



RICHMOND CAPITAL
ADVISORY



MARKET BRIEFING · Q2 AND Q3 2026

TWO QUARTERS

What Dubai property actually did

The conflict next door began on 28 February. Dubai now has two full quarters of transaction and valuation data recorded since. It shows a market that repriced by about a tenth, then steadied, while the conflict continued.

VALUES, FEB TO AUG

-10.2%

Then steadied

Q3 SALES

36,961

Against 37,506 in Q2

JAN TO SEP SALES

AED 379.4B

Behind only 2025

DIRHAM PEG

3.6725

Held throughout

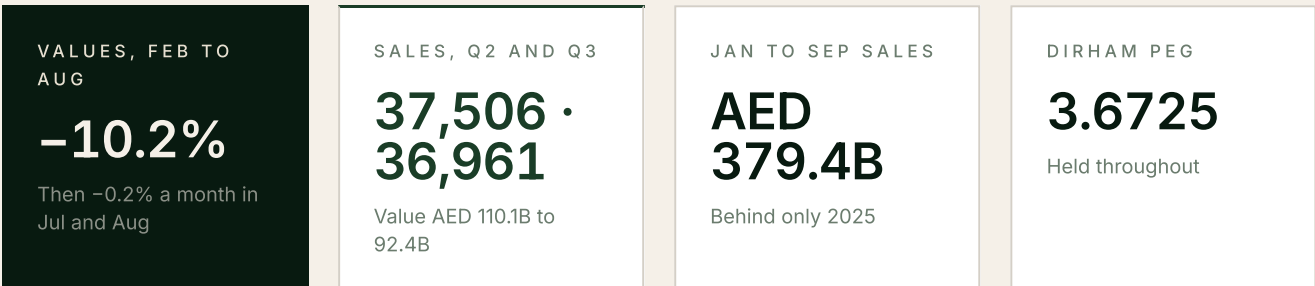
MARKET BRIEFING

Prepared by Richmond Capital Advisory
Private and confidential

THE SHORT ANSWER

Repriced by a tenth, then steady

Seven months into a conflict on its doorstep, Dubai property has repriced by about a tenth, then stopped falling. Residential values fell 10.2 percent between February and August 2026, while sales held at about 37,000 a quarter. The market has not broken, and the conflict has not ended.



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How to read this document. Data as of 4 October 2026, covering February to September, with conflict events to 4 October. Prices are the ValuStrat Price Index, a valuation index, not an average of transaction prices. Section VI is a forecast, not a guarantee.

THE KEY FIGURES

February to September 2026

Most commentary on Dubai property since February has been written from the headlines. The headline number has been the listed property index, which fell about 30 percent in the first fortnight of the conflict. It is a real number. It is also a measure of what traders feared, not of what happened to homes. There is now enough evidence to look past it.

MEASURE	FIGURE	PERIOD	SOURCE
Residential values, since February	-10.2%	Feb to Aug 2026	ValuStrat
Residential values, year-on-year	-3.1%	Aug 2026	ValuStrat
Apartment values, year-on-year	-5.3%	Aug 2026	ValuStrat
Villa values, year-on-year	-1.7%	Aug 2026	ValuStrat
Residential values, in the month	-0.2%	Jul and Aug 2026	ValuStrat
Property sales, Q2	AED 110.1bn, 37,506 sales	Apr to Jun 2026	DLD, monthly reports
Property sales, Q3	AED 92.4bn, 36,961 sales	Jul to Sep 2026	DLD, monthly reports
Property sales, nine months	AED 379.4bn, 123,416 sales	Jan to Sep 2026	DLD via Emirates 24 7
Mortgage registrations	AED 151.13bn, 34,910	Jan to Sep 2026	DLD via Emirates 24 7
DFM Real Estate Index, initial fall	About -30%	First fortnight	Dubai Financial Market
Dirham peg to the US dollar	3.6725	Unchanged since 1997	UAE Central Bank
Dubai population	4.74 million	Jul 2026	Cavendish Maxwell
Emaar masterplan announced	AED 200bn, about 150,000 residents	11 Jun 2026	Emaar Properties

Two full quarters of registered sales, mortgages and professional valuations have been recorded since the conflict began: Q2 2026, April to June, and Q3 2026, July to September. A month of data gives a first impression. Two quarters give a pattern.

