

REAL ESTATE MARKET REVIEW



# RAK Real Estate Market Review

## FY 2025

REPORT

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Strong macro fundamentals and sustained investor demand continue to support market activity, despite year-on-year drop in residential sales volumes

CBRE RESEARCH  
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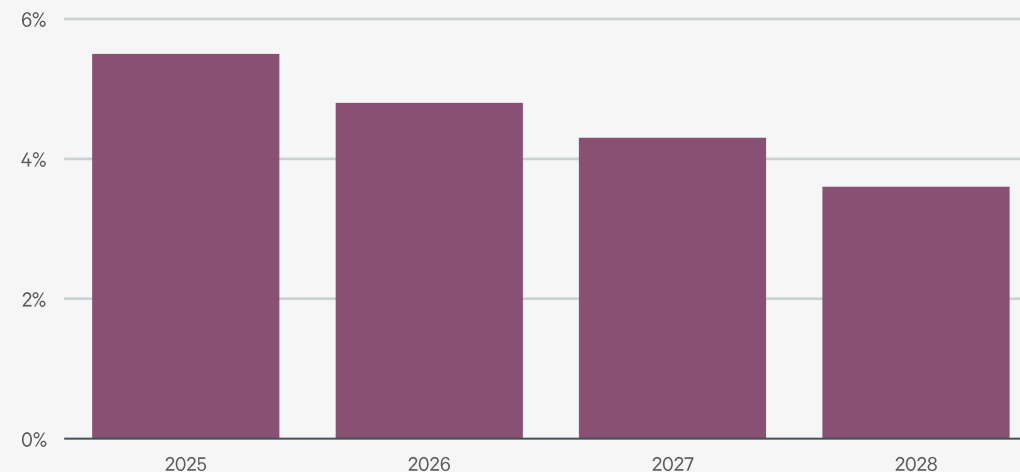
# Small Downgrade to UAE Macro Outlook Amidst Weaker Oil Forecasts

## Macroeconomic Overview

- The UAE’s GDP growth forecast for 2026 has been revised down slightly to 4.8% on the back of expectations for weaker oil sector performance. Similarly, the 2027 outlook has also been revised lower to 4.3%.
- However, 2025 growth has been raised to 5.5%, underlining the strong performance of the UAE’s economy over the past 12 months.
- Despite the revised forecasts, the economic outlook remains supportive of further real estate market growth, driven by an expected 5.2% expansion across non-oil sectors and a 3.6% increase for the hydrocarbon economy.
- The non-oil private sector, will remain the focal point for foreign direct investments (FDI) and new job creation, as the country’s diverse sector breadth continues to attract high levels of FDI and to generate sustained levels of employment growth, backed by government and private sector investments into strategic areas.
- This dynamic is likely to be important for the country’s economic prospects, with OPEC releasing their updated forecasts for oil demand for 2026, which anticipate a 400,000 barrel per day drop in demand during the second quarter, albeit alongside a slight drop in production levels.



FIGURE 1: UAE, Gross Domestic Product, y-o-y change (%)



Source: CBRE Research / Oxford Economics / Macrobond

## UAE Macroeconomic Overview

The UAE’s macroeconomic stability provides a solid backdrop for Ras Al Khaimah’s growth, with national inflation forecast at just 1.1% in 2025 and 1.8% in 2026. This is supported by a strong Purchasing Managers’ Index (PMI), which rose to 54.9 in January from 54.2 in December, that signals sustained expansion of the non-oil sector.

Non-oil foreign trade reached a historic milestone in 2025, exceeding \$1 trillion (AED 3.8 trillion) for the first time. This achievement marked a 27% y-o-y increase, nearing close to the country’s 2031 economic targets five years ahead of schedule.

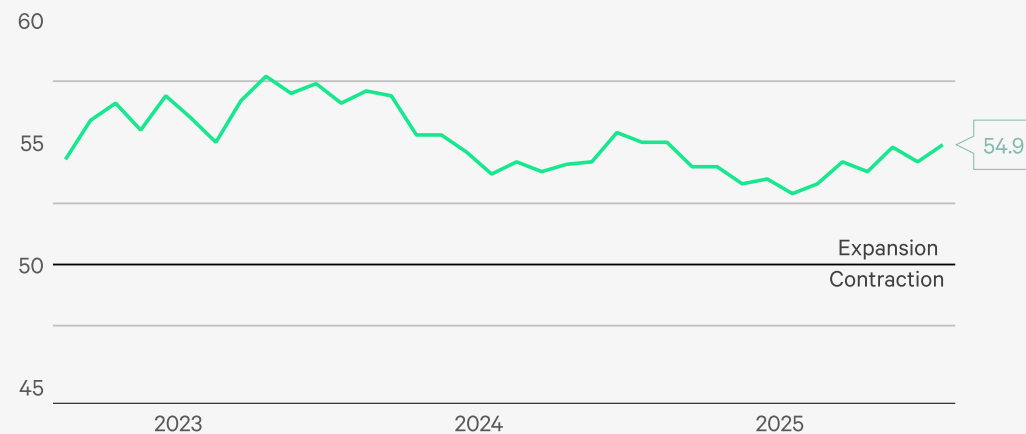
The surge was particularly evident during Q4 2025, with trade volumes hitting AED 1.1 trillion, driven by the UAE’s expanding network of international partnerships and a robust investment environment.

