



CUSHMAN &  
WAKEFIELD

CORE

2025/2026

# DUBAI ANNUAL MARKET UPDATE

RESIDENTIAL & OFFICE

Better never settles



# WHAT'S IN THIS REPORT?

## RESIDENTIAL MARKET

The Big Question: Has the Market Reached it's Peak?	4
Residential Supply: Will 2026 See An Oversupply?	6
Off-Plan Market: Is There a Flipping Risk?	10
Branded Residences: From Luxury Niche To Segmented Market	16

## OFFICE MARKET

A Short-Term Supply Squeeze, Followed by a Wave of New Offices	20
Which Sectors Are Driving the Market?	22
Flex Space is Now Mainstream	23
Dubai on the World Stage: Office Occupancy Amongst Highest Globally	24

## THE BIG QUESTION

## HAS THE MARKET REACHED ITS PEAK?

## SNAPSHOT

~935,000

Total residential market inventory as of 2025

46,700

Total residential units handed over in 2025

13%

YoY rise in city-wide residential sales prices

6%

YoY rise in city-wide residential rent prices

AED 1,911

City-wide sales price (AED/sqft)

AED 122

City-wide average rents (AED/sqft/year)

Dubai's residential market maintained its upward trajectory in 2025, underscoring its scale, resilience, and global relevance as a real estate destination. City-wide values rose by 13% YoY, extending the current growth cycle to 22 consecutive quarters of price appreciation. This sustained performance continues to be driven by strong population growth, resilient end-user demand, and Dubai's positioning as a preferred destination for global capital, talent, and long-term residency.

That said, no market cycle is linear, and many people are questioning whether we're seeing the top of this current cycle. Of course, the answer is never black and white. After an exceptional five-year run, the pace of annual price growth has clearly moderated, easing from 22% in 2023, 18% in 2024, to 13% in 2025. This deceleration signals a market that is transitioning from acceleration to normalisation.

Pricing trends increasingly point to greater differentiation by location, asset quality, and unit type, with prime and family-oriented segments continuing to show resilience.

As the market moves beyond its peak growth phase, 2026 is expected to be characterised by greater selectivity and fundamentals-led performance. This report examines where momentum is being sustained, where risks are emerging, and how Dubai's residential market is evolving into a more mature and balanced phase of its cycle.

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*After an exceptional five-year rally, the pace of price growth has moderated.*

## WHAT TO LOOK FOR IN 2026

## » Sales market moderation:

City-wide price growth is expected to slow into the early-to-mid single-digit range as supply and demand begin to rebalance. Moderation is likely to be most pronounced in districts and unit types with higher supply concentration, particularly studios and one-bedroom units in supply-heavy locations such as JVC and Business Bay.

## » Rental growth normalisation:

Rental performance is expected to moderate further, with city-wide rents expected to remain flat in 2026, and corrections expected in locations with elevated handover volumes. Studios and one-bedroom units in these districts are likely to remain under pressure, while larger apartments and villas in amenity-rich communities are expected to retain relative pricing power, particularly in districts such as Downtown Dubai, Palm Jumeirah and Dubai Hills.

## MARKET RISKS

## » Geopolitical uncertainty:

Tensions in the region remain a risk, including tariff pressures and oil price volatility. While Dubai has diversified its economy and continues to act as a safe haven for global capital and talent, heightened geopolitical tensions could weigh on sentiment and capital flows.

## » Off-plan challenges:

With approximately 72% of transactions occurring in the off-plan market, residential activity remains investor-led. Any delays in project completions or an inability for investors to meet payment obligations could amplify downside risk, particularly if price growth softens and exit liquidity tightens.

## » A divided market:

While market-wide oversupply is not an immediate concern, the concentration of future supply in select districts and unit types poses localised oversupply risks. In contrast, prime and waterfront locations, across both apartment and villa segments, are expected to retain relative pricing resilience.

RESIDENTIAL SUPPLY

# WILL 2026 SEE AN OVERSUPPLY?

This remains a key concern given the scale of the announced supply pipeline. However, the risk of oversupply is segment-specific, rather than market-wide, and needs nuanced analysis.

Demand fundamentals remain strong with population growth continuing to drive demand for residential assets. Over the past 12 months, Dubai saw 208,030 new residents (+5.2%), reflecting organic population growth rather than speculative churn.

This pace exceeds the implied growth trajectory under the Dubai 2040 Urban Master Plan, which targets a population of 5.8 million by 2040.

There is additional pressure from latent demand priced out of the market, largely residing in the northern emirates. This is reflected in the *Active Individuals' Movement During Peak Hours* data from the Dubai Statistics Centre, which shows 1.68 million commuters and temporary residents in 2024,

representing a 10% increase YoY. The nature of this demand is also changing as more and more people see Dubai as a long-term proposition. Housing demand is increasingly long-term and end-user driven. Rental registrations rose 7% YoY, with renewals now outpacing new contracts as rents have increased, signalling strong resident retention. Private school enrolments are up 6%, reinforcing the expansion of family-led households rather than transient demand.

## What the Pipeline Says vs. What the Market Sees

While over 400,000 units are under construction and announced to be delivered between 2026 and 2030, realisation rates are expected to be materially lower. Delivery timelines continue to be constrained by contractor capacity, supply chain challenges, and execution risks.

Developers have started responding by internalising construction capabilities to improve control over timelines, costs, and quality. Major developers, including Emaar, Ellington, Azizi, and Arada have announced plans to partially or fully manage construction in-house. While the impact of this shift will take time to assess, it underscores that contractor capacity remains a structural constraint on near-term supply delivery.

## Concentration Matters: Location and Unit Mix

It's important to understand that the supply risk is concentrated. Nearly 45% of under-construction stock is located across five areas: JVC/JVT, Dubai South, MBR City, Business Bay, and Dubailand Residence Complex. In addition, approximately 66% of the upcoming supply comprises studios and one-bedroom units, elevating oversupply risk for smaller units in high-delivery districts.

The pipeline is also apartment-heavy, with over 86% of units under construction being apartments, compared to an existing market split of approximately 80% apartments and 20% villas. This imbalance is expected to sustain demand and pricing resilience for villas and townhouses.

## Resilience Varies by Segment

Not all segments are equally exposed. Larger apartments in prime districts and waterfront locations, and established or upcoming villa developments with strong social infrastructure in place are expected to retain pricing power, supported by demographic trends, household formation and limited competing supply.

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*It's important to understand the supply risk is concentrated.*”

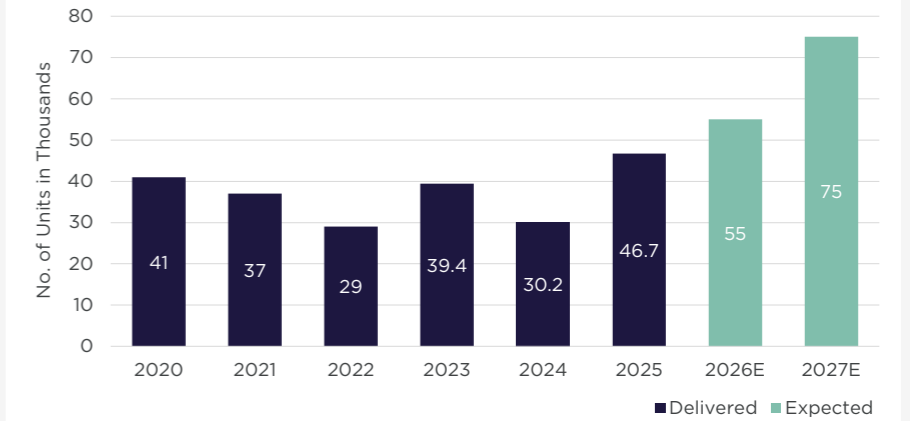
## CUSHMAN & WAKEFIELD CORE HOUSE VIEW

Our delivery forecasts have historically tracked within a 10% margin of actual completions, reflecting market-led assumptions on realisation rates and detailed, ground-level due diligence on upcoming supply.

In 2025, approximately 46,700 units were delivered, in line with our prior forecasts. Looking ahead, despite higher headline projections, we expect around 55,000 units in 2026 and 75,000 units in 2027, after accounting for construction progress and potential delays.

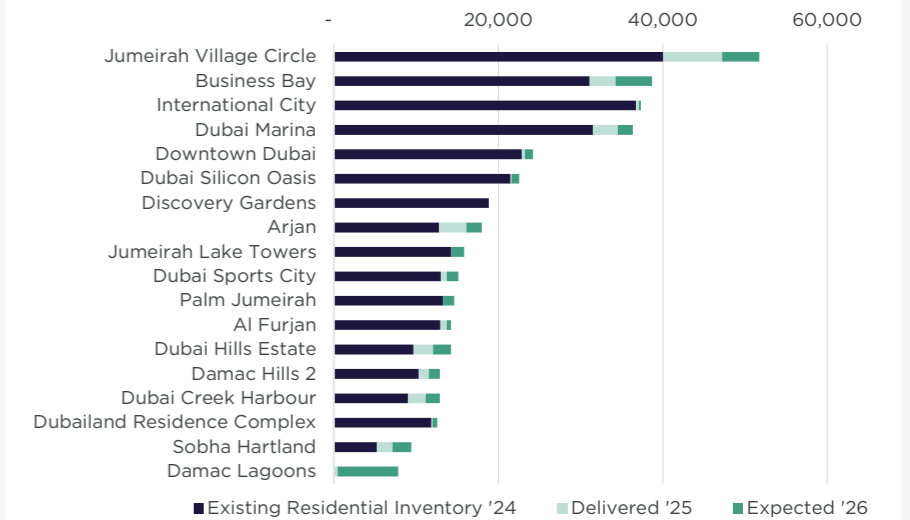
Key 2025 deliveries included phases of Rukan Villas (Wadi Al Safa), The Crest (Sobha Hartland), and Peninsula (Business Bay). In 2026, major anticipated completions include further phases in Sobha Hartland, Damac Lagoons, and Regalia Residences by Deyaar.

