CUSHMAN & WAKEFIELD | CORE

UAE TRENDS IN FLEXIBLE OFFICE

2026



Better never settles



LET'S TALK FLEX

Few office markets have embraced flexible workspace as quickly as the UAE has in the last five years.

The flex sector has evolved rapidly from a niche segment of the office market into an important part of occupier strategies and landlord portfolios, with flex now featuring in most new Grade A office developments. High occupancy, limited availability of suitable conventional space and changing occupier requirements have accelerated this shift.

The UAE now ranks sixth globally for flex market maturity in Cushman & Wakefield's ***Global Trends in Flexible Office 2026***. Yet flex represents just 2.6% of Dubai's office stock, well below other established global markets. This contrast highlights how quickly the sector has matured and the considerable potential that remains. The UAE has absorbed over 680,000 sqft of flex space since Jan 2025. Our ongoing discussions with key market players point to further growth in flex market share, although limited suitable space and varying landlord and freezone willingness continue to constrain expansion, suggesting underlying demand may exceed the visible pipeline.

The next phase of growth will be shaped by what we call the ***Flex Trifecta***: landlords incorporating flex into their portfolio strategies, operators scaling through stronger partnerships, and occupiers accelerating their adoption of flex as part of their workplace solutions.

At Cushman & Wakefield Core, we sit at the intersection of the UAE flex market. We advise operators on expansion, landlords and developers on integrating flex into their portfolios, and international, regional and local occupiers on their workplace strategies. Combined with Cushman & Wakefield's global flex research, this gives us a direct view of the decisions shaping the sector's growth.

This report draws on that position. It maps the size, geography, operator landscape and delivery models of the UAE flex market.

At its centre is our ***UAE Flex Operator Survey***, providing first-hand insights from major operators on demand, occupancy, pricing, expansion plans and constraints to growth. We combine these findings with global benchmarks and our market intelligence to assess where the sector stands and how it may evolve.

We hope this report provides a useful perspective on the shifts underway and the opportunities ahead.



Prathyusha Gurrapu MRICS
Head of Research



Robert Thomas MRICS
Head of Agency

KEY FACTS

6th

UAE's global ranking for flex market maturity

2.6%

of Dubai's office stock is flexible workspace

680k+

sqft of flexible office space absorbed in the UAE since Jan 2025

Flexible workspace increasingly features in most new Grade A office developments

Underlying demand may exceed the visible pipeline

Source: Cushman & Wakefield Research

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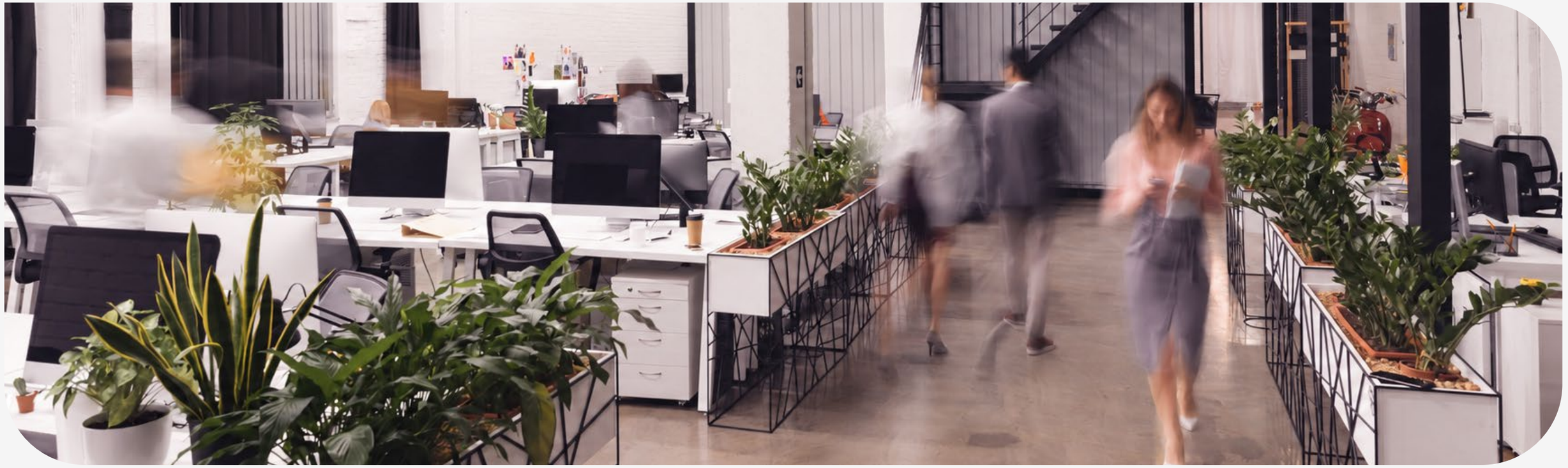
WHAT'S IN THIS REPORT?

FLEX BY NUMBERS	4
THE EVOLUTION OF FLEX IN THE UAE	6
EVOLVING GEOGRAPHY OF FLEX DEMAND	8
THE FLEX TRIFECTA	10
WHAT KEY MARKET PLAYERS ARE SAYING	12
WHO'S WHO IN FLEX?	14
PREVALENT FLEX OPERATOR MODELS	15
THE UAE FLEX OPERATOR SURVEY	16
THE UAE ON THE WORLD STAGE	24
RISE OF THE BRANDLORD	28
WHAT ARE THE FLEX MARKET RISKS?	29
WHAT'S NEXT FOR UAE FLEX?	30

Source: Cushman & Wakefield Research

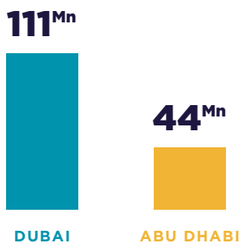


FLEX BY NUMBERS

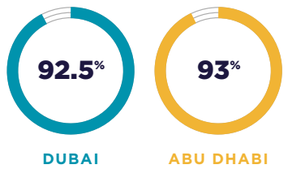
WHERE THE UAE FLEXIBLE OFFICE MARKET STANDS TODAY

CITY CONTEXT

Total Existing Office Stock (sqft)



City-Wide Office Occupancy



YoY Rise in City-Wide Office Rents

DUBAI
+5%

ABU DHABI
+27%

Source: Cushman & Wakefield Core Research

FLEX STATS	DUBAI	ABU DHABI
No. of Flex Operators	~62	~22
No. of Flex Centres	~128	~43
Centres Over 50,000 sqft	9	2
Flex as % of Total Office Stock	2.6%	1.8%
Average Flex Occupancy	~90%	~88%
Top 3 Operators' Market Share	25%	43%
Estimated Flex GLA (sqft)	~2.9Mn	~790K
Total Take-Up Since Jan 2025 (sqft)	500K+	180K+
Average Desk Pricing (AED/month)	2,800	2,200

Note: Figures as of Q3 2026. Average desk rates are combined averages of hot desks and dedicated desks.

Source: Cushman & Wakefield Core Research

FROM NICHE TO MAINSTREAM

THE EVOLUTION OF FLEX IN THE UAE

From serviced business centres to enterprise-led managed offices, flex as a sector has now become mainstream.

PRE-2010

The Business Centre Era

- Serviced offices led by Servcorp and Regus and local business centres in DIFC and Sheikh Zayed Road towers.
- Small private cabins, all-inclusive fees and ready-to-occupy fit-out.
- Freezones bundled desks with trade licence and visa packages, anchoring demand from company formation.

2010 - 2016

Coworking Takes Hold

- Start-up, freelancer and SME demand created community-led coworking.
- Early movers included AstroLabs, Impact Hub and in5, alongside freezone innovation hubs.
- Hot desks and dedicated desks on monthly terms made shared space part of the start-up ecosystem.

2017 - 2020

Scale-Up & Institutionalisation

- Global brands scaled up - WeWork, and The Executive Centre (TEC) at One Central.
- Larger centres above 50,000 sqft emerged; corporates began piloting flex alongside conventional leases.
- COVID-19 accelerated appetite for short commitments and distributed footprints.

