REAL ESTATE MARKET REVIEW

CBRE

UAE Real Estate Market Review

Q3 2025

REPORT

Commercial sectors remain supply constrained, amidst a challenging occupier market

CBRE RESEARCH
OCTOBER 2025

Macro landscape remains supportive of commercial real estate growth

Macroeconomic Overview

- The UAE GDP growth forecast for 2025 has been revised down marginally to 4.9%, partly due to softer growth in 2024 after revisions were made by the Federal Competitive and Statistics Centre (FCSC), resulting in a lower base for Q1 2025.
- Oil production reached 3.07 mn b/d in September, with an October target of 3.39 mn b/d, supported by OPEC+'s stronger demand outlook and capacity expansion plans, including a potential 6 mn b/d target beyond 2027. Brent averaged $68/bbl in September, slightly up from August but below early-year highs.
- The full unwinding of 2.2 mn b/d cuts in September is set to accelerate output, supporting GDP forecasts, with further momentum in 2026 as new facilities come online.
- The non-oil economy remains resilient, supported by fiscal strength, tourism, and diversification, with growth projected at 4.6% in 2025 and 4.3% in 2026.
- The UAE is advancing diversification through CEPAs with India, Angola, and New Zealand, aiming to push non-oil trade beyond USD 10 billion by 2030. Abu Dhabi's 35% rise in non-oil trade in H1 2025 reflects this momentum.
- Dubai recorded 11.17 million overnight visitors in Jan–Jul 2025 (+5% y-o-y), while Abu Dhabi welcomed 3.44 million visitors in the same period (+2% y-o-y), putting the UAE on track for 27.6 million international arrivals this year.

▲ **4.9%** y-o-y forecast increase in GDP in 2025

▲ **54.2** UAE PMI Sep-2025 reading, up from 53.3 in August

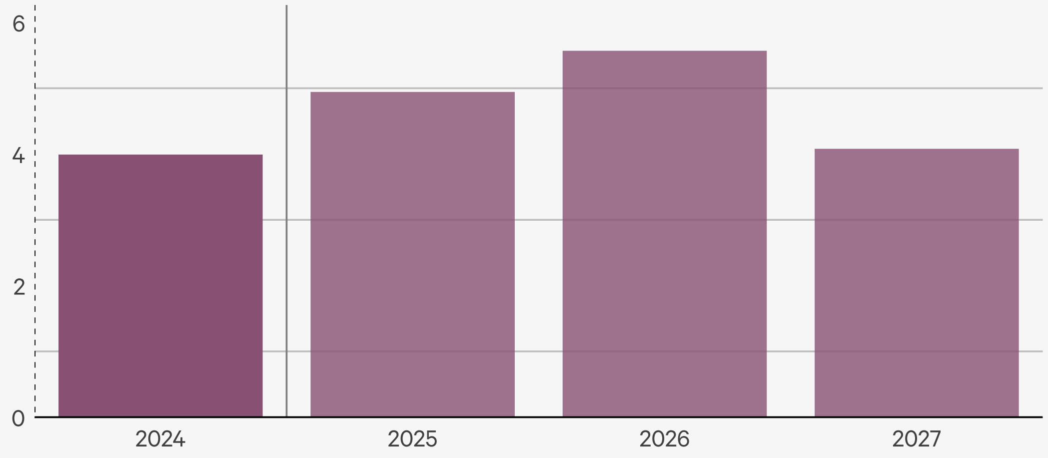
▲ **12.0%** y-o-y increase in UAE RevPAR (YTD Sep-2025)

▲ **4.0pp** y-o-y increase in UAE hotel occupancy (YTD Sep-2025)

▲ **5.6%** y-o-y Increase in Dubai average residential rents

▲ **19.3%** y-o-y Increase in Dubai average office rents

FIGURE 1: UAE, Gross Domestic Product, y-o-y change (%)



Source: CBRE Research/ Oxford Economics/ Macrobond

Macroeconomic Overview

Inflation forecasts have been cut to 1.9% from 2.5%, and down from 2.1% in 2024, driven by lower energy costs, moderating transport expenses, and easing food and commodity prices.

In September 2025, the UAE's Purchasing Managers' Index (PMI) rose to 54.2 from 53.3 in August, signaling a rebound and sustained economic resilience despite external pressures. Dubai's PMI also climbed to 54.2 from 53.6, reinforcing strong expansionary momentum.

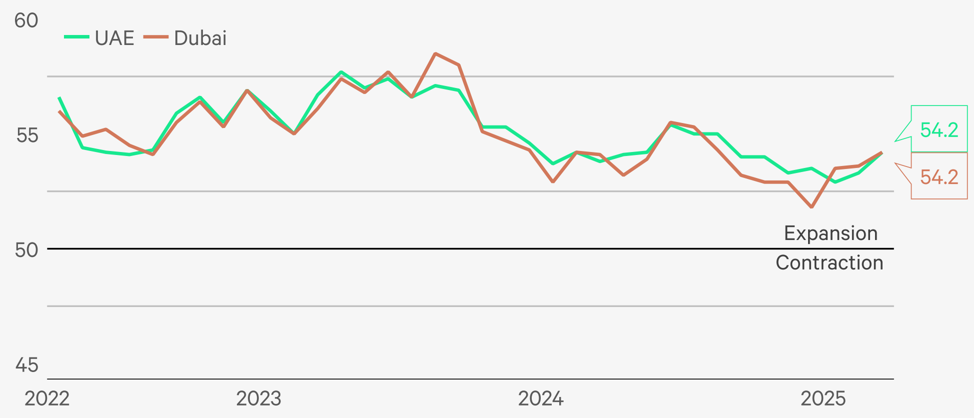
Confidence in the UAE's business environment remains strong. The World Security Report, commissioned by Allied Universal and G4S, ranked the UAE as the world's safest and most economically resilient business hub. Only 29% of UAE security leaders view economic instability as a risk, compared to global and regional averages of 44% and 41%.

