MPM Properties العقارية
PART OF ADIB GROUP

Al Ain Residential Market Performance H1 2026

MPM CONNECTS Research with Market Intelligence

Al Ain

Macroeconomy & Demographics

> Al Ain's growth outlook remains stable, supported by population growth and public investment.

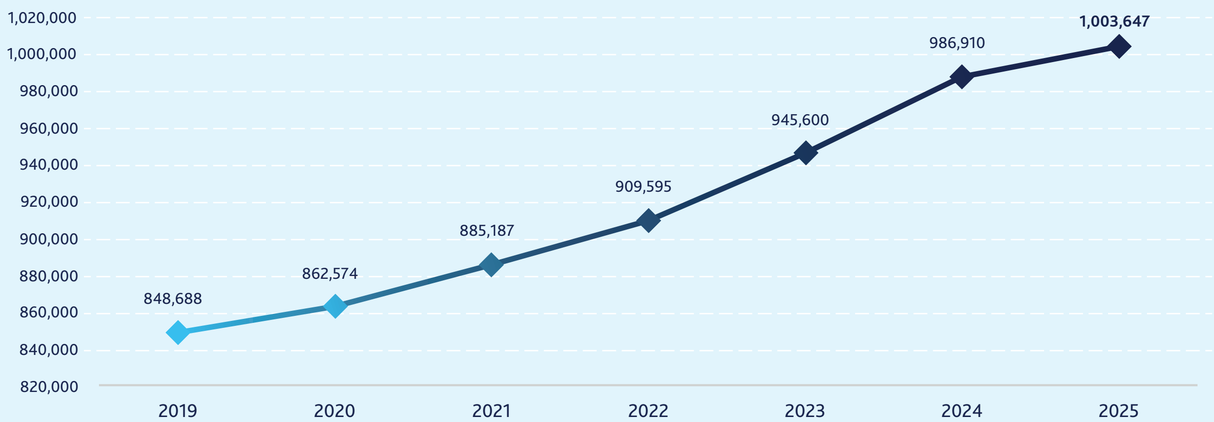
Al Ain's economy continues to demonstrate resilience, underpinned by a substantial public-sector employment base, sustained population expansion and continued government expenditure across housing, infrastructure, healthcare and education. According to the latest 2025 Abu Dhabi Census data, the Al Ain Region accommodated approximately 1,003,647 residents, accounting for around 23% of Abu Dhabi Emirate's total population and reflecting annual growth of 1.7%.

Government and public-sector employment represent a key stabilising force within Al Ain's economy, underpinning household formation, income security and residential demand. Private-sector activity across education, healthcare, retail, logistics, tourism and agriculture is also broadening the economic base and generating occupier requirements across residential and commercial real estate.

Al Ain holds a strategic position within Abu Dhabi's food security agenda, supported by established agricultural producers and agri-processing activities. Tourism provides an additional economic pillar, leveraging the city's cultural heritage, natural attractions and UNESCO World Heritage status. Annual visitor volumes are estimated to exceed one million, largely driven by domestic tourism and generating wider benefits for the hospitality, retail and leisure sectors.

Looking ahead, Al Ain's economic outlook is broadly positive, underpinned by public investment, demographic expansion, Emiratisation programmes and government-backed housing initiatives. Further development across education, healthcare, tourism and agriculture should strengthen economic diversification and reinforce real estate fundamentals. Nevertheless, geopolitical developments, global economic conditions and shifts in investor sentiment warrant monitoring have given their potential implications for consumer confidence and investment activity.

Al Ain Population



Source: Statistics Centre Abu Dhabi (SCAD), MPM Research

> Al Ain's residential market remained stable in H1 2026, supported by population growth, affordability and end-user demand.

Al Ain
Residential Market Overview

Al Ain's residential market demonstrated stable and resilient performance during H1 2026, underpinned by population expansion, comparatively affordable housing options and broadly balanced supply-demand fundamentals. Unlike the more investment-oriented residential markets of Abu Dhabi and Dubai, housing demand in Al Ain is predominantly end-user driven, supported by a sizeable owner-occupier base, government and public-sector employment, and an established population of long-term residents. These characteristics provide the market with a relatively defensive demand profile and reduce its exposure to speculative fluctuations.

