



Q1 2025

Retail

UAE | Dubai

## Disclaimer

Starting in Q1 2025, Nikoliers has been using its own methodology to analyze the Dubai retail estate market, which may cause differences with the indicators published by other companies and in other sources. Along with reviewing the Dubai market of shopping centres (SCs), the company's reports present a more profound analysis of the six **key** malls: Dubai Mall, Mall of the Emirates, Dubai Marina Mall, Dubai Hills Mall, Mirdif City Centre, Dubai Festival City Mall.

**Key SCs** are the shopping malls that are in highest demand among tenants and visitors to the SCs that have a considerable impact upon the Dubai market. Yet the given sample does not imply the lack of other state-of-the-art conceptual facilities in the Emirate.

There are two categories inside the sample of key SCs:

**"Landmark malls"** — Dubai Mall and Mall of the Emirates — world-renowned projects, cultural and commercial emblems geared towards the attraction of both local residents and tourists, luring visitors from all over the world.

**"Top malls"** — Dubai Marina Mall, Dubai Hills Mall, Mirdif City Centre and Dubai Festival City Mall — are large SCs boasting a professional concept, a balanced tenant mix and a high share of most popular international brands. Transactions from 200 to 10,000 sq feet are taken into account to calculate the weighted average rental rates for key SCs.

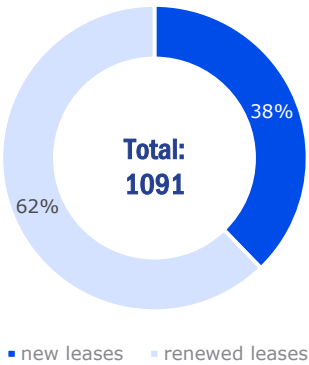
Demand

Overall, more than 1,000 leases have been signed in Dubai’s shopping malls for the first quarter of 2025, of which 412 are new ones.

The growth of new lease agreements in the first quarter of 2025 stood at 23%, whereas renegotiated leases accounted for 25% (compared to the similar period last year).

In April 2025, we anticipate the opening of a new SC named Nad Al Sheba Mall (GLA=47,000 sq m), while in 2026 the commissioning of two more projects must take place: Al Khail Avenue Mall (GLA=139,500 sq m) and Expo City Mall (GLA=36,000 sq m), which will entail a growing number of new lease agreements.

Breakdown of leases in Dubai’s malls: Q1 2025



Shopping centres scheduled for commissioning in 2025-2026

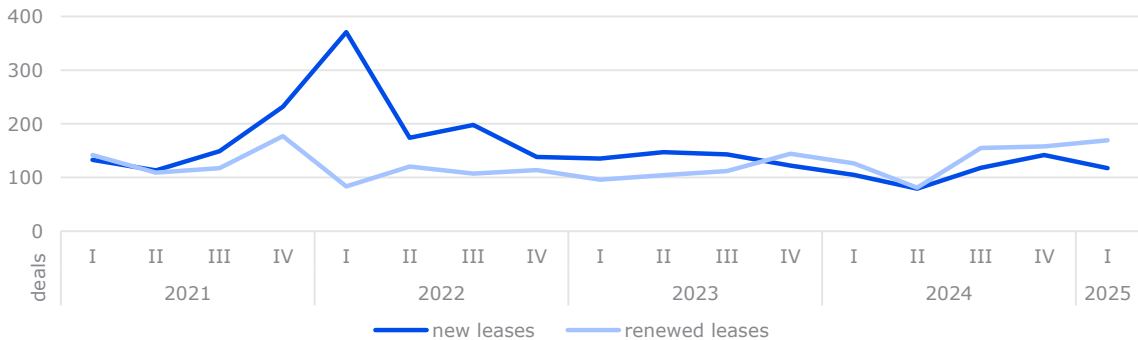


Key Dubai malls: demand

The number of leases signed in the key malls of Dubai for Q1 2025 increased by about 24% year-on-year (with a 5% decline versus Q4 2024, caused by seasonality). All in all, 286 leases were signed, including 117 new lease agreements. In the “landmark” and “top” SCs 49 and 68 new lease agreements were signed, respectively.

The highest number of leases were signed to units ranging from 200 to 1,000 sq feet in size (18-92 sq m). The average floor space per transaction among units of this size was 538 sq feet in Q1 2025 (50 sq m), which is partly related to the low vacancy rate of retail space in Dubai’s key shopping malls.

