

THE SANDHÜTEL LENS

EDITION 16: DUBAI AND ABU DHABI

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Spaces, Places, Journeys



THE SANDHÜTEL LENS

United Arab Emirates: Dubai and Abu Dhabi

THE WEALTH SERIES

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DUBAI OR NOT DUBAI, THAT IS THE QUESTION. THE ANSWER IS WHO SET THE PRICE.

The headline numbers describe a market easing off the top of a long run. CBRE put Dubai residential prices up 1.9 percent in the year to the second quarter of 2026, with rents down 2.6 percent and sales volumes down 29 percent. On that reading, the only question for a British buyer is whether to wait for a better price.

That reading hides two markets inside one index. At the top, Knight Frank counted a record 296 Dubai homes sold above US\$10 million in the first half of the year. Underneath, the question that decides what a price means is who set it. Registered sales show that only 8.3 percent of Dubai Marina's transactions in the year to September were off plan, and its median price fell 8.4 percent. In Dubai South, 69 percent were off plan, and its median rose 20.5 percent. One is finished homes repricing in public. The other is developers setting launch prices. In Abu Dhabi, 89 percent of first half sales value was off plan.

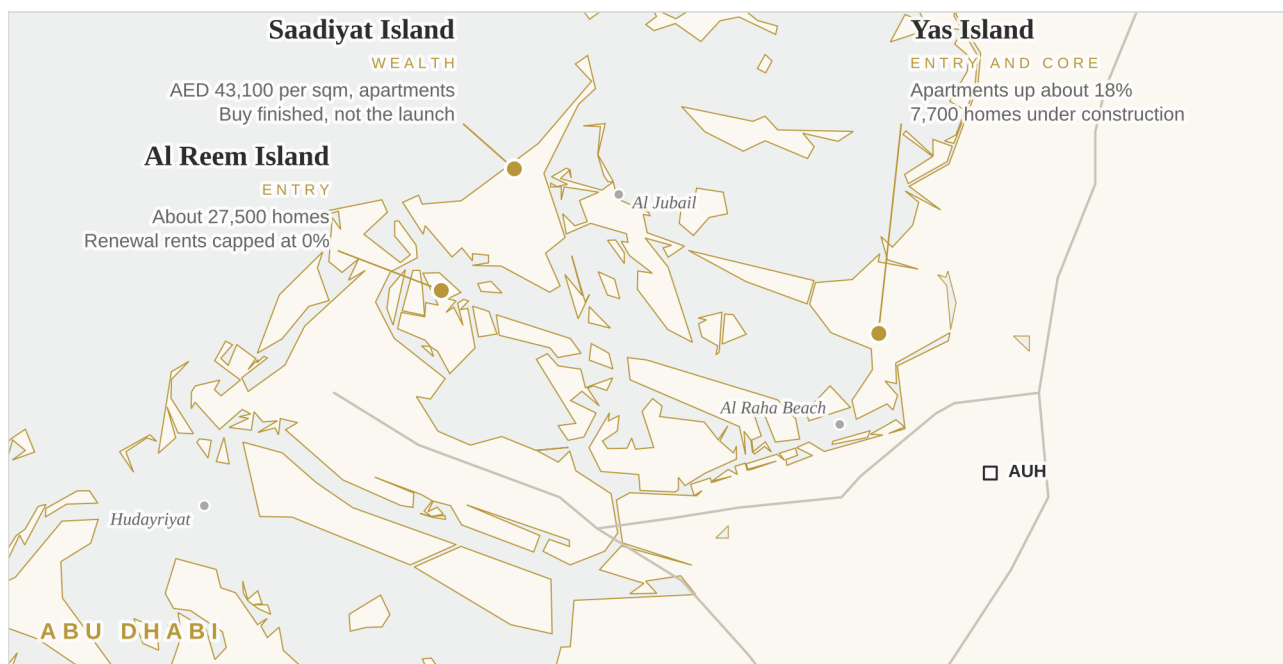
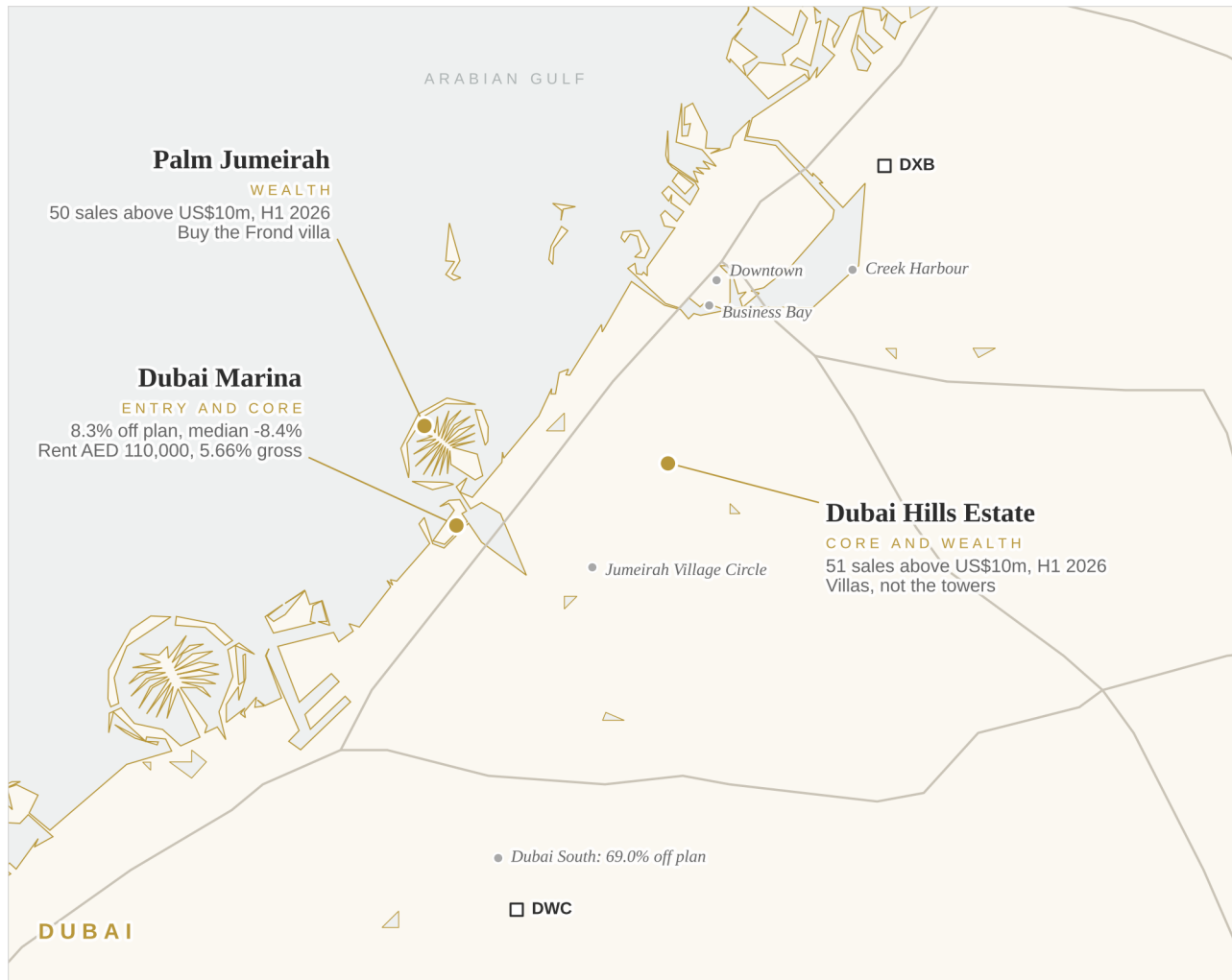
Then there is the part of the arithmetic the marketing leaves out. The UAE charges no annual property tax and no income tax on rent. The UK does. A UK resident is taxed on Dubai rent as it arises, whether it is spent in Dubai or brought home, and from April 2027 the higher rate on property income rises to 42 percent. Leaving the money in a Dubai account changes nothing.