2021 - 2026

Accelerated Adoption Across Operators, Occupiers & Landlords

- Flex operators among the largest office takers in the UAE.
- Enterprises drive demand for customised managed offices.
- Many landlords launch own flex solutions while operators expand via conventional leases and management deals.
- Flex is expanding beyond traditional office districts into malls, hospitality venues, amenity spaces and even public parks, bringing workspace closer to where people live, shop and socialise.

2026 AND BEYOND

Flex Becomes Mainstream

- Flex to become a standard feature in most new Grade A developments, typically accounting for at least 10% of the leasable area.
- Operators introduce larger, enterprise-grade serviced offices, bridging the gap between traditional flex and conventional offices.

Planning flex into your next development?

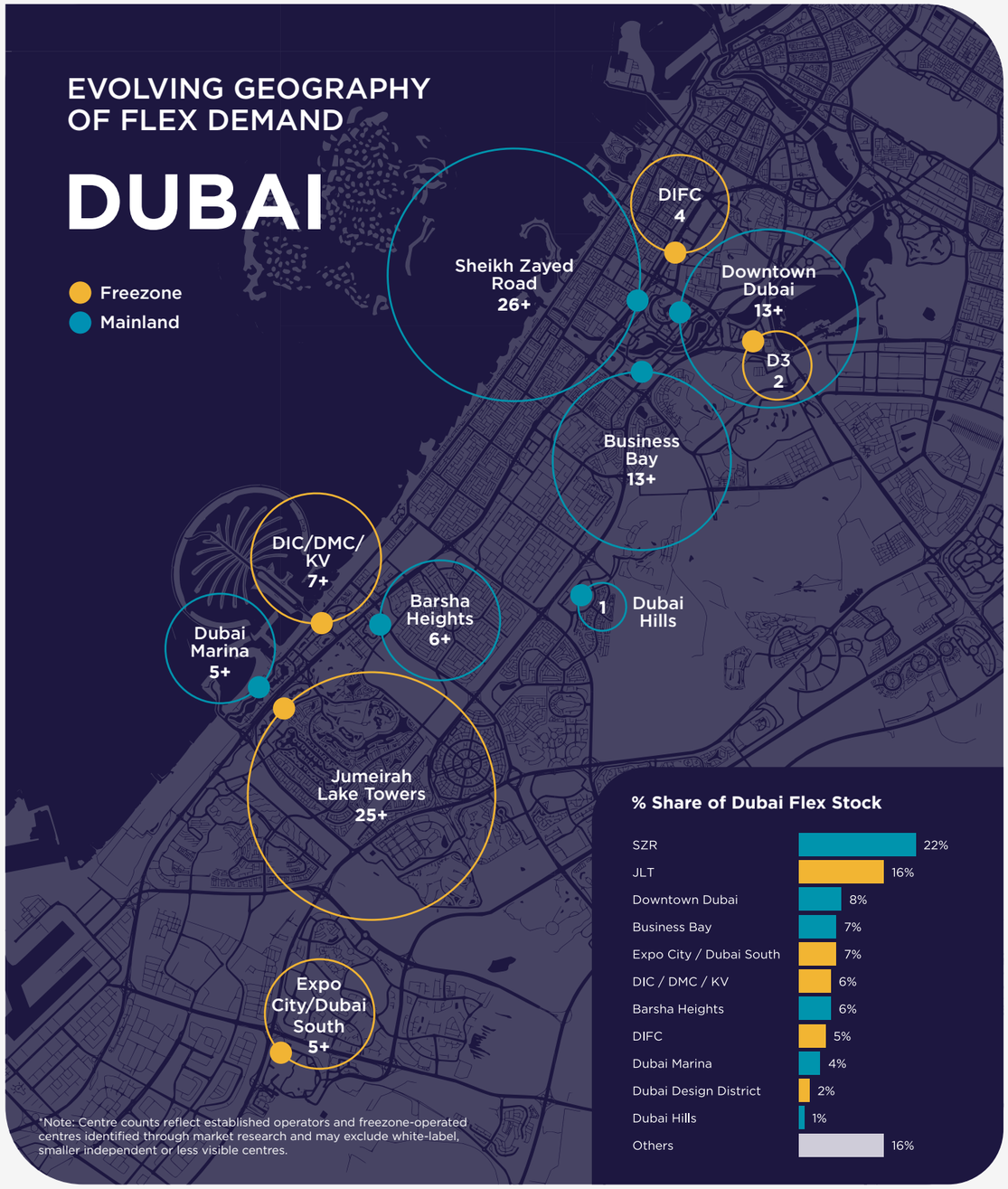
Let's talk.

Source: Cushman & Wakefield Core Research

Source: Cushman & Wakefield Core Research

EVOLVING GEOGRAPHY OF FLEX DEMAND

DUBAI



*Note: Centre counts reflect established operators and freezone-operated centres identified through market research and may exclude white-label, smaller independent or less visible centres.