According to data from the Financial Times fDi Intelligence, the UAE continues to lead global Greenfield FDI performance. The UAE secured close to AED 22 billion across more than 700 projects in the first half of 2025, with Dubai accounting for over 600 projects with capital inflows of over AED 12 billion. Sharjah emerged as the second largest recipient with 25 projects valued at around AED 5 billion, Abu Dhabi securing close to 60 projects worth over AED3 billion.

The UAE is also advancing its technology and investment agenda through the 'We the UAE 2031' vision, visa reforms, and partnerships with the World Economic Forum to accelerate tech adoption and attract foreign investment. Complementing these efforts, Dubai's D33 Agenda targets economic growth, FDI, and trade, while Abu Dhabi's industrial strategy aims to double manufacturing by 2030.

> Non-oil growth and strategic reforms continue to drive the UAE towards a diversified and balanced economy, as the nation accelerates its transition from an oil economy to a future-ready nation powered by innovation, strategic AI investments, and advanced technology.

FIGURE 2: UAE, Purchasing Managers' Indices



Source: CBRE Research/ Macrobond

FIGURE 3: UAE, Key Economic Indicators, y-o-y % Change

	2023	2024	2025	2026	2027
GDP	**4.3%**	**4.0%**	**4.9%**	**5.6%**	**4.1%**
Oil GDP	-3.0%	1.0%	5.7%		
Non-Oil GDP	7.0%	5.0%	4.7%		
Inflation	1.6%	1.7%	1.9%	2.5%	2.1%

Source: CBRE Research/ Oxford Economics.

GITEX 2025: Real Estate Highlights

(October 13-17, 2025)

Dubai

Dubai Land Department (DLD) made a strong push toward digitizing the property market at GITEX 2025, unveiling a suite of initiatives aimed at streamlining real estate transactions and enhancing investor confidence. **A major highlight was the launch of fully digital property sales via the DubaiNow app, enabling buyers and sellers to complete transactions remotely using UAE Pass.** The department also introduced a Real Estate Transactions Platform, offering real-time dashboards of market activity to improve transparency and data accessibility.

In collaboration with Google Cloud, **DLD launched an AI-powered Investor Assistant, designed to provide predictive insights and data-driven recommendations for smarter investment decisions.** This aligns with Dubai's broader vision of positioning AI as a core enabler of real estate growth. **Another key innovation was the Rental Index Heatmap, an AI-driven tool that provides real-time rental value indicators for individual units across the city.** This empowers landlords and tenants with accurate, location-specific data to guide pricing and leasing decisions.

To further enhance customer experience, DLD partnered with Microsoft to implement a unified CRM system built on Dynamics 365, integrating all service channels and leveraging AI for efficient service delivery. Additionally, a strategic partnership with Emirates NBD aims to digitize the leasing ecosystem, including security deposit management and financing solutions, contributing to a more seamless and tenant-friendly rental process.

Abu Dhabi

Abu Dhabi's Department of Municipalities and Transport (DMT), in collaboration with the Abu Dhabi Real Estate Centre (ADREC), announced the launch of the region's first government-backed digital property transaction platform. Integrated into the TAMM portal, this initiative enables end-to-end online property transactions, including digital mortgage registration, trustee verification, and escrow settlement. It marks a significant leap toward a paperless, remote-friendly real estate ecosystem.

A major technological advancement came with the unveiling of LivAI, a digital twin platform that serves as the central intelligence layer for urban planning and infrastructure management. LivAI leverages real-time data, predictive analytics, and robotics to simulate and optimize city development. Complementing this, DMT introduced a Smart Inspection Robot deployed in Family Park, capable of autonomous patrols and maintenance checks, showcasing the practical application of AI in public space management.

To accelerate its smart city vision, DMT signed 10 strategic MoUs with global tech leaders including e&, Capgemini, Hikvision, and Origen Technology. These partnerships focus on deploying AI drones for infrastructure inspection, developing smart surveillance systems, and building a Unified Smart City Platform for intelligent governance. Collectively, these initiatives reinforce Abu Dhabi's commitment to integrating real estate, mobility, and public services into a cohesive, data-driven urban ecosystem.

Together, these initiatives underscore the concerted nationwide efforts being made towards delivering smart governance and tech-enabled real estate services, which will ultimately help to position the UAE as a global benchmark for property market digital transformation. By bringing all services online, reducing friction, accelerating transaction times, and embedding trust through advanced technologies, the UAE is not only meeting current market demands, but it is also effectively shaping a future-ready real estate ecosystem that will attract even more international investors. The changes are also expected to further boost transaction volumes, improve liquidity, and enhance transparency, whilst also boosting investor confidence and driving market maturity, all whilst giving the UAE another competitive edge.

Dubai Offices

Commercial office demand remained firm through Q3 2025, despite a summer period that was impacted by the heightened regional geo-political tensions.

However, with available office supply at a cyclical low right across the Dubai market, occupiers continue to face major challenges in finding suitable alternative accommodation, particularly across prominent freezone destination such as DIFC, d3, TECOM, and DMCC.

Across the market, supply levels remain incredibly tight, encouraging corporate occupiers to consider early pre-leasing discussions with landlords on upcoming projects such as DIFC Square (Q1 2026), and Dubai CommerCity, Buildings A1 & A3 (Q4 2025), and Innovation Hub Phase III. In all these cases, this has resulted in secured pre-commitments from existing tenants within the respective freezones, with multiple other deals being negotiated on remaining spaces.

With demand outpacing supply, construction activity has been accelerated across several prominent commercial developments, with quick progress being made at DIFC's Immersive Tower (adjacent to the Waldorf Astoria), which is already well above ground and on track for completion in 2027, ahead of other competition, including Aldar's DIFC office.

Office rentals have continued to grow year-on-year, averaging around 19% in the 12 months to Q3, and nearly 3% quarter-on-quarter. With escalating occupational costs, the trend for renewals continues, something which is with likely to prevail for the foreseeable future amidst limitations of other market options for immediate lease.

