

Q1 2025

Offices

UAE | Dubai

Main parameters of Dubai office estate market in Q1 2025



* Only new lease agreements were taken into account

** In Dubai's main business districts

The office estate market of Dubai continues demonstrating positive dynamics. In Q1 2025 rental rates kept on growing. Rentals in the main business districts are growing faster than the market average. The growing number of local and international companies is one of the key drivers of demand for quality offices in the Emirate.

Along with the continuous growth in rental rates, there has been an increase in the number of new leases. In early 2025, the Dubai Chamber of Commerce announced a record influx of new companies. Cumulatively, more than 70,000 new companies were registered in Dubai throughout 2024. There is a rising number of new deals and a decrease in the average size of a leased unit.

According to the latest report of The Global Financial Centres Index, Dubai is the most influential financial center of the Gulf region. It has risen from 16th to 12th place (out of 137) in the international rankings. This achievement will not only contribute to the inflow of new investments into the Emirate and burgeoning demand for office space, but will also bolster further development of the city's urban and business infrastructure.

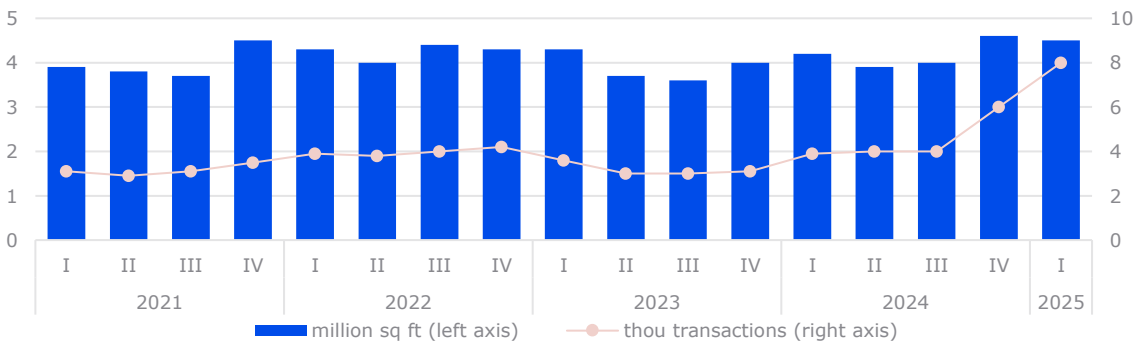
In the short term, office vacancy, especially in the main business districts of Dubai, will be shrinking, being the key driver of rent growth. New quality projects are scheduled for commissioning in 2027 at the earliest, but this will be a sporadic process and most likely will not be able to fully satisfy the existing demand in the market.

Lease. Demand

The UAE government and some private companies in the Emirate take measures aimed at creating an attractive investment environment. For instance, in March 2025 Yango Group launched the Yango Ventures Fund to support startups in sectors such as hi-tech, software and online services. In the future this step will uphold the office estate market growth, increasing the demand - especially for small units and flexible office space - luring a large number of international companies and investors. The creation of new specialized business areas adapted to the needs of hi-tech companies is also possible.

The total number of transactions more than doubled in Q1 2025, even though in square feet the growth amounted to 7% (versus Q1 2024). The average space of a leased unit came to 563 sq ft (52 sq m) in Q1 2025.

The amount of office space transactions on new lease agreements, Q1 2021 - Q1 2025



Rental rates

Rental rates keep growing. In Q1 2025 the growth of weighted average rates on new leases in Dubai’s main business districts stood at 11% (year-on-year).

In some districts the rent growth proved higher than average. In Barsha Heights it was 14%, in Downtown - 34% and in Dubai Internet City - 54% (which can be related to the growth of e-commerce in this area, an increase in the number of IT companies and hi-tech startups).

The highest rental rates on new leases in Q1 2025 were recorded in Downtown (316 AED/sq ft/year and DIFC - 510 AED/sq ft/year). In premium office facilities with top-notch fit-out even higher rentals could be found in the given locations.

Weighted average rental rate on new leases* in Dubai’s main business districts, Q1 2025, AED/sq ft/year

District	AED/sq ft/year	USD/sq m/year
Barsha Heights	158	459
Business Bay	194	564
Downtown Dubai	316	918
Dubai Design District	197	573
Dubai Internet City	229	666
Dubai Media City	185	537
Jumeirah Lake Towers	177	514
Trade Center First	166	482
Trade Center Second	253	735
DIFC**	510	1 482

The growth of the weighted average rental rate on new leases in the main business districts