The residential landscape is predominantly characterised by mature villa communities and established apartment developments, alongside comparatively modest levels of speculative development. This market structure has helped sustain healthy occupancy levels, while rental performance has remained measured, supported by household formation, stable employment fundamentals and a relatively controlled volume of near-term stock entering the market.

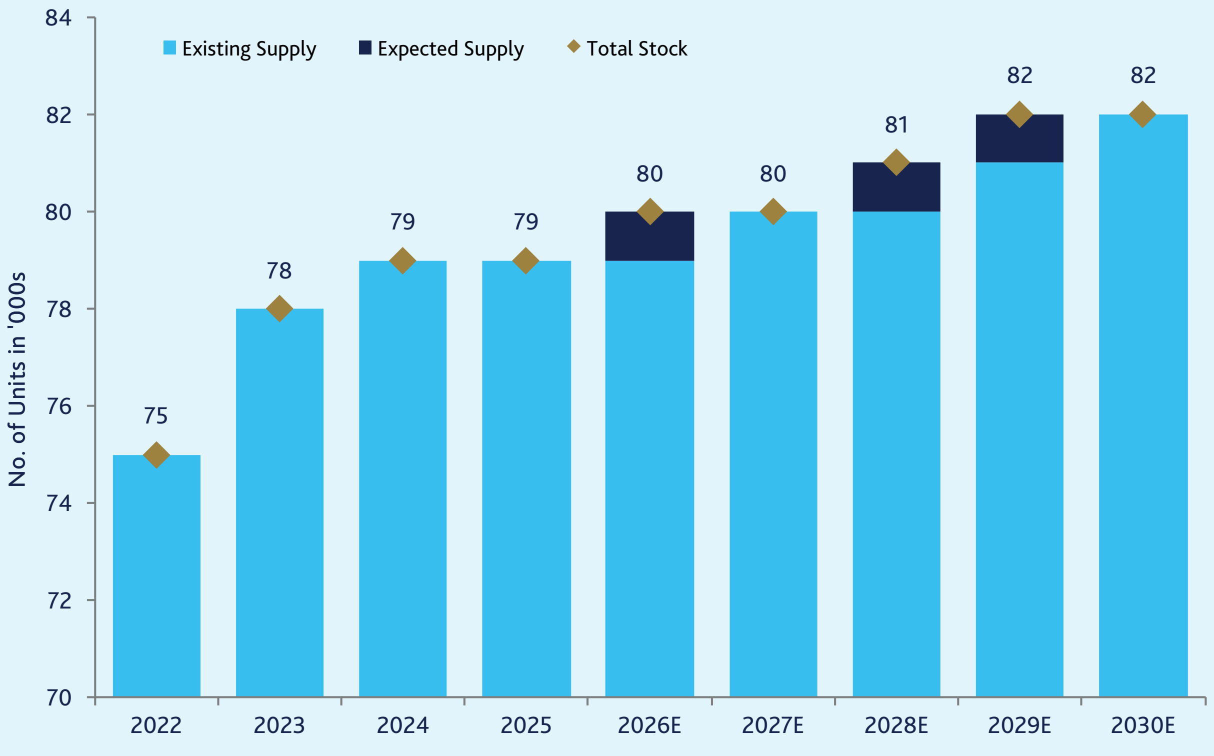
Al Ain

Residential Supply

Residential delivery across Al Ain is shaped predominantly by government-backed residential initiatives, reflecting the authorities' broader objectives to accommodate demographic expansion and facilitate homeownership among UAE nationals. Recent additions include the Al Saad Residential Project, which delivered 306 villas, while a sizeable pipeline of planned residential schemes is anticipated to progressively expand the city's housing inventory over the medium term.

Further strengthening the housing ecosystem, in June 2026, Abu Dhabi Islamic Bank (ADIB) partnered with the Abu Dhabi Housing Authority (ADHA) to introduce instant digital pre-approval for additional Shari'a-compliant home financing for eligible UAE nationals. The initiative facilitates financing for the purchase, construction, expansion or enhancement of residential properties, improving access to homeownership and potentially supporting demand for both newly developed and existing housing stock.

