

MARKET FUNDAMENTALS

7.2%
Vacancy Rate

YoY Chg	12-Month Forecast
▼	▼

16%
YoY Increase in City-Wide Rents

YoY Chg	12-Month Forecast
▲	▼

AED 211
Asking Rent/sqft
(City-Wide Offices)

YoY Chg	12-Month Forecast
▲	▲

ECONOMIC INDICATORS

4.02 Mn
Dubai Population

YoY Chg	12-Month Forecast
▲	▼

4.2%
UAE Real GDP
Annual Growth (Q4 2025)

YoY Chg	12-Month Forecast
▲	▼

2.2%
UAE Unemployment

YoY Chg	12-Month Forecast
▼	▲

Source: IMF, World Bank, Dubai Statistics Centre

OFFICE SUPPLY: RECOVERY UNDERWAY AMID LIMITED AVAILABILITY

Dubai's office market continues to face a structural shortage of institutional-grade space, following a prolonged period of muted completions over the past four years. Supply is expected to improve gradually from 2026 onwards, with key Q1 2026 completions including DIFC Square in DIFC, Technohub 4 in Dubai Silicon Oasis and Atrium in Barsha Heights. While the medium-term pipeline should ease some pressure, much of the upcoming stock remains pre-committed, reflecting sustained occupier demand for quality space.

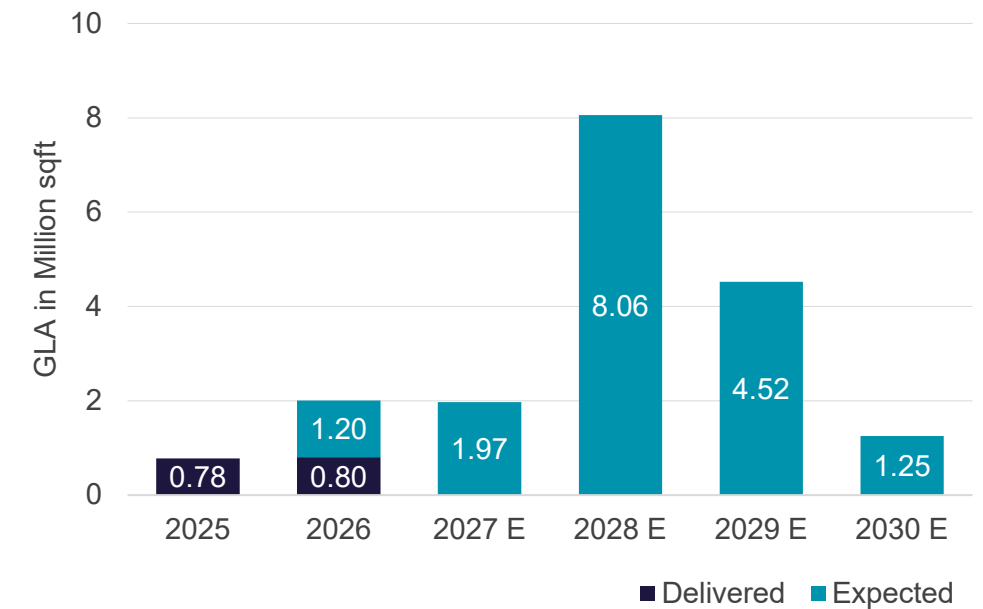
MARKET SENTIMENT: RESILIENT BUT MORE CAUTIOUS

The Dubai office market is operating at historically high occupancy and rental levels, supported by a strong business environment, infrastructure, and continued government backing. Institutional landlords and developers have not introduced price corrections, with transactions continuing across major landlords and free zones. That said, there is a clear shift toward tenant retention, with flexibility and occupier support becoming central to sustaining occupancy and asset performance. Early signs include targeted incentives from Dubai International Financial Centre, Dubai Integrated Economic Zones Authority, and Dubai South, with others beginning to follow. Strata landlords are also offering rent-free periods while holding headline rents to attract tenants. Global occupiers with established UAE operations remain committed to their existing footprint, with limited evidence of downsizing to date. As a result, institutional landlords are prioritising occupancy stability to preserve long-term asset performance and investor confidence.

