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Dubai's Ultra-Prime Market Hits $6 Billion in H1 2026 Despite Regional Tensions

Dubai recorded 320 home sales above $10 million in the first half of 2026, up 23% year on year, taking ultra-prime sales value to $6 billion even as regional tensions linked to the Iran conflict pushed the wider market into a ...

HIGH	7.8	10 August 2026	7/10
INVESTOR IMPACT	SIGNIFICANCE SCORE	EVENT DATE	SOURCE RELIABILITY

Bradley James
Associate Director & Senior Investment Advisor

EXECUTIVE SUMMARY

01 Dubai's Ultra-Prime Market Hits $6 Billion in H1 2026 Despite Regional Tensions

Engel & Völkers research published by Khaleej Times on 10 August 2026 shows Dubai's ultra-prime residential market, homes above $10 million, generated $6 billion in sales during the first half of 2026, a 23% increase year on year across 320 transactions. The segment now accounts for 9.7% of the total value of Dubai's residential sales. This performance came through a period when regional tensions, including the Iran conflict, intensified from late February 2026 and caused genuine caution across the wider market, with activity only recovering from June. Dubai's residential market overall still recorded 80,509 transactions worth Dh226.5 billion in H1 2026, and commercial property posted its strongest first half on record at Dh62.2 billion, with off-plan commercial sales rising from Dh3 billion to Dh17 billion year on year. For investors weighing capital preservation, the data separates sentiment from actual transaction behaviour during a stress period, and that separation is the useful part.

- Ultra-prime home sales above $10 million reached $6 billion in H1 2026, up 23% year on year, according to Engel & Völkers research
- 320 residential properties above $10 million changed hands in the first six months of 2026
- The ultra-prime segment accounted for 9.7% of Dubai's total residential sales value in H1 2026
- Regional tensions linked to the Iran conflict intensified from late February 2026, causing caution and moderating transaction activity through the following months, with recovery from June
- Dubai's wider residential market still recorded 80,509 transactions worth Dh226.5 billion in H1 2026

- Commercial property posted its strongest first half on record at Dh62.2 billion across 6,470 transactions, with off-plan commercial sales rising from Dh3 billion to Dh17 billion year on year

THE EVENT

02 What happened, and why it matters

WHAT HAPPENED

Dubai's ultra-prime residential market, homes selling above $10 million, generated $6 billion in sales during the first half of 2026, according to research from Engel & Völkers published by Khaleej Times on 10 August 2026. That is a 23% increase year on year. A total of 320 properties above the $10 million mark changed hands in the six month period, and the segment now accounts for 9.7% of the total value of Dubai's residential sales. The performance came despite a period of real caution in the market. Regional tensions, including the Iran conflict, intensified from late February 2026 and prompted some buyers to delay decisions. Transaction activity across the wider market moderated through the following months. It was only from June that activity began to recover as sentiment improved. Even with that dip factored in, Dubai's residential market as a whole recorded 80,509 transactions worth Dh226.5 billion in H1 2026. Major ultra-prime transactions were concentrated in Jumeirah, Jumeirah Asora Bay and along the Dubai Water Canal, with newer luxury communities increasingly competing for the same buyers as these established addresses. The commercial side of the market posted its strongest first half on record too. Commercial sales reached Dh62.2 billion across 6,470 transactions. Office sales rose 35.3% year on year to 2,570 transactions and retail deals jumped 50.2% to 853 transactions. Off-plan commercial investment stood out specifically, rising from Dh3 billion in H1 2025 to Dh17 billion in H1 2026 as investors targeted new Grade A office space, retail and mixed-use districts. Daniel Hadi, CEO of Engel & Völkers Middle East, said the first half of 2026 demonstrated the resilience and increasing maturity of Dubai's real estate market, with buyers becoming more considered during the period of regional uncertainty but demand remaining present and strengthening again as conditions improved.

WHY IT MATTERS

The headline number here is a luxury statistic, but what it tells you runs deeper than that. When regional and local capital keeps closing $10 million plus transactions through a period of genuine geopolitical stress, in this case the Iran conflict, that is a different signal than a market simply riding a growth wave. The buyers closest to the region and the information moved first. Overseas buyers, reading the same headlines from a distance, were more cautious and slower to act, which is exactly why the wider market moderated from late February before recovering in June. For capital preservation, that gap matters more than the $6 billion figure itself. It tells you the demand under this market is coming from people with direct exposure to the region, not speculative capital chasing a trend. It also tells you that the caution overseas investors feel when reading geopolitical headlines is not necessarily shared by the buyers actually transacting. That does not mean the risk is not real. It means the market has already been tested by that risk during this period, and the top end of it held.

WHO IT AFFECTS

This is most relevant if you are a UK or overseas investor with capital to deploy who has been sitting on the sidelines because of regional headlines rather than because of the underlying property fundamentals. It also matters to anyone already holding Dubai property who wants a read on whether high value demand is durable or fragile. Family offices and HNW buyers considering the $10 million plus bracket specifically will find the most direct read through here, but the wider recovery in transaction volumes from June is relevant to buyers at every price point.

INVESTOR READ

03 Implications, risks and opportunities

HISTORICAL CONTEXT

The moderation described in this data followed heightened regional uncertainty that began in late February 2026, linked to the Iran conflict. Transaction activity across Dubai's wider residential market slowed through the following months before recovering from June 2026 as sentiment improved, according to Engel & Völkers research covering the full first half of the year.

