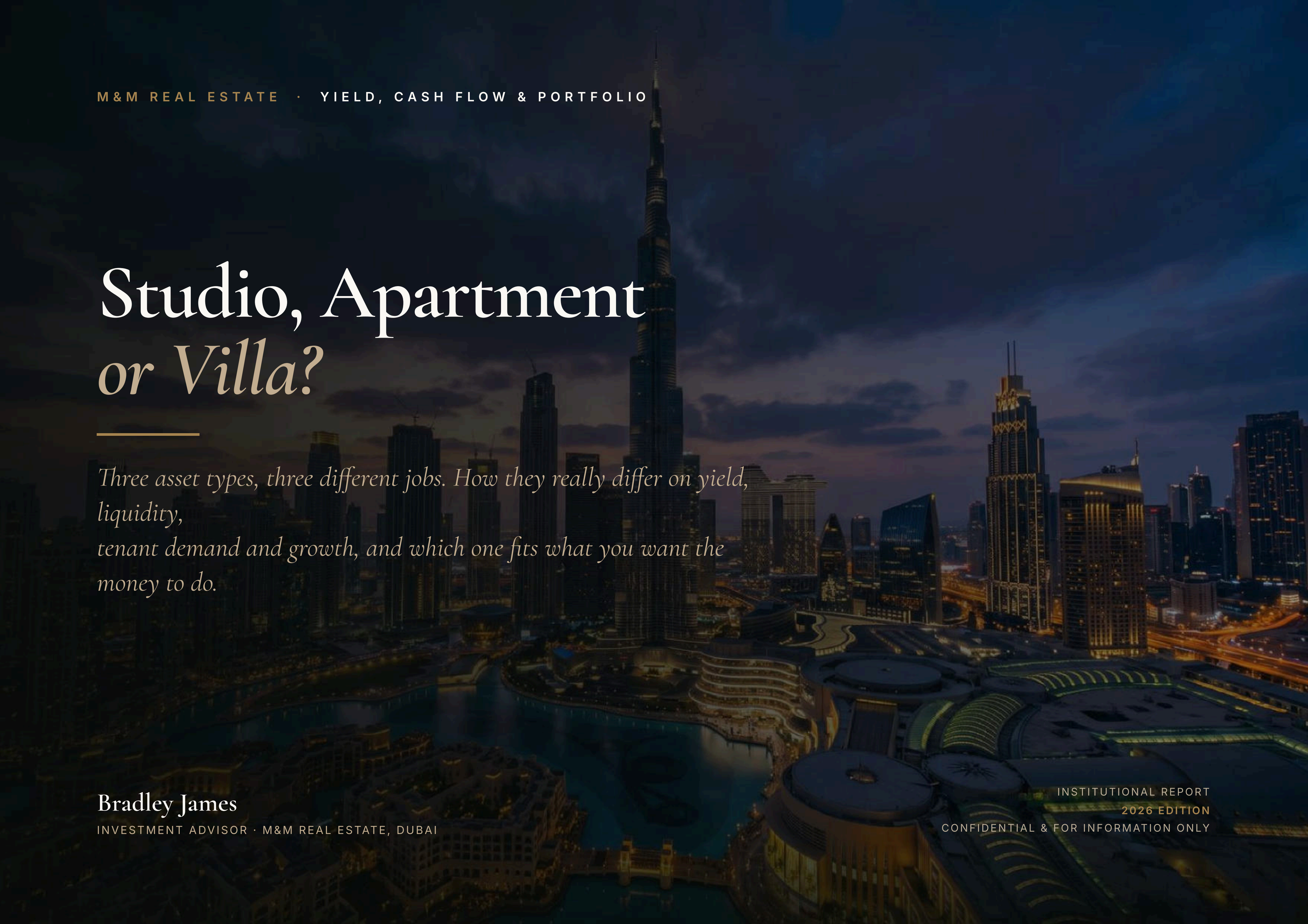

Studio, Apartment *or Villa?*

*Three asset types, three different jobs. How they really differ on yield, liquidity,
tenant demand and growth, and which one fits what you want the money to do.*

Bradley James
INVESTMENT ADVISOR · M&M REAL ESTATE, DUBAI

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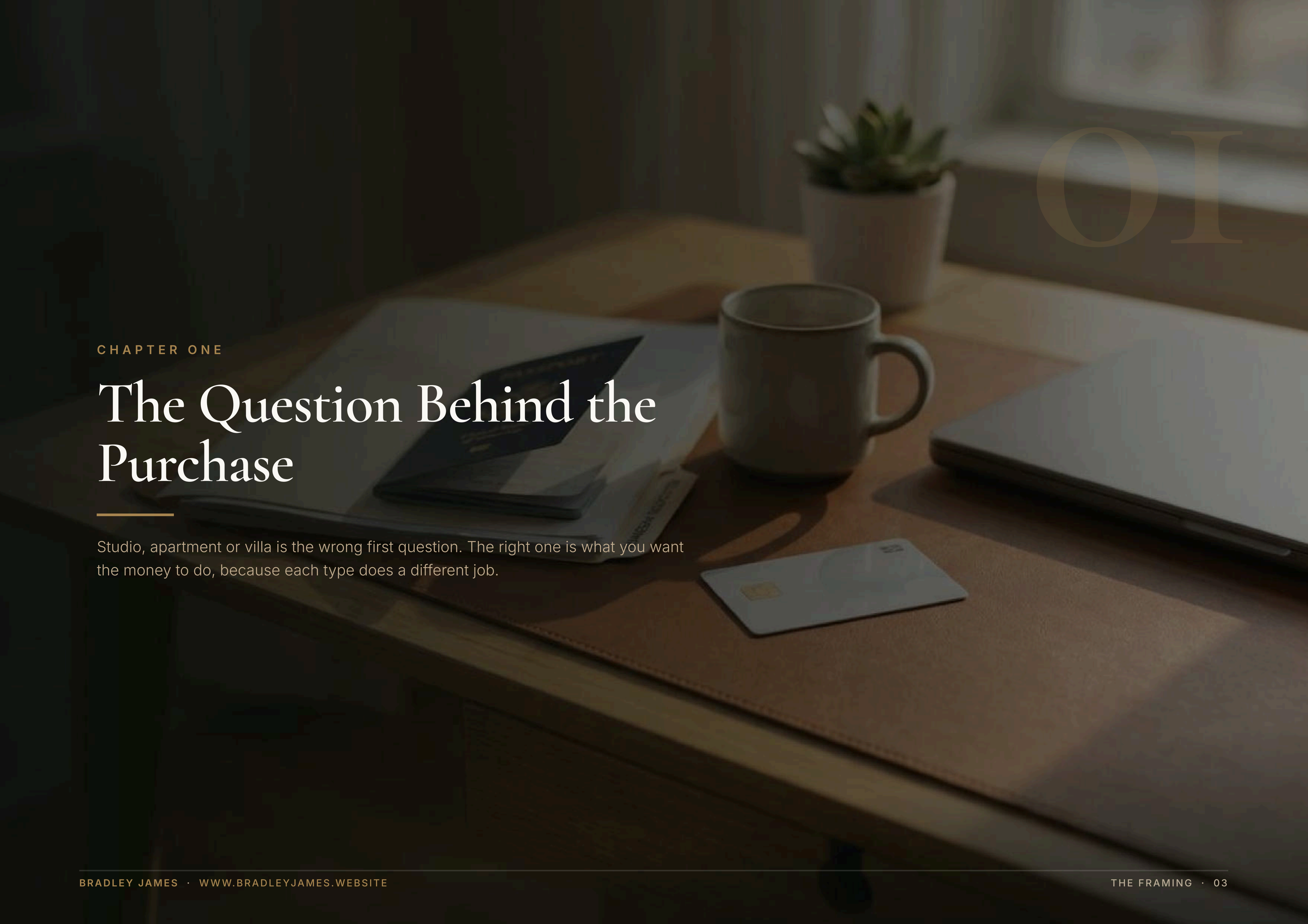


