

More homes or more buyers? UK vs Dubai residential demand to 2035

Part 1, where we are today: who needs a home, how many are being built and how much of the promised pipeline actually arrives.

UK figures are England data only, excluding Wales, Scotland and Northern Ireland.

1. What are we comparing?

A home only holds its value if someone needs to live in it. So we compare two things in each market: the **homes needed** each year (demand) and the **new homes** finished each year (supply).

Homes needed means new households plus any existing shortage still to clear. When more homes arrive than are needed, prices soften; when fewer arrive, rents rise.

What "UK" means here. Housing is run separately in England, Scotland, Wales and Northern Ireland, each with its own targets and statistics. Our UK figures are England data only, excluding Wales, Scotland and Northern Ireland. England holds about 85% of UK homes and most overseas buyers' purchases. This is a **macro view of England as a whole**: regions differ widely (see page 3).

Our simple test

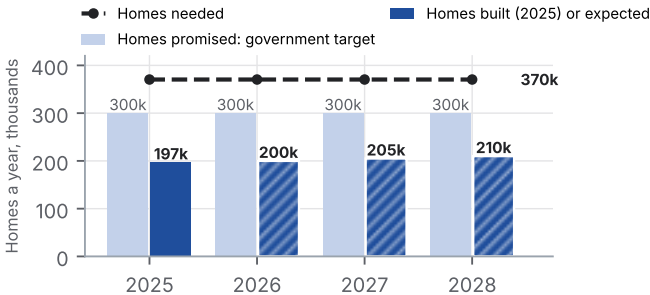
Homes built for every home needed. **Below 1**: a shortage. **About 1**: balanced. **Above 1**: a surplus.

2. The latest numbers

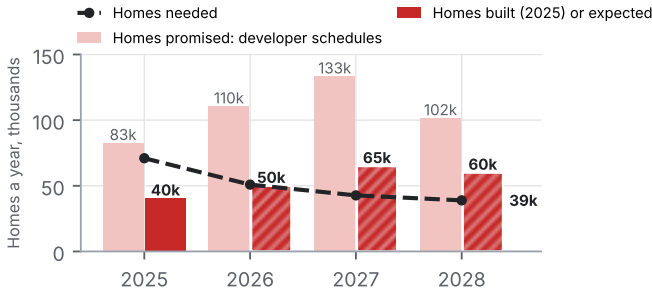
	England	Dubai
People	58.6m (2024), +0.3% a year	4.58m (end-2025), +7.5%; 4.8m by Sep 2026
New homes last year	196,900 (2025-26), down 6%	40,400 (2025) of 82,600 scheduled
Coming next	212,000 homes approved in the year to June 2026, down 12%	110,500 scheduled for 2026; 174,900 units launched in 2025
What drives demand	Ageing and more people living alone; net migration fell to 171,000 in 2025	New residents for work; about 61,000 left during the Iran war in March 2026, then returned
Is the market short of homes?	Yes, every year: about 370,000 needed, about 200,000 built	Was in 2025, so prices rose 12% and rents 11%. Easing in 2026 as new homes arrive: prices +2%, rents +8% a year

How to read both pictures: pale bars, homes promised; solid bars, homes built in 2025; striped bars, homes expected (our middle case); dashed line, homes needed. Same years and measures, side by side.

3. Picture 1: England, promised, built and needed



4. Picture 2: Dubai, promised, built and needed



What it shows: in 2025 Dubai built 40,000 homes against about 71,000 needed, which is why rents rose 11%. Only about half of what developers schedule arrives on time. From 2027 the new homes completed overtake the homes needed, adding 5% to 7% to its housing stock each year.

Side by side: England builds about 200,000 homes a year against 370,000 needed, every year. Dubai was short in 2025, building about 40,000 homes against roughly 71,000 needed, which explains the 11% rise in rents. From 2027 the new homes it completes overtake the homes it needs. The Dubai 2025 "needed" figure comes from last year's population growth and an assumption of 4.5 people per home.

The bottom line today

- England** is **short of homes every year**: about 200,000 built against 370,000 needed.
- Dubai** was **short in 2025**: 40,000 homes built against about 71,000 needed, which pushed rents up 11%.
- That is **now reversing**: more than 100,000 Dubai homes are scheduled for 2026. Only about half arrive on time, so the wave lands later and lasts longer than developers' figures suggest.

