Nikoliers

HI 2026

Offices

UAE | Dubai

Key indicators of the Dubai office market*
QI—II, 2026

Total office space in new lease transactions	Total office space in sale transactions
597 thou sq m	242 thou sq m
Average rental rate in new signed lease deals	Weighted average purchase price of a ready-to-use unit
227 AED/sq ft/year (660 USD/sq m/year)	2 356 AED/sq ft/year (6,855 USD/sq m/year)

*Transactions in Dubai's main business districts were taken into account

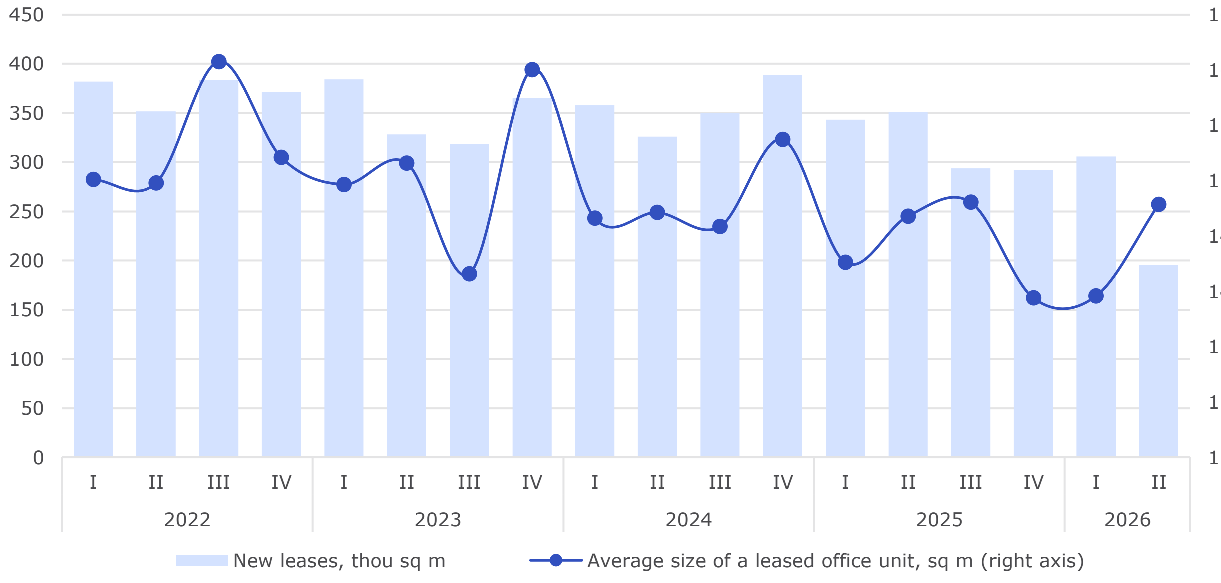
Key trends

- The Dubai office estate market shows the **highest resilience** to regional uncertainty among all segments of the Emirate's real estate market. The reasons are mainly structural: the shortage of quality office space, low vacancy rates, predominance of long-term lease agreements and minimal dependence on tourist flows.
- Tenant rotation **widens the choice of available options** for end users. This eases the acute scarcity while maintaining the high occupancy of quality office assets.
- Since the end of 2024 and throughout 2025 developers actively **responded to sustained demand** by launching new quality projects. However, starting in March 2026, in the midst of rising uncertainty, they have become considerably more cautious about launching office projects.
- At the same time, a number of developers **continue to demonstrate confidence** in the market by launching new projects, including premium assets priced at the top end of the market (from 5,000 AED/sq ft) — among them 1970 Tower by Al Habtoor Group, Avior by Acube and the redevelopment of the Shangri-La hotel into offices.

Lease: demand

- Based on the results of H1 2026, **total office space in new office lease transactions** within Dubai's main business districts amounted to about 597,000 sq m (6.4 million sq ft) or 14% below the level of H1 2025. The main business districts accounted for 27% of the aggregate office space in all office space lease transactions on the Dubai office estate market for the period under review.
- The average floor area per let unit in QI—II of 2026 was 141 sq m (1,507 sq ft).

