Vol. I
Q2 2026 · INAUGURAL ISSUE

FIRST CLASS
PROPERTY MANAGEMENT

THE UAE SHORT-TERM RENTAL INDEX

STATE OF THE UAE MARKET.

A quarterly study of performance, supply, demand, and yield across Dubai, Abu Dhabi, and Ras Al Khaimah.

PERFECTED BY FIRST CLASS

MARKET - Q2 2026		FIRST CLASS PORTFOLIO	
REVPAR	OCCUPANCY	REVPAR	OCCUPANCY
AED 178	48%	AED 234	87%

Luis Santos

CO-FOUNDER & MANAGING DIRECTOR

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FOREWORD

A NEW STANDARD FOR MARKET INTELLIGENCE.

The UAE short-term rental market is now one of the most dynamic in the world — yet the data behind it remains fragmented and opaque.

This inaugural edition arrives at a consequential moment: Q2 2026 is the first full quarter shaped by the regional conflict escalation of mid-March, even as the UAE doubled down on tourism with landmark commitments like Sphere Abu Dhabi. Our aim is to cut through the noise with first-party operating data, reconciled against market and official sources.

Built on managed-portfolio operations, validated against market and property datasets, and contextualised through Dubai's DET and Abu Dhabi's DCT.

Luis Santos & Rohollah Rohparwar · Co-Founders & Managing Directors

CONTENTS

INSIDE THIS ISSUE.

01 - EXECUTIVE DASHBOARD

Q2 2026 IN EIGHT NUMBERS.

Each metric is shown with its year-on-year change given equal prominence — because in this market, the trajectory matters as much as the level.

CITYWIDE ADR — AED

AED 373

-17.9%

Rates repriced after the mid-March demand shock.

vs AED 455 · Q2 '25

CITYWIDE OCCUPANCY — %

48%

-25.6 PTS

Tourist demand fell sharply from mid-March.

vs 73.3% · Q2 '25

CITYWIDE REVPAR — AED

178

-46.5%

Rate and occupancy fell together as tourist demand stopped.

vs AED 333 · Q2 '25

ACTIVE LISTINGS · DUBAI — LISTINGS

33,795

+10.2%

Listings peaked at 36,500 in January, contracting since March.

-7.4% vs Jan peak.

vs 30,680 · Q2 '25

CITYWIDE LOS — NIGHTS

6.0 NTS

+1.0 NTS

Longer stays supported revenue stability.

vs 5.0 nts · Q2 '25

MARKET BOOKING WINDOW — DAYS

2.0 DAYS

-2.0 DAYS

Uncertainty compressed booking lead times.

vs 4.0 days · Q2 '25

FC PORTFOLIO LENGTH OF STAY — NIGHTS

21.3 NTS

+14.8 NTS

The model shift in one number.

vs 6.0 nts market

Q2 '25: 6.5 nts

FC PORTFOLIO OCC. — %

87%

+2.2 PTS

Occupancy held through the shock while the market fell 25.6 points.

vs 84.9% · Q2 '25

CHAPTER 02

02

PERFORMANCE.

Average daily rate, occupancy, RevPAR, length of stay and booking-window rhythm.

02.1 - CITYWIDE PERFORMANCE

A DEMAND SHOCK, AND A MARKET REPRICED.

Average daily rate, occupancy, RevPAR, length of stay, and booking-window rhythm show how the quarter moved against last year.

FIG 2.1 · MARKET REVPAR · Q2 '25 VS Q2 '26

AED 178 per available night, versus AED 333 one year earlier.

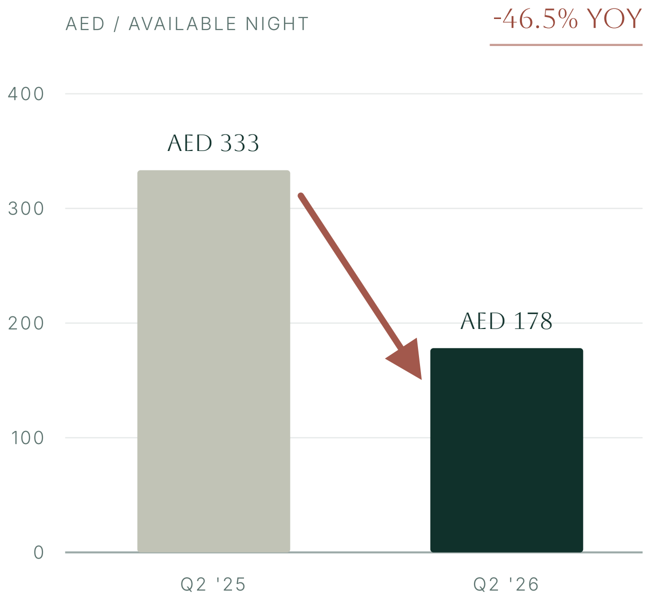


FIG 2.2 · ADR BY UNIT TYPE · AED

Premium units widen the spread.