CHAPTER ONE

The Question Behind the Purchase

Studio, apartment or villa is the wrong first question. The right one is what you want the money to do, because each type does a different job.

CHAPTER 01 · THE FRAMING

It's Not Which Is Best. It's Which Fits.

People ask me whether they should buy a studio, an apartment or a villa as though one of them is simply the right answer. It isn't. Each type does a different job, and the honest question is not which is best, it's which one fits what you actually want the money to do.

There's a spine running through the whole decision, and it's a trade-off, not a free lunch. At one end sit studios: the highest gross yield, the lowest entry cheque, the most cash flow per dirham, and also the most tenant churn and the most competition from new supply. At the other end sit villas and townhouses: a lower gross yield, but the strongest recent capital growth, the deepest end-user demand, a bigger cheque and a slower, thinner resale. In the middle sits the one and two-bed apartment, the workhorse, balancing yield against liquidity with the deepest rental pool in the city.

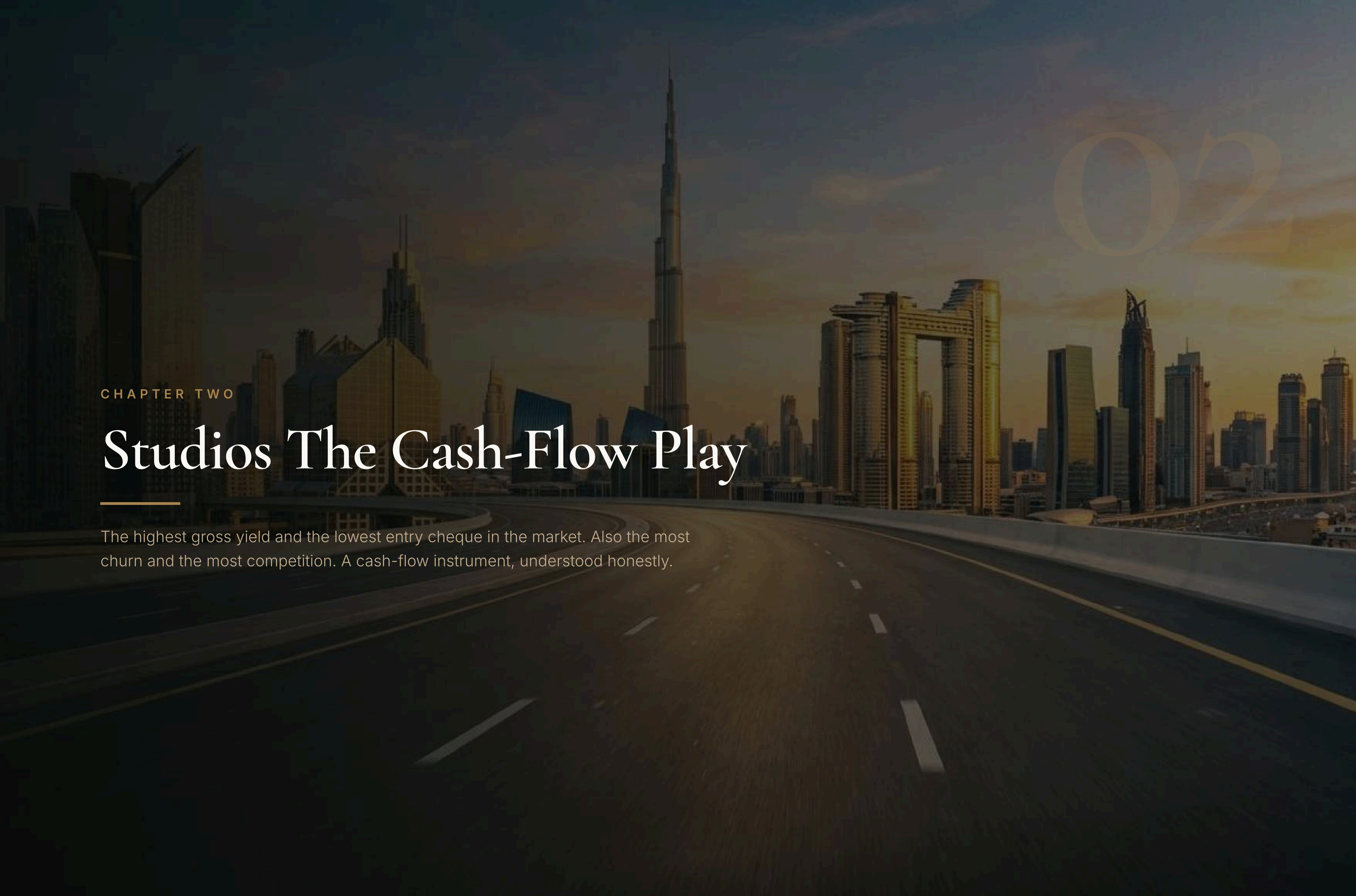
So this guide takes each type in turn and compares them on the six things that decide the outcome: gross yield, exit liquidity, tenant demand and churn, capital growth, the entry cheque and the management load. Then it does the part most brochures skip. It matches the type to the goal, income, growth or end-use, and it tells you plainly where each one lets you down. Read it as a way to choose, not as a pitch for any one box.

◆ THE TRADE-OFF SPINE

- Studios: top yield, lowest entry, most churn and supply.
- Apartments: balance of yield and liquidity, deepest rental demand.
- Villas: lower yield, strongest growth, bigger cheque, slower exit.
- No type wins on everything. You're choosing which trade-off suits you.

◆ THE REAL QUESTION

"Not studio, apartment or villa. What do you want this money to do, earn income now, grow the capital, or house your family? Answer that first."



CHAPTER TWO

Studios The Cash-Flow Play

The highest gross yield and the lowest entry cheque in the market. Also the most churn and the most competition. A cash-flow instrument, understood honestly.