Non-oil exports were a primary engine of this growth, soaring 45.5% to reach AED 813.8 billion. This performance was bolstered by Comprehensive Economic Partnership Agreements (CEPAs), with exports to partner countries growing by over 18%, and re-exports climbing to AED 830.2 billion, further cementing the UAE’s status as a global trade hub.

This record-breaking trade activity underscores the global confidence in the UAE economy. By nearly doubling its trade value since 2021, the nation has established a powerful economic foundation that supports the rapid development and infrastructure scaling currently seen in emirates like Ras Al Khaimah.

“ RAK continues to benefit from the UAE’s strong non-oil led economic expansion, supporting inbound FDI investments particularly into the Emirate’s industrial sector, with strong business license growth as a result. This is also driving demand into the wide real estate sector, as the economy benefits from the Wynn Resort’s unarguable multiplier effect. ”

FIGURE 2: UAE, Purchasing Managers’ Indices



Source: CBRE Research/ Macrobond

FIGURE 3: UAE, Key Economic Indicators, YoY % Change

	2023	2024	2025	2026	2027
<b>GDP</b>	<b>4.3%</b>	<b>4.0%</b>	<b>5.5%</b>	<b>4.8%</b>	<b>4.3%</b>
Oil GDP	-3.0%	1.0%	4.4%	3.6%	4.4%
Non-Oil GDP	7.0%	5.0%	5.8%	5.2%	4.3%
Inflation	1.6%	1.7%	1.2%	1.8%	2.0%

Source: CBRE Research/ Oxford Economics.



“Ras Al Khaimah’s economy is transitioning into a global investment powerhouse, blending fiscal prudence with record-breaking industrial FDI and a tourism-led growth surge that positions the emirate for a transformative 2027-2028.”

## RAK Macroeconomic Overview

Ras Al Khaimah closed FY2025 with sustained economic strength, supported by its stable A/A-1 rating reaffirmed by S&P Global in November 2025 and the earlier ‘A+’ rating upheld by Fitch in May 2025. These ratings reflect the emirate’s prudent fiscal management, including a strong net asset position of 11% of GDP and very low debt as of March 2025, which the RAK government expects to decline further to 9% by 2026.

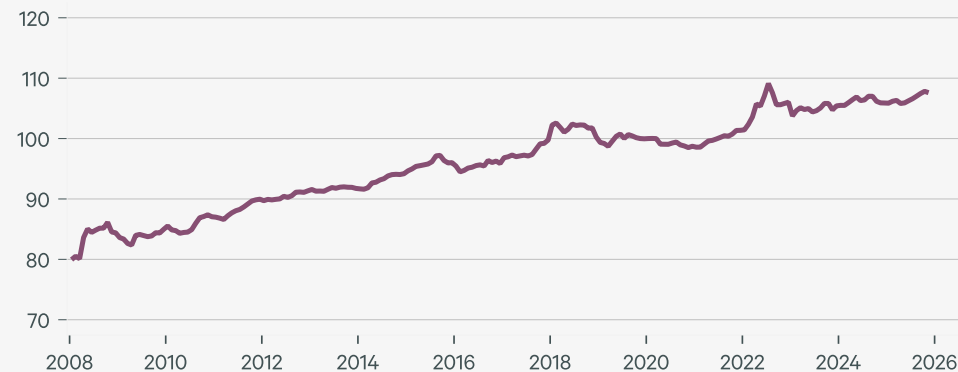
While Fitch projected a robust 6.1% GDP growth through 2026, S&P Global forecasts a more modest 3.3% expansion for the same period. However, both agencies’ “Stable” outlook is firmly supported by the anticipated delivery of high-impact projects, most notably the USD 5.2 billion Wynn Al Marjan, which is set for completion in 2027, creating a major catalyst for the emirate’s non-oil expansion.

As of November 2025, RAK’s CPI had reached 107.6, reflecting a controlled annual inflation rate of just 1.6%. Price pressures were most visible in Insurance & Financial Services, Recreation, Sport & Culture, and Education sectors, directly correlating with the emirate’s strategic investments in infrastructure and elevated living standards.

As per Emirates NBD report, the UAE attracted USD 33.16 billion in greenfield FDI in 2025, with RAK securing a remarkable 32% value share (USD 10.61 billion) across 17 projects. This performance positioned the emirate as the nation’s largest capital recipient and 6<sup>th</sup> globally for FDI inflows, driven by a landmark investment of USD 10 billion for a new smart manufacturing investment from India’s Erisha E Mobility.

