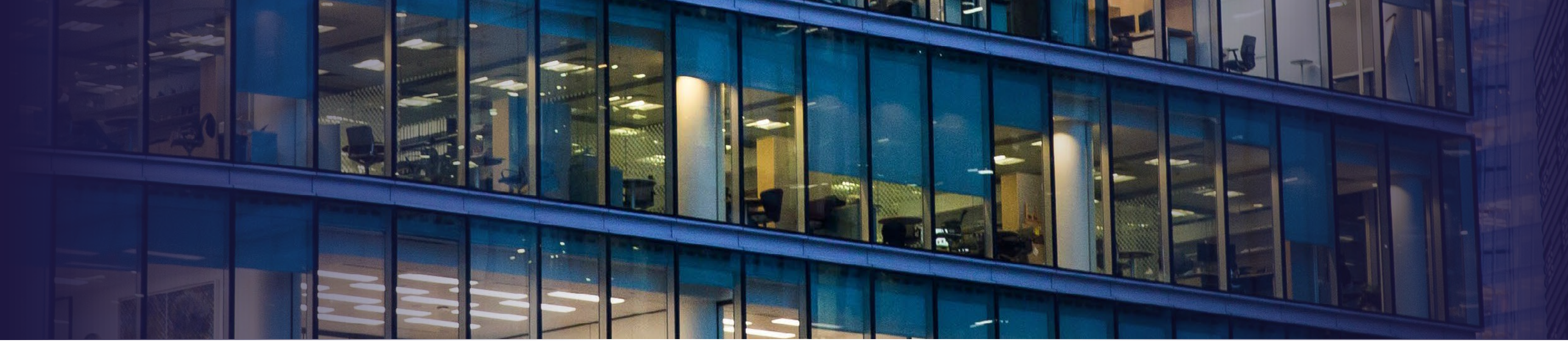
MARKETBEAT

DUBAI, UAE

OFFICE Q2 2025



CUSHMAN & WAKEFIELD | CORE

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
8% Vacancy Rate	▼	▼
22% YoY Increase in City-Wide Rents	▲	▼
AED 190 Asking Rent/sqft *(City-Wide Offices)*	▲	▲

ECONOMIC INDICATORS

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

Source: Oxford Economics, IMF, UAE Central Bank

OFFICE SUPPLY: LIMITED IN 2025, WAVE OF NEW STOCK FROM 2026

After several years of constrained delivery, Dubai's office market is on the cusp of a supply rebound. Just 0.89 million sqft is expected in 2025, but this will rise significantly to 2.3 million sqft in 2026 and over 4.1 million sqft in 2027. This upcoming wave is heavily concentrated in DIFC, Sheikh Zayed Road, Expo City, JLT, and Business Bay, and is largely composed of Grade A, ESG-compliant space designed to meet the requirements of global occupiers. Encouragingly, many of the Grade A freezone projects are already seeing strong pre-leasing momentum, signalling robust demand from corporates seeking high-quality, institutional-grade space. With prime stock currently near full occupancy and limited availability across the market, the new supply is well-positioned to support business expansion, regional headquarters consolidation, and the continued growth of professional and financial services. While the volume of deliveries from 2026 onward warrants close observation, current demand patterns and the ongoing flight-to-quality suggest a positive absorption outlook for Dubai's next generation of office developments.

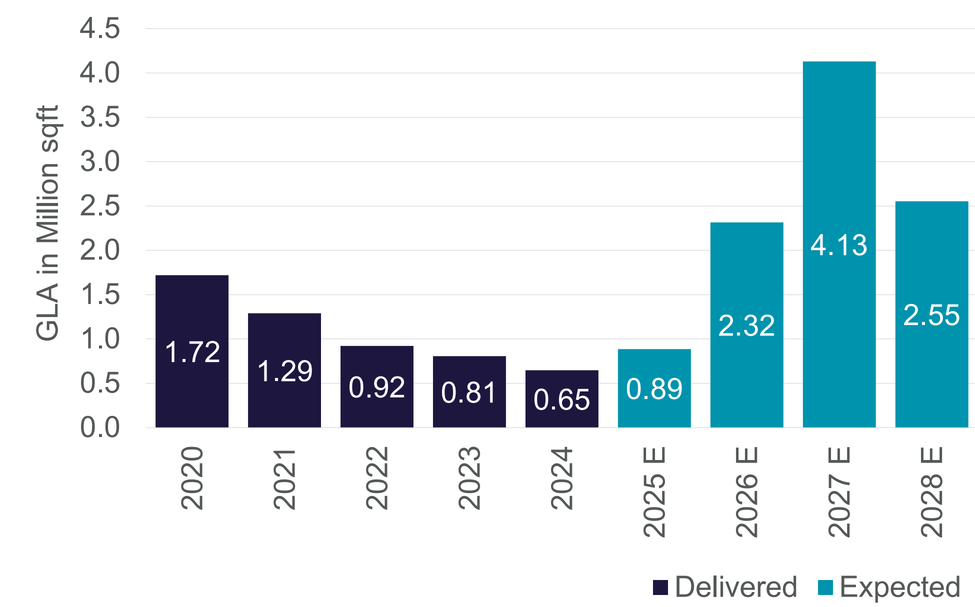
DEMAND: RECORD-HIGH OCCUPANCY, LED BY GRADE A ASSETS