Dynamics of new lease transactions in Dubai's main business districts, 2022 — QII 2026



- A lower number of new transactions in the first half of 2026 is due above all to the **regional geopolitical situation** at the beginning of the year, which temporarily constrained tenant activity.
- An additional factor is the **limited supply of quality office space**: the key business districts operate at extreme low vacancy, so the demand increasingly often fails to find vacant options within the traditional locations.
- Under these circumstances, **tenant demand is shifting toward emerging districts:** Business Park Motor City, The Greens, Arjan — which are becoming new focal points for both tenants and developers.
- **Financial and technological sectors**, generating the main demand, show stable interest in quality A-grade offices.

QI—II 2026 to	The number of new lease transactions, deals	Total transaction area, sq ft
QI—II 2025	▼ 9%	▼ 11%
QI—II 2021	▲ 212%	▲ 150%

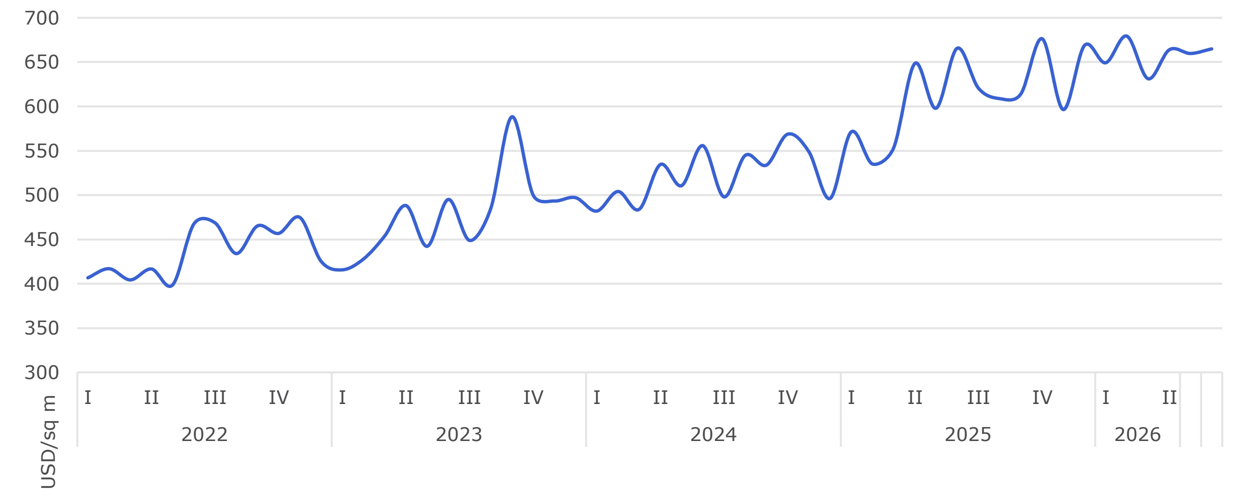
41% share of Business Bay district in total lease transactions concluded in Dubai's nine main business districts during QI—II of 2026

Source: REIDIN, Nikoliers' calculations

Rental rates

In H1 2026, **the weighted average rental rate** in new lease agreements within Dubai's main business districts came to 227 AED/sq ft/year (659 USD/sq m/year), up 13% YoY.

The dynamics of the weighted average rental rate in new leases within Dubai's main business districts, 2022 — QII 2026



- The weighted average rental rate in the **Downtown** district for H1 2026 amounted to 351 AED/sq ft/year (1,021 USD/sq m/year). Yet in premium facilities, such as Boulevard Plaza or Emaar Square, the rental rate could be as high as 686 AED/sq ft/year (1,966 USD/sq m/year).
- A similar trend can be seen in the **Business Bay** district, with rental rates in the Opus Tower premium project reaching 988 AED/sq feet/year (2,876 USD/sq m/year).
- The highest rent growth on new leases was recorded in **Barsha Heights** district – approximately 39% YoY, although this growth is largely structural in nature. A large part of transactions were concentrated in several facilities (including the recently refurbished Magnum Opus Tower building) and their robust occupation at high rates mainly ensured the growth of this indicator.