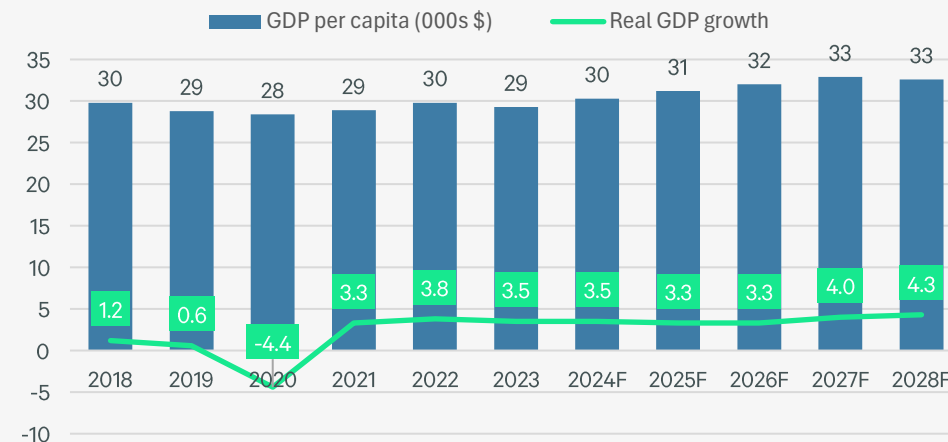
Freezone operator RAKEZ experienced a record-breaking year, adding 19,000 new companies, a 44% y-o-y increase, bringing the total active community to over 40,000. Growth was predominantly fuelled by the Services sector (40% of new registrations), followed by Commercial & Trading (33%) and E-commerce (17%).

FIGURE 4: Ras Al Khaimah, CPI Main Index



Source: CBRE Research/ Macrobond

FIGURE 5: Ras Al Khaimah, GDP Growth Rates (%), GDP Per Capita (000s \$)



Source: CBRE Research/ RAK Statistics Center/ S&P Global.

## RAK Residential

RAK’s residential market has continued to set new records, with prime apartment sales prices climbing to AED2,428/sqft, the highest point in the current cycle. This has been driven by the strong levels of capital appreciation within the emirate’s coastal destinations, including Al Hamra, Al Marjan Island and Mina Al Arab.

The villa segment demonstrated similarly positive movements, with average prices rising to AED1,211/sqft, driven by a robust 9% y-o-y increase across properties in the Al Hamra district.

Overall apartment prices have now risen to AED1,128/sqft, whilst villas have reached AED1,166/sqft, marking a 32% and 11% increase respectively as compared to Q4 2024. This strong appreciation across both off-plan and ready properties highlights the diversified demand structure, with demand from investors and end-users.

The apartment rental sector has mirrored the strength of the sales market, with lease rates climbing by nearly 25% y-o-y. Mina Al Arab saw a substantial 24% increase, followed by Al Hamra 14%.

In contrast, the broader villa rental market saw softer conditions, with average rates broadly on par with the year period. Mina Al Arab has emerged as the strongest sub-market, recording a 7% increase in rents.

Mina Al Arab’s strong rental performance across both apartments and villas was driven by the handover of new communities - Bay Residences, Marbella Phase 2, and Gate

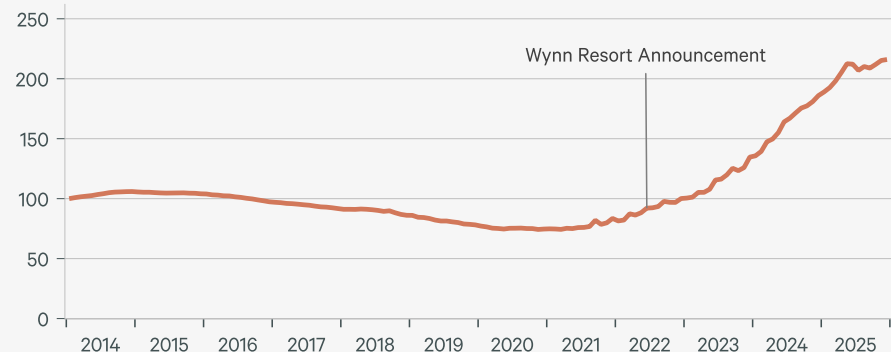
Residences, which added over 300 fresh units. Likewise, Al Hamra benefited from the delivery of roughly 300 apartments in the new phase of Marina Residences. Both districts have successfully commanded rental premiums over existing stock.

The final quarter of 2025 marked a standout period for RAK’s real estate sector, driven by a series of ‘sell-out’ launches from global luxury brands. The market saw unprecedented velocity with the launch of Mondrian Beach Residences, which secured AED 704 million in sales in just two hours, and the Jacob & Co Residences by Mantra, which cleared AED 300 million in inventory within 12 hours.

This momentum was further bolstered by the Aman Group’s announcement of Janu Al Marjan Island and OMNIYAT and Wasl Group’s entry into the newly launched Marjan Beach master development, adding significant weight to the credentials of RAK ultra-luxury frontier.