% Share of Dubai Flex Stock

~128

Flex Centres in Dubai

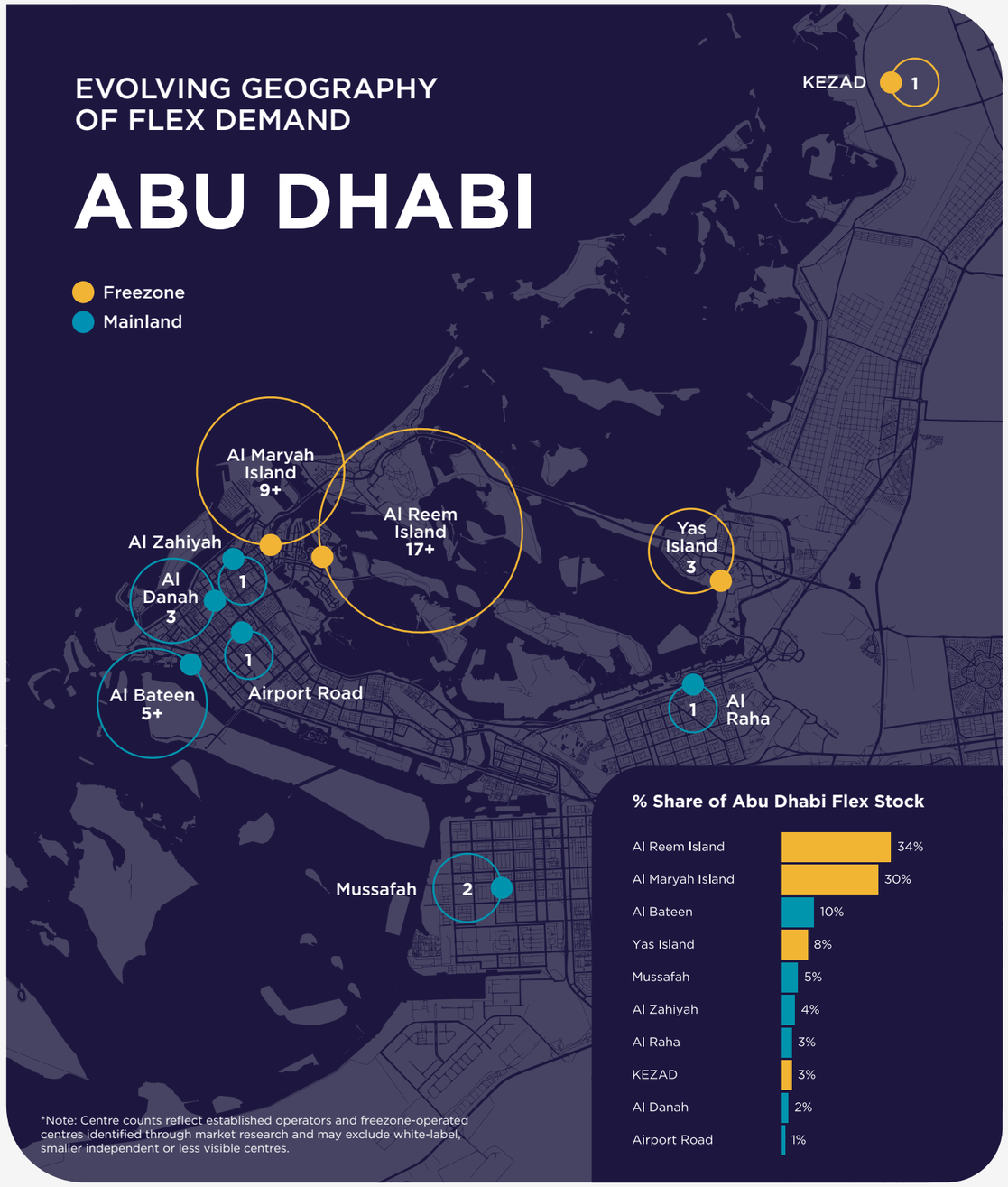
% Share of Dubai Flex Stock by GLA



Source: Cushman & Wakefield Core Research

EVOLVING GEOGRAPHY OF FLEX DEMAND

ABU DHABI



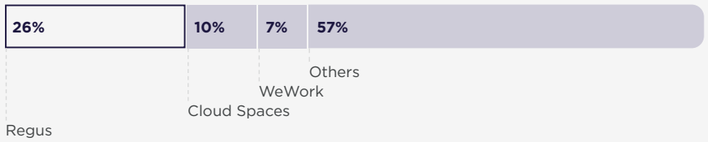
*Note: Centre counts reflect established operators and freezone-operated centres identified through market research and may exclude white-label, smaller independent or less visible centres.

% Share of Abu Dhabi Flex Stock

~43

Flex Centres in Abu Dhabi

% Share of Abu Dhabi Flex Stock by GLA

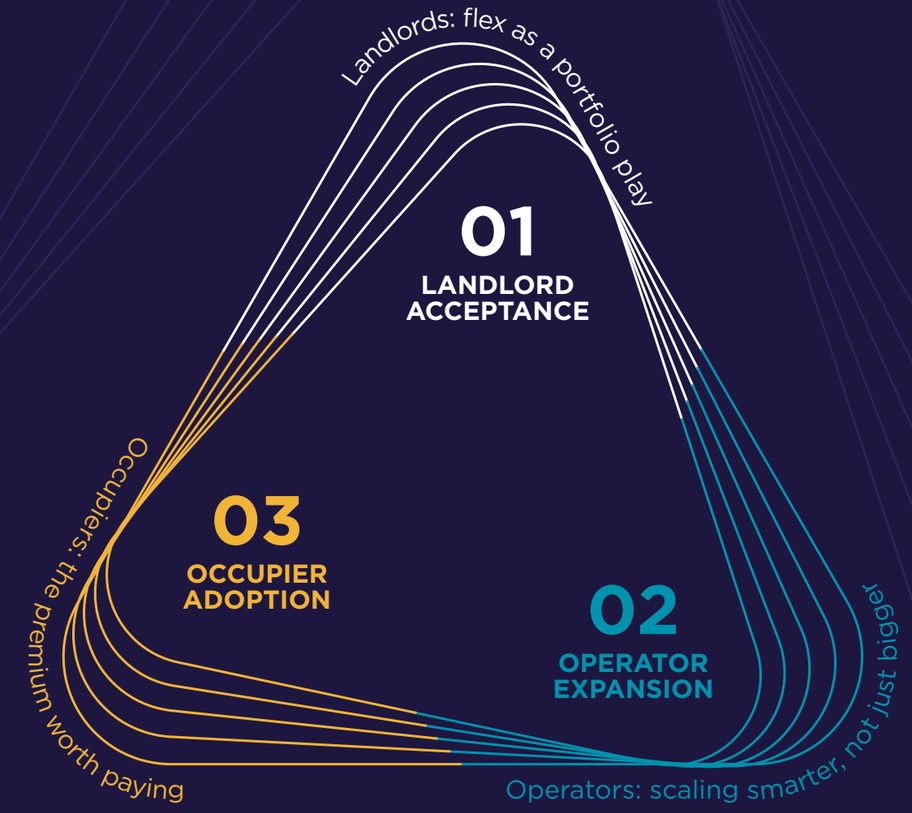


Source: Cushman & Wakefield Core Research

THE FLEX TRIFECTA

The next phase of the UAE flex market is being shaped by greater alignment between landlords, operators and occupiers. Landlords are increasingly looking at flex as part of their wider portfolio strategy, operators are seeking scale and stronger landlord partnerships, while occupiers increasingly value flexibility as part of their workplace strategy.

Occupier demand supports **operator expansion**, while stronger operator performance builds **landlord confidence**.



Source: Cushman & Wakefield Core Research

WHAT IS DRIVING THE UAE FLEX MARKET?



LANDLORD ACCEPTANCE

- **Flex is becoming part of wider portfolio strategies,** acting as a leasing funnel that retains occupiers as they grow into conventional office space.
- **A single operator can absorb larger space** while widening the tenant pool, from SMEs to larger corporates.
- **Flex supports placemaking,** activating underused floors, podiums, malls and communities with a daytime population.
- **The model matters,** with conventional leases limiting exposure, while management and revenue-share deals add upside and operating risk.
- **Downside risks include SME exposure** during downturns, step-in rights that may leave landlords managing existing sub-tenancies and Ejari registrations, and potential cannibalisation where multiple flex operators compete within strata buildings.



OPERATOR EXPANSION

- **High occupancy continues to support expansion,** while suitable Grade A space remains limited.
- **Growth is becoming more selective,** focused on site economics, efficient c.10,000 sqft+ floorplates and strong landlord partnerships.
- **Expansion models are evolving,** with management agreements and revenue share offering more capital-light routes to growth.
- **Client-led expansion is emerging,** including back-to-back leases and bespoke space for larger corporate requirements.
- **Consolidation is likely as the market matures,** favouring operators with scale, landlord relationships and access to capital.



OCCUPIER ADOPTION

- **Speed to occupancy is a key driver,** with move-in within weeks versus six to nine months for a conventional office.
- **Flexibility to scale up or down** without long-term commitments or upfront capex and fit-out risks, as headcount uncertainty and AI adoption make workforce needs harder to predict. Based on the flex-type, IT, reception, meeting rooms and amenities are typically included, with premiums varying by location and operator.
- **Stays are lengthening,** as 1-2 year plans extend and teams of c.20 or fewer stay three years or more, until headcount settles and they want their own brand and client-facing office.
- **The occupier base is widening,** with corporates, government entities and MNCs now regular users for market entry, satellite offices and swing space.

Source: Cushman & Wakefield Core Research

FLEX: IN THEIR WORDS

WHAT KEY MARKET PLAYERS ARE SAYING ABOUT FLEX

THE EXECUTIVE CENTRE

Ketan Trehan
Regional Director, Middle East
The Executive Centre

Q: As more large corporates use flex and managed space than ever before, how have enterprise requirements in the UAE changed, particularly around size, length of stay and the level of customisation clients now expect?

A: Expectations of a managed space have increased over the years. Gone are the days of a four-walled office with some desks and a reception area. Now, clients are expecting the spaces to be customised to their company brand. The office in Dubai should have the same look and feel as that in Riyadh, London or Singapore. Brand colours, layout design and materials should all be in keeping with one another. As a result, corporates are committing for longer terms, up to 5 years in some cases and they are committing to larger spaces to accommodate for future headcount growth.

Q: What is the biggest change coming to the UAE flex market that the industry is not talking enough about?

A: Demand is leaving the CBD and not many are building for it. Saadiyat, Yas, Dubai Hills, Ranches, the new communities - that's where people live now, and that's where they want to work two or three days a week. The industry is still fighting over DIFC and ADGM floor plates while the real growth is in 500-to-1,500 sqm neighbourhood product inside residential and mixed-use estates. The landlords who own those estates will capture it, and they may not need a global brand to do it. On AI, initiatives are coming, but it won't have a material effect over the next 12 months.

