to secure. Many such homes sold for 5% less than their final asking price in June, up from 5% in June 2024. Meanwhile, homes sold for between £500k and £1m, typically bought by upsizers in the South of England, saw the biggest decline in discounting.

Time to Sell

Demand may have improved, but there were 3% more homes on the market in June compared to the same month last year, and stock levels were 41% higher than in 2019. This means buyers had more choice, and the time to sell extended.

The average property that went under offer in June had been for sale for 56 days, compared to 48 days in June 2024. Only 30% of properties found a buyer within 30 days, the lowest proportion recorded in any June since 2020.

However, reversing the trend seen between 2016 and 2024, London homes are now more likely to go under offer within a month than the average for Great Britain. About 32% of homes sold in London in June went under offer in less than a month.

Partly because of this, London is one of only two regions where there were fewer homes on the market compared to last year. Stock is 13% lower than its 2024 level, which has limited buyers' choice, particularly in the suburbs.

Scotland leads the market in speed. As many as 54% of homes listed found a buyer within 30 days, up from 50% in June last year. This is twice the pace of other regions.

Price Paralysis

Mini Focus

The possibility that a home might sell for less than its purchase price is a clear disincentive for homeowners to move.

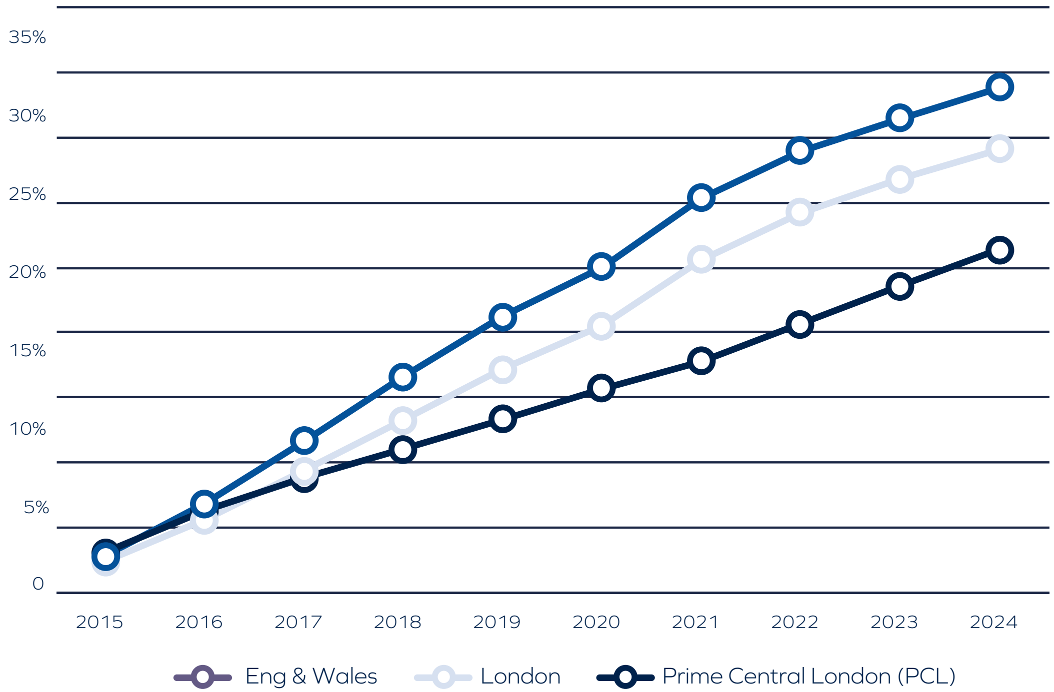
While most sellers are unlikely to face this situation, those in the prime markets of the South of England are more exposed to potential losses. In prime central London especially, where prices have declined over much of the past decade, many owners are hesitant to sell for fear of taking a loss.

This reluctance contributes to lower liquidity in some markets. Our research into this relocation hesitation shows that 11% of sellers in England and Wales so far in 2025 have incurred a loss. This is slightly higher than the 9% recorded in 2024.