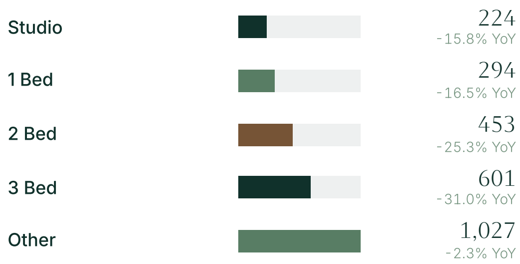


FIG 2.3 · OCCUPANCY GAUGE

FC portfolio 39.4 pts above market.

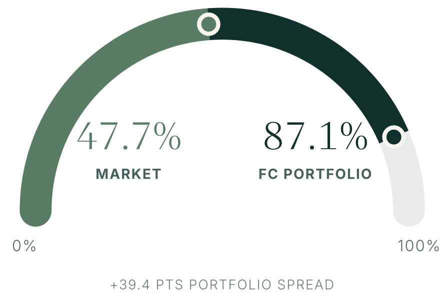


FIG 2.4 · LENGTH OF STAY · NIGHTS

Market median 6.0 nights · up 1.0 night YoY.

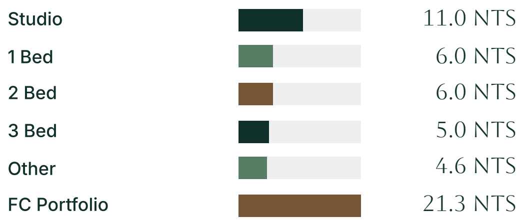
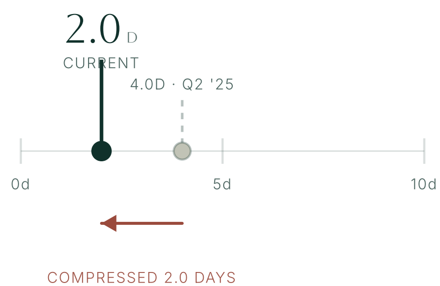


FIG 2.5 · BOOKING WINDOW · DAYS

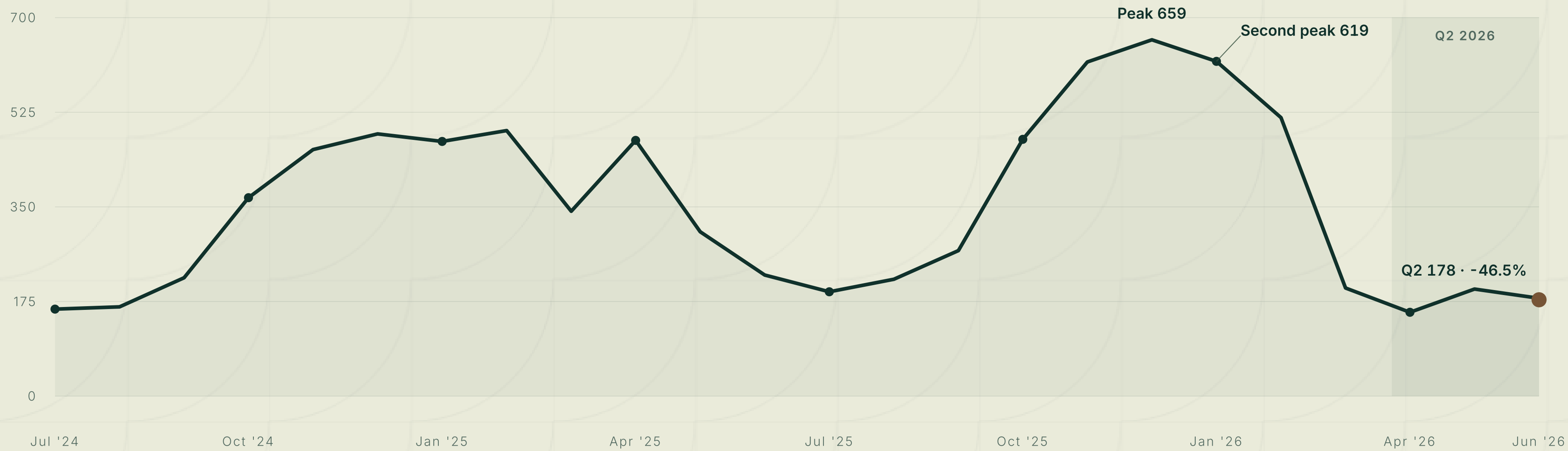
2.0 days · down 2.0 days YoY.