Residential Deliveries in Dubai | 2020-2027



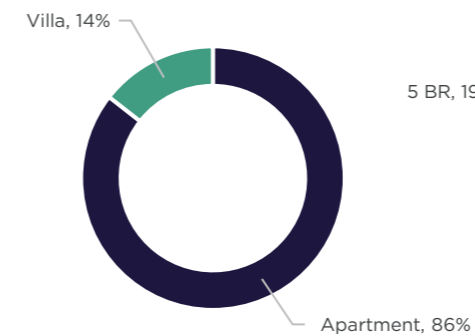
Source: Cushman & Wakefield Core Research, DLD, REIDIN

Supply by Area | Existing vs. Upcoming

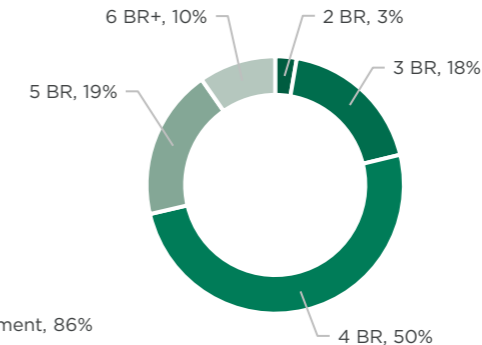


Source: Cushman & Wakefield Core Research, DLD, REIDIN

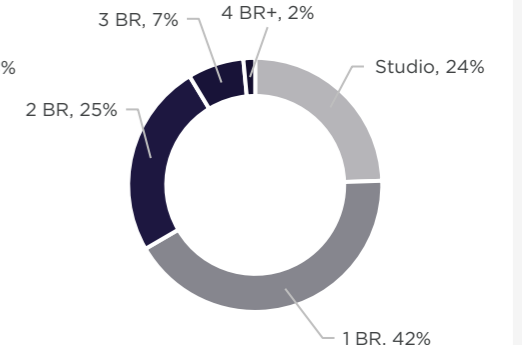
Upcoming Supply Split 2026-2030



Villa Unit Mix Expected 2026-2030



Apartment Unit Mix Expected 2026-2030



Source: Cushman & Wakefield Core Research, DLD, REIDIN

PROJECT LAUNCHES

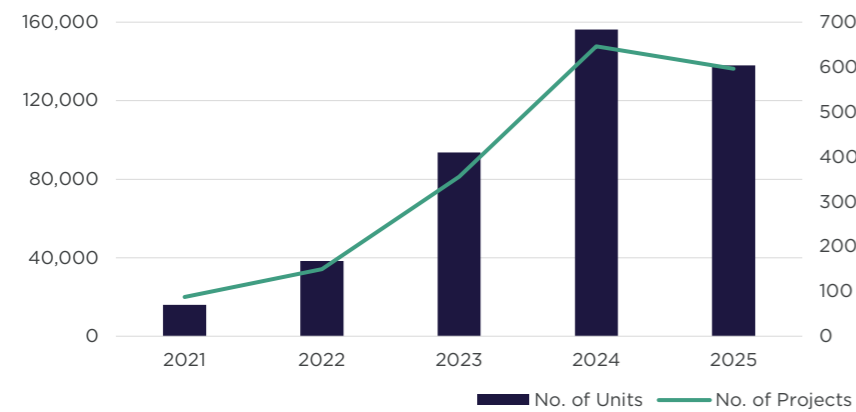
A MORE MEASURED PACE OF NEW LAUNCHES

Following a rally since 2021, off-plan project launches peaked in 2024 and moderated in 2025. Apartment launches declined by 12% YoY, reflecting a more measured approach by developers amid rising supply and pricing sensitivity.

In contrast, villa launches recorded only a marginal 2% decline, highlighting continued developer confidence in this segment. Launch activity remains closely aligned with end-user driven demand for mid-market villa and townhouse communities, supported by household formation and

population growth. The moderation in launch volumes reflects a normalisation of development activity, rather than a demand-led slowdown, as developers increasingly align new supply with market depth and segment-specific absorption.

Apartment Project Launches



Source: Cushman & Wakefield Core Research, REIDIN

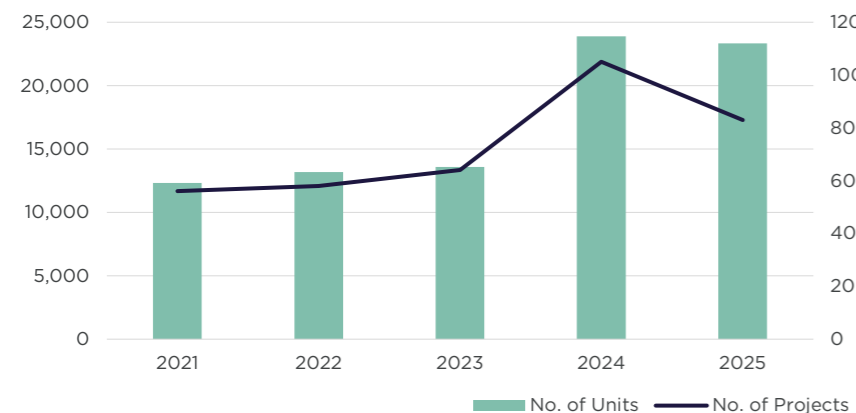
2025 Prominent Apartment Launches

Azizi Milan Heights  
City of Arabia

Binghatti Sky Terraces  
Motor City

Binghatti Vintage  
Majan

Villa Project Launches



Source: Cushman & Wakefield Core Research, REIDIN

2025 Prominent Villa Launches

The Next Chapter Village District  
Jumeirah Golf Estates

Barbados  
Damac Islands 2

Equiterra  
Dubai Investment Park

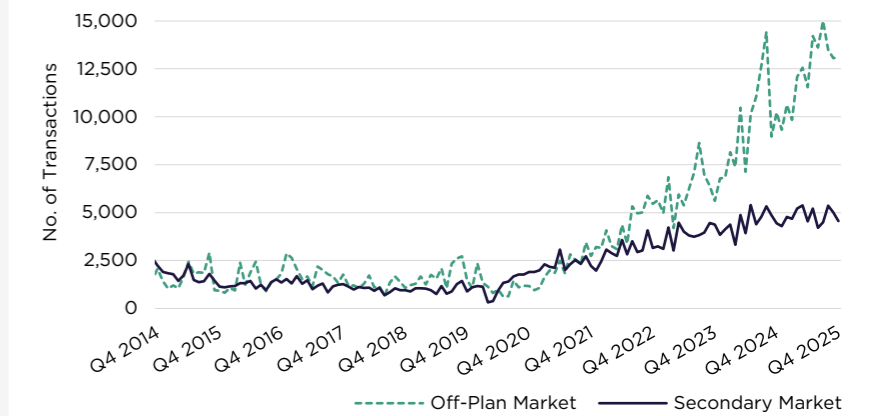
RESIDENTIAL TRANSACTIONS

OFF-PLAN DOMINATES

Off-plan transactions continue to dominate Dubai's residential market, accounting for around 72% of total transactions, while the secondary market represents the remaining 28%. This skew reflects the broader price spectrum and flexibility offered by off-plan projects, supported by extended payment plans, compared to more limited ready inventory and a persistent bid-ask gap in the secondary market. As a result, off-plan transaction volumes increased by approximately 30% YoY, driven primarily by apartment launches, while secondary market activity has remained comparatively stable, recording a more moderate 8% annual increase after several years of steady volumes.

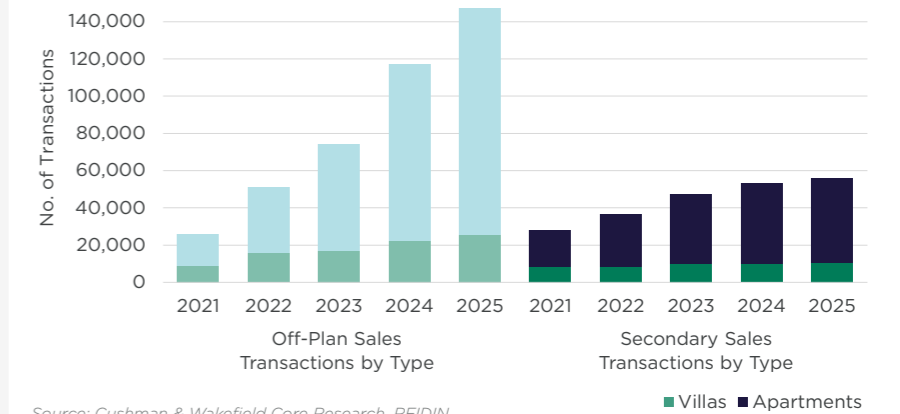
Developer activity remains concentrated. In the off-plan market, Damac Properties led transaction volumes with an 11.4% share in 2025, followed closely by Emaar Properties and Binghatti, each accounting for 10.9%. In contrast, the secondary market is more consolidated, with Emaar emerging as the clear leader at 16% of resale transactions, reflecting the maturity, scale and liquidity of its completed communities, while Damac (9%) and Nakheel (8%) follow at a distance.

