

INDEPENDENT ANALYSIS · MARCH 8, 2026

Wars, Real Estate & Dubai:

A segmented analysis featuring the NYC 9/11 comparable, UAE defense performance data, and the opportunity window forming in prime real estate.

EXECUTIVE SUMMARY

UAE INTERCEPTION RATE

93%

UAE Ministry of Defence

CASH TRANSACTIONS

60% - 69%

DLD Jan 2026

NYC 9/11 RECOVERY

<9 months

Miller Samuel / REBNY

UEMAAR DROP (1 WK)

-17.7%

TradingView

FITCHED MID-MARKET

Up to -15%

Fitch Ratings

PRIME OUTLOOK

Resilient

DLD, Knight Fra

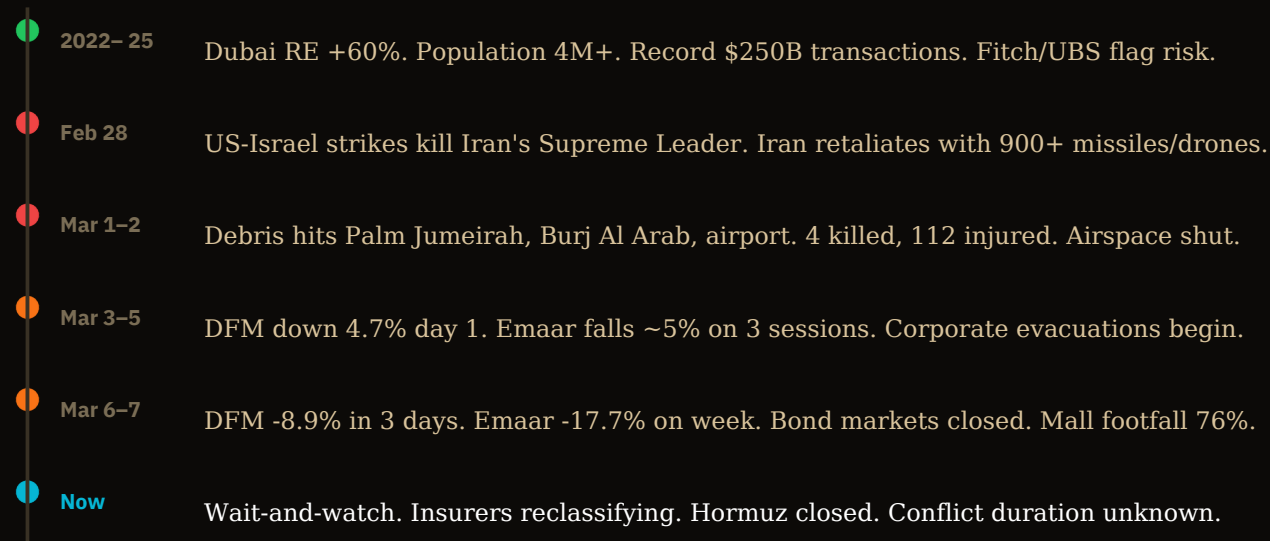
The data across nine chapters points in one direction: Dubai's fundamentally strong real estate is being stress-tested, and early results are more resilient than predicted. The UAE is not a combatant — it was caught in crossfire. Its 93% missile interception rate, decisive government response, and a population that overwhelmingly reports feeling safe are preventing the expat exodus that would drive a structural correction. The closest historical parallel — Manhattan after 9/11 — saw prices rise in the year of the attack.

With 60% cash transactions eliminating forced selling, smart money is positioning for discounted entry into previously inaccessible prime inventory — creating more buyers than panic sellers. The opportunity window forming now is the type of moment that creates generational returns.

What Happened

Eight days that tested Dubai's entire economic model

On February 28, 2026, the US and Israel launched coordinated strikes on Iran that killed Supreme Leader Ali Khamenei. Iran retaliated with 900+ missiles and drones targeting US military assets across the Gulf. The UAE intercepted 93% of ballistic missiles and 94% of drones. Not a single civilian death resulted from a direct strike — all 4 fatalities and 112 injuries were from falling interception debris.



A FOUNDATIONAL DISTINCTION

This Is Not the UAE's War

The UAE did not initiate military action. It did not join the US-Israeli strikes. Its foreign affairs ministry affirmed a "long-standing policy of good neighborliness, de-escalation and firm commitment to the Charter of the United Nations."