Whether a seller is willing to accept a lower resale price depends on several factors, including property type, purchase date, and location. Among flat owners who sold this year, 16% took a loss. In contrast, only 2% of house sellers experienced the same.

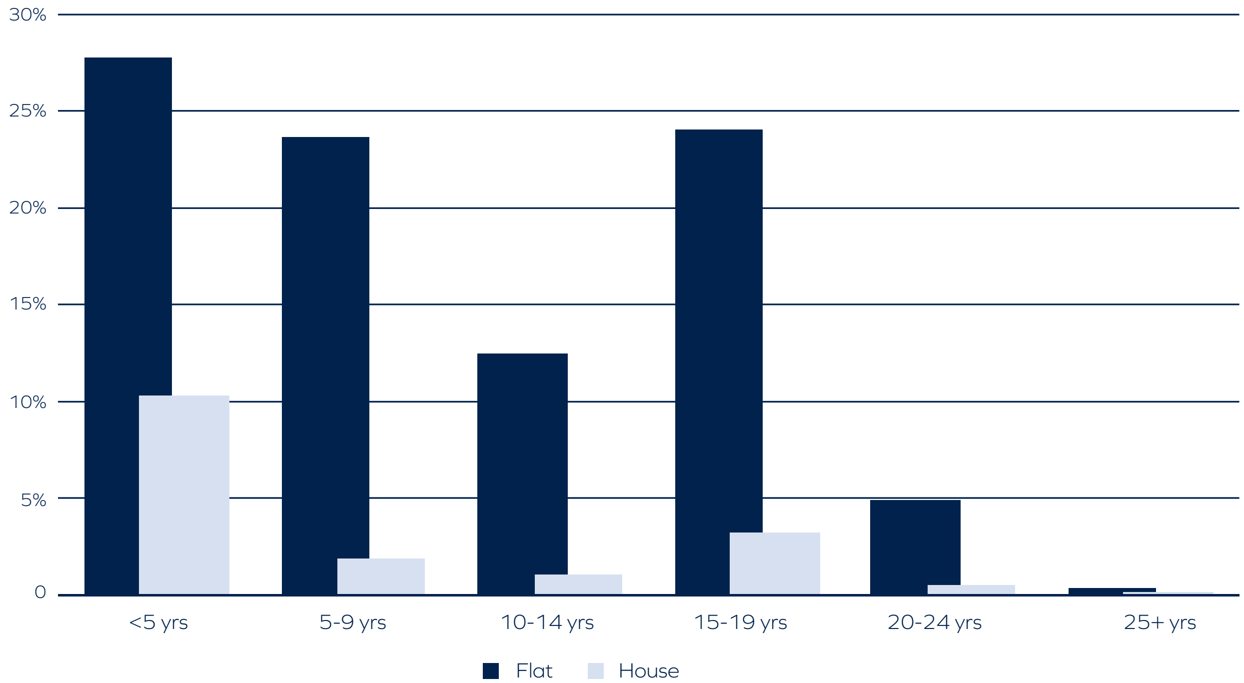
This difference highlights the gap in performance between flats and houses since the onset of the pandemic in 2020.

Share of 2014 Purchasers Who Have Since Sold (Cumulative)



Price Paralysis

Share of 2025 Sellers Who Sold Their Home for Less Than They Paid, by Length of Ownership (England & Wales)



As many as 23% of those who listed a house or flat for sale this year took a loss if the home was purchased since 2020. This figure drops to 9% for those who owned their home for a decade, and to just 3% for owners of 20 years or more.

Since 2015, London has underperformed compared to the rest of the UK. In prime central London (PCL), prices are now below their 2015 levels. As a result, only 26% of PCL properties bought in 2014—near the market's peak—have since been sold. By comparison, the average resale rate across England and Wales over the same period is closer to 40%.

Owners of high-value homes, regardless of region, are also more likely to stay put. According to Land Registry data, 73% of properties purchased for over £1 million in 2014 have not been resold.