Using the home is simpler than anywhere in the European Wealth Belt. A British passport buys a free visa on arrival for up to 90 days in any 180, with no Schengen count to manage. Emirates alone flies 146 times a week from eight UK airports, and the flight is about seven hours. A home worth AED 2,000,000 or more qualifies its owner for Dubai's Golden Residence permit. The currency needs more thought than the visa: the dirham is pegged to the US dollar, so a sterling buyer is really holding dollars, and a 10 percent fall in the pound adds 11.1 percent to the price.

This edition is written for the UK buyer at three ticket sizes: an entry holiday home below AED 2,500,000, about £512,000; a core family home up to AED 10,000,000, about £2,050,000; and the wealth home above it. Dubai is the one market in the Wealth Series where rent is part of the case, so every location is also tested on whether the income survives costs and UK tax. Every address here is in an area open to foreign ownership.

THE MAP

Six full entries, three in each emirate, and the watchlist around them. Gold marks a full entry, grey a watchlist name, and squares the airports a UK owner will use.



Coastlines © OpenStreetMap contributors, under the Open Database Licence; major highways from Natural Earth; pins placed by Sandhütel. Dubai figures are Dubai Land Department registrations via Dubai Data, year to September 2026, and Knight Frank; rents are Ejari registered contracts. Abu Dhabi figures are Knight Frank and ADREC.

THE REAL DIVERGENCE

Dubai's divergence runs between finished homes and paper. Line up the registered sales for the year to September by the share sold off plan, and the medians fall into order. Dubai Marina, at 8.3 percent off plan, fell 8.4 percent. Business Bay and Dubai Hills, with more than half sold off plan, were almost flat. Jumeirah Village Circle, at 61.3 percent, rose 4.4 percent, and Dubai South, at 69 percent, rose 20.5 percent. The more of a market is launches, the stronger it looks. At the top, the money is going into what cannot be added to: Dubai Hills recorded 51 sales above US\$10 million in the first half and Palm Jumeirah 50.

Abu Dhabi is the stronger market and the harder one to read. ADREC recorded AED 70.4 billion of residential sales in the first half, and repeat sales, the cleanest measure of finished homes, rose 20 percent for apartments and 12 percent for villas. But 89 percent of sales value and 82 percent of deals were off plan. Hudayriyat alone took AED 19 billion, 27 percent of the emirate's sales value, driven by launches. The resale market is rising; the turnover figures flatter it.

Dubai is two markets. A record 296 homes above US\$10 million sold in the first half, while total sales volumes fell 29 percent in the second quarter. Buy what cannot be built again.

Buy where the correction is visible. Dubai Marina trades 8.3 percent off plan and its median registered price fell 8.4 percent; Dubai South trades 69 percent off plan, and its 20.5 percent rise is launch pricing, not resale.

The tax free story ends at Heathrow. From April 2027 a higher rate UK resident pays 42 percent on Dubai rent wherever the money sits, and there is no UAE tax to credit against it.

Abu Dhabi's resale prices are rising, with repeat apartment sales up 20 percent, but 89 percent of its sales value is off plan. Buy ready on Saadiyat and Al Reem, not launches on Hudayriyat.

STRUCTURAL DRAG: THE UK BILL

The UAE's costs come at the door. In Dubai the Land Department charges 4 percent of the price; the law splits it equally unless the contract says otherwise, but buyers often pay all of it. Add agency at 2 percent plus VAT and the fixed registry fees, and a cash buyer at AED 2,000,000 pays AED 126,720 in costs, or 6.34 percent. In Abu Dhabi, with 2 percent registration, the same purchase costs AED 82,000 in fees, or 4.1 percent, before project charges. After that there is no annual property tax in either emirate, but there is a service charge set building by building, district cooling, which Empower bills at AED 750 per refrigeration ton a year plus consumption, and, for a short let, a holiday home permit of AED 300 per bedroom a year and a tourism fee of AED 10 to 15 per room per night for the first 30 nights of a stay. Ask for the current service charge statement and three years of history before making an offer.

