



● 2024 Annual

Dubai Rental Yields 2024 Complete Guide

Area-by-area rental yield analysis for apartments and villas. Compare gross yields, average rents, and investment returns across 20+ Dubai communities.

~7.5%

AVG. APT YIELD

~5.5%

AVG. VILLA YIELD

20+

AREAS COVERED

Dubai continued to offer some of the most attractive rental yields among global gateway cities in 2024. Average gross rental yields for apartments stood at approximately 7.5%, while villas and townhouses averaged around 5.5%. These figures significantly outperform comparable cities: London (3–4%), New York (3–4%), Singapore (3–4%), and Hong Kong (2–3%). The highest yields were concentrated in affordable communities such as International City (~11%) and Discovery Gardens (~9.5%), while premium locations like Palm Jumeirah and Downtown Dubai offered lower yields (4–5.5%) but stronger capital appreciation potential. Yields in 2024 were slightly higher than subsequent years because rents were rising strongly while purchase prices had not yet fully caught up. Importantly, all yield figures in this report are gross — actual net yields will be lower after accounting for service charges, maintenance costs, agency fees, and vacancy periods.

AVG. APARTMENT YIELD

~7.5%

Gross yield across all communities

AVG. VILLA YIELD

~5.5%

Gross yield across all communities

HIGHEST APT YIELD

~11%

International City

LONDON COMPARISON

3–4%

Dubai yields ~2x higher

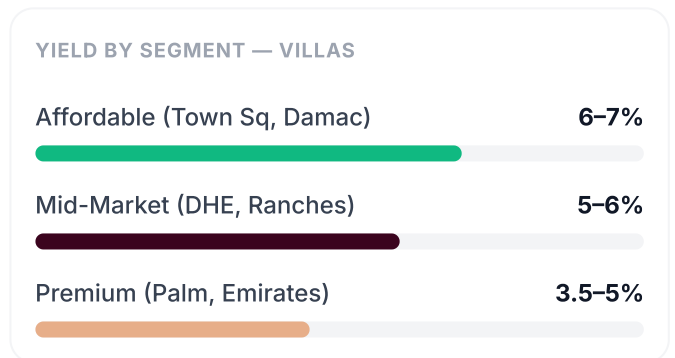
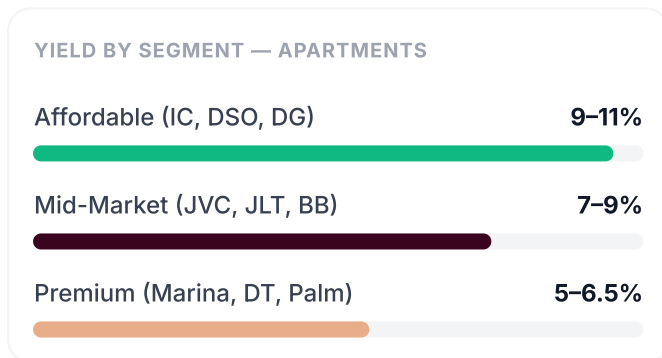
KEY HIGHLIGHTS

- Dubai apartment yields (~7.5%) remain roughly double those of London, New York, and Singapore.
- International City leads with approximately 11% gross yield — the highest among major communities.
- Affordable communities (International City, Discovery Gardens, Dubai South) consistently offer the highest percentage returns.
- Yields in 2024 were elevated as rents rose faster than purchase prices, creating a favorable window for income-focused investors.
- Premium areas (Palm Jumeirah, Downtown) offer lower yields but stronger capital growth potential — investors should consider total return.
- All yields shown are gross estimates. Net yields typically range 1.5–2.5% lower after deducting service charges, vacancy, and maintenance.

The table below compares Dubai's average gross rental yields against other major global cities. Dubai's yield advantage is clear across all property types, making it one of the most attractive markets globally for income-focused real estate investors. This advantage is partly driven by the absence of property income tax in the UAE, allowing investors to retain 100% of rental income before operating expenses.

TRANSACTION SUMMARY

Metric	Apartments	Villas	Change
Dubai	~7.5%	~5.5%	+High
Abu Dhabi	~7.0%	~5.0%	+High
London	~3.5%	~2.5%	+Low
New York	~3.5%	~3.0%	+Low
Singapore	~3.5%	~2.5%	+Low
Hong Kong	~2.5%	~2.0%	+Low



Source: Bayut/dubizzle Annual Market Reports 2024, Knight Frank Research, Global Property Guide. Global city yields are approximate market averages from published sources.

