

**Quantifying the Impact of Regional Conflict on**

**Dubai's**

**Real Estate Market**

**White Paper**

**Ambéone Institute of AI & Data Science**

**Marketways Arabia**

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# Disclaimer

This whitepaper is prepared for informational and research purposes only and does not constitute investment or financial advice, or any recommendation to buy or sell real estate.

This analysis is based on historical Dubai Pulse data and reflects the authors' interpretation using appropriate statistical models. Findings should be interpreted in the context of the underlying data and methodology.

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Data Source: Dubai Pulse

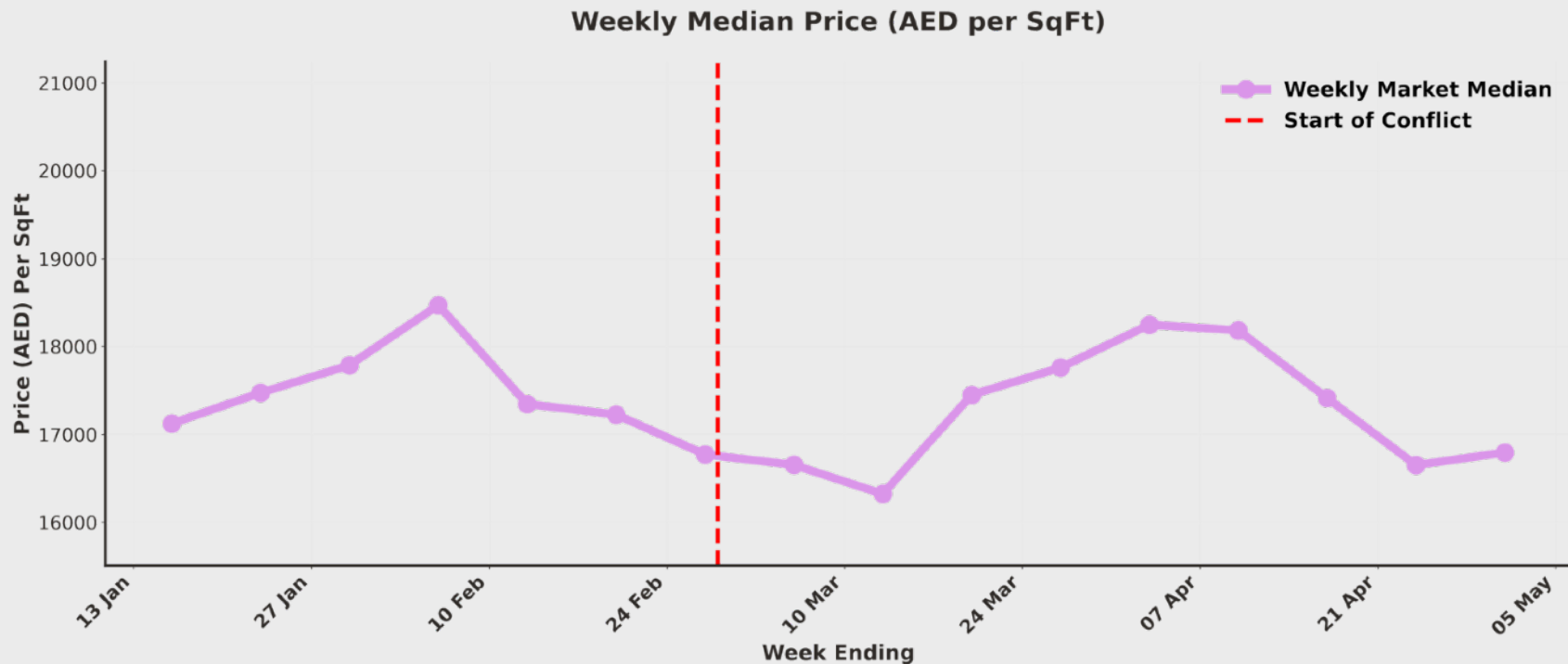
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# Executive Summary

## Market Resilience Under Macro-Shock



- **Robust statistical modelling of 66,348 residential sale transactions finds no meaningful impact of the February 2026 regional conflict on price formation.**
- **Despite the conflict, Dubai property prices remained structurally stable. In fact exhibits mild positive price momentum.**
- **Transaction volume has softened temporarily, but without distress-driven selling.**
- **This investor behaviour reinforces Dubai's position as a safe-haven real estate market.**