Rental rates on new lease agreements in Dubai's main business districts for the first half of 2026

District	AED/sq ft/year	USD/sq m/year
Barsha Heights	224	651
Business Bay	228	699
Downtown	351	1 021
Dubai Design District	277	806
Dubai Internet City	180	524
Dubai Media City	205	596
JLT	213	620
Trade Center First	178	517
Trade Center Second	254	741

Weighted average rental rate on new leases in Dubai's main business districts

660

USD/sq m/year

13%

▲ vs H1 2025

57%

▲ vs H1 2022

Source: REIDIN, Nikoliers' calculations

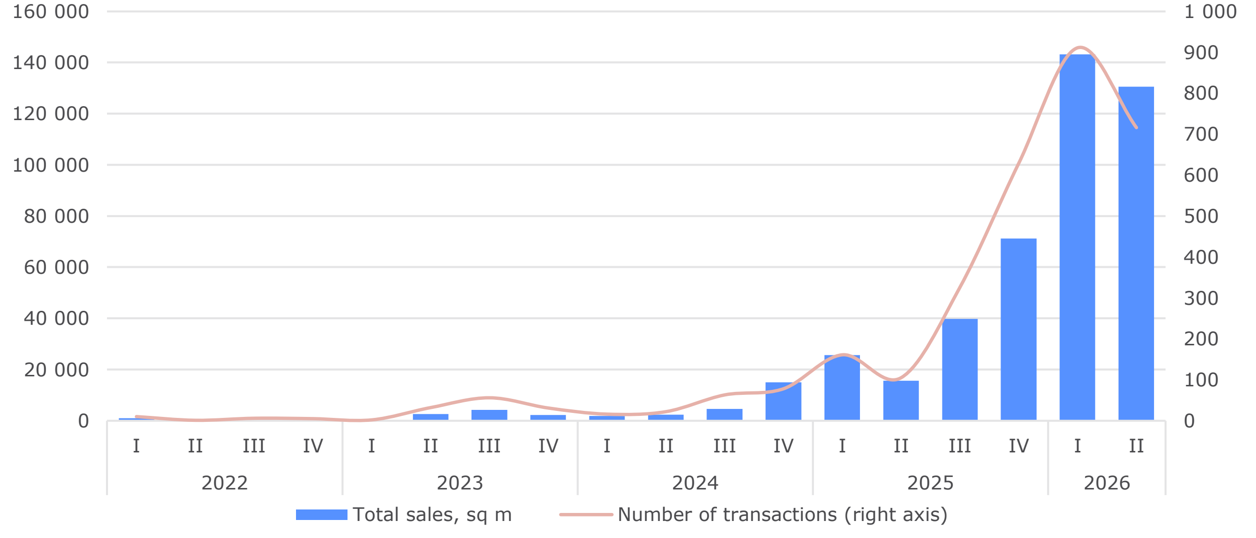
Sale: demand

Based on the results of H1 2026, **total office space purchased** in Dubai reached approximately 387,000 sq m (4.2 million sq ft). The purchased office space in Dubai's main business districts exceeded 242,000 sq m (2.6 million sq ft), with **projects under construction** accounting for 62% of all purchase deals. The floor area in transactions with ready-to-use offices amounted to 93,000 sq m (996,000 sq ft) — almost half the H1 2025 level.

154
sq m
(1,654 sq ft)

average size of a purchased office unit in H1 2026

Dynamics of off-plan office space sales in Dubai



- In 2025, the off-plan office market was the key **driver of purchasing activity** amid the launch of new projects and persistent shortage of ready-to-use office space. This segment accounted for 274,000 sq m in H1 2026 (2.9 million sq ft).
- After February 2026, activity in the segment declined sharply in the midst of increased uncertainty. Nevertheless, a significant share of office space is still acquired at the earliest stage of project development.