02.2 - TWENTY-FOUR MONTH RHYTHM

TWO YEARS OF DEMAND, AND A QUARTER THAT BROKE PATTERN.

December 2025 set an all-time RevPAR high; the mid-March escalation then cut tourist demand and repriced the spring.



MARCH BROKE THE PATTERN

Q2 2026 RevPAR closed at AED 178, -46.5% year over year.

A DISTORTED SPRING

Q2 is a shock reading, not a baseline one. Compare levels with care.

SHORTER BOOKING WINDOWS

Compressed lead times became a more important operating constraint for pricing and revenue management.

03 - REGULATION ACROSS GATEWAY CITIES

SIX CITIES. SIX OPERATING REGIMES.

Regulatory regimes compared, from official public sources.

01 **DUBAI**
REGULATED GROWTH

Holiday homes operate through a formal registration and unit-approval framework.

SOURCE: DUBAI DET

02 **PARIS**
NIGHT CAP

Primary residences may be rented as furnished tourist accommodation for up to 90 days annually.

SOURCE: CITY OF PARIS

03 **LONDON**
NIGHT CAP

Entire-home short letting is capped at 90 nights per calendar year without planning permission.

SOURCE: GREATER LONDON AUTHORITY

04 **NEW YORK**
HIGHLY RESTRICTIVE

Sub-30-day stays generally require host presence, registration, and a two-guest limit.

SOURCE: NYC OFFICE OF SPECIAL ENFORCEMENT

05 **SINGAPORE**
RESIDENTIAL STR PROHIBITED

Private residential properties cannot be used for stays shorter than three consecutive months.

SOURCE: URBAN REDEVELOPMENT AUTHORITY

06 **RIYADH**
PERMIT-LED GROWTH

Tourist accommodation operators require a Ministry licence and supporting commercial, municipal and safety approvals.

SOURCE: SAUDI MINISTRY OF TOURISM

Dubai's permit-led framework stands apart from hard night caps, host-presence rules and outright residential restrictions. Regulation is not a footnote to market performance; it defines the addressable supply.

04.1 - SUPPLY & INVENTORY

SUPPLY PEAKED IN JANUARY, AND HAS BEEN CORRECTING SINCE.

Active listings peaked at 36,500 in January and have fallen every month since March, even as the handover pipeline keeps delivering new stock. Gross exits are larger than the net decline shows.

DUBAI SHORT-TERM RENTAL LISTINGS · Q2 CLOSE

33,795

30,680 one year earlier.

JANUARY PEAK

36,500

7.4% below the peak at quarter end.

DLD RESIDENTIAL PROJECT PIPELINE · NEXT 12 MONTHS

49,581

All residential tenures in active DLD projects with explicit published completion dates from July 2026 through June 2027; not a short-term rental forecast. 62,910 units across 204 active projects have no published completion date and are excluded.

FIG 4.1 - SHORT-TERM RENTAL LISTINGS BY UNIT TYPE

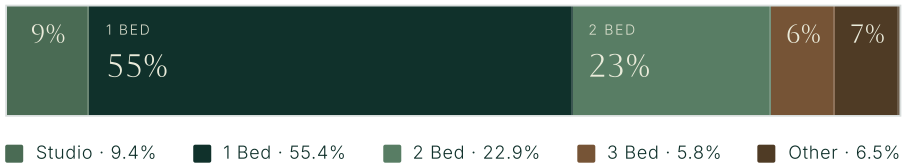
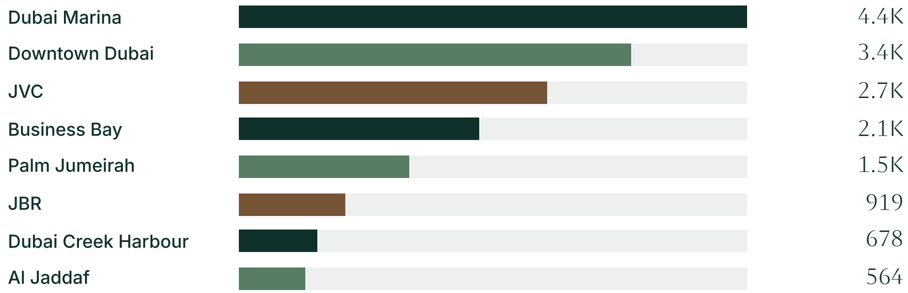


FIG 4.2 - SHORT-TERM RENTAL LISTINGS BY SELECTED DUBAI SUBMARKET



Selected submarkets can overlap broader market boundaries and are therefore shown as observed listing counts, not as a 100% market share.

