MARKETBEAT
DUBAI, UAE
OFFICE Q2 2026

CUSHMAN & WAKEFIELD | CORE

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
92.4% Occupancy Rate	▲	▼
9% YoY Increase in City-ide Rents	▲	▼
AED 205 Rent/sqft *(City-Wide Offices)*	▲	▼

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
4.03 Mn Dubai Population	▲	▼
3.1% UAE Real GDP Annual Growth (Q1 2026)	▼	▼
2.2% UAE Unemployment	▼	▲

Source: IMF, World Bank, Dubai Statistics Centre

OFFICE SUPPLY: UPCOMING SUPPLY TO IMPROVE MARKET BALANCE

Over 0.88 million sqft of office space was delivered in Q2 2026, including City Tower and Technohub 4, with a further 1.13 million sqft due by year-end, led by Sweid One, Innovation 2 (DIFC Living), and new office developments within Dubai CommerCity. Much of this supply is already pre-let, limiting its near-term market impact. While deliveries accelerate from 2028 onwards, the pipeline remains focused on high-quality developments in core business districts. We expect any increase in vacancy and moderation in rental growth to be gradual, while a growing share of institutional, single-owned office stock will improve the availability of premium space and leasing options for regional and global occupiers.

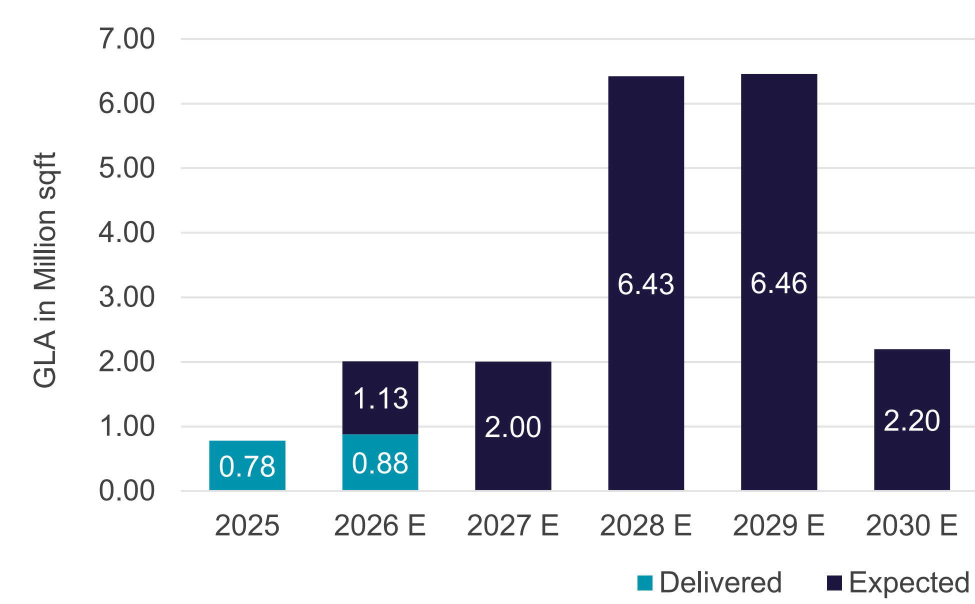
MARKET SENTIMENT: RESILIENT BUT MORE CAUTIOUS

Leasing activity softened during Q2 2026 as occupiers adopted a more cautious approach following the regional conflict. While renewal rents remained stable, new lease rents softened as transaction volumes declined, with many occupiers deferring expansions and delaying leasing decisions. Rental softening has been concentrated in Grade B stock, which accounts for nearly 70% of Dubai's office inventory, while Grade A, single-owned and institutional assets have remained resilient. There has also been no meaningful downsizing by global occupiers, with most retaining their existing footprints. Flex space operators have meanwhile become one of the largest occupier groups, taking up sizeable office space across the city. Rising demand for flexible workspaces reflects occupiers' preference for greater flexibility during a period of heightened uncertainty, while landlords increasingly view flex operators as strategic partners to enhance occupancy and activate large floorplates.