Iran's foreign minister stated that strikes "are not targeting our brothers or neighbours in the Persian Gulf" but rather US military assets. The UAE was caught in the crossfire of a conflict between other nations — not targeted for destruction.

Iran has a lot to lose in destroying Dubai's economy — the UAE is one of Iran's largest trading partners and home to a significant Iranian business community.

This fundamentally differentiates Dubai from Kuwait 1990 (invasion with intent to occupy), Beirut (civil war), or Syria (regime conflict). The UAE's non-combatant status makes sustained, escalatory targeting far less likely — and directly supports rapid-recovery models (NYC 9/11) over prolonged-warfare models (Beirut/Balkans).

The Market Dubai Entered This Crisis With

Distinguishing conflict shock from structural dynamics

PRICE RUN-UP +60% Since 2022 (Fitch)	FITCH FORECAST Up to -15% Mid-market only	UBS BUBBLE RISK #5 globally Global RE Index	PIPELINE 131,234 Units (81% apts)
CASH SHARE 60% DLD Jan 2026	OFF-PLAN 65% Of 2025 sales	JPM 300-400K Units by 2029	DELIVERIES ~35,000 Realistic 2026

Key takeaway: supply pressure warnings from Fitch, UBS, and JPMorgan are concentrated in mid-market apartment corridors — not in supply-constrained prime segments. The 60% cash transaction share means far less leverage-driven vulnerability than the 2008-09 crash. These structural characteristics determine how the conflict impact distributes across tiers.

The segments that were structurally sound before the strikes are demonstrating the resilience their fundamentals predicted. The segments showing strain are the same ones where weak fundamentals impact concentrates.

UAE Crisis Response

A 93% interception rate and a population that reports feeling safe

MISSILES	INTERCEPT	DRONES	CRUISE	DEATHS	INJURIES
221	93%	1,305	8 of 8	4	112
205 destroyed, 14 sea, 2 landed	Ballistic missiles	1,229 intercepted (94%)	100% interception	All from debris	Minor

Iran launched over 1,500 projectiles at the UAE. Not a single civilian death resulted from a direct strike. This interception rate exceeds Israel's Iron Dome during recent escalations — and it was the UAE's first time under sustained fire.

The institutional response was equally decisive: schools shifted to distance learning, remote work implemented, airport emergency protocols activated, real-time SMS alerts for incoming threats with all-clear notifications within minutes. Dubai Mall returned to 76% of normal footfall within 5 days. Grocery stores stayed stocked throughout.

Canadian expats told The Globe and Mail they feel "super safe" — one stating the UAE feels safer than Toronto. Residents described watching interceptions then going to restaurants and gyms. Dubai's ruler attended horse racing at Meydan while defense systems were active. The UAE issued guidance against sharing interception footage — standard operational security to deny adversaries intelligence.

Five Key Findings from the Crisis Response

Mass exodus is not materializing at feared scale

Departures concentrated among short-term workers, tourists, and some corporate staff—not long-term residents and property owners who drive housing demand.

The safe-haven narrative may emerge stronger, not weaker

Before the strikes, Dubai's safety was an assumption—comfortable but untested. A 93% interception rate under live fire is no longer an assumption. It's a demonstrated fact. For risk-calibrating investors, proven defense capability is more valuable than theoretical peace.

Population retention anchors housing demand

If the population stays, rental demand stays. If rental demand stays, yields hold. If yields hold, the income floor that supports sale prices remains intact.

Government credibility is a tangible economic asset

The speed, transparency, and effectiveness of the crisis response has built institutional trust that directly reduces the flight risk that would otherwise undermine property values.

