MARKETBEAT
ABU DHABI, UAE
OFFICE Q3 2024

CUSHMAN & WAKEFIELD | CORE

MARKET FUNDAMENTALS

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

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
11.03 Mn UAE Population Rate	▲	▲
3.5% UAE Real GDP Annual Growth	▲	▲
6.8 Mn UAE Employment	▲	▲

Source: Oxford Economics, IMF, UAE Central Bank

SUPPLY: UPCOMING OFFICE SUPPLY FOR 2024 AND 2025 FOCUSED ON PRIME AND GRADE A SPACES

Significant new developments delivered to the office market include Al Raha Beach Office Tower in Al Raha Beach, which delivered 87,705 GLA sq. ft. of Grade A office space in Q3 2024. Office buildings within Capital Centre, Al Raha Beach, and Danet contributed a combined 333,684 sq. ft. of secondary market office space, and Masdar City Square is expected to be handed over by the end of 2024. Looking ahead, the SAAS Business Tower on Reem Island, scheduled for completion in Q1 2025, will offer 129,168 sq. ft. of Grade A office space, while Yas Place on Yas Island will introduce 266,131 sq. ft. of new Grade A office accommodation.

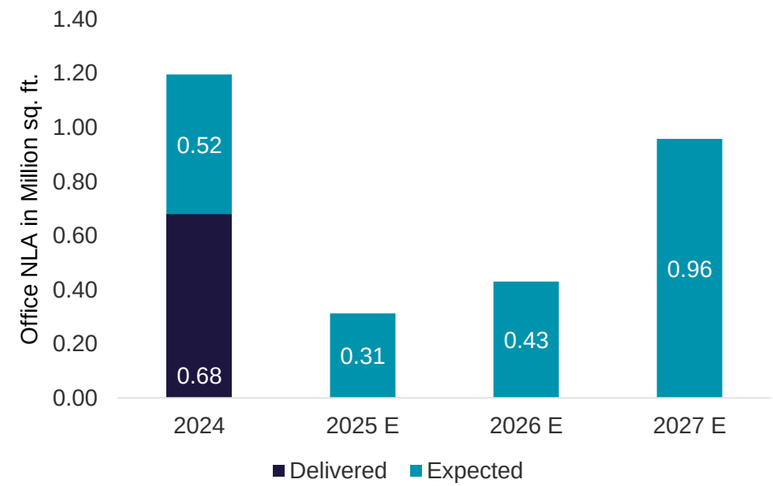
DEMAND: KEY DEMAND DRIVERS - BANKING, FINANCIAL, OIL & GAS SECTORS DOMINATE

Abu Dhabi has seen a significant diversification in demand in the last few years. The Banking and Financial sectors remain dominant, contributing to 27% of overall demand, followed by the Oil and Gas sector at 21%. There is a notable demand for medium-sized office spaces, with 35% of inquiries for spaces between 2,000 to 4,500 sq. ft., followed by 30% for offices between 4,500 to 6,500 sq. ft. Smaller offices under 2,000 sq. ft. account for 10% of inquiries, while larger office spaces see fewer inquiries. Specifically, 15% of inquiries are for spaces between 6,500 to 10,000 sq. ft., 7% for 10,000 to 20,000 sq. ft., and only 3% for offices over 20,000 sq. ft.

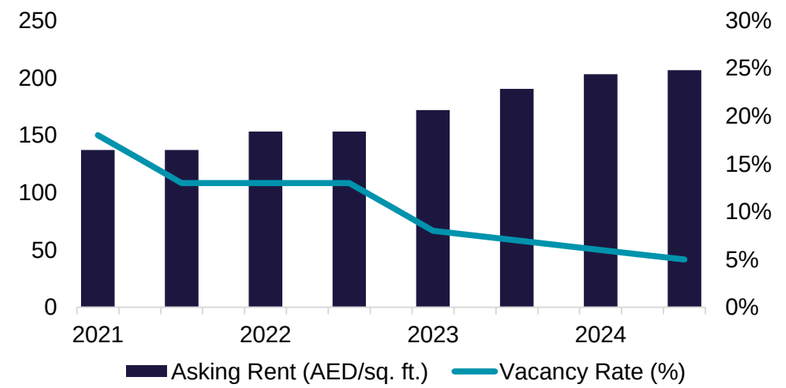
PRICING: PRIME AND GRADE A PROPERTIES IN HIGH DEMAND

Abu Dhabi's total office market stock is currently over 43.5 million sq. ft., with Prime and Grade A stock accounting for nearly 30% of the total stock while the Grade B and C category account for nearly 70% of the remainder of stock. Leasing rates for Prime office buildings range between AED 180 to AED 260 per sq. ft. annually, depending on size and location. Similarly, Grade A offices are experiencing strong demand, with occupancy levels hovering around 95% and annual rents ranging from AED 150 to AED 180 per sq. ft.

SUPPLY DELIVERY/EXPECTED



GRADE A VACANCY & ASKING RENT



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ABU DHABI, UAE
OFFICE Q3 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SQ. FT.)	DIRECT VACANT (SQ. FT.)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SQ. FT.)	UNDER CNSTR (SQ. FT.)	OVERALL AVG ASKING RENT (ALL OFFICE GRADES)*
Al Raha	600,000	54,000	9%	-3,000	-	AED 132
Khalifa City	550,000	156,200	28.4%	8,800	-	AED 88
Masdar City	1,000,000	75,000	7.5%	0	699,660	AED 149
Yas Island	30,000	-	-	0	266,131	-
Corniche	1,300,000	217,100	16.7%	104,000	-	AED 163
Reem Island	1,800,000	396,000	22%	9,000	129,168	AED 79
ADGM/ Al Maryah	1,900,000	142,500	7.5%	641,250	678,132	AED 230
Capital District / Airport Road/ Al Falah	950,000	35,150	3.7%	35,625	-	AED 125

**Rental rates reflect asking exclusive of service charges*

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SQ. FT.	TYPE
Landmark Tower	Corniche	Oil & Gas	60,000	New
Landmark Tower	Corniche	Semi-Government	30,000	New
World Trade Centre	Abu Dhabi City	Law Firm	14,000	New
World Trade Centre	Abu Dhabi City	Oil & Gas	14,000	New

**Renewals not included in leasing statistics*

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SQ. FT.	OWNER/DEVELOPER
Masdar City Square	Masdar City	UAE Space Agency, ADDC	12,000	Mubadala Majority Shareholder
Al Maryah Tower	Al Maryah Island	Modon, Dug Technologies	32,000	Aldar/Mubadala

PRATHYUSHA GURRAPU
Director - Head of Research and Consultancy
Tel: +971 52 714 7175
prathyusha.gurrapu@cushwake.ae

DAVID SHORT
Associate Director - Head of Abu Dhabi
Tel: +971 56 989 1584
david.short@cushwake.ae

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