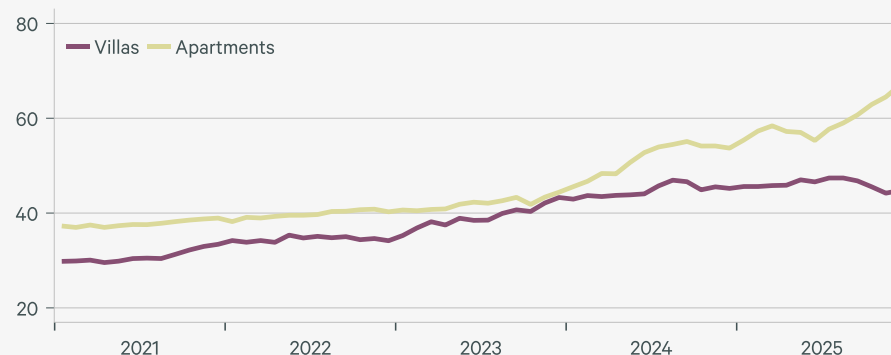
Despite a continued stream of positive news regarding new project launches and new brand partnerships, the pace of recent price growth raises some concerns about long-term sustainability, following a very sharp jump in prices across the emirate’s prime residential areas, resulting in a decoupling of price-to-rent ratios. This reflects the evolution of a very premium off-plan market over the past three years, in tandem with the lower positioned ready market stock. However, as the market matures and newly launched projects reach completion, rental values are expected to adjust upward, narrowing this gap and aligning more closely with the evolving market positioning.

FIGURE 6: RAK, Residential Price Index, Q4 2025



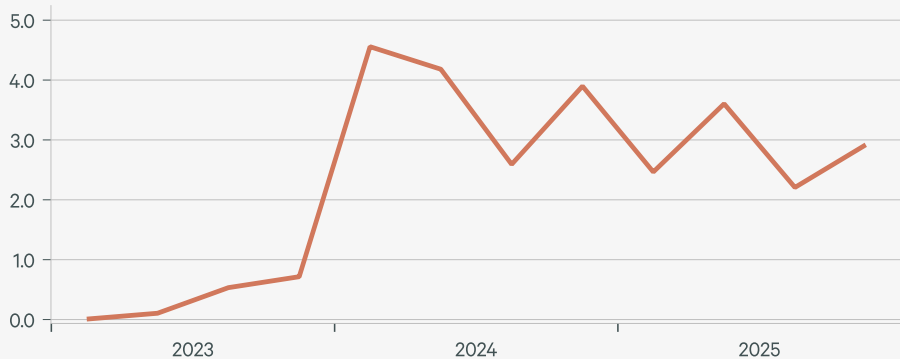
Source: Reidin / CBRE Research

FIGURE 7: RAK, Residential Rental Index, Q4 2025



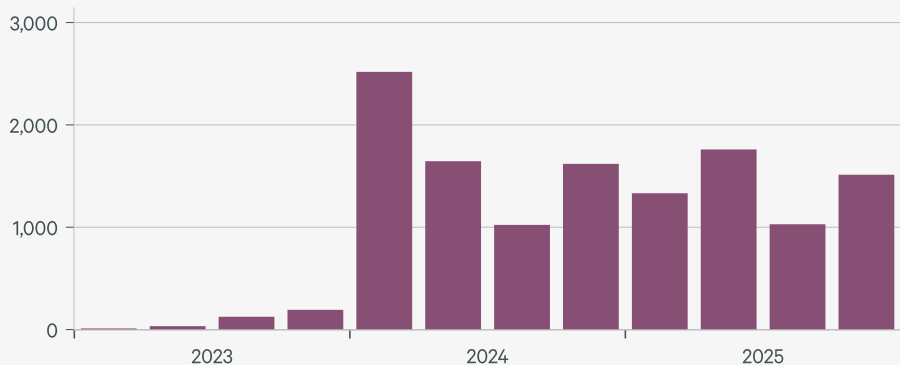
Source: Reidin / CBRE Research

FIGURE 8: Ras Al Khaimah, Off-Plan Residential Sales Value, per Quarter (2023 – Q4 2025)



Source: CBRE Research / RAK Municipality Department / Macrobond

FIGURE 9: Ras Al Khaimah, Off-Plan Residential Sales Volume, per Quarter (2023 – Q4 2025)



Source: CBRE Research / RAK Municipality Department / Macrobond

## RAK Residential

RAK’s residential sector saw a total recorded sales value of AED 11 billion from over 5,600 transactions during FY 2025, representing a dip of 26% and 17% respectively against FY2024 in value and volume terms. This resulted in an average unit sales value of AED2.0 million, versus AED2.3 million in 2024.