# Impact of Conflict on Real Estate Price

# Modelling Impact of Conflict on Price

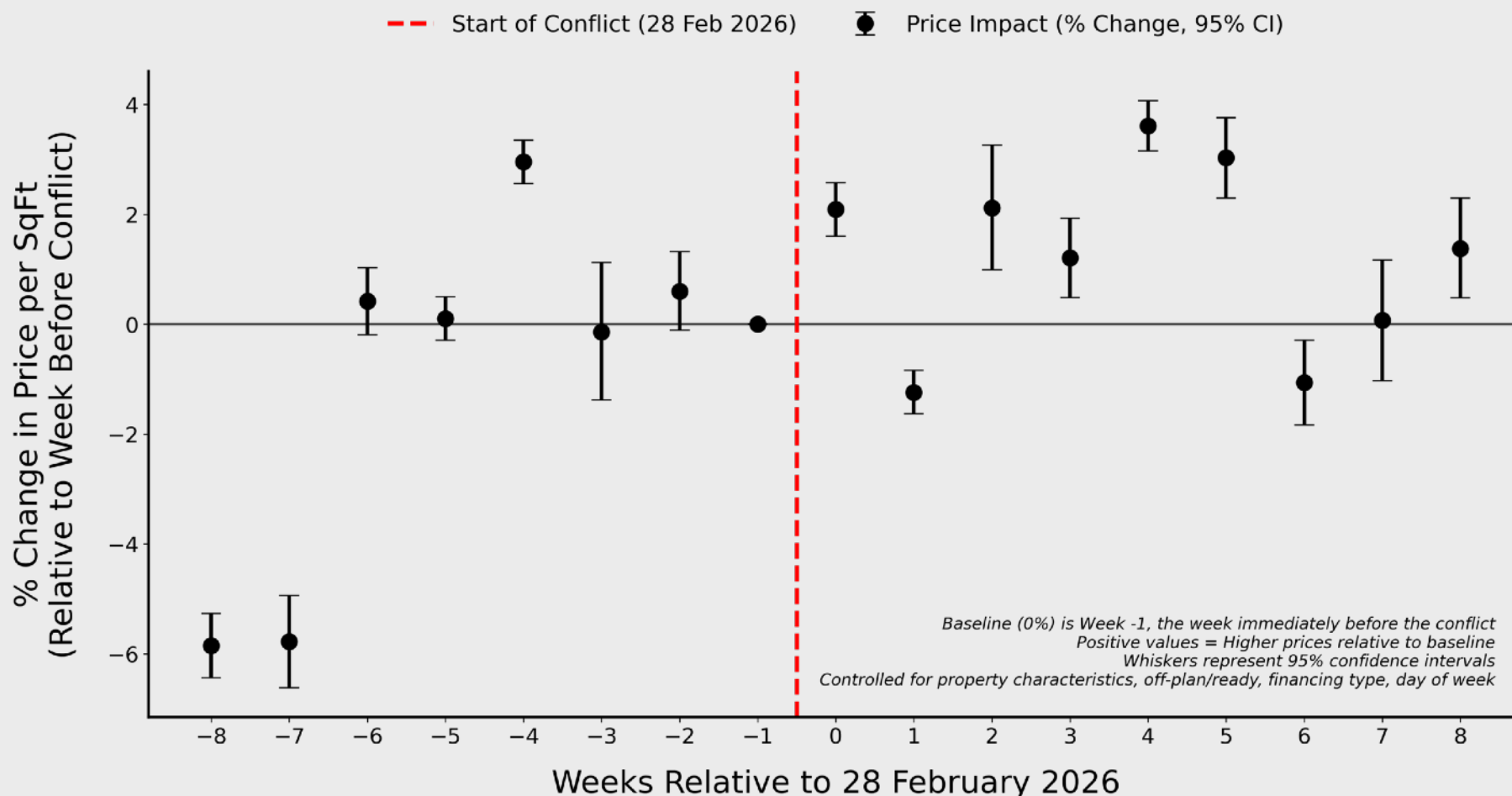
## Did the conflict impact Dubai real estate prices?

**Short Answer:** No. The market showed resilience with modest positive price movement

What We Tested	How did the February 28, 2026 conflict affect Dubai's residential property prices per sqft?
What Data Did We Use	66,348 residential sale transactions (Jan to early May 2026) Source : Dubai Pulse
How We Modelled It	<ul style="list-style-type: none"><li>- Built a <b>Time-Relative Event Study Model</b> on log of price per sqft</li><li>- Used the week immediately before the conflict (Week -1) as the baseline</li><li>- Compared prices every week before and after the conflict to those in the baseline week</li><li>- Checked whether prices increased, decreased or held steady after the conflict</li><li>- Isolated effect of conflict from normal market price momentum</li><li>- Controlled for property characteristics, off-plan/ready, financing type, and day of the week effects</li></ul>
Why This Model	<ul style="list-style-type: none"><li>- Transforms a complex isolation problem into a clean, interpretable "<b>conflict impact signal</b>"</li><li>- Addresses common statistical pitfalls, like mixing market momentum with event effects</li><li>- Clearly separates short-term immediate impact from longer-term price dynamics</li><li>- Methodologically robust and defensible</li></ul>
Key Findings (ceteris paribus)	<ul style="list-style-type: none"><li>- <b>No Price Collapse.</b> Modest +2.0% increase immediately after the conflict.</li><li>- Villas &amp; Townhouses carry a strong 13% premium over Apartments</li><li>- Off-plan properties continue to command a premium over ready properties</li><li>- Model explains 64% of price variations (good adjusted R<sup>2</sup>) with significant results</li></ul>
What This Means	Dubai's residential market absorbed the shock well. Instead of falling, it held steady with mild positive momentum, especially in the villa segment. This reinforces Dubai's position as a <b>safe-haven</b> real estate market.