Highest Yield, Lowest Cheque, Most Churn

A studio is the purest cash-flow instrument Dubai offers. It carries the lowest entry cheque of any residential type, and per dirham invested it produces the highest gross yield. In the affordable and mid-tier communities that dominate the rental market, studio gross yields run to **8.5% and above** in JVC, and roughly **7.1% to 8.5%** in Al Furjan, with studios sitting at the top of each community's band because the rent per square foot on a small unit is the highest in the building.

That's the upside, and it's real. Here's the cost of it, stated as plainly. A studio has the shortest tenancies and the most turnover, because it houses the most mobile tenants in the city, single professionals who move for work, upgrade to a one-bed, or leave. Every void month and every re-let fee eats into that headline yield. And studios are the most supplied and most competed unit in Dubai: when a new tower hands over down the road, your studio competes directly with a hundred fresh ones. High yield is partly compensation for that churn and that competition, not a gift.

Which is why the gross number is never the number that matters. A JVC studio **advertised near 8.5% gross** commonly **settles around 5.5% to 6.5% net** once you deduct the service charge, a vacancy allowance of roughly one month a year, and management. That net figure, not the brochure gross, is what actually lands in your account, and it's still a strong income return. Just underwrite it honestly.

8.5%+

TOP JVC STUDIO GROSS YIELD

Bayut / GuestReady

5.5% to 6.5%

TYPICAL JVC STUDIO NET AFTER COSTS

GuestReady 2026

Lowest

ENTRY CHEQUE OF ANY RESIDENTIAL TYPE

Bayut 2025

◆ WHAT YOU'RE REALLY BUYING

A studio is an income machine with a churn problem. You buy it for the cash flow per dirham, and you accept the shortest tenancies, the most re-lets and the most new-supply competition in return. Priced right and managed well, it's the highest-yielding box in the city. Left empty between tenants, it's the one that bleeds fastest.

◆ THE STUDIO RULE

"The gross yield is the headline. The net, after the service charge, a void month and management, is the truth. Underwrite the net."

The Gross-to-Net Gap, in Numbers

The single biggest thing standing between a studio's headline yield and the money you actually keep is the service charge. It's set annually by the building's owners' association, submitted through the RERA-regulated Mollak system, and it varies enormously by community. In JVC it runs roughly **AED 8 to 14 per square foot a year**, with some towers reaching about 22. In Dubai Marina it's closer to **AED 12 to 20**, and in prime Downtown it climbs to **AED 18 to 30**. On a small unit that charge is a meaningful slice of the rent, and it's the first deduction that turns gross into net.

Stack the deductions and the gap becomes clear. Take a studio advertised near 8.5% gross. Subtract the service charge, then a vacancy allowance of roughly one month a year for the re-let gaps a studio inevitably has, then management at around 5% of rent, and you land near **5.5% to 6.5% net**. That's still a strong income return by global standards, but it's a full two to three points below the brochure. The lesson isn't that studios are bad. It's that the gross number is marketing and the net number is the investment.

AED 8 to 14
JVC SERVICE CHARGE PER SQ FT, PER YEAR
Arabian Sunrise 2025

~1 month
REALISTIC ANNUAL VACANCY ALLOWANCE
GuestReady 2026

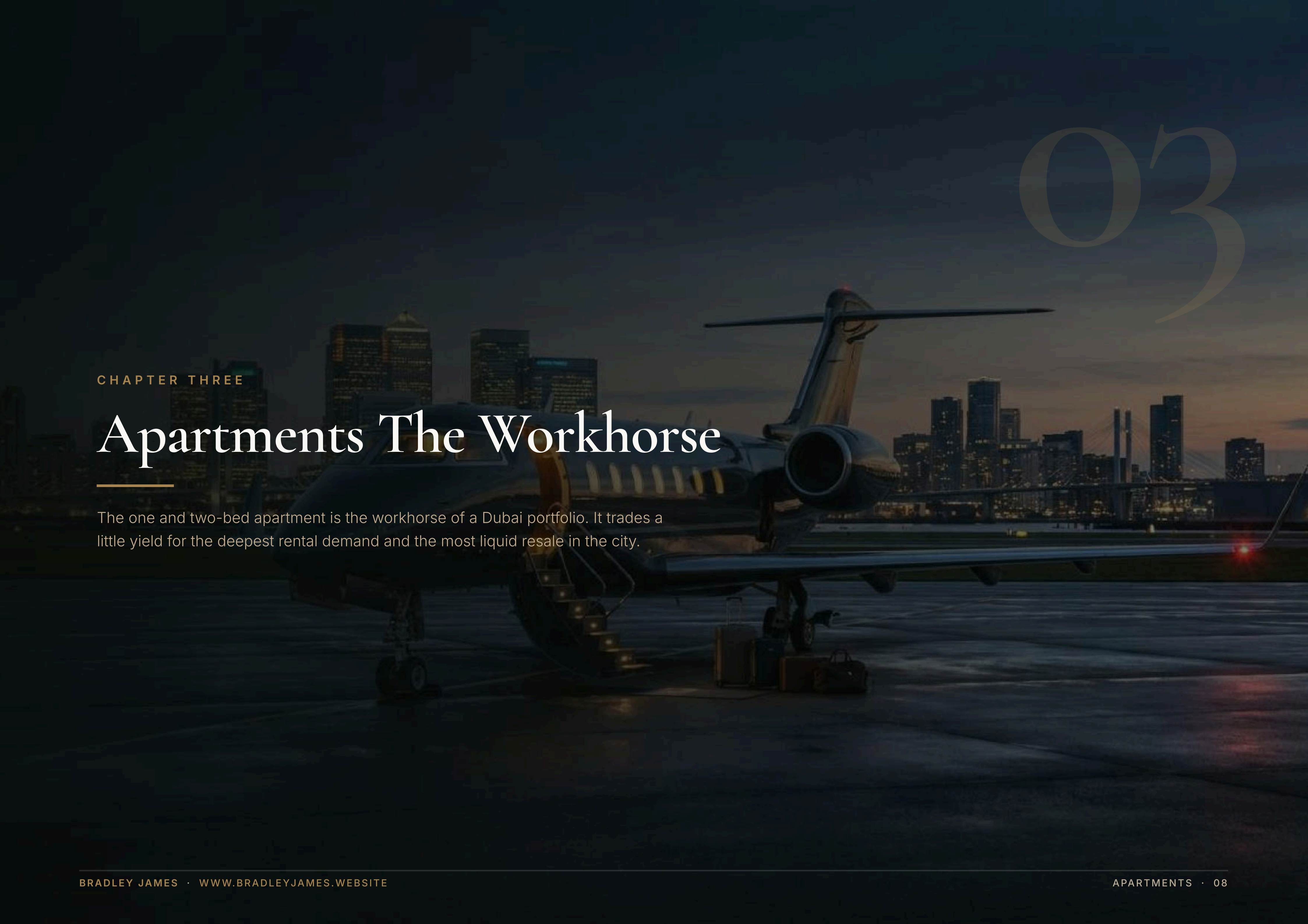
~5%
TYPICAL MANAGEMENT FEE ON RENT
market standard

WHERE THE YIELD GOES

- Service charge: the biggest single deduction, worst on prime stock.
- Vacancy: studios re-let most often, so budget a void month.
- Management: roughly 5% of rent if you don't self-manage.
- Net result: an 8.5% gross studio commonly lands near 6% net.