Whilst this reflects a slowdown in activity, it also reflects the increased launch activity in less prime areas such as RAK Central, which has typically seen more mid-market positioning and accordingly lower ticket prices, as well as the impact of recent branded launches with much smaller inventories. However, there was strong momentum into Q4, with the total sales value reaching AED 2.9 billion, a significant 32% q-o-q increase. Transaction activity was also elevated with over 1,500 units sold, marking a sharp 47% jump from the previous quarter.

Branded residences continue to see growth in their share, accounting for 22% (+9k units) of total stock and 33% of stock scheduled for delivery between 2026 and 2030. Marjan Island remains the dominant contributor, hosting over 70% of the nearly 27,000 units expected in that timeframe. Emerging master-planned communities like RAK Central and Marjan Beach are also gaining momentum with first handovers likely in 2029/30.

The longer-term delivery pipeline shows little semblance to the modest 800 units completed during 2025. Whilst 2026 will see a similar level of completions, activity is set to accelerate from 2027 onwards, with close to 4,000 units scheduled for handover. This upward trend continues through to 2030, with a nearly 23,000 units scheduled for completion between 2028-2030, averaging more than 7,700 units annually.

### 2025 Snapshot

**32%**

y-o-y increase in average sales values

**25%**

y-o-y increase in apartment rent rates

**0.9%**

y-o-y drop in villa rent rates

**5.6k**

Off-plan residential sales volume in FY2025 (-17% y-o-y)

**AED11 billion**

Off-plan residential sales value in FY2025 (-26% y-o-y)

**+9k**

Branded units slated for completion between 2026 & 2030

## New Projects



**Mondrian Beachfront Residence**

<b>Location</b>	Al Marjan Island
<b>Developer</b>	Ennismore, One Group
<b>Product Mix</b>	1- to 3-BR Apartments, Duplexes, Triplexes, Penthouses, & Townhouses
<b>No. of Units</b>	343
<b>Estimated Delivery</b>	2029
<b>Estimated Budget</b>	US\$ 500 million



**Janu Hotel & Residences Resort**

<b>Location</b>	Al Marjan Island
<b>Developer</b>	Wynn Resorts, Marjan, Aman Resorts
<b>Product Mix</b>	1- to 5-BR Apartments, Villas
<b>No. of Units</b>	73 residences + 5 villas + 132 hotel keys
<b>Estimated Delivery</b>	2030
<b>Estimated Budget</b>	US\$ 400 million



**Jacob & Co. Residences**

<b>Location</b>	Al Marjan Island
<b>Developer</b>	Jacob & Co, Mantra Properties
<b>Product Mix</b>	Studios, 1 & 2-BR Apartments
<b>No. of Units</b>	223
<b>Estimated Delivery</b>	2030
<b>Estimated Budget</b>	US\$ 109 million

Source: CBRE Research / MEED

## RAK Hospitality

In FY2025, RAK’s hospitality industry recorded another milestone, reaching a record 1.36 million hotel visitor arrivals, reflecting a 6% y-o-y increase over FY2024. This growth was evenly balanced between domestic and international markets, with each accounting for 50% of total arrivals.

International tourism was a major highlight, with the Russian Federation remaining the primary source market at 34.6% of arrivals. This was followed by the UK (9%), Kazakhstan (6.7%), India (4.3%), and Germany (3.5%). Furthermore, secondary markets such as Saudi Arabia, Poland, and Romania saw significant growth, driven by the strategic expansion of direct air routes.

Growth was supported by enhanced aviation infrastructure, including several new direct routes and plans for a LEED Gold-targeted VIP Terminal opening in 2027. The Emirate also elevated its luxury profile by joining the elite Virtuoso and Serandipians networks. Furthermore, strategic partnerships with Huawei and major OTAs in China and Saudi Arabia have allowed RAK to broaden its reach to discerning travellers.

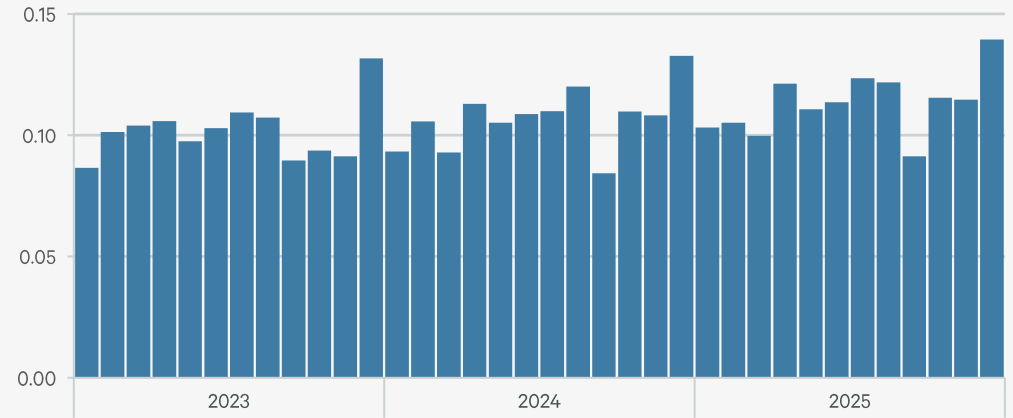
The domestic market remained highly resilient, matching the 50% share. This stability confirms RAK’s established position as a preferred staycation destination for UAE residents, with domestic arrivals growing by 7% as compared to last year. This appeal will be further bolstered by the US\$20 million Wynn Boulevard; the new bridge will link the Wynn Al Marjan Island resort and beach district directly to the E311 and E611 highways, streamlining access from Dubai and the wider UAE.