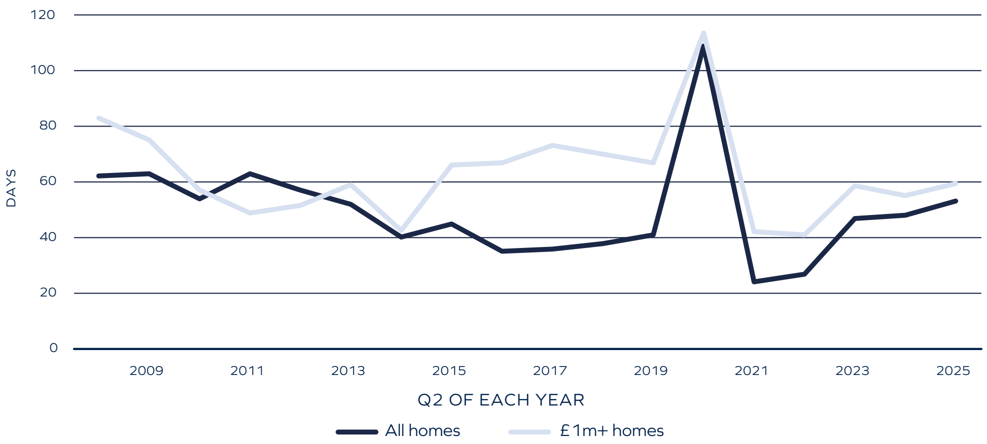
The reluctance to accept a loss is entirely understandable. However, this mindset is limiting liquidity in areas where prices have declined or remained flat. Many of these sellers are under no pressure to sell and prefer to wait for market recovery.

That may start to change. If property values begin to rise in London and other prime locations through the rest of 2025 and into 2026, we could see a release of pent-up supply. This is especially likely among owners of larger family homes, who tend to be more discretionary sellers.

Looking ahead, falling mortgage rates and a gradual rebound in property prices could encourage long-time owners to return to the market. As values edge back toward previous peaks, particularly in London and other high-end areas, more sellers may feel ready to move without accepting a loss.

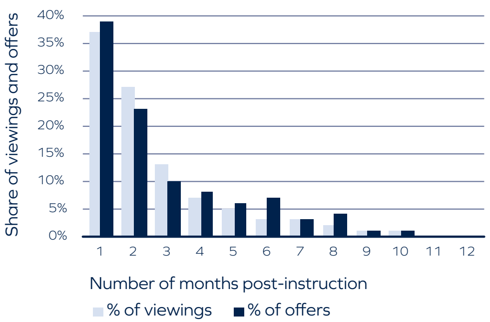
Market Metrics

Average No. of Days to Sell (Instruction to Offer Accepted)



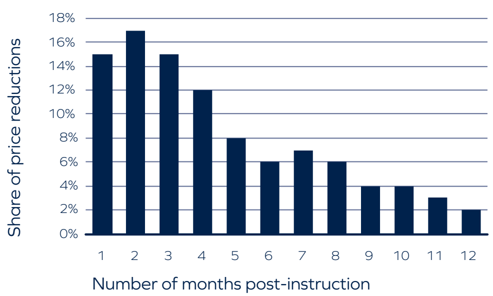
Timing of viewings and offers

77% of all viewings tend to happen in the first 3 months of marketing a home, with 72% of all offers coming in during the same period.