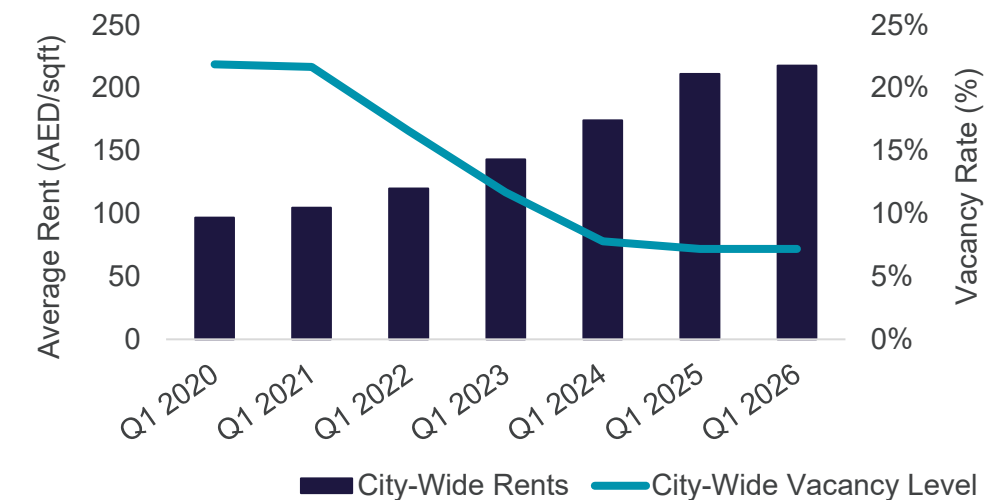
PRICING: RENTS REMAIN FIRM WITH LIMITED STOCK

Average city-wide office rents in Dubai stand at AED 211 per sqft, reflecting a 16% YoY increase with no significant QoQ change. Headline rents remain firm, supported by high occupancy and limited availability of Grade A space. Prime districts such as Dubai International Financial Centre, One Central and Downtown Dubai continue to command premium pricing. While space utilisation has softened slightly in recent weeks following the onset of the conflict, occupancy levels remain stable, with no notable relocations or downsizing observed. While still early, some sub-leasing availability may emerge should the uncertainty persist.

SUPPLY: DELIVERY/EXPECTED



OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield Core Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQFT)	DIRECT VACANT (SQFT)	OVERALL VACANCY RATE	UNDER CONSTRUCTION (SQFT)	OVERALL AVG ASKING RENT (ALL OFFICE GRADES)*
Downtown Dubai	4,874,585	97,492	2%	-	AED 450
SZR (Trade Center-Interchange 1)	7,501,689	225,051	3%	2,382,663	AED 310
DIFC	7,809,083	156,182	2%	4,154,575	AED 580
DIC/DMC	12,543,656	627,183	5%	451,000	AED 320
Business Bay	17,100,986	855,049	5%	3,342,355	AED 200
Jumeirah Lake Towers	13,334,863	1,466,835	11%	1,845,120	AED 250
Dubai Design District	1,378,976	13,790	1%	629,000	AED 340
Dubai CommerCity	1,004,241	10,042	1%	271,896	AED 200

*Rental rates reflect asking, inclusive of service charges

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SIZE (SQFT)	TYPE
6 Falak	Al Sufouh	31,022	New
The Conrad Hotel Tower	Trade Centre First	15,587	New
The Bay Gate Tower	Business Bay	14,265	New
Vision Tower	Business Bay	10,476	New
One by Omniyat	Business Bay	9,537	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SALE TYPE	SIZE (SQFT)	PRICE / AED PER SQFT
Enara by Omniyat	Business Bay	Off-Plan	13,768	AED 70,380,349 / AED 5,112
Shahrukhz by Danube	Al Sufouh First	Off-Plan	12,892	AED 62,359,000 / AED 4,837
Lumena by Omniyat	Business Bay	Off-Plan	9,068	AED 52,976,739 / AED 5,842
Control Tower	Motor City	Secondary	27,726	AED 43,000,000 / AED 1,551
O-14 Tower	Business Bay	Secondary	6,746	AED 17,000,000 / AED 2,520

KEY HANDOVER PIPELINE Q1 2026

PROPERTY	SUBMARKET	SIZE (SQFT)	DEVELOPER
Atrium Tower	Barsha Heights	110,233	Banyan Properties
DIFC Square	DIFC	461,131	DIFC

PRATHYUSA GURRAPU MRICS

Head of Research

Tel: +971 52 714 7175

prathyusa.gurrapu@cushwake.ae

ROBERT THOMAS MRICS

Head of Agency

Tel: +971 56 681 5988

robert.thomas@cushwake.ae

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