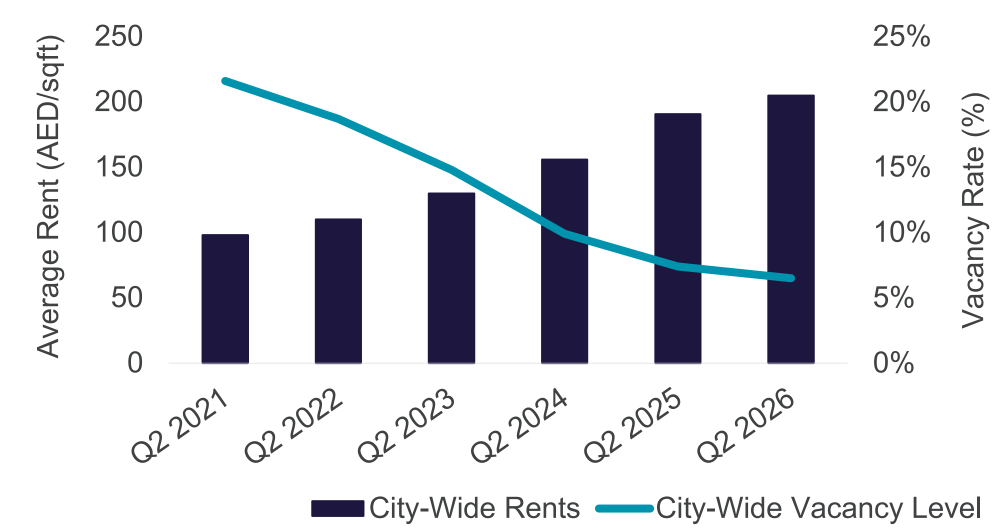
PRICING: RENTS REMAIN FIRM WITH LIMITED STOCK

Average city-wide office rents in Dubai stand at AED 205 per sqft, down 2% QoQ, marking the first quarterly decline in office rents in nearly five years. While overall occupancy remains high, city-wide levels have eased marginally as more strata office stock has returned to the market. We expect additional secondary space to become available in the coming months as relocations, lease expiries, and occupier right-sizing gradually bring more stock back to the market. As with market cycles, this moderation in both rents and occupancy should be viewed as a healthy market moderation, improving availability and affordability after a prolonged period of exceptionally tight market conditions.

SUPPLY: DELIVERY/EXPECTED



OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield Core Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQFT)	DIRECT VACANT (SQFT)	OVERALL OCCUPANCY LEVEL	UNDER CONSTRUCTION (SQFT)	OVERALL AVG ASKING RENT (ALL OFFICE GRADES)*
Downtown Dubai	4,874,585	146,238	97%	-	AED 450
SZR (Trade Centre-Interchange 1)	7,576,689	378,834	95%	2,307,663	AED 250
DIFC	7,809,083	156,182	98%	4,154,575	AED 530
DIC/DMC	12,543,656	627,183	95%	451,000	AED 380
Business Bay	17,100,986	1,197,069	93%	4,409,946	AED 185
Jumeirah Lakes Towers	13,334,863	1,733,532	87%	1,738,000	AED 220
Dubai Design District	1,378,976	13,790	99%	629,000	AED 340
Dubai CommerCity	1,004,241	30,127	97%	271,896	AED 200

Rental rates reflect asking, inclusive of service charges

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SIZE (SQFT)	TYPE	ANNUAL RENT / AED PER SQFT
Uptown Tower	Jumeirah Lake Towers	21,116	New	AED 7,430,337 / AED 352
The Edge Tecom	Dubai Media City	15,278	New	AED 3,892,015 / AED 255
Schon Business Park	Dubai Investment Park	11,150	New	AED 3,670,560 / AED 240
Vision Tower	Business Bay	10,476	New	AED 2,555,305 / AED 196
I-Rise	Barsha Heights	9,031	New	AED 1,200,000 / AED 133

Renewals not included in leasing statistics. Transacted rents do not capture fit-out type

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SALE TYPE	SIZE (SQFT)	PRICE / AED PER SQFT
Lumena by Omniyat	Business Bay	Off-Plan	11,340	AED 69,000,000 / AED 6,084
Enara by Omniyat	Business Bay	Off-Plan	8,886	AED 61,418,675 / AED 6,912
Lumena Alta by Omniyat	Business Bay	Off-Plan	7,956	AED 51,191,000 / AED 6,434
Eaton Square	Horizon	Off-Plan	12,429	AED 41,435,828 / AED 3,334
Sol Luxe Tower	Trade Centre First	Off-Plan	4,799	AED 25,500,000 / AED 5,314
AHS Tower	Trade Centre Second	Off-Plan	6,037	AED 25,417,600 / AED 4,211
The One Tower	Barsha Heights	Secondary	10,081	AED 23,186,668 / AED 2,300

KEY HANDOVER PIPELINE Q2 2026

PROPERTY	SUBMARKET	SIZE (SQFT)	DEVELOPER
Technohub 4	Dubai Silicon Oasis	130,000	DIEZ
City Tower	Sheikh Zayed Road	80,000	H&H

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