

H1 2025

Retail

UAE | Dubai

Disclaimer

Starting in Q1 2025, Nikoliers has been using its own methodology to analyse the retail estate market of Dubai, which may lead to discrepancies with indicators published by other companies and in other sources. Along with an overview of the Dubai SC market as a whole, the company's reports offer a deeper analysis of six **key** shopping centres: Dubai Mall, Mall of the Emirates, Dubai Marina Mall, Dubai Hills Mall, Mirdif City Centre, Dubai Festival City Mall.

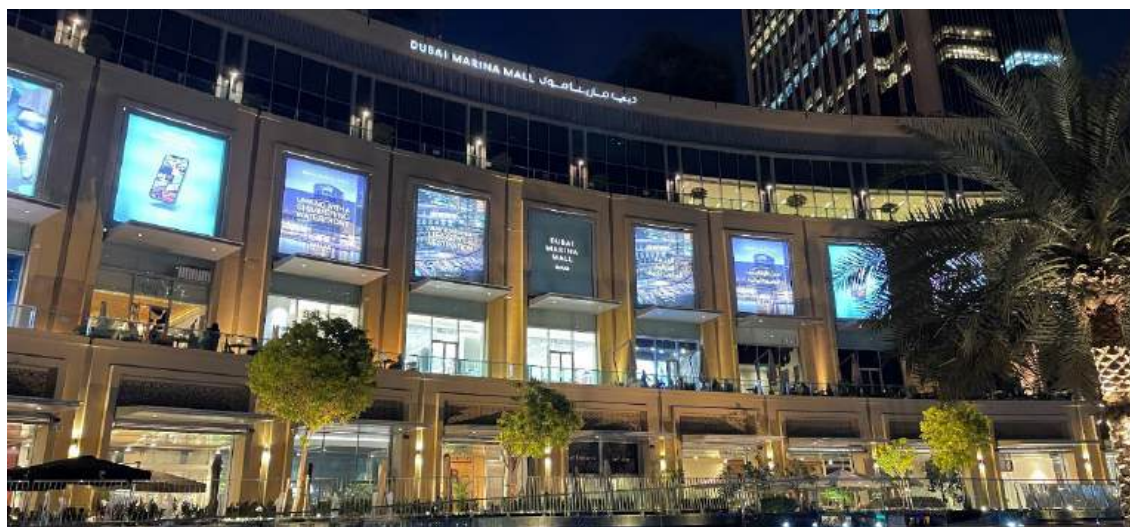
Key SCs are the shopping centres in highest demand among tenants and visitors, wielding significant influence on the Dubai retail market. However, the given sample does not imply the lack of other state-of-the-art conceptual facilities in the Emirate.

Two categories are set apart in this sample of the key SCs:

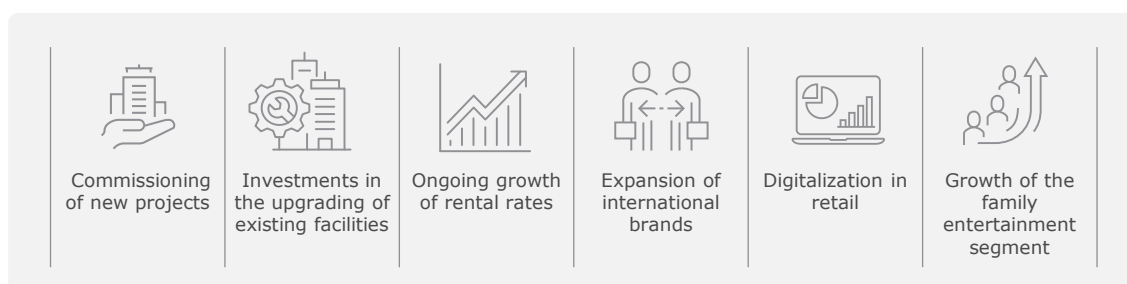
Landmark SCs — Dubai Mall and Mall of the Emirates — are world-renowned projects, which are cultural and commercial symbols geared towards the attraction of both local residents and tourists, luring visitors from all over the world. These are the largest retail facilities in the Dubai market.

Top SCs — Dubai Marina Mall, Dubai Hills Mall, Mirdif City Centre and Dubai Festival City Mall — are large SCs boasting professional concepts, balanced tenant mixes as well as a high share of most popular international brands.

Transactions with spaces ranging from 200 to 10,000 sq m are taken into account for calculating the weighted average rental rates in the key shopping malls.



Main results in the Dubai retail estate market



Key tendencies:

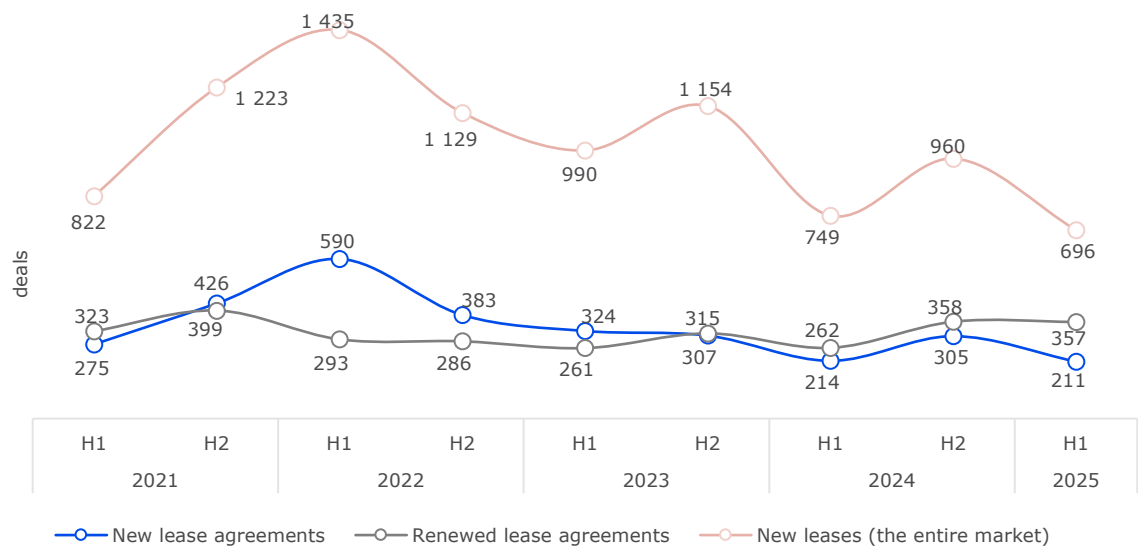
- In the first half of 2025, one of Dubai's largest SCs, namely Mall of the Emirates, announced its **enlargement**. Investments into the project will amount to 5 billion AED (USD 1.36 billion). Upon the completion of all works, more than 100 new retail outlets, a wellness club and an alfresco restaurant zone will have been added. Furthermore, a new IMAX cinema with capsule VIP-zones, cushions and restaurant service has launched its operations within the mall at present, which underscores **the focus on premium customer experience**.
- The UAE in general and Dubai in particular keep on attracting well-known **international brands**. Thus, in the second quarter of 2025, news came about the opening of Disney Store outlets, first in Dubai, to be accommodated in Dubai Mall and in Abu Dhabi's Yas Mall. The plan calls for the simultaneous launching of three Primark stores in 2026, with Dubai Mall, Mall of the Emirates and City Centre Mirdif to house these stores.
- The integration of technologies in shopping processes is gathering pace.** Thus, Amazon has started testing voice AI reviews of goods, which allow customers to get audio information about any product a lot faster. This trend demonstrates a growing role of AI in personization and optimization of the consumer experience. In the future this may influence offline retail as well.
- We can also see **the segment of family entertainments rapidly developing**. The thematic space Haribo Happy World with a shop, cafe and birthday celebration zones will soon open in Dubai Festival City Mall, whereas in the early 2030s the first in the UAE Disneyland amusement park must open its doors to visitors.

Dubai’s key SCs: demand

Based on the results for H1 2025, tenants have signed 211 new leases in Dubai’s shopping malls, which is comparable to the similar period of 2024. Compared to H1 2022, the volume of new transactions has plummeted by 64%, which can be explained by a surge of activity amid the launching of Dubai Hills Mall as well as by the scarcity of quality retail space at the moment.

The highest number of new leases have been signed to spaces ranging from 1,000 to 5,000 sq ft (93-465 sq m), with the average floor space to let standing at 1,800 sq ft (170 sq m). The number of lease renegotiation deals in the Emirate’s key malls exceeded 350 in the first half of 2025, up 36% year-on-year.

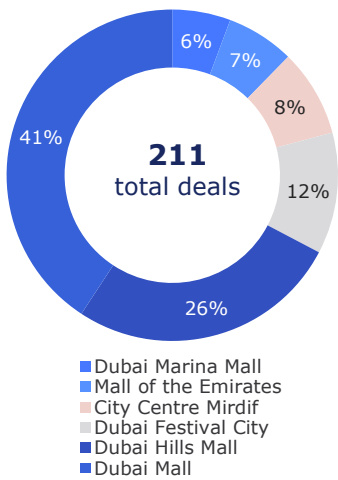
Leases in Dubai’s key SCs, 2021 - H1 2025



At the moment, one of the world’s most popular SCs, namely Dubai Mall, is undergoing expansion. A new cluster called The District, housing 65 new shops and restaurants, opened within the mall in March 2025. In the midst of SC transformation efforts, the mall keeps on strengthening its market profile, with 41% of all new leases in Dubai’s key SCs falling to the share of Dubai Mall.

The completion of works aimed at expanding the retail space in the Mall of the Emirates, scheduled for 2027, may in the future become one of the main factors of burgeoning rental activity and transformation of the transaction structure in one of Dubai’s key shopping malls. The upgraded infrastructure is expected to ratchet up the facility’s competitive power amid the rising demand for quality retail space.

Breakdown of new lease agreements in Dubai’s key SCs, QI-II 2025





Dubai Mall

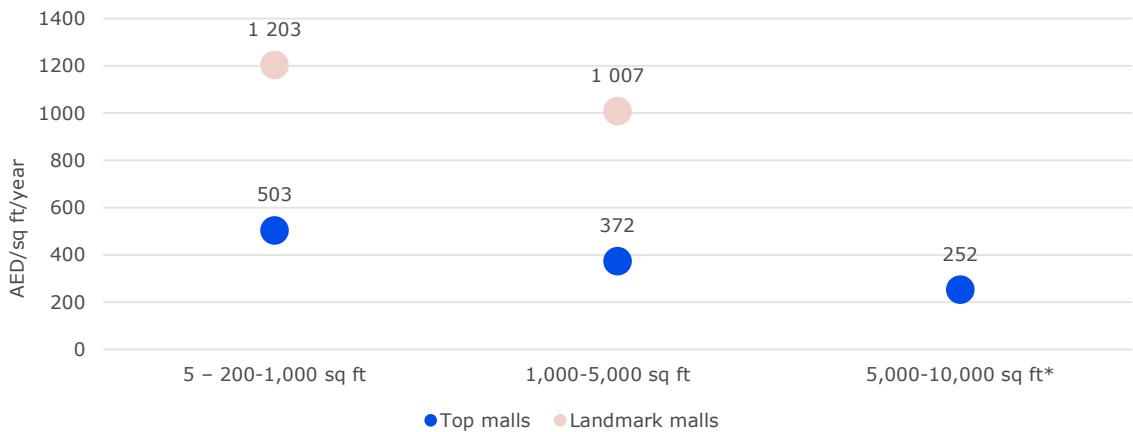
Dubai’s key SCs: rental rates

In H1 2025, the weighted average rental rate on new leases in “landmark” malls came to 1,055 AED/sq ft/year (3,066 USD/sq m/year), in “top” ones - 356 AED/sq ft/year (1,035 USD/sq m/year). The year-on-year growth stood at 3% and 6%, accordingly.

The highest growth of the weighted average rental rate at the “top” SCs during the first half of 2025 was to spaces varying between 5 and 10 thousand sq ft. During the period under review, the growth stood at 38% year-on-year. The weighted average rent on new lease agreements reached 252 AED/sq ft/year (732 USD/sq m/year).

The highest growth of the weighted average rate on new leases in the “landmark” malls of Dubai during the first half of 2025 was to units ranging from 200 to 1,000 sq ft. The growth stood at 6% year-on-year. The weighted average rate on new lease agreements came to 1,203 AED/sq ft/year (3,496 USD/sq m/year).

Rental rates in Dubai’s “landmark” and “top” malls, H1 2025



*Not a single deal to spaces ranging from 5 to 10 thousand sq ft has been closed in Dubai’s “landmark” SCs during the first half of 2025.

Rental rates in Dubai’s “landmark” and “top” SCs in H1 2025, USD/sq m/year (depending on the space of a unit)

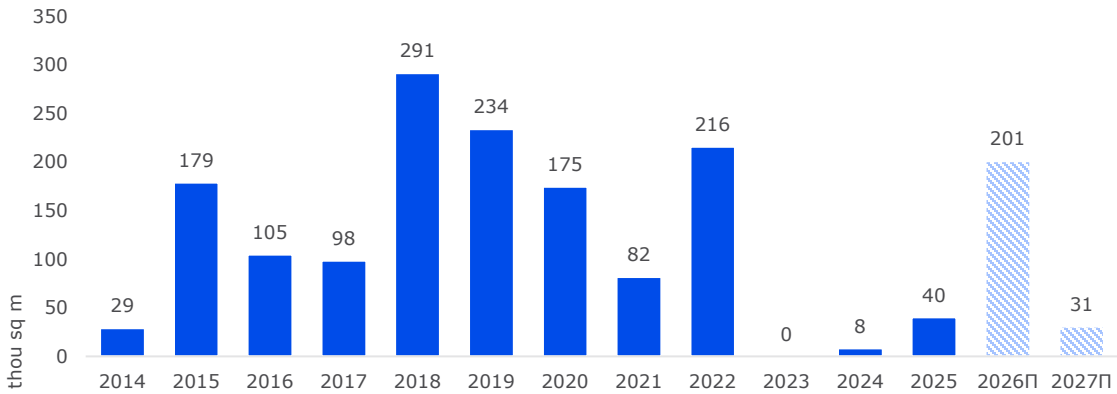
SC category	Median	Min.	Max.
Top malls	1 036	733	1 464
Landmark malls	3 070	2 930	3 501

New development

122
thou sq m

Annual average commissioned leasable retail space in Dubai's SCs (2014-2025)

Commissioned retail space in Dubai's SCs, 2014-2027



Following a short lull in 2023 and 2024, the retail estate market of Dubai has been on a recovery track of late. Due to a launch of the community SC **Nad Al Sheba Mall** and gastronomic zone **Social District** in Dubai Mall, the newly commissioned retail space amounted to 40,000 sq m, based on the results for H1 2025.

Examples of projects that were opened during the first half of 2025



The burgeoning development activity is bolstered by favorable mid-term forecasts. In 2026, the market expects the commissioning of more than 200,000 sq m (thanks to the launch of Al Khail Avenue Mall, Expo City Mall and First Avenue Jumeirah Mall), which will allow the generation of higher potential for the attraction of new tenants. In 2027, the plan calls for launching Sobha Hartland Mall.

High demand from retailers generates the need for quality retail space. At the moment the supply is limited, which prompts the retail property owners to carry out reconception of the already existing projects. Thus, Ibn Battuta Mall is now going through reconception, whereas in Q2 2025, the Head of Mall of the Emirates announced expansion to commemorate the mall's 20th anniversary. By 2027, another 20,000 sq m of rentable space will have been added to the Mall of the Emirates. Dubai Mall is also at the stage of enlargement.

Russian brands

Russian brands and catering operators go on building up their presence and visibility in Dubai. Yet the focus is being shifted from the entry of new players to the scaling of those already present in the market, with catering operators playing a crucial role in this process.

In the second quarter of 2025, **Angels Cakes** opened its fourth outlet in Dubai Creek Harbour. Prior to that, other cafes of this chain had already been opened in Dubai Mall, as well as in the Emirate’s popular areas such as Bluewaters and Dubai Hills.

In Q2 2025, the coffee shop chain **Drinkit** launched its fifth outlet in City Centre Mirdif SC. In the same Centre the well-known cosmetics and perfumery brand **Gold Apple** officially opened its first offline store in May this year. Before that this brand had been represented only online, launching deliveries over the UAE late in 2024.

In parallel, the premium restaurant segment continues its expansion as well. Thus, collaboration of the well-known restaurators Pinskiy&Co and Novikov Group led to the opening of the **Magadan** restaurant in Radisson Beach Resort on Palm Jumeirah.

In the months to come, the plan calls for the opening of two new branches of the **Baba Roma** cafe chain. At the present time three outlets of this chain already operate in different areas of the Emirate, including Downtown, Dubai Creek Harbour and Al Barsha South.

At the moment 88 retail and restaurant operators of the Russian origin are active in Dubai.

Examples of openings in QI-II 2025

Profile	Brand	Name	Location	Outlet number
Public catering	Birch	Birch	The Ritz-Carlton DIFC	1
	Plumpy	Plumpy	Business Park, Dubai Hills	1
	Myata Lounge	Myata Platinum	City Walk, C2	1
	Novikov Group & Pinskiy Co	Magadan	Radisson Beach Resort, Palm Jumeirah	1
	Angels Cakes	Angels Cakes	Dubai Creek Harbour	4
	Dodo Brands	Drinkit		5
Cosmetics and perfumery	Gold Apple	Gold Apple*	City Centre Mirdif	1

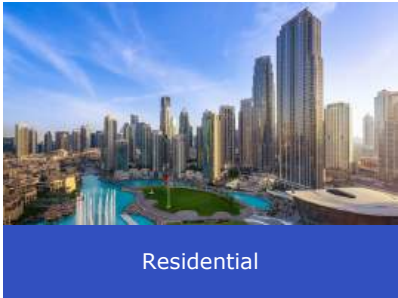
*Nikoliers consulted the given transaction.

“The entry of Russian brands to the Dubai market has been a noticeable trend since 2022, given that the Emirate offers a favorable tax environment, advanced infrastructure, along with a multicultural consumer market. Those investing in localization, adapting their marketing strategies and not limiting themselves to a Russian-speaking audience, are becoming successful. Dubai is gradually turning not just into a point of physical presence for Russian brands, but also into an important frontier in their international expansion, since for many companies this operational experience serves as a springboard for expanding not only into neighboring emirates, but also into other Middle East and Asia markets.”



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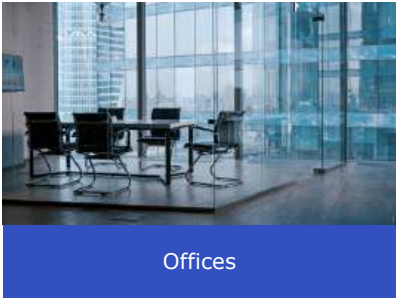
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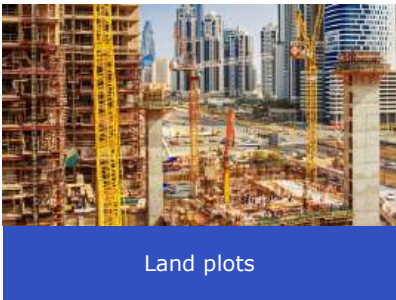
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Investment



Representation of tenants



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