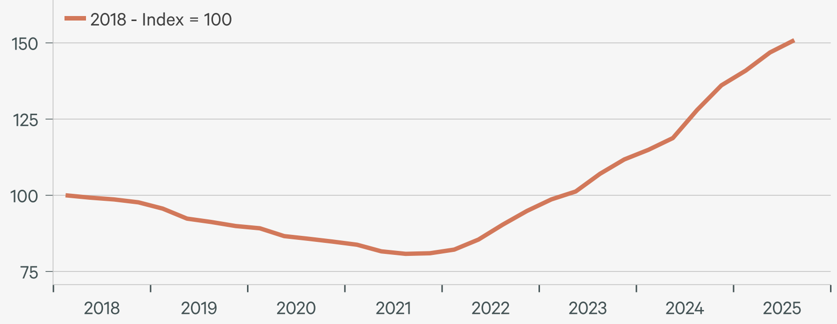
Major deals during the quarter included a strong focus on Flex spaces with 75,000 sq ft leased across two deals alone, and with strong latent demand for other operators to expand and enter the local market.

Office completions were again very limited in Q3 (21,000 sqm GLA), with a slightly larger volume expected in Q4 (63,000 sqm GLA), although not adequate to really impact the supply and demand dynamics.

Activity in the strata sector also remains buoyant, with further new launches, including Omniyat's Lumena Alta project in September. Located in Business Bay, the 73 floor, 720,000-sq-ft office scheme is currently penned for completion in 2030.

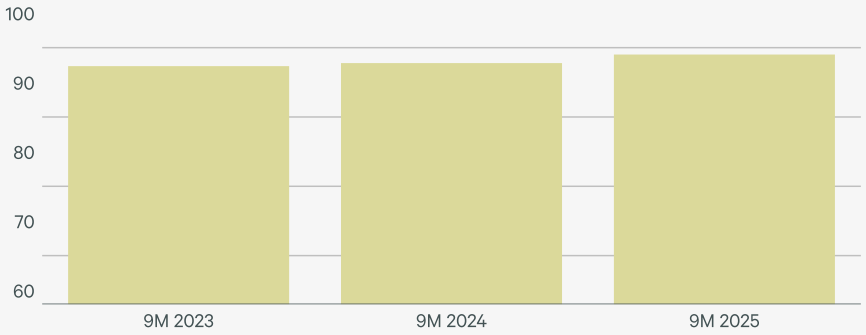
As of the end of September 2025, average occupancy rates across assets remained steady at around 94%, up from 93% for the same quarter last year and from 92% a year prior. We expect this uptrend to continue over the next 12-18 months at least before the market starts to see any relief with the addition of new supply.

FIGURE 4: Dubai, Offices, Average Rental Index



Source: CBRE Research

FIGURE 5: Dubai, Offices, Average Occupancy Rate, %



Source: CBRE Research

Abu Dhabi Offices

Demand in Abu Dhabi's office sector remains robust, driven by the continued influx of foreign companies. During H1 2025, ADGM issued 1,869 new licenses, the highest six-month total since its inception, bringing the overall count to 11,128 active licenses. Operational entities rose to 2,972, up 42% year-on-year, including 308 financial firms. The asset management (AM) segment also maintained strong momentum, with AUM increasing 42% y-o-y, supported by 154 active managers overseeing 209 funds. This expansion has pushed the combined workforce across Al Maryah and Al Reem Islands to nearly 36,000 professionals.

ADGM now hosts a growing roster of leading institutions, including JP Morgan, BlackRock, Morgan Stanley, Rothschild & Co, Ninety One, GQG Partners, The World Bank, The Children's Investment Fund (TCI), Partners Group, Circle, Carta, Bitcoin Suisse, eToro, and BNY Mellon's Alpheya among others, alongside major UAE entities such as Mubadala, Alpha Dhabi, Lunate, ADQ, and IHC.

H1 2025 was marked by several landmark deals, such as Fortress's partnership with Mubadala worth of US 1 bn, Kimmeridge's energy MoU with Mubadala Energy, the launch of a US +1 bn AI-native reinsurance platform by IHC, BlackRock, and Lunate, and the expansion of Mubadala & Alpha Dhabi's private credit JV to US 2.5 bn.

As a result, office space on Al Maryah Island is now virtually fully occupied, with larger available units limited to Reem Island towers, which lack the Grade-A appeal of ADGM Square and Maryah Tower.

Market-wide, average occupancy rose to 97%, up from 96% in Q2. Amid this tight supply, average office rents climbed 8% y-o-y to AED 1,865 per sqm per annum, with prime rents up nearly 10%. Quoting rents for remaining quality space are now significantly higher, reflecting the premium on availability.

Despite strong demand, new development remains limited, and the current supply shortfall is unlikely to ease before 2027, extending landlord-favorable conditions for the foreseeable future.

