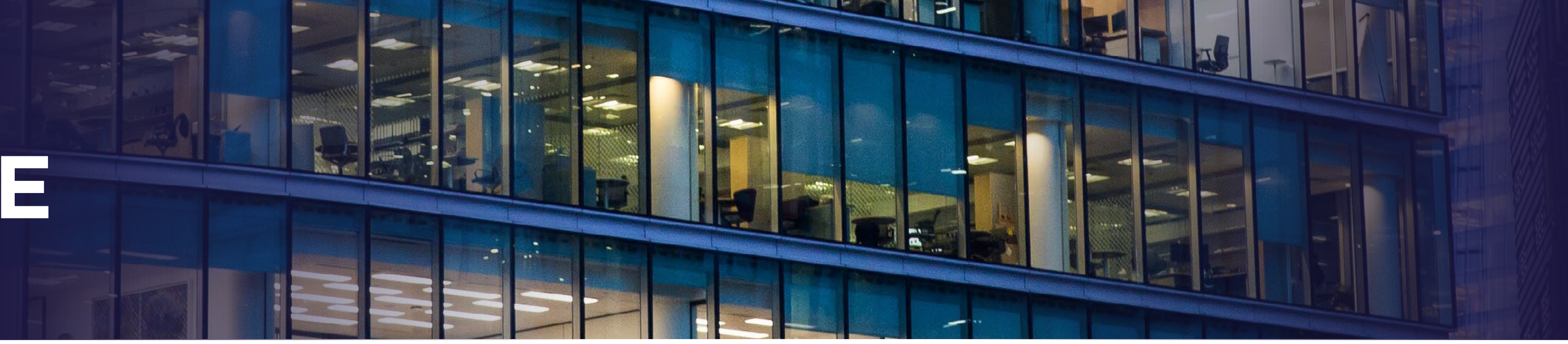
MARKETBEAT
ABU DHABI, UAE
OFFICE Q2 2025



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MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
10% City-Wide Vacancy Rate	▼	▼
11% YoY Increase in City-Wide Rents	▲	▼
AED 160 Asking Rent/sqft *(City-Wide Offices)*	▲	▲

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
10.67 Mn UAE Population Rate	▲	▲
4% UAE Real GDP Annual Growth (Q1 2025)	▲	▲
8.0 Mn UAE Employment	▲	▲

Source: Oxford Economics, IMF, UAE Central Bank

LIMITED SUPPLY KEEPS GRADE A OFFICE SPACE IN HIGH DEMAND

Abu Dhabi's office market continues to face a pronounced supply-demand imbalance, particularly for Grade A space. Office occupancy across Abu Dhabi remains strong at 90%, with Grade A assets outperforming at 97%. However, the current pipeline remains constrained, with few new completions and strong pre-leasing activity further limiting available stock. Year-to-date, the only notable handover has been Yas Place on Yas Island. Looking ahead, around 830,000 sqft of new supply is expected in H2 2025, primarily concentrated in Masdar City, including Masdar City Square and The Link, alongside the SAAS Business Tower. However, a significant portion of this space has already been pre-committed, offering little immediate relief to the market. As a result, more occupiers are turning to flexible workspace solutions to secure high-quality space with shorter lead times in an increasingly tight market.

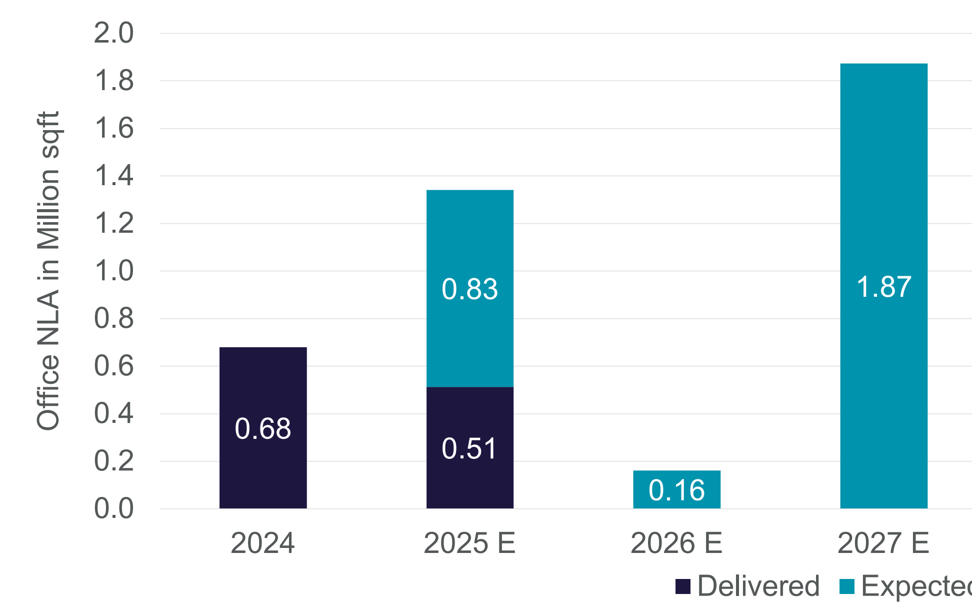
DEMAND ANCHORED BY FINANCE AND ENERGY SECTORS