THE DISCIPLINE

"Ask for the service charge in AED per square foot before you ask about the yield. It's the number that decides what you keep."



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CHAPTER THREE

Apartments The Workhorse

The one and two-bed apartment is the workhorse of a Dubai portfolio. It trades a little yield for the deepest rental demand and the most liquid resale in the city.

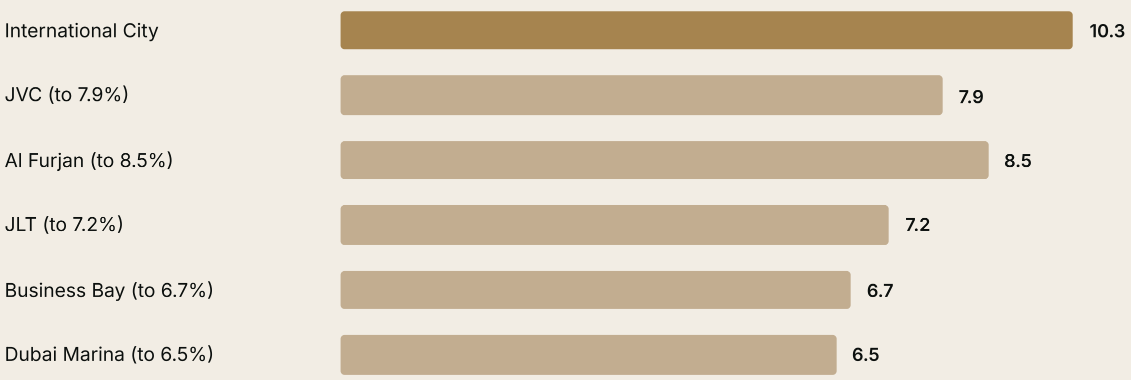
The Balance of Yield and Liquidity

If a studio is the cash-flow specialist, the one and two-bed apartment is the all-rounder, and for most investors it's the sensible core of a portfolio. It gives up a little yield against a studio and gets back the two things a studio can't: the deepest rental demand and the most liquid resale in Dubai.

Start with the demand. The affordable and mid-tier apartment communities are where the tenant pool is deepest and the tenancies are longer, because these units house couples, sharers and small families who stay put rather than the most mobile singles. City-wide apartment gross yields run at **7.0% to 7.2%**, with the mid-tier communities clustering in a healthy band: JVC at **roughly 6.7% to 7.9%**, JLT around **5.1% to 7.2%**, Business Bay around **5.1% to 6.7%**, and the high-yield affordable communities such as International City reaching into **double digits**. You don't need the top of that range. You need a unit that lets quickly and re-lets easily, and the one and two-bed does exactly that.

Then the liquidity, which is where the apartment quietly wins. The mainstream apartment communities that dominate transaction volume, JVC, Business Bay, Dubai Marina, JVT, are the most liquid stock in the city, and a well-priced apartment in an active community can sell to a cash buyer in roughly **30 to 60 days**. That's your exit, and it's the shortest of the three types. When you want your capital back, the apartment is the one that gives it back fastest.

MID-TIER APARTMENT GROSS YIELD BANDS (2025-2026)



Gross yields, before service charges, vacancy and management. Ranges per Bayut Sales Report 2025 and GuestReady 2026; top of each community band shown.

7.0% to 7.2%
CITY APARTMENT GROSS YIELD
cr_dubai / market

30 to 60 days
WELL-PRICED APARTMENT, TIME TO SELL
Realtree / Heptagon

WHY IT'S THE CORE

- Deepest rental demand: couples and small families, longer tenancies.
- Most liquid resale: mainstream communities dominate transaction volume.
- A healthy yield band without a studio's churn.
- The unit you can always let and always sell.

THE WORKHORSE CASE

"You give up a point of yield against a studio and buy back demand depth and a faster exit. For a core holding, that's the right trade."

Deep Demand, Real Rent Numbers

The apartment's edge is depth, and depth shows up in two ways: a rental market that spans every budget, and a resale pool that's the largest in the city. On the rental side, the Bayut H1 2025 figures show how wide the ladder runs. An affordable one-bed in Arjan averages around **AED 65,325 a year**, a mid-tier JVC unit about **AED 64,808**, a Business Bay apartment near **AED 106,368**, a Dubai Marina unit around **AED 125,047**, and a Downtown apartment about **AED 166,818**. Whatever a tenant's budget, there's an apartment for it, which is why the pool never runs dry.

That depth is also why the resale is fast. Dubai runs no official days-on-market series, so the honest proxy for liquidity is transaction volume, and the mainstream apartment communities carry most of it. With total DLD transactions near **270,000** in 2025, a well-priced apartment in an active community sits in the deepest buyer pool in the market. The catch to keep honest: the secondary market thinned into 2026, with ready transactions down about 8% year on year in Q1 as buyers rotated to off-plan payment plans, so a fairly-priced apartment still sells fast while an over-priced one now sits and re-prices.

1-2 BED APARTMENT	COMMUNITY	AVG ANNUAL RENT	TIER
Arjan	AED 65,325	Affordable	
JVC	AED 64,808	Mid-tier	
Business Bay	AED 106,368	Mid-tier	
Dubai Marina	AED 125,047	Luxury	
Downtown Dubai	AED 166,818	Luxury	

Average advertised annual rents, Bayut Dubai Rental Market Report H1 2025. Advertised-listing averages, indicative of the tenant-budget ladder, not a valuation of any specific unit.