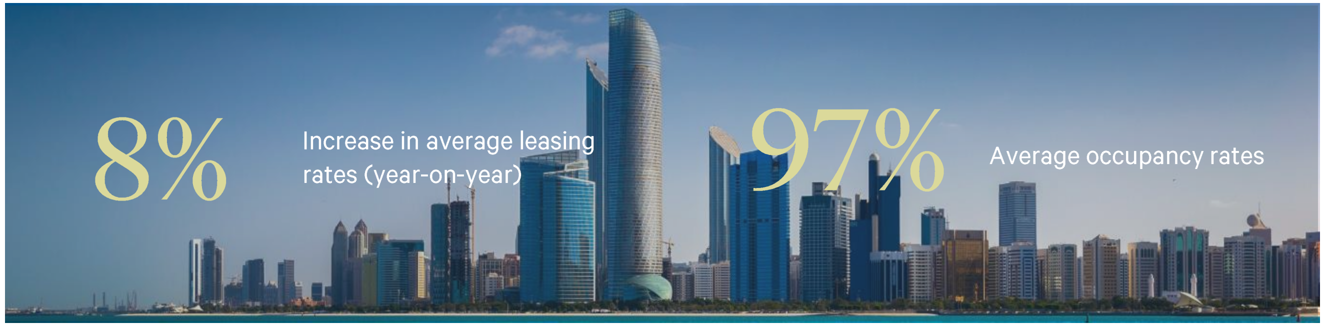
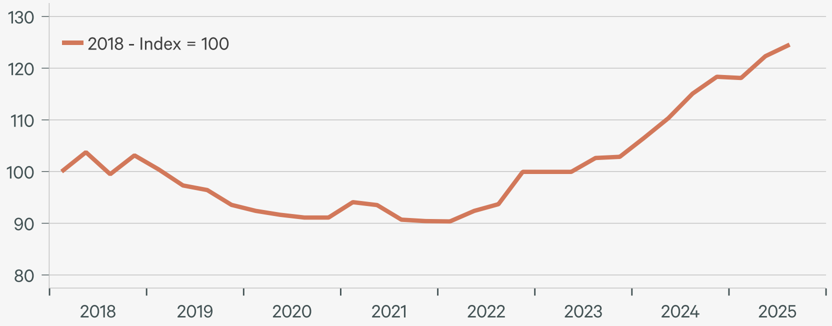
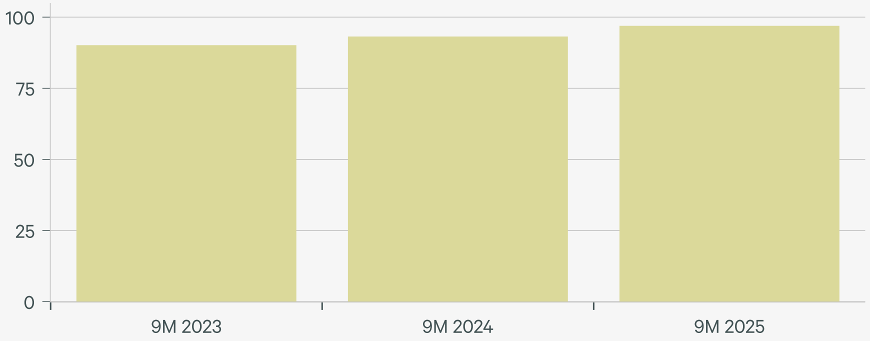


FIGURE 6: Abu Dhabi, Offices, Average Rental Index



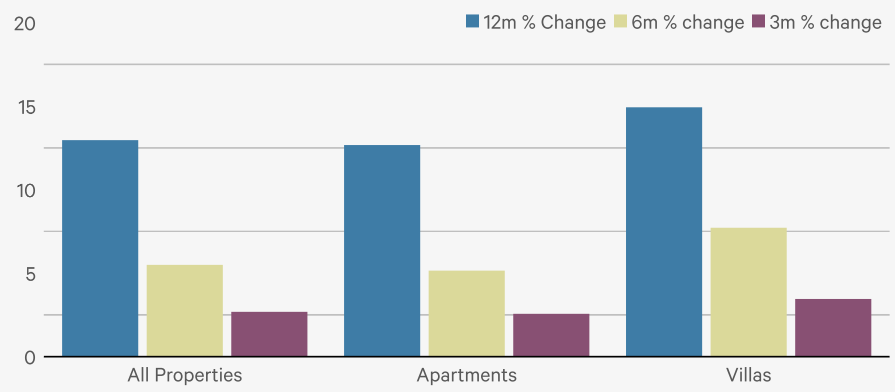
Source: CBRE Research

FIGURE 7: Abu Dhabi, Offices, Average Occupancy Rate, %



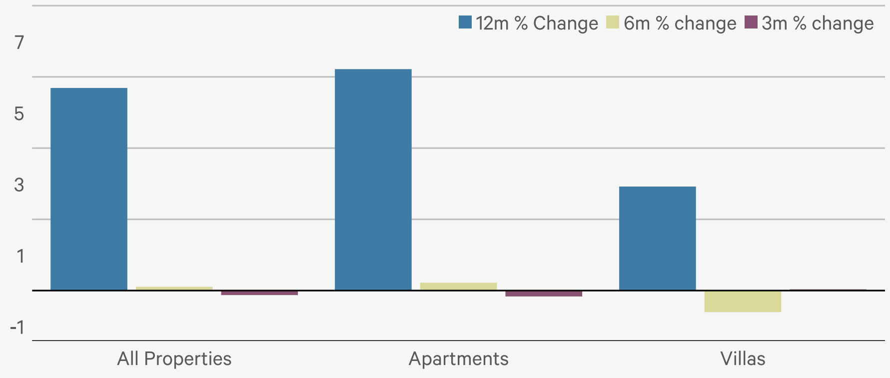
Source: CBRE Research

FIGURE 8: Dubai, Residential, Price Performance, % Change to September 2025



Source: CBRE Research/ REIDIN

FIGURE 9: Dubai, Residential, Rent Performance, % Change to September 2025



Source: CBRE Research/ REIDIN

Dubai Residential

Residential sector activity gained further momentum in Q3 2025, defying earlier expectations of a summer slowdown amid rising geopolitical tensions. Dubai's housing market continues to showcase strong resilience, underpinned by sustained investor appetite and a deepening development pipeline that signals confidence in long-term growth.

Since 2020, the city has added an average of 30,000 new units annually, but this is set to accelerate rapidly in the coming years, with a pipeline of approximately 320,000 units expected by the end of 2029 - averaging 64,000 units per year. Whilst the pipeline is a reflection of investor confidence in Dubai's long-term appeal, it does raise some questions about the absorption capacity of the rental market, and infrastructure readiness of some locations to handle such a sizable ramp-up in deliveries and subsequently population.

