MARKETBEAT

DUBAI, UAE

OFFICE Q1 2025

CUSHMAN & WAKEFIELD | CORE

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8% Vacancy Rate	▼	▼
22% YOY Increase in City-Wide Rents	▲	▼
AED 181 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: THE NEAR-TERM SUPPLY SHORTAGE IS EXPECTED TO CONTINUE, WITH A MORE SUBSTANTIAL PIPELINE ANTICIPATED TO EASE CONDITIONS BY 2027/2028.

Dubai continues to face a supply shortage, with only 0.89 million sqft of new stock expected for handover in 2025. Key upcoming projects include Innovation Hub (366,000 sqft) slated for completion in 2025, DIFC Square (600,000 sqft) in 2026, and several large-scale developments in 2027, such as Aldar's Office Tower (947,223 sqft). However, the majority of these projects are witnessing strong pre-leasing activity, limiting the availability of new stock upon delivery. The market is expected to remain undersupplied through 2026, sustaining upward pressure on rents and occupancy levels, with potential rebalancing anticipated from 2027–2028 as the development pipeline matures. In response to constrained supply and strong latent demand from both investors and end users, the market has witnessed a notable uptick in off-plan strata office sales. Transactional activity across these launches has been robust over recent quarters, reflecting growing interest in commercial assets.

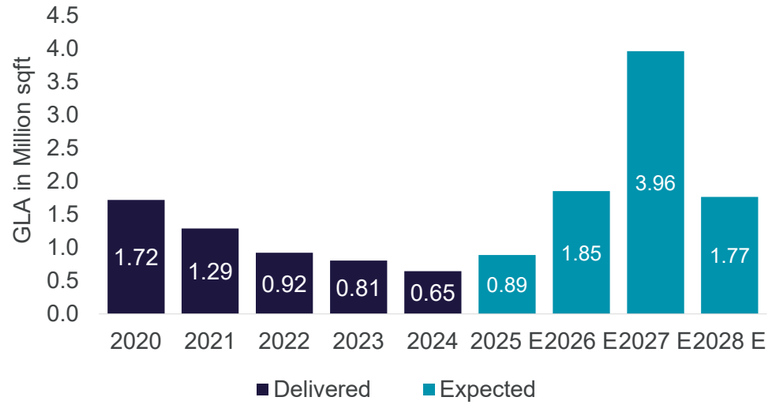
DEMAND: RECORD-HIGH OCCUPANCY ACROSS DUBAI, LED BY GRADE A STOCK

City-wide office occupancy remains strong, with Grade A assets leading at 94%. Grade B and C offices follow closely at approximately 90%, resulting in a robust overall occupancy rate of 92%. Prime locations such as Sheikh Zayed Road, Dubai Design District (D3), One Central, and Downtown Dubai continue to record the highest occupancy levels city-wide.

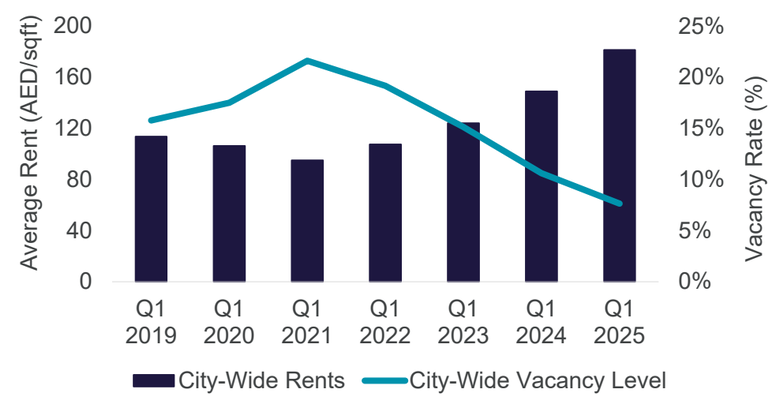
PRICING: RENTS CONTINUE TO CLIMB AMIDST STRONG DEMAND

Average city-wide office rents have risen to AED 184 per sqft, marking a 22% year-on-year increase. DIFC commands the highest average rents, followed by One Central and Downtown Dubai. Persistently low vacancy rates have bolstered landlord confidence, driving further rental growth and establishing a premium on limited available stock.

SUPPLY: DELIVERY/EXPECTED



OVERALL VACANCY & ASKING RENT



© 2025 Cushman & Wakefield

DUBAI, UAE
OFFICE Q1 2025

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%	1,022,223	AED 250
DIFC	7,347,952	220,439	3%	2,365,216	AED 450
DIC/DMC	12,177,656	1,217,766	10%	533,000	AED 200
Business Bay	17,100,986	855,049	5%	490,739	AED 190
Jumeirah Lakes Towers	13,334,863	1,333,863	10%	1,491,000	AED 180

**Rental rates reflect asking exclusive of service charges*

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SQFT	TYPE
Al Nabooda Building	Deira – Port Saeed	Automotive Trading	29,000	New
Emaar Square 3	Downtown Dubai	N/A	27,339	New
HSBC Headquarters	Downtown Dubai	N/A	22,551	New

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SALE TYPE	SQFT	PRICE / AED PER SQFT
Control Tower	Business Park Motor City	Ready	29,571	AED 27,352,518 / AED 925
Emaar Square 1	Downtown Dubai	Ready	26,447	AED 82,500,000 / AED 3,120
Enara by Omniyat	Business Bay	Off-Plan	15,804	AED 52,007,276 / AED 3,291

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

PRATHYUSHA GURRAPU
Head of Strategic Consulting
Tel: +971 52 714 7175
prathyusha.gurrapu@cushwake.ae

ROBERT THOMAS
Head of Agency
Tel: +971 56 681 5988
robert.thomas@cushwake.ae

Cushman & Wakefield Core is an independently owned and operated affiliate of Cushman & Wakefield, operating in the UAE since 2008.

For additional information, visit www.cushwake.ae.

This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Cushman & Wakefield Core accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Cushman & Wakefield Core's research team. © Cushman & Wakefield Core.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.
You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

© 2025 Cushman & Wakefield