Performance in terms of volume saw total guest nights reach 4.8 million, a 6.4% increase compared to the previous year. Whilst arrivals were split evenly, international visitors accounted for 75% of guest nights, whereas domestic guests made up the remaining 25%. The Average Length of Stay (ALOS) saw a modest improvement to 3.54 days, up 0.6% from 2024.

Financially, sector revenues reached AED 1.72 billion, a 12% y-o-y increase. Room revenue led this growth, rising 16.8% to AED 1.06 billion, bolstered by new lifestyle and beachfront additions like Rove Al Marjan Island and SO/ Ras Al Khaimah.

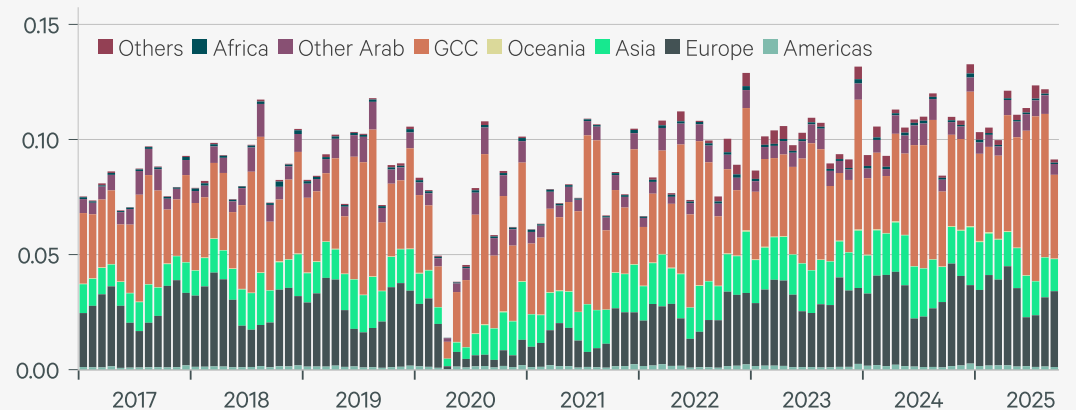
High-value segments also saw significant momentum, with MICE and wedding revenues increasing by 25%. This growth was underscored by the successful hosting of the Arab Aviation Summit and the DP World Tour’s Ras Al Khaimah Championship. Alongside a diverse calendar of local and international events, these milestones continue to cement the Emirate’s status as a premium global hub for sports, culture, and business.

FIGURE 10: Ras Al Khaimah, Tourists by Month (millions), FY2023 - FY2025



Source: CBRE Research / RAKTDA

FIGURE 11: Ras Al Khaimah, Hotel Guest Nights (millions) by Region, Q3 2024



Source: CBRE Research/ RAK Centre for Statistics

# RAK Hospitality

RAK’s hospitality sector demonstrated robust growth in 2025, outperforming national trends in momentum. The emirate recorded a 4.6 pp y-o-y occupancy increase to 75%, outpacing broader UAE growth of 3.7 points, albeit average occupancy rates in the emirate are some way behind Dubai, Abu Dhabi and the wider UAE average.

Other performance metrics also saw notable growth, with ADRs up 6.6% to AED618/room/night, fuelling a near 12% jump in RevPAR to AED464/room/night. These figures highlight the market's successful transition toward a more premium, high-spending international visitor base.

RAK’s room inventory has now exceeded 9,000 keys from 56 operational hotels, bolstered by the opening of Rove and SO/ Ras Al Khaimah, which collectively added 700 new keys. Other scheduled hotel openings have been deferred to 2026.

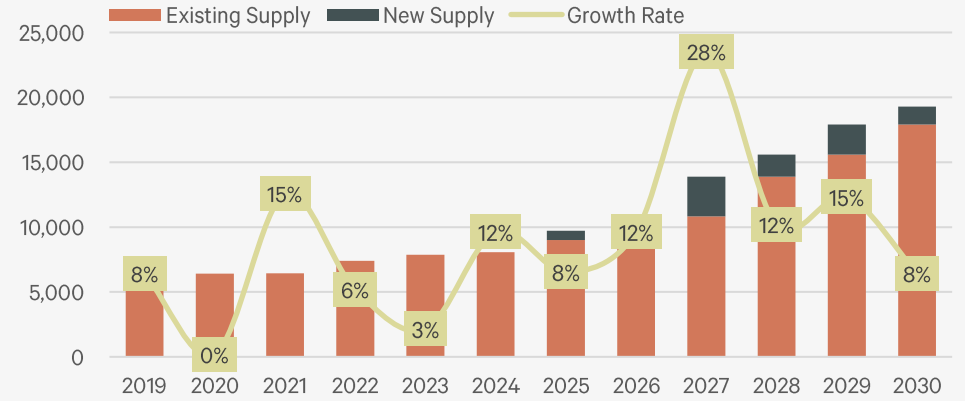
The pipeline for 2026–2030 reveals an aggressive expansion phase, with 24 new hotels and over 9,500 new keys set to double the current room supply. This is heavily skewed towards the luxury segment, with 92% of projects rated as 5-star and 58% concentrated on Al Marjan Island (based on no. of hotels), while close to 20% will cater to the rising demand for serviced apartments.

