

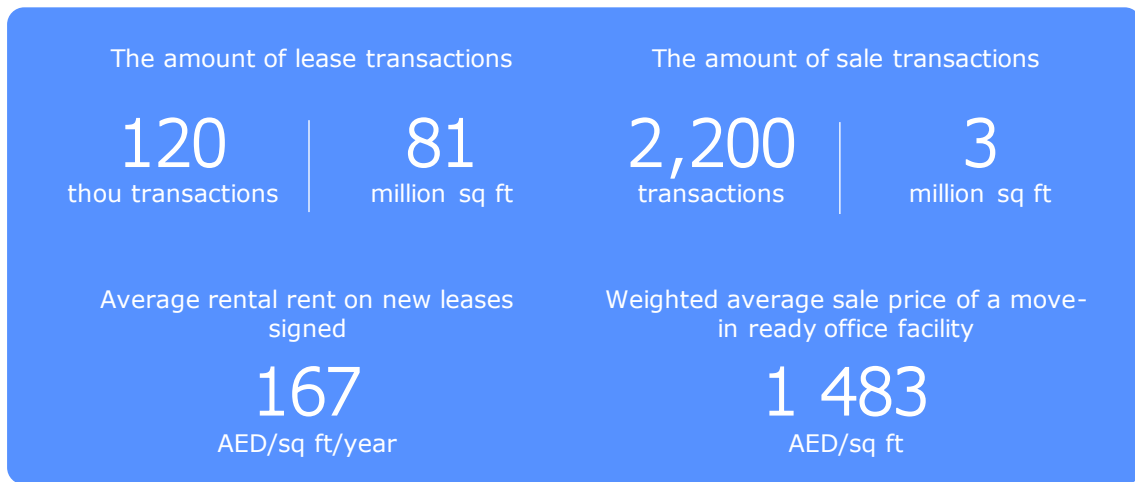


Q3 2024

Office Market

UAE | Dubai

Main market indicators



Dubai continues to be an attractive site for business and investment thanks to its advanced infrastructure, benign taxation regime and access to growing markets. This confirms the increasing number of international companies, especially in the technology and finance sectors, seeking to expand their presence in the region by opening offices in the city.

After the three quarters of 2024, the Dubai office estate market is demonstrating stable growth, which is confirmed by a **growing number of signed transactions** on new leases **and rising weighted average rental rate**. In Q3 2024, the growth stood at 26% and 21%, respectively, as compared to the similar period of 2023.

The interest from investors is conducive to rapid development of the office market, especially in the context of strategic position of this city as a financial centre. **The number of office sales transactions has grown by 8%** during the initial 9 months of 2024 versus the same period last year. Burgeoning demand for quality office premises coupled with limited supply and soaring rents creates a benign environment for office estate development in the main business districts of Dubai.



Rent

The office estate market of Dubai continues demonstrating growth. The total transactions area in quarters I-III of 2024, according to REIDIN, exceeded 81 million sq feet or 7.5 million sq m (+11% YoY), where new leases accounted for around 46 million sq feet or 4.2 million sq m (+19% YoY).

In quantitative terms, more than 120,000 transactions (+26% YoY) were concluded during the initial 9 months of 2024, where new leases accounted for 75%, the rest falling to the share of renegotiated leases.

Total office estate transactions, QI-III 2023 vs. QI-III 2024



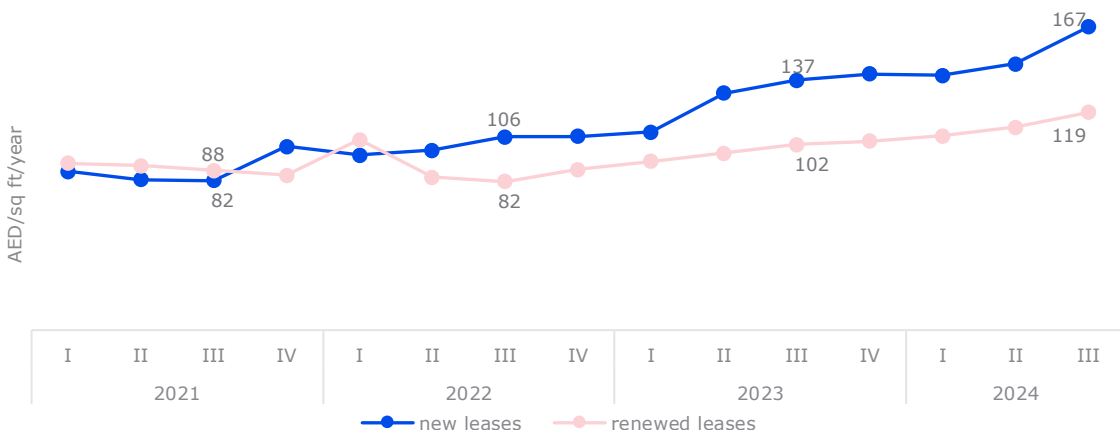
A steady rise of the weighted average rental rate can be seen in the main business districts of Dubai. As of the end of Q3 2024, it amounted to 167 AED/sq ft/year (USD 489 per sq m) for new leases and 119 AED/sq ft/year (USD 349 per sq m) for renegotiated leases, which is 21% and 17% more than over the same period of 2023, respectively.