I · THE CONFLICT, IN BRIEF

Six dates, and no end date

The conflict began on 28 February, when the United States and Israel struck Iran. A ceasefire mediated by Pakistan followed on 8 April, and held under strain through the spring. On 17 June the US and Iranian presidents signed a memorandum intended to end the fighting, announced the next day in Islamabad.

It lasted three weeks. The two sides read its Hormuz clause differently. Washington read it as a guarantee of safe passage. Tehran read it as recognition of its right to control, and charge for, traffic through the strait. On 8 July the ceasefire collapsed, and Iran closed the Strait of Hormuz to most traffic.

Since July the confrontation has been chiefly between Washington and Tehran, at sea and around the strait. Indirect talks in New York in late September, with Qatar passing messages, produced no breakthrough. As of 4 October, Tehran says the strait stays closed until seven conditions drawn from the June memorandum are met.

DATE	EVENT
28 Feb 2026	The United States and Israel strike Iran; the conflict begins
8 Apr 2026	A ceasefire mediated by Pakistan takes effect
17 Jun 2026	US and Iranian presidents sign a memorandum to end the fighting
8 Jul 2026	The ceasefire collapses; Iran closes the Strait of Hormuz to most traffic
Late Sep 2026	Indirect talks in New York, with Qatar passing messages, end without a breakthrough
4 Oct 2026	Tehran says the strait stays closed until seven conditions are met

Sources: The National, Al Jazeera, NBC News.

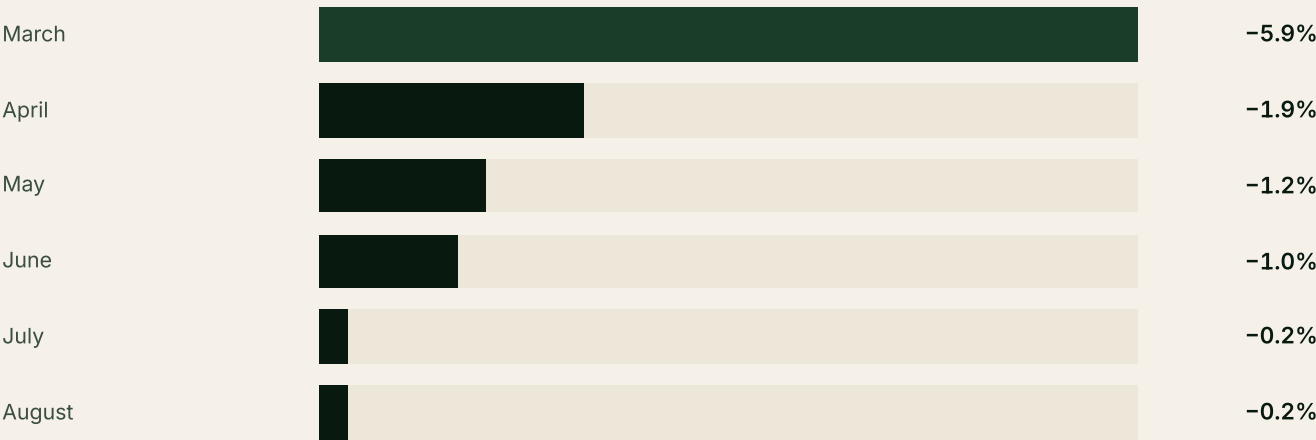
The UAE sits beside this conflict rather than at its centre. Its exposure runs through shipping, trade, aviation and sentiment, and that is the lens for everything that follows. The honest summary is that there is no end date. Any investment case for Dubai now has to hold with that as the base case, not as a tail risk.

II · TWO QUARTERS OF DATA

Values fell, then levelled

The ValuStrat Price Index, a valuation-based measure of Dubai residential capital values compiled by RICS-registered valuers, fell 5.9 percent in March, 1.9 percent in April, 1.2 percent in May and 1.0 percent in June. By July and August the monthly move was down to 0.2 percent.

MONTH-ON-MONTH CHANGE IN DUBAI RESIDENTIAL VALUES



Source: ValuStrat Price Index. July and August came after the ceasefire collapsed.

Values are now 10.2 percent below February and 3.1 percent below a year ago. That is a real correction, and it should be described as one.