How we worked it out. England: ONS population and migration; MHCLG new homes, dwelling stock and planning permissions; housing need from the government's standard method. Dubai: Dubai Data and Statistics Establishment (population); Cavendish Maxwell and Cushman & Wakefield (homes built, scheduled and expected). Expected figures for 2026 to 2028 and Dubai homes needed (population growth ÷ 4.5 people per home) are our middle case. England years run April to March.

The road ahead: homes built vs homes needed, 2026 to 2035

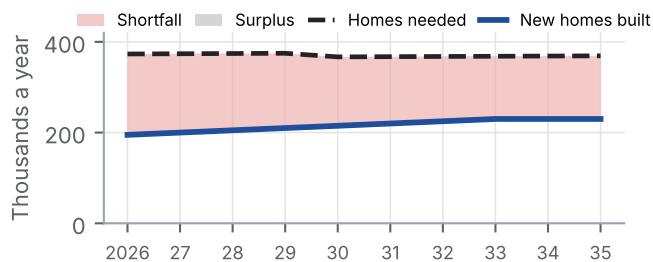
Part 2, a projection, not a promise: will each market build the homes it needs?

1. How do we look ten years ahead?

For each market we built low, middle and high paths for people and for building. Then, as weather forecasters do, we ran 20,000 possible futures, mixing those risks at random and looked at where most of them landed.

How to read the two charts below: solid line, new homes built; dashed line, homes needed. **Pink: shortfall.** **Grey: surplus.**

England: a persistent shortage



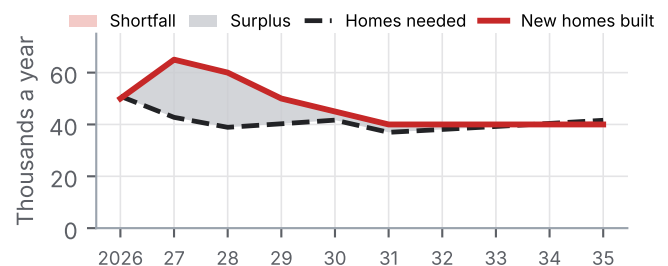
England builds about 216,000 homes a year against 370,000 needed, a gap of about 150,000 a year. The shortage carries on growing every year.

2. What we assumed

England: homes needed follow the government's own figure of about 370,000 a year: some 157,000 new households plus about 213,000 to clear the existing shortage. Building rises slowly from 197,000 to 230,000 a year.

Dubai: about 190,000 new residents a year, close to 2024's 208,000 and below 2025's record 320,000 (5% growth in 2026, easing to 3%), with about 4.5 people per new home. New homes completed peak at 65,000 in 2027, then ease to 40,000 a year.

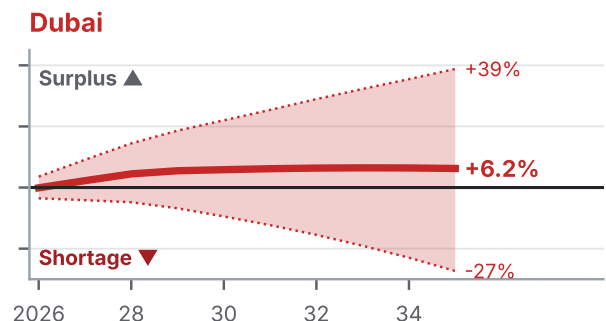
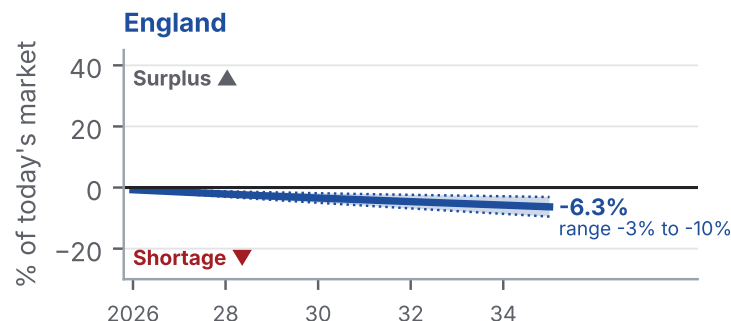
Dubai: a supply wave, then balance



From 2027 to 2029, new homes completed outrun the homes needed, leaving about 52,000 spare homes. After 2030 the two lines meet.