Dubai Market Transaction Trends



Source: Cushman & Wakefield Core Research, REIDIN

Residential Sales Transaction Trends



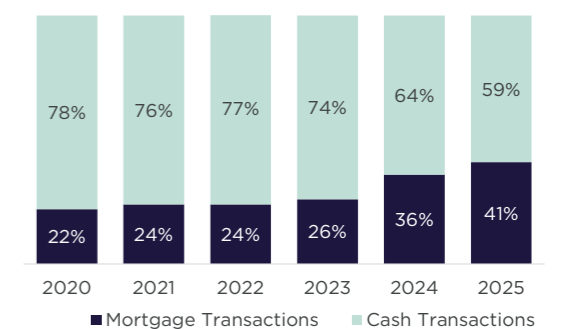
Source: Cushman & Wakefield Core Research, REIDIN

Cash vs. Mortgage Transactions

Effective February 2025, the UAE Central Bank required buyers to fund an additional 6% upfront, as mortgages no longer cover DLD or brokerage fees, a move expected to impact mortgage-led activity. Despite this, mortgage transactions continued

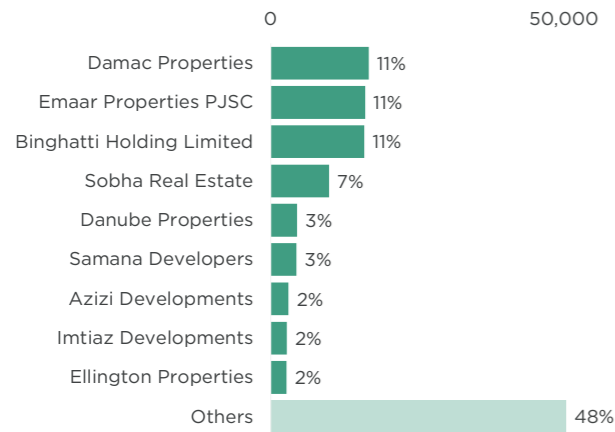
to rise, with their share of secondary sales increasing from 26% in 2023 to 36% in 2024 and further to 41% in 2025. This resilience underscores a structural shift toward end-user driven demand rather than investor-led activity in the secondary market.

Secondary Market | 2020-2025\*



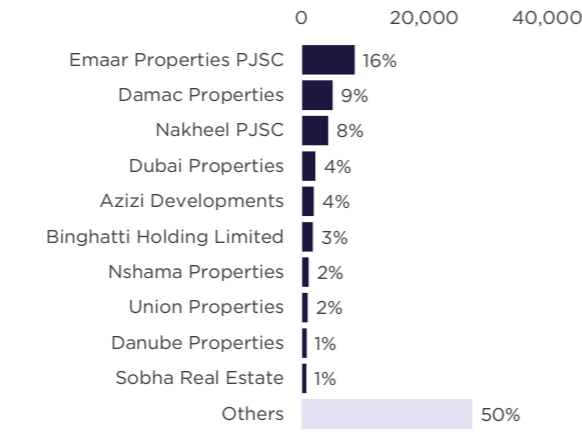
\*Note: Mortgages considered in this dataset include new mortgages only and exclude remortgages and equity release transactions.

Off-Plan Market Sales Transactions by Developer - 2025



Source: Cushman & Wakefield Core Research, REIDIN

Secondary Market Sales Transactions by Developer - 2025



Source: Cushman & Wakefield Core Research, REIDIN

## OFF-PLAN MARKET: IS THERE A FLIPPING RISK?

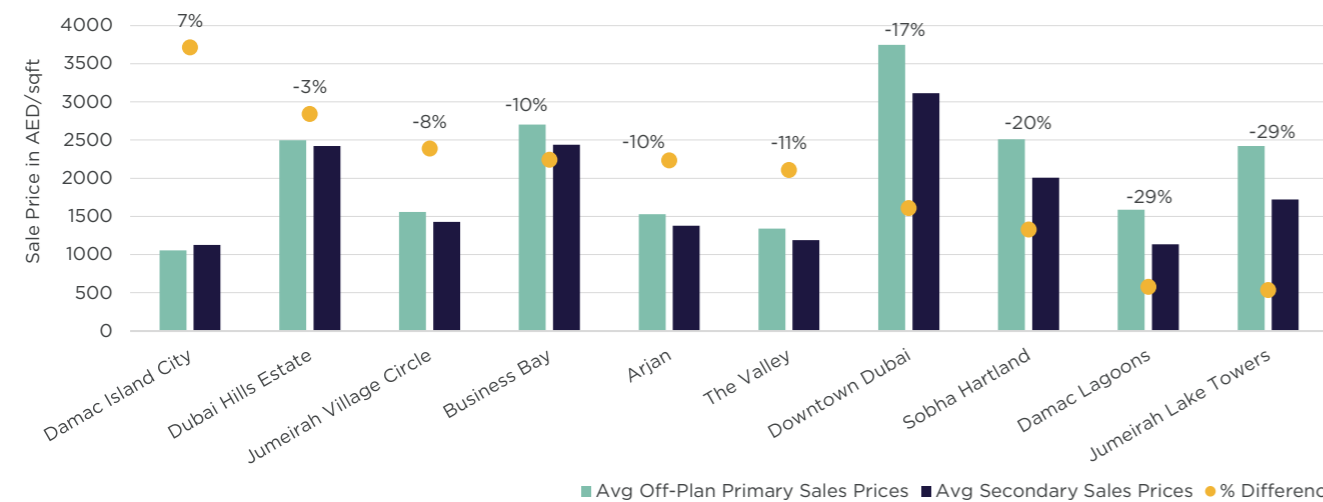
Off-plan transactions account for around 72% of total residential sales, raising concerns around speculative activity and exit risk. However, off-plan resales accounted for only 9% of off-plan transactions in 2025, indicating that the market remains largely driven by long-term investors/end-users rather than short-term speculators. That said, in several locations, off-plan secondary sales have transacted at or below initial launch

prices, with discounts extending into double digits in some sub-markets, particularly pronounced in Sobha Hartland, Damac Lagoons and Jumeirah Lake Towers. This suggests growing resistance to further price escalation and increasing difficulty for investors to exit at higher-than-launch pricing

These dynamics point to localised softness rather than market-wide impact, particularly in areas with

higher investor concentration and aggressive launch pricing. As the market moderates following the sharp price growth seen between 2022 and 2024, exit opportunities are expected to become more constrained, with performance increasingly dependent on location quality, unit mix, and end-user depth.

Off-Plan Primary vs. Off-Plan Secondary(Flip) Sales Price Comparison



Source: Cushman & Wakefield Core Research, REIDIN

## Ticket Size and Price Sensitivity

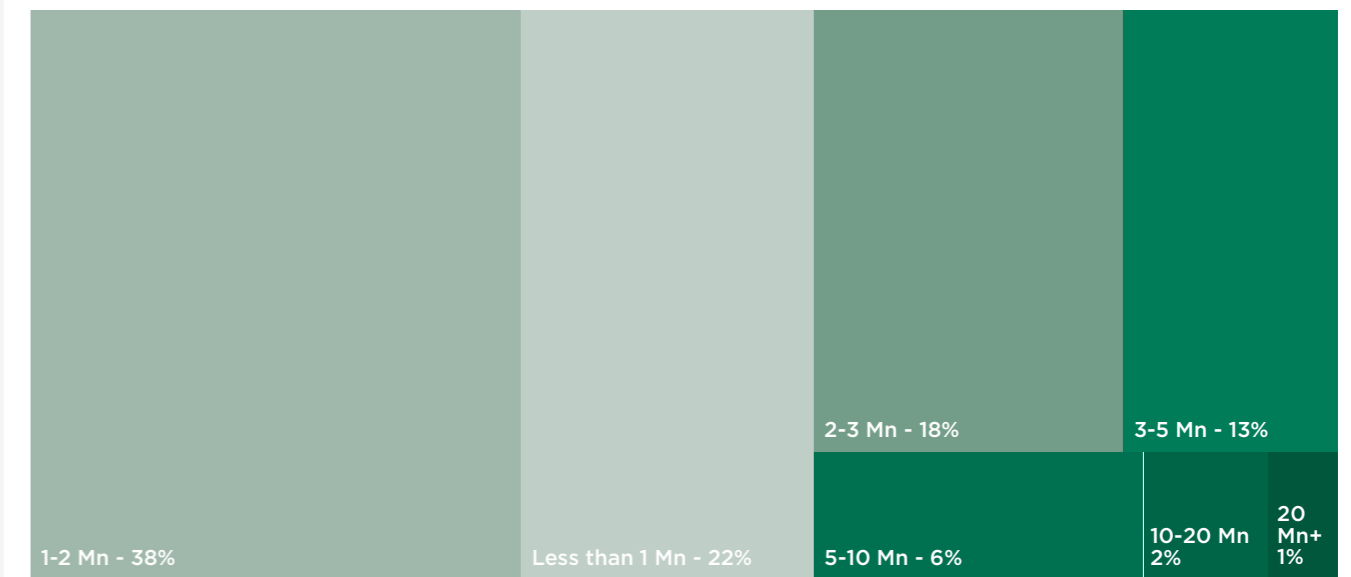
Residential transaction activity in 2025 remains firmly anchored at lower price points, with around 61% of transactions below AED 2 million, confirming this segment as the market's primary absorption base. The secondary market is dominated by sub-AED 1 million transactions (37%), reflecting strong end-user demand for affordable, completed stock, while

the off-plan market skews slightly higher, led by the AED 1 to 2 million bracket (38%), reflecting the higher pricing of new launches while remaining aligned with the budget range of the wider market.