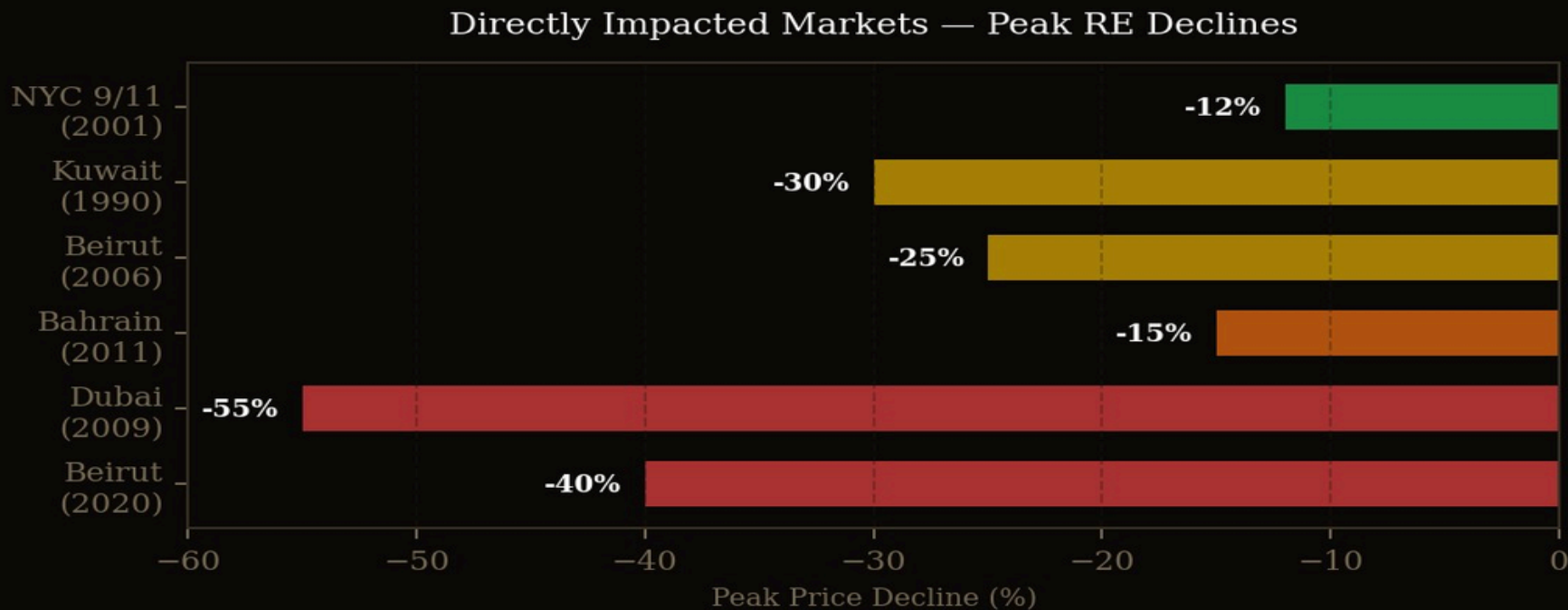
Tourism and short-term segments remain the exception

Foreign travel advisories, airline disruptions, and insurer reclassifications are outside the UAE government's control. The crisis response helps the residential market far more than hospitality.

Critical condition: Everything above holds if strikes remain contained. If the conflict resolves, the UAE's crisis performance becomes a permanent asset. If it escalates, systems and sentiment face sustained testing.

Historical Comparables — Markets Actually Struck

Only directly impacted markets — not distant bystanders



THE NYC 9/11 MODEL — THE STRONGEST COMPARABLE

Manhattan After September 11, 2001

MARKET FREEZE

~5 weeks

Zero transactions in downtown neighborhoods

MANHATTAN PRICES

+13%YoY

Condo prices rose 13% 2000→2001 despite 9/11

BROADER RECOVERY

<9 months

Most boroughs exceeded pre-9/11 by mid-2002

GROUND ZERO AREA

-12 to -35%

Tribeca, Battery Park, FiDi — 3-4 year recovery

5-YEAR OUTCOME

-12 to -35%

2001-06 most explosive NYC development cycle

RECOVERY TRIGGER

Fed Rate Cuts

Bidding wars on midtown apartments within 60 days

Both are global financial capitals dependent on foreign investment and international talent. Both were directly struck by attacks that shattered their perceived invincibility. Both had fundamentally strong economies underneath the shock. Manhattan froze for five weeks — then demand came roaring back. The recovery was segmented: downtown areas nearest Ground Zero took 3-4 years while broader Manhattan recovered within 9 months. This parallels Dubai's tier structure precisely.

Several factors favor containment: President Trump indicated Operation Epic Fury is designed to last 4-5 weeks. The UAE maintains a defensive posture, not joining military action. Iran's stated targets are US assets, not Gulf neighbors. If the conflict follows this trajectory, the NYC recovery model — a brief freeze followed by explosive growth — is the most applicable precedent.