PRICE	IN STERLING	DUBAI COSTS	DUBAI %	ABU DHABI COSTS	ABU DHABI %
AED 1,000,000	£204,786	AED 65,720	6.57%	AED 41,000	4.10%
AED 2,000,000	£409,573	AED 126,720	6.34%	AED 82,000	4.10%
AED 5,000,000	£1,023,931	AED 309,720	6.19%	AED 205,000	4.10%
AED 10,000,000	£2,047,863	AED 614,720	6.15%	AED 410,000	4.10%
AED 20,000,000	£4,095,725	AED 1,224,720	6.12%	AED 820,000	4.10%

Cash purchase of a resale home by a UK resident paying the full 4 percent Dubai fee, with 2 percent agency plus VAT. Excludes developer, valuation, mortgage and project charges. Sterling at AED 4.88314 to the pound, 17 October 2026. Sandhütel calculation from the published fee schedules.

The UK bill arrives every year. A UK resident pays UK income tax on Dubai rent as it arises. The furnished holiday lettings regime ended in April 2025, and from April 2027 the Finance Act 2026 sets property income rates of 22, 42 and 47 percent, explicitly including overseas property. The remittance basis was abolished in April 2025, and UAE banks report UK residents' accounts to HMRC. Only two routes genuinely change the answer: a Briton returning after ten consecutive years abroad can claim four years of relief on foreign income, and an owner who leaves UK residence leaves the UK charge on UAE rent behind. Gains pay UK capital gains tax at 18 or 24 percent, and a long term UK resident's Dubai home sits inside UK inheritance tax, with no UK and UAE treaty to soften it.

6.34%

DUBAI PURCHASE AT AED 2M
Cash buyer paying the full 4% fee

4.1%

ABU DHABI PURCHASE
2% registration, agency and VAT

42%

UK HIGHER RATE ON DUBAI RENT
From April 2027, wherever it is paid

THE ADDRESSES WORTH READING CAREFULLY

Palm Jumeirah *(the Fronds and the trunk)*

Opportunity: Frond villas, on land that cannot be added to, in Dubai's deepest trophy market. Avoid: branded apartments priced off the island's name, where service charges and softer rents do the damage.

The Palm is where Dubai's trophy liquidity is proved rather than promised. Knight Frank counted 50 sales above US\$10 million on the island in the first half of 2026. Across all 1,323 registered sales in the year to September the median was AED 2,596 per square foot, with 31.4 percent off plan, but that figure blends apartments, launches and villas and cannot price a Frond. Portal asking prices show where buyers place the scarcity: about AED 6,350 per square foot for villas against AED 3,529 for apartments. The risks sit on the apartment side. Rents softened later in 2026, waterfront and branded towers can carry heavy service charges, and on reclaimed land flood and coastal insurance terms belong in the survey. DXB is 30 to 45 minutes away off peak.

Buy the Frond villa as the scarcity it is. On the Palm, an apartment is a building you share with the next launch.

Dubai Hills Estate *(the villas)*

Opportunity: finished villas in the community that led Dubai's US\$10 million market. Avoid: apartments, where 59.4 percent of registered sales are off plan and new towers keep arriving.

Dubai Hills recorded 51 sales above US\$10 million in the first half of 2026, more than any other community in Dubai. Its 2,411 registered sales in the year to September set a median of AED 2,400 per square foot, almost unchanged at minus 0.2 percent, but 59.4 percent were off plan, so the headline is mostly apartments at launch. The apartment slices show the pressure: two bedroom units fell 3.2 percent on 894 sales, while three bedroom units rose 1.5 percent. A villa only registered series was not available; portal asking prices put villas at about AED 2,870 per square foot and a four bedroom at about AED 9,570,000, or £1,960,000. It is a family base before it is a holiday home: further from the airport than the coast, and better suited to long stays than short breaks.

