MARKETBEAT

# ABU DHABI, UAE

OFFICE Q4 2024

CUSHMAN & WAKEFIELD | CORE

## MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|---|---|---|
| **11%** Vacancy Rate | ▼ | ▼ |
| **2.6 Mn** YTD Net Absorption (sq. ft.) | ▲ | ▲ |
| **AED 139** Asking Rent/sq. ft. *(City-Wide Offices)* | ▲ | ▲ |

## ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---|---|
| **11.35 Mn** UAE Population Rate | ▲ | ▲ |
| **3.6%** UAE Real GDP Annual Growth (2024) | ▲ | ▲ |
| **7.0 Mn** UAE Employment | ▲ | ▲ |

*Source: Oxford Economics, IMF, UAE Central Bank*

### SUPPLY: ROBUST OFFICE SUPPLY PIPELINE IN ABU DHABI THROUGH 2027

In 2024, Abu Dhabi added 679,000 sq. ft. of new office stock to the market, including notable developments such as Al Maryah Tower in ADGM, the Seha Building in Danet, and the FAB building in Capital Center. Looking ahead, 2025 is projected to deliver approximately 1.13 million sq. ft. of new supply, primarily in Al Reem Island and Masdar City. While 2026 is expected to see a more modest increase of 430,000 sq. ft., 2027 is anticipated to witness the highest influx of supply in recent years, with around 1.76 million sq. ft. scheduled for completion

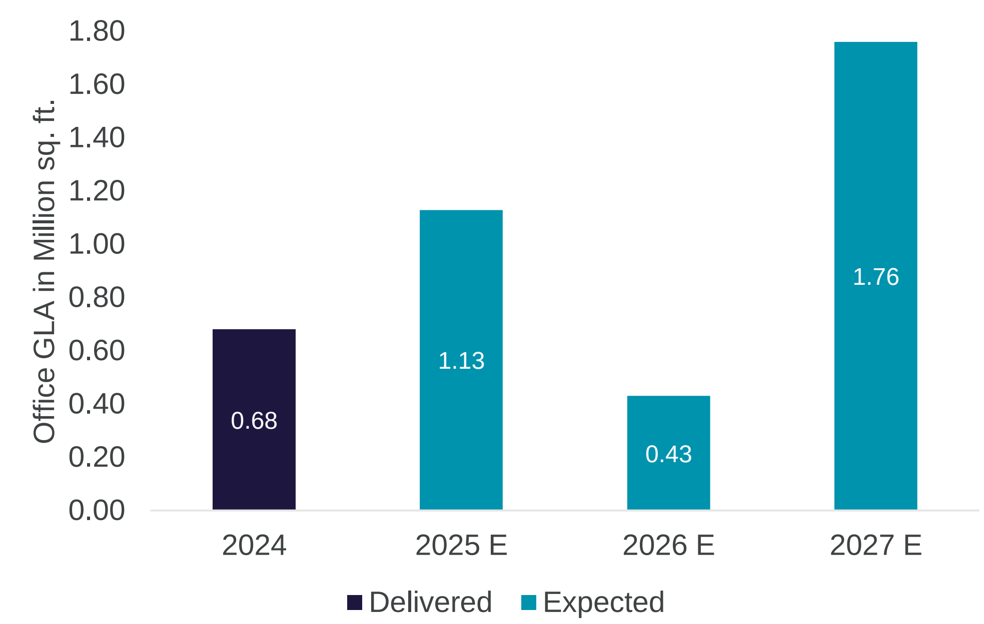
### DEMAND: RESILIENT DEMAND AND KEY TRENDS IN ABU DHABI'S Q4 2024 OFFICE MARKET

Abu Dhabi's office market demonstrated resilience in Q4 2024, with overall vacancy rate decreasing by 4% year-on-year. Abu Dhabi Global Market (ADGM) continues to dominate as the most sought-after location for office space, supported by high demand in Al Maryah Island and Al Raha, which command the highest prices per square foot. Office spaces ranging from 4,000 to 6,000 sq. ft. remained popular, followed closely by spaces in the 2,000 to 4,000 sq. ft. range. Sector-specific demand, Banking, and Finance led accounting for 20% of the market, followed by Oil & Gas at 17%, highlighting the continued strength of key industries in the capital.