Dubai Is Not One Market

Quality determines outcome far more than geography

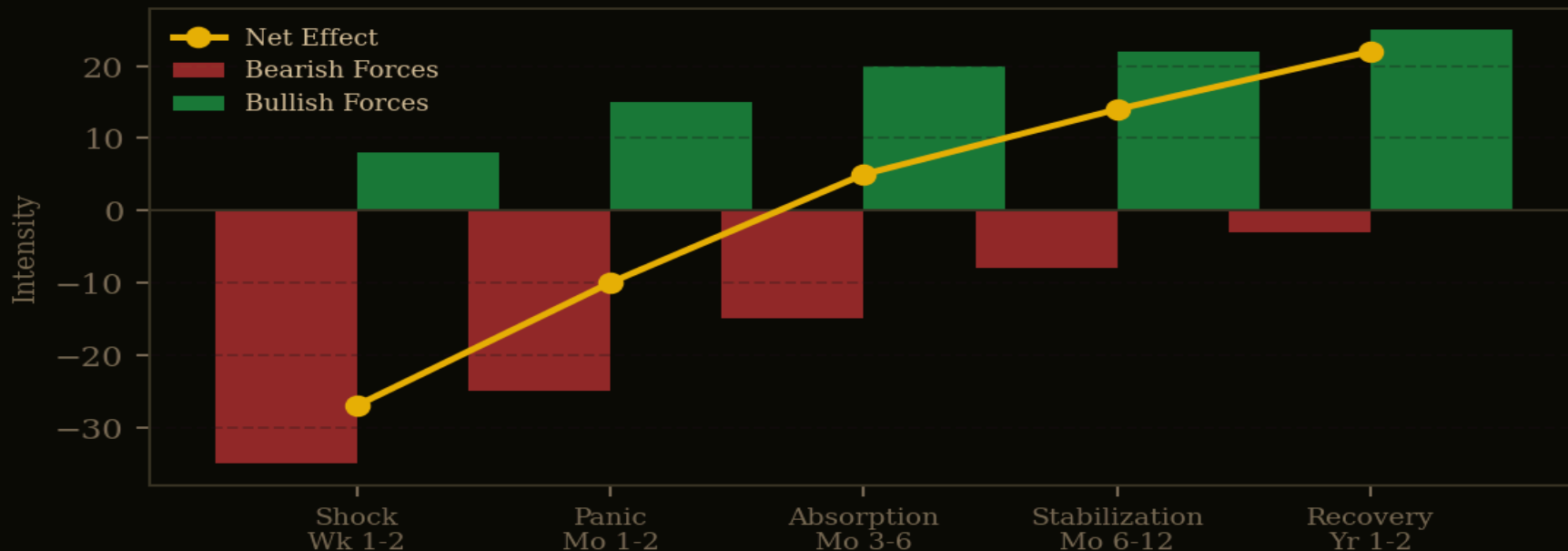
Tier	Short (0-6 mo)	Mid (6- 18mo) -2% to	Long (18mo+)	Exa mpl es	Key Characteristic
Tier 1: Prime	-1% to -5%	+5%	+5% to +25%	Prime villas, and residences from Top Tier Developers and developments	Undersupplied. 60% cash. 990 sales >AED 10M in Jan. End-user driven.
Tier 2: Quality Apt	-5% to -12%	-8% to +2%	0% to +18%	Quality apartments in established metro-connected communities	6-8% rental yields. Professional tenants. Mature co mm u nit ies .
Tier 3: Mid-Market	-10% to -22%	-15% to -5%	-5% to +12%	Mid-market apartments in high-supply corridors	81% of pipeline. Payment tools + DLD fee waivers available.
Tier 4: Speculative	-20% to -35%	-25% to -10%	-10% to +8%	Off-plan from smaller devs, STR units, holiday homes	STR tripled in 3yrs. Tourism losses \$34-56B. Insurance risk.

The conflict produces a sorting mechanism: strong assets absorb bullish forces (flight to quality, safe-haven inflows, oil revenues) while weak assets absorb bearish ones (tourism collapse, insurance repricing). Selling quality into fear has been the worst possible decision in every comparable scenario.