The following table shows gross rental yields for apartments across Dubai's most active communities. Yields are calculated by dividing average annual rent by average purchase price. Communities are ranked by yield from highest to lowest. Investors seeking pure income returns should focus on the top of this table, while those seeking a balance of yield and capital appreciation may prefer mid-table communities.



APARTMENT RENTAL YIELDS BY COMMUNITY

Area	Type	Avg. Price (AED)	AED/sq.ft	YoY
International City	Studio/1BR	~380K	~42,000/yr	+~11.0%
Discovery Gardens	Studio/1BR	~480K	~46,000/yr	+~9.5%
Al Sufouh	1BR/2BR	~720K	~66,000/yr	+~9.2%
JVC	Studio/1BR	~700K	~60,000/yr	+~8.5%
Dubai South	Studio/1BR	~520K	~43,000/yr	+~8.3%
JLT	1BR/2BR	~950K	~72,000/yr	+~7.6%
Dubai Marina	1BR/2BR	~1.4M	~91,000/yr	+~6.5%
Downtown Dubai	1BR/2BR	~1.9M	~105,000/yr	+~5.5%

Source: Bayut/dubizzle Annual Rental Market Report 2024. Prices and rents are approximate averages. "YoY" column shows gross yield percentage, not year-on-year change. Actual yields vary by unit size, floor, view, and building age.

Villa and townhouse yields in Dubai are generally lower than apartments due to higher purchase prices, but they remain competitive globally. The most affordable villa communities (Town Square, Damac Hills) offer yields approaching 6.5–7%, while ultra-premium communities like Palm Jumeirah and Emirates Hills fall in the 3.5–4.5% range. Villa investors typically benefit from stronger long-term capital appreciation to complement rental income.

TOP AREAS — APARTMENTS (BY TRANSACTION VOLUME)

#	Area	Transactions	Avg. Price	Yield
1	Town Square	3BR TH	~AED 1.3M	~6.5%
2	Damac Hills	3BR TH	~AED 1.9M	~6.0%
3	Villanova	3BR TH	~AED 1.8M	~6.0%
4	Dubai Hills Estate	3-4BR Villa	~AED 3.0M	~5.5%
5	Arabian Ranches	3-4BR Villa	~AED 3.5M	~5.0%
6	Jumeirah Golf Estates	4-5BR Villa	~AED 4.8M	~4.8%
7	Palm Jumeirah	4-5BR Villa	~AED 12M+	~4.0%
8	Emirates Hills	5-6BR Villa	~AED 22M+	~3.5%

TOP AREAS — VILLAS/TOWNHOUSES (BY TRANSACTION VOLUME)

#	Area	Transactions	Avg. Price	Yield
1	Studio Apartments	Citywide avg	~AED 400K	~9.0%
2	1BR Apartments	Citywide avg	~AED 750K	~7.5%
3	2BR Apartments	Citywide avg	~AED 1.2M	~6.8%
4	3BR Apartments	Citywide avg	~AED 1.9M	~6.0%
5	3BR Townhouse	Citywide avg	~AED 2.2M	~5.8%
6	4BR Villa	Citywide avg	~AED 4.0M	~5.0%

Source: Bayut/dubizzle Annual Market Reports 2024, Knight Frank Research. All yields are gross estimates. Villa yields calculated on average asking rents and transacted sale prices.

Understanding the difference between gross and net yield is essential for making informed investment decisions. Gross yield is simply annual rent divided by purchase price. Net yield deducts operating costs — which in Dubai typically include service charges (AED 12–25 per sq.ft per year), property management fees (5–8% of rent), and an assumed vacancy rate (2–4 weeks per year). The table below illustrates the impact of these deductions on actual investment returns.