270,000
TOTAL DLD TRANSACTIONS 2025, LIQUIDITY ANCHOR
DLD / DXB Interact

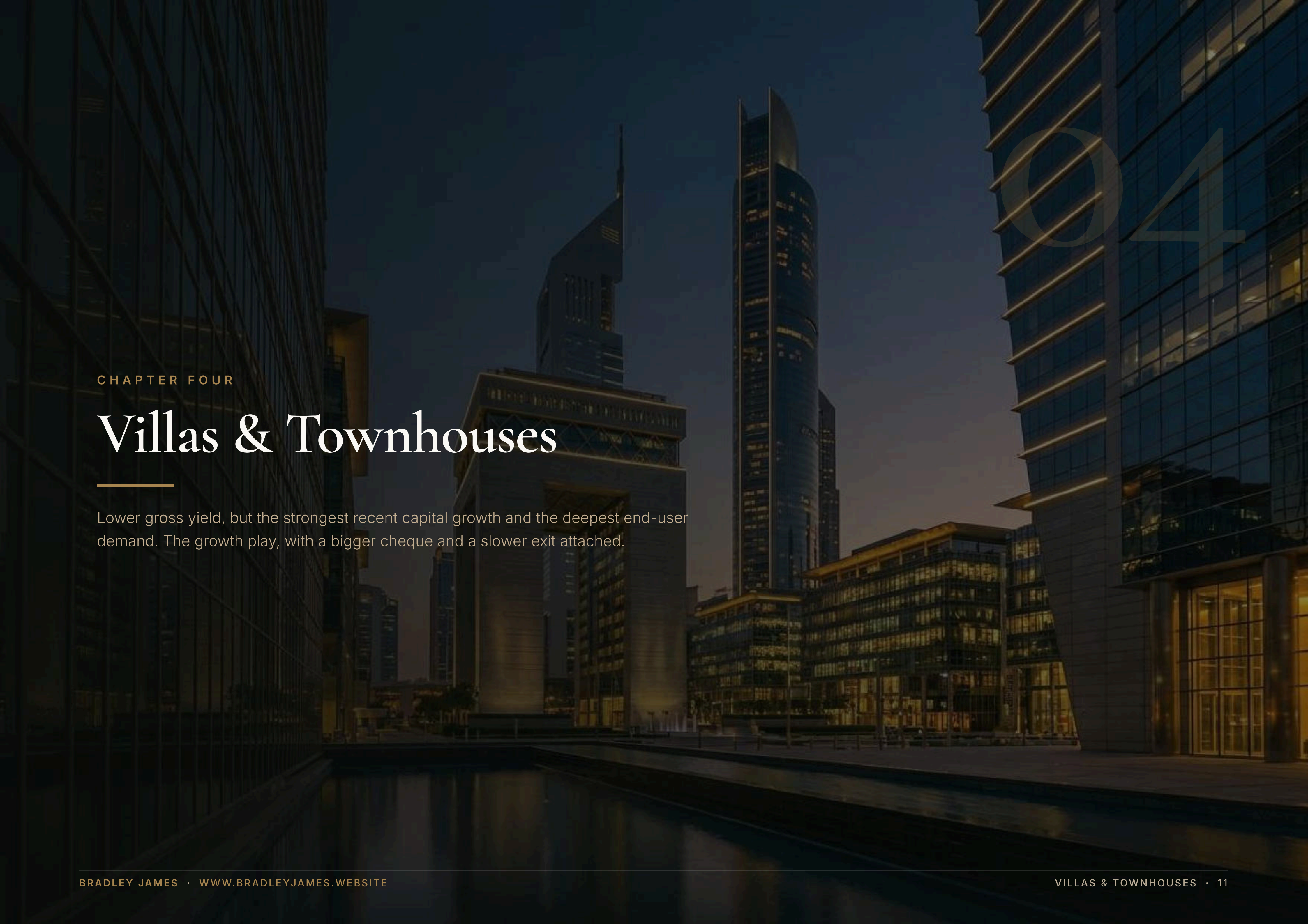
-8% YoY
READY-MARKET TRANSACTIONS, Q1 2026
Property Finder

◆ THE LIQUIDITY TRUTH

Dubai publishes no official days-on-market figure, so don't trust a precise one. Judge liquidity by transaction depth instead, and the mainstream apartment communities have the most of it. Even in the 2026 cooling, a correctly-priced apartment clears; it's the over-priced one that sits.

◆ THE RENT LADDER

"From Arjan to Downtown, there's an apartment for every tenant budget. That's why the pool never empties, and why the exit stays open."



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CHAPTER FOUR

Villas & Townhouses

Lower gross yield, but the strongest recent capital growth and the deepest end-user demand. The growth play, with a bigger cheque and a slower exit attached.

Lower Yield, Stronger Growth

Villas and townhouses turn the whole logic around. On yield they're the weakest of the three: villa gross yields sit near **4.9% city-wide**, and even the top villa communities top out lower than apartments, with DAMAC Hills 2 around **6.2%**, JVC villas near **6.7%**, and Mohammed Bin Rashid City around **6.2%**. If income per dirham is your goal, a villa is not your instrument.

Capital growth is a different story, and it's the reason villas exist in a portfolio. Through this cycle the villa segment ran far harder than apartments. On the ValuStrat index, villa capital values sit **around 206% above their January 2021 level and roughly 86% above the 2014 peak**, while apartments are up about 84% since 2021 and only just cleared their own 2014 high in late 2025. The ValuStrat sub-indices tell the same story at a glance: villas at **318.5 points** against apartments at **184.2**. That divergence is driven by end-user demand, families buying homes to live in, on land that isn't being made any more, in a city whose population is heading from **4.0 million** toward **5.8 million**.

Now the honest flip side, because that same run cuts both ways. Villas are the more cycle-extended segment: they've travelled furthest above their prior peak, so on valuation they carry less room and more of the growth is already banked. The cheque is far larger, the buyer pool is thinner, and the exit is slower: a villa typically takes **60 to 90 days** to sell, stretching to **90 to 120 days** in a soft or quiet market. You're buying growth and end-use, and paying for it in yield, liquidity and cheque size.

COMMUNITY	VILLA GROSS YIELD	AVG VILLA PSF 2025	PSF YOY
DAMAC Hills 2 (affordable)	~6.2%	AED 1,015	+12.9%
JVC (mid-tier)	~6.7%	AED 1,359	+17.4%
Al Furjan (mid-tier)	~villa mid-6s	AED 1,531	+22.5%
Dubai Hills Estate (luxury)	~villa mid-single	AED 2,731	+12.7%

Gross yields and average villa price per sq ft, Bayut Sales Report 2025. Yields are before service charges, vacancy and management. Villa yields sit below apartment yields market-wide because villa capital values ran further this cycle.

~206%
VILLA VALUES ABOVE JAN 2021 (INDEX)
ValuStrat VPI

318.5
VILLA SUB-INDEX VS 184.2 APARTMENTS
ValuStrat Nov 2025

60 to 90 days
VILLA TYPICAL TIME TO SELL
Realtree / Heptagon

◆ WHAT YOU'RE REALLY BUYING

A villa is a growth and end-use asset, not an income one. You buy the strongest capital run in the cycle, the deepest family demand and the land underneath, and you accept a lower yield, a bigger cheque and a slower exit. It's the least liquid of the three, and the one whose recent growth is furthest banked.

◆ THE VILLA TRADE

"Apartments pay you to wait. Villas ask you to wait, and have paid the patient handsomely this cycle. Know which one you're doing."

The Divergence, and What Comes Next

The villa-versus-apartment gap isn't a rounding difference, it's the defining feature of this cycle. Understanding it, and how the forecasters read it from here, is the whole villa decision.

