

Affordable, with factors to watch.

A simplified summary of what the UBS Global Real Estate Bubble Index 2026 says about Dubai, and how I read it. By Bimal Lulla, 9 October 2026. An independent summary, not produced or endorsed by UBS.

What UBS measures

This year UBS scores 23 major cities on how exposed their housing markets are to a bubble. A higher score means more risk. It is a risk gauge. It does not forecast prices.

Dubai at a glance

MEASURE	DUBAI	WHAT IT MEANS
Bubble-risk score	1.16	4th of 23 cities. UBS rates it "elevated", alongside Miami, Seoul, Lisbon and Geneva. Only Zurich and Tokyo are "high". (pp. 5, 25)
Home prices, past year (after inflation)	+0.4%	After inflation, over the year to the second quarter of 2026. (pp. 15, 25)
Rents, past year (after inflation)	−4.0%	After inflation. Rents are below their level a year earlier. (pp. 15, 25)
Years of average skilled service-worker income to buy a 60 sq m flat near the city centre	5	That is fewer years than London (11) and Hong Kong (15). (p. 8)
Years of rent to buy the same flat	16	Among the lowest in the index. Zurich is 46 and Seoul 25. (p. 9)
Modelled ownership user cost	Lower	UBS's modelled, risk-adjusted user cost is below rent in Dubai. It includes expected capital gains; it is not a comparison of actual ownership bills with rent. (p. 10)

All price and rent figures are shown after inflation: the general rise in prices is taken out, so they show the real change in buying power. For example, if prices rise 5% while everyday costs rise 4%, the real change is about 1%. UBS revised its valuation data this year. Its valuation comparisons are not directly comparable with earlier editions.

What looks strong

- **Affordability.** UBS's comparison uses average skilled service-worker income: five years buys a 60 sq m flat near the city centre, against eleven in London and fifteen in Hong Kong.
- **Modelled ownership cost.** UBS's risk-adjusted user cost in Dubai is below rent. It includes expected capital gains, rather than comparing actual ownership bills with rent.
- **Fundamentals.** UBS says Dubai's strengths, including its location and its role as an international business hub, remain strong.

What UBS flags

- **Supply.** UBS notes persistent concerns about structural oversupply.
- **Borrowing costs.** Mortgage rates are elevated.
- **A more uncertain year.** UBS says risk has eased a little since March, but it remains elevated.

What the index cannot tell you

It measures risk today. It cannot say whether a correction will come, when, or how large. A city can score "elevated" and still deliver good results for a buyer who is selective, and a low score does not protect a bad purchase.

How I use it: three checks

1. **The price against real sales.** Compare the asking price with recent recorded sales in the same building or community, not with the brochure or the average for the city. The Dubai Land Department publishes recorded transaction data as open data.
2. **What you keep from the rent.** Start with rent actually collected, allowing for vacant months. Deduct service charges, maintenance, management and financing payments where applicable. What remains is the cash available to you, rather than the gross rent in a brochure.
3. **The new homes coming nearby.** Ask how many similar homes are due to be handed over around the same time. More choice for tenants and buyers can hold prices and rents back.

A strong city can still have an overpriced home. The individual deal has to make sense.

Sources and notes

- **Source:** UBS Global Real Estate Bubble Index 2026, pages 5, 8, 9, 10, 15 and 25. This is my own simplified summary, written in my own words. It does not reproduce UBS's text or charts. Please read the original report from UBS for the full method and charts.
- **Figures:** every figure in this note is taken from the report.
- **After inflation:** price and rent changes are shown after inflation, as UBS reports them (UBS calls this "real").
- **Comparisons:** UBS revised its valuation data in 2026; its valuation comparisons are not directly comparable with earlier editions.

About the author

Bimal Lulla is a licensed real estate broker in Dubai, with a background in bank wealth management and over 20 years across banking, investment and UAE property. Founder, Blue Collection Real Estate.

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