39%

share of office space purchase transactions in Dubai's nine main business districts during QI—II of 2026

QI—II 2026 to	The number of new office purchase deals*	Total office space in transactions
QI—II 2025	▲ 45%	▲ 66%
QI—II 2021	▲ 169%	▲ 234%

*transactions involving the purchase of ready-to-use and off-plan office premises are included in our calculations.

Source: REIDIN, Nikoliers' calculations

Sale: transaction prices

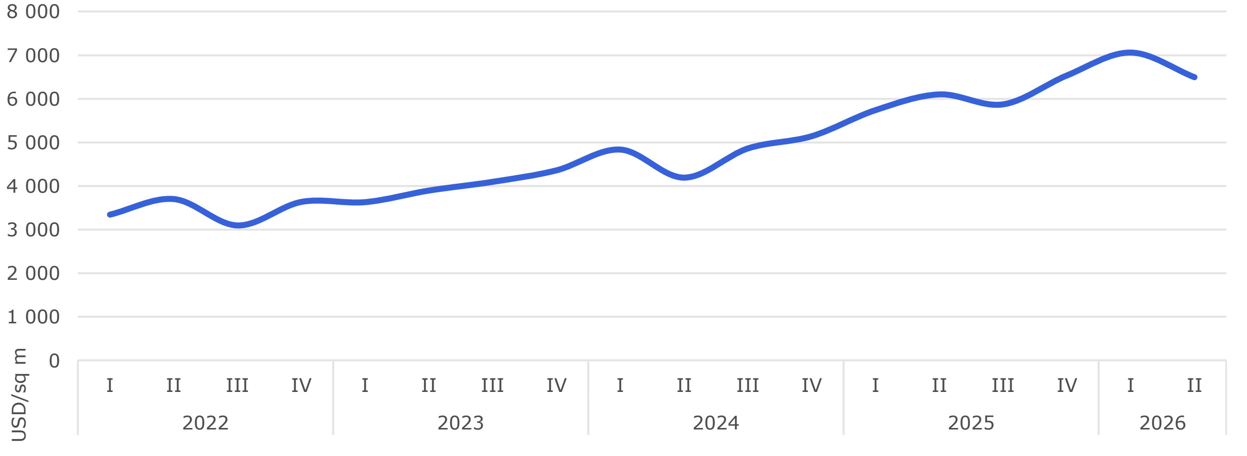
The weighted average selling price per sq foot in **ready-to-use office projects** within Dubai's main business districts amounted to 2,356 AED/sq ft (6,855 USD/sq m) at the end of the first half of 2026, up 16% against H1 2025.

Completed office buildings with the highest purchase prices of office units in H1 2026

Office building	District	Price*, AED/sq ft	Price*, USD/sq m	Number of closed deals
Boulevard Plaza 1	Downtown Dubai	6 201	18 046	4
Opus Tower	Business Bay	5 622	16 361	5
AA Tower	Trade Center First	5 466	15 907	4
The Onyx Tower 1	The Greens	4 145	12 061	2
Swiss Tower	Jumeirah Lake Towers	4 928	11 429	4

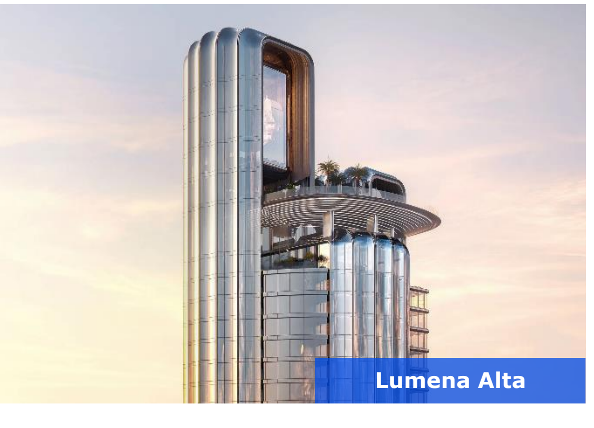
Nikoliers' calculations based on the REIDIN data
*Weighted average sale price for the deals closed during the period under review