989

sq ft (91.8 sq m)

Average floor area of newly rented office premises in Q3 2024

Dynamics of the weighted average rental rate in the main business districts of Dubai, 2021-2024



Source: Nikoliers, REIDIN

Rent

The main business districts of Dubai are: Business Bay, Barsha Heights, Downtown Dubai, Dubai Design District, Dubai Internet City, Dubai Media City, Jumeirah Lake Towers, Trade Center First and Trade Center Second, where the main office space supply is concentrated. The offer is limited in these areas, which influences the rental rates and their dynamics.

Weighted average rates on new lease agreements in the main business districts of Dubai, Q3 2024

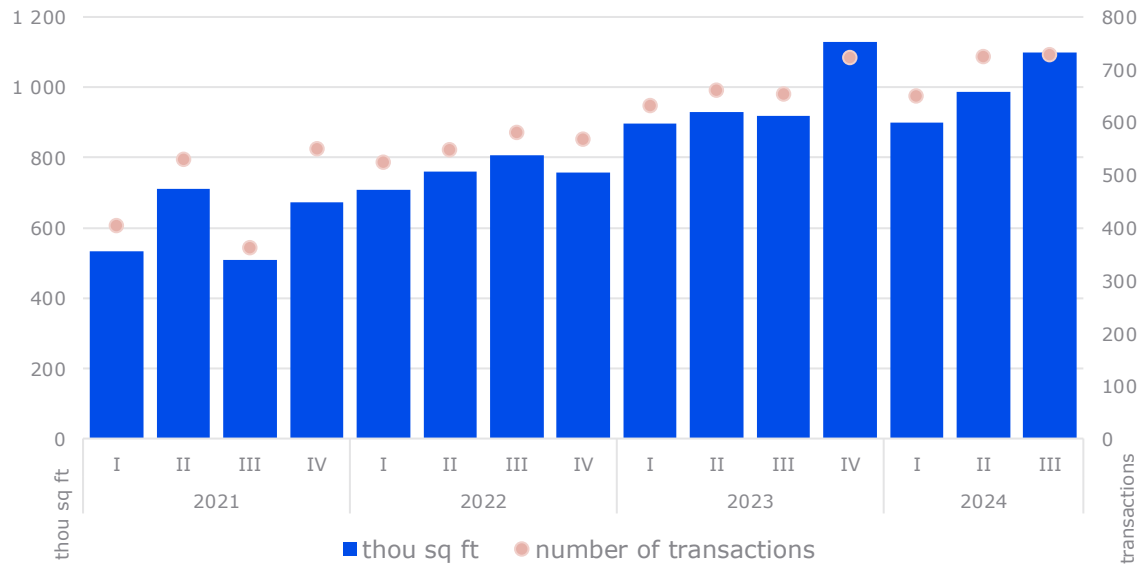


Source: Nikoliers, REIDIN

Sales

The total of more than 2,000 transactions to the office space nearing 3 million sq feet (278,000 sq m) were concluded for 9 months of 2024, where 95% of all sales fell to the share of move-in ready facilities. The weighted average price per sq foot at move-in ready office facilities over the third quarter of 2024 stood at AED 1,483 (USD 4,347 per sq m), up 15% YoY.

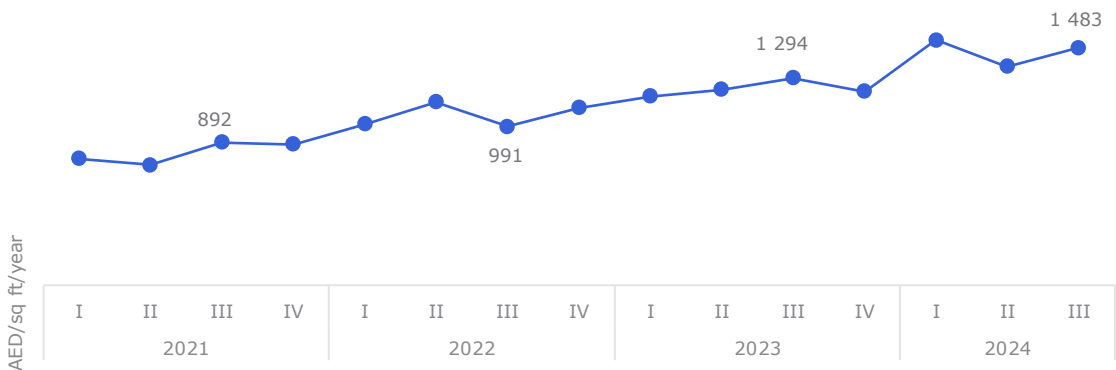
Sale dynamics for move-in ready office premises, 2021-2024



1 439
sq ft (134 sq m)

Average office space per purchase of a move-in ready facility in Q3 2024

Weighted average price dynamics for move-in ready office premises, 2021-2024



New development

With the entry of an increasing number of not just local but also international companies to the UAE market, the demand for office premises is on the rise. Burgeoning demand for office space, along with the growth of rental rates and prices in the main business districts of Dubai, is an incentive to new construction projects to be launched.