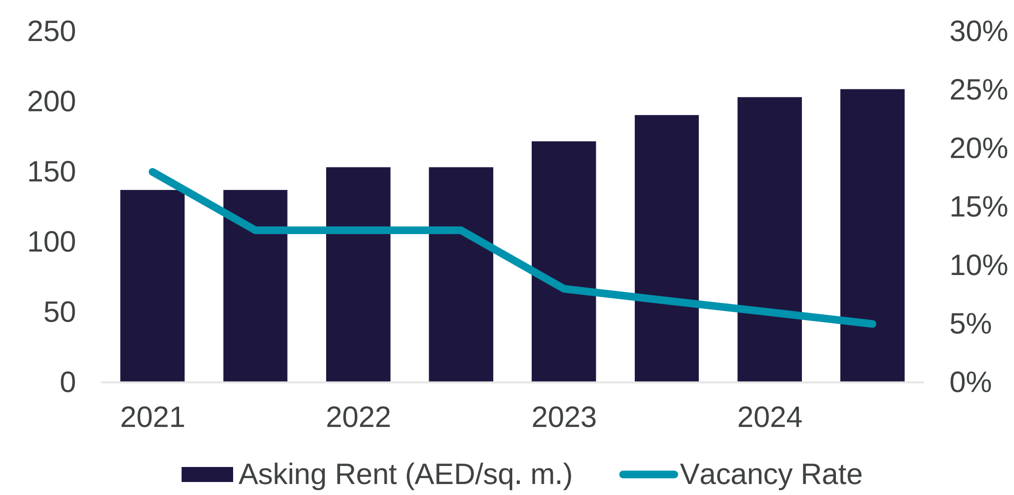
### PRICING: STABLE LEASING RATES AMID HIGH DEMAND

Abu Dhabi's office leasing rates remained stable quarter-on-quarter, while city-wide average asking rents in Q4 2024 increased by 7% year-on-year. Prime office buildings command annual rental prices between AED 180 and AED 260 per sq. ft., with Grade A buildings ranging from AED 93 to AED 177 per sq. ft. and Grade B and C buildings priced at AED 65 to AED 84 and AED 46 to AED 65 per sq. ft., respectively. Occupancy rates remain high, with prime offices at 95%, Grade A and B between 90% and 95%, and Grade C between 70% and 89%. Supply for Prime and Grade A office spaces remains limited at 10% and 20%, respectively.

### SUPPLY DELIVERY/EXPECTED




### GRADE A VACANCY & ASKING RENT



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## MARKET STATISTICS

| SUBMARKET | INVENTORY (SQ. FT.) | DIRECT VACANT (SQ. FT.) | OVERALL VACANCY RATE | 2024 OVERALL NET ABSORPTION (SQ. FT.) | UNDER CNSTR (SQ. FT.) | OVERALL AVG ASKING RENT (ALL OFFICE GRADES)* |
|---|---|---|---|---|---|---|
| Al Raha | 600,000 | 54,000 | 8% | -6,000 | - | AED 132 |
| Khalifa City | 550,000 | 156,200 | 28% | 257,500 | - | AED 88 |
| Masdar City | 1,000,000 | 75,000 | 7% | 0 | 1,199,660 | AED 149 |
| Yas Island | 30,000 | - | - | 0 | 266,100 | - |
| Corniche | 1,300,000 | 217,100 | 16% | 65,000 | - | AED 163 |
| Al Reem Island | 2,700,000 | 506,040 | 18.7% | -235,700 | 129,168 | AED 79 |
| ADGM/ Al Maryah | 1,900,000 | 142,500 | 7% | 646,000 | 1,054,872 | AED 230 |
| Capital District / Airport Road / Al Falah | 950,000 | 35,150 | 6% | 28,500 | - | AED 125 |
| Muroor | 1,500,000 | 19,500 | 13.3% | 40,500 | 300,000 | AED 100 |
| MBZ | 700,000 | 50,050 | 7.15% | 33,950 | - | AED 90 |
| Madinat Zayed | 500,000 | 50,000 | 10% | 10,000 | - | AED 100 |
| Mussafah | 500,000 | 100,000 | 20% | 50,000 | - | AED 60 |

*Rental rates reflect asking exclusive of service charges*

## KEY LEASE TRANSACTIONS Q4 2024

| PROPERTY | SUBMARKET | TENANT | SQ. FT. | TYPE |
|---|---|---|---|---|
| Masdar City Square | Masdar City | ADDC | 160,000 | New |
| Mouhamed Bin Zaid Stadium | Al Nahyan | N/A | 23,012 | New |
| Sky Tower | Al Reem Island | N/A | 20,299 | New |

**Renewals not included in leasing statistics*

## KEY CONSTRUCTION COMPLETIONS 2024

| PROPERTY | SUBMARKET | MAJOR TENANT | SQ. FT. | OWNER/DEVELOPER |
|---|---|---|---|---|
| Al Maryah Tower | Al Maryah Island | Modon, Dug Technologies | 344,448 | Aldar/Mubadala |
| FAB Building | Capital Centre | N/A | 118,404 | Middle World Properties |
| Seha Building | Danet | N/A | 129,168 | Private Individual |

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