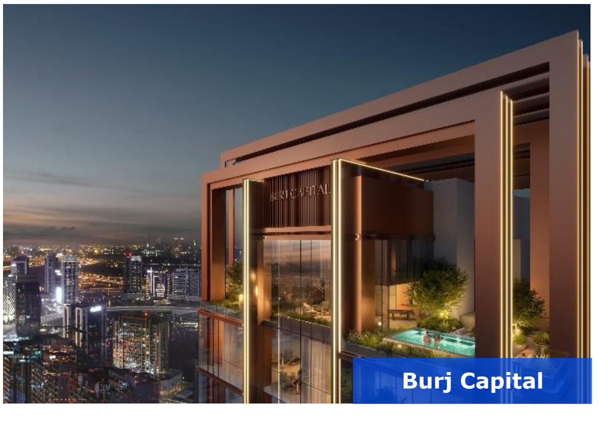
Sale price of ready-to-use offices in Dubai



The weighted average sale price of office space in **off-plan office projects** has grown by almost 78% during the recent 12 months and stood at 4,324 AED/sq ft (12,581 USD/sq m) at the end of H1 2026. This growth is predominantly structural in nature, driven primarily by premium-quality projects entering the market in central business locations.

Examples of office buildings under construction in Dubai

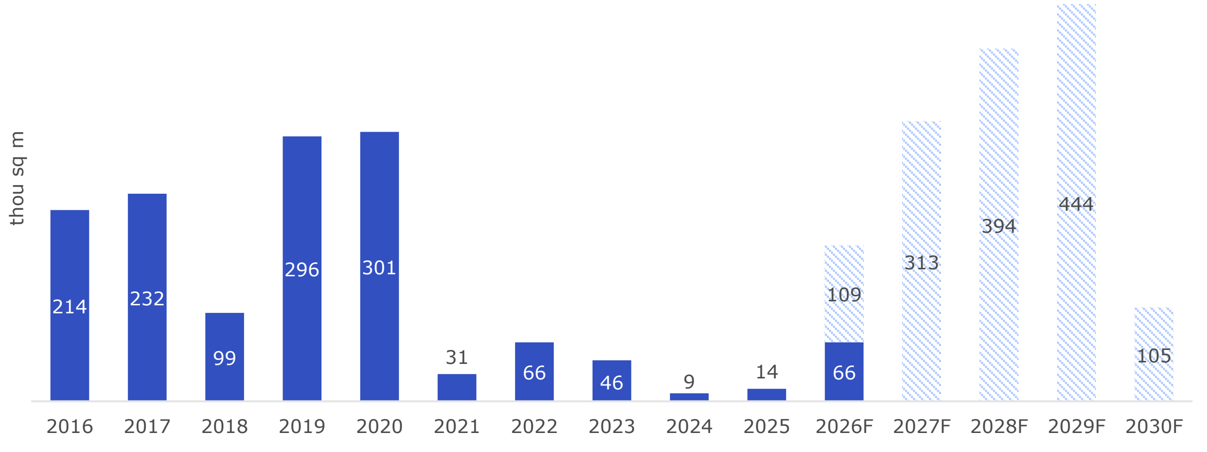

Lumena Alta


Burj Capital

New development

- In the first half of 2026, the Dubai office estate market saw the addition of 66,000 sq m of new space due to the commissioning of DIFC Square, as well as Atria Square in Al Barsha 1 district.
- At the moment, **total office space supply** exceeds 64.3 million sq ft or 6 million sq m (with leasable space taken into account) in Dubai's main business areas.
- Until the end of 2026, **the plan calls for the additional commissioning** of nearly 109,000 sq m of new office space. Among the anticipated facilities is Sweid One by Sweid & Sweid (GLA — 426,000 sq ft / 40,000 sq m), as well as AHS Luxury Office Tower by AHS Properties (GLA — 389,000 sq ft / 36,000 sq m).

