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UAE Property Market

Rates, Oil & Real Estate — Daily Intelligence

Friday, 18 September 2026

Coverage window: 16–18 Sep 2026 · Week in Review: 12–18 Sep 2026

3.75%–4.00%	US$103.98	AED 419.94bn
US FED FUNDS RATE	BRENT CRUDE / BBL	DUBAI H1 2026 TRANSACTIONS

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01 Executive Summary

A synchronized rate shock and a Gulf-security oil spike defined the week. The US Federal Reserve delivered its first hike since 2023 on 16 September, taking the federal funds rate to 3.75%–4.00%; the Central Bank of the UAE followed within 24 hours, lifting its own base rate to 3.90% under the dirham's dollar peg. Brent crude briefly topped US$107 a barrel — its first breach of US$100 since July — after attacks on Saudi and Gulf shipping infrastructure, before easing to just under US$104. Against this backdrop, Dubai's transaction data shows a market normalising off 2025's exceptional pace: cumulative first-half figures remain historically strong, but August volumes and values both fell sharply year-on-year even as pricing held broadly flat. Abu Dhabi, by contrast, continued to accelerate, more than doubling its transaction value in Q1 2026.

3.75%–4.00%
US FED FUNDS RATE
+25bps, 16 Sep — first hike since 2023

3.90%
UAE CB BASE RATE
+25bps, 17 Sep — tracks Fed via dirham peg

US$103.98
BRENT CRUDE / BBL
Eased from a US$107.51 peak on 14 Sep

AED 419.94bn
DUBAI TRANSACTIONS, H1 2026
112,850 deals — 2nd-highest H1 on record

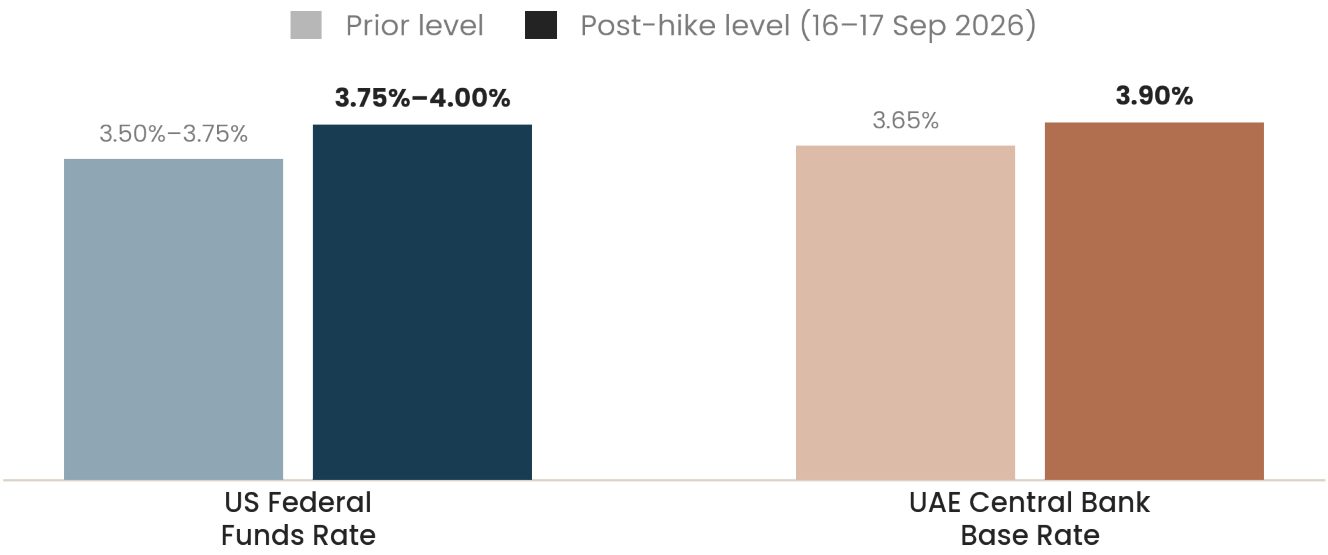
AED 66.0bn
ABU DHABI TRANSACTIONS, Q1 2026
+160.7% YoY — record quarter