04.2 - GUEST CONTACT GEOGRAPHY

WHERE PORTFOLIO GUESTS CONNECT FROM.

Guest contact geography shows the geographic pattern of the quarter without treating contact location as nationality or residence.

FIG 4.4 - FIRST CLASS PORTFOLIO · STAY COMPOSITION

Monthly stay	69.4%
Extended stay	21.3%
Leisure week	6.6%
Short stay	2.7%

The stay mix is the March repositioning made visible: 69.4% of portfolio nights came from bookings lasting 29 nights or longer.

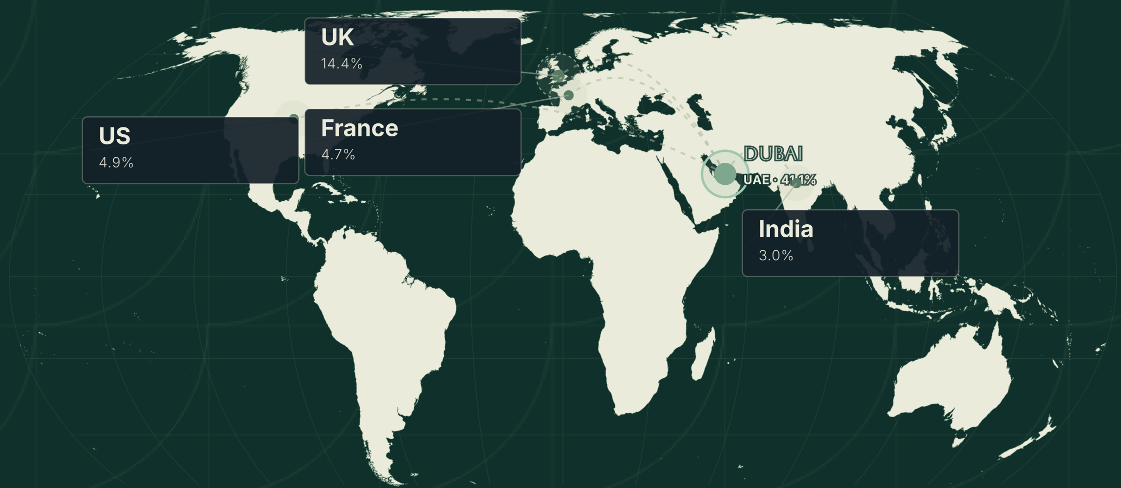
FIG 4.5 - FIRST CLASS PORTFOLIO · PLATFORM SHARE

Airbnb	77.5%
Booking.com	13.8%
Direct	7.9%
Other OTAs	0.8%

FIG 4.3B - TOP 9 GUEST CONTACT COUNTRIES + OTHER

United Arab Emirates	41.1%
United Kingdom	14.4%
United States	4.9%
France	4.7%
India	3.0%
Germany	2.4%
Türkiye	1.7%
Russia	1.7%
Spain	1.6%
Other	24.5%