How War Forces Hit Each Tier Differently

Bearish forces fade, bullish forces build over months

War Forces Phase Timeline — Bearish Fades, Bullish Builds



WAR FORCES MATRIX — 11 FORCES × 4 TIERS

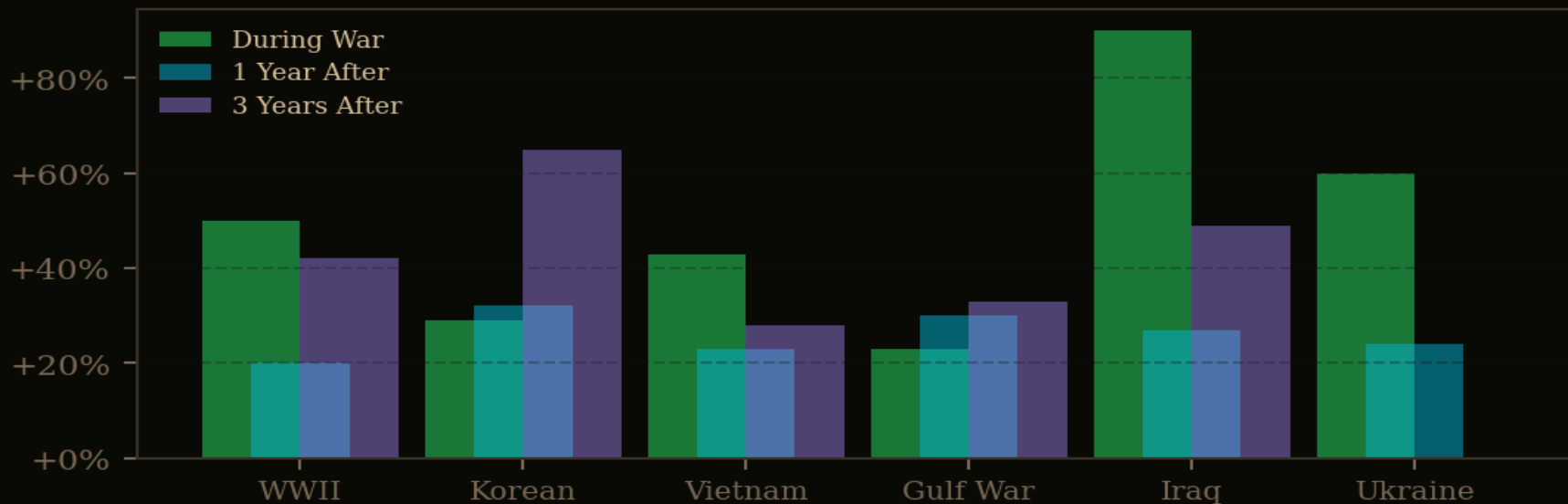
Bullish forces benefit strong assets. Bearish forces hit weak ones.

For ce	Dir	Tier 1	Tier 2	Tier 3	Tier 4	Timing
Flight to Quality	Bull	Strong +	Mod +	Mild -	Negative	Peaks month 1-2
Safe-Haven Inflows	Bull	Strong +	Positive	Neutral	Neutral	Builds over months
Oil Revenue Surge	Bull	Positive	Positive	Mild +	Neutral	Immediate, sustained
Defense Spending	Bull	Mild +	Positive	Mild +	Neutral	Builds 6-18 months
Less Supply (de lay s)	Bull	Mild +	Positive	Positive	Mild -	Quarter 2-3
Pent-Up Demand	Bull	Positive	Strong +	Strong +	Positive	Post-resolution
Expat Sentiment	Bear	Mild -	Mod -	Negative	Strong -	Peaks wk 1-4, fades
Tourism Collapse	Bear	Negligible	Mild -	Mod -	Severe -	Until advisories lift
Narrative Test	Bear	Mild -	Mod -	Mod -	Strong -	May convert to positive
Insurance Repricing	Bear	Negligible	Mild -	Mod -	Severe -	May persist years
Bond Mkt Closure	Bear	Negligible	Negligible	Mild -	Mod -	Payment tools bridge

Why Smart Money Buys Wars

73% of post-war periods delivered positive returns within a year

S&P 500 Returns During & After Major Conflicts



These are US/global markets far from combat — but they explain the psychology driving capital into Dubai. Sophisticated investors have internalized this data. It's why they treat fear-driven corrections as entry points, not exit signals.

POST-WAR REAL ESTATE BOOMS

War suppresses construction and creates pent-up demand. When peace returns, the release is explosive.