AED 2,000,000
GOLDEN VISA THRESHOLD (10-YR)
Unchanged; 2-yr route now has no minimum

> *"The market is normalising, not correcting — deal counts are contracting far faster than prices."*

02 World & Macro Events

Fed & UAE Central Bank. On 16 September the FOMC voted unanimously (12–0) to raise its target range 25bps to 3.75%–4.00%, its first hike since 2023, citing activity "expanding at a solid pace" against inflation that "remains elevated." The UAE Central Bank matched the move a day later, raising its base rate to 3.90%. Fixed-rate mortgage holders are unaffected until their next renewal; variable-rate and new borrowers face modestly higher financing costs as banks reprice from the new base.



Fed Funds target range and UAE CB base rate, before and after the 16–17 September moves.

Oil & Gulf security. Brent gained roughly 8% over the week to 14 September on Houthi attacks on Saudi and Gulf targets, a reported shutdown of Saudi Arabia's East-West pipeline (~4% of global supply), and a projectile strike on a vessel in the Strait of Hormuz. Prices eased into the week's close. For a hydrocarbon-linked, dollar-pegged economy, sustained elevated oil typically supports fiscal strength and petro-capital recycling into real assets — a historical tailwind for prime UAE property — even as the underlying shipping-security risk bears watching.

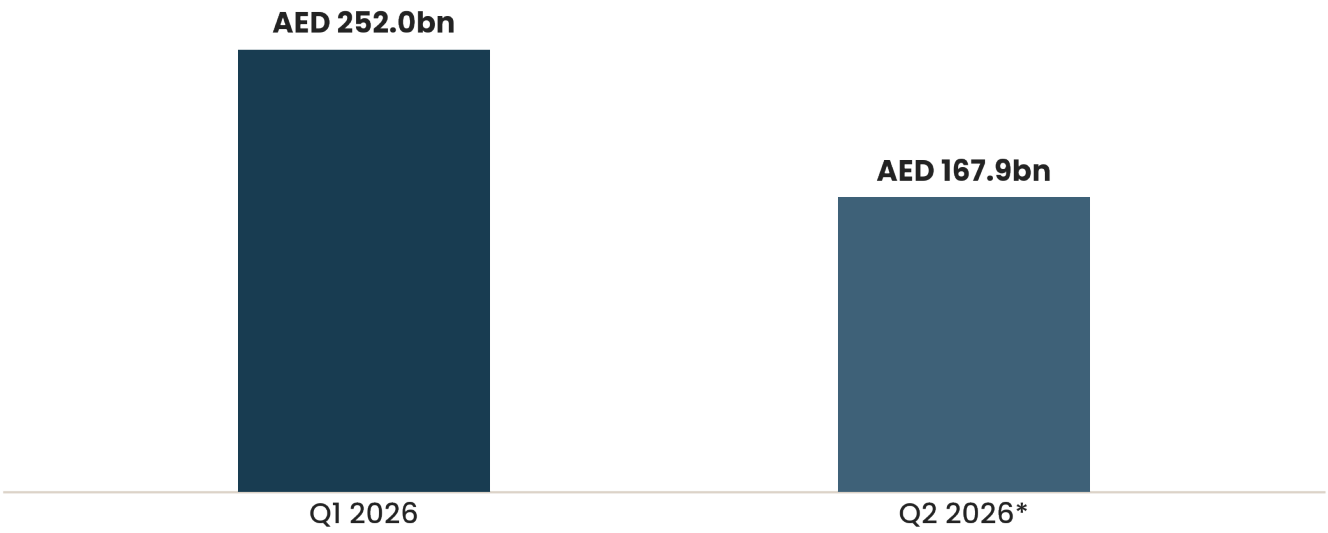


Brent crude, US$/bbl, at four reported readings between mid-August and 17 September 2026.

Golden Visa policy. The AED 2 million (≈US$545,000) threshold for the ten-year property Golden Visa is unchanged; mortgaged and off-plan properties still qualify and can be combined to reach it. April 2026 reforms separately removed the AED 750,000 floor on the two-year investor visa, which now carries no minimum property value — a likely tailwind for smaller-ticket and secondary-market demand.