Al Ain Residential Supply 2022 - 2030E



Source:ADREC, MPM Research, H1 2026

Al Ain

Key Residential Projects Under Development

"Major housing projects will add over 5,500 homes by 2028–2029, supporting Al Ain's future residential growth."

Al Metlaa Housing Project
(formerly Al Nabbagh)

Developed by Bloom Holding in partnership with the Abu Dhabi Housing Authority (ADHA) and Abu Dhabi Projects and Infrastructure Centre (ADPIC). The project spans approximately 5.1 sq km and will comprise 2,236 villas for eligible Emirati nationals. With a reported development value of AED 8 billion, completion is expected between late 2028 and 2029.

Al Aamerah Housing Project

Developed by IMKAN Properties under the supervision of ADHA. The first phase covers approximately 5.94 sq km and will deliver 2,350 residential units. The project is valued at AED 8 billion and is scheduled for completion in Q4 2028.

Al Dhaher Housing Project

Developed by LEAD Development under the supervision of ADHA and ADPIC. The first phase extends across approximately 198 hectares and comprises 1,000 villas. The project has an announced value of AED 3.1 billion and is expected to be completed in Q4 2028.

Collectively, these developments will significantly expand Al Ain's housing stock and are expected to support the emirate's long-term housing objectives while accommodating future population growth and household formation.

Al Ain

Rental Transactions

> Rental market strengthened in H1 2026, with leases up 2% and rental values up 3%, supported by steady demand and resilient occupancy.

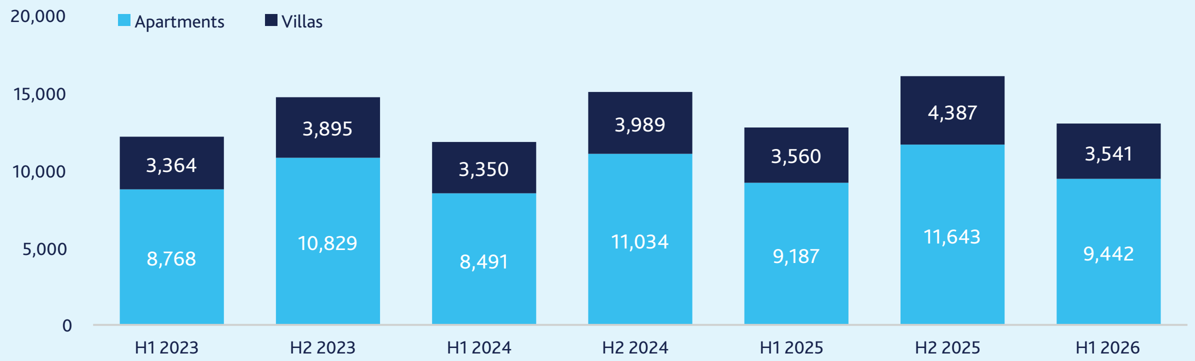
Al Ain's residential rental market recorded 12,983 lease transactions during H1 2026, representing a 2% year-on-year increase. Apartments accounted for 9,442 transactions, compared with 3,541 villa leases, highlighting the stronger depth of activity within the apartment segment.

The aggregate value of residential leases reached approximately AED 0.62 billion, up 3% annually. Apartments represented around 73% of total transactions, reinforcing their position as the predominant rental segment, driven largely by comparatively affordable accommodation and accessibility to employment centres and community infrastructure.

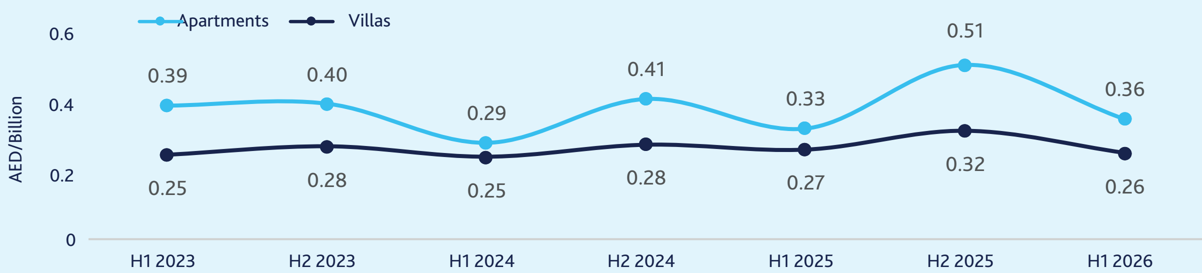
Rental value growth marginally outpaced transaction volumes, indicating measured rental appreciation rather than pronounced pricing pressure. Leasing activity was concentrated across established communities, underpinned by long-term residents, public-sector employees and family households seeking proximity to schools, healthcare, retail and essential amenities.