Buy the villa and let the towers absorb the supply. In Dubai Hills the land is the asset and the apartment is inventory.

Dubai Marina (Marsa Dubai)

Opportunity: entry tier apartments in a resale market that has already taken its correction. Avoid: studios and four bedroom units, down 21.6 and 34.3 percent on smaller samples.

Dubai Marina is the cleanest entry market in this edition because almost nobody is selling it off a plan. Only 8.3 percent of its 2,398 registered sales in the year to September were off plan, and the median fell 8.4 percent to AED 1,980 per square foot. That is real price discovery on finished homes. On our arithmetic, at that median a 900 square foot apartment costs about AED 1,780,000, or £365,000. The registered tenancy record gives a median annual rent of AED 110,000 across 13,909 contracts and a gross yield of 5.66 percent on matched units, before service charge, cooling and management. Of the published bedroom slices, three bedroom apartments held up best, down 1.5 percent on 274 sales. DXB is 30 to 45 minutes away off peak, and the transport links make the Marina usable for a four night stay.

The Marina has corrected in public. Buy a finished two or three bedroom apartment at the new price, and let it long before you let it short.

Saadiyat Island (the beach and the cultural district)

Opportunity: finished beach and cultural district homes, Abu Dhabi's strongest case for scarcity. Avoid: buying a launch as if it were a resale; about 3,250 homes are under construction on the island.

Saadiyat is Abu Dhabi's wealth address, and the one with the evidence behind it. Knight Frank puts apartment transactions at about AED 43,100 per square metre, roughly AED 4,004 per square foot, and villas at about AED 26,500 per square metre, roughly AED 2,462 per square foot. ADREC recorded AED 13.3 billion of Saadiyat residential sales in the first half of 2026. Across the emirate, repeat sales rose 20 percent for apartments and 12 percent for villas, but 89 percent of all sales value was off plan, so the island's turnover is not the same as its resale depth. Knight Frank counts about 3,250 homes under construction here. Abu Dhabi airport is 25 to 40 minutes away, and Etihad flies up to four times a day from Heathrow.

Saadiyat is where Abu Dhabi's scarcity is real. Buy the finished home on the beach and leave the launch queue to buyers who need a payment plan.

Yas Island (ten minutes from the airport)

Opportunity: entry and core apartments 10 to 20 minutes from Abu Dhabi airport. Avoid: the launch pipeline; Yas carries the largest construction count of any Abu Dhabi community Knight Frank tracks.

Yas is the most practical short stay address in Abu Dhabi for a UK owner, 10 to 20 minutes from the airport with the island's events and leisure on the doorstep. Knight Frank records apartment values up about 18 percent in a year, and ADREC logged AED 7.3 billion of Yas residential sales in the first half of 2026. The counterweight is supply. Knight Frank tracks about 7,700 homes under construction on Yas, the largest community pipeline in its Abu Dhabi count, and warns that construction and shipping costs can delay delivery. Portal asking prices put a one bedroom apartment at about AED 1,840,000, or £377,000, well inside the entry tier.

Yas sells access, and access holds its value when supply lands. Buy completed stock with a sales record, never the next tower.

Al Reem Island (the capital's apartment district)

Opportunity: Abu Dhabi's deepest stock of entry level apartments. Avoid: buying for rental growth; renewal rents are frozen at 0 percent until further notice.

Al Reem is the largest investment zone in Abu Dhabi by stock, about 27,500 homes, and, on asking prices, the cheapest way into the capital among this edition's Abu Dhabi entries. Knight Frank records apartment values up about 18 percent in a year, and ADREC logged AED 10.5 billion of sales across Al Reem and Al Maryah in the first half. Portal asking prices put a one bedroom at about AED 1,400,000, or £287,000. Two policies cap the upside. ADREC froze renewal increases at 0 percent from 3 June 2026 until further notice, so a sitting tenant's rent cannot rise, and Al Reem is one of six districts projected to deliver 77 percent of Abu Dhabi's new homes to 2030. The airport is 25 to 40 minutes away.