Demand continues to be led by the financial sector - particularly global and regional institutions expanding within ADGM, which maintains the highest occupancy levels in the capital. Oil and gas occupiers, especially those linked to ADNOC, are also driving sustained demand as they expand operations and upgrade into newer, higher-spec stock.

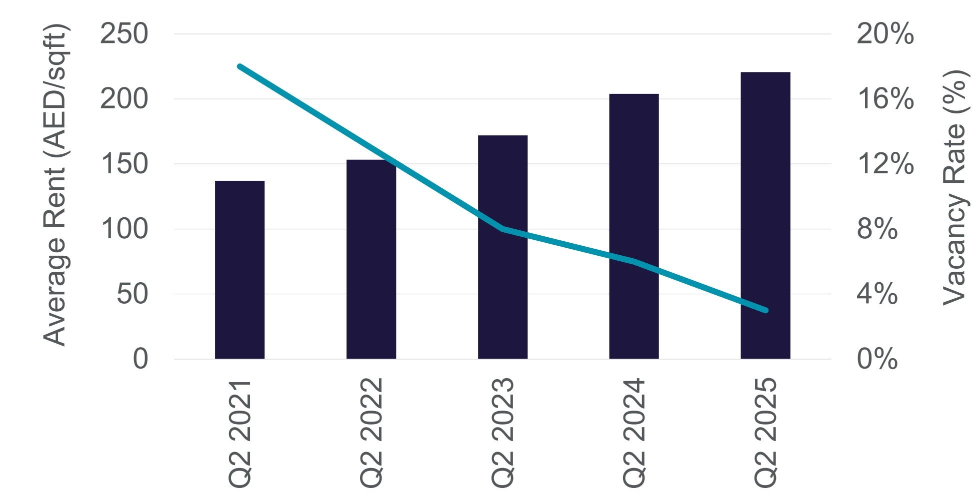
RENTS AND OCCUPANCY LEVELS SET TO REMAIN ELEVATED

In the near term, Abu Dhabi's office market is expected to remain landlord-favourable, supported by limited new supply, strong institutional demand, and continued expansion across the energy and finance sectors. While diversification into emerging office hubs such as Masdar City and Yas Island may gradually alleviate pressure on central locations, Grade A availability in core submarkets remains tight, ensuring sustained competition for high-quality space.

SUPPLY: DELIVERY/EXPECTED



GRADE A VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQFT)	DIRECT VACANT (SQFT)	OVERALL VACANCY RATE	UNDER CONSTRUCTION (SQFT)	OVERALL AVG ASKING RENT (ALL OFFICE GRADES)*
Al Raha	600,000	66,000	11%	-	AED 150
Khalifa City	550,000	137,500	25%	-	AED 95
Masdar City	1,000,000	50,000	5%	1,237,860	AED 160
Corniche	1,300,000	130,000	10%	-	AED 180
Al Reem Island	2,891,599	578,320	20%	129,168	AED 110
ADGM/ Al Maryah	1,900,000	38,000	2%	1,054,872	AED 260
Capital District / Airport Road / Al Falah	950,000	28,500	3%	-	AED 130
Muroor	1,500,000	180,000	12%	-	AED 100
MBZ	700,000	50,050	7%	-	AED 90
Madinat Zayed	500,000	35,000	7%	-	AED 100
Mussafah	500,000	50,000	10%	-	AED 65

**Rental rates reflect asking exclusive of service charges*

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SIZE (SQFT)	TYPE
Omega Tower	Reem Island	100,000	New
United Square Mall	Khalidiya	60,000	New
Capital Plaza Office Tower	Al Danah	6,133	New
International Tower	Al Rawadah	2,550	New
Capital Plaza Office Tower	Al Danah	6,133	New

**Renewals not included in leasing statistics*

KEY HANDOVER PIPELINE 2025

PROPERTY	SUBMARKET	SIZE (SQFT)	DEVELOPER
Masdar City Square	Masdar City	516,672	Masdar City
SAAS Business Tower	Al Reem Island	129,168	SAAS Properties
The Link	Masdar City	182,988	Masdar City

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