IMPLICATIONS

If you have been waiting for a cleaner entry point before committing capital, this data is worth sitting with. The moderation in activity from late February through the following months, while regional tensions ran high, is typically the period when pricing and negotiating leverage favour the buyer, because sentiment lags fundamentals. Regional capital did not wait for that sentiment to clear. It transacted through it. That is not a signal to rush in on borrowed confidence. It is a signal to separate what the headlines are telling you from what the transaction data is telling you, and to weight the data more heavily when deciding on timing. The recovery from June, combined with the strength across commercial property and the sharp rise in off-plan commercial investment, points to broadening confidence rather than a single segment running hot in isolation.

RISKS

Be straight about what this data does not tell you. A 23% rise in $10 million plus sales is a strong number, but it sits within a segment that made up 9.7% of total residential sales value, a slice of the market, not the whole of it. Strength at the very top does not automatically transmit down to the broader market, and the wider transaction data shows real moderation happened between late February and June 2026 as regional uncertainty weighed on buyer decisions. That caution was real and it lasted months, not days. The Iran conflict and wider regional tensions referenced in this data have not disappeared, they eased enough for sentiment to recover by June, and geopolitical risk in the region remains a live variable for anyone allocating capital here. This report also draws on research from a single firm, Engel & Völkers, covering one specific segment of the market. It is a useful and specific data point, not a complete picture of Dubai real estate on its own. Any decision should be weighed against the fuller transaction data, financing costs and your own liquidity needs, not a single luxury sales figure.

OPPORTUNITIES

The clearest opportunity in this data is the entry window itself. Regional capital transacted through the uncertainty while overseas buyers waited, and that gap in behaviour is often where pricing is still reasonable before broader confidence catches up and demand widens. The commercial market backs this up. Off-plan commercial sales rising from Dh3 billion to Dh17 billion year on year shows investors are not just defending existing luxury positions, they are actively deploying into new Grade A office, retail and mixed-use developments. For an investor thinking in years rather than months, a market that keeps transacting through genuine geopolitical stress, then recovers as conditions ease, is telling you something about the depth of demand underneath it.

WHAT TO WATCH

Watch whether the ultra-prime momentum carries into the second half of 2026, and whether the broader transaction recovery seen from June holds. Dubai Land Department data for June 2026 already shows a healthy monthly base for comparison, with AED 32.7 billion in sales transaction value across 13,766 transactions and an average price of AED 1,680 per square foot, with off-plan sales making up 72.3% of transactions by count that month. With the CBUAE base rate at 3.6% and 3 month EIBOR at 4.0% as of August 2026, financing costs are also worth tracking, since they shape how much of this demand is cash-led versus leveraged.

THE BOTTOM LINE

04 What this means for Dubai investors

THE MEANING

For an investor focused on capital preservation, this data says the underlying demand base in Dubai has been stress tested by real geopolitical uncertainty in 2026 and held up, at least at the top of the market. It does not remove the risk, and it does not mean every segment of the market performs the same way. What it does mean is that the assumption some overseas investors carry, that regional tension automatically means capital flight from Dubai property, does not match what actually happened in the transaction data through the first half of the year.

> *Here's the thing about a number like this. It's easy to read $6 billion and 23% and think it's just a luxury story that doesn't apply to you. But what I keep coming back to with clients is the timing of it. That moderation in activity from late February through to June wasn't imagined, the data shows it happened. That's the exact period a lot of overseas buyers I speak with go quiet, because the headlines get loud and the instinct is to wait it out. What this report tells me is that the buyers closest to the region didn't wait. They kept transacting through it, at the very top end of the market, and by June the wider market was recovering too. I'm not going to tell you geopolitical risk in this region isn't real, because it is, and I'd be doing you a disservice pretending otherwise. But two things are true at once. The risk was real enough to slow the market down for months, and the demand was strong enough to keep $10 million plus deals closing through it. When I'm talking clients through timing decisions, that's the kind of data point I want them weighing, not just the headline that made them nervous in the first place.*

BRADLEY JAMES, DUBAI REAL ESTATE INVESTMENT ADVISOR

SOURCES AND VERIFICATION

Khaleej Times, 'Dubai ultra-prime home sales hit $6 billion despite regional tensions', by Somshankar Bandyopadhyay, published 10 August 2026, citing Engel & Völkers research. Dubai Land Department transaction data, June 2026. Central Bank of the UAE base rate and EIBOR data, June to August 2026.

BRADLEY JAMES

INVESTMENT RESEARCH & STRATEGIC ADVISORY

Begin the conversation.

Every allocation starts with a candid, numbers-first discussion shaped around your mandate, risk profile and timeline.

Bradley James

ASSOCIATE DIRECTOR & SENIOR INVESTMENT ADVISOR

Bradley James is an Associate Director and Senior Investment Advisor based in Dubai, specialising in Dubai real estate, off-plan investment, strategic wealth allocation, portfolio diversification, and relocation and residency planning. He advises private investors and family offices on entering the Dubai market with the same rigour he applies to his own capital.

SPECIALISMS

- Dubai Real Estate
- Off-Plan Investment
- Strategic Wealth Allocation
- Portfolio Diversification
- Relocation & Residency Planning

WHATSAPP
+971 56 500 6162

INSTAGRAM
@braddjames

WEB
bradleyjames.website

LOCATION
Dubai, U.A.E.

SCAN TO MESSAGE

SOURCES

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