# Examining the Conflict Impact Signal

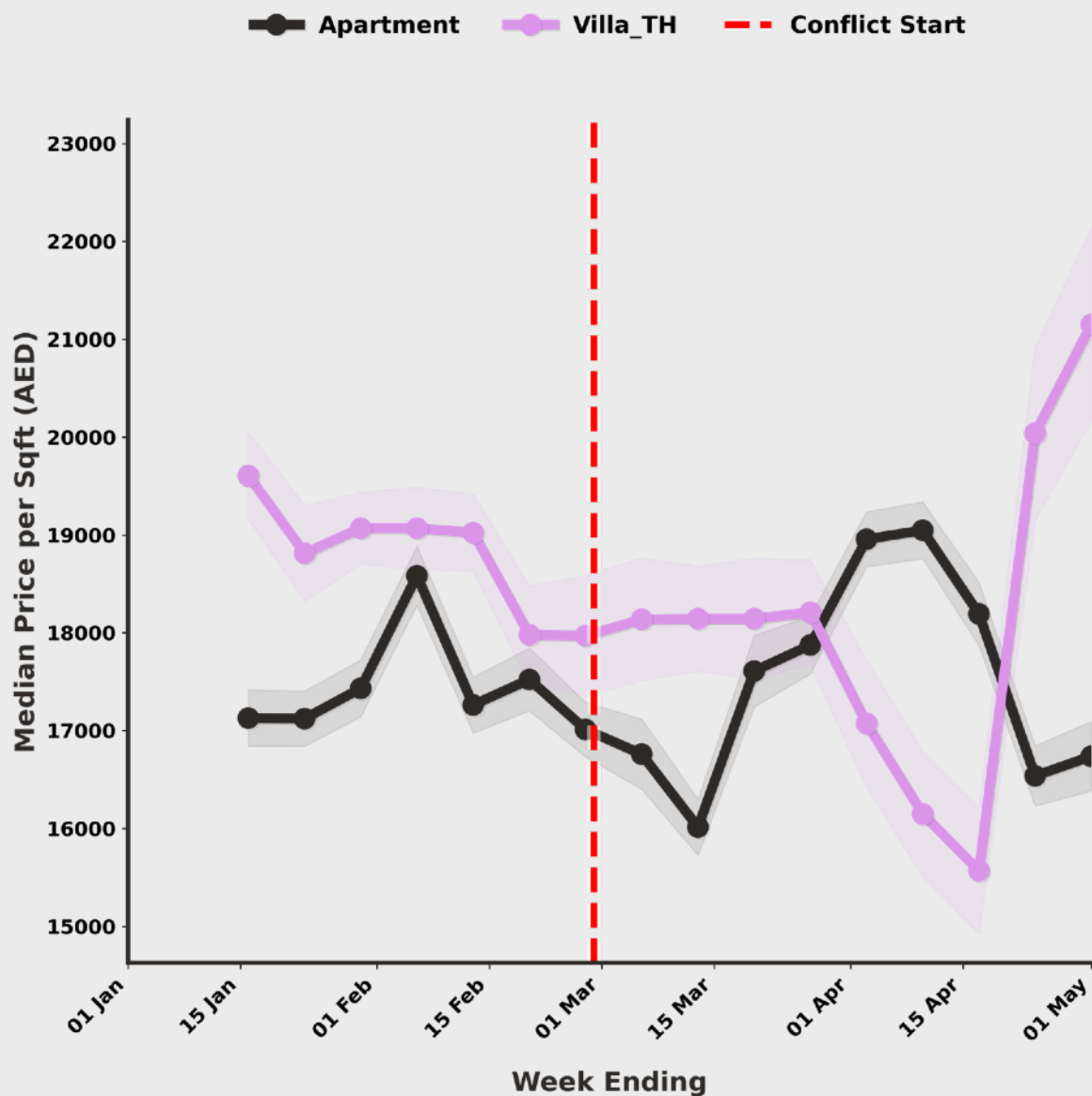
## Dubai Property Prices Relative To Pre-Conflict Week



### Market remained at or above pre-conflict price levels (95% confidence)

Weeks Before The Conflict	Conflict Week As Baseline	Weeks After The Conflict
Prices stabilising relative to the baseline week.	Week -1 (the week immediately before 28 February) used as the pre-conflict benchmark.	Prices showed a modest increase and stayed elevated by +2.5% to +3.5% in weeks 4-5, relative to the baseline week.