Q: What is the biggest change coming to the UAE flex market that the industry is not talking enough about?

A: The flex market is only going to continue to grow. With the current geopolitical landscape and lack of supply, international occupiers are wanting flexibility. The ability to scale up or down quickly is a key factor in decision making and we are seeing corporates are taking a more structured approach to flex spaces as it gives them the ability to adapt to current and future market decisions.

Q: We are seeing landlords increasingly consider flex as part of their wider asset strategy, particularly in malls and community developments. What makes flex work in these locations, and how have landlords' expectations of operators changed?

A: Flex works in a mall or community development when it's run as an amenity and done with conviction. The locations that work have three things: a resident or worker population that already dwells there, complementary amenity nearby - predominantly F&B and wellness - and a landlord who sees the workspace as a traffic generator. Landlords want to know how your product fits their placemaking strategy, they want "show me" not "tell me" and a push on their F&B and retail spend. The operator is now judged as an asset manager, not a lessee.

Lachlan Buchanan
CEO, Cloud Spaces

SPACES CLOUD
WORK | CONNECT | GROW

Source: Cushman & Wakefield Core Research

SERVCORP

Meriem Sayah
Country Head UAE
France | Bahrain | Kuwait
Servcorp

Q: What is the biggest change coming to the UAE flex market that the industry is not talking enough about?

A: We are underestimating how much clients will expect from the operator behind the space. There is a lot of discussion about new locations, design, and the number of desks. There is less discussion about what happens once the client moves in. Who answers their calls? How quickly is a problem resolved? Is their internet reliable? Can they hold a confidential meeting? These details have a direct impact on how they run their business. IT is a big part of that discussion. They need reliable connectivity, secure systems and someone who can help quickly when an issue arises. They also want a professional team they can rely on to answer their calls, welcome their visitors, and support their day-to-day operations.

For clients who travel, having access to our other locations is another advantage. They can work and meet clients in different cities while staying within the Servcorp network, with centralised systems and a familiar level of support. It makes doing business across markets much easier. As the market becomes more competitive, clients will look much more closely at service quality and the operator's ability to deliver consistently. Attractive space may bring someone in for a tour, but the daily experience determines whether they stay. For Servcorp, that means continuing to invest in our people, technology, and service standards. We have operated through several market cycles, and our experience is that clients remember whether you were there when they needed you.

Q: What is the biggest change coming to the UAE flex market that the industry is not talking enough about?

A: Flex is moving beyond the business districts and into the neighbourhoods, closer to where people actually live. The lines between work, home, social and wellness have blurred, and the spaces winning are the ones that layer community, F&B and wellness into the day rather than offering a desk built for one purpose. That makes flex the natural third space for the UAE's fast-growing residential communities, while most of the industry is still building for a commute fewer people want to make.

Q: Servcorp has operated in the UAE through several market cycles. What is fundamentally different about the occupier/tenants today compared with five years ago, and what does that mean for how you design and price space?

A: Clients today have a much clearer idea of what they need, and they question what they are paying for. A prestigious address still matters, but so do accessibility, privacy, reliable IT and having a team available to support their business. Compared with five years ago, there is also more caution around committing to space before it is needed. A company may want to start with a small office, bring in a team, and expand as the business develops. They want that flexibility without having to compromise on quality.

For Servcorp, that means providing different office sizes, good meeting facilities and practical layouts that allow us to accommodate changing requirements. It also means understanding the client before recommending a solution. A multinational setting up a regional office will have different priorities from an entrepreneur who needs an address and occasional access to workspace.

On pricing, we look at the space, the number of users and the support required. We need to explain the full cost clearly, so clients understand what is included and can choose what works for their business.

Q: What are occupiers/users prioritising when choosing flex space today, and how has that changed over the last two to three years?

A: Ease of access and value for money still lead, but people have become far more specific about the environment they want: quiet business centres for focus and calls, or cafés and hotels for something more social, close to home, the office or their clients. The biggest change over the last two years is choice. With far more venues and workspace types available, people now pick based on what their day needs rather than the nearest or cheapest option.

Hamza Khan
Co-Founder & CEO, Letswork

Letswork

Source: Cushman & Wakefield Core Research

WHO'S WHO IN FLEX?

DEFINING THE UAE FLEX UNIVERSE

Category	01 **Global flex operators**	02 **Regional flex and managed office providers**
Typical product / proposition	Established international networks offering coworking, serviced and private offices, managed solutions and enterprise products across multiple locations	Serviced and private offices, coworking and community-led spaces offering flexible terms, local market knowledge, amenities and increasingly customised solutions
Target demand	Enterprise clients, corporates, international entrants, regional occupiers, SMEs	SMEs, entrepreneurs, regional businesses, international entrants, creatives, freelancers and growing companies
Examples	IWG (Regus, Spaces) · Servcorp · The Executive Centre · WeWork	RICE Offices · Braymont Offices · MyOffice · Nook · One Business Centre · Centrum · Cloud Spaces · UNBOX · The Bureau · The Place · Flowork · Kofisi · Space 1 · Sentinel

Category	03 **Sector-focused and freezone-led flex / incubators**	04 **Workspace platforms / aggregators**
Typical product / proposition	Flexible workspace integrated with licensing, business setup, incubation, accelerator programmes and sector-specific ecosystems within freezones and business districts	Access to multiple coworking spaces, offices, meeting rooms and other workspaces through one platform
Target demand	Start-ups, tech companies, SMEs, founders, scale-ups, international entrants and existing freezone tenants	Hybrid workers, mobile teams, individuals and companies requiring distributed workspace
Examples	D/Quarters · in5 · AstroLabs · Hub71 · DMCC · DIFC Business Centres · Masdar City · DAFZA · Expo City Dubai · Dubai CommerCity	Letswork

Note: The UAE market includes additional flex operators beyond those listed. *Source: Cushman & Wakefield Core Research*

PREVALENT FLEX OPERATOR MODELS

A range of commercial structures are used in the UAE, giving flexibility on risk, control and returns.

COMMERCIAL STRUCTURES

How the partnership is typically structured and revenue shared

Model	**Conventional lease** Operator leases and operates the space, selling desks and offices to members	**Management agreement** Operator manages landlord space for a fee, often with performance incentives	**Revenue share** Landlord and operator share flex revenues under an agreed structure	**Landlord-owned flex** Landlord develops and operates its own flex platform
Who funds the fit-out?	Operator	Shared	Shared	Landlord
Who carries risk?	Operator	Shared	Shared	Landlord
Who controls pricing?	Operator	Shared	Shared	Landlord
Who retains the customer relationship?	Operator	Operator	Shared	Landlord



Note: Structures are illustrative; risk allocation and commercial terms vary by agreement. *Source: Cushman & Wakefield Core Research*

THE UAE FLEX OPERATOR SURVEY

STRAIGHT FROM THE OPERATORS

Cushman & Wakefield Core works across every side of the UAE flex market. We advise operators on expansion, global, regional and local occupiers on flex and conventional space strategies, and landlords and developers on how flex can work within their portfolios. This puts us at the intersection of operator growth, occupier demand and landlord strategy, with a direct view of what is driving the flex market.

As flex becomes a more established part of the UAE office landscape, we wanted to look beyond growth in centres and floorspace.

What is driving expansion? Where is demand coming from? What is constraining growth? And how are operating models and deal structures evolving?

We surveyed major flex operators across the UAE, spanning different portfolio sizes, operating models and market positions. Their responses provide leading indicators of how operator strategies and occupier requirements are evolving. The result is a market-led view of where UAE flex stands today and what will shape its next phase.

0%

of operators expect to downsize their portfolio

#1

constraint on growth for operators is the availability of suitable buildings



Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

KEY FLEX MARKET SIGNALS

Cushman & Wakefield Core surveyed 21 flexible workspace operators, including global, regional and homegrown brands and freezones, representing over 62% of flexible workspace GLA across Dubai and Abu Dhabi.