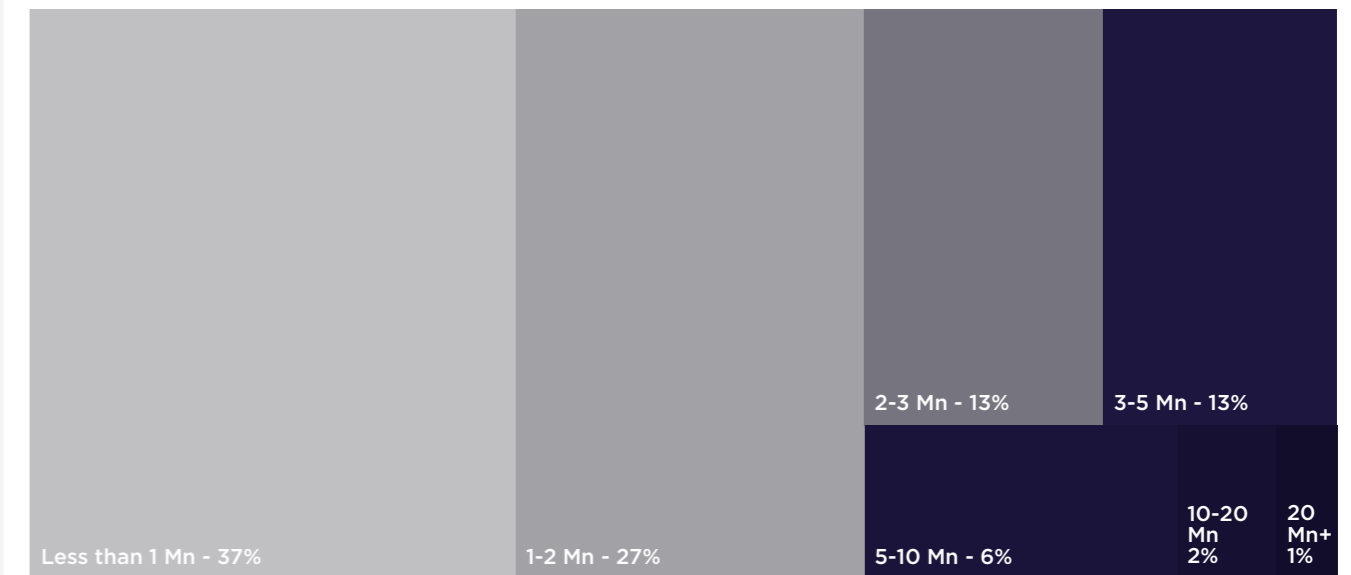
While higher-ticket transactions have increased in absolute volume over the past five years, particularly in the prime and ultra-prime

segments, Dubai remains one of the highest-volume prime residential markets globally. Despite this growth, transactions above AED 5 million account for only around 9% of total market activity, indicating that higher-value sales continue to represent a relatively small share of overall transaction volumes.

Off-Plan Sales Transactions by Ticket Size (AED) - 2025



Secondary Sales Transactions by Ticket Size (AED) - 2025



Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL SALES

City-wide residential sales prices rose 13% YoY in 2025, extending the growth cycle at a slower pace than the 2024-2025 peak, signalling a stabilising market heading into 2026.

Villas continued to outperform apartments, with prices up 15% YoY versus 12% for apartments, driven by end-user demand for larger formats and limited supply in established communities. Palm Jumeirah remains the most expensive market across both segments, followed by Emirates Hills and Dubai Hills for villas, while City Walk and Downtown Dubai command premium apartment pricing.

Growth was strongest in upper-mid villa communities, led by Jumeirah Park (+27%) and The Springs and The Meadows (+13%). Ultra-prime villa markets such as Palm Jumeirah (+11%) and Emirates Hills (+12%) recorded more measured gains, signalling stabilisation at the top end. Southern villa markets, including JVC (+26%) and Dubai South (+6%), also saw growth, supported by infrastructure upgrades linked to the Al Maktoum Intl. Airport expansion. In the apartment segment, growth was led by DIFC (+28%) and City Walk (+23%), while mature locations such as Downtown Dubai and JLT (both +5%) experienced more moderate increases.

Villa Sales Price Trends by District

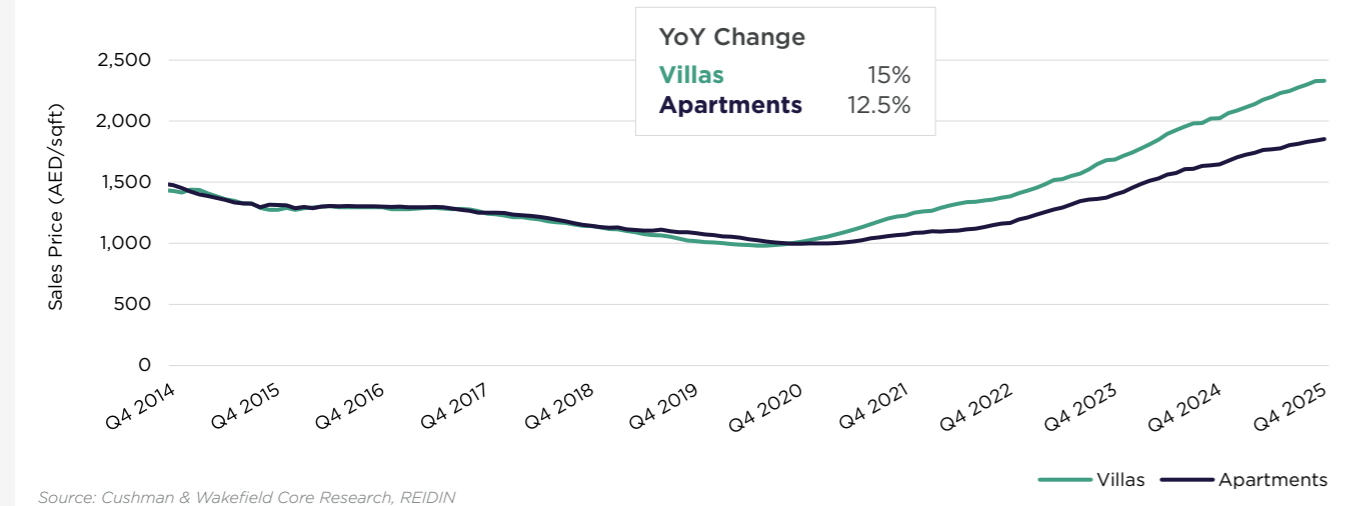
District	Q4 2025 Avg. Price/sqft	YoY Change
Palm Jumeirah	6,392	11% ▲
Emirates Hills	3,208	12% ▲
Dubai Hills	2,787	17% ▲
The Lakes	2,707	18% ▲
The Springs and The Meadows	2,259	13% ▲
Jumeirah Park	2,175	27% ▲
Arabian Ranches	2,129	11% ▲
Dubailand	1,378	11% ▲
Dubai South	1,317	6% ▲
Jumeirah Village Circle	1,239	26% ▲

Apartment Sales Price Trends by District

District	Q4 2025 Avg. Price/sqft	YoY Change
Palm Jumeirah	3,455	16% ▲
City Walk	3,253	23% ▲
Downtown Dubai	2,974	5% ▲
DIFC	2,923	28% ▲
Dubai Hills	2,447	7% ▲
Business Bay	2,170	7% ▲
Dubai Marina	2,088	9% ▲
The Greens and The Views	1,931	13% ▲
Jumeirah Lake Towers	1,659	5% ▲
Jumeirah Village Circle	1,431	10% ▲
Dubai South	1,157	1% ▲
Dubai Sports City	1,113	14% ▲
Discovery Gardens	1,018	12% ▲
Dubailand	996	11% ▲

Source: Cushman & Wakefield Core Research, REIDIN

Dubai City-Wide Sales Price Trends



Source: Cushman & Wakefield Core Research, REIDIN

RESIDENTIAL RENTS

While rental growth remains in positive territory, extending nearly 20 consecutive quarters of increases, the residential rental market is clearly moderating. City-wide rents rose by just under 6% YoY in 2025, with several locations now recording nominal, flat, or negative movements, particularly every quarter, signalling a shift toward more balanced conditions.

Performance has become increasingly segmented. In the villa market, Palm Jumeirah continues to outperform, with average rents rising 50% YoY, while prime suburban communities such as Dubai Hills and Emirates Hills recorded more measured growth of 7%. In contrast, a number of established villa districts have seen rental corrections, including The Lakes (-10%), The Springs and The Meadows (-5%), and Dubai South (-20%), reflecting affordability thresholds and rising tenant choice.

In the apartment segment, prime locations continue to lead, with Downtown Dubai (+15%) and Palm Jumeirah (+13%) recording the strongest annual growth. However, several mature and higher-supply districts have seen modest or flat performance, including Business Bay (0%), Dubailand (0%), and DIFC (+2%), reinforcing the trend of rental growth normalisation outside the prime segment.

Villa Rent Price Trends by District

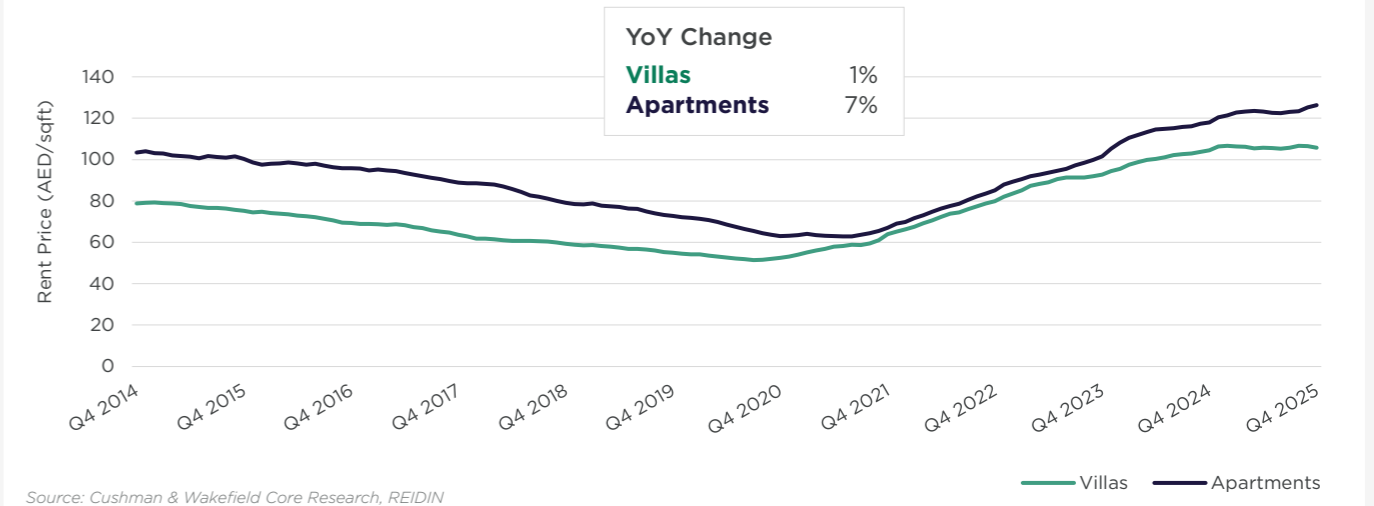
District	Q4 2025 Avg. Rent/sqft	YoY Change
Palm Jumeirah	219	50% ▲
Dubai Hills	128	7% ▲
Emirates Hills	124	7% ▲
The Lakes	108	-10% ▼
Jumeirah Village Circle	98	3% ▲
The Springs and The Meadows	91	-5% ▼
Arabian Ranches	84	2% ▲
Jumeirah Park	73	-4% ▼
Dubailand	71	2% ▲
Dubai South	61	-20% ▼