Compared with the more cyclical markets of Abu Dhabi and Dubai, Al Ain exhibits a defensive rental profile, characterised by lower speculative exposure and a predominantly end-user-oriented tenant base. Government-related employment, demographic growth and balanced supply-demand fundamentals have helped sustain resilient occupancy despite additions to residential stock.

Al Ain Leasing Transactions (Volume)



Al Ain Leasing Transactions (Value)



Source: MPM Research, Quanta, H1 2026

Al Ain

Rental Rates

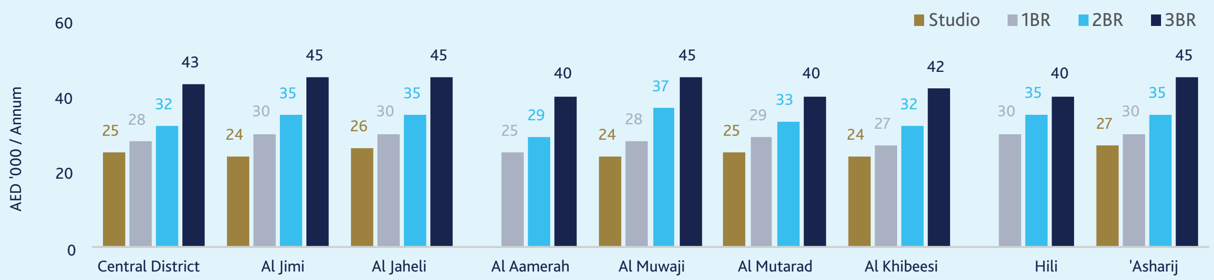
> Al Ain's rental rates grew in H1 2026, led by apartment demand, while affordability continues to support long-term residential appeal.

Residential rental rates in Al Ain strengthened during H1 2026, underpinned by resilient occupier requirements, improving leasing activity and broadly balanced supply-demand fundamentals. Apartment rent increased by up to 7% year-on-year, marginally outperforming the villa segment, where rental values rose by approximately 6% over the same period. The stronger trajectory within apartments was largely attributable to their relative affordability and accessibility for private-sector employees and smaller households. Villa performance, meanwhile, benefited from established family occupiers and Emirati households seeking larger living spaces, enhanced privacy and access to established community amenities.

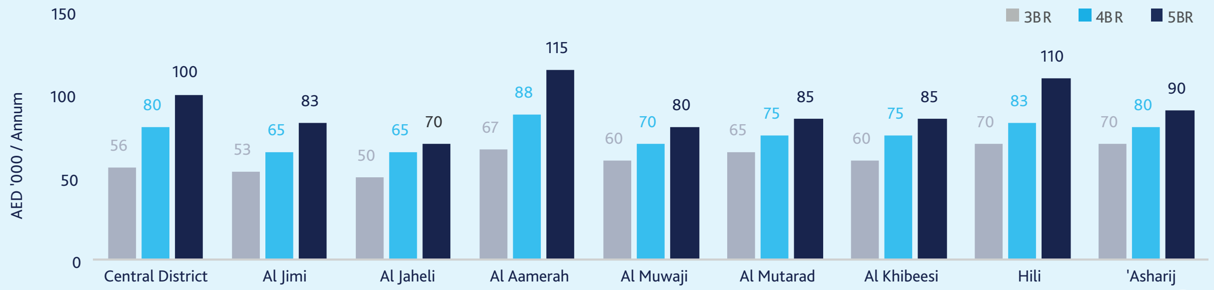
Despite the recent upward movement in rental values, Al Ain retains a distinct affordability advantage within the UAE's residential landscape, with prevailing rents positioned substantially below comparable accommodation in Abu Dhabi and Dubai. This pricing differential strengthens the city's appeal as a cost-effective, long-term residential destination, while providing a degree of resilience against affordability pressures evident in the country's larger metropolitan markets.