Most of it happened early. About nine of the ten points came between March and May. When the ceasefire collapsed in July, the index moved 0.2 percent. A market that has already priced a long conflict does not reprice it again each time the headlines turn.

The second shock moved Dubai values a fraction as much as the first.

II · TWO QUARTERS OF DATA

Buyers kept buying

Dubai recorded AED 110.1 billion of property sales across 37,506 transactions in Q2 2026, and AED 92.4 billion across 36,961 in Q3. The number of deals fell by less than 2 percent between the quarters; the value fell by 16 percent.

MONTH	SALES (AED BN)	TRANSACTIONS	REPORTED BY
April 2026	48.00	13,977	Arabian Business
May 2026	29.46	9,770	Arabian Business
June 2026	32.64	13,759	Al Masdar Al Aqaari
Q2 2026	110.1	37,506	Sum of months
July 2026	34.88	13,930	Al Masdar Al Aqaari
August 2026	27.89	11,601	Arabian Business
September 2026	29.66	11,430	Emirates 24 7
Q3 2026	92.4	36,961	Sum of months

Dubai Land Department data as reported by the outlet named; quarterly totals summed by Richmond Capital Advisory. W Capital, counting on a slightly different basis, puts Q2 at 38,300 transactions.

The average value per sale came down from about AED 2.9 million to about AED 2.5 million, consistent with prices easing and more ready stock in the mix.

Year-on-year the picture is softer, and it should be read as such. ValuStrat counts August off-plan registrations down 40.4 percent on August 2025, and ready sales down 20.6 percent. 2025 was a record year, but these are real declines. Across the first nine months Dubai still recorded AED 379.4 billion of sales across 123,416 transactions, second only to the same period of 2025.

II · TWO QUARTERS OF DATA

Sorting, lending and arriving

The fall is not uniform

Apartments are down 5.3 percent year-on-year. Villas are down 1.7 percent, their first annual decline in five years. Yet 61 percent of freehold apartment communities and 73 percent of villa communities held their values in August. This is a market sorting itself by asset and by location, not one falling as a block.

Lending did not stop

Mortgage registrations reached AED 151.13 billion across 34,910 transactions in the first nine months, AED 16.79 billion of it in September alone. Banks were still underwriting Dubai property through the months the strait was closed.

People kept arriving

Dubai's population rose by more than 161,000 in 2026 to reach 4.74 million by July. Emirates carried 8.7 million passengers across July and August with network capacity back to 98 percent, and Dubai's airports are at 84 percent of pre-crisis capacity.

MORTGAGES, JAN TO SEP

AED 151.1B

34,910 registrations

POPULATION, JULY 2026

4.74m

Up more than 161,000 in 2026

EMIRATES CAPACITY

98%

Of its network, July and August

Population growth while a conflict runs next door, not only before it, is the clearest structural signal in this data.

III · THE INDEX AND THE DEAL

Fear against registered sales

Two numbers have framed this period. The DFM Real Estate Index, which tracks listed developers, REITs and property companies on the Dubai Financial Market, fell about 30 percent from its February peak within a fortnight. Dubai residential values, measured by professional valuations against registered sales, fell 10.2 percent over six months.

The gap between them is the useful part. Listed property shares are instruments of sentiment, leverage and institutional positioning; they move on fear, and they moved first and furthest. Registered sales and professional valuations measure what owners and buyers actually accept. They moved a third as far, took six months to do it, and then stopped.

In a long conflict, the second number is the one an investor lives with.

IV · What has changed for the market

Some effects of the conflict are now structural for the near term, and they matter for how capital is deployed.

Hormuz is a standing cost, not a passing one

With the strait largely closed since July, combined oil flows through Hormuz, Bab al-Mandeb and Suez ran 61 percent below February levels in September. Freight, steel and finishing costs stay elevated. For off-plan buyers this lands on delivery, because schemes handing over in 2029 and 2030 are being built through it. The clearest public example is Wynn Al Marjan Island in Ras Al Khaimah: its opening has moved to September 2027 and its cost has risen by about \$600 million, around half of which Wynn attributes to the conflict.

