Q2 2026 Market Overview

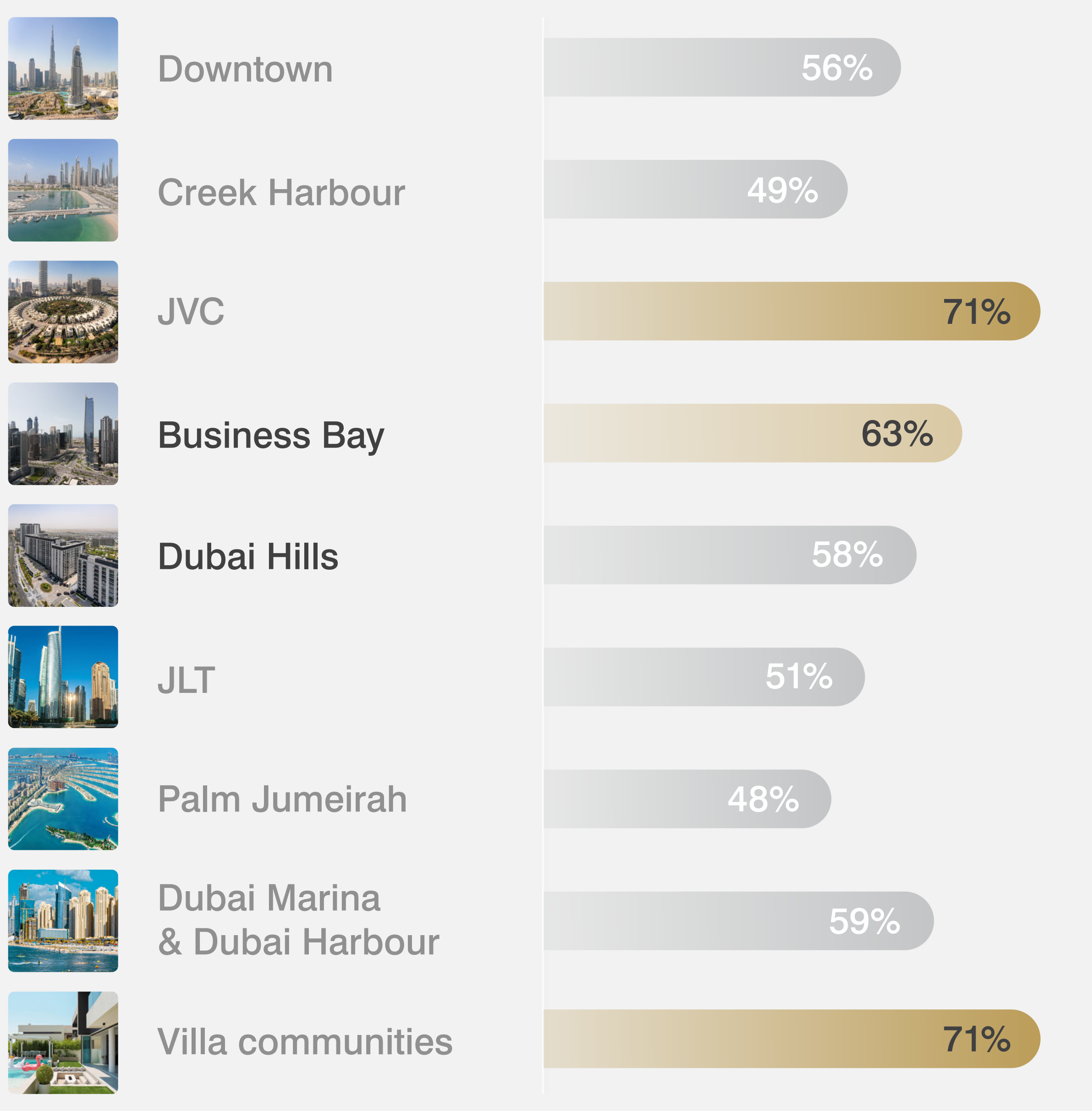
Dubai's holiday home market was certainly unusual, it was shaped by regional geopolitical tension and airspace disruption during this quarter.

Demand was weak in April to what would still have been a great time for tourists to travel, guests naturally became more price-sensitive, making quality, reviews, and flexible pricing more important than ever.

Recovery began in May and confidence back in June. Longer staying guests became an important source of demand and professional operators seem to be the ones holding the strongest position in the market rather than self managed units. This is due to the exposure holiday homes companies have on the local marketing portals and the competition being so tough. Every aspect of managing a property is now more important than ever.

We have seen many home owners now wishing to have their property managed on a short term basis rather than leasing annually, this option gives both the landlord and tenant flexibility which in these times has and will be the preferred option for some time.

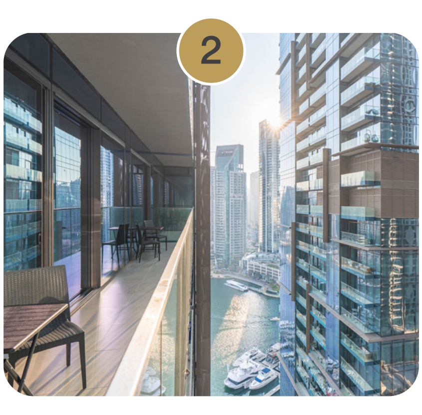
Short Term Rental Q2 Occupancy Rates



Occupancy for this Quarter was affected by April's low performance. We managed to sustain great results in the villa communities for our landlords, this was due to the demand of families still residing in Dubai and not wanting to commit to long term contracts, which may of been there intention previously.

We feel after Q3 the international travellers will return pushing the occupancy to regain its high positions.

Quarter Top Performers



1. Reehan, Old Town, Downtown Dubai

Low rise buildings were more in demand over this quarter pushing the demand for this area of Downtown appealing. This three bedroom unit is renovated, making it stand out from the usual dark interiors most have. Burj Khalifa views from the terrace whilst the weather was still pleasant.

2. Jumeirah Living Marina Gate, Dubai Marina

Again this quarter when the pricing had reduced significantly made this one bedroom property affordable to the vast audience. The beauty of this apartment with the views and location will always be in demand.

3. Binghatti Azure, Jumeirah Village Circle

This studio performed fantastic due to the walking distance to the Circle Mall and entrance, in and out of the community easily. Great interiors enticed many clients to view.

Outlook for Q2 2026

Q3 2026 is expected to be a recovery quarter. July will likely remain soft, August should stabilize, and September is expected to signal the return to stronger demand ahead of the traditional Q4 peak season. For professionally managed holiday homes in prime locations, the second half of the quarter should be materially stronger than the first but not return immediately to the exceptional performance of early 2026.

We will be affected naturally by:

- High summer temperatures meaning most travellers will wait now until September to return
- Continued rate competition among holiday-home operators.
- An elevated supply of licensed short-term rentals compared to last summer.

News & Updates

After several years of exceptional growth, Dubai's broader residential market has started to cool, Competition remains intense. Operators estimate there are more than 25,000 professionally managed holiday homes competing for guests, this makes revenue management and property quality more important than ever.

The DET has endeavored to support the short-term rental industry, with taking the decision to exempt the payment of tourist dirham fee collected until July. This measure will help enhance liquidity to cover operational expenses.