3%
Q1 2025 vs Q4 2024

11%
Q1 2025 vs Q1 2024

31%
Q1 2025 vs Q1 2021

Источник: Nikoliers, REIDIN

* The calculation was made with reference to closed deals, except for DIFC

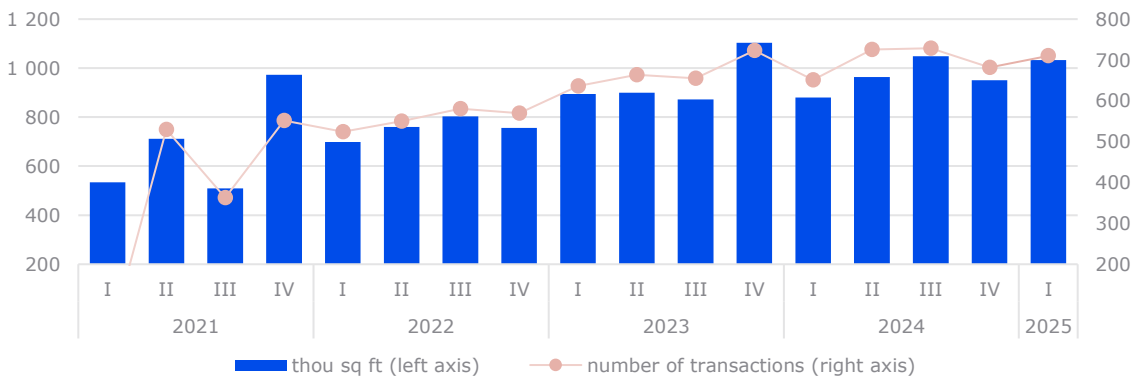
** To calculate the weighted average rental rate, we used information from open sources, including the current offers of vacant office premises

Sale

In Q1 2025, the total transacted office space exceeded 1.3 million sq feet (121,500 sq m). We took into account all transactions in the Dubai office estate market, with ready-to-move-in facilities accounting for 82% of all transactions.

The total floor space purchased in off-plan office projects amounted to 275,000 sq ft (25,600 sq m), which is 13 times more than in the first quarter of 2024, due to the launching of sales in new office projects: The One, Azizi Emerald, Capital One and others.

The dynamics of selling ready-to-move-in office premises, Q1 2021 - Q1 2025

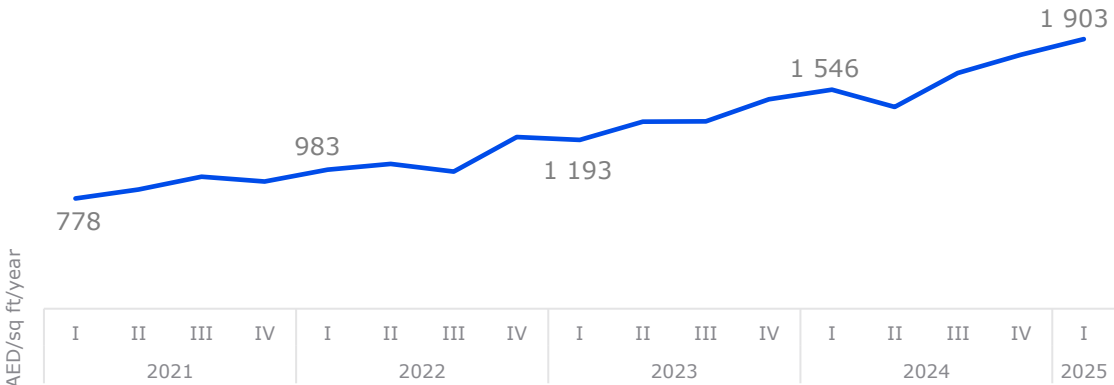


1 455
sq feet (135 sq m)

The average area of a purchased ready-to-move-in office facility in Q1 2025

The weighted average price of selling a ready-to-move-in office facility in Q1 2025 was 1,903 AED/sq ft (5,531 USD/sq m), which is 23% more than in Q1 2024 (and 1.5 times more than in Q1 2021).

Dynamics of changes in the weighted average price for ready-to-move-in office premises, 2021-2024