Office occupancy across Dubai remains strong, with Grade A stock leading at 95%. Grade B and C assets follow closely, averaging around 90%, contributing to a robust overall citywide occupancy rate of 92%. Prime districts including Sheikh Zayed Road, Dubai Design District (D3), One Central, and Downtown Dubai continue to register the highest levels of tenant retention.

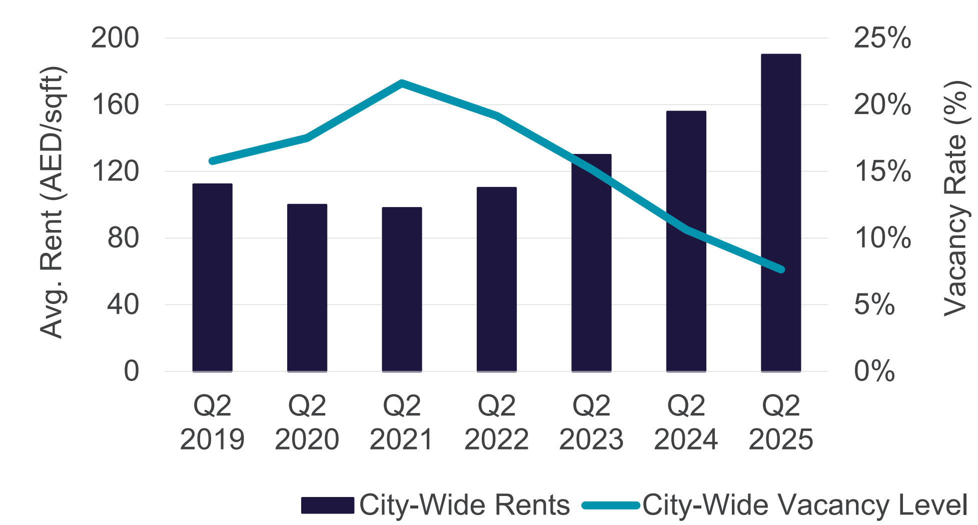
PRICING: RENTS CONTINUE UPWARD WITH LIMITED STOCK

Average office rents in Dubai have climbed to AED 190 per sqft - a 22% YoY increase. DIFC maintains the highest rental levels, followed by One Central and Downtown Dubai. Persistently low vacancy rates have reinforced landlord confidence, driving continued rental growth and establishing a premium for well-located, high-spec office space.

SUPPLY: DELIVERY/EXPECTED



OVERALL VACANCY & ASKING RENT



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	146,238	3%	-	AED 350
SZR (Trade Center-Interchange 1)	7,361,689	147,234	2%	1,922,663	AED 250
DIFC	7,347,952	220,439	3%	4,315,216	AED 475
DIC/DMC	12,177,656	1,095,989	9%	533,000	AED 210
Business Bay	17,100,986	855,049	5%	1,462,155	AED 190
Jumeirah Lakes Towers	13,334,863	1,333,486	10%	1,845,120	AED 180

**Rental rates reflect asking exclusive of service charges*

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SIZE (SQFT)	TYPE
Sweid One	Jumeirah Lakes Towers	Beauty brand	60,465	New – Pre-leasing
Emaar Square	Downtown Dubai	N/A	27,098	New
Vision Tower	Business Bay	Flex space operator	20,240	New
Uptown Tower	Jumeirah Lakes Towers	N/A	20,177	New
Emaar Business Park	The Greens	N/A	17,082	New
Emaar Square	Downtown Dubai	N/A	14,272	New

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SALE TYPE	SIZE (SQFT)	PRICE / AED PER SQFT
Vision Tower	Business Bay	Ready	10,122	AED 38,000,000 / AED 3,750
Enara by Omniyat	Business Bay	Off-Plan	9,871	AED 56,567,242 / AED 5,731
Silver Tower	Jumeirah Lake Towers	Ready	8,837	AED 24,000,000 / AED 2,716
Opus Tower	Business Bay	Ready	6,610	AED 27,500,000 / AED 4,160

KEY HANDOVER PIPELINE 2025

PROPERTY	SUBMARKET	SIZE (SQFT)	DEVELOPER
Innovation Hub Next Phase	Dubai Internet City	366,000	TECOM
Wasl Tower	Sheikh Zayed Road	140,000	Wasl
Building A1 and A3	Dubai CommerCity	271,250	Dubai CommerCity

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