71%

expect to grow their UAE footprint over the next 12 months



62%

report occupancy of at or above 85%



43%

already run a portfolio of over 75,000 sqft across the UAE



76%

use conventional / master leases over management agreements, revenue-sharing or ownership models



71%

say avoiding capex / fit-out costs is a top reason tenants choose flex space



67%

say private serviced offices is their fastest-growing product



Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

WHAT DOES THE FLEX MARKET CONSIST OF?

BIGGER CENTRES, NOT BIGGER NETWORKS

The UAE flex market is seeing operators achieve scale through larger locations rather than larger networks. While 43% of operators have portfolios above 75,000 sqft, the same proportion operate from just 2-5 locations. Larger portfolios are therefore being built through bigger centres and floorplates, allowing operators to achieve scale without necessarily having a wide network.

How operators secure space is equally important. Conventional leases remain dominant, used by 76% of surveyed operators, largely reflecting landlords' preference to avoid upfront capital expenditure and operational involvement. Management agreements and revenue-share structures remain relatively uncommon. This means much of the expansion risk continues to sit with the operator, from fit-out investment and operating costs through to occupancy and achievable desk rates.

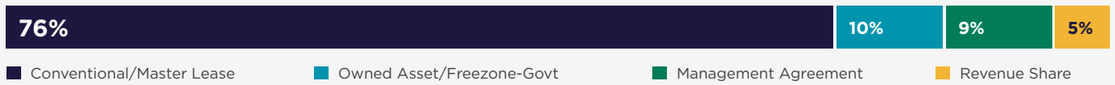
This makes the choice of building particularly important. A larger centre can add meaningful scale in a single transaction, but it also increases the capital and occupancy risk if the location does not perform. The right floorplate, landlord relationship, underlying rent and ability to achieve sufficient desk rates all need to work together.

As operators look to expand, we expect them to increasingly favour management agreements and revenue-share models as more sustainable growth structures, particularly for larger centres where upfront capital requirements are significant and landlord participation in fit-out costs becomes critical.

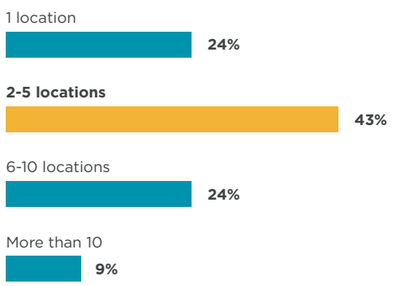
43%

of operators have portfolios above 75,000 sqft, the same proportion operate from just 2-5 locations

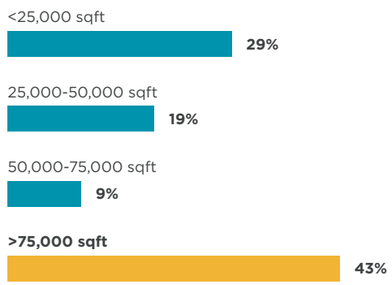
Prevalent Operating Models



No. of UAE Locations



Total UAE Portfolio



Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

WHY ARE TENANTS CHOOSING FLEX?

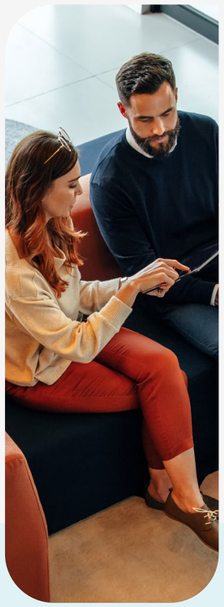
CHOICE, NOT COMPROMISE

Capex avoidance is the biggest reason occupiers choose flex, cited by 71% of operators, ahead of flexibility to scale at 52% and speed to occupation at 43%. For businesses entering the UAE or still growing their teams, taking fitted, operational space avoids committing significant capital to an office before their longer-term requirements are clear.

Flexibility to scale is closely linked to this. Businesses can start with the space they need and expand as their teams grow, rather than taking additional space upfront.

Speed is another factor, particularly for new market entrants that want to get operational quickly and avoid a lengthy fit-out period.

Interestingly, only 14% cite a lack of conventional options as a key reason for choosing flex. Occupiers are therefore choosing flex because the model itself works for them, rather than simply as an alternative when conventional space is difficult to find.





71%
Capex avoidance

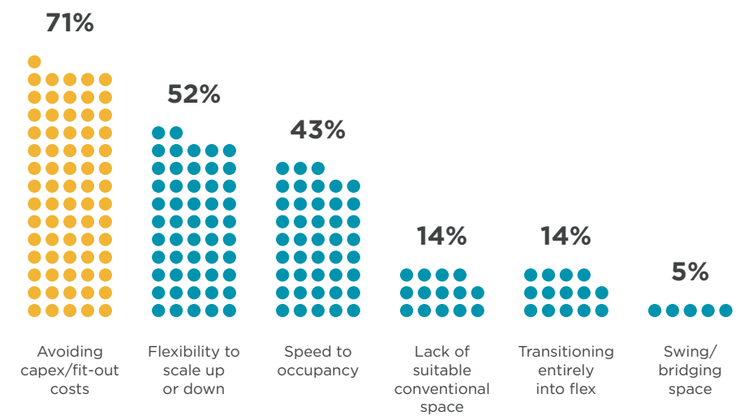


52%
Flexibility to scale



43%
Speed to occupation

Tenant Reasons for Choosing Flex



Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

WHICH TENANTS ARE DRIVING FLEX DEMAND & HOW IS IT EVOLVING?

SMALL TEAMS, LONG STAYS

SMEs and new international market entrants are currently the strongest sources of flex demand, cited by 71% and 62% of operators. Many of these businesses enter the market with relatively small teams and limited visibility on how quickly they will grow. Operators most commonly report requirements of 5-10 desks, with 43% identifying this as their typical transaction size.

What is interesting is that small initial requirements do not necessarily mean short stays. More than half of operators report typical commitments of 1-2 years, and almost one in five see occupiers staying beyond two years. For businesses that are still growing, flex can continue to work well beyond the initial market-entry phase.

Their space requirements are also becoming more established. Private serviced offices are seeing the strongest growth, cited by 67% of operators, suggesting that occupiers increasingly want their own dedicated space while continuing to value the flexibility and services that come with a flex environment.

Looking ahead, operators expect SME and start-up growth to remain the largest driver of demand over the next three years, with international occupier expansion following closely behind. This creates a broader opportunity for operators to capture businesses when they are small and retain them as they grow into larger private suites, managed offices and more customised space.

Which product line is growing the fastest?

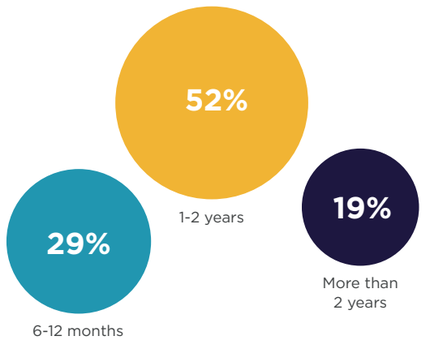
67%

Private serviced offices

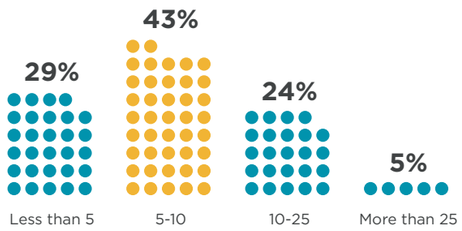


Managed offices	33%
Open coworking/hot desks	33%
Custom-built (single client)	24%
Meeting & event space	5%
Other	5%