Look at where the two segments actually sit. Against their January 2021 level, villa capital values are up **around 206%** and apartments about **84%**. Against the deeper 2014 peak, villas sit roughly **86% above** while apartments only just cleared their own 2014 high in late 2025. That's why the read cuts two ways at once: villas are more cycle-extended, with more of their growth banked, while apartments are less over-extended on valuation but more exposed to the incoming supply. Neither is simply safer. They're differently positioned.

From here, the houses broadly agree on direction and split on the sign. ValuStrat's 2026 outlook has villas continuing to lead with a forecast near **+17.7%** against a citywide **~10%**, while S&P's stress scenario puts the downside risk in apartments, where the supply pipeline is heaviest, with roughly 385,000 apartments under construction across 2026 to 2028. Every forecaster from the most cautious to the most constructive agrees on moderation, not a crash, and disagrees only on how the apartment segment lands. Treat these as forecasts, not facts, and weight them against your own horizon.

CAPITAL GROWTH VS JANUARY 2021 (VALUSTRAT INDEX)

ValuStrat VPI, late 2025: villa sub-index 318.5, apartment sub-index 184.2. Villas are further above both their 2021 level and their 2014 peak, hence more cycle-extended. Index growth, not a projection.

+17.7%

VILLA 2026 GROWTH FORECAST (VALUSTRAT)

ValuStrat Outlook 2026

~10%

CITYWIDE 2026 CAPITAL-GROWTH OUTLOOK

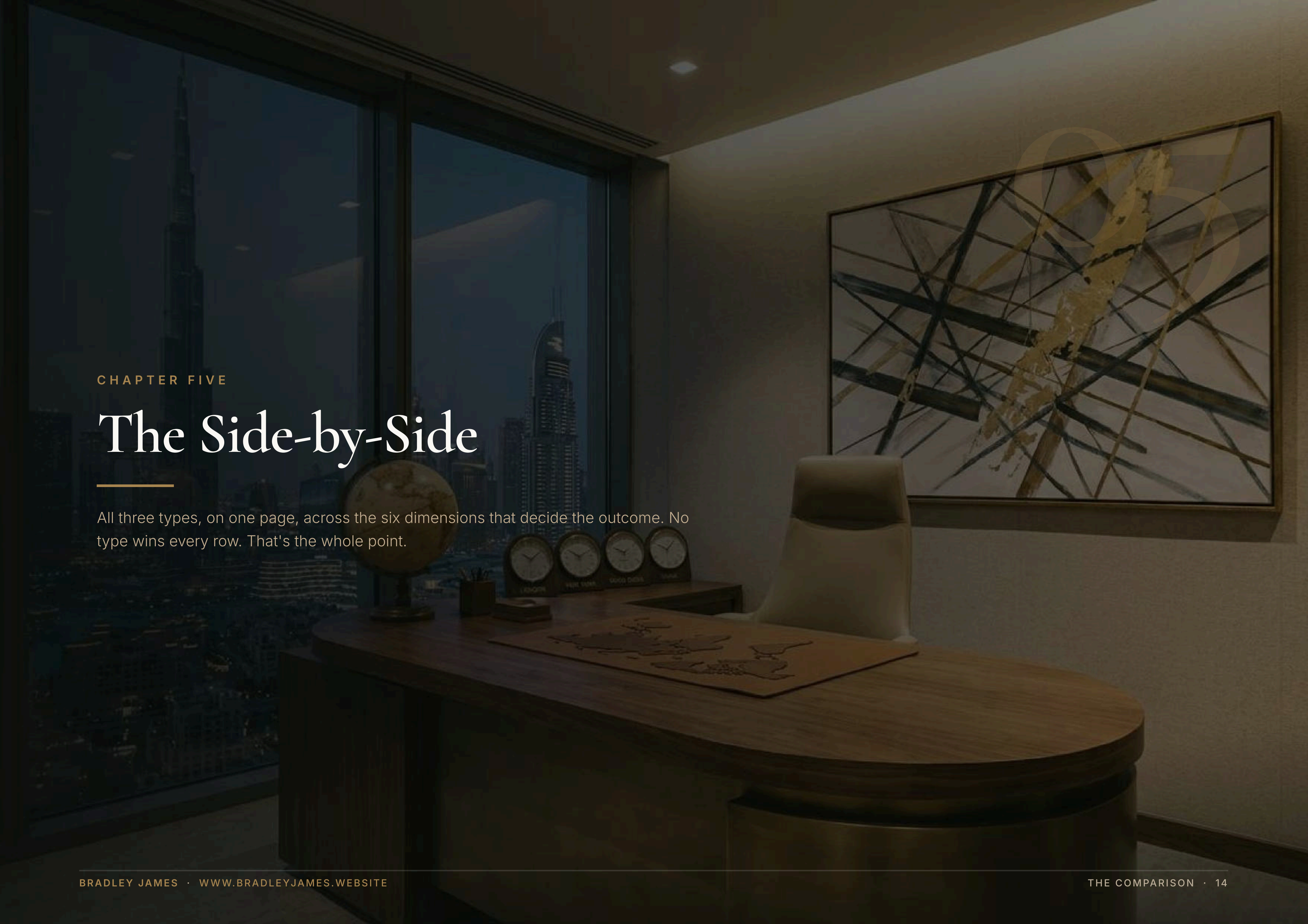
cr_dubai / ValuStrat

◆ READ THE DIVERGENCE BOTH WAYS

Villas have run furthest, so they carry the strongest track record and the least valuation room. Apartments have run less, so they carry more room and more supply exposure. The forecasters agree on moderation and split only on the apartment segment. That's the honest state of play, not a green light or a warning.

◆ THE FORECAST CAVEAT

"A forecast is a considered guess, not a fact. Villas led this cycle. Whether they lead the next one is a probability, so size it as one."



CHAPTER FIVE

The Side-by-Side

All three types, on one page, across the six dimensions that decide the outcome. No type wins every row. That's the whole point.

Three Types, Six Dimensions

Here's the whole decision on one page. Read down each column and you'll see the trade-off in the open: no type wins every row, and the right choice is simply the column whose strengths match your goal and whose weaknesses you can live with.

DIMENSION	STUDIO	1-2 BED APARTMENT	VILLA / TOWNHOUSE
Gross yield	Highest, to 8.5%+ in JVC	Strong, ~5% to 8% mid-tier	Lowest, ~4.9% to 6.7%
Exit liquidity	Fast but supply-competed	Fastest, ~30 to 60 days	Slowest, ~60 to 120 days
Tenant demand	Mobile singles, most churn	Deepest pool, longer stays	Families, end-users, sticky
Capital growth	Moderate, supply-capped	Solid, apartment index +84% since 2021	Strongest, villa index +206% since 2021
Entry cheque	Lowest in the market	Mid, the accessible core	Largest by a wide margin
Management load	Highest, most re-lets	Moderate, steady	Higher upkeep, but sticky tenants

Gross yields per Bayut 2025 / GuestReady 2026; time-to-sell per Realtree / Heptagon; growth per ValuStrat VPI Nov 2025. Yields are gross, before service charges, vacancy and management. Indicative ranges, not guarantees.