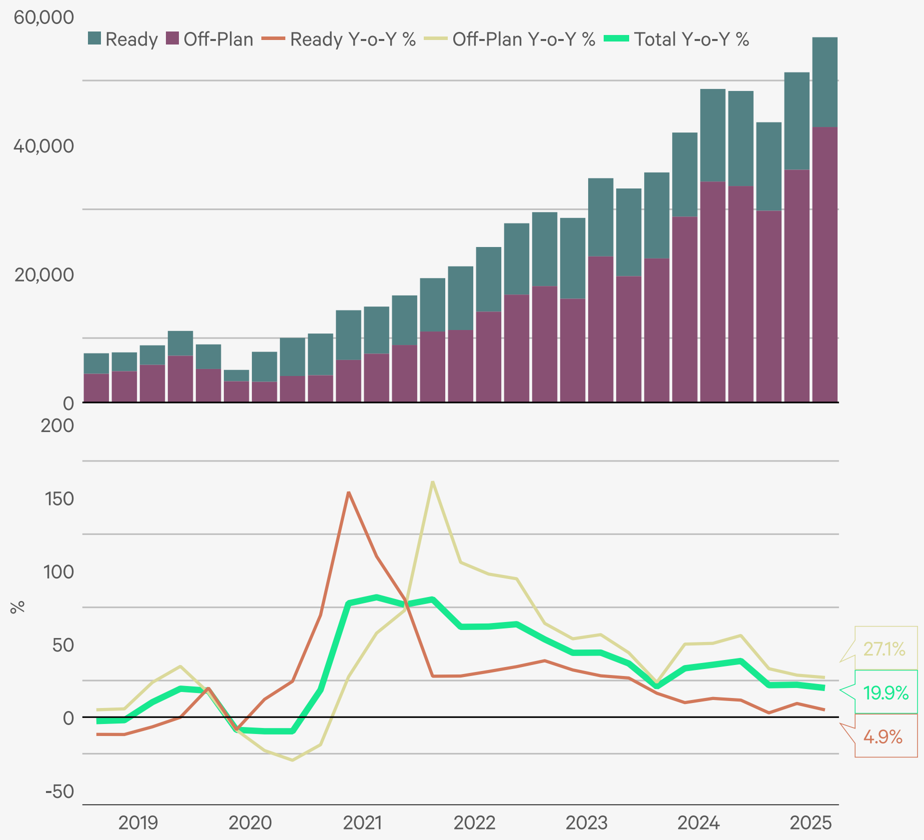
Rental rates remain elevated from a cyclical perspective, although the pace of growth has now slowed and moved into negative territory quarter on quarter, dropping by 0.2%. However, year-on-year, average rents for all property types are still up 5.6%, with apartments increasing 6.2% and villas by 2.9%.

In contrast, sales prices continue to climb, with a 12.9% annual increase, with apartments +12.7% and villas +14.9%. Quarter-on-quarter, sales prices rose by 3%, reflecting ongoing buyer interest and investment momentum.

That said, market performance remains fragmented, with certain locations outperforming others. For apartments, Dubai Silicon Oasis (DSO) led with a 36% annual price increase, followed by DIFC at 34%. This has been supported by announcements of major infrastructure projects, including the Metro Blue Line which passes through DSO, and major road and tunnelling works around DIFC which aim to alleviate traffic congestion around the financial center. Town Square has also seen solid growth, rising 24% y-o-y despite resident's complains over traffic exiting the community during peak times. More mature areas such as Business Bay, JLT, and Downtown saw more modest gains of 3%, 4%, and 7%, respectively. Villa communities showed similar divergence with Victory Heights posting a 36% y-o-y increase, Al Barari 28%, and Jumeirah Park 21%, whilst Emirates Hills and JGE saw more restrained growth of 6%.

While the overall trajectory remains positive, there are some issues that warrant attention. Dubai's population continues to grow rapidly, placing pressure on housing affordability and infrastructure. As prices rise, so too do living costs, impacting the city's competitiveness for middle-income residents. However, the government continue to respond with targeted initiatives such as the Dubai 2040 Urban Master Plan, which promotes balanced land use and affordable housing, while ongoing expansion of public transport networks continues to enhance connectivity to more affordable areas. Reforms in tenancy law and digitization of property transactions further support transparency and investor confidence, collectively reflecting the proactive approach to managing growth and maintaining long-term market stability.

FIGURE 10: Dubai, Residential Transactions



Source: CBRE Research/ REIDIN

Dubai Residential

Dubai's residential real estate market continues to demonstrate forward momentum, with strong quarterly volumes and sustained year-on-year growth in transactions volumes and average values.

In the first nine months of 2025 (9M2025), the market registered 151,522 residential transactions, up 20% compared to the same period last year. The total value of these transactions reached AED 408.7 bn, reflecting a 29% increase. Q3 alone saw 56,723 transactions worth AED 139.8 bn, both up 16% y-o-y, marking the second consecutive quarter of record-breaking transaction volumes.

Off-plan sales remain the primary driver of market activity, accounting for 75% of total transactions. During 9M2025, off-plan volumes reached 108,692 units (+27% y-o-y), with values climbing to AED 295.9 billion (+35% y-o-y). Q3 off-plan activity was particularly strong, with volumes rising 25% to 42,777 units and values increasing 19% to AED 103.9 bn, underscoring investor confidence in future supply and long-term prospects.

Ready transactions, which represent 25% of the market, showed more moderate performance. In 9M2025, volumes rose by 5% to 42,830 units, with values up 15% to AED 112.8 bn. However, Q3 figures reflected a slight dip in volumes (-3% y-o-y), though average values still rose by 7% to AED 35.9 bn, indicating continued demand for completed inventory.

By typology, off-plan apartments and villas led the market in y-o-y growth, rising by 36.8% and 35.7%, respectively. Notably, villa plots saw the highest surge, with a 57.8% increase in transaction volumes.

This performance is underpinned by Dubai's expanding population, which has surpassed 4 million residents. The city is also projected to welcome 9,800 new millionaires in 2025, further fueling demand for premium residential assets. Notably, transactions exceeding AED 10 mn have continued to rise, reinforcing Dubai's position as a global hub for luxury real estate.

However, the rapid pace of growth has raised concerns around affordability and accessibility, particularly for middle-income residents. To address these challenges, innovative solutions are gaining traction, including fractional ownership through real estate tokenization and government-backed programs such as the First-Time Home Buyer initiative. These efforts aim to broaden access to property ownership and reinforce long-term market inclusivity.

