

# Real estate market boom in the UAE and migration flows



# GLMM Policy Brief

No. 23. June 2025



Gulf Research Center  
Knowledge for All

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### Executive Summary

This policy brief analyzes the role of real estate development as an influencing factor in international migration flows to the GCC countries. Examining specifically the spectacular growth of the real estate sector in the UAE over the last decades, it evaluates the factors behind its success among international clientele such as the availability of long-term residency, market competitiveness, high level infrastructure development and eased conditions of property purchase that have attracted new investors and residents to the UAE; a model that other countries in the GCC have started to recently emulate. In addition, given that the emirate of Dubai had an early start opening its property sector to foreign investments, the brief focuses on the lessons learned from the past real estate bubble that have currently made Dubai the most successful real estate market in the region. Consequently, the regulations implemented may serve as a model for other emirates and GCC countries. Finally, the brief also offers recommendations for maintaining the stable growth and attractiveness of the property sector in the years to come.

### Introduction

The real estate market in the UAE experienced a fast recovery following the global economic downturn caused by the COVID-19 pandemic. This is especially true for the emirate of Dubai, which saw a strong uptake in property sales transactions as early as 2021 (Government of Dubai, 28 January 2022). Abu Dhabi and Ras Al Khaimah (RAK) followed suit by announcing multiple new developments open to foreign investments, among them, the country's first-ever luxury casino resort and residences in RAK. The growth in the volume of transactions in Dubai was accompanied by an increase in population that, as of 2023, exceeded 3.5 million for the first time in the country's history (Gulf News, 25 June 2023), highlighting that Dubai has firmly cemented its position as an attractive destination for international migration flows, creating an even stronger appeal since the pandemic.