Notice what the table refuses to do: crown a winner. The studio owns the yield and entry-cheque rows and loses the liquidity and churn rows. The villa owns growth and tenant stickiness and loses yield, cheque and liquidity. The apartment wins no single row outright and yet sits in the comfortable middle of nearly all of them, which is precisely why it's the default core holding. Choosing well means being honest about which rows you actually care about.

◆ HOW TO READ IT

- Want income now? Weight the yield row. Studios and high-yield apartments.
- Want growth? Weight the capital-growth row. Villas led this cycle.
- Want a fast exit? Weight liquidity. The apartment wins.
- Want to house family? Weight demand and stickiness. The villa.

◆ THE HONEST FRAME

"There's no best asset type. There's the one whose strengths match your goal and whose weaknesses you can live with. Pick that one."

The Same Budget, Three Ways

Numbers make the trade-off concrete, so here's a deliberately simple illustration. Take the same notional budget and deploy it three ways, and watch how the job of the money changes with the box you buy.

The assumptions are shown in full and they're illustrative, not a quote on any unit. Assume a roughly **AED 800,000** budget. As a JVC studio it buys a high-yield income unit: strong net cash flow, but the most re-lets and the most new-supply competition. Spread across a one-bed apartment it buys the balance: a solid net yield with the fastest exit if plans change. It won't stretch to a standalone villa in a prime community at all, which is the point, the villa is a different cheque size and a different job, reached only by adding capital or choosing an affordable community like DAMAC Hills 2. The budget itself is already steering you toward a type.

DIMENSION	AS A STUDIO	AS A 1-BED APARTMENT	TOWARD A VILLA
Primary job	Income now	Balance	Growth and end-use
Indicative gross yield	~8.5%	~6.5% to 7.5%	~4.9% to 6.7%
Net after costs	~5.5% to 6.5%	~5% to 6%	lower, growth-led
Exit speed	Fast, supply-competed	Fastest, ~30 to 60 days	Slowest, ~60 to 120 days
Reachable at ~AED 800k?	Yes, comfortably	Yes	Only in affordable communities

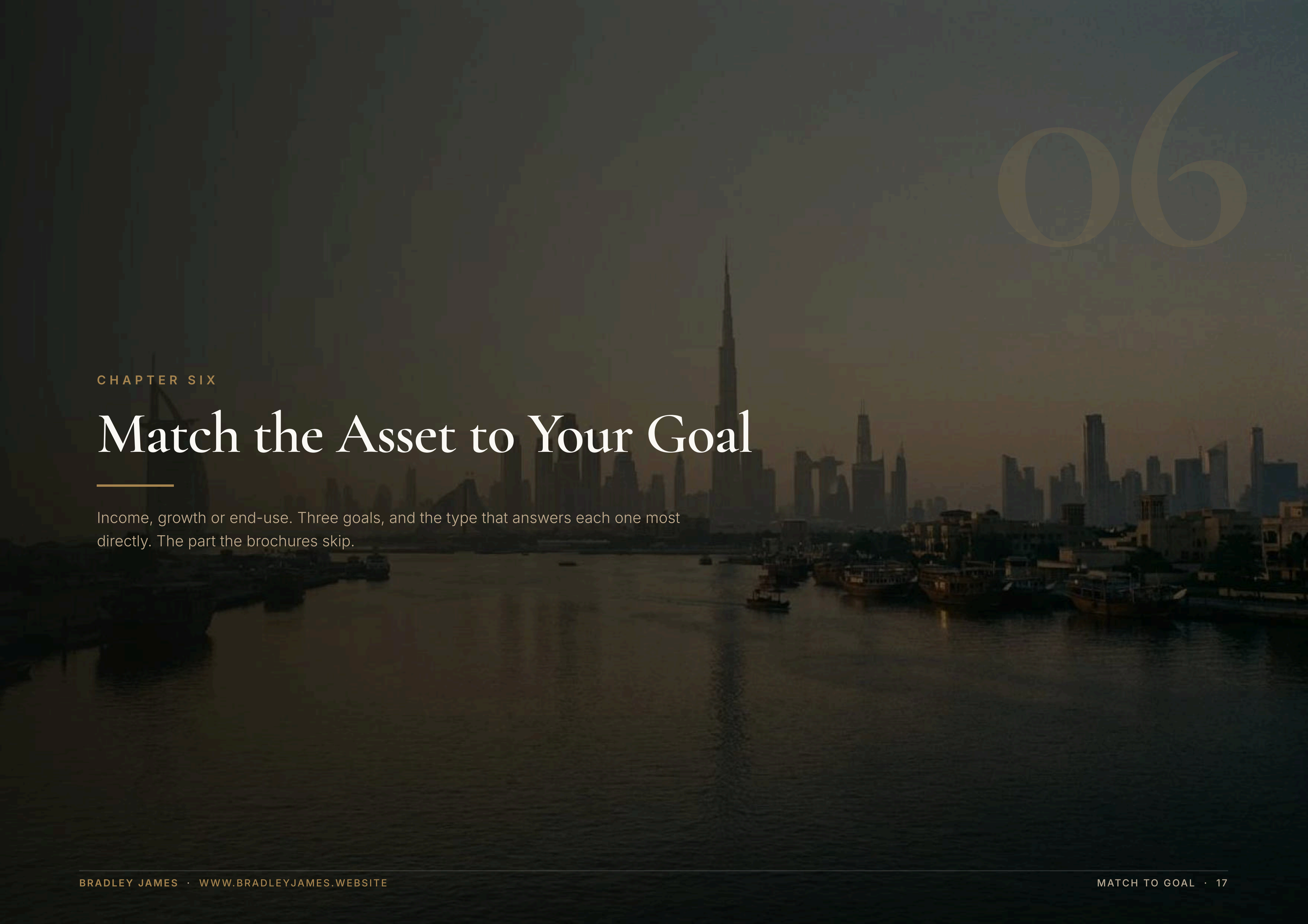
Illustrative only. Assumes a notional AED 800,000 budget and the gross-yield bands cited earlier (Bayut 2025 / GuestReady 2026). Net figures assume service charges, roughly one month vacancy and about 5% management. Not a quote, a valuation or a guarantee of return; actual prices and yields vary by unit, timing and community.

WHAT THE ILLUSTRATION SHOWS

- The budget itself narrows your realistic type before you choose.
- Studios and apartments are reachable; prime villas are a different cheque.
- The net yield gap between studio and apartment is smaller than the gross gap.
- Exit speed, not just yield, is part of what the money is buying.

THE TAKEAWAY

"Same money, three different jobs. The cheque size and your goal, together, point at the type. Let them."



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CHAPTER SIX

Match the Asset to Your Goal

Income, growth or end-use. Three goals, and the type that answers each one most directly. The part the brochures skip.