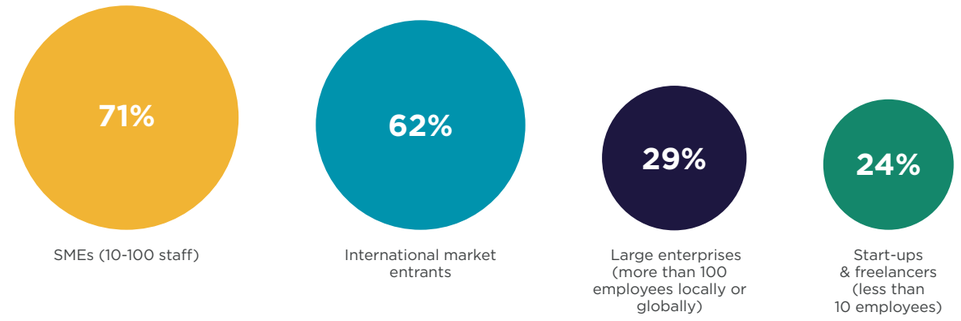
Typical Lease Terms of Flex Tenants



Average No. of Desks Per Flex Transaction

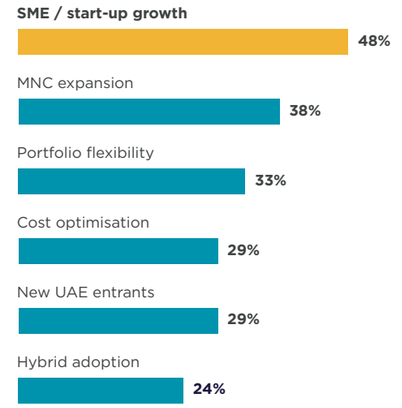


Next 12 Months: Sectors Driving Demand





Next 3 Years: Primary Drivers



DEFINITIONS

Coworking / Hot Desk: Shared workspace where individuals or teams use desks and common facilities alongside other members, typically without a dedicated enclosed office.

Private office: Dedicated office for one company within a shared flex centre. The office is private, while meeting rooms, reception, pantry, lounges and other amenities are shared.

Managed office: A self-contained office for one company, typically designed around that occupier's requirements. The operator provides and manages the fit-out, furniture, IT and facilities, offering a fully serviced workspace with limited or no shared amenities.

Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

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WHAT IS HAPPENING WITH FLEX PRICING?

HIGHER AND HOLDING

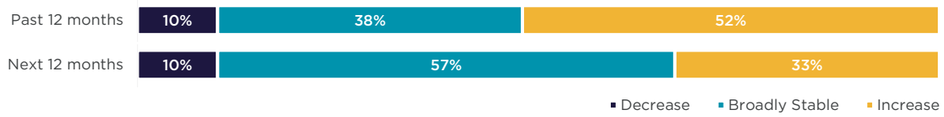
Flex rates have moved up strongly over the past year, with 52% of operators reporting increases. That momentum looks set to ease, with only 33% expecting to raise rates over the next 12 months and the majority expecting pricing to remain broadly stable.

This feels consistent with where the market is today. Strong occupancy and rising conventional office rents have supported flex pricing, but as more operators and locations enter the market, there is likely to be less room for across-the-board increases. Very few operators expect rates to fall, suggesting the market is settling at current levels rather than seeing a meaningful softening. For operators, the next leg of growth is therefore likely to come more from occupancy and portfolio expansion than continued rate increases.

52%
of operators increased rates in the past 12 months

33%
of operators expect to increase rates in the next 12 months

Headline Desk Rate Direction





Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

WHAT DOES GROWTH LOOK LIKE?

DEMAND EXISTS; RIGHT SPACE DOESN'T

High occupancy continues to underpin operator confidence, with 62% reporting occupancy at or above 85% and 71% planning to expand their UAE portfolios over the next 12 months. None expect to shrink. Even operators reporting lower occupancy of 60-75% are largely those that have recently expanded, with new capacity still being absorbed.

Yet expansion plans remain measured. While 52% expect to grow by up to 25%, only 19% are targeting growth beyond this level. The constraint appears to be suitable space rather than demand, with 57% citing building availability as their biggest challenge. This is widening the search for new locations. Dubai's wider districts now attract greater interest than the traditional CBD, while ADGM and Reem Island remain key targets in Abu Dhabi.

However, finding the right building goes beyond location and floorplates. The landlord and ownership structure matter. Single-owner buildings can offer greater control and scope to expand, while strata buildings can be more complex, particularly where there are already flex operators competing within the same asset. The willingness of the landlord to understand and support the flex model can therefore be as important as the building itself.



62%
of operators report occupancy at or above 85%

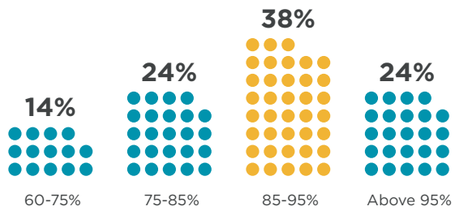


71%
expect portfolio growth over the next 12 months

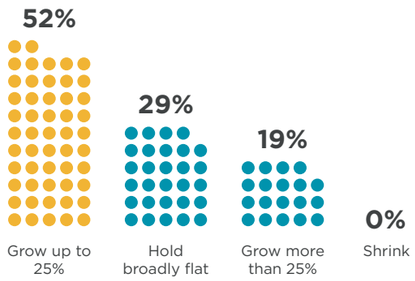


0%
expect to shrink

Average Portfolio Occupancy



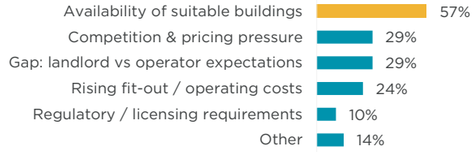
Operator Portfolio Expansion Outlook



Priority Markets for Expansion (Next 12 Months)



Biggest Constraints to Operator Growth in the UAE



Note: Some survey questions were multiple response questions. *Source: Cushman & Wakefield Core Research*

THE UAE ON THE WORLD STAGE

The UAE is the sixth most mature flexible office market globally, with its maturity score rising from 67% in 2025 to 77% in 2026. Cushman & Wakefield's scoring system* assesses market maturity based on factors including flex inventory as a share of total office stock, the number of operators and the prevalence of management agreements. India ranks as the most mature market globally, followed by the UK, France, the US and the Netherlands.

The rapid scaling up of the sector, supporting both new entrants and well-established firms, is driving this growth. Given the UAE's strong appeal to foreign firms and individuals, flexible workspaces in tax-free zones often provide a key entry point into the market, offering access to networks, expansion space and supporting infrastructure vital to early-stage growth.

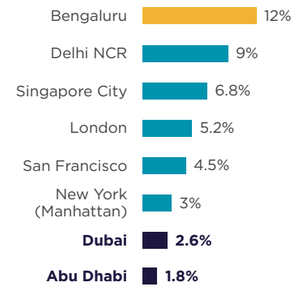
Larger firms are also increasingly turning to flexible workspaces to support rapid expansion without committing to long-term traditional leases.

With city-wide occupancy at 92.5% in Q3 2026, and significantly higher across Grade A stock, alongside asking rents for traditional office space that are now more than double Q1 2020 levels, the value offered by flexible offices remains robust.

Yet despite its strong maturity ranking, the UAE's flex market share remains relatively low. Flex accounts for around 2.6% of Dubai's office stock, compared with roughly 3% in Manhattan, 4.5% in San Francisco and 5.2% in London. The gap widens further against India's leading flex markets, where market share reaches 9% in Delhi NCR and 12% in Bengaluru.