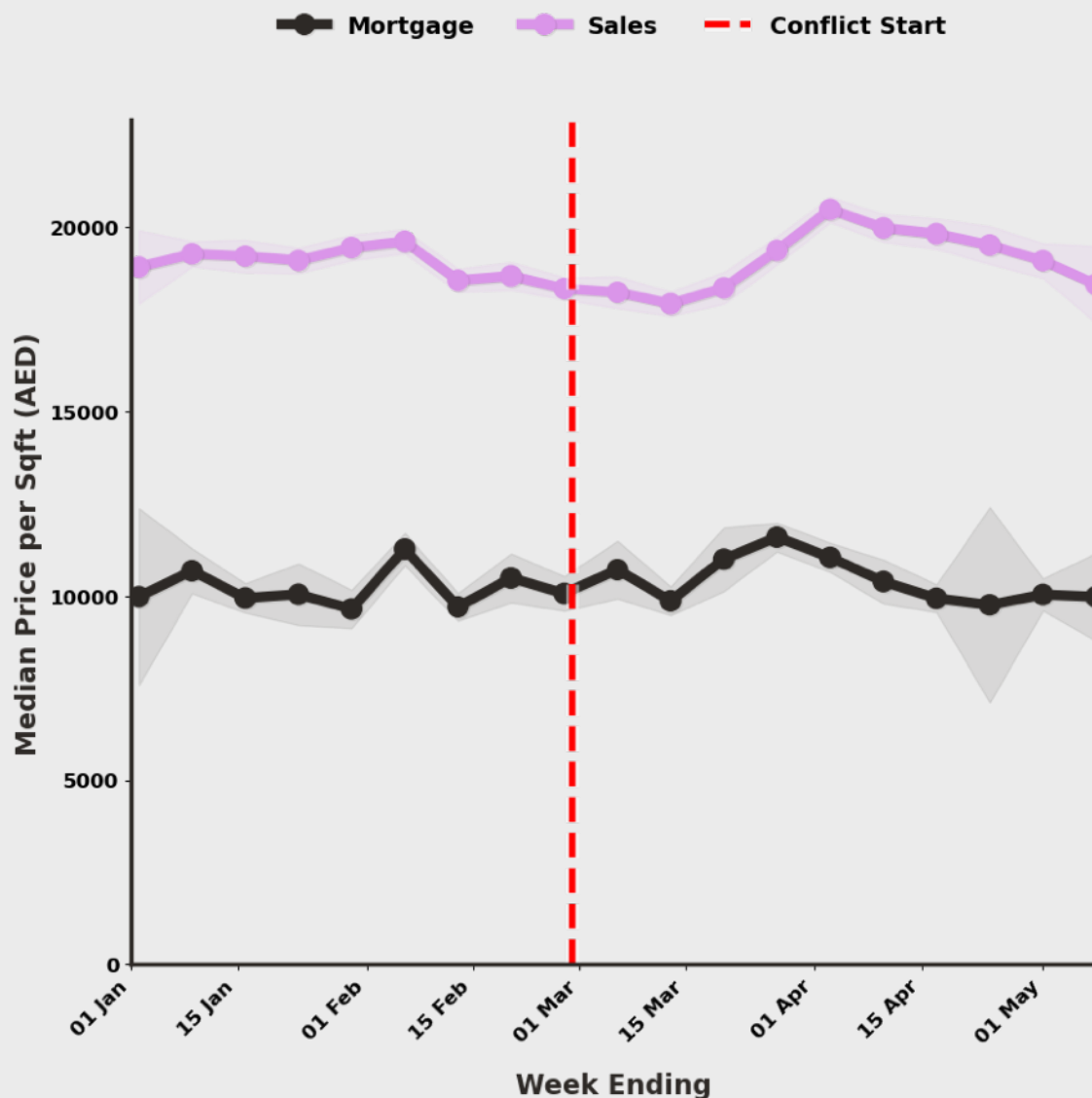
# Weekly Median Price Apartments Vs. Villas



- Villas & Townhouses command a strong 13% price premium over Apartments (ceteris paribus).
- Both segments showed resilience after the conflict with no major price collapse.
- Villas demonstrated relatively stronger price stability and mild positive momentum compared to apartments.
- **Note:** Transaction volume, however, declined post-event.
- Price stability amid falling volume likely reflects seller reluctance to accept lower prices.