This growth is being led by steady stream of new and expanding international operators, including Janu Al Marjan Island (by Aman Group), situated near the Wynn resort. Additionally, RAK Central will introduce a Radisson Blu Hotel and Residences, further diversifying the emirate's hospitality offering.

## 2025 Snapshot

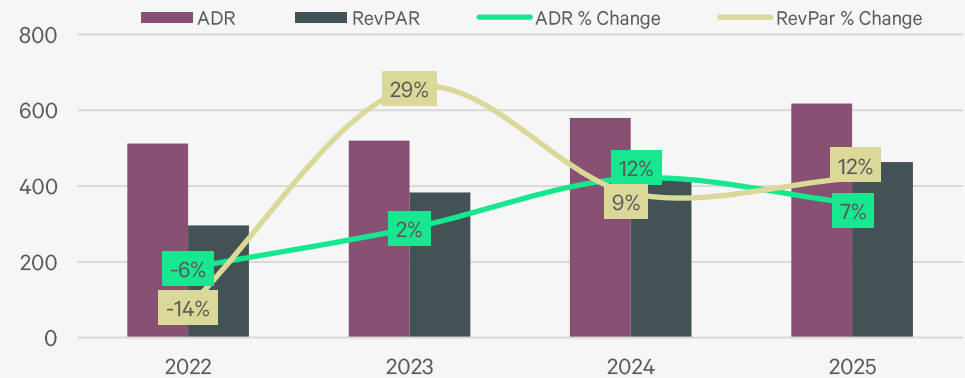
<p><b>4.6 pp</b> y-o-y increase in RAK hotel occupancy (FY 2025)</p>	<p><b>6.6%</b> y-o-y increase in Average Daily Rate (ADR)</p>	<p><b>11.5%</b> y-o-y increase in Revenue Per Available Room (RevPAR)</p>
<p><b>9.5k</b> hotel keys in the pipeline (2026 – 2030)</p>	<p><b>92%</b> of development pipeline is 5-star rated hotels</p>	<p><b>58%</b> of development pipeline is located on Marjan Island</p>

FIGURE 12: Ras Al Khaimah, Hotel Supply

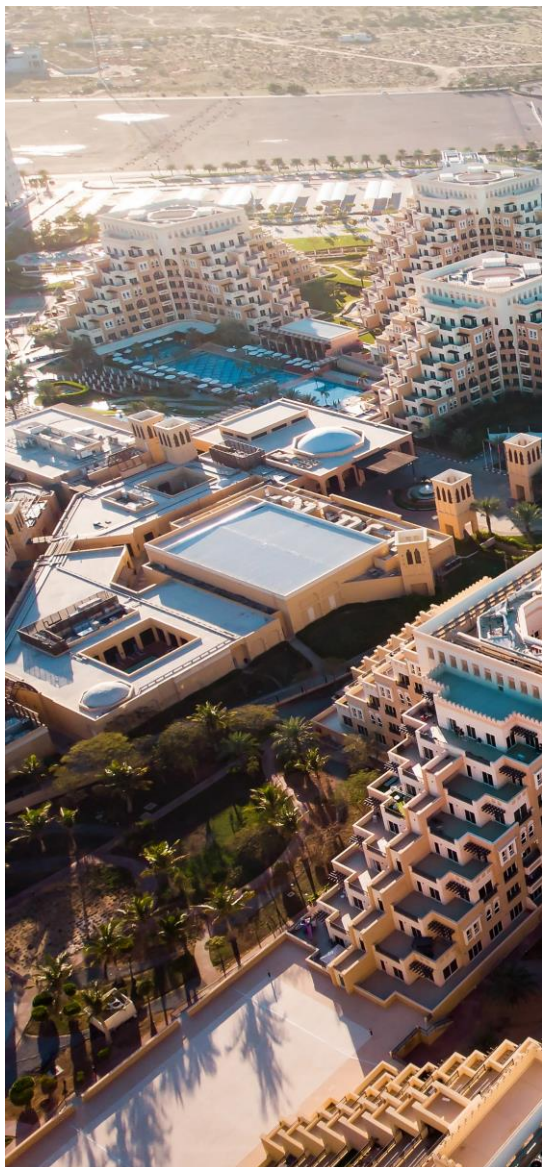


Source: CBRE Research

FIGURE 13: Ras Al Khaimah, Hotel KPIs



Source: CBRE Research/ RAKTDA



## RAK Hospitality

Accor maintained its lead position in RAK with more than 2,400 operational rooms and a pipeline of 320 keys. The year’s activity was supported by the announcement of the Fairmont Hotel & Residences (250 keys), reinforcing Accor’s broad footprint across both luxury and upscale segments.