Trade is being rerouted

Shipping through the strait remains limited, and trade with Iran, historically one of Dubai's larger re-export markets, has been suspended since 19 August. Both weigh on re-export volumes through Jebel Ali. The response has been to build around the chokepoint: the Sharjah–Oman land corridor moved \$463 million of goods in its first three months, and a new Etihad Rail freight line now carries containers from Fujairah, outside the strait, to Abu Dhabi's industrial city.

Rents are softening

CBRE data shows real rents down 4 percent in Q2, with new completions continuing to arrive. For an investor buying for yield, the rent line now matters as much as the price line.

V · WHAT HAS NOT CHANGED

The currency, the backstop, the plan

The currency

The dirham held its peg at 3.6725 to the dollar through every phase of the conflict, as it has since 1997. Behind it sit roughly \$232 billion in central-bank reserves, the Abu Dhabi Investment Authority's approximately \$1.18 trillion, and Mubadala's roughly \$358 billion: sovereign capital that does not depend on any single shipping lane.

The backstop

The precedent for how this system behaves under stress is on the record. In December 2009, when Dubai World sought to restructure around \$26 billion of debt, Abu Dhabi provided \$10 billion, on the day a Nakheel sukuk fell due. The capacity to act that way is far larger today.

The people and the capital

DIFC family entities grew 61 percent in 2025 to 1,289 active structures, a figure published before the conflict began. The population growth set out in section II is the stronger signal, because it happened during the conflict, not before it.

The plan, and the developers building it

The D33 economic agenda and the 2040 Urban Master Plan continue, and Dubai's two largest developers are still committing capital to them. On 11 June, in the middle of the conflict, Emaar announced the largest masterplan in its history: AED 200 billion, more than 4.5 million square metres of floor space, and homes for nearly 150,000 residents in the heart of Dubai. Its first-half group sales reached AED 26.6 billion, and its revenue backlog rose 13 percent on a year earlier to AED 164.9 billion. In September, Meraas, part of Dubai Holding, awarded an AED 1 billion contract to build 272 homes at Nad Al Sheba Gardens, due for completion in 2028.

Developers do not commit on that scale when they expect demand to disappear.

Judgement, marked as such

This section is a forecast, and we mark it as one. The facts in this briefing are established. What follows is judgement.

Plan for a long conflict, not an all-clear

The June memorandum showed how quickly a settlement can unwind. The investment case has to hold with the strait closed, because for now it largely is.

A Hormuz reopening would be the largest de-risking event, and we would not front-run it

Tehran's stated position is that it will both fight and negotiate. A deal could come quickly. So could another round of fighting. Neither is a basis for timing a purchase.

Consolidation continues; a second leg down is not our base case

The index has barely moved since July, through the ceasefire's collapse and the strait's closure. Emaar's founder, Mohamed Alabbar, has said an adjustment of 5 to 10 percent is possible. We think that is the right planning range: single digits, not a collapse.

Ready stock keeps gaining ground

Ready homes took 54 percent of sales value in July on 31 percent of transactions. In uncertain conditions, buyers prefer what already exists.

Off-plan needs developer-by-developer scrutiny, more than before

On schemes handing over in 2029 and 2030, the developer's balance sheet and delivery record now matter more than the entry price or the payment plan.

What we are watching: Hormuz transit counts rather than headlines; the oil price, near \$100 a barrel in late September; the return of most European airlines to Dubai, scheduled for 25 October; the Q4 Dubai Land Department figures; the monthly ValuStrat index; rents against prices; developer updates on delivery; and the DFM Real Estate Index as the early read on sentiment.

VII · HOW WE ARE ADVISING

The same as outside a conflict

Our advice in a conflict is the same as outside one, and that consistency is the point. Fear is not a basis for a decision. Neither is relief at the next headline.

Know what you own, know why you own it, and know what would actually change your thesis. For a buyer today, that means pricing a long conflict into the plan, choosing developers on balance sheet and delivery record, and being patient on entry price. Nothing in the data requires haste.

We are based in Dubai because we believe in the structural case for this city. Seven months of conflict on its doorstep have tested that case harder than any model could.

It bent: values are down about a tenth. It did not break: people, lending and buyers kept coming.

That deserves to be stated plainly, not as triumphalism, but as evidence.

QUESTIONS INVESTORS ARE ASKING NOW

How much have Dubai property prices fallen since the 2026 conflict began?