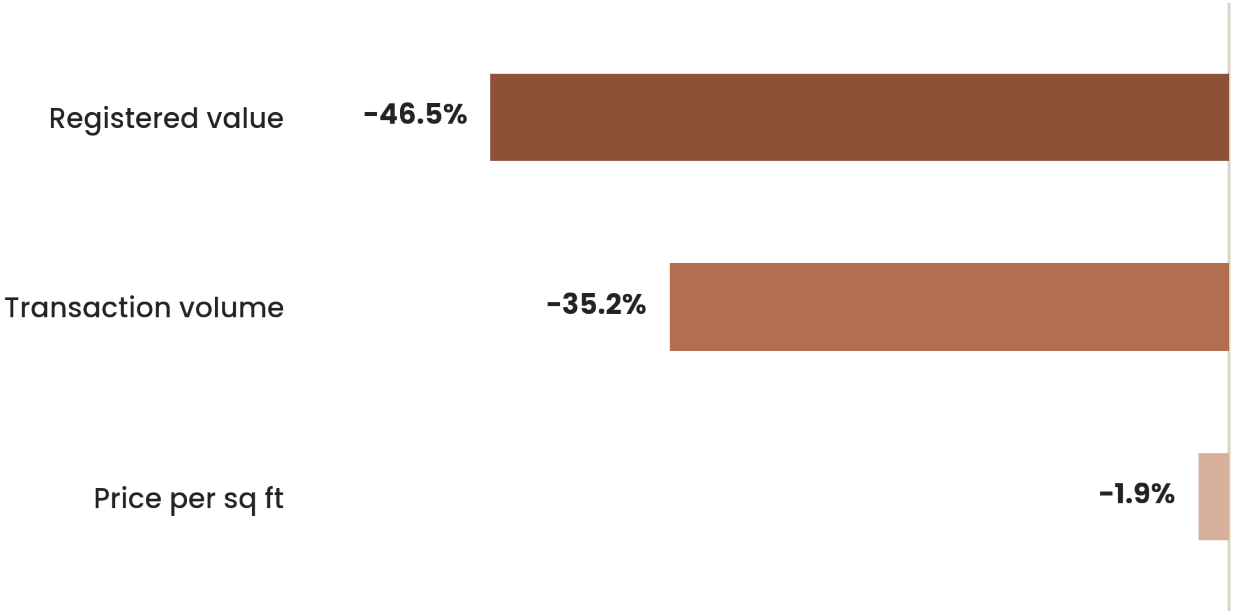
03 Dubai — Transaction Data

Dubai's Q1 2026 total reached AED 252 billion across 718,160 procedures (60,303 transactions), up 31% year-on-year in value. Combined with an implied Q2 of roughly AED 168 billion, H1 2026 totalled AED 419.94 billion across 112,850 deals — sales alone were AED 286.44 billion across 86,000 deals, the second-highest half-year sales figure on record, with off-plan office sales hitting a record AED 13.1 billion.



Total registered transaction value (all types), Q1 2026 vs implied Q2 2026. *Q2 derived as H1 total (AED 419.94bn) less Q1 total (AED 252.0bn).

The most recent full month, August 2026, tells a more cautious story: AED 46.22 billion across 15,960 transactions of all types, with residential sales down sharply on a year-on-year basis even as pricing held broadly flat — a "fewer, bigger deals" pattern rather than a price correction. The median price per square foot actually rose 0.8% month-on-month to AED 1,693; the median sale price rose to AED 1.16 million as buyers favoured larger units.



Dubai residential market, August 2026 vs August 2025 (year-on-year change).