Hilton remained the second-largest operator in the market, with over 2,100 operational rooms and a stable development pipeline of 350 keys.

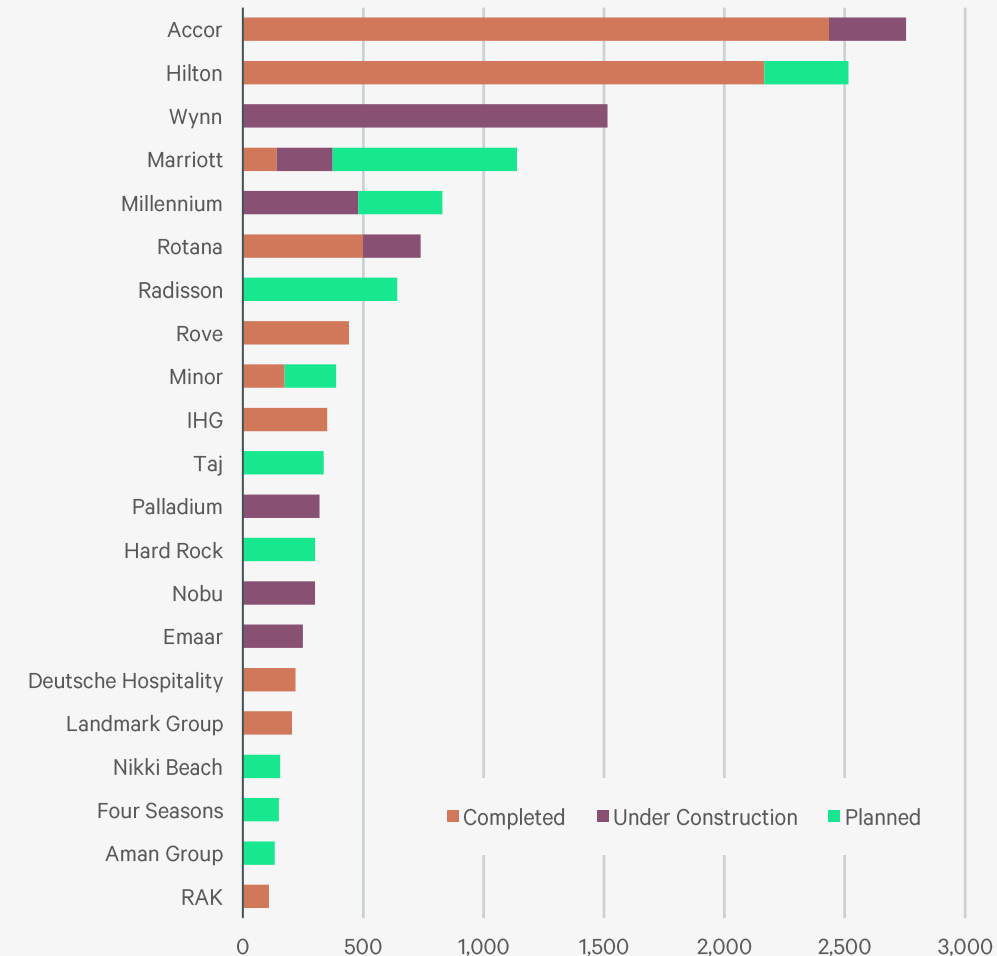
Wynn Resorts also stands out due to the massive scale of their flagship integrated resort, which dominates the under-construction landscape as a single mega-project. Additionally, the formation of a new joint venture to deliver Janu Al Marjan Island brings Aman Group into the operator mix, adding 132 keys and further diversifying the luxury development pipeline.

Marriott leads from the metric of development activity, supported by the announcements of The Luxury Collection Resort and JW Marriott Resort & Residences, which together will contribute 766 keys to the pipeline. This is in addition to the Westin Hotel, which has reached construction completion but is not yet operational, with an expected opening in H2 2026.

However, the temporary construction hold placed on W Al Marjan Island, as reported on MEED in January 2026, has resulted in its removal from the active pipeline, moderating Marriott’s near-term growth trajectory.

Overall, RAK’s hospitality market remains resilient, supported by solid tourism demand and ongoing investor interest. While select project delays may affect short-term delivery, the emirate’s broader development pipeline continues to signal steady long-term growth.

FIGURE 14: Ras Al Khaimah, International Operator Presence, No. of Keys



Source: CBRE Research / RAKTDA

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