3. Picture: the running total, shortage or surplus, as a share of today's market

Same scale for both. Line: middle case. Band: between the bad and good cases; a wider band means a less certain outcome.



What it shows: England sinks steadily into shortage, about 1.5 million homes by 2035 (6.3% of its 24.4 million households); even its good case stays below zero. Dubai rises into surplus, but its wide band runs from 27% short to 39% over.

England: homes built per home needed

0.6

Chance of a shortage by 2035: about 99 in 100. Supports rents and resale; the risk is affordability, not empty homes.

Dubai: homes built per home needed

1.3 to 2029

Chance of a surplus by 2029: about 3 in 4. Over ten years it eases to 1.1, roughly balanced, after a crowded few years.

The bottom line for 2026 to 2035

1. **England** builds about **6 homes for every 10 needed**, ending about 1.5 million homes short by 2035 in almost every simulated future.
2. **Dubai** has about **52,000 more homes than needed by 2029**, mostly studios and one-bedroom flats in five districts.
3. After 2030 Dubai is **roughly balanced only if about 190,000 people a year keep arriving**. At 180,000 a year it ends 2035 with about 13% too many homes; at 260,000 it is slightly short.

How we worked it out. England: homes needed = new households (ONS 2024-based population times a rising household rate, ONS 2022-based) plus about 213,000 a year of backlog, so the total matches the government's standard method (370,400). Dubai: population growth divided by people per new home (5.5, 4.5, 3.5); no backlog. 20,000 simulated paths per market. Full method on page 4.

Important. These are illustrations based on assumptions, not forecasts or guarantees. Demand for homes does not translate directly into prices or rents. General information only, not personal financial, tax or investment advice.

Prices, rents and capital growth, 2026 to 2035

Part 3: how the gap between homes built and homes needed feeds through to what an investor earns.

1. How a shortage reaches your pocket

Rents move first. A shortage of homes means more tenants chasing each flat. **Prices follow**, because buyers pay for the rent a home will earn.

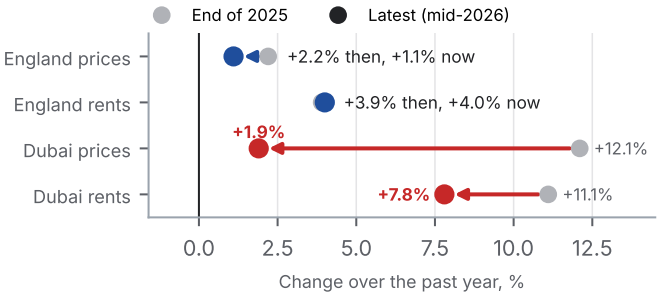
Research for the UK government (Meen, 2011) found that 1% more homes relative to households lowers real house prices by about 2% and by about 3% in London.

What moves prices is a **change in the gap**. England's gap is large but steady, so it supports prices without speeding them up. Dubai's gap swings from shortage to surplus, so it moves prices sharply.

Regional differences in England. Our England figures are national averages. London prices fell 3.3% in the year to July 2026; Savills expects the North West to rise about 25% by 2030, against 18.5% for the UK. A specific city or site needs its own analysis.

2. Where prices and rents are today

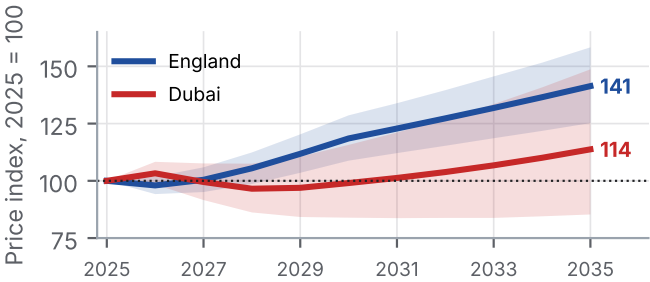
How to read it: each arrow runs from the yearly rise at the end of 2025 (grey) to the yearly rise now (coloured).