When price changes take place for sold homes

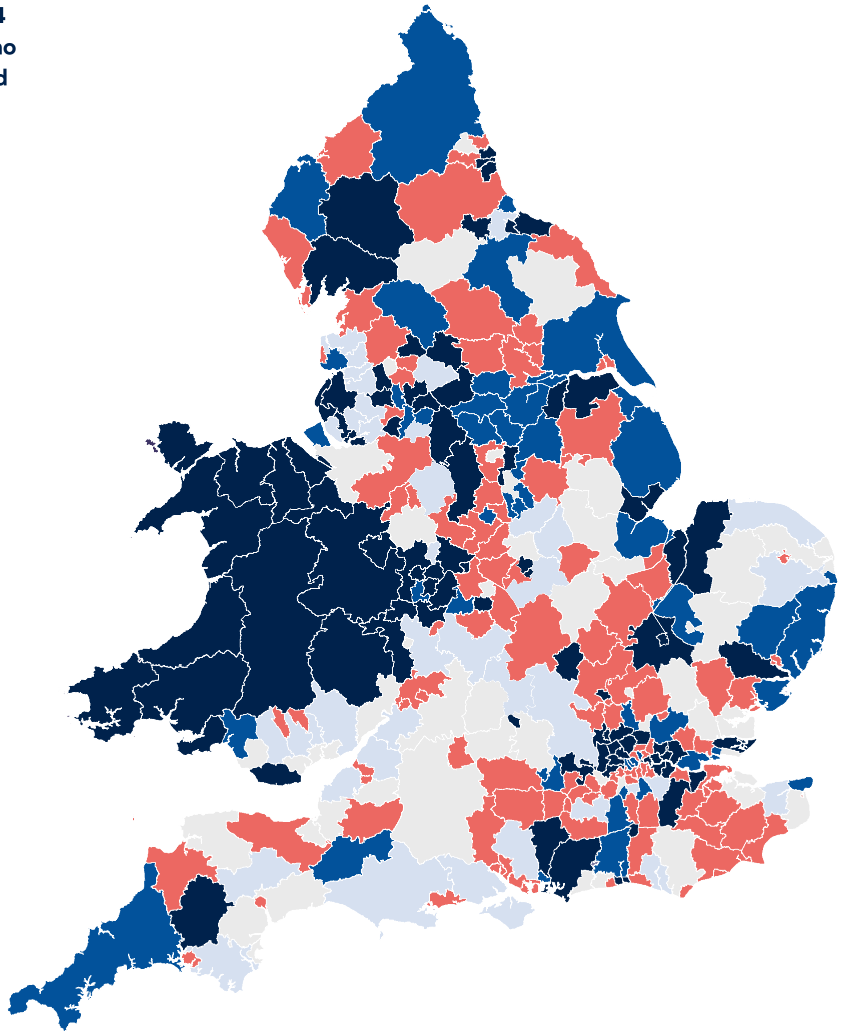
A higher proportion of price reductions take place within the first three months on homes that eventually sell compared to homes that are withdrawn from the market.



2014 Purchasers Who Have Since Sold

Share of 2014 purchasers who have since sold

42% - 52%
41% - 42%
40% - 41%
39% - 40%
17% - 39%



One Foot on the Ladder?

Lettings

The average rent in Great Britain now stands at £1,366 per calendar month. However, the downward trend in mortgage rates is slowing the pace of rental growth. Landlords are benefiting from cheaper loan deals, which in turn means lower borrowing costs are benefiting tenants.

While some landlords coming off low fixed-rate five-year mortgages are still seeing their costs rise significantly, others rolling off two-year fixes may now end up paying less. In June, the average annual rent increase on a newly-let property in Great Britain was 0.4%, compared to 5.0% in the same month of 2024. The last time an annual increase of around 1.5% was recorded was in 2018, suggesting that rent growth is returning to its long-term average, at least for now.

There are notable regional variations. London, where average rents stand at £2,288 per month, is the only region where rents fell annually, down 2.5%. Rents there are now at the same level as in May 2023. Meanwhile, the Midlands (average £1,044) and the North (£957) recorded the strongest increases, at 3.3% and 1.8% respectively.

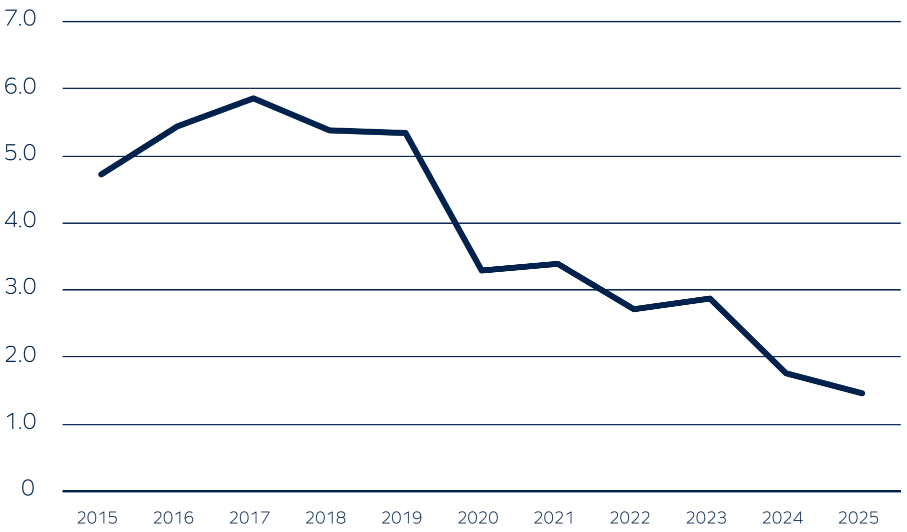
Another trend has become increasingly clear: lower mortgage rates are reducing tenant demand, as more first-time buyers are now able to enter the market and purchase their own homes.