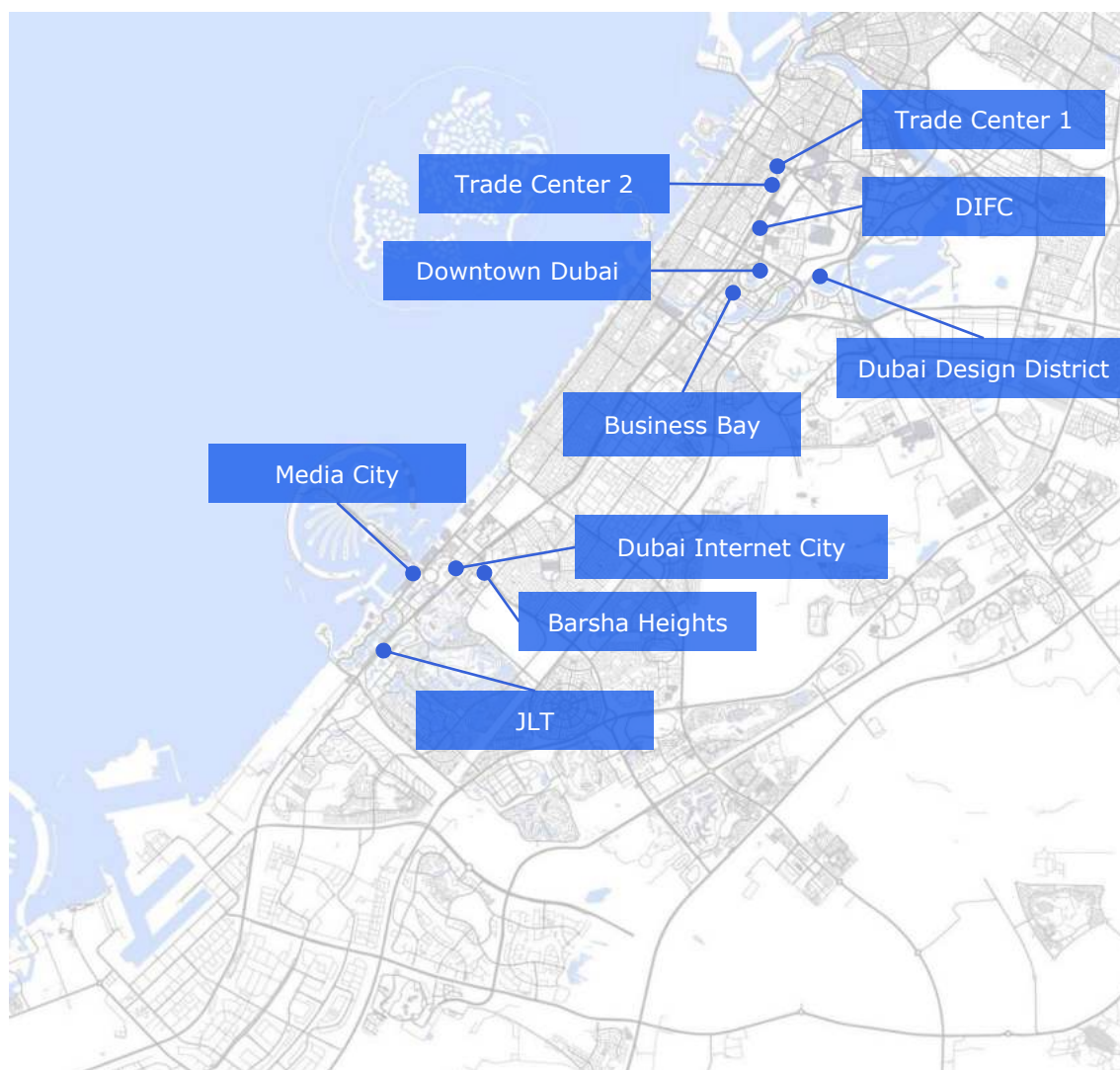
Disclaimer

Starting in Q4 2024 Nikoliers has been using its own methodology for analyzing the office estate market of Dubai, which may cause some differences with indices published by other companies or in other sources. Our company's reports provide a more profound analysis for the Emirate's ten **main business districts**: Barsha Heights, Business Bay, Downtown Dubai, Dubai Design District, Dubai Internet City, Dubai Media City, Jumeirah Lake Towers (JLT), Trade Center First и Trade Center Second, Dubai International Financial Centre (DIFC*).

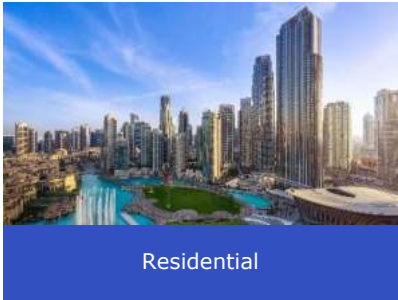
In calculating the weighted average rental rates and sale prices in the main business districts of Dubai we took into account transactions from 500 sq feet (46.5 sq m).

**The data for office space lease and purchase transactions in this district are in closed access. In calculating the weighted average rental rate we used information from open sources, including the current offers of vacant office premises.*

The map of Dubai's main business districts



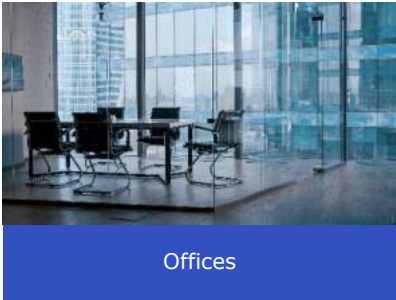
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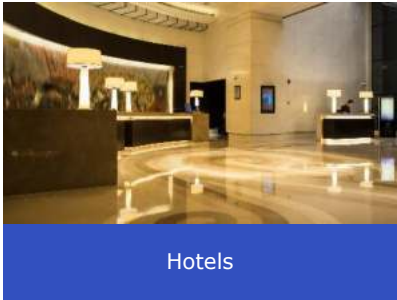
Retail



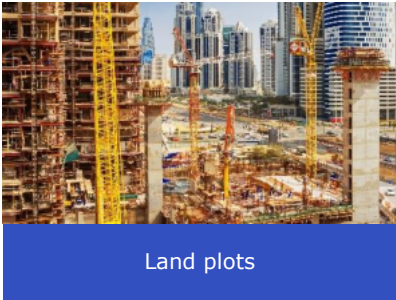
Offices



Industrial



Hotels



Land plots



Lease & sale



Managing construction projects



Strategic consulting



Business and property valuation



Investment



Representation of tenants



Research & analytics



Marketing

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