What it shows: England is **steady**: rents up about 4% a year, prices about 1%. Dubai is **cooling fast** as new homes arrive: price growth down from 12% to 2%, rents from 11% to 8%.

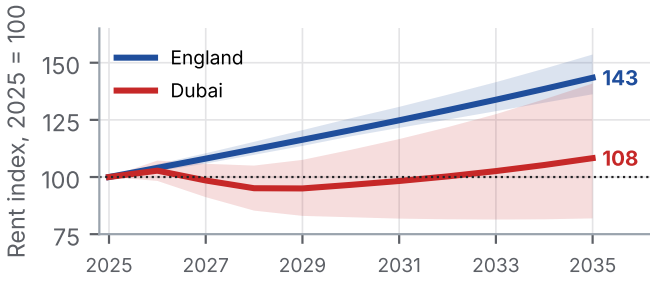
How to read both pictures: line, middle case; shading, between the bad and good cases (as in the table below); dotted line, today's level.

3. Picture 1: house prices



What it shows: England dips 2% in 2026, then recovers to +18.5% by 2030 and about +41% by 2035. Dubai rises 3% in 2026, falls about 6.5% to 2028 as the supply wave lands and only regains its 2025 level by 2031.

4. Picture 2: rents



What it shows: England's rents rise about 4% a year throughout, because the shortage never closes: about +43% by 2035. Dubai's rents fall about 7.5% from 2026 to 2029, then recover slowly: about +8% by 2035.

5. Capital growth: what £100,000 of property bought at the end of 2025 could be worth (sterling equivalent)

Market and year	Bad case	Middle case	Good case	Chance it is worth less than £100,000
England, 2028	£98,600	£105,500	£112,400	▼ about 1 in 7
England, 2035	£125,200	£141,000	£158,300	almost none
Dubai, 2028	£86,200	£96,800	£107,500	▼ about 2 in 3
Dubai, 2035	£85,300	£114,000	£148,700	▼ about 1 in 4

Dubai values are sterling equivalents at today's exchange rate; page 4 covers currency risk and how a local mortgage reduces it. Bad case: only 1 in 10 of our 20,000 simulated futures end lower. Good case: only 1 in 10 end higher. Prices only, before rent, buying costs, borrowing and tax.

The bottom line

- England:** £100,000 becomes about **£141,000 by 2035**, with almost no chance of a loss by then. Rents rise about 4% a year; prices catch up from 2028.
- Dubai:** £100,000 dips to about **£97,000 in 2028** and recovers to **£114,000 by 2035**. The chance of a loss is about 2 in 3 for a sale in 2028, falling to 1 in 4 by 2035.
- In summary:** England shows steadier growth with lower risk of loss. Dubai has higher rental yields today (about 7% gross on apartments, 5% on villas) and a wider range of outcomes, with most of the risk in 2027 to 2029.

How we worked it out. Yearly growth = base + ϵ × the gap between homes needed and built, as a share of all homes. England prices follow Savills to 2030, then 2.5% plus 2 × the gap; rents start at ONS's 4.0%. Dubai uses ϵ = 3 (Meen's London estimate). 20,000 simulated paths vary ϵ , base and gap. Not a valuation.

Technical appendix: the demand and supply model

Household formation, people per home, pipeline realisation, Monte Carlo simulation and currency.

A. Demand

England, new households plus backlog:

$$H_t = P_t \cdot h_t \quad D_t = (H_t - H_{t-1}) + B$$
$$h_t = h_{2022} + (h_{2032} - h_{2022})(t - 2022)/10$$

P = England population (ONS 2024-based: 58.6m 2024, 59.5m 2029, 60.3m 2034). h = households per person from the ONS 2022-based projections: 23.5m ÷ 57.1m = 0.412 (2022) and 25.9m ÷ 60.8m = 0.426 (2032). B = backlog cleared each year, 213,300: official need (370,400) less average new households (157,100). New households alone (157,100 a year) would sit below building, but they understate demand: a shortage stops households forming.

Dubai, people per new home:

$$P_t = P_{t-1}(1 + g_t) \quad D_t = (P_t - P_{t-1}) / k$$

P₂₀₂₅ = 4.58m. k = people per new home, 4.5 central. Today's 4.58m people in roughly 950,000 homes (estimates 900,000 to 977,000) is 4.8 per home, including shared housing. No backlog term: there is no official estimate.