Dynamics of office space commissioning in Dubai, 2016–2030



Nikoliers' calculations

"The office segment remains the most resilient and stable one in the Dubai real estate market due to persistent scarcity of quality office space, low vacancy rates, as well as predominance of long-term lease agreements and sectoral diversification of the demand. The regional uncertainty at the turn of the year predictably curbed the activity of potential tenants, although market fundamentals remained firm, whereas the limited supply withholds the market from any significant correction of rental rates.

Summer is a time of opportunities for various categories of the market players. End users face a wider choice of quality office space, with some owners willing to show flexibility on lease terms. For investors, occupied facilities generating stable income flows ensure increased yields for years ahead, even under a slight price discount, as compared to standard profitability, while offices in certain quality off-plan projects can be acquired on considerably better terms than in winter or in 2025.

As the general situation is getting back to normal, we expect demand to be further supported by the Emirate's resilient economic foundation, with developers resuming the launch of new quality office and mixed-use projects."

Andrey Kosarev
Partner
UAE

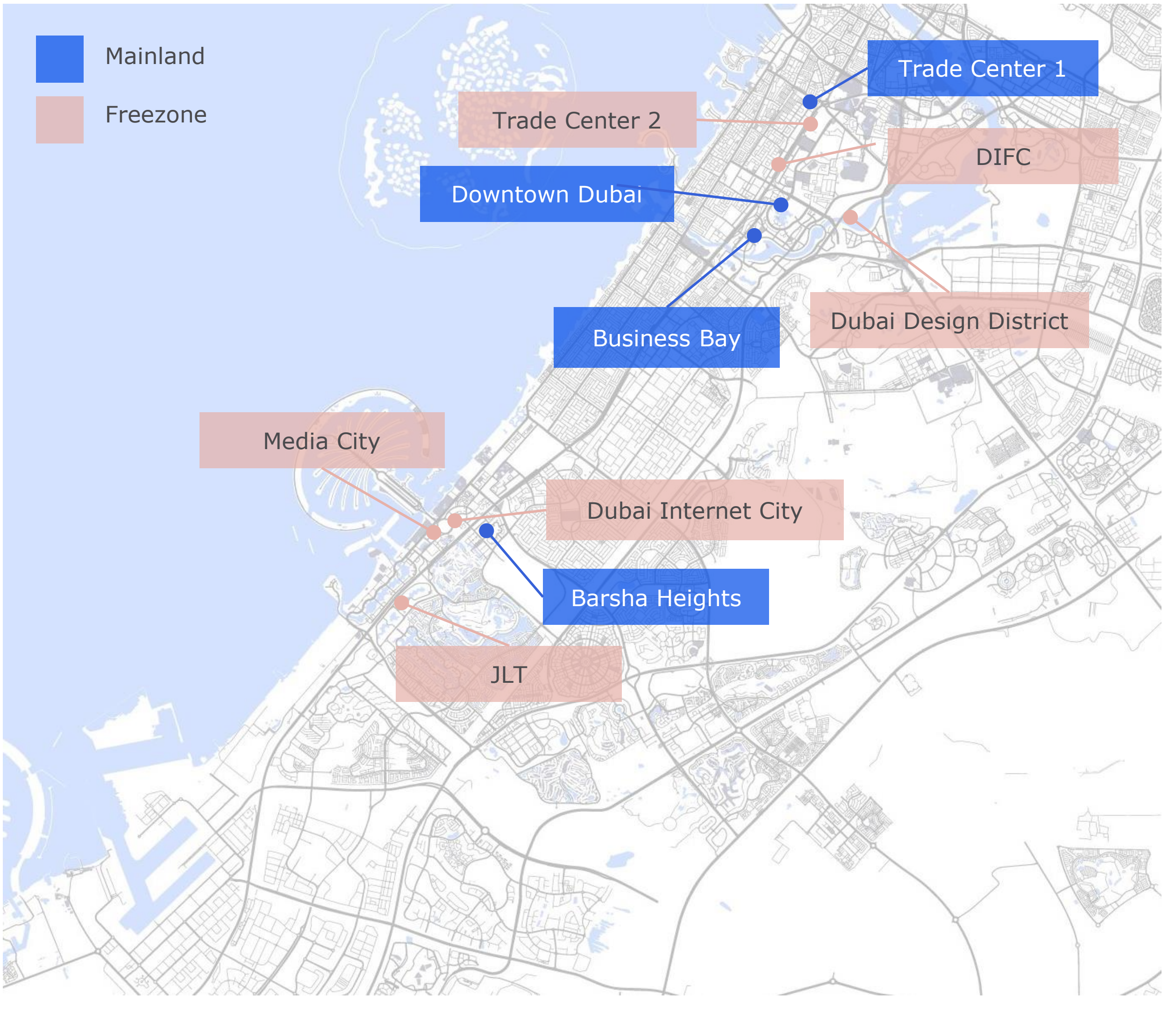
Annex

The methods of calculating the market indices and the map of Dubai's main business districts

Starting in Q4 2024, Nikoliers has been using its own methodology to analyze the Dubai office estate market, which may result in certain deviation from the indices published by other companies and sources. The company presents a more profound review of nine **main business districts** in the Emirate: Barsha Heights, Business Bay, Downtown Dubai, Dubai Design District, Dubai Internet City, Dubai Media City, Jumeirah Lake Towers (JLT), Trade Center First and Trade Center Second. Nevertheless, the list of Dubai's other business areas is not limited to the given sample. Another key business district of Dubai is Dubai International Financial Centre (DIFC), where a multitude of quality office projects can be found. However, the data on office space lease and purchase transactions are in closed access for this particular district.