Apartment Rent Price Trends by District

District	Q4 2025 Avg. Rent/sqft	YoY Change
Downtown Dubai	198	15% ▲
Dubai Hills	180	6% ▲
City Walk	171	3% ▲
Palm Jumeirah	167	13% ▲
DIFC	146	2% ▲
Business Bay	139	0%
Dubai Marina	132	4% ▲
The Greens and The Views	129	4% ▲
Jumeirah Lake Towers	118	3% ▲
Jumeirah Village Circle	109	5% ▲
Discovery Gardens	89	6% ▲
Dubai South	89	5% ▲
Dubailand	87	0%
Dubai Sports City	85	4% ▲

Source: Cushman & Wakefield Core Research, REIDIN

Dubai City-Wide Rental Trends



Source: Cushman & Wakefield Core Research, REIDIN

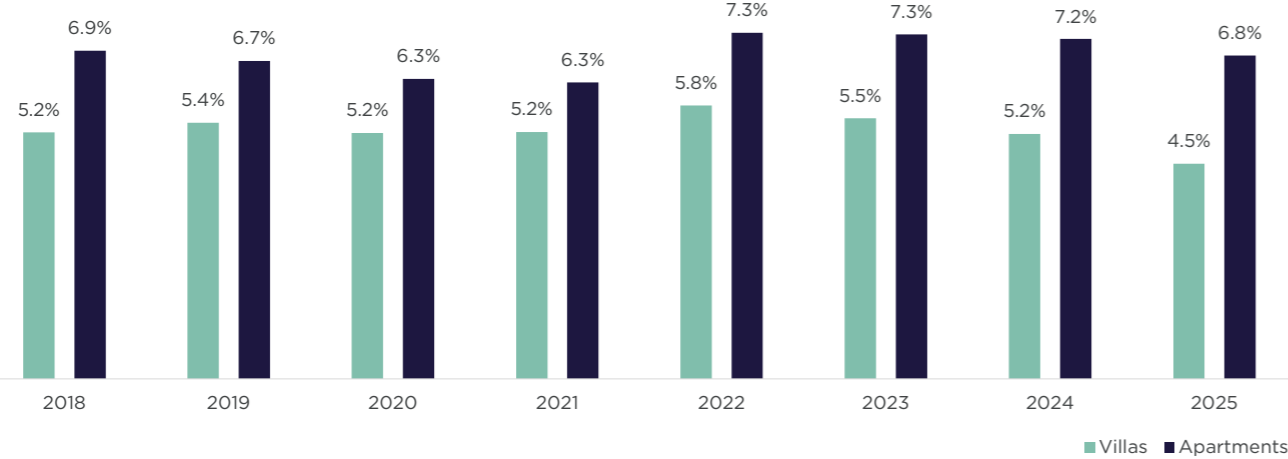
## GROSS YIELDS COMPRESS

Gross residential yields have continued to compress, driven by a growing gap between sales prices and rental performance. While capital values have remained elevated following the strong price appreciation cycle of 2022 to 2024,

rental growth is starting to soften and, in some locations, moderate, limiting further upside on income returns. This divergence has been most evident over the past two years, where price growth has outpaced rent growth, particularly

in investor-heavy segments. As a result, investor entry prices have increased faster than achievable rents, placing downward pressure on gross yields, despite rents remaining historically high in absolute terms.

Gross Residential Yields



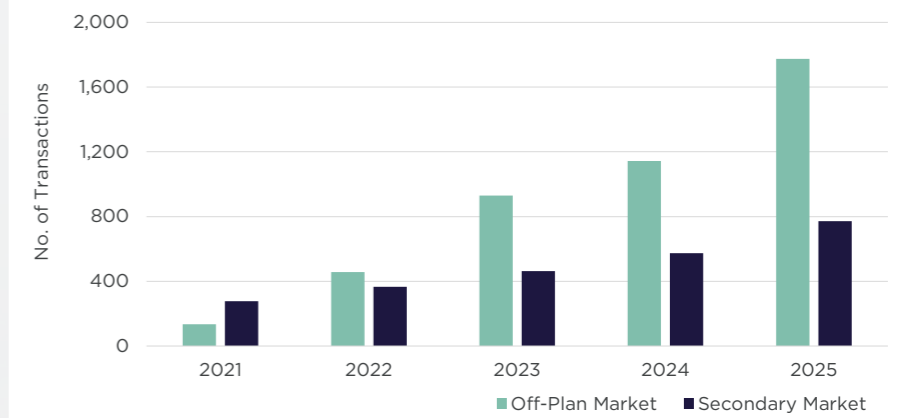
Source: Cushman & Wakefield Core Research, REIDIN

## ULTRA-PRIME MARKET

Dubai continues to attract global wealth, with migration trends reinforced by the geopolitical and socio-economic dynamics of traditional source markets, a pattern that shows no signs of slowing. In 2025, transactions above AED 20 million totalled 2,545, marking a 48% YoY increase.

In line with broader market dynamics, activity in this segment remains predominantly off-plan, as developers expand the supply of branded and ultra-prime residential offerings to meet sustained global HNWI demand in a segment that was previously undersupplied.

Ultra Prime Transactions in Dubai (AED 20 Million & Above)



Source: Cushman & Wakefield Core Research, REIDIN

**AED 425 Mn**  
Most Expensive Villa  
Emirates Hills

**AED 550 Mn**  
Most Expensive Apartment  
Bugatti Residences, Business Bay

**AED 27,857**  
Highest Transacted Price/sqft  
Signature Villa, Palm Jumeirah

Note: Transactions registered in 2025

# DUBAI BRANDED RESIDENCES

## FROM LUXURY NICHE TO SEGMENTED MARKET

As global wealth continues to gravitate toward Dubai, branded residences have emerged as a compelling value proposition, offering buyers an added layer of brand recognition, lifestyle positioning, and perceived value creation. Demand for the segment has therefore remained robust.

On the supply side, Dubai now exhibits the highest penetration of branded residences globally, with the market expanding well beyond its hospitality-led origins into fashion, automotive, and sports-branded offerings. As a result, Dubai's branded residences market has reached critical scale, with approximately 32,200 units currently under development.

What was once a scarcity-driven luxury segment is now evolving into a stratified residential asset class, where pricing power is increasingly shaped by location quality, developer credibility, and the depth of brand integration, rather than branding alone.

### Supply Concentration and the Meydan Effect

Meydan City has emerged as the single largest branded residential cluster in Dubai, accounting for nearly 41% of all upcoming branded residential supply. This dominance is driven primarily by Binghatti Holding's launch of over 13,000 branded units. While this scale has accelerated market penetration and broadened buyer access to branded homes, it also fundamentally impacts the value equation.

### Waterfront Still Sets the Benchmark

Despite accounting for only 18% of the upcoming supply, waterfront branded residences continue to define the upper price bracket of the market. Record transactions at Aman Residences, Jumeirah, and Royal Atlantis Residences represent two of the highest price per sqft benchmarks achieved to date, reinforcing the pricing power of world-renowned hospitality brands when combined with prime waterfront locations.

Waterfront-branded residences benefit from irreplaceable land, lifestyle-driven end-user demand, and long-term supply constraints, underpinning superior pricing resilience and long-term capital preservation.

### Most Expensive Branded Residences Sales in Dubai

**AED 17,327/sqft**

Aman Residences  
Off-Plan Market Apartments

**AED 18,291/sqft**

Royal Atlantis Residences  
Secondary Market Apartments

**AED 6,750/sqft\***

Naia Island Villa Plot Sales  
Home to Chevel Blanc Maison  
\*on land area

“

*What was once a scarcity-driven luxury segment is now evolving.*

### A Mainstream Market Wearing a Luxury Label

Pricing data shows that 62% of upcoming branded units are priced below AED 3,500/sqft, while only 3% qualify as ultra-prime (above AED 5,000/sqft). This indicates that most new branded supply is positioned to broaden buyer appeal rather than target the ultra-high-net-worth segment. Branding, in many cases, is being deployed to support pricing floors rather than create premiums.