FIG 4.3A - TOP 5 GUEST CONTACT MARKETS

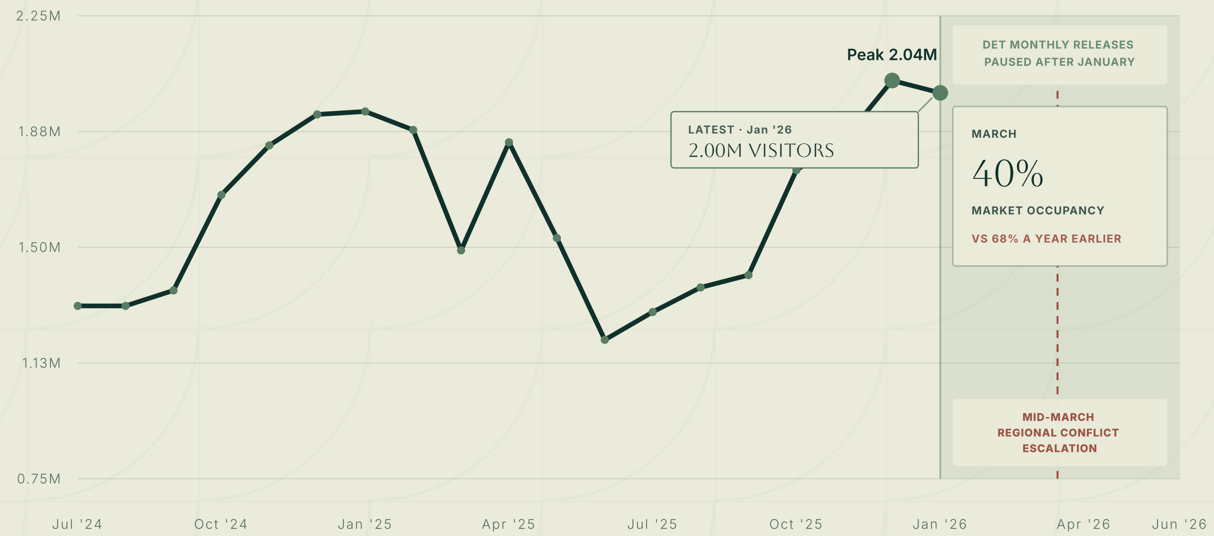


04.3 - TOURISM ARRIVALS

DEMAND, INTERRUPTED.

Official visitor releases end in January. The shaded window adds the sourced market-occupancy signal without extending the visitor series.

FIG 4.6 - DUBAI MONTHLY VISITORS - MILLIONS



DUBAI · 2025 · PRE-DISRUPTION RECORD

19.59M

International overnight visitors rose 5% year on year to a third consecutive record.

ABU DHABI · 2025 · PRE-DISRUPTION RECORD

26.6M

Total visitors, including 5.9M hotel guests. This broader definition is not directly comparable with Dubai international overnight visitors.

DUBAI · 2026 YTD · THROUGH JAN '26

2.00M

+3.0% year on year. Latest official overnight-visitor release available for this edition.

CHAPTER 05

05

SUBMARKET ATLAS.

Neighbourhood-level ADR, occupancy and income signals shaped into an investor-ready read.

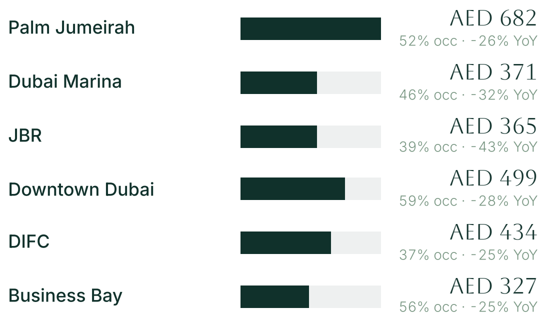
05.1 - SUBMARKET ATLAS

THE SIX NEIGHBOURHOODS THAT MOVE THE MARKET.

Neighbourhood labels follow the active listing footprint and recent ADR / occupancy indicators. Q2 levels reflect the post-March demand shock. Read them as cyclical, not structural.