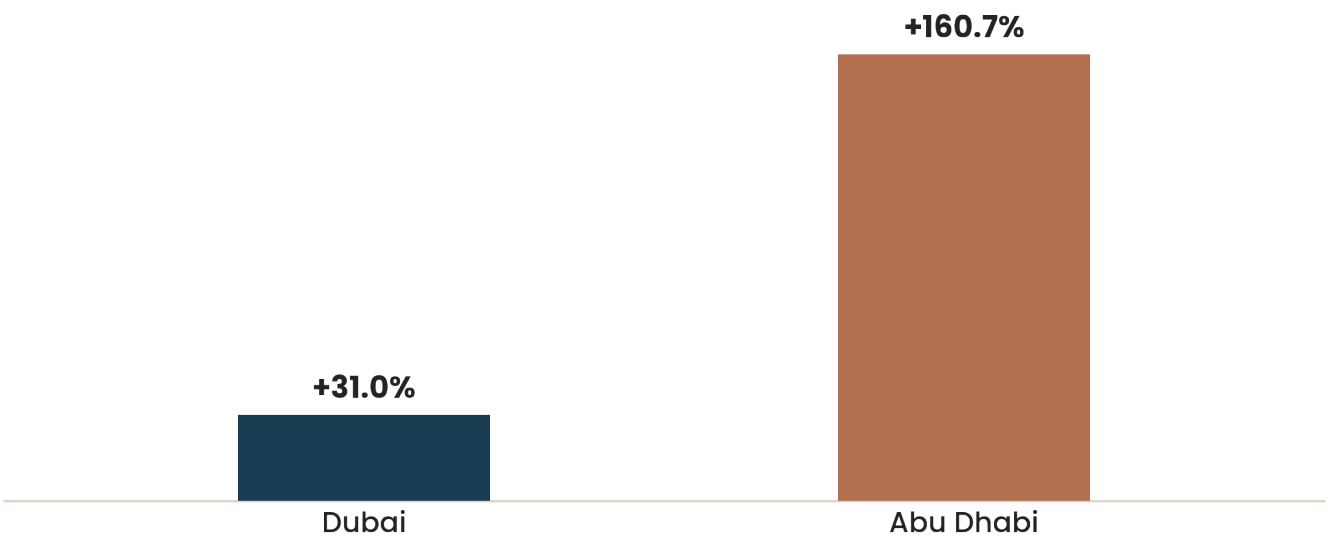
Key Figures — Reference Table

Period	Total Value	Deals	Note
Q1 2026	AED 252.0bn	60,303	+31% YoY value, +6% YoY volume
H1 2026 (total)	AED 419.94bn	112,850	All transaction types
H1 2026 (sales only)	AED 286.44bn	86,000	2nd-highest H1 sales on record
August 2026 (total)	AED 46.22bn	15,960	Sales, mortgages & gifts
August 2026 (res. sales)	AED 21.43bn	11,147	−35.2% YoY volume, −46.5% YoY value
7–11 Sep 2026	AED 10.67bn	2,931*	*Sales transactions only

Source: Dubai Land Department; Truhauz/Projectory Research; The Week.

04 Abu Dhabi & Notable Transactions

Abu Dhabi remains the standout national growth story. Its Q1 2026 market — the latest quarter with a full ADREC release — posted AED 66 billion in transaction value, up 160.7% year-on-year, with foreign investment surging 423% to AED 8.27 billion from buyers across 99 nationalities. Hudayriyat Island led all locations with AED 11.97 billion, ahead of Reem Island (AED 9.45bn) and Saadiyat Island (AED 8.8bn).



Year-on-year transaction value growth, Q1 2026: Dubai (Emirate-wide, all types) vs Abu Dhabi.