GROSS VS NET — AFFORDABLE

9–11%

Average Gross Yield

Average Annual Rent

Net estimate: 7–9% after costs

GROSS VS NET — PREMIUM

5–6.5%

Average Gross Yield

Average Annual Rent

Net estimate: 3–4.5% after costs

TOP AREAS BY RENTAL YIELD

Area	Type	Avg. Rent (AED/yr)	Avg. Price (AED)	Gross Yield
Service Charges	Annual	AED 12–25/sqft	Varies by building	Deduction
Property Mgmt Fee	Annual	5–8% of rent	If using agent	Deduction
Vacancy Allowance	Annual	2–4 weeks	~4–8% of rent	Deduction
DEWA Connection	Per tenant	~AED 2,000	One-time	Minor
Insurance	Annual	~AED 1,000–3,000	Building insurance	Minor
Maintenance Reserve	Annual	1–2% of value	Recommended	Deduction
DLD Registration Fee	One-time	4% of price	At purchase only	Capital cost
Agency Fee (Purchase)	One-time	2% of price	At purchase only	Capital cost

Source: Figures are market estimates based on published industry data and commonly reported cost ranges. Actual costs vary significantly by community, building age, and property type.

Looking at rental market dynamics heading into 2025, several factors will influence yields. The significant new supply pipeline (50,000–70,000 units expected) could put downward pressure on rents in communities with heavy delivery schedules. However, continued population growth and demand from new residents should absorb much of this supply. Purchase prices are expected to continue rising, which may compress yields in 2025 compared to 2024 levels. Investors should pay close attention to community-level supply dynamics rather than relying on citywide averages.

0%

INCOME TAX ON RENT

2–4 wks

AVG. VACANCY PERIOD

5–8%

MGMT FEE (OF RENT)

MARKET OUTLOOK



No Income Tax Advantage

UAE has no personal income tax, meaning 100% of rental income is retained before operating expenses. This is a significant structural advantage over most global markets.



Strong Tenant Demand

Continued population growth, Golden Visa holders, and corporate relocations are driving rental demand across all segments. Rents rose faster than purchase prices in many communities during 2024.



Favorable Rent-to-Price Ratio

In 2024, rents continued to rise while purchase prices in many areas had not yet fully caught up, creating a window of higher-than-usual gross yields for new investors.



Yield Compression Expected

As purchase prices catch up to rising rents, gross yields are expected to compress in 2025. Investors buying in 2024 may lock in higher yields compared to later entrants.



Supply Risk in Select Communities

Heavy new delivery in mid-market communities (JVC, Dubai South, MBR City) could create temporary rental softening and vacancy spikes in 2025–2026.



Short-Term Rental Opportunity

Holiday home/short-term rental yields can be 30–50% higher than long-term leases, but come with higher operating costs, vacancy risk, and regulatory requirements (DET license).

KEY RISK FACTORS

- New supply delivery in 2025–2026 could exceed absorption in certain sub-markets, pushing rents down.
- Rising purchase prices may compress yields for new buyers entering the market in 2025.
- Rising service charges in older buildings may erode net yields over time.
- Regulatory changes to rental increase caps (RERA rental index) can limit yield optimization.
- Currency risk for non-USD investors — AED is pegged to USD, which may appreciate against other currencies.

DATA SOURCES & METHODOLOGY

- Gross rental yields are calculated as: $(\text{average annual rent} \div \text{average purchase price}) \times 100$. This is the standard methodology used by Bayut, Knight Frank, and other industry sources.
- Average rents are based on advertised rental listings aggregated by Bayut/dubizzle for 2024. Actual achieved rents may differ.
- Average purchase prices are based on transacted values reported by the Dubai Land Department (DLD) via DXB Interact.
- Net yield estimates account for service charges, management fees, and vacancy but exclude mortgage costs, as these vary by buyer.
- Global city yield comparisons are sourced from Global Property Guide, Knight Frank Wealth Report, and Savills World Cities Report.
- All yields are point-in-time estimates for 2024 and should not be extrapolated to future periods.

DISCLAIMER

This report is prepared by Real Estate Club Dubai for informational purposes only. The data and analysis presented are based on publicly available information from the Dubai Land Department (DLD), DXB Interact, and other cited sources. While every effort has been made to ensure accuracy, Real Estate Club Dubai makes no representations or warranties regarding the completeness or accuracy of the information contained herein. This report does not constitute financial, investment, or legal advice. Past performance is not indicative of future results. Readers should conduct their own due diligence and consult qualified professionals before making any investment decisions. All figures are in AED unless otherwise stated.



Real Estate Club Dubai

Your trusted source for Dubai real estate market intelligence

realestateclubdubai.com | info@realestateclubdubai.com