Post-WWI (1919-26)

Pent-up demand, urbanization, construction boom

+40%

Post-WWII (1946-60)

GI Bill, 15M returning vets—homeownership 43% → 62%

+150%

Post-Gulf War (1991-97)

Low rates, confidence rebound, tech boom beginning

+25%

During Iraq War (2003-06)

Low rates, loose lending—overheated into 2008

+45%

During Ukraine War (2022-25)

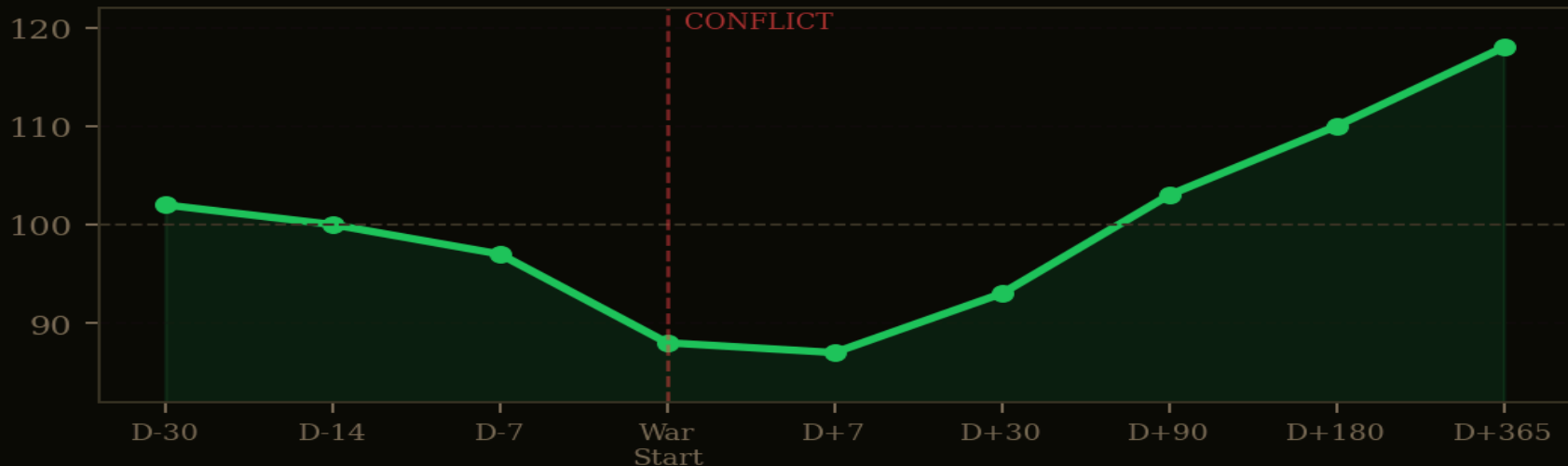
Supply squeeze, safe-haven flows into Dubai

+47%

THE BUY-THE-FEAR PATTERN

Composite Pattern Across Major Conflicts

Composite 'Buy the Fear' Pattern — Avg Dip -12%, Recovery ~60 Days, 1-Yr Return +18%



AVERAGE DIP

-12%
At conflict onset

RECOVERY TO BASELINE

~60 days
Across major conflicts

1-YEAR RETURN

+18%

Average post-conflict

ON-THE-GROUND SIGNALS FROM DUBAI

What Smart Money Is Doing Right Now

BULLISH

Emaar CEO: 'People with true capital will double down'

CNBC, Mar 6

BULLISH

Experienced investors using lower competition to secure premium assets

Proact Luxury RE

OPPORTUNITY

2-7% mid-market discounts appearing in negotiations

DLD Data

STRUCTURAL

60% of Jan transactions all-cash — no forced selling pressure

DLD / Reliant

BULLISH

Dar Global CEO: 'Nothing is on hold, everything is on track'

Reuters, Mar 6

OPPORTUNITY

Developers can deploy flexible payment tools and DLD fee waivers

Industry tools

OPPORTUNITY

Corporate relocations creating rare resale inventory in quality communities

Broker reports

STRUCTURAL

Rental yields strengthening as sale prices soften — income case improves

Market dynamics

Previously Impossible Opportunities Are Opening Up

For 3-4 years, launches from Emaar, Meraas, Nakheel, and Aldar were oversubscribed before or on public release. Premium units from were allocated through VIP access. Having capital wasn't enough — you needed connections, speed, and luck. That dynamic may have paused:

Branded residences and premium units from Top developers coming in to market giving investors opportunity to secure prime assets

Tier 1

Most desirable prime opportunities now will give you time enough for proper due diligence, negotiation, and strategic selection

Tier 1-2

Developers have tools — enhanced payment plans, post-handover terms, DLD fee waivers — making launches more accessible than at any point in 3 years

Tier 1-2

Resale properties from departing expats creating inventory in quality communities that rarely had resale stock

Tier 2

Negotiation leverage shifted: buyers can request 2-7% below asking where sellers had zero incentive to discount