# Weekly Median Price

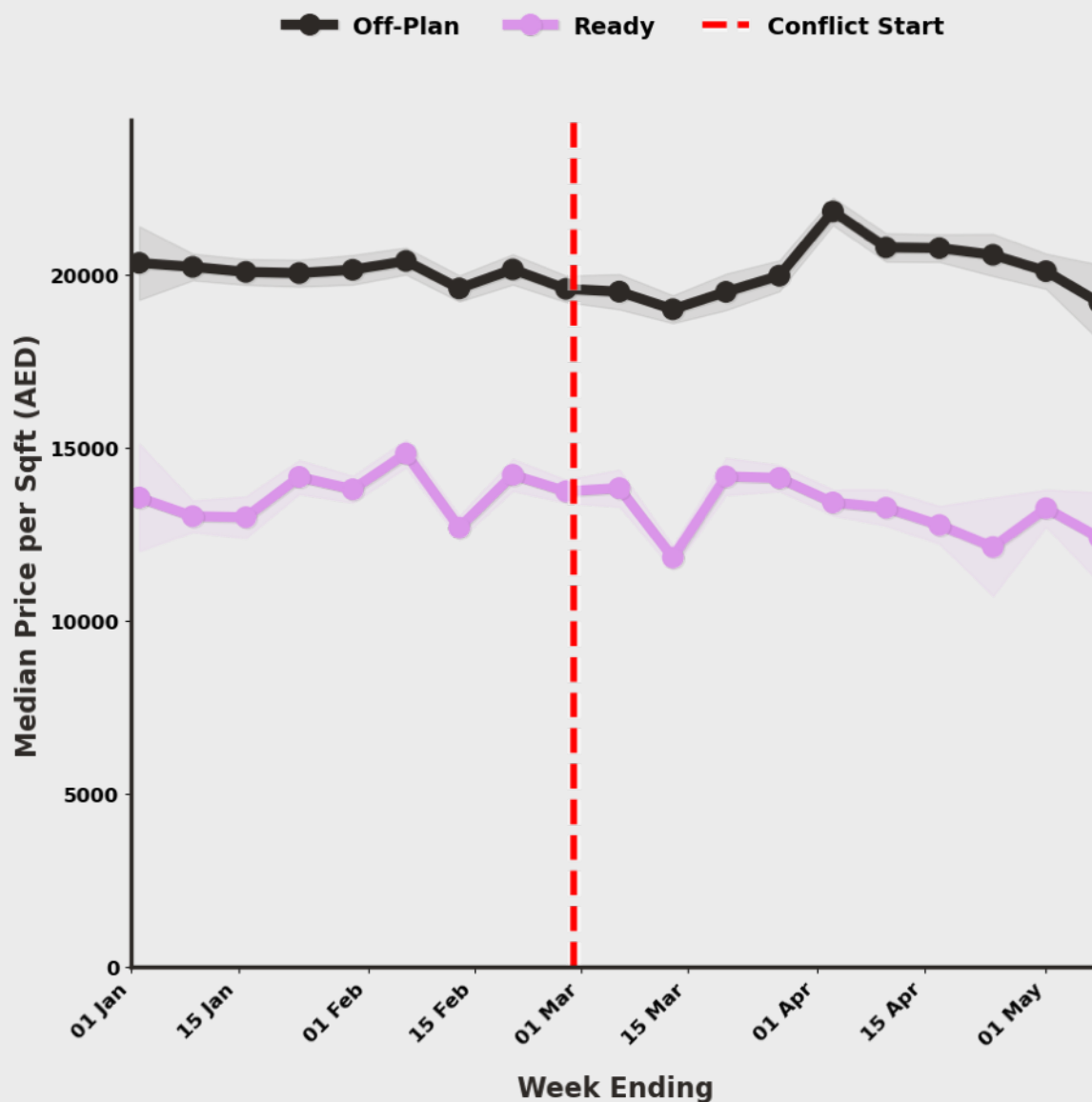
## Mortgage Vs. Cash



- Both Mortgage and Cash (Sales) transactions demonstrated resilience after the conflict.
- Cash buyers showed slightly stronger price stability compared to mortgage-finance deals.
- Villas maintained their strong premium across both payment types.

# Weekly Median Price

## Off-Plan Vs. Ready



- Off-plan and Ready properties both held firm post-conflict
- Off-Plan units maintained a noticeable premium over ready ones.
- Ready properties exhibited stronger price stability.

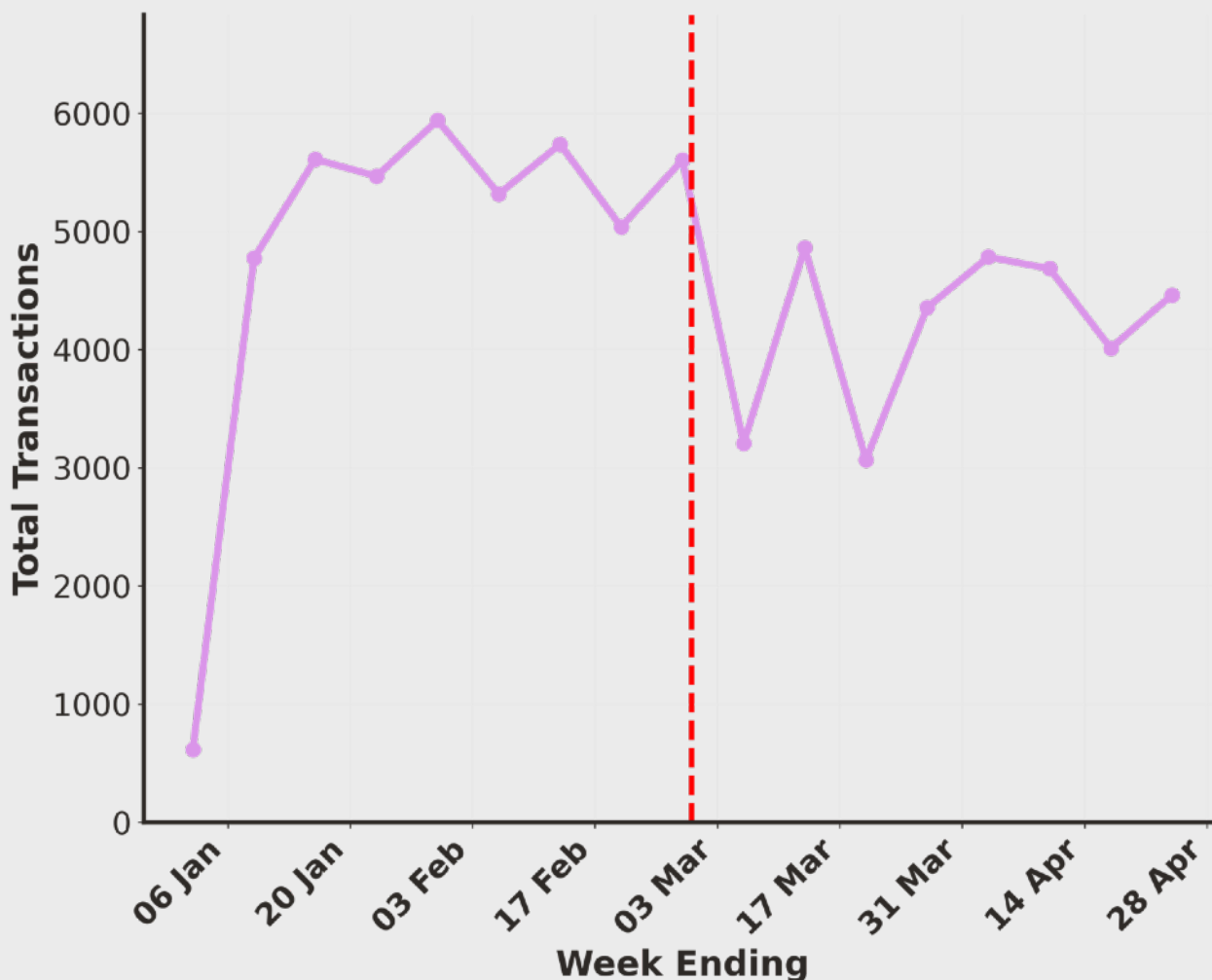
# Impact of Conflict on Real Estate Sales Volume