FIG 5.1 - DUBAI SUBMARKET MAP

MAPPED ADR / OCCUPANCY



MARKET CENTRE

SELECTED PREMIUM CLUSTER

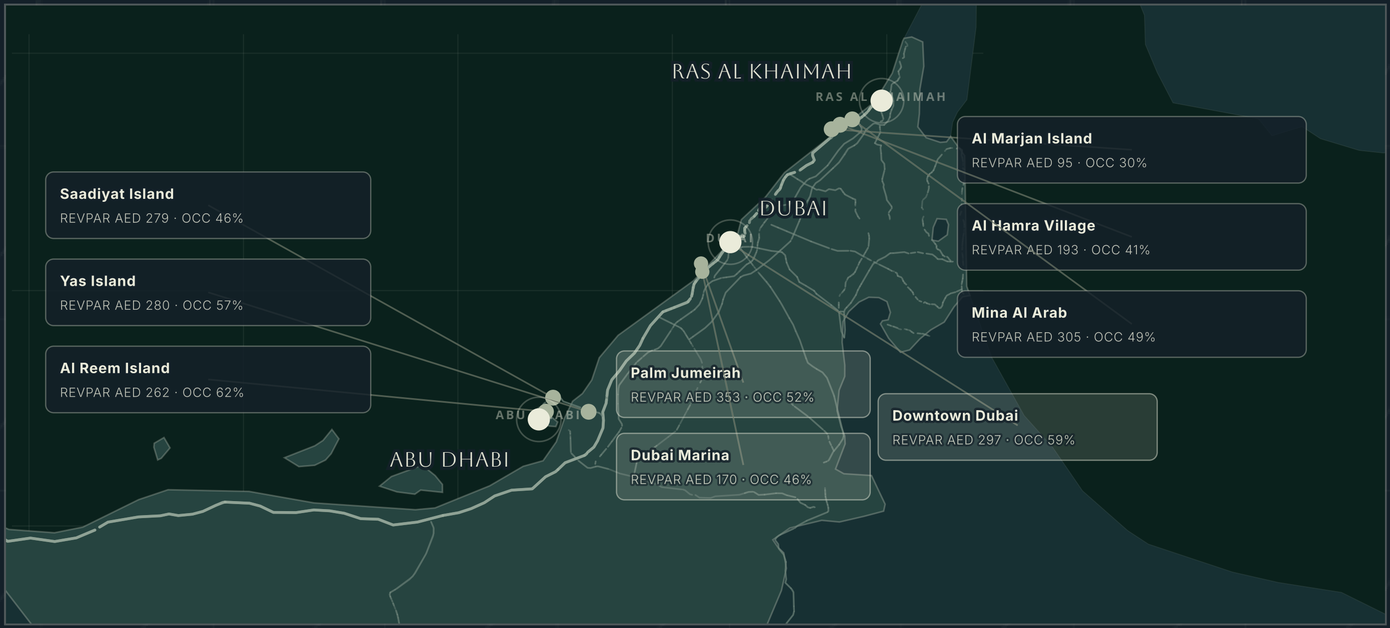
PRIMARY ROAD NETWORK

05.2 - UAE PREMIUM MAP

THREE MARKETS. THREE DISTINCT OPERATING RHYTHMS.

Dubai, Abu Dhabi and Ras Al Khaimah are shown on the same Q2 short-term rental market basis, with selected premium clusters mapped inside each corridor.

FIG 5.2 - UAE PREMIUM MARKET MAP



THREE UAE MARKET CORRIDORS

DUBAI

AED 178 REVPAR · 47.7% OCC

33.8K active short-term rental listings at quarter end.

ABU DHABI

AED 167 REVPAR · 41.4% OCC

2.9K active short-term rental listings at quarter end.

RAS AL KHAIMAH

AED 177 REVPAR · 28.1% OCC

914 active short-term rental listings at quarter end.

MARKET CENTRE

SELECTED PREMIUM CLUSTER

PRIMARY ROAD NETWORK

05.3 - SUBMARKETS RANKED BY ADR

ALL AVAILABLE SUBMARKETS, RANKED.

Each card uses dynamic ADR, occupancy and ADR year-over-year values from submarket metadata.