FIGURE 11: Abu Dhabi, Residential Price Performance, % Change to September 2025

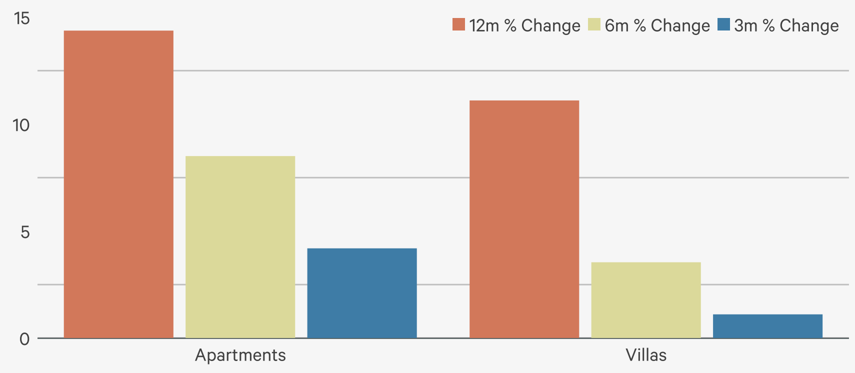
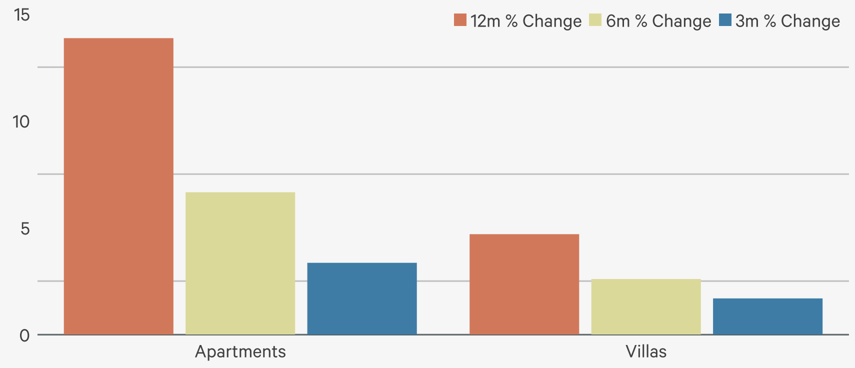


FIGURE 12: Abu Dhabi, Residential Rents Performance, % Change to September 2025



Source: CBRE Research/ Quanta

Abu Dhabi Residential

Abu Dhabi's residential market recorded strong growth in the first nine months of 2025, with 14,350 transactions (+43% y-o-y) totaling AED 46.1 billion (+67% y-o-y). Q3 alone saw 6,610 deals (+79% y-o-y) worth AED 21.2 billion (+106% y-o-y), marking the strongest quarterly performance on record. Off-plan sales led the momentum with a 56% y-o-y increase, while ready transactions rose 24% y-o-y, driven primarily by robust activity on Al Reem and Yas Islands across both segments.

Similarly, the market delivered a standout price performance in Q3 2025, with average sales prices surging over 25% y-o-y, driven by strong investor sentiment, limited new supply, and a growing appetite for lifestyle-led communities.

Apartments continued to outperform villas, with Yas Island emerging as a top performer - recording a remarkable 30% annual price increase in apartments and 13% in villas. This spike was supported by the recent announcement of Disneyland Abu Dhabi, the region's first Disney theme park, which is set to open on Yas Island.

Other communities also posted strong gains, with Shams Abu Dhabi up 31% y-o-y, fueled by high-end and branded launches like Seamont Residences by Marriott, and Reef Villas rising 25% y-o-y. These results highlight growing demand for both premium developments and family-oriented mid-market housing.

Rental rates rose sharply, up 25% y-o-y, with apartments leading at 29% growth. This surge reflects strong population inflows and a tightening rental supply, reinforcing demand across key urban communities.

Abu Dhabi's residential market is set to deliver around 8,500 units in 2025, with a strong pipeline of approximately 36,000 units through 2029, averaging more than 9,000 units a year.

Q3 saw fewer launches, but demand remained exceptional, with several new project launches selling out within hours or days. Wadeem by Modon moved over 1,700 residential plots in 72 hours, Yas Living by Aldar sold over 670 apartments with 65% international buyers, and Al Deem townhouses sold 450 units exclusively to locals. Collectively, these launches generated AED 8.6 billion in record time, underscoring surging demand from both local and global buyers, particularly younger and first-time homeowners seeking lifestyle-driven communities.

UAE Hospitality

The UAE's tourism sector continues to demonstrate robust growth in 2025, reinforcing its strategic role in the country's economic diversification agenda.

Dubai welcomed 11.17 million international visitors between January and July 2025, up from 10.62 million in the same period last year, with Western Europe (21%), the GCC (16%), and South Asia and CIS/Eastern Europe (each 15%) emerging as key source markets. Abu Dhabi recorded 3.44 million international visitors in the same period, a 2% year-on-year increase, led by arrivals from Asia (31%) and Europe (25%). RAK also saw a steady influx, with 653,700 international visitors in H1 2025 driven primarily by tourists from the Russian Federation (31%) and the UK (8%).

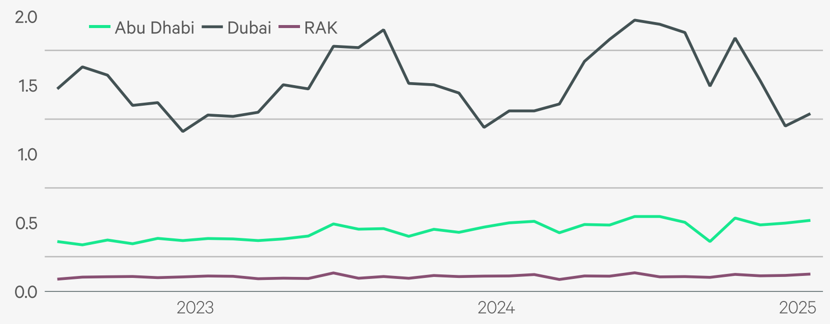
Hotel performance across the emirates reflects this upward trajectory. Dubai's hospitality sector operated 821 establishments with 152,364 rooms, achieving a 79% occupancy rate - up from 77% in 2024. Average daily rate (ADR) rose 5% to AED 551, while revenue per available room (RevPAR) increased 7% to AED 435 during the first seven months of 2025.