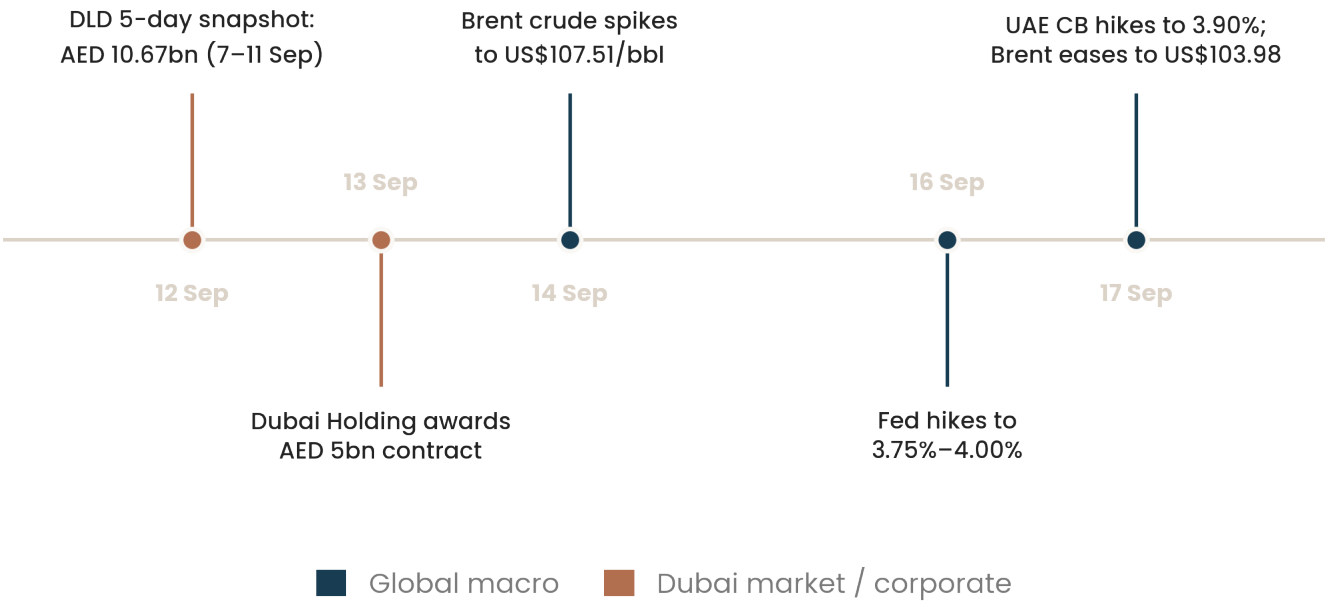
Prime & Notable Deal Ticker

Date	Asset	Location	Value
29 Aug 2026	Villa (sale)	Burj Khalifa District	AED 725.0m
29 Aug 2026	Villa (mortgage)	Burj Khalifa District	AED 471.3m
01 Sep 2026	6BR Villa, Ayumi (sale)	Palm Jumeirah	AED 260.0m
01 Sep 2026	Villa, Ayumi (mortgage)	Palm Jumeirah	AED 130.0m
07–11 Sep	Office floor, Almas Tower	Jumeirah Lakes Towers	AED 36.8m
07–11 Sep	Apartment, Mr C Residences	Jumeirah Second	AED 36.5m
07–11 Sep	Apartment, Dugatti Residences	Business Bay	AED 28.0m
13 Sep 2026	Construction contract award*	Dubai Holding HQ & Emirates Towers	AED 5.0bn

*Contract award to China State Construction Engineering Corporation Middle East for Dubai Holding's new HQ (SOM-designed, completion 2029) and the 754-unit Jumeirah Residences Emirates Towers (completion 2030) — Dubai Holding's largest construction contract to date.

05 Week in Review — 12–18 September

As today is a Friday, this section recaps the week's key developments. No single consolidated weekly transaction total had been published by DLD as of this writing; figures combine the most recent available snapshot with confirmed developments dated within the week.



Key Points — Takeaways

— The Fed's first hike since 2023 forced an immediate, mechanical follow-through from the UAE Central Bank via the dirham peg — fixed-rate mortgages are insulated for now; variable and new borrowers face modestly higher costs.

— Brent's spike above US$107 on Gulf security fears, easing to ~US$104 by 17 Sep, is double-edged: elevated oil supports UAE fiscal strength and petro-capital inflows, but sustained shipping risk is a tail risk to monitor.

— Dubai's strong H1 2026 headline (AED 419.94bn) masks an August deceleration — value −46.5% and volume −35.2% YoY — with pricing nearly flat: a "fewer, bigger deals" market, not a price correction.

— Abu Dhabi is outgrowing Dubai on a percentage basis (Q1 2026 value +160.7% YoY vs +31%), with foreign investment up 423% into its island master-communities.

— Dubai Holding's AED 5bn contract award — its largest ever — signals continued institutional confidence in ultra-prime branded residences despite the broader volume slowdown.

— The Golden Visa property route remains a live demand driver: the AED 2m/10-year threshold is unchanged, but the two-year investor visa now has no minimum property value, widening the buyer funnel.

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