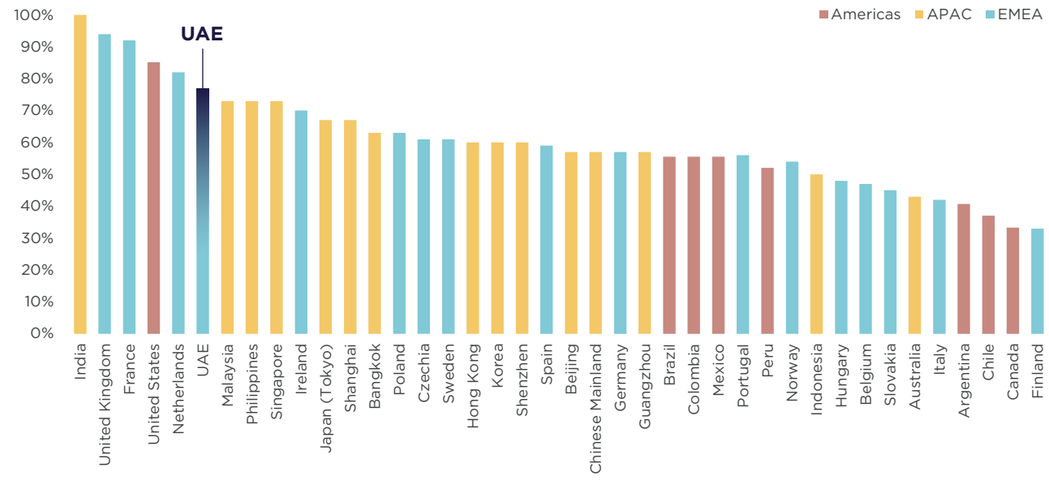
That contrast points to significant headroom for growth, and the gap is already beginning to narrow. More than 500,000 sqft of flex space has been absorbed in Dubai since Jan 2025, with significant volumes currently under offer and a growing pipeline of operator expansion.

Flex as a % of total office stock



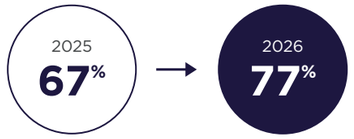
> *Significant room to grow, but scaling will depend on operators' ability to take up larger space*

Flexible Maturity Score



*NOTE: Market Maturity Methodology: Markets were scored from low to high on the presence of: Flexible workspace stock as a % of total office stock; number of flexible workspace operators in the market; average size of flexible workspace locations; number of large flexible workspaces in the market; landlords delivering own flexible workspace offers; prevalence of management agreements or hybrid lease vs. traditional leases; availability/growth of managed space; flexible workspace operators delivering wider amenity for building owners; data transparency and presence of aggregator platforms; and leasing volumes. The scores were then normalised for comparison across global regions.

UAE Maturity Score



6th globally and still climbing

UAE flex maturity rose from 67% to 77% in 2026, ranking among the world's most mature markets

2.6% market share

Dubai trails London (5.2%), Delhi NCR (9%) and Bengaluru (12%), highlighting significant growth potential

UAE in the top 5 AI ecosystems

The UAE ranks alongside India, Ireland, UK and the USA for AI presence within the global flex sector

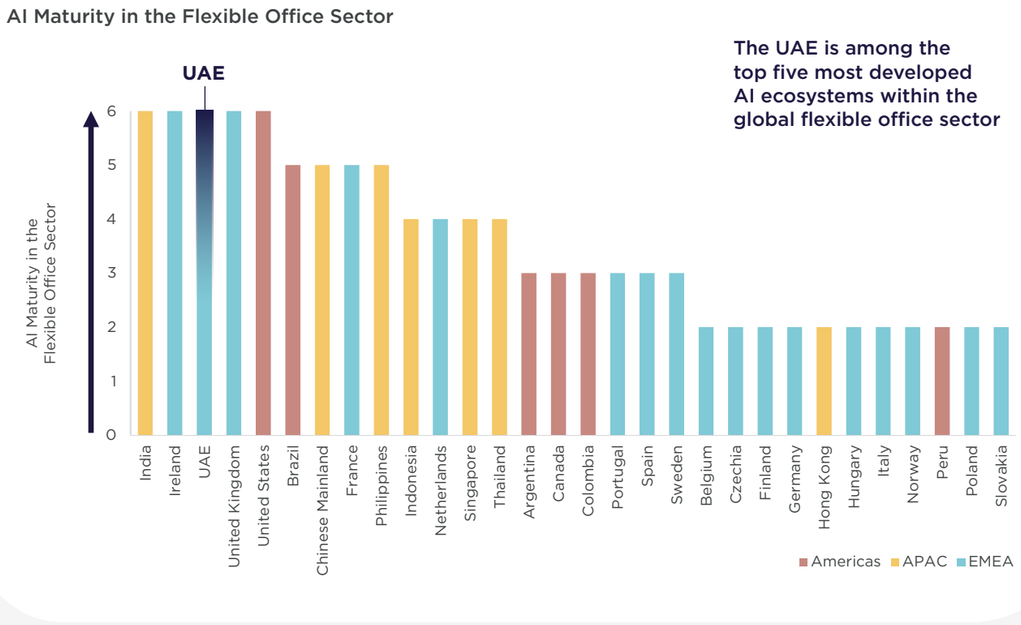
Dubai among the world's seven most expensive fit-out markets

strengthening the case for turnkey flexible offices

Source: Cushman & Wakefield Research

Source: Cushman & Wakefield Research

UAE RANKS AMONG TOP FIVE GLOBAL FLEX AI ECOSYSTEMS



WHERE AI GROWS, FLEX FOLLOWS

The UAE is among the top five most developed AI ecosystems within the global flexible office sector, alongside India and Ireland. This reflects the strong presence of flex space within key technology clusters and the high concentration of AI firms operating within the flex ecosystem.

The rapid growth of AI presents a significant opportunity for the flexible office sector and could support its expansion as an increasingly important component of workplace strategies globally. AI companies often scale quickly, creating a need for additional workspace, while many also maintain office-first cultures, with employees working from the office most of the time.

Flexible offices are well suited to these requirements, providing turnkey workspace that allows companies to expand seamlessly as headcounts and space requirements grow.



> ***With the UAE accelerating AI adoption across priority industries, flex is well positioned to support growing AI firms with the agility to scale.***

Source: Cushman & Wakefield Research

THE PERFECT MATCH

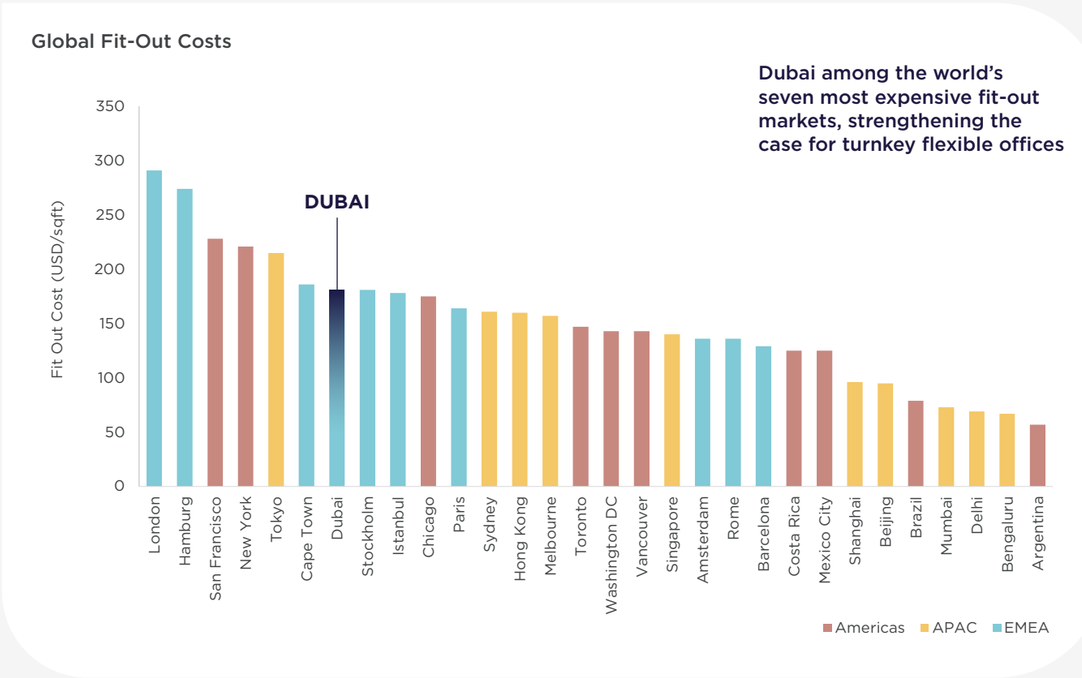
Flexible offices often play a key role in facilitating the growth of new budding sectors, with AI the latest example. Rapid expansion can see these AI firms go from two to hundreds of people in a short space of time - and they need a workspace that enables this growth to happen.