Looking ahead, Al Ain's family-oriented residential proposition, established social infrastructure and comparatively lower cost of living are expected to reinforce leasing fundamentals across both apartment and villa segments. The availability of reputable educational institutions, healthcare facilities, retail amenities and well-established community infrastructure further enhances residential appeal, providing a sound foundation for stable occupancy levels and measured rental growth over the near to medium term.

Apartment Rental Rates



Villa Rental Rates



Source: MPM Research, H1 2026

Al Ain

Real Estate Market Outlook

> Al Ain's residential outlook remains stable, supported by population growth, government housing initiatives and steady end-user demand.

Al Ain's residential market is projected to maintain a stable trajectory over the near to medium term, underpinned by demographic growth, government-led housing programmes and a predominantly end-user-driven demand base. Compared with the more investment-oriented markets of Abu Dhabi and Dubai, Al Ain's concentration of owner-occupiers and long-term tenants provides a defensive market structure, characterised by lower speculative exposure and resilient occupancy.

The anticipated delivery of major residential communities, including Al Metlaa, Al Aamerah and Al Dhaher, is expected to materially expand housing inventory between 2028 and 2029. However, phased project completions, population growth and government-backed housing provision should facilitate the orderly absorption of new supply, although performance may vary by location, property type and target household segment.

Rental and sales value appreciation is forecast to remain measured relative to Abu Dhabi and Dubai, consistent with Al Ain's mature and affordability-led market profile. Competitive housing costs established social infrastructure and sustained public-sector investment should preserve residential appeal and underpin healthy occupancy, particularly within established communities offering convenient access to education, healthcare, retail and essential amenities.

Overall, the outlook is cautiously positive, reinforced by favourable demographic fundamentals, housing initiatives and relative affordability. Nevertheless, the timing and concentration of future completions, alongside geopolitical developments and broader macroeconomic conditions, warrant close monitoring. Supply absorption, occupancy and rental performance will remain key indicators as Al Ain enters its next phase of residential expansion.

A Collaborative Team

Providing our integrated services

Contact Us

KHALID ALI AL MANSOORI
Executive Chairman
khalid.almansoori@mpmproperties.ae

STUART JAMES GISSING
CEO
stuart.gissing@mpmproperties.ae

YOUSEF AL ZAROUNI
COO
yousef.alzarouni@mpmproperties.ae

ABDULLAH SAID AL KUWAITI
Director, Business Development
abdullahs@mpmproperties.ae

JUBRAN AL HASHEMI
Head of Property Management
jubran@mpmproperties.ae

ARRAM ZUHUD
Head of Project Management Consultancy
a.zuhud@mpmproperties.ae

ALI SHIBEEB, MRICS
Head of Valuation & Advisory
shibeeb@mpmproperties.ae

MOHAMED RAMI AL SEBAI
Head of Operations
m.alsebai@mpmproperties.ae

WALID ABDELSEID AHMED
Director - Head of Finance
walid.ahmed@mpmproperties.ae

WALID MOHAMED ISMAIL
Head of Legal
walid.ismail@mpmproperties.ae

ALI AHMAD SALEH
Head of Facility Management
ali.saleh@mpmproperties.ae

RIDHWAN RADZI, MRICS
Manager - Strategic Consulting
ahmad.radzi@mpmproperties.ae

SHAZYAH REHMAN - MBA, B. Arch
Manager Research
shazyah.rehman@mpmproperties.ae

LATIFA FOUZ - MBA
Marketing Manager
latifa.fouz@mpmproperties.ae

ALI AL QUDAH
Head of Leasing
ali.alqudah@mpmproperties.ae

NART YAHYA
Head of Sales
nart.yahya@mpmproperties.ae

Abu Dhabi
Ground Floor ADIB Building,
Al Bateen Area

Al Ain
Off: 201-204, ADIB Ladies
Branch, Oud Touba street

Dubai
Office 1405, API Trio Tower,
Al Barsha 1

Sharjah
Ground Floor, AL Ikhlas Tower,
AL Khan Area

80069676 | 026100252 | mpmproperties.ae