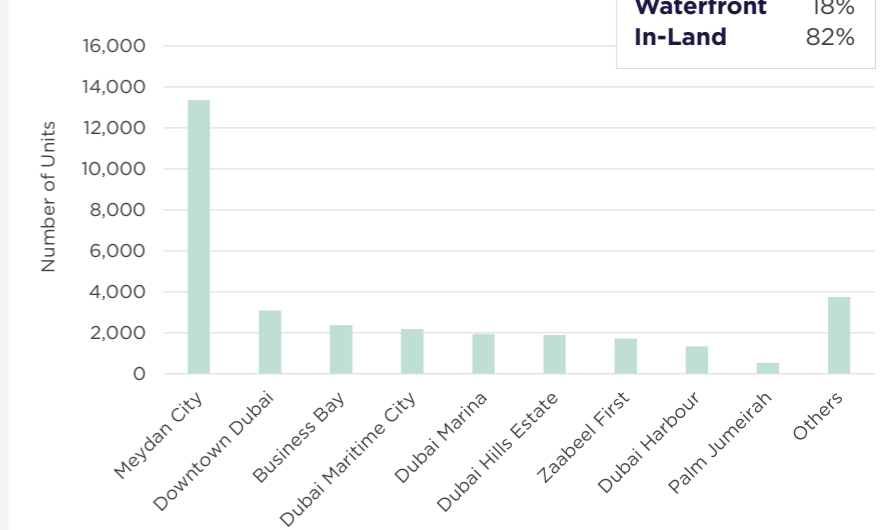
### Brand Type Matters

Automotive brands account for 43% of upcoming branded residence supply, driven largely by a single master-planned development that comprises the majority of automotive-branded stock. In contrast, hospitality brands, representing 33% of supply, continue to demonstrate stronger long-term value performance, underpinned by integrated services, professional asset management, and deeper resale liquidity. Fashion and sports brands remain more lifestyle- and marketing-led in positioning, with limited evidence of sustained pricing uplift over the long term.

### WHAT'S AHEAD?

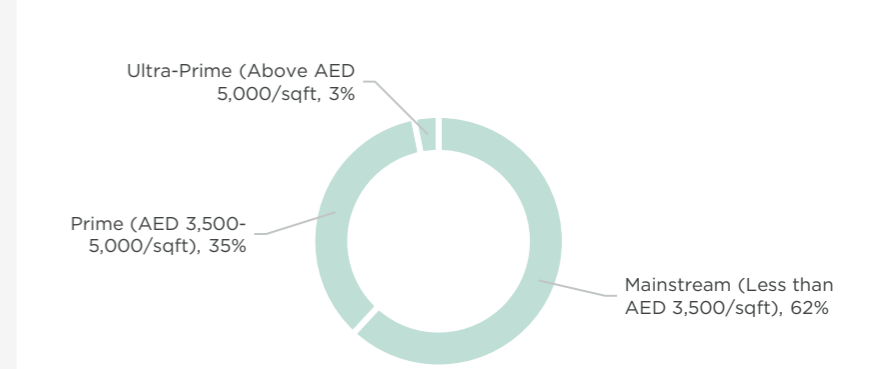
- » Waterfront-branded residences are expected to continue outperforming, supported by scarcity and global demand.
- » Inland branded projects will increasingly diverge in performance, with pricing power shifting decisively toward developer execution, scale control, and genuine exclusivity.
- » Bottom line: The next phase of Dubai's branded residences market will be defined not by how many brands are launched, but by which locations and developers can still deliver exclusivity.

Upcoming Branded Residences by District



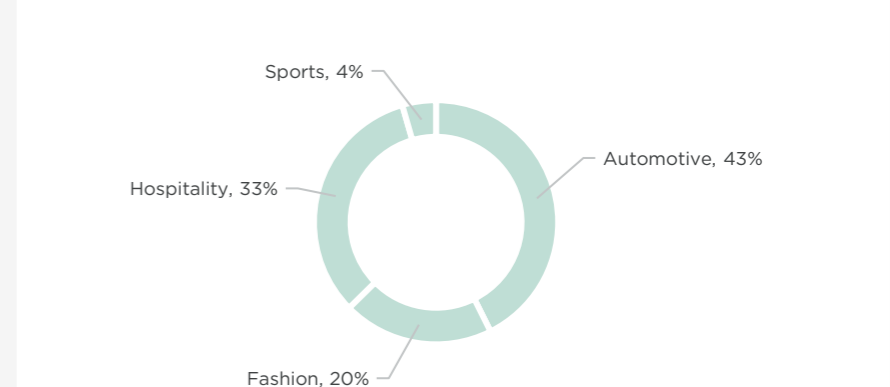
Source: Cushman & Wakefield Core Research, REIDIN

Upcoming Branded Residences by Price Category



Source: Cushman & Wakefield Core Research, REIDIN

Upcoming Branded Residence Units by Type



Source: Cushman & Wakefield Core Research, REIDIN

KEY TAKEAWAYS

# WHAT'S SHAPING THE OFFICE MARKET?

SNAPSHOT

**~110 Mn**

Total existing Dubai office stock (sqft)

**1.66 Mn**

Upcoming office GLA in 2026 (sqft)

**93%**

City-wide office occupancy

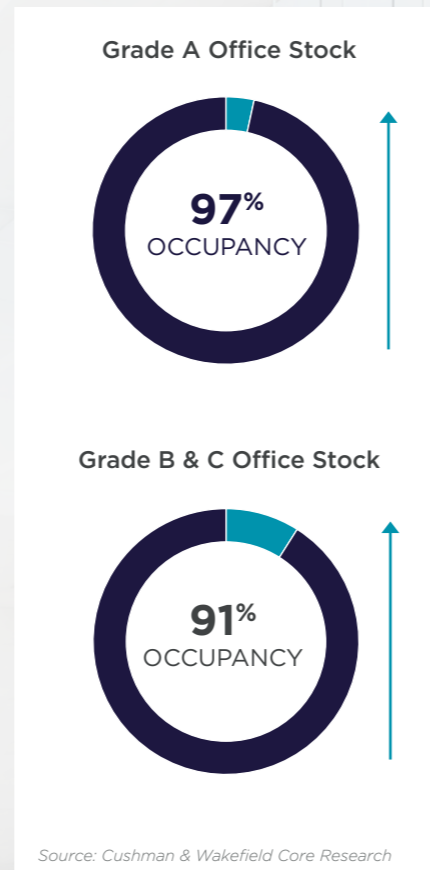
**20%**

YoY rise in city-wide office rents

**AED 210**

Average city-wide office rents

- » Grade A occupancy rates in Dubai are amongst the highest in the world, at an all-time high of 97%. City-wide occupancy rates have also surged to 93%.
- » Major regional and global occupiers are finding it increasingly challenging to secure large office spaces and are either deferring expansions, expanding through flexible workspace solutions, or relocating to emerging office districts such as Expo City Dubai, Dubai CommerCity, and Dubai South.
- » Office rents are at all-time highs, having risen 20% year-on-year. Both rents and occupancy levels are expected to remain under upward pressure in 2026, as the near-term supply crunch persists.



“

*Grade A occupancy rates in Dubai are amongst the highest in the world.*

## WHAT TO WATCH IN 2026 AND BEYOND

### Landlords

The supply outlook supports a continuation of tight market conditions in the near to medium term. Rental growth is expected to remain positive, particularly for Grade A, well-located assets with strong ESG credentials. Incentives are likely to remain tightly controlled, with landlords retaining pricing power in core submarkets.

### Occupiers

Occupiers face a structurally tight leasing environment, with limited choice in prime locations and continued upward pressure on rents. Early lease renewals, pre-commitments on future developments, and relocation to newer districts are expected to remain key strategies for managing cost and availability risk, as expansion options are likely to remain limited in the near term.

### Developers & Investors

The depth of undersupply continues to support development and investment fundamentals, particularly for single-owned, institutional-grade assets in core and established locations. At the same time, strata development sales have increased sharply, with several additional projects in the pipeline that have yet to be launched or reflected in current supply figures. However, the higher land and construction costs embedded in strata developments result in elevated entry prices, leaving investor yields more vulnerable should rental growth soften, particularly in strata-led districts. As supply volumes increase later in the cycle, delivery timing and product differentiation will be critical to sustaining performance in a more saturated market.

SUPPLY

# A SHORT-TERM SUPPLY SQUEEZE, FOLLOWED BY A WAVE OF NEW OFFICES

Dubai's office market has experienced a prolonged period of muted new supply, with annual completions remaining under 1.0 million sqft per annum over the last four years, reflecting a combination of delayed handovers and limited speculative single-owned

institutional-grade stock. This constrained supply environment coincided with a period of strong economic expansion, population growth, and rising employment across professional services, financial services, technology, and government-related entities.

As a result, the market entered 2025 at record-high occupancy levels, with vacancy in prime locations tightening to historically low levels and rental growth accelerating across both core and established secondary submarkets.

## WHAT'S ACTUALLY COMING TO MARKET



Looking ahead, office completions are expected to trend higher from 2026 onwards, with supply increasing modestly in the near term before rising more materially towards the latter part of the decade. Notable completions in 2026 include DIFC Square in DIFC and Sweid One in JLT, both of which have seen strong pre-commitments, underscoring the depth of occupier demand for high-quality space. Forecast deliveries are estimated at approximately 1.66 million sqft in 2026 and 1.8 million sqft in 2027, followed by a more pronounced increase from 2028

onwards. The uplift in headline supply volumes is expected to address the prolonged supply crunch. By way of context, around 17 million sqft of office space has been absorbed over the past five years, resulting in a material level of unmet underlying demand. In addition, a significant proportion of upcoming supply, particularly single-owned Grade A developments, is expected to be committed ahead of completion, further constraining the volume of space available to the global occupiers and supporting continued tight market conditions.

### DIFC Dominates

Upcoming office supply is highly concentrated in a limited number of locations, notably DIFC, Business Bay, Sheikh Zayed Road, and Jumeirah Lake Towers. DIFC and recently announced DIFC 2.0, are expected to account for the largest share of new Grade A completions, reinforcing its position as the city's primary financial services hub. While peripheral and emerging locations will contribute incremental stock, the volume of new supply in core CBD areas remains balanced relative to occupier demand.



