MARKETBEAT

ABU DHABI, UAE

OFFICE Q1 2025

CUSHMAN & WAKEFIELD | CORE

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10% Vacancy Rate	▼	▼
9% YOY Increase in City-Wide Rents	▲	▼
AED 156 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

SUPPLY: DEMAND CONTINUES TO OUTPACE SUPPLY WITH LIMITED HANDOVERS EXPECTED IN 2025

With occupancy levels at an all-time high and a pronounced supply crunch, particularly in Grade A assets, the supply-demand imbalance remains. In 2025, key anticipated completions include Masdar City Square and The Link in Masdar City, as well as Yas Place on Yas Island. While no new stock was handed over in Q1 2025, secondary space has become available in Omega Tower. Looking ahead, the SAAS Business Tower on Reem Island is slated for completion in Q2 2025, introducing 129,168 sqft of Grade A office space.

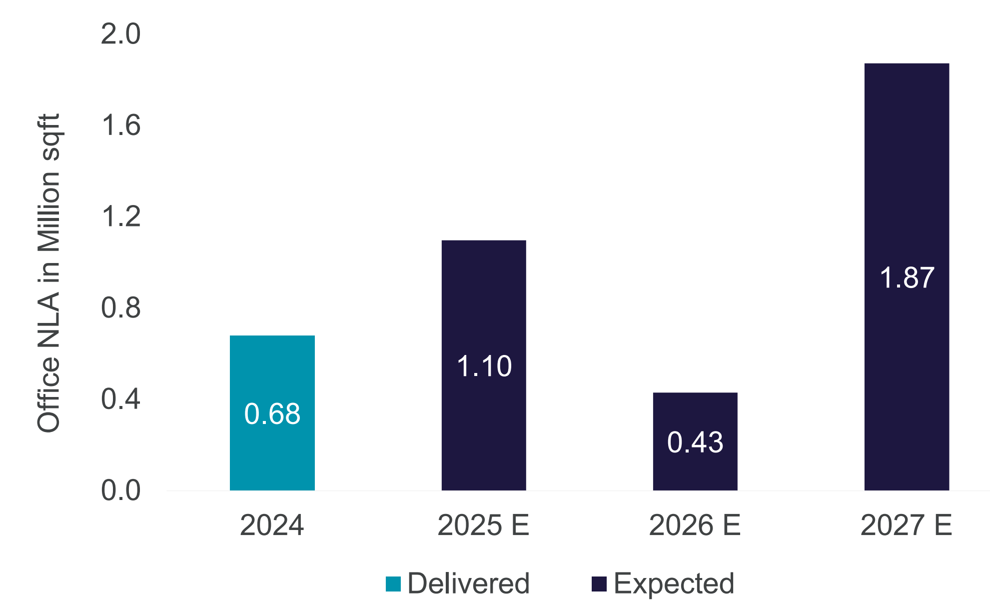
DEMAND: KEY DEMAND DRIVERS - BANKING, FINANCIAL, OIL & GAS SECTORS DOMINATE

Office occupancy across Abu Dhabi remains healthy at 90%, underpinned by strong performance in Grade A stock, which leads at 96%. ADGM continues to outperform, recording the highest occupancy levels in the capital, driven by sustained demand from global and regional financial institutions. Abu Dhabi's occupier base has broadened in recent years, reflecting increased sectoral diversification. While Banking and Financial Services remain the primary demand drivers—contributing 27% of total take-up—demand from the Oil and Gas sector remains resilient at 21%, supported by ongoing energy sector investments and national strategy alignment. This shift signals growing depth in occupier demand beyond traditional sectors.

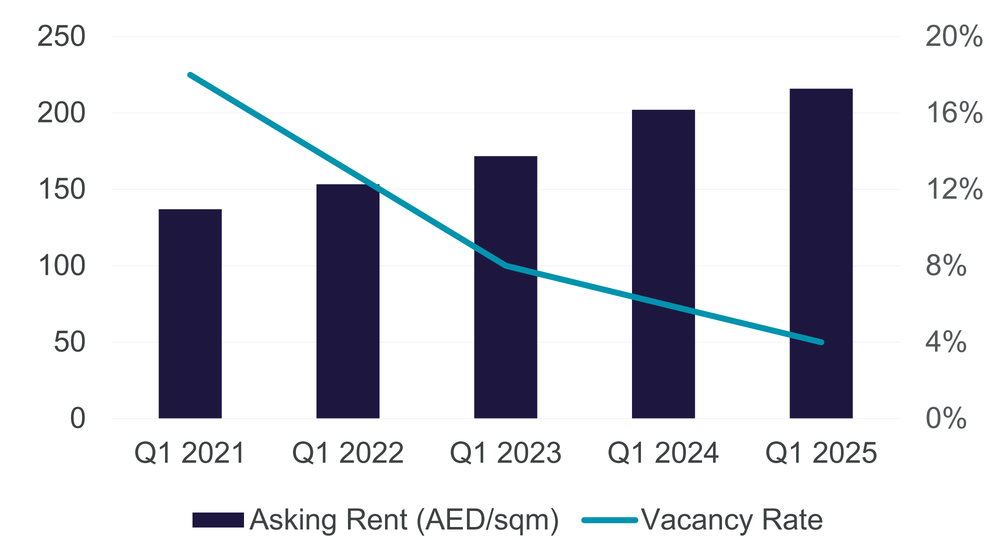
PRICING: PRIME AND GRADE A PROPERTIES IN HIGH DEMAND

Abu Dhabi's total office stock currently exceeds 43.5 million sqft, with Prime and Grade A assets comprising approximately 30% of the market, while the remaining 70% is attributed to Grade B and C categories. Prime office buildings command rents ranging from AED 180 to AED 260 per sqft per annum, driven by factors such as location, building quality, and floor plate efficiency. Grade A offices continue to witness strong occupier interest, with annual rental rates between AED 150 and AED 180 per sqft, reflecting sustained demand for high-quality space amid limited new supply.

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 140
Khalifa City	550,000	137,500	25%	-	AED 88
Masdar City	1,000,000		5%	1,237,860	AED 149
Yas Island	30,000	-	-	269,100	-
Corniche	1,300,000	130,000	10%	-	AED 170
Reem Island	2,891,599	578,320	20%	372,468	AED 100
ADGM/ Al Maryah	1,900,000	38,000	2%	1,054,872	AED 250
Capital District / Airport Road/ Al Falah	950,000	28,500	3%	-	AED 125
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 Q1 2025

PROPERTY	SUBMARKET	TENANT	SQFT	TYPE
Omega Tower	Al Reem Island	Oil & Gas	107,640	New
International Tower	ADNEC	N/A	18,299	New
Prestige Tower	Mohamed Bin Zayed City	N/A	18,170	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
Yas Place	Yas Island	269,000	Aldar

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