Income, Growth, or End-Use

Strip the decision back to its root and there are really only three things you can want from a Dubai purchase. You want **income** now, the highest reliable cash flow per dirham. You want **growth**, the strongest capital appreciation over a hold. Or you want **end-use**, a home for your family or a base tied to residency. Each goal points cleanly at a type, and knowing your goal first is what stops you buying the wrong box.

YOUR GOAL	BEST-FIT TYPE	WHY IT FITS	THE HONEST CATCH
Income now	Studio, or high-yield affordable apartment	Top gross yield per dirham, lowest entry cheque, in a deep-rental community	Most churn and re-lets; underwrite the net, not the gross
Capital growth	Villa or townhouse in an end-user community	Strongest recent growth, land value, family demand that doesn't fade	Lowest yield, biggest cheque, slowest exit, most growth already banked
Balance of both	One or two-bed apartment	Solid yield plus the fastest, deepest resale market in the city	Wins no single row outright, but loses none badly either
End-use and residency	Villa for family, or apartment at the visa threshold	A home you actually use, or AED 2 million of property for the 10-year visa	Buy the life first; treat the return as secondary, and be honest about that

A guide to fit, not a recommendation. Your own choice depends on your capital, horizon, tax residence and whether you'll use the property yourself. Take advice before committing.

The mistake I see most often is a goal mismatch. Someone who needs income buys a trophy villa because it's impressive, then wonders why the cash flow is thin. Someone who wants long-run growth buys a studio for the headline yield, then watches new supply cap the appreciation. Get the goal right and the type chooses itself. Get it wrong and no amount of good buying rescues it.

◆ START WITH THE GOAL

Before you look at a single floor plan, finish this sentence: I want this money to do one thing above all, and it's ___. Income, growth or end-use. Everything else, the area, the developer, the unit, follows from that one word. Skip it and you'll be sold a type rather than choosing one.

◆ THE DISCIPLINE

"Choose the goal, then the type, then the property. In that order. Reverse it and the brochure chooses for you."

07

CHAPTER SEVEN

The Honest Caveats

Where each type lets you down, and how the 2026 cooling lands differently on each. The chapter that keeps the rest honest.

Where Each Type Falls Short

Every type in this guide has a weakness, and the 2026 market lands on each of them differently. Here it is stated as plainly as the strengths, because being oversold on any one box is how investors get hurt.

Studios carry supply and churn risk. They're the most built and most competed unit in the city, so when a fresh tower hands over nearby, your studio faces the most direct competition on rent and on resale. Add the shortest tenancies and the most frequent re-lets, and the headline yield can erode fast if the unit sits empty. The high gross yield is partly a premium for exactly this risk.

Villas carry liquidity and cheque risk, and they're the more cycle-extended segment. The bigger cheque means a thinner buyer pool and a slower exit, 60 to 120 days rather than weeks. And because villa values have run around 206% above their 2021 level and roughly 86% above the 2014 peak, more of the growth is already banked and the segment sits with less valuation room than apartments. Strong doesn't mean cheap.

Apartments carry the supply skew in a correction. This is the honest counterweight to the apartment being the liquid core. S&P notes the downside risk in a stress scenario is apartment-concentrated, with the largest supply pipeline in that segment, so any correction would likely bite apartment prices harder than villas. The apartment is the easiest to sell, and also the most exposed to fresh supply on the way down.

And the whole market is cooling in 2026, honestly. After a record run, Dubai is entering a supply-led moderation. Fitch frames a correction of **up to 15%** peak to trough and is explicit it's not a crash; the citywide capital-growth outlook is **~10%** for 2026, down from roughly 19.8% in 2025. Every asset type here is chosen inside that cooler, more selective market, where pricing right and buying the correct type for your goal matters more, not less.

◆ THE LINE I HOLD

No type is a sure thing, which is exactly why none of them should be oversold. The studio's yield is a premium for churn. The villa's growth is largely banked. The apartment's liquidity comes with supply exposure. Anyone selling you a box with no downside isn't advising, they're closing.

◆ THE RULE

"Buy the type whose specific weakness you can live with, in a market that's cooling, at a price that respects it. That's how you don't get hurt."

CHAPTER EIGHT

Straight Answers

The asset-type decision turned into the questions investors actually ask, answered straight.

CHAPTER 08 · FAQ

The Questions Investors Actually Ask

Q. Which type gives the highest yield?

Studios, followed by high-yield affordable apartments. Studio gross yields reach 8.5% and above in communities like JVC, because the rent per square foot on a small unit is the highest in the building. But that's gross. After the service charge, a vacancy allowance of roughly one month a year and management, a JVC studio near 8.5% gross commonly settles around 5.5% to 6.5% net. Always underwrite the net.

Q. Do villas or apartments grow faster?

Villas have led this cycle by a wide margin. On the ValuStrat index, villa capital values sit around 206% above their January 2021 level and roughly 86% above the 2014 peak, with the villa sub-index at 318.5 against 184.2 for apartments. That said, villas are the more cycle-extended segment, so more of that growth is already banked, and apartments only just cleared their own 2014 high, arguably leaving more room.

Q. Which type is easiest to sell?

The one and two-bed apartment. Mainstream apartment communities dominate transaction volume, so a well-priced unit can sell to a cash buyer in roughly 30 to 60 days. A villa typically takes 60 to 90 days, stretching to 90 to 120 in a soft market, because the cheque is larger and the buyer pool thinner. Pricing is the single biggest lever on how fast anything sells.

Q. Why is the villa yield lower if villas grew more?

Because the two are linked. Villa capital values ran so far this cycle that the price outgrew the rent, which mechanically pushes the yield down. A villa is a growth-and-end-use asset, not an income one. If you want cash flow per dirham, an apartment or studio serves you better; if you want appreciation and family demand, the villa has led.

Q. What's the safest single type for a first Dubai buy?

For most first-time investors, a one or two-bed apartment in a deep, active mid-tier community. It gives a healthy yield, the deepest rental demand and the fastest resale, so if your plans change you can exit without a long wait. It wins no single row outright but loses none badly, which is exactly what you want when you're learning the market.

Q. How does the 2026 cooling change the choice?

It raises the cost of buying the wrong type for your goal. Dubai is in a supply-led moderation, with a citywide growth outlook near ~10% for 2026 and a Fitch-framed correction of up to up to 15%, explicitly not a crash. In a cooler, more selective market, matching the type to your goal and pricing it correctly matters more, not less. The trade-offs in this guide don't change; the discipline of respecting them does.

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Not a broker, an advisor. I built a business in the UK and spent more than a decade advising people from all walks of life, before moving to Dubai and joining M&M Real Estate to work at a higher strategic level than the typical transactional broker. I specialise exclusively in off-plan investment for overseas and high-net-worth clients, I put my own capital into the projects I recommend, and my business is more than 80% referral-driven, because every client came through someone who trusted me first.

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