Al Reem is the value entry to Abu Dhabi. Buy it for use and capital, not for a rent rise the regulator has switched off.

THE OFF PLAN LINE

Every Dubai median in this edition carries a second number that matters as much as the price: the share of sales made off plan. Off plan prices are set by developers at launch, often on payment plans that run past handover. Resale prices are set by one owner selling a finished home to the next. In the year to September, the registered share ran from 8.3 percent in Dubai Marina and 31.4 percent on the Palm to 53.6 percent in Business Bay, 59.4 percent in Dubai Hills, 61.3 percent in Jumeirah Village Circle and 69.0 percent in Dubai South. Where a year on year figure exists, the medians rank the same way, from minus 8.4 percent in the Marina to plus 20.5 percent in Dubai South.

Read that line before any growth figure. Dubai South's rise is a mix of launches, not a market that has appreciated, and the airport expansion that sells it is funded and under construction but years from delivery. CBRE counted about 18,000 homes completed in Dubai in the first half of 2026, and ADREC projects about 71,000 more in Abu Dhabi by 2030, peaking at about 21,800 in 2028. As those keys are handed over, launch buyers become resale sellers, and the resale price is the one that tells a UK buyer what a home is worth.

8.3%
DUBAI MARINA OFF PLAN
Median price down 8.4%, year to Sep 2026

69.0%
DUBAI SOUTH OFF PLAN
Median price up 20.5%, year to Sep 2026

89%
ABU DHABI OFF PLAN
Share of first half 2026 sales value

Price a Dubai home off finished sales only. Where most of a market is selling paper, the median is a developer's number.

THE WATCHLIST

Watchlist: Jumeirah Village Circle (Dubai). The deepest market in the edition, with 12,555 registered sales and a median up 4.4 percent, but 61.3 percent off plan and a one bedroom rent index down 8.3 percent in a year. Wait for the finished resale price to show itself.

Watchlist: Business Bay (Dubai). Central and liquid, with 7,134 sales and a median down 0.8 percent, but more than half its sales are off plan. A building by building call, not an area one.

Watchlist: Dubai South (Dubai). A median up 20.5 percent on 69 percent off plan sales, sold on an airport expansion that is funded but not delivered. A catalyst, not current scarcity.

Watchlist: Downtown Dubai (Dubai). A global address with deep liquidity, but continuing apartment supply and softer rents later in 2026 weaken its relative value. Only discounted finished resales.

Watchlist: Dubai Creek Harbour (Dubai). A strong masterplan close to DXB, still dominated by off plan sales. Wait for completed resale depth.

Watchlist: Emirates Hills (Dubai). Genuine low density scarcity, but too few sales for any average to price a plot.

Watchlist: Jumeirah Lake Towers (Dubai). Mature stock and metro access, with building quality too uneven for an area call.

Watchlist: Al Jubail Island (Abu Dhabi). Knight Frank records villa values up about 40 percent in a year, on resale depth too thin to show whether that is a market or a handful of sales.

Watchlist: Hudayriyat and Ramhan (Abu Dhabi). AED 19 billion of Hudayriyat sales in the first half, 27 percent of the emirate's sales value, driven by launches. Wait for handovers.

Watchlist: Al Raha Beach (Abu Dhabi). An established waterfront below Yas and Saadiyat asking prices, where building level service charges decide the case.