Abu Dhabi mirrored this trend during the same period from Jan-Jul 2025, with 172 establishments, 34,397 rooms and 9.41 million guest nights, also reaching 79% occupancy (+4% y-o-y). Notably, ADR surged 19% to AED 530 and RevPAR climbed 24% to AED 426. Abu Dhabi has also generated AED 4.8 bn in total hotel revenues between January and July 2025, marking a robust 19% year-on-year increase driven by significant gains in ADR.

RAK's 55 hotel establishments reported a 72% occupancy rate during the first half of 2025, a slight increase from 71% last year, with ADR at AED 637.2 (+7.6% y-o-y) and RevPAR at AED 458.1 (+9.1% y-o-y). Total revenues has surged to AED 822 mn during the first half of 2025, rising 9% year-on-year, driven mostly by room revenue and the notable 36% year-on-year increase in MICE, fueled by high-value weddings and year-round events.

Backed by sustained investment in world-class infrastructure, cultural landmarks, and global events, the UAE's tourism and hospitality sector is set to strengthen its role as a catalyst for long-term economic resilience, international competitiveness, and non-oil diversification.

FIGURE 13: Abu Dhabi, Dubai and RAK Monthly Visitation Levels (in millions)



Source: CBRE Research/ Department of Culture and Tourism Abu Dhabi/ Dubai Department of Economy and Tourism/RAKTDA

FIGURE 14: UAE, Hospitality Market, KPIs, YTD % Change

Year to Date - September 2025 vs Year to Date - September 2024			
Market	Occ PP Change	ADR % Change	RevPAR % Change
UAE	4.0	7.7	12.0

Source: Co-Star

FIGURE 15: Dubai & Abu Dhabi KPIs

Year to Date – July 2025 vs Year To Date – July 2024						
Dubai	Occupancy (%)		ADR (AED/room/night)		RevPAR (AED/room/night)	
YTD-July 2025	79%	+3%	551	+5%	435	+7%
YTD-July 2024	77%		527		406	

Year to Date – July 2025 vs Year To Date – July 2024						
Abu Dhabi	Emirate Occupancy (%)		City Occupancy (%)		RevPAR (AED/room/night)	
YTD-July 2025	79%	+4%	82%	+3%	426	+24%
YTD-July 2024	77%		79%		344	

Source: DET / DCT / CBRE Research

UAE Retail

New retail supply remained tight through the third quarter of 2025, with minimal completions across either Dubai or Abu Dhabi recorded. Aldar's Grove project is set to be the next major completion with around 51,000 sqm of new retail space set to be delivered during H1 2026 (March onwards).

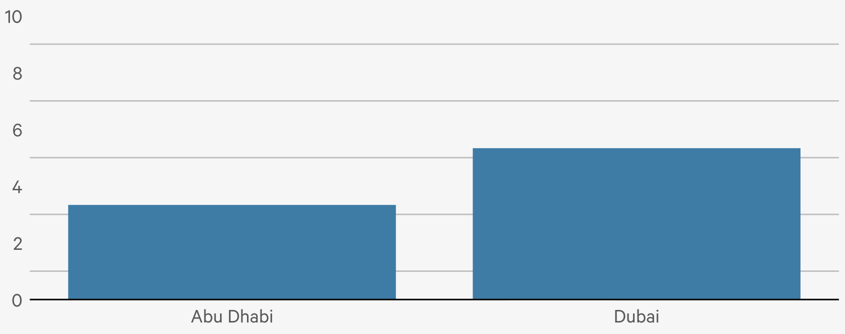
However, smaller components of retail will continue to be phased across the wider project through 2027, in line with the completion of individual residential schemes, with around 80,000 sqm in total set to be is handed over across the Cultural District on Saadiyat Island. This will give crucial support to the imminent opening of the Zayed National Museum which is due to take place in December 2025.

New supply this year is expected to reach approximately 90,000 sqm of GLA in Dubai and 130,000 sqm in Abu Dhabi. For the period 2025 to 2027, the development pipeline equates to 400,000 sqm in Dubai and 300,000 sqm in Abu Dhabi.

Retail leasing demand remains firm, with multiple new high-profile deals signed in locations like Mall of Emirates during the quarter. This includes Kim Kardashian's beauty brand Skims and the region's first Ulta store. Amidst a reshuffling of the retail mix, H&M will move to the old Debenhams store, with new market entrant Primark taking over the old H&M space. Cinaboom have also opened in MOE. UAE retail landlord and franchiser Al Futtaim has agreed a major investment with Cenomi, with a 49.9% stake agreed in a deal worth SAR 2.5 bn. There was also a rare retail investment sale, with Lamcy Plaza trading for a reported AED 188.7mn during Q3 2025.

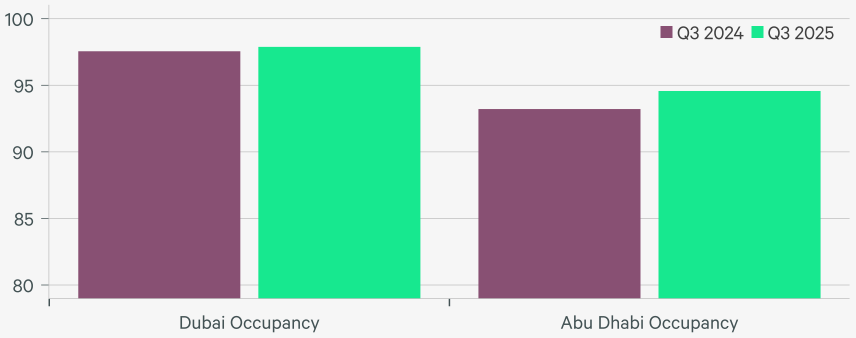
Amid tight supply conditions, rents are expected to rise gradually across key markets, supported by sustained population and tourism growth driving retail sales. In Dubai, rental rates held steady at 5.3% y-o-y, while Abu Dhabi's growth eased to 3.3% y-o-y. The easing reflects a natural correction from previous highs, while the shortage of premium supply is expected to sustain competitive dynamics in the near term.