D. Middle case, year by year (thousands)

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
England D	373	374	374	375	367	367	368	368	369	369	3,704
England S	195	200	205	210	215	220	225	230	230	230	2,160
England C	-178	-352	-521	-686	-838	-985	-1,128	-1,266	-1,405	-1,544	0.58×
Dubai D	51	43	39	40	42	37	38	39	40	42	411
Dubai S	50	65	60	50	45	40	40	40	40	40	470
Dubai C	-1	21	42	52	56	59	60	61	61	59	1.14×

D = homes needed, S = new homes built, C = running total of S – D. Total column for C rows shows the ratio $\Sigma S \div \Sigma D$. Dubai's middle-case population reaches 6.43m by 2035, ahead of the 2040 Urban Master Plan's 5.8m for 2040.

E. Monte Carlo simulation (N = 20,000 per market)

England: net migration shift ~ N(0, 80k) per path; headship trend × U(0.7, 1.3); backlog B ~ N(213k, 50k), floored at 0; building × N(1, 0.08) plus yearly noise N(0, 10k).

Dubai: growth shift ~ N(0, 1.5pp) per path plus yearly N(0, 1.5pp); a 5% yearly chance of a -4pp shock (a war-type event); k ~ U(3.5, 5.5); homes completed × N(1, 0.2), floored at 0.5.

G. Currency

Dubai figures are sterling equivalents at today's rate. The dirham is pegged to the US dollar (3.6725 since 1997), so the risk is sterling against the dollar, which has ranged from above \$1.71 (2014) to \$1.03 (2022). For a Gulf investor the risk sits in England: a 15% weaker pound in 2035 turns the £141,000 middle case into about £120,000 in today's terms.

A local UK mortgage reduces this. At 75% loan to value only the 25% deposit is exposed to sterling: the loan rises and falls with the pound. Sterling rents pay it.

Notes. England's need follows the standard method: 0.8% of stock plus an affordability uplift. Dubai's pipeline is concentrated: about 45% in five districts, about two-thirds studios or one-bedrooms. Sources: ONS (2022-based household and subnational projections; 2024-based national projections; private rent and house prices, January and September 2026); Savills (June 2026); Meen (2011) for DCLG; Fitch via Khaleej Times; MHCLG; Full Fact; Lichfields; Dubai Data and Statistics Establishment; Cavendish Maxwell; Cushman & Wakefield; ValuStrat; S&P via MEED; Khaleej Times.

B. Balance and the test

$$B_t = S_t - D_t \quad C_T = \Sigma B_t \quad \text{Ratio} = \Sigma S_t / \Sigma D_t$$

S = new homes. England uses net additional dwellings, which already allow for demolitions. Dubai uses completions. C is shown as a share of 2025 households (England, 24.4m) or homes (Dubai, 950,000).

Dubai pipeline: 48.9% of scheduled homes arrived on time in 2025 (40,400 of 82,600) and 41.3% in H1 2026 (Cavendish Maxwell). Our middle case assumes about 45% arrive on time and the rest slip.

C. Dubai: what if more or fewer people arrive?

Population growth	Arrivals a year by 2035	Population 2035	Homes, cumulative to 2035
3% flat	179,000	6.2m	13% surplus
Middle: 5% easing to 3%	187,000	6.4m	6% surplus
4% flat	261,000	6.8m	2% shortage
5% flat	355,000	7.5m	18% shortage
6.5% flat (post-Covid trend)	525,000	8.6m	45% shortage

Same new homes completed and 4.5 people per home in every row; shares of today's 950,000 homes. Growth is our judgement, not a published forecast; it is above the 2040 Urban Master Plan (5.8m by 2040, about 1.6% a year).

F. Results, cumulative to 2035

Measure	England	Dubai
1-in-10 low	-2,326k (-9.5%)	-260k (-27.3%)
Median	-1,545k (-6.3%)	+85k (+9.0%)
1-in-10 high	-757k (-3.1%)	+369k (+38.8%)
P(shortfall), 2035	99.5%	36.5%
P(surplus), 2029	n/a	73.9%