In June, the number of tenants registering to find a home was 8% lower year-on-year and 19% lower compared to 2019. Tenant registrations have been falling across most areas, with 61% of branches across our network reporting a year-on-year decline in June. This marked the twelfth consecutive month of lower tenant demand compared to the previous year.

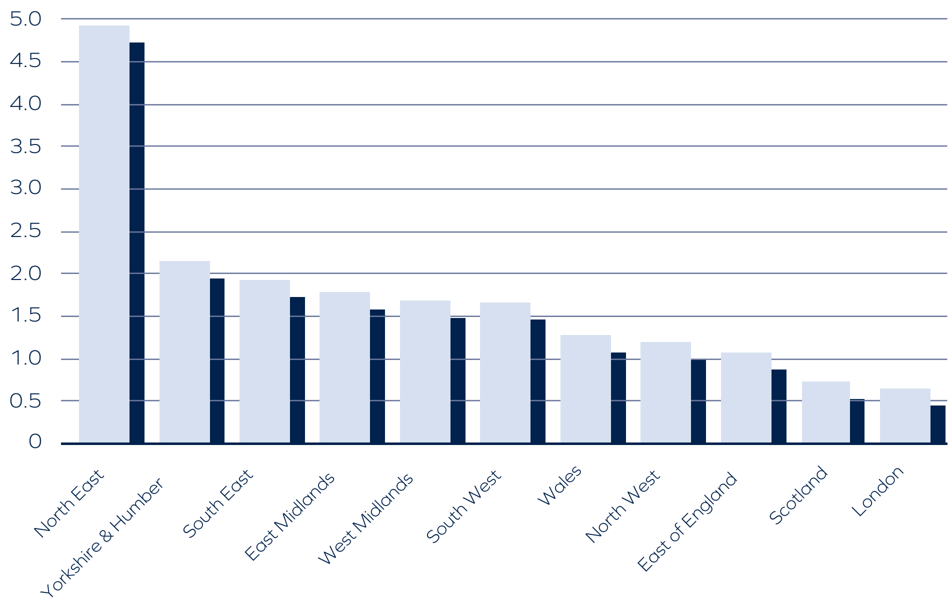
Since the start of 2025, there has been an average of 1.5 tenants seeking a rental property for every would-be first-time buyer. This ratio stood closer to 3:1 during 2022 and 2023, when high mortgage rates pushed many buyers out of the market. More broadly, tenant-to-first-time-buyer ratios have declined steadily since 2017, when the figure stood at 5.9 to one.

One Foot on the Ladder?

Ratio of New Tenant to First Time Buyer Registrations (GB)



Ratio of New Tenant to First - Time Buyer Registrations (2025)



One Foot on the Ladder?

Average Rent on a Newly Let Property (GB)

So marked has the fall been that, in London and Scotland, more people are now searching to buy a first home than looking to rent—something not seen in at least a decade. In the capital, first-time buyers accounted for 50.3% of new buyer registrations. This represents a 2% annual rise in the number of first-time buyers looking to purchase in June, even as other buyer groups declined.

For those aiming to get on the property ladder, the drop in mortgage rates has made buying cheaper than renting in many cases. Anyone with at least a 10% deposit is now likely to find monthly mortgage payments more affordable than rental costs. This shift is most pronounced in affluent areas, where tenant demand has dropped by 50% more than in lower-income neighbourhoods.