PALM JUMEIRAH
MARKET CLUSTER

ADR	OCC	YOY
682	52%	-26%

JUMEIRAH 1
MARKET CLUSTER

ADR	OCC	YOY
584	49%	+4%

DOWNTOWN DUBAI
MARKET CLUSTER

ADR	OCC	YOY
499	59%	-28%

DIFC
MARKET CLUSTER

ADR	OCC	YOY
434	37%	-25%

JVT
MARKET CLUSTER

ADR	OCC	YOY
392	40%	+5%

DUBAI CREEK HARBOUR
MARKET CLUSTER

ADR	OCC	YOY
379	66%	-21%

DUBAI MARINA
MARKET CLUSTER

ADR	OCC	YOY
371	46%	-32%

AL FURJAN
MARKET CLUSTER

ADR	OCC	YOY
368	51%	+44%

JBR
MARKET CLUSTER

ADR	OCC	YOY
365	39%	-43%

DUBAI SPORTS CITY
MARKET CLUSTER

ADR	OCC	YOY
350	38%	+28%

DAMAC HILLS
MARKET CLUSTER

ADR	OCC	YOY
341	53%	-16%

BUSINESS BAY
MARKET CLUSTER

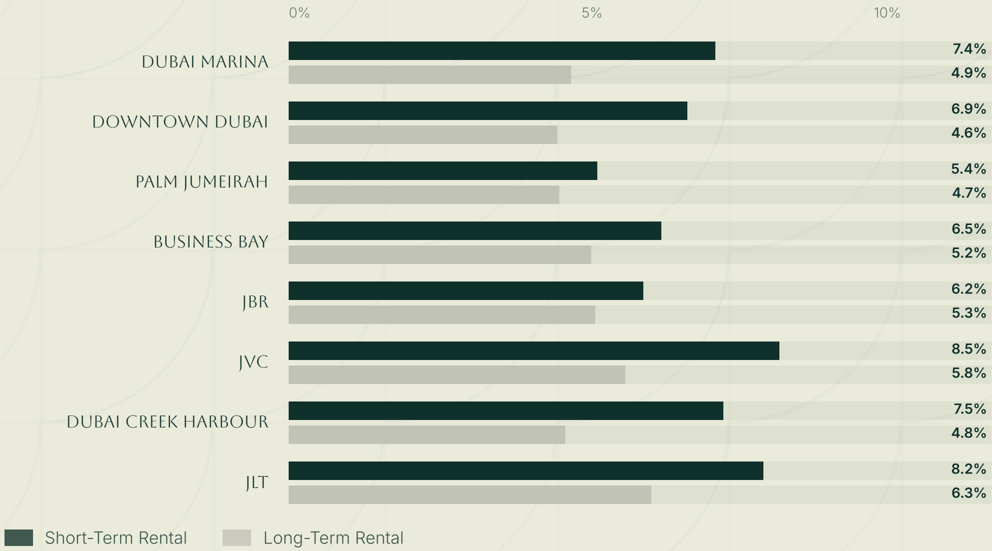
ADR	OCC	YOY
327	56%	-25%

06.1 - SHORT-TERM RENTAL VS LONG-TERM RENTAL

ONE HOME TYPE. ONE ASSET-VALUE BASIS.

One-bedroom short-term rental gross yield equalled 1.4x effective long-term rental yield across matched submarkets.

FIG 6.1 - ONE-BEDROOM GROSS YIELD BY SUBMARKET



Like-for-like one-bedroom comparison. Short-term rental income sums twelve observed monthly revenue values per active short-term rental listing from July 2025 through June 2026, preserving seasonality. Long-term rent is inferred from neighbourhood-calibrated one-bedroom size bands and adjusted as annual contract rent / 12 × 10 to allow two months to secure a suitable tenant. Each income stream is divided by the same median one-bedroom resale transaction price. Gross yields exclude operating and transaction costs.

TOP FIVE - SHORT-TERM RENTAL GROSS YIELD

SUBMARKET	SHORT-TERM	LONG-TERM	SPREAD
Dubai Production City	10.8%	8.3%	+2.4%
JVC	8.5%	5.8%	+2.7%
JLT	8.2%	6.3%	+2.0%
DAMAC Hills	7.6%	6.5%	+1.1%
Dubai Creek Harbour	7.5%	4.8%	+2.7%

> *“Long-term rents are softening and vacancy is rising. Flexible monthly stays are absorbing the flow.”*

SHORT-TERM RENTAL	LONG-TERM RENTAL	YIELD RATIO
7.2%	5.2%	1.4X
		Short-term rental gross yield is 1.4x effective long-term rental yield.

06.2 - Q2 MARKET CATALYSTS

WHAT Q2 ANNOUNCED THAT THE MARKET WILL FEEL FOR YEARS.

The quarter's announcements point to where demand, mobility, and operating economics may compound after the current cycle.

28 APR 2024

AL MAKTOUM INTERNATIONAL AIRPORT EXPANSION

Dubai approved the new passenger terminal plan at Al Maktoum International Airport, a long-cycle aviation capacity move that reshapes the south-west growth corridor.

BACKGROUND · DUBAI MEDIA OFFICE

07 MAY 2025

DISNEY THEME PARK AND RESORT PLANNED FOR YAS ISLAND

Disney and Miral announced plans for a waterfront theme park resort on Yas Island, strengthening the UAE family-leisure destination stack.

BACKGROUND · THE WALT DISNEY COMPANY

30 MAR 2026

DUBAI SOUTH HAYAT MOVES INTO CONSTRUCTION

Dubai South awarded an AED 2bn contract for HAYAT, a 10m sq ft community near Al Maktoum International Airport; construction starts in Q2 2026.

DUBAI SOUTH · AIRPORT CORRIDOR · NEW SUPPLY

02 APR 2026

HOSPITALITY RELIEF INCLUDES HOLIDAY HOMES

Dubai's AED 1bn incentive package gave operators three months of fee relief from 1 April 2026, explicitly covering hotels, hotel apartments, and holiday homes. Introduced in response to the March disruption.

REGULATION · HOLIDAY HOMES · LIQUIDITY

14 MAY 2026

SPHERE ABU DHABI SELECTED FOR YAS ISLAND

DCT Abu Dhabi and Sphere Entertainment selected Yas Island for a USD 1.7bn, 20,000-capacity venue expected by the end of 2029.

YAS ISLAND · EVENT-LED DEMAND

Q2 2026

DUBAI METRO BLUE LINE CONSTRUCTION PROGRESS

The 30 km, 14-station Blue Line is 10% complete and expected to reach 30% by year-end, improving access to Creek Harbour, Silicon Oasis, Mirdif, and Academic City.