FIGURE 16: UAE, Retail Rents, y-o-y % Change to Q3 2025



Source: CBRE Research

FIGURE 17: UAE Retail, Average Regional and Super-Regional Malls Occupancy Rate, %



Source: CBRE Research

With occupancy at 97% in Dubai and 95% in Abu Dhabi, landlords continue to hold the upper hand - negotiations are firm, and flexibility is rare once a space becomes available.

Looking ahead, Majid Al Futtaim has announced plans for a new super-regional mall within the AED 15.4 billion Ghaf Woods community in Dubailand. Positioned as the region's first forest-integrated retail destination, the development is expected to become a flagship experiential hub, expected to deliver a sizeable GLA that will help ease pressure on Dubai's retail market over the longer term.

UAE Industrial

The Dubai market remains supply constrained as reflected in the continued year-on-year rental growth across the sector, with average rents rising by 18% in Dubai and 12% in Abu Dhabi. However, there are several largescale industrial and logistics facilities under development with completion timings from 2026 onwards.

This includes Aldar Logistics Centers - NIP development in the south-west of the city. Phase 1 consists of Building 1, designed for multiple occupancy with 12 warehouse units and a BUA of 67,934 sqm. Substructure works are ongoing and completion is expected by mid-2026. Phase 2 consists of Building 2, also multiple occupancy with 10 warehouse units and a leasable area of 52,875 sqm. Building 3 is single occupancy / standalone facility of 27,722 sqm – both buildings set to complete in Q1 2027.

Across the other side of the city, Sweid & Sweid and DUTCO are jointly establishing another major industrial facility, in the Warsan area. The project, called Terralogix, is a 305,000 sqm gated logistics hub which will offer 182,000 sqm of leasable Grade-A logistics space across 9 buildings. Over 50,000 sqm is expected to be delivered as part of Phase 1, which is anticipated in H2 2026.

The UAE's industrial market continues to attract increasing interest from new investors and developers, with a positive macro-landscape and strong sector fundamentals creating an increasingly compelling story. This is reflected in the strong upward rental trends across all locations, with solid occupier demand supporting increasingly bullish actions of the country's industrial Landlords.

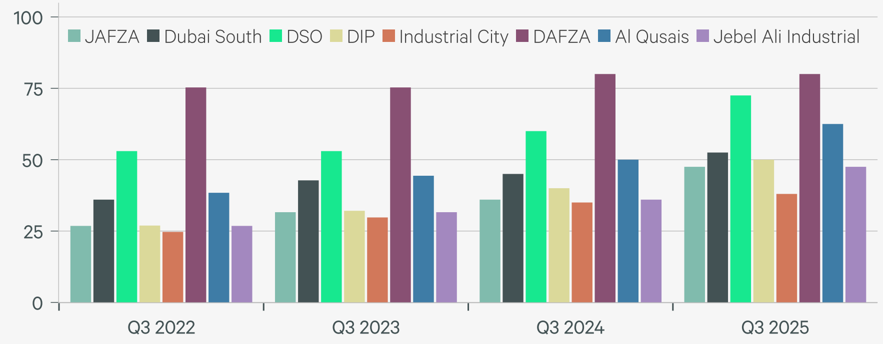
However, it is also now being reflected by the entry of major global institutional capital. During the quarter, several standout out deals and partnerships have been agreed, which look set to fundamentally shift the investment and development landscape for years to come.

One of the most significant is the strategic partnership between Blackstone and Abu Dhabi-based Lunate, forming the Gulf Logistics Infrastructure Development Enterprise (GLIDE) to invest up to US$ 5 bn in Grade-A logistics assets across the GCC. The platform will focus on greenfield developments, selective acquisitions, and sale-and-leaseback transactions, addressing growing demand driven by e-commerce and manufacturing.

Another notable announcement saw Tesla's plan to establish its first Experience Centre in Abu Dhabi on Yas Island revealed. While primarily a retail and service hub, the facility will also incorporate a delivery center and advanced servicing capabilities, signaling growing demand for EV-related infrastructure and last-mile logistics solutions in the UAE.

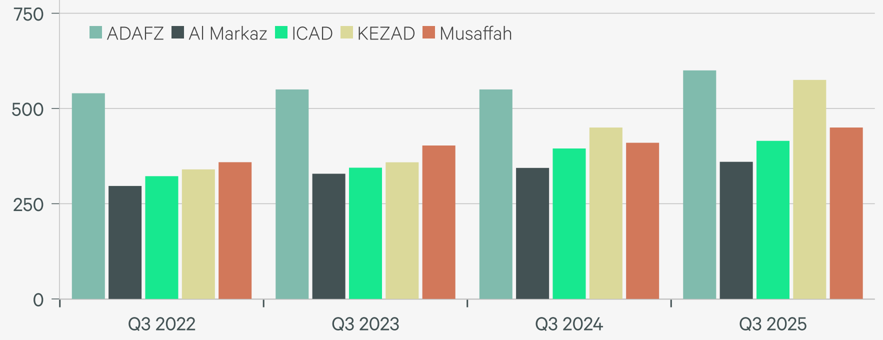
Additionally, SC Capital Partners and CapitaLand Investment have launched the SC GCC Real Estate Industrial Development Fund (GRID), with its inaugural project in Ras Al Khaimah Economic Zone (RAKEZ). The development will deliver a next-generation industrial park spanning over 300,000 sqm, expected to attract more than 50 tenants and create approximately 1,800 jobs, reinforcing RAK's position as an emerging industrial hub.

FIGURE 18: Dubai, Average Industrial Rents, AED/SQFT



Source: CBRE Research

FIGURE 19: Abu Dhabi, Average Industrial Rents, AED/SQM



Source: CBRE Research

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