# Transaction Volume

## Weekly Sales

**Weekly Market Volume (Total Transactions)**

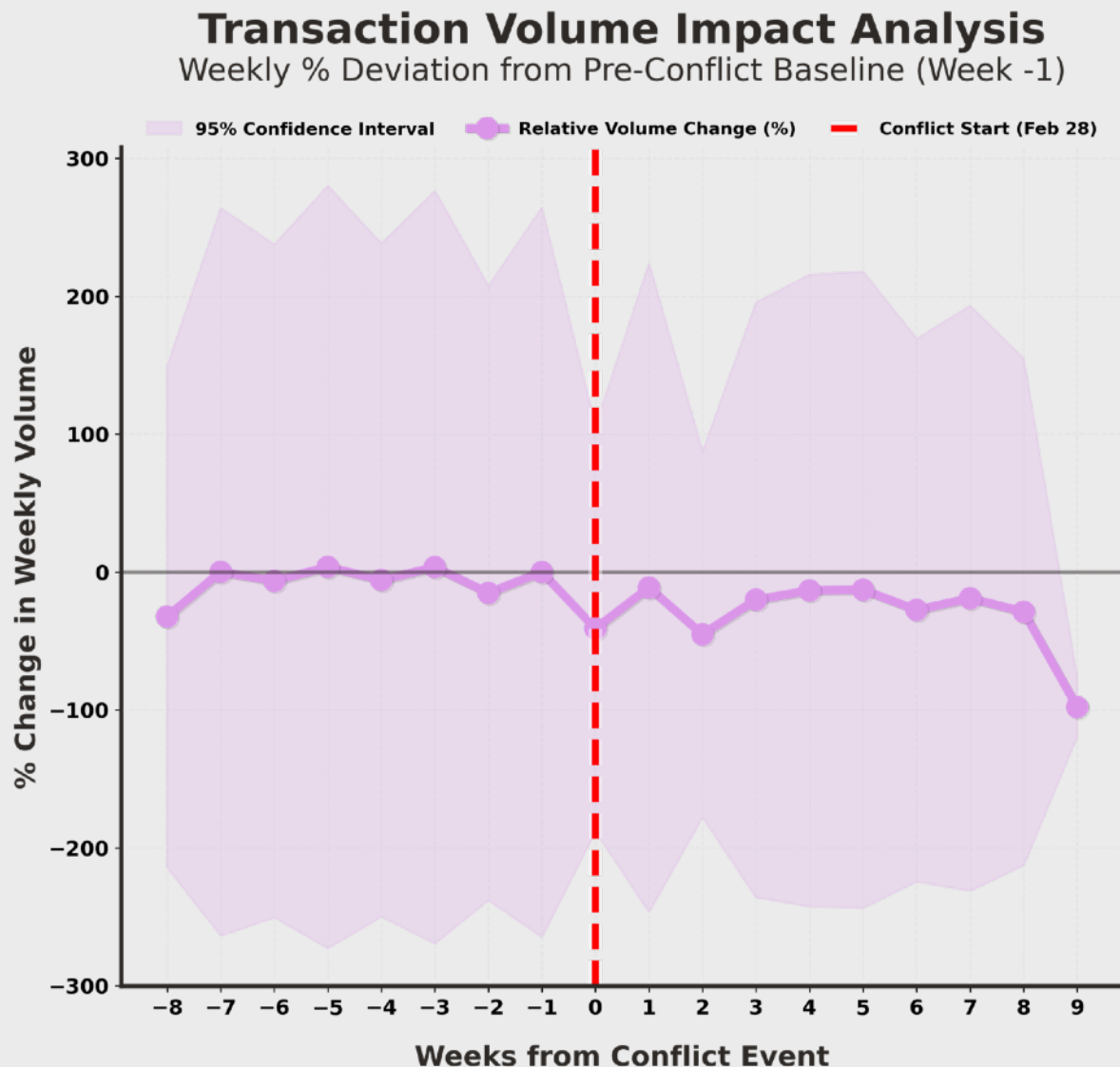
—●— Weekly Transaction Volume    - - - Start of Conflict



- Transaction volume was seasonally low in early January due to new year.
- Activity picked up strongly from Mid-January.
- Transaction volume declined noticeably in the weeks following the conflict.
- However, weekly transaction counts are naturally volatile.