Tier 2-3

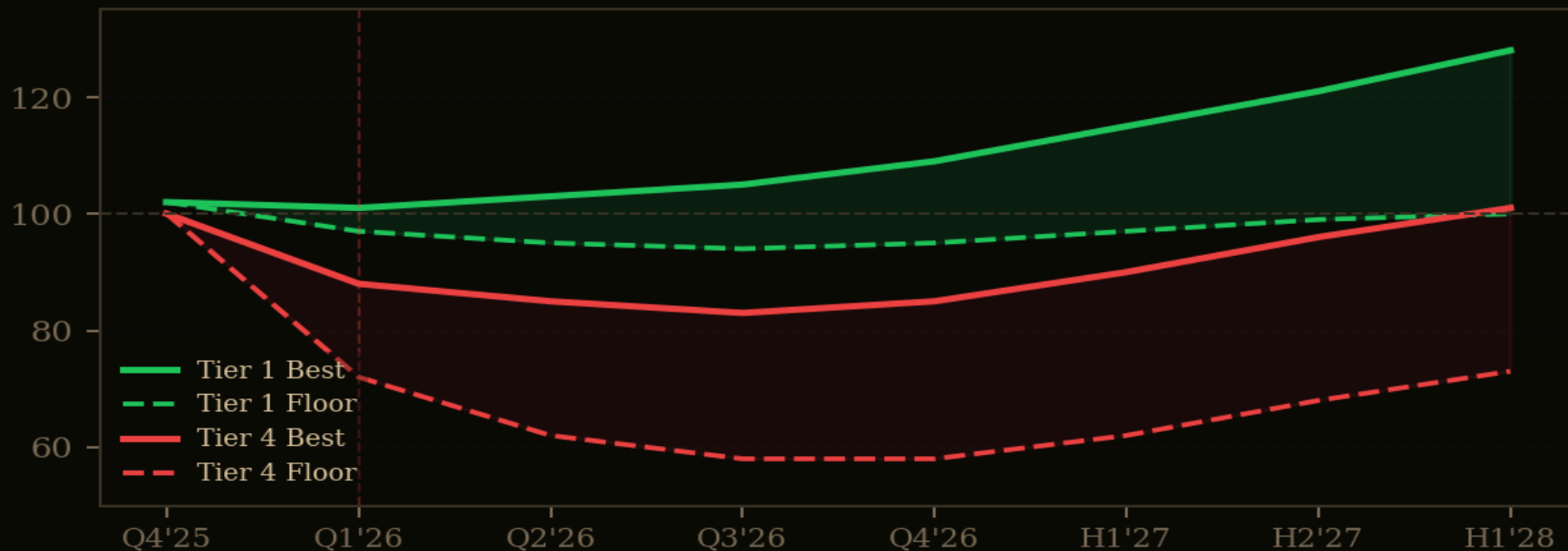
Off-plan assignment deals below original price — developers can use better payment plans and DLD waivers to retain buyers

Tier 3

Forecast: Ranges, Not Points

Tier 1 (Prime) vs Tier 4 (Speculative) through H1 2028

Forecast Ranges — Tier 1 (Prime) vs Tier 4 (Speculative)



Key Variables to Monitor

Signposts that will confirm or adjust the bullish thesis

100**Will there be more strikes on the UAE?**

Non-combatant status makes sustained targeting unlikely.

95**Will the Strait of Hormuz remain closed?**

20% global oil/LNG. UAE has 700 kb/d bypass. Global pressure immense.

90**How long does the Iran-US conflict last?**

Weeks = NYC 9/11 model. Trump indicated 4-5 week operation.

85**Does a mass expat exodus materialize?**

Current data: most long-term residents report feeling safe and staying.

80**How will insurers classify UAE long-term?**

Conflict zone status controls tourism recovery timeline.

65**Will bond markets reopen for developers?**

Major devs can use payment tools + DLD waivers. Smaller devs need bonds.

60**Does Saudi capture Dubai's displaced capital?**

Riyadh competing aggressively for wealth migration.