Dynamics of lease agreements in key malls of Dubai, 2021 - Q1 2025



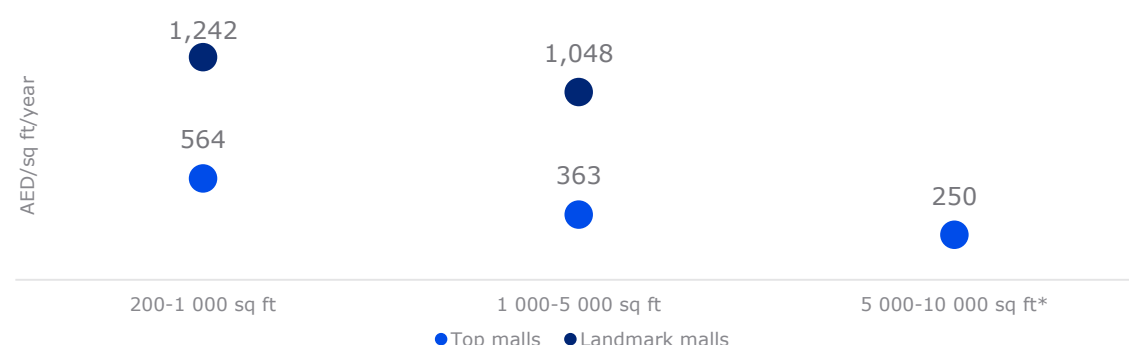
# Rental rates

In Q1 2025, the weighted average rental rate on new lease agreements in Dubai's key malls amounted to 371 AED/sq ft/year (USD 1,078/sq m/year), in landmark ones - to 1,113 AED/sq ft/year (USD 3,235/sq m/year).

The highest growth of the weighted average rental rate on new lease agreements in the top SCs fell to the share of retail units varying between 5,000 and 10,000 sq ft in size. In the first quarter of 2025, it stood at 46% (versus the similar period of 2024).

The highest growth of the weighted average rental rate on new lease agreements in Dubai's "landmark" malls for 2024 was recorded for units ranging from 200 to 1,000 sq ft. The growth stood at 10% (versus Q1 2024).

## Ranges of rental rates in the landmark and top SCs of Dubai in Q1 2025, AED/sq ft/year (depending on the space)



\*Not a single transaction for units ranging from 5,000 to 10,000 sq feet in size has been concluded in Q1 2025

## The ranges of rental rates in landmark and top SCs of Dubai in Q1 2025, USD/sq m/year (depending on the floor space)

SC category	Average	Min.	Max.
Top malls	1 055	741	1 639
Landmark malls	3 235	3 046	3 610

The retail estate market of Dubai continues facing the shortage of quality retail space, which triggers stiff competition among tenants for vacant space. Real estate owners and developers are actively looking for ways to solve this issue, coming up with expansion and modernization plans for existing facilities. Thus, in 2024 Emaar development company announced an expansion of Dubai Mall with 240 new stores and restaurants to appear in that mall upon the completion of the works. The level of investment will near 1.5 billion AED (over USD 408 million). In the future this solution will allow to attract even more new tenants. In March 2025, it became known about the opening of the new zone called The District in Dubai Mall, with 65 new stores and restaurants coming there.

One of Dubai's first major shopping centres, namely IBN Battuta Mall, is currently at the stage of reconception. Today major brands from mid-market and upmarket pricing categories are replacing mass-market brands. A higher footfall in that mall is expected after its renovation.



## E-commerce

The e-commerce market in UAE, generally speaking and Dubai in particular, has been expanding in several recent years. The Dubai government plays the key role in the expansion of this sector. For instance, a specialized e-commerce zone has been installed, namely Dubai CommerCity, which shaped a special ecosystem for Internet stores with up-to-date infrastructure and services.

As per the data of the joint research by Flowwow marketplace and Admitad Co., the e-commerce market in UAE grew roughly by 6% in 2024, with Flowwow recording a substantial increase in the number of its users by 160%, whereas its earnings surged by 212%, which is a convincing case for the rapid development of the national e-commerce sector.

According to the Statista report, the Clothing and Footwear segment claimed the UAE e-commerce market share of around 41% in 2024, which is conditioned on the availability of world-renowned mass-market brands on online platforms. The product portfolio, especially in fashion, electronics and beauty segments, is constantly swelling.

E-commerce in the United Arab Emirates brings together the largest global tech companies (such as Amazon) and local digital retailers (e.g. Noon) which promote innovations in various merchandise categories. Companies are getting increasingly active in developing various technologies and implementing AI for the sake of personalization as well as enhanced logistics solutions.