Examples of future projects

The Dubai International Financial Centre (DIFC) has launched the construction of the DIFC Square project which comprises a cluster of three buildings with office units and retail premises. The project is called to satisfy the surging demand for high-quality class A offices in Dubai and to accentuate the strategic importance of DIFC as the world financial centre. There will be about 600 thousand square feet (55,700 sq m) of office premises.

The construction is slated to be completed in Q1 2026.

Prestige One is the developer delivering **The One** project in the Barsha Heights area, which will comprise 14 floors of office premises in addition to retail space.

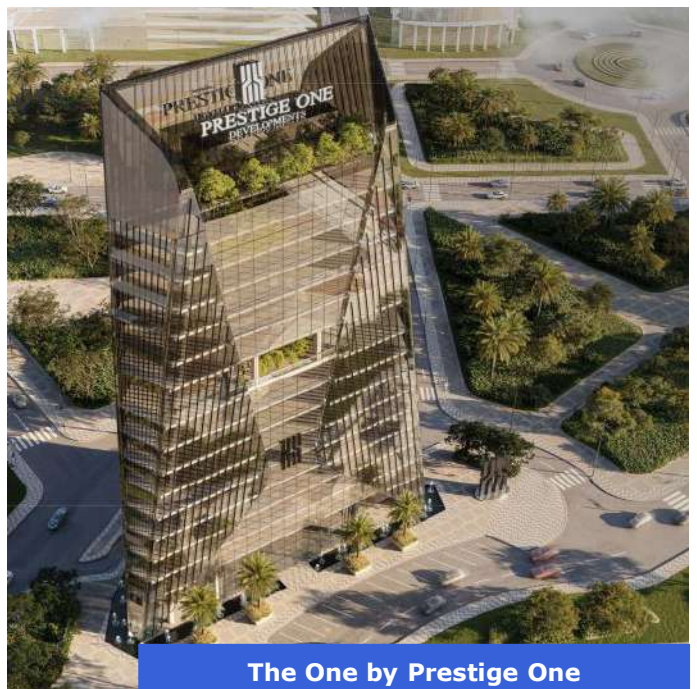
The construction is slated to be completed in Q4 2026.

Also in Q3 2024, Omniyat announced the **Enara** project in the Marasi Marina district, which will comprise 318,000 sq feet (29,500 sq m) of top-quality office space.

The construction is slated to be completed in Q1 2028.

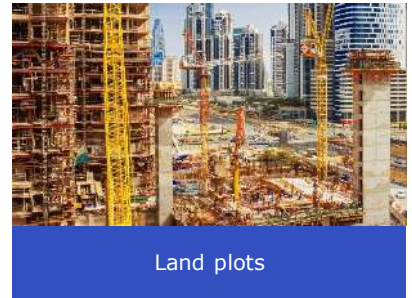
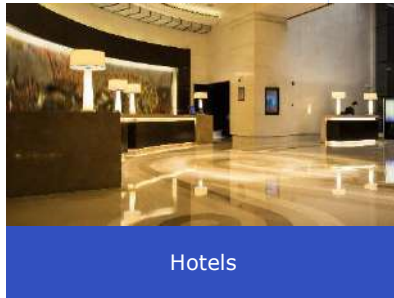
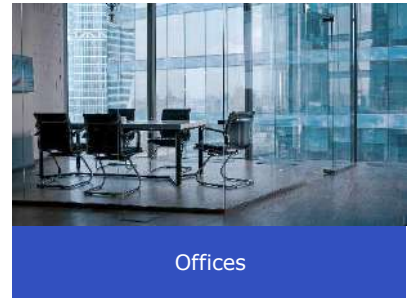
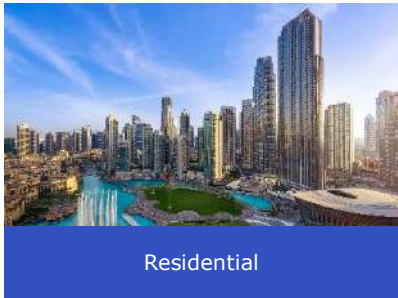


Enara by Omniyat



The One by Prestige One

Nikoliers' Services



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