DEEP DIVE: THE STRAIT OF HORMUZ

The Most Significant Downside Variable

DAILY OIL

20.7M bbl

1 in 5 barrels consumed globally

CURRENT TRAFFIC

Near Zero

IRGC confirmed closure Mar 2

BRENT CRUDE

\$92/bbl

Up from ~\$74 pre-strikes

SHIPS STRANDED

150+

5 tankers damaged, 2 crew killed

UAE BYPASS

~700K b/d

ADCOP pipeline to Fujairah

GLOBAL LNG RISK

~20%

Qatar declared Force Majeure

WHY THE BULLISH THESIS STILL HOLDS

UAE has bypass infrastructure

The Abu Dhabi Crude Oil Pipeline to Fujairah provides ~700K b/d that does not transit Hormuz. One of only two Gulf states with this capability.

Closure devastates Iran's own economy

Iran needs Hormuz for its own trade and revenue. Sustained closure is economically self-destructive.

Global pressure makes prolonged closure unsustainable

20% of world oil at risk. Qatar declared Force Majeure. S. Korea warned 9 days LNG left. Qatar's Energy Minister: "This will bring down economies of the world."

Seven Reasons the Smart Money Is Buying

1 Dubai's defense performance changes the entire calculus

A 93% missile interception rate, zero direct-strike casualties, and real-time civilian alerts have produced something no one expected: residents who feel safer after the test than before it. Proven defense capability under fire is more valuable than theoretical peace.

2 This is not the UAE's war — limiting sustained risk

The UAE did not initiate or join the strikes. Iran's stated targets are US military assets, not Gulf neighbors. The UAE-Iran trading relationship and explicit de-escalation policy make sustained targeting unlikely. This supports the NYC 9/11 model over the Beirut model.

3 More buyers than panic sellers — market structure prevents a crash

With 60% of transactions in cash, there is no mortgage-driven forced selling. Sophisticated capital is actively positioning for discounted entry. Emaar's CEO, Dar Global's CEO, and institutional investors have signaled this is an entry window. Volume freeze, not cascading sell-off.

4 The NYC 9/11 model is the strongest comparable — deeply bullish

Manhattan after 9/11: a global financial capital, dependent on foreign investment, directly attacked, that froze for 5 weeks and then surged. Condo prices rose 13% in 2001, another 7% in 2002. The post-9/11 period became one of the most explosive development cycles in NYC history.

5 Previously inaccessible inventory is available for the first time in years

For 3-4 years, Dubai's prime market was defined by inaccessibility — instant sellouts, waitlists, zero negotiation leverage. That dynamic has paused. Launches may see released allocations. The most desirable prime units now available for a wider public, and gives you enough time for due diligence. Developers can deploy flexible payment tools and DLD fee waivers. Manhattan buyers who moved during the post-9/11 freeze captured assets locked up for years. The same window is forming now.

6 Mid-market supply pressure is real — but concentrated where smart money doesn't buy

Fitch, UBS, and JPMorgan were flagging risks in mid-market segments: 60% price run-up, 131K units in the pipeline, 5th-highest global bubble risk. But these warnings apply to oversupplied apartment corridors — not to supply-constrained prime. Developers have powerful tools to sustain demand — flexible payment structures, post-handover terms, DLD fee waivers — reducing the risk of demand collapse even in exposed segments. Tier 1 and 2 fundamentals remain intact.

7 Conflict duration is the key variable — and the base case favors resolution

President Trump indicated Operation Epic Fury is designed to last 4-5 weeks. The UAE maintains a defensive posture. Iran's stated targets are US assets, not Gulf neighbors. The Strait of Hormuz closure creates global economic pressure making resolution urgent for all parties. A swift resolution maps to the Gulf War / NYC 9/11 pattern — and that pattern overwhelmingly rewards those who bought during the fear phase.

The Bottom Line

The data across nine chapters points in one direction: Dubai's fundamentally strong real estate is not crashing — it is being stress-tested, and the early results are more resilient than almost anyone predicted. A 93% missile interception rate. A non-combatant nation that was never the target. A population that overwhelmingly reports feeling safe. 60% cash transactions eliminating forced selling. Smart money positioning for previously inaccessible prime inventory.

The closest historical parallel — Manhattan after 9/11 — saw property prices rise in the year of the attack then enter one of the most explosive growth cycles on record.

For quality property — prime locations, Tier-1 developers, supply-constrained communities — the evidence points toward holding, not selling. Every comparable market that experienced conflict and resolution rewarded patience.

The opportunity window opening now — quality inventory, negotiable terms, reduced competition for the first time in years — is exactly the type of moment that creates generational returns.

Sources: DLD, UAE Ministry of Defence, DFM, Fitch, UBS, JPMorgan, Miller Samuel, EIA, IEA.
This is Not financial advice.