According to the ValuStrat Price Index, Dubai residential values fell 10.2 percent between February and August 2026 and were 3.1 percent lower than a year earlier. Most of the fall came between March and May. The monthly decline was 0.2 percent in both July and August, which suggests values have levelled.

Are people still buying property in Dubai during the conflict?

Yes. Dubai recorded 37,506 property sales worth AED 110.1 billion in Q2 2026 and 36,961 sales worth AED 92.4 billion in Q3 2026, based on monthly Dubai Land Department figures. Sales in the first nine months reached AED 379.4 billion across 123,416 transactions, the second-highest January to September on record after 2025.

QUESTIONS INVESTORS ARE ASKING NOW

Two quarters in brief

Did the July ceasefire collapse move Dubai property prices?

Very little. The ValuStrat Price Index fell 5.9 percent in March, the first full month of the conflict, but only 0.2 percent in July, the month the ceasefire collapsed and the Strait of Hormuz closed. The market had already priced a long conflict, so the second shock moved values a fraction as much as the first.

How has the Strait of Hormuz closure affected Dubai property?

Mainly through costs and trade routes rather than prices. With the strait largely closed since July, combined oil flows through Hormuz, Bab al-Mandeb and Suez were 61 percent below February levels in September, keeping freight, steel and finishing costs high for schemes handing over in 2029 and 2030. Trade is being rerouted through the Sharjah–Oman land corridor and a new Etihad Rail freight line from Fujairah.

Are Dubai developers still launching projects during the conflict?

Yes. On 11 June 2026 Emaar announced an AED 200 billion masterplan in the heart of Dubai, its largest to date, for nearly 150,000 residents. Emaar's first-half 2026 group sales reached AED 26.6 billion with a revenue backlog of AED 164.9 billion. In September, Meraas, part of Dubai Holding, awarded an AED 1 billion contract for 272 homes at Nad Al Sheba Gardens.

Has the conflict between the US and Iran ended?

No. A memorandum to end the fighting was signed on 17 June 2026 and announced by Pakistan, the mediator, on 18 June. The ceasefire collapsed on 8 July, and Iran has kept the Strait of Hormuz largely closed since. As of early October 2026, indirect talks have stalled.

Did the UAE dirham peg hold?

Yes. The dirham held its peg of 3.6725 to the US dollar throughout the conflict, unbroken since 1997, backed by roughly \$232 billion in central-bank reserves.

What should Dubai property investors expect next?

Our judgement, not a guarantee: plan for a long conflict rather than an all-clear, expect continued consolidation within a single-digit adjustment rather than a second leg down, favour ready stock and proven developers, and treat any reopening of Hormuz as a de-risking event to respond to, not to anticipate.



OUR VIEW

Bent, not broken.

The listed index priced the fear in a fortnight.
Registered sales and valuations moved a third
as far, then levelled.

Seven months of conflict on Dubai's doorstep have produced the evidence that headlines could not: values down about a tenth, then steady; buyers, lending and people still arriving.

Our advice through it has not changed. Price a long conflict into the plan, choose developers on balance sheet and delivery record, and be patient on entry price. Nothing in the data requires haste.

If you are weighing Dubai now, we would be glad to take you through the data behind this briefing.

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SOURCES

ValuStrat Price Index (May, June and August 2026 reports; August via Khaleej Times, 9 Sep 2026). DLD monthly sales via Arabian Business, Al Masdar Al Aqaari and Emirates 24|7 (1 Oct 2026). Dubai Financial Market. The National (UBS bubble index and CBRE rents, 24 Sep; oil flows, 29 Sep; US-Iran talks, 4 Oct; Sharjah-Oman corridor, 20 Sep; Meraas, 24 Sep). Al Jazeera (13 Jul, 19 Aug). Gulf News (airports, 10 Sep; Etihad Rail, 20 Sep; Emaar H1, 7 Aug). Khaleej Times (Cavendish Maxwell population, 12 Aug). Wynn Resorts Q2 2026 call. Emaar Properties (11 Jun). DIFC Annual Review 2025.

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Figures cover February to September 2026, with conflict events to 4 October 2026. Price movements are from the ValuStrat Price Index, a valuation index. Section VI is judgement, not a forecast of any asset's performance. USD figures are indicative, converted at the pegged rate of AED 3.6725. Imagery is illustrative and does not depict specific projects.

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