*Upcoming office supply is highly concentrated in limited locations.*

### New office supply concentrated in Grade A developments

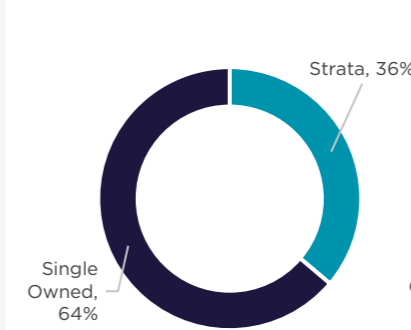
Approximately two-thirds of the upcoming pipeline is single-owned, a distinction that is increasingly important as global occupiers prioritise professional asset management, ESG standards, and long-term lease certainty.

While there has been a significant rise in strata-led project announcements in recent years, the scale of future supply remains dominated by large, institutional-grade developments.

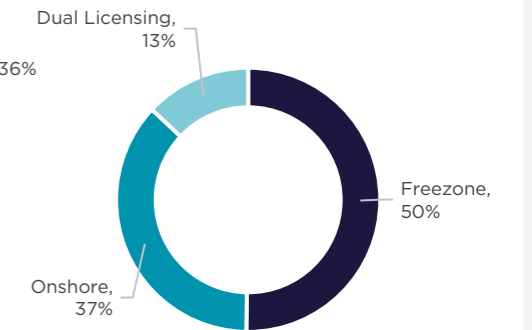
As a result, single-owned assets are expected to continue outperforming in terms of occupancy, rental stability, and tenant retention, while strata-owned buildings may face greater rental dispersion and longer stabilisation periods, particularly in more price-sensitive locations.



Upcoming Office Supply by Ownership | 2026-2030

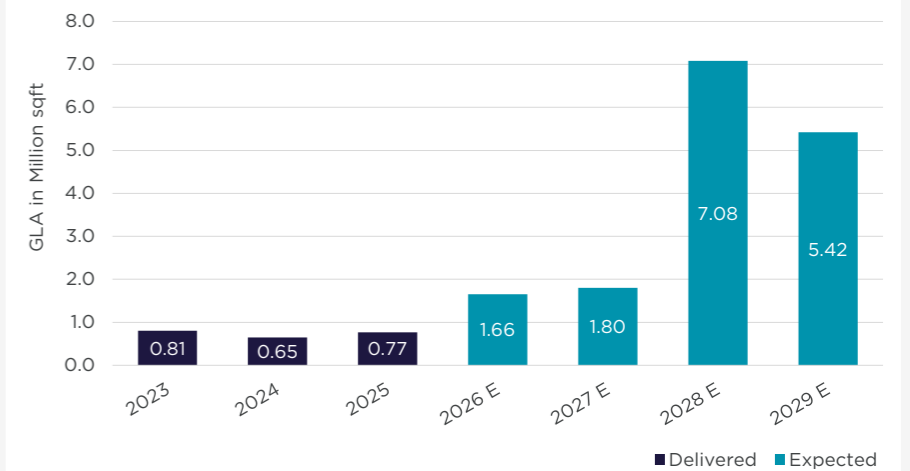


Upcoming Office Supply by License Type | 2026-2030



Source: Cushman & Wakefield Core Research

Dubai Office Supply | 2023-2029



Source: Cushman & Wakefield Core Research

Upcoming Office Supply by Area | 2026-2029

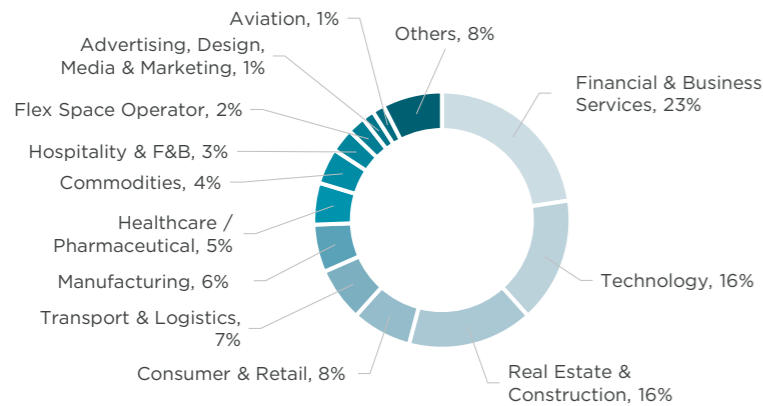


Source: Cushman & Wakefield Core Research, DLD, REIDIN

DEMAND TRENDS

WHICH SECTORS ARE DRIVING THE MARKET?

Office Demand by Sector | 2025



Source: Cushman & Wakefield Core Research, Data Finder



*Approx. 17 million sqft of office space has been absorbed over the past five years.*

Supported by strong socio-economic fundamentals and positive market sentiment, the UAE has become a key growth market for occupiers, driving a surge in office demand from both new entrants and existing companies expanding their presence. Financial services, legal firms, hedge funds, and business services continue to drive office demand,

accounting for nearly a quarter of total take-up, with DIFC at the centre of this activity. By December 2025, DIFC registered its 100th hedge fund, doubling from early 2024, with 81 managers overseeing more than USD 1 billion in assets, underscoring its growing institutional depth and global connectivity.

The technology sector has also remained a key demand driver, accounting for around 16% of office demand, with occupiers gravitating towards established clusters such as Dubai Internet City and Dubai Media City. Domestically driven demand has been led by real estate and construction-related occupiers, which together account for over 16% of total office demand.

OCCUPIERS LOOK TO NEW GROWTH AREAS

As availability in established districts has tightened, particularly for larger floorplates within single-owned developments, occupiers have increasingly redirected demand towards new locations such as Dubai South, Expo City Dubai, and Dubai CommerCity, where occupancy levels have risen sharply. This shift has, in turn, released some secondary stock back into the market in strata-dominant areas such as Business

Bay and Jumeirah Lake Towers, as occupiers relocate to better-managed, competitively priced assets that can accommodate expansion requirements. Collectively, these movements are contributing to a gradual rebalancing of demand across the office market and reinforcing the growing role of emerging districts in supporting future occupier growth.

Global occupiers with longer-term planning horizons, particularly those on extended lease tenures, are increasingly initiating office searches 18 to 24 months ahead of lease expiry. This reflects heightened awareness of tightening market conditions and a desire to secure suitable space early, broaden available options and secure pre-leasing options in upcoming developments.

FLEX SPACE IS NOW MAINSTREAM

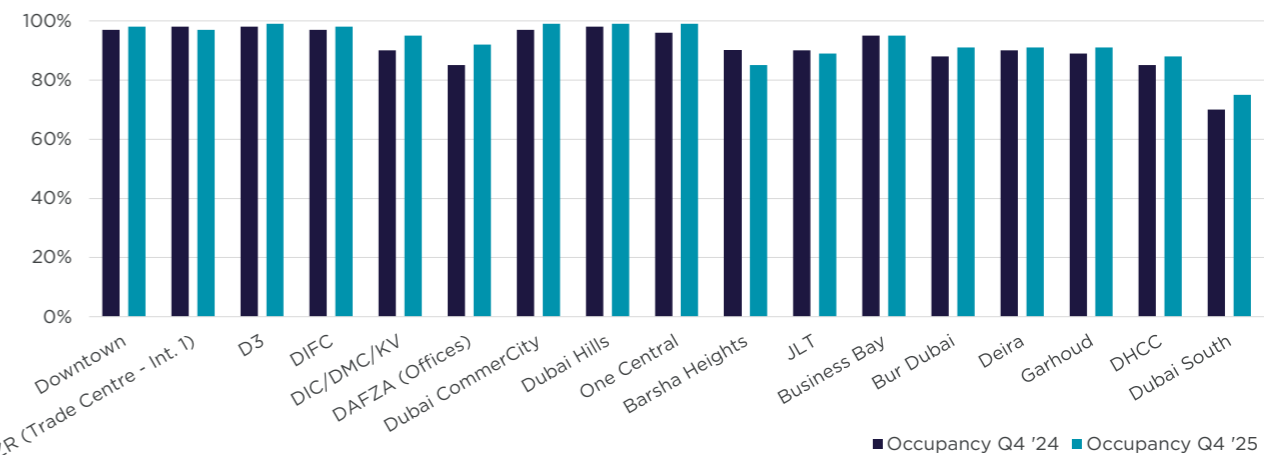
Flexible workspace has evolved from a supplementary offering into a core component of the office market, increasingly embedded within new developments and occupier leasing strategies. Demand has accelerated in recent years, driven by both expanding operator networks and rising occupier adoption, with leading global, regional, and local flex operators scaling rapidly across the UAE. In response, many upcoming office developments such as One Offices in One Zabeel are now incorporate dedicated flex floors, while several freezones

have introduced in-house flexible workspace solutions to meet sustained demand.

Many flex workspace operators in central locations are launching with strong pre-leasing and reaching near-full occupancy at record pace. A broad range of occupiers, including large enterprise users, regional occupiers, and local SMEs, are increasingly utilising flexible workspaces as conventional office availability remains constrained. Flex space is being adopted both as an immediate solution to address near-term space requirements and

as a strategic component of longer-term real estate portfolios. As Dubai remains a competitive business environment, this shift reflects occupiers' growing preference for agility and speed to market. Fully fitted, plug-and-play formats enable faster occupation while reducing upfront capital expenditure by converting potential fit-out costs into operating expenses, positioning flexible workspace as a key enabler of phased expansion strategies in an increasingly tight office market.