SELECTED DATA SIGNALS

MACRO AND STRUCTURAL

-29%

DUBAI SALES VOLUMES
CBRE, Q2 2026, year on year

89%

ABU DHABI OFF PLAN
Share of sales value, ADREC H1 2026

0%

ABU DHABI RENT RENEWALS
Cap from 3 June 2026, ADREC

4.88

DIRHAMS PER POUND
Rate at 17 October 2026

DEMAND, ACCESS AND SCARCITY

296

DUBAI SALES ABOVE \$10M
Knight Frank, H1 2026, a record

146

WEEKLY UK FLIGHTS
Emirates, from February 2026

4.58m

DUBAI POPULATION
End 2025, as reported, Digital Dubai

5.66%

MARINA GROSS YIELD
Registered rents, year to Sep 2026

Dubai prices are Dubai Land Department registrations, processed by Dubai Data as trimmed medians for October 2025 to September 2026; they mix ready and off plan sales and are not certified registry extracts. Rents and the gross yield are Ejari registered contracts. Abu Dhabi figures are ADREC and Knight Frank. Asking prices are labelled as such. Costs are Sandhütel calculations from the published fee schedules.

Read together, the top row describes a market changing gear. Dubai's turnover has fallen hard while its headline price has barely moved, Abu Dhabi's boom is mostly launches, and a regulator has frozen the rent on every renewing tenancy in the emirate. For a sterling buyer, the dollar peg means the currency risk is the pound against the dollar, and a 10 percent fall in sterling adds 11.1 percent to the cost.

The second row is the case for owning anyway. The trophy market set a record while the rest cooled, Emirates alone flies 146 times a week from the UK, and the city keeps adding residents. The yield is real but modest: 5.66 percent gross on registered Marina rents, before the costs and the UK tax that decide what an owner keeps.

THE SANDHÜTEL READ

The UAE is not one market cooling gently from the top. Dubai and Abu Dhabi run the same test at different speeds: in each, a resale market and a launch market share one set of headlines, and the price a UK buyer pays only makes sense once they know which of the two set it.

Put the signals together and the choices follow. In Dubai, the trophy market set a record of 296 sales above US\$10 million while total volumes fell 29 percent, and the off plan line explains the rest: the Marina, sold almost entirely as finished homes, has taken an 8.4 percent fall in public, while Dubai South's 20.5 percent rise belongs to launch prices. Abu Dhabi is the stronger market and the more launch heavy. CBRE puts its values up 21.6 percent in the year to the second quarter, and ADREC's repeat sales rose 20 percent for apartments and 12 percent for villas, real gains on finished homes. But 89 percent of first half sales value was off plan, Hudayriyat alone took 27 percent of all sales value, and about 71,000 new homes are projected by 2030. The income is modest in both emirates: 5.66 percent gross on registered Marina rents before costs, and in Abu Dhabi a 0 percent renewal cap that stops a sitting tenant's rent from rising. From April 2027 a higher rate UK taxpayer then pays 42 percent of what is left.

The allocation follows from that. In Dubai, buy a finished Marina apartment for an entry home, a Dubai Hills villa rather than the towers around it for a family base, and a Frond on the Palm for the wealth home. In Abu Dhabi, buy finished stock on Al Reem as the value entry, completed apartments on Yas for the airport and the island's events, and a finished beach home on Saadiyat as the capital's wealth address. Abu Dhabi also costs less to enter: AED 82,000 in fees at AED 2,000,000, against AED 126,720 in Dubai. In both, treat rent as an offset to the running costs, let long before you let short, and plan the UK tax before the purchase, not after. Hold Jumeirah Village Circle, Business Bay and Dubai South, and Hudayriyat and Al Jubail in Abu Dhabi, on the watchlist until their launches become resales and their resales prove a price.

At Sandhütel, a price in Dubai or Abu Dhabi means nothing until you know who set it: an owner selling a finished home, or a developer on launch day. Pay the first, discount the second, and remember that the UK takes its share of the rent wherever it is paid.



David R. Sandhu

Founder and Principal at Sandhütel, a London based firm focused on strategic property investment, management and design. Over 15 years' leadership across credit strategy, investment management and real asset development, including as Global Head of Credit Product Management at Barclays Wealth. There he led balance sheet strategy, product governance and commercial growth across the UK, EMEA and Asia.

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