MOBILITY · NEW ACCESSIBLE SUBMARKETS

MARKET LENS

> *"The next demand pools are being written into mobility, regulation, and destination infrastructure before they show up in nightly rates."*

WHY IT MATTERS FOR STR

Q2's catalyst stack points to a market being shaped by access, regulation, and destination depth before those signals fully appear in nightly rates. Fee relief supports operators now; Dubai South and the Blue Line widen the investable map; Yas Island strengthens the regional demand story.

FIRST CLASS POSITIONING

First Class should keep Dubai's core operating base tight while watching infrastructure-led corridors selectively: Dubai South for airport-linked stays, Blue Line submarkets for access-led demand, and Yas/Saadiyat for event-led UAE itinerary depth.

06.3 - OUTLOOK · THROUGH Q4 2026

WHAT WE EXPECT — AND WHY.

Three forecasts for the next two quarters, each with the reasoning and evidence behind it.

FORECAST · 01

BOOKING WINDOWS STAY COMPRESSED

2.0D

MARKET

Why: A 2.0-day market booking window in Q2 2026 leaves less forward visibility than the 4.0-day window in Q2 2025, making weekly pricing and availability decisions more important through the next two quarters.

FORECAST · 02

LONGER STAYS REMAIN THE RELEASE VALVE

69.4%

29+ NIGHT STAYS · PORTFOLIO

Why: The 69.4% share of 29+ night stays gives the portfolio a more stable base of occupied nights and reduces exposure to short booking-window volatility.

FORECAST · 03

INFRASTRUCTURE CORRIDORS STAY INVESTABLE

2028+

MARKET

Why: Dubai South, the airport corridor, and the Blue Line all point to a multi-year shift in accessibility and demand geography. These signals do not make every emerging area investable, but they improve the case for professionally managed units where infrastructure will make stays easier. The opportunity is selective and should be tied to access, supply quality, and operating discipline.

RISKS TO MONITOR.

Risk to monitor: compressed booking windows leave less visibility if the conflict backdrop turns into cancellations or late demand shocks. The base case remains resilient demand, but pricing decisions need to stay closer to arrival.

WHERE THE OPPORTUNITY SITS.

Where opportunity sits: longer-stay furnished demand, infrastructure-led corridors, and professionally managed larger units where operational discipline can convert short booking windows into rate capture.

APPENDIX · METHODOLOGY

EVERY FIGURE, EVERY SOURCE.

Built on four data layers — first-party operations, platform aggregators, government open data, and macro statistics — reconciled against each other.

APPROACH.

The Index combines first-party transactional operating data, aggregated short-term-rental market benchmarks, transactional and licensing data from official open-data sources, and tourism, macroeconomic, and visitor statistics from emirate and federal authorities. Headline metrics are reconciled across the relevant layers before publication.

DEFINITIONS.

ADR · Average daily rate; revenue divided by paid nights.
Occupancy · Paid nights divided by available rental nights; owner stays and non-rental blocks are excluded.
RevPAR · Revenue per available rental; ADR multiplied by occupancy.
Quarter-active listing · A unit active for at least one day during the reporting quarter.
Monthly stay · A reservation of 29 nights or longer.
Professionally managed · A portfolio operated with institutional pricing, service, and reporting discipline.

DATA SOURCES.

First Class Portfolio	First-party reservations, availability, channel mix, stay-pattern, and portfolio performance data.
Market benchmark layer	Quarterly ADR, occupancy, RevPAR, length-of-stay, booking-window, supply, and submarket indicators.
Official property register	Sales, rents, unit, building, project, and licensing data where available.
Tourism authorities	Visitor arrivals, hotel performance, airport capacity, and destination demand indicators. March disruption context: Dubai Airports Q1 2026 traffic release, 4 May 2026.
Macro statistics	Federal and emirate-level economic, demographic, and labour-market context.

Sample. 630 quarter-active portfolio homes; 43,094 booked portfolio nights; 33.8K active STR listings. Portfolio occupancy excludes owner stays, maintenance, and technical blocks from the available inventory denominator.

Period. Q2 2026; YoY versus Q2 2025.

Currency. AED unless otherwise stated. Global benchmarks use USD-equivalent values where applicable.

Cartography. World geometry from Natural Earth. Dubai and UAE map data from OpenStreetMap, rendered in-house with Protomaps. openstreetmap.org/copyright.

"Perfected by First Class — not as a tagline, but as the operating standard we hold ourselves and our market to. This report is the next chapter in that promise."

— THE FIRST CLASS RESEARCH TEAM

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