# Modelling Impact of Conflict on Volume

Conflict Impact on transaction volume remain statistically inconclusive after controlling for latent market variables

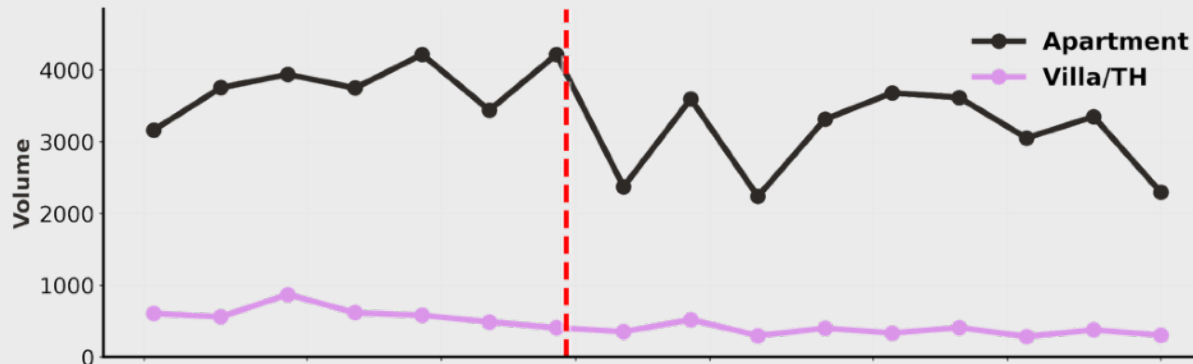


- Applied the same event study framework as the price analysis (relative to Week -1 baseline).
- Used Poisson and Negative Binomial regressions, appropriate for count data.
- Identical controls used.
- Models show a downward trend in volume after the conflict.
- However, wide confidence intervals and high weekly volatility, the results are statistically inconclusive.
- The decline should be interpreted within a broader market context, rather than as a direct effect of the conflict alone.

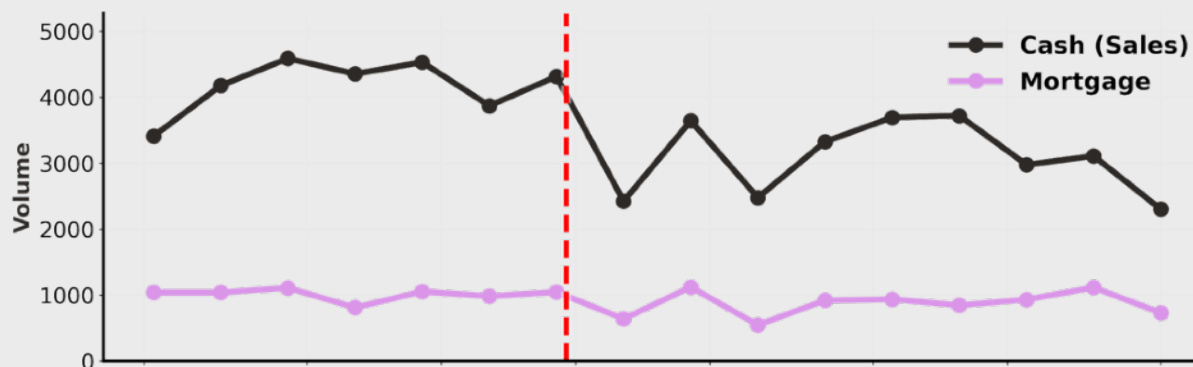
# Volume Trends Across Key Segments

Apartments vs Villas | Cash vs Mortgage | Ready vs Off-Plan

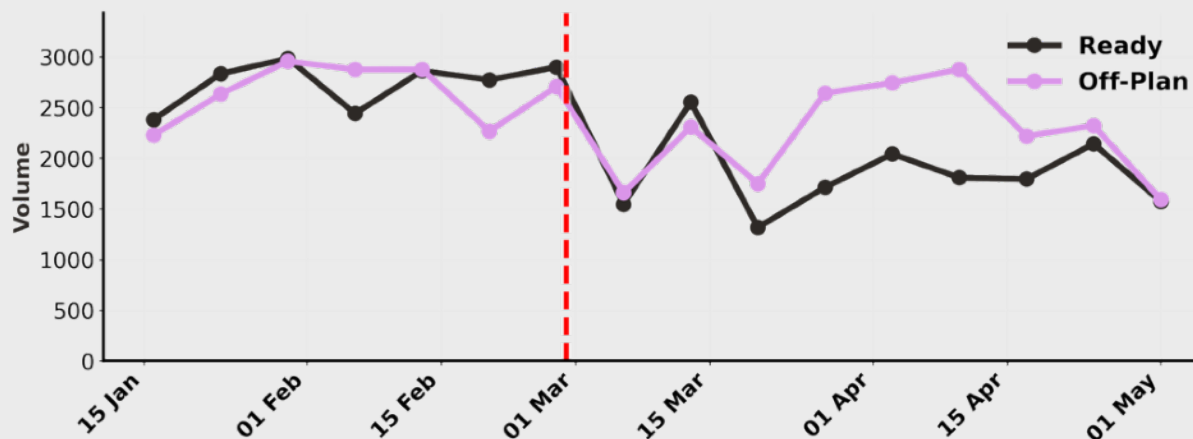
### I. Asset Segmentation: Apartment vs Villa