While calculating the demand, weighted average rental rates and sale prices in Dubai's main business districts, we considered transactions from 500 sq feet (46.5 sq m).

The map of Dubai's main business districts



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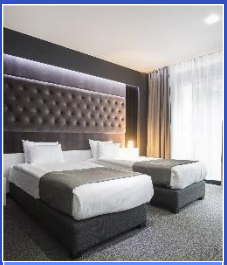

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Nikoliers' Team

Nikolay Kazanskiy, FRICS, CCIM
Managing Partner
nikolay.kazanskiy@nikoliers.ru

Vladimir Sergunin, PhD in Economics, MSF
Partner
vladimir.sergunin@nikoliers.ru

Anna Nikandrova
Partner
anna.nikandrova@nikoliers.ru

Igor Temnyshev
Partner
igor.temnyshev@nikoliers.ru

Dmitry Romanov, MRICS
Partner | Head of Professional Services
dmitry.romanov@nikoliers.ru

Andrey Kosarev, MRICS, PhD
Partner, UAE
andrey.kosarev@nikoliers.com

Eleonora Bogdanova
Regional Director
Industrial Real Estate and Land Department
Eleonora.Bogdanova@nikoliers.ru

Kirill Golyshev
Regional Director
Residential Real Estate and Land Development Department
kirill.golyshev@nikoliers.ru

Denis Platov
Head of Capital Markets Department
denis.platov@nikoliers.ru

Irina Tsarkova
Chief Executive Officer,
Saint Petersburg Office
irina.tsarkova@nikoliers.ru

Julia Kuznetsova
Director of Retail Estate Department
julia.kuznetsova@nikoliers.ru

Victoriya Goryacheva
Deputy Director
Office Estate Department
victoriya.goryacheva@nikoliers.ru

Marat Muradyan
Regional Director for Strategic Communications
marat.muradyan@nikoliers.ru

Contacts

Dubai Office

Andrey Kosarev, MRICS, PhD
Partner, UAE
Andrey.Kosarev@nikoliers.com

Marketing and PR Department

Marat Muradyan
Regional Director for Strategic Communications
Marat.Muradyan@nikoliers.ru

Research

Renata Akhmetshina
Junior Analyst
Renata.Akhmetshina@nikoliers.ru

123112 Москва
Пресненская набережная, д. 10
БЦ «Башня на Набережной», блок С, 52 этаж
Тел. +7 495 258 51 51
www.nikoliers.ru