Office Occupancy | Q4 2024 vs. Q4 2025



Source: Cushman & Wakefield Core Research, Data Finder



*Flex space is emerging as a CapEx-light, OpEx-driven solution for occupiers.*

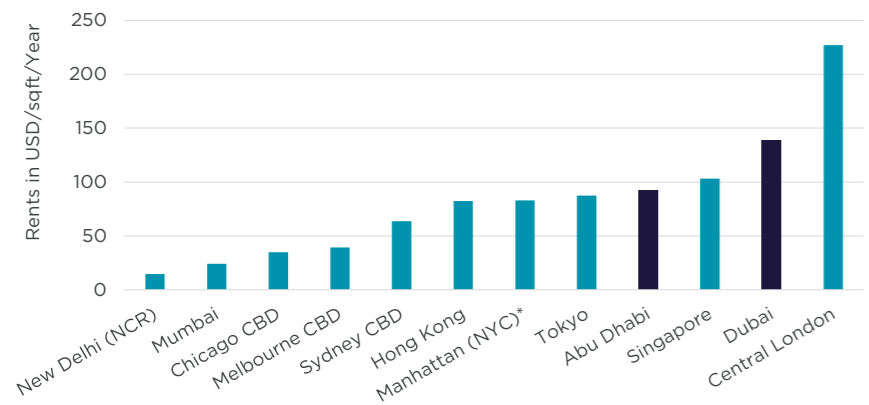
# DUBAI ON THE WORLD STAGE

Dubai's office market continues to compete strongly with other global gateway cities on both rents and occupancy. While prime office rents in Dubai now rank among the highest globally, city-wide rents remain materially lower than those in other major international markets, reinforcing Dubai's relative affordability beyond the prime segment.

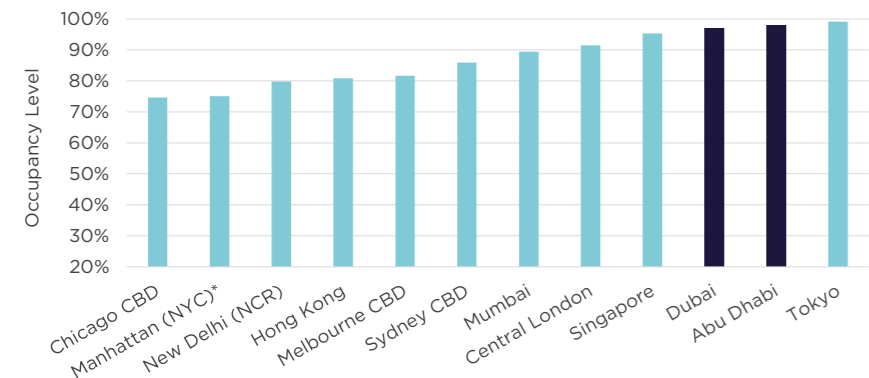
This pricing dynamic is supported by exceptionally strong fundamentals. Grade A office occupancy remains exceptionally tight, with Dubai at 97%, ranking third globally, and Abu Dhabi at 98%, the second-highest worldwide. The UAE is increasingly a priority market for global corporates, underpinned by continued business and wealth migration into the country.

Demand is underpinned by a business-friendly regulatory and tax environment, access to global talent, strong connectivity, and a strategic time zone bridging East and West. These factors, combined with a mature financial system, high-quality social infrastructure, and strong safety credentials, continue to anchor Dubai's position as a leading long-term office market destination.

Global Prime Office Rents



Global Prime Vacancy Levels



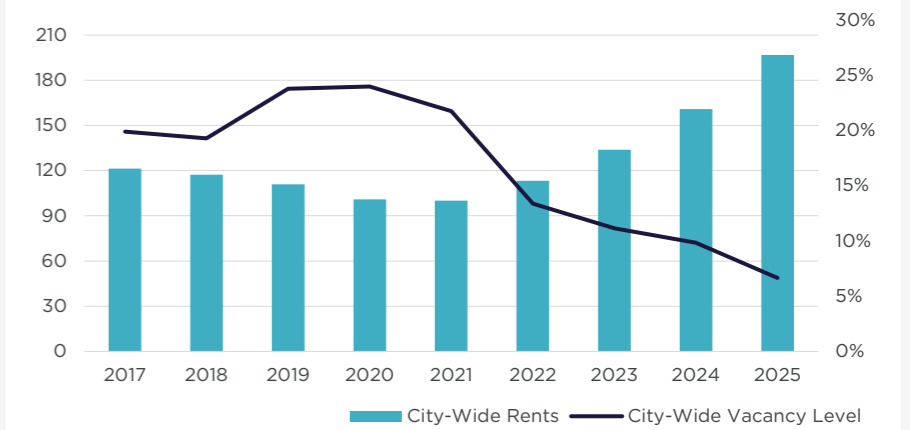
\*Midtown South  
Source: Cushman & Wakefield Research  
Note: US locations reflect average asking rents for the overall market. Vacancy rates for UAE and APAC locations include Grade A buildings only; US and Europe include non-Grade A stock. Data is as of Q3 2025.

## OFFICE RENTS CONTINUE TO RISE, SELECTIVELY

Average city-wide office rents reached approximately AED 210 per sqft in Q4 2025, representing a 20% year-on-year increase, driven by sustained high occupancy levels and limited availability. DIFC continues to command the highest rents in the market, followed by One Central and Downtown Dubai, underpinned by strong demand for high-quality, single-owned assets from financial services and global occupiers. In these core districts, competition for limited Grade A space has translated into premium pricing and reduced incentives.

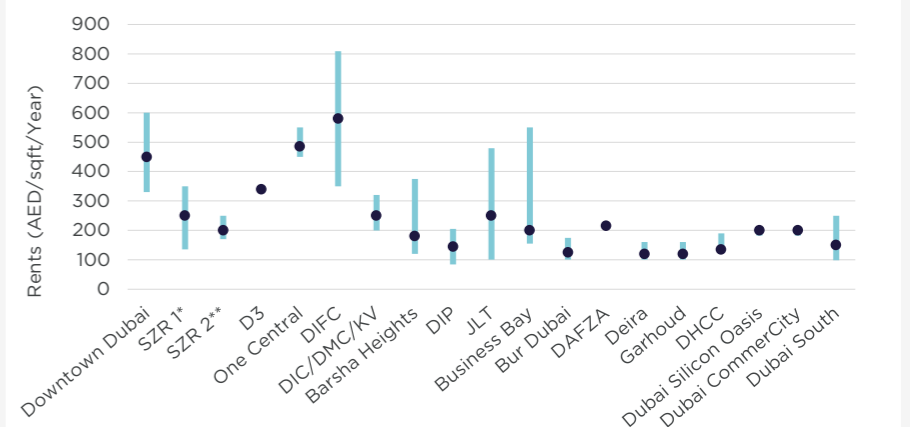
Rental performance has been more mixed in secondary locations. Business Bay has experienced relative moderation, reflecting its predominantly strata-led stock, variable asset quality, and increasing traffic constraints. Meanwhile, older districts such as Deira, Bur Dubai, and Garhoud have recorded only modest rental growth, largely driven by constrained supply rather than a structural improvement in demand. Overall, the market continues to exhibit a clear flight-to-quality dynamic, with rental performance increasingly differentiated by asset quality, ownership structure, and operational efficiency rather than location alone.

Dubai City-Wide Office Vacancy vs. Rental Trends



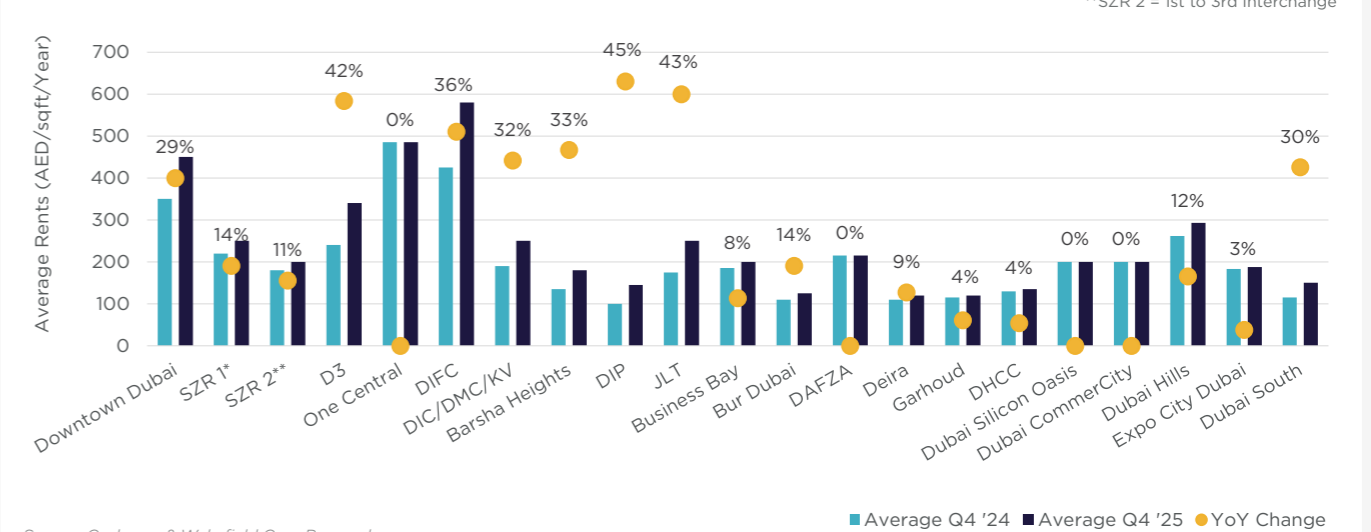
Source: Cushman & Wakefield Core Research

Dubai Office Rents | Q4 2025



Source: Cushman & Wakefield Core Research

Dubai City-Wide Office Vacancy vs. Rental Trends



Source: Cushman & Wakefield Core Research



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