### II. Capital Structure: Cash vs Mortgage



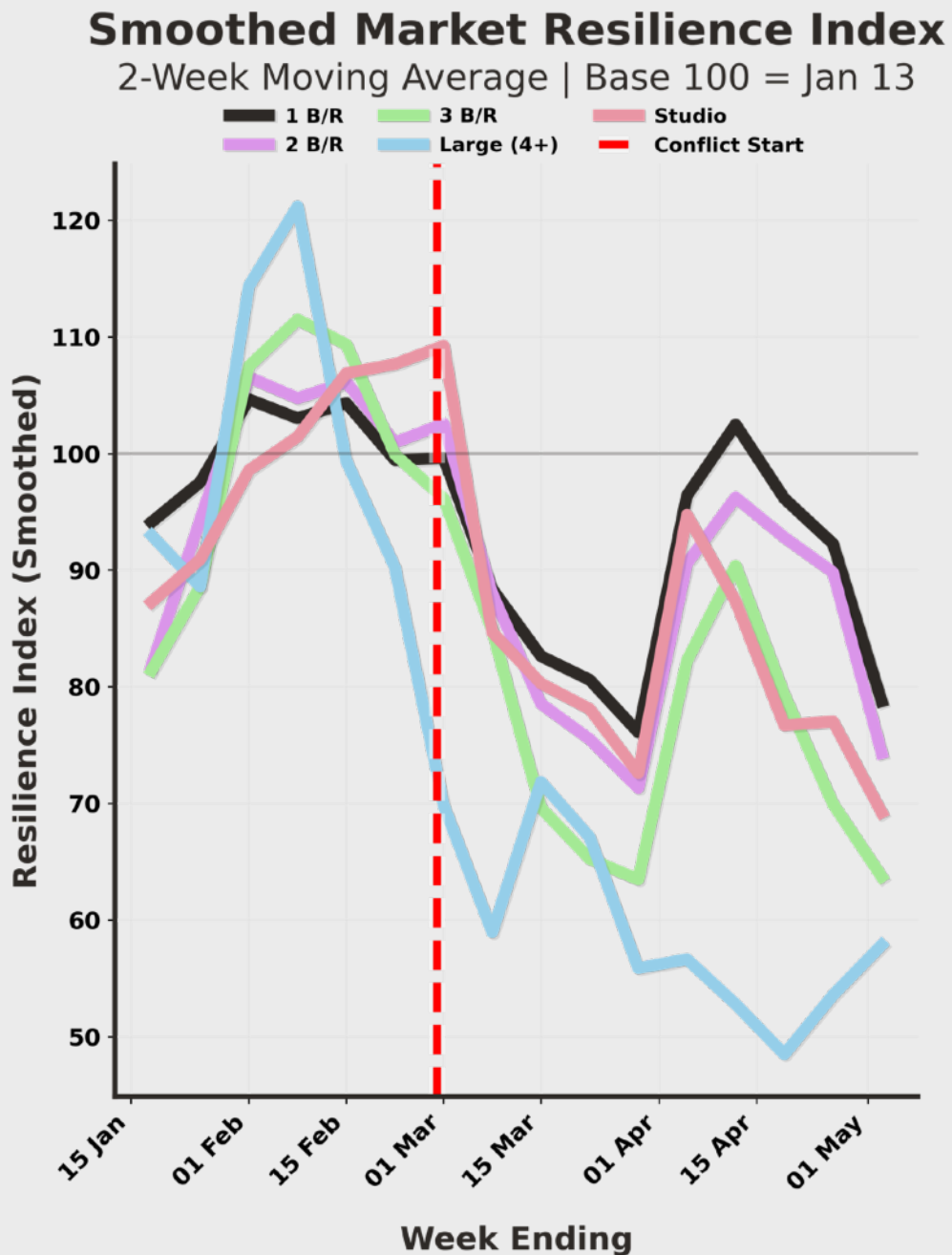
### III. Inventory Velocity: Ready vs Off-Plan



- Results from Apartments dominate transaction volume.
- Villas/Townhouses record significantly lower volume (~30% lower, ceteris paribus).
- Cash sales remained relatively stronger than mortgage-funded transactions post-conflict.
- Off-Plan units maintained better volume resilience compared to Ready properties.

# Market Resilience Sales Index

2-Week Moving Average | Base 100 = Week of 13 Jan 2026



- Transaction activity shows clear post-event volatility, rather than a uniform market decline.
- All segments experienced a sharp dip immediately after the event, followed by partial recovery.
- Larger units (4+ BR) saw the most pronounced and sustained decline, indicating higher sensitivity to uncertainty.
- Mid-sized units (2–3 BR) demonstrated relatively stronger resilience, with quicker stabilization.
- Studios and 1 BR units show moderate fluctuations, reflecting comparatively stable activity levels.
- Recent weeks indicate selective and uneven recovery across segments.

# Conclusion

Dubai's residential real estate market has once again demonstrated remarkable resilience.

Robust statistical modelling of over 66,000 sale transactions between January and early May 2026 confirms that the February 2026 regional conflict had no meaningful impact on price formation.

Prices remained structurally stable and, in fact, exhibited mild positive momentum in the weeks following the event. Eight weeks later later, values are at, or in some cases, above pre-conflict levels, suggesting the shock has already been absorbed.

While transaction volumes softened temporarily, the decline was statistically inconclusive and showed no evidence of distress-driven selling. Instead, price floors held firm, reinforcing Dubai's well-established position as a safe-haven real estate market.

## **Study Limitations**

This analysis is based on data available up to early May 2026, providing a relatively short post-conflict observation window of approximately nine weeks.

The modelling approach was intentionally designed to avoid common pitfalls in event studies, ensuring clean isolation of the conflict's impact on both price and transaction volume.

However, longer-term effects require continued observation as additional transaction data becomes available.

Full statistical outputs, model diagnostics, and the complete dataset used in this study are available upon request. For further details or custom analysis, kindly contact the Ambéone Institute of AI & Data Science at [info@ambeone.com](mailto:info@ambeone.com) or +971 50 384 0505.



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