Additionally, clustering is particularly valuable for emerging sectors and early-stage companies, including AI firms, where proximity to established industry players can drive demand. Well-located flex spaces enable smaller firms to access these technology clusters without the long-term commitments of conventional leases.

The UK, Ireland and the UAE exemplify this flex-and-AI symbiotic relationship, combining a high presence of flexible workspaces within key tech clusters with high numbers of AI firms occupying flexible workspaces. This synergistic relationship, however, is not as evident in other markets where the AI sector is less prominent.

GLOBAL FIT-OUT COSTS STILL CLIMBING

Construction and fit-out costs continue to rise across the globe, with labour remaining a key driver of the cost escalation. Dubai is amongst the top 7 most expensive markets by fit-out costs. Slower development activity in many global markets has limited the availability of new, high-quality space, increasing occupier focus on repositioning and upgrading existing buildings. Flexible offices provide premium, fully fitted and furnished workspaces, enabling occupiers to avoid managing construction budgets and timelines while supporting immediate occupancy with limited disruption to business operations.



Source: Cushman & Wakefield Research

RISE OF THE BRANDLORD

LANDLORD-BRANDED FLEXIBLE WORKSPACE OFFERINGS ARE BECOMING INCREASINGLY COMMON

An increasing number of landlords are taking matters into their own hands by providing their own branded flexible workspace offerings - earning these landlord/ operators the title of “brandlords”.

Dubai alone has more than 15 flex centres operated directly by single landlords and freezones.

This can enable the landlord to ensure a comprehensive ecosystem to their tenants, supporting both new and established firms with growth and expansion space with a diversity of terms.

In addition, brandlords can capture greater rental premiums through the additional services and amenities that flexible workspaces can offer.

With 71% of EMEA markets now reporting high levels of landlords providing their own flexible workspace offerings (up from 53% last year), this is evidently a trend that is continuing to gather momentum.

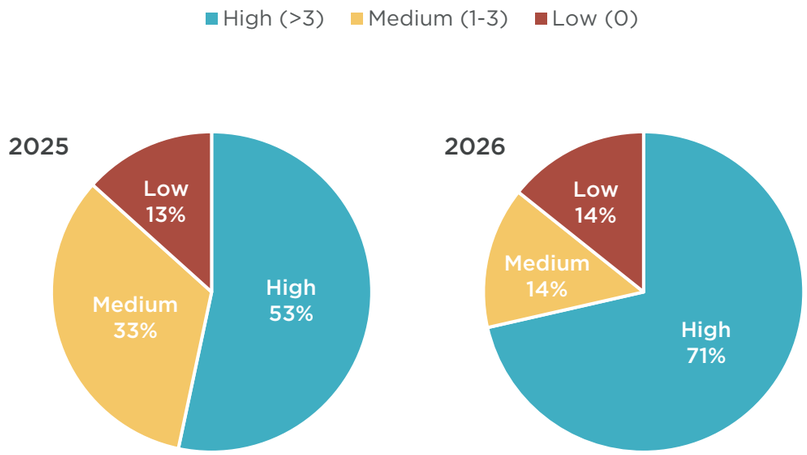
15+

Flex centres operated directly by freezones and a few single landlords in Dubai

71%

of EMEA markets now report high levels of landlords providing their own flexible workspace

Landlords Delivering In-House Flexible Workplace Offers



Source: Cushman & Wakefield Research



WHAT ARE THE FLEX MARKET RISKS?

While the UAE flex market remains well supported, rising costs, limited scope for further desk-rate increases and growing competition from new supply could pressure operator margins. With demand sensitive to economic conditions, location, building quality, capital structure and landlord partnerships will increasingly determine operator performance.

			RISK LEVEL
01	**RISING FIT-OUT AND OPERATIONAL COSTS COULD SQUEEZE OPERATOR MARGINS**	With conventional leases still dominant, operators carry rising rents, fit-out costs and ramp-up risk, while appetite for further desk-rate increases is fading. Less room to pass costs on.	HIGH
02	**NEW OFFICE SUPPLY COULD EASE THE CONVENTIONAL SPACE SHORTAGE**	Tight conventional supply has helped drive flex adoption. As new Grade A space arrives, occupiers seeking larger space or longer terms gain choice, which could moderate flex pricing.	HIGH
03	**OPERATOR EXPANSION COULD OUTPACE DEMAND IN SELECTED LOCATIONS**	Most operators plan to expand, but demand will not spread evenly across locations or products. New centres may take longer to stabilise, pressuring occupancy, incentives and achieved rates.	MEDIUM
04	**SME DEMAND REMAINS SENSITIVE TO ECONOMIC CONDITIONS**	SMEs and international entrants remain the strongest demand sources. A slowdown in business formation or market entry would hit smaller private offices first, and corporate demand only partly offsets this.	MEDIUM
05	**LANDLORD PARTNERSHIPS MAY TAKE LONGER TO SCALE**	Management agreements and revenue share cut operator capital exposure, but require landlords to share operating risk. Differing views on control and returns could slow adoption.	LOW

Source: Cushman & Wakefield Core Research

WHAT'S NEXT FOR UAE FLEX?

OPERATORS

Scale gets more selective

GROWTH SHIFTS TOWARDS PARTNERSHIPS

Conventional leases will remain important, but larger centres will increasingly favour management agreements, revenue share and client-backed structures that reduce upfront capital exposure. Today, 76% of reported arrangements are still conventional leases, leaving considerable room for these structures to grow.

MANAGED OFFICES GAIN SHARE

The product mix will continue to move beyond the traditional business-centre model. Private offices are already the fastest-growing product, while corporate and international demand is widening. The next step is likely to be more dedicated, branded and customised managed offices for larger occupiers.

CONSOLIDATION BECOMES AN OPTION

As competition increases, scale, access to capital and landlord relationships will matter more. This creates scope for M&A, centre acquisitions and consolidation among smaller operators.

LANDLORDS

Flex becomes part of the building strategy

GRADE A BUILDINGS INCREASINGLY INCORPORATE FLEX

Flex is likely to become a more regular component of new Grade A office developments and larger landlord portfolios, providing smaller suites, expansion space and an entry point for occupiers that can eventually move into conventional space.

LANDLORDS TAKE A BIGGER ROLE

The market could see more landlord-branded, white-label and management-agreement models as owners look to retain greater control over the customer, product and economics. This follows the wider EMEA shift towards management agreements and "brandlords" highlighted in the global research.

FLEX EXPANDS BEYOND OFFICE DISTRICTS

Malls, mixed-use developments, parks and residential communities are a logical next area of growth. This is already in play with many Cloud Spaces centres. Flex brings daytime population, supports F&B and retail and gives residents and businesses workspace closer to home.

OCCUPIERS

Flex becomes a permanent part of CRE strategy

CORPORATE ADOPTION & AI-DRIVEN HEADCOUNT UNCERTAINTY TO ACCELERATE FLEX DEMAND

SMEs and international entrants will remain important, but a larger share of future growth should come from corporates using flex for market entry, project teams, satellite offices and expansion. The survey already shows international expansion as a major expected demand driver.

MORE PRIVACY, BRANDING AND CUSTOMISATION

As larger companies adopt flex, requirements will move towards dedicated suites and managed offices with greater control over layout, branding, technology and security. The report already shows occupiers moving towards private space and longer stays.

FLEX AND CONVENTIONAL SPACE INCREASINGLY COEXIST

For global and regional occupiers, the decision will become less binary. Flex can provide the initial landing space, accommodate uncertain headcount or project teams, and sit alongside a conventional headquarters as part of a wider portfolio strategy.

Source: Cushman & Wakefield Core Research



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Better never settles