As demand softens, rental availability has edged up. There are now 3% more homes available to rent than there were at the end of June 2024. The number of available rentals has been rising each month since August 2022, though this increase is mostly due to longer letting periods rather than a surge in new supply.

A £99 monthly gap remains between the average rent on a newly-let property (£1,366) and the average for renewals (£1,267). However, rents on renewals have been climbing steadily since September 2023.

Looking ahead, further rent declines appear unlikely. Landlords are closely watching the potential impact of the Renters' Rights Bill. The legislation is expected to cool future buy-to-let investor appetite, which may limit growth in rental housing stock.

"

Looking ahead, it seems unlikely that rents will cool much further.

"

The Generation Housing Game

Focus

House price appreciation is no longer a guarantee. Millennials and Generation Z buyers who entered the market in 2020 are now discovering this reality.

These cohorts are the first generation of first-time buyers to face real-terms losses on their homes during the initial five years of ownership. While the average home value in Great Britain has risen by 27% since 2020, inflation-adjusted figures show a 3% decline in real value.

This contrasts sharply with the experience of earlier generations. A member of the Silent Generation (born 1928–1945) who bought their first home in 1968 saw a real-terms increase of up to 106% within five years.

Baby Boomers (1946–1964), Generation X (1965–1980), and earlier Millennials (1981–1996) also benefited from positive real-terms gains.

First-time buyers in 2020, however, have been hit by both high property prices and rising interest rates.

Over the first 15 years of a typical 30-year mortgage, the average 2020 buyer will pay about £191,029 in repayments. This is £97,000 more—an increase of 103%—than what a Silent Generation buyer paid over the same period, adjusted for today's money (£93,943).

Higher mortgage rates also mean a greater share of each monthly payment goes toward interest instead of reducing the principal. For 2020 buyers, 58% of the house price growth has gone into interest payments. In comparison, Millennials who bought in 2011 saw just 31% of their five-year house price growth go toward interest.

"

Millennials and members of Generation Z will be the first cohort of first-time buyers to experience real- terms losses on their homes during the first five years of ownership.

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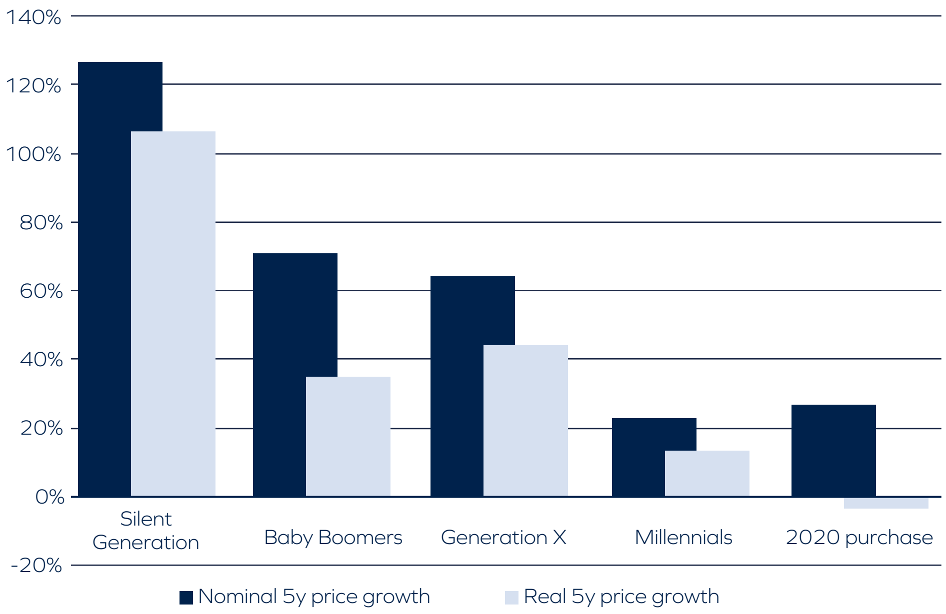
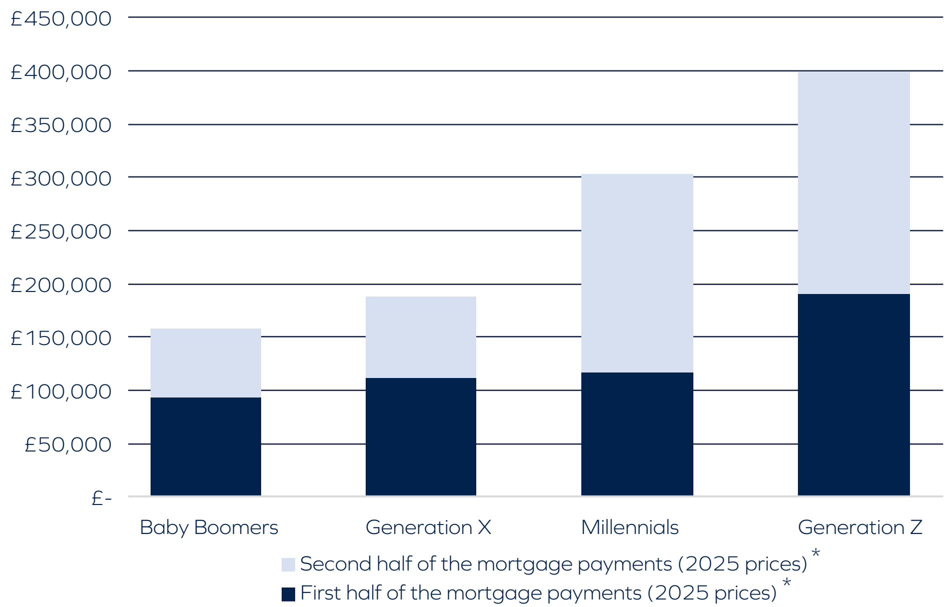
The Generation Housing Game

Real Versus Nominal House Price Growth Over the First Five Years of Ownership



Lifetime Mortgage Payments (2025 Prices)



The Generation Housing Game

Looking ahead, expensive house prices and relatively high mortgage rates are likely to mean that those who became homeowners in 2020 will also face more burdensome repayments during the second 15 years of their mortgage term. This adds to the reasons why many feel less fortunate than those who bought homes in previous decades.

Some may argue that this sense of disadvantage is not a valid cause for resentment. However, the economic implications are real.

Before the global financial crisis of 2008, it was almost routine to borrow against the value of a first home to fund improvements or finance major purchases, such as a car. According to the FCA, 5.6% of all new mortgages in 2007 were issued at loan-to-value ratios above 95%, with many buyers borrowing more than 100% of their property's value.

In recent years, the near impossibility of borrowing at such high loan-to-value ratios, coupled with stagnant house price growth, has limited homeowners' ability to finance additional spending. This has contributed to a slowdown in consumer activity.

Another effect of softer house prices has been fewer relocations. Buyers who entered the market in 2020 appear more likely to stay put than their predecessors, who typically moved up the housing ladder more quickly. This change affects spending on services like legal fees and removals, as well as home-related purchases such as furnishings and appliances.

Research shows that sellers typically want to recover at least the amount they paid for their home, even when market conditions allow them to purchase a new home at a more attractive price.

This reluctance is particularly pronounced among those who made small down payments of 5–10%, or who bought with no deposit at all. In many cases, they have little or no equity available to put toward a larger or more expensive home, even when those homes have also seen price reductions.

In light of this, some have suggested that house price growth should be incorporated into the Bank of England's inflation mandate. If such a policy were adopted, the target would need to be a modest positive figure—low enough to prevent prices from rising faster than incomes, but high enough to avoid trapping new homeowners during temporary market slowdowns.

Setting such a benchmark could help ensure that price stagnation does not create long-term barriers to mobility and consumption, both of which are important for broader economic health.

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Those who bought in 2020 seem more likely to stay put for longer than their predecessors, who tended to move up the housing ladder fairly rapidly.

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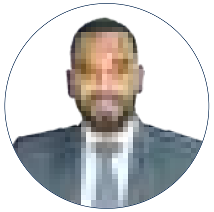
Hamptons Oman



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