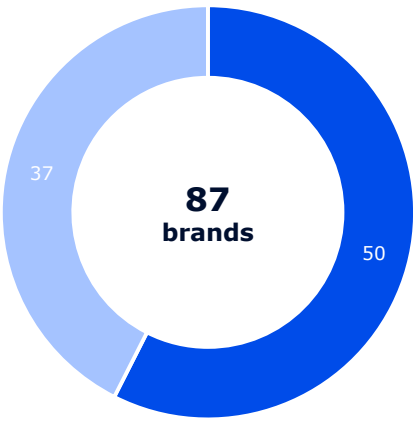
Russian retailers

Pursuant to the government strategy We the UAE 2031, the United Arab Emirates has the intention to consolidate its positions as a global partner, an attractive and influential economic centre. Even now one can see the success of this initiative, because with each passing year the Emirates attract an increasing number of international companies. As per the data of Nikoliers, **50 retail brands**, along with **37 catering operators** of the Russian origin are represented in the Dubai market.

Russian brands continue their expansion in the Dubai market, even though the pace of their advent has markedly slowed down. This trend was predictable, given that in 2023 the market faced a real boom with many retailers hastening to make use of the opening opportunities. Nevertheless, Nikoliers consultants see the keen interest of Russian retailers and catering operators in the Dubai market. One of the main factors hurdling further expansion is the scarcity of retail space: under the high demand and limited quality supply (especially of large units) brands are facing the problem of finding suitable facilities for their expansion.

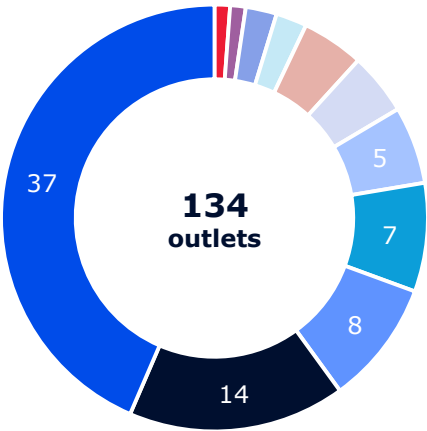
Based on the results for Q1 2025, 3 new Russian catering operators entered the Dubai market: **Birch** restaurants opened in DIFC (at The Ritz-Carlton), **Myata Platinum** lounge bar by Myata Lounge in City Walk, while Business Park (Dubai Hills district) became home for **Plumpy**.

The number of Russian brands represented in Dubai



■ Retail brands ■ Catering operators

Breakdown of Russian brands represented in Dubai, by the number of outlets



■ Entertainments ■ Tobacco & alcoholic beverages  
■ Cosmetics and perfumery ■ Jewelry  
■ Sport studios ■ Medical centres  
■ Household goods ■ Beauty salons  
■ Services ■ Clothing and footwear  
■ Catering

## Trends and forecast

### Focus on neighborhood SCs

The commissioning of over 230,000 sq m of leasable area is expected in Dubai's malls by 2028. Developers are keen on creating neighborhood SCs which would not just meet the needs of a large number of customers, but could also become an important part of infrestructure in residential areas. Apart from traditional shops and boutiques, such SCs presuppose the availability of versatile services, such as fitness centres and gyms, beauty salons, cafes and restaurants. The main emphasis is placed on creating a comfortable and convenient environment for local residents, which is important given the Emirate's rapid development. Some examples of neighborhood SCs at the development stage include Expo City Mall, Nad Al Sheba Gardens Mall, Sobha Hartland Mall.

### Digitalization in retail

Further development of retail, growing purchasing power of the population as well as the shortage of quality retail space encourage the implementation of different new concepts and modern-day technologies by tenants, such as smart parking lots, systems of personalized recommendations and service quality improvement through the introduction of state-of-the-art technologies. Business owners are increasingly geared at implementing the AI technology to provide a unique shopping experience for their consumers.

### Change in SC visitor's profile

Today we can see a gradual change of consumer profiles, given that the Z generation is vigorously being built into the market, bringing its specifics of interaction with shopping malls. As reported by Google Trends, the interest in meeting the needs of Generation Z keeps growing in the Arab Emirates. To adequately respond to those changes, developers and retailers will be more flexible as they integrate innovative technologies to ensure comfort and high service quality for all groups of customers.



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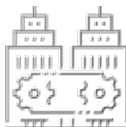
Hotels



Land plots



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Strategic consulting



Business and